

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: February 16, 2001

SUBJECT: Fiscal Impact Statement: “Approval of the Term of Comcast Cablevision of the District, LLC’s Franchise in the District of Columbia Emergency Act of 2001”

REFERENCE: Draft Legislation - Bill Number Not Available ([B 14-114](#))

Conclusion

There is no fiscal impact associated with the provisions of the proposed legislation as implementation of the act will be a continuation of the terms and conditions of an existing agreement. The proposed legislation will not require any additional staff or resources.

Background

The proposed legislation is the legal instrument for the conveyance of the approval authority required for the implementation of the terms and conditions of the extension agreement between the District of Columbia and Comcast Cablevision. Comcast Cablevision would continue as an interim service provider for 1 year ending March 14, 2002 or until the renewal agreement currently under negotiation is finalized and approved.

District Cablevision Limited Partnership (DCLP) has been authorized to provide service through its cable franchise. The franchise rights were granted on March 14, 1985 with a 15 year term. The Council of the District of Columbia extended the term 1 year. The franchise will expire on March 14, 2001. The District has not yet negotiated a final renewal agreement.

In the proposed legislation, the term of the current franchise would be extended for 6 months with provisions to extend such agreement for an additional 6 months. The proposed interim agreement would expire on September 14, 2001. If exercised, the extension would expire on March 14, 2002. DCLP would be obligated to uphold the standards of the current agreement. Under the current agreement, DCLP will pay to the District franchise fees equal to 5 percent of its gross revenue making payment on a quarterly basis. DCLP must also pay 1 percent of its gross revenue to the Public Access Corporation of the District of Columbia. DCLP will be obligated to pay any applicable liquidated damages or other fees to the District subject to the terms of the current agreement.

Financial Plan Impact

There will be no impact to the FY 2001 through FY 2004 budget and financial plan resulting from implementation of the proposed legislation. The proposed legislation will require the continuation of an existing agreement. The District will require no adjustments to existing staff and resources.