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Title:	Amendment of Chapters 4-280 and 4-284 regarding cable communications and ethics
Committee(s) Assignment:	Committee on Finance



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OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

March 14, 2012

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Business Affairs and Consumer Protection, I transmit herewith an ordinance amending Chapters 4-280 and 4-284 of the Municipal Code.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Chapters 4-280 and 4-284 of the Municipal Code of the City of Chicago are hereby amended by adding the underscored text, deleting the struck-through text, and making the changes otherwise indicated, as follows:

CHAPTER 4-280

CABLE COMMUNICATION

Article I. Short Title and Purpose

4-280-010 Short title.

4-280-020 Purposes.

Article II. Definitions

4-280-030 Definitions.

Article III. Grant of Authority

4-280-040 Franchise – Required.

4-280-050 Franchise – Applications.

Article IV. Franchise Conditions

4-280-060 Term and nonexclusivity.

4-280-070 Notice to grantee.

4-280-080 Review and modification.

4-280-090 Performance evaluation sessions.

4-280-100 Renewal.

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4-280-120 Arbitrary and capricious action – Remedies.

~~4-280-130 Arbitration provisions.~~

~~4-280-140 Transfer of ownership to grantor.~~

~~4-280-150 Grantor's right to assign.~~

~~4-280-160 Grantee's obligation as trustee.~~

~~4-280-170~~130 Franchise fee and other compensation.

~~4-280-180~~140 Insurance – Bonds – Indemnity.

~~4-280-190~~150 Letter of credit.

~~4-280-160 Remedies cumulative~~

~~4-280-200~~170 Transfer of franchise.

Article V. Subscriber and User Fees and Records

~~4-280-210~~180 Subscriber and user fees.

~~4-280-220~~190 Books and records.

Article VI. System Operations

~~4-280-230~~200 Franchise areas.

~~4-280-240~~210 Primary service area.

~~4-280-250~~220 Extension of service.

~~4-280-260~~230 System description and service.

~~4-280-270~~240 Operational requirements and records.

~~4-280-280~~250 Tests and performance monitoring.

~~4-280-290~~260 ~~Service adjustment and complaint procedure.~~ Service Disruption.

~~4-280-300~~270 Poles, conduits and other transmission facilities.

~~4-280-310~~280 Construction schedule and reports.

~~4-280-320~~290 Protection of privacy.

~~4-280-330 Radio and television sales and service prohibited.~~

~~4-280-340~~300 Areawide interconnection of cable systems.

Article VII. Chicago Access Corporation

~~4-280-350~~310 Purpose.

~~4-280-360~~320 Control of channels.

~~4-280-370~~330 Funding.

4-280-380340 Incorporation.
4-280-390350 Directors.
4-280-400360 Powers.
4-280-410370 Restrictions.

Article VIII. Cable Administrator

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~~Article IX. Chicago Cable Commission~~

~~4-280-430 Established.~~
~~4-280-440 Commissioners Appointment Term.~~
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Article XIX. General Provisions

4-280-470390 Limits on grantee's recourse.
4-280-480400 Compliance with state and federal law.
4-280-490410 Special license.
4-280-500420 Franchise validity.
4-280-510430 Failure to enforce.
4-280-520440 Rights reserved to grantor.
4-280-530450 Equal opportunity employment.
4-280-540460 Timely performance by grantee.
4-280-550470 Acceptance by written instrument.
4-280-560480 Multiple-unit dwellings – Resale of services prohibited.
4-280-570490 Violation – Penalty.
4-280-580500 Promulgation of rules by grantee.
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Article XXIX. Penalties and Credits Imposed for Material Breach of Customer Service and Privacy Protection Standards of the Cable and Video Customer Protection Law

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Article XXXI. Collection of Fees from Holders of State-Issued Authorizations to Provide Cable Services and Video Services

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Appendix A Chapter 4-280

ARTICLE I. SHORT TITLE AND PURPOSE

4-280-010 Short title.

This ordinance shall be known as the "Chicago Cable Communications Ordinance".

4-280-020 Purposes.

The purpose of this chapter is to:

A. Provide for the franchising and regulation of cable television systems within the City of Chicago; and

B. Provide for the payment of fees and other valuable consideration to the city for the use of city streets and other public ways in the construction and operation of cable television systems, and to compensate the city for other costs and activities associated therewith; and

C. Encourage the provision of advanced and competitive cable services on the widest possible basis to the businesses, institutions, and residents of the city
~~Provide for the regulation by the city of the rates to be charged to subscribers and users for cable television service; and~~

D. Provide for the development of cable systems ~~television~~ as a means to improve communication between and among the citizens and public institutions of the city and as a vehicle for the participation of all segments of the city, including minorities and women, the economic opportunities created thereby, including ownership; and

E. Provide remedies and prescribe penalties for violation of this chapter and the franchise(s) granted hereunder.

ARTICLE II. DEFINITIONS

4-280-030 Definitions.

For the purpose of this chapter, the following terms, phrases, words and their derivations shall have the meaning given herein, unless the context clearly indicates that another meaning is intended. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory. If specific provisions of law referred to herein are subsequently renumbered, then the reference shall be read to refer to the renumbered provision. References to laws, ordinances, or regulations shall be

interpreted broadly to cover government actions, however nominated, and include laws, ordinances, and regulations now in force or hereinafter enacted or amended.

A. ~~“Auxiliary services” means any communications services in addition to “regular subscriber services” including, but not limited to services for which a per-program per-channel charge is made, pay TV, burglar alarm services, data or other electronic transmission services, facsimile reproduction services, meter reading services and home shopping services, interactive two-way services and any other service utilizing any facility or equipment of a cable television system operating pursuant to a franchise granted under this chapter.~~

A. “Basic service” means any service tier which includes the lawful retransmission of local television broadcast signals and any public, education local government and leased access channels.

B. “Cable administrator” means the commissioner of business affairs and consumer protection shall be defined as specified in section 4-280-420380.

C. “Cable service” shall mean (a) the one-way transmission to subscribers of (i) video programming or (ii) other programming service, and b) subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service. For the purposes of this definition, “video programming” is programming provided by, or generally considered comparable to programming provided by a television broadcast station; and “other programming service” is information that a cable operator makes available to all subscribers generally.

BD. ~~“Cable television systemCable system (or cable communications system) ” means (i) a cable system, as defined in Title VI of the Federal Communications Act of 1934, 47 U.S.C. § 522 (7), as amended, and any implementing regulations; (ii) an open video system, as defined in Title VI of the Federal Communications Act of 1934, as amended, and any implementing regulations, (iii) a facility that provides multichannel video service to any person within the city, where such service is transmitted in whole or in part via wires or lines that are in, or cross, any public way within the city. This subsection (iii) shall apply whether the provider of such multichannel video service owns, leases or otherwise obtains the right to use such wires or lines, including wires or lines of a telecommunications provider used pursuant to tariff or otherwise for such purpose. For purposes of this definition, multichannel video service means multiple channels of video programming where the individual video channels are generally considered comparable to programming provided by a television broadcast station or by a direct-to-home satellite service; (iv) a community antenna television system as defined in Section 11-42-11 of the Illinois Municipal Code, as amended; or (v) a facility that provides multichannel video service that is otherwise subject to the requirements of a franchise or similar agreement pursuant to the Municipal Code of Chicago or other applicable law.~~

CE. “Channel” is a band of frequencies, six megahertz wide in the electromagnetic spectrum capable of carrying either one audio-visual television signal and a few nonvideo signals or a large number of nonvideo signals.

DE. "City" means the City of Chicago.

EG. ~~"Commission" means the Chicago Cable Commission.~~

FG. "Converter" means an electronic device which converts signals to a frequency susceptible to interference within the television receiver of a subscriber, and by an appropriate channel selector also permits a subscriber to view all signals delivered at designated dial locations.

H. "Council" means the city council of the City of Chicago.

~~H. "Depreciated value" means the value as shown on the grantee's books and records of all the cable television system's tangible assets after depreciation which shall be calculated to the end of the grantee's last fiscal year. Said value shall not include "good will" or any value that grantee's books and records attribute to the franchise.~~

~~I. "Fair market value" means the price that a willing buyer would pay to a willing seller for a going concern.~~

JI. "Federal Communications Commission" or "FCC" means the present federal agency of that name as constituted by the Communications Act of 1934, or any successor agency created by the United States Congress.

KJ. "Franchise" means the nonexclusive rights granted pursuant to this chapter to construct and operate a cable television system along the public ways in the city, within specified areas in the city, and is not intended to include any license or permit required for the privilege of constructing, transacting and carrying on a business within the city as may be required by other ordinances and laws of the city.

LK. "Franchise area" means that geographic portion of the city for which a franchise is granted under the authority of this chapter. If not otherwise stated in the franchise, the franchise area shall be the corporate limits of the city including any territory thereafter annexed to the city.

ML. "Grantee" means the "person" granted a franchise pursuant to this chapter and its lawful and approved successor, transferee or assignee.

NM. "Gross revenues" means any and all revenue derived directly or indirectly from the operation or use of all or part of a cable television system franchised pursuant to this chapter by the grantee, its affiliates, subsidiaries, parents and any person in which the grantee has a financial interest to provide cable services within the city. Gross revenues include, by way of illustration and not limitation including, but not limited to, monthly fees charged subscribers for cable services, any expanded tiers of cable service, optional premium or digital services, video on demand services, pay-per-view services, other optional pay services, installation, disconnection, reconnection and change-in-service fees, leased access channel fees, late fees and administrative fees, payments or other consideration received by grantee from programmers for carriage of

programming on the cable system; revenues from rentals or sales of converters or other cable system equipment; advertising sales; revenues from program guides and electronic guides, additional outlet fees, franchise fees required under any franchise granted pursuant to this chapter, revenue from all interactive services to the extent they are considered cable services under applicable law; and revenues from home shopping and other revenue-sharing arrangements. revenue from regular subscriber service fees, auxiliary service fees, installation and reconnection fees, leased channel fees, converter rentals, studio rental, production equipment and personnel fees and advertising revenues; provided, however, that this Gross revenues shall not include: 1) any taxes on services furnished by a grantee herein imposed directly upon any subscriber or user by the state, local or other governmental unit and collected by a grantee on behalf of said governmental unit, provided that for purpose of this definition, franchise fee is not such a tax; 2) bad debt, provided, however, that all or part of any such bad debt that is written off but subsequently collected shall be included in gross revenues in the period collected.

ON. "Mayor" means the mayor of the City of Chicago.

~~P. "Net profit" means the amount remaining after deducting from gross revenues all of the actual, direct and indirect, expenses associated with operating the cable television system including any fees paid to city, interest, depreciation and federal and state income taxes.~~

QQ. "Person" means an individual, firm, corporation, cooperative, association, trust, partnership, joint venture, combination or other legally recognized entity.

RP. "Primary service area" or "PSA" means that portion of the franchise area within which a grantee shall:

(1) Provide service to subscribers at its standard charges for connection and service; and

(2) Complete construction and offer and be capable of delivering cable television service to subscribers, in full accordance within this chapter and the franchise granted hereunder, within the timetable specified in the franchise.

SQ. "Public way" means the surface, the air space above the surface and the area below the surface of any public street, highway, lane, path, alley, sidewalk, boulevard, drive, bridge, tunnel, park, parkways, waterways or other public right-of-way including public utility easements or rights-of-way and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the city which shall entitle the city and a grantee to the use thereof for the purpose of installing and maintaining a grantee's cable television system.

~~T. "Regular subscriber service" means the distribution to subscribers of signals over the cable television system on all channels except those for which a per-program or per-channel charge is made, two-way services and those intended for reception by equipment other than a television broadcast receiver.~~

UR. "Schools" means all public and private tax- exempt educational institutions, including elementary and secondary schools, junior colleges, colleges and universities.

VS. "Subscriber" means any person who lawfully receives a residential cable service provided by a grantee's cable television system and does not further distribute such service(s).

W. ~~"Two way service" means the subscriber or any other location shall have the capability to choose whether or not to respond immediately or by sequential delay by utilizing any type of terminal equipment whatever, by pushbutton code, dial code, meter, voice, video including but not limited to, audio and video, electrical or mechanically produced signal, display and/or interrogation.~~

XT. "User" means a person or organization utilizing a system channel or system equipment and facilities for purposes of production and/or transmission of material, as contrasted with receipt thereof in a subscriber capacity.

ARTICLE III. GRANT OF AUTHORITY

4-280-040 Franchise – Required.

A. No person shall construct, install, maintain or operate a cable television system within the city, or within any other public property of the city, unless a franchise has first been obtained pursuant to: 1) this chapter and unless such franchise is in full force and effect; or 2) 220 ILCS 5/21-301. Such franchise shall not take the place of any other license or permit which may be legally required of a grantee in order to conduct such a business, or construct or install buildings, structures, facilities or equipment within the city.

B. A franchise shall not convey title, equitable or legal, in the public ways. The right granted is only the right to occupy those portions of the public way to which the city has the right to grant access, for the purposes and for the period stated in the franchise, and, subject to the limitations in this section and elsewhere in this chapter, the right may not be subdivided or subleased. Every franchise shall be interpreted in a manner that conforms to the requirements of this chapter and shall be deemed to include all the provisions that are required to be in a franchise under this chapter and all other applicable city code provisions, as if fully set forth in the franchise.

C. Nothing in this chapter nor any franchise granted pursuant to this chapter shall authorize the provision of any service other than cable services and shall in no way relieve the grantee of any obligation to obtain any authorizations, licenses or franchises to use the public ways to provide other non-cable services, or to comply with any requirements with respect to the use of the public ways or the provision of such non-cable services. The provisions of this chapter are not a bar to the imposition of similar, different or additional conditions with respect to the use of the public ways in connection with the provision of services other than cable services. Nothing in this

chapter shall prevent grantee from providing other non-cable services to the extent consistent with applicable law.

4-280-050 Franchise – Initial Applications.

A. After receiving applications for an initial cable system television franchise, the council, after considering the legal, financial, technical and character qualifications of the applicants and the public interest, may grant one or more nonexclusive franchises creating a right to construct and operate a cable television system within the public ways of the city; provided, however, no provision of this chapter shall be deemed or construed as to require the city to grant a franchise.

B. The application for an initial cable television system franchise shall be submitted to the council or its designee on a written form included in the request for proposals furnished by the city and in accordance with procedures and schedules to be established by the city. The application form may request facts and information the city deems appropriate. Applications shall be accompanied by a nonrefundable application fee in an amount determined by the city, which amount shall be used by the city to offset direct expenses incurred in the franchising and evaluation procedures, including, but not limited to, staff time and consulting assistance.

C. An applicant (grantee) to whom the council grants an initial nonexclusive cable television system franchise shall, in addition to the nonrefundable fee specified hereinabove, pay to the city at the time the grantee files the written instrument specified hereinafter, an amount to be determined by the mayor cable administrator to be used to offset all direct, reasonable costs incurred by the city in granting the franchise not defrayed by fees forthcoming from the provisions of subsection B of this section.

ARTICLE IV. FRANCHISE CONDITIONS

4-280-060 Term and nonexclusivity.

A. The term of an original franchise shall be up to 15 years from the date the franchise is accepted by a grantee. The term of a renewed franchise shall be no more than fifteen years. No franchise granted pursuant to this chapter shall give any exclusive right to a grantee and every such franchise shall be deemed to reserve the right to grant other franchises to use and occupy the public ways of the city for cable television service or any other purpose on such terms as the city may then deem appropriate.

4-280-070 Notice to grantee.

A. Except as otherwise provided in this chapter, the city shall not take any final action involving the ~~review, renewal, revocation~~ or termination of the grantee's franchise unless the city has:

(1)

Advised the grantee in writing, at least 30 days prior to the meeting at which such action shall take place, as to its time, place and purpose; and

(2)

Published a notice, at least once, ten days before the meeting on the City's website or in a newspaper of general circulation within the city.

4-280-080 Review and modification.

A. It shall be the policy of the city to amend a franchise upon application of the grantee, when necessary to enable the grantee to take advantage of advancements in the state-of-the-art which will afford it an opportunity to more effectively, efficiently or economically serve its subscribers; provided, however, that this section shall not be construed to require the city to make any amendment. Further, within the term of the franchise, either upon the request of the mayor, the cable administrator commission, or upon its own motion, the council may adopt a resolution setting forth the time and the place of a special council meeting, the purpose of which will be to consider mutually agreed upon system performance, system design modifications and the possible need for the adoption of reasonable and appropriate modifications in a franchise of a nature that would not result in effectively terminating same.

4-280-090 Performance evaluation sessions.

A. Upon 90 days advance written notice, the commission cable administrator may require and a grantee shall to participate in a hold scheduled performance evaluation sessions within 30 days of the third, fifth, tenth and fourteenth anniversary dates of a grantee's award of the franchise and as required by federal and state law. All such evaluation sessions shall be open to the public.

B. Special eEvaluation sessions may be held at any time during the term of the franchise at the request of the mayor, the commission or the grantee.

C. All evaluation sessions shall be open to the public and announced by the commissioncity in a newspaper of general circulation in accordance with the public notice requirements of Section 4-280-070, of this article. Grantee shall notify subscribers of all evaluation sessions by announcements on appropriate channel(s) on the system as determined by the cable administrator commission, between the hours of 7:00 a.m. and 9:00 p.m. for five consecutive days preceding each session.

D. Topics which may be discussed at any scheduled or special evaluation session may include, but not be limited to, service rate structures, franchise fees, penalties, free or discounted services, applications of new technologies, system performance, services provided, programming offered, customer complaints, privacy amendments to this chapter, judicial and FCC rulings, line extension policies and grantee or city rules.

E. During a review and evaluation by the city, the grantee shall fully cooperate with the commission city and shall provide such information and documents as the cable administrator commission may need to reasonably perform its the review.

F. If at any time during its review, the cable administrator commission determines that reasonable evidence exists of inadequate cable system performance, it may require a grantee to perform tests and analyses directed toward the suspected inadequacies. The grantee shall fully cooperate with the cable administrator commission in performing such testing and shall prepare results and a report if requested within 30 days after notice. Such report shall include the following information:

1. The nature of the complaint or problem which precipitated the special tests;
2. What system component was tested;
3. The equipment used and procedures employed in testing;
4. The method, if any, in which such complaint or problem was resolved;
5. Any other information pertinent to said tests and analyses which may be required;
6. The ~~commission~~ cable administrator may require the test to be supervised at grantee's expense by a professional engineer not on the permanent staff of the grantee, to be approved by the ~~commission~~ cable administrator. The engineer shall sign all records of special tests and forward to the ~~commission~~ cable administrator such records with a report interpreting the results of the test and recommending actions to be taken.

G. The city's right under this section shall be limited to requiring tests, analysis and reports covering specific subjects and characteristics based on said complaints or other evidence when and under such circumstances as the ~~commission~~ cable administrator has reasonable grounds to believe that the complaints or other evidence require that tests be performed to protect the public against substandard cable service.

4-280-100 Renewal.

A. To the extent required by federal law, requests for franchise renewal will be received and reviewed by the city in a manner consistent with Title VI of the Federal Communications Act of 1934, 47 U.S.C. § 546, as amended, and any implementing regulations. ~~A grantee shall be solely responsible for requesting the council, in writing, to hold a special council meeting, the purpose of which will be to review the grantee's performance during the entire term of its franchise, to consider the adequacy of the franchise from the standpoint of the city, the grantee and the Federal Communications Commission Rules for Cable Television and to determine the advisability of renewing the grantee's franchise. Said request shall be made not less than 18 months prior to the franchise expiration date. Upon receipt of said request, the council may adopt a resolution setting forth the time and place of the special council meeting.~~

B. A grantee may submit to the cable administrator an informal proposal for renewal of a franchise, pursuant to 47 U.S.C. § 546(h). Such an informal proposal may be submitted at any time during the term of a franchise and the city may, after affording the public adequate notice and opportunity for comment, grant or deny such informal

proposal at any time (including after proceedings have been commenced in accordance with 47 U.S.C. § 546(a)). An informal application for renewal may be denied by the city for any reason. The council may hear any interested persons during said special council meeting and may determine whether or not the grantee did reasonably comply with the terms and conditions imposed by this chapter and the franchise.

C. If the council determines that a grantee has been in reasonable compliance with the terms and conditions imposed by this chapter and the franchise, the council may, by ordinance, renew the grantee's franchise, with any modifications it deems desirable~~reasonable~~, for a period of time not inconsistent with the provisions of section 4-280-060 of this chapter.

D. ~~Notwithstanding the fact that T~~the council may determine that a grantee has been in reasonable compliance with the terms and conditions imposed by this chapter and the franchise, it shall have the right not to renew the a franchise in accordance with 47 U.S.C. § 546. If the council does not renew the franchise, the council, to the extent then permitted by existing law, shall have the option to either:

1. ~~Acquire, at fair market value or such lesser amount as specified in the franchise, grantee's interest in all the assets of the grantee's operations within the city;~~
2. ~~Require the sale, at fair market value or such lesser amount as specified in the franchise, of grantee's interest in all such assets to a succeeding grantee; or~~
3. ~~Require the removal of all grantee's property located with the public ways of the city, at the grantee's expense.~~

E. ~~Except as provided in Section 4-280-140 of this chapter, the council's abovestated options must be exercised within one year from the date of the expiration of the franchise unless such period is extended with the consent of the grantee.~~

~~FE.~~ To the extent permitted by existing law, Tthe city shall have the right to recoup from a grantee all direct expenses incurred pursuant to its consideration of renewal of the franchise whether or not the franchise is renewed.

4-280-110 Revocation conditions and procedures.

A. A franchise may be revoked by the city council W~~whenever~~ a grantee shall refuse, neglect or ~~wilfully~~willfully fail to: 1) construct, operate or maintain its cable television-cable systems; 2) or to provide cable service to its subscribers in reasonable accordance with the terms of this chapter and the franchise; 3) or to comply with the conditions of occupancy of any public ways; 4) or to make required extensions of service; 5) or in any other way substantially violates ~~comply with~~ the terms and conditions of this chapter, the franchise, or any applicable rule or regulation; 6) or practices any fraud or deceit upon the city or its subscribers, or otherwise fails to maintain its eligibility to do business with the City under Article I of Chapter 1-23 of this Code; or 7) or fails to pay franchise fees when due. A franchise may also be revoked by the cable administrator whenever a grantee: 1) practices any fraud or deceit upon the city or its subscribers; 2) or if a grantee becomes insolvent, or unable or unwilling to pay its uncontested debts; 3) or is adjudged bankrupt, or seeks relief under the bankruptcy laws, then the franchise may be revoked.

B. In the event the mayor or the cable commission believes administrator believes that grounds for revocation exist or have existed, the mayor or the cable administrator commission shall notify a grantee, in writing, setting forth the nature and facts of such noncompliance. If, within 30 days following such written notification, the grantee has not furnished reasonably satisfactory evidence that corrective action has been taken or is being actively and expeditiously pursued, or that the alleged violations did not occur, or that the alleged violations were beyond the grantee's control, the mayor or the commission cable administrator shall thereupon refer the matter to the council.

C. Upon referral from the mayor or the commission cable administrator or by its own motion, the council may revoke a franchise pursuant to subsection A of this section. Provided, however, that if grounds for revocation exist under Article I of Chapter 1-23 of this Code, the recommendation of the mayor or the commission cable administrator shall be required for the city council to take action on such grounds as required by Section 1-23-040.

D. The council shall not revoke a franchise pursuant to subsection C of this section, until it has given notice to the grantee that it proposes to take such an action and the grounds therefore. Further, the council shall not revoke a franchise until the grantee, or its representative, has had reasonable opportunity to be heard before the council and show that the proposed grounds for revocation did not or do not exist, as the case may be.

E. A grantee shall not be subject to the sanctions of this section for any act or omission wherein such act or omission was beyond the grantee's control. An act or omission shall not be deemed to be beyond a grantee's control if committed, omitted, or caused by a corporation or other business entity which holds a controlling interest in the grantee, whether held directly or indirectly. Further, the inability of a grantee to obtain financing for whatever reason, reason shall not be an act or omission which is "beyond the grantee's control".

F. ~~In the event that a franchise has been revoked by the council, the city shall have an option, to the extent then permitted by law, to either purchase the grantee's interest in the tangible assets of the grantee's cable television system previously governed by the franchise at their depreciated value as defined herein or assign such rights to purchase, or require removal of all grantee's property located within the public ways of the city at the grantee's expense. Such an option must be exercised within one year from the date of the revocation of the franchise, or the entry of the final judgment by a court reviewing the question of the council's revocation or the entry of the final judgment by a court reviewing the question of the council's revocation, whichever is later.~~ Upon revocation of a franchise the grantee shall be obligated to cease using the cable system for the purposes authorized by the franchise. The city may either take temporary possession of some or all of the grantee's facilities in the public ways, effect the transfer of ownership of the cable system to the city or another person subject to and in accordance with federal law, or require the grantee to remove

some or all of the grantee's facilities from the public ways and restore the public ways to the condition required by applicable provisions of the city code and city regulations. Should the grantee neglect, refuse, or fail to remove such facility, the city may remove the facility at the expense of the grantee. The obligation of the grantee to remove shall survive the termination of the franchise for a period of two years; provided, that this provision does not permit the city to take possession of, or require the grantee to remove, any facilities that are used to provide another service for which the grantee holds a valid franchise issued by the city or for which grantee is otherwise authorized by existing law to provide in the city.

G. The termination of a grantee's rights under a franchise shall in no way affect any other rights the city may have under the franchise or under any provision of law.

4-280-120 Arbitrary and capricious action – Remedies.

A. If a grantee arbitrarily and capriciously discontinues cable service to a substantial number of its subscribers, the grantee's franchise may be revoked by an ordinance of the council following notice to the grantee and an opportunity to be heard. Notwithstanding the provisions of Section 4-280-070, notice to the grantee under this section may be less than 30 days. Provided further, the city may seek appropriate judicial or other relief and/or may proceed to exercise its rights and powers as provided for herein.

~~4-280-130 Arbitration provisions.~~

~~A. In the event the city elects to purchase a grantee's cable television system, or any of its assets and the value therefor cannot be agreed upon, said value shall be determined by a panel of arbitrators. The panel shall be composed of one arbitrator chosen by the city, one arbitrator chosen by the grantee and a third arbitrator chosen by the first two. The expenses of the arbitration, including the fees of the arbitrators, shall be borne by the parties in such manner as the arbitrators provide in their award, but in no event will the city be obligated for more than one-half the expenses. The determination of a majority of the arbitrators shall be binding on the parties. The arbitrators shall follow the rules and procedures of the American Arbitration Association except where in conflict with the provisions of this chapter. The arbitration hearing shall take place in the city, unless otherwise agreed to by the parties in writing.~~

~~4-280-140 Transfer of ownership to grantor.~~

~~A. In those circumstances provided for in this chapter wherein the city shall have the right to purchase ownership of a grantee's cable television system or any of its assets, the city may give notice that it elects to exercise such right and the city may acquire such assets at the time of payment of the value thereof. In those circumstances where the question of value has been submitted to arbitration, the council may affirmatively accept the decision of the arbitrators within 90 days after the rendering of the arbitrators' decision. However, if the council fails to accept the arbitrators' decision with the aforesaid 90-day period, the rights of the city to purchase shall expire.~~

~~B. In those circumstances provided for in this chapter wherein the city shall have the right to purchase ownership of a grantee's cable television system, or any of its assets, no question of value shall be submitted to arbitration until 60 days have lapsed from the giving of such notice.~~

~~4-280-150 Grantor's right to assign.~~

~~A. A franchise shall not limit the right of the city to assign its rights to acquire any or all of the assets of a grantee's cable television system.~~

~~4-280-160 Grantee's obligation as trustee.~~

~~A. At all times from the expiration or revocation of a franchise and until either (1) a grantee transfers to the city or other succeeding operator of the system all of its rights, title and interest to all assets, real and personal, related to its cable television system or (2) the city's right to either acquire or assign its rights to acquire any of the grantee's assets expires without the city having exercised such a right, whichever occurs first, the grantee shall have a duty to such successor as a trustee holding such assets for the benefit of such successor and the grantee shall not sell any of the system assets nor shall the grantee make any physical, material, or administrative operational changes that would tend to (1) degrade the quality of service to the subscribers, (2) decrease gross revenues, or (3) materially increase expenses without the expressed permission, in writing, of the city or its assigns. The grantee shall at all times operate the system in accordance with terms of this chapter and the terms of the franchise as if the franchise had not expired or had not been revoked. In the event the grantee fails or refuses to operate the system as a trustee, the city shall have the right to apply to a court of competent jurisdiction for permission to name a successor trustee or operate the system itself as a trustee in accordance with the terms of this chapter and the terms of the franchise.~~

~~B. In the event of expiration or revocation of a franchise, this section shall not be construed to give a grantee any vested or other franchise right, but the right of the grantee in such circumstances shall exist only on a day-to-day basis until the transfer is effected.~~

~~C. For its management services during this interim period as a trustee, a grantee shall be entitled to receive as compensation the net profit, as defined herein, generated during the period between the expiration or revocation of the franchise, as the case may be and the transfer of the grantee's assets to the city or a successor.~~

~~D. Further, this section shall in no way limit the power of the city, upon expiration or revocation of a franchise to require a grantee to cease all operations whatsoever and/or remove its facilities, or otherwise exercise any rights the city would otherwise have.~~

~~4-280-170-130 Franchise fee and other compensation.~~

~~A. A grantee, in consideration of the privilege granted under the franchise for the operation of a cable television system within the public ways of the city, the expense of regulation pursuant to the franchise incurred by the city and for other costs and considerations, shall pay to the city a franchise fee of not less than five percent of its annual gross revenues during the period of its operation under the franchise.~~

B. The grantee shall file with the city, within 30 days after the expiration of each of the grantee's fiscal quarters, a financial statement clearly showing the gross revenues received by grantee during the preceding quarter and shall simultaneously tender payment of the quarterly portion of the franchise fee. The grantee shall also file, upon request by the city, within 120 days following the conclusion of the grantee's fiscal year, an annual report prepared and audited by a certified public accountant acceptable to the city, clearly showing the yearly total gross revenues.

C. At any time during the term of a franchise, ~~the~~ the city shall have the right, consistent with the provision of Section 4-280-220-190 to inspect a grantee's income records, the right of audit and the recomputation of any amounts determined to be payable under this chapter and the franchise. Any additional amount due the city as a result of the audit shall be paid within 30 days following written notice to the grantee by the city which notice shall include a copy of the audit report. The cost of said audit shall be borne by the grantee if it is properly determined that the grantee's annual payment due to the city for the proceeding year is increased thereby by more than five percent.

D. In the event that any franchise payment or recomputed amount is not made on or before the applicable dates heretofore specified, interest shall be charged from such due date at the rate of one and one-half percent per month.

E. No acceptance by the City of any franchise fee shall be construed as an accord that the amount paid is in fact the correct amount, nor shall such acceptance of such franchise fee payment be construed as a release of any claim the city may have for additional sums payable.

F. The franchise fee payment is not a payment in lieu of any tax, fee, or other assessment, except as specifically required by applicable law. By way of example, and not limitation, permit fees and business license fees taxes are not waived and remain applicable. ~~In the event the franchise is terminated prior to its expiration date and the city invokes its right to purchase the grantee's cable television system, the grantee shall file with the city, within 30 days of the date that ownership and control passes to the city or its assignee, a financial statement clearly showing the gross revenues received by grantee since the end of the previous fiscal quarter. The grantee shall pay the franchise fee due at the time such statement is filed or within 30 days, whichever is sooner.~~

4-280-180-140 Insurance - Bonds - Indemnity.

A. Upon the granting of a franchise and within 30 days following the filing of the acceptance required under Section 4-280-550-470 hereof and at all times during the term of the franchise, including the time for removal of facilities or management as a trustee as provided for herein, a grantee shall obtain, pay all premiums for and file with the city comptroller written evidence of payment of premiums and executed duplicate copies of the following:

1. A general comprehensive liability policy indemnifying, defending and saving harmless the city, its officers, boards, commissions, agents or employees from any and all claims by any person whatsoever on account of injury to or death of a

person or persons occasioned by the installation or operation of the grantee's cable television system, or alleged to have been so caused or occurred, with a minimum liability of an amount as established in the franchise;

2. Property damage insurance indemnifying, defending and saving harmless the city, its officers, boards, commissions, agents and employees from and against all claims by any person whatsoever for property damage occasioned by the installation or operation of grantee's cable television system, or alleged to have been so caused or occurred, with a minimum liability of an amount as established in the franchise;

3. A performance bond running to the city with good and sufficient surety approved by the city comptroller in the amount specified in the franchise, conditioned upon the faithful performance and discharge of the obligations imposed by this chapter and the franchise awarded hereunder from the date thereof including, but not limited to, faithful compliance with the construction timetable proposed by a grantee in its application as incorporated into the franchise, unless appropriate extension is approved by the commission. The city's right to recover under the bond shall be in addition to any other rights retained by the city under this chapter and other applicable law. Any proceeds recovered under the bond may be used to reimburse the city for the loss of expected payments of the franchise fee and other valuable consideration given for the grant of the franchise and such additional expenses as may be incurred by the city as a result of grantee's failure to comply with the obligations imposed by this chapter and the franchise including, but not limited to, attorney's fees and costs of any action or proceeding, the cost of refranchising and the cost of removal or abandonment of any property, or other costs which may be in default.

B. The bond and all insurance policies called for herein shall be issued by companies licensed to do business in Illinois and shall be in a form satisfactory to the corporation counsel and shall require 30 days' written notice of any cancellation to both the ~~commission~~ cable administrator, the corporation counsel, and the grantee. A grantee shall, in the event of any such cancellation notice, obtain, pay all premiums for and file with the ~~commission~~ cable administrator (with a copy to the corporation counsel) written evidence of the issuance of replacement bond or policies within 30 days following receipt by the city or the grantee of any notice of cancellation.

C. With regard to a renewal franchise agreement applicable to a Grantee that has completed construction of its cable system, the bond required by this section may be conditioned on the resumption of construction or other circumstances that, in the reasonable judgment of the cable administrator, requires such additional security to adequately protect the city.

CD. A grantee shall, at its sole cost and expense, indemnify and hold harmless the city, its officials, boards, commissions, consultants, agents and employees against any and all claims, suits, causes of action, proceedings and judgments for damage and the resulting losses, costs, expenses, liabilities, damages, orders, judgments, or decrees, sustained by the City arising out of the acts, errors, or omissions of the grantee, its agents, independent contractors, or employees related to or in any way arising out of the award of franchise to the grantee and its installation and operation of

the cable television ~~cable system~~ under the franchise. These damages shall include, but not be limited to, penalties arising out of copyright infringements and damages arising out of the failure by grantee to secure consents from the owners, authorized distributors or licensees of programs to be delivered by the grantee's cable television ~~system~~ whether or not any act or omission complained of is authorized, allowed, or prohibited by the franchise. Indemnified expenses shall include, but not be limited to, all out-of-pocket expenses, such as attorney fees and shall also include the reasonable value of any services rendered by the corporation counsel or his assistants or any consultants, agents and employees of the city.

4-280-190-150 Letter of credit.

A. Within ten days after the award of a franchise, a grantee shall deposit with the city a letter of credit from a financial institution approved by the city comptroller in an amount as specified in the franchise. The form and content of such letter of credit shall be approved by the corporation counsel. The letter of credit shall be used to insure the faithful performance by the grantee of all provisions of the franchise and this chapter; and compliance with all orders, permits and directions of any agency, commission, board, department, division or office of the city having jurisdiction over its acts or defaults under the franchise or this chapter and the payment by the grantee of any penalties, claims, liens and taxes due the city, ~~the commission,~~ or other governmental entities which arise by reason of the construction, operation or maintenance of the system.

B. If a grantee fails to pay to the city any compensation due the city within the time fixed herein; or, fails after ten days' notice to pay to the city any taxes due and unpaid; or fails to repay the city within ten days, any damages, costs or expenses which the city is compelled to pay by reason of any act or default of a grantee in connection with the franchise; or, fails after three days' notice of such failure by the grantee to comply with any provisions of the franchise or this chapter while the city reasonably determines can be remedied by demand on the letter of credit, the city may immediately request payment of the amount thereof, with the interest and any penalties, from the letter of credit. Upon such request for payment, the city shall notify the grantee of the amount and date thereof.

C. The letter of credit shall be maintained at the amount specified in the franchise during the entire term of the franchise. In the event that amounts are withdrawn pursuant to subsection A or B of this section, a grantee, if necessary, shall take any action required to maintain the letter of credit at said full amount within three days of the notification by the city of its withdrawal against the letter of credit.

D. The rights reserved to the city with respect to the letter of credit are in addition to all other rights of the city, whether reserved by the franchise or authorized by law and no action, proceeding or exercise of a right with respect to such letter of credit shall affect any other right the city may have.

E. The letter of credit shall contain the following endorsement:

It is hereby understood and agreed that the surety will not cancel or refuse to renew this letter of credit without giving to the City Comptroller written notice, by registered mail, of its intention to cancel or not to renew, at least thirty (30) days prior to such action.

4-280-160 Remedies cumulative.

All remedies under this chapter and any franchise are cumulative unless otherwise expressly stated. The exercise of one remedy shall not foreclose use of another, nor shall the exercise of a remedy or the payment of liquidated damages or penalties relieve a grantee of its obligations to comply with its franchise. Remedies may be used singly or in combination; in addition, the city may exercise any rights it has at law or equity. Recovery by the city of any amounts under insurance, the performance bond, any security fund or letter of credit, or otherwise, does not limit a grantee's duty to indemnify the city in any way; nor shall such recovery relieve a grantee of its obligations under a franchise, limit the amounts owed to the city, or in any respect prevent the City from exercising any other right or remedy it may have.

4-280-200-170 Transfer of franchise.

A. A franchise granted under this chapter shall be a privilege to be held in personal trust by a grantee. It shall not be assigned, transferred, sold or disposed of, in whole or in part, by voluntary sale, sale and leaseback, merger, consolidation or otherwise or by forced or involuntary sale, without prior consent of the council expressed by resolution and then on only such conditions as may therein be prescribed. Any sale, transfer or assignment not made according to the procedures set forth in this chapter shall render the franchise void. The sale, transfer or assignment in bulk of the major part of the tangible assets of the grantee shall be considered an assignment and shall be subject to the provisions of this section.

B. Any sale, transfer or assignment authorized by the council shall be made by a bill of sale or similar document, an executed copy of which shall be filed with the city within 30 days after any such sale, transfer or assignment. The council shall not withhold its consent unreasonably; provided, however, the proposed assignee agrees to comply with all the provisions of this chapter and the franchise and reasonable amendments thereto and must be able to provide proof of legal, technical, financial and character qualifications as determined by the city. The proposed assignee must further agree that it will assume the obligations, liabilities, and responsibility for all acts and omissions, known and unknown, of the previous grantee unless the City, in its sole discretion, expressly waives this requirement in whole or in part.

C. No such consent shall be required for a transfer in trust, mortgage, or other instrument of hypothecation, in whole or in part, to secure an indebtedness except when such hypothecation shall exceed 75 percent of the fair market value of the property used by the grantee in the operation of its cable television system. Prior consent of the council, expressed by resolution, shall be required for such transfer and said consent shall not be withheld unreasonably.

D. Prior approval of the council shall be required where ownership or control of 20 percent or more of the right of control of a grantee is acquired during the term of the franchise in any transaction or series of transactions by a person or group of persons acting in concert, none of whom owned or controlled 20 percent or more of such right to control, singularly or collectively on the effective date of the franchise. By its acceptance of a franchise, a grantee specifically grants and agrees that any such acquisition occurring without prior approval of the council shall render the franchise void.

E. The consent of the council to any sale, transfer, lease, trust, mortgage or other instrument of hypothecation shall not constitute a waiver or release of any of the rights of the city under this chapter and the franchise whether arising before or after the date of the a transfer.

F. The grantee's application for approval submitted pursuant to this section shall be processed in accordance with procedures consistent with applicable federal law.

ARTICLE V. SUBSCRIBER AND USER FEES AND RECORDS

~~4-280-240-180~~ Subscriber and user fees.

A. By accepting a franchise granted pursuant to the terms and conditions imposed by this chapter, a grantee agrees that the city shall have the authority and right to regulate grantee's cable service rates ~~cause the grantee's fees for users, regular subscriber service and all other services to the extent permitted by law or FCC rules and regulations to conform to the provisions contained herein.~~ The city shall also have the authority and right to deny increases or order deduction of fees when it determines that in the absence of such action on its part, a grantee's fees or proposed fees do not conform to the stipulations contained herein.

B. All charges to subscribers and users shall be consistent with a schedule of fees for all services offered as established by the grantee.

C. A grantee shall not, with regard to fees and any other conditions of service, within the entire franchise area, discriminate or grant any preference or advantage to any person; provided, however, that a grantee may establish different rates for different classes of subscribers or users, provided that the grantee not discriminate between subscribers or users of the same services. Nothing herein shall be deemed to prevent a grantee from offering promotional or bulk discount rates so long as such discounts are available in a uniform and consistent manner in accordance with existing law.

D. ~~—~~ [Reserved.]

E. ~~—~~ By acceptance of a franchise, a grantee further acknowledges that the city retains the right to fix rates for users, regular subscriber service and all other services to

~~the extent permitted by law or FCC rules and regulations, that are just, reasonable and compensatory (assuming efficient and economic management)~~

~~1. Any time after 42 months from the date service is provided to the first subscriber under the franchise, the council, after proper notice as provided for herein, may hold public hearings to consider the necessity of regulating the subscriber and user rates charged by the grantee, and by reasonable amendment of this chapter and franchise, and/or by adoption of rules and regulations, may establish procedures for the review of subscriber and user rates; provided, however, that this section shall not permit the city to order a grantee to rebate any fee or portion thereof charged during the period when such fees were not subject to regulation by the city.~~

~~F. A grantee shall be required to apprise in writing each new subscriber of all applicable fees and charges for providing cable television service.~~

~~G.D. Grantee may, at its own discretion, in a nondiscriminatory manner, waive, reduce or suspend connection fees and/or monthly service fees for promotional purposes.~~

~~H. Except as may be otherwise provided in a franchise, a subscriber shall have the right to have its service disconnected without charge; such disconnection shall be made as soon as practicable and in no case later than 30 days following notice to the grantee of same. No grantee shall enter into any agreement with a subscriber which imposes any charge following disconnection of service, except for reconnection and subsequent monthly or periodic charges and those charges shall be no greater than charges for new customers. This section shall not prevent a grantee from refusing service to any person because the grantee's prior accounts with that person remain due and owing.~~

~~I. Except as may be otherwise provided in a franchise or as approved by the commission, a grantee may offer service which requires advance payment of periodic service charges for no more than one year in advance subject to the conditions contained in this paragraph and the rules and regulations of the commission. A subscriber shall have the right, at any time, to have its service disconnected without charge and with a refund of unused service charges paid to the subscriber within 30 days from the date of termination of service. Rate increases shall not be effective with respect to any subscriber until after the expiration of any period for which advance payment has been accepted by the grantee.~~

~~4-280-220-190 Books and records.~~

A. A grantee shall, (1) within 30 days following the acceptance of a franchise and (2) upon written request of the city ~~at least yearly thereafter and (3) within 30 days of the change of ownership of three percent or more of the outstanding stock or equivalent ownership interest of a grantee, furnish the cable administrator commission a list, showing the names and addresses of persons owning three percent or more of the outstanding stock or equivalent ownership interest of the grantee. Such a list shall include a roster of the grantee's officers and directors (or equivalent managerial personnel) and their addresses.~~

B. A grantee shall maintain books and records of its operations within the city to show the total revenues, by cable service category following in sufficient detail, consistent with generally accepted accounting principles.:

1. ~~Total revenues, by service category;~~
2. ~~Operating expenses, categorized by general and administrative expenses, technical expenses and programming expenses and overhead, where applicable;~~
3. ~~Capital expenditures, to include capitalized interest and overhead, if any;~~
4. ~~Depreciation expenses, by category.~~

C. A grantee shall maintain such books and records for the franchise area specified in the franchise separately from any other operations; provided, however, that any expenses or expenditures which apply to both the system in said franchise area and any other operations shall be reasonably allocated between all such operations, consistent with generally accepted accounting principles. Such books and records shall be retained, in any reasonable form, for a period of not less than 45-10 years. The city shall have the right to extend the retention period through the term of any renewed franchise.

D. The books and records of a grantee's operation within the city shall be made available in the city during normal business hours, for inspection and audit by the city within ten days after such request has been made.

E. Copies of a grantee's schedule of charges, contract or application forms for subscriber service, policy regarding the processing of subscriber complaints, delinquent subscriber disconnect and reconnect procedures and any other terms and conditions adopted as a grantee's policy in connection with its subscribers shall be filed with the cable administrator commission and shall be made available for inspection by the public in the grantee's local office.

ARTICLE VI. SYSTEM OPERATIONS

4-280-230-200 Franchise areas.

A. The areas of the city for which applications for franchise will be accepted shall be specified by the council.

4-280-240-210 Primary service area.

A. A grantee shall furnish to the city a map of suitable scale showing all roads and public buildings, which indicates the primary service area (PSA) to be served.

B. The primary service area shall be subject to approval by the city and shall be incorporated into a franchise granted pursuant to this chapter. If no PSA is

specifically delineated in a franchise, the PSA shall be considered to be coterminous with the franchise area.

~~4-280-250~~ 220 Extension of service.

A. Each grantee shall extend its cable television system and make service available beyond the primary service area in accordance with a line extension policy as shall be specified in a franchise granted hereunder.

~~4-280-260~~ 230 System description and service.

A. The cable television system to be installed by grantee shall comply in all respects with the technical performance requirements set forth ~~in by~~ the FCC's Rules for Cable Television, including applicable amendments thereto; provided, however, that nothing contained herein shall be construed to prohibit a grantee from proposing to comply with more rigid technical performance requirements, in which case the grantee's application shall be incorporated by reference in the franchise and shall be binding on the grantee. If the FCC should delete said requirements, the city hereby reserves the right to amend this chapter to incorporate similar standards and every franchise granted pursuant to this chapter shall be subject to such reserved power whether or not expressly so conditioned.

B. Applications for franchise shall include proposals for the provision of public, education/cultural, local government and leased access channels. Such proposals by grantee shall be incorporated into the franchise granted and shall be subject to the following minimum requirements or to such greater requirements as shall be specified in the franchise:

1. All proposals for public and education/cultural access channels shall be subject to the control of the Chicago Access Corporation consistent with ~~Section 4-280-360~~ 320.

2. A minimum of two local government access channels shall be made available for the use of local government authorities free of charge.

3. A minimum of two leased access channels shall be made available to leased access users. ~~Priority shall be given part time users on at least one channel. The grantee shall adopt operating rules for the channel(s), to be filed with the commission prior to activation of the channel(s), designed to regulate the presentation of obscene matter and shall establish rules to this effect; and other rules requiring first-come, nondiscriminatory access, sponsorship identification, specifying an appropriate rate schedule and permitting public inspection of a complete record of the names and addresses of all persons or groups requesting time. Such a record shall be retained for a period of two years.~~

C. Grantee shall provide complimentary service for eligible buildings as required by 220 ILCS 5/22-501(f). In the event the state should eliminate said requirements, the grantee shall provide, without charge within the primary service area, one service outlet activated for basic service to all current and future schools and public

buildings within grantee's franchise area, including, but not limited to, all city buildings, public libraries, whether owned or leased by the city and such other buildings used for governmental purposes as may be designated by the city. Furthermore, grantee shall be permitted to recover, from any building owner entitled to free service, the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring; provided, however, that the grantee shall not charge for the provision of regular subscriber basic service to the additional service outlets once installed. Such service shall be used in a manner consistent with the purpose for the eligible building and shall not be resold. This obligation only applies to grantees whose cable service passes eligible buildings and cable service is generally available to residential subscribers in the city. The burden of providing such cable service at each eligible building shall be shared by all grantees whose systems pass the eligible buildings in an equitable and competitively neutral manner, and nothing herein shall require duplicative installations by more than one grantee at each eligible building. Grantees operating in the city shall meet as necessary and determine who will provide cable service to eligible buildings. If the grantees are unable to reach agreement, the city shall meet with the grantees and shall determine which grantee will serve which eligible building. The city or eligible buildings shall bear the costs of any inside wiring or video equipment costs not ordinarily provided as part of the grantee's basic service offering. A grantee shall provide, without charge within the primary service area, one service outlet activated for regular subscriber service to each fire station, school, police station, public library and such other buildings used for governmental purposes as may be designated by the city.

D. Grantee and all other persons using or making use of the cable communications system shall comply in all respects with all federal, state and local laws regarding obscene programming.

1. Any programming offered or transmitted over any cable system that has been determined to be obscene or otherwise unprotected by the Constitution of the United States is prohibited. by a grantee which is either rated "X" by the Motion Picture Association of America or the content of which, although unrated, would have been designated the rating of "X", shall only be shown between the hours of 11:00 p.m. and 6:00 a.m. of the following day, Chicago time. A grantee shall have the responsibility of monitoring and evaluating such programming on all channels, other than those programmed under the control of the Chicago Access Corporation or the city, in a manner it deems appropriate.

2. Violation of this subsection by a grantee shall be deemed a material breach of any agreement awarding a franchise in accordance herewith and shall subject the grantee to all penalties and remedies provided therein as well as all other remedies, both legal and equitable, available to the city.

E. The grantee shall make available parental control devices to all subscribers. These devices shall enable the subscriber to block the video and audio portion of any channel or channels. At the option of the subscriber, a grantee shall provide at cost a device capable of locking out any premium programming video and audio signals.

4-280-270-240 Operational requirements and records.

A. A grantee shall construct, operate and maintain the cable television system in full compliance with the rules and regulations, including applicable amendments, of the FCC Federal Communications Commission and all other applicable federal, state, or local laws and regulations, including the latest editions of the National Electrical Safety Code. The cable television system and all its parts and the installation thereof, shall be subject to inspection by the city and the city hereby reserves the right to review a grantee's construction plans prior to the commencement of construction. A grantee shall perform all tests necessary to demonstrate compliance with the requirements of this chapter and its franchise and other lawful technical standards. Unless a franchise or applicable law provides otherwise, all tests shall be conducted in accordance with federal rules and in accordance with the most recent edition of the Society of Cable Telecommunications Engineers (SCTE) Recommended Practices; specifically, its Recommended Practices for Fiber Optic Cable Construction and Testing and its Recommended Practices for Coaxial Cable Construction and Testing, or such other manual as may be directed under FCC regulations. A written report of any test results shall be filed with the city within seven days of a request by the city. If a location fails to meet technical or performance specifications, the grantee, without requirement of additional notice or request from city, shall promptly take corrective action, and retest the locations.

B. A grantee shall provide an emergency alert system ("EAS") and comply with all applicable federal, state, city and regional emergency alert and notification statutes, regulations, and plans, and any other requirements that may be contained within a franchise. The City may use the EAS, under procedures established between the city and the grantee, which are consistent with city, state and federal EAS requirements, to transmit an emergency alert signal, including the ability to override the audio and video on all channels throughout the city from the city's Office of Emergency Management and Communication's 9-1-1 Center or other location as may be designated by the city. A grantee shall test the EAS, as required by the FCC. The city shall be permitted to participate in and/or witness the EAS testing, up to twice a year. If the test indicates that the EAS is not performing properly, a grantee shall make any necessary adjustment to the EAS, and the EAS shall be retested. The city shall permit only appropriately trained and authorized persons to operate the EAS equipment provided pursuant to this chapter.

B.C. A grantee shall maintain an office within the city which shall be open and accessible to the public with adequate telephone service during normal business hours. Grantee shall employ an operator or maintain a telephone answering service, 24 hours per day, each day of the year, to receive subscriber complaints.

CD. A grantee shall exercise its best effort to design, construct, operate and maintain the cable system at all times so that signals carried are delivered to subscribers without material degradation in quality (within the limitations imposed by the technical state-of-the-art).

DE. Upon request by the Cable Administrator, Copies of all correspondence, petitions, reports, applications and other documents sent or received by grantee from federal or state agencies having appropriate jurisdiction in matters affecting the cable system or cable service television operations shall be simultaneously furnished by a grantee to the cable administrator~~commission~~.

F. The cable administrator shall have the authority to specify the manner in which all reports, records and related information required under this chapter shall be delivered to the City by a grantee. The delivery methods may include hard copy, digital, access via a secure web site, or other reasonable and cost-effective alternative.

EG. In the case of any emergency or disaster, the grantee shall, upon request of the city, make available its facilities to the city, without costs, for emergency use during the emergency or disaster period.

4-280-280-250 Tests and performance monitoring.

A. Not later than 90 days after any new or substantially rebuilt portion of the system is made available for service to subscribers, technical performance tests shall be conducted by a grantee to demonstrate full compliance with the Technical Standards of the Federal Communications Commission and Section 4-280-270C 240 of this chapter. Such tests shall be performed by, or under the supervision of, a qualified registered professional engineer or an engineer with proper training and experience. A copy of the report shall be submitted to the the cable administrator~~commission~~, describing test results, instrumentation, calibration and test procedures and the qualifications of the engineer responsible for the tests.

B. System monitor test points shall be established at or near the output of the last amplifier in the longest feeder line, at or near trunk line extremities, or at the locations to be specified by the cable administrator~~commission~~. Such periodic tests shall be made at the test points as shall be described by the cable administrator~~commission~~.

C. At any time after commencement of service to subscribers, the cable administrator~~commission~~ may require additional reasonable tests, including full or partial repeat tests, different test procedures, or tests involving a specific subscriber's terminal, at a grantee's expense to the extent such tests may be performed by a grantee's employees utilizing its existing facilities and equipment; provided, however, that the city reserves the right to conduct its own tests upon reasonable notice to a grantee and if noncompliance is found, the expense thereof shall be borne by a grantee. The city will endeavor to arrange its request for such special tests so as to minimize hardship or inconvenience to grantee or to the subscriber.

D. A copy of the annual performance tests report required by the Federal Communications Commission shall be submitted to the city within 30 days of its completion.

E. The city shall have the right to employ qualified consultants if necessary or desirable to assist in the administration of this, or any other, section of this chapter.

~~4-280-290-260~~ Service adjustment and complaint procedure Service Disruption.

A. Except for circumstances beyond a grantee's control such as strikes, acts of God, weather, wars, riots and civil disturbances, a grantee shall establish a maintenance service capable of locating and correcting major system malfunctions promptly. Said maintenance service shall be available at all hours, to correct such major system malfunctions affecting a number of subscribers.

~~B. A listed local telephone number shall be made available to subscribers for service calls at any time of the day or night. Investigative action shall be initiated in response to all service calls, other than major outages, not later than the next business day after the call is received. Corrective action shall be completed as promptly as practicable. In the event that service to a subscriber is not reestablished within 48 hours from the time the request for service is made to a grantee, grantee shall credit such subscriber's account on a pro rata basis for loss of service during each 24 hours following report of loss of service to the grantee. Appropriate records shall be made of service calls showing when and what corrective action was completed. Such records shall be available to the city during normal business hours and retained in grantee's files for not less than three years. A summary of such calls shall be prepared by a grantee and submitted to the commission annually, beginning 12 months after service is provided to the first subscriber.~~

~~C. A grantee shall furnish each subscriber at the time service is installed written instructions that clearly set forth procedures for placing a service call, or requesting adjustment. Said instructions shall also include the name, address and telephone number of the commission and a reminder that the subscriber can call or write the commission for information regarding terms and conditions of the grantee's franchise if the grantee fails to respond to the subscriber's request for installation, service or adjustment within a reasonable period of time.~~

~~D. In the event a subscriber does not obtain a satisfactory response or resolution to his request for service or an adjustment within a reasonable period of time, he may advise the commission in writing of his dissatisfaction and the commission shall have the authority to investigate the matter and take such corrective action as may be appropriate.~~

BE. A grantee shall interrupt system service after 7:00 a.m. and before 1:00 a.m. only with good cause and for the shortest time possible and, except in emergency situations, only after cablecasting notice of service interruption at least 24 hours in advance of the service interruption. Service may be interrupted between 1:00 a.m. and 7:00 a.m. for routine testing, maintenance and repair, with notification, any day except Saturday or Sunday, or a holiday.

~~4-280-300-270~~ Poles, conduits and other transmission facilities.

A. A grantee shall utilize existing poles, conduits and other facilities whenever possible and shall not construct or install any new, different or additional

poles, conduits or other facilities whether on the public way or on privately owned property until the written approval of the appropriate governmental authority, and, if necessary, of the property owner is obtained and which approval shall not be unreasonably withheld by the municipality. However, no location of any pole or wireholding structure of a grantee shall be a vested interest and such poles or structures shall be removed or modified by a grantee at its own expense whenever the city or other governmental authority determines that the public convenience would be enhanced thereby.

B. Where the city or a public utility serving the city desires to make use of the poles or other wire holding structures of a grantee but agreement therefore with the grantee cannot be reached, the city may require the grantee to permit such use for such consideration and upon such terms as the ~~commission~~city shall determine to be just and reasonable, if the city determines that the use would enhance the public convenience and would not unduly interfere with the grantee's operations.

C. All transmission lines, equipment and structures shall be so installed and located as to cause minimum interference with the rights and appearance and reasonable convenience of property owners who adjoin on any public way and at all times shall be kept and maintained in a safe, adequate and substantial condition and in good order and repair. A grantee shall at all times employ reasonable care and shall install and maintain in use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injuries or nuisances to the public. Suitable barricades, flags, lights or other devices shall be used at such times and places as are reasonably required for the safety of all members of the public. Any poles or other fixtures placed in any public way by a grantee shall be placed in such a manner as not to interfere with the usual travel on such public way.

D. Grantee shall remove, replace or modify at its own expense, the installation of any of its facilities as may be deemed necessary by the city or other appropriate governmental authority to meet its proper responsibilities.

E. All installations shall be underground in those areas of the city where public utilities providing both telephone and electric service are underground at the time of installation. In areas where either telephone or electric utility facilities are aboveground, at the time of installation, a grantee may install its service aboveground; provided that at such time as those facilities are required to be placed underground by the city or are placed underground, a grantee shall likewise place its services underground without additional cost to the city or to the individual subscriber so served within the city. If the facilities of either the electric or the telephone utility are aerial, the cable television facilities may be located underground at the request of a property owner; provided that the excess cost over aerial location shall be borne by the property owner making the request.

F. In the event of disturbance of any public way or private property by a grantee, it shall, at its own expense and in a manner approved by the city or other appropriate governmental authority and the owner, replace and restore such public way

or private property in at least in as good a condition as before the work causing such disturbance was done, and grantee shall comply with the City code and regulations related to restoration of the public way. In the event a grantee fails to perform such replacement or restoration, the city or the owner shall have the right to do so at the sole expense of the grantee. Demand for payment to the city or owner for such replacement or restoring such roads or private property as may have been disturbed must be in writing to the grantee.

G. Whenever, in case of fire or other disaster, it becomes necessary in the judgment of the city to remove or damage any of a grantee's facilities, no charge shall be made by the grantee against the city for restoration and repair.

H. At the request of any person holding a valid building moving permit issued by the city or other appropriate governmental authority and upon at least 48 hours notice, a grantee shall temporarily raise, lower or cut its wires as may be necessary to facilitate such move. The direct expense of such temporary changes, including standby time, shall be paid by the permit holder and grantee shall have the authority to require payment in advance.

I. Grantee shall have the authority to trim trees on public property at its own expense as may be necessary to protect its wires and facilities, subject to the supervision and direction of the city or other appropriate governmental authority.

4-280-310-280 Construction schedule and reports.

A. Upon accepting the franchise, a grantee shall, within 60 days, file the documents required to obtain all necessary federal, state and local licenses, permits and authorizations required for the conduct of its business and shall submit monthly reports to the cable administrator ~~commission~~ on progress in this respect until all such documents are in hand. Failure of a grantee to pursue all necessary steps to secure the aforementioned authorizations with due diligence shall constitute a substantial violation of this chapter.

B. Franchise applications shall include a timetable showing the percentage of occupied dwelling units within the primary service area that will be capable of receiving cable television service each year of construction. Said timetable shall be incorporated into the franchise and shall be enforceable as to a grantee under the provisions of this chapter.

C. Each grantee shall fill all requests for cable service, once facilities are in place consistent with the foregoing schedule for service, within 30 days after the date of each request. A record of all service requests shall be kept for at least three years and shall be available for public inspection at the local office of a grantee during regular office hours.

D. Within three months after accepting the franchise, grantee shall furnish the ~~commission~~ city a complete construction schedule and map setting forth target dates by

areas for commencement of service to subscribers. The schedule and map shall be updated whenever substantial changes become necessary.

E. Every three months after the start of construction, grantee shall furnish the ~~cable administrator~~commission a report on progress of construction until complete. The report shall include a map that clearly defines the areas wherein regular subscriber ~~cable~~ service is available.

~~4-280-320-290~~ Protection of privacy.

A. Grantee shall comply with all applicable laws pertaining to the protection of privacy, as they may be amended from time to time, including but not limited to the Federal Electronic Surveillance Statute (18 U.S.C. 2510 et seq.), 47 U.S.C. § 551, the Illinois Eavesdropping Statute (Illinois Revised Statutes, Chapter 38.14-1, et seq.), the Illinois Communications Consumer Privacy Act (Illinois Revised Statutes, Chapter 38.87-1, et seq.), the Cable and Video Customer Protection Law (220 ILCS 5/22-501 et seq.), the Fourth Amendment to the United States Constitution, and Article 1.6 of the Constitution of the State of Illinois.

~~B. It shall be unlawful for any person to monitor, collect or use any information or signals communicated over or obtained from the Cable Communications System, except:~~

- ~~1. By explicit written consent of all parties to the communication;~~
- ~~2. To verify system technical integrity, to the minimum extent necessary;~~
- ~~3. For billing purposes and then only to obtain data needed for billing;~~
- ~~or~~
- ~~4. Pursuant to order of a court of competent jurisdiction.~~

~~C. Grantee shall additionally:~~

- ~~1. Not compel subscribers to waive any privacy rights, or to provide information not essential for service delivery or billing, as a condition of receiving service;~~
- ~~2. Not record or disseminate by name, address or other individual basis, votes cast, opinions expressed, or other information obtained by cable polls;~~
- ~~3. Make affirmative efforts to prevent violations of privacy, to the extent technically and economically feasible;~~
- ~~4. Report to the commission periodically on preventive efforts and known privacy violations to the extent permitted by law; and~~
- ~~5. Promptly supply to subscribers, upon request, any information collected about them and an explanation of why it was collected.~~

~~D. Criminal Remedies. Wilful violation by any person of any of the foregoing requirements related to privacy except as provided for in subsections A, (C)(3), (C)(4) and (C)(5), shall be punishable by imprisonment of not more than six months and a mandatory fine of \$3,000.00.~~

~~E. Civil Remedies. Any aggrieved person shall have a right of action in a court of competent jurisdiction against any person violating any of the foregoing privacy requirements and may recover for each violation:~~

1. ~~For any unintentional violation, liquidated damages of \$1,000.00 or actual damages, whichever are greater;~~
2. ~~For an intentional violation, liquidated damages of \$2,000.00, or actual damages, whichever are greater;~~
3. ~~Punitive damages for any willful act or omission in violation of privacy requirements;~~
4. ~~Reasonable attorney's fees;~~
5. ~~Such other relief, including an injunction, as the court may deem appropriate.~~

~~4-280-330 Radio and television sales and service prohibited.~~

~~A. A grantee, its subsidiaries and affiliates are specifically prohibited, directly or indirectly, from engaging in the sale or leasing of television receivers, radio receivers, or television or radio parts, except such parts and accessories required or any type of cable connections, such as converters and connection plugs and accessories, individually or with any person, anywhere in the city, whether or not for a fee or charge and is further prohibited from engaging in any type of repair service to television receivers or radio receivers.~~

~~4-280-340-300 Areawide interconnection of cable systems.~~

A. All grantees shall interconnect access channels and/or local origination channels of their cable television systems with any or all other cable communications systems providing service within the city. Nothing herein shall prohibit the ~~commission~~ cable administrator or franchise agreement from requiring additional interconnections.

B. All grantees shall obtain agreements for the sharing of interconnection costs among all interconnecting companies. The ~~commission~~ cable administrator may extend the time to interconnect.

C. A grantee shall cooperate with any entity established for the purpose of regulating, financing or otherwise providing for the interconnection of cable television systems.

D. The city may require a grantee to provide local origination equipment that is compatible with that used by other cable ~~communications~~ systems within the city and in adjacent areas.

E. A grantee shall make every reasonable effort to cooperate with cable television franchise holders in contiguous communities in order to provide cable service in areas outside the grantee's franchise area.

F. The city shall make every reasonable effort to cooperate with the franchising authorities in contiguous communities and with a grantee, in order to provide cable ~~television~~ service in areas outside the city.

ARTICLE VII. CHICAGO ACCESS CORPORATION

~~4-280-350-310~~ Purpose.

A. A nonprofit Chicago Access Corporation (CAC) shall be created as hereinafter provided to promote and develop maximum community involvement in and use of cable television service for cultural, educational, health, social service, civic, community and other nonprofit purposes and to administer use of access channels.

~~4-280-360-320~~ Control of channels.

A. The franchise(s) shall provide that the CAC shall control the use of ten percent of all cable channels (including ten percent of all channels on subscriber cables) from their inception, free of charge, as access channels.

B. Any time after four years from the date service is offered to the first subscriber on a grantee's cable television system, a grantee may request that the commission cable administrator permit such grantee to utilize any unused or underutilized channels otherwise under the control of the CAC. Upon a finding by the commission cable administrator that the use of such channels by the grantee shall not detrimentally impact on the CAC's ability to further its designated purposes, the commission cable administrator may order the CAC to permit the grantee to use a specified number of such channels at no cost for a period of one year. The commission cable administrator shall review its decision annually thereafter to determine whether continued use of such channels by the grantee would detrimentally impact on the CAC's ability to further its designated purposes. If the commission cable administrator should then find that such an effect would result from the continued use of such channels, it shall order a grantee to relinquish use of all or a portion of such channels to the CAC.

~~4-280-370-330~~ Funding.

A. The CAC shall be funded by:

1. Payments by the grantee(s), including an initial payment; a percentage of annual gross cable revenues subject to a guaranteed minimum annual payment; and contributions of funds for studios, equipment and technical assistance; in amounts to be agreed upon and specified in the franchise(s); and
2. Foundation, corporate, governmental and other philanthropic grants; and
3. Payments from the holder of a State- issued authorization to provide cable service or video service in Chicago as of January 1, 2009; however, in no event may the CAC use such payments in a manner that would lessen the amount of the service provider fee owed to the city under Section ~~4-280-780~~590 of this chapter.

~~4-280-380-340~~ Incorporation.

A. The CAC shall be incorporated by 50 incorporators, who shall be broadly representative of the city and its diverse cable access constituencies. Seventeen shall be individuals named by the mayor and the others shall be individuals selected by nonprofit cultural, educational, health, social service, civic and community organizations designated by the mayor. Each such organization shall select one incorporator. The incorporators shall conduct their first meeting no later than 90 days after the enactment of the franchise(s). They shall, at the earliest feasible date, take all steps necessary to incorporate the CAC as an Illinois not-for-profit corporation, exempt from federal and state income tax and eligible to receive tax-deductible contributions.

~~4-280-390-350~~ Directors.

Initial directors shall be named by the incorporators, who shall also determine their number. Directors need not be selected from among the incorporators and shall be broadly representative of Chicago and its diverse cable access constituencies. Subsequent directors shall be selected by an electoral mechanism designed by the initial directors to assure broad-based representation and to guard against the directors becoming a self-perpetuating group.

~~4-280-400-360~~ Powers.

A. The powers of the CAC shall be as set forth in the articles of incorporation. They shall include the power to:

1. Conduct public informational and educational activities;
2. Allocate access channel space and time, and access channel interconnections for nonprofit use, on a reasonable nondiscriminatory basis;
3. Provide financial, technical and other assistance for nonprofit programming and other nonprofit uses of the cable system;
4. Retain ownership of studios and other program production facilities and equipment; and employ staff;
5. Ensure compliance by all access channel users with the provisions of Section 4-280-260 D of this chapter;
6. Other acts necessary and appropriate to carry out the purposes of the CAC.

~~4-280-410-370~~ Restrictions.

The CAC shall not:

1. Exclude any person or organization from use of access channels for any lawful nonprofit purpose, although it may allocate channel space and time on a reasonable, nondiscriminatory basis. Any person or organization alleging denial of this right may petition of the CAC for redress, petition the cable administrator ~~Chicago Cable~~

Commission for review and sue in a court of competent jurisdiction to enforce the right of access herein granted;

2. Permit operation of its channels to be subject to direct or indirect governmental interference with or control of program content.

ARTICLE VIII. CABLE ADMINISTRATOR

~~4-280-420-380~~ Cable administrator.

A. The commissioner of the department of business affairs and consumer protection, or his/her designee, shall serve ex officio as the city's cable administrator.

B. In addition to other duties conferred elsewhere in this Code, the duties of the cable administrator shall include:

1. Assisting the council as requested in the franchising process;

2. ~~Assisting in e~~Enforcement of ex parte rules pertaining to the franchising process as to be adopted by council;

43. Monitoring compliance by grantees of all the terms and conditions of this chapter and a franchise;

24. Applying all sanctions, other than revocation or non-renewal of the franchise, provided for in this chapter and a franchise;

35. Resolving disagreements among grantees, subscribers and public and private users of the cable system facilities. In the cases where a grantee has not satisfactorily responded to complaints of service failures, poor service, inferior audio or video signals, the commission cable administrator shall have the power to enforce applicable standards. In cases where requests for service have been ignored or unfilled for whatever reasons, the commission cable administrator shall have the power to enforce applicable standards.

46. Monitoring the effectiveness of all groups given responsibility for the development and utilization of access channels on cable systems;

57. Auditing all franchise records as required by this chapter and, in the cable administrator's discretion, requiring the preparation and filing of information additional to that required herein;

68. Conducting periodic evaluations of the systems and, pursuant thereto, making recommendations to the council for amendments to this chapter or the franchises;

~~7. Advising the council on the regulation of rates in accordance with this chapter and applicable federal and state law;~~

89. Advising the council on all matters which may constitute grounds for revocation of a franchise and the desirability of renewing, or permitting transfer, of a franchise;

910. Conducting public information programs on cable systems as necessary and/or as may be directed by the mayor or the council;

1011. Promulgating rules and regulations governing questions of cable service policy, consistent with this chapter and the franchises granted hereunder;

312. Performing such regulatory and monitoring functions as set forth in this chapter, and as the city may direct.

13. To administer the programming and operations of municipal access channels, including the authority to enter into agreements or accept offers of gifts from any person, firm or organization, for the production of supplemental governmental programming designed for and consistent with City purposes as determined and selected by the cable administrator; provided that the cable administrator shall have the sole discretion to accept or reject any such programming.

~~ARTICLE IX. CHICAGO CABLE COMMISSION~~

~~4-280-430 Established.~~

~~A. There shall be established a body known as the Chicago Cable Commission, which shall regulate cable communications systems within the city.~~

~~4-280-440 Commissioners Appointment Term.~~

~~A. The commission shall consist of five members. The commissioner of business affairs and consumer protection shall be an ex officio member of the commission. The other four members of the commission, at least two of whom shall be private citizens not holding other public office, shall be appointed by the mayor, with the approval of the council. The mayor shall appoint one of the five members as chairperson of the commission.~~

~~B. A member shall be deemed to have resigned from the commission and shall no longer participate in any manner thereon when such member's residence is no longer in the city.~~

~~C. Vacancies on the commission, whether by reason of resignation or otherwise, shall be filled by the mayor and approved by council in accordance with subsection A hereof. The member appointed to fill such vacancy shall serve for the duration of the vacated term. The mayor may remove any member for just cause.~~

~~D. Members shall serve for a five year term, provided, however, one of the members of the initial commission shall serve a term of two years, one initial member shall serve a term of three years, and one initial member shall serve a term of four years from the date of the first scheduled meeting of the commission, as determined by the mayor.~~

~~E. Neither a grantee nor any of its agents, servants, employees or their families, or any of its subsidiary, parent or affiliated corporations or any of their agents, servants, employees, or members of their families, nor any person with any financial interest in any agreement awarding a franchise in accordance herewith, shall be appointed as a member of the commission; provided, however, each grantee shall make available a representative to attend all meetings of the commission, as requested, on an ex officio nonvoting basis.~~

~~F. Commissioners shall receive such compensation for their services as set forth in the annual appropriation ordinance.~~

~~4-280-450 Meetings.~~

~~A. The commission shall meet at least once every month.~~

~~B. All meetings of the commission shall be conducted in compliance with the Illinois Open Meetings Act, as amended.~~

~~C. — Minutes of all meetings shall be recorded and shall be available for inspection by members of the public.~~

~~4-280-460 Duties.~~

~~A. — The commission shall have the duties provided for in this chapter, including, but not limited to:~~

~~1. — Monitoring compliance by grantees of all the terms and conditions of this chapter and a franchise;~~

~~2. — Applying all sanctions, other than revocation or nonrenewal of the franchise, provided for in this chapter and a franchise;~~

~~3. — Resolving disagreements among grantees, subscribers and public and private users of the cable system facilities. In the cases where a grantee has not satisfactorily responded to complaints of service failures, poor service, inferior audio or video signals, the commission shall have the power to order adjustments. In cases where requests for service have been ignored or unfilled for whatever reasons, the commission shall have the power to require a grantee to provide service in response to all reasonable requests as the commission may determine;~~

~~4. — Monitoring the effectiveness of all groups given responsibility for the development and utilization of access channels on cable communications systems;~~

~~5. — Auditing all franchise records as required by this chapter and, in the commission's discretion, requiring the preparation and filing of information additional to that required herein;~~

~~6. — Conducting periodic evaluations of the systems and, pursuant thereto, making recommendations to the council for amendments to this chapter or the franchises;~~

~~7. — Advising the council on the regulation of rates in accordance with this chapter and applicable federal and state law;~~

~~8. — Advising the council on all matters which may constitute grounds for revocation of a franchise and the desirability of renewing, or permitting transfer, of a franchise;~~

~~9. — Conducting public information programs on cable communications services as necessary and/or as may be directed by the mayor or the council;~~

~~10. — Promulgating rules and regulations governing questions of cable communications policy, consistent with this chapter and the franchises granted hereunder;~~

~~11. — Assuming such other responsibilities as the mayor or the council may direct;~~

~~12. — (a) Adopting regulations and taking other necessary actions to provide a reasonable opportunity for consideration of the views of interested parties in rate proceedings, (b) adopting and administering regulations with respect to the enforcement of rates that are consistent with the regulations prescribed by the Federal Communications Commission, and (c) taking all other necessary steps, consistent with federal law, to ensure that cable rate regulations set forth in federal law are effectively implemented and enforced.~~

~~B. — The commission, or a member thereof, may appear before the council in accordance with the council's rules in any proceedings before council on matters pertaining to cable communications.~~

ARTICLE XIX. GENERAL PROVISIONS

~~4-280-470-390~~ Limits on grantee's recourse.

A. Except as expressly provided in this chapter and the franchise, a grantee shall have no recourse against the city for any loss, expense or damage resulting from the terms and conditions of this chapter or the franchise or because of the city's enforcement thereof nor for the city's failure to have the authority to grant the franchise. A grantee shall expressly agree in its acceptance of the franchise that it does so relying upon its own investigation and understanding of the power and authority of the city to grant said franchise.

B. A grantee, in accepting a franchise, shall expressly acknowledge that it has not been induced to accept the same by any promise, verbal or written, by or on behalf of the city or by any third person regarding any term or condition of this chapter or the franchise not expressed therein. A grantee shall further pledge that no promise or inducement, oral or written, has been made to any city employee or official regarding receipt of the cable television franchise.

C. A grantee shall further acknowledge in its acceptance of a franchise that it has carefully read the terms and conditions of this chapter and the franchise and accepts without reservation the obligations imposed by the terms and conditions herein.

D. The decision of the council, concerning grantee selection and awarding of the franchise shall be final.

E. A grantee shall not apply for any waivers, exceptions, or declaratory rulings from the ~~FCC~~ Federal Communications Commission or any other federal or state regulatory agency without prior-written notice to the city.

~~4-280-480-400~~ Compliance with state and federal law.

A. A grantee shall, at all times, comply with all laws of the state and federal government and the rules and regulations of any federal or state administrative agency.

~~4-280-490-410~~ Special license.

A. The city reserves the right to issue a license, easement or other permit to anyone other than a grantee to permit that person to traverse any portion of a grantee's franchise area within the city in order to provide service outside the city. Such license or easement, absent a grant of a franchise in accordance with this chapter, shall not authorize nor permit said person to provide a cable television service of any nature to any home or place of business within the city, nor to render any service or connect any subscriber within the city to a grantee's cable television system.

~~4-280-500-420~~ Franchise validity.

A. A grantee shall agree, in its acceptance of the franchise, to accept the validity of the terms and conditions of this chapter and the franchise in their entirety and that it will not, at any time, proceed against the city in any claim or proceeding challenging any term or provision of this chapter or the franchise as unreasonable, arbitrary or void, or that the city did not have the authority to impose such term or condition.

~~4-280-510-430~~ Failure to enforce.

A. A grantee shall not be excused from complying with any of the terms and conditions of this chapter or a franchise by any failure of the city, upon any one or more occasions, to insist upon the grantee's performance or to seek grantee's compliance with any one or more of such terms or conditions.

~~4-280-520-440~~ Rights reserved to grantor.

A. The city hereby expressly reserves the following rights:

1. To exercise its governmental powers, now or hereafter, to the full extent that such powers may be vested in or granted to the city;
2. To adopt, in addition to the provisions contained herein and in the franchise and in any existing applicable ordinances, such reasonable regulations as it shall find necessary in the exercise of its police power;
3. To renegotiate the franchise granted pursuant to this chapter should substantial section(s) of this chapter be rendered void by the Federal Communications Commission, or by subsequent changes in applicable federal or state laws.

~~4-280-530-450~~ Equal opportunity employment.

A. A grantee shall not refuse to hire, nor discharge from employment, nor discriminate against any person regarding compensation, terms, conditions or privileges of employment because of age, sex, race, color, creed, ethnic origin, sexual orientation, marital status, or handicap. Each grantee shall take affirmative action to insure that employees are treated during employment in a nondiscriminatory manner. This condition includes, but is not limited to, the following: recruitment advertising, employment interviews, employment, rates of pay, upgrading, transfer, demotion, lay-off and termination. Provided, further, grantee shall strictly adhere to the equal employment opportunity regulations of the FCC and to all federal, state and local laws and executive orders pertaining to discrimination, equal employment opportunity and affirmative action.

B. Each grantee shall exercise its best effort to maximize equal employment opportunity for minorities and women. To this end, grantee shall make available to

qualified minorities and women apprenticeship training programs providing training classes and on-the-job experience in appropriate entry level jobs.

C. Each franchise granted hereunder shall ensure minority and female participation in the work force of the grantee. The goal of each grantee with respect to minority employment shall be parity with the population of minorities in relation to the general population of the city. Applicants for franchises shall detail the means to be employed to achieve this goal in all job categories.

D. A copy of each grantee's equal employment opportunity program and any subsequent modifications thereto and a copy of its annual employment report (FCC Form 395) shall be filed with the cable administrator ~~commission~~ within ten days of its submission to FCC. Each franchise granted hereunder shall insure minority and female participation in the work force of a grantee.

E. Each grantee shall exercise its best effort to insure that local minority-owned businesses receive a fair and substantial share of the economic benefits forthcoming from the development of cable ~~communications~~-systems in the city. To this end, applications for franchises shall contain proposals for the participation of local qualified minority enterprises in the award of contracts by the grantee for construction, installation, the provision of materials and supplies for the construction and operation of its cable ~~communications~~-system. Such proposals shall be incorporated into the franchise as granted and shall be binding on the grantee.

~~4-280-540-460~~ 460 Timely performance by grantee.

A. Whenever this chapter or a franchise sets forth any time for any act to be performed by or on the behalf of the grantee, such time shall be deemed the essence and the grantee's failure to perform within the time allotted shall, in all cases, be sufficient grounds for the city to invoke the remedies available under the terms and conditions of this chapter and the franchise.

~~4-280-550-470~~ 470 Acceptance by written instrument.

A. This chapter and the franchise and their terms and conditions shall be accepted by a grantee by written instrument filed with the city within 30 days after the granting of a franchise, unless said period is extended by the council at its sole discretion. In its acceptance, the grantee shall declare that it has carefully read the terms and conditions of this chapter and the franchise and accepts all of the terms and conditions imposed by this chapter and the franchise and agrees to abide by the same.

~~4-280-560-480~~ 480 Multiple-unit dwellings – Resale of services prohibited.

A. Interference with Cable Service Prohibited. Neither the owner of any multiple-unit residential dwelling nor his agent or representative shall interfere with the right of any tenant or lawful resident thereof to receive cable ~~television~~ service, cable installation or maintenance from a ~~cable television company~~ grantee regulated by and

lawfully operating under a valid and existing cable television franchise issued by the city; provided, however, the cable administrator ~~commission~~ may establish necessary rules and standards it deems appropriate to protect the property rights of landlords and tenants.

B. Gratuities and Payments to Permit Service Prohibited. Neither the owner of any multiple-unit residential dwelling nor his agent or representative shall ask, demand or receive any payment, service or gratuity in any form as a condition for permitting or cooperating with the installation of a cable communication service to the dwelling unit occupied by a tenant or resident requesting service.

C. Penalties and Charges to Tenants for Service Prohibited. Neither the owner of any multiple-unit residential dwelling nor his agent or representative shall knowingly penalize, charge or surcharge a tenant or resident, or forfeit or threaten to forfeit any right of such tenant or resident, or discriminate in any way against such tenant or resident who requests or receives cable communications service from a grantee operating under a valid and existing cable communication franchise issued by the city. Any person convicted of violating any provisions of this section is subject to a fine of not less than \$50.00 nor more than \$500.00 for each offense.

D. Reselling Service Prohibited. No person shall resell, without the expressed, written consent of both the grantee and the cable administrator, any cable service program or signal transmitted by a cable television-system operating under a franchise issued by the city.

E. Protection of Property Permitted. Nothing in this section shall prohibit a person from requiring that ~~cable television system~~ cable system facilities conform to laws and regulations and reasonable conditions necessary to protect safety, functioning, appearance and value of premises or the convenience and safety of persons or property.

F. Risks Assumed by Grantee. Nothing in this section shall prohibit a person from requiring a grantee to agree to indemnify the owner, or his agents or representatives, for damages or from liability for damages caused by the installation, operation, maintenance or removal of ~~cable television-system~~ facilities.

~~4-280-570-490~~ Violation – Penalty.

A. Penalties. In addition to any other remedies provided for in this chapter or otherwise available by law, the ~~commission~~ city or the cable administrator shall have the power to impose monetary penalties in the event a grantee violates any provision of this chapter or other provision of the municipal code, a franchise, or any rule or regulation lawfully adopted thereunder. In appropriate circumstances, the ~~commission~~ city or the cable administrator may precede the issuance of a notice of violation with a reasonable opportunity for the grantee to cure the violation. The amounts of such penalties shall be specified in subsection E. of this section and in the franchise and shall be based on the following principles:

1. penalties shall exceed the financial benefits to a grantee delaying or failing to comply with the applicable requirement;
2. even where such benefits are not easily discernible, the penalties shall be high enough to have a significant deterrent effect on a grantee; and
3. penalties shall be sufficient to protect the city and other affected parties against loss of revenues resulting from violations.
4. penalties shall be subject to Article ~~XII~~X of this Chapter.

B. Other monetary sanctions. A franchise shall also provide for fines, liquidated damages and other monetary sanctions, the amounts of which shall also reflect the foregoing principles.

C. Private suit against grantee.

1. any person or organization adversely affected by a violation, or by a pattern and practice of violations, shall have the right to sue a grantee in a court of competent jurisdiction for damages and for injunctive and other relief to require enforcement of the franchise. Organizations shall be entitled to sue on behalf of themselves or their members.
2. the remedy herein provided shall be in addition to any remedies provided by law.
3. except in emergency situations in which immediate relief is required, private litigants shall notify the corporation counsel not fewer than ten days prior to filing suit. However, suit by the city shall not preempt the private litigant's right to proceed.

D. It shall be unlawful for any person to attach or affix, or to cause to be attached or affixed, any equipment or device which allows access to or use of the cable television system without payment to the grantee for same.

E. Except as otherwise provided herein, any person who violates any provisions of this chapter shall be subject to a fine not to exceed \$750.00 for each offense; each day of said violation shall constitute a separate offense, and a separate offense shall be deemed to be committed as to each affected customer. ~~In addition, a grantee shall be subject to the schedule of credits to customers set forth in Appendix B to Chapter 4-280.~~

F. Upon the ~~cable commission's or cable administrator's~~ transmittal of a notice of violation to the department of administrative hearings, the department of administrative hearings shall adjudicate the notice of violation in accordance with the provisions of Chapter 2-14.

~~4-280-580~~ 500 Promulgation of rules by grantee.

Grantee shall have the authority to promulgate such rules, regulations, terms and conditions of its business as shall be reasonably necessary to enable it to exercise its

rights and perform its services under this chapter and the Rules of the FCC, and to assure uninterrupted service to each and all of its subscribers. Such rules and regulations shall not be deemed to have the force of law.

~~4-280-590~~ 510 Delegation of powers.

Any delegable right, power, or duty of the city, the council, the cable administrator~~commission~~, or any official of the city under this chapter may be transferred or delegated by resolution of the council to an appropriate officer, employee, or department of the city, or any other legal authority. Notwithstanding the foregoing, whenever a provision appears requiring the mayor to do some act, it is to be construed to authorize the mayor to designate, delegate and authorize subordinates to perform the required act unless the terms of the provision or section require otherwise.

~~4-280-600~~ 520 Severability.

A. If any section of this chapter or a franchise, or any portion thereof, is held invalid or unconstitutional by any court of competent jurisdiction or administrative agency, such decision shall not affect the validity of the remaining portions hereof, except as otherwise provided herein.

ARTICLE ~~XIX~~. PENALTIES AND CREDITS IMPOSED FOR
MATERIAL BREACH OF CUSTOMER SERVICE AND PRIVACY
PROTECTION STANDARDS OF THE CABLE AND VIDEO CUSTOMER
PROTECTION LAW

~~4-280-720~~ 530 Applicability.

~~Before January 1, 2008, this Article XII shall only apply to holders of a State-issued authorization to provide cable service or video service under the Cable and Video Competition Law of 2007 (220 ILCS 5/21-100, et seq.)~~
~~;~~ however, beginning January 1, 2008, this Article XII shall apply to all cable and video providers. Notwithstanding any provision to the contrary, all franchise agreements shall incorporate the penalty provisions, customer service and privacy standards and protections contained in the Cable and Video Customers Protection Law (220 ILCS ~~5/70-501~~5/22-501, et seq.).

~~4-280-730~~ 540 Definitions.

As used in this Article, "material breach" means any substantial failure of a cable or video provider to comply with service quality and other standards specified in any provision of the Cable and Video Customer Protection Law.

As used in this Article, "cable or video provider" means that same term as defined in the Cable and Video Customers Protection Law (220 ILCS ~~5170-501~~5/22-501, et seq.)

* Any other word or phrase used in this Chapter ~~Article~~ that is defined in the Cable and Video Competition Law of 2007 or the Cable and Video Customer Protection Law has the meaning; ascribed to the term in that Law.

~~4-280-740-550~~ Schedule of penalties.

(a) A cable or video provider shall receive written notice from the City of Chicago of any alleged material breach of the Cable and Video Customer Protection Law and will be allowed at least 30 days from receipt of the notice to remedy the specified material breach.

(b) The following is a schedule of penalties that will be imposed for any material breach of customer service and privacy protection standards listed in the Cable and Video Customer Protection Law:

(1) A fine of \$750 shall be imposed for each day of the material breach and shall not exceed \$25,000 for each occurrence of a material breach per customer.

(2) A material breach for the purposes of assessing penalties, shall be deemed to have occurred for each day that a material breach has not been remedied by the cable service or video service provider after the expiration of the period specified in (a) of this section irrespective of the number of customers affected.

(3) No monetary penalties will be imposed for a material breach if it is determined that the breach was out of the reasonable control of the cable or video provider or its affiliate.

~~4-280-750-560~~ Schedule of credits.

The following is a schedule of credits that shall be made payable directly to customers for breach of the customer service standards and obligations contained in the Illinois Cable and Video Customer Protection Law:

1. Failure to provide notice of customer service standards upon initiation of service: \$25.00.

2. Failure to install service within 7 days will result in a waiver of 50% of the installation fee or the monthly fee for the lowest-cost basic service, whichever is greater.

3. Failure to install service within 14 days will result in a waiver of 100% of the installation fee or the monthly fee for the lowest-cost basic service, whichever is greater.

4. Failure to remedy service interruptions or poor video or audio service quality within 48 hours will result in a pro-rata credit of total regular monthly charges equal to the number of days of the service interruption.

5. Failure to keep an appointment or to notify the customer prior to the close of business on the business day prior to the scheduled appointment: \$25.00.

6. Violation of privacy protections: \$150.00.

7. Failure to comply with scrambling requirements: \$50.00 per month.

8. Violation of customer service and billing standards in 220 ILCS 5/7022-501(c) – (d): \$25.00 per occurrence.

9. Violation of the bundling rules in 220 ILCS 5/7022-501(h): \$25.00 per month.

~~4-280-760-570~~ Severability.

If any provision or term of this chapter, or any application thereof, is held invalid, the invalidity shall not affect other applications of the provisions or terms of this chapter which reasonably can be given effect without the invalid provision or term for the application thereof.

ARTICLE ~~XIII~~XI. COLLECTION OF FEES FROM HOLDERS OF
STATE-ISSUED AUTHORIZATIONS TO PROVIDE CABLE SERVICES
AND VIDEO SERVICES

~~4-280-770-580~~ Definitions.

As used in this ~~Article~~Chapter, "gross revenues" has the meaning ascribed to the term in 220 ILCS 5/21-801.

Any other word or phrase used in this ~~Article~~Chapter that is defined in the Cable and Video Competition Law of 2007 has the meaning ascribed to the term in that Law.

~~4-280-780-590~~ Payment of service provider fee.

All cable or video service providers that provide services on a commercial basis in the City of Chicago and do not hold a franchise agreement with the City but rather hold a State-issued authorization to provide service, shall pay a service provider fee equal to 5% of the gross revenues or the same as the fee paid to the City by any incumbent cable operator providing cable service or video service.

1. Holders of a State-issued authorization to provide cable service or video service shall be liable for the fee beginning on the first day of the calendar month that is at least 30 days after the holder receives a copy of this ordinance.
2. A copy of this ordinance shall be sent by certified mail, postage prepaid, to the address listed on the holder's application provided to the City as mandated by 220 ILCS 5/21-401(b)(6).
3. The payment of the service provider fee shall be due on a quarterly basis, 45 days after the close of the calendar quarter.
4. If mailed, the fee is considered paid on the date it is postmarked.
5. The fee shall be paid to the commissioner of business affairs and consumer protection who shall have the power to administer and enforce this section.

~~4-280-790-600~~ Payment of fee to support public, education and government access.

To the extent that doing so would not lessen the amount of the service provider fee owed to the city under Section ~~4-280-780-590~~ of this chapter, the holder of a State-issued authorization to provide cable service or video service shall pay for public education and government access, as provided in this section, a fee equal to no less than either 1% of gross revenues, or if greater, the percentage of gross revenues that

the incumbent cable operators pay for public education and government access support within the City's jurisdiction.

1. The percentage of gross revenues that all incumbent cable operators pay shall be equal to the annual sum of the payments that incumbent cable operators in the service area are obligated to pay by franchises and agreements or by contracts for public education and government access in effect on January 1, 2007, including the total of any lump sum payments required to be made over the term of each franchise or agreement divided by the number of years of the applicable term, divided by the annual sum of such incumbent cable operator's gross revenues during the immediately prior calendar year. The sum of payments includes any payments that an incumbent cable operator is required to pay pursuant to 220 ILCS 5/21-301(c)(3).

2. All holders of a State-issued authorization to provide cable services or video services in Chicago and all cable operators franchised by the City of Chicago shall provide to the City of Chicago and to Chicago Access Corporation, information sufficient to calculate the public, education and government access equivalent fee and any credits under paragraph (1).

3. The fee shall be due on a quarterly basis and paid 45 days after the close of the calendar quarter. Each payment shall include a statement explaining the basis for the calculation of the fee. If mailed, the fee is considered paid on the date it is postmarked. The liability of the holder for payment of the fee under this subsection shall commence on the same date as the liability for the service provider fee pursuant to 4-280-780.

4. Except as provided below, all fees paid under this section shall be paid to the Commissioner of Business Affairs and Consumer Protection; provided however, if the holder's State-issued authorization is in effect on January 1, 2009, then the holder shall pay the fee under this section to Chicago Access Corporation.

5. The Commissioner of Business Affairs and Consumer Protection shall have the power to administer and enforce this section.

4-280-800-610 Payment of applicable permit fees.

All holders of State-issued authorizations to provide cable or video service are required:

(1) to procure all necessary permits to install, construct, operate, maintain or remove cable service or video service, or telecommunications networks within the public right-of-way, and any other necessary permits required of city cable service providers that hold a franchise agreement with the City of Chicago; and

(2) to comply with all other requirements specified in 220 ILCS 5/21-1001.

4-280-810-620 Application of Uniform Revenue Procedures Ordinance.

Whenever not inconsistent with the provisions of this chapter or whenever this chapter is silent, the provisions of the Uniform Revenue Procedures Ordinance, Chapter 3-4 of this Code, as amended, shall apply and supplement this chapter.

4-280-820-630 Severability.

If any provision or term of this chapter, or any application thereof, is held invalid, the invalidity shall not affect other applications of the provisions or terms of this chapter which reasonably can be given effect without the invalid provision or term for the application thereof.

APPENDIX A TO CHAPTER 4-280
DESCRIPTION OF FIVE FRANCHISE AREAS FOR CABLE COMMUNICATION IN
THE CITY OF CHICAGO

AREA 1

Beginning at the intersection of Lake Michigan and the North City Limits; thence west and south along the City Limits to the intersection of Kedzie Ave. and Devon Ave. (City Limits); thence west on Devon Ave. (City Limits) to the North Shore Channel; thence south on the North Shore Channel to Bryn Mawr Ave.; thence east on Bryn Mawr Ave. to Western Ave.; thence north on Western Ave. to Peterson Ave.; thence east on Peterson Ave. to Ravenswood Ave.; thence south on Ravenswood Ave. to Wellington Ave.; thence west on Wellington Ave. to the C. & N.W. RY.; thence south on the C. & N.W. RY. to Diversey Ave.; thence west on Diversey Ave. to the North Branch of the Chicago River; thence south on the North Branch of the Chicago River and the South Branch of the Chicago River to 18th St.; thence east on 16th St. to Clark St.; thence south on Clark St. to Cermak Rd.; thence east on Cermak Rd. to Federal St.; thence south on Federal St. and Federal St. extended across the Adlai E. Stevenson Expressway and continuing south on Federal St. to 26th St.; thence west on 26th St. to the C.R.I. & P. R.R.; thence south on the C.R.I. & P. R.R. to 35th St.; thence east on 35th St. to Federal St.; thence south on Federal St. to Pershing Rd.; thence west on Pershing Rd. to the C.R.I. & P. R.R.; thence south on the C.R.I. & P. R.R. to 51st St.; thence east on 51st St. to Cottage Grove Ave.; thence south on Cottage Grove Ave. to 43rd St.; thence east on 43rd St. and 43rd St. as extended to Lake Michigan; thence north along Lake Michigan to the place of beginning.

AREA 2

Beginning at the intersection of Ravenswood Ave. and Peterson Ave.; thence west on Peterson Ave. to Western Ave.; thence south on Western Ave. to Bryn Mawr Ave.; thence west on Bryn Mawr Ave. to the North Shore Channel; thence north on the North Shore Channel to Devon Ave. (City Limits); thence northwesterly along the Northern City Limits to the North Branch of the Chicago River; thence southwesterly on the North Branch of the Chicago River to Devon Ave.; thence west on Devon Ave. to Melvina Ave.; thence south on Melvina Ave. to Indian Rd.; thence southeasterly on Indian Rd. to Austin Ave.; thence south on Austin Ave. to Bryn Mawr Ave.; thence west on Bryn Mawr Ave. to Nagle Ave.; thence south on Nagle Ave. to Gunnison St.; thence east on Gunnison St. to Central Ave.; thence south on Central Ave. to Lawrence Ave.; thence east on Lawrence Ave. to Cicero Ave.; thence south on Cicero Ave. to the C. & N.W. RY.; thence southeasterly on the C. & N.W. RY. to Montrose Ave.; thence west on Montrose Ave. to the C.M. St.P. & P. R.R.; thence southeasterly on the C.M. St.P. & P. R.R. to its intersection with the C. & N.W. RY.; thence south on the C. & N.W. RY. to

Roscoe St.; thence west on Roscoe St. to Knox Ave.; thence south on Knox Ave. to School St.; thence east on School St. to the C. & N.W. R.R.; thence south on the C. & N.W. R.R. to Belmont Ave.; thence east on Belmont Ave. to Kildare Ave.; thence south on Kildare Ave. to Barry Ave.; thence east on Barry Ave. to the C.M. St.P. & P. R.R.; thence southeasterly on the C.M. St.P. & P. R.R. to Fullerton Ave.; thence east on Fullerton Ave. to Pulaski Rd.; thence south on Pulaski Rd. to Beldon Ave.; thence west on Beldon Ave. to Pulaski Rd.; thence south on Pulaski Rd. to Dickens Ave.; thence east on Dickens Ave. to the C.M. St.P. & P. R.R.; thence southeasterly on the C.M. St.P. & P. R.R. to Armitage Ave.; thence west on Armitage Ave. to Springfield Ave.; thence south on Springfield Ave. to Cortland St.; thence east on Cortland St. to the C.M. St.P. & P. R.R.; thence southeasterly and east on the C.M. St.P. & P. R.R. to Humboldt Blvd.; thence south on Humboldt Blvd. to North Ave.; Thence west on North Ave. to Kedzie Ave.; thence south on Kedzie Ave. to Augusta Blvd; thence east on Augusta Blvd. to Sacramento Blvd.; thence south on Sacramento Blvd. to Chicago Ave.; thence east on Chicago Ave. to California Ave.; thence south on California Ave. to Grand Ave; thence southeast on Grand Ave. to Rockwell St.; thence south on Rockwell St. to the C.M. St.P. & P. R.R. thence east on the C.M. St.P. & P. R.R. to the C. & N.W. R.R. thence southwest on the C. & N.W. R.R. to Lake St.; thence west on Lake St. to Talman Ave.; thence south on Talman Ave. to Madison St.; thence east on Madison St. to the C. & N.W. R.R.; thence south on the C. & N.W. R.R. to the C.B. & Q. R.R.; thence southwest on the C.B. & Q. R.R. to California Ave.; thence north on California Ave. to 19th St.; thence west on 19th St. to Albany Ave.; thence south on Albany Ave. to 21st St.; thence west on 21st St. to Trumbull Ave.; thence south on Trumbull Ave. to Cermak Rd.; thence west on Cermak Rd. to Springfield Ave.; thence south on Springfield Ave. to the C.B. & Q. R.R.; then southwest on the C.B. & Q. R.R. to the Belt Railway (City Limits); thence south on the Belt Railway (City Limits) to 39th St. as extended (City Limits); thence west on 39th St. as extended (City Limits) to LaCrosse Ave. as extended (City Limits); thence south on LaCrosse Ave. as extended (City Limits) to the Adlai E. Stevenson Expwy.; thence northeast on the Adlai E. Stevenson Expwy. to the South Branch of the Chicago River; thence north on the South Branch of the Chicago River and north on the North Branch of the Chicago River to Diversey Ave.; thence east on Diversey Ave. to the C. & N.W. RY.; thence north on the C. & N.W. RY. to Wellington Ave.; thence east on Wellington Ave. to Ravenswood Ave.; thence north on Ravenswood Ave. to the place of beginning.

AREA 3

Beginning at the intersection of the Northern City Limits and the North Branch of the Chicago River; thence follow the City Limits westerly as said City Limits circumscribe O'Hare International Airport and then generally follow the Des Plaines River southerly to its intersection with Belmont Ave. (City Limits); thence east on Belmont Ave. (City Limits) to Oriole Ave. (City Limits); thence south on Oriole Ave. (City Limits) to Wellington Ave. (City Limits); thence east on Wellington Ave. (City Limits) to Harlem Ave. (City Limits); thence south on Harlem Ave. (City Limits) to North Ave. (City Limits); thence east on North Ave. (City Limits) to Austin Blvd. (City Limits); thence south on Austin Blvd. (City Limits) to Roosevelt Rd. (City Limits); thence east on Roosevelt Rd. (City Limits) to the Belt Ry. (City Limits); thence south on the Belt Ry. (City Limits) to the C.B. & Q. R.R.; thence northeast on the C.B. & Q. R.R. to Springfield Ave.; thence north

on Springfield Ave. to Cermak Rd.; thence east on Cermak Rd. to Trumbull Ave.; thence north on Trumbull Ave. to 21st St.; thence east on 21st St. to Albany Ave.; thence north on Albany Ave. to 19th St.; thence east on 19th St. to California Ave.; thence south on California Ave. to the C.B. & Q. R.R.; thence northeast on the C.B. & Q. R.R. to the C. & N.W. R.R.; thence north on the C. & N.W. R.R. to Madison St.; thence west on Madison St. to Talman Ave.; thence north on Talman Ave. to Lake St.; thence east on Lake St. to the C. & N.W. R.R.; thence northeast on the C. & N.W. R.R. to the C.M. St.P. & P. RY.; thence west on the C.M. St.P. & P. RY. to Rockwell St.; thence north on Rockwell St. to Grand Ave; thence northwest on Grand Ave. to California Ave.; thence north on California Ave. to Chicago Ave.; thence west on Chicago Ave. to Sacramento Blvd.; thence north on Sacramento Blvd. to Augusta Blvd.; thence west on Augusta Blvd. to Kedzie Ave.; thence north on Kedzie Ave. to North Ave.; thence east on North Ave. to Humboldt Blvd.; thence north on Humboldt Blvd. to the C.M. St.P. & P. R.R.; thence west and northwesterly on the C.M. St.P. & P. R.R. to Cortland St.; thence west on Cortland St. to Springfield Ave.; thence north on Springfield Ave. to Armitage Ave.; thence east on Armitage Ave. to the C.M. St.P. & P. R.R.; thence northwesterly on the C.M. St.P. & P. R.R. to Dickens Ave.; Thence west on Dickens Ave. to Pulaski Rd.; thence north on Pulaski Rd. to Beldon Ave.; thence east on Belden Ave. to Pulaski Rd.; thence north on Pulaski Rd. to Fullerton Ave.; thence west on Fullerton Ave. to the C.M. St.P. & P. R.R.; thence northwesterly on C.M. St.P. & P. R.R. to Barry Ave.; thence west on Barry Ave. to Kildare Ave.; thence north on Kildare Ave. to Belmont Ave.; thence west on Belmont Ave. to the C. & N.W. R.R.; thence north on the C. & N.W. R.R. to School St.; thence west on School St. to Knox Ave.; thence north on Knox Ave. to Roscoe St.; thence east on Roscoe St. to the C. & N.W. R.R.; thence north on the C. & N.W. R.R. to the C.M. St.P. & P. R.R.; thence northwesterly on the C.M. St.P. & P. R.R. to Montrose Ave.; thence east on Montrose Ave. to the C. & N.W. R.R.; thence northwest on the C. & N.W. R.R. to Cicero Ave.; thence north on Cicero Ave. to Lawrence Ave.; thence west on Lawrence Ave. to Central Ave.; thence north on Central Ave. to Gunnison St.; thence west on Gunnison St. to Nagle Ave.; Thence north on Nagle Ave. to Bryn Mawr Ave.; thence east on Bryn Mawr Ave. to Austin Ave.; thence north on Austin Ave. to Indian Rd.; thence northwest on Indian Rd. to Melvina Ave.; thence north on Melvina Ave. to Devon Ave.; thence east on Devon Ave. to the North Branch of the Chicago River; thence north and west on the North Branch of The Chicago River to the place of beginning; except the Village of Harwood Heights, the Village of Norridge; and that unincorporated portion north and south of Bryn Mawr Ave. generally bounded by Pueblo Ave. on The west and Canfield Ave. on the east.

AREA 4

Beginning at the intersection of Lake Michigan and 43rd St. as extended; thence west on 43rd St. as extended and 43rd St. to Cottage Grove Ave.; thence south on Cottage Grove Ave. to 51st St.; thence west on 51st St. to the C.R.I. & P. R.R.; thence north on the C.R.I. & P. R.R. to Pershing Rd.; thence east on Pershing Rd. to Federal St.; thence north on Federal St. to 35th St.; thence west on 35th St. to the C.R.I. & P. R.R.; thence north on the C.R.I. & P. R.R. to 26th St.; thence east on 26th St. to Federal St.; thence north on Federal St. to Cermak Rd.; thence west on Cermak Rd. to Clark St.; thence north on Clark St. to 18th St.; thence west on 18th St. to the South Branch of the Chicago River; thence south on the South Branch of the Chicago River and the South

Fork of the South Branch of the Chicago River to its intersection with the Adlai E. Stevenson Expwy.; thence southwest on the Adlai E. Stevenson Expwy. to the west City Limit (LaCrosse Ave. as extended); thence south on the west City Limit (LaCrosse Ave. as extended) to the I.C.G. R.R. (City Limits); thence southwest on the I.C.G. R.R. (City Limits) to Laramie Ave. (City Limits); thence south on Laramie Avenue (City Limits) to 51st St. (City Limits); thence west on 51st St. (City Limits) to its intersection with the I.C.G. R.R. (City Limits); thence southwest on the I.C.G. R.R. (City Limits) to Harlem Ave. (City Limits); thence south on Harlem Ave. (City Limits) to 65th St. (City Limits); thence east on 65th St. (City Limits) to Cicero Ave. (City Limits); thence south on Cicero Ave. (City Limits) to Marquette Rd.; thence east on Marquette Rd. to the Belt Ry.; thence north on the Belt Ry. to 59th St.; thence east on 59th St. to the P.C.D. & St.L. R.R.; thence south on the P.C.C. & St.L. R.R. to the Belt Ry.; thence east on the Belt Ry. to Halsted St.; thence south on Halsted St. to 76th St.; thence east on 76th St. to Wallace St.; thence south on Wallace St. to 79th St.; thence east on 79th St. to Woodlawn Ave.; thence north on Woodlawn Ave. and Woodlawn Ave. as extended to 77th St.; thence west on 77th St. to the I.C.G. R.R.; thence northeast on the I.C.G. R.R. to 76th St.; thence east on 76th St. to South Chicago Ave.; thence southeast on South Chicago Ave. to 79th St.; thence east on 79th St. to Cheltenham Pl.; thence northeast on Cheltenham Pl. to Unnamed St.; thence southeast and northeast on Unnamed St. and Unnamed St. as extended northeasterly to its intersection with Lake Michigan (approximately 76th St. as extended)
; thence north along Lake Michigan to the place of beginning.

AREA 5

Beginning at the intersection of Lake Michigan and Unnamed St. as extended northeasterly (approximately 76th St. as extended); thence southwesterly and northwesterly along Unnamed St. to Cheltenham Pl.; thence southwesterly on Cheltenham Pl. to 79th St.; thence west on 79th St. to South Chicago Ave.; thence northwest on South Chicago Ave. to 76th St.; thence west on 76th St. to the I.C.G. R.R.; thence southwest on the I.C.G. R.R. to 77th St.; thence east on 77th St. to Woodlawn Ave. as extended; thence south on Woodlawn Ave. as extended and Woodlawn Ave. to 79th St.; thence west on 79th St. to Wallace St.; thence north on Wallace St. to 76th St.; thence west on 76th St. to Halsted St.; thence north on Halsted St. to the Belt Railway; thence west on the Belt Railway to the P.C.C. & St.L. R.R.; thence north on the P.C.C. & St.L. R.R. to 59th St.; thence west on 59th St. to the Belt Railway; thence south on the Belt Railway to Marquette Rd.; thence west on Marquette Rd. to Cicero Ave. (City Limits); thence follow south along the Western City Limits to 138th St. (City Limits)
; thence east on 138th St. (City Limits) to the Illinois- Indiana State Line (City Limits)
; thence north on the Illinois-Indiana State Line (City Limits) to Lake Michigan; thence northerly along Lake Michigan to the place of beginning; except a tract bounded by 107th St.; 111th St.; the G.T.W. R.R. and California Ave. (Mt. Greenwood Cemetery) not in the City of Chicago.

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CHAPTER 4-284 CABLE ETHICS

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ARTICLE I. FRANCHISING OR TRANSFER PROCESS

- 4-284-010 Short title.

This ordinance shall be known as the Chicago Cable Ethics Ordinance – Franchising or Transfer Process.

- 4-284-020 Definitions.

For purposes of this chapter:

A. “Applicant” means any person who applies for a cable communications franchise in the City of Chicago, excluding any person seeking to renew an existing franchise but including any person who applies for an assignment or other interest of ownership of cable communications franchise in the City of Chicago by way of transfer, sale or other means of assignment, under procedures established pursuant to the Chicago Cable Communications Ordinance, Chapter 4-280 of the Municipal Code, or any successor ordinance or provisions of law relating to the same subject matter.

B. "Application period" means a period commencing with the date of the first communication from an applicant to any city representative expressing an interest in acquiring a cable communications franchise, and ending with the date of the approval or disapproval of the application for a franchise or a transfer of ownership of a franchise by the city council pursuant to Section 4-280-200-170 or Section 4-280-550A-470A of Chapter 4-280 of the Municipal Code, or such date as the applicant formally notifies the cable administrator in writing of the withdrawal of the application for a franchise or a transfer of ownership of a franchise.

C. "Cable administrator" means the cable administrator provided for pursuant to Section 4-280-420 of Chapter 4-280 of the Municipal Code.

D. "City" means the City of Chicago.

E. "City advisor" means any outside consultant, counsel, or other person retained by the city with respect to cable communications in the City of Chicago.

F. "City employee" means any employee or official of the city, including any city representative but, unless otherwise specified in this ordinance, shall not include members of boards or commissions (other than the Chicago Cable Commission) whose duties and responsibilities are part-time in nature.

G. "City representative" means the mayor; members of the city council and their staff; all city department heads; the cable administrator; all members of the Chicago Cable Commission established pursuant to Section 4-280-430 of Chapter 4-280 of the Municipal Code; and all other city employees designated by the cable administrator on the basis of their relevance to cable communications in the City of Chicago but, unless otherwise specified by the cable administrator, shall not include members of boards or commissions (other than the Chicago Cable Commission) whose duties and responsibilities are part-time in nature.

H. "Communication" means the discussion, presentation, or any oral, written or other transmission of information relating in any way to cable communications in the City of Chicago.

I. "Expenditure" means a payment, distribution, loan, advance, deposit, political or campaign contribution or loan, or gift of money or anything of value, or the conferring of an economic benefit or the incurring of an economic cost, and includes a contract, promise or agreement; whether or not legally enforceable; whether or not made or incurred in the City of Chicago; relating in any way to cable communications in the City of Chicago.

"Expenditure" includes expenditures by a person's parent corporation, subsidiary, predecessor or other affiliated entity, or by any business or professional entity, with which an individual is affiliated or associated.

J. "Family member" means and includes spouse or qualified domestic partner, siblings and their spouses, children and their spouses, grandchildren and their spouses, parents and grandparents; whether or not they are members of the same household.

K. "Immediate family" means and includes spouse or qualified domestic partner and family members living with the person.

L. "Interest" means any economic interest or relationship, whether by ownership, purchase, sales, lease, contract, option, investment, employment, gift, fee or otherwise; whether present, promised or reasonably expected; whether direct or indirect; whether or not legally enforceable; whether in the person itself or in a parent or subsidiary corporation or in another subsidiary of the same parent. "Interest" shall not include ownership through purchase at fair market value of less than one percent of the shares of a parent, subsidiary or other affiliated corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934. "Interest" shall also not include any interest provided equally to all cable subscribers or to all persons who agree to become cable subscribers, or any interest publicly determined by the cable administrator to be so minor that it doesn't reasonably constitute an actual or apparent conflict of interest.

M. "Municipal Code" means the Municipal Code of the City of Chicago.

N. "Person" means an individual, firm, corporation, cooperative, association, trust, partnership, joint venture, combination or other legally recognized entity.

O. "Person with whom a city representative maintains a close economic association" means a person associated with a city representative in a partnership, professional service corporation or other form of business association or professional association, whether as a partner, officer, employee, associate, principal, agent or otherwise; provided that such "association" shall not include participation by both the representative and the other person as limited partners or other passive investors in an entity in which neither owns or controls more than five percent of the equity of the entity.

P. "Request for proposals" means the City's request for proposals to construct and operate a cable communications system pursuant to Chapter 4-48, Section 4-280-050 B of the Municipal Code, or any successor ordinance or provisions of law relating to the same subject matter.

Q. "Spokesperson" means and include any person who, at any time during the application period, is authorized to speak on behalf of an applicant or otherwise to represent the applicant or to serve the applicant in an agency capacity or by contract, with respect to any matter relating to cable

communications in the City of Chicago. "Spokesperson" includes, but is not limited to, any attorney, consultant, franchise representative, public relations advisor or representative, advertising agency, marketing research firm, accountant, banker, underwriter, financial or investment advisor, broker, person conducting needs assessments on behalf of the applicant, and the like, and any person who is authorized to or who on behalf of the applicant makes any communication or engages in any activity relating to the content or approval of any request for proposals, franchise application, franchise, or ordinance concerning cable communications in the City of Chicago. In the case of an individual "spokesperson", spokesperson also includes any firm or other business or other business or professional association by which the individual is employed or with which he or she is otherwise affiliated. In the case of a firm or other entity, "spokesperson" also includes any individuals who perform or will perform any of the activities as "spokesperson". "Spokesperson" includes any person employed by or retained by the applicant or by a parent corporation, subsidiary or other affiliated entity, whose responsibilities include any of the foregoing communications or activities.

4-284-030 Ineligible applicants.

The following persons shall not be eligible to be or to remain applicants:

A. Any person in whom a city employee or immediate family member of a city employee has an interest;

B. Any person in whom a family member of a city representative has an interest;

C. Any person in whom an interest is held by a person with whom a city representative maintains a close economic association;

D. Any person who, directly or indirectly, knowingly offers, promises, suggests or otherwise communicates the possible provision of an interest to a city employee, to an immediate family member of a city employee, to a family member of a city representative or to a person with whom a city representative maintains a close economic association;

E. Any person who, directly or indirectly, knowingly communicates with a city employee in violation of the restrictions on ex parte communications provided by Section 4-284-090 of this chapter.

F. Any person who is ineligible to do business with the city under Article I of Chapter 1-23 of this Code.

4-284-040 Disclosures by applicant.

A. Each applicant shall file with the cable administrator a written statement by the applicant or by an authorized officer of the applicant, publicly disclosing the following information:

1. The name, mailing address, email address, and business phone number of each spokesperson for the applicant; the capacity (e.g., public relations attorney) in which each acts as spokesperson; and the amounts of all compensation paid to or reasonably expected by each spokesperson (whether or not formal billing or payment has yet occurred) for services rendered or to be rendered as a spokesperson for the applicant with respect to any matter relating to Chicago Cable Communications at any time during the application period;

2. All expenditures by or on behalf of the applicant at any time during the application period, itemized by categories and amount, as specified in forms provided by the cable administrator;

3. All information concerning ownership of the applicant as requested by the city. Such ownership information shall include disclosure of owners, including any beneficiary or beneficiaries of any trust or similar entity, and disclosure of principals whenever any ownership interest is held by an agent or nominee;

4. The identities of all city employees, and immediate family members of city employees, family members of city representatives, and persons with whom a city representative maintains a close economic association, who have or at any time during the application period, have had an interest in the applicant; and the nature and amount of each such interest. For the purpose of this subsection, city employee and city representative shall include members of boards or commissions whose duties and responsibilities are part-time in nature;

5. All communications by or on behalf of the applicant with any city representative, family member or person with whom a city representative maintains a close economic association, at any time during the application period, whether or not restricted by the provisions of Section 4-284-090 of this chapter. The written statement disclosing such communications shall include the following information:

(a) The name, address, and telephone number of the person to whom the communication was made;

(b) The date, time, and duration of the communication and the circumstances (such as telephone conversation or meeting) under which it was made;

(c) A brief statement describing any oral communications;

(d) A copy of any written materials which were the subject of the communication.

B. Such disclosure statements shall be filed on or before the date the applicant first applies for a franchise or transfer of ownership. These statements shall cover the time from the beginning of the application period up to the date of the disclosure statement. Additional statements supplementing the information initially filed shall be filed on the last day of each month until the award of any franchise, or the approval of transfer of ownership of a franchise, for which the applicant applied. An applicant need not file such monthly supplemental statement if there has been no change in the information initially filed.

C. Each applicant shall make disclosures, consistent with the provisions and intent of this ordinance, regarding changes of ownership interests, spokespersons, expenditures, and any other matter relating to cable communications, on forms provided by the cable administrator. Nothing herein shall be construed to prevent the cable administrator or the Chicago Cable Commission from requiring disclosure of information in addition to that needed to comply with the terms of this ordinance.

4-284-050 Spokespersons – Prohibited activities.

Spokespersons shall not, directly or indirectly, knowingly:

A. Provide, offer, promise, suggest or otherwise communicate the possible provision of an interest to a city employee, to any immediate family member of a city employee, to a family member of a city representative or to a person with whom a city representative maintains a close economic association.

B. Communicate with a city employee in violation of the restrictions on ex parte communications provided by Section 4-284-090 of this chapter.

4-284-060 Spokespersons – Registration and disclosure.

A. All spokespersons shall register with the cable administrator before engaging in any activities as a spokesperson.

B. Any applicant may register on behalf of all spokespersons who are full-time employees of itself and of any parent, subsidiary or affiliated corporation. Each applicant shall be responsible for informing all its spokespersons of the provisions of this chapter in a timely manner, and for ensuring that all its spokespersons comply with the provisions of this chapter.

C. Registration shall consist of filing with the cable administrator a written statement, subscribed under oath before a notary public by the spokesperson (or by the applicant in the case of spokespersons who are its full-time employees) publicly disclosing the following information:

1. The name, mailing address, email address, and business phone number of the spokesperson;

2. The name, mailing address, email address, and business phone number of any firm or other business or professional association with which an individual spokesperson is employed or otherwise affiliated, or, in the case of a spokesperson which is a firm or other entity, the names and addresses of any individuals who perform or will perform any activities as spokesperson;

3. The name, mailing address, email address, and business phone number of any applicant on whose behalf the spokesperson acts or will act;

4. The name, mailing address, email address, and business phone number of any person employing, retaining or paying the spokesperson to act on behalf of the applicant;

5. All expenditures by the spokesperson on behalf of the applicant, at any time during the application period, itemized by category and amount and identifying the person to whom each amount of money or other expenditure was directly or indirectly paid;

6. All communications by the spokesperson, on behalf of the applicant, with a city employee, family member of a city representative or person with whom a city representative maintains a close economic association, at any time during the application period.

D. Additional registration statements supplementing the information initially filed shall be filed on the date of the applicant's application for a franchise or transfer of ownership of a franchise and on the last day of each month until the award of any franchise or approval of transfer of ownership for which the applicant applied. If the spokesperson made no expenditures or communications on behalf of the applicant subsequent to those previously disclosed, the spokesperson need not file such supplemental statement. A spokesperson who no longer acts or is authorized to act as a spokesperson shall file written notice of such termination, including therewith a report of all expenditures and communications not previously reported.

4-284-070 City employees or representatives – Prohibited activities.

A. No city employee or member of his or her immediate family shall have an interest in an applicant or grantee.

B. No city representative or member of his or her immediate family shall have an interest in an applicant, a grantee or a person who supplies materials or services to an applicant or a grantee.

C. No city employee or member of his or her immediate family shall, directly or indirectly:

1. Solicit or accept an interest in, expenditure from or any other thing of value or transaction conferring an economic benefit, from an applicant, grantee, spokesperson or person who supplies materials or services to an

applicant or grantee;

2. Solicit, request from or recommend to any applicant, spokesperson or person who supplies materials or services to an applicant, the appointment of any person to a place or position or the provision of an interest, expenditure or any other thing of value or transaction conferring an economic benefit, to any person.

4-284-080 City representatives and advisors – Disclosure.

A. Each city representative and advisor shall file with the cable administrator a written statement, publicly disclosing the following information:

1. All interests or other economic relationships which the city representative or city advisor or a member of his or her immediate family has or had at any time during the application period, in any applicant or any person who supplies materials or services to an applicant;

2. All interests which the city representative or city advisor knows have been held, at any time during the application period in an applicant or in a person who supplies materials or services to an applicant, by a family member or by a person with whom the city representative or city advisor maintains a close economic association;

3. With respect to each of the interests or other economic relationships described in subparagraph 1 and 2 of this section:

(a) The name and address of the person who has or had it, and that person's relationship to the city representative or city advisor;

(b) The dates the interest was acquired and held;

(c) The amount and nature of the interest, and a description of the transaction in which it was acquired;

(d) The name and address of the person in whom the interest is or was had;

4. All communications, direct or indirect, which the city representative or city advisor or a member of his or her immediate family, at any time during the application period, has had with an applicant, and any such communications, relating in any way to cable communications in the City of Chicago with a person who supplies materials or services to an applicant or with a person who has a direct economic interest in the award of a franchise.

B. City representatives and city advisors shall file their disclosure statements within 30 days after the cable administrator has sent them notice pursuant to Section 4-284-100(B), the franchise application or transfer of ownership application has been filed, covering the commencement of the application period to the date of the statement. Additional statements, supplementing the information initially filed, shall be filed on the last day of each month until the award of the franchise or approval of the transfer of ownership of the franchise. City representatives and city advisors need not file such monthly

supplemental statements if there has been no change in the information initially filed.

4-284-090 Ex parte communications.

A. No applicant, spokesperson or person who supplies materials or services to an applicant shall directly or indirectly communicate with a city employee, concerning any matter related in any way to cable communications in the City of Chicago, the request for proposals, applications for franchises, applications for transfer of ownership, franchises, or transfer of ownership of a franchise, any franchise ordinance, or transfer of ownership resolutions except in writing addressed to:

Cable Division
City Hall
121 North LaSalle Street
Chicago, Illinois 60602

All responses on behalf of the city or any city employee to such communications shall be in writing filed with the cable administrator. The cable administrator shall maintain all such communications and responses in his or her office, available for public inspection during regular business hours, pursuant to the Illinois Freedom of Information Act, as amended.

B. The foregoing shall not apply to communications consisting exclusively of the following:

1. Requests for application forms for a franchise or transfer of ownership of a franchise;
2. Requests for schedules of meetings of the ~~Chicago Cable Commission or City~~ city council;
3. Requests for information regarding procedural matters not in dispute;
4. Testimony, debate or deliberation at any meeting of the city council or any committee or subcommittee thereof held in conformity with the rules of the council and applicable laws with the State of Illinois;
5. Negotiations or other discussions with applicants formally and publicly authorized by the city council;
6. Communications through the public media, such as statements in news interviews and paid advertisements. In addition, nothing in this section shall preclude the mayor from publicly designating one representative of each city department to respond to inquiries from applicants concerning ascertainment of the needs of each department for possible use of the cable communications system. Any representative so designated shall be listed on a list made available to all applicants and to the public, and shall keep a log of each such meeting, which shall be available for public inspection during

regular business hours.

7. ~~A request for information by a member of the Chicago Cable Commission or directed to an applicant or spokesperson, which would assist the Chicago Cable Commissioner in the evaluation of an application for a franchise or transfer of ownership of a franchise; provided that such communication shall be disclosed to the cable administrator. Disclosure shall be made by the Chicago Cable Commission as soon as reasonably practicable, and shall consist of a brief summary of the communication and any additional information as the cable administrator may request.~~

4-284-100 Cable administrator – Duties and responsibilities.

A. As soon as reasonably practicable following receipt from an applicant of an application for a cable communications franchise; or transfer, sale, or other means of assignment of a cable communications franchise; the cable administrator shall send notice in electronic form or other form to each city representative and city advisor of his or her responsibility to file such a statement as well as the date by which he or she must file such statement.

B. As statements and reports are filed in his or her office pursuant to this chapter, the cable administrator shall maintain a record of such filings. Any person who files a statement or report under this chapter and who requests, in writing or by e-mail, a receipt from the cable administrator, is entitled to receive from the cable administrator a receipt indicating that he or she has filed such a statement or report and the date of such filing.

C. All statements, reports, logs, listings, and other documents filed pursuant to this chapter shall be available for examination and copying pursuant to the Illinois Freedom of Information Act, as amended.

D. Upon request, the cable administration shall promptly notify each person required to file a statement or report under this chapter of all instances of examination thereof by sending duplicate copies of the identification forms filled out by persons examining his or her statements or reports.

E. The cable administrator shall notify the mayor and city council of any verified violations of this ordinance.

4-284-110 Additional penalties.

In addition to any other remedies provided by this chapter, or other applicable law, violations of the provisions of this chapter shall be subject to the following additional penalties:

A. Violations of Sections 4-284-040, 4-284-050, 4-284-060 and 4-284-090, may render an applicant ineligible for a franchise or a transfer of ownership

of a franchise at the option of the city council, and may render any franchise ordinance or other city action relating to the applicant voidable at the option of the city council.

B. Any person who knowingly violates any provision of this chapter shall be subject to a fine not to exceed \$500.00 for each offense. Each day of violation shall constitute a separate offense.

ARTICLE II. CONSTRUCTION AND OPERATION OF THE CABLE COMMUNICATIONS SYSTEM

~~4-284-130-120~~ Short title.

This ordinance shall be known as the "Chicago Cable Ethics Ordinance – Construction and Operation of the Cable Communications System".

~~4-284-140-130~~ Definitions.

A. "Cable administrator" means the cable administrator provided for pursuant to Section ~~4-280-420-380~~ of chapter 4-280 of the municipal code.

~~B. "Chicago Cable Commissioner" means any of the members of the Chicago Cable Commission appointed by the mayor in accordance with Section 4-280-440A of Chapter 4-280 of the Municipal Code.~~

CB. "City" means the City of Chicago.

DC. "City employee" means any employee or official of the city, including any city representative but, unless otherwise specified in this ordinance, shall not include members of boards or commissions ~~(other than the Chicago Cable Commission)~~ whose duties and responsibilities are part-time in nature.

ED. "City representative" means the mayor; members of the city council; the commissioner of business affairs and consumer protection; the cable administrator; ~~all members of the Chicago Cable Commission established pursuant to Section 4-280-430 of Chapter 4-280 of the Municipal Code;~~ and all other city employees designated by the cable administrator on the basis of their relevance to cable communications in the City of Chicago.

~~F. "Commission" means the Chicago Cable Commission established pursuant to Section 4-280-430 of Chapter 4-280 of the Municipal Code.~~

GE. "Communication" means the discussion, presentation or any oral, written or other transmission of information relating in any way to cable communications in the City of Chicago.

HF. "Expenditure" means a payment, distribution, loan, advance, deposit, political or campaign contribution or loan or gift of money or anything of

value or the conferring of an economic benefit or the incurring of an economic cost, and includes a contract, promise or agreement; whether or not legally enforceable; whether or not made or incurred in the City of Chicago; relating in any way to cable communications in the City of Chicago; "expenditure" includes expenditures by a person's parent corporation, subsidiary, predecessor or other affiliated entity or by any business or professional entity with which an individual is affiliated or associated.

I.G. "Grantee" means any person granted a cable communications system franchise pursuant to Chapter 4-280 of the Municipal Code or any successor ordinance or provisions of law relating to the same subject matter, and the person's lawful and approved successors, transferees or assignees.

J.H. "Interest" means any economic interest or relationship, whether by ownership, purchase, sale, lease, contract, option, investment, employment, gift, fee or otherwise; whether present, promised or reasonably expected; whether direct or indirect; whether or not legally enforceable; whether in the person itself or in a parent or subsidiary corporation or in another subsidiary of the same parent. "Interest" shall not include ownership through purchase at fair market value of less than one percent of the shares of a parent subsidiary or other affiliated corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934. "Interest" shall also not include any interest provided equally to all cable subscribers or to all persons who agree to become cable subscribers or any interest publicly determined by the cable administrator to be so minor that it doesn't reasonably constitute an actual or apparent conflict of interest.

K.I. "Municipal Code" means the Municipal Code of the City of Chicago.

L.J. "Ownership interest" means any economic interest or relationship, whether by ownership or investment; whether present, promised or reasonably expected; whether direct or indirect; whether or not legally enforceable; whether in the person itself or in a parent or subsidiary corporation or in another subsidiary of the same parent. "Ownership interest" shall not include ownership through purchase at fair market value of less than one percent of the shares of a parent, subsidiary or other affiliated corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934. "Ownership interest" shall also not include any interest publicly determined by the cable administrator to be so minor that it doesn't reasonably constitute an actual or apparent conflict of interest.

M.K. "Person" means an individual, firm, corporation, cooperative, association, trust, partnership, joint venture, combination or other legally recognized entity.

N.L. "Request for proposals" means the city's request for proposals to

construct and operate a cable communications system pursuant to Chapter 4-280, Section 4-280-050B of the Municipal Code or any successor ordinance or provisions of law relating to the same subject matter.

~~4-284-150~~ 140 Grantee's prohibitions.

A grantee shall not, directly or indirectly, knowingly:

A. Provide, offer, promise, suggest or otherwise communicate the possible provision of an interest to a city representative or a city representative's spouse, child or any other person living in the same household as a city representative;

~~B. Provide, offer, promise, suggest or otherwise communicate the possible provision of an interest to a city employee or a city employee's spouse, child or any other person living in the same household as a city employee.~~

~~4-284-160~~ 150 Disclosures by grantee.

A. On or before January 15th of each year, each grantee shall file with the cable administrator a written statement subscribed under oath before a notary public by the grantee or an authorized officer of the grantee publicly disclosing all information concerning ownership of the grantee as requested in the city's request for proposals on forms provided by the cable administrator. Such ownership information shall include disclosure of any ownership interest that is held by an agent or nominee.

B. Each grantee shall promptly make disclosure consistent with the provisions and intent of this ordinance regarding changes of ownership and interests on forms provided by the cable administrator.

C. Nothing herein shall be construed to prevent the cable administrator from requiring disclosure of information in addition to that needed to comply with the terms of this ordinance.

~~4-284-170~~ 160 City representatives – Prohibited activities.

A. No city representative or a city representative's spouse, child or any other person living in the same household as a city representative shall have an interest in a grantee.

B. No city representative or a city representative's spouse, child or any other person living in the same household as a city representative shall directly or indirectly:

1. Solicit or accept an interest in, expenditure from or any other

thing of value or transaction conferring an economic benefit from a grantee, except as provided for in § 2-164-040 of the Municipal Code.

2. Solicit, request from or recommend to any grantee the appointment of any person to a place or position or the provision of an interest, expenditure or any other thing of value or transaction conferring an economic benefit to any person.

~~4-284-180-170~~ City employees – Prohibited activities.

No city employee or a city employee's spouse, child or any other person living in the same household as a city employee shall have an ownership interest in a grantee.

~~C. The foregoing shall not apply to communications consisting exclusively of the following:~~

~~1. Requests for schedules of meetings of the Chicago Cable Commission;~~

~~2. Testimony, debate or deliberation at any meeting of the Chicago Cable Commission;~~

~~3. Communications through the public media.~~

~~4-284-200-180~~ Cable administrator – Duties and responsibilities.

A. As statements and reports are filed in his or her office pursuant to this chapter, the cable administrator shall keep a record of such filings. Any person who files a statement or report under this chapter and who requests, in writing or by email, a receipt from the cable administrator is entitled to receive from the cable administrator a receipt indicating that he or she has filed such a statement or report and the date of such filing.

B. All statements, reports, logs, listings and other documents filed pursuant to this chapter shall be available for examination and copying pursuant to the Illinois Freedom of Information Act, as amended.

C. Upon request, the cable administrator shall promptly notify each person required to file a statement or report under this chapter of all instances of examination thereof by sending duplicate copies of the identification forms filled out by persons examining his or her statements or reports.

D. The cable administrator shall update the list of city representatives when necessary and make available said list to all grantees upon written or e-mailed request.

E. The cable administrator shall notify the mayor and city council of any verified violations of this ordinance.

4-284-210-190 Violation – Penalties.

A. Violations by a grantee of Section ~~4-284-150~~140, ~~and 4-284-160~~150 and ~~4-284-190~~ of this chapter may render any franchise held by said grantee voidable at the option of the city council.

B. When an ownership interest in a grantee is acquired or otherwise held by a person who within 18 months prior to obtaining such ownership interest, was a city representative or a city representative's spouse, child or any other person living in the same household as a city representative, any franchise held by said grantee shall be voidable at the option of the city council.

C. Any person who knowingly violates any provisions of this chapter shall be subject to a fine not to exceed \$500.00 for each offense. Each day of violation shall constitute a separate offense.

SECTION 2. This ordinance shall be effective upon passage and approval.