



Legislation Text

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Cox Communications, Inc. Annual FCC Filings (B)

FCC Form 1240 and Form 1205 establishes the maximum permitted Tier One basic cable service rate, hourly service rates, and the rates for various cable equipment rentals and other services in accordance with Federal Communications Commission (FCC) regulations. Cox Communications' FCC Form 1240 and Form 1205 for the projected period of June 01, 2001 through May 31, 2002 have been reviewed by City staff. All technical and accounting matters have been resolved. Cox Communications' monthly maximum permitted basic cable service rate cap increased from \$8.41 to \$8.58. This increase was due to past and projected subscriber levels, expenses related to franchise requirements, and inflation. Also, the maximum permitted hourly service charge increased from \$43.20 to \$47.56 and the maximum permitted equipment rental charges also changed as reflected in the FCC forms. Although the new maximum permissible monthly rate is \$8.58 for basic cable service, Cox is only increasing the rate to \$8.55.

City revenue derived from the Cox Communications' franchise agreement prior to October 1, 2001 was 5% of Cox's gross revenues. Unknown factors such as cable subscriber levels and service selection prevent the determination of the specific fiscal impact of Cox's rate changes; however, the revenue received from this source for FY 2000 was \$707,676. It should be noted that as of October 1, 2001, the City will no longer collect a franchise fee from Cox directly, but will receive cable services revenue from the State as part of the new Communications Services Tax.

The City Commission review and approve Cox Communications' Tier One rate, hourly service charges, equipment rental rates and other rate changes as filed on FCC Form 1240 and Form 1205 for the projected period of June 01, 2001 through May 31, 2002.