
PUBLIC NOTICE – TAX AND FEE CHANGES REPORT

SUBJECT: COX CABLE LICENSE FEE CHANGE

This report provides information on a proposed new license with Cox Communications Arizona, LLC, (Cox Communications) to allow them to continue to engage in the business of operating a cable television system in the City of Phoenix. The proposed license fee is 5%.

THE ISSUE

The authority to grant franchises, issue cable licenses, and police or regulate cable television operations within City of Phoenix boundaries is granted to the City by Federal and State law, and City Code Chapter 5. Cox Communications has held a cable television license in the City of Phoenix since 1994, allowing them to maintain their cable television system and utilize the streets and public rights-of-way to do so. The current license will expire on Dec. 31, 2017.

The current license, adopted in 2006, had a 5% fee for the first year, and a 4.7% fee each year thereafter. It also included a minimum revenue requirement equal to the amount collected in the first year of the license. Changes to Arizona law since the issuance of the current license no longer allow for any payments above 5%. Therefore, the proposed new license will have a flat 5% fee, which is the same as the other two cable television license holders in the City.

Current License (No. 68788)

- Jan. 1 – Dec. 31, 2006: 5% of Gross Cable Television Revenue
- Jan. 1, 2007 – Dec. 31, 2017 4.7% of Gross Cable Television Revenue plus additional minimum revenue if amount is less than the revenue of the first year of the license.

Proposed License

- Jan. 1, 2018 – Dec. 31, 2027
with optional 5-year extension 5% of Gross Cable Television Revenue