

ORDINANCE NO. 20,069

AN ORDINANCE TO LEVY FRANCHISE FEES TO BE PAID BY ALL CARRIERS PROVIDING LOCAL ACCESS TELEPHONE SERVICE; PROVIDE FOR THE PAYMENT THEREOF; AND FOR OTHER PURPOSES.

WHEREAS, the Southwestern Bell Telephone Company has for decades been authorized by ordinance to operate its telephone system and all business incidental to or connected with the conduct of a telephone business in the City; and

WHEREAS, pursuant to Little Rock, Ark. Ordinance No. 11,345 (Dec. 17, 1962), and recognizing an order of the Arkansas Public Service Commission entered on December 10, 1957 in Docket U-281 relating to the treatment by the Telephone Company of all City special taxes, the City granted Southwestern Bell Telephone Company the privilege to continue operation of its telephone system and related business within the City and first provided for the payment of a privilege tax by that company of \$1.07 multiplied by the number of telephones in the City as of the end of the preceding year; and

WHEREAS, pursuant to Ordinance No. 14,981 (November 5, 1985), the City Board of Directors imposed, beginning on January 1, 1986, a change in the calculation of the privilege fee for Southwestern Bell Telephone Company, to be in an amount equal to seven and thirty-two hundredths percent (7.32%) of the company's access line billing revenues for 1985 or a minimum of One Million Seven Hundred Seventy-Five Thousand Dollars (\$1,775,000), and

WHEREAS, subsequent ordinances thereafter incrementally raised the amount of the minimum franchise fee until, beginning with Ordinance No. 16,557 (December 21, 1993) it reached the amount \$2,000,000, which minimum has remained in effect until the present time, and

WHEREAS, after a review of the current market situation, the City has determined that having a minimum franchise fee is no longer appropriate and is setting the minimum aside, and

WHEREAS, SBC (formerly Southwestern Bell Telephone Company) and other telephone companies similarly providing a local access telephone system in the City are now and will be occupying the streets, alleys, airways and other public rights-of-way of the City for the purpose of operating and maintaining such local access telephone systems, and

WHEREAS, the City is legally authorized to impose, and all local access telephone

services companies are obligated to pay, a just and reasonable franchise fee in connection with such company's local access telephone service operations in the City.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF LITTLE ROCK, ARKANSAS:

Section 1. There is hereby imposed and each and every local access telephone service carrier ("Telephone Company") shall pay to the City a franchise fee in an amount equal to seven and thirty-two hundredths percent (7.32%) of the respective Telephone Company's local exchange access line charges collected within the City's corporate limits during the previous month.

Section 2. Payments to the City by the Telephone Company for the franchise fee shall be made monthly by the 20th day of each month.

Section 3. On a monthly basis, by the twentieth (20th) day of each month, the auditor for each Telephone Company shall certify to the City that Telephone Company's access line revenues collected during the previous month in Little Rock.

Section 4. The City recognizes and accepts the purposes and results of an Order of the Arkansas Public Service Commission entered on February 7, 1980, in Docket U-30132 relating to the treatment by the Telephone Company of all city special fees.

Section 5. It is acknowledged that Ordinance No. 11,345 (amended by Ordinance No. 14,981), which set out the terms and conditions of the present privilege authority, is the controlling document over current local access telephone service franchises. Ordinance No. 11,345 specifically provided that nothing contained therein was to be construed as giving Southwestern Bell Telephone Company any exclusive privileges. Ordinance No. 14,981 amended Ordinance No. 11,345 to change the method of calculating the fee to that method presently employed and to add a section detailing the City's utility relocation policy to be complied with. That utility relocation policy shall remain in effect under this Ordinance.

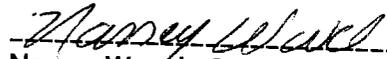
Section 6. Nothing herein contained shall be construed as altering or amending any other rights or obligations of the City or each Telephone Company as provided for in Ordinance No. 11,345 except the language of Section 2 of Ordinance No. 11,345 pertaining to the method of calculating the Telephone Company's annual franchise fee.

Section 7. Nothing in this Ordinance shall prevent the City from collecting from Telephone Companies previously due but unpaid franchise fees.

Section 8. This ordinance shall be in effect on and after January 1, 2009.

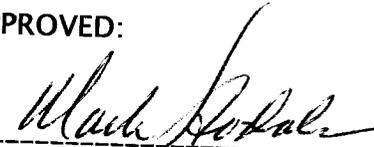
PASSED: December 22, 2008

ATTEST:



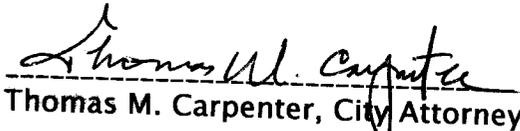
Nancy Wood, City Clerk

APPROVED:



Mark Stodola, Mayor

APPROVED AS TO LEGAL FORM:



Thomas M. Carpenter, City Attorney