



Legislation Text

File #: AM No. 19-151, Version: 1

MEMO TO: Members of the City Council

FROM: Mayor John Marchione

SUBJECT:

Approval of Transfer of Control from Frontier to Northwest Fiber

I. RECOMMENDED ACTION

Approval of the Transfer of Control of Frontier Communications Northwest Inc.'s Cable Franchise dated September 2, 2008 to Northwest Fiber, LLC.

II. DEPARTMENT CONTACTS

Jonny Chambers, Technology and Information Services Director 425-556-2160

III. DESCRIPTION/BACKGROUND

On July 22, 2019, the City received formal notification, FCC Form 394 and related materials that Northwest Fiber, LLC, Frontier Communications Corporation and Frontier Communications ILEC Holdings, LLC had entered into a Purchase Agreement whereby Northwest Fiber, LLC would acquire control of Frontier Communications Northwest Inc. Under the terms of the Purchase Agreement, Northwest Fiber will acquire all of Frontier's operations, networks, and systems that support Frontier's current business in the City.

River Oaks Communications Corporation, the consultant attorney we retained to work on the transfer of control has confirmed, through a detailed data request process, that Northwest Fiber is legally, financially, and technically qualified to assume control over Frontier's Franchise. Also, an Agreement has been drafted in support of the transfer by River Oaks and negotiated with Northwest Fiber and it is to the satisfaction of the City, Frontier, and Northwest Fiber.

The Agreement provides that City is retaining its rights and is not waiving or releasing any claim or issue of non-compliance with respect to the Franchise or Frontier or Northwest Fiber. This includes issues with respect to the Frontier Build-Out and other Franchise requirements.

IV. PREVIOUS DISCUSSIONS HELD

FAC Committee of the Whole update: 9/24/2019

V. IMPACT

A. Service/Delivery:

Transfer of control for continuation of cable service.

B. Fiscal Note:

None

VI. ALTERNATIVES TO STAFF RECOMMENDATION

None

VII. TIME CONSTRAINTS

Per FCC regulations, we have 120 days to adopt Transfer of Control Resolutions following receipt of the original notification on July 22, 2019, so City Council action is required on or before November 19, 2019. Otherwise, the City would need to enter into a mutually acceptable Tolling Agreement with Northwest Fiber to extend the November 19th date.

Detailed Data Requests were submitted to Northwest Fiber on August 6, 2019 and responses to the Data Requests were provided by Northwest Fiber on August 16, 2019. The Transfer of Control Resolutions/Agreement have been prepared by River Oaks

VIII. LIST OF ATTACHMENTS

Transfer of Control Agreement