

1 (Published in the Topeka Metro News May 2, 2007)

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3 **ORDINANCE NO. 18854**

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5 AN ORDINANCE introduced by City Manager Norton N. Bonaparte, Jr. regarding a  
6 Contract Franchise Ordinance granted to Universal Telecom, Inc., a  
7 telecommunications local exchange service provider providing local  
8 exchange service within the City of Topeka, Kansas.  
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10 BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TOPEKA, KANSAS:

11 Section 1. Pursuant to K.S.A. 12-2001, as amended, a Contract Franchise  
12 Ordinance is hereby granted to Universal Telecom, Inc., a telecommunications local  
13 exchange service provider providing local exchange service hereinafter referred to as  
14 “Local Provider” within the City of Topeka, Kansas (“City”), subject to the provisions  
15 contained hereafter. The initial term of this Contract Franchise Ordinance shall be for a  
16 period of two (2) years beginning March 1, 2007, and ending February 28, 2009.  
17 Thereafter, this Contract Franchise Ordinance will automatically renew for additional  
18 one (1) year terms, unless either party notifies the other party of its intent to terminate  
19 the Contract Franchise Ordinance at least ninety (90) days before the termination of the  
20 then current term. The additional term shall be deemed a continuation of this Contract  
21 Franchise Ordinance and not as a new Contract Franchise Ordinance or amendment.  
22 Pursuant to K.S.A. 12-2001(b)(2), as amended, under no circumstances shall this  
23 Contract Franchise Ordinance exceed twenty (20) years from the effective date of the  
24 Contract Franchise Ordinance. Compensation for said Contract Franchise Ordinance  
25 shall be established pursuant to Section 3 of this ordinance.

26 Section 2. For the purpose of this Contract Franchise Ordinance, the following  
27 words and phrases and their derivations shall have the following meaning:

28                   **“Gross receipts”** means only those receipts collected from within the corporate  
29 boundaries of the city enacting the franchise and which are derived from the following:  
30 (A) Recurring local exchange service for business and residence which includes basic  
31 exchange service, touch tone, optional calling features and measured local calls; (B)  
32 recurring local exchange access line services for pay phone lines provided by a  
33 telecommunications local exchange service provider to all pay phone service providers;  
34 (C) local directory assistance revenue; (D) line status verification/busy interrupt  
35 revenue; (E) local operator assistance revenue; and (F) nonrecurring local exchange  
36 service revenue which shall include customer service for installation of lines,  
37 reconnection of service and charge for duplicate bills. All other revenues, including, but  
38 not limited to, revenues from extended area service, the sale of lease of unbundled  
39 network elements, nonregulated services, carrier and end user access, long distance,  
40 wireless telecommunications services, lines providing only data service without voice  
41 services processed by a telecommunications local exchange service provider,  
42 privateline service arrangements, internet, broadband and all other services not wholly  
43 local in nature are excluded from gross receipts. Gross receipts shall be reduced by  
44 bad debt expenses. Uncollectible and late charges shall not be included within gross  
45 receipts. If a telecommunications local exchange service provider offers additional  
46 services of a wholly local nature which if in existence on or before July 1, 2002, would  
47 have been included with the definition of gross receipts, such services shall be included  
48 from the date of the offering of such services in the city.

49                   **“Local exchange service”** means local switched telecommunications service  
50 within any local exchange service area approved by the state corporation commission,

51 regardless of the medium by which the local telecommunications service is provided.  
52 The term local exchange service shall not include wireless communication services.

53 ***“Telecommunications local exchange service provider”*** means a local  
54 exchange carrier as defined in subsection (h) of K.S.A. 66-1,187, and amendments  
55 thereto, and a telecommunications carrier as defined in subsection (m) of K.S.A. 66-  
56 1,187, and amendments thereto, which does, or in good faith intends to, provide local  
57 exchange service. The term telecommunications local exchange service provider does  
58 not include an interexchange carrier that does not provide local exchange service,  
59 competitive access provider that does not provide local exchange service or any  
60 wireless telecommunications local exchange service provider.

61 ***“Telecommunications services”*** means providing the means of transmission,  
62 between or among points specified by the user, of information of the user’s choosing,  
63 without change in the form or content of the information as sent and received.

64 Section 3. Compensation made pursuant to this Contract Franchise Ordinance  
65 shall be paid on a quarterly basis without invoice or reminder from the City and paid not  
66 later than forty-five (45) days after the end of the remittal period. Compensation shall  
67 be payable from services provided by the Local Provider from the effective date of the  
68 Franchise Contract which is contemplated by the parties to be on or after the effective  
69 date of the Contract Franchise Ordinance adopted by the Council of the City of Topeka.  
70 For the first year of this Contract Franchise Ordinance, said compensation shall be a  
71 sum equal to five percent (5%) of gross receipts. Thereafter, compensation for each  
72 calendar year of the remaining term of the Contract Franchise Ordinance shall continue  
73 to be based on a sum equal to five percent (5%) of gross receipts; unless the City

74 notifies Local Provider prior to ninety days (90) before the end of the calendar year that  
75 it intends to increase or decrease the percentage of gross receipts for the following  
76 calendar year. Any increased gross receipt fee shall be in compliance with the public  
77 notification procedures set forth in subsections (l) and (m) K.S.A. 12-2001, as amended.  
78 Nothing herein shall prohibit the City from changing the method of compensation from  
79 gross receipts to an access line fee pursuant to K.S.A. 12-2001, as amended, through  
80 amendment to the Contract Franchise Ordinance or establishment of a new Contract  
81 Franchise Ordinance.

82 Section 4. The City shall have the right to examine, upon written notice to the  
83 Local Provider, no more than once per calendar year, those records necessary to verify  
84 the correctness of the compensation paid pursuant to this Contract Franchise  
85 Ordinance.

86 Section 5. The use of the Right-of-Way under this Franchise by the Local  
87 Provider shall be subject to all rules, regulations, policies, resolutions, and ordinances  
88 now or hereafter adopted or promulgated by the City in the reasonable exercise of its  
89 police power relating to use, placement, location, or management of utilities located in  
90 the City's Right-of-Way. In addition, the Local Provider shall be subject to all laws, rules,  
91 regulations, policies, resolutions, and ordinances now or hereafter adopted or  
92 promulgated by the City in the reasonable exercise of its police power relating to  
93 permits, fees, sidewalk and pavement cuts, utility location, construction coordination,  
94 screening, and other requirements on the use of the Right-of-Way; provided, however,  
95 that nothing contained herein shall constitute a waiver of or be construed as waiving the  
96 right of the Local Provider to oppose, challenge, or seek judicial review of, in such

97 manner as is now or may hereafter be provided by law, any such rules, regulation,  
98 policy, resolution, or ordinance proposed, adopted, or promulgated by the City. Further,  
99 the Local Provider shall comply with the following:

100 a. The Local Provider's use of the Right-of-Way shall in all matters be  
101 subordinate to the City's use of the Right-of-Way for any public purpose. The Local  
102 Provider shall coordinate the installation of its Facilities in the Right-of-Way in a manner  
103 which minimizes adverse impact on Public Improvements, as reasonably determined by  
104 the City. Where installation is not otherwise regulated, the Facilities shall be placed with  
105 adequate clearance from such Public Improvements so as not to conflict with such  
106 Public Improvement.

107 b. All earth, materials, sidewalks, paving, crossings, utilities, Public  
108 Improvements, or improvements of any kind located within the Right-of-Way damaged  
109 or removed by the Local Provider in its activities under this Franchise shall be fully  
110 repaired or replaced promptly by the Local Provider without cost to the City, however,  
111 when such activity is a joint project of utilities or franchise holders, the expenses thereof  
112 shall be prorated among the participants, and to the reasonable satisfaction of the City  
113 in accordance with the ordinances and regulations of the City pertaining thereto.

114 c. Except in the event of an emergency, as reasonably determined by the  
115 Local Provider, the Local Provider shall comply with all laws, rules, regulations, policies,  
116 resolutions, or ordinances now or hereinafter adopted or promulgated by the City  
117 relating to any construction, reconstruction, repair, or relocation of Facilities which would  
118 require any street closure which reduces traffic flow. Notwithstanding the foregoing  
119 exception, all work including emergency work performed in the traveled way or which in

120 any way impacts vehicular or pedestrian traffic shall be properly signed, barricaded, and  
121 otherwise protected.

122 d. The Local Provider shall cooperate promptly and fully with the City and  
123 take all reasonable measures necessary to provide accurate and complete information  
124 regarding the location of its Facilities located within the Right-of-Way when requested  
125 by the City or its authorized agents for a Public Project. Such location and identification  
126 shall be promptly communicated in writing to the City without cost to the City, its  
127 employees, agents, or authorized contractors. The Local Provider shall designate and  
128 maintain an agent, familiar with the Facilities, who is responsible for providing timely  
129 information needed by the City for the design and replacement of Facilities in the Right-  
130 of-Way during and for the design of Public Improvements. At the request of the Local  
131 Provider, the City may include design for Facilities in the design of Public Projects. Also  
132 at the request of the Local Provider, the City and/or its contractor(s) or agent(s) shall  
133 provide accurate and timely field locations of proposed Public Projects in the event the  
134 Local Provider is required to install new and/or relocate its Facilities.

135 e. The Local Provider shall promptly locate, remove, relocate, or adjust any  
136 Facilities located in the Right-of-Way if reasonably necessary and requested by the City  
137 for a Public Project. Such location removal, relocation, or adjustment for a particular  
138 Public Project shall be performed by the Local Provider without expense to the City, its  
139 employees, agents, or authorized contractors, and shall be specifically subject to rules  
140 and regulations of the City pertaining to such. If additional location, removal, relocation,  
141 or adjustment is the result of the inaccurate or mistaken information of the Local  
142 Provider, the Local Provider shall be responsible for costs associated with such without

143 expense to the City. Likewise, if additional location, removal, relocations or adjustment  
144 is the result of inaccurate or mistaken information of the City, the City shall reimburse  
145 the Local Provider for any additional expense necessarily incurred by the Local Provider  
146 directly due to such inaccurate or mistaken information. The Local Provider shall only be  
147 responsible for removal, relocation, or adjustment of Facilities located in the Right-of-  
148 Way at the Local Provider's sole cost once each five (5) years for that particular facility.  
149 The City shall reimburse the Local Provider for the removal, relocation, or adjustment of  
150 the Local Provider's Facilities located in the Right-of-Way if required before the  
151 expiration of five (5) years from the date of the last relocation, removal, or adjustment of  
152 that particular facility.

153 The Local Provider shall not be responsible for the expenses of relocation to  
154 accommodate any new Public Project for Private Development initiated after the  
155 effective date of this Ordinance. The expenses attributable to such a project shall be the  
156 responsibility of the third (3rd) party upon the request and appropriate documentation of  
157 the Local Provider. Before such expenses may be billed to the third (3rd) party, the  
158 Local Provider shall be required to coordinate with the third (3rd) party and the City on  
159 the design and construction to ensure that the work required is necessary and done in a  
160 cost effective manner. The Local Provider may require payment in advance of estimated  
161 costs or relocation prior to undertaking any work required to accommodate any new  
162 Public Project for Private Development initiated after the effective date of this  
163 Ordinance.

164 The City may continue to provide a location in the Right-of-Way for the Local  
165 Provider's Facilities as part of a Public Project, provided that the Local Provider has

166 cooperated promptly and fully with the City in the design of its Facilities as part of the  
167 Public Project.

168 f. It shall be the responsibility of the Local Provider to take adequate  
169 measures to protect and defend its Facilities in the Right-of-Way from harm or damage.  
170 If the Local Provider fails to accurately locate Facilities when requested, it shall have no  
171 claim for costs or damages against the City. The Local Provider shall be responsible to  
172 the City and its agents, representatives, and authorized contractors for all damages  
173 including, but not limited to, delay damages, repair costs, down time, construction  
174 delays, penalties or other expenses of any kind arising out of the failure of the Local  
175 Provider to perform any of its obligations under this Ordinance. The above general  
176 provisions notwithstanding, the City and its authorized contractors shall take reasonable  
177 precautionary measures including calling for utility locations through Kansas One Call  
178 and exercising due caution when working near the Local Provider's Facilities.

179 g. All technical standards governing construction, reconstruction, installation,  
180 operation, testing, use, maintenance, and dismantling of the Facilities in the Right-of-  
181 Way shall be in accordance with applicable present and future federal, state, and City  
182 laws and regulations, including but not limited to the most recent standards of the  
183 Kansas Corporation Commission and U.S. Department of Transportation, and further, to  
184 the extent they are not inconsistent with federal or state laws, the City of Topeka  
185 standard technical specifications as may be amended from time to time, or such  
186 substantive equivalents as may hereafter be adopted or promulgated. It is understood  
187 that the standards established in this paragraph are minimum standards and the

188 requirements established or referenced in this Franchise may be additional to or stricter  
189 than such minimum standards.

190 h. The City encourages the conservation of the Right-of-Way by the sharing  
191 of space by all utilities. Notwithstanding provisions of this Franchise prohibiting third  
192 (3rd) party use, to the extent required by federal or state law, the Local Provider will  
193 permit any other franchised entity by an appropriate grant, or a contract, or agreement  
194 negotiated by the parties, to use any and all Facilities constructed or erected by the  
195 Local Provider.

196 Section 6. Indemnity and hold harmless.

197 The Local Provider shall indemnify and hold and save the City, its officers,  
198 employees, agents, and authorized contractors, harmless from and against all claims,  
199 damages, expense, liability, and costs including reasonable attorney fees, to the extent  
200 occasioned in any manner by the Local Provider's occupancy of the Right-of-Way. In  
201 the event a claim shall be made or an action shall be instituted against the City growing  
202 out of such occupancy of the Right-of-Way by Facilities of the Local Provider, then upon  
203 notice by the City to the Local Provider, the Local Provider shall assume responsibility  
204 for the defense of such actions at the cost of the Local Provider, subject to the option of  
205 the City to appear and defend.

206 Section 7. As a condition of this Contract Franchise Ordinance, Local Provider  
207 is required to obtain and is responsible for any necessary permit, license, certification,  
208 grant, registration or any other authorization required by any appropriate governmental  
209 entity, including, but not limited to, the City, the Federal Communications Commission  
210 (FCC) or the Kansas Corporation Commission (KCC), subject to Local Provider's right

211 to challenge in good faith such requirements as established by the FCC, KCC or other  
212 City Ordinance. Local Provider shall also comply with all applicable laws, statutes  
213 and/or ordinances, subject to Local Provider's right to challenge in good faith such laws,  
214 statutes and/or ordinances.

215 Section 8. Nothing herein contained shall be construed as giving Local  
216 Provider any exclusive privileges, nor shall it affect any prior or existing rights of Local  
217 Provider to maintain a telecommunications system within the City.

218 Section 9. The City agrees to provide Local Provider with notification in the  
219 event that it annexes property into the corporate boundaries of the City that would  
220 require Local Provider to collect and pay a franchise fee on access lines or gross  
221 receipts which prior to the annexation of the property Local Provider was not required to  
222 pay a franchise fee. The City agrees to provide Local Provider with notification in the  
223 event the City renumbers or renames any streets that would require Local Provider to  
224 collect and pay a franchise fee on access lines or gross receipts which prior to the  
225 renumbering or renaming of the streets Local Provider would not have been required to  
226 pay a franchise fee.

227 Section 10. The City agrees that under K.S.A 12-2001, as amended, and other  
228 state and federal laws, this Contract Franchise Ordinance must be competitively neutral  
229 and may not be unreasonable or discriminatory to any telecommunications local  
230 exchange service provider operating in the City.

231 Section 11. Any required or permitted notice under this Contract Franchise  
232 Ordinance shall be in writing. Notice upon the City shall be delivered to the City Clerk

233 by first class United States mail or by personal delivery. Notice upon Local Provider  
234 shall be delivered by first class United States mail or by personal delivery to:

235 David W. Wigginton, President  
236 Universal Telecom, Inc.  
237 210 S. First Street  
238 P.O. Box 679  
239 Lagrange, KY 40031

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241 Section 12. The failure of either party to enforce and remedy any  
242 noncompliance of the terms and conditions of this Contract Franchise Ordinance shall  
243 not constitute a waiver of rights nor a waiver of the other party's obligations as provided  
244 herein.

245 Section 13. Each and every provision hereof shall be subject to acts of God,  
246 fires, strikes, riots, floods, war and other disasters beyond Local Provider's or the City's  
247 control.

248 Section 14. Local Provider has entered into this Contract Franchise Ordinance  
249 as required by the City and K.S.A. 12-2001, as amended. If any clause, sentence,  
250 section, or provision of K.S.A. 12-2001, as amended, shall be held to be invalid by a  
251 court of competent jurisdiction, either the City or Local Provider may elect to terminate  
252 the entire Contract Franchise Ordinance. In the event a court of competent jurisdiction  
253 invalidates K.S.A. 12-2001, as amended, if Local Provider is required by law to enter  
254 into a Contract Franchise Ordinance with the City, the parties agree to act in good faith  
255 in promptly negotiating a new Contract Franchise Ordinance.

256 Section 15. In entering into this Contract Franchise Ordinance, neither the  
257 City's nor Local Provider's present or future legal rights, positions, claims, assertions or

258 arguments before any administrative agency or court of law are in any way prejudiced  
259 or waived. By entering into the Contract Franchise Ordinance, neither the City nor  
260 Local Provider waive any rights, but instead expressly reserve any and all rights,  
261 remedies, and arguments the City or Local Provider may have at law or equity, without  
262 limitation, to argue, assert, and/or take any position as to the legality or appropriateness  
263 of this Contract Franchise Ordinance or any present or future laws, ordinances, and/or  
264 rulings which may be the basis for the City and Local Provider entering into this  
265 Contract Franchise Ordinance.

266 Section 16. The parties agree that in the event of a breach of this Contract  
267 Franchise Ordinance by either party, the non breaching party has the right to terminate  
268 the Contract Franchise Ordinance as set forth herein. Prior to terminating the Contract  
269 Franchise Ordinance, the non breaching party shall first serve a written notice upon the  
270 breaching party, setting forth in detail the nature of the breach, and the breaching party  
271 shall have thirty (30) days thereafter in which to cure the breach. If at the end of such  
272 thirty (30) day period the non breaching party deems that the breach has not been  
273 cured, the non breaching party may take action to terminate this Contract Franchise  
274 Ordinance.

275 Section 17. This Contract Franchise Ordinance is made under and in  
276 conformity with the laws of the State of Kansas. No such Contract Franchise Ordinance  
277 shall be effective until the ordinance granting the same has been adopted as provided  
278 by law.

279 Section 18. This ordinance shall take effect and be in force from and after its  
280 passage, approval and publication in the official City newspaper.

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PASSED AND APPROVED by the City Council April 24, 2007.

CITY OF TOPEKA, KANSAS

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William W. Bunten, Mayor

ATTEST:

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Brenda Younger, City Clerk