

## ORDINANCE No. 185773

Extend the term of a temporary revocable permit granted to Qwest Corporation to build and operate telecommunications facilities in City streets. (Ordinance; amend Ordinance No. 175757)

The City of Portland ordains:

### Section 1. The Council finds:

1. On July 5, 2001 the Council granted a temporary, revocable permit to Qwest Communications, Inc., to build and operate telecommunications facilities within the City's streets in order to allow Qwest to continue serving customers in Portland. Ordinance No. 175757.
2. The Council has granted numerous extensions of the temporary, revocable permit to allow Qwest to continue serving customers in Portland. In 2011, the Council extended the term of Qwest's revocable permit until December 31, 2012. Ordinance No. 185053.
3. On April 22, 2010, CenturyLink, Inc. announced it would acquire Qwest Communications Inc. in a stock-for-stock transaction. The acquisition of the Qwest shares by CenturyLink, Inc. was reviewed and approved by the Federal Communications Commission on March 18, 2011. The Oregon Public Utility Commission approved the CenturyLink/Qwest merger on March 24, 2011. OPUC Order No. 2011-04, UM 1484. The merger closed on April 1, 2011.
4. In the course of the transaction, CenturyLink took the position that Oregon municipal authorities had no legal authority to regulate the operations of any Qwest operating entity and as such, no Oregon city had authority as to the approval of the transaction. CenturyLink asserted the merger did not involve the sale or disposition of any assets of any Qwest operating entity or of the shares or ownership of any Qwest operating entity. As set forth in the applicable regulatory filings with the OPUC, CenturyLink represented that Qwest would continue as a legal entity following the closing of that transaction, and the operating entity with franchise agreements in effect with any Oregon municipal authorities would not change.
5. On October 26, 2011, the City Council adopted non-emergency Ordinance No. 184957, amending Title 17 of the Portland City Code. Among other matters, the ordinance updated, clarified and reorganized various code sections. The City is implementing various aspects of the revised code provisions, and City staff has begun negotiating a renewal agreement, including revised standardized franchise language to address the code amendments. Although franchise negotiations for a renewal agreement are in progress, parties have not agreed on all terms. City staff recommends that the City Council extend the existing franchise to allow time for parties to complete negotiations for a new agreement and to formally complete the

formal Portland City Charter procedure for proposed franchises, which can take up to four months or more from the date of the required initial publication.

NOW, THEREFORE, the Council directs:

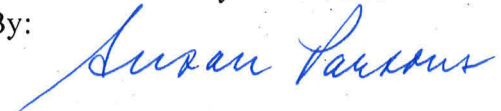
- a. Ordinance Number 175757 is hereby amended to extend the term of the temporary, revocable permit, continuously and without interruption, through January 21, 2015.
- b. All other terms and conditions of the temporary, revocable permit shall remain the same and unchanged.
- c. On or before thirty (30) days after this ordinance becomes effective, Qwest Corporation shall file in the Office of the Auditor of the City of Portland a written acceptance of this ordinance, executed by a duly authorized officer of Qwest Corporation, meeting the approval of the City Attorney. Any failure on the part of Qwest Corporation to file such written acceptance within such time shall be deemed an abandonment and rejection of this ordinance, and this ordinance shall thereupon be null and void. Such acceptance shall be unqualified and shall be construed to be an acceptance of all the terms contained in this ordinance.

Passed by the Council:

DEC 05 2012

**LaVonne Griffin-Valade**  
Auditor of the City of Portland

By:



Deputy

Mayor Sam Adams  
Prepared by: MRiddick/BEWalters  
October 26, 2012

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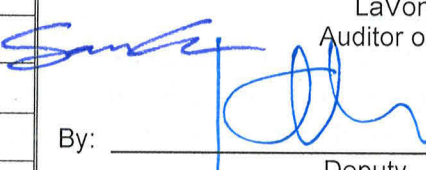

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Agenda No.  
**ORDINANCE NO.**  
Title

**185773**

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<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor Sam Adams</b>	CLERK USE: DATE FILED <u>NOV 20 2012</u>
<b>COMMISSIONER APPROVAL</b>	
Mayor—Finance and Administration - Adams	LaVonne Griffin-Valade Auditor of the City of Portland
Position 1/Utilities - Fritz	By: 
Position 2/Works - Fish	Deputy
Position 3/Affairs - Saltzman	
Position 4/Safety - Leonard	
<b>BUREAU APPROVAL</b>	<b>ACTION TAKEN:</b>
CAO: Jack D. Graham Bureau: Revenue Bureau Head: Thomas W. Lannom	NOV 28 2012 PASSED TO SECOND READING DEC 03 2012 9:30 A.M.
Prepared by: Melvin Riddick Date Prepared: November 9, 2012	
Financial Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date November 28, 2012	
City Attorney Approval 	

<b>AGENDA</b>
<b>TIME CERTAIN</b> <input type="checkbox"/> Start time: _____  Total amount of time needed: _____ (for presentation, testimony and discussion)
<b>CONSENT</b> <input checked="" type="checkbox"/>
<b>REGULAR</b> <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz ✓	
2. Fish	2. Fish ✓	
3. Saltzman	3. Saltzman ✓	
4. Leonard	4. Leonard ✓	
Adams	Adams ✓	