

**ROW Usage Fees**

| <b>TYPE</b>            | <b>DEFINITION/SUMMARY</b>   | <b>HOW IT IS ACCESSED?</b>  | <b>PREEMPTIONS</b>   | <b>TYPICAL AMOUNT</b> |
|------------------------|---|---|--|-----------------------|
| <b>Franchise Fees</b>  | <ul style="list-style-type: none"> <li>Accompanied by a franchise fee agreement</li> </ul>                      | <ul style="list-style-type: none"> <li>Percentage of gross revenues</li> <li>Fees per linear foot, attachment fees, or per pole</li> <li>Long distance/private network providers or others occupying the ROW with no services are usually charged for per linear foot.</li> </ul> | <ul style="list-style-type: none"> <li>7% cap on ILEC telecom carriers (ORS 221.515); Gross revenue of exchange access services as provided in ORS 401.710. ILECs can deduct other taxes or fees from franchise fees or privilege tax. Preemption does not apply to competitive local exchange-carriers or other incumbent providers.</li> <li>5% cap on cable operators (47 U.S.C § 541); If franchise fee is set to 5% cable operator will not have to pay 5% privilege tax or vice versa</li> </ul> | 5-7%                  |
| <b>Privilege Taxes</b> | <ul style="list-style-type: none"> <li>Tax to grant services providers to use ROW to provide service</li> </ul> | <ul style="list-style-type: none"> <li>Percentage of gross revenues or flat fees for attachments</li> <li>Some cities charge “utility operators” wo</li> </ul>  | <ul style="list-style-type: none"> <li>7% cap on ILEC telecom carriers (ORS 221.515); Gross revenue of exchange access services as provided</li> </ul>   | 5-7%                  |

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|  |  | <p>own place, operate or maintain facilities in the ROW a percentage of gross revenues. However, this does not apply to those who don't own facilities but use the ROW. For cities who choose this option and subject ALL utilities to revenue-based registration fees, they may consider deducting registration fees from the utility operators privilege taxes.</p> <ul style="list-style-type: none"> <li>• Cities may consider charging those who don't own facilities a flat fee for attachments in the ROW.</li> <li>• Some cities charge a privilege tax on all utilities whether or not they own facilities in the ROW.</li> </ul> | <p>in ORS 403.105. ILECs can deduct other taxes or fees from franchise fees or privilege tax. Preemption does not apply to competitive local exchange-carriers or other incumbent providers.</p> <ul style="list-style-type: none"> <li>• 5% cap on cable operators (47 U.S.C § 541); If franchise fee is set to 5% cable operator will not have to pay 5% privilege tax or vice versa</li> <li>• 5% for electric, natural gas, water, sewer, and stormwater under ORS 221.450 unless provided under ORS 221.655</li> </ul> |  |
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**Other ROW Related Fees**

| <b>TYPE</b>                    | <b>DEFINITION/SUMMARY</b>  | <b>HOW IT IS ACCESSED?</b>  | <b>TYPICAL AMOUNT</b>                         |
|--------------------------------|--|---|---|
| <b>Registration Fees</b>       | <ul style="list-style-type: none"> <li>• Based on the revenue companies earn from providing services in the city, not based on use of ROW</li> <li>• Operates like a privilege tax</li> <li>• Registration fees can be charged in addition to franchise fees or privilege taxes.</li> <li>• Can be put on non-exchange access revenues (esp. for ILECs)</li> </ul> | <ol style="list-style-type: none"> <li>1. Revenue based registration fee based on percentage of gross revenues, usually paid quarterly for provision of service.</li> <li>2. Annual fee paid at the time of submitting registration application to cover administrative costs.</li> </ol> | 2-5% if revenue based or administrative costs |
| <b>Permit Fees</b>             | <ul style="list-style-type: none"> <li>• Fees for permits to do business in the city in the ROW</li> </ul>   | <ul style="list-style-type: none"> <li>• One-time flat rate per permit for a certain duration</li> </ul>  | Varies by permit                              |
| <b>Application/Review Fees</b> | <ul style="list-style-type: none"> <li>• Fee to apply</li> </ul>   | <ul style="list-style-type: none"> <li>• One-time fee to cover city administrative costs for processing and reviewing the application. Usually an upfront deposit with credit/billing for excess or lower amounts than deposit</li> </ul>   | Varies  |
| <b>License Fee</b>             | <ul style="list-style-type: none"> <li>• Fee to apply or have a license to do business in ROW</li> </ul>   | <ul style="list-style-type: none"> <li>• License application fee – treated like any other application fee</li> <li>• License fee for a master license agreement may be assessed like a franchise fee but called a ROW usage fee.</li> </ul>   |   |

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| <b>Construction Fees</b> | <ul style="list-style-type: none"><li>• Fees to construct facilities or do maintenance in the ROW</li></ul> |  | Varies |
|--------------------------|---|--|--------|

**NOTE:** Most fee amounts vary by city and are set by resolution and reviewed annual.