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ROSATI | SCHULTZ
JOPPICH | AMTSBUECHLER

January 30, 2026

Mayor Fischer and City Council
City of Novi
45175 Ten Mile Road
Novi, MI 48375

RE: Approval of Uniform Video Service Local Franchise Renewal Agreement with DIRECTV, LLC as successor of AT&T

Dear Mayor Fischer and Council Members:

In a letter dated January 28, 2026, DIRECTV, LLC, as transferee from AT&T Michigan, requested the City approve a Renewal Video Franchise Agreement. Under the Act, a video franchise agreement is fully transferrable to any successor in interest to the provider, which was initially granted a franchise. Approval of a transfer by a franchising municipality is not required. According to the application from DIRECTV, in 2021, AT&T transferred its video franchise agreement with the City to DIRECTV.

The City also has Video Franchise Agreements with Charter Communications d/b/a Bright House and Comcast. Video Franchise Agreements are standard form agreements approved by the Michigan Public Services Commission pursuant to the Uniform Video Services Local Franchise Act, Public Act 480 of 2006, MCL 484.3301 *et. seq.*, ("Act 480"). The standard form agreements leave little discretion for a municipality.

Under Act 480, a franchising entity, such as the City, has no authority to deny or negotiate the provisions of a proposed franchise. The City is required under Act 480 to approve a fully complete franchise agreement or a renewal agreement within 30 days of the date it receives the franchise agreement from a video service provider. If the City does not notify a provider that its agreement is incomplete, or fails to approve an agreement within 30 days, the agreement is considered complete and approved. MCL 484.3303(3). The agreement remains in effect for a period of 10 years and may be renewed for an additional ten years at the request of the video provider. MCL 3302(7).

A video service provider is required to pay an annual video service fee. MCL 484.3306(1). At the expiration of an existing agreement, a municipality may not establish a franchise that exceeds 5% of gross revenue received by the provider. MCL 484.3306(1)(b). Act 480 requires that fees charged by franchising entities be uniform for all providers. Your other video service providers are currently assessed a 5% service fee by the City. In addition to the franchise fee, a video provider is required to pay for the support of the cost of public, educational and government access facilities ("PEG ") access fees, which may not exceed 2% of gross revenues of the provider and is to be determined based on a community needs assessment. MCL 484.3306(8),(b),(c). The City is receiving a 2% PEG fee from its other video service providers.

Attached is a Resolution for your consideration to approve the requested video franchise renewal agreement with DIRECTV, LLC. If the City would like to approve an agreement with DIRECTV, we recommend you indicate a franchise fee of 5% by filling in Section VI.A.ii of the agreement and a PEG fee of 2% in Section VIII(1).

Since we have not identified any basis to deny approval of this agreement, we recommend approval of the agreement with DIRECTV during the February 9, 2026, Council meeting to meet the required 30-day period for approval.

Very truly yours,

ROSATI SCHULTZ JOPPICH
& AMTSBUECHLER PC

Joellen Shortley

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JS
Enclosure
cc: Thomas R. Schultz, Esq.