

Consent Decree

I. Introduction

1. This Consent Decree is entered into by the Enforcement Bureau of the Federal Communications Commission ("Bureau") and ONEOK, Inc. d/b/a Oklahoma Natural Gas Company (ONEOK").

II. Background

2. ONEOK is a Tulsa, Oklahoma-based integrated energy company engaged in natural gas distribution and transmission, gas processing, gas marketing, oil and gas production, and the wholesale marketing of electricity. It owns and operates a 25,091-mile distribution network, 5,366 miles of transmission and gathering pipeline, and seven storage facilities. In connection with its utility business, ONEOK operates a communications system which includes land mobile and microwave stations.

3. On November 30, 1997, ONEOK's predecessor engaged in a transaction in which it was merged into another corporation, with the surviving corporation being renamed Oneok, Inc. Although there was no substantive change in control, the transaction effectuated a *pro forma* assignment of licenses of ONEOK's 82 land mobile and two microwave authorizations, requiring prior Commission consent pursuant to Section 310(d) of the Communications Act of 1934, as amended ("Act"). ONEOK, however, did not file applications for Commission consent to the assignment of these licenses until May 2000. The applications have since been granted.

4. On April 30, 1999, ONEOK acquired certain natural gas gathering and processing assets of Koch Midstream Enterprises ("Koch"). The transaction also included the acquisition by ONEOK of three land mobile licenses (one of which expired in July 1999) and six microwave licenses held by Koch. The transaction effectuated a substantial transfer of control of the nine authorizations requiring prior Commission approval under Section 310(d) of the Act. ONEOK, however, did not file applications for Commission consent to the transfer of control of these stations until the latter half of 2000. The applications have since been granted.

5. On October 24, 2000, ONEOK permitted the authorizations for five MAS microwave facilities to expire. Section 301 of the Communications Act of 1934, as amended, 47 U.S.C. § 301, requires a valid authorization to operate each of the facilities. ONEOK, however, continued to operate the stations without authority until December 20, 2000, on which date it obtained Special Temporary Authority. ONEOK has filed applications to relicense the stations. The applications are pending.

III. Definitions

6. For the purposes of this Consent Decree, the following definitions shall apply:
- (a) "Commission" means the Federal Communications Commission.
 - (b) "Bureau" means the Commission's Enforcement Bureau.
 - (c) "ONEOK" means ONEOK, Inc. d/b/a Oklahoma Natural Gas Company
 - (d) "Order" means the order of the Enforcement Bureau adopting this Consent Decree.

- (e) "Final Order" means the Order that is no longer subject to administrative or judicial reconsideration, review, appeal, or stay.
- (f) "Act" means the Communications Act of 1934, as amended, Title 47 of the United States Code.

IV. Agreement

7. ONEOK agrees that the Bureau has jurisdiction over the matters contained in this Consent Decree and the authority to enter into and adopt this Consent Decree.

8. The Bureau and ONEOK agree that this Consent Decree does not constitute an adjudication on the merits or any finding on the facts or law regarding any violations of the Act or the Commission's rules committed by ONEOK.

9. ONEOK agrees that it shall make a voluntary contribution to the United States Treasury in the amount of \$15,000.00 within 10 calendar days after the Bureau releases the Order adopting this Consent Decree.

10. ONEOK agrees to implement, within 10 calendar days after the Bureau releases the Order adopting this Consent Decree, a comprehensive internal program, a summary of which is attached hereto, to ensure ONEOK's future compliance with the Act, the Commission's rules, and the Commission's policies.

11. In express reliance upon the representations contained herein, the Bureau agrees to terminate its investigation into the matters discussed in paragraphs 3 - 5, above.

12. The Bureau agrees not to institute any new proceeding, formal or informal, of any kind against ONEOK for apparent violations of Sections 310(d) and 301 the Act arising from the matters discussed in paragraphs 3 - 5, above.

13. In the event that ONEOK is found by the Commission or its delegated authority to have engaged in a violation of Section 310(d) or 301 of the Act subsequent to the release of the Order adopting this Consent Decree, ONEOK agrees that the conduct described in paragraphs 3 - 5 above, may be considered by the Commission or its delegated authority in determining an appropriate sanction.

14. ONEOK waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Order adopting this Consent Decree, provided the Order is limited to adopting the Consent Decree without change, addition, or modification.

15. ONEOK and the Bureau agree that the effectiveness of this Consent Decree is expressly contingent upon issuance of the Order, provided the Order adopts the Consent Decree without change, addition, or modification.

16. ONEOK and the Bureau agree that in the event that this Consent Decree is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

17. ONEOK and the Bureau agree that if ONEOK, the Commission, or the United States on behalf of the Commission, brings a judicial action to enforce the terms of the Order adopting this Consent Decree, neither ONEOK nor the Commission shall contest the validity of the Consent Decree or Order, and ONEOK and the Commission shall waive any statutory right to a trial *de novo* with respect to any matter upon which the Order is based (provided in each case that the Order is limited to adopting the Consent Decree without change, addition, or modification), and shall consent to a judgment incorporating the terms of this Consent Decree.

18. ONEOK agrees to waive any claims it may otherwise have under the Equal Access to Justice Act, Title 5 U.S.C. § 504 and 47 C.F. R. § 1.1501 *et seq.*, relating to the matters discussed in paragraphs 3 - 5 above.

19. ONEOK agrees that any violation of the Order adopting this Consent Decree shall constitute a separate violation and subject ONEOK to appropriate administrative sanctions.

20. ONEOK and the Bureau agree to be bound by the terms and conditions stated herein.

21. ONEOK and the Bureau agree that this Consent Decree may be signed in counterparts.

**ENFORCEMENT BUREAU
FEDERAL COMMUNICATIONS COMMISSION**

By: _____
David H. Solomon
Chief
Date

ONEOK, INC.

By: _____
Charles Moore
Vice President
Date

**SUMMARY OF COMPLIANCE PROGRAM
OF
ONEOK, INC. d/b/a OKLAHOMA NATURAL GAS COMPANY**

Corporate Compliance Program to Include FCC Regulations

ONEOK's Section 310(d) and Section 301 compliance program is part of a larger FCC compliance program that involves the following elements: Compliance Manual and Training and procedures for identifying and responding to potential transfers covered by Section 310(d) and proper operations pursuant to Section 301.

Compliance Training Program

ONEOK, in conjunction with outside telecommunications counsel, has established a telecommunications FCC compliance program specifically geared for employees, including representatives from the General Counsel's office, who engage in any FCC-related activities. The program includes a thorough review of FCC transfer and control and operational issues. Training sessions will be conducted at least annually by counsel to ensure compliance with the Communications Act of 1934, as amended, and FCC regulations.

Internal Review Procedures

ONEOK has established a centralized internal review and supervision process for the handling of all FCC licensed facilities, FCC license applications and related pleadings and correspondence. All ONEOK corporate departments and subsidiaries will be in close contact with ONEOK compliance officers to ensure that all FCC rules and regulations are being adhered to on an ongoing basis and prior to and during any corporate restructuring, acquisitions or related transactions. ONEOK is sensitive to the requirements of 47 U.S.C. § 310(d) and § 301 and will maintain open communications between corporate and telecommunications departments and personnel in order to prevent any *pro forma* or substantial unauthorized assignments and/or transfers of control and operations of stations outside the scope of an FCC authorization.