

# BOARD OF ALDERMEN

ITEM NO. (2)

## AGENDA ITEM ABSTRACT

MEETING DATE: September 13, 2005

**TITLE: A Report on State and Federal Cable Legislation**

<b>DEPARTMENT:</b>	<b>PUBLIC HEARING:</b>
<b>ATTACHMENTS:</b> A. Letter	<b>FOR INFORMATION CONTACT:</b> Richard White, 918-7314

### **PURPOSE**

Bob Sepe, the town's cable consultant will provide the Board with a brief overview of proposed state and federal cable legislation and the potential impact on local governments.

### **INFORMATION**

In recent weeks, several bills have been introduced at the state and federal levels that threaten franchise agreements, franchise fees, Public, Education, and Government (PEG) access, and local government's jurisdiction over rights-of-way. Considered anti-competitive because they favor existing cable and telecommunications would undermine the current authority of local government to regulate cable TV franchises and providers, these potential changes levy cable fees.

The loss of authority and the repeal of this revenue source to local governments would be substantial. A summary of the bills is provided below.

#### **HB 327 - Technical Corrections Bill**

Proposed an amendment to G.S. 1610A-311(7) which would have allowed public enterprises to provide video programming without being subject to local government franchising authority and fees. The amendment was removed from the bill.

#### **S 1504 - Broadband Investment and Consumer Choice Act**

Introduced by Senators John Ensign and John McCain, bill would abolish cable franchising and reduce franchise fees; possible abolish all cellular tower zoning and telephone franchises and fees; possibly grant video providers the right to use public rights of way in perpetuity; and attempt to prevent governments from providing the public with communications service.

#### **HR 3146 and S1346**

Bills to help phone companies provide cable service by providing a national cable franchise. styled as promoting "video choice" by (1) allowing any entity (i.e., primarily phone companies) with lines in the rights of way or the right to use the streets to provide cable service without a franchise, and (2) prohibiting any federal, state or local regulation not specifically allowed by the bills. Bills are intended to further deregulate the provision of cable services on the assumption that this will produce competition. Place no obligations on phone companies to provide services these bills allow. Allows anyone with lines already in rights of way to provide cable service without a local franchise.

**FISCAL IMPACT:**

N/A

**STAFF RECOMMENDATION**

The Board is not required to take any action. However, a letter requesting Senators to oppose Senate Bill 1504 is provided for the Board's consideration.