

# An Act Promoting Consumer Choice and Competition for Cable Service

## Keeps Local Control

- Municipalities retain the authority to issue and deny cable franchises
- Local officials maintain the ability to negotiate funding for local Public, Educational, and Government (PEG) operating and capital support, including:
  - **PEG Operational Support Funding:** negotiated funding up to the current federal franchise fee limit of 5% of annual gross revenues<sup>1</sup>.
  - **PEG Capital Support Funding:** Unless other terms are negotiated, a new provider pays up to 1% of gross revenues, or the per-subscriber equivalent of the funding paid by the incumbent operator, capped at 1%. When the incumbent's agreement expires, the new provider and the incumbent operator both pay 1% of gross revenues towards capital equipment support.
- Taken together, this local operational and capital support funding totals up to 6% of gross revenues for local communities – higher than the state sales tax.
- Communities retain the right to negotiate the number of local PEG channels
- No change to existing statutory requirements regarding:
  - Street restoration and repairs,
  - Free cable drops in public buildings,
  - Insurance and bonding,
  - Defining the area to be served within the approved cable license and,
  - Construction of the approved service area within six years.
  - Municipalities are free to negotiate town-specific terms if they wish
  - No change to control over local right-of-way.

## Creates Consumer Benefits

- Predictable franchise negotiation and approval cycle encourages companies to invest in competitive cable networks
- A faster franchising process speeds benefits of competition to consumers
- A reasonable time frame for negotiating cable TV franchise agreements eliminates the likelihood of delayed consumer choice
- Local access programming is supported via negotiated fees from providers
- Sharing costs of local access programming among competitors creates reasonable pass-through charges for consumers

## Streamlines Franchising Process

- Gets applicants and communities to the negotiating table quicker. Franchise negotiations begin within 10 days of application.
- Public hearing required within 90 days of application.
- Within 5 days of public hearing, the parties must execute the approved license or the community must issue a written statement indicating why it denied the license.

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<sup>1</sup> This 5% limit includes local license fees of 50 cents per subscriber, generating more than \$1M annually in local revenue statewide based on 2M+ cable subscribers. The current state license fee of 80 cents per subscriber will continue as well, generating \$1.6M+ in state revenues.