RECEIVED BY
OFFICE OF CITY CLERK
CAMBRIDGE, MASS.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 98th CONGRESS, SECOND SESSION

Vol. 130 WASHINGTON, MONDAY, OCTOBER 1, 1984 No. 127

House of Representatives

For instance, H.R. 4103:

Grants cities explicit authority to require public, governmental, and educational [PEG] access channels, providing the opportunity for local governments, schools, and community groups to reach the public;

Requires cable operators, to set aside channels for commercial leased access, free from the editorial control of the cable operator, to encourage an increase in the sources of programming available to the public;

Requires that cable service be made available in all areas of a city, so that residents of low-income areas are not deprived of the cable services and programming;

Includes measures to safeguard and protect the privacy of cable subscribers;

Establishes restrictions on the ownership of a cable system by the owners of a local television station, owners of a daily newspaper published in the same community, and local telephone companies to promote a greater diversity of ownership of cable systems; and

Requires a cable operator to establish a program to ensure equal employment opportunity in all aspects of its employment policies and practices, in order to foster participation by women and minorities in the cable industry.

Municipal authority over cable television has, and continues to be, challenged at the FCC and in the courts. The legislation protects local authority over cable television in several important respects. H.R. 4103 as amended:

Grants cities the authority to award one or more cable franchises in its jurisdiction;

Permits cities to collect a franchise fee of up to 5 percent of the operator's gross revenues to compensate the city for regulatory costs and for other purposes;

Gives the franchising authority the explicit authority to require the upgrading of facilities and channel capacity during the renewal process;

Allows cities the authority to deny an incumbent operator's renewal proposal if any of four standards are not met by the cable operator;

Preserves municipal authority to enforce franchise agreements and to establish provisions for the enforcement of customer service requirements; and

Finally, under the most recent compromise agreement between the cities and cable industry, municipal rate regulation for basic service is grandfathered for 2 years, but cable operators cannot be forced to retier, replace, or reprice services which have already been lawfully changed.

By establishing a national regulatory framework for cable television, H.R. 4103 will encourage the growth and development of cable television. The legislation contains several provisions to provide the industry with the certainty and stability it needs to make large financial investments to construct and operate cable systems. For instance, as amended, H.R. 4103:

Establishes procedures and standards to protect the cable operator from an unfair renewal process by the franchising authority;

Deregulates the rates charged for basic cable service in 2 years, allowing the marketplace to dictate the price for cable programming and services;

Establishes criminal penalties for the unauthorized reception or theft of cable services which currently robs cable operators and subscribers of millions of dollars of revenue each year;

Ensures a cable operator will receive an equitable or fair market price for the cable system if the franchise is revoked or not renewed; and

Allows operators to seek modification of a franchise's service requirements if the operator can show that the mix, quality, and level of services originally required will be maintained under the modification.

H.R. 4103 AS AMENDED

H.R. 4103 as amended incorporates the recent agreement on rate regulation reached by representatives of the cities and the cable industry. The legislation before us today also includes several clarifying changes to sharpen the bill's language to make it more in line with the committee's intent in the sections on renewal, franchise fees, and equal employment opportunity.

RATE REGULATION

H.R. 4103 as amended before us today reduces the 4-year transitional period for municipal rate regulation which was in the bill, to 2 years. In addition, the bill provides that cable systems which have retiered or repriced cable services in reliance upon the FCC's Nevada decision cannot be required to restore, retier, or replace such services where the change in pricing or tiering occurred as of September 26 1984.

In addition to the compromise agreement on rate regulation, several clarifying and noncontroversial changes in H.R. 4103 were also agreed to. The clarifying changes in the renewal, franchise fee, judicial proceedings, telephone cross-ownership, and equal employment opportunity provisions include:

Clarification of renewal provisions, allowing a franchising authority and the incumbent operator to agree to a renewal of the franchise without implementing administrative procedures, and a statement of purpose that the cable operator is protected against an unfair denial of the franchise;

Clarification of the franchise fee provisions to permit the prepayment or deferred payment of a franchise fee, as long as the 5 percent of gross revenues annual cap is not exceeded;

Extension from 60 to 120 days for the time period in which an operator may bring actions in court under sections 626 or 625;

H.R. 4103 as amended would allow the FCC in certain circumstances to grant waivers to telephone companies to allow them to own cable systems where cable service would otherwise be denied to local residents; and

Clarification of the equal employment opportunity provisions stating that the failure of an operator to obtain certification shall not itself constitute the basis for a determination of substantial failure to comply with this title. This amendment is further intended to clarify that failure to employ members of minority groups and women at the prescribed parity levels is not by itself a violation of this title.

H.R. 4103 is consensus legislation and sound public policy that will work to better serve consumers, municipalities, and the cable industry. The legislation will encourage the growth and development of cable, enhancing cable's programming and services and, by preserving municipal authority in key areas, work to ensure that cable operators are responsive to the needs and interests of the communities they serve.

I urge my colleagues to join me in support of H.R. 4103.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 98th CONGRESS, SECOND SESSION

Vol. 130 WASHINGTON, MONDAY, OCTOBER 1, 1984 No. 127

House of Representatives

Mr. MARKEY. Mr. Speaker, cable television holds great potential as the new entertainment and information forum of tomorrow. If we let cable loose, cable TV can be the telephone of the future—allowing consumers to communicate with stores, banks, and schools. Unfortunately, our current patchwork quilt of local, State, and Federal regulation stifles that potential and robs consumers of the chance to enjoy the full range of cable services.

This compromise deserves our support since it will enhance cable TV for consumers everywhere. It unleashes the great potential of cable with the admonition: Go out and serve the consumer. And in the process, this bill protects consumers and the legitimate interests of cable companies and the cities.

The compromise of 4103 took many months to reach and was achieved through lengthy negotiations and painful compromise. Of course, not everyone is happy with all parts of the bill. But anyone who cares about the consumer and the cities must be happy with the final compromise.

Anyone who wants to see consumers enjoy the communication form of the future and anyone who wants to see cities have any control over local cable companies must be pleased with this bill.

Everyone also should understand that if the House fails to pass a Federal cable policy, then our cities will be robbed of their control over cable TV. The era of deregulation, affirmed by the FCC and the Supreme Court, has hit cable regulation with a crippling force.

One result of the deregulation mania is that unless Congress enacts a cable bill, the Supreme Court will do it for us. I can assure you of one thing: The cities and the consumer are not included in the Supreme Court FCC view of cable policy. Consequently, the question before us is this: Will we allow the cities to regulate the local cable companies? The question before us is this: Will we give consumers the ability to get the services they want at prices they can afford?

In order to be fair to consumers and fair to the cities, I believe we must answer those questions yes. We must not abdicate our responsibility and turn cable regulation over to the FCC and the Supreme Court. Instead, we should be bold in our stance in support of the cities and the consumers. We should pass this compromise since it is good for consumers and fair to the cities and the cable industry. Cable TV will be the telephone of tomorrow if we let it flourish. This bill serves to promote cable TV and protect consumers. It deserves our support.

EDWARD J. MARKEY
7TH DISTRICT, MASSACHUSETTS

COMMITTEES:

ENERGY AND COMMERCE

INTERIOR AND INSULAR AFFAIRS

CHAIRMAN
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

Congress of the United States
House of Representatives
Washington, D.C. 20515

205 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-2836

DISTRICT OFFICES:
2100A JOHN F. KENNEDY BUILDING
BOSTON, MASSACHUSETTS 02203
(617) 223-2781

464B SALEM STREET
MEDFORD, MASSACHUSETTS 02155
(617) 396-4800

RECEIVED BY OFFICE OF THE CITY CLERK
OCT 30 1984
CAMBRIDGE, MASS.

October 24, 1984

Mr. Paul E. Healy
City Clerk
City of Cambridge City Hall
Cambridge, Massachusetts 02139

Dear Mr.Healy:

I am writing to inform you that, just before adjourning for the year, Congress passed the Cable Franchise Policy Act of 1983, H.R. 4103, and sent it to the President. This consensus measure represents the compromise worked out by the Conference of Mayors, National League of Cities, and the National Cable Television Association and passed by the House and Senate. As a member of the Telecommunications Subcommittee which has been working on cable regulation for over three years, I think all parties should be satisfied that Congress passed a fair federal cable regulatory policy that will benefit consumers, cities and cable operators.

The new cable law, supported by many 7th District mayors, establishes a comprehensive federal policy that clarifies the current patchwork of local, State and federal regulation of cable. Existing cable regulation has frustrated the development of cable TV, depriving the public of the full diversity of information and service cable has the potential to provide. In addition, recent decisions by the U.S. Supreme Court and the Federal Communications Commission threatened to rob cities of their regulatory power over cable operators. The new cable law erases these obstacles and allows for the orderly regulation and development of cable TV, which has the potential to deliver the benefits of the information into the homes of all our citizens.

The bill sets forth franchise procedures and standards to encourage the growth of cable and to ensure that cable systems are responsive to the needs and interests of the local communities they serve. The legislation also contains provisions to help ensure that cable systems provide the widest possible diversity of information services and sources to the public.

In order to assist your understanding of this complex bill, I have enclosed a summary of the new law. In addition, my floor statement during the bill's consideration is also included. If you have any further questions, please do not hesitate to contact me or Gerry Waldron with my staff at (202) 225-2836.

Sincerely,

Ed Markey

Edward J. Markey
Member of Congress

Enclosure

6.

S-673

Comm. from Representative Edward Markey, Re:
passage of H.R. 4103 by Congress.

In City Council,

November 5, 1984

11/5/84
-Placed on File-