



# City of Cambridge

Calendar Item # 2

5.

## IN CITY COUNCIL

~~September 26, 1994~~

October 3, 1994

COUNCILLOR WALSH  
COUNCILLOR BORN  
COUNCILLOR DUEHAY  
VICE MAYOR RUSSELL  
COUNCILLOR TOOMEY

**WHEREAS:** Just a few weeks after the Federal Communications Commission jubilantly sold at full market value federal rights-of-way, the Senate Commerce, Science and Transportation Committee voted 18-2 to deprive local government of the same authority. Last month the FCC auctioned a small sliver of federally-controlled radio frequency bands to private companies for more than \$820 million; and

**WHEREAS:** The Committee reported a bill which reverses 60 years of the state and federal partnership in regulating telecommunications companies. The Committee chose a new regulatory paradigm which has not been debated and is not widely understood. The bill effectively pre-empts and subordinates state and local property rights, consumer protection and service availability authorities; and

**WHEREAS:** State and local elected and regulatory officials and their national organizations were stunned by the content of the revised legislation that was unveiled less than 48 hours before the Committee acted. The legislation conclusively demonstrates the potency of those companies erecting new telecommunications networks and providing programming and other services, who wanted to avoid local community oversight. They persuaded the panel members that state and local oversight of their activities would derail their efforts to introduce more competition in phone and cable services; and

**WHEREAS:** In fact, many states and local governments have been leaders in pioneering new regulatory strategies to encourage competition in both cable and telephone services, efforts that were largely ignored by the industry advocates and Committee members who elected to push the FCC as the arbiter of first and last resort; and

**WHEREAS:** The bill requires the Commission to undertake nearly 50 rule makings or proceedings and assume a substantial role, in lieu of state and local governments, in overseeing all telecommunications and information services providers. Communities and consumers will be forced to take all of their complaints to Washington, D.C. Telecommunications companies, on the other hand, generally view the FCC as a familiar arena for setting policy, a forum where they can focus one-stop lobbying efforts; and

**WHEREAS:** Cities and counties are now estimated to collect more than \$1 billion annually in cable franchise fees. The bill immediately changes the base upon which local cable franchise fees will be calculated. Existing authority to assess a fee of up to five percent of gross revenues from the "cable system" is replaced with a lower threshold that limits fees to five percent of the costs to "provide cable services." There is the real potential that cable companies, limiting the base upon which fees are calculated, will reduce the amount that cities collect from cable franchise fees; and

**WHEREAS:** In the event existing state law needs to be amended to respond to this federal preemptive requirement that all providers at the local level be treated uniformly, cities will find that under S. 1822 the authority of state government to pass new laws, including changes or enhancements to local authorities, is largely preempted as well. While state and local governments share numerous concerns about the unprecedented role for the FCC and the wholesale pre-emption of state and local authority, cities and counties are immediately affected by provisions that render traditional controls of local rights-of-way; and

**WHEREAS:** State and local government officials and their organizations are fast concluding that the legislation should not move forward unless substantial changes are incorporated; now therefore be it

**ORDERED:** That the City Manager be and hereby is requested to contact our congressional delegates to indicate strong reservations about S. 1822, urging them to take action to support necessary amendments to restore appropriate state and local authorities and urge delay in consideration of this legislation until such amendments can be considered and adopted and that a copy of this Order be forwarded to all members of the congressional delegation including Senators Kennedy and Kerry.

**REFERRED TO THE CITY CLERK TO REWRITE ON MOTION OF COUNCILLOR DUEHAY.**



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**CHARTER RIGHT EXERCISED BY COUNCILLOR TRINANTFILLOU**

5

September 19, 1994

COUNCILLOR WALSH

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Born Duehay Russell Jooney  
Cal # 2

Consent Order #5

EM-332

Councillor Walsh re: The FCC.

In City Council September 26, 1994

Charter Right exer-  
cised by Councillor  
Triantafyllou

10/3/94 Referred to

City Clerk to re-write  
on motion of Councillor  
Duehay.