



# City of Cambridge

99.

IN CITY COUNCIL

June 2, 1997

COUNCILLOR GALLUCCIO

ORDERED: That the City Clerk be and hereby is requested to forward a resolution to the Cambridge House and Senate delegation conveying the Council's opposition to legislation filed by Rep. Correia (as described in the attached Globe article) recently passed by the House which would restrict second franchises licenses granted by cities and towns and could severely limit potential cable competition in Cambridge.

In City Council June 2, 1997

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

A handwritten signature in cursive script that reads "D. Margaret Drury".

ATTEST:-

D. Margaret Drury  
City Clerk

# Cities question cable TV measure

## Called 'death knell' for competition

By Bruce Mohl  
GLOBE STAFF

Municipal officials say a bill moving rapidly through the Massachusetts Legislature would hinder and possibly even stall their efforts to bring competition to the cable television business in their communities.

The legislation, strongly backed by the state's cable television industry, would allow municipalities to grant a second cable TV license only if the terms and conditions of that license were no more favorable than the license held by the incumbent company.

"For cities and towns, this would be the death knell for competition," said Paul C. Trane, the director of communications for Somerville, which is trying to bring in a company to compete against Time Warner.

The legislation, which passed the House recently and is awaiting action in the Senate, comes at a time when Somerville, Boston, Brookline, and many other communities are looking to competition to improve cable service and bring rates down. Millions of dollars are at stake as longtime cable monopolies are challenged.

Trane said the language of the bill would require Somerville to negotiate a license with Residential Communications Network, a joint venture of New Jersey-based RCN and Boston Edison, that is virtually identical to the one the city currently has with Time Warner, right down to construction schedules, community television programming, service to subscribers and system design.

Trane said Somerville is insisting that RCN, like Time Warner, pay 5 percent of its gross revenues to the city. But he said he sees no need to require RCN to duplicate Time Warner's wiring of municipal buildings or buy redundant video equipment.

Trane said Somerville would prefer to have RCN provide some other comparable service, but he worried that doing so would spawn a lawsuit by Time Warner that could derail competition for months or years.

"This is the most anticonsumer language you could imagine," Trane said. "That this is being done at a time when the state is on the thresh-

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# Communities question cable TV legislation

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old of competition is a mockery to consumers."

Nick Leuci, vice president of government and community relations at Time Warner, said the company is fully prepared to face competition as long as competitors have to play by the same rules.

"What the cable industry is saying is that if a competitor comes into the city, it should not have any advantage. There should be a level playing field there," he said. "This should be simple. Why do you want to put one company at a disadvantage?"

John Patrone, the state's cable television commissioner, said the Weld administration has not taken a position on the legislation, yet he said he generally favors a level playing field for competitors.

"Once in the market, the competitor should have the same benefits and burdens as the incumbent, otherwise we're just trading one monopoly for the other," he said.

But Patrone said he was unsure whether the bill would require municipalities to negotiate franchise

agreements that are identical to the ones negotiated with the incumbent company.

Peter Epstein, a lawyer who represents Somerville and a number of other communities on cable matters, said cable TV companies currently try to insert the bill's "level-playing-field" language in their licenses. Some communities, like Chelsea, have agreed to the language; others have refused to accept it.

Epstein said he saw no reason why the state should intervene in the licensing process, especially with such detailed instructions.

RCN spokesman Jim Maiella said the company had not studied the legislation thoroughly but is opposed to its thrust. "On its face, we think it's ill conceived because it presumes local communities aren't qualified to negotiate their own cable franchise agreements."

The cable legislation passed the House on a voice vote May 22 and is now awaiting action in the Senate. The bill's sponsor, Representative Robert Correia, Democrat of Fall River, did not return phone calls.

29.

Councillor Galluccio

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*D. Margaret Drury*

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D. Margaret Drury  
City Clerk

CM-345

Consent ORder #99

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**ORDER ADOPTED**