



7.

CITY OF CAMBRIDGE • EXECUTIVE DEPARTMENT

Robert W. Healy, City Manager

Richard C. Rossi, Deputy City Manager

March 17, 2003

To The Honorable, The City Council:

In response to Awaiting Report Item No. 03-19, regarding a report on plans to respond to the increased cable rates and what is being done to foster competition through another cable company, please be advised of the following:

The City of Cambridge negotiates a franchise agreement with Cable TV providers; however, we cannot regulate or negotiate pricing beyond the basic level of service cost. The franchise agreement calls for adherence to consumer protection standards as set forth by the State and Federal authorities, but the enforcement of them is really not within the City's power, except to claim non-compliance with the agreement when the Cable Company seeks to be re-franchised or transfer its license to a new company. The City would be willing to challenge the company's pricing, but generally such an approach would result in a lawsuit, which would be difficult given the lack of support from the State Department of Telecommunications and Energy (DTE).

With reference to what is being done to foster competition, in 1998, at the time that the City was involved in the renewal process for the MediaOne cable license, the City advertised seeking proposals from any parties interested in obtaining a second cable license in the City. RCN was the only company that submitted an application. We negotiated for several months with RCN regarding the potential provisions of a license. Despite initially promising negotiations, RCN indicated in early 2000 that they would not be in a position to go forward with their application for a cable license in the City at that time. Given the costs associated with the built-out for a new cable system, it does not appear likely that the City will be able to attract a competitor to ATT/Comcast in the near future.

Very truly yours,

Robert W. Healy
City Manager

RWH/dls

-18

Consent Agenda #7

Appropriation of a grant from the Massachusetts Office of Public Safety for \$102,000 to the Public Investment Fund Fire Extraordinary Expenditures Account to provide funds for the purchase of various pieces of equipment that will enhance the safety of firefighters.

In City Council March 17, 2003

PLACED ON FILE.