



Local Government: Partner in Promoting Video Competition

TELECOMMUNICATIONS ACTION ALERT

HOUSE FLOOR VOTE EXPECTED FRIDAY, JUNE 9, ON TELECOM BILL: URGE YOUR MEMBER TO VOTE “NO”

As approved by the United States House of Representatives Committee on Energy and Commerce on April 26, 2006, the Communications Opportunity, Promotion, and Enhancement Act of 2006 (COPE) bill, sponsored by Reps. Joe Barton (R-Texas) and Bobby Rush (D- Illinois), “federalizes” local government video/cable franchising, limits the benefits of broadband-video competition to a few well-to-do neighborhoods, and undermines the ability of local governments to protect consumers and manage public rights-of-way. The bill does significant harm to consumers and cities in three significant ways:

First, the bill strips local governments of their authority to franchise the use of their rights-of-way for video/cable services and gives that authority to the Federal Communications Commission (FCC) in Washington, D.C. The FCC has never had the authority to regulate local public rights-of-way and has no expertise concerning local streets, sidewalks, public safety or traffic patterns.

Second, it gives the FCC the authority to oversee and second-guess all local rights-of-way management practices and all customer service issues. Incidents occurring in local rights-of-way are public safety concerns and must be addressed immediately and locally. This bill completely ignores the reality that the FCC is not able to respond in a timely manner to these rights-of-way concerns. The FCC does not and never will have the resources to handle all customer complaints nationwide, and local governments are best situated to respond to their residents’ complaints.

Third, the bill, which is being hurried to the House Floor for a vote, allows providers of the broadband-video service, through the national franchise, to use the public rights-of-way in a community but pick and choose which neighborhoods they wish to serve while bypassing all others completely. The bill would even allow broadband/video providers to avoid maintaining or upgrading facilities in poorer neighborhoods while affluent neighborhoods receive cutting-edge services and lower prices.

Your urgent action is needed. Please contact your member in the U.S. House of Representatives ASAP and urge them to vote “NO” on the Communications Opportunity, Promotion, and Enhancement Act of 2006 (COPE). Simply dial the Capitol switchboard at 202/224-3121 and ask for your member’s office.

If you have questions, please contact Barrie Tabin Berger in GFOA’s Federal Liaison Office at btberger@gfoa.org.



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PROTECT CITIES AND COUNTIES BY VOTING “No” ON THE COMMUNICATIONS, OPPORTUNITY, PROMOTION, AND ENHANCEMENT ACT OF 2006

URGENT ACTION NEEDED: HOUSE COMMITTEE VOTE STRIPS LOCAL GOVERNMENT AUTHORITY AND DOES NOT ENSURE SERVICE TO ALL

Local governments strongly endorse promoting competition for all consumers and treating like services alike. Our nation’s cities and counties welcome video competition in their communities. Nationalizing franchising, however, would limit the benefits of video competition to a few well-to-do neighborhoods, would threaten local budgets, and would undermine the ability of local governments to protect their residents and manage public rights-of-way.

LOCAL GOVERNMENTS WANT CABLE COMPETITION AND HAVE ACTIVELY SOUGHT IT FOR YEARS. BUT LOCAL GOVERNMENTS DO NOT FAVOR:

- Subsidizing multinational communications companies’ use of local streets and rights-of-way at the expense of local government budgets and local taxpayers.
- Giving the Federal Communications Commission (FCC) in Washington, D.C., control and oversight over how localities manage their local streets and rights-of-way.
- Subsidizing service to a few well-to-do neighborhoods while less well-to-do neighborhoods are left behind without competition, and with higher prices and poorer service.
- Allowing telephone companies to provide new cable and broadband services only to some of their telephone customers, leaving others behind.
- Cutting current levels of financial support for local community programming and emergency communications.
- Taking away local authority to handle their residents’ cable customer service complaints.

THE TRUTH:

The bill’s supporters make several claims about its supposed benefits, but they are not true.

- The bill would supposedly increase cable competition and lower cable prices.
The Truth: Only for a chosen few. Everyone else could see higher rates and poorer service. As currently worded, the bill allows new entrants to pass by poorer neighborhoods completely, as long as they don’t discriminate against poorer residents in well-to-do neighborhoods.
- The bill would supposedly allow localities to continue to manage their rights-of-way.
The Truth: Local government rights-of-way management would be subject to oversight and second-guessing by the FCC in Washington, D.C.
- The bill would supposedly preserve localities’ 5% franchise fees.
The Truth: It would reduce the revenue base on which the 5% is paid, meaning less franchise fees for the critical services local governments provides to its citizens, including public safety and transportation.
- The bill would supposedly prevent economic redlining.
The Truth: It would allow new entrants to bypass poorer and minority neighborhoods entirely as long as the new entrant offers service to those groups that happen to be sprinkled about in otherwise more well-to-do neighborhoods.
- The bill would supposedly continue to provide support for public, educational and governmental (“PEG”) access channels and institutional networks (I-Nets).
The Truth: It fails to make communities whole on PEG and I-Net support. Many communities have made the decision in their local franchises to obtain more than 1% worth of PEG and I-Net support, and in those communities, local programming and emergency communications should not be diminished by the bill.