



**City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
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Legislative File No: 2005-0547

TO: City Council Members
FROM: Melinda Hill, City Council President
DATE: August 11, 2005
SUBJECT: Senate Bill 154 – Ensign/McCain Broadband Investment and Consumer Choice Act

REQUEST:

Adoption of Resolution in opposition to Senate Bill 1504 - Ensign/McCain Broadband Investment and Consumer Choice Act

BACKGROUND:

On July 27, 2005, U.S. Senators John Ensign and John McCain introduced the Ensign/McCain Broadband Investment and Consumer Choice Act, which among other things, abolishes cable franchising; reduces cable franchise fees, may grant video providers the right to use public rights of way in perpetuity, would abolish all zoning of cellular towers and apparently eliminate telephone franchises and fees and attempts to prevent governments from providing the public with communication services. If this bill is passed, it will likely cost Michigan communities \$100 million per year in lost revenues from cable and telephone companies.

Harmful effects of the bill in the cable and broadband area include:

- Abolishes cable franchising, which ensures that the services cable companies provide meet our local needs, provide needed protections for the public, and allow these provisions to be changed over time as needs change and technology evolves.
- Unlike any other utility service, it abolishes requirements that cable service be provided wherever in a community there is sufficient population density to make service economical. Phone and electric service are not provided only where the provider elects to provide service; all areas with sufficient population density are served. Cable and broadband should be the same.
- Reduces the cable franchise fees providers pay to use public property
- Does not adequately preserve local ability to manage the streets, such as requiring providers to relocate lines at their expense when streets are straightened or widened
- Does not have meaningful provisions on channels for public, educational or governmental use, and lacks provisions in current law requiring the provider to provide funds to support these channels
- Does not have provision for protection if the provided causes damage or goes bankrupt

In addition, the bill appears to address many matters not related to cable or broadband which include:

- Abolishes all zoning of cellular towers, so towers can be put anywhere in a community, without regard to whether they are needed or their effect on property values
- Abolishes telephone franchises and fees, even though these companies have and should continue to pay “rent” to use the streets, which are public property maintained at great expense, for their lines
- Attempts to prevent governments from providing the public with communications services

RECOMMENDATION:

Adopt Resolution in opposition to Senate Bill 1504, the Ensign/McCain Broadband Investment and Consumer Choice Act and request the City Clerk to send a copy of the Resolution to the appropriate legislatures.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA
