
CITY OF ROCHESTER HILLS

Mayor's
Office

Jason Dale, ICCA Representative

DATE: July 20, 2006

TO: Barbara Holder, Chair of

Financial Services Committee

RE: National Franchise Issue

The ICCA has been following the proposed changes to cable franchising legislation on both the state and federal levels by AT&T and Verizon. With the recent advance of HR5252 (S2886) from the U.S. House to the U.S. Senate, the ICCA is encouraging all cities to formally oppose this legislation for the following main reasons:

- It jeopardizes local control of rights-of-way
- There is no clear explanation of how the current 5% Franchise Fee and 1% PEG Fee revenue will be preserved, if at all
- Currently, the local franchise agreement allows residents to bring unresolved disputes with a cable provider to an advocate within City Hall for help. The new legislation would force residents to take such issues to the FCC for resolution.
- It allows cable providers to exclude certain residents from receiving their service based on physical location or area income level

The ICCA is recommending each community pass a resolution of opposition to what is currently labeled HR5252 and forward them to the appropriate federal legislator.

The name of the act is currently the "Advanced Telecommunication and Opportunity Reform Act." Purportedly, it will bypass barriers companies new to providing cable television services apparently are encountering trying to establish cable franchises with individual municipalities. The act is meant to increase competition and thereby lower overall cable television rates to consumers.