

HOUSE RESEARCH

Bill Summary

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Overview

Technological advances in telecommunications in recent years have enabled companies engaged in providing telephone, cable TV, and Internet services to diversify their offerings and offer a "triple play"-voice, video and data services-to their customers. However, some regulatory structures governing these industries still reflect the time when they were treated as regulated monopolies.

H1319DE1 amends Minnesota's cable communications statutes to allow a municipality or joint cable communications commission to grant an additional franchise in an area already served by an existing cable provider, and establishes terms and conditions under which these additional franchises may operate.

Section

1 Requirement; conditions. Allows a joint cable communications commission the same authority as a municipality to require a franchise or extension permit for a cable service provider.

Strikes language governing terms and conditions a municipality may not impose on an additional franchise. (Most of this language is reproduced in section 3, subdivision 2.)

2 All systems. Requires a franchisee to allow any franchisee to interconnect all public, educational, governmental (PEG) access and local origination programming and channel feeds. Terms and conditions will be set by a municipality or joint cable communications commission.

Section

3 Additional franchise.

Subdivision 1. Definition. Defines "existing franchise" and "additional franchise."

Subd. 2. Terms and conditions. Prohibits the granting of a franchise in an area included in an existing franchise on terms and conditions more favorable or less burdensome than those in an existing franchise with respect to PEG requirements or franchise fees, except if the area is not actually being served by the existing franchisee. Additional terms and conditions may be imposed on an additional franchise with respect to the unserved area.

Subd. 3. Franchise area. An additional franchise may include an area similar to an existing franchise area or another area that is determined necessary or desirable to meet the needs of the municipality or joint cable commission.

Subd. 4. Application decision. A municipality or joint cable commission must give an applicant notice when an application is complete. Unless the area in which the additional franchise is seeking to provide service is currently unserved by an existing franchise, the application must be accepted or rejected within 120 days of the notice, unless an extension has been mutually agreed upon in writing.

Subd. 5. Local public, educational, and governmental access channels. An additional franchisee must ensure that all subscribers receive PEG access and local origination programming as specified in the existing franchise. No such obligations in excess of those imposed on an existing franchisee may be imposed on an additional franchisee.

An additional franchisee may begin providing service after the franchise is granted, even if negotiations regarding PEG access have not been completed.

A municipality or joint cable commission may require that interconnection of all PEG access, local origination programming and channel feeds occur on government property or public rights-of-way. The costs of interconnection to an existing franchisee must be paid by an additional franchisee.

An additional franchisee shall make financial contributions towards PEG access services, facilities and equipment that are equivalent to those provided by an existing franchisee. Amounts must be calculated on a per customer basis or proportionate to an existing franchisee's contributions on terms mutually agreed upon.

4 Prohibition of denial of access. No franchisee may deny service to a group of potential subscribers because of the income of the residents in the area in which the group resides.

5 Effective date. Sections 1 to 4 are effective the day following final enactment.