



ROBERT E. SMITH
EXECUTIVE DIRECTOR

March 15, 1983

To: Members, Sacramento Metropolitan Cable Television Commission

From: Bob Smith, Executive Director
Sacramento Metropolitan Cable Television Commission

Subject: RESOLUTIONS OPPOSING S.66 AND NATIONAL LEAGUE OF CITIES COMPROMISE LANGUAGE ON CABLE TELEVISION

Attached are two separate Resolutions opposing pending federal legislation regarding cable television. The first Resolution opposes S.66, the Goldwater Bill, currently in the Senate Sub-Committee on Communications. This Bill is opposed by the National League of Cities and other consumer groups because it essentially takes away local government's ability to regulate cable. The federal government would have exclusive jurisdiction over areas currently regulated by local government such as access and service requirements, rate regulation and franchise enforcement. In addition, franchise fees would be limited to an unspecified amount, not to exceed the actual cost of regulation, renewal of a franchise would be almost automatic and all existing franchises must be brought into compliance within 90 days after this Bill's enactment.

The second Resolution opposes the compromise language approved by the Board of the National League of Cities on March 6th. This language was drafted in an attempt to reach agreement between the National Cable Television Association and the NLC so that S.66 could be rewritten and supported by the NLC and its member cities. Unfortunately, the Board of the National League of Cities did not consult with its membership in regards to specific compromise provisions, and currently, city cable offices in Denver, Pittsburgh, Milwaukee, Dallas, and Miami are expressing concern and dissatisfaction over several provisions in the language.

As it relates to our Sacramento Cable Franchise, the proposed language requires that, in the event of a "buyout", the Cable Company must receive fair market value, except in a breach situation, where it would be determined by a court of law. In addition, services offered by the cable operator, such as community grants to provide programming, may be unenforceable. All existing franchises must be in compliance within one year of enactment.

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The intent of both S.66 and the compromise NLC language is to reduce the ability of local government to enforce its franchise documents. Therefore, staff recommends that you:

- 1) Approve the Resolution opposing S.66.
- 2) Approve the Resolution opposing the compromise language drafted by the National League of Cities.
- 3) Authorize staff to distribute these Resolutions to appropriate state and federal legislators and encourage their opposition to S.66 and the NLC compromise.



BOB SMITH, Executive Director
Sacramento Metropolitan Cable
Television Commission

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Attachments