

Legislators Should Oppose S 1687

Local Cable Licensing Works; Verizon Fails To Establish A Predicate For Action; and Legislation Undermines Traditional Cable Licensing Obligations

Current Law Is Very Effective

- Massachusetts' Cable Act (Chapter 166A) has long protected the interests of the people of the Commonwealth. The statute provides a model for meaningful negotiations between franchising authorities and very large corporations with a goal of ensuring cable systems are tailored and customized to meet local needs. A highlight of those benefits has been ensuring Massachusetts residents fully participate in grass-roots democracy as facilities and resources are dedicated to ensuring the public has access to their local elected and appointed bodies as well as state representatives and senators by means of public, educational and governmental channels.
- Absent a showing that Chapter 166A is not working, there is no reason to gut and destroy a system that has, and continues to, provide so much value to the people of Massachusetts.

Verizon Fails To Establish A Predicate For Action – Current Law Has Served Them Well.

- Verizon has successfully rolled out its television service in roughly 110 Massachusetts communities. Verizon has never been denied a license in Massachusetts, but Verizon has refused to negotiate license agreements with cities in the Commonwealth.
- Verizon makes no promises that, should this legislation be adopted, it will serve all communities in the Commonwealth, a promise that the company has been willing to make in other states where it was also the local telephone company

Legislative Proposal Jeopardizes Statutorily Mandated Cable Provider Obligations

- Legislation allows cable operators to escape the mandatory and beneficial provisions of 166A, by making those mandatory provisions avoidable "...by agreement with an issuing authority." This section takes on greater significance when viewed against Verizon sponsored legislation in New Jersey, where after obtaining state-wide franchise relief, the company sought to renege on its statutory franchise obligations to provide free connections to government buildings and support of PEG operations.

Legislation Proposes a Shot Clock Timetable That is Not Workable

- It can take longer than 90 days to identify local cable needs, including development of capital and operating budgets for long term licenses. Artificially limiting a time for negotiations, can have the effect of limiting parties' bargaining powers.

Verizon Seeks To Reduce Traditional License Obligations To Their Benefit And At Expense Of PEG Operations

- Bill limits access payments to "on or before March fifteenth..." rather than on the current quarterly payment or other flexible schedule. The result of this change might be ease for Verizon, but could choke local PEG operations that rely upon a regular cash flow.
- Bill provides new cable operator with free interconnect with an incumbent operator resulting in a possible "taking" that could result in litigation by incumbents – thereby jeopardizing the ability of all cable subscribers to obtain PEG programming.
- Bill would place a "cap on capital" that Verizon has not required in any other state.