

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Steven C. Panagiotakos

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act promoting consumer choice and competition for cable service.

PETITION OF:

NAME:

Steven C. Panagiotakos

DISTRICT/ADDRESS:

First Middlesex

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. S01975 OF 2007-2008.]

The Commonwealth of Massachusetts

—————
In the Year Two Thousand and Nine
—————

AN ACT PROMOTING CONSUMER CHOICE AND COMPETITION FOR CABLE SERVICE.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Findings.

2 Whereas Massachusetts' consumers benefit from expanded choice and competition for
3 cable television services, and

4 Whereas, increased investment and the potential for competition in the cable service
5 market through the provisioning of new communications services and deployment of advanced
6 communications infrastructure, including fiber optic technologies, further enhances economic
7 opportunities, smart growth, the delivery of health care services, improved public safety,
8 education and human services and the overall health and well being of the residents of the
9 Commonwealth, and

10 Whereas, modifying existing cable service franchising laws through the enactment of
11 new standards and procedures that provide consumers with expedited access to a competitive
12 facilities-based cable market is warranted in this state,

13 The General Court finds that a local franchising process that speeds innovation,
14 technology deployment, and competition while sustaining local programming via public,
15 education and government channels through a predictable set of consumer-supported fees is in
16 the public interest.

17 SECTION 2. Chapter 166A is hereby amended in section 1, as appearing in the 2006 Official
18 Edition, by inserting the following definition:

19 “Incumbent cable operator.” The cable operator serving the largest number of cable subscribers in a
20 particular municipal franchise area on the effective date of this chapter.

21 SECTION 3. Section 5 of said chapter 166A, as so appearing, is hereby amended by inserting
22 after by inserting after the words "shall agree to the following", in the first sentence, the
23 following words:- “unless otherwise authorized by an agreement with an issuing authority.”

24 SECTION 4. Said chapter 166A is hereby further amended by striking out section 6, as so
25 appearing, and inserting in place thereof the following section:-

26 Section 6. Issuance of License; Hearing; Notice.

27 (a) Within ten (10) business days of receipt of an application, the issuing authority and applicant
28 shall commence negotiations on the terms and conditions of a license.

29 (b) Within ninety (90) days of receipt of an application, the issuing authority shall hold a public
30 hearing thereon, first causing notice of the time and place of such hearing and of the subject matter
31 sufficient for identification, to be published in a newspaper of general circulation in the city or town
32 not less than fourteen days before the day of such hearing, or if there is no such newspaper in such
33 city or town then by posting such notice in a conspicuous place in the city or town hall for a period
34 of not less than fourteen days before the day of such hearing.

35 (c) The purpose of the hearing shall be to assess the applicant’s financial, technical and other
36 qualifications to operate a CATV system in the municipality based upon the contents of the
37 application and the negotiated terms and conditions of the license. Within five (5) business days of
38 the public hearing held pursuant to this section, the issuing authority shall approve or deny the
39 application, provided that the issuing authority may not unreasonably refuse to approve a
40 competitive cable license application. For purposes of this section, it shall be deemed unreasonable
41 for an issuing authority to require the applicant to provide fees in excess of those set forth in section
42 nine of this chapter. In the event that the issuing authority approves the application, then the
43 parties shall execute a final license within five (5) business days of the public hearing, and the issuing
44 authority shall deliver a copy of the fully-executed final license to the division. In the event that the
45 issuing authority denies the application, then it shall issue a written public statement within five (5)
46 business days of the public hearing containing the reasons for its rejection, and the issuing authority
47 shall promptly deliver a copy of said public statement to the applicant and to the division.

48 SECTION 5. Chapter 166A is hereby amended by striking out section 9, as so appearing, and
49 inserting in place thereof the following section:-

50 Section 9. License Fees; PEG Support Fees.

51 (a) No application for a license to operate a CATV system or for renewal, transfer or assignment of
52 such a license shall be considered by an issuing authority unless it is accompanied by an
53 application fee of one hundred dollars payable to the city or town. A licensee, serving more than
54 two hundred and fifty subscribers, shall on or before March fifteenth of each year, pay to the

55 commonwealth a license fee equal to eighty cents per subscriber served and to the issuing
56 authority a license fee equal to fifty cents per subscriber served. In determining a license fee, the
57 number of subscribers served shall be measured as of December thirty-first of the preceding
58 calendar year.
59

60 (b) The issuing authority may require each CATV operator issued a license to provide funding to
61 support the ongoing operations of public, educational and governmental access programming.
62 Such fee, together with the license fee set forth in subsection (a), shall not exceed five percent
63 (5%) of the CATV operator's annual gross revenue.
64

65 (c) Unless otherwise authorized by an agreement with the issuing authority, after the effective date of
66 this chapter and until the expiration of the incumbent CATV operator's existing license, if the
67 incumbent CATV operator's license has obligations to remit to the issuing authority any lump sum
68 payments for the capital costs of public, educational, and government access channel facilities or
69 institutional networks, each CATV operator issued a license by the issuing authority may be
70 required to provide payments to the issuing authority to support the capital costs of public,
71 educational, and government access channel facilities or institutional networks in an amount up to
72 one percent (1%) of each operator's annual gross revenue, provided that in no event shall the total
73 of such payments exceed the capital support funding required to be provided in the incumbent
74 CATV operator's license, pro rated on a monthly per subscriber basis calculated based on the
75 incumbent CATV operator's capital support obligation in the existing license and number of
76 subscribers in the municipality at the time the competitive provider's license application is filed
77 with the issuing authority.
78

79 (d) After expiration of the incumbent CATV operator's license in effect as of the effective date of this
80 chapter, all CATV operators in a municipality shall provide annual payments to the issuing
81 authority to support the capital costs of public, educational, and government access channel
82 facilities or institutional networks in an amount equal to one percent (1%) of each operator's
83 annual gross revenues, or such other lesser amount that may be authorized by an agreement with
84 the issuing authority. Each such annual payment shall be remitted to the issuing authority on or
85 before March fifteenth of each year.
86

87 (e) The CATV operator's obligation to transmit public, educational and governmental access channel
88 signals shall be subject to the provision by the issuing authority, without charge to the CATV
89 operator of: (1) access to the content origination facility; (2) access to any required equipment
90 within the content origination facility and suitable required space, environmental conditions,
91 electrical power supply, access, and pathways within the content origination facility; (3) video and
92 audio signal feeds in a mutually agreed upon format suitable for access channel programming; and
93 (4) any third-party consent that may be necessary to transmit such access channel signals
94 (including, without limitation, any consent that may be required with respect to third-party
95 facilities, including the facilities of the incumbent cable provider, used to originate at or transmit
96 access channel content to the content origination facility) .

97 SECTION 6. Said chapter 166A, as so appearing, is hereby further amended by striking out the
98 first paragraph of Section 14, and replacing it with the following new paragraph:

99 Any applicant for a license or renewal of a license who is aggrieved by a denial of its application by the
100 issuing authority or by its failure to act within the period of sixty days or otherwise act with the time
101 periods set forth in Section 6 of this chapter or any licensee who is aggrieved by the action of an issuing
102 authority in modifying, suspending, cancelling, revoking, declaring a license forfeited, denying consent
103 to the transfer or assignment of a license or control thereof, or by the issuing authority's failure to act
104 within the period of sixty days may appeal therefrom to the division within thirty days following notice
105 of such action or within thirty days following the expiration of such sixty day period of inaction or such
106 time period set forth in Section 6 of this chapter, by a petition in writing, setting forth all material facts
107 in the case.

108 SECTION 7. Said chapter 166A is hereby further amended by striking out the first line of
109 Section 16, as so appearing, and inserting in its place the following sentence:

110 The division shall after hearing issue or amend such standards and regulations as are necessary
111 and appropriate to carry out the purpose of this chapter for which purpose it may employ such
112 expert assistants as it deems necessary.

113 SECTION 8. This act shall take effect immediately upon passage.