

MAY 15 2006



May 11, 2006

Mr. Paul L. Preston  
City Manager, Mount Pleasant  
401 N. Main St.  
Mount Pleasant, MI 48858-1698

Dear Mr. Preston:

As you know, significant changes to local cable franchising are being proposed in Congress. I am writing to update you on the status of the federal legislation and to clarify the issues of concern.

Currently before the full U.S. House of Representatives is H.R. 5252, the Communications Opportunity, Promotion and Enhancement Act. The Michigan Municipal League along with the Michigan Townships Association and our national partners (National League of Cities, U.S. Conference of Mayors, National Association of Counties and others) continue to oppose the legislation for several reasons.

First, the bill would nationalize the cable franchising by eliminating the local cable franchise process. This will permit providers to decide who gets service and who does not. While proponents claim that the bill contains anti-redlining language that will prohibit cable operators from denying access to any group of potential subscribers because of income, the bottom line is that H.R. 5252 will allow a provider to **choose which** neighborhoods within a community get the service. An anti-redlining provision does not guarantee that all residents in a community will be afforded access to service, a key element of the local cable franchise agreement.

Second, the bill further nationalizes the process by placing control of the local public rights-of-way in the hands of the Federal Communications Commission (FCC). It does so by placing **the FCC in charge of enforcement**, thereby putting communities in the difficult position of settling rights-of-way disputes before the FCC, even though the agency has no expertise in such matters.

Third, the legislation does not keep communities financially whole. While the bill would allow communities to establish a franchise fee of up to 5% of gross revenues, H.R. 5252 **changes what can be counted as gross revenues**, thereby reducing the revenue base on which the 5% fee is paid.

Fourth, the bill limits support for public, educational and governmental channels (PEG and Institutional Networks (iNETS) to 1%. This does not take into account the fact that many communities have negotiated local franchises to obtain more than the 1% and in those communities, local programming and emergency communications would be diminished.

Finally, the bill would negatively affect METRO Act fees. If Congress intends to nationalize the franchise process, then it ought to hold harmless those states such as Michigan that already have agreements in place with telecommunications providers.

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The MML will continue to work with our congressional delegation and local government partners to have amendments adopted to address these issues. We applaud your support thus far in these efforts as it is crucial and we encourage you to continue keeping members of Congress informed as a vote on H.R. 5252 is expected in the near future. In addition, the Senate is scheduled to begin committee hearings on S. 2686, a comprehensive telecommunications reform bill that contains similar cable franchise provisions.

We will continue to keep you informed of events as they unfold through our Legislative LINK and Action Alerts. You can also find updates through the MML Federal Telecom Web page at [http://www.mml.org/legislative/federal\\_telecom.htm](http://www.mml.org/legislative/federal_telecom.htm).

Again, thank you for your efforts in this very important issue and if you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Arnold Weinfeld".

Arnold Weinfeld, Director  
Public Policy and Federal Affairs  
Michigan Municipal League