

# Top 10 Reasons To Oppose the Verizon Bill\*

\*Massachusetts Senate Bill No. 1975, House Bill No. 3385

Read the bill here→ <http://www.mass.gov/legis/bills/senate/185/st01/st01975.htm>

- 1 The bill eliminates the power of LOCAL governments to negotiate cable franchises. (Sections 3A, 6A, & 6B)** Those who haven't read the actual text of the bill think that it simply transfers negotiating power from the local to the state level. They are very mistaken. Read on to see why.
- 2 The bill prevents the STATE government from negotiating with companies seeking a cable license, and removes all public hearing and public input requirements. (Sections 3C, 4B, & 4D)** According to Sections 3C, 4B, & 4D, the State Cable Division (or single staff person) **must approve all applications for a statewide cable license exactly as submitted within 15 days**, and may deny only on the basis that a submitted application is incomplete. One might well ask, why even bother with an application?
- 3 Cable operators will no longer have to build out and serve all parts of a community, nor provide Institutional Networks (I-Nets) or any other community benefits won through negotiation. (Sections 4B, 4E, 6B, & 9B)** This bill replaces what used to be a local negotiation process with a state-level paperwork filing mechanism. As a result, the government will no longer be able to negotiate for any local or statewide benefits, including provisions requiring a cable company to build out and serve all parts of a community. **This will give state franchise-holders a free pass to “cherry-pick” or, conversely, red-line areas** based solely on projected profitability. This bill is really bad news for poor and rural folks who are still waiting for their first broadband provider!
- 4 Statewide licenses last forever and may not be revoked. (Section 4H)** Existing Massachusetts law provides for term-limited licenses (up to 15 years for the initial license and up to 10 years for subsequent renewals). Expiration of license term has been of enormous benefit to municipalities seeking to update their agreements in light of changing technologies and community needs. Under the Verizon bill, there is no expiration of statewide licenses, eliminating critical renewal negotiation opportunities, nor any explicit mechanism for revoking a statewide license for cause.
- 5 Statewide licenses may be transferred to any other party, without government review. (Section 4G)** (Rupert Murdoch, are you listening?) Section 4G eliminates the role of government in reviewing and approving all license transfers, which in the past has been used to leverage current operators to fully satisfy their contractual obligations and insure that prospective new licensees will be able to do the same. Under section 4G, a statewide licensee can transfer its system to any entity, without any governmental review or public hearing.
- 6 Many communities will lose Public, Educational, and Government (PEG) Access Channels because of this bill. (Sections 8B & 8C)** Section 8B of this bill stipulates only two PEG access channels for certain communities with populations under 50,000; whereas many such communities now have or are able to negotiate for three access channels. Larger communities would be allocated three access channels, whereas some of these communities already have more than this number, and others have been promised additional channels when the current ones fill up. Section 8C goes a step further in diminishing community voices on television, specifying that cable operators may take away community access channels that display less than 8 hours of non-repeat programming every single day.
- 7 PEG Access funding will drop substantially in many communities when the existing cable franchises expire. (Sections 7B & 8C)** Although statewide franchise holders would initially have to match the incumbent company's support for PEG Access up to 5% of gross revenues, Section 8C specifically provides that when the incumbent cable operator's franchise expires, then such PEG Access support shall not exceed 1% of the operator's gross revenues. We believe this will threaten the survival of many PEG Access operations.

- 8** **Before that even happens, “level playing field” clauses may be triggered in existing cable franchises, causing a more immediate drop in benefits paid to communities by existing cable operators. (Sections 7B & 8C)** Most current cable licenses provide that if any cable competitor is not required to match what the incumbent is providing, the incumbent operator may reduce its level of local support down to the competitor’s lower level. As the new bill would result in statewide franchise holders providing less than current cable operators in many communities (at least in terms of service area construction and Institutional Network if not more), this bill will likely trigger these “level playing field” clauses and a resulting reduction in community benefits.
- 9** **Customer service standards will no longer be enforceable. (Section 9C)** As Section 9C says, locally mandated customer service standards would no longer apply in any community with two or more cable companies.
- 10** **Municipalities will lose many benefits they have been receiving from their current cable companies (Sections 2B & 2C),** as those companies will no longer have to go through the local franchising process when their current franchises expire or when they apply to serve new communities.

## **Want More Reasons To Oppose the Bill? Here are 4!**

- 11** **This bill shifts certain insurance risks from the cable companies to the municipalities. (Section 5E)** Whereas section 5E of this bill indemnifies the municipalities only for negligent acts or omissions of cable operators, current law requires indemnification for injury caused by acts or omissions of cable operator based on causation, without requiring a showing of negligence. The result: Taxpayers pay for municipal costs defending against cable system-related claims.
- 12** **Weakening of requirements to broadcast local Emergency Alerts. (Section 8G)** Section 8G stipulates that franchise holder must comply with FCC Emergency Communications standards. Sounds good, doesn’t it? Unfortunately, some municipalities are way ahead of the FCC and have already negotiated for local override capabilities in times of emergency, while the FCC imposes no local emergency override requirements on cable operators.
- 13** **Subscribers may not be able to watch the local access channels due to interconnection disputes between competing cable providers. (Section 8H)** However well intentioned, Section 8H uses ambiguous language to describe how incumbent and new cable operators ought to behave in determining how to interconnect the local PEG Access channels so that they can be seen on all cable systems serving that community. Worse still, this section discharges the responsibilities of the cable operators to effect the interconnection at all should they fail to reach agreement.
- 14** **Anyone may obtain a statewide cable franchise, irrespective of their qualifications. (Section 4B)** In a radical departure from decades of prior law, the bill does not provide for any state review of the qualifications of a new cable company. Unqualified, high risk, speculative companies could apply for and take over the last remaining pole and street space available for this important service and then default on their obligations. Talk about unhappy cable customers!!!

This informational flyer provided by Cambridge Community Television.

Other groups that oppose the Verizon bill and support local control include: MassPIRG, the Alliance for Community Media, and the Boston Area Media Reform Group.

**For more information, visit <http://www.keepitlocalma.com>**