

Michigan Municipal League State & Federal Affairs

Action Alert

March 20, 2006

AT&T BEGINS ATTACK ON LOCAL CABLE FRANCHISING

To: Mayor/President, City Manager, Finance Director & Cable Commission

Issue:

AT&T has commenced the long awaited attack on local cable franchising. State Representative Jack Hoogendyk (R-Portage) introduced House Bill 5895, and State Senator Wayne Kuipers (R-Holland) introduced Senate Bill 1157, which are identical, and would eliminate local cable franchising and replace it with a statewide franchise agreement. These bills are much worse than the League expected, and virtually every page is an assault on local government.

While every community wants more cable competition and would quickly allow AT&T into their community, AT&T has refused to negotiate a franchise with ANY city, village, or township. They are refusing to negotiate so they can change the state law to allow them to discriminate against low-value residents. AT&T told their investors that they were going to serve 90% of high-value residents, and only up to 5% of low-value residents, which are generally senior citizens, low/medium income families, minorities, and rural residents.

Action Requested:

- ✓ Call your **State Representative** and **State Senator**:
 - Ask your state legislator to oppose **House Bill 5895** and **Senate Bill 1157**.
 - In other states, these bills are voted on within days, please make contact soon.
- ✓ Pass resolutions urging the opposition of this cable franchise legislation. (MML will be mailing each community an Action Kit with sample resolutions and sample letters.)
- ✓ After contacting your legislators, please e-mail legislators comments and/or position to Joe Fivas at jfivas@mml.org.

Talking Points- HB 5895 & SB 1157:

- **LOCAL CONTROL ELIMINATED:** Eliminates local cable franchising, and requires Secretary of State to grant a statewide franchise. This creates a huge state bureaucracy.
- **LOCAL RESIDENTS WILL LOSE CURRENT CABLE SERVICE:** Allows any cable, or video provider, to stop serving ANY area in a city, village, or townships based on out-of-state corporate economic decisions. Current law guarantees service to ALL local residents. We will have communities where cable and phone companies will turn off service to neighborhoods because they are not profitable, basically 'cherry-picking' and 'redlining' neighborhoods.

- **NO 'BUILD OUT' REQUIREMENT GUARANTEES DISCRIMINATION:** Current law guarantees build-out requirements. AT&T is refusing to negotiate with local communities so they can change the state law to allow them to discriminate against low-value residents. AT&T told their investors that they were going to serve 90% of high-value residents, and only up to 5% of low-value residents, which are generally senior citizens, low/medium income families, minorities, and rural residents.
- **COMMUNITY REVENUES SLASHED:** Franchise fees will drop 30% immediately, however, when current franchise agreement is terminated they will be eliminated. This is a \$100 million cut to local governments.
- **PUBLIC ACCESS CHANNELS:** Public channels (PEG) to schools, city, village, and universities are virtually eliminated due to new barriers..
- **RIGHT-OF-WAYS MANAGEMENT IN JEOPARDY:** Bills are void of any right-of-way management obligations.

Questions:

If you have any questions, please contact Joe Fivas at MML State & Federal Affairs Division at (517) 485-1314, or jfivas@mml.org.