

# State Telecommunications Law: Time for a Change

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Administrators

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Brooklyn Park, MN

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# Texas SB 5

- TCTA vs AT&T
  - 200 AT&T Lobbyists
  - \$6.8 million spent
  - Political advertising – TV Ads
- Promises of thousands of jobs, new entrants, competition and lower cable costs
- 2<sup>nd</sup> Special Called Session
- Effective September 1, 2005

# SB5 Requirements

- Established standards for state-issued cable service or video franchise
- Current cable franchise remain until expiration date
- Franchises issued by PUCT in 17 days

# SB5 Requirements (cont.)

- 5% of gross revenues franchise fees
- 1% of gross revenues or per subscriber fee in lieu of in-kind compensation and grants for PEG, INet and cable drops
- No Mandatory build out requirements
- Customer complaints at PUC
- FCC customer service standards
- 2 Providers in community – no standards


# SB5 Requirements (cont.)

- Provide cities no fewer than the number of PEG channels as of 9/1/05
- Provide PEG capacity on cable system within 120 days of city request
- Minimum utilization criteria for PEG
  - 8 hours programming per day
- Incumbents and PUC-issued franchise holders, where technically feasible, responsible for interconnection

# SB5 Requirements (cont.)

- Provider responsible for connectivity to each PEG channel distribution point up to the first 200 ft.
- PEG entity responsible for providing programming signal to provider in manner or format compatible with technology or protocol utilized by provider

# Number of State-Issued Certificate of Franchise Authority Granted as of 7/1/2007



Year Filed	2005	2006	2007
New SICFAs	8	28	3
Total – 39			
Amendments	0	67	33
Total – 100			

Source: [www.puc.state.tx.us/cable](http://www.puc.state.tx.us/cable)

# Life After SB5



- Claims that cable rates dropped 45% after SB5
  - Compare non-introductory rates
  - Rate Chart at [www.tatoa.org](http://www.tatoa.org) (handout)
- Increased Deployment & Competition
  - With no build-out requirements, PUC franchise allows for limited deployment
  - Telcos compete for triple bundle customers

# Life after SB5 - Customer Complaints

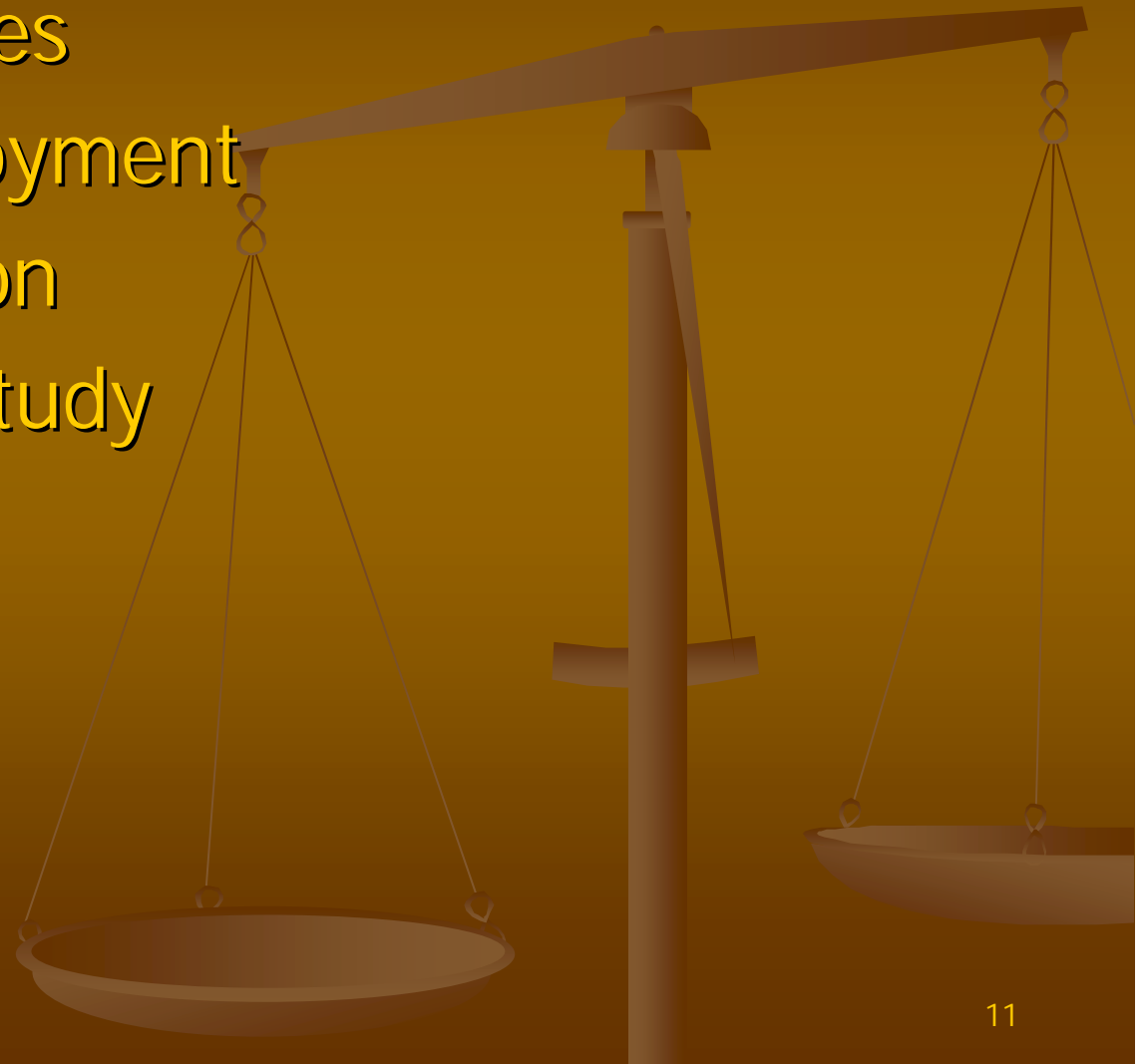
- Public Utility Commission is unclear whether they have jurisdiction under SB5 to handle customer complaints about providers operating under state franchises. Therefore all cable complaints are considered inquiries and are forwarded to the subject Cable Company or Municipality for response.

# Life after SB5 - PEG Issues

- When Time Warner moved to state-issued franchise, they dropped San Antonio Public Access on January 1, 2006
- Channel was off air for 6 months
- City had to scramble and come up with \$415,000 in general fund
- Houston Public Access budget cut
- Quality of signal and placement on Channel 99

# Life after SB5

- Lower cable rates
- Increased deployment
- More competition
- Needs further study



# Thank You!

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