



General Assembly

January Session, 2001

**Committee Bill No. 5177**

LCO No. 4578

Referred to Committee on Energy and Technology

Introduced by:

(ET)

**AN ACT CONCERNING A COMPETITIVE CABLE SYSTEMS MARKET.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 16-331 of the general statutes is  
2 repealed and the following is substituted in lieu thereof:

3 (d) (1) An initial certificate issued prior to June 1, 1988, shall grant a  
4 franchise for fifteen years, provided that for certificates issued prior to  
5 January 1, 1975, the initial franchise term shall be deemed to end for  
6 four such companies each year, starting in 1989, in order of those  
7 companies having the highest gross revenues under chapter 211 or  
8 212a during the calendar year ending December 31, 1982. An initial,  
9 renewal or transfer certificate issued on or after June 1, 1988, shall  
10 grant a franchise for a term of not less than five years and not more  
11 than ten years, except that under special circumstances, as described in  
12 subdivision (2), a franchise may be granted for a term of more than ten  
13 years but not more than fifteen years. The department shall have the  
14 discretion to determine the appropriate length of a franchise term,  
15 initial, renewal or transfer, and in making its decision shall consider  
16 the following without limitation: (A) The operator's past performance  
17 in terms of meeting the needs of the cable-related community; (B) the

18 operator's past performance in terms of complying with the material  
19 terms of the existing franchise; (C) the operator's compliance with  
20 department regulations and the general statutes; (D) the ability of the  
21 operator's management to properly operate the franchise; (E) the  
22 operator's effectiveness in dealing with consumer requests, complaints  
23 and billing questions or disputes; (F) the operator's effectiveness in  
24 dealing with the advisory council; (G) the quality and diversity of the  
25 operator's programming; (H) the quality of the operator's community  
26 access programming, including public access, educational access and  
27 governmental access programming, in accordance with the provisions  
28 of subdivision (3) of this subsection; (I) the quality of the operator's  
29 equipment and facilities; (J) the operator's proposals for future  
30 extensions and upgrading to technologically advanced equipment,  
31 facilities and systems; (K) the operator's past performance in terms of  
32 meeting the needs of the cable-related community by providing  
33 African-American and Hispanic programming; (L) the operator's good  
34 faith efforts, as determined by the department, to provide service,  
35 when practicable, to all customers within the service area; (M) the  
36 operator's past performance in making available addressable  
37 converters, traps or other devices or services which enable subscribers  
38 to voluntarily block transmission of specific programming to their  
39 homes or places of business; [and] (N) the [applicant's] operator's  
40 provision of innovative services, including audio services, information  
41 services, electronic publishing and information concerning the  
42 proceedings of the General Assembly and legislative committees; and  
43 (O) the extent to which the operator is or will be subject to active  
44 market participation in the franchise area by another multichannel  
45 video programming distributor, as defined in 47 CFR 76.1300, as  
46 amended from time to time.

47 (2) Under special circumstances, the department in its discretion,  
48 may issue, renew or transfer a franchise for a term of not more than  
49 fifteen years if the franchisee has committed itself, as outlined in the  
50 franchise agreement, (A) to provide or maintain technologically  
51 advanced equipment, facilities and systems, as determined by the

52 department, to enhance and promote technologically advanced  
53 educational programming and to comply with specific quality of  
54 service standards, including, but not limited to, the time between  
55 installation and repair following a subscriber request, the response  
56 time to consumer complaints and the quality of the operator's  
57 customer service policies and practices, and (B) (i) to provide access to  
58 its equipment, facilities and systems to other community antenna  
59 television companies certified pursuant to this section on rates, terms,  
60 conditions that are just, reasonable and nondiscriminatory, as  
61 determined by the department, or (ii) to serve the entire state.

62 (3) In evaluating the quality of community access programming the  
63 department shall consider, without limitation, (A) compliance with  
64 federal laws governing noncommercial educational broadcast stations  
65 and public broadcast stations, and state laws governing community  
66 access, including, but not limited to, sections 16-333-31 to 16-333-36,  
67 inclusive, of the regulations of Connecticut state agencies; (B)  
68 compliance with the terms of the franchise certificate, which apply to  
69 community access; and (C) compliance with requirements involving  
70 community access contained in any order of the department which  
71 applies to the community antenna television system.

72 (4) If the department, on or after June 1, 1988, approves the transfer  
73 of a certificate, the franchise term of such transferred certificate shall be  
74 the remaining duration of the franchise term originally granted unless  
75 the department grants a different term, the appropriate length of  
76 which shall be determined by the department under this subsection. A  
77 certificate may be renewed for an additional term, the appropriate  
78 length of which shall be determined by the department under this  
79 subsection, if the department finds that the holder of the certificate has  
80 complied with the provisions of the Communications Act of 1934, 47  
81 USC 546.

82 (5) The department shall adopt regulations in accordance with  
83 chapter 54, establishing procedures and standards for the renewal of

84 certificates issued to community antenna television companies. Such  
85 regulations shall, without limitation, (A) incorporate the provisions of  
86 the Communications Act of 1934, 47 USC 546, (B) require the  
87 department to consult with the advisory council for the franchise area  
88 served by the certificate holder before making a decision concerning  
89 the renewal of the certificate, (C) require any holder of a certificate  
90 which is not renewed by the department to continue to operate the  
91 franchise for one year after the end of its term or until a successor is  
92 chosen and ready to assume control of the franchise, whichever is  
93 sooner, (D) establish standards for the content of notices sent to cable  
94 subscribers concerning public hearings for franchise renewal  
95 proceedings which standards shall include, without limitation, the  
96 requirements specified in subdivision (6) of this subsection, (E)  
97 establish standards to ensure that the costs and expenses of a  
98 municipality constructing, purchasing or operating a community  
99 antenna television company are accurately attributed to such  
100 company, and (F) establish quality standards for the instructional and  
101 educational channels. The department shall adopt regulations  
102 pursuant to this subdivision in conjunction with the Commission for  
103 Educational Technology.

104 (6) Any community antenna television company which applies to  
105 the department for the renewal of a franchise shall: (A) Make available  
106 for public inspection a copy of the company's proposal for renewal at  
107 the town hall, each public library and the primary senior center, as  
108 determined by the chief executive official of each municipality of its  
109 franchise area and at the company's primary customer service center  
110 and community access facility, and (B) notify each subscriber of any  
111 public hearing for a franchise renewal, which notices shall be mailed  
112 by first class mail to each subscriber not less than fourteen days in  
113 advance of any public hearing and shall state in plain language the  
114 time, place, date, address and subject matter of the hearing, and in  
115 boldface print shall state that public participation is encouraged. The  
116 notice shall also provide information concerning the locations where  
117 the company's proposal for renewal may be reviewed, and shall not

118 contain any billing, promotional or extraneous information.

119 Sec. 2. Section 16-333o of the general statutes is repealed and the  
120 following is substituted in lieu thereof:

121 (a) Upon the enactment of federal legislation authorizing rate  
122 regulation of community antenna television companies, the  
123 Department of Public Utility Control shall proceed to implement such  
124 rate regulation as soon as practicable. The Department of Public Utility  
125 Control shall develop a schedule and plan to implement such rate  
126 regulation and shall submit them to the joint standing committee of the  
127 General Assembly having cognizance of matters relating to public  
128 utilities within ninety days of enactment of the federal legislation.

129 (b) Notwithstanding the provisions of subsection (a) of this section,  
130 the department shall not regulate the rates of a company subject to  
131 substantial competition in its franchise area by multichannel video  
132 programming distributors, as defined in 47 CFR 76.1300, as amended  
133 from time to time. As used in this subsection, "substantial competition"  
134 means (1) that fewer than fifty per cent of the households in the  
135 franchise area subscribe to the community antenna television company  
136 that serves such area, or (2) effective competition, as defined in 47 USC  
137 543.

138 Sec. 3. Section 12-256 of the general statutes is repealed and the  
139 following is substituted in lieu thereof:

140 Each person carrying on an express business on railroads, each  
141 person conducting a telegraph or cable business and each  
142 multichannel video programming distributor, as defined in 47 CFR  
143 76.1300, as amended from time to time, including each person  
144 operating a community antenna television system under chapter 289,  
145 shall pay an annual tax upon the gross earnings from (1) the routes in  
146 this state in the case of any person carrying on such an express  
147 business, (2) the lines in this state in the case of any person conducting  
148 a telegraph or cable business, provided in the case of a person

149 conducting a telegraph business the tax imposed under this section  
150 shall only be applicable with respect to a person conducting such  
151 business, and the services offered by such person, subject to tax under  
152 this section on January 1, 1986, and (3) the lines, facilities, apparatus  
153 and auxiliary equipment in this state in the case of any person  
154 operating a community antenna television system or other  
155 multichannel video programming distribution service. No deduction  
156 shall be allowed from such gross earnings from operations for  
157 commissions, rebates or other payments, except such refunds as arise  
158 from errors or overcharges. Each such person shall, on or before April  
159 first, annually, render to the Commissioner of Revenue Services a  
160 return signed by the treasurer, or the person performing the duties of  
161 treasurer, or an authorized agent or officer of the business or system  
162 operated by such person, on forms prescribed or furnished by the  
163 commissioner specifying: The name and location within this state of  
164 such business or system or, if it has no location within this state, where  
165 such business or system is located; the total amount of gross earnings  
166 subject to the tax imposed under this section for the year ending the  
167 thirty-first day of December next preceding or for each lesser period of  
168 consecutive time during such year, each such year or period being in  
169 this chapter and chapter 212a called a "tax year", in which business or  
170 operations were carried on in this state; the total miles of railway  
171 routes which each of the persons doing an express business was  
172 entitled to operate under contracts with railroad companies and the  
173 number of miles of such railway routes within this state on the first  
174 day and on the last day of the tax year; the total miles of wires  
175 operated by each of the persons conducting a telegraph or cable  
176 business or operating a community antenna television system and the  
177 total miles of such wires operated within this state on the first day and  
178 on the last day of the tax year.

**Statement of Purpose:**

To provide incentives to encourage competition in the cable industry in the state.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*

Co-Sponsors: REP. GIANNAROS, 21st Dist.