

State of Connecticut

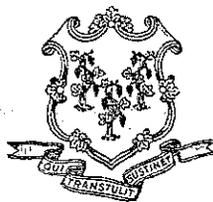
HOUSE DEMOCRATS
LEGISLATIVE OFFICE BLDG. ROOM 4100
HARTFORD, CONNECTICUT 06106

TESTIMONY ON HB 6128 ENERGY & TECHNOLOGY COMMITTEE FEBRUARY 17, 2009

Representative Nardello, Senator Fonfara, members of the Energy & Technology Committee, I would like to testify in favor of HB 6128, "AN ACT CONCERNING THE REGULATION OF CERTAIN CABLE TELEVISION RATES." This bill would require the Department of Public Utility Control to reregulate basic tier cable television service rates.

Two years ago, in Public Act 07-253, we created a competitive, less-regulated structure for video services to replace the highly-regulated, monopolistic "franchise" structure we had used since the 1960s or 1970s. While we all hope that this competitive market for video services will develop, and there are signs that it is in the process of developing, most objective observers would conclude that, as of this moment, such a competitive structure does not exist.

Unfortunately, the manner in which we worded certain sections of PA 07-253 allowed the DPUC last year to decide that it no longer needs to regulate so-called "basic" video service provided by cable TV companies, and therefore that it would stop regulating this service. While it is clear in PA 07-253 that we provided the DPUC the authority to make that determination, we did not require them to do so, much less so quickly after the passage of PA 07-253 and well before the development of a fully-competitive marketplace statewide that would serve to hold down costs for this bottom-tier product, which still serves roughly 8-12% of our state's video customers, including those most dependent on fixed incomes.



State of Connecticut

GENERAL ASSEMBLY
STATE CAPITOL
HARTFORD, CONNECTICUT 06106-1591

June 23, 2008

Anthony J. Palermino, Commissioner
Connecticut Department of Public Utility Control
10 Franklin Square
New Britain, CT 06051

Re: Docket No. 08-04-02 RE01
DPUC Investigation of the Need to Impose Federal Rate Regulation Requirements on
Certified Cable Franchise Authority Providers

Dear Commissioner Palermino,

We are writing to express our concerns with your draft decision, rendered in Docket No. 08-04-02 RE01, to release from basic service tier rate regulation community antenna television (CATV) companies that have certified cable franchise authority (CCFA) or certified video franchise authority (CVFA) status. We believe that you have misinterpreted PA 07-253, and wish to clarify our intentions regarding provisions in that law which we passed last year that you cite to justify your opinion.

First, as you know, CGS Section 16-333o, which requires the Department to implement rate regulation as it applies to basic tier video service, has provided video customers of modest means with quality, affordable video service for years. While the overall proportion of customers who receive basic video service from CATV companies generally is declining with each passing year, estimates remain that anywhere from 8% to 12% of CATV customers still receive basic video service. We therefore believe that, absent some finding by the legislature or the department that basic video service has outlived its usefulness, basic service tier rate regulation has some continuing value for many of our constituents, and for state video customers as a whole.

Second, while we often agree with the views of the Office of Consumer Counsel (OCC) regarding customer protection, we find a key assertion, as described in your draft decision, misleading and wrong. Contrary to the statement, contained in your draft decision and attributed to the OCC, that "the Department is PROHIBITED from imposing ANY rate regulation over any company that has been granted" status as a CCFA (emphases ours), Section 14(b) of PA 07-253 clearly states, "The Department of Public Utility Control shall not impose any provision regulating rates charged by a community antenna television company holding a certificate of cable franchise authority, EXCEPT AS SET FORTH IN FEDERAL LAW" (emphasis ours).

Signatories:

Rep. Elissa Wright
Rep. Jamie Spallone
Rep. Mary Mushinsky
Rep. Tom Reynolds
Rep. Tim O'Brien
Rep. Carlo Leone
Rep. Betsy Ritter
Rep. Deborah Heinrich
Rep. Joan Lewis
Sen. Andrea Stillman
Sen. Edith Prague
Rep. Kevin DelGobbo
Rep. Diana Urban
Rep. Roberta Willis
Rep. Peter Tercyak
Rep. Ken Green