



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL

Anthony J. Palermino

Commissioner

THE ENERGY & TECHNOLOGY COMMITTEE

House Bill 6128: AAC THE REGULATION OF CERTAIN CABLE TELEVISION RATES

February 17, 2009

TESTIMONY OF COMMISSIONER ANTHONY PALERMINO

The Department of Public Utility Control (Department) would like to comment on House Bill No. 6128. House Bill No. 6128 would require the Department to reregulate the basic tier cable television service rates for cable operators. The Department understands the stated intent of this proposed bill is to reinstitute some level of authority over the cable industry which was removed as a result of Public Act 07-253. However, as currently written the language of this bill does little to recapture the Department's authority or to further protect consumers from climbing cable rates.

First of all, the Department is concerned that the bill attempts to create a different set of rules for cable operators and another one for competitors. Even if the bill does pass, consumers will see no benefit. Pursuant to the legislation the General Assembly passed in 2007, once a cable system is deemed subject to effective competition, states are prohibited by federal law from regulating basic rates. As such, the Department has acted on the legislature's mandate in this regard and released all cable operators and certificated holders from filing the federally prescribed forms to regulate the basic tier.

The Department adds for the record that when it did regulate the basic tier pricing its review consisted solely of a review and confirmation that the new rate was based within the appropriate range allowed by the tariff.

Secondly, if this proposed bill is intended to reach beyond any further regulation of the basic service tier, the Department is prohibited from doing so based on federal preemption grounds.

The Department appreciates this opportunity to testify and hopes this testimony has shed some light on the issue of regulation of basic tier cable television rates.