CITY OF BALTIMORE
COUNCIL BILL 06-0179R
(Resolution)

Introduced by: Councilmembers Holton, Kraft, Rawlings Blake, Welch, Young, President Dixon, Councilmembers Spector, Conaway, Reisinger, Branch, Clarke
Introduced and adopted: May 8, 2006

A COUNCIL RESOLUTION CONCERNING

In Opposition to Federal Legislation – HR 5252 – The Communications, Opportunity, Promotion, and Enhancement Act of 2006 (COPE)

FOR the purpose of requesting the Honorable Members of the Maryland Congressional Delegation to the 109th Congress, 2nd Session, to defeat passage of this legislation that would allow the creation of national video franchises ostensibly to increase price and service competition for cable while speeding the rollout of high-speed internet services.

Recitals

This national franchising legislation would support the practice of redlining by allowing a new cable provider to pick and choose the most profitable areas to serve. A provider could choose which areas of the City to serve or not to serve. It would effectively allow the current cable provider, Comcast, to walk away from the existing local franchise as soon as a competitor offer services to just one customer.

HR 5252 strips away the authority of the City to manage its Rights-of-Ways. A new operator can obtain a national franchise and begin building its cable plant without local enforcement authority to ensuring Code compliance. Any disputes would go before the FCC for resolution that could take months to years to resolve.

Although the bill provides 5% of the operator's gross revenue to the City, it narrowly defines what gross revenue is – excluding revenues from On-Demand and Pay Per View, a significant portion of cable income. Baltimore could lose 20% to 30% of franchise fees under these provisions. Additionally, the City will have no authority to audit the operator to ensure that it has being given the appropriate revenues.

The legislation provides 1% of gross revenues for public, educational, and governmental (PEG) channels and institutional networks (I-Nets) but does not allow additional grants for capital expenses and equipment. Consumer complaints regarding the provider would be heard by the FCC for resolution, taking all enforcement power away from the City to ensure adequate consumer protection and the swift resolution of billing and service disputes.

Without a local franchise agreement, the only effective mechanisms the local government has to manage cable franchises are eliminated.

This legislation is also being opposed by the United States Conference of Mayors, National Conference of Black Mayors, National League of Cities, National Association of Counties, National Association of Telecommunications Officers and Advisors, Government Finance Officers Association, International Municipal Lawyers Association, and TeleCommUnity.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That the Honorable Members of the Maryland Congressional Delegation to the 109th Congress, 2nd Session, are urged to defeat passage of this legislation that would allow the creation of national video franchises ostensibly to increase price and service competition for cable while speeding the rollout of high-speed internet services.

AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Mayor, the Honorable Members of the Maryland Congressional Delegation to the 109th Congress, 2nd Session, the Executive Director of the Mayor's Office of State Relations, and the Mayor's Legislative Liaison to the City Council.