



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

FOR IMMEDIATE RELEASE
October 31, 2007

NEWS MEDIA CONTACT
Mary Diamond (202) 418-2388
Email: mary.diamond@fcc.gov

FCC Adopts Rules to Ensure Reasonable Franchising Process for Incumbent Video Providers

Washington, DC – The Federal Communications Commission (FCC) today adopted a Second Report and Order (Order) that extends a number of the rules promulgated in this docket's First Report and Order to incumbent providers as well as new entrants. The First Report and Order established rules and provided guidance to implement Section 621(a)(1) of the Communications Act of 1934, which prohibits franchising authorities from unreasonably refusing to award competitive franchises for the provision of cable services.

In this Order, the Commission:

- Found that the Commission's findings in the First Report and Order that certain specified costs, fees, and other compensation required by local franchising authorities must be counted toward the statutory five percent cap on franchise fees, should be extended to incumbents;
- Found that many of the Commission's determinations relating to public, educational, and governmental ("PEG") and institutional networks ("I-Nets") should be extended to incumbents; and
- Found that the Commission's findings in the First Report and Order regarding mixed-use networks also apply equally to incumbents and new entrants, and should be extended to incumbents.
- Found that other provisions of the First Report and Order, regarding build-out and time limits for franchise negotiations, are only applicable to new entrants.
- Found that the Commission cannot preempt local or state cable customer service requirements, nor can it prevent local franchising authorities and cable operators from agreeing to more stringent standards.

The Commission's findings will be applicable 30 days after publication in the Federal Register. Although the Commission's findings take effect immediately, the Order notes that franchise agreements involve contractual obligations, and the Order does not give incumbents any right to breach their existing contractual obligations.

Action by the Commission October 31, 2007 by Second Report and Order (FCC 07-190). Chairman Martin, Commissioners Tate and McDowell with Commissioners Copps and Adelstein dissenting. Separate statements issued by Chairman Martin, Commissioners Copps, Adelstein, Tate and McDowell.

-FCC-

News about the Federal Communications Commission can also be found
on the Commission's web site www.fcc.gov.