

Position statement: Elimination of the Cable Franchise Districts from the Cable Code

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The following position statement was approved by CTTAB at its 3/10/15 meeting.

Position Statement: Elimination of Cable Districts from the Cable Code

The cable code of Seattle regulates how cable franchises are granted within the City's jurisdiction. Currently, there are two franchisees, Comcast and Wave, with CenturyLink being a potential new entrant in the near future. In light of many recent and upcoming developments to cable service in Seattle, the City staff is proposing a number of changes to the cable code the Council for approval. The Citizen's Technology and Telecommunications Advisory Board (CTTAB), pursuant to our duty to provide recommendations to the Council and Mayor on issues of cable television and technology access, submits this statement for the Council to consider during the vote on these changes.

Cable Service and the Public Good

Access to local television content is a recognized public good that the City has long supported. Cable providers under the current code and franchise agreements are obligated to carry local programming and provide to the City certain public, educational and government access (PEG) channels. The Seattle Channel in particular has regularly presented at CTTAB meetings the public services provided to Seattle's residents.

Cable providers also serve the public interest by providing Internet access to Seattle's citizenry, which has been recently recognized as a telecommunications service and a common carrier by the Federal Communications Commission. Internet access is a vital service today, because it is necessary for participation in the digital economy, for equal access to employment and education opportunities, as well as full participation in local culture and government. Moreover, high speed broadband services provide opportunities for businesses to innovate and provide a broader range of services to Seattle residents.

Updating the Cable Code

It is important that the cable code is revised to consider current standards and practices, as the cable code has not seen a revision in over a decade. The Department of Information Technology has proposed a number of changes to modernize the code, most of which are largely common sense modifications. However, a key issue that has arisen is the proposed elimination of the current cable franchise districts.

CTTAB has been kept abreast of the cable code revisions proposed by the City staff. Our understanding is that the proposed elimination of the franchise districts is meant to encourage competition between both current and new franchisees by removing regulatory obstacles to building out service areas. The current franchisees largely do not compete for customers, except in the Central Business District, as they occupy separate cable franchise districts.

By eliminating the districts, franchisees will be able to negotiate on a case-by-case basis with the City as to the service area to be provided, providing a more flexible system for current and new franchisees to determine which areas to serve and attract funding for build out and investment in new facilities. Ideally, this will lead to more competition and options, better service, and prices closer to marginal cost for certain services as franchisees compete for customers.

CTTAB's Position

Since the City is unable to regulate rates due to federal law preempting, encouraging competition is recognized as one of the few available means of improving access to cable and Internet service for Seattle's residents. CTTAB supports competition as a means of improving access to public information and telecommunications, especially to low-income and underserved population groups.

However, as expressed in the memo from the Department of Information Technology, dated January 29, 2015, some of these proposed revisions originate from negotiations with CenturyLink over some of the build out provisions. Public comment during CTTAB meetings has raised the issue that these changes may allow for CenturyLink to provide service only to affluent neighborhoods absent clear guidelines preventing discrimination against low-income households and neighborhoods of the city.

CTTAB members therefore have concerns that elimination of the franchise districts may conflict with the equally important goal of closing the digital divide in the City. CTTAB encourages the City to consider strongly whether there are adequate safeguards and guidance in the new code to protect against digital redlining or other discriminatory behavior.

It is important that the City establish these sorts of guidelines now, as the current cable franchise agreements are due to expire, and providing protections against anti-competitive and discriminatory behavior will give City staff a clear framework for successfully navigating the renegotiation of the franchise agreements. If the proposed revisions and/or the Council provide this guidance, CTTAB expresses its strong support for the proposed changes.

Citizens' Technology and Telecommunications Advisory Board