

MAINE STATE LEGISLATURE

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State of Maine
Senate Chamber
Augusta, Maine 04330

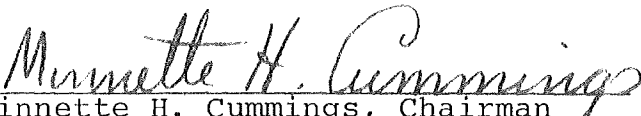
February 12, 1975

Senator Jerrold B. Speers, Chairman
Legislative Council
107th Legislature
State House
Augusta, Maine

Dear Senator Speers:

As Chairman of the Committee on Public Utilities during the 106th Legislature, I am submitting the attached report in compliance with S.P. 605 which directed that a study be done to determine "whether the best interests of the State would require the enactment of regulatory legislation", relating to Cable Television, "and if so, of what type".

Respectfully submitted,


Minnette H. Cummings, Chairman
Committee on Public Utilities

MHC/ac
encl

COMMITTEE ON PUBLIC UTILITIES
REPORT ON ITS STUDY OF
CABLE TELEVISION REGULATIONS

Senate

Minnette H. Cummings, Chairman
Frank W. Anderson
Edward P. Cyr

House

Robert N. Soulas, Chairman
Howard A. Chick
James J. Conley
Arthur E. Genest
Edward C. Kelleher
Lloyd R. Littlefield
Edwin F. Maddox
Thomas J. Mulkern
Frank J. Murray
Claude N. Trask

September 1974

Introduction and overview

Cable television - that is the transmission of video signals over coaxial cable rather than through the air - has been an available communication medium for almost as long as broadcast television. The first commercial systems were built in the late 1940's to bring television signals to isolated communities where TV reception was blocked by mountains or weakened by distance.

Within the past decade, however, with improved technology allowing greater channel capacity, the cable television industry has evolved and expanded into what most writers on the subject term a "communications revolution". There are approximately 2800 cable communication systems in current operation; another 5600 are under construction. The nationwide annual rate of growth in number of subscribers is 16 percent and it is estimated that by 1978, one half of all U.S. television homes will be "on the cable".

Industry executives, technologists, researchers, and popular magazines often speak of the "blue sky" possibilities of the medium which, according to Time Magazine of June 1, 1970, "within ten years...could provide setside shopping and banking, dial-a-movie service, a burglar and fire watch, and facsimile print-outs of newspapers or even library books."

Because of the far-reaching potential of cable technology, regulation procedures which will help shape both the current initial growth and long-term development of the industry assume considerable importance. The industry is subject to regulation at three levels: federal, state and local.

The Federal Communications Commission's authority to regulate cable systems derives from the Communications Act of 1934. The Supreme Court in United States v. Southwestern Cable Co. (392 US 157 (1968)) sustained the FCC's jurisdiction to regulate CTV at least to the extent "reasonably ancillary to the effective performance of the Commission's various responsibilities for the regulation of television broadcasting." The Court more recently reaffirmed the reasoning of the Southwestern decision in United States v. Midwest Video Corp. (406 US 649 (1972)) where it sustained the FCC's authority to require cable television systems with 3500 or more subscribers to provide local origination cablecasting.

The new FCC regulations of March 31, 1972, while maintaining the powers of local franchisors, do not clearly define the respective regulatory jurisdictions of FCC, state and local authorities.

Legislation which could chart the states' role in cable regulation is pending in a majority of state legislatures. Seven state legislatures (Connecticut, Nevada, Vermont, Alaska, Rhode Island, Hawaii and New Jersey) have vested cable regulatory

jurisdiction in existing public utility agencies. One state public utility agency (Illinois) has assumed this power administratively. Three states (New York, Massachusetts, Minnesota) have created new agencies to execute a regulatory function. The remaining states vest exclusive power to franchise and to regulate cable television systems in municipal governments.

Cable in Maine

There are approximately 30 cable television systems currently operating in approximately 60 Maine communities, according to the 1973-74 edition of TV Factbook. About half again as many systems have been granted franchises but have not yet completed construction. Ninety percent of Maine municipalities with populations greater than 5000 have cable systems operating or under construction; half of these are franchises that have been granted within the past five years.

Maine municipalities have had the power to grant franchises since 1965* (Chapter 377, Public Laws of 1965; Chapter 416, Public Laws of 1967). The only restrictions placed by the State on the franchising process have been a ten-year limitation on the term of exclusive franchises, a \$25 maximum on franchise application fees and a seven day notice requirement for all municipal meetings at which cable franchising ordinances are to be proposed.

*_____

Between 1951 and 1965 the Public Utilities Commission had the power to authorize operations of a cable television system in any municipality where two or more systems wished to provide service. The PUC, however, never exercised this jurisdiction.

In the regular session of the 106th Legislature, two bills were introduced which would have greatly expanded the State's role in regulation of the cable industry. L.D. 299 would have declared cable television companies to be communications carriers and placed them under regulation by the Public Utilities Commission "so far as may be necessary to prevent such operation from having detrimental consequences to the public interest."

L.D. 1505 would have established a five member State Commission on Cable Television which would have been responsible for developing a state telecommunications policy, prescribing standards for municipal franchises and franchising procedures, providing technical assistance in telecommunications matters, representing the State before relevant federal agencies and issuing certificates of compliance to cable systems meeting all applicable laws and regulations.

L.D. 299 was withdrawn by its sponsor and L.D. 1505 was given an unanimous ought not to pass report by the Public Utilities Committee. Both bills were directed to study by Senate Paper 605 of the regular session. The Legislative Council assigned this study after the close of the session to the Public Utilities Committee.

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STATE OF MAINE

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In Senate May 2, 1973

~~XXXXXXXXXXXX~~ WHEREAS, the country is in the early stages of an electronic revolution in the field of telecommunications and cable television; and

WHEREAS, local cable systems are rapidly spreading to individual owners by municipal franchise^s throughout the State; and

WHEREAS, this development may lack an adequate regulatory framework by which standards, coordination and controls can be uniformly administered in the public interest; and

WHEREAS, the jurisdictional aspect of such regulation and control is in issue and prerequisite to any meaningful legislation; now, therefore, be it

ORDERED, the House concurring, that the Legislative Research Committee is directed to study the subject matter of the following bills: "An Act to Establish the Maine Telecommunications Commission," Senate Paper 440, Legislative Document 1505, "An Act Regulating Community Antennae Television Systems by Public Utilities Commission," House Paper 227, Legislative Document 299, and all other relevant matter in order to determine whether the best interests of the State would require the enactment of regulatory legislation and if so, of what type; and be it further

ORDERED, that the Public Utilities Commission be directed to provide the committee with such technical advice and assistance as the committee feels necessary or appropriate to carry out the purposes of this Order; and be it further

ORDERED, that the committee report its findings at the next special or regular session of the Legislature.

SP 605

and IN SENATE CHAMBER *Read*
TABLED BY SEN. BERRY
OF CUMBERLAND

MAY 4 1973

Legislative Research Table

~~PENDING~~ Pending Passage

HARRY H. STARRACK, Secretary

Mrs.
(Cummings)
NAME:

Minette H. Cummings

COUNTY: Penobscot

Legislative telecommunications study: hearings and other
information gathering

The Public Utilities Committee held four regional public hearings in October 1973. (See Appendix A)

Although all nearby municipalities were invited to send representatives to the meetings only seven elected or appointed municipal officials attended. Of these, five called for some form of state regulation to give municipalities a higher but accessible authority to turn to for assistance with cable franchise problems. One expressed satisfaction with the present situation. One outlined discontent with the complete freedom from municipal or state control accorded cable systems which were in operation prior to 1965 and are grandfathered forever under current law.

A handful of citizens expressed concerns with particular aspects of local cable service. Representatives of one citizen consumer group, Combat, detailed dissatisfactions with a particular cable operation and highly endorsed proposals for state regulation, which they felt could provide uniformly good service to all Maine subscribers.

The majority of speakers at the sessions were owners, employees or representatives of cable television companies and the industry's New England Cable Association. These witnesses saw state regulation as an unnecessary third tier of control which would be harmful to the growth of an important fledgling industry.

Committee members attributed the lack of substantial citizen and local governmental participation at the hearings to various factors. Some felt the hearings had not been sufficiently publicized. Some felt the lack of participation reflected an overall satisfaction with the status quo. Others felt that Maine citizens were largely unfamiliar with the new medium and its potential and that they were not knowledgeable enough to feel discontent or to expect anything more than what they might receive.

Beyond the hearings, the Committee explored aspects of cable systems not regulated by the Federal Communications Commission and the features of current state regulation in other states as researched by the legislative assistant. (See Appendix B.)

Recommendations

The Committee was divided on the need for state action relating to cable television operations in Maine. Approximately half the members feel there is no need for state intervention while the other half believe that legislation is needed.

Those in favor of state action are further divided between members who want strict regulation of rates and services at the state level and members who support the concept of a state office of technical assistance to municipalities. Such an office would help towns deal with the complexities of cable franchising, would develop statewide and regional cooperation programs among cable systems in areas such as system interconnection and public

service programming, and would approve in advance municipal plans for initial franchising and for renegotiation of franchise when FCC grandfathering of existent conditions ceases (in most cases on March 31,1977).

The whole committee was able to agree on a bill which reinforced FCC regulations at the state level and which dealt with two problems which cannot be solved at the municipal level and which have not been clearly addressed by the FCC. This bill was introduced as L.D. 2361 (See Appendix C) in the special session and was enacted as Chapter 676 of the Public Laws of 1973.

APPENDIX A

TITLE OF WITNESSES AT REGIONAL HEARINGS

Presque Isle, October 9, 1973

Dana Connors, City Manager, Presque Isle
Linwood Hand, New England Cable TV Associate
Michael Clark, Representative Retail Board of Houlton
James Briggs, State Representative (Caribou)
Louis Cyr, Town Manager of Madawaska
Norman Johnson, Engineer, TV Station, Houlton
Hayes Gahagan, State Representative (Caribou)
Dewey Dewitt, Radio Station WEGP, Presque Isle
Russell Brace, Diversified TV, Camden
Owen Hanigan, Beeline Cable TV
Robert Brown, Citizen, Presque Isle

Bangor, October 11, 1973

Edgar Houston, CPA, Professor of Accounting at Husson, Combat
Gary Larkin, Bangor Combat
Peter Parker, City Manager of Old Town
Mr. Spruce, City Council Member, Old Town
Linwood Hand, New England Cable TV Associate
Norman Twitchell, Attorney for Maine Cable Television of Bangor
Murray Briggs, President, Maine Cable Television System
Mr. Gamble, Telephone Company Employee, Hampden
William Kinney, Executive Director, New England Cable TV
Edward LaFountain, Advisor and Public Relations, Maine Cable TV

Portland, October 15, 1973

Peter Van Alstein, Diversified TV, Camden
Father Kenneth Connors, Diocesan of Maine Episcopal Church
Mr. Nelson, Public Cable TV, York Cable
Marsten Malarkey, Cable Television Consultants, Washington, D.C.
Rick Titas, Associate of Malarkey
Sam Barouch, Combat
Charley Quarry, Citizen
Senator Gerald Conley, Portland
Owen Hanigan, Beeline Cable TV

Augusta, October 19, 1973

Robert Bartlett, Norway Town Manager
William Kinney, New England Cable TV Associate
Quence Spector, Assistant Town Manager, Brunswick
Robert Stubbs, Mayor, Hallowell
Albert Meyer, Manager, State Cable TV, Augusta
John Pineo, Owner, Valley Communications
Bill Cohen, Media Specialist, U. of Me. Farmington
Russell Brace, Diversified Cable TV, Camden
Gary Larkin, Combat, Bangor
Robert Booth, Citizen, Augusta

APPENDIX B

STATE OF MAINE

Inter-Departmental Memorandum Date October 19, 1973

To Public Utilities Committee

Dept. 106th Legislature

From Nancy Ross

Dept. Legislative Assistant

Subject CTV Information

The following is intended as a brief summary of available literature on cable regulation which seems relevant to the committee's study, and which has not surfaced at the public hearings.

A thought which is perhaps the key concept in the matter of cable regulation is expressed in Cable Television in New York's (published by the New York Conference of Mayors and Municipal Officials) advice to franchising authorities:

The prime function now and in future years is the use of the cable system for public service, whether by educational or governmental authorities, by any interested groups within the community, or by any individual citizens expressing their views on whatever subject.

In deliberating any form of regulation which would promote such "public service", the committee might wish to come to terms with the three subject areas into which this report is organized:

- I. Aspects of cable systems not regulated by the Federal Communications Commission.
- II. Features of current state regulation in other states.
- III. The potential growth and development -- financial and physical -- of the cable industry.

- I. Some aspects of cable systems -- not regulated by the FCC -- which might reasonably be subject to state regulation.

Channel
requirements

FCC channel requirements for cable systems (20 channel minimum, local government, education and public access channels) apply only to major markets. In Maine this takes in only the Portland-Poland Spring area. Other parts of the state are not subject to these requirements and thus not mandated these benefits at the federal level.

Regulation of
public access
channels

In areas where public access channels are required, the FCC has not delineated the use of these channels other than to call for use on a "first come, non-discriminatory basis". How far in advance must reservations be made? How much priority and time are to be given to particular individuals and groups? What fees may be charged for production time and facilities? These are questions the FCC has left unanswered.¹

In its own explanation of the recent rules, the FCC said:

It is possible that systems will have different problems that do not now lend themselves to uniform regulation. We note, for example, the need to decide how application for access time are to be made, what overall time limitations might be desirable, how copyrighted material will be protected, how production facilities will be provided, how the public can obtain advance notice of presentations, and so on.²

Barnett suggests, as does a note in the Rutgers Law Review³ that resolution of these problems should not be left entirely to local system experimentation. Some form of state or local (perhaps recommended by a state commission) regulation might remedy potential public disservice which could arise from a local cable owner's conflict between, for example, promoting his local origination channel with its revenue-producing advertising and providing an optimum situation for utilization of a competing public access channel.

Two-way
capacity

Although FCC rules require two-way (to and from subscribers) communications systems in major markets (Portland-Poland Spring), their specifications are not stringent enough to demand even "data-grade" (as opposed to video-grade") return signals. The town of Brunswick in renegotiating its cable franchise is asking for two cables in order to assure a future two-way system that can adapt to changing technology. Brunswick's assistant town manager has spent a great deal of time studying cable and its local regulation -- many Maine towns do not have this expertise available and might not be able to secure a technical capacity such as this in a local franchise. Yet, "two-way capacity will be necessary to realize cable's service potential in a number of areas, and amplifiers with return-path capability have been made commercially available."⁴

Technical
standards

It should be noted that FCC technical standards in general may not be updated often enough always to reflect the most advanced state of the art, and that perhaps a state commission, or local municipalities with state guidance, could set forth and police such standards.

II. Features of current regulation in other states not specifically included in either L.D. 1505 or L.D. 229.

(The features in this subject area are also an extension of category I above. They are, however, lesser specifications and would, in most cases, be difficult to enforce from the federal level.)

Franchise areas

Mapping out franchise areas is one important function of a cable commission set up by the last session of the Minnesota Legislature. In consultation with regional planning commissions, the cable commission will approve boundaries proposed by municipalities or cable applicants for franchise territories.⁵

The Sloan Commission on Cable Communications also makes the following recommendation that special state agencies should identify appropriate franchise areas,⁶ as does Barnett, who notes that a viable system may require a franchise from more than one community and that small communities may not be able to attract franchises unless they are presented as part of a larger package.⁷

The New York cable commission has the authority to certify a single franchise within a defined area, if it finds that cable service is not economically feasible unless one system is franchised by two or more adjacent municipalities.⁸

Performance
Bond

Massachusetts and Illinois require posting of a performance bond by an franchised cable system to assure construction and continued operation of the system. The Illinois Commerce Commission explains that "this should be a far more effective inducement to timely performance than the threat of franchise or certificate revocation, with all the problems that presents of starting the application process anew."⁹

Line
Extension

Another problem area which state regulatory agencies have considered, and which is especially relevant to Maine, is that of cable service to citizens in remote areas. The Vermont Public Services Board has ordered that costs of line extension be split 50-50 between a cable company and any consumer willing to pay for the service.¹⁰

Cable industry
representation
in government
agencies

In order to avoid the pitfalls involved in industry control of regulatory agencies, Minnesota prohibits any individual holding a financial interest in a cable communications company from serving as a commission member or employee. The Minnesota law also provides

that

members of any elected body granting franchises and employees of any franchising body who would be directly involved in the granting or administration of franchises for cable communications and who are employed or have any financial interest in any cable communications company holding a franchise in the state, their subsidiaries, major equipment or program suppliers shall abstain from participation in the franchising of cable communications companies.¹²

Experimentation

A further notable feature of the Minnesota statute is a call for creativity in cable construction and use: "The Commission shall encourage experimental, innovative approaches to the building and operation of cable communications systems."¹³

Free cable connection for public places

A minor element of the Massachusetts legislation which might call for consideration is a provision requiring cable systems to provide a cable drop (connection to the system) and outlet along its cable routes at no cost to public schools, police and fire stations, public libraries and other public buildings designated by the issuing authority.¹⁴

(For an overall view of the mechanics of state regulation, the committee may look at the Cable Television Information Center's brief summary -- copies of which are available in the committee office.)

III. Potential growth and development -- financial and physical -- of the cable industry.

Many have termed the granting of a television broadcast station license by the FCC as a "permit to print money". It is clear that the issuance of a cable television franchise at this point in cable communications history does not fall into the same category as far as financial security is concerned.

Although cable operations do tend to have monopoly power in their franchised area, the high start-up costs of the system and the battle for market acceptance which has kept rates down, have tended to prevent immediate high financial returns.¹⁵ The Illinois Commerce Commission goes so far as to suggest that "the current industry level of monthly subscriber rates may be entirely too low to permit high-quality systems to become established and to survive in larger metropolitan areas",¹⁶ and most sources caution against imposing any undue rate ceiling or other stricture which would hamper the growth of the infant industry with its great potential for public service.

However, the future of the cable does not look at all gloomy. The Sloan Commission predicts that by the end of the decade, or perhaps shortly thereafter, 40 - 60 percent of American homes will be on cable, and that in metropolitan areas penetration will be substantially higher.¹⁷ Beginning at the point of approx-

imately 20% penetration, the Sloan Commission sees a precipitous leap in the industry's growth rate as an economic base develops which will allow for totally new programs and services.¹⁸

As for the financial returns associated with the predicted 1980 rate of penetration, a study done by Drexel, Harriman and Ripley entitled The Industry Report on Community Antenna Television provides some interesting figures. Using a franchise area with 40,000 residents and assuming 100 homes per square mile, costs would be \$400,000 for 100 miles of cable, \$75,000 for antenna and equipment, and \$85,000 for legal and promotional expenses for a total of \$560,000. When 55% of the potential residences have subscribed, the system will produce an annual profit of some \$160,000 after depreciation, interest and taxes, thus allowing a repayment of total cost in four years. A pre-tax margin of 35% was considered reasonable.¹⁹

A cable system also represents increasing equity and has a high resale value. A price of \$400 per subscriber is realistic and often approaches \$600 per subscriber. If the \$400 tag is applied to the example above, the total sale value becomes \$1.6 million, triple the original cost.²⁰

FOOTNOTES

- ¹Stephen Barnett, "State, Federal and Local Regulation of Cable Television", Notre Dame Lawyer, 47:741
- ²37 Federal Register 3251, Cable Report and Order 3271 §137.
- ³"Cablecasting A Myth or Reality - Authority of the FCC to Regulate Local Program Origination on Cable Television - An Evaluation of the Commission's Cablecasting Rules after U.S. v Midwest Video Corporation", Rutgers Law Review, 26:832.
- ⁴Illinois Commerce Commission, "Investigation of Cable Television and other forms of Broadband Cable Communications in the State of Illinois", 5 6191:25
- ⁵Minnesota Laws, Chapter 568.
- ⁶Report of the Sloan Commission on Cable Communications, New York: McGraw Hill, 1959
- ⁷Barnett, 775.
- ⁸New York Conference of Mayors and Municipal Officials, Cable Television in New York, 73:33.
- ⁹Illinois, 17.
- ¹⁰State of Vermont Public Service Board, General Order No. 48.
- ¹¹Illinois, 18.
- ¹²Minnesota, 18.
- ¹³Ibid., 12.
- ¹⁴Massachusetts, 1971, H 6076 D.
- ¹⁵Illinois, 3.
- ¹⁶Ibid., 3.
- ¹⁷Sloan, 38-39.
- ¹⁸Ibid., 38.
- ¹⁹New York, 5.
- ²⁰Ibid., 5.

APPENDIX C

FIRST SPECIAL SESSION

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 2361

S. P. 827

In Senate, January 15, 1974

Referred to the Committee on Public Utilities. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Cummings of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FOUR

AN ACT to Provide for Continuation of Service by Cable Television Systems, to Facilitate Compliance with Federal Communications Commission Regulations and to Fix Liability for Cable Television Programming.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., T. 30, § 1901, sub-§§ 1-B and 1-C, additional. Section 1901 of Title 30 of the Revised Statutes, as amended, is further amended by adding 2 new subsections 1-B and 1-C, to read as follows:

1-B. Cable television company. "Cable television company" means any person, firm or corporation owning, controlling, operating, managing or leasing a cable television system within the State.

1-C. Cable television system. "Cable television system" means any facility that, in whole or in part, receives directly, or indirectly over the air, and amplifies or otherwise modifies the signals transmitting programs broadcast by one or more television or radio stations and distributes such signals by wire or cable to subscribing members of the public who pay for such service, but such term shall not include any such facility that serves fewer than 50 subscribers, or any such facility that serves only the residents of one or more apartment dwellings under common ownership, control or management, and commercial establishments located on the premises of such apartment dwellings.

Sec. 2. R. S., T. 30, § 2151, sub-§ 2, ¶ H, amended. Paragraph H of subsection 2 of section 2151 of Title 30 of the Revised Statutes, as amended, is further amended to read as follows:

H. The municipal officers may contract on such terms and conditions and impose such fees, as are in the best interests of the municipality, including the grant of an exclusive franchise for a period not to exceed 10 years, for the placing and maintenance of ~~community antennae~~ cable television systems and appurtenances or parts thereof, along public ways and including contracts with ~~operators of such systems~~ cable television companies which receive the services of television signal transmission offered by any public utilities using public ways for such transmission. Any cable television system so franchised shall be constructed and operated in accordance with Federal Communications Commission regulations. No public utility shall be required to contract with the municipal officers pursuant to this paragraph. Systems located in accordance with such ordinances and contracts are not defects in public ways.

The municipal officers may establish such charges as are necessary to defray the costs of public notice, advertising and the expenses of hearings relating to applications for a contract, but in no case to exceed \$25 per applicant.

Any person, ~~firm or corporation~~ cable television company holding a permit to ~~maintain~~ provide a ~~community antennae~~ cable television system, issued prior to July 1, 1965, shall not be required to comply with this paragraph, except that construction and operation of such system shall accord with Federal Communications Commission regulations; provided ~~however~~ that any such permit holder whose system shall not be in operation on or before July 1, 1966 shall be required to comply with this paragraph and the original permit shall be null and void, provided further that cases in litigation on July 1, 1965 shall not be required to be in operation prior to July 1, 1967. A municipality shall be entitled to injunctive relief in addition to any other remedies available by law to protect any rights conferred upon the municipality by this section or any ordinances enacted under the authority of this section.

The municipal officers of towns shall have exclusive power to enact all ordinances authorized by this ~~subsection~~ paragraph. Seven days' notice of the meeting at which said ordinances are to be proposed shall be given in the manner provided for town meetings, and such ordinances shall be effective immediately.

Any person, ~~firm or corporation~~ cable television company which is ~~furnishing~~ ~~community antennae~~ providing a cable television ~~service~~ system in any municipality prior to June 1, 1967, shall not be required to comply with this paragraph, except that construction and operation of such system shall accord with Federal Communications Commission regulations. This paragraph shall not apply to or affect the rights of parties to litigation pending in court on June 1, 1967, and the rights of such parties shall be determined by such litigation;

Sec. 3. R. S., T. 30, § 2151, sub-§ 2, ¶ I, additional. Subsection 2 of section 2151 of Title 30 of the Revised Statutes, as amended, is further amended by adding a new paragraph I to read as follows:

I. No cable television company, notwithstanding any provision in a franchise, shall abandon service or portion thereof without having given 6 months' prior written notice to the franchising municipality, if any, and to the municipalities affected by such abandonment. When abandonment of any service is prohibited by a municipal franchise, no cable television company may abandon such service without written consent of the municipal officers. Any cable television company which violates the provisions of this paragraph shall be subject to a fine of \$50 a day for each and every day that said violation continues.

Neither the cable television company whose facilities are used to transmit a program produced by a person other than such cable television company pursuant to Federal Communications Commission regulations or municipal ordinance, nor the officers, directors or employees of any such cable television company, shall be liable for damages arising from any obscene or defamatory statements or actions or invasion of privacy occurring during any program when such company does not originate or produce such program.

STATEMENT OF FACT

Liability for cable television programming has not been conclusively determined by federal or state law. This bill would make the actual program producer liable.

This bill also assists municipalities in assuring continuance of cable television service by requiring cable companies to provide 6 months' notice before abandoning any service.

The Federal Communications Commission often operates with a considerable backlog of regulation examination and enforcement at the local level. This bill would reinforce at the state level Federal Communications regulations.

This bill is part of the Public Utilities Committee report on its assigned study of cable television.