

Office of Telecommunications & Regulatory Affairs

Legislative and Regulatory Update – April 10, 2013

Cable/Video Issues:

- **PEG Channel Coordination**

ChannelAustin successfully used the new mobile wireless video unit to provide live coverage of the Austin Music Awards last month. The PEG managers met last week to discuss ways to improve reliability of the PEG feeds in the GAATN room at City Hall which will require purchase of \$50-80K worth of additional electronic equipment.

STATE LEGISLATION

HB 1900 – Rep. Craig Eiland & SB 1465 – Sen. Craig Estes

The bill exempts the first \$75 of cable TV service from the 6.5% state sales tax. Since City franchise fees and PEG fees are charged on state sales taxes for cable TV service, eliminating the state sales tax would reduce the City's franchise fee by \$0.24 per subscriber and the PEG fee by \$0.04875 per month or a total reduction of \$0.29 per subscriber per month. The cable providers no longer give us subscriber counts, but if we estimate total cable subscribers at 250,000, the revenue reduction would be \$72,500/month, (\$60,000 in General Revenues and \$12,500 in PEG fees), or \$870,000 per year \$720,000 in General Revenues and \$150,000 in PEG fees). The bill is still in committee in both the House and Senate and is being strongly opposed by the City and affiliate organizations.

SB 259 – Sen. John Carona

The bill reduces PUC regulatory requirements for non-dominant, deregulated companies, and transitioning companies that provide telecommunications services such as prior approval for pricing, marketing, quality of service standards or reporting requirements.

SB 327 – Sen. John Carona

The bill allows all cable and video providers to obtain a State Issued Certificate of Franchise Authority, removing the last restrictions based on city size and prior city franchises. This does not affect the City since all providers are already under SICFAs.

SB 494 – Sen. John Carona

The bill requires the PUCT to make sure that any funding methods for the universal service fund are feasible, adequate, and competitively neutral and neutral as to communications technology on all local exchange access lines or their equivalent.

HB 889 – Rep. Pat Fallon

The bill would require City Channel 6, Travis County, and AISD to webstream all regularly scheduled open meetings and to also make available archived video and audio of these meetings over the Internet.

HB 2603 – Rep. Joe Pickett

The bill gives telecomm providers with less than 500,000 access lines the right to opt out of PUC rate regulations. Access line fees would not be affected by the bill

FEDERAL ACTIVITY:

S. 31 & H.R. 434: Permanent Internet Tax Freedom Act of 2013 (no change)

Sen. Kelly Ayotte [R-NH] introduced the Senate bill, and Rep. Steve Chabot [R-OH1] introduced the bill in the House. The bills would make the moratorium on Internet access taxes and multiple and discriminatory taxes on electronic commerce permanent.

H.R. 624 - Cyber Intelligence Sharing and Protection Act

Rep. Mike J. Rogers introduced the bill February 13, when it was referred to the House Committee on Intelligence. It amends the National Security Act of 1947 to add provisions concerning cyber threat intelligence and information sharing.

The bill has broad-based industry support by many of the same firms who opposed the Stop Online Piracy Act & the Protect Intellectual Property Act.

Other privacy rights opponents of SOPA are concerned that CISPA goes much further, permitting ISPs to funnel private communications and related information back to the government without adequate privacy protections and controls. The bill does not specify which agencies ISPs could disclose customer data to, but the structure and incentives in the bill raise a very real possibility that the National Security Agency or the DOD's Cybercommand would be the primary recipient.

S. 481 & H.R. 1123 - Unlocking Consumer Choice and Wireless Competition Act,

The legislation would undo a Library of Congress ruling from last year which stripped unlocking protections from the Digital Millennium Copyright Act. Beyond Sen. Al Franken, other politicians behind the bill include Judiciary Committee Chairman Sen. Patrick Leahy (D-Vt.), Committee Ranking Member Sen. Chuck Grassley (R-Iowa), Sen. Orrin Hatch (R-Utah), and Sen. Mike Lee (R-Utah).

House Judiciary Committee Chairman Bob Goodlatte (R-Va.) and Ranking Member John Conyers (D-Mich.) introduced similar, bipartisan legislation March 13th.

S. 607 - Electronic Communications Privacy Act Amendments Act of 2013

Introduced March 19th by Sen. Patrick Leahy, (D-VT) and referred to the Judiciary Committee, the bill increases protections regarding disclosure by a provider of electronic communication service or remote computing service of the contents of a wire or electronic communication that is in electronic storage.

The following bill died in committee at the end of the last session. Action in the current session is still pending

CAP Act -

Work is ongoing by municipal associations and individual cities to inform elected officials and to gain support for the Community Access Preservation ("CAP") Act and to obtain a replacement sponsor for Republican co-sponsor Steven LaTourette, who retired from Congress at the end of the last session. The CAP Act removes the distinction between capital and operating uses of PEG support fees that currently prevent PEG fees from being used for operational expenses; ensures funding for PEG channels; requires cable operators to transmit PEG channels without charge to the local government; and requires the FCC to undertake a study of PEG operations.