

CABLE TELEVISION SUBCOMMITTEE
OF THE
STANDING COMMITTEES ON COMMERCE

Report to the Members of the
Second Session of the Sixty-fifth General Assembly
Meeting in the Year 1974

F I N A L R E P O R T

CABLE TELEVISION SUBCOMMITTEE
OF THE
STANDING COMMITTEES ON COMMERCE

In July 1973, the Legislative Council authorized the creation of the Cable Television Subcommittee to consist of members from each of the Standing Committees on Commerce in the House of Representatives and the Senate. The following members were appointed by the Chairmen of the respective Standing Committees to serve on the joint legislative subcommittee:

Senator W. R. Rabedeaux, Chairman
Representative Arthur A. Small, Jr., Vice Chairman
Senator George R. Kinley
Senator Ray Taylor
Representative George J. Knoke
Representative Glenn F. Brockett

The Subcommittee held three meetings, one of which was a public hearing attended by city attorneys, members of community-based citizen committees on cable television, the legal counsel for the Iowa Commerce Commission, the Iowa Federation of Labor, owners and operators of cable systems, and representatives of the Iowa State Education Association and of the cable television industry itself. Testimony received from these persons, and an analysis made by the Subcommittee of available literature on the subject, revealed the following information on the status of cable television in Iowa:

Numerous municipalities, which are required by law to submit to a vote of the electorate a proposal to operate a cable television system, are confronted with the task of developing a franchise ordinance which must comply with complicated rules promulgated by the Federal Communications Commission and also meet the individual needs of the community. Typical issues facing the local franchising authority include: 1. The type of public proceeding needed to review the applications for a franchise; 2. The length of franchise period to be granted in the ordinance; 3. The system capabilities which shall be required of the cable television system, including the requirements for educational and public access channels.

At present there is in this state no consolidated body of information on processes and procedures to be followed by a municipality in the development of an ordinance through which a franchise may be granted. Although larger Iowa communities have had the resources necessary to hire consultants and receive the technical assistance necessary to draft a franchise ordinance, some communities have found it difficult to obtain the authoritative information and expertise to comply with the complicated regulations promulgated by the Federal Communications Commission. In addition, municipalities are not in the position to establish policies in regard to foreseeable developments in the granting of franchises on a regional or statewide basis or in regard to pro-

protecting any invasion of privacy occurring in the development of systems with two-way communication capability.

A sharply divided Federal Communications Commission advisory committee has recommended that the FCC exert total jurisdiction over regulation of cable television systems in order to parcel regulatory powers back to either states or municipalities in a manner which would avoid duplication of regulatory powers among various governmental levels. The majority report of the FCC advisory committee states that "the multilevel scramble for control of cable is producing policies and regulations which duplicate. . . or directly conflict with federal directives." The FCC itself, however, has thus far determined only that regulation over cable television should be a joint function of federal and local (state or municipality) authorities -- with the result that there has been no central direction provided at any level.

Although the Cable Television Subcommittee in Iowa acknowledges the present confusion over the method by which cable television franchises are to be granted, testimony received during the 1973 legislative interim also indicates that several municipalities have been able to provide for an orderly process by which the electorate may become informed on the franchise proposal prior to the election and the municipality assured of a system which will meet its present and future needs. The Subcommittee has also determined that a third tier of regulation of cable television at the state level might prove unwieldy for an industry which, the Subcommittee believes, is still in an infant stage of development.

The situation described above has prompted the Cable Television Subcommittee to reject the proposal introduced during the 1973 Session of the Sixty-fifth Iowa General Assembly for a moratorium on future construction of cable television systems in this state and, in view of possible total preemption of regulatory powers by the FCC, to reject the possibility of establishing at this time a statutory commission to regulate the franchising of cable television systems by municipalities. In place of these proposals the Subcommittee recommends to the General Assembly continuous surveillance of the status and development of cable television in the state in order to determine whether or not the state at some point of time in the future should establish a mechanism for state assistance to municipalities which might be required to grant a cable television franchise. The Subcommittee also recommends further study by the state of the possibility of granting franchises on a regional or statewide basis, extending cable service to rural areas, and preventing any invasion of privacy occurring in the development of systems with two-way communication capability.

To implement its recommendation, the Subcommittee adopted by a vote of five to one a motion to request the Governor of Iowa to establish an advisory committee on cable television which would include two members of the House of Representatives to be appointed by the Speaker of the House, two members of the Senate to be appointed by the President of the Senate, and five nonlegislative members appointed by the Governor. It was also suggested in the request, which was forwarded to the Governor by the Subcommittee on December 7, 1973, that the nine-member advisory committee be required to report both to the Governor and to the Standing Committees on Commerce in the House and the Senate and that the first report be required to be submitted not later than April 15, 1974.