July 25, 2019

Honorable Ajit Pai,Chairman

Honorable Brendan Carr, Michael O’Rielly, Jessica Rosenworcel and Geoffrey Starks, Commissioners

Federal Communications Commission

445 12th Street, S.W.

Washington, DC 20554

*Re: In the Matter of Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as Amended by the Cable Television Consumer Protection and Competition Act of 1992 (MB Docket No. 05-311)*

The League of Minnesota Cities[[1]](#footnote-1) (“LMC”) submits these comments for the record, and may separately respond to the draft Report and Order (“Draft Order”) in the above-referenced docket, which is on the tentative agenda for the Commission’s meeting on August 1, 2019. LMC concurs with the comments made by National Association of Telecommunications Officers and Advisors (“NATOA”), the United States Conference of Mayors (“USCM”), the National League of Cities (“NLC”), and the National Association of Towns and Townships (“NATaT”) in their July 24, 2019 filing.[[2]](#footnote-2) LMC also concurs with the comments made in the *ex parte* comments filed by NATOA general counsel Nancy Werner expressing the concerns of various municipal entities throughout the country.

LMC encourages the Commission to carefully review LMC’s original comments expressing its concerns regarding the Order. The Commission should pay close attention to LMC’s concerns related to valuing in-kind services based on their fair market value instead of the actual cost to provide the in-kind service. In addition, LMC is concerned with the detrimental effect the Order would have on cities if it were to go into effect immediately.

Minnesota cities typically set their budgets in the fall of each year. Cities then levy taxes to meet those budgets needs the following year. If the Order goes into effect too quickly, cities may not have the resources to meet other budgetary needs if their franchise fee revenue is reduced.

If the Order is adopted, the Commission should delay its implementation for two years to allow cities an adequate opportunity to adjust their budgets to deal with the reduced revenue they will receive.

On behalf of our members, LMC strongly disagrees with the Commission’s tentative conclusions relating to the treatment of cable-related in-kind contributions as franchise fees. If the Commission adopts the Order, it asks that the Commission consider the effect it would have on city budgets.

Respectfully submitted,

*/s/ Kyle Hartnett*

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League of Minnesota Cities

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1. LMC is a statewide cooperative association representing 833 cities, 11 townships, 61 special districts and one joint power entity. Only 20 cities in Minnesota do not belong to LMC. The LMC was established in 1913 within the school of public affairs at the University of Minnesota. It became an independent association representing and serving cities in 1974. A board of directors, elected by the LMC membership, govern LMC. [↑](#footnote-ref-1)
2. Filing ID: 10725131217506. [↑](#footnote-ref-2)