



Town of North Andover
Office of the
Town Manager
North Andover Town Hall
120 Main Street
North Andover, MA 01845
lsavage@northandoverma.gov



Lyne Savage
Acting Town Manager

Telephone (978)688-9510
Fax (978)688-9556

July 24, 2019

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, District of Columbia 20554

**RE: 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,
Third Report and Order - MB Docket No. 05-311**

Dear Ms. Dortch,

On behalf of the Board of Selectmen and myself, I am writing to formally express our immediate disagreement with the FCC's proposed Third Report and Order requiring Local Franchising Authorities (LFA) to treat cable-related, in-kind contributions as franchise fees subject to the statutory five percent franchise fee cap.

This order would allow the cable operators to decide on a fair market value to obligations associated with PEG channels from the five percent franchise cap. This is a profound change from the decades of common interpretation and implementation of the federal law. The fact that this order would apply to existing contracts interferes with long-term contracts negotiated in the best interest of both parties. By opening up long term contracts to contend with the fair market value assessments of these services will inevitably cause conflict. This conflict will result in access centers and municipalities diverting time and resources to avoid any reduction in the PEG Services or losing them entirely. Nowhere in the order does it address that cable bills will decrease with any of these offsets. It is clear that the FCC's proposed rule changes will benefit corporations and not the public interest.

In North Andover's community, the town built its own fiber network, taking on the burden from the cable companies to transport PEG services from municipal buildings. In 2019, we have also

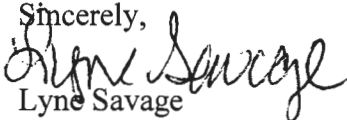
just completed a brand new community access studio facility after planning and designating funds for over 10 years. Now that we have a facility that suits the needs of the community, our funding has been put in jeopardy by the proposed rule changes. If there is a reduction in our PEG funding as expected based on the FCC's draft order released on July 11th, we may not be able to sustain the new facility that we responsibly and prudently planned for over the last 10 years.

It would be a travesty for PEG services in North Andover if the new facility closes. This would render the \$400,000 in construction costs a total loss and there would be nowhere to purpose over \$200,000 of capital equipment purchased for PEG purposes at the facility. This would completely negate the value and purpose of the revenue the municipality receives in lieu of the cable company's use of the right-of-way to deliver their product to customers in town.

PEG access channels are needed to provide the community access to its local government through its programming and coverage of meetings and events. Transparency is the enabler of civic engagement regarding important local issues. The community relies on North Andover CAM as the sole provider of complete, unbiased information to the community to help them stay informed about what is going on in their town.

We adamantly oppose this Third Report and Order and ask you to reconsider. We ask you to safeguard the public interest by maintaining the current franchise fee structure and honoring the authority of cities and towns to control their public rights-of-way.

Sincerely,



Lyne Savage

Acting Town Manager