



CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE • BEVERLY HILLS, CALIFORNIA 90210

Julian A. Gold M.D., Mayor

November 2, 2018

Chairman Ajit Pai
Federal Communications Commission
425 12th Street, SW
Washington, DC 20554

RE: Opposition to FCC Cable Franchise Fee Deductions Proposed Rule
(MB Docket No. 05-31)

Dear Chairman Pai:

On behalf of Beverly Hills, California, I would like to express the City's opposition to the Federal Communications Commission's (FCC) Second Further Notice of Proposed Rulemaking (FNPRM) that would allow cable companies to deduct the fair market value for a wide range of public benefits from their franchise fee obligations, including public, educational, and government (PEG) channel capacity and transmission. This proposed rulemaking directly threatens to limit, if not eliminate, PEG channels and the fair use of public rights-of-way, not only in Beverly Hills but in communities throughout the state of California and the country.

The California State Legislature in 2006 enacted the Digital Infrastructure and Video Competition Act, making the California Public Utilities Commission (CPUC) the sole franchising authority. The measure kept local government revenues intact, protected local public rights-of-way, and ensured a suitable amount of capacity on cable networks was preserved for PEG access channels. The FCC's FNPRM adopts none of these safeguards. In short, the FNPRM fails to exempt states with centralized franchising authority and prohibits local governments from regulating the facilities and equipment used by cable operators in the provision of non-cable services, such as those provided by the wireless communications industry. Under this proposal, cable companies could potentially install "small wireless facilities" with no public input and without having to meet any aesthetic or equipment size requirements aimed at mitigating blight and preserving community character.

The FNPRM's reckless preemption of local jurisdiction, moreover, is likely to result in cable companies using local public's rights-of-way as they see fit, allowing these highly profitable private enterprises to avoid having to pay fair compensation to local governments for the use of publicly funded assets. The net effect of the FNPRM will be a significant reduction of PEG services, a sharp decline in franchise fee revenues, and the elimination of local discretion over cable and non-cable facilities. None of this serves the public interest.

Rather than preempting state and local jurisdictions as outlined by the FNPRM, the City of Beverly Hills urges the FCC to encourage cable operators to improve their services, help close digital divides, and expand deployment to rural and lower-income communities. Thank you for your consideration of our concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Julian A. Gold', written over a horizontal line.

Julian A. Gold, M.D.

Mayor, City of Beverly Hills

cc: FCC Commissioners
Senator Dianne Feinstein
Senator Kamala Harris
Representative Ted Lieu
League of California Cities