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November 13, 2018

STEVE LY  
MAYOR

**VIA ELECTRONIC FILING**

Chairman Ajit Pai  
Commissioner Michael O'Rielly  
Commissioner Brendan Carr  
Commissioner Jessica Rosenworcel  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

DARREN G. SUEN  
VICE MAYOR

PATRICK HUME  
COUNCIL MEMBER

STEVEN M. DETRICK  
COUNCIL MEMBER

STEPHANIE NGUYEN  
COUNCIL MEMBER

Re: **MB Docket No. 05-311. Second Further Notice of Proposed Rulemaking. 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**

Honorable Chairman Pai and Commissioners O'Rielly, Carr, and Rosenworcel:

The City of Elk Grove is strongly opposed to the Further Notice of Proposed Rulemaking (FNPRM), which proposes to allow cable companies to deduct the fair market value for a wide range of public benefits from their franchise fee obligations, namely public, educational, and government (PEG) channel capacity and transmission.

In 2006, California passed the Digital Infrastructure and Video Competition Act, which streamlined the deployment of cable services by making the California Public Utilities Commission (CPUC) the sole franchising authority in the state and preserved many of the provisions commonly found in local franchise ordinances. It was the intent of the state legislature to streamline deployment while keeping local government revenues intact, ensuring that local public rights-of-way remained under control of cities and counties, and that a sufficient amount of capacity on cable networks was preserved for public, educational, and government (PEG) access channels.

We strongly oppose the tentative conclusions in the FNPRM that cable-related in-kind contributions are franchise fees and that local governments have no authority regarding cable operators' use of the rights-of-way to provide non-cable services.

We feel it is important to note that PEG programming offers a host of community benefits, including public access channels, educational access channels, and government access channels all aimed at providing locally beneficial information. By allowing cable companies to deduct the "fair market value" of PEG channel capacity and transmission from their franchise fee obligations, the FCC's proposed rulemaking would:

- Threaten to limit or eliminate public, educational, and government access channels all meant to better help inform and empower the public;
- Severely reduce franchise fee revenues, revenues for cable companies to use the public right-of-way, for the City of Elk Grove.

In fact, the City of Elk Grove utilizes PEG funding to help pay for modifications and enhancements for outdated equipment, closed captioning technology, modernizing our control room, upgrades to technology for displaying our public meetings, and many other projects that would otherwise be unfunded and limit public access.

The City of Elk Grove is very concerned with this proposal and for these reasons, we oppose the FNPRM and respectfully urge the FCC to reject the deterioration of PEG services and fair use of the public right-of-way.

Sincerely,



MAYOR  
CITY OF ELK GROVE

cc: Elk Grove City Council  
Congressman Ami Bera, California 7th Congressional District  
Charles Anderson, League of California Cities, [canderson@cacities.org](mailto:canderson@cacities.org)  
LoCC City Letters, [cityletters@cacities.org](mailto:cityletters@cacities.org)