



Office of the Selectboard

Town of Montague

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Before the
Federal Communications Commission
Washington, D.C. 20554

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

COMMENTS OF the Town of Montague, MA Selectboard

The Montague Selectboard appreciates the opportunity to file comments on the Second Further Notice of Proposed Rulemaking ("FNPRM") in the above-referenced docket. *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.*

Montague Community Television (MCCI) has served Montague, MA for more than thirty years. As a rural community with limited resources and even less local news media, our work allows the most marginalized segments of the population the opportunity to participate in civics and culture via the cable system. The budgets of community media centers are generally barebones and we believe that any disruption to our funding stream will force the closure of our center. This may well be the result for many small rural centers which rely on PEG portion of franchise fees. We would like the Commission to consider that in Massachusetts, franchising authorities are municipalities who rely heavily on PEG services to document and archive meetings which opens civic participation to a larger population. We strongly feel that "cable-related in-kind" obligations are not franchise fees; using fair market value to determine the amount to be considered a franchise fee will lead to arbitrary deductions.

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By defining "franchise fee" in an overly broad fashion to include "in-kind" support, the FCC's proposals will shift the fair balance between cable franchising authorities and cable operators, and will force communities to choose between franchise fees and PEG channels – something that was never the intent of the Act.

We support the tentative conclusion that build-out requirements are not franchise fees because they are not contributions to the franchising authority. The same reasoning should be applied to other cable-related contributions the Commission tentatively concludes are franchise fees. Franchise obligations, such as PEG channels and local customer service obligations, are more appropriately considered community benefits, not contributions to local franchising authorities, and, like build-out obligations, should not be considered franchise fees. As it stands, the PEG capital funds grant is already passed through for the subscriber to pay. Franchise fees are a nominal sum paid to a municipality, which effectively entitle cable operators to millions of dollars in subscribership. And, while franchise fees are barely noticeable when weighed against the quarterly earnings of the cable operator, they are critical to the dwindling budgets of our cities and towns.

We appreciate your consideration and hope you will protect PEG channels in our community and others by choosing not to adopt many of the proposals in the Further Notice.

Respectfully submitted,

TOWN OF MONTAGUE



Richard Kuklewicz, Chair
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