

MB Docket No. 02-70

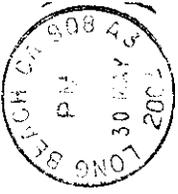
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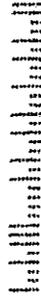
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Mr. Michael K. Powell
Chairman
Federal Communication Commission
445 12th Street SW
Washington, DC 20554



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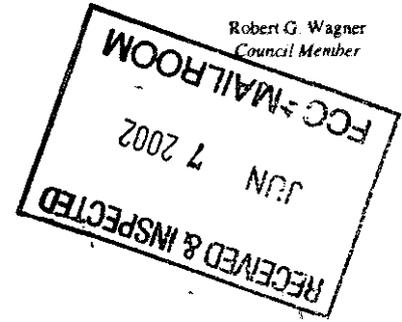
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May 30, 2002

Larry Van Nostran
Mayor



Mr. Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: Re-Regulation of Cable Television

Dear Mr. Chairman:

On behalf of my colleagues on the Lakewood City Council, I want to strongly encourage you to reconsider the anti-consumer consequences of federal deregulation of cable television rates and cable service standards.

We appreciate that re-regulation of the cable industry would reverse two decades of escalating deregulation by Congress and the Federal Communications Commission. Nonetheless, we believe the case for re-regulation is compelling:

- Cable operators continue to combine into larger and larger entities, strengthening their monopolistic stranglehold on key geographic regions. The AT&T cable system serving Lakewood is merging with Comcast. The combined entity, AT&T Comcast, will control franchises encompassing forty percent of all American cable customers.
- Prices paid by consumers continue to escalate while service complaints remain outrageously high. For example, the AT&T Broadband service center serving the greater Los Angeles Customers, including those in Lakewood, became the "poster child" for poor customer service last November. According to AT&T's records shared with us, the average time taken by call center agents to answer subscriber calls reached 23 minutes! Seventy percent of all incoming telephone trunks were reported as being busy.
- The trafficking in cable systems creates unrelenting pressure for higher rates from consumers. In 19 years, the cable franchise in Lakewood has been sold, merged or had changes in control six times. After each, consumers experienced higher rates because of the outrageous sale prices paid by the new owner.

Our plea for re-regulation of the cable industry is consistent with those industry watchers who have become disenchanted with two decades of deregulation. For example, columnist

Lakewood

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Robert Kuttner, writing in the May 20, 2002 edition of *Business Week* magazine, observed:

For decades, the cable industry has succeeded in persuading Congress and the Federal Communications Commission that real competition is around the corner. But, competition never materializes. Instead of competing with one another to offer competition, cable companies merge with each other to monopolize markets and raise prices. Cable rates have risen, since 1996, at triple the rate of inflation.

Whenever and wherever we interact with our constituents, they demand to know who is responsible for the out-of-control cable rates and poor service. Is it their city council that grants a nonexclusive franchise to cable operators, or is it the federal laws governing cable franchise administration, franchise renewal, and transfers? Regretfully, we must remind our constituents over and over again that it is Congress and the Federal Communications Commission that continue to allow the cable industry to operate in an anti-consumer manner.

Still, our constituents want more from us than buck passing or platitudes about the "potential" value of deregulation in a competitive market place. They want action. And, we request your action at this time. Two decades of anti-consumer activities is enough. Now is the time for federal re-regulation of the cable television industry. We hope you agree.

Sincerely,



Larry Van Nostran
Mayor

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