The proposed rule-making has a number of problems which would have serious negative effects on national and local communications interests.

1) The existing and well-established means of funding public and government programming would be essentially dismantled by means of the proposal to count PEG, I-Net and other in-kind services against franchise fees and cap at 5%. The negative effect on local communications would be extreme. The 5% franchise fee should be retained as currently used by local governments, while allowing additional support for PEG, etc. to be negotiated separately.

2) The 90 days deadline for completion of negotiations is a disincentive for video operators to come to reasonable terms and to meet community needs. The automatic granting of franchises would result in no benefits being available to local governments at all.

3) Local governments best understand the demographics and infrastructure requirements of their communities and have well managed build-out requirements for cable operators for many years. The existing process of local negotiation and oversight should be maintained.

4) The Congress, as well as state legislatures, are in the process of addressing local franchising concerns through extensive deliberative processes. These are the appropriate venues to develop policy on this important issue, and will permit input from those most affected to be considered in detail. There is no need for the FCC to take action while the legislative process is underway.

Thank you for reviewing and considering these comments.