

Assembly shouldn't let AT&T bypass franchises

Legislation was filed in the Tennessee General Assembly last week that would allow AT&T to get into the video business through a new statewide cable franchising authority. Current cable providers are opposed to the idea, as are local governments, which now control such matters with franchise agreements.

These agreements often include requirements for companies to provide cable services to public schools and to less economically favorable areas. During debate on this bill, it's essential legislators remain mindful of how changes to the current franchise system might impact local governments, and more importantly, the average Tennessean.

Depending on whom you believe, the legislation will either result in more competition and lower prices for cable consumers or it will result in lower-income and rural customers being shut out of the most up-to-date services.

The Tennessee Municipal League says cities would lose their leverage over cable companies if they are cut out of the franchising process. On the other hand, supporters of the measure say passage of the bill would create more competition among providers that would lead to better rates, better customer service and a significant capital investment in broadband coverage.

The latter does sound pretty good, but is bypassing local cable franchise authority the best means for accomplishing that?

Truthfully, local governments have no franchising power over rate hikes for the most popular cable packages. Still, there are a few perks cities and counties can ask from the cable giants before agreeing to approve a franchise.

Both Johnson City and Elizabethton have secured a special cable channel to air municipal information. In Johnson City's

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case, the city uses the government information channel to televise meetings of the City Commission and the city's Planning Commission.

Elizabethton officials have wrangled a commitment from Charter Communications that it operate a customer service office in their city before issuing the company a non-exclusive contract. That request came after a number of Elizabethton residents appeared before the City Council a few years ago to complain they weren't getting the hands-on customer service they expected from Charter.

Telecommunications is a growing business, and traditional cable companies are beginning to see competition from other providers. Cell phone companies are now getting into the cable business, as are some electric utilities.

All this competition could open the door for local governments to leverage what little authority they now have over cable franchises. This power extends to ensuring schools, public buildings and low-income areas of the city are served.

There are no current restrictions in Tennessee that would prohibit AT&T from applying for franchise permits from local governments to provide cable services. Critics say AT&T has chosen not to apply for any of these local franchises because it does not like the expense of the rules that have been created to protect consumers, local governments and taxpayers.

It sounds as if AT&T is asking Tennessee lawmakers to stack the deck in its favor. That would neither be fair nor reflect the true spirit of competition.