



MICHIGAN TOWNSHIPS ASSOCIATION

WEEKLY LEGISLATIVE REPORT

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Please route to all interested parties in your township.

CABLE FRANCHISE BILL HALTED ON HOUSE FLOOR AS ELECTION BREAK BEGINS

The Michigan House adjourned around 1 a.m. on September 21, stopping short of granting final approval to HB 6456, legislation that would mandate state prescribed cable franchise agreements. There has been a whirlwind of activity surrounding the legislation (including a lot of misinformation given to legislators) in the past 10 days after no meetings or discussions took place during July and August. It was clearly a strong push by the industry to get the legislation all the way through the House in a matter of a few days. HB 6456 was reported out of committee on September 20 and the bill was scheduled for floor action on the same day. Strong lobby efforts against the bill by MTA and MML, which included hundreds of local officials contacting legislators, helped stop the bill on the floor. Leadership on both sides of the aisle, including the Governor's office also should be thanked for slowing down a bill that, in its current form, is seriously flawed.

HB 6456, sponsored by Rep. Mike Nofs (R-Convis Twp.) would require townships, cities and villages to immediately eliminate (or to dramatically amend) their existing cable franchise agreements, even when no competition exists in their community. Local governments would then be required to adopt a new or modified franchise that could not be stronger than criteria outlined by the bill. Local governments would stand to lose most details in their existing agreement including specific build-out criteria that may have been agreed to with the existing provider in their community. Many communities have current agreements that require the cable company to provide access to residents when there are 20-30 homes per linear mile. HB 6456 also contains some of the weakest statewide build-out language seen anywhere in the country. The build-out provision applies to companies with more than one million telecommunication access lines (AT&T only) and says that they must serve at least 25% of households in their current service area within three years and 50% within six years. However, the language allows AT&T to calculate their build-out anywhere in the state and since they serve almost the entire state, most of this would take place in densely populated "affluent" areas in southeast Michigan. The language in the bill also gives escape clauses from the build-out requirement.

Serious financial concerns for local governments also exist in HB 6456. The total cost to local governments has been estimated by experts to be anywhere from \$42 million to \$55 million annually. This calculation includes at least a \$15 million dollar hit to locals under the Metro Act, currently paid by AT&T. An amendment purported by AT&T to solve this matter still allows for the company to take the credit (money paid to locals). Further losses include in-kind services provided to schools, senior centers, libraries, non-profits, government buildings, networking for I-Nets and increased costs on rights-of-way.

The Legislature is beginning a six-week recess that will allow members to campaign for the November general election. MTA will continue to work to make improvements to the bill, which is likely to gain attention during the short lame duck session in November and December. MTA continues to favor fair competition and choices in cable services for our businesses and residents. Choices should not be for just a select few in densely populated areas.

HOUSE OF REPRESENTATIVES PASSES RECALL REFORM MEASURE

The House, by a vote of 100-6, has passed HB 5965, introduced by Rep. Richard Ball (R-Bennington Twp.), which makes several subtle changes to the recall process. Under the bill, recall petitioners would be required to pay a \$50.00 filing fee when submitting the petition with the board of county election commissioners. In addition, a petitioner could not start collecting petition signatures during an officers first six months in office and the petition once approved by the board would only be valid for 90 days rather than the current 180 days. Finally, all reasons for recall of sufficient clarity would have to be printed on each petition. The bill now moves over to the Senate.

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