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U.S. House of Representatives Committee on Energy and Commerce

SUBCOMMITTEE ON TELECOMMUNICATIONS AND FINANCE

Mashington, DC 20515-6119

November 17, 1993

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CHIEF COURSEL AND STAFF DIRECTOR

The Honorable James H. Quello Acting Chairman
Federal Communications Commission
1919 M Street, N.W.

Dear Chairman Quello:

Washington, D.C. 20554

I write to congratulate you on the foresight of your decision to extend the rate freeze on the rate regulation provision of the Cable Act of 1992 to February 15, 1994. I agree with your judgment that many local franchising authorities require more time to prepare for rate regulation and to apply for certification. Your actions will ensure that rate regulation is implemented thoroughly and that customers are able to receive the benefits promised by the Act.

It is urgent that we make every effort to inform the local franchising authorities of their responsibilities under the Act and encourage them to take advantage of the opportunity to regulate rates. I am pleased to learn that the Federal Communications Commission (FCC) has initiated a series of informational sessions designed to educate the local franchisers about certification and that the FCC is encouraging localities to certify with other towns in order to reduce the administrative burden on any one locality. In addition, I understand that the FCC is in the process of creating a telephone "hotline" for local franchisers and will also make available an informational packet regarding the certification process. All of these efforts are critical if we are to reach the large number of franchising authorities who have not certified to regulate rates. Given that as of November 3, 1993, only 3,425 of 33,000 franchises have applied for certification representing approximately 5,050 communities, your efforts to expedite certification are very important.

On a related note, I am concerned by reports we have received regarding efforts by some members of the cable industry to undermine the certification process for rate regulation under the Cable Act. It has been brought to my attention that a number of cable operators are actively working to dissuade local franchising authorities from certifying. If true, it is all the more imperative that the FCC continue its efforts to educate local authorities and to dispel any confusion they may have regarding certification and regulation.

The Honorable James H. Quello Page 2 November 17, 1993

Once again, I applaud your efforts in extending the rate freeze. Consumers are anxiously awaiting the opportunity to enjoy the rate protection afforded by the Act. We must ensure that the certification process is a facilitator, and not an obstacle, to this end. I look forward to working with you to ensure that local authorities understand the powers granted to them under the Act.

Sincerely,

Edward J. Markey

Chairman