

LEGAL ALERTS | SEP 25, 2018

FCC Takes First of Two Actions: Could Cost Local Government Billions in Next Decade

Communities Coalition Forming Now



The FCC today released a [Second Notice of Proposed Rulemaking](#) that, if adopted, would allow cable operators to deduct the value of in-kind contributions from cable franchise fee payments, and would limit the authority of local governments to regulate non-cable

services. This action and an anticipated Small Cell order, to be adopted tomorrow, could cost local governments billions of dollars in the next decade.

The Commission tentatively concluded that the value a cable operator assigns to “in-kind” benefits, such as the value of providing a Public, Education or Governmental channel, or free services to schools and government buildings, should be a credit against franchise fees owed. The result could be significant losses in franchise fees. And, unlike earlier drafts, the offset order would extend to states with state franchise laws, like California

Best Best & Krieger LLP is forming a coalition of communities to oppose the “In-Kind Offset” Cable Proposed Rule at the Commission by filing comments and reply comments to demonstrate that the Commission’s proposed actions are inconsistent with Congressional intent in crafting the Cable Act. Comments will be due 30 days after publication of the item in the Federal Register and reply comments will be due 30 days after that. If your community would like to join our effort to oppose either or both of these FCC actions, please contact the author of this Government Relations Alert, a member of the firm’s [Telecommunications](#) practice group or your [BB&K attorney](#) this week.

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