

Resolution on Cable/Telco Cross-Ownership

WHEREAS, *The Cable Communications Policy Act of 1984 (Cable Act) establishes restrictions concerning the ownership of cable television systems by telephone companies; and*

WHEREAS, *Telephone companies currently may provide carriage for video programming on a "carrier-user" basis, and may construct advanced facilities for providing broadband services to unaffiliated customers; and*

WHEREAS, *The Cable Act requires a provider of video programming, including a person who leases broadband capacity from a telephone company, to receive a franchise prior to offering service to the public, a requirement which may inhibit development of "video dial tone" offerings by telephone companies; and*

WHEREAS, *The National Telecommunications and Information Administration and the Federal Communications Commission have suggested that "video dial tone" may be a viable way to provide a competitive alternative to independent cable operators; and*

WHEREAS, *The Congress is currently considering legislative initiatives concerning the issue of cable/telco cross ownership; now, therefore, be it*

RESOLVED, *That the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC), assembled at its 1990 Summer Committee Meeting in Los Angeles, California, urges Congress to modify the franchising requirement as it applies to the provision of video programming using telephone company facilities, in order to encourage the availability of "video dial tone" service; and be it further*

RESOLVED, *That "video dial tone" service should be tariffed and otherwise regulated by the State commissions. In regulating such services, States should have the authority to adopt consumer safeguards such as: requiring separate subsidiaries for offering "video dial tone" service; allocating the costs of "video dial tone" service; having access to the books and records of the subsidiary and any parent or holding company to the extent it transacts business with the subsidiary; and excluding any losses incurred by the subsidiary from rates paid by other ratepayers; and be it further*

RESOLVED, *That telephone companies should not be permitted to provide video programming, or to package video programming.*

*Sponsored by the Committee on Communications
Adopted July 26, 1990*