

**Resolution Concerning the FCC Regulations  
Applying to Cable Television**

**WHEREAS**, On October 5, 1992, the Congress of the United States overrode the President's veto and enacted the "Cable Television and Consumer Protection and Competition Act of 1992"; and

**WHEREAS**, The 1992 Cable Act provides, in part, that the rates for the provision of basic cable service shall be subject to regulation by the franchising authority if a cable system is not subject to effective competition; and

**WHEREAS**, Congress established certain criteria for determining the reasonableness of the basic rate, which include:

- rates for cable systems subject to effective competition;
- direct costs of obtaining and transmitting basic tier signals;
- a portion of joint and common costs of obtaining and/or transmitting basic signals;
- revenues or other considerations obtained in connection with basic tier;
- a reasonable portion of franchise fees or taxes imposed on cable operators;
- an amount required to satisfy franchise requirements to carry public, education, or governmental channels; and
- a reasonable profit, as determined by the FCC; and

**WHEREAS**, To the extent that cable operators provide intrastate telecommunications services using their cable plant, questions may arise with respect to jurisdictional separations issues and the allocation of costs to those services; and

**WHEREAS**, The rate regulation of cable providers and the introduction of competition into markets by other local common carriers presents unique concerns for state regulators who will need access to certain information to adequately manage any transition from a monopoly to a competitive local common carrier market; and

**WHEREAS**, The management and monitoring of any industry requires the collection of basic industry information in a universally consistent manner; now, therefore be it

**RESOLVED**, That the National Association of Regulatory Commissioners (NARUC), convened at its 104th Annual Convention in Los Angeles, California, urges the FCC to consider the following recommendations when considering the formulation of ratemaking for the cable television industry:

- the FCC should collect at least a minimum level of information on the cable industry in electronic form, such as the Automated Reporting Management Information System (ARMIS) used in the telecommunications industry;
- information should be made publicly available on a computer accessible dial-up data base;
- the information collected should include:

financial information in a simple income-balance sheet;

revenues by major category of service(s);

market demographics, including number of customers served, number of customers passed, number of non-subscribers;

detailed statistics on service quality, including number and type of customer complaints (downtime, loss of signal, interference, etc.);

system capabilities, such as number of channels, bandwidth availability, fiber/copper deployment;

detailed description of common carrier type services provided by the cable provider; and, be it further

**RESOLVED**, That the FCC should, to the extent necessary to carry out the form of regulation it adopts and only to the extent cable companies engage in the provision of common carrier services, assure a fair allocation of costs to all services; and be it further

**RESOLVED**, That to the extent that cable operators provide intrastate telecommunications services using their cable plant, the FCC should work cooperatively with the state regulatory agencies and/or franchising authorities to develop broad national guidelines and rules that promote shared responsibility between the FCC and these agencies so that the States could be allowed to certify the adherence to the FCC guidelines and rules by local common carriers in their provision of these services, much like the FCC has done with Telecommunications Relay Services or pole attachment agreements.

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Sponsored by the Committee on Communications  
Adopted November 18, 1992