

**AMENDMENT TO SUBTITLE L**  
**OFFERED BY \_\_\_\_\_**

Add at the end the following:

1 **SEC. 3\_\_\_\_. SALES OF CABLE SYSTEMS.**

2 (a) IN GENERAL.—Section 627 of the Communica-  
3 tions Act of 1934 (47 U.S.C. 547) is amended to read:

4 **“SEC. 627. CONDITIONS OF SALE OR TRANSFER.**

5 “(b) VALUE OF CABLE SYSTEM UPON SALE OR  
6 TRANSFER.—

7 “(1) AFTER DENIAL OF FRANCHISE RE-  
8 NEWAL.—If a renewal of a franchise held by a cable  
9 operator is denied and the franchising authority ac-  
10 quires ownership of the cable system or effects a  
11 transfer of ownership of the system to another per-  
12 son, any such acquisition or transfer shall be at fair  
13 market value, determined on the basis of the cable  
14 system valued as a going concern but with no value  
15 allocated to the franchise itself.

16 “(2) AFTER REVOCATION OF FRANCHISE FOR  
17 CAUSE.—If a franchise held by a cable operator is  
18 revoked for cause and the franchising authority ac-  
19 quires ownership of the cable system or effects a  
20 transfer of ownership of the system to another per-

1 son, any such acquisition or transfer shall be at fair  
2 market value.

3 “(c) LIMITATIONS ON AUTHORITY OF FRANCHISING  
4 AUTHORITY WITH RESPECT TO TRANSFER OF FRAN-  
5 CHISE.—

6 “(1) IN GENERAL.—A franchising authority  
7 may not—

8 “(A) preclude a cable operator from trans-  
9 ferring a franchise to a person to which such  
10 franchise was not initially granted; or

11 “(B) require a cable operator to which a  
12 franchise is initially granted to receive approval  
13 from the franchising authority for the transfer  
14 of such franchise to a person who to which such  
15 franchise was not initially granted.

16 “(2) NOTIFICATION.—In the case of the trans-  
17 fer of a franchise to a person to which such fran-  
18 chise was not originally granted, a franchising au-  
19 thority may require a cable operator to which a fran-  
20 chise was initially granted to, not later than 15 days  
21 after a transfer of a franchise, notify the franchising  
22 authority in writing of such transfer.

23 “(3) TRANSFER DEFINED.—In this subsection,  
24 the term ‘transfer’ means the assignment rights  
25 under a franchise through any transaction, including

1 a merger, sale, assignment, restructuring, or trans-  
2 fer of control of a cable operator or a cable sys-  
3 tem.”.

4 (b) EFFECTIVE DATE.—This section, and the amend-  
5 ments made by subsection (a), shall take effect 6 months  
6 after the date of the enactment of this Act.

7 (c) APPLICATION.—This section, and the amendment  
8 made by subsection (a), shall apply to a franchise grant-  
9 ed—

10 (1) on or after the effective date established by  
11 subsection (b); or

12 (2) before such date, if such franchise (includ-  
13 ing any renewal term thereof) is in effect on such  
14 date.

