

.....  
(Original Signature of Member)

118TH CONGRESS  
1ST SESSION

# H. R.

To amend the Communications Act of 1934 to prohibit franchising authorities from requiring approval for the sale of cable systems, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

Mr. BURGESS introduced the following bill; which was referred to the Committee on \_\_\_\_\_

---

# A BILL

To amend the Communications Act of 1934 to prohibit franchising authorities from requiring approval for the sale of cable systems, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Consumer Access to  
5 Broadband for Local Economies and Competition Act” or  
6 the “CABLE Competition Act”.

1 **SEC. 2. 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 as follows:

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

6 “(a) VALUE OF CABLE SYSTEM UPON SALE OR  
7 TRANSFER.—

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

17 “(2) AFTER REVOCATION OF FRANCHISE FOR  
18 CAUSE.—If a franchise held by a cable operator is  
19 revoked for cause and the franchising authority ac-  
20 quires ownership of the cable system or effects a  
21 transfer of ownership of the system to another per-  
22 son, any such acquisition or transfer shall be at fair  
23 market value, determined on the basis of the cable  
24 system valued as a going concern but with no value  
25 allocated to the franchise itself.

1           “(b) LIMITATIONS ON AUTHORITY OF FRANCHISING  
2 AUTHORITY WITH RESPECT TO TRANSFER OF FRAN-  
3 CHISE.—

4           “(1) IN GENERAL.—A franchising authority  
5 may not—

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

9           “(B) require a cable operator to which a  
10 franchise was initially granted to receive ap-  
11 proval from the franchising authority for the  
12 transfer of such franchise to a person who ac-  
13 cepts all of the terms of the franchise in effect  
14 for the cable operator at the time of the trans-  
15 fer.

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 OF A FRANCHISE DEFINED.—  
24 In this subsection, the term ‘transfer of a franchise’  
25 means the transfer or assignment of any rights

1 under a franchise through any transaction, including  
2 through—

3 “(A) a merger involving the cable operator  
4 or cable system;

5 “(B) a sale of the cable operator or cable  
6 system;

7 “(C) an assignment of the cable operator  
8 or a cable system;

9 “(D) a restructuring of a cable operator or  
10 a cable system; or

11 “(E) the transfer of control of a cable op-  
12 erator or a cable system.”.

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

16 (c) APPLICATION.—This section, and the amendment  
17 made by subsection (a), shall apply to a franchise grant-  
18 ed—

19 (1) on or after the effective date established by  
20 subsection (b); or

21 (2) before such date, if—

22 (A) such franchise (including any renewal  
23 term thereof) is in effect on such date; or

24 (B) such franchise is expired and cable op-  
25 erator has continued to perform under the pro-

1           visions of such franchise as if such franchise  
2           were not expired.