The Washington Association of Telecommunications Officers and Advisors

February 16, 2007
via mail and facsimile

The Honorable Erik Poulsen
215 John A. Cherberg Building
PO Box 40434
Olympia, WA 98504-0434

RE: Opposition to SB 6003, Statewide Video Franchising

Dear Senator Poulsen:

I am writing as the President of the Washington Association of Telecommunications Officers and Advisors (WATOA). WATOA is a professional organization of individuals and organizations serving Washington State citizens in the development, regulation, and administration of cable television and other telecommunication systems. The many Washington cities and counties we represent strongly favor competition and a number of our member jurisdictions are on record for well over a year as having invited the telephone companies to provide flexible franchised video services to our citizens, but to no avail.

In asking you to strongly oppose SB 6003, Statewide Video Franchising, we want to express concern with many key points of the bill. Among other things, in the cable and broadband area this bill will:

- Preempt all local authority over the provision of cable and video services within the community, including the ability of the local government to provide appropriate oversight to entities conducting business within their jurisdiction and in the local public rights-of-way; ensure that timely payments of fees occurs; and provide consumer protection for our citizens.

- Substitute a new compensation methodology and definitions of gross revenue for new providers that would result in lowering the existing franchise fees, shifting many of the burdens for Public, Educational and Government (PEG) communications to local governments, and restricting the uses of such fees to PEG support. In addition, the proposed pole attachment language limits fees to direct costs, which denies the rights of the property owner to obtain fair and reasonable compensation for the use of public property for private purposes. Many of our cities rely on franchise fees for substantial portions of their general budget and SB 6003 has been estimated to reduce revenues to cities by upwards of 20%. In a city such as Everett, for example, which receives over 8% of its budget from franchise fees, or Zillah, which receives $30,000 in franchise fees, such language, if adopted, could result in the loss of essential services to its citizens.

- Could substantially reduce the amount of capacity which may be required by local governments to meet their public, educational and government ("PEG") access needs, and shifts the burden of interconnection to local governments. In Seattle, for example, where TVW is broadcast by agreement but not required by franchise, we fear that the new providers will use the legislation to reserve their valuable bandwidth for, at best, those PEG channels required in cable franchises. We are concerned that with no requirement to air TVW, subscribers to the new providers would be unable to see their state legislators in action.

We are also concerned that limitations on PEG channels could have a chilling impact on provision of distance learning provided by the University of Washington, community colleges, and local school districts. In addition, the K-12 educational system would be negatively impacted financially due to the current franchise language that allows for schools to be provided Internet and cable to the classroom at no charge for the use of the public right of way. It would take a study to uncover the magnitude of financial impact to the school districts throughout Washington if these services are lost.

- Most important to our cities and citizens, the bill would prohibit any build-out requirements for new video service providers, thereby allowing providers to discriminate against those most in need of lower rates. If competition is desirable, which we believe, then should it not be available to all our citizens, and not just the wealthy? We -- and the cable companies -- have learned that full build out to all our citizens is not only socially desirable and achievable, but, as countless business articles proclaim, extremely lucrative.

We note that in Texas, the first state to implement statewide franchising, in September, 2005, despite promises by the telephone companies, there have been no new video service providers and no decrease in rates. WATOA strongly supports increased video competition and believes this can be and is being adequately addressed with local franchise authority and control of the rights-of way. SB 6003 does not promote fair and effective competition and its provisions are harmful to the best interests of the citizens of Washington State.

For these reasons, we ask that you oppose SB 6003.

Sincerely,

Jill Novik

Jill Novik, President
Washington Association of Telecommunications Officers and Advisors.