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(Original Signature of Member)

117TH 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 **“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-
21 son, any such acquisition or transfer shall be at fair
22 market value.

23 “(c) LIMITATIONS ON AUTHORITY OF FRANCHISING
24 AUTHORITY WITH RESPECT TO TRANSFER OF FRAN-
25 CHISE.—

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

3 “(A) preclude a cable operator from trans-
4 ferring a franchise to a person to which such
5 franchise was not initially granted; or

6 “(B) require a cable operator to which a
7 franchise is initially granted to receive approval
8 from the franchising authority for the transfer
9 of such franchise to a person who to which such
10 franchise was not initially granted.

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

18 “(3) TRANSFER DEFINED.—In this subsection,
19 the term ‘transfer’ means the assignment rights
20 under a franchise through any transaction, including
21 a merger, sale, assignment, restructuring, or trans-
22 fer of control of a cable operator or a cable sys-
23 tem.”.

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

4 (c) APPLICATION.—This section, and the amendment
5 made by subsection (a), shall apply to a franchise grant-
6 ed—

7 (1) on or after the effective date established by
8 subsection (b); or

9 (2) before such date, if such franchise (includ-
10 ing any renewal term thereof) is in effect on such
11 date.