

PROTECTING COMMUNITY TELEVISION ACT

(HR 3805/S 1994):

WHY THIS LEGISLATION IS NEEDED

The FCC's 2019 Franchise Fee Order *redefines* the federal Cable Act's 5% franchise fee cap to include the value of most non-monetary franchise obligations as franchise fees. This change allows cable companies to reduce what they pay for the use of public property and rights-of-way. The Protecting Community Television Act (HR 3805/S 1994) corrects this error by clarifying franchise fees are only monetary.

BACKGROUND

The Cable Act protects the rights of a local community to charge cable companies a five (5%) percent franchise fee and to meet community needs and interests, such as providing public, educational and governmental channel capacity. Contrary to industry practices that date to the 1980s, the FCC's In-Kind Rule reduces cable operators' monetary compensation to towns and municipalities that wish to communicate with residents through community television. The FCC Order forces communities to choose between franchise fees or communicating with residents through community media that provide Americans with local civic, public safety, cultural and religious content.

The Protecting Community Television Act (HR 3805/S 1994) clarifies that *only* monetary payments, not non-monetary franchise obligations, qualify as Cable Act franchise fees and are subject to a fee cap. Without it, a cable operator can create fees to drain away municipal revenues and pressure municipalities to give up or de-staff channels.

The bill is authored by Senators Ed Markey (MA) and Rep. Troy Carter (LA). As of June 2025, the bill has 19 co-sponsors in the Senate.

CONTACT INFORMATION

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