

117TH CONGRESS  
1ST SESSION

# H. R. 1103

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

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 18, 2021

Mr. BURGESS introduced the following bill; which was referred to the  
Committee on Energy and Commerce

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## 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”.

7       **SEC. 2. SALES OF CABLE SYSTEMS.**

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

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

2 “(a) VALUE OF CABLE SYSTEM UPON SALE OR  
3 TRANSFER.—

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

13 “(2) AFTER REVOCATION OF FRANCHISE FOR  
14 CAUSE.—If a franchise held by a cable operator is  
15 revoked for cause and the franchising authority ac-  
16 quires ownership of the cable system or effects a  
17 transfer of ownership of the system to another per-  
18 son, any such acquisition or transfer shall be at fair  
19 market value.

20 “(b) LIMITATIONS ON AUTHORITY OF FRANCHISING  
21 AUTHORITY WITH RESPECT TO TRANSFER OF FRAN-  
22 CHISE.—

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

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

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

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

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

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

1       (c) APPLICATION.—This section, and the amendment  
2 made by subsection (a), shall apply to a franchise grant-  
3 ed—

4           (1) on or after the effective date established by  
5 subsection (b); or

6           (2) before such date, if such franchise (includ-  
7 ing any renewal term thereof) is in effect on such  
8 date.

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