

# Cable companies lobby for deregulation

Thursday, February 9, 1984 O&E

(OJ9A)

By Tim Richard  
staff writer

A suburban congressman is getting a lot of personal attention as the cable television industry lobbies for a bill that would reduce local government regulation.

"The restaurants in my 16th District are getting rich from all the meetings with mayors and editors the cable companies have had," chuckled U.S. Rep. John Dingell, D-Trenton.

Why Dingell's district? Because the 15-term suburban Wayne County congressman chairs the House Energy and Commerce Committee. He's in charge of House Bill 4103, reducing local regulation of cable TV.

Local officials generally oppose the bill, which would reduce their latitude in granting franchises to cable firms that must use public rights of way to string wires. The Southeast Michigan Council of Governments has stirred a drumfire of opposition, too.

RIGHT NOW, Dingell is cool to the HB 4103, similar to Barry Goldwater's Senate Bill 66 passed 87-6 by the upper chamber last year.

And Dingell isn't warmed up by the fact that an old associate, former U.S. Rep. James O'Hara, an east side suburban Democrat, is lobbying for the cable companies.

"The federal government has never licensed or regulated cable," Dingell said in an interview. "That's purely a local function."

"It has not yet been explained to me the great benefit of the federal government coming in and telling the mayors of the cities I serve that the federal government is now going to dictate the terms of the licensing agreement between the cable company and the community."

"The cable companies sought the franchises with great enthusiasm, and made generous promises to the communities," Dingell said. "Now they're coming to the Congress and saying, 'Congress, we've executed a bad contract. Now you must rescue us from it.'"

THE CABLE industry, however, pictures cable companies and their subscribers as victims of revenue-hungry local politicians.

O'Hara, a lawyer and liberal like Dingell, tells about a city requiring \$100,000 from a cable company to cover its committee expenses. Other war stories concern communities requiring cable firms to give them a police pistol range and a reflecting pool for city hall, along with a percentage of gross revenues, as the price of a franchise.

The industry argues that the gifts and shares of gross revenue demanded by communities are really hidden taxes which come out of the subscribers' pockets, not the cable companies'.

"You're gonna pay for it in the rates," said O'Hara of these payments, "and all you may want to see is the movies."

Dingell's retort: "They're big boys. They're not children. We're talking about men and women with a lot of money. They offer these things freely. I've met no one in the cable business who had anyone put a gun at their head and say, 'You gotta go in and wire Dearborn or River Rouge.'"

THE INDUSTRY argues that local governments don't regulate commercial TV, movie theaters, satellite antennas, subscription TV or other entertainment and communications services. Why local regulation of cable TV?

Dingell replied: "First of all, TV has been traditionally regulated by the federal government (Federal Communications Commission) because that is an aspect of interstate commerce (between states)."



Rep. John Dingell  
center of attention

aspect of interstate commerce (between states).

"Cable TV is a function of intrastate commerce (within a state), which has been traditionally regulated by the states and local units of government. It (HB 4103) would be a major intrusion of the federal government into intrastate commerce."

Michigan's two Democratic senators split on the bill, Donald Riegle of Flint favoring it and Carl Levin of Detroit opposed. Despite the relative ease of Senate passage, the sledding is expected to be far tougher in the House, whose members are more susceptible to challenge by local mayors in the next biennial election.

**'It has not yet been explained to me the great benefit of the federal government coming in and telling the mayors of the cities I serve that the federal government is now going to dictate the terms of the licensing agreement between the cable company and the community.'**

—U.S. Rep. John Dingell  
(left) D-Trenton

Wheeler pointed to major changes HB 4103 would make:

1. Communities' shares of cable revenue would be capped at 5 percent. (The current FCC cap is 3 percent.) The company would be permitted to show the fee on the subscriber's bill. Cities don't want subscribers to see it. Wheeler cited a Mississippi case in which a community threatened to lift a cable firm's franchise if the governmental fee were shown.

2. The bill sets criteria for renewing a franchise. The cable firm would be entitled to renewal if it lived up to terms of the contract and had legal and technical qualifications. Wheeler said cable firms have difficulty getting credit if banks fear that cities arbitrarily won't renew their franchise at the end of 15 years. A cable firm denied a renewal would be able to ask court review of the entire case, not just the procedural steps.

3. Communities would be able to regulate rates charged subscribers only where the cable is a monopoly — for example, in remote Upper Peninsula locations. Elsewhere, subscriber rates would be deregulated over a five-year period.

4. The parties would have to make a percentage of their channels available for leasing. In a 36-54 channel system, 10 percent of the channels would have to be available for leasing; in a 55-100 channel system, 15 percent.

**CRYSTAL HEART BOX**  
\$5.95

Give a very special gift to your Valentine. Our crystal heart box is ideal as a candy dish or a dresser accessory while serving as a special reminder of you.

TO GIVE WITH YOUR HEART

**CHARLES W. WARREN**  
JEWELERS SINCE 1902

SOMERSET MALL, SOUTH LANSING  
LANSING, WHITEHALL-BIRMINGHAM, LAKESIDE, FAIRLAWN, TWENTY OAKS, OAKLAND

**YOU "CAN" BUY HAPPINESS** at *Dittrich*

**Special Purchase**  
3 DAYS ONLY  
Thursday - Saturday

Let your imagination run away with the "mystery" of Tanuki.

**Natural Feathered TANUKI COATS**

FINGER TIP COAT  
Originally \$3,750 Only \$1,556

FULL LENGTH COAT  
Originally \$5,320 Only \$2,442

(limited quantities)

Deer • 873 8340 • 7173 Third Avenue  
(Bloomfield Hills • 482 2000 • 3315 N. Woodward Avenue  
Open Mon - Sat 9:30 - 5:30 p.m. (Bloomfield Hills 10 a.m. - 5 p.m.)

**ORIENTAL WORKS OF ART, MAJOR GRAPHICS AND JEWELRY**

Featuring a pair of extraordinary cloisonne vases commissioned by the Emperor of Japan as a wedding gift for the Prince of Korea, Northern Wei Dynasty comb piece, 18th Century bronzes, 18th Century wood carvings, ivory, cloisonne etc.

Graphics being offered include works by Albers, Lindner, Marsh, Miro, Moore, Motherwell, Nevelson, O'Neil, Shah, and others.

Pottery and porcelain includes an exceedingly rare Royal Delft figure, "Spirit of the Wind," done in the Art Deco style, as well as a fine early 19th Century English turquoise duster vase.

Also included is sterling silver, American Indian pottery, Pre-Columbian pottery, African art, photography by Kashi, antique and other furniture, paintings, oriental rugs and jewelry including an Art Deco diamond bracelet and a 2.6 carat marquise diamond ring.

**PROPERTY BELONGING TO:**  
Estate of Benjamin F. Neal, Bloomfield Hills  
A Southfield Michigan Art Collector And Other Owners

**EXHIBITION**  
Wednesday, February 8, 1984 - 3 p.m. to 8 p.m.  
Thursday, February 9, 1984 - 3 p.m. to 8 p.m.  
Friday, February 10, 1984 - 10 a.m. to 3 p.m.

**AUCTION**  
Saturday, February 11, 1984 - 11 a.m., precisely  
Sunday, February 12, 1984 - 12 noon, precisely  
Illustrated catalogue \$8.00, \$10.00 postpaid

**Frank H. Boos Gallery**  
FINE ARTS AND ANTIQUITIES

1137 South Adams • Birmingham, MI 48011 • (313) 644-1633

**CRANBROOK**  
**KINGSWOOD**

Cranbrook/Kingswood Schools cordially invite you to our **ANNUAL OPEN HOUSE**  
Sunday, February 12, 1984  
1:00-4:00 p.m.

Cranbrook School  
Boys, grades 9-12  
550 Lane Pine Road  
Bloomfield Hills,  
Michigan 48013  
645-3610

Cranbrook Middle School  
Boys, grades 6-8  
1060 Vaughan Road  
Bloomfield Hills,  
Michigan 48013  
645-3010

Kingswood School  
Girls, grades 6-12  
885 Cranbrook Road  
Bloomfield Hills,  
Michigan 48013  
645-3410

a division of Cranbrook Educational Community

**Notice of Non-discriminatory Policy as to Students.**

The Cranbrook Schools do not discriminate on the basis of race, color, religion, national origin, age, sex or handicap in the administration of educational policies, selection of faculty, admission policies, scholarship and loan programs, and athletic or other school administrative programs.

**Now at Stewart-Glenn**  
**During Our Storewide Winter Sale**

With Bradington-Young chairs-that-recline it takes a second look to discover their hidden beauty. Beneath their superbly styled exteriors are the famous Bradington-Young features. Like a sturdy kiln-dried hardwood frame, and the all-linkage mechanism for years of comfort. Come see how stylish a Recliner can be, how easily they operate including the new trigger mechanism, and the wide selection of decorator fabrics. You'll find that with Bradington-Young chairs-that-recline, beauty is more than meets the eye.

**BRADINGTON-YOUNG**  
COMFORT NEVER LOOKED SO GOOD.

More to choose from... Starting at \$399

**Stewart-Glenn**  
BLOOMFIELD HILLS  
Just South of Square Lake Rd. Phone 332-8348

**The versatile mid-weight suit tailored in our workrooms**

Add to the fine workmanship of our own tailors the practicality of a worsted that you can wear in comfort a full ten months of the year. We offer it for our traditional 3-button, as well as our more-fitted 2-button model in a handsome selection of solids and stripes. Coat, vest and trousers. \$445

In addition to regular, short and long, we offer this suit in medium long, proportioned for men 5'10" to 6'.

Use your Brooks Brothers card, American Express or Diners Club

ESTABLISHED 1818

**Brooks Brothers CLOTHING**

Furnishings for Men, Women & Boys  
645 GRIFFIN, CITY NATIONAL BANK BLDG.,  
DETROIT • SOMERSET MALL, THOY