

**Media Contact:**

Janice Wise, (202) 418-8165  
janice.wise@fcc.gov

**For Immediate Release****FCC UPDATES CABLE FRANCHISING RULES TO PROMOTE  
BROADBAND DEPLOYMENT BY CABLE OPERATORS**

WASHINGTON, August 1, 2019—The Federal Communications Commission today adopted new rules to promote broadband investment and deployment. Specifically, the Order prohibits excessive franchise fees and explains that local governments may not regulate most non-cable services, including broadband Internet access service, offered over a cable system. These rules respond to a remand by the U.S. Court of Appeals for the Sixth Circuit and set forth how local franchising authorities may regulate cable operators pursuant to the Communications Act.

Under the Communications Act, every local franchising authority and every cable operator that offers cable service must comply with the Act's cable franchising provisions, and local franchising authorities may charge franchise fees that are capped at five percent of a cable operator's revenue derived from the provision of cable service. But some local governments, through the practice of requiring "in-kind contributions," have been imposing franchise fees that exceed the five percent cap. In addition to being unlawful, this practice discourages broadband investment, deployment, and innovation by cable operators.

In order to rein in overreach by local franchising authorities, and thereby facilitate the deployment of broadband infrastructure, the Commission concluded today that, under the Act, cable-related, non-monetary contributions required by a local franchise are franchise fees subject to the statutory five percent cap with limited exceptions, including an exemption for certain capital costs related to public, educational, and governmental access channels.

It has also prohibited, pursuant to the Act, local franchising authorities from regulating the provision of most non-cable services, including broadband Internet access service, that cable operators offer over their cable systems.

In addition, the Commission decided that any state or local regulation of a cable operator's non-cable services that imposes obligations on franchised cable operators beyond what the Communications Act allows is preempted.

Finally, the Commission concluded that requirements concerning local franchising authority regulation of cable operators should apply to state-level franchising actions and state regulations related to local franchising.

Together, these rules faithfully implement the terms of the Act and remove obstacles to the deployment of broadband.

Action by the Commission August 1, 2019 by Third Report and Order (FCC 19-80). Chairman Pai, Commissioners O’Rielly and Carr approving. Commissioners Rosenworcel and Starks dissenting. Chairman Pai, Commissioners O’Rielly, Carr, Rosenworcel, and Starks issuing separate statements.

MB Docket No. 05-311

###

**Media Relations: (202) 418-0500 / ASL: (844) 432-2275 / TTY: (888) 835-5322 / Twitter: @FCC / [www.fcc.gov](http://www.fcc.gov)**

*This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).*