

STATEMENT OF PURPOSE

RS21207C1

This proposal, the Idaho Video Service Act, establishes a process for the issuance of a state franchise which will facilitate the entry of new providers of video service into Idaho's video service market and encourage new private capital investment in broadband infrastructure within the state. The current video service franchising process requires that new entrants in the market negotiate with each individual city and county as a pre-condition to being able to provide video services within the individual local jurisdictions.

The Idaho Video Service Act recognizes, as have 20 other states, that simplification of the present franchising process will permit a more reasonable basis for entry of additional land-based video providers, and may encourage additional private investment in Idaho's broadband infrastructure.

Although this proposal simplifies the application and grant of authority process for the provision of video services in Idaho, the Act preserves local control and regulation of the use and maintenance of local government public rights-of-way by video service providers. It continues the right of cities and counties to receive up to a five percent franchise fee based on gross revenues of the video service provider received from video subscribers. The Act further recognizes and continues the opportunity for cities and counties to require video service providers to make dedicated video channels available to the city or county for public, educational and governmental use.

At the same time, the proposal assures equality of treatment and technological neutrality between incumbent cable service providers and potential new market entrants in the marketplace.

FISCAL NOTE

There is no negative fiscal impact on state funds as a result of this legislation. It is anticipated that expansion of broadband capacity by new video service providers will have a positive impact on economic growth within the state.

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