

118TH CONGRESS  
1ST SESSION

# H. R. 3314

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

MAY 15, 2023

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  
10 as follows:

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, determined on the basis of the cable  
20 system valued as a going concern but with no value  
21 allocated to the franchise itself.

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

25 “(1) IN GENERAL.—A franchising authority  
26 may not—

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

4           “(B) require a cable operator to which a  
5           franchise was initially granted to receive ap-  
6           proval from the franchising authority for the  
7           transfer of such franchise to a person who ac-  
8           cepts all of the terms of the franchise in effect  
9           for the cable operator at the time of the trans-  
10          fer.

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

18          “(3) TRANSFER OF A FRANCHISE DEFINED.—  
19          In this subsection, the term ‘transfer of a franchise’  
20          means the transfer or assignment of any rights  
21          under a franchise through any transaction, including  
22          through—

23                 “(A) a merger involving the cable operator  
24                 or cable system;

1           “(B) a sale of the cable operator or cable  
2           system;

3           “(C) an assignment of the cable operator  
4           or a cable system;

5           “(D) a restructuring of a cable operator or  
6           a cable system; or

7           “(E) the transfer of control of a cable op-  
8           erator or a cable system.”.

9           (b) EFFECTIVE DATE.—This section, and the amend-  
10          ment made by subsection (a), shall take effect 6 months  
11          after the date of the enactment of this Act.

12          (c) APPLICATION.—This section, and the amendment  
13          made by subsection (a), shall apply to a franchise grant-  
14          ed—

15                 (1) on or after the effective date established by  
16          subsection (b); or

17                 (2) before such date, if—

18                         (A) such franchise (including any renewal  
19                         term thereof) is in effect on such date; or

20                         (B) such franchise is expired and the cable  
21                         operator has continued to perform under the  
22                         provisions of such franchise as if such franchise  
23                         were not expired.

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