Chronology of Telecommunications and Cable Television Regulation in the United States

Program on Information Resources Policy

Harvard University

Center for Information Policy Research

Cambridge, Massachusetts

A publication of the Program on Information Resources Policy

CHRONOLOGY OF TELECOMMUNICATIONS AND CABLE TELEVISION REGULATION IN THE UNITED STATES
January 1984, P-84-1

Project Director: Benjamin M. Compaine

The Program on Information Resources Policy is jointly sponsored by Harvard University and the Center for Information Policy Research.

Printing 5 4 3 2 1

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U.S. West
United Telecommunications, Inc.
Warner Amex Cable Communications Inc.
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ACKNOWLEDGMENTS

Most of the research on the telecommunications chronology was supervised by Robert Pepper when he was a visiting researcher with the Program. Currently he is a policy analyst for the National Telecommunications and Information Administration, U.S. Department of Commerce. The cable television chronology was largely the work of Anne E. Birinyi, a research assistant with the Program. Joanne Owens, also a research assistant, added to both chronologies.

The Program wishes to thank John McGarrity, Terry McGarty, and Laurence Povich for their comments on drafts of either or both of the chronologies. Neither these persons nor the Program's affiliates are responsible for the final material, nor for any errors of fact or omission.

Benjamin M. Compaine
Executive Director and
Project Manager

CHRONOLOGY OF DEVELOPMENTS AND REGULATIONS IN TELECOMMUNICATIONS, 1835-1983

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1835	Samuel Morse invents the magnetic telegraph; but no practical use is made of it for some years.					
1843				Congress grants $30,000 to Morse to construct a telegraph line from Baltimore to Washington. The first successful demonstration is made in 1844. (Act of March 3, 1843, ch. 84, 5 Stat. 618.)		
1844	The first telegraph message ("What has God wrought!") is sent from Washington D.C. to Baltimore					
1846		New York incorporates the "New York and Offing Magnetic Telegraph Association" and authorizes it to construct telegraph lines "for commercial purposes and the saving of life . . ." (Laws of 1846, ch. 335.)				
1847		Maryland permits Morse and his associates to form two corporations to construct telegraph lines. The companies are required (cont.)				

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1847		to give priority to federal and state official messages in case of emergency, and to transmit such messages at no extra charge above the usual fee. (1846-47 Md. Laws ch. 39.)				
1848-1850		Several states adopt laws requiring telegraph companies to send and receive messages for all persons without discrimination, to forward messages for other companies, and to send messages in the order they are received, without any preference. (1848 N.Y. Laws, ch. 265; 1849 Mass. Acts ch. 93; Act of Apr. 22, 1850, ch. 6, Calif.)				
1851	The first undersea telegraph cable is installed under the English Channel.					
1856	Western Union is organized out of the New York and Mississippi Valley Printing Telegraph Company by Hiram Sibley and Ezra Cornell.					
1858	The first transatlantic telegraph cable is installed between England and the United States.					

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1859			California Supreme Ct. rules that a telegraph company is not a common carrier, and is not absolutely liable for non-delivery of messages. However, it is liable or the consequences of negligent failure to deliver a message. (<u>Parks v. Alta California Tel. Co.</u>, 13 Cal. 422.)			
1861	The first transcontinental telegraph line is completed between New York City and San Francisco.					
1866				Post Roads Act: Any telegraph company may build and operate lines on public lands and post roads (including all railroads in US). Government messages must be given priority and sent at rates fixed by the Postmaster General. Companies must file written acceptance of this obligation with the Postmaster; no other restrictions are imposed. (Act of July 24, 1866, ch. 230, 14 Stat. 221.)		
1876	Alexander Graham Bell invents the telephone, and sets up a business (later to become the American Telephone and Telegraph Co.) (cont.)					

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1876	to exploit his patents. The first two-way long-distance transmission takes place between Boston and Cambridgeport, a two-mile distance (Oct. 9.)					
1878	The first telephone exchange begins operation in New Haven (Jan. 28). The first telephone directory is issued in New Haven. (Feb. 21). The Bell Telephone Company is formed in Boston (July 30).					Supreme Court rules the Post Roads Act is a valid regulation of interstate commerce, and that states may not prevent any company from building or operating lines as permitted by that Act. (<u>Pensacola Tel. Co. v. Western Union Tel. Co.</u>, 96 U.S. 1.)
1879	Western Union agrees to drop its claims to telephone patents in return for royalties from Bell and exclusive use of the telephone in the telegraph industry. The first commercial toll line is installed between Springfield, MA and Holyoke, MA.	Several states enact laws requiring telephone service to be provided without discrimination, and requiring telegraph and telephone companies to provide service to each other. (1879 Conn. Laws ch. 36; Ohio Rev. Stat. s 3471.)				
1880	Alexander Graham Bell invents the photophone--which transmits sound on a beam of light--and sends the first wireless telephone message.					

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1880	American Bell Telephone Co. is formed in Boston.					
1881	The Postal Telegraph Company is formed (June 21).		Connecticut Supreme Ct. decides that Bell's patents allow him to exclude telegraph companies (other than Western Union) from using telephone service; the state law against discrimination in service is held to be pre-empted. (<u>American Rapid Telegraph Co. v. Conn. Telephone Co.</u>, 49 Conn. 352.)			
1882	Bell Telephone buys Western Electric Co., formerly a supplier of Western Union, and henceforth the sole manufacturer of Bell equipment.					
1884	The New York--Boston toll line is placed into service.					
1885	American Telephone and Telegraph (AT&T) is founded (Feb. 28).	Indiana requires telephone companies to provide service upon request, without discrimination; and fixes maximum rates for telephone service ($3.00 per month) and long-distance calls. (1885 Ind. Laws 151 and 227.)				
1889	The first coinbox is installed in Hartford.					

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1891		North Carolina Railroad Commission is given power to regulate telegraph companies, including authority to fix "just and reasonable" rates and to prevent discrimination. (1891 N.C. Laws 283.)				
1893			North Carolina Supreme Ct. holds that a telegram sent between two points in the state, but routed through a location in another state, is not in interstate commerce. The Railroad Commission may therefore fix rates for such messages. (State ex. rel. Railway Comm. v. Western Union Tel. Co., 113 N.C. 213.)			
1894	Bell's basic telephone patents expire, resulting in the creation of the first legal competing telephone companies (the "independents").					
1895	Guglielmo Marconi achieves the first successful radio transmissions.					

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1896	The first dial telephones are introduced (Patent application filed Aug. 20, 1896 by A. E. Keith, J. Erickson and C.J. Erickson)					Supreme Court decides that states may regulate the purely local operations of telegraph companies, so long as they do not prevent or interfere with the sending of interstate messages. A state law penalizing the failure to deliver an interstate message is therefore valid. (Western Union Tel. Co. v. James, 162 U.S. 650.)
1898						Supreme Court rules that Post Road Act does not apply to telephone companies, which thus are not subject to Federal regulation or protection. (Richmond v. Southern Bell Tel. & Tel. Co., 174 U.S. 761.)
1906	Lee Deforest invents triode vacuum tube, containing a cathode, an annode, and a grid.					
1907		Railroad Commissions in Wisconsin and Georgia are given power to regulate a variety of common carrier and utilities, including both the telegraph and telephone industries. The Commissions are granted authority to set rates, and (cont.)				

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1907		become models for Public Service Commissions in other states. (1907 Wis. Laws 434; 1907 Ga. Laws 72.)				
1909	AT&T, now under the control of J. P. Morgan, acquires a controlling interest in Western Union.					
1910				The Interstate Commerce Commission (ICC) is given jurisdiction over all "telegraph, telephone, and cable companies (whether wire or wireless) engaged in sending messages from one State, Territory, or District of the United States to any other State, Territory, or District of the United States who shall be considered and held to be common carriers within the meaning and purpose of this Act . . . . Provided, however, that the provisions of this Act shall not apply . . . to the transmission of messages by telephone, telegraph or cable wholly within one State and not transmitted to or from a foreign country from or to any State or Territory (cont.)		

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1910				as aforesaid." The power of the ICC includes prescribing "just and reasonable rates." (Act of June 18, 1910, ch. 309, sec. 7, 36 Stat. 538.)		
1911					ICC exercises jurisdiction over a claim of discrimination in rates charged for local telephone service in an exchange serving customers in both Maryland and the District of Columbia. (<u>Shoemaker v. Chesapeake & Pot. Tel. Co., 20 ICC 614.</u>)	
1913	Under threat of an antitrust suit, AT&T agrees to sell its interest in Western Union, to stop buying control of independent telephone companies, and to interconnect its lines with those of independents. (The "Kingsbury Commitment.")				ICC decides it has no authority to regulate local telephone service rates within one State, even though customers may use their phones to make out-of-State calls. "[I]t must appear that the discrimination [complained of] affects the . . . charges to the . . . on their interstate calls before this Commission would have any jurisdiction . . . ." (<u>Local Commercial Telephone Service in Pittsburgh, Pa.</u>, 27 ICC 622, 623.)	

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1915	Coast-to-Coast telephone service is introduced with a conversation between Bell in New York and Watson in San Francisco. Cost of a three-minute, peak-hour call: $20.70. Alexander Graham Bell in New York calls Thomas Watson in San Francisco, in the first transcontinental telephone call. The first trans-atlantic radio-telephone communication occurs between Arlington, VA and the Eiffel Tower in Paris.					
1918	All telegraph and telephone companies are nationalized during the World War, and placed under Post Office control. They are returned to private ownership in 1919. The U.S. Govern- assumes ownership of telephone companies (July 31).					Supreme Court decides that stock ticker service, where telegraph companies wire stock quotations from New York to Boston, and then relay them in an entirely different form to customers in Massachusetts, is entirely interstate commerce. The state may not regulate the "ticker" portion of the communication, even though that portion is strictly within State boundaries. (<u>Western Union Tel. Co. v. Foster</u>, 247 US 105.)

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1919	The U.S. Government returns telephone companies to the owners (July 31).					
1920				The Interstate Commerce Act is revised, limiting ICC's jurisdiction over foreign messages to the portion of the transmission taking place in the U.S. Also, ICC is directed to prescribe depreciation rates for all common carriers. (Transportation Act, ch. 91, 41 Stat. 456.)		Two Supreme Court decisions interpret the Commerce Act: A telegram sent between two places in the same state, but transmitted through points outside the state, is interstate commerce and therefore within the exclusive jurisdiction of the ICC. (<u>Western Union Tel. Co. v. Speight</u>, 254 U.S. 17.) Because the 1910 Act imposed a system of uniform Federal regulation of interstate communications, all State regulation of such messages is preempted. Thus, a state law imposing a penalty for failure to deliver an interstate telegram is now invalid. (<u>Western Union Tel. Co. v. Boegli</u>, 251 U.S. 315.)
1921	AT&T joins with General Electric and Westinghouse to pool radio patents. AT&T forms a network of radio stations and attempts to monopolize broadcasting through its control of patents and telephone transmission lines.			The President is empowered to grant licenses for overseas cable landings, but may not grant any exclusive priveleges. He may impose conditions that will assure "just and reasonable rates and service ...." The power of the ICC to (cont.)		

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1921				regulate the transmission of messages is not impaired. (Act of May 21, ch. 12, 42 Stat. 8.) The ICC is given authority to grant exemptions from the anti-trust laws for mergers of competing telephone companies. (Act of June 10, ch. 20, 42 Stat. 8.)		
1922	The first mechanical switchboard is installed in New York City.					
1924	Under pressure of numerous lawsuits, AT&T agrees to make its radio transmitting technology available to competitors, but it continues to prevent radio use of telephone lines by non-AT&T radio broadcasters.					
1925	Bell Labortories is created by AT&T and G.E.					
1926	AT&T sells its broadcast operations to RCA, agrees to make its telephone lines available for radio network use, and abandons the field of broadcasting.				ICC decides that it has jurisdiction over deposits required from customers for telephone service, where both intra- and inter-state service is provided. "[T]elephone companies whose lines extend from one State to another, either of themselves or in (cont.)	

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1926					connection with the lines of other companies, are engaged in inter-state commerce .... Any rule or regulation affecting or obstructing such commerce is within our jurisdiction." (Huntington Engineering Co. v. Chesapeake & Pot. Tel. Co. of W.Va., 112 ICC 377, 379.) ICC states that the Act of 1920 requires it to determine depreciation rates for all telephone equipment, even though much of the property is used primarily for local calls. "[P]ractically all of [this] property is open for use in interstate commerce and at any time may be so used. Under such circumstances, no doubt would seem to exist as to the power of Congress to regulate the accounting practices of [telephone] companies with respect to their property, including the accounting for depreciation." (Depreciation Charges Telephone Companies, 118 ICC 295, 332.)	

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1927				Radio Act of 1927 creates the Federal Radio Commission (FRC), which is given power to license and regulate all uses of radio within the U.S. The Act states that radio broadcasters are not to be treated as common carriers. (.44 Stat 1162 (1927))		A District Court finds an ordinance requiring amateur radio operators to obtain a city license to be invalid. "Radio communications are all interstate. ...[I]nterstate transmissions of such communications may be seriously affected by communications intended only for intrastate transmission. Such communications ... require a uniform system of regulation and control throughout the United States." (Whitehurst v. Grimes 21 F.2d. 787 (E.D. Ky.))
1930	Average three-minute, peak hour coast-to-coast telephone cost: $9.00					Supreme Court rules that, even though the ICC is empowered to fix depreciation. allowances for telephone property usable for interstate calls, the states retain the power to prescribe depreciation charges on the same property for the purpose of setting rates for intrastate calls. (Smith v. Illinois Bell Tel. Co., 282 U.S. 133.)
1934				Communications Act of 1934 creates the Federal Communications Commission (FCC), with regula- (cont.)		

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1934				tory authority over common carriers derived from the ICC, and licensing authority over radio use formerly exercised by the FRC. For details see Appendix A. (Act of June 19, ch. 652, 48 Stat. 1064.)		
1936	The Philadelphia - New York coaxial cable was the first long-distance broadband transmission system.					
1941	The first commercial use of coaxial cable for telephone service connected Minneapolis, Minn. and Steven's Point WI.					
1942						A District Court decides that a groups of telephone exchanges in two states, joined together into a regional exchange, falls within the meaning of "telephone exchange service" and is exempt from FCC jurisdiction, despite the fact that a "zone" charge is imposed for calls between former separate exchanges within the region. (<u>Southwestern Bell Tel. Co. v. U.S.</u>, 45 F. Supp. 403, W.D. Mo.)

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1943	AT&T interstate long-distance rates are adjusted to allocate the cost of each call between exchange and toll services.			Communications Act amended to permit merger of Postal Telegraph into Western Union, giving the latter a monopoly in the domestic telegraph market. Western Union, in return, is required to divest its international operations and to allocate overseas messages among existing carriers according to a formula approved by FCC. [sec. 222] Also, all carriers are prohibited from ending or reducing service to any community without a certificate from the FCC. [sec. 214] (Act of March 6, ch. 10, 57 Stat. 5)		
1944	Howard Aiken of Harvard University invents the Automatic Sequence Controlled Calculator, the Mark I, which is a forerunner of the digital computer.					Supreme Court holds that resale of telephone service (e.g., a hotel's charging guests for the use of its lines)is subject to regulation by telephone company tariffs and, where interstate calls are concerned, to FCC oversight. (<u>Ambassador, Inc. v. U.S.</u>, 325 U.S. 317.)
1945	Printed circuits are developed.					
1946	ENIAC, the first electronic digital computer, is invented by J. Prespert Eckert and John Mauchly.					

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1947	The transistor is invented at Bell Labs, leading to revolutionary advances in electronics; also, microwave radio is used for the first time to relay commercial telephone messages.				FCC asserts jurisdiction over instruments attached to telephone lines to record both interstate and intrastate calls. As a practical matter, both kinds of calls must use many of the same facilities, and "regulation of [interstate] service must be able to deal with all of [these facilities] if it is to be effective." Therefore, FCC claims jurisdiction to make rules governing attachment of recorders to lines, and their use on intrastate calls, while states may regulate their use on intrastate calls. (Use of Recording Devices, 11 FCC 1033.)	
1949					FCC allocates frequencies to wireline and non-wireline common carriers for the development of mobile systems.	
1950	Average cost of three-minute, peak hour coast-to-coast call: $2.50.					Third Circuit holds that a state has no power to require censorship of films broadcast on TV. "[C]ongress has occupied fully the field of television regulation and that field is no longer open to the states." (Allen B. Dumont Laboratories, Inc. v. Carroll, 184 F.2d 153, 156.)

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1951			Georgia Supreme Ct. rules that State Public Service Comm. cannot require Western Union to keep open a local office for intrastate service only (where both intrastate and interstate service were formerly provided); the granting of a certificate of public convenience and necessity by the FCC is binding on the state. (Western Union Tel. Co. v. State, 63 S.E. 2d 878.)			
1954				Communications Act amended to clarify limits of FCC jurisdiction: 1) Definition of "connecting carrier" (exempt from some FCC authority) is extended to include carriers sending or receiving messages by radio to or from carriers in adjacent states or countries[sec. 152(b)] 2) Definition of "intrastate communication" is extended to include radio messages sent between points in the same state, but passing through points outside the state [sec. 153(e)]; and 3) Exclusive jurisdiction of states over "telephone exchange service" is expanded to include mobile and point-to-point radio-telephone service. [sec. 221(b)]. (Act of Apr. 27, ch. 175, 68 Stat. 63.)		

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1956						Justice Department and AT&T agree on a settlement of an antitrust suit brought in 1949; under the consent decree, AT&T may not engage in "any business other than the furnishing of common carrier communications services" which are subject to FCC or state regulation (except for the manufacturing activities of Western Electric). (U.S. v. Western Electric Co., Inc. et al. Civ. Ac. 17-49, D.N.J., Jan. 24.) D.C. Circuit decides that telephone company rules prohibiting customers from attaching non-electric devices to telephone instruments are unjust and unreasonable. Customers must be permitted to make use of telephones in any way that is not harmful to others or to the national telephone network. (Hush-a-Phone Corp. v. U.S., 238 F.2d 266.)
1957	The USSR launches the first artificial satellite, Sputnik, into space.					

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1958	America's first satellite, Explorer I, is launched into space.				FCC decides that CATV systems are not common carriers and cannot be regulated under Title II. (Frontier Broadcasting Co. v. J. E. Collier, 24 FCC 251)	
1960	The first LASER is developed by Theodore Maiman. The first communications satellite is launched into space.			FCC jurisdiction is extended to include all common carrier services incidental to radio transmission (this power was formerly limited to the "use of wires" incidental to radio). For example, microwave systems transmitting television signals between affiliated stations in the same state can now be regulated under Title II. [sec. 202(b)] (Pub. L. 96-751, 74 Stat. 888.)		
1962	The first commercial communications satellite, Telstar I, is launched. The Communication Satellite Corporation (COMSAT) is formed to develop an international satellite communication system.					

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1963						Supreme Court rules that the Communications Act does not prevent the states from regulating advertising by professionals on radio or TV. "[T]here has been no showing of any conflict between ...state law and the federal regulatory system, or that...state law stands as an obstacle to the full effectiveness of the federal statute." Although Congress could choose to regulate advertising, it has not done so and has not barred the states from doing it. (Head v. N.M. Board of Examiners in Optometry, 374 U.S. 424, 432.)
1964						D.C. Circuit decides that data transmissions between a ground station and a satellite are "foreign communications" as defined by statute; that is, "transmission ... between a station in the United States and a mobile station located outside the United States." The FCC has exclusive jurisdiction over such communication even if the ground facilities are in a single state. (California Interstate Tel. Co. v. FCC, 328 F.2d 556.)

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1967				FCC rules that construction of CATV systems by telephone companies under contract with system operators, or the operation of systems by the carriers themselves, are common carrier functions, requiring that a sec. 214 certificate be granted for the establishment of CATV "lines." (California Water & Tel. Co., 5 FCC 2d 229; Associated Bell System Cos., 5 FCC 2d 357.)		
1968				FCC rules that telephone company tariffs governing attachment of "foreign" equipment to telephone lines are too restrictive; the companies will be required to prove that devices they seek to ban are actually harmful to the network. (Carterfone, 13 FCC 2d 420.)	Supreme Court upholds FCC regulation of cable TV as "reasonably ancillary . . . to the effective performance of the Commission's various responsibilities for the regulation of television broadcasting". Jurisdiction over CATV is derived from S 152(a), despite the fact that neither Title II nor Title III is applicable. (US v. Southwestern Cable, 392 US 157.)	
1969				For the first time, FCC authorizes a microwave radio common carrier service to operate in competition with existing telephone and telegraph companies. The (cont.)	D.C. Circuit rules that the construction of CATV lines by telephone companies is a common carrier service which may be regulated by the FCC. Also, because the systems carry tele- (cont.)	

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1969					applicant is granted both a license for the use of radio frequencies (under Title III) and a certificate for new common carrier lines (under sec. 214). (Microwave Communication, Inc., 18 FCC 2d 953.)	vision signals which are in interstate commerce, they are interstate lines under S 214 even though all facilities are located in a single state. (General Tel. Co. of Cal. v. FCC, 413 F.2d 390.)
1970	The "Ozark Plan": a uniform method of allocation of charges for intrastate long-distance calls between exchange and toll service elements is agreed upon by AT&T, independents, and state regulators.				FCC prohibits telephone companies from owning CATV systems located within their service areas, and requires carriers to make pole attachments (use of utility rights-of-way) available to CATV operators at "reasonable charges" and "on a nondiscriminatory basis." (Section 214 Certificates, Docket No. 18509, 21 FCC 2d 307.)	
1971				Communications Act amended to require FCC to submit all questions of allocation of common carrier property and expenses between interstate and intrastate services to a Federal-State Joint Board for recommendations. The final authority of the FCC to decide on these jurisdictional (cont.)	FCC bars regulated common carriers from entering data processing service business except through separated affiliates. Dealings between affiliates and parent companies are restricted, and use of the parent's name by the affiliate is prohibited. (Computer I, 28 FCC 2d 267.)	Fifth Circuit holds that CATV systems are interstate in nature because they carry television signals broadcast in interstate commerce, despite the fact that all CATV facilities may be in a single state. CATV systems are not exempt from FCC regulation either as connecting carriers (because they engage in interstate communication directly rather (cont.)

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1971				separations issues is not affected. [sec. 410(c)] (Pub. L. 92-131, sec. 2, 85 Stat. 363.)		than through connection with other carriers) or as exchange services (because they do not provide interconnecting service like telephone exchanges). FCC rules governing ownership of CATV systems by telephone companies, and regulating pole attachments, are upheld. (General Tel. Co. of Southwest v. U.S., 449 F.2d 846.)
1973		Several states attempt to regulate interconnection of customer-provided equipment to telephone lines used, even in part, for intrastate messages. Neb.: Op. Atty. Gen., July 18; N.C.: Util. Comm. Prop. Rule R9-5; Okla.: Corp. Comm. Rule 16 (Jan. 1974).				Second Circuit states that the business of data processing is "intimately related" to communications, justifying FCC regulation of entry by carriers into the data field. However, FCC cannot attempt to control the way data processing affiliates do business (e.g., use of parent's name) because its authority is limited to the communications field. (GTE Service Corp. v. FCC, 474 F.2d 724.)
1974	Three-minute, peak hour coast-to-coast call cost: $1.45 (plus tax).				FCC declares that states may not prevent the Interconnection of customer provided equipment to the telephone network as permitted by the Carterfone decision even though such equipment might be used on intrastate (cont.)	Justice Dept. brings a new antitrust suit against AT&T, charging monopolization of the communications and equipment markets since 1956. (U.S. v. AT&T, Civ. Ac. 74-1698, D.D.C.)

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1974					calls. "If each state were to be free to establish its own rules governing interconnection for the purposes of intrastate services, uniform non-discriminatory interstate service throughout the country would be rendered difficult if not impossible." (<u>Telerent Leasing Co.</u>, 45 FCC 2d 204.) FCC allocates 40 MHz for common carrier cellular communications and 30 MHz for private services; in same ruling, FCC also enacts one-system-per-market policy, passes several provisions to deter anti-competitive practices, and restricts cellular licenses to wireline carriers (The last clause was repealed in 1975.) (Docket No. 18262, Second Report and order, 46 FCC 2d. 752).	
1975			Nebraska Supreme Court rules that FCC has exclusive jurisdiction over connection of customer-provided equipment (such as a PBX switchboard) to the telephone (cont.)		FCC asserts that its radio licensing authority under Title III allows it to pre-empt all state regulation of licensees in the Special Mobile Radio Service (SMRS), which (cont.)	

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1975			system. Therefore, the state Public Service Comm. cannot require a motel to obtain state certification in order to offer telephone service to guests through such a switchboard. "Because of the indivisibility of the nationwide telephone network, it is impossible from a practical, economic and operating standpoint for a telephone common carrier to comply with conflicting federal and state regulations." (Sheardon v. Dann, 229 N.W.2d 531.)		are licensed to sell mobile radio services on a free market basis. "[O]ur express responsibility under Section 301 is to assure that the radio spectrum we have allocated to [SMRS] ... is used effectively and efficiently.... Sections [15]2(b) and 221(b) ... are expressly subject to the Commission's Section 301 allocation responsibilities.... [R]ate-structured, common-carrier type regulation is inconsistent with the free-market, competitive environment we feel is necessary to promote the full potential of our allocation of the spectrum to [SMRS]." However, the Commission decides only to pre-empt state entry certification requirements, and asks states to refrain voluntarily from rate regulation. (Land Mobile Service, 51 FCC 2d 945, 973-74.)	
1976					FCC declares that MCI's tariffs for metered use private line services, especially their "Execunet" service, are unlawful. MCI had filed for the tariff in 1974, but it took until (cont.)	D.C. Circuit rules that SMRS is not a common carrier, and therefore not covered by sec. 152(b)(1). FCC rules adopted under Title III may thus pre-empt all state regulation of this service. The court (cont.)

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1976					1976 for the FCC to discover the nature and purpose of the tariff, which was to allow MCI to provide ordinary switched long distance service to its users. Thus the FCC ordered that MCI discontinue providing Execunet service on the grounds that the Specialized Common Carriers decision limited MCI to the provision of private line services (60 FCC 2d 25, 1976). FCC removes all restrictions on the resale and sharing of private line services (including those of the International Record Carriers), excepting MTS and WATS, whose regulations remain unchanged (Docket No. 20097).	strongly suggests, but it does not rule, "that the sec. 301 licensing power to draw up comprehensive schemes providing the conditions under which licenses will be granted ..." which would override the Title II limitations on regulation of intrastate carriers and telephone exchange services. (NARUC v. FCC, 525 F.2d 630,646-47.) D.C. Circuit decides that FCC may not regulate CATV leased access channels used to provide two-way, non-video, point-to-point communications services (such as burglar alarms) because the services involved are not reasonably ancillary to broadcasting. One judge suggests that the services are also exempt as intrastate carriers under sec. 152 (b)(1). (NARUC v. FCC, 533 F.2d 601.) Fourth Circuit holds that FCC rules on interconnection preempt state authority to regulate installation of customer-provided equipment, although states may regulate use of the equipment on intrastate calls. State (cont.)

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1976						jurisdiction is limited to "services, facilities and disputes that in their nature and effect are separable from and do not substantially affect the conduct or development of interstate communications." Also, the court states that 221(b) was intended to prevent the FCC from exercising greater jurisdiction over telephone exchanges that cross state lines than over those within a single state; it was not meant to give telephone exchanges any greater protection than extended to other intrastate services. (N.C. Util. Comm. v. FCC, 537 F.2d. 787.)
1977	The first trial optical fiber transmission system is installed in Chicago.				FCC grants license for a developmental cellular system to Illinois Bell (63 FCC 2d 655). A few months later, a license was granted to the American Radio and Television Service (66 FCC 2d 481).	Two other circuits adopt the North Carolina holding. The D.C. Circuit states that the FCC "may regulate facilities used in both inter- and intra-state communications to the extent it proves 'technically and practically difficult' to separate the two types...." (California v. FCC, 567 F.2d 84, D.C. Cir.; Puerto Rico Tel. Co. v. FCC, 553 F.2d 694, 1st Cir.)
1978	Congressional committees begin hearings on proposed revision of the Communications Act; common carriers would be allowed to (cont.)			Communications Act amended to regulate pole attachments. FCC authority in this field may be exercised only where State or local governments do (cont.)		

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1978	expand into non-communications areas; FCC would be given jurisdiction over intrastate toll (but not exchange) service. (H.R. 13015, 95th Congress.)			not regulate, or do not meet minimum procedural requirements. [sec. 224] (Pub. L. 95-234, sec. 6, 92 Stat. 35.)		
1979						Supreme Court rules that FCC has no authority to compel CATV systems to operate access channels on a common carrier basis. Such regulations are not "reasonably ancillary" to jurisdiction over broadcasting. (FCC v. Midwest Video Corp. [Midwest II], 440 U.S. 689.)
1980					FCC decides to eliminate all regulation of "enhanced" services which combine communications and data processing. Only "basic" communications service will be regulated under Title II. All carriers are free to provide enhanced services, except AT&T, which must do so through a separate subsidiary. FCC interprets the 1956 consent decree to permit AT&T to provide "incidental" services, as well as basic telephone service. (Computer II, 77 FCC 2d 384; modified on reconsideration, 84 FCC 2d 50.)	Second Circuit rules that FCC may strike down state-approved charges for intrastate services if the charges discriminate against or among interstate services. Therefore, an attempt by New York to pass along costs of local exchange service by a surcharge to interstate foreign exchange (FX) customers may be blocked by the FCC. (New York Tel. Co. v. FCC, 631 F.2d 1059.)

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1980					FCC rules to open up AT&T's public, switched interstate telephone services (MTS and WATS) to resale (Docket No. 80-54).	
1981	Three-minute, peak-hour coast-to-coast call cost: $1.58 (plus tax).		Illinois Appellate Ct. rules that radio paging systems licensed under Title III must receive state certification in order to operate as common carriers. The FCC regulations governing the paging service require such certification and nothing in the Communications Act requires that state authority be preempted. (<u>Illinois Consol. Tel. Co. v. Illinois Commerce Comm.</u>, 425 N.E.2d 535.)	Record Carrier Competition Act: sec. 222 is amended to permit domestic carriers (notably Western Union) and international record carriers (telex, TWX services) to compete freely in each others' markets. The FCC is instructed to "forbear from exercising its authority under [the Communcations] Act as the development of competition among record carriers reduces the degree of regulation necessary to protect the public." Interconnection among competing carriers is required. (Pub. L. 97-130, sec. 2, 95 Stat. 1687.)		
1982	AT&T named its new subsidiary American Bell, Inc., renamed its Advanced Communications Service to Advanced Information Systems/Net 1; and filed its second capitalization plan, by which American Bell will take over the marketing of customer premise terminal equipment. (July)			Congressional debate on revision of Title II continues after announcement of proposed settlement of the 1974 AT&T anti-trust suit. (S.898, adopted by Senate in 1981. H.R. 5158 passes subcommittee, dies at end of 97th Congress.)	FCC authorizes licensing of cellular radio systems, intended to provide greatly expanded mobile telephone exchange service, in the 30 largest metropolitan areas. Two systems will be licensed in each area, with one reserved for local telephone companies. States are (cont.)	Justice Dept. and AT&T propose a modification of the 1956 consent decree as a settlement of the 1974 antitrust suit. AT&T agrees to divest its local operating companies, but will continue to provide long-distance service and may expand into non-regulated areas through a separate subsidiary. The (cont.)

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1982	GTE Corporation announced its intention to purchase the Southern Pacific Communications Company, a move which would put GTE in the long distance market for the first time. The FCC must approve this $750 million transaction; the U.S. Justice Department is also expected to review it for possible anti-trust violations. (October)				pre-empted from regulation of market structure and technical standards, but may regulate rates and services as well as qualifications of applicants. (Cellular Communications Systems, 86 FCC 2d 469, modified on reconsideration, ___ FCC 2d ___, 50 RR 2d 1673. The FCC issued a clarification of Docket 79-105, deciding that individual states have the authority to ignore the Docket's policy of expensing inside wiring within a period of 4 years. (April) The FCC lifted most restrictions against resale carriers: companies that only resell others' services, and own no transmission facilities, will no longer have to file applications nor pay tariffs in order to introduce, change, or terminate services. (July/August) The FCC decided on a permanent "ENFIA" (Exchange Network Facilities for Interstate Access) charge of $183.46, which common carriers must pay to (cont.)	N.J. District Ct. transfers the 1956 decree to the D.C. Court for hearings on the proposed changes. (See 1956 and 1974 entries for case designations.) (January 8) Judge Greene approves overall settlement but demands 10 alterations. (August 11) AT&T and Justice Department to agree to Judge Greene's changes. (August 19) Judge Greene signs the agreement, ending the 1974 anti-trust case and 1956 consent decree. (August 24) The D.C. Court of Appeals upheld, in its entirety, the FCC's various rulings in the "Second Computer Inquiry," or Computer II (Docket 20828). (November)

	INDUSTRY DEVELOPMENTS	STATE REGULATION	STATE JUDICIAL	FEDERAL LEGISLATION	FEDERAL ADMINISTRATIVE	FEDERAL JUDICIAL
1982					the Bell System for the use of its local exchange access facilities. This represents a 50.3% increase. (October) The FCC reached a final decision on its Docket 80-632 proceedings, formally removing the boundary between the international data market, and the international record carriers (IRCs) can offer international voice-only services. (December)	
1983	In response to Court ruling, AT&T renames its American Bell subsidiary AT&T Information Systems.				FCC spells out details of access charges to be paid by long distance carriers (August).	Judge Greene approves divestiture plan. "Bell" name given to local operating companies but is retained for use in AT&T overseas operations (July 8).

CHRONOLOGY OF CABLE TELEVISION REGULATION: 1947-1983

	INDUSTRY DEVELOPMENTS	STATE LEGISLATION	STATE JUDICIAL	STATE REGULATORY	FEDERAL JUDICIAL	FEDERAL ADMINISTRATIVE	OTHER
1947	First master antennas built 12 TV Stations 14,000 TV households						
1948	Astoria, Oregon, served by non-commercial community antenna					FCC freezes granting of TV licenses (Report and Order, FCC 48-2181)	
1949	First commercial community antenna system established in Lansford, Pennsylvania						
1951				Wisconsin PSC decides it lacks the authority to regulate CATV (Re Bennett, 89 PUR (ns) 149)			
1952	108 TV Stations 15.3 million TV households 70 cable systems 14,000 cable subscribers					TV license freeze ends (Sixth Report and Order, 1 RR 91) FCC prepares memorandum on control of CATV (Interoffice Memorandum, Federal Communications Commission, March 25, 1952)	New York Attorney General defines cable television as coming under state's Transportation Corporation Law (1952 Report of the Attorney General)

	INDUSTRY DEVELOPMENTS	STATE LEGISLATION	STATE JUDICIAL	STATE REGULATORY	FEDERAL JUDICIAL	FEDERAL ADMINISTRATIVE	OTHER
1954				Wyoming PSC declares jurisdiction over CATV (reaffirmed in 1956 and 1958, but reversed later in 1958) (Re Cokeville Radio and Electric Co., 6 PUR 3d 129) California PUC decides pole attachment contracts constitute a public utility service and must be filed in order to determine reasonable rates (Re Pacific Telephone and Telegraph Co., 53 Cal. PUC 275, 320)		FCC Microwave Division rules that a cable company could build microwave facilities to serve its own system, as long as the use of these facilities was offered to the general public (Belknap Assoc., 18 FCC 642)	New Mexico (10 RR 2958, Opinion of the Attorney General, April 19, 1954), Arizona (12 RR 209, Opinion of the Attorney General, Oct. 18, 1955), and Washington (14 RR 2059, Opinion of the Attorney General, Nov. 2, 1954) reject CATV regulation.
1955	422 TV Stations 30.7 million TV households 400 cable systems 150,000 cable subscribers					FCC Chairman Doerfer states FCC policy of non-jurisdiction over cable at the 1955 Annual Meeting of the National Assoc. of Railroad and Utility Commissioners (became National Assoc. of Regulatory Utility Commissioners in 1967)	

	INDUSTRY DEVELOPMENTS	STATE LEGISLATION	STATE JUDICIAL	STATE REGULATORY	FEDERAL JUDICIAL	FEDERAL ADMINISTRATIVE	OTHER
1956			California Supreme Court rules that a state may regulate CATV in the absence of federal authority (Couch v. Television Transmission, Inc., 11 PUR 3d 430) California court denies California PUC jurisdiction over CATV due to lack of explicit authority in state constitution (Television Transmission, Inc. v. PUC, 301 P.2d 862)			FCC limits radiation level of CATV (13 RR 1546a)	
1958			Wyoming District Court strikes down PSC assertion of jurisdiction over CATV on grounds of intrastate nature of commerce and lack of public utility status (Community Television Systems of Wyoming, 17 RR 2135)	In the first pole attachment case, the New York PSC upholds the complaint of a CATV company against a telephone company refusing to permit wire attachments to its poles (Antenna Systems Corp. v. New York Telephone Co., 25 PUR 3d 316)		FCC rejects common carrier status for CATV (Frontier Broadcasting Co. v. J. E. Collier, 24 FCC 251)	

	INDUSTRY DEVELOPMENTS	STATE LEGISLATION	STATE JUDICIAL	STATE REGULATORY	FEDERAL JUDICIAL	FEDERAL ADMINISTRATIVE	OTHER
1959			New York court rules that the New York PSC does not have jurisdiction to require the telephone company to rent space (Cerrache Television Corp. v. New York Telephone Co., 28 PUR 3d 410, aff'd 1960; 36 PUR 3d 378)			FCC finds no basis for asserting authority over CATV (Inquiry into the Impact of Community Antenna Systems, Docket #12443, 26 FCC 403)	
1960	559 TV Stations 45.8 million TV households 640 cable systems 650,000 cable subscribers						
1961					District Court denies a broadcaster the right to restrict the use of his programming by a cable system (Inter-Mountain Broadcasting v. Idaho Microwave, 196 F. Supp. 315, D. Idaho, 1961)		

	INDUSTRY DEVELOPMENTS	STATE LEGISLATION	STATE JUDICIAL	STATE REGULATORY	FEDERAL JUDICIAL	FEDERAL ADMINISTRATIVE	OTHER
1962					District Court in Idaho holds, among other provisions, that CATV is not broadcasting within the definition of the FCC Act (Cable Vision, Inc. v. KUTV, Inc., 211 F. Supp. 47, 55, D. Idaho, 1962; vacated, 335 F.2d 348, 9th Cir., 1962)	FCC does not allow institution of a microwave service because service proposed to import signal for a CATV system, and this signal was deemed economically injurious to a local broadcaster (Carter Mountain Transmission, 22 RR 163 (1962); affirmed in Carter Mountain Transmission v. FCC, 321 F.2d 359 (D.C. Cir., 1962); cert. denied 375 U.S. 951 (1963)) Commission proposes to assert jurisdiction over cable systems served by Business Radio Service licensees (27 F.R. 12586 (1962))	
1963		Connecticut enacts first general CATV regulations at the state level (GSC, ch. 289, sec. 16-330, et. seq.)				Commission proposes to regulate all microwave-fed cable systems (28 F.R. 13789 (1963))	
1964			The Kentucky Court of appeals decides that a city is not required to allow CATV pole attachments (Consolidated Television Service, Inc. v. Leary, 382 S.W. 2d 78)				

	INDUSTRY DEVELOPMENTS	STATE LEGISLATION	STATE JUDICIAL	STATE REGULATORY	FEDERAL JUDICIAL	FEDERAL ADMINISTRATIVE	OTHER
1965	668 TV Stations 52.7 million TV households 1,325 cable systems 1.3 million cable subscribers	CATV is defined as a public utility in Connecticut (GSC, ch. 227, sec. 16)	Florida District Court of Appeals rules that CATV is not unfair competition under state anti-trust laws (Herald Publishing Co. v. Florida Antenna-vision, Inc., 173 So. 2d 469) New York Supreme Court rules that a CATV company has no inherent right to the use of telephone poles owned jointly by the village and the telephone company, even though authorized by the village, if the contract requires consent of the telephone company (New York Telephone Co. v. Telesystems Corp., 58 PUR 3d 67)		U.S. District Court for the Western District of Pennsylvania decides that municipal franchise fees are not an undue burden on interstate commerce (Dispatch Inc. v. City of Erie, 249 F. Supp. 267)	FCC asserts jurisdiction over CATV microwave links (First Report and Order in Docket Nos. 13895 and 15233, 38 FCC 683) FCC places a freeze on microwave importation of signals for CATV systems in top 100 markets (Notice of Inquiry and Notice of Proposed Rulemaking in Docket No. 15971, 1 FCC 2d 453)	
1966				The North Carolina Utilities Commission dismisses request that utility companies be ordered to lease pole space to CATV operators (WCOG, Inc. v. Southern Bell Telephone Co., 64 PUR 3d 314)	FCC is upheld by the District of Columbia Circuit in deciding that CATV systems are not common carriers (Philadelphia Television Broadcasting Co. v. FCC, 359 F.2d 282)	FCC asserts jurisdiction over all CATV operations, mandates local signal carriage and non-duplication, and requires a hearing before distant signals can be carried in the top 100 markets (Second Report and Order in Docket Nos. 14895, 15233, 15971, 2 FCC 2d 725)	National Assoc. of Railroad and Utility Commissioners proposes model state Community Antenna Television Act

	INDUSTRY DEVELOPMENTS	STATE LEGISLATION	STATE JUDICIAL	STATE REGULATORY	FEDERAL JUDICIAL	FEDERAL ADMINISTRATIVE	OTHER
(1966)				Michigan PSC denies it has jurisdiction over CATV attachments to telephone company poles for a fee (City of Jackson v. Michigan Bell Telephone Co., 63 PUR 3d 384)			
1967		A Nevada statute gives the PSC authority over CATV (Nev. Rev. Stat. §711.010) and defines CATV as a public utility, taxing it accordingly (Nev. Rev. Stat. §711.020)	District Court of Appeals of Florida rules that a telephone company has no legal duty to enter into a pole rental agreement with a CATV company (Twin Cities Cable Co., Inc. v. Southeastern Telephone Co. and N.W. Florida TV Cable, Inc. v. Southeastern Telephone Co., 200 So. 2d 857)			FCC requires telephone companies to to seek prior FCC approval before construction or operation of cable systems (California Water and Telephone, 5 FCC 2d 229; and Associated Bell Systems, 5 FCC 2d 357)	
1968			New York Supreme Court rules that a CATV company need not obtain a franchise to use city streets if transmitting via telephone cables, since the analog TV signals are altered by being changed into digital impulses during retransmission (City of New York v. Comtel, Inc., 293 NYS 2d 599)		Supreme Court affirms FCC jurisdiction over CATV, approving such regulation as "reasonably ancillary to the effective performance of the Commission's various responsibilities for the regulation of television broadcasting" (U.S. v. Southwestern Cable, 392 U.S. 157)		

	INDUSTRY DEVELOPMENTS	STATE LEGISLATION	STATE JUDICIAL	STATE REGULATORY	FEDERAL JUDICIAL	FEDERAL ADMINISTRATIVE	OTHER
(1968)			Rhode Island Supreme Court rules that CATV is not local in character and therefore not subject to local licensing under home rule statutes (Nugent v. City of East Providence, 238 A.2d 758)		The Eighth and Ninth Circuits of the Court of Appeals uphold the FCC's authority to regulate various signal carriage aspects of CATV despite intrastate nature of systems (Black Hills Video Corp. v. FCC, 399 F.2d 65, 8th Cir.; Valley Vision, Inc. v. FCC, 399 F.2d 511, 9th Cir.) U.S. District Court holds that Nevada CATV statutes do not constitute an undue burden on interstate commerce (TV Pix, Inc. v. Taylor, 304 F. Supp. 459) Supreme Court determines that CATV retransmission of a broadcast signal is not a "performance" and thus CATV systems are not obligated to pay copyright fees for a retransmission (Fortnightly Corp. v. United Artists Television, 392 U.S. 390)		

	INDUSTRY DEVELOPMENTS	STATE LEGISLATION	STATE JUDICIAL	STATE REGULATORY	FEDERAL JUDICIAL	FEDERAL ADMINISTRATIVE	OTHER
1969		CATV in Connecticut taxed as a public utility (GSC, §12-256) Vermont gives regulatory authority over CATV to the PSB (Vt. Stat. Ann., tit. 30, §501) The Rhode Island PUC is granted jurisdiction over CATV (R.I. Gen. Laws Ann., tit. 39, §19) Maryland passes the first theft-of-service law which specifically mentions cable television (Md. Gen. Code, art. 27, sec. 1946)				FCC makes local origination cablecasting mandatory for CATV systems with more than 3,500 subscribers (First Report and Order in Docket No. 18397, 20 FCC 2d 201; later reversed in Report and Order in Docket No. 19988, 49 FCC 2d 1090) FCC initiates a proceeding which states that applications of telephone to construct or operate distribution for channel service to CATV systems must show that independent CATV operators have been offered pole attachment rights for reasonable charge and without undue restrictions on the uses that may be made of the system (Notice of Inquiry and Notice of Proposed Rulemaking in Docket No. 18509, 21 FCC 2d 307)	CATV is defined as a public utility in Hawaii (Attorney General Opinion 69-29)

	INDUSTRY DEVELOPMENTS	STATE LEGISLATION	STATE JUDICIAL	STATE REGULATORY	FEDERAL JUDICIAL	FEDERAL ADMINISTRATIVE	OTHER
1970	862 TV Stations 58.5 million TV households 2,490 cable systems 4.5 million cable subscribers	Hawaii legislates CATV regulation by the Department of Regulatory Agencies (Hawaii Rev. Stat., §440-G) Alaska regulates CATV under public utility statutes (Alaska Stat., §42.05.701 (8))	The New York Supreme Court rules that CATV is a public utility which can be subject to possible regulation by PSC (Staminsky v. Romeo, 310 NYS 2d 169) Connecticut PUC laws regulating CATV are generally upheld by the Connecticut Supreme Court (Connecticut Television, Inc. v. PUC, 269 A.2d 276) The Supreme Court in South Dakota rules that CATV is a public utility subject to governmental regulation and control by municipal franchises for poles and wires (Aberdeen Cable TV Service v. City of Aberdeen, 176 N.W. 2d 738)		U.S. Supreme Court refuses to review 1968 TV Pix decision (396 U.S. 566)	FCC prohibits ownership of CATV systems by a television network or a co-located TV station (Second Report and Order in Docket No. 18397, 19 RR 2d 1775)	

	INDUSTRY DEVELOPMENTS	STATE LEGISLATION	STATE JUDICIAL	STATE REGULATORY	FEDERAL JUDICIAL	FEDERAL ADMINISTRATIVE	OTHER
(1970)			Kansas Supreme Court declares ordinance empowering municipal officials to issue CATV permits cannot be construed as giving the municipalities regulatory power over CATV; requirement of a percentage of the cable company's income to be paid for the franchise privilege declared unreasonable because measure of charge was not commensurate with cost to city in supervising its streets (Community Antenna Television of Wichita, Inc. v. City of Wichita, 471 P.2d 360)				
1971		Massachusetts establishes first separate (i.e., non-PUC) CATV regulatory commission (Mass. Gen. Laws Ann., ch. 166A) Florida levies tax on CATV installation (Fla. Stat., 205.323); statute is later repealed (212.05 (5))		Vermont Public Service Board issues first state line extension policy (Vermont PSB, General Order 48), but invalidates same in 1975.			Sloan Commission on Cable Communications recommends that each state establish a special agency empowered to direct and regulate the growth of CATV. Commission also recommends that state agency delegate substantial power to major cities within the state (On the Cable: The Television of Abundance)

	INDUSTRY DEVELOPMENTS	STATE LEGISLATION	STATE JUDICIAL	STATE REGULATORY	FEDERAL JUDICIAL	FEDERAL ADMINISTRATIVE	OTHER
1972		New York establishes a separate CATV regulatory agency (N.Y. Executive Law, Art. 28) New Jersey establishes an Office of Cable Television within the Public Utilities Board (N.J. Stat. Ann., 48:5A) Public utility and franchise taxes are levied on CATV in New York (Ch. 466 and 467, 1972; Ch. 586, 1975)	The California Court of Appeals decides that the portion of CATV systems within homes is not to be assessed for tax purposes to the operators of the system (TeleVue Systems, Inc. v. County of Contra Costa, 101 Cal. App. 2d 789) An Illinois appellate court and the Kentucky Court of Appeals decide that a city can enact CATV franchises under general powers to regulate use of streets (General Electric Cablevision Corp. v. City of Peoria, 291 N.E. 2d 295; City of Owensboro v. Top Vision Cable Co. of Kentucky, 487 S.W. 2d 283) New York Supreme Court, Appellate Division, rules that the city has power to grant franchises to CATV under state Transportation Corporations Law (People's Cable Corp. v. City of Rochester, 334 N.Y. Supp. 2d 972)		U.S. Supreme Court upholds FCC's right to require local origination by CATV systems (United States v. Midwest Video, 406 U.S. 649)	FCC promulgates new comprehensive rules for major markets (Cable Television Report and Order in Docket Nos. 18397, 18397-A, 18373, 18416, 18892, 18894, 36 FCC 2d 143) FCC establishes the Advisory Committee on Federal/State-Local Regulatory Relationships to study questions of regulatory jurisdiction and administration among the three levels of government	

	INDUSTRY DEVELOPMENTS	STATE LEGISLATION	STATE JUDICIAL	STATE REGULATORY	FEDERAL JUDICIAL	FEDERAL ADMINISTRATIVE	OTHER
(1972)			CATV status as a public utility is a question of law; the Supreme Court of Kansas decides that CATV sufficiently affects the public interest to require regulation by the city (Capitol Cable, Inc. v. City of Topeka, 495 P.2d 885)				
1973		Rhode Island levies sales tax on CATV (Ch. 263, 1973) Minnesota creates a separate cable commission modeled after New York (Minn. Stat. Ann. §238)	The Supreme Court of Illinois denies jurisdiction of the Illinois Commerce Commission over CATV due to lack of specific language in state public utilities statutes (Illinois-Indiana Cable Television Association v. Illinois Commerce Commission, 302 N.E. 2d 334)	In a dispute concerning regulatory jurisdiction over CATV pole attachments, the California PUC dismisses a complaint on the grounds that the use of telephone and electric utilities pole space by CATV is not a "public utility" service (California Community Television Association v. General Telephone Co. of California and Southern California Edison Co., Decision 80168, 73 Cal. PUC 507)			

	INDUSTRY DEVELOPMENTS	STATE LEGISLATION	STATE JUDICIAL	STATE REGULATORY	FEDERAL JUDICIAL	FEDERAL ADMINISTRATIVE	OTHER
1974		Delaware Code is amended to include partial state regulation of CATV by the PSC (Del. Code Ann., title 26) Installation and repairs of CATV are exempted from sales and use taxes in Louisiana (La. Rev. Stat., §47:305.16)	New Jersey Cable Television Act is upheld by New Jersey Superior Appellate Division (Re Cable Television, 332 A.2d 209)	Massachusetts Community Antenna Television Commission asserts comprehensive rate regulation jurisdiction over CATV companies, but still provides for limited municipal authority over rates (First Report and Order, Commonwealth of Massachusetts, Community Antenna Television Commission)		FCC determines that a Florida statute authorizing municipalities to levy a tax of up to 10% of the sale of CATV services may be in violation of §76.31 (b) of Commission regulations, but also determines that it is a matter for the Courts to decide (Petition for Delaratory Ruling, CSR-499, 50 FCC 2d 540) FCC requires that franchising authorities must designate an official to administer complaint procedures and that consumers be notified of these complaint procedures (Report and Order in Docket No. 20024, 50 FCC 2d 43)	Cabinet Committee recommends that federal authority over CATV should be exercised initially to implement a national separations policy, and subsequently federal administrative supervision should be limited to setting certain technical standards and prohibiting siphoning of professional sports programming. Franchising authorities should have principal responsibility for CATV regulation. The state role in CATV regulation should be to guide and supervise local franchising activity, establish safety requirements and oversee rate regulation and pole attachments (Cable: Report to the President)

	INDUSTRY DEVELOPMENTS	STATE LEGISLATION	STATE JUDICIAL	STATE REGULATORY	FEDERAL JUDICIAL	FEDERAL ADMINISTRATIVE	OTHER
(1974)						FCC asserts jurisdiction over pole attachment disputes between a CATV company and a telephone company when the cable operator alleges discrimination and anticompetitive action (Continental Cablevision of New Hampshire, Inc., 48 FCC 2d 89) FCC requires that franchising authorities which plan on issuing a franchise calling for less than full wiring of the franchise areas may only do so after a public proceeding which includes a specific notice of consideration of that policy (Report and Order in Docket No. 20020, 50 FCC 2d 61)	

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1975	953 TV Stations 68.5 million TV households 3,506 cable systems 9.8 million cable subscribers Home Box Office, subsidiary of Time, Inc., leases RCA's communications satellite to provide nation-wide programming.	New York and California pass theft of cable TV service laws (N.Y. Penal Law 165.15 (8) and California Annotated Penal Code 593-D); cable industry concern helps pass similar legislation in 17 states within the next two years	New York Supreme Court classifies "cablecasting" as a public utility, since it "provides basically the same public service as non-cable television" (Hoffman v. Capitol Cablevision Systems, Inc., 372 N.Y. Supp. 2d 482) A Florida District Court of Appeals decides that since a TV broadcast translator is different from a CATV system, a county-owned translator cannot be detrimental to a non-exclusive franchised CATV system (Cable-Vision, Inc. v. Freeman, 324 So. 2d 149) Supreme Court of Nevada decides that FCC minimum standards apply to local franchise selection procedures (Public Service Commission of Nevada v. Community Cable TV, 530 P.2d 1392)	New Jersey Public Service Board initiates proceeding which seeks an alternative to rate of return regulation for CATV subscriber rates (Notice of Proposed Rulemaking in Docket No. 753C-6086, 7 N.J. Reg. 172) New York Cable Commission establishes an Extension Franchising Procedure focusing on the procedural aspects of granting extension permits and geographical criteria for same (Policy Statement and Order Amending Rules, Docket No. 90039)	U.S. Court of Appeals for Ninth Circuit upholds FCC's power to regulate access channels, including leased access, and determines that the FCC has the right not to regulate CATV access channels as a common carrier (American Civil Liberties Union v. FCC, 523 F.2d 1344)		The Research and Policy Committee of the Committee for Economic Development issues report advocating "two-tier regulation": The FCC should establish the jurisdictional framework to assure consistency with national policies, and state governments should establish commissions with authority over franchising activities and procedures (with the option of delegating franchising powers to local governments) (Broadcasting and Cable Television: Policies for Diversity and Change)

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1976			A California appellate court reaffirms 1956 decision that, under the California Public Utility Code, CATV is not a public utility (Orange County Cable Communications Co. v. City of San Clemente, 130 Cal. App. 2d 429) New York Supreme Court rules that the cable subscriber is not purchasing telephony or telegraphy and thus is not subject to sales tax (New York State Cable Television Assoc., et al v. State Tax Commission, 388 NYS 2d 560)	Vermont PSB proposes line extension policy calling for cable operators to cover all construction costs unless the average "homes-per-mile" count is less than 60 or if the CATV system has received less than 35 orders within the 1-mile extension, wherein the subscribers would be obligated for the costs (Vermont PSB, General Order 59.62) New York PSC orders cable company to show cause why it should not have to file a tariff with the PSC for the provision of data transmission services to NYC banks (Order to Show Cause -- Case No. 27091, NYPSC) New York Cable Commission asserts authority over regulation of rates charged for pay cable TV (Clarification of Commission Policy, Rates Charged by Cable Television Companies for "Auxiliary" Programming, Docket No. 90010)	U.S. Court of Appeals for District of Columbia Circuit holds that FCC may not preempt state regulation of the use of leased access channels for two-way intrastate, non-video communications (National Assoc. of Regulatory Utility Commissioners v. FCC, 533 F.2d 601)	FCC eliminates requirement that franchising authority must approve initial subscriber rates and that rate amendments can be made only after a public proceeding affording due process (Report and Order in Docket No. 20681)	The Subcommittee on Communication of the House Committee on Interstate and Foreign Commerce issues a staff report recommending that the FCC regulate only those aspects of cable service requiring national delineation of standards (e.g., carriage of broadcast signals, access channels presenting television programming akin to broadcasting, technical requirements for interconnections) unless crossing state lines, other services offered by cable (e.g., non-video services) should be regulated solely by state/local authorities and, while it is noted that the FCC should not dictate the form of a state regulatory mechanism, the advantage of a state cable commission responsible for construction schedules, rate regulation, franchise fees, complaint handling procedures, and pole attachment

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							are pointed out (Cable Television: Promise versus Regulatory Performance)
1977	972 TV Stations 71.2 million TV households 3,832 cable systems 11.9 million cable subscribers QUBE, the first two-way cable system, which allows viewer response to programming and other interactive features, is made available to subscribers in Columbus, Ohio on a trial basis.	California PUC is given authority to establish and regulate pole attachment rates and terms where a cable company and utility cannot agree (Cal. Stat., Ch. 954, sec. 767.5)		New York PSC asserts jurisdiction over CATV attachments to utility poles, despite an earlier state court decision which stated that neither the PSC nor the New York Commission on Cable Television has jurisdiction over such agreements (NYPSC Opinion 77-1 on Case 26494) Minnesota Cable Commission issues a report which emphasizes development of educational, health, information and entertainment services for rural and urban areas and urges marketing and use of leased channels and interconnection to fulfill service objectives (State-wide Development Plan)	U.S. District Court for the Northern District of New York sustains the FCC's preemption of pay-cable regulation (Brookhaven Cable TV, Inc. v. Kelly, 428 F. Supp. 1216) U.S. Court of Appeals for District of Columbia overturns FCC pay cable rules on grounds that the FCC had exceeded its authority over cable, and that there is no evidence to support the need for anti-siphoning regulation of pay cable (Home Box Office v. Federal Communications Commission, 567 F.2d 9)	FCC eliminates most CATV francise standards as requirements; specifically, construction schedules, franchise duration, complaint procedures, and franchise awarding procedures. Franchise fee limitation of 3-5% is retained, but fee base is broadened to gross revenues, including pay and ancillary services (Report and Order in Docket No. 21002, 41 RR 2d 885)	

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(1977)				New York Cable Commission issues a state plan setting out proposed objectives, policies, and programs, including liaison with other state agencies in developing telecommunications services, assuring input of various public interests, planning for interconnection, and consultation on franchising (Telecommunications in New York State: An Agenda for Government Involvement, Docket No. 90112)			
1978	982 TV Stations 72.9 million TV households 3,875 cable systems 13.0 million cable subscribers		Massachusetts Appellate Tax Board exempts CATV systems from paying use tax on materials purchased for direct usage in the provision of service (Spectrum Cable Systems, Inc. v. State Tax Commission, Docket No. 73611)	New York Cable Commission issues rules pertaining to the implementation of the interim subscriber rates and procedures to be used when municipalities request the Commission to set rates (Order Adopting Amendments in Dockets No. 90058 and 90111, NYCC)	U.S. Circuit Court of Appeals overturns FCC mandatory access, channel capacity and equipment availability requirements; does not indicate whether states or municipalities may impose requirements in those areas (Midwest Video Corp. v. FCC, 42 RR 2d 659)	Congress passes and the President signs into law an act giving the FCC authority over pole attachment rates, except where a state certifies that it has such jurisdiction and is required to consider the interests of both cable subscribers and utility consumers (Public Law 95-234)	A bill outlining a new Communications Act is introduced in the U.S. House of Representatives, calling for complete federal deregulation of cable and allowing telephone companies to enter cable market (H.B. 13015)

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(1978)				Connecticut PUCA initiates inquiry addressing the proper rate regulation methods to be used for systems which have reached maturity (Notice of Hearing in Docket No. 780311, PUCA) New Jersey PUB adopts a common tariff approach to rate-setting which creates classes of cable systems and establishes maximum rates for each class (Order Adopting Hearing Examiner's Report and Recommendations and Promulgating a Proposed Rule of Practice and Procedure, Docket No. 753C-6086) Massachusetts Cable Commission proposes rate regulation procedures giving the Commission sole discretionary power over rates and reducing municipalities to parties in rate-making proceedings (Notice of Proposed Rulemaking v. Rate Regulation Procedures, Docket No. R2)	The FCC's preemption of special pay cable programming rendered invalid New York's attempt to impose price regulation on such programming (Brookhaven Cable T.V., Inc., et al. v. Kelly et al., 573 F.2d 765)		

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1979	998 TV Stations 74.5 million TV households 4,150 cable systems 14.4 million cable subscribers	California exempted those cable television systems which meet certain conditions from state rate regulations, but in exchange required the deregulated systems to provide 50 cents per subscriber each year for the Foundation for Community Service. The state also provided incentives for the expansion of cable services, especially community service channels and related activities. This bill was scheduled to expire on 1/1/84. (AB699. Signed into law on 9/28/79)	New York Supreme Court finds that a statute barring landlords from interfering with the installation of CATV facilities upon their property and limiting payment for such use of their property to the amount awarded by the Commission on CATV was reasonable and justifiable of police power of state. (Loretto v. Teleprompter Manhattan CATV Corp 415 N.Y.S. 2d 180) State Commission on Cable Television could disapprove in part an application to amend a franchise contract. (City of N.Y. v. State of N.Y. Commission on CATV 416 N.Y.S. 2d 786; 47 N.Y. 2d 89) In the absence of any statutory procedures regulating the granting of cable television franchises, duly authorized authorized legislative body in the municipality may within the constitutional and statutory limits under its authority, provide for those franchises (White v. City of Ann Arbor N.W. 2d 283)	An applicant which was granted a CATV operating licence was directed by the Alaskan PUC to conduct a fully allocated cost study identifying cost of service to an area of low subscriber density in order to develop a separate rate schedule avoiding cross-subsidization of service. (Public Utility 33 PUR 4th 22) The Florida PUC concluded that it had jurisdiction over the rates, terms and conditions for CATV attachments to utility poles (Docket No. 780-326-PU, Order # 8594)	The FCC exceeded its authority in promulgating the cable access rules. These rules were not reasonably ancillary to effective performance of commission's various responsibilities for regulation of T.V. broadcasting. (Midwest Video v. FCC, 571 f. 2d 1025)	Commission concludes that there will be no substantial economic impact on broadcast stations if the syndicated program exclusivity rules are deleted <u>Report and Order in Docket No. 20988, 71 F.C.C. 2d 951</u> The Cable T.V. signal carriage rules are not unconstitutional as violating the 1st Amendment. The prior signal carriage rules have been sustained by the court against 1st Amendment challenges. (Memorandum Opinion and Order 45 RR 2d 676) FCC amends its rules to provide for use of CATV service area standards instead of a franchise area standard in processing waivers of the telephone company (Report and Order in Docket No. 78-219, 46 RR 2d 1035)	FCC report finds that removing of the CATV distant signal rules would not significantly jeopardize broadcast service to non-cable viewers. (Inquiry into the Economic Relationship Between T.V. Broadcasting and CATV, Docket #21204

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1980	1,011 TV Stations 76.3 million TV households 4,225 cable systems 16.0 million cable subscribers		Minnesota statute providing funding of Minnesota Cable Communications Board by levying fee determined by statutory formulae on each franchise cable communications company violated uniformity of taxation requirement of the constitution. (Minnesota Cable Communications Association Inc. v. Minnesota Cable Communications Board 288 N.W. 2d 721 The City of Boulder, Colorado had authority to impose such restrictions on hanging of cable television cables as might reasonably by necessary to protect the public and other franchise users of the public ways. (Community Communications Co., v. City of Boulder, Colorado 485 F. Supp 1035) District Court of Colorado decides that a generalized approval of regulatory authority over CATV creates danger that municipal governments may use the leverage of their ownership of the rights-of-way, which provide access to the public, for the exercise of pervasive control over content in an important part of the communications industry. (Community Communications Industry v. City of Boulder, 496, F.Supp 823)	The Illinois Appelate Ct. determined in light of the basic duty to be fair and to protect utilites, their employees, their patrons and the general public, it was reasonable that the commission was given jurisdiction over cable television pole attachment rates and policies in order to insure that persons desiring to use any part of the facilities bear reasonable shares of the cost incurred by the utilities in constructing, maintaining, and owning them. (Cable Television Co. of Illinois v. Illinois Commerce Commission, 403 N.E. 2.d 287)		Commission declines to end the application of the cable network non-duplication rules to network programming lasting less than 30 minutes. Cable operators are capable of providing the protection required, either by manual or automatic switching. (Report and Order in Docket No. 78-233, 45 RR 2d 459) Cable T.V. rules are amended to permit cable systems to carry as many distant signals as their viewers want (Report and Order in Docket Nos. 20988, 21284, 48 RR 2d 171) The Cable system syndicated program exclusivity rules are eliminated. There is no evidence that elimination of the rules will have an effect on the prices paid for programming or on their supply. (Report and Order in Docket Nos. 20988, 21284, 48 RR 2d 171)	

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1981	1,038 TV Stations 77.8 million TV households 4,375 cable systems 18.3 million cable subscribers				Commission decision repealing the CATV rules on distant signal carriage and syndicated program exclusivity is affirmed. (Malrite T.V. of N.Y. et al. v. FCC and U.S. 652 F.2d 1140) U.S. District Court held that United Video Inc. did not violate WGN Continental Broadcasting Co.'s copyright by stripping WGN TV's vertical blanking interval of teletext information and substituting a different teletext service (WGN Continenal Broadcasting Co. v. United Video Inc. 523 F. Supp 403) U.S. Court of Appeals held that the FCC was not arbitrary or capricious in not requiring cable carriage of STV transmissions. (WWHT Inc v. FCC 656 F.2d 807)	On demand from the Court of Appeals, the Commission determines (without undertaking new rule making proceedings, a step beyond the court's mandate) that the 1972 CATV rules, insofar as they have not already been revised or deleted, should remain intact. (Memorandum Opinion and Order 49 RR 2d 1666)	

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1982	1,065 TV Stations 81.5 million TV households 4,825 cable systems 21.0 million cable subscribers	The California Assembly voted to approve a bill which extends rate control immunity for cable television operators who meet a set of minimum standards until 1/1/91. California Senate action pending. (AB3685. Approved by Assembly on 6/17/82) Cable Privacy. Wisconsin requires cable operators to provide, upon request from subscribers of two-way systems, a device which prevents outgoing signals from leaving the home. In addition, the bill prohibits operators from: 1) releasing any information which leads to the disclosure of " any aspect of the behavior" of a subscriber, and 2)monitoring the subscriber's use of the cable equipment, except to verify "the system's integrity or to collect information for the paying of bills." (Section 134.43 of Wisconsin Statutes. Signed by Govenor on 4/22/82. Effective: 10/1/82.			"Home Rule" municipalities are not exempt from liability under the Sherman Anti-Trust Act. Supreme Court held that City of Boulder Colorado could be sued for anti-trust violations in restricting cable franchisee from extending its system. (Community Communications Co., Inc. v. City of Boulder, Colorado et al. 660 F.2d 1370) The Supreme Court rules that states cannot bar landlords from charging fees to cable television companies that install equipment in their buildings. (50 U.S. L.W. 4988, 6/30/82) The D.C. Circuit Court of Appeals upholds the 1981 CRT rate adjustment, against appeals from the National Cable Television Assn., and the Copyright Owners; says it is in accordance with Copyright Act of 1976. (Petitions for Review of Orders of the Copyright Royalty Tribunal, 689F. 2d 1077, 9/10/82)		U.S. House passes Cable Copyright Bill, which would clarify broadcast rights of cable operators, including retransmittal rights. (H.R. 5949, 9/28/82) Mountain States Legal Foundation files suit contending that exclusive cable TV contracts violate constitutional free speech provisions. The specific target of the suit is Denver's city-wide contract to Mile Hi Cablevision, but the Foundation hopes for nationwide reform. (10/18/82) The Copyright Royalty Tribunal approves new copyright fees, set to go into effect 1/1/83; these could raise the industry's payments by 50 per cent or more for the right to retransmit the signals of distant television stations. (10/20/82)

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1983							The U.S. Circuit Court of Appeals turned down a request for a further delay of the effective date of the CRT's copyright royalty rate hike, and the increase went into effect on 3/15/83. (It had already been postponed from 1/1/83 pending appeal.) After a Joint Senate Committee reached an impasse on H.R. 5949 in December 1982, the U.S. Senate voted 87-9 in favor of a new bill establishing a national policy to regulate cable television. This bill removes local/city control of franchise fees, subscriber fees, and renewal of expired franchises. (S. 66, 6/14/83)