

July 12, 2006

The Honorable Alfred W. Speer
Clerk of the House of Representatives
State Capitol
Baton Rouge, Louisiana 70804

Re: House Bill No. 699 by Representative Montgomery
COMMERCE: Creates the Competitive Cable and Video Services Act

Dear Mr. Speer:

The effect of House Bill No. 699 would be to change the franchise guidelines for cable video services throughout Louisiana.

Despite substantial efforts to determine with some certainty the actual impact of the bill on local government funding from existing cable franchise fee contracts, there remains significant doubt. Both the proponents and opponents of the bill express confidence in their conflicting points of view. If the bill became effective and the result was significant revenue loss to local government, as many have reported, traditional vital services for our citizens would have to be cut or those citizens may be asked to pay increased taxes.

Additionally, there remains significant concern as to whether the bill authorizes right of way access to certificate holders which may well exceed the legal right actually owned by government and thus expose the state to liability. Furthermore, I am concerned that the bill may impermissibly interfere with existing contractual rights and obligations between local governments and current franchisees.

I have spoken with both sides and encouraged them to work together on a model local ordinance that will create franchise opportunities for all companies. Both sides have expressed their willingness to support this interim solution.

For all of these reasons, I have vetoed House Bill No. 699 and am returning it to the House of Representatives.

Sincerely,

Kathleen Babineaux Blanco
Governor

jw