



State Franchise Authority: Application

Dear Reader:

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Reference Number: MTAS-1396

Application Process

The Competitive Cable and Video Services Act permits cable companies and video service providers to apply for a state-issued certificate of franchise authority, issued by the Tennessee Public Utility Commission. Large companies need file only one application to obtain authority to operate in any area of the state. The application consists of an affidavit signed by an officer or partner of the company which, among other requirements, describes the area to be served and affirms that services will be provided within 24 months of the issuance of the state certificate. If the company fails to provide the services within 24 months of receiving a certificate, the certificate becomes null and void, although the company is permitted to provide an explanation of the reason for the delay. In addition, the application/affidavit must describe the applicant's customer service complaint process and contact information for customers, but the Public Utility Commission will not review or evaluate the complaint process. Notice is required of the filing of the application for all local governments included in the proposed service area. The application must also include a minority-owned business participation plan.

After an application is filed, the Public Utility Commission will determine if the applicant has the management, financial, and technical qualifications to provide the cable or video services to the areas proposed. The Commission may require the applicant to file a plan for compliance, explaining how the company will meet the 24-month deadline for providing services. These service plans or plans for compliance are confidential and may not be obtained by the local governments included in the proposed service area.

Large telecommunications companies have a distinct advantage in the application process. Applications filed by large telecommunication providers, defined as companies with more than 1 million telecommunication access lines in the state, are not reviewed by the Public Utility Commission to determine whether they can provide services to the proposed areas. Rather, these companies are presumed to have the required capabilities. Large companies also have a shorter review period after an application is filed. The Public Utility Commission must act on an application filed by a large telecommunication provider within 45 days of filing, or the certificate will be granted automatically. For smaller companies, the time for the Commission to act on their applications is 180 days after receipt. The certificate issued when the time expires without action is temporary, pending final approval or rejection by the Public Utility Commission.

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Source URL (retrieved on 05/25/2020 - 2:52pm): <http://www.mtas.tennessee.edu/reference/state-franchise-authority-application>



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