

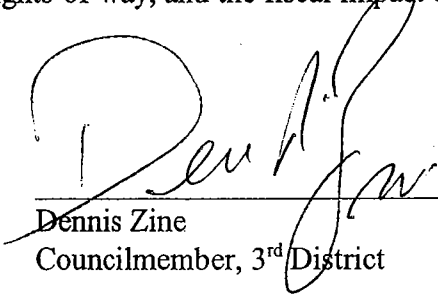
# INTERGOVERNMENTAL MOTION RELATIONS

Assemblyman Fabian Nufiez and Assemblyman Lloyd Levine have co-authored Assembly Bill 2987 - referred to as the "Digital Infrastructure & Video Competition Act of 2006" - which proposes to transfer authority for video franchising from local government to the State. This comprehensive measure contains multiple provision that, if enacted, would dramatically change the regulatory environment for video providers in California. Under this bill, for example, the State Department of Corporations would be the sole franchising authority for all video and cable services and they would have the authority to grant their franchisees authority to use the public rights-of way. Expedited time lines for the State's issuance of video franchises would be established, with local governments being 'notified' 10 days before a company will start offering video services in their area. The bill revises the definition of "gross revenues" for the purposes of calculating franchise fees, and limits the financial support for PEG channels that may be required from state video franchisees. Support for connecting schools and municipal facilities is also restricted or eliminated. The State would replace the City's standards that require franchise-wide deployment of advanced services. The City's recently enacted Cable Customer Service Standards which took effect January 1, 2006 would be voided and the City's ability to provide its own telecommunications services could be jeopardized.

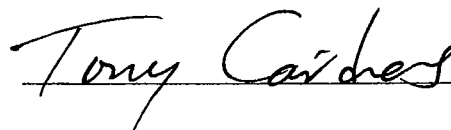
On February 17, 2006, the City Council adopted a resolution opposing specified legislation on video franchising, and establishing certain principles for supporting and opposing future state and federal telecommunications legislation (CF 05-02-S180). The Mayor concurred with that action on March 6, 2006. That Resolution appears to clearly establish the authority for the City to oppose AB 2987. However, given the significance of this measure and the City's current efforts to establish reasonable franchise conditions for future franchisees, it would be prudent for City staff to thoroughly analyze AB 2987 and submit a report outlining the pros and cons of this bill. Given that AB 2987 has been set for hearing in the Assembly Utilities & Commerce Committee on April 24, 2006, that analysis and any revisions to the City's legislative position will need to be considered in an expeditious manner.

I THEREFORE MOVE that the City Council instruct the CLA and the CAO to analyze Assembly Bill 2987, as amended April 6, 2006, and submit a report by April 21, 2006 outlining the pros and cons of this bill as they relate to the City's authority and responsibilities over video franchising, regulatory authority over the City's rights-of-way, and the fiscal impact of this measure should it be enacted.

PRESENTED BY

  
Dennis Zine  
Councilmember, 3<sup>rd</sup> District

SECONDED BY



APR 12 2006