



PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMUNICATIONS DIVISION

Agenda ID # 24190  
RESOLUTION T-17902  
June 11, 2026

**R E S O L U T I O N**

Resolution T-17902 Adopting Annual Fee to Implement the Digital Infrastructure and Video Competition Act (DIVCA) for Fiscal Year 2025-2026.

PROPOSED OUTCOME:

- Approves the annual fee for FY 2025-2026 consistent with the DIVCA Decision.

SAFETY CONSIDERATIONS:

- Video franchise holders play an important role in public safety by disseminating emergency information to viewers by participating in the Emergency Alert Program, by providing Internet Protocol-based services that will accommodate enhanced 911 services, by supporting tele-health capabilities during emergencies, and by providing diverse facilities to improve survivability of the State's communications capability during and after a catastrophic or other emergency event.

ESTIMATED COST:

- This year's annual fee amounts to 0.0470970% of each provider's gross video revenues for California, or 0.047 cents per dollar of gross video revenue received by each franchise holder from California subscribers.

**SUMMARY**

This Resolution sets the Digital Infrastructure and Video Competition Act for Fiscal Year 2025-2026 budget of approximately \$2.4 million dollars and the annual fee of 0.0470970% to be paid by each video franchise holder.

**BACKGROUND**

The Digital Infrastructure and Video Competition Act of 2006 (DIVCA) was signed into law on September 29, 2006, creating for the first time a process for the issuance of state video franchises in California.<sup>1</sup> On March 1, 2007, the California Public Utilities

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<sup>1</sup> *California Public Utilities (Cal. Pub. Util.) Code, Division 2.5, The Digital Infrastructure and Video Competition Act of 2006 (See [Cal. Pub. Util. Code §§ 5800 et seq.](#)).*

Commission (Commission) issued Decision (D.) 07-03-014 (DIVCA Decision),<sup>2</sup> implementing DIVCA, and began accepting video franchise applications immediately thereafter. As of April 23, 2026, the Commission has cumulatively issued a total of 68 video franchises and 352 amendments.<sup>3</sup> There are currently 22 video franchise holders<sup>4</sup> in California.

DIVCA requires the Commission to collect annual fees from all state video franchise holders and on all revenues earned by providing video services pursuant to a state video franchise.<sup>5</sup> The total amount of fees collected must equal the amount authorized in the Commission's budget for DIVCA implementation per D.07-03-014. The Commission approved a \$2 million budget for DIVCA implementation in Fiscal Year 2024-2025.<sup>6</sup> For Fiscal Year 2025-2026, the Commission authorizes an estimated \$2.4 million (rounded down from \$2,446,500) to implement the state video franchise program.<sup>7</sup>

The DIVCA Decision provides that the Commission calculates the annual fee for each state video franchise holder based on the percentage of all state video franchise holders' gross video revenue that is attributable to an individual franchise.<sup>8</sup> The Commission calculates the fee based on the revenue reported for the prior calendar year. Accordingly, the annual fees for Fiscal Year 2025-2026 established by this Resolution are based on the gross video revenue reported by each franchise holder operating in calendar year 2024.

## **DISCUSSION**

This Resolution sets the annual fee for FY 2025-2026 consistent with the DIVCA Decision. To generate the \$2.4 million authorized for the Commission's FY 2025-2026 DIVCA-related budget, the amount due from each franchise holder is based on a pro-rata share of gross video revenue from all state-issued franchises. Consistent with Pub. Util. Code § 441, the DIVCA budget of an estimated \$2.4 million continues to: 1)

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<sup>2</sup> *Decision Adopting a General Order and Procedures to Implement the Digital Infrastructure and Video Competition Act of 2006 [D. 07- 03-014]* (2007).

<sup>3</sup> Amendments to existing video franchises "reflect changes to the franchise service area." (See *CPUC General Order 169, Section VII.C.*)

<sup>4</sup> See *Video Franchises Issued by the CPUC* (last visited April 23, 2026). In calendar year 2024, there were 26 video franchise holders.

<sup>5</sup> *Cal. Pub. Util. Code § 441* reads, in part, as follows:

"§441. The commission shall annually determine a fee to be paid by an applicant or holder of a state franchise pursuant to Division 2.5 (commencing with Section 5800). The annual fee shall be established to produce a total amount equal to that amount established in the authorized commission budget for the same year to carry out the provisions of Division 2.5 (commencing with Section 5800)." See also, *General Order 169, Section VIII.A.*

<sup>6</sup> See *Resolution T-17877*.

<sup>7</sup> See FY 2007-2008 *Governor's Budget Highlights*, FY 2022-2023 Budget Request *8660-092-BCP-2022-GB*, and FY 2025-2026 Budget Request *8660-027-BCP-2025-GB*.

<sup>8</sup> *Decision 07-03-014, mimeo*, pp. 122-123.

incorporate the Commission’s budget authority to implement Senate Bill 28<sup>9</sup>; 2) include a budget for operating expenses and equipment; and 3) account for salaries and benefits.

For calendar year 2024, the time-period used to apportion fees, total reported gross video revenue in California was about \$5.19 billion (\$5,194,603,605), which is approximately 10.24% (\$592 million) lower than in 2023, when the gross revenue amount was about \$5.79 billion (\$5,786,859,922).<sup>10</sup> Historically, the gross video revenues fluctuated throughout the years. However, the largest noticeable decrease occurred this year, in 2024. The second largest percentage decrease happened in 2023, when gross video revenue dropped approximately 8.20%.

STAFF RECOMMENDED BUDGET AND ANNUAL FEE

The total DIVCA-related budget of \$2.4 million amounts to 0.0470970% of the total gross video revenue<sup>11</sup> or about 0.047 cents per dollar.<sup>12</sup>

The Commission will send all video franchise holders<sup>13</sup> a confidential fee statement after adoption of this Resolution.<sup>14</sup> Video franchise holders with franchises issued any time on or prior to June 30, 2026, with revenue earned in calendar year 2024, are required to pay the annual fee for the full Fiscal Year 2025–2026. Video franchise holders with franchises issued on or before the date of this Resolution must pay their annual fees for Fiscal Year 2025–2026 by June 30, 2026. Holders of video franchises granted after the date of the Resolution shall pay the fee amount to the Commission within 60 days after the issuance of their franchise.

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<sup>9</sup> The CPUC received budgetary authority to implement Senate Bill 28 in the amounts of \$888,000 for FY 2022–2023 and \$864,000 for the two fiscal years thereafter. See Budget Request, [8660-092-BCP-2022-GB](#). Effective July 1, 2025, the CPUC received additional budgetary authority to implement SB-28 in the amount of \$1,139,000 for FY 2025–2026. See Budget Request, [8660-027-BCP-2025-GB](#) (last visited April 23, 2026). See also [Bill Text – SB-28 Digital Infrastructure and Video Competition Act of 2006: deployment data \(ca.gov\)](#). Adjustments for increases in employee compensation were included consistent with [Cal. Pub. Util. Code § 441](#).

<sup>10</sup> In 2014, gross video revenue in California was \$6.2 billion. It peaked in 2015 at \$6.5 billion and remained at that level until it decreased in 2019 to \$6.45 billion and decreased again in 2020 to \$6.32 billion. In 2021 it increased to \$6.48 billion, and it continues to fluctuate over the years.

<sup>11</sup> The computation supporting this is:  $\$0.0004709695264931 \times \$5,194,603,604.65 = \$2,446,500.00$ .

<sup>12</sup> By way of comparison, for the previous fiscal year, the DIVCA-related budget required a surcharge equal to 0.0345611 cents per dollar. The year before that it was 0.0253885 cents per dollar. See [Resolution T-17877](#).

<sup>13</sup> The term Video Franchise Holders in this context, includes current and former holders of a state video franchise that collected “revenue received from video service offered pursuant to a State Video Franchise.” (See [General Order 169, Section VIII.A.](#))

<sup>14</sup> User fees are being assessed upon all revenue collected for provision of video services in calendar year 2024. For any VFH who is not in compliance with franchise requirements, the user fee will be due, along with any applicable penalties, when the franchise is compliant.

**COMMENTS**

Public Utilities Code section 311(g)(1) provides that this Resolution must be served on all parties and subject to at least 30 days public review. Any comments are due within 20 days of the date of its mailing and publication on the Commission's website and in accordance with any instructions accompanying the notice. Section 311(g)(2) provides that this 30-day review period and 20-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day review and 20-day comment periods for the draft of this Resolution were neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments and will be placed on the Commission's agenda no earlier than 30 days from today.

## **FINDINGS AND CONCLUSIONS**

1. The Digital Infrastructure and Video Competition Act requires the Commission to calculate, and video franchise holders to pay an annual fee.
2. The annual fee for Fiscal Year 2025-2026 is to be calculated based on current and former state video franchise holders' pro-rata share of total gross video revenue for the calendar year 2024 in accordance with D.07-03-014 and General Order 169.
3. Total gross video revenue in California was about \$5.19 billion (\$5,194,603,605), which is 10.24% (\$592 million) lower than in 2023, when it was about \$5.79 billion (\$5,786,859,922).
4. The Commission's authorized DIVCA-related budget for Fiscal Year 2025-2026 is approximately \$2.4 million.
5. Budget Requests 8660-092-BCP-2022-GB and 8660-027-BCP-2025-GB authorized the Commission funding to implement Senate Bill 28.
6. Fees in the aggregate are to equal the Commission's authorized budget for implementation of DIVCA requirements.
7. This year's annual fee amounts to 0.0470970% of each provider's gross video revenue for California, or 0.047 cents per dollar of gross video revenue received by each video franchise holder from California subscribers.
8. The Commission will send confidential fee statements to the relevant video franchise holders, upon approval of this Resolution.
9. All state video franchise holders and other interested parties were provided with notice of this Resolution in accordance with Cal. Pub. Util. Code 311(g).

**THEREFORE, IT IS ORDERED THAT:**

1. Holders of video franchises granted on or before the date of this Resolution shall remit to the California Public Utilities Commission the amount indicated in their fee statements by June 30, 2026.
2. Holders of video franchises granted after the date of this Resolution shall remit their fee payment to the California Public Utilities Commission within 60 days after the issuance of its franchise.

This Resolution is effective today.

The foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on June 11, 2026; the following Commissioners voting favorably thereon:

Dated June 11, 2026, at Sacramento, California