



California Public Utilities Commission

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News Release

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PUC LAUNCHES NEW STATE VIDEO FRANCHISE PROGRAM: CONSUMERS TO BENEFIT WITH MORE CHOICES FOR VIDEO SERVICE

SAN FRANCISCO, March 1, 2007 – Today the California Public Utilities Commission (PUC) issued an order creating a new state video franchise program. This program, which implements the Digital Infrastructure and Video Competition Act (AB 2987), will spur the entry of communications companies into the rapidly expanding data and video markets.

According to PUC President Michael R. Peevey, “Consumers will reap the benefits of increased competition in the video market. I expect we will see greater diversity in video pricing, service options, and programming.”

The PUC’s decision allows video service providers to seek one video franchise for operating in multiple regions. Under the terms of AB 2987, the PUC must determine whether a franchise application is complete within 30 days of its submission, and the PUC must issue a state video franchise within 14 days of a finding of completeness. Previously a video service provider had to seek permission from a government entity in each locality where it sought to offer service.

“Today starts a new era, as we allow companies to bring advanced video services to all Californians through a single state video franchise,” declared PUC Commissioner Rachelle Chong. “The PUC will be a vigilant watchdog in ensuring that this critical upgrade to the state’s communication infrastructure reaches consumers of all income levels.”

The PUC’s decision specifies a wide range of sanctions that will apply to state video franchise holders that discriminate in offering video service. AB 2987 prohibits a video service provider from denying access based on a subscriber’s income. Also it requires communications companies with more than 1 million telephone customers to meet specified deadlines when rolling out video service to their telephone customers.

To ensure AB 2987 lives up to its title, the PUC also adopts wide-ranging reporting requirements to assess digital infrastructure deployment and video competition in the state. The PUC will receive census tract data on households that have access and/or subscribe to broadband services and video services. The PUC will use these data to produce public reports regarding deployment and use of advanced communication services.

The PUC will partner with local entities in joint oversight of state video franchise holders. While they no longer will issue new video franchises, local entities continue to play an important role in regulating video service providers. AB 2987 makes local entities responsible for consumer protection; environmental reviews; initiation of complaints concerning antidiscrimination obligations; oversight of public, educational, and governmental access channels; management of local rights-of-way; and enforcement of Emergency Alert System standards.

The PUC's video franchising decision is available at http://www.cpuc.ca.gov/PUBLISHED/AGENDA_DECISION/65063.htm.

For more information on the PUC, please visit www.cpuc.ca.gov.

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