



California Public Utilities Commission

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Press Release

FOR IMMEDIATE RELEASE

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PUC ADOPTS ADDITIONAL NON DISCRIMINATORY BUILD-OUT RULES FOR SMALLER COMPANIES OFFERING VIDEO SERVICE

SAN FRANCISCO, October 4, 2007 - The California Public Utilities Commission (PUC) today adopted build-out requirements for state video franchise holders with fewer than one million telephone customers to ensure ubiquitous access to video services throughout the state. The decision completes the second phase of the PUC's implementation of the Digital Infrastructure and Video Competition Act (DIVCA).

Currently, the PUC requires state video franchise holders to report the number of subscribers by census tract that are offered access to video services. In this decision, the PUC is adding the requirement that all holders of state video franchises report annually on the number of actual video subscribers by census tract.

"Obtaining information about numbers of actual video subscribers in a location rather than simply whether video services are offered in that location will aid the PUC in determining if franchise holders are discriminating by income levels in offering video services," said Commissioner Rachelle Chong.

In addition, the decision provides that all franchise holders, regardless of how many telephone customers they serve, comply with the same statutory "safe harbor" benchmarks for building out their video systems and offering non-discriminatory service. However, franchise holders with fewer than one million telephone customers may also apply to the PUC for a build-out schedule that is more specific to the franchise areas of the smaller company. The decision recognizes that the law also permits smaller franchise holders to request an exemption for offering video service in high-cost areas.

The decision also amends the PUC's rules to permit local governments to file complaints at the PUC with regard to a state video franchise holder's failure to comply with certain provisions of DIVCA.

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