

Date of Hearing: March 23, 2022

ASSEMBLY COMMITTEE ON COMMUNICATIONS AND CONVEYANCE

Sharon Quirk-Silva, Chair

AB 2635 (Levine) – As Amended March 11, 2022

**SUBJECT:** Digital Infrastructure and Video Competition Act of 2006: public, educational, and government access channels

**SUMMARY:** This bill requires public, educational, and governmental access (PEG) channels to be retransmitted by holders of a state franchise in the same quality and format in which it was received. The bill also requires holders to carry PEG channels in both high-definition and standard definition formats. Specifically, **this bill:**

**EXISTING LAW:**

- 1) Establishes Digital Infrastructure and Video Competition Act of 2006 (DIVCA) to, among other things, promote competition in the cable and video service sector. (Public Utilities Code § 5800 eq. seq.)
- 2) Makes legislative findings regarding the benefits of video and cable services, including access to a variety of news, public information, education, and entertainment programming. (Public Utilities Code § 5810)
- 3) Requires any corporation who seeks to provide video service in the state to receive a state franchise from the California Public Utilities Commission (CPUC), and makes it unlawful to provide video service in the state without a franchise. (Public Utilities Code § 5840)
- 4) Specifies the requirements of PEG channels:
  - a) Requires the holders of a state franchise to designate capacity on their network to broadcast PEG channels, as provided. (Public Utilities Code § 5870(a))
  - b) Specifies that PEG channels are for the exclusive use of local entities or their designee, and shall be used only for noncommercial purposes. (Public Utilities Code § 5870(b))
  - c) Requires that PEG signals shall be receivable by all subscribers, whether they receive digital or analog service. (Public Utilities Code § 5870(g)(3))
- 5) Provides that a local entity shall enforce all customer service and protection standards with respect to complaints received from residents within the local entity's jurisdiction. (Public Utilities Code § 5900(c))
- 6) Directs the CPUC to adopt customer service requirements for a holder of a state franchise and adjudicate any customer complaints. (Public Utilities Code § 5895(b))

**FISCAL EFFECT:** Unknown.

**COMMENTS:**

- 1) *DIVCA and PEG Channels.* In 2006, the California Legislature passed, and Governor Schwarzenegger signed into law Assembly Bill 2987 (Nuñez, Chapter 700, Statutes of 2006), or simply DIVCA. The law establishes the procedures for the issuance of state franchises for the provision of video service, or cable television as it is known colloquially. A state franchise is essentially a license to operate in the state and DIVCA dictates the terms and conditions of that license. Under DIVCA, holders of a state franchise have various obligations as a condition of receiving a state franchise, including to provide sufficient capacity for PEG programming.
- 2) *The scope of the problem.* In the past 15 years since DIVCA was enacted, there have been massive changes to the technologies and services provided by video service providers and the public's need for access to critical communication technologies. While DIVCA requires the local PEG access channels to be provided by video service providers, it does not require those channels to be delivered in an up-to-date format, such as high definition (HD). Proponents of this bill claim that video providers downgrade the PEG access channel signals and broadcast the programming in the obsolete standard definition (SD) format. As a result, detailed information displayed during Zoom-delivered public meetings could be difficult to view, since SD video images are not clearly displayed on HD Televisions. Audiences that are deaf or hearing-impaired and rely on captioning are particularly prone to being impacted by such practices.

Although it is clear that subscribers might be impacted by poor video quality for PEG channels, it is unclear if any local entities have collected complaints on this topic. Until 2021 when the law was changed pursuant to SB 28 (Caballero, Chapter 673, Statutes of 2021), local entities were solely responsible for enforcing customer service and protection standards related to DIVCA. Further, the CPUC has not historically collected any information on consumer complaints related to video service or cable companies. Therefore, it is difficult to ascertain the full extent to which consumers are impacted by the current practices.

- 3) *The proposed solution.* To address the problem, this bill would require that PEG be available to the public in HD or the most advanced technology used by local broadcast TV channels. PEG channels broadcasted in HD would allow for greater accessibility, ensure that any documents presented at government meetings are readable, and would make captions available for those who are hearing impaired or deaf. To implement the requirements in the bill, the California Cable and Telecommunications Associations (CCTA) asserts that use of new equipment would be necessary, which would increase cost pressures on service providers and likely consumers, some of whom may not regularly view PEG channels.
- 4) *Related/prior legislation.*
  - a) AB 2748 (Holden, 2022) proposes various comprehensive reforms to DIVCA, including strengthening existing anti-discrimination standards and expanding the role of the CPUC in reviewing cable franchise applications. This bill is pending in this committee.
  - b) SB 28 (Caballero, Chapter 673, Statutes of 2021) directed the CPUC to adopt customer service requirements for holders of a state franchise and adjudicate customer service complaints.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Media Alliance

**Opposition**

California Cable & Telecommunications Association

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