

Council Meeting of  
April 11, 2006

Honorable Mayor and Members  
of the City Council  
City Hall  
Torrance, California

**Members of the City Council:**

**SUBJECT: Recommendation to OPPOSE AB2987 (NUNEZ) regarding cable and video service**

**Anticipated Annual Expenditure: \$ 00.00**

**RECOMMENDATION**

The City Manager recommends that City Council adopt the attached resolution opposing Assembly Bill 2987 (Nunez and Levine) "The Digital Infrastructure and Video Competition Act of 2006" and the attached principles for Congress and the state legislature to consider in its debate over a new telecommunications regulatory framework.

**BACKGROUND**

Assemblyman Speaker Nunez and Assemblyman Levine introduced AB2987 "The Digital Infrastructure and Video Competition Act of 2006". The Bill according to the Speaker will "...Create New Era of Competition and Choice in Cable TV Market". In fact, the Bill appears to have the opposite effect due to the absence of a level playing field requirement. New entrants would not be required to serve the entire community as existing multichannel video service providers (cable television). More importantly, the Bill removes local control of franchising and moves it to the State.

**ANALYSIS**

There are many parts of AB2987 that will have an adverse impact on the citizens of Torrance including:

- The failure to provide competitive video service for all citizens. The incumbent telephony companies have indicated they will not provide services outside their existing service area;

- The elimination of local control of consumer protection standards and enforcement. Torrance residents would have to contact the State Department of Corporations to request assistance with service and billing issues;
- The elimination of the emergency notification system. Torrance has an Emergency Override System that allows the City to preempt all programming on the cable system with a specific message in the event of a emergency;
- The elimination of the no charge connections of cable services to schools, government building, and libraries; and
- The reduction of revenue from franchise fees through a redefinition of "gross revenue".

Respectfully submitted,

LeROY J. JACKSON  
CITY MANAGER

By *Michael D. Smith*  
Michael D. Smith  
Cable & Community Relations Manager

CONCUR:

*Mary Jordano*  
for LeRoy J. Jackson  
City Manager

MDS/LJJ/dle  
Attachment: A) Resolution to be adopted

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL**  
**OF THE CITY OF TORRANCE**  
**TELECOMMUNICATIONS SERVICES AND VITAL CITY INTERESTS**

**WHEREAS**, technological advances in telecommunications services, competition, and consumer protection are important to the City of Torrance;

**WHEREAS**, Congress and the California state legislature are beginning a serious debate on a new regulatory framework for telecommunications services in the 2006 legislative session; and

**WHEREAS**, *Assembly Bill 2987 (Nunez and Levine)*, "*The Digital Infrastructure and Video Competition Act of 2006*" has been introduced to redefine the current state and federal regulatory framework for those services; and

**WHEREAS**, this Bill will substantially weaken local government management of its public right of way by allowing new entrants to only serve a portion of each franchise area; and

**WHEREAS**, this Bill will eliminate local consumer protection regulations and local authority to enforce regulations, by transferring that responsibility to the State Department of Corporations, which has no experience or resources to provide enforcement; and

**WHEREAS**, this Bill will eliminate local requirements to allow emergency messages in the event of local disasters through the multichannel video services provider; and

**WHEREAS**, this Bill will limit and in many cases eliminate the local authority to provide local channels (public, educational, and government access channels – *PEG Access*); and

**WHEREAS**, this Bill will limit the local authority to provide video and data services to public schools, government facilities, and libraries through their so-called *INET* systems; and

**WHEREAS**, this Bill reduces competition and innovation and increase prices for most Californians by creating an unlevel playing field between competitors; now there fore be it

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TORRANCE DOES HEREBY OPPOSE AB2987** and adopts the attached principles for Congress and the state legislature to consider in its debate over a new telecommunications regulatory framework.

**INTRODUCED, APPROVED AND ADOPTED**, this 11th day of April 2006.

ATTEST:

CITY OF TORRANCE:

\_\_\_\_\_  
Sue Herbers, CMC  
City Clerk

BY: \_\_\_\_\_  
Dan Walker, Mayor

APPROVED AS TO FORM:

John L. Fellows III,  
City Attorney

BY: \_\_\_\_\_  
Ronald T. Pohl  
Assistant City Attorney

**CITY OF TORRANCE  
PRINCIPLES OF TELECOMMUNICATIONS  
REGULATORY FRAMEWORK**

**REVENUE PROTECTIONS**

- Protect the authority of local governments to collect revenues from telecommunications providers and ensure that any future changes are revenue neutral for local governments.
- Regulatory fees and/or taxes should apply equitably to all telecommunications service providers.
- A guarantee that all existing and any new fees/taxes remain with local governments to support local public services and mitigate impacts on local rights-of-way.
- Oppose any state or federal legislation that would pre-empt or threaten local taxation authority

**RIGHTS-OF-WAY**

- To protect the public's investment, the control of public rights-of-way must remain local.
- Local government must retain full control over the time, place and manner for the use of the public right-of-way in providing telecommunications services, including the appearance and aesthetics of equipment placed within it.

**ACCESS**

- All local community residents should be provided access to all available telecommunications services.
- Telecommunications providers should be required to specify a reasonable timeframe for deployment of telecommunications services that includes a clear plan for the sequencing of the build-out of these facilities within the entire franchise area.

**PUBLIC, EDUCATION, AND GOVERNMENT (PEG) SUPPORT**

- The resources required of new entrants should be used to meet PEG support requirements in a balanced manner in partnership with incumbent providers.
- For cities currently without PEG support revenues, a minimum percentage of required support needs to be determined.

**CITY OF TORRANCE  
PRINCIPLES OF TELECOMMUNICATIONS  
REGULATORY FRAMEWORK**

**INSTITUTIONAL OR FIBER NETWORK (INET)**

- The authority for interested communities to establish INET services and support for educational and local government facilities should remain at the local level.

**PUBLIC SAFETY SERVICES**

- The authority for E-911 and 911 services should remain with local government, including any compensation for the use of the right-of-way. All E-911 and 911 calls made by voice over internet protocol shall be routed to local public safety answering points (PSAPs); i.e., local dispatch centers.
- All video providers must provide local emergency notification service.

**CUSTOMER SERVICE PROTECTION**

- State consumer protection laws should continue to apply as a minimum standard and should be enforced at the local level. Local governments should retain the authority to assess penalties to improve customer service

**OTHER ISSUES**

- Existing telecommunications providers and new entrants shall adhere to local city policies on public utility undergrounding.

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