

CITY OF LOS ANGELES
CALIFORNIA

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February 22, 2007

REF: SPP-087-07

The Honorable Members of the City Council
City of Los Angeles
Room 395, City Hall
Los Angeles, CA 90012

Attention: Information Technology and General Services Committee

Subject: **AB 2987 STATUS REPORT, CURRENT ACTIONS BY THE CITY IN
RESPONSE THERETO AND FCC CABLE TV FRANCHISING ORDER
UPDATE**

Dear Councilmembers:

Pursuant to the request of the Information Technology and General Services Committee on December 12, 2006, the Information Technology Agency (ITA) was requested to provide information on: 1) the costs of the digital conversion of Channel 35, CityView; 2) status report on AB 2987 and related work by the City; and, 3) prepare the attached "AB 2987 - Then and Now," informational pamphlet.

BACKGROUND

AB 2987 became law on January 1, 2007. AB 2987 designates the California Public Utilities Commission (CPUC) to be the sole franchising authority for all video/cable TV providers in the State of California commencing on January 1, 2007. Among other state-imposed changes to the prior local cable TV franchising scheme, AB 2987 also mandates that incumbent cable operators continue to provide all existing Public, Educational and Governmental Access (PEG) operations, services support and channel carriage through January 1, 2009.

COSTS OF DIGITAL CONVERSION FOR CHANNEL 35 - LA CITYVIEW

The City's LA CityView Channel 35 station utilizes primarily analog production equipment and analog cablecast signal for its current operations. ITA anticipates that due to decreasing technical and equipment support for analog equipment, it is imperative that the City develop a comprehensive plan for conversion of all its television assets to all digital technology. This will facilitate continued stability of Channel 35's equipment and operations in line with the FCC order requiring TV broadcasting entities



to transmit its signal digitally by **February 17, 2009**. Currently most commercial video production entities have already changed out their infrastructure and made this conversion to the digital platform.

ITA estimates the cost for a fully digital LA CityView facility to be as follows:

Facility Cost Summary

Facilities: 0 (if City-owned space is used)
Build-out: \$2 million dollars
Equipment: \$7 million dollars
Truck: \$1 million dollars
Total: \$10 Million Dollars

- New City-owned facility space (in City Hall or near Downtown) should be a minimum of 20,000 square feet (current facilities are about 12,000 square feet). The new space would accommodate: live cablecast and Council coverage control room; on-air functions of Channel 35 and possibly additional PEG channels, facilities and operations; studio stage; multiple edit bays; office space for current full time staff, and possibly additional staff if channel responsibilities increase; and, future expansion. The new facility space should be planned to serve the City a minimum of 15 years. If the City does not utilize City-owned facility space, the cost of acquiring non-City owned facilities may add hundreds of thousands of dollars to this estimate. By utilizing City-owned property, the City realizes an estimated annual rental cost savings of approximately \$140,000.
- Build out costs for a new production facility: The estimated cost for construction of a new and larger facility space is estimated to be approximately two million dollars (\$2,000,000). CityView's current studio space cost a little over one million dollars (\$1,000,000) for the previous build out in 2000.
- Equipment cost: CityView anticipates that a full digital conversion of all these assets may cost seven million dollars (\$7,000,000). City television assets include: the studio and playback operations; a control room in City Hall; and, downtown Council Chamber and Van Nuys Council Chamber equipment.
- Production Truck: The estimate for a fully-equipped digital production van is one million dollars (\$1,000,000). The City remains one of the largest municipalities in the country without a video production van. This van would be able to be utilized in times of emergency for live field broadcast at command posts as well as throughout the year for coverage of official public meetings and community events. Off site meeting coverage requests are dramatically increasing every week, and CityView lacks adequate mobile equipment to cover this ever increasing demand. For the future, and to enable more thorough coverage of these requests it makes good fiscal sense to invest in a production van, which in turn ultimately aids with

emergency preparedness, overall efficiency and cost effectiveness of CityView's operation.

UPDATE ON AB 2987, CITY - RELATED WORK WITH CALIFORNIA PUBLIC UTILITIES COMMISSION, PEG COMMUNITY MEETINGS AND FCC ORDER

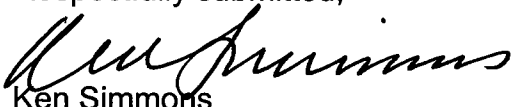
- California Public Utilities Commission is preparing to issue its final order on AB 2987 later this month, if not sooner. The City filed its reply comments to that final order on February 12, 2007. A hearing on the order is now set for March 1, 2007
- The Board of Information Technology Commissioners (BITC), Municipal Access Policy Board (MAPB) and ITA are preparing for the Public, Educational and Governmental Access (PEG Access) Community Meetings to be held in March and April 2007
- BITC, MAPB and ITA intend to seek public input on the future of PEG Access in the City of Los Angeles at the Community Meetings
- The information gathered at the PEG Access Community Meetings, along with the recommendations developed by BITC, MAPB and ITA will be utilized by the CLA, CAO and CA's Office to present additional recommendations to the Mayor's Office and City Council regarding future PEG Access models and issues under AB 2987 for consideration and adoption by the City
- The City is awaiting the release of the Federal Communications Commission's (FCC) pending Order on cable television franchising to determine the impact of that Order upon cable television and video services under AB 2987. ITA staff has made a preliminary determination that the FCC's pending Order will not affect the new AB 2987 paradigm at this time. The FCC pending Order must be published in the Federal Register for dissemination to the public for ITA to render a final opinion.

INFORMATIONAL PAMPHLET ON AB 2987 – THEN AND NOW

The "AB 2987 - Then and Now" informational pamphlet has been completed and is attached to this report. ITGS had requested that ITA produce the pamphlet in English and Spanish for dissemination by the City Council offices to City residents for informational purposes concerning the effects of AB 2987 on the City's prior cable TV franchising rights. ITA will ensure that the pamphlets are distributed to the Council Offices and each Council District office as soon as practicable. In addition, the information will also be published on ITA's Video Services Regulatory Division's web site.

If you have questions regarding this information, please contact me or Mark Wolf at (213) 978-3311.

Respectfully submitted,



Ken Simmons
Interim General Manager

Honorable Members of the City Council

February 22, 2007

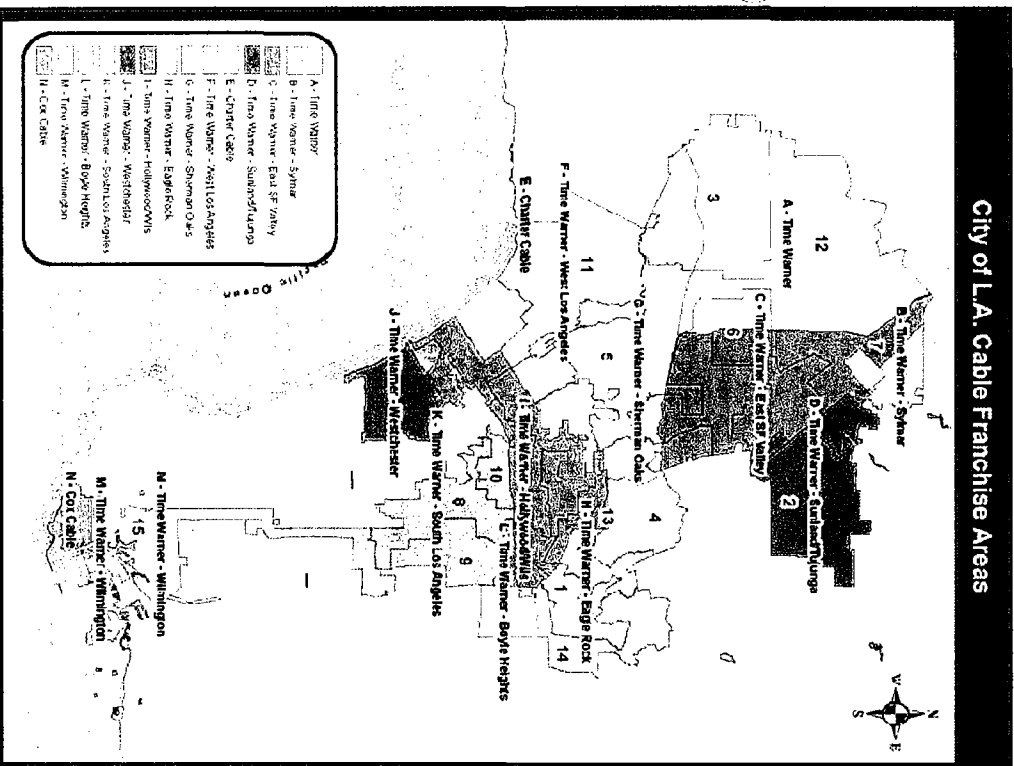
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Attachments

cc: Honorable Antonio Villaraigosa, Mayor
Board of Information Technology Commissioners
Marcus Allen, Deputy Chief of Staff, Mayor's Office
Office of the City Administrative Officer
Office of the Chief Legislative Analyst
Lonnie Eldridge, City Attorney's Office
Mark P. Wolf, Assistant General Manager, ITA
Tony Ighani, Station Manager LA CityView Channel 35
William P. Imperial, ITA

**City of Los Angeles
Video Services Regulatory Division**


City of L.A. Cable Franchise Areas



The City of Los Angeles is divided into 14 Local Franchise areas (A - N). Council Districts are numbered 1 - 15. The State Franchise areas may be different pursuant to the approval of the California Public Utilities Commission.

Cable TV/Video Service Providers/Phone Numbers

AREAS)	COMPANY NAME	TELEPHONE
E	CHARTER	(866) 499-8080


City of Los Angeles
Information Technology Agency
Ken Simmons, Interim General Manager
 Room 1400, City Hall East
 200 North Main Street
 Los Angeles, CA 90012

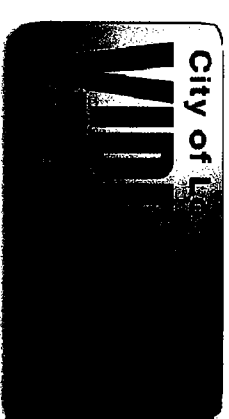
Board of Information Technology Commissioners

The Board of Information Technology Commissioners, which is appointed by the Mayor and confirmed by the City Council, serves as an advisory body to the Mayor and the Information Technology Agency on matters related to video services, telecommunications issues, and private telecommunication franchises. There are five commissioners:

- DEAN HANSELL, President
- MARSHA HIRANO-NAKANISHI, Vice President
- NATALIE COLE
- ANA E. CUBAS
- DENNIS F. HERNANDEZ

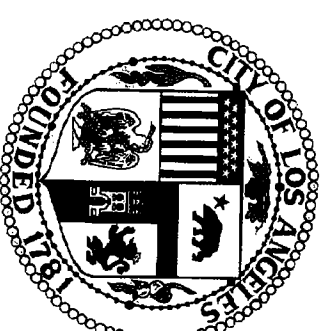
http://www.lacity.org/ITA/cable_bitec.htm

Telephone and TDD
3-1-1 or (866) 452-2489
"One Call to City Hall"
Fax Number
(213) 922-8386
<http://www.lacity.org/ita>



Cable TV/Video Services

“THEN AND NOW”



Mayor Antonio R. Villaraigosa

Cable Franchise Division

On September 29, 2006, Governor Schwarzenegger signed into law new legislation that will permanently change the regulatory scheme for the provision of video TV services (including cable TV) in the State of California. The Digital Infrastructure and Video Competition Act of 2006 (AB 2987) establishes the California Public Utilities Commission as the sole video TV franchising authority in the State of California for all new video service providers. AB 2987 took effect January 1, 2007. The City may continue to oversee the City's incumbent cable TV providers, Time Warner, Cox and Charter, under City-issued franchisees law until January 1, 2008. The incumbent cable TV providers are permitted to seek a state franchise on January 2, 2008.

Prior to the passage of AB 2987, State and Federal law recognized the local municipality as the franchise authority and empowered the local municipality to negotiate, grant, and enforce, franchise agreements. Additionally, State and Federal law allowed local municipalities to draft and enforce local consumer service standards. **AB 2987 eliminates the authority of the City to negotiate and grant franchisees and enforce local consumer service standards. The City is entitled to enforce State and Federal consumer service standards.**

Know Your Rights - Get the Facts

If you feel your cable TV/video provider has not provided you with full information concerning your cable TV/video services or you wish to file a complaint regarding cable TV/video services, please contact us by phone, e-mail or written response to the **City of Los Angeles Information Technology Agency:**

Information Technology Agency
Video Service Regulatory Division
Room 1255, City Hall East
200 North Main Street
Los Angeles, CA 90012
3-1-1 or (866) 452-2489
Fax: (213) 922-8385
ITA.ConsumerServices@lacity.org

THEN (Prior to AB 2987)

CABLE FRANCHISE DIVISION

I. Franchise Authority

- City had full franchising authority over cable TV operators

II. Customer Service

- City monitored and enforced compliance with Local, State and Federal service standards
- City could and has enacted stricter Local customer service standards than State and Federal standards
- City facilitated resolution of customer complaints with cable television providers
- City monitored and enforced additional service provisions contained in City franchise agreements

III. Public, Educational, and Governmental (P.E.G.) Access

- Cable TV operators provide Public Access facilities and services
- City regulates and enforces P.E.G. Access requirements as mandated by Local (franchise agreements), State and Federal guidelines
- City was entitled to 6 P.E.G. Access channels per franchise area
- City has two City-wide interconnected channels
- Governmental Access - Channel 35 - LA CityView 35
- Educational Access - Channel 36 - LACTAC
- 14 Public and Educational (P.E.) Access facilities available for public use throughout the City

NOW (Post AB 2987)

VIDEO SERVICES DIVISION

I. Franchise Authority

- State of California (California Public Utilities Commission) is sole franchising authority for cable TV operator and video service providers

II. Customer Service

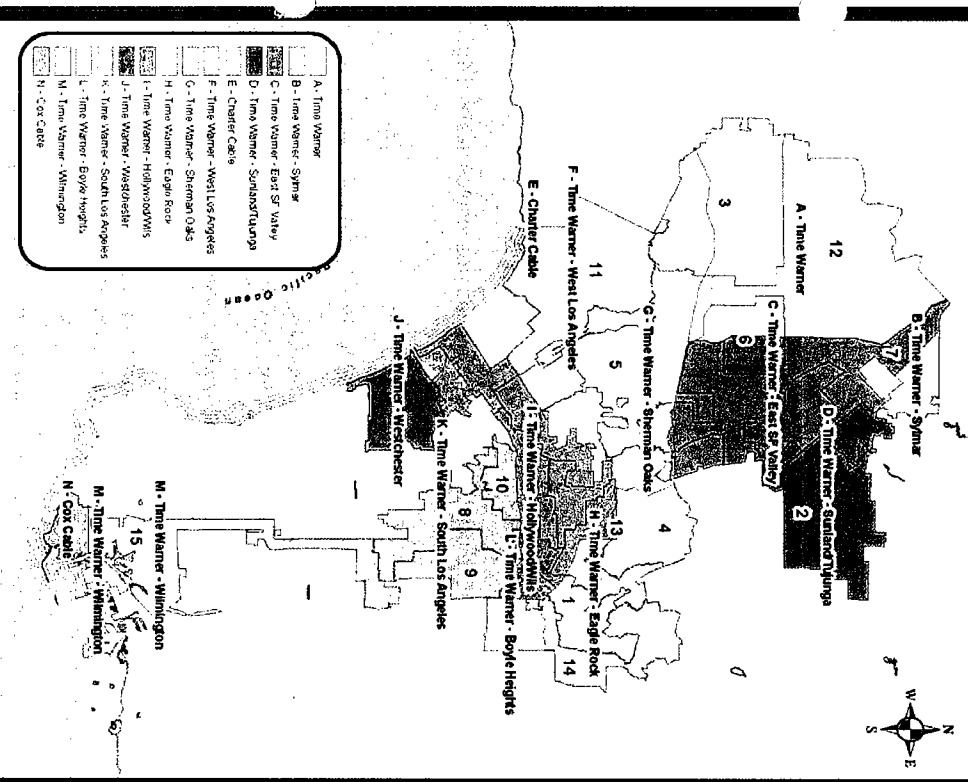
- City may only enforce State and Federal customer service standards, but may not adopt or enforce City-issued customer service or performance standards
- City may continue to facilitate resolution of customer complaints with cable TV operators and video service providers
- City can no longer enforce additional service provisions previously allowed under City franchisees
- City can only enforce Local standards until January 1, 2008

III. Public, Educational, and Government (P.E.G.) Access

- No requirement for cable TV operators/video service providers to provide P.E.G facilities or services
- City will receive only minimum financial support from State franchise holder
- State franchise holders must provide same number of P.E.G. channels activated and provided by incumbent providers - 4 channels
- Loss of P.E.G Access channel if 8 hours of original programming threshold not met
- Trigger for additional P.E.G. channels (56 hours of original locally produced programming per week)
- Existing cable operators required to provide studio facilities only to January 1, 2009

**División Reguladora de Servicios de Video
Ciudad de Los Angeles**

City of L.A. Cable Franchise Areas



La Ciudad de Los Angeles esta dividida en 14 áreas de franquicia locales (A – N). Los Consejos de Distrito están enumerados del 1 al 15. Las áreas de franquicia Estatales pudieran ser diferentes según lo apruebe la Comisión de Utilidades Publicas de California.

Números Telefónicos de los Proveedores de Televisión por Cable/Video

AREAS(S)	COMPANY NAME	TELEPHONE
E	CHARTER	(866) 499-8080


City of Los Angeles
Information Technology Agency
Ken Simmons, Interim General Manager
 Room 1400, City Hall East
 200 North Main Street
 Los Angeles, CA 90012

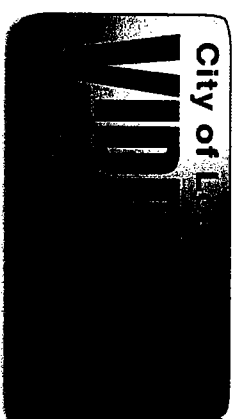
Board of Information Technology Commissioners

La Junta de comisionados de Información Tecnológica, que ha sido nombrada por el alcalde y confirmada por el Consejo de la Ciudad, sirve como cuerpo concejal para el Alcalde y la Agencia de Información Tecnológica, en cuestiones relacionadas a servicios de video, asuntos de telecomunicaciones, y franquicias privadas de telecomunicación. Existen cinco comisionados:

- DEAN HANSELL, Presidente
- MARSHA HIRANO-NAKANISHI, Vice Presidenta
- NATALIE COLE
- ANA E. CUBAS
- DENNIS F. HERNANDEZ

http://www.lacity.org/ITA/cable_btac.htm

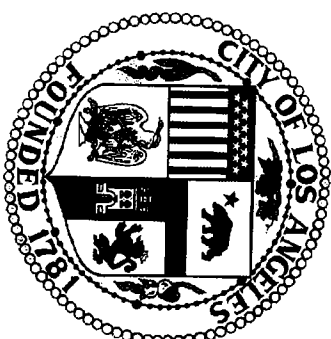
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Servicios de Televisión por

CableVideo

"ANTES Y HOY"



Alcalde Antonio R. Villaraigosa

División de Cable por Franquicia

El 29 de Septiembre del 2006, el Gobernador Schwarzenegger firmo en ley una nueva legislación que permanentemente cambiaría el curso de regulación hacia los servicios de televisión por cable/vídeo en el Estado de California. El Acta 2006 de Infraestructura Digital y Competencia de Vídeo (AB 2987) establece a la Comisión de Utilidades Públicas de California como la única autoridad sobre la franquicia de televisión por vídeo en el Estado de California para todo nuevo proveedor de servicios de vídeo. AB 2987 entro en efecto el 1ro de Enero del 2007. La Ciudad seguirá teniendo superintendencia sobre los proveedores de televisión por cable que incumba a la ciudad como, Time Warner, Cox y Charter, bajo las leyes de franquicia concedidas a la Ciudad hasta el 1ro de Enero del 2008. Los proveedores de cable que incumben, se les permitirá buscar franquicia del estado a partir del 2 de Enero del 2008.

Antes de que pasara el acta AB 2987, tanto la ley Estatal como Federal reconocían la municipalidad local como autoridad sobre la franquicia y la apoderaba para negociar, conceder, e imponer convenios de franquicia. Además, la ley Estatal al igual que la Federal le permitía a la municipalidad local, redactar e imponer estándares de servicio al consumidor. **AB2987 elimina la autoridad de la Ciudad para negociar y conceder franquicias e imponer los estándares locales de servicio al consumidor. La Ciudad esta autorizada a imponer los estándares Estatales y Federales de servicio al consumidor.**

Conozca Sus Derechos – Obtenga los Hechos

Si usted cree que su proveedor de televisión por cable/vídeo no le ha proporcionado información de lleno, concierne a sus servicios de televisión por cable/vídeo o desea presentar una queja referente a servicios de televisión por cable/vídeo, por favor comuníquese con nosotros por teléfono, correo electrónico o por escrito a **Agencia de Información Tecnológica de la Ciudad de Los Angeles:**

Agencia de Información Tecnológica de la Ciudad de Los Angeles:

Information Technology Agency
Video Service Regulatory Division
Room 1255, City Hall East
200 North Main Street
Los Angeles, CA 90012
3-1-1 or (866) 452-2489
Fax: (213) 922-8385
ITA.ConsumerServices@lacity.org

Entonces (Antes de AB 2987)

División de Cable por Franquicia

I. Autoridad sobre Franquicia

- La Ciudad tenía autoridad entera sobre operadores de televisión por cable.

II. Servicio al Consumidor.

- La ciudad monitoreaba e imponía que se cumplieran los estándares de servicio Locales, Estatales y Federales.
- La Ciudad podía y promulgaba estándares Locales de servicio al consumidor mas estrictos que los estándares Estatales y Federales.

- La ciudad facilitaba la resolución de quejas de los subscriptores con los proveedores de televisión por cable.

- La ciudad monitoreaba e imponía provisiones de servicio adicionales, contenidas en los convenios de franquicia de la Ciudad.

III. Acceso Público, Educativo, y Gubernamental (P.E.G.)

- Operadores de televisión por cable proveen instalaciones de acceso al público y servicios.

- La ciudad regula e impone requisitos como lo mandan las directrices Locales (convenios de franquicia), Estatales y Federales.

- La Ciudad concedió el derecho a 6 canales de acceso P.E.G. por área de franquicia.

- La Ciudad dispone de dos canales interconectados a lo largo de toda la ciudad.

- Acceso Gubernamental – Canal 35 – LA CityView 35
- Acceso Educativo – Canal 36 – LACTAC

- 14 instalaciones de acceso Público y Educativo (P.E) disponibles para el uso del público a través de la Ciudad.

Ahora (A partir de AB 2987)

División de Servicios de Vídeo

I. Autoridad sobre Franquicia.

- El Estado de California (Comisión de Utilidades Públicas de California) es la única autoridad sobre los operadores de televisión por cable y proveedores de servicio de vídeo.

II. Servicio al Consumidor

- La Ciudad podrá imponer los estándares Estatales y Federales de servicio al consumidor, pero no puede adoptar o imponer ningún estándar de servicio o rendimiento al público que sea emitido por la Ciudad.

- La Ciudad podrá continuar facilitando la resolución de las quejas de los subscriptores con los operadores de televisión por cable y proveedores de servicio de vídeo.

- La Ciudad ya no podrá imponer provisiones de servicio adicionales que antes eran permitidas bajo la franquicia de la Ciudad.

- La Ciudad solamente podrá imponer los estándares locales hasta el 1ro de Enero del 2008.

III. Acceso Público, Educativo, y Gubernamental (P.E.G.)

- No existen requisitos para que los operadores de televisión por cable/vídeo proporcionen instalaciones o servicios P.E.G.

- La Ciudad solamente recibirá un apoyo financiero mínimo de parte del concesionario Estatal.

- Concesionarios Estatales deberán proveer el mismo número de canales P.E.G. activados y proveídos por los proveedores que incumben (4 canales).

- Pérdida de acceso P.E.G. si no se logra el umbral de 8 horas de programación original.

- Móvil para hacer posible canales adicionales de P.E.G. (56 horas de programación producida localmente por semana)

- Se requiere que los operadores de cable existentes, proporcionen instalaciones de estudio solamente hasta el 1ro de Enero del 2009.