Digital Infrastructure and Video Competition Act of 2006
Frequently Asked Questions

Q: What has changed in video franchising?

A: The Legislature passed, and Governor Schwarzenegger signed, Assembly Bill 2987 (Nunez), which established a new state video franchise process. The Digital Infrastructure and Video Competition Act of 2006 (DIVCA) creates a new state franchise process that replaces the current local franchise process to speed new infrastructure investment and to promote competition for broadband and video services in California.

Q: What is the California Public Utilities Commission's (PUC) role in video franchising?

A: DIVCA directs the California Public Utilities Commission (PUC) to issue state video franchises for the provision of video. The PUC has a limited role set forth by DIVCA that involves approving applications; enforcing antidiscrimination and build-out rules; preventing the use of stand-alone, residential, primary line, basic phone service revenues from being used to pay for deployment of video infrastructure; and handling complaints brought forth by local governments regarding discrimination or build-out.

Q: What aspects of video franchising does the PUC not regulate?

A: Local entities, not the PUC, have sole authority to regulate the public, education, and government (PEG) channel requirements; Emergency Alert System requirements imposed by the Federal Communications Commission; and federal and state customer service and protection standards. A local entity will be the lead agency for any environmental review with respect to network construction, installation, and maintenance in local rights-of-way. The PUC expects to work in partnership with the local entities to ensure that issues of concern are promptly dealt with.

Q: What is the main benefit of a state video franchise program?

A: This state video program facilitates market entry of those companies that are most eager to compete against existing cable and satellite video companies. Under current law, absent a state video franchise program, a company that wants to provide video service must obtain local cable franchises from each local city or town. This new law means that new video competitors may greatly speed up their deployment of state-of-the-art infrastructure that will deliver video and broadband services to Californians.

Q: What are the consumer benefits of the new video franchise order?

A: The California video franchise law will bring new competitors to cable and satellite video providers. This new competition is expected to drive down prices for video services (e.g., rates for cable and satellite video services from providers like DISH Network and DirecTV). Once this new advanced infrastructure is in place, it also may be used to provide very fast Internet service to consumers, in addition to new services like on-demand television, movies, music, and more.

Q: What is the PUC doing to protect consumers, especially low-income and rural Californians?

A: The PUC intends to vigorously enforce the antidiscrimination rules and build-out requirements of the DIVCA to ensure that the "Digital Divide" is narrowed in California. An enforcement process is set forth in the video franchise decision that makes it clear that the PUC intends to enforce these provisions, using sanctions ranging from monetary fines, suspension, and revocation of the video franchise license.

Q: Who will consumers call if they have a problem with their cable or video service bill?

A: Consumers will continue to contact their local franchise authority – usually a city or county – about their cable or video service bills. The PUC does not have authority to enforce customer service issues related to cable; that authority remains with local government pursuant to state and federal law.