

AMENDMENTS TO ASSEMBLY BILL NO. 2987  
AS AMENDED IN ASSEMBLY APRIL 6, 2006

## Amendment 1

On page 3, between lines 15 and 16, insert:

(5) Telephone corporations providing video service pursuant to this article shall not subsidize the cost of deploying network that is used to provide video service and other costs necessary to offer video service with revenue derived from the offering of basic telephone services.

## Amendment 2

On page 3, line 33, strike out "Corporations" and insert:

Consumer Affairs

## Amendment 3

On page 4, between lines 15 and 16, insert:

(j) "Open-video system" or "OVS" means those services set forth in Section 573 of Title 47 of the United States Code.

(k) "OVS operator" means any person or group of persons that either provides cable service over an open-video system directly, or through one or more affiliates, owns a significant interest in an open-video system, or that otherwise controls or is responsible for, through any arrangement, the management of an open-video system.

## Amendment 4

On page 4, line 16, strike out "(j)" and insert:

(l)

## Amendment 5

On page 4, between lines 18 and 19, insert:

(m) "State franchise" means a franchise that is issued pursuant to this article.

## Amendment 6

On page 4, line 19, strike out "(k)" and insert:

(n)



Amendment 7

On page 4, line 22, strike out "(l)" and insert:

(o)

Amendment 8

On page 4, line 26, strike out "(m)" and insert:

(p)

Amendment 9

On page 4, line 26, after "services" insert:

, cable service, or OVS service

Amendment 10

On page 4, line 27, strike out "wireline"

Amendment 11

On page 4, line 32, after "Code" insert:

or video programming provided via an Internet access service as that term is defined in Section 231(e)(4) of Title 47 of the United States Code

Amendment 12

On page 4, line 33, strike out "(n)" and insert:

(q)

Amendment 13

On page 4, line 34, strike out "a" and insert:

an incumbent

Amendment 14

On page 4, line 35, strike out "Corporations" and insert:

Consumer Affairs

Amendment 15

On page 4, line 36, strike out "state-issued authorization" and insert:

state franchise

Amendment 16

On page 4, line 37, strike out "cable service or"

Amendment 17

On page 4, line 39, strike out "state-issued authorization" and insert:

state franchise

Amendment 18

On page 5, line 1, strike out "state-issued authorization" and insert:

state franchise

Amendment 19

On page 5, lines 3 and 4, strike out "state-issued authorization" and insert:

state franchise

Amendment 20

On page 5, line 8, after "person" insert:

or corporation

Amendment 21

On page 5, line 10, strike out "state-issued authorization" and insert:

state franchise

Amendment 22

On page 5, line 15, strike out "state-issued authorization" and insert:

state franchise

Amendment 23

On page 5, line 39, after "rights-of-way" insert:

, including, but not limited to, payment of applicable encroachment, permit, and inspection fees

Amendment 24

On page 5, line 39, after the period, insert:

(D) That the applicant will concurrently deliver a copy of the application to any local entity where the applicant will provide service.

Amendment 25

On page 6, line 11, strike out "social economic" and insert:

socioeconomic

Amendment 26

On page 6, line 16, strike out "social economic" and insert:

socioeconomic

Amendment 27

On page 6, between lines 19 and 20, insert:

(9) Adequate assurance that the applicant possesses the financial, legal, and technical qualifications necessary to construct and operate the proposed system and promptly repair any damage to the public right-of-way caused by the applicant.

Amendment 28

On page 6, line 21, strike out "state-issued authorization" and insert:

state franchise and any affected local entities

Amendment 29

On page 6, line 25, strike out "certificate of state-issued authorization" and insert:

state franchise

Amendment 30

On page 6, line 38, strike out "state-issued authorization" and insert:

state franchise

Amendment 31

On page 7, line 1, strike out "cable service or"

Amendment 32

On page 7, line 2, strike out "or both" and insert:

in exchange for the franchise fee required in Section 53058.4

Amendment 33

On page 7, line 5, strike out "that" and insert:

video

Amendment 34

On page 7, line 9, strike out "state-issued authorization" and insert:

state franchise

Amendment 35

On page 7, line 10, strike out "cable operator or"

Amendment 36

On page 7, line 13, strike out "state-issued authorization" and insert:

state franchise

Amendment 37

On page 7, line 15, after "granted" insert:

, provided that the transferee first submits all of the information required of the applicant by this section to the department

Amendment 38

On page 7, line 17, strike out "state-issued authorization" and insert:

state franchise

Amendment 39

On page 7, line 20, strike out "state-issued authorization" and insert:

state franchise

Amendment 40

On page 7, line 27, strike out "state-issued authorization" and insert:

state franchise

Amendment 41

On page 7, line 32, strike out "state-issued authorization" and insert:

state franchise

Amendment 42

On page 7, line 35, strike out "state-issued authorization" and insert:

state franchise

Amendment 43

On page 7, line 38, strike out "state-issued authorization" and insert:

state franchise

Amendment 44

On page 8, line 5, strike out "state-issued authorization" and insert:

state franchise

Amendment 45

On page 8, line 8, strike out "state-issued authorization" and insert:

state franchise

Amendment 46

On page 8, line 9, strike out "or cable"

Amendment 47

On page 8, line 12, strike out "or cable"

Amendment 48

On page 8, line 16, strike out "state-issued authorization" and insert:  
state franchise

Amendment 49

On page 8, line 17, strike out "cable service or"

Amendment 50

On page 8, line 19, strike out "state-issued authorization" and insert:  
state franchise

Amendment 51

On page 8, line 20, strike out "state-issued authorization" and insert:  
state franchise

Amendment 52

On page 8, line 21, strike out "cable or"

Amendment 53

On page 8, line 31, strike out "state-issued authorization" and insert:  
state franchise

Amendment 54

On page 8, line 36, strike out "state-issued authorization" and insert:

state franchise

Amendment 55

On page 8, line 39, after the comma, insert:

the fee shall not be more than

Amendment 56

On page 9, line 6, strike out "cable operators and"

Amendment 57

On page 9, line 8, strike out "cable operators and"

Amendment 58

On page 9, lines 12 and 13, strike out "state-issued authorization" and insert:

state franchise based solely on its status as a provider of video or cable services

Amendment 59

On page 9, line 17, after "taxes" insert:

and other generally applicable taxes, fees, and charges

Amendment 60

On page 9, line 17, after "law" insert:

that are applied in a nondiscriminatory and competitively neutral manner

Amendment 61

On page 9, line 20, strike out "state-issued authorization" and insert:

state franchise



Amendment 62

On page 9, lines 26 and 27, strike out "state-issued authorization" and insert:  
state franchise, including all revenue related to programming provided to the  
subscriber, equipment rentals, late fees, and not sufficient fund fees

Amendment 63

On page 9, lines 28 and 29, strike out "state-issued authorization" and insert:  
state franchise

Amendment 64

On page 9, lines 31 and 32, strike out "state-issued authorization" and insert:  
state franchise

Amendment 65

On page 9, line 40, strike out "state-issued authorization" and insert:  
state franchise

Amendment 66

On page 10, line 2, strike out "cable service or"

Amendment 67

On page 10, line 21, strike out "state-issued authorization" and insert:  
state franchise

Amendment 68

On page 10, line 34, after the comma, insert:  
other than cable services or video services,

Amendment 69

On page 10, line 35, strike out "state-issued authorization" and insert:  
state franchise

Amendment 70

On page 11, line 2, strike out "state-issued authorization" and insert:

state franchise

Amendment 71

On page 11 , line 7, strike out "state-issued authorization" and insert:

state franchise

Amendment 72

On page 11, line 11, strike out "state-issued authorization" and insert:

state franchise

Amendment 73

On page 11, lines 23 and 24, strike out "state-issued authorization" and insert:

state franchise

Amendment 74

On page 11, lines 28 and 29, strike out "cable service or"

Amendment 75

On page 11, lines 30 and 31, strike out "state-issued authorization" and insert:

state franchise

Amendment 76

On page 11, line 38, strike out "state-issued authorization" and insert:

state franchise

Amendment 77

On page 12, line 2, strike out "state-issued authorization fee." and insert:

state franchise fee. If the holder does not pay the franchise fee when due, the holder shall pay a late payment charge at a rate per year equal to the highest prime lending

rate during the period of delinquency, plus 1 percent. If the holder has overpaid the franchise fee, it may deduct the overpayment from its next quarterly payment.

Amendment 78

On page 12, line 4, strike out "state-issued authorization" and insert:

state franchise

Amendment 79

On page 12, line 6, strike out "Each" and insert:

The holder shall keep all business records reflecting any gross revenues, even if there is a change in ownership, for at least four years after those revenues are recognized by the holder on its books and records. If the examination discloses that the holder has underpaid franchise fees by more than 5 percent during the examination period, the holder shall pay all of the reasonable and actual costs of the examination. If the examination discloses that the holder has not underpaid franchise fees, the local entity shall pay all of the reasonable and actual costs of the examination. In every other instance, each

Amendment 80

On page 12, line 16, strike out "state-issued authorization" and insert:

state franchise

Amendment 81

On page 12, line 17, strike out "state-issued authorization" and insert:

state franchise

Amendment 82

On page 12, line 19, strike out "state-issued authorization" and insert:

state franchise

Amendment 83

On page 12, line 21, strike out "a comparable number" and insert:

the same number

Amendment 84

On page 12, lines 21 and 22, strike out "or hours of programming, at the holder's discretion"

Amendment 85

On page 12, line 28, strike out "12" and insert:

six

Amendment 86

On page 12, line 30, strike out "12-month" and insert:

six-month

Amendment 87

On page 12, between lines 34 and 35, insert:

(b) The PEG channels shall be for the exclusive use of the local entity or its designee to provide public, educational, and governmental channels. PEG channels shall be used only for noncommercial purposes. However, advertising or sponsorship recognition may be carried on the channels for the purpose of funding the operation of the channels. The PEG channels shall all be carried on the basic service tier. To the extent feasible, PEG channels shall not be separated numerically from other channels carried on the basic service tier and the channel numbers for the PEG channels shall be the same channel numbers used by the incumbent cable operator unless prohibited by federal law. After the initial designation of PEG channel numbers, the channel numbers shall not be changed without the agreement of the local entity unless the change is required by federal law. Each channel shall be capable of carrying a National Television System Committee (NTSC) television signal.

Amendment 88

On page 12, line 35, strike out "(b)" and insert:

(c)

Amendment 89

On page 12, line 38, strike out "state-issued authorization" and insert:

state franchise

Amendment 90

On page 12, line 39, strike out "in a" strike out line 40, on page 13, strike out lines 1 and 2, and insert a period

Amendment 91

On page 13, line 3, strike out "12" and insert:

six

Amendment 92

On page 13, line 4, strike out "12-month" and insert:

six-month

Amendment 93

On page 13, between lines 9 and 10, insert:

(d) The holder shall provide an additional PEG channel when the locally produced, nonduplicated programming televised on a given channel exceeds \_\_\_\_\_ hours per week, not including televised public meetings or classes in an accredited learning institution, as measured on a quarterly basis. The additional channel shall not be used for any purpose other than to continue programming additional government, education, or public access television.

Amendment 94

On page 13, line 10, strike out "(c)" and insert:

(e)

Amendment 95

On page 13, lines 15 and 16, strike out "state-issued authorization" and insert:

state franchise

Amendment 96

On page 13, line 18, strike out "(d)" and insert:

(f)

Amendment 97

On page 13, line 21, strike out "state-issued authorization" and insert:

state franchise

Amendment 98

On page 13, line 24, strike out "(e)" and insert:

(g)

Amendment 99

On page 13, line 26, strike out "state-issued authorization" and insert:

state franchise

Amendment 100

On page 13, line 27, strike out "capable of being accepted and transmitted by the" strike out lines 28 and 29, in line 30, strike out "network, and that is" and insert:

standard in the industry. The holder shall be responsible for any changes in the form of the transmission necessary to make it

Amendment 101

On page 13, line 33, strike out "state-issued authorization" and insert:

state franchise

Amendment 102

On page 13, line 37, strike out "(f)" and insert:

(h)

Amendment 103

On page 13, lines 37 and 38, strike out "state-issued authorization" and insert:

state franchise

Amendment 104

On page 14, lines 2 and 3, strike out "state-issued authorization" and insert:  
state franchise

Amendment 105

On page 14, line 6, strike out "state-issued authorization" and insert:  
state franchise

Amendment 106

On page 14, strike out lines 8 and 9, in line 10, strike out "channel originator" and insert:

the local entity may require the incumbent cable operator to allow the holder to interconnect its network with the incumbent's network

Amendment 107

On page 14, line 11, after "network" insert:

as identified by the holder. If no technically feasible point for interconnection is available, the holder of a state franchise shall make an interconnection available to the channel originator and shall provide the facilities necessary for the interconnection

Amendment 108

On page 14, line 12, strike out "(g) A holder of a state-issued authorization" and insert:

(i) A holder of a state franchise

Amendment 109

On page 14, line 15, after the period, insert:

For purposes of this section, PEG content is not branded if it includes only production credits or other similar information displayed at the conclusion of a program.

## Amendment 110

On page 14, between lines 19 and 20, insert:

(j) In addition to any provision for PEG channels required under subdivisions (a) to (k), inclusive, the holder shall reserve, designate, and activate a channel for carriage of public affairs programming that includes live and recorded coverage of state government and state legislative activities originated by the California Channel and designate and activate a channel for carriage of public affairs programming originated by C-Span.

## Amendment 111

On page 14, line 20, strike out "(h)" and insert:

(k)

## Amendment 112

On page 14, line 32, strike out "(i)" and insert:

(l)

## Amendment 113

On page 15, strike out lines 10 to 24, inclusive, and insert:

(m) If there is no incumbent cable operator, or upon the expiration of the incumbent cable operator's franchise, a local entity may, by ordinance, establish a fee to support the capital costs of public, educational, and governmental access channel facilities and to support institutional network facilities. The fee shall not exceed the per subscriber fee paid under subdivision (k), if such a fee was paid, or \_\_\_ percent of the holder's gross revenues, as defined in Section 53088.4, earned in the local entity, whichever is lower. The fee shall be deposited in a special fund established by the local entity to be used solely for the purposes provided for in this section.

## Amendment 114

On page 15, line 25, strike out "(k)" and insert:

(n)



Amendment 115

On page 15, line 36, strike out "(l) The holder of a state-issued authorization" and insert:

(o) The holder of a state franchise

Amendment 116

On page 16, line 1, strike out "(m)" and insert:

(p)

Amendment 117

On page 16, between lines 6 and 7, insert:

53058.6. Holders of state franchises shall comply with the Emergency Alert System requirements of the Federal Communications Commission in order that emergency messages may be distributed over the holder's network.

Amendment 118

On page 16, line 7, strike out "53058.6." and insert:

53058.7.

Amendment 119

On page 16, line 8, strike out "state-issued authorization" and insert:

state franchise

Amendment 120

On page 16, line 14, strike out "state-issued authorization" and insert:

state franchise

Amendment 121

On page 16, line 17, strike out "53058.7." and insert:

53058.8.

Amendment 122

On page 16, line 18, strike out "state-issued authorization" and insert:

state franchise

Amendment 123

On page 16, strike out lines 24 to 39, inclusive, on page 17, strike out lines 1 to 31, inclusive, and insert:

(b) It is the intent of the Legislature that the principles for competition in the provision of video service will require a level playing field to assure that competition is fair, will require widespread build-out of state-of-the-art services so that competition can benefit the greatest number of customers, and will prohibit discrimination, redlining, and service abandonment so that a lack of competition will not be detrimental to customers.

Amendment 124

On page 17, line 32, strike out "53058.8." and insert:

53058.9.

Amendment 125

On page 17, line 32, strike out "The holder of a state-issued authorization" and insert:

(a) The holder of a state franchise

Amendment 126

On page 17, strike out lines 34 to 39, inclusive, and insert:

and 53088.2, and any other customer service standards pertaining to the provision of video service required to be enforced by federal law, adopted by the department pursuant to subdivision (q) of Section 53088.2, or adopted by subsequent enactment of the Legislature.

Amendment 127

On page 17, below line 39, insert:

(b) The local entity shall enforce all of the customer service and protection standards of this section with respect to complaints received from residents within the local entity's jurisdiction, but it may not adopt or seek to enforce any additional or

different customer service or other performance standards under Section 53055.3, subdivision (q), (r), or (s) of Section 53088.2, or any other authority or provision of law.

(c) The local entity may, by ordinance, provide a schedule of penalties for the material breach by a holder of a state franchise of this section. No monetary penalties shall be assessed for a material breach if the breach is out of the reasonable control of the holder. Further, no monetary penalties may be imposed prior to the effective date of this section. Any schedule of monetary penalties adopted pursuant to this section shall in no event exceed two hundred dollars (\$200) for each day of each material breach, not to exceed six hundred dollars (\$600) for each occurrence of material breach. However, if a material breach of this section has occurred and the city, county, or city and county has provided notice and a fine or penalty has been assessed, in a subsequent material breach of the same nature occurring within 12 months, the penalties may be increased by the city, county, or city and county to a maximum of four hundred dollars (\$400) for each day of each material breach, not to exceed one thousand two hundred dollars (\$1,200) for each occurrence of the material breach. If a third or further material breach of the same nature occurs within those same 12 months, and the city, county, or city and county has provided notice and a fine or penalty has been assessed, the penalties may be increased to a maximum of one thousand dollars (\$1,000) for each day of each material breach, not to exceed three thousand dollars (\$3,000) for each occurrence of the material breach. With respect to video providers subject to a franchise or license, any monetary penalties assessed under this section shall be reduced dollar for dollar to the extent any liquidated damage or penalty provision of a current cable television ordinance, franchise contract, or license agreement imposes a monetary obligation upon a video provider for the same customer service failures, and no other monetary damages may be assessed.

(d) If the local entity adopts a schedule of monetary penalties, the following procedures shall be followed:

(1) The local entity shall give the video provider written notice of any alleged material breaches of the consumer service standards of this division and allow the video provider at least 30 days from receipt of the notice to remedy the specified breach.

(2) A material breach for the purposes of assessing penalties shall be deemed to have occurred for each day, following the expiration of the period specified in paragraph (1), that any material breach has not been remedied by the video provider, irrespective of the number of customers affected.

(e) This section shall not preclude a party affected by this section from utilizing any judicial remedy available to that party without regard to this section. Actions taken by a local legislative body, including a franchising authority, pursuant to this section shall not be binding upon a court of law. For this purpose, a court of law may conduct de novo review of any issues presented.

Amendment 128

On page 18, line 1, strike out "53058.9." and insert:

53058.10.

Amendment 129

On page 18, line 1, strike out "state-issued authorization" and insert:

state franchise

Amendment 130

On page 18, line 15, strike out "state-issued authorization" and insert:

state franchise

Amendment 131

On page 18, line 34, strike out "53058.10." and insert:

53058.11.

Amendment 132

On page 18, line 34, strike out "state-issued authorization" and insert:

state franchise

Amendment 133

On page 18, line 38, strike out "workforce" and insert:

holder

Amendment 134

On page 18, line 40, after the period, insert:

(3) The types and numbers of jobs by occupational classification held by residents of California employed by holders of state franchises and the average pay and benefits of those jobs and, separately, the number of corporations headquartered outside of California.

Amendment 135

On page 19, line 1, strike out "(3)" and insert:

(4)

Amendment 136

On page 19, line 1, after "California" insert:

and separately, the number of out-of-state

Amendment 137

On page 19, line 2, after "contractors" insert:

, companies,

Amendment 138

On page 19, line 5, after "contractor" insert:

, company,

Amendment 139

On page 19, between lines 11 and 12, insert:

(5) The holder of net new positions proposed to be created directly by the holder of a state franchise during the upcoming year by occupational classifications and by category of full-time, part-time, temporary, and contract employees.

Amendment 140

On page 19, line 13, strike out "state-issued authorizations" and insert:

state franchises

Amendment 141

On page 19, line 19, strike out "53058.11." and insert:

53058.12.