



DATE: March 28, 2017

CATEGORY: Consent

DEPT.: City Manager's Office

TITLE: **Ordinance Reauthorizing and Readopting the City's Public, Educational, and Governmental Access Support Fee (Second Reading)**

RECOMMENDATION

Adopt an Ordinance Amending Chapter 37 of the Mountain View City Code, Reauthorizing and Readopting the City's Public, Educational, and Governmental Access Support Fee (Attachment 1 to the Council report). (First reading: 7-0)

SUMMARY

On March 21, 2017, Council introduced an ordinance amending Chapter 37 of the Mountain View City Code, reauthorizing and readopting the City's Public, Educational, and Governmental (PEG) Access Support Fee. This ordinance reaffirms State franchise holders operating in Mountain View must pay a PEG Access Support Fee of 1.37 percent of gross revenues.

Assembly Bill 2987, the Digital Infrastructure and Video Competition Act, which enacted Public Utilities Code Sections 5800-5970 (DIVCA), went into effect on January 1, 2007. DIVCA established a new framework for the regulation of cable television, replacing local franchising with a State franchising system administered by the California Public Utilities Commission (CPUC). Local jurisdictions retain the authority to pass ordinances that allow them to monitor customer service performance as well as impose and collect fees for the provision of Public, Educational, and Governmental (PEG) access channels.

Public Utilities Code Section 5870(n) provides that if, on December 31, 2006, a local entity is imposing a separate fee to support PEG channel facilities that is in excess of 1 percent, that entity may, by ordinance, establish a fee no greater than that separate fee, and in no event greater than 3 percent, to support PEG activities. This section further provides that the ordinance shall expire, and may be reauthorized, upon the expiration of the State franchise. AT&T's current franchise with the CPUC expires on March 30, 2017; thus, an ordinance reauthorizing and readopting the City's PEG Access Support

Fee is necessary. The ordinance also contains provisions which address future expirations of other video franchise holders in the City.

FISCAL IMPACT

This ordinance reauthorizes Chapter 37 of the Mountain View City Code and reaffirms that State franchise holders operating in Mountain View must pay a PEG Access Support Fee of 1.37 percent of gross revenues. Fiscal Years 2013-14 through 2015-16, the City collected an average of \$248,237 per year in PEG fees. The City uses PEG funds for PEG-related capital costs and provides PEG funds to KMVT for use in accordance with DIVCA.

ALTERNATIVES

If the City does not adopt this ordinance, the 1.37 percent PEG Access Support Fee will expire March 30, 2017. The City will lose approximately \$248,000 annually in PEG fees.

PUBLIC NOTICING

Agenda posting and a copy of report was provided to AT&T and Comcast. The ordinance was published at least two days prior to adoption in accordance with City Charter Section 522.

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MEG/5/CAM
612-03-28-17CR-E

Attachment: 1. Ordinance