



Information Item

Date: January 21, 2009

To: Mayor and City Council

From: Kathryn Vernez, Assistant to the City Manager, Community and Government Relations

Subject: Status of Public Access Cable Television in Santa Monica

Introduction

As of January 1, 2009 Time Warner Cable is no longer providing public access cable television studios, or facilities to Santa Monica producers due to the new State franchise agreement.

Time Warner has provided cable television services to Santa Monica solely under a State franchise agreement since January 2008. Time Warner has no local cable television franchise. Under the State franchise there is no requirement that Time Warner provide for public access television effective January 2009. Although the State franchise provides some funding to cities to support Public, Educational, and Government (PEG) access, this funding is not adequate to support a full-time Santa Monica public access facility similar to what was previously provided by Time Warner at their Nebraska Avenue offices which included ongoing operational costs.

The status of public access in the region may change in the near future depending on what the City of Los Angeles does in the area of public access over the next year. If the City of Los Angeles chooses to continue to support public access by providing a facility for public access producers, the City of Santa Monica may be able to negotiate a joint usage agreement so Santa Monica public access users may have access to these Los Angeles facilities.

Background

Public access is a local cable television channel that provides airtime to users on a first-come, first-served non-discriminatory basis. Prior to the passage of the Digital Infrastructure and Video Competition Act of 2006, cable operators were subject to local city franchising requirements and, many provided video production equipment, studios, cameras and edit bays to support the making of programs for the public access channel.

Santa Monica public access users have had public access facilities made available to them because local cable television franchise agreements required that the cable company provide them as part of its benefits to the public. In recent years, as public access was provided by Time Warner, the City of Santa Monica cable television franchise did not have to mandate specific requirements for public access.

Historically, Santa Monica public access producers have used the public access facilities of Time Warner Cable located on Nebraska Avenue in Santa Monica. Residents had been able to use a three-camera studio, channel time, edit bays and portable production equipment at no cost to produce their public access programs.

Generally, public access program content may consist of: talk, religion, music/variety, sports and adult content. Because of the varied program content, there is a question as to whether it should be managed by the City or by an outside agency or board. In other cities, non-profits often sponsor or partner to manage public access channels.

According to Time Warner staff, there are approximately 51 Santa Monica public access producers. Forty-six (46) of them use the production facilities and five of them use airtime only. Approximately 100 times a year a Santa Monica resident produces a show in the studio which resulted in approximately 300 programs per year airing on the public access channel. These 300 programs per year translated into 6 days of programming on an annual basis. Due to Time Warner's regional approach to public access, Santa

Monica public access programs aired beyond Santa Monica and could be seen in parts of the City of Los Angeles.

In 2006, the California Public Utilities Commission (CPUC) was given the authority to grant state video service and cable franchises pursuant to the Digital Infrastructure and Video Competition Act of 2006, thereby removing the authority of cities to set the terms under which video providers operate in a community. The CPUC approved a franchise for Verizon on March 8, 2007. The CPUC approved a state franchise for Time Warner effective in January 2008. Under the new terms of DIVCA, Time Warner shut down all of its public access facilities as of January 1, 2009.

Discussion

The state franchising law permits the City to assess a fee not to exceed 1% of gross revenues to support Public, Educational and Governmental (PEG) activity. This PEG fund is estimated to be approximately \$240,000 per year. Under Federal law, this fund is to be used for capital only, not for operating expenses. Additionally, in accordance with the state franchise the City collects an estimated \$691,500 in revenue from the cable television operators (based on 3 percent of gross revenues), which is placed into the General Fund. This revenue only partially funds the "G" government access operation of CityTV that creates local original programming as well as city-wide meeting, events and issues coverage. The CityTV budget in FY2008-09 is over \$1.3 million; the additional funds to support government access programming are provided by the City's General Fund revenues.

In Los Angeles a minimum of four PEG Access channels will be retained, as these are property entitlements to the City, however there is no provision for any public access studios or facilities. Public access channel time would be on a shared usage channel due to the City of Los Angeles' budgetary constraints. There is currently a pending motion by Los Angeles City Councilman Bill Rosendahl that would provide funding and

support for public access studios in Los Angeles. This motion will go to the Budget and Finance Committee of the Los Angeles City Council in mid-January. City staff will keep the City Council updated on the status of public access in Los Angeles and how it might affect public access in the City of Santa Monica, including any options for a regional solution.

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