



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 15, 2011

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: Memorandum Of Understanding For Early Digital Transition Of PEG Access Channels On The Cox Cable System

RECOMMENDATION:

That Council authorize the City Administrator to execute a Memorandum of Understanding with CoxCom, LLC (dba Cox Communications), the County of Santa Barbara, and the cities of Carpinteria and Goleta for the early transition of the Santa Barbara South Coast PEG channels from an analog format to a digital format on the regional cable system.

DISCUSSION:

Background

Cox Communications currently operates a regional cable system in the Santa Barbara South Coast region ("South Coast"), providing cable television service to the cities of Santa Barbara, Goleta and Carpinteria and the nearby unincorporated regions of the County of Santa Barbara. Within the City of Santa Barbara, Cox operates in the public right-of-way for the provision of cable services under a non-exclusive state video franchise authorized under Digital Infrastructure and Video Competition Act of 2006 ("DIVCA"). The other local jurisdictions in the region have each entered into non-exclusive cable franchise agreements with Cox, thereby allowing Cox to operate in the public right-of-way within their jurisdictional boundaries.

Under DIVCA and the Federal Telecommunications Act of 1996, local governments can require cable service providers to contribute public, educational and government access funding and channel space as a condition of operating in the public right-of-way. Currently, Cox provides seven public, education and government ("PEG") access channels in the South Coast region. The County of Santa Barbara and the cities of Santa Barbara, Carpinteria and Goleta each have their own government access channel. The City's government access channel is Channel 18 which is managed and programmed by City staff. The public and educational access channels are shared across the entire region on Channels 17 and 21, and are managed and programmed by the Santa Barbara Channels. A new higher education access channel will be managed by UCSB and initially programmed with UCTV content when the new channel goes live later this year.

Proposal for the Early Digital Transition of PEG Access Channels

Late last year, Cox approached the City and the other South Coast governments with a proposal to transition the seven PEG access channels to digital format before full digital transition of its analog channels on or before December 31, 2012. The early transition would create additional bandwidth on the cable system since each analog channel creates up to 5 digital channels after conversion. The additional bandwidth would allow Cox to offer additional pay-per-view ("PPV"), high definition ("HD"), and on demand programming in the interim before full digital transition of its channels. In exchange for the early transition, Cox would provide various forms of compensation to the local governments according to each government's needs. Cox would also provide affected subscribers all equipment necessary to view the digital PEG access channels and install the equipment free of charge. Only cable subscribers without a digital-ready television would be affected by the change. For the City, Cox estimates this number to be approximately 1,400 subscribers.

Under the proposal, there are several changes to PEG access channel numbers which would allow South Coast residents for the first time to view all seven PEG channels regardless of their location in the region. Currently, Carpinteria's government access channel shares a channel number with the City of Santa Barbara. As a result, Carpinteria residents are unable to view Santa Barbara's government access broadcast and vice versa. Carpinteria's government access channel would be moved to its own channel number, Channel 21. The existing educational access Channel 21 would be moved to Channel 71, next to the new UCSB higher educational access channel, Channel 72. After the full digital transition in December 2012, both education access channels would be moved to Channels 22 and 23, placing them adjacent to the band of government and public access channels (Channels 17 through 21). There would be no changes to the City, County, and Goleta governmental access or the public access channel numbers during the early digital transition or after full transition. The City's government access channel would remain on Channel 18 for the foreseeable future.

Cox would give various forms of compensation to the local governments as part of the proposal. To the City, Cox would continue providing through December 31, 2017: free internal electronic communications services ("intranet services") to existing free moderate volume City facilities, the current subsidized rate for intranet services to high volume City facilities, free cable drops, and free monthly cable service to existing City buildings and facilities. These free or subsidized services were requirements of the City's previous 1999 cable franchise agreement with Cox, but cannot be mandated at Cox under the state DIVCA after Cox secured a state video franchise from the California Public Utilities Commission to provide cable service within our City boundaries in December 2010.

The proposed agreement is the culmination of many months of work between City staff, staff from the other South Coast governments, and Cox representatives. With the proposed action, the City Administrator will be authorized to execute the necessary multi-agency agreement with Cox on behalf of the City.

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APPROVED BY: City Administrator's Office