



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 14, 2017
TO: Mayor and Councilmembers
FROM: Administration Division, Finance Department
SUBJECT: Presentation From Cox Communications On The State Of Cable Services

RECOMMENDATION:

That Council hear a presentation from representatives of Cox Communications regarding the state of cable and related services offered to the community.

DISCUSSION:

Cox Communications ("Cox") provides cable television, internet and Voice (i.e., telephone) Over Internet Protocol (VOIP) services to the City of Santa Barbara. Until 2010, Cox provided cable television services under a non-exclusive local franchise agreement with the City. However, the Digital Infrastructure and Video Competition Act of 2006 allowed cable companies to shift from a local to a state franchise agreement, which Cox did in 2010 when the term of the City franchise agreement expired. As a result, Cox is now regulated by the California Public Utilities Commission and the City has no authority to regulate such things as programming or pricing. The City does have some ability, however, to influence certain customer service elements.

The telecommunications industry has gone through many changes over the last decade. Companies that have historically provided telephone services have crossed over into the video arena; and conversely, companies that have previously provided primarily cable television services, such as Cox, have expanded, and now provide internet and telephone services. The latest development in the telecommunications industry is the growth of video services provided via the internet. It began with companies, such as Netflix, offering downloadable movies on-line; but it is rapidly evolving such that many companies, including Hulu and Google TV, are now offering live broadcast television through the internet for a monthly subscription fee. This trend is expected to continue. As a result, the lines between video services provided by cable companies and video services provided by internet-based companies will become much more blurry from a consumer perspective.

The City has requested that Cox provide the City Council and the community with a status of cable services nationally and locally, industry trends including how it is

responding to current and emerging changes in how video services are being accessed, and efforts Cox is making to improve services for Santa Barbara customers.

PREPARED BY: Robert Samario, Finance Director

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office