

SENATE THIRD READING  
SB 28 (Caballero)  
As Amended August 30, 2021  
Majority vote

## SUMMARY

This bill makes various changes to the Digital Infrastructure and Video Completion Act of 2006, including revising the type of information collected by the California Public Utilities Commission (CPUC) from holders of a state franchise.

### Major Provisions

- 1) Requires the CPUC to collect granular data on the actual locations served by the holder of a state franchise.
- 2) Repeals existing law that requires holders of a state franchise to annually report, on a census tract basis, specified information to the CPUC.
- 3) Requires the CPUC to adopt customer service requirements and adjudicate any customer complaints against a state franchise.
- 4) Requires that the CPUC shall not disclose any personally identifiable information collected pursuant to this bill.

## COMMENTS

- 1) *Digital Infrastructure and Video Completion Act of 2006.* In 2006, the Legislature passed and Governor Schwarzenegger signed into law AB 2987 (Núñez), Chapter 700, Statutes of 2006 - the Digital Infrastructure and Video Competition Act of 2006 (DIVCA). Prior to DIVCA, cable television franchises were issued by cities and counties. A franchise is a government authorization to construct and operate a cable video system. DIVCA replaced the local franchising scheme with one in which the CPUC is the sole video franchising authority in the state. DIVCA's goals deal not only with video franchises, but with increasing the deployment of broadband infrastructure within California, particularly to unserved and underserved areas.
- 2) *Data granularity: census tract vs. household level.* Current law under DIVCA requires franchise holders to annually report to the CPUC, on a census tract basis, various pieces of information, including broadband information, video information, and low-income household information. However, census tract information does not provide the granularity to understand the full extent of broadband deployment in particular locations. For example, a census tract is considered to be served so long as one household is offered service and regardless of how many are not. As a result, the census tract level reporting can give an unreliable accounting of locations that are actually offered service.

This bill directs the CPUC to collect granular data on the actual locations served by a holder of a state franchise, which will enable the CPUC to collect information at a level more granular than a census tract, such as the household level. The bill also places privacy and confidentiality requirements on the granular data collected by the CPUC.

- 3) *Customer service requirements.* Existing federal laws authorizes local franchising authorities, such as the CPUC, to adopt customer service requirements. However, DIVCA currently prevents the CPUC from adopting customer service requirements. This bill will provide the CPUC with express authorization to adopt customer service requirements and adjudicate any complaints arising against a franchise holder.

### **According to the Author**

"Over 2 million Californians struggle to participate in the 21st Century way of life – children required to learn remotely, employees required to work from home, and businesses forced to conduct online sales and services – because of inferior or non-existent broadband. Rural communities with low population density and low-income residents still lack broadband, as do urban low-income communities. SB 28 provides a solution, without new fees or taxes, by ensuring that digital video franchise license holders meet their license obligations in a non-discriminatory manner."

### **Arguments in Support**

Supporters of this bill argue that granular data collection will give the CPUC more information in order to ensure holders of a state franchise are meeting the legal obligations included in their franchise agreements, such as non-discrimination terms. Further, granular data collection can help prevent "digital redlining", wherein lower income neighborhoods experience the largest digital divides.

### **Arguments in Opposition**

Opponents of this bill have raised concerns about granular data collection, arguing that it authorizes the CPUC to collect detailed proprietary information about franchise holders businesses and subscribers without sufficient assurances that the information would remain confidential.

## **FISCAL COMMENTS**

According to the Assembly Appropriations Committee, Costs to the CPUC of an unknown, but significant amount, possibly in the high hundreds of thousands of dollars annually, to the CPUC to develop and implement data reporting requirement and to accept, organize and analyze data (special fund).

## **VOTES**

### **SENATE FLOOR: 36-0-4**

**YES:** Allen, Archuleta, Atkins, Becker, Borgeas, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Grove, Hertzberg, Hueso, Hurtado, Jones, Kamlager, Laird, Leyva, Limón, McGuire, Min, Newman, Nielsen, Ochoa Bogh, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

**ABS, ABST OR NV:** Bates, Dahle, Melendez, Wilk

### **ASM COMMUNICATIONS AND CONVEYANCE: 9-0-4**

**YES:** Santiago, Bennett, Bryan, Eduardo Garcia, Holden, Low, Quirk-Silva, Rodriguez, Akilah Weber

**ABS, ABST OR NV:** Patterson, Boerner Horvath, Davies, Valladares

**ASM PRIVACY AND CONSUMER PROTECTION: 11-0-0**

**YES:** Gabriel, Kiley, Bauer-Kahan, Bennett, Berman, Carrillo, Chau, Cunningham, Gallagher, Irwin, Wicks

**ASM APPROPRIATIONS: 12-0-4**

**YES:** Lorena Gonzalez, Bryan, Calderon, Carrillo, Chau, Gabriel, Eduardo Garcia, Levine, Quirk, Robert Rivas, Akilah Weber, Kalra

**ABS, ABST OR NV:** Bigelow, Megan Dahle, Davies, Fong

**UPDATED**

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