



Meeting Date 2/13/2007

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input checked="" type="checkbox"/> Study Session

Prepared By: Dennis L. Scala, City Manager's Office

Agenda Item No. R-2

Reviewed By: City Manager MMH

City Attorney PAH

Finance SW

Other (Specify) _____

DATE: January 4, 2007

TO: City Council

FROM: Dennis L. Scala, Management Analyst
City Manager's Office

SUBJECT: Time Warner Cable Price and Programming Changes.

RECOMMENDATION

That City Council consider a report concerning Time Warner Cable's Price and Programming Changes and provide direction to the City Manager

DISCUSSION

After receiving several comments from Time Warner Cable's subscribers concerning recently announced price and programming changes, City Council directed staff to return with a study session to provide additional information relating to the changes. Staff will provide a brief report concerning the role the City can play relating to the pricing and programming structure of Time Warner Cable, as well as a brief discussion of the impact recent State legislation has on the City's ability to franchise cable companies in the future. Staff has also invited representatives of Time Warner Cable to discuss the price and programming changes in more detail.

Federal and State law currently requires cable television providers to obtain franchise agreements from cities and counties to operate a cable television system within its boundaries. Currently, Time Warner Cable (TW Cable) has entered into a franchise agreement with the City that authorizes it to operate a cable television system within the incorporated area of the City of Oxnard. The franchise agreement grants TW Cable the right to use public right-of-way to install a cable TV system in exchange for a 5% franchise fee. The franchise agreement also grants the City the authority to regulate the rate charged for the basic tier of service and establish customer services standards. Additionally, the franchise agreement requires TW Cable to maintain five television channels, within the basic tier of service, for the broadcast of City government, public access programming, and educational programming. Federal and State law does not allow the City to regulate the rate a cable operator may charge for service tiers above the basic tier of service, nor does it allow the City to regulate the programming lineup that is offered on tiers of service above the basic tier of service.

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The City's ability to regulate cable TV providers will be further restricted with the recent passage of State legislation entitled the "Digital Infrastructure and Video Competition Act of 2006" which establishes statewide franchises and eliminates local franchises for cable TV services. The legislation, which was passed into law in late 2006, also:

1. Threatens public access programming by placing a cap on funding provided by cable TV operators for such services at 1% of gross revenues.
2. Eliminates local customer service standards, and
3. Allows already franchised cable TV operators to cancel local franchise agreements in favor of statewide franchise agreements.

Representatives of TW Cable will also provide a brief presentation outlining their price and programming changes.

FINANCIAL IMPACT

There is no financial impact as a result of TW Cable's price and programming changes.

(DLS, dls)