**Assembly Bill 41 Digital Equity in Video Franchising Act of 2023**

**Assemblymember Chris R. Holden**

## SUMMARY

Assembly Bill 41 Digital Equity in Video Franchising Act of 2023 (DEVFA) revises existing law pertaining to cable operators and state video franchising to create a fair and transparent renewal process at the California Public Utilities Commission. This bill updates anti-discrimination requirements and requires holders of a video franchise to provide equal access to video service.

## BACKGROUND

Existing law, the Digital Infrastructure and Video Competition Act (DIVCA) was passed in 2006 to encourage competition in the cable market with the intent of benefitting consumers by lowering prices and promoting the expansion of services, including broadband. Over 18 years later, it is clear that DIVCA has fallen short of its promises given the amount of households that still lack access to broadband services.

The Covid-19 Pandemic exposed many of the connectivity issues that exist across the state when schools and some businesses began to transition to remote work. Three in ten households still lacked access to either reliable internet or a device in spring 2021.[[1]](#footnote-1) Low-income households earning less than $50,000 a year were less likely to have access to broadband.[[2]](#footnote-2) In California, 5.5% of residents

don't have adequate broadband infrastructure and 59.2% live in areas that have only one internet provider.[[3]](#footnote-3) It seems location and income play major roles in the broadband services available.

Furthermore, existing outdated anti-discrimination statutes and a lack of focus for digital equity issues reflected in the existing law generates little incentive for providers to give equal service to low-income underserved and, unserved areas. This issue does not just effect rural counties, it is also seen in urban areas where “donut holes” of service remain that should be served by existing companies. This issue is evident in urban communities that do not have the same access to high speed fiber internet as their neighboring communities, or when existing subscribers are not offered an opportunity to subscribe to the highest speeds.[[4]](#footnote-4)

## EXISTING LAW

**Public Utilities Code 5800-5900: The Digital Infrastructure and Video Competition Act**

* Requires cable companies to receive a license, or a franchise, from the CPUC to operate. [5840(a)]
* Requires franchise holders to pay franchise fees to local governments. (Section 5860)
* Constrains the authority of the CPUC [Section 5840(b)]
* Creates inconsistent standards for discrimination against potential subscribers. (Section 5890)

## THE SOLUTION

AB 41 will update and address persistent issues with the Digital Infrastructure and Video Competition Act of 2006 by:

* Renaming DIVCA to the Digital Equity in Video Franchising Act (DEVFA).
* Extends State Video Franchise application deadlines
* Require the PUC to hold public hearing for each renewal of state franchise.
* Aligns Commission’s authority with Federal Law and require build-out of services.
* Strengthen anti-discrimination statutes
* Provider subscribers with a right of equal access to video service.
* Increase maximum fine amounts for equal access violation and material breaches.

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## SUPPORT

California Community Foundation (Co-sponsor)

Common Sense Media (Co-sponsor)

NextGen California (Co-sponsor)

Access Humboldt

Altadena Library District

California Black Health Network

County of San Diego

League of California Cities

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1. Person, Hayes, J., & Gao, N. *Achieving Digital Equity for California's students*. Public Policy Institute of California. <https://www.ppic.org/publication/achieving-digital-equity-for-californias-students/> [↑](#footnote-ref-1)
2. Ibid [↑](#footnote-ref-2)
3. *The need for action in California - white house*. <https://www.whitehouse.gov/wp-content/uploads/2021/04/AJP-State-Fact-Sheet-CA.pdf> [↑](#footnote-ref-3)
4. *Www.calfund.org*. <https://www.calfund.org/wp-content/uploads/Pricing-Disparities-Report.pdf>

 [↑](#footnote-ref-4)