

CITY OF HERMOSA BEACH
CABLE TELEVISION ADVISORY COMMISSION

Date: April 28, 2005

To: Cable Television Advisory Commission

From: Michael Earl, Staff Liaison

Subject: Update on Verizon Fiber Optic System Upgrade and Video Programming Franchise

As previously reported, Verizon Communications has proposed to upgrade their existing telephone and data service by installing fiber optic cable throughout the City. Once installed, Verizon intends to develop and offer video-programming services similar to those provided by cable television. Initially Verizon applied for encroachment permits to begin work installing the fiber cable. The first few permits were issued and construction began. However, the City put a hold on issuing any further permits until issues were clarified regarding the requirement for Verizon to obtain a franchise to offer video service and to resolve issues regarding the placement of equipment pedestals in the public right-of-way. On Tuesday, April 26, the City Council reviewed the locations for the proposed pedestals and appointed the Mayor to work with the City staff and Verizon to determine the best locations for the pedestals with the least impact to the community. The final approval of the locations for the pedestals will be brought back to the City Council on May 10, 2005. Once the locations are approved and Verizon submits a letter stating that they will not begin offering video programming services until such time as they have an approved franchise agreement with the City, the permits will be issued and construction of the system will continue.

Staff has had one meeting with Verizon representatives regarding development of a video franchise agreement. Verizon has provided a draft agreement as a starting point for discussing this issues. It is anticipated that we will be able to develop a draft franchise agreement with Verizon that is comparable to the terms of the Adelphia franchise. Once a draft franchise agreement has been developed, staff will present it to the Cable Television Advisory Commission for comment. We will also request Verizon to address in their franchise any issues raised as a result of the community survey