

COUNTY OF MONTEREY

DEPARTMENT OF INFORMATION TECHNOLOGY

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DRAFT FOR BOARD OF SUPERVISORS' CONSIDERATION

December __, 2017

Felix Robles, Supervisor
Communications Division
High-Cost Support and Surcharge Section
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: Monterey County's Letter of Support for Section 320 Deviation Request for Charter Communications

Dear Mr. Robles:

The Monterey County Board of Supervisors has authorized me to convey Monterey County's support for Charter's request for an exemption to Section 320 of the Public Utilities Code.

We understand that the Section 320 exemption is sought for approximately 16 miles, along Highways 1 and 68, where Charter is upgrading its systems pursuant to a settlement it entered into with Monterey County. Monterey County urges the Commission to grant Charter's request as that will facilitate bringing long overdue upgraded services to significantly underserved portions of rural Monterey County. Because Charter's construction will be placed on existing poles and aerial lines, the County believes that the aesthetic impact on these scenic highways will be minimal.

By way of background, for many years, Charter's cable video and broadband internet services to large areas of rural Monterey County were minimal or non-existent and the County's efforts to persuade Charter to upgrade and extend its services yielded no results. In 2015 Charter sought to merge with Time Warner Cable Inc. and other companies to form a new company, "New Charter," and sought Commission approval of the proposed merger. Monterey County intervened in the Commission's proceedings, raising its concerns about Charter's substandard services in the Salinas Valley and other rural areas. The County's intervention asked the Commission to condition its approval of the merger on a requirement that Charter upgrade its services to these parts of the County.

Thereafter, in 2016, Monterey County and Charter agreed to a settlement—in return for Charter’s promise to make specified service upgrades within 3 years of the merger transaction, Monterey County withdrew its opposition. The promised upgrades include significant enhancements in internet quality and speed, video on demand, digital video and high definition cable television services. Implementation of these upgrades is expected to bring broadband internet service and modern era cable television to unserved and underserved areas in the County at reasonable prices, including lower rates for low income families.

Specifically, once the upgrade is complete, Charter will offer 100 Mbps of residential broadband internet service to 25,000 homes in its Monterey County and up to 10 Gbps direct fiber service to local businesses. Charter will be able to launch Spectrum Internet Assist, a low-cost broadband program for low income families and seniors. Monterey County residents in these rural areas will be able to use the internet for job hunting, educational training, launching a new business, accessing health care, and innumerable important uses, in addition to personal communications and entertainment.

Monterey County expects a boost in economic development from the upgrade as well, because it will be able to attract employers that cannot operate competitively without high-speed internet. When the upgrade is complete, it will enhance the County’s ability to attract high-tech and research companies to locate in the County and to further its goal of becoming a hub for agricultural technology. Completion of the upgrade is essential to job creation in these industries and in all sectors of the Monterey County economy.

Charter’s Section 320 exemption request is for construction to provide cable service to 900 households in Carmel Highlands and Laguna Seca. Monterey County supports the exemption request so that it can realize the fruits of the promised upgrades, as described above, and to enable Charter to keep its settlement promises. Moreover, the County concludes that aesthetic impacts would be negligible, given that Charter plans to construct on existing poles and lines.

On balance, the Commission’s grant of Charter’s request for an exemption would serve the interests of Monterey County residents in significant ways, with little to no downside. For these reasons, Monterey County supports Charter’s request for an exemption from Section 320 of the Public Utilities Code.

Sincerely,

Eric Chatham, Director
Monterey County Information Technology Department

cc:
Cynthia Walker, Director
Communications Division

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