



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 17-1203, **Version:** 1

Approve and authorize the Director of the Information Technology Department to send a letter to the California Public Utilities Commission, expressing County support for Charter Communication's request for an exemption from the requirements of Public Utilities Code section 320.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve and authorize the Director of the Information Technology Department to send a letter to the California Public Utilities Commission, expressing County support for Charter Communication's request for an exemption from the requirements of Public Utilities Code section 320.

SUMMARY:

In a 2016 settlement with the County, Charter Communications (Charter) promised to upgrade its broadband internet and cable television services in underserved, rural areas of the County. To bring these upgraded services to Carmel Highlands and Laguna Seca, it must construct along Highway 68 and Highway 1. Charter has applied to the California Public Utilities Commission (CPUC) for an exemption from the statute that requires that construction of communications facilities along scenic highways be underground, when feasible. To realize the benefits of the promised services upgrade, the Director of ITD recommends that the Board authorize a letter to the CPUC, supporting Charter's request for exemption.

DISCUSSION:

In May 2016, with the Board of Supervisors' approval, Charter and Monterey County agreed to a settlement concerning Charter's proposed merger with Time Warner Cable Inc. and other companies; at that time, approval of the merger was pending before the CPUC. In the settlement, Charter promised significant upgrades in broadband internet and cable television services to unserved and underserved areas of Monterey County, in return for the County's withdrawal of its opposition to the merger before the CPUC.

As part of the upgrade, Charter seeks to construct along 16 miles of Highways 1 and 68, on existing poles and aerial lines. To do so, it has asked the CPUC to exempt it from the requirements of Public Utilities Code section 320. This statute expresses the public policy of the State of California that, when feasible, electric and communications facilities next to scenic highways are to be built underground, so they are not visible from the highways. Charter's planned construction along Highways 1 and 68 is necessary to bring the promised upgrades to 900 households in Carmel Highlands and Laguna Seca. Charter represents that, because it will be adding to existing poles and aerial lines, visual impacts will be minimal.

The anticipated benefits to Monterey County residents from Charter's completed upgrade are substantial. They include significant enhancements in internet quality and speed, video on demand, digital video and high definition cable television services to areas in the County which previously had no services or substandard services; they will be offered at reasonable prices, including lower rates for low income families. Residents in the upgraded 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. The upgrades will enhance economic development in the County as well. High speed, modern cable services will support local workforce development and job creation. 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. With the upgrades, the County will be able to attract employers that cannot operate competitively without high-speed internet.

The Information Technology Department (ITD) has drafted a letter supporting Charter's request for a Section 320 exemption for the Board's consideration. ITD recommends that the Board authorize the Director of ITD to send the letter to the CPUC. Doing so will further Charter's fulfillment of the settlement promises it made to the County and will enable the County to receive the benefits of the services upgrade.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed the draft letter to the CPUC.

FINANCING:

There is no financial effect on the County from sending a letter supporting Charter's Section 320 exemption request to the CPUC.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Enhanced economic development, in terms of attracting tech jobs and companies, is served because high speed internet services are essential to attracting employers in these industries. A buildout of modern internet and cable television services to rural areas of Monterey County strengthens and expands the County infrastructure.

- X Economic Development
 - Administration
 - Health & Human Services
- X Infrastructure
 - Public Safety

Prepared by: Eric A. Chatham, Director, Information Technology Department, 759-6920

Approved by:

Date: _____
Dewayne Woods, Assistant County Administrative Officer

Attachments: Draft letter from Eric Chatham, Director, Monterey County Information Technology Department, to the California Public Utility Commission re: Charter's request for a Section 320 exemption

Attachments are on file with the Clerk of the Board