



June 10, 2014

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Authorize the City Manager to allocate Public, Education, and Government (PEG) fee revenue equally among the three categories of cable access providers, each receiving one-third of the total available; and increase appropriations in the General Services Fund (IS 385) in the Department of Technology Services (TS) by \$983,947. (Citywide)

**DISCUSSION**

The enactment of the Digital Infrastructure and Video Competition Act of 2006 (DIVCA) marked a major change in the regulation of video service providers in California. Essentially, DIVCA replaced the local franchising process with a State process under the authority of the California Public Utilities Commission. DIVCA changes included the enabling of the PEG fee and the elimination of the requirement that a local cable operator provide Public Access facilities and support.

In September 2007, the City Council adopted an ordinance setting the City's PEG fee at 1.04 percent of the cable providers' gross revenue. Per DIVCA, the fee is to support PEG channel facilities and is restricted to capital uses. It cannot be used for operational expenses such as staffing. If it is used for any activity other than capital, the local cable/video providers can deduct that amount from franchise fee payments to the City.

**PEG Fee Revenue Allocation**

On May 7, 2013, the City Council approved equal distribution of 2012 PEG revenue to all three cable access categories: Public ("P"); Education ("E", California State University Long Beach, Long Beach City College, and Long Beach Unified School District); and Government ("G", City access channel, LBTv). The City has received reports from the recipients on how the funds were spent and has deemed they were consistent with the legal intent. The funds allocated to the City enabled LBTv to replace video equipment that had exceeded its useful life.

Consistent with past years' allocations (2010 through 2013), staff recommends 2014 PEG fee revenue be distributed equally across all three access categories. The total PEG revenue collected in 2013 is \$983,947, which equates to \$327,982.33 for each of the "P", "E", and "G" access providers.

## **Public Access Television Update**

In October 2011, the City Council authorized an agreement with the Long Beach Community Action Partnership (LBCAP) to operate Public Access television (PADNET). Since that time, LBCAP continues to build upon the foundation they established to transition into a full-service community media center. This past year's highlights include: the launching of a full-service website with online reservation and content upload capabilities; more than 45 local nonprofits recording studio interviews; 430 programs submitted for playback; and a series of candidate forums for the Mayoral and City Council races broadcast live from the PADNET studio. Of special note, PADNET opened its first satellite facility at the Main Library on April 17, 2014. More satellite facilities are scheduled to open in the near future. This will allow Long Beach residents greater access to facilities and communication tools to produce their video content.

This matter was reviewed by Deputy City Attorney Kendra Carney and by Budget Management Officer Victoria Bell on May 21, 2014.

### TIMING CONSIDERATIONS

City Council action is requested on June 10, 2014 to ensure a timely disbursement of PEG funds to the access television providers.

### FISCAL IMPACT

The City received a total of \$983,947 in PEG funds during calendar year 2013. These funds are reserved in the General Services Fund (IS 385) in the Technology Services Department (TS). This request recommends distributing the 2013 PEG funds equally across all three-cable access providers. As part of the distribution, the City will be allocated \$327,982 to be used for facilities and equipment such as cameras and control room components for our government access channel (LBTV). Because these funds are currently unbudgeted, an appropriation increase is necessary in the General Services Fund (IS 385) in the Technology Services Department (TS). There is no local job impact associated with this recommendation.

### SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CURTIS TANI  
DIRECTOR OF TECHNOLOGY SERVICES

APPROVED:

  
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PATRICK H. WEST  
CITY MANAGER