

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In the Matter of

Annual Assessment of the Status of  
Competition in the Market for the Delivery of  
Video Programming

MB Docket No. 07-269

**COMMENTS OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION  
AND THE PEOPLE OF THE STATE OF CALIFORNIA ON THE  
FURTHER NOTICE OF INQUIRY**

FRANK R. LINDH  
HELEN M. MICKIEWICZ  
KIMBERLY J. LIPPI  
505 Van Ness Avenue  
San Francisco, CA 94102  
Phone: (415) 703-5822  
Fax: (415) 703-4492

Attorneys for the California  
Public Utilities Commission and  
the People of the State of California

June 8, 2011

## **I. INTRODUCTION**

The California Public Utilities Commission and the People of the State of California (“CPUC” or “California”) submit these comments in response to the Federal Communications Commission’s (“FCC” or “Commission”) Further Notice of Inquiry (“FNOI”) seeking data, information, and comment for the FCC’s Fourteenth Report on the status of competition in the delivery of video programming.<sup>1</sup> The FCC intends to use the collected information to analyze competitive conditions and “provide a solid foundation for Commission policy making with respect to the delivery of video programming to consumers.”<sup>2</sup>

Because the CPUC now issues state franchises to video providers and collects certain information on where video service is offered and how many subscribe to the service, we will address only those questions for which our data provides answers about the California marketplace.

## **II. DISCUSSION**

### **III. ANALYSIS OF URBAN vs RURAL DIFFERENCES IN THE NUMBER OF VIDEO PROVIDERS IN EACH CENSUS TRACT**

The CPUC collects and tracks some of the data requested in Paragraphs 11 and 12 of the FNOI for state-franchised wireline multichannel video programming distributors (“MVPDs”) and their locally franchised affiliates in California. Specifically, we collect data on the number of homes offered video (homes passed), low-income homes passed

---

<sup>1</sup> In the Matter of Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, MB Docket No. 07-269, *Further Notice of Inquiry*, rel. Apr. 21, 2011 (hereafter “FNOI”).

<sup>2</sup> *Id.*, at para. 1.

and video subscribership. This information is collected by census tract, pursuant to the state's video franchising statute (Digital Infrastructure and Video Competition Act or "DIVCA").<sup>3</sup> While we generally prefer to collect data at a more granular level than by census tract, census tract data collection is specified in the DIVCA statute.<sup>4</sup> Collection of data at the census tract level does allow direct use of economic metrics (such as low-income household counts) from the U.S. Census Bureau.

The CPUC's Communications Division publishes an annual DIVCA report, which includes information on the state of wireline video competition in California, including the identification of geographic areas (census tracts) where wireline MVPD competition exists. In the most recent report, we classify and map census tracts as being served by 0, 1, 2, 3 or 4 providers. In the absence of more granular reporting from the video providers, it is impossible to know how many households are passed by each MVPD within a census tract; we can only count the number of providers operating in each census tract, not whether their service areas overlap.

The attached map from the CPUC 2010 DIVCA Report shows the number of unique providers in each census tract in California, including both state-franchised video providers and their locally-franchised affiliates. Only those cable operators that have a local franchise and are not affiliated with a state-franchised video provider are not included in our analysis. Because of the census tract granularity, if a video provider provides video service to at least one household in a census tract, that tract is considered

---

<sup>3</sup> Digital Infrastructure and Video Competition Act of 2006, codified at Cal. Public Utilities Code §§ 5800 et seq. ("DIVCA").

<sup>4</sup> Cal. Pub. Util. Code § 5960.

served by that provider. For more detail, see the CPUC October 2010 DIVCA Report, Appendix A, at [www.cpuc.ca.gov/PUC/Telco/generalInfo/DIVCAReports.htm](http://www.cpuc.ca.gov/PUC/Telco/generalInfo/DIVCAReports.htm).

At Paragraph 57 of the FNOI, the FCC seeks information on the differences in the number of video providers between urban and rural areas. The tables below use California’s 7,049 census tracts, classified by the number of state-franchised video providers offering service in each, to create selection sets of urban and rural census blocks, using the census-provided urban and rural designations.

## RESULTS

- 84.9% of rural census blocks are either unserved or are served by a single state video franchisee or locally-franchised affiliate, compared to only 39.2% of urban census blocks.
- 90.6% of the census blocks in the state’s unserved areas are rural, while 86.7% of the census blocks with two or more providers, are urban.

TABLE 1 – URBAN AND RURAL CENSUS BLOCKS BY NUMBER OF STATE-FRANCHISED VIDEO PROVIDERS

Number of Providers	Census Block Class					
	Urban	%	Rural	%	Total	%
0 (unserved)	6,249	1.9	60,552	29.3	66,801	12.3
1	124,702	37.3	114,959	55.6	239,661	44.3
2 or more	203,402	60.8	31,199	15.1	234,601	43.4
Total	334,353	100.0	206,710	100.0	541,063	100.0

TABLE 2 – BY URBAN AND RURAL CENSUS BLOCKS BY NUMBER OF STATE-FRANCHISED VIDEO PROVIDERS

CB Class	Number of Providers							
	0	%	1	%	2 or more	%	Total	%
Urban	6,249	9.4	124,702	52.0	203,402	86.7	334,353	61.8
Rural	60,552	90.6	114,959	48.0	31,199	13.3	206,710	38.2
Total	66,801	100.0	239,661	100.0	234,601	100.0	541,063	100.0

The attached shapefile (Video\_Providers\_by\_CT\_2009.shp) should help facilitate further analysis of the kind described above.<sup>5</sup> The U.S. Census Bureau's urban/rural classification for 2000 census blocks can be downloaded from the U.S. Census Bureau. Note that the urban/rural classification for 2010 census blocks has not yet been released.

#### **IV. CONCLUSION**

The CPUC offers this data on rural and urban differences in the number of video providers in the California marketplace for the Commission's use in compiling its 14<sup>th</sup> Report on the state of competition in the delivery of video programming.

Respectfully submitted,

By: /s/ KIMBERLY J. LIPPI

---

Kimberly J. Lippi

505 Van Ness Avenue  
San Francisco, CA 94102  
Phone: (415) 703-5822  
Fax: (415) 703-4492  
Email: [kjl@cpuc.ca.gov](mailto:kjl@cpuc.ca.gov)

Attorney for the People  
of the State of California and the  
California Public Utilities Commission

June 8, 2011

---

<sup>5</sup> Due to e-filing restrictions, the CPUC was unable to electronically submit this file. We will instead send this file on a CD via overnight Federal Express.