California Public Utilities Commission
Communications Division

State Video Franchise Holder Employment Report as Required by The Digital Infrastructure and Video Competition Act of 2006 (DIVCA)

Submitted April 6, 2009

Digital Infrastructure and Video Competition Act of 2006
State Video Franchise Holder Employment Report

Background

In 2006, the Legislature adopted the Digital Infrastructure and Video Competition Act (DIVCA or the Act)[1] in order to spur broadband deployment and increase competition in the video and broadband marketplace in California. The new law created a state franchising system for cable companies and other video providers, to replace a system of locally-issued franchises. Since the Public Utilities Commission began issuing state video franchises in March 2007, more than 770,000 households have gained access to video from two new entrants to the video market, AT&T California and Verizon California. Another approximately 6,333,000 households are in areas that now have access to video service provided by state franchise holders who previously held locally-issued franchises. [2]

DIVCA requires the Public Utilities Commission to collect employment information from companies with state video franchises, post the information on its website and report it to The Assembly Committee on Utilities and Commerce and the Senate Committee on Energy, Utilities and Communications. With this report, the Commission fulfills that charge. This is the Commission's first annual report of the employment information collected from state video franchise holders.

Executive Summary

Six parent companies of State video franchise holders with more than 750 employees provided employment information to the Public Utilities Commission describing their workforces as of December 31, 2007. The data that these companies submitted in April 2008 show:

- As of December 31, 2007, State video franchise holders employed a total of 55,693 employees in California.
- Video Franchise holders forecasted that they expected to create 1,796 new jobs in 2008, a 3.2% increase from 2007 levels.
  - AT&T California alone forecasted that they expected to add a total of 1,100 new jobs in 2008, including 820 new Technician positions, 150 managers, 90 office / clerical and 40 sales people.[3]
  - Verizon forecasted that they expected to add a total of 59 new jobs in 2008, Cox forecasted adding 70 and Comcast and Charter did not offer a projection of new jobs.
  - Time Warner Cable forecasted that they expected to add 567 new jobs in 2008, including 340 Skilled Craft workers, 63 office / clerical and the rest spread among 6 other job classifications.

  New data that will be submitted in 2009 should show whether these job creation forecasts for 2008 were accurate, and whether further job growth is expected in 2009.

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[1] Cal. Pub. Util. Code s §440-444 and §5800 *et seq*.

[2] Based on state video franchise holder annual report data submitted to the CPUC on April 1, 2008 and published in the DIVCA Report on March 12, 2009.

[3] Includes AT&T California's landline telephone and U-verse and DSL operations.

For additional details on 2008 job creation forecasts, see the graph on page 9 and table 4 on page 10.

Employment Reporting Required Under DIVCA

DIVCA requires each state video franchise holder with more than 750 California employees to submit the following information every year on April 1 for the preceding year. This report has been divided into the following six sections:

1. Number of California residents employed
2. Percentage of the holder's domestic workforce
3. Number of jobs by occupational classification held by California residents
4. Average pay and benefits of those jobs
5. Number of out-of-state residents employed by independent contractors
6. Number of net new positions forecasted to be created during 2008, by occupational classifications

A total of twenty-two companies held state video franchises on April 1, 2008, the date the companies' annual reports were due to the Commission. Of those 22 franchise holders, 17 had more than 750 employees and were therefore required to report employment data. The following six parent companies submitted data for those 17 franchise holders in 2008.[4]

- Verizon California
- AT&T California
- Charter Communications, for eight franchisees
- Cox Communications
- Comcast
- Time Warner Cable, for five franchisees (combined into three groups)[5]

[4] See Appendix A for maps of these six parent companies' combined state video franchise territories in California.
[5] Time Warner New York (TWNY), C-Native, and CAC Exchange I (combined data); Time Warner Cable (TWC), and Time Warner Entertainment-Advance/Newhouse Partnership (TWEAN)

1. Number of California Residents Employed

The six parent companies together reported a total of 55,693 employees in California, as of December 31, 2007, as shown in table 1 below. The employees may be involved in voice, video, or data services. The video programming operations may include existing local franchises as well as state-issued franchises. For example:

- Verizon California's employment submission **includes** their telephone, DSL and FiOS data and video operations. However, Verizon's employment submission **excludes** Verizon's wireless operations and **excludes** the following Verizon affiliates: Verizon West Coast (small ILEC), Corporate (legal, regulatory), Verizon Business or non-affiliates such as Idearc (formerly Verizon Directories).

- AT&T California's employment submission **includes** their telephone and their U-verse video and DSL operations, but **excludes** AT&T's wireless operations.

Table 1 – Number of California Residents Employed by Video Franchise Holders

Video Franchise Holder	Employees Working in California	Percentage of California Employees Who Live in California
Verizon California	8,110	100.0%
AT&T California	29,509	99.9%
Comcast	7,167	98.2%
TWNY*, C-Native, CAC Exchange I (Time Warner)	4,124	100.0%
Time Warner Cable	918	100.0%
TWEAN** (Time Warner)	1,224	100.0%
Cox Communications	3,243	99.0%
Charter Communications West Division	1,398	99.9%
Total	55,693	

* TWNY is Time Warner New York; C-Native is C-Native Exchange I
**TWEAN is Time Warner Entertainment-Advance/Newhouse Partnership

2. Percentage of the holder's domestic workforce

As shown in table 1 above, Verizon California and Time Warner indicated that 100% of their reported employees were California residents. AT&T California, Cox Communications, Comcast and Charter indicated that virtually all of their reported employees were California residents.

3. Number of Jobs Segmented by Occupational Classification

The six parent companies categorized their California employees by occupational classification as shown in the graph below and table 2 on the page 6. (Note: In the graph below, TWNY is Time Warner New York, C-Native is C-Native Exchange I, and TWEAN is Time Warner Entertainment-Advance/Newhouse Partnership.)

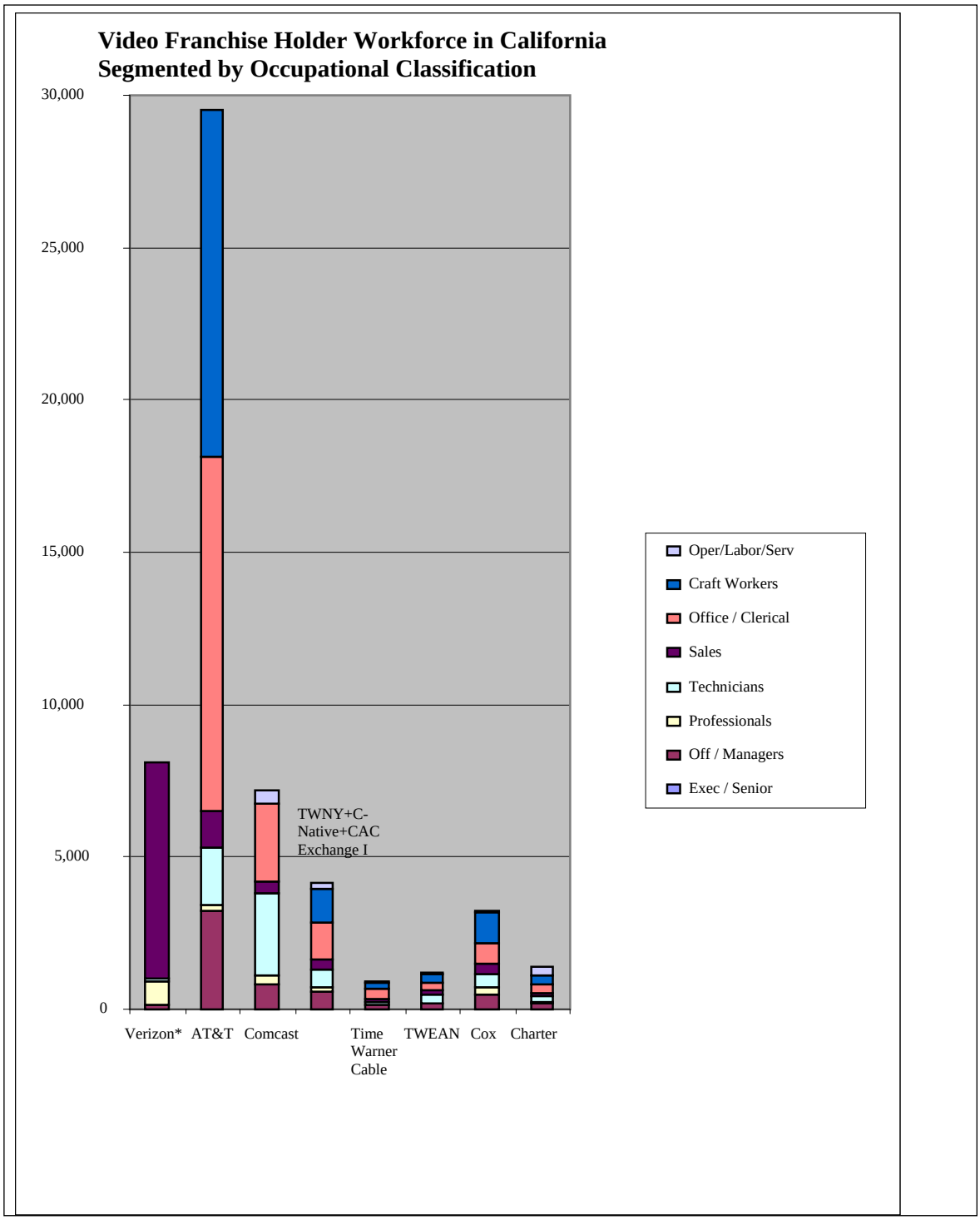


Table 2 – Breakdown of Total Employees by Occupational Classification

				Time Warner					
	Verizon*	**AT&T Calif.**	**Comcast**	**TWNY + C-Native** + CAC Exchange I**	**TWC****	**TWEAN****	**Cox**	**Charter**	**Total**
Exec / Senior	14	0	12	0	4	2	0	7	39
Off / Managers	110	3,247	806	555	117	167	462	192	5,656
Professionals	779	182	300	172	23	15	267	65	1,803
Technicians[6]	119	1,897	2,683	596	98	291	419	187	6,290
Sales	7,088	1,186	380	306	87	139	363	98	9,647
Office / Clerical	0	11,647	2,592	1,214	331	250	640	293	16,967
Craft Workers[7]	0	11,350	0	1,110	226	310	1,026	254	14,276
Oper/Labor/Serv	0	0	394	171	32	50	66	302	1,015
	8,110	29,509	7,167	4,124	918	1,224	3,243	1398	55,693
*Verizon used the following occupational categories: Senior Leaders and Directors, Managers, Supervisors/Specialists, Other Non-exempt, Associates. These categories have been grouped with the corresponding pay categories of the other franchise holders, as shown in this table.									
** TWNY is Time Warner New York and C-Native is C-Native Exchange I; TWC is Time Warner Cable; and TWEAN is Time Warner Entertainment-Advance/Newhouse Partnership									

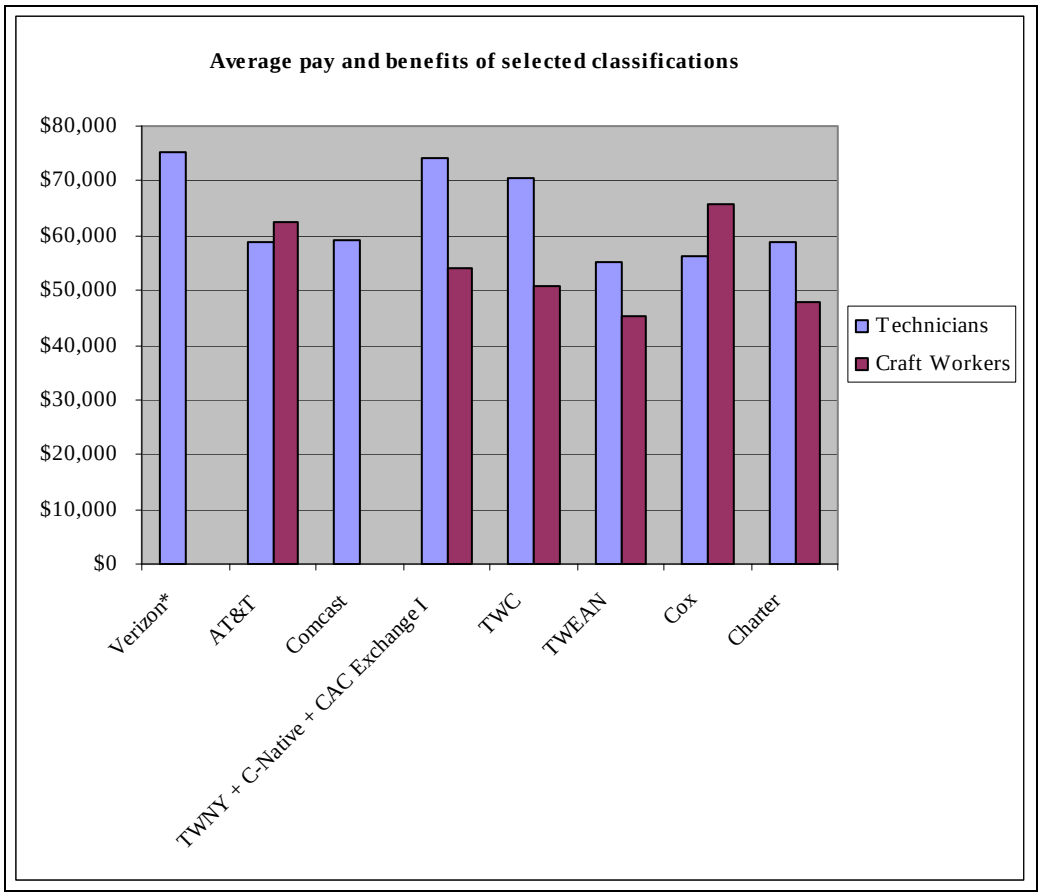
To put these numbers into a statewide perspective, California's total civilian labor force was 18,212,600 in mid-2007.[8] The 55,693 employees reported by the state video franchise holders represents 0.3% of the total state civilian labor force.

4. Average pay and benefits of those jobs

DIVCA provides reporting companies broad latitude in how they report the required employment information. Not all franchise holders used the same exact names for their occupational classifications, so for comparison purposes, we grouped them into the appropriate common categories.

To illustrate graphically an example of the relative differences in combined pay and benefits between the different video franchise holders, the graph on the next page shows the combined pay and benefits of two of the eight different occupational categories. The categories included in this example are: Technicians and Craft workers, for each franchise holder.[9] Table 3 on page 8 shows the combined pay and benefits levels for all eight occupational categories for each of the franchise holders.

[6] For definition of *Technicians*, see page eight.
[7] For definition of *Craft workers*, see page eight.
[8] California Employment Development Department, www.labormarketinfo.edd.ca.gov/PAGEID=4.
[9] See page 8 for definitions.



Note: TWNY is Time Warner New York and C-Native is C-Native Exchange I; TWC is Time Warner Cable; and TWEAN is Time Warner Entertainment-Advance/Newhouse Partnership.

Table 3 – Average Pay and Benefits by Occupational Classification

				Time Warner				
Occupational Classification	**Verizon***	**AT&T**	**Comcast**	**TWNY + C-Native** + CAC Exchange I**	**TWC****	**TWEAN****	**Cox**	**Charter**
Exec / Senior	$180,016	None rep	$487,290	None rep	$505,476	$572,949	None rep	$238,485
Off / Managers	$121,539	$81,986	$103,674	$101,837	$104,058	$104,427	$120,674	$93,908
Professionals	$94,772	$78,310	$75,741	$70,966	$58,016	$73,564	$90,302	$72,806
Technicians	$75,234	$58,778	$59,120	$74,023	$70,379	$55,194	$56,087	$58,951
Sales	$69,048	$61,691	$90,217	$83,711	$44,076	$57,314	$49,496	$41,060
Office / Clerical	None rep	$55,263	$48,018	$44,927	$48,863	$45,936	$49,401	$41,012
Craft Workers	None rep	$62,400	None rep	$54,211	$50,646	$45,194	$65,805	$47,678
Oper/Labor/Serv	None rep	None rep	$55,920	$42,784	$46,557	$45,076	$40,573	$37,044

*Verizon used the following occupational categories: Senior Leaders and Directors, Managers, Supervisors/Specialists, Other Non-exempt, Associates. These categories were grouped with the corresponding pay categories of the other franchise holders.

** TWNY is Time Warner New York and C-Native is C-Native Exchange I; TWC is Time Warner Cable; and TWEAN is Time Warner Entertainment-Advance/Newhouse Partnership

The occupational classification titles that several companies used in their submission match the titles used in their EEO-1 reports to the U.S. Equal Employment Opportunity Commission (EEOC). The EEOC definitions for two of the occupational classifications, *Technicians* and *Craft Workers*, are presented below:

> *Technicians* means jobs that require applied scientific skills usually obtained by post secondary education, such as drafters, emergency medical technicians, chemical technicians, and broadcast and sound engineering technicians.
>
> *Craft Workers* means higher skilled occupations in construction and natural resource extraction, such as electricians; occupations related to the installation, maintenance and part replacement of equipment, machines and tools, such as auto mechanics, aircraft mechanics, electric and electronic equipment repairers, and others. [10]

5. Number of out-of-state residents employed by independent contractors personally providing services

All six companies reported that information on the number of non-resident independent contractors was not available.

[10]Definitions for these and other occupational classifications may be found in EEOC Standard From 100, Rev. Jan 2006, Employer Information Report EEO-1 Instruction Booklet, http://www.eeoc.gov/eeo1survey/2007instruct.html

6. Forecast of 2008 Job Creation by Parent Companies of State Video Franchise Holders Segmented by Occupational Classifications

In April 2008, the six parent companies of State video franchise holders with more than 750 employees reported employment data including forecasts of the number of net new jobs that they expected to create in 2008. Combined, the six parent companies forecasted that they would create a total of 1,796 new jobs in 2008, as shown in the graph below & table 4 on the next page.

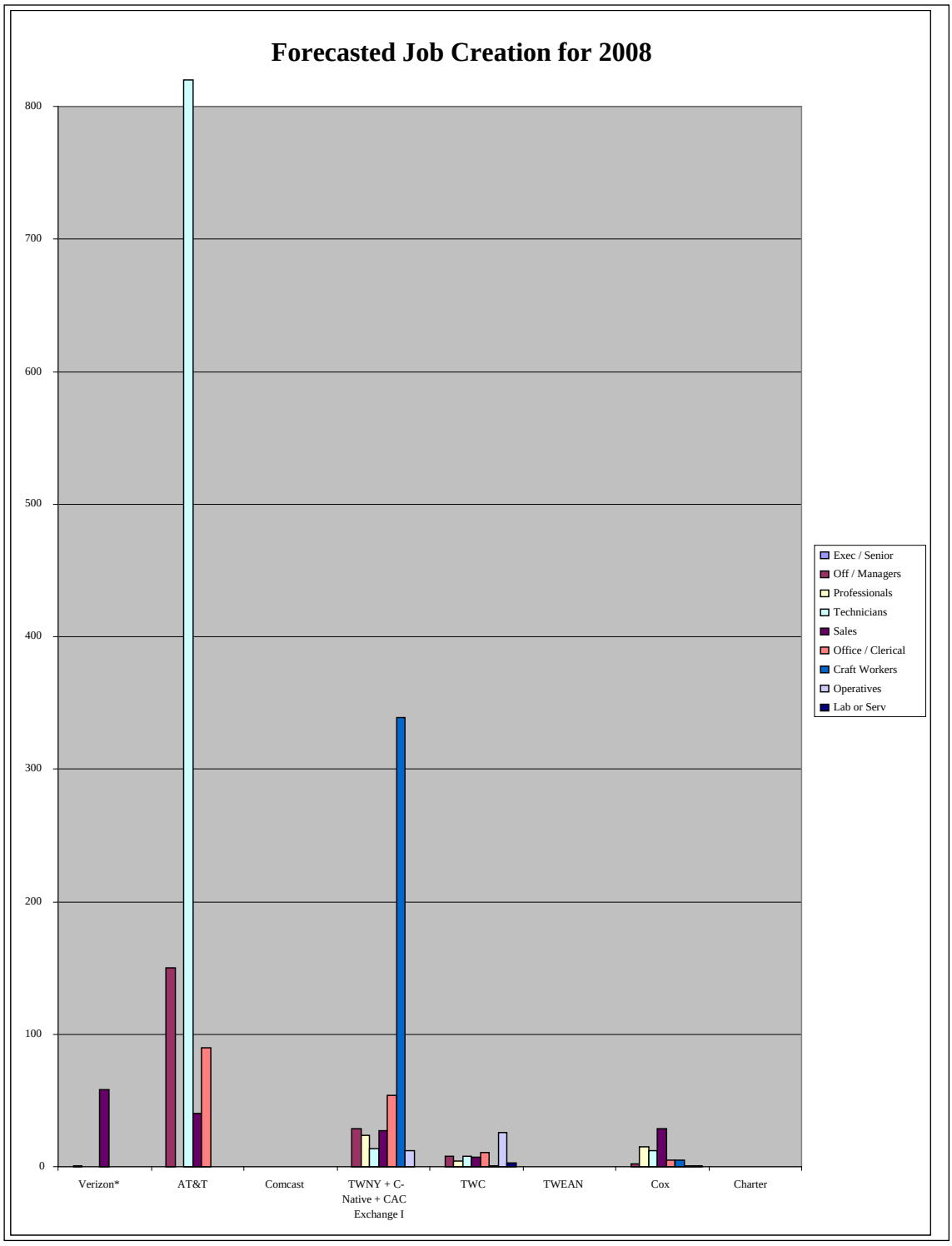


Table 4 below shows:

- AT&T California alone forecasted that they expected to add a total of 1,100 new jobs in 2008, including 820 new Technician positions, 150 managers, 90 office / clerical and 40 sales people.[11]
- Verizon forecasted that they expected to add a total of 59 new jobs in 2008, Cox forecasted adding 70 and Comcast and Charter did not offer a forecast of new jobs.
- Time Warner Cable forecasted that they expected to add 567 new jobs for five franchisees in 2008, including 340 Skilled Craft workers, 63 office / clerical and the rest spread among 6 other job classifications.

Table 4 – Number of New Jobs Forecasted to be Created in 2009

				Time Warner					
Occupational Classifications	**Verizon***	**AT&T**	**Comcast**	**TWNY** + C-Native + CAC Exchange I**	**TWC****	**TWEAN****	**Cox**	**Charter**	**Total**
Exec / Senior	0	0	0	0	0	0	0	0	0
Off / Managers	1	150	0	29	8	0	2	0	190
Professionals	0	0	0	24	4	0	15	0	43
Technicians	0	820	0	14	8	0	12	0	854
Sales	58	40	0	27	7	0	29	0	161
Office / Clerical	0	90	0	54	11	0	5	0	160
Craft Workers	0	0	0	339	1	0	5	0	345
Operatives	0	0	0	12	26	0	1	0	39
Lab or Serv	0	0	0	0	3	0	1	0	4
Total	59	1,100	0	499	68	0	70	0	1796

*Verizon used the following occupational categories: Senior Leaders and Directors, Managers, Supervisors/Specialists, Other Non-exempt, Associates. These categories were grouped with the corresponding pay categories of the other franchise holders.

** TWNY is Time Warner New York, TWC is Time Warner Cable, TWEAN is Time Warner Entertainment-Advance/Newhouse Partnership

In mid-September 2008, Time Warner had more than 300 California positions posted on its careers / recruitment website, including engineering/technical operations, information technology, and customer service positions.[12] Pay ranges were not posted; however, the California Employment Development Department reported that, for the first quarter for 2008, the mean annual wage statewide for Electrical Engineers was $94,528. For Electrical and Electronic Engineering Technicians it was $58,893.[13]

In mid-September 2008 Cox California had 35 jobs posted on its careers / recruitment website, including sales, operations, and field service and maintenance positions.[14] Pay ranges were not posted; however, the California Employment Development Department reported that, for the first

[11] Includes AT&T California's landline telephone and U-verse and DSL operations.
[12] http://www.timewarner.com/corp/careers/index.html
[13] http://www.calmis.ca.gov/file/occup$/oeswages/cal$oes.xls
[14] http://www.cox.com/coxcareer/professions.asp

quarter of 2008, the mean annual wage statewide for "telecommunications equipment installers & repairers" (except line installers) was $56,096. For "telecommunications line installers & repairers," the mean annual wage was $48,747.[15]

Conclusion

Six parent companies of state video franchise holders with more than 750 employees reported that they employ a total of 55,693 Californians, or 0.3% of the State's workforce.

As of April, 2008, video franchise holders forecasted that they expected to increase their combined workforce in California by 3.2% (1,796 jobs) during 2008. These new job creation forecasts include most non-wireless parts of their businesses; not just the video franchising operations (video and broadband services). See page 9 for details.

Employment figures that we expect to receive in 2009, should show whether these forecasts for job creation in 2008 were met, as well as providing new forecasts for job creation in 2009.

This report is also available on the Commission's website at:
http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/videofranchising.htm

Appendices

Appendix A: Maps of franchise territories of the video franchise holders that reported employment data.

Appendix B: Confidentiality of The Employment Data Provided by Video Franchise Holders

Appendix C: General Order 169 Employment Reporting Requirements

[15] http://www.calmis.ca.gov/file/occup$/oeswages/cal$oes.xls

Appendix A:

Maps of Franchise Territories

of the Video Franchise Holders

That Reported Employment Data

AT&T CALIFORNIA (FRANCHISE #02)
VIDEO FRANCHISE TERRITORY IN CALIFORNIA

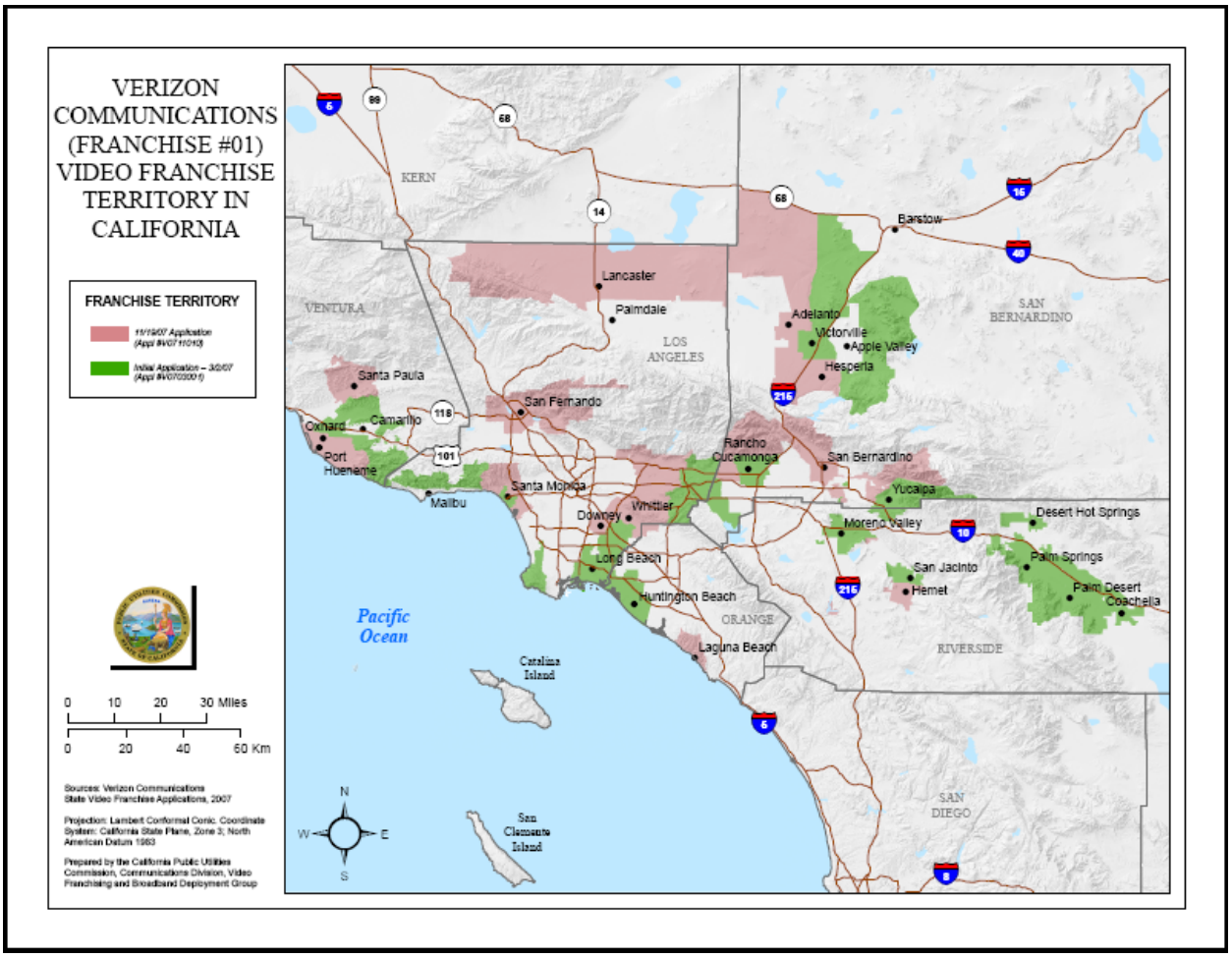
FRANCHISE TERRITORY

- *8/21/08 pplication (Application #V0808002)*
- *Initial Application – 3/7/07 (Application #V0703002)*

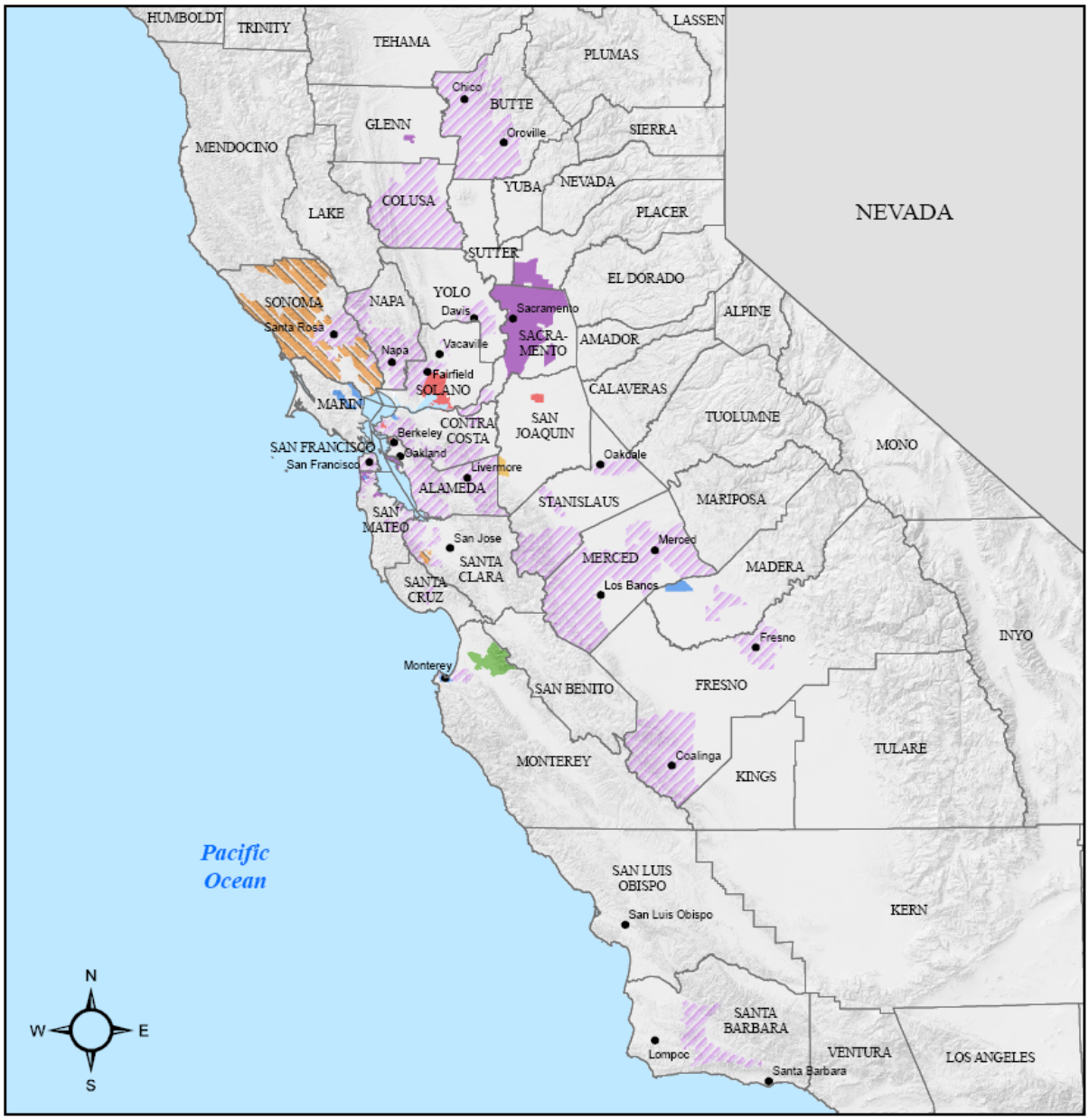
0 80 160 Miles

0 160 320 Kilometers

Sources: AT&T Video Franchise Applications; 2007, 2008
Projection: Lambert Conformal Conic. Coordinate System: California State Plane, Zone 3; North American Datum 1983.
Prepared by the California Public Utilities Commission,Communications Division, Video Franchising and Broadband Deployment Group


VERIZON COMMUNICATIONS (FRANCHISE #01) VIDEO FRANCHISE TERRITORY IN CALIFORNIA
FRANCHISE TERRITORY
11/15/07 Application (Appl #A07-11-010)
Initial Application – 3/2/07 (Appl #A0703-0001)
0 10 20 30 Miles
0 20 40 60 Km
Sources: Verizon Communications State Video Franchise Applications, 2007
Projection: Lambert Conformal Conic. Coordinate System: California State Plane, Zone 3; North American Datum 1983
Prepared by the California Public Utilities Commission, Communications Division, Video Franchising and Broadband Deployment Group
KERN
VENTURA
LOS ANGELES
SAN BERNARDINO
ORANGE
RIVERSIDE
SAN DIEGO
Pacific Ocean
Catalina Island
San Clemente Island
Barstow
Lancaster
Palmdale
Adelanto
Victorville
Apple Valley
Hesperia
Santa Paula
San Fernando
Oxnard
Camarillo
Port Hueneme
Malibu
Santa Monica
Rancho Cucamonga
San Bernardino
Yucaipa
Whittier
Downey
Moreno Valley
Desert Hot Springs
Long Beach
Palm Springs
San Jacinto
Hemet
Huntington Beach
Palm Desert
Coachella
Laguna Beach
N
W
E
S

COMCAST (FRANCHISE #021) VIDEO FRANCHISE TERRITORY IN CALIFORNIA



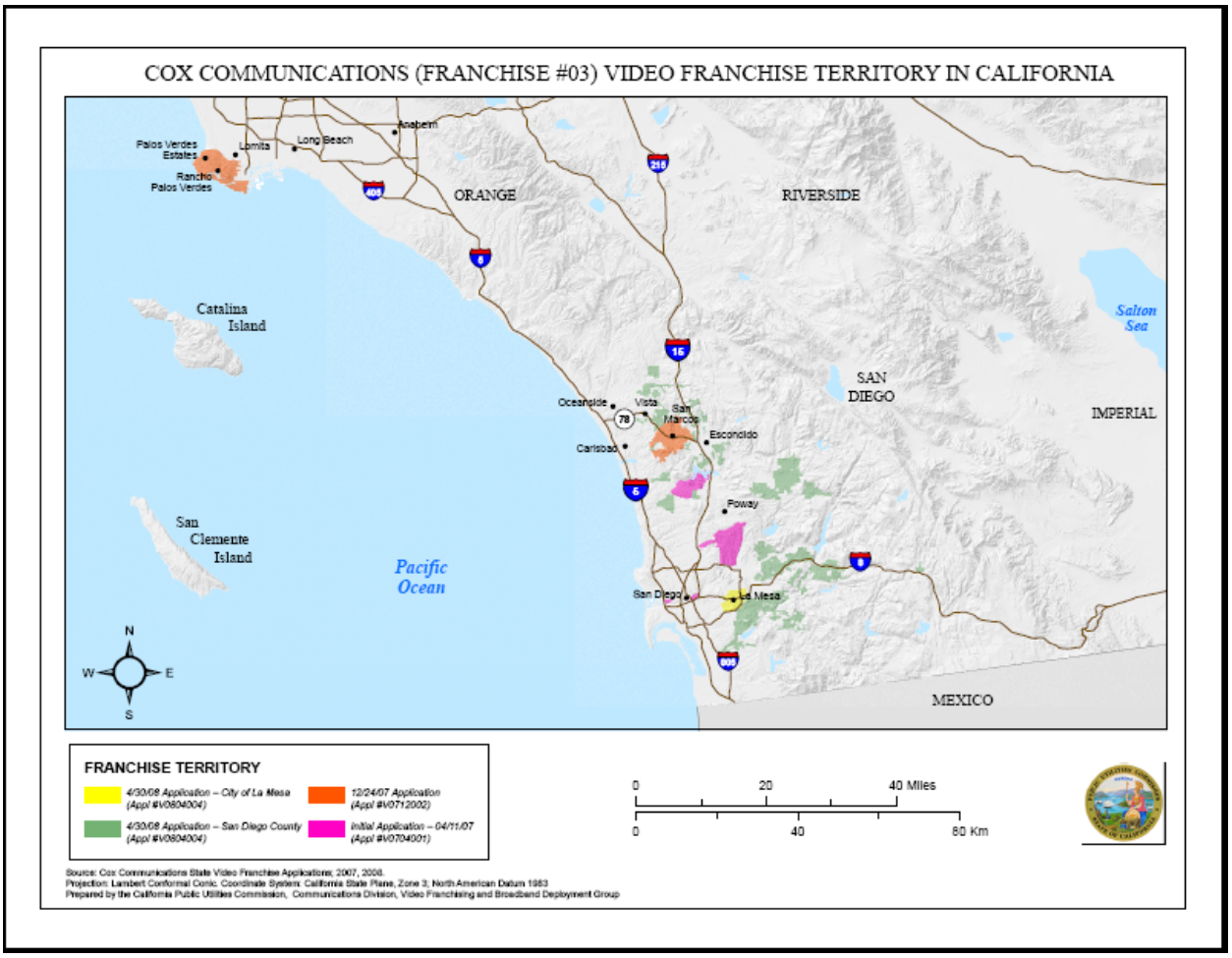
FRANCHISE TERRITORY

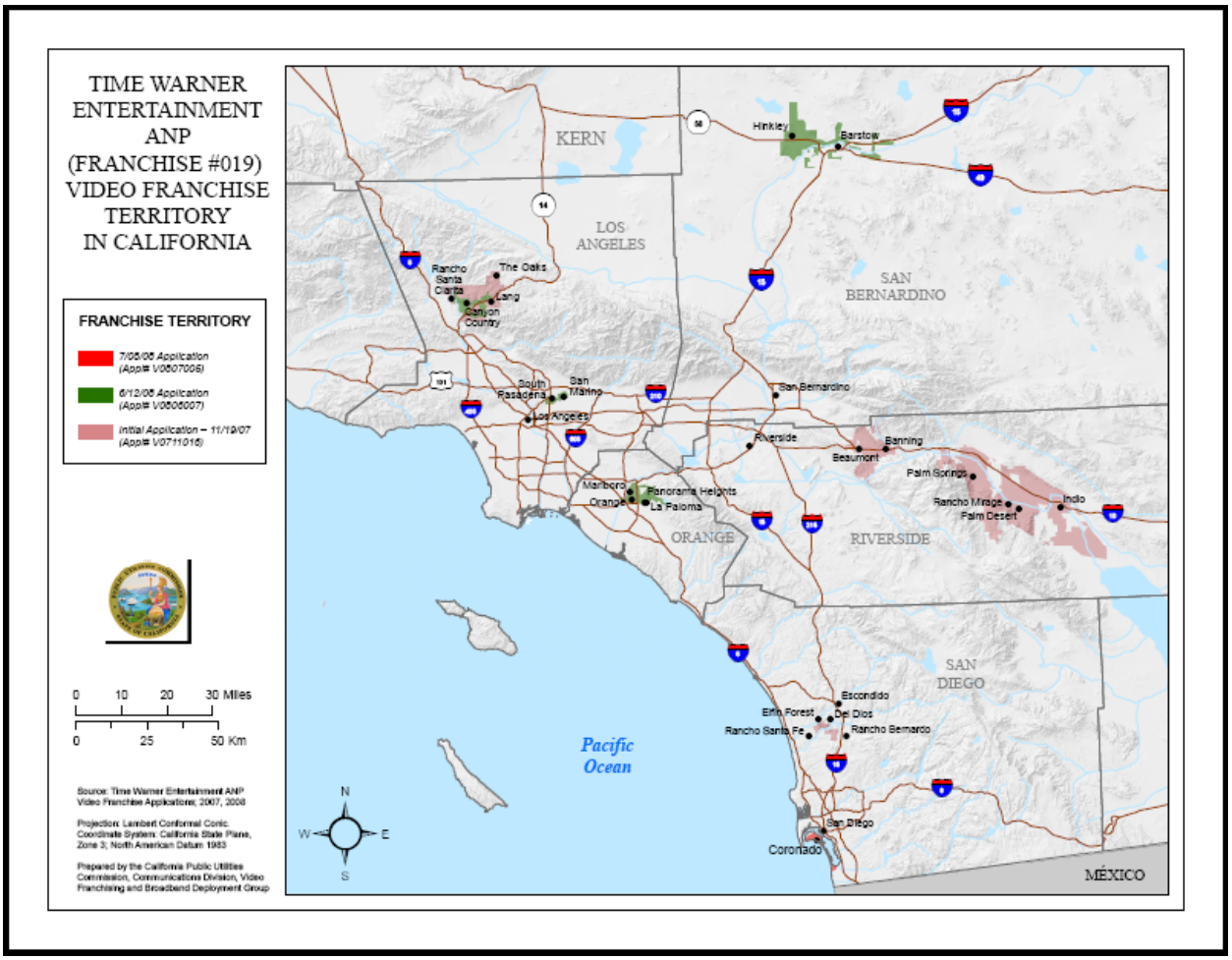
- 9/19/08 Application (V0809003)
- 7/21/08 Application (V0807010)
- 7/01/08 Application (V0807001)
- 5/13/08 Application (V0805003)
- 4/09/08 Application (V0804001)
- 2/15/08 Application (V0802001)
- Initial Application – 12/26/07 (V0712001)

0 50 100 Miles

0 80 160 Kilometers

Source: Comcast State Video Franchise Applications; 2007, 2008. Projection: Lambert Conformal Conic. Coordinate System: California State Plane, Zone 3; North American Datum 1983. Prepared by the California Public Utilities Commission, Communications Division, Video Franchising and Broadband Deployment Group


COX COMMUNICATIONS (FRANCHISE #03) VIDEO FRANCHISE TERRITORY IN CALIFORNIA
Palos Verdes Estates
Rancho Palos Verdes
Lomita
Long Beach
Anaheim
ORANGE
RIVERSIDE
Catalina Island
Salton Sea
SAN DIEGO
IMPERIAL
Oceanside
Vista
San Marcos
Escondido
Carlsbad
Poway
San Clemente Island
Pacific Ocean
San Diego
La Mesa
MEXICO
N
W
E
S
FRANCHISE TERRITORY
4/30/08 Application – City of La Mesa (Appl #V0804004)
12/24/07 Application (Appl #V0712002)
4/30/08 Application – San Diego County (Appl #V0804004)
Initial Application – 04/11/07 (Appl #V0704001)
0
20
40 Miles
0
40
80 Km
Source: Cox Communications State Video Franchise Applications; 2007, 2008.
Projection: Lambert Conformal Conic. Coordinate System: California State Plane, Zone 3; North American Datum 1983
Prepared by the California Public Utilities Commission, Communications Division, Video Franchising and Broadband Deployment Group


TIME WARNER ENTERTAINMENT ANP (FRANCHISE #019) VIDEO FRANCHISE TERRITORY IN CALIFORNIA
FRANCHISE TERRITORY
7/05/06 Application (Appl# V0607006)
6/12/06 Application (Appl# V0606007)
Initial Application – 11/19/07 (Appl# V0711016)
0 10 20 30 Miles
0 25 50 Km
Source: Time Warner Entertainment ANP Video Franchise Applications; 2007, 2008
Projection: Lambert Conformal Conic. Coordinate System: California State Plane, Zone 3; North American Datum 1983
Prepared by the California Public Utilities Commission, Communications Division, Video Franchising and Broadband Deployment Group
KERN
LOS ANGELES
SAN BERNARDINO
ORANGE
RIVERSIDE
SAN DIEGO
MÉXICO
Pacific Ocean
Hinkley
Barstow
Rancho Santa Clarita
The Oaks
Lang
Canyon Country
South Pasadena
San Marino
Los Angeles
San Bernardino
Riverside
Beaumont
Banning
Palm Springs
Rancho Mirage
Palm Desert
Indio
Marlboro
Orange
Panorama Heights
La Paloma
Escondido
Elfin Forest
Del Dios
Rancho Santa Fe
Rancho Bernardo
San Diego
Coronado
N
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CHARTER VIDEO FRANCHISE TERRITORIES IN CALIFORNIA

American Cable Entertainment Co.	Falcon Cablevision
Charter Communications Entertainment	Falcon Telecable
Charter Communications Properties	Long Beach LLC
Falcon Cable Systems Co.	Marcus Cable Associates

0 60 120 Miles

0 100 200 Kilometers

Sources: Charter Franchise Applications; 2007, 2008
Projection: Lambert Conformal Conic. Coordinate System: California State Plane, Zone 3; North American Datum 1983
Prepared by the California Public Utilities Commission, Communications Division, Video Franchising and Broadband Deployment Group

Appendix B:

Confidentiality of the Employment Data Provided by Video Franchise Holders

Note on Confidentiality

Some franchise holders requested confidentiality for this information; however, the employment data submitted is not afforded confidentiality protection under DIVCA.[16] While the Public Utilities Commission has a general policy of confidentiality for any data submitted under DIVCA,[17] the Commission has a special policy for the annual employment reports. The Commission has determined that the employment data submitted under DIVCA is not protected by the general policy of confidentiality. The Commission's Phase I Decision states:

> Despite AT&T's and Verizon's requests, we do not afford confidential treatment to the employment data. To do so would violate the express language of DIVCA. Public Utilities Code §5920(b) requires the Commission to make "the information required to be reported by holders of state franchises . . . available to the public on its Internet Web site." Unlike annual broadband and video reports produced pursuant to Public Utilities Code §5960, DIVCA does not direct that our employment reports aggregate information provided by state video franchise holders; instead, these reports are supposed to convey "information . . . reported by holders" without any further stipulation. The Legislature could have imposed an aggregation requirement, but it chose not to here. Thus, we find it is most consistent with the statute to make individual reports submitted pursuant to Public Utilities Code §5920 available to the public. . . . [18]

Given this determination, the Commission will make these data provided by individual video franchise holders available to the public in this Report to the legislative committees of reference. The information in the report has been aggregated to the extent necessary so as not to disclose pay and benefits information at the level where an individual employee could be identified.

Note on FTE Counts

Some franchise holders reported employee headcounts, rather than full-time equivalent (FTE) counts as required. After obtaining additional information from the franchise holders, staff converted headcounts to FTE counts for the tables and graphs within the narrative.

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[16] DIVCA §5920(b) The commission shall annually report the information required to be reported by holders of state franchises pursuant to subdivision (a), to the Assembly Committee on Utilities and Commerce and the Senate Committee on Energy, Utilities and Communications, or their successor committees, and within a reasonable time thereafter, shall make the information available to the public on its Internet Web site.

[17] Phase III Decision, July 14, 2008, 5.2 Discussion…we note that §5960(d) of the California Public Utilities Code extends the protections of §583 to all data provided to the Commission annually in the reporting requirements imposed by DIVCA.

[18] Phase I Decision, March 1, 2007.

Appendix C:

General Order 169 Employment Reporting Requirements, as amended

VII. Reporting Requirements

B. Annual Employment Reports

1. Reporting Obligations Imposed on State Video Franchise Holders with More than 750 California Employees

A State Video Franchise Holder employing more than 750 total employees in California shall report to the Commission annual employment information, as of January 1 of the year in which it first was issued a State Video Franchise and each year thereafter. These reports shall include the following information:

(1) The number of California residents employed by the State Video Franchise Holder, calculated on a full-time or full-time equivalent basis.

(2) The percentage of the State Video Franchise Holder's total domestic workforce that resides in California, calculated on a full-time or full-time equivalent basis.

(3) The types and numbers of jobs by occupational classification held by residents of California employed by State Video Franchise Holders and the average pay and benefits of those jobs and, separately, the number of out-of-state residents employed by independent contractors, companies, and consultants hired by the State Video Franchise Holder, calculated on a full-time or full-time equivalent basis, when the State Video Franchise Holder is not contractually prohibited from disclosing the information to the public. This paragraph applies only to those employees of an independent contractor, company, or consultant that are personally providing services to the State Video Franchise Holder, and does not apply to employees of an independent contractor, company, or consultant not personally performing services for the State Video Franchise Holder.

(4) The number of net new positions proposed to be created directly by the State Video Franchise Holder during the upcoming year by occupational classifications and by category of full-time, part-time, temporary, and contract employees.

These reports shall be filed with the Commission no later than April 1 for each annual reporting period.

2. Commission Reports to Legislative Committees

The Commission shall annually report the information required to be reported by State Video Franchise Holders pursuant to Rule VII.B.1 to the Assembly Committee on Utilities and Commerce and the Senate Committee on Energy, Utilities and Communications, or their successor committees, and within a reasonable time thereafter, shall make the information available to the public on its Internet website.