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**AMENDMENTS TO SENATE BILL NO. 850
AS AMENDED IN SENATE JANUARY 24, 2006**

Amendment 1

In line 1 of the title, strike out "to add Section 12019.5 to the Government Code, and to amend" and strike out line 2

Amendment 2

On page 2, before line 1 insert:

SECTION 1. (a) The Legislature finds and declares all of the following:

- (1) California telecommunications policy has encouraged the ubiquitous availability of a wide choice of state-of-the-art services for more than 10 years.**
- (2) California telecommunications policy also encourages the removal of barriers to open and competitive markets and promotes fair competition to encourage lower prices and more consumer choice.**
- (3) California and federal law require that access to cable television service not be denied to any area because of the income of residents in that area.**
- (4) California law also requires any competing cable television provider to offer service in a sequence that does not discriminate against lower income or minority residents.**

(b) It is the intent of the Legislature to enact legislation that does all of the following:

- (1) Encourage fair competition in the provision of video service by establishing a level playing field so that all competitors bear similar burdens and are offered similar opportunities.**
- (2) Encourage the widespread build-out of state-of-the-art video networks so that all communities, whether rich or poor, or urban or rural, have access to broadband service and competitive video service. Legislation enacted to achieve this purpose should apply to all providers of video service, though the mechanism for ensuring this outcome need not be identical for all competitors.**
- (3) Provide for a state-issued franchise as an alternative to obtaining a local franchise. Under a state-issued franchise, a telephone company should be permitted to obtain a franchise for its entire telephone service area, pay a 5 percent franchise fee payable directly to the local government, provide monetary payments directly to the local government in lieu of other monetary franchise obligations that the incumbent provider bears, carry existing public education and government channels, and comply with existing customer service standards.**
- (4) Permit existing cable operators to transition to a new state-issued franchise.**

(c) It is further the intent of the Legislature that legislation enacted pursuant to subdivision (b) not alter local governmental control of the local right of way with regard to the construction of telephone lines by telephone corporations.



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Amendment 3

On page 2, strike out lines 1 to 9, inclusive, and strike out pages 3 to 5, inclusive

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