

## The Facts on Broadband Service in Morgan Hill

In the past there has been significant community discussion on the Broadband Service provided in Morgan Hill. Furthermore, the City representatives understand the need for improved service and for many years have continuously demanded improved service and redundancy from our primary internet provider, Spectrum.

### Cable Franchise

Many years ago the City of Morgan Hill was responsible for directly managing its own cable franchise, however, this changed in 2006 when the State passed [Assembly Bill 2987](#) better known as Digital Infrastructure and Video Competition Act of 2006 (DIVCA), moving oversight of cable franchises to the CPUC. Franchises are now granted by the State, not the City, and actually are not difficult to get. However, it is economic factors that prevent new franchises from coming into the market. As is the case with water service, gas service, electric service, sewer service, or landline phone service, extensive investment is needed to construct the infrastructure needed to provide new broadband service. Spectrum currently owns all of the infrastructure throughout the City that provides broadband cable service, and any new company would need to spend tens to hundreds of millions of dollars to construct an alternative system. With that level of investment required just to build the system, rates would be astronomically higher than those that Spectrum can offer.

Morgan Hill is not unique in this dilemma as the vast majority of cities across the nation are limited to a single cable broadband service provider. It is believed that future competition for broadband services will come from wireless providers as their technologies become more robust and at a lower cost. In fact, many people today receive service from a host of local companies providing wireless broadband access. It is expected that these local companies will continue to prosper and expand their service offerings.

### City Oversight of Franchises

DIVCA does provide a means for local government to satisfy issues with cable providers in relation to cable service, but this is not the case for broadband service provided by the same companies. DIVCA actually expressly forbids cities from adopting more rigorous customer service standards than those outlined in the law and the standards contained in State and Federal law are essentially meaningless. Their standards address issues like the following:

- Office hours and phone answering time
- Noticing for programming changes
- Service call response time
- Distribution of information on the complaint resolution process

Standards like these are not the concern that the vast majority of customers have, and they **are solely focused on cable television service and not broadband internet services**. The Federal government specifically preempts cities from regulating broadband services. This was a decision made by the FCC about 20 years ago and [affirmed in 2019 after some cities passed regulations affecting broadband services](#). In fact, the FCC even limited its own power to regulate broadband providers and this entire sector is relatively unregulated.

The issues that Morgan Hill residents care about, based on past complaints that we receive, include:

- Broadband service drops and inconsistency
- Broadband pricing
- Broadband connection speed and bandwidth issues

The City is prevented from addressing any of the above by the FCC order and never had the authority to address these under DIVCA.

The City does support the filing of cable television complaints and processes these with Spectrum. They do not provide the type of support some residents are requesting, in terms of forcing improvements to the cable system, but they do help customers address specific household issues. In order to get large-scale improvements in the system, the CPUC would need to act and that is precisely what the City's recent actions are intending to stimulate.

### **Local Government Involvement**

The City has tried to work to encourage improved telecommunications through the limited resources and means that are available. The City has contacted other broadband service providers. It has been pointed out by community members that Comcast previously had a customer service center in Morgan Hill and that the City should have allowed Comcast to provide service in Morgan Hill. At that time, the City did not prohibit Comcast from providing service and in fact reached out directly to Comcast to ask how it could be supportive in this endeavor. However, there was no interest from Comcast due to the economic factors previously mentioned. Additionally, the City has heard requests from community members to use provisions of DIVCA to replace Spectrum with Comcast. The City has no authority to do this under DIVCA and the only means for something such as this to happen would be for one company to purchase the infrastructure from another.

The City has made efforts to incentivize companies to enter the Morgan Hill market. This work has included setting up small cell standards that could support wireless providers, utilizing City infrastructure projects to place conduit in the community, and most recently an RFP for City facility infrastructure was expanded to try to incentivize new fiber installation that supports the greater community. The City understands these efforts have only a very small impact as compared to what the private broadband provider is able to do. Knowing this, the City has recently reached out to the California Public Utilities Commission (CPUC) and our State Representatives, asking that they also demand and require Spectrum to improve service in our community and create needed redundancy.

Please note that much of the information being exchanged in the community is inaccurate statements made by people who are not familiar with the situation. Some of these statements are false (claiming that the City is preventing a competitor from siting here), others reflect personal wishes (saying that the City should have a second broadband provider), while others reflect an unrealistic expectation for the level of service that the City is able to provide. Additionally, community members have blamed specific teammates in our local government for service limitations and the recent outage. The information has been inaccurate, inappropriate, and disturbing.

Most importantly, the vast majority of what is being exchanged in some community conversations is simply not helpful to solving the problem, nor does it engender the development of a cooperative effort in which local residents, businesses, and the City government work together to improve the situation.

### **What can residents and businesses do?**

As getting a second broadband provider to build an entirely new system in Morgan Hill will likely never happen, we should all work together to press Spectrum to build a more resilient system that is not susceptible to catastrophic failures. By diversifying the fiber connectivity of the system, Spectrum should be able to maintain a system that is able to be repaired rapidly when accidents occur. The City is pressing for this improvement and residents should also reach out to Spectrum, the CPUC, and our state representatives.

Contact information for each is provided below for your convenience:

[Spectrum](#)

[CPUC](#)

[State Representatives](#)

### **Update on Spectrum Service**

In 2022, Spectrum informed the City of Morgan Hill they had completed the development of a redundant path for connectivity into the City of Morgan Hill. According to Spectrum representatives this redundant path would prevent future community-wide broadband outages, similar to the one that occurred in 2021.