



# Digital Infrastructure and Video Competition Act (DIVCA) & State Video Franchise Holder Employment

2021 ANNUAL REPORT TO THE GOVERNOR AND THE  
LEGISLATURE



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## I. INTRODUCTION AND BACKGROUND

This Report is prepared in accordance with California Public Utilities (Pub. Util.) Code §§ 914.3 and 914.4, which provide for annual reporting to the Governor and Legislature of certain information that state video franchise (SVF) holders submit to the California Public Utilities Commission (CPUC) pursuant to the Digital Infrastructure and Video Competition Act (DIVCA) of 2006.<sup>1</sup> Specifically, Cal. Pub. Util. Code § 914.3 directs the CPUC to submit “a report that includes, based on year end data, on an aggregated basis, the information submitted by holders pursuant to subdivision (b) of § 5960 of DIVCA.”<sup>2</sup>

DIVCA was signed into law in 2006, transferring responsibility for issuing cable television franchises from cities and counties to the CPUC.<sup>3</sup> As of December 31, 2020, the CPUC had issued 57 state video franchises and 226 amendments to those franchises. Amendments typically are to add or subtract areas to the franchise service areas. Both initial franchise applications and amendments are posted on the CPUC website. Due to consolidations, mergers and business closures, there were 27 active SVF holders at the end of 2020. A list of SVF Holders is available on the Video Franchising Webpage of the CPUC website or via the link in the footnote below.<sup>4</sup>

DIVCA requires SVF holders to provide certain information, which is set forth in Section II below, to the CPUC by April 1 annually. Cal. Pub. Util. Code § 914.3 and § 914.4 require the CPUC to aggregate this data and report it to the Governor and the Legislature each year by December 31.

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<sup>1</sup> See, Cal. Pub. Util. Code §§ 5800 et seq. All statutory references are to the Cal. Pub. Util. Code, unless otherwise noted.

<sup>2</sup> This is the link to the DIVCA Statute: [Assembly Bill \(AB\) 2987 - CHAPTERED \(ca.gov\)](#)

<sup>3</sup> Cal. Pub. Util. Code § 5840(a).

<sup>4</sup> This is the link to the list of SVF Holders:

<https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/video-franchising-and-broadband-analysis/video-franchising-main/current-california-state-issued-video-franchise-holders-as-of-20211208.xls>

This Report provides the information as directed by those sections of the statute with regard to the data submitted by SVF holders on April 1, 2021.<sup>5</sup> The data is as of December 31, 2020 and describes services that SVF holders offered pursuant to grandfathered local franchises in addition to their state video franchises. For tables showing rural versus urban broadband deployment, the CPUC relies on data from 2019 because the Census Bureau has not yet released its 2020 designations of which areas are considered urban or rural. For these tables, the CPUC plans to publish an addendum when the updated data become available.

Prior DIVCA annual reports describe the methods of analyzing video, broadband, employment data, and the background/history of DIVCA. The link to these reports is in the footnote below.<sup>6</sup> In addition, prior annual reports contain analyses of historic data collected since DIVCA's implementation. This report will not repeat that information.

## **II. BROADBAND, VIDEO, AND LOW-INCOME HOUSEHOLD INFORMATION**

Cal. Pub. Util. Code § 914.3 directs the CPUC to submit a report that includes, on an aggregated basis, based on year-end data submitted by SVF holders pursuant to Cal. Pub. Util. Code § 5960(b), the following information:

(1) Broadband information:<sup>7</sup>

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<sup>5</sup> An extension was given to submit broadband data on June 1, 2021, because SVF Holders and other providers were required to use new 2020 census block boundaries for submitting broadband information.

<sup>6</sup> [This link](https://www.cpuc.ca.gov/regulatory-services/licensing/video-franchising/divca-annual-reports-to-the-legislature), will take you to the CPUC webpage containing previous DIVCA Reports.

<sup>7</sup> The data in this report reflects households that are offered broadband at speeds faster than 200kbps in at least one direction, which is the reporting threshold. However, deployment and subscription statistics are also presented for speed benchmarks of 25 Mbps down/3 Mbps up and 100 Mbps down. Throughputs greater than 25/3 are considered by many the minimum necessary to facilitate current Internet applications, and the Governor's Executive Order N-73-20, establishes a state broadband deployment throughput goal of 100 Mbps down. For a discussion of how raw

(A) The number of households to which the SVF holders offer broadband in California.

(B) The number of households that subscribe to broadband that the SVF holder makes available in California.

(C) Whether the broadband provided by the SVF holder utilizes wireline-based facilities or another technology.

(2) Video information:

(A) If the SVF holder is a telephone corporation:<sup>8</sup>

(i) The number of households in the SVF holder's telephone service area.

(ii) The number of households in the SVF holder's telephone service area that are offered video service by the SVF holder.

(B) If the SVF holder is not a telephone corporation:<sup>9</sup>

(i) The number of households in the SVF holder's video service area.

(ii) The number of households in the SVF holder's video service area that are offered video service by the SVF holder.

(3) Low-income household information:

(A) The number of low-income households in the SVF holder's video service area.<sup>10</sup>

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broadband data submitted by SVF holders is validated and corrected prior to its use, see Appendix A.

<sup>8</sup> There are six telephone corporations/ILECs in California that are SVF holders. As used in the context of DIVCA, "telephone corporation" refers to SVF holders, who were Incumbent Local Exchange Companies (ILECs) at the time DIVCA was enacted. This includes: AT&T, Frontier (now including Verizon), Consolidated Communications, Calaveras Telephone, Volcano Telephone and Sierra Telephone.

<sup>9</sup> As used in the context of DIVCA, SVF holders that are not "telephone corporation[s]" refer to entities that were incumbent cable operators at the time DIVCA was enacted and new entrants since then. There are 22 SVF holders that are not "telephone Corporations" in California. Of these 22, fourteen were Incumbent cable operators at the time DIVCA was enacted and eight are new entrants since that date.

<sup>10</sup> The low-income information provided in this report does not relate to current actual counts of low-income households, or current definitions of low-income. DIVCA required SVF holders to use low-income definitions and levels frozen in 2007, as these statistics were intended to measure compliance with specific statutory deployment and nondiscrimination requirements as used in the statute.

(B) The number of low-income households in the SVF holder's video service area that are offered video service by the SVF holder.

Most of the data in this Report reflect data provided by SVF holders and their locally franchised affiliates. However, to illustrate the relationship between SVF holders and the broader broadband service provider market, the broadband deployment tables (Tables 1 & 2) also include data reported by all Internet Service Providers (ISPs) in the state. Broadband deployment data provided by cable companies that only have local franchises and by fixed wireless providers (Wireless Internet Service Providers, or WISPs) are included in the "All ISPs" category in the broadband deployment tables in this report. Satellite Internet Service Provider data are not included in this report.

## **A. Broadband Information**

In this Report, and those published by the Federal Communications Commission (FCC), broadband deployment data may overstate the number of households that are actually offered broadband. Since broadband data is submitted at the census block level, all households are counted as served even if only one actually is served.

The CPUC employs several validation procedures to accurately reflect the census blocks asserted by ISPs to be served, in certain circumstances. These procedures use a combination of subscriber data, technical factors such as loop length, and public feedback. The FCC also validates deployment data ISPs submit to it, using different criteria than the CPUC. Thus, the areas shown by the CPUC on its broadband map differ from those shown on the FCC's maps. The Congressional Research Service published a report on May 19, 2021, that included the following statement: "Although the FCC reviews the (broadband) data (submitted by the ISPs,) it is not verified independently outside of the agency. There is also no

challenge process in place if a consumer, provider, or other entity identifies any of the data as potentially inaccurate.”<sup>11</sup>

Federal and state policymakers have recognized the problems caused by overstatement of broadband deployment due to collecting data at the census block level. Therefore, the FCC has adopted and will be implementing a new, more granular method of collecting broadband data as part of its Broadband Data Collection (formerly known as Digital Opportunity Data Collection) proceeding.<sup>12</sup> Aligning with this change at the FCC, the CPUC will also be requiring this improved method of data collection for broadband data submissions to the CPUC.

DIVCA was amended on October 8, 2021, by Senate Bill (SB) 28, which repeals Cal. Pub. Util. Code § 5960, providing for the collection of the data presented on an aggregated basis in this Report, and adds new Cal. Pub. Util. Code § 5895, which provides that:

(a) The CPUC shall collect granular data on the actual locations served by the holder of a state video franchise.<sup>13</sup>

Staff anticipates that the CPUC will open a Rulemaking to implement these DIVCA amendments and update General Order 169, after which the CPUC will collect

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<sup>11</sup> “Broadband Data and Mapping: Background and Issues for the 117<sup>th</sup> Congress,” Congressional Research Service, page 11, May 19, 2021. <https://sgp.fas.org/crs/misc/R45962.pdf>.

<sup>12</sup> In the Matter of Establishing the Digital Opportunity Data Collection; Modernizing the FCC Form 477 Data Program, *Second Report and Order and Third Further Notice of Proposed Rulemaking*, WC Docket Nos. 19-195, 11-10 (FCC 20-94) (rel. July 16, 2020) (*Third FNPRM*). See also Broadband Deployment Accuracy and Technological Availability Act (Broadband DATA Act) (The Broadband DATA Act, among other things, directs the FCC to adopt location-based data collection from ISPs and create processes for the public, state, local and tribal governments to challenge ISP data.

<sup>13</sup> New section 5960 also provides that:

(b) The commission shall adopt customer service requirements for a holder of a state franchise and adjudicate any customer complaints.

(c) The commission shall not publicly disclose any personally identifiable information collected pursuant to this section.

(d) All information submitted to the commission pursuant to this section shall be disclosed to the public only as provided for pursuant to Section 583.

data from SVF holders in this new granular format. This approach is intended to eliminate ambiguities in data currently collected at the census tract and census block levels and assist in the analysis of questions relating to issues such as potential discriminatory broadband deployment practices.<sup>14</sup>

### 1. Households Offered and Subscribing to Broadband at Speeds $\geq$ 200 kbps

Table 1 below shows the number of households offered broadband and households subscribing to broadband at speeds  $\geq$  200 kilobits per second (kbps) in at least one direction using wireline technologies.<sup>15</sup> Table 2 shows additional speed benchmarks.

**Table 1– Broadband Deployment and Subscriptions at  $\geq$  200 kbps (EOY 2020)<sup>16</sup>**

	Total CA Households	Households Offered Broadband		Broadband Subscriptions	
		SVF Holders	All ISPs	SVF Holders	All ISPs
<b>Total</b>	13,339,672	12,971,662	13,119,438	11,874,476	12,176,982

The 2020 data contained in this report use the new census boundaries adopted by the Census Bureau based on data from its 2020 decennial census. While the Census Bureau has published new geographic boundaries for census blocks,

<sup>14</sup> Video deployment and video subscriber data is collected at the census tract level, broadband deployment data is collected at the census block level, and SVF holder broadband subscriber data are collected at both the census tract and census block levels.

<sup>15</sup> Household data used in this Report are from the California Department of Finance, *Table E-5 Population and Housing Estimates for Cities, Counties, and the State, 2010-2021*. <https://www.dof.ca.gov/Forecasting/Demographics/Estimates/e-5/>

<sup>16</sup> The estimate of the number of Total CA Households in California for the year 2020 shown in Table 1 above, was as of January 1, 2021, as published by the California Department of Finance. The Department of Finance's (DOF) estimate is different from the number of households for 2020 that was published by the U.S. Census Bureau (13,475,623). Because the Census Bureau's count was based on data as of Census Day, April 1, 2020, the CPUC uses the DOF's estimate here, as it is contemporaneous with the 12/31/20 broadband deployment data, while the Census Bureau's household count is from eight months prior.



block groups, census tracts, and demographic information relating to households, housing and population, as well as household income, it has not yet released its designation of which areas are considered urban or rural.

Cal. Pub. Util. Code § 914.3 does not require the CPUC to provide an urban/rural analysis relating to broadband deployment in the annual DIVCA Report. In the past, an urban/rural analysis was done because it clearly showed the extent to which the Digital Divide (i.e., the absence of deployed broadband) disproportionately impacts rural areas. A current urban/rural analysis based on 2020 data cannot be done because the Census Bureau has not yet designated the urban/rural areas. Because the CPUC believes that the Digital Divide still disproportionately impacts rural areas, an addendum to this Report will be published next summer to include the urban/rural analysis using 2021 data, after the Census Bureau releases these designations. Last year's urban/rural analysis which is included in this Report below in Tables 1a and 2a highlights the urban/rural Digital Divide.

Last year's data in Table 1a below shows that in December 2019, 85% of rural households were offered broadband  $\geq 200$ kbps (586,416 HHs). In contrast, 98% of urban households in California were offered broadband  $\geq 200$ kbps (12.3 million).

**Table 1a – Disaggregated Urban/Rural Information**  
**Broadband Deployment and Subscriptions at  $\geq 200$  kbps (EOY 2019 Data)<sup>17</sup>**

	Statewide Households	Households offered By SVF Holders	Households offered By All ISPs	Subscriptions To SVF Holders	Subscriptions To All ISPs
<b>Urban</b>	12,582,522	12,340,183	12,356,573		
<b>Rural</b>	690,418	442,075	586,416		
<b>Total</b>	<b>13,272,939</b>	<b>12,782,258</b>	<b>12,942,990</b>	<b>11,330,159</b>	<b>11,596,186</b>

The Statewide households in the second column divides all the households into two categories: either urban or rural.

**2. Statewide Broadband Deployment at Advertised Speeds of  $\geq 25/3$  Mbps and  $\geq 100$  Mbps**

Table 1 above, shows broadband deployment and subscription at broadband speeds of  $\geq 200$  kbps, as set forth in DIVCA's reporting requirements.

Table 2 below includes information relating to broadband deployment at faster speeds, which is more relevant to understanding broadband statistics at speed benchmarks necessary for current Internet access applications, including video

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<sup>17</sup> Because broadband subscription information is reported by census tract, those totals cannot be allocated to urban/rural areas. Thus, Table 1a shows urban/rural totals for households offered broadband, but not broadband subscriptions.

streaming and web conferencing.<sup>18</sup> The FCC describes these speed benchmarks in the "Household Broadband Guide" on the FCC website.<sup>19</sup>

Similar to Table 1, which does not include urban/rural breakouts this year, Table 2 also does not include the urban/rural breakouts. Table 2 will be revised to include the urban/rural breakouts when the Census Bureau updates its urban/rural designations.

**Table 2 – Statewide Households Offered Broadband at Advertised Speeds of  $\geq 25/3$  Mbps and  $\geq 100$  Mbps (EOY 2020 Data)**

Speed Benchmarks	Broadband Deployment by SFV Holders		Broadband Deployment by All ISPs	
	Households	Percentage	Households	Percentage
$\geq 200$ kbps	12,971,662	97.2%	13,119,438	98.3%
$\geq 25/3$	12,741,341	95.5%	12,986,181	97.4%
$\geq 100$ down	12,655,623	94.9%	12,714,325	95.3%

Number of Households in CA as of December 31, 2020: 13,339,672<sup>20</sup>

Table 2a below from last year's report is also included in this year's report because it clearly shows the disparity between urban and rural broadband deployment at the end of 2019 at speed benchmarks that are necessary for modern Internet usage.<sup>21</sup> The CPUC expects that pattern to be repeated for end of year 2021 broadband deployment data, when the updated tables are published in summer, 2022.

<sup>18</sup> Broadband data for 200 kbps, are included in Table 2 and Table 3 to make it easier to compare data for three different broadband speeds in one table.

<sup>19</sup> Household Broadband Guide | Federal Communications Commission (fcc.gov)

<sup>20</sup> California Department of Finance, Table E-5 Population and Housing Estimates for Cities, Counties, and the State, 2010-2021.

<https://www.dof.ca.gov/Forecasting/Demographics/Estimates/e-5/>

<sup>21</sup> The following link will take you to a short report on the FCC's website describing the amount of bandwidth required for certain applications to function properly. Household Broadband Guide | Federal Communications Commission (fcc.gov)

Table 2a below from last year's DIVCA Report shows that broadband at advertised speeds  $\geq 25/3$  Mbps was available from all ISPs to only 73.8% of the state's rural households compared to 97.8% of the state's urban households. At speeds  $\geq 100$  Mbps, the disparity in the availability of broadband service was even greater, with such service available to only 48.7% of rural households compared to 97.5% of households in urban areas. These percentages are for the category of all ISPs. Table 2a below also shows the same information for SVF Holders.

**Table 2a – Rural, Urban and Statewide Broadband Deployment /  
Households Offered Broadband at Advertised Speeds of  
 $\geq 25/3$  Mbps and  $\geq 100$  Mbps (EOY 2019 Data)**

Speed Benchmarks	Broadband Deployment By SVF Holders						Broadband Deployment By All Internet Service Providers					
	Urban		Rural		Statewide		Urban		Rural		Statewide	
	Households	Percentage	Households	Percentage	Households	Percentage	Households	Percentage	Households	Percentage	Households	Percentage
$\geq 25/3$	12,271,419	97.5%	335,402	48.6%	12,606,822	95.0%	12,301,015	97.8%	509,496	73.8%	12,810,510	96.5%
$\geq 100$ down	12,248,986	97.3%	297,502	43.1%	12,546,488	94.5%	12,262,018	97.5%	336,192	48.7%	12,598,210	94.9%

Data is as-of December 31, 2019 / Number of Households in CA as of Dec 31, 2019: 13,272,939

The blue half of Table 2a above shows that in December 2019, SVF holders offered broadband at 25/3 Mbps to far fewer rural households than “All Internet Service Providers,” which are shown in the brown half of the table. This is because rural households are often served by rural telephone companies and niche broadband providers, which are not SVF Holders.

### 3. Households Subscribing to Broadband at Advertised Speeds of $\geq 25/3$ Mbps and $\geq 100$ Mbps

When comparing the broadband subscription rates in Table 3 below with the deployment rates in Table 2 above, the data for all ISPs shows:

- Broadband at advertised speeds of  $\geq 25/3$  Mbps is available to 97.4% households in the state, 83.3% of which subscribe.<sup>22</sup>
- Broadband at advertised speeds of  $\geq 100$  Mbps is available to 95.3% of the households in the state, 71.4% of which subscribe.

**Table 3 – Households Subscribing to Broadband at speeds of  $\geq 25/3$  Mbps and  $\geq 100$  Mbps (EOY 2020)**

Speed Benchmarks	Broadband Subscriptions to SVF Holders			Broadband Subscriptions to all ISPs		
	Households That Have Availability at Each Speed	Number of Subscriptions	% Subscribing Who Have Availability at Each Speed	Households That Have Availability at Each Speed	Number of Subscriptions	% Subscribing Who Have Availability at Each Speed
$\geq 200$ kbps	12,971,662	11,874,476	91.5%	13,119,438	12,176,982	92.8%
$\geq 25/3$	12,741,341	10,678,621	83.8%	12,986,181	10,818,881	83.3%
$\geq 100$ down	12,655,623	8,962,901	70.8%	12,714,325	9,074,915	71.4%

Number of Households in CA as of December 31, 2020: 13,339,672

The faster speeds in Table 2 and Table 3 are not required in this Report pursuant to Cal. Pub. Util. Code § 914.3. The deployment and subscriber data for the faster speeds are included because these data are useful to understand the extent to which consumers are choosing not to purchase broadband service at speeds necessary for current applications, even though it may be available to them.<sup>23</sup> To the extent this is a function of price, income, and potentially other factors,

<sup>22</sup> With the caveat that if one household in a census block is offered broadband service, all households in that census block are considered to be offered broadband service. All actual subscriptions are collected from the franchise holders and are counted in the data.

<sup>23</sup> The following FCC website describes the amount of bandwidth required for applications that many people use: [Household Broadband Guide | Federal Communications Commission \(fcc.gov\)](https://www.fcc.gov/consumers/guides/household-broadband-guide)

programs that subsidize subscriptions, rather than deployment of infrastructure, may be necessary to bridge this divide.

## **B. Video Information**

### **1. Video Data from SVF Holders that are Incumbent Local Exchange Carriers**

For SVF holders that are Incumbent Local Exchange Carriers (ILECs),<sup>24</sup> Table 4 shows the aggregate number of households ILECs reported that were in their video service areas. The table also shows the number of households to which ILECs reported they offered video service as of December 31, 2020.<sup>25</sup>

In Tables 4 and 5, the number of households reported in video service areas exceeds the number of households in the state. This is because the data is not submitted at the household level, but rather by census tract, as required by statute. Therefore, in the census tracts<sup>26</sup> where more than one SVF holder offers video service, the number of households and the number of households offered video can be double or triple counted.<sup>27</sup> However, even in those circumstances where there is double or triple counting, there may be portions of those census tracts where no SVF holders offer video services.<sup>28</sup> The collection of granular data describing the actual locations served, which is now required by SB 28 and which

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<sup>24</sup> There are six SVF holders that are considered incumbent telephone corporations. They are AT&T, Frontier, Consolidated, Calaveras Telephone, Sierra Telephone and Volcano Telephone.

<sup>25</sup> DIVCA requires AT&T to offer video service to 50% of the households in its telephone service area, and Frontier to offer video service to 40% of the households in its telephone service area. Neither incumbent cable operators nor new entrants have numeric deployment requirements.

<sup>26</sup> Unlike broadband data, which is submitted to the CPUC at a census block level, video data is submitted to the CPUC at a census tract level.

<sup>27</sup> Because the data is not submitted at the household level, it cannot be manipulated to eliminate the double or triple counting. This is because it is not possible to know where, within the tract, service is offered and the extent of the overlap among the providers.

<sup>28</sup> Tables 4 and 5 both show that not all households are offered video by ILECs or non-ILECs. This is because (1) State-issued video franchise holders are not obligated to offer service to all households in their franchise territory; and (2) the aggregation unit for this calculation is the census tract, and many of the census tracts that overlap their territories contain remote, rural households, which are not necessarily served.

will be implemented through further CPUC rulemaking, is expected to obviate these problems of double and triple counting.

**Table 4 – Households Offered Video by ILECs**

	Number of Households in Video Service Area	Number of Households Offered Video
Households	14,371,769	8,864,082

Appendix B shows the number of census tracts in which video service was offered by zero, one, two, three, or four SVF holders.

## 2. Video Data for SVF Holders that are not ILECs

For SVF holders that are not ILECs, Table 5 below shows the aggregate number of households they reported to the CPUC that are in their video service areas. It also shows the number of households to which each non-ILEC SVF holder reported they offered video. This category predominantly consists of legacy providers of cable television video services. Such cable television providers have historically reported deploying services to almost all households in their service areas, pursuant to requirements of local franchises prior to DIVCA.

As described in the previous section, in Tables 4 and 5, the number of households reported in video service areas exceeds the number of households in the state. This is because the data is not submitted at the household level, but rather by census tract, as provided by statute. Therefore, in the census tracts<sup>29</sup> where more than one SVF holder offers video service, the number of households and the number of households offered video can be double or triple counted.<sup>30</sup> However, even in those circumstances where there is double or triple counting, there may be portions of those census tracts where no SVF holders offer video services.<sup>31</sup>

**Table 5 – Households Offered Video by SVF Holders that are not ILECs**

	Number of Households in Video Service Area	Number of Households Offered Video
Households	14,841,410	14,395,503

<sup>29</sup> Unlike broadband data, which is submitted to the CPUC at a census block level, video data is submitted to the CPUC at a census tract level.

<sup>30</sup> Because the data is not submitted at the household level, it cannot be manipulated to eliminate the double or triple counting. This is because it is not possible to know where, within the tract, service is offered and the extent of the overlap among the providers.

<sup>31</sup> Table 5 shows that not all households are offered video by non-ILECs. This is because (1) State-issued video franchise holders are not obligated to offer service to all households in their franchise territory; and (2) The aggregation unit for this calculation is the census tract, and many of the census tracts that overlap their territories contain remote, rural households, which are not necessarily served.



### C. Low-Income Households Offered Video

SVF holders also provide data to the CPUC indicating the number of low-income households in their video service areas, and the number of low-income households to which they offer video service. For the same reasons described in the previous two video deployment sections of this Report, the number of low-income households shown exceeds the number in the state.<sup>32</sup> In addition, because of the double/triple counting issue, the number of low-income households offered video is likely also inflated.

Each of the SVF holders determine the number of low-income households in their video service area by applying the percentage of low-income households that existed in each census tract in 2007<sup>33</sup> to the total number of households in each tract at the end of 2020. Note that the household numbers shown are aggregations for all SVF holders. The CPUC intends to provide more accurate data about video offered to low-income households after the granular data is collected, as authorized by SB 28.

**Table 6 – Video Service Offered in Low-Income Areas**

	Low-Income Households in Video Service Area	Low-Income Households Offered Video
Households	8,861,555	6,789,693

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<sup>32</sup> The actual number of low-income households in the state are estimated to be approximately 3.8 million households.

<sup>33</sup> Cal. Pub. Util. Code § 5890 (j)(2) defines low-income household as: “those residential households located within the holder’s existing telephone service area where the average annual household income is less than \$35,000 based on the United States Census Bureau estimates adjusted annually to reflect rates of change and distribution through January 1, 2007.”

### III. EMPLOYMENT INFORMATION

Cal. Pub. Util. Code § 5920 requires the CPUC to collect certain employment information from SVF holders employing more than 750 full-time employees in California. Cal. Pub. Util. Code § 914.4 directs the CPUC to report this information to the Assembly Committee on Utilities and Commerce and the Senate Committee on Energy, Utilities and Communications and to post the information on the CPUC's website annually.<sup>34</sup> In this Report, broadband and video information are combined, as required by Cal. Pub. Util. Code § 914.3 with the employment information required by Cal. Pub. Util. Code § 914.4.

This is the thirteenth report on SVF holder employment data.<sup>35</sup> The data in this Report are current as of December 31, 2020.

Pursuant to Cal. Pub. Util. Code § 5920, the following information is submitted to the CPUC by the five SVF holders with more than 750 employees in California:

- Number of California residents employed on a full-time basis (Section A; Table 7).
- Percentage of the SVF holder's total domestic workforce that resides in California (Section B; Table 8).
- Employees categorized by occupation (Section C; Table 9).
- Average wages and salaries (including benefits) categorized by occupation (Section D; Table 10).
- Number of out-of-state residents employed by independent contractors, which personally provide services to the SVF holder, unless the SVF holder is contractually prohibited from disclosing this information to the public (Section E).
- Forecast of the number of net new positions expected to be created during the next year (2021) (Section F; Table 11).

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<sup>34</sup> Cal. Pub. Util. Code §§ 914.4, 5920.

<sup>35</sup> This Report and previous DIVCA Employment Reports, which were published as stand-alone documents, can be found at the following [link on the CPUC website: DIVCA Annual Reports to the Legislature / https://www.cpuc.ca.gov/regulatory-services/licensing/video-franchising/divca-annual-reports-to-the-legislature](https://www.cpuc.ca.gov/regulatory-services/licensing/video-franchising/divca-annual-reports-to-the-legislature)

Table 7 below shows the five SVF holders which had more than 750 full-time employees in California and were therefore required to report employment data for 2020.

The employees of the SVF holders, which are shown in the following tables, may be involved in wireline telephone, video, and/or data services. DIVCA does not require SVF holders to categorize their employees by the type of services/ technologies they work on. Employees of locally franchised affiliates of SVF holders are included in these employee counts. The business operations for which Frontier and AT&T submitted employment data include their wireline telephone, broadband and video operations. Employees of AT&T's mobile operations were not included.

### **A. Number of Employees of Five Largest SVF Holders**

Table 7 shows that the five reporting SVF holders with more than 750 employees reported a total of 26,481 employees in California, as of December 31, 2020.

**Table 7 – Total Number of Employees of SVF Holders**

<b>SVF Holder</b>	<b>2020 Employees</b>
AT&T	8,705
Frontier	2,835
Comcast	4,524
Cox	1,576
Charter	8,841
<b>Total</b>	<b>26,481</b>

## B. Percentage of the SVF Holder’s Workforce Residing in California

Table 8 below shows the percentage of the workforce residing in California for each of the five reporting SVF holders as of December 31, 2020.

**Table 8 – Percentage of Workforce Residing in California**

SVF Holder	% Workforce Residing in CA
AT&T	99.6%
Frontier	100%
Comcast	100%
Cox	99.6%
Charter	99.7%

## C. Total Employees by Occupation

Table 9 categorizes the 26,481 employees who were employed by the five reporting SVF holders at the end of 2020 into eight different occupational categories. Skilled craft workers made up the largest category of workers for four of these five SVF holders.

Most SVF holders that are required to report employee information under DIVCA provide the CPUC with copies of their U.S Equal Opportunity Commission EEO-1 filings. The CPUC uses the same categories listed in these filings to show the statistics below. However, some similar categories have been grouped together for the purposes of this report.

Frontier reports both “Senior Vice Presidents” and “Vice Presidents” in the Executives / Sr. Leaders category. Frontier reports both “analysts/engineers” and “other support.” Tables 9 and 10 below contain “analysts/engineers” in the technician category and the “other support” personnel that Frontier reported in the office/clerical category. Frontier reports both “Managers” and “Directors/Assistant VPs.” This report combines those into the category “Officials/Managers.”

**Table 9 – Total CA Employees by Occupation**

<b>Occupational Categories</b>	<b>AT&amp;T</b>	<b>Frontier</b>	<b>Comcast</b>	<b>Cox</b>	<b>Charter</b>	<b>Total</b>
<b>Exec / Sr. Leaders</b>	0	9	41	1	3	60
<b>Officials / Managers</b>	143	126	80	271	1,199	1819
<b>Professionals</b>	814	93	610	1,288	674	3479
<b>Technicians</b>	891	27	527	212	195	1825
<b>Sales / Associates</b>	198	306	458	299	1,788	3049
<b>Office / Clerical</b>	1,984	39	629	198	2,095	4963
<b>Skilled Crafts</b>	4,676	2,328	1,449	440	2,887	11,779
<b>Oper/Labor/Serv<sup>36</sup></b>	0	0	0	36	0	36
<b>Total</b>	<b>8,705</b>	<b>2,835</b>	<b>4,524</b>	<b>1576</b>	<b>8,841</b>	<b>26,481</b>

<sup>36</sup> These categories are defined by the US Government. They include: “Operators (semi-skilled),” “Laborers and helpers,” and “Service Workers.” Four of the five SVF holders include these workers in the category: “Skilled Craft Worker.”

## D. Average Wages Categorized by Occupation

Table 10 shows the average wages that each SVF holder reported for each occupational category.

**Table 10 – Average Wages by Occupation by SVF Holder (in \$)**

Occupational Categories	AT&T	Frontier	Comcast	Cox	Charter
<b>Exec / Sr. Leaders</b>	N/A <sup>37</sup>	202,689	186,408	N/A <sup>38</sup>	688,361
<b>Officials / Managers</b>	119,650	131,256	165,972	125,523	130,154
<b>Professionals</b>	97,742	115,875	138,312	98,565	109,766
<b>Technicians</b>	86,755	80,880	162,696	81,993	85,931
<b>Sales / Associates</b>	83,579	91,482	135,924	90,071	68,186
<b>Office / Clerical</b>	94,674	70,893	101,832	67,861	54,835
<b>Skilled Crafts</b>	90,136	79,454	141,012	75,701	66,873
<b>Operators. /Labor/Serv</b>	N/A	N/A	N/A	50,862	N/A

## E. Number of Out-of-State Residents Employed by Independent Contractors

None of the five companies reported out-of-state residents employed by independent contractors, companies, and consultants hired by the SVF holder.

<sup>37</sup> AT&T California reported they had 0 Executives / Sr. Leaders as of December 31, 2020.

<sup>38</sup> Cox Communications California LLC has one Executive/Senior Leader. Providing salary data would be individually identifiable.

## F. Forecasts of Job Creation

The table below shows that only AT&T and Charter forecasted that they will have net new employees in 2021.

**Table 11 – Forecasted Net-New Employees for 2021**<sup>39</sup>

<b>SVF Holder</b>	<b>Forecasted Net New Employees for 2021</b>
AT&T	568
Frontier	0
Comcast	0
Cox	0
Charter	27
<b>Total</b>	<b>595</b>

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<sup>39</sup> The Statute does not require SVF Holders to provide reasons for their forecasts.

## **G. Additional Information About Broadband Deployment Data**

Appendix A describes the methods used to validate broadband deployment data, which is the same method that has been used in prior DIVCA Annual Reports.

Appendix B shows the number of census tracts in which video service was offered by zero, one, two, three, or four SVF holders.

Appendix C shows the number of households offered broadband service by zero, one, two, three, or four SVF holders at three broadband speed benchmarks.



## **APPENDIX A - Methods Used to Validate Broadband Deployment Data**

The method of estimating the broadband deployment/availability data begins with SVF holders providing data to the CPUC, at specified granularities, by census block.

The broadband data provided by SVF holders is validated by CPUC staff using other available commercial and government data, as well as subscriber data provided by SVF holders, and public feedback. For example, if a SVF holder reports that it offers broadband service in a census block, but it reports no subscribers in that block, staff consults with the SVF holder and may remove that census block from the served category. Similarly, public feedback to the CPUC that describes where service is *not* available from a SVF holder, in many cases invalidates the availability information provided by that SVF holder.

## APPENDIX B – Number of SVF Holders Offering Video Per Census Tract

Table 12 shows the number of census tracts in which video service was offered by zero, one, two, three, or four SVF holders. The data include video services provided by ALL SVF holders.

- 12.9 % of the census tracts had only **one (1) video service provider**
- 85.7% of the census tracts had **two (2) or more video service providers**

**Table 12 – Video Competition  
(Number of Census Tracts in which Video Service is Offered by Multiple SVF Holders)**

Number of Census Tracts	Number of Franchise Holders Offering Service	Households <sup>40</sup>	Percentage of All Households in the State <sup>41</sup>
110	0	86,939	0.7%
1,038	1	1,641,879	12.4%
6,237	2	10,264,500	77.3%
640	3	1,236,140	9.3%
18	4	43,482	0.3%

<sup>40</sup> The total number of households in Tables 12 and 13 do not conform with each other because this year the video data is based on 2010 census geometry and the broadband data is based on 2020 census geometry. Thus, the household count in Table 12 is based on CA Department of Finance projections from the 2010 census, while the household count in Table 13 is based on CA Department of Finance projections from the 2020 census.

<sup>41</sup> As explained in footnote 35 and shown in Table 1, the number of total households in California used here in this broadband analysis is 13,339,672.

## APPENDIX C - Number of Households Offered Broadband by Multiple SVF Holders at Three Speed Benchmarks

Table 13 shows the number of households offered broadband service by zero, one, two, three, or four SVF holders at three broadband speed benchmarks. The data includes broadband services provided by all SVF holders. Each row in the table allocates the 13,339,672 households in the state between each of the columns. The data show that:

- 4.5% of the HHs (598,331) had **no** SVF holders offering broadband at  $\geq 25/3$
- 5.1% of the HHs (684,049) had **no** SVF holders offering broadband at  $\geq 100$
- 24.7% of the HHs (3.3 million) had **one** SVF holder offering broadband at  $\geq 25/3$
- 34.2% of the HHs (4.6 million) had **one** SVF holder offering broadband at  $\geq 100$
- 70.9% of the HHs (9.5 million) had **two or more** SVF holders offering broadband at  $\geq 25/3$
- 60.7% of the HHs (8.1 million) had **two or more** SVF holders offering broadband at  $\geq 100$

**Table 13 – Number of Households Offered Broadband by Multiple SVF Holders**

Speed Benchmark	Franchise Holders per Census Block				
	0	1	2	3	4
$\geq 200$ kbps in either direction	368,010	1,204,318	11,257,456	509,195	694
$\geq 25/3$ mbps	598,331	3,289,572	9,015,449	435,903	417
$\geq 100$ mbps downstream	684,049	4,557,215	7,737,111	361,209	88

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End of DIVCA Video, Broadband and Employment Report

For the Year Ended December 31, 2020