



SC Telephone Coalition's Price Cap Docket

The SC Telephone Coalition filed a petition with the SC Public Service Commission in early February seeking to establish new price caps for basic local residential service provided under alternative regulation plans filed by its member companies. The existing plans cap basic local residential and single-line business service plans at the statewide average. The Coalition wants to establish new caps at the applicable nationwide average rates to allow the members to meet rate floors established by the FCC in its *USF-Intercarrier Compensation Reform Order* issued in November 2011. The Federal Order transitions federal USF support to the Connect America Fund in stages. In order to ensure that the federal USF support was not subsidizing artificially low rates, the High Cost Loop Support will be reduced to the extent that local rates are below a specified urban local rate floor to be phased in through July 2014. The current residential rates for the Coalition companies are above the FCC-established floor for the first two steps. However, most of their rates are below the \$15.62 nationwide average residential rate. The Coalition expects that the rate floor to be implemented after 2014 will be higher. The Coalition seeks the flexibility to adjust rates under their alternative regulation plans to meet any rate floors established by the FCC.

The S.C. Cable Television Association intervened in the PSC docket and requested that appropriate adjustments be made to the SC Universal Service Fund to reflect any requested increases in the maximum rates by the Coalition companies. Frontier Communications and Centurylink also intervened. The Commission granted the Coalition's petition to establish new price caps but is holding the docket open to address the other issues raised. The SCCTA has requested copies of the annual USF filings made by members of the Coalition to determine how to adjust the SC USF. SCCTA noted that the SC Office of Regulatory Staff recently submitted a letter reporting an issue with the same forms requested by the SCCTA. In the letter, ORS seeks guidance from the Commission regarding SC USF disbursements. The incumbent carriers receiving disbursements are required to file an annual ILEC data report with ORS. Some ILECs have reported that the monthly USF support they are receiving exceeds their costs. On April 10th the Commission issued a directive indicating that the information contained in the ORS letter was insufficient for the Commission to make a recommendation. The Commission requested "that the ORS provide more information, such as the amounts and dates of the **overpayments**, which companies were overpaid, and any other information that would assist the Commission. Also, since ORS is the Administrator of the state USF, I request that it provide potential remedies for the Commission to consider." (April 10, 2013, PSC Order No. 2013-243, emphasis added).

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From the Executive Director....

The 120th General Assembly (GA) of South Carolina commenced the second Tuesday of January 2013. The focus this session has been both elections and ethics reform. Election reform was prompted by problems at many polls during the 2012 elections where voters experienced long lines and not enough machines, particularly in Richland County. Ethics reform has been prompted by a number of political scandals in recent years including former Governor Mark Sanford and the former Lt. Governor Ken Ard (who resigned). These reforms include more transparency, increased reporting and who should ultimately oversee General Assembly ethics issues.

After a decade-long debate, the South Carolina State Senate approved the SC Department of Administration, which will disband the state's Budget and Control Board. Creating a DOA was an initiative former Governor Mark Sanford supported and is now supported by current SC Governor Nikki Haley. This measure is now up for debate in the SC House of Representatives.

The annual state appropriations bill has moved fast with one exception, the Patient Protection and Affordable Care Act approved by the federal government. Governor Haley made it clear in her State of the State speech; she would not support the state increasing Medicaid rolls through this act and would veto the measure if approved by the state legislature. Even though AARP, the Hospital Association and others have lobbied hard in support of this act, the House did not approve support of the act, which would have affected the appropriations bill. The state budget will be debated by the senate soon.

Another surprise this session is the House approving a shortened legislative session. This matter has been debated for decades and does have certain support in the Senate. This measure approves the SC GA commencing in February with a May *sine die*. House members argued most of January is spent in committee meetings with very little time on the floor. The argument against this measure is the late analysis by the SC Board of Economic Advisors, who report in mid-May, which could affect the state appropriations bill.

Additionally, a number of bills have been filed to have certain constitutional officers no longer be elected but appointed by the governor. If passed, an electoral referendum will be held for voter approval to change the state constitution regarding these positions.

The SC Cable Television Association is currently monitoring over 150 bills filed in the Palmetto state. These bills either directly or indirectly affect the SC cable industry but are nothing of great concern. However, this association continues to closely monitor each legislative desk, as members continue to file bills until *sine die*. These bills would continue in 2014, as this would be the second year of the two-year session. The SCCTA does expect tax reform movement next session which may affect a number of tax exemptions for our industry.

I always look forward to our annual dinner in which we honor the Senate Judiciary Committee and the Office of the Lt. Governor. Cocktails and dinner is scheduled for 6 PM on Wednesday May 14th at Colas located at 1215 Assembly Street across the street from the statehouse and the SCCTA offices. Earlier in the day, we have lunch planned at the Capitol City Club in which we have a SCCTA board meeting scheduled.

I continue to appreciate the great governmental affairs team we have in South Carolina. Your input is very valuable as we continue to protect and promote the cable industry.

Ray Sharpe

PUBLIC SERVICE COMMISSION NEWS

PSC Elections

Terms for Seats 1, 3, 5, and 7 of the Public Service Commission expire at the end of June. The General Assembly will elect the Commissioners in a joint session scheduled for May 1, 2013. The Public Utilities Review Committee issued its report on the candidates on April 11th. PURC found the following candidates qualified and nominated:

District 1: John "Butch" Howard (incumbent)
David Cannon, and Carolyn "Carolee" Williams

District 3:
Randy Randall

District 5: Swain Whitfield (incumbent), Sara Nuckles, and Headon Thomas

District 7: O'Neal Hamilton (incumbent) and Dale Surret
Incumbent District 3 Commissioner Randy Mitchell withdrew from consideration.

FCC Study Area Boundaries Order

On November 6, 2013, and February 26, 2013, the FCC Wireline Competition Bureau issued Orders that required ILECs or state entities on their behalf to collect study area boundary data. Each ILEC must submit data on the boundaries of the areas it serves in a state unless a state commission voluntarily submits the data for the ILECs in its state. The FCC encouraged state commissions to submit the study area boundaries. State commissions planning to submit the data are to file a notice of their intent no later than April 12, 2013. The data must be submitted no later than June 28, 2013.

The SC Office of Regulatory Staff ("ORS") informed the SC Public Service Commission that ORS does not have the capability of filing the study area boundary data

with the FCC for the ILECs and that it cannot certify the accuracy of the study area boundary data prepared by the ILECs. The Commission issued a directive on March 27, 2013, indicating that like ORS, the Commission does not have the resources necessary to collect and reconcile the data. As a result the ILECs will have to produce, reconcile, submit and certify to the FCC the required boundary information.

SC Dual Party Relay Fund

The SC Office of Regulatory Staff filed a petition for expedited review of its request concerning the SC Dual Party Relay Fund on April 9, 2013. The Fund was established to provide telephone access to persons who are hearing or speech impaired. The Fund is currently operating at a deficit of \$366,215 that is expected to increase due to reduced revenues from access lines to approximately \$504,000 by the end of the fiscal year. The Commission has the authority to determine the funding mechanism and administer the program. The main program funding areas include Real-Time Closed Captioning, Instructional Closed Captioning, SC Equipment Distribution Program Administration, SC General Assembly Closed Captioning, SC ED Equipment, and Relay Service. ORS seeks a determination as to whether the current surcharge of \$0.15 per access line should be increased to \$0.25 per access line to maintain the current level of service or whether to reduce budgets for program areas or eliminate program areas. The proposed \$0.25 per business and residential access is the maximum allowed pursuant to the enacting statute. ORS will make a presentation to the Commission on April 16th to address revenues and expenses, alternatives to resolve the budget shortfall, and alternatives for maintaining the future stability of the fund.

SAVE THE DATE
2013 JOINT SUMMER MEETING
August 14 – 16, 2013
Inn on Biltmore Estate
Asheville, North Carolina



Member News...



COMCAST TO DOUBLE SPEEDS OF TWO OF ITS MOST POPULAR XFINITY INTERNET SPEED PLANS IN CHARLESTON AT NO ADDITIONAL COST

CHARLESTON, SOUTH CAROLINA (March 26, 2013) – Comcast, the nation’s largest Internet service provider, today announced it is increasing the speeds of two of its most popular XFINITY Internet speed plans, Blast! and Extreme 50, in Charleston for no additional cost. Customers will enjoy more than twice as fast Internet speeds on multiple devices, allowing them to surf, chat, stream HD movies and TV shows, or game online with double the speed. Also for no additional cost, Comcast in April is increasing the speed of its widely used Performance plan by more than 60 percent. “As customer demands and technology evolve, we continue to increase our broadband speeds to deliver the best, fastest and most reliable Internet experience possible for our customers,” said Andy Macke, Comcast’s Vice President of Government & Community Affairs. “Whether chatting, surfing, streaming, gaming, skypeing or downloading, families will get the superfast, high-performing Internet service they need, with no extra charge.”

Specifically, the Blast! plan is increasing download speeds from up to 25 Mbps to speeds up to 50 Mbps and upload speeds from up to 4 Mbps to up to 10 Mbps, while Extreme 50 customers will receive download speeds up to 105 Mbps (formerly 50 Mbps) and upload speeds up to 20 Mbps (formerly 15 Mbps). The Performance plan is increasing to speeds up to (20 or 25) Mbps from 15 Mbps downstream and to (4 or 5) Mbps from 2 Mbps upstream. To activate the new speeds, customers just need to re-start their cable modems. For the third year in a row the Federal Communications Commission has shown that Comcast delivers speeds to customers that are even faster than the advertised speeds. Comcast is not only delivering the nation’s fastest Internet, but it is also providing the fastest in-home WiFi with its latest Xfinity Wireless Gateway, an all-in-one device that gives customers reliably fast speeds with the most coverage in their home so everyone can get online and do more on their devices all at the same time. For more information on Comcast’s XFINITY Internet services, customers can call 1-800-XFINITY or visit www.comcastcorporation.com.

Time Warner Cable sponsors “This Week at the Statehouse”

Time Warner Cable continues to be the main sponsor for the weekly ETV program “This Week at the Statehouse” hosted by Lt. Governor Glenn F. McConnell. This weekly program is broadcast over the ETV digital network, on-line and on statehouse lobby sets. This program, in its fifth season, allows the South Carolina press corps to participate *live* or by calling the program directors to ask questions or comment.



Time Warner Cable’s Dan Jones and Ben Breazeale attend taping along with SCCTA’s Ray Sharpe.

“This Week in the Statehouse” host Lt. Gov. Glenn McConnell discusses the incentives offered to Boeing airlines to expand its facility with Senator Paul Campbell, R – Berkeley and Representative Ralph Norman, R – York.



SOUTH CAROLINA LEGISLATIVE UPDATE

Clemson University Enterprise Act

A Special Finance Subcommittee meeting was held on April 10, 2013, to discuss the Clemson University Enterprise Act, Senate Bill 535. Clemson officials describe it as the most important legislation every presented by Clemson University. It would create a new Enterprise Division within the University that allows the Board of Trustees fiscal and directional control of its auxiliary and economic development programs (including CU-ICAR, housing and athletics). The Enterprise Division and its structure are modeled after the Medical University of South Carolina's Hospital Authority approved by the General Assembly over ten years ago. Clemson officials testified during the meeting that it proposes the new division because many of their capital projects are not funded through state appropriations, but they have to be approved through the Budget and Control Board and the Joint Bond Review Committee which can delay construction processes by six months. Currently Clemson receives 10% of its funding through state appropriations. The Enterprise Division would send reports to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means. Another Finance Subcommittee meeting was held on April 16, 2013. Farmers Telephone Cooperative voiced concerns over whether Clemson intended to start its own network. Two more meetings are planned before the full Finance Committee. The Cable Association will be closely monitoring activity on the bill.

http://www.scstatehouse.gov/sess120_2013-2014/bills/535.htm



The following bills were introduced since the last quarterly newsletter:

Senate Bill 157 – Caller ID and Social Media Fraud

Makes it illegal to alter the identification of a caller's number or social media identity. Senate Banking & Insurance.

http://www.scstatehouse.gov/sess120_2013-2014/bills/157.htm

Senate Bill 163 – Motion Picture Tax Rebate

Increases the tax rebate from 15% to 20% of total SC payroll and increases rebate of expenditures if there is a minimum of \$1 million. Senate Finance favorable report with amendment. http://www.scstatehouse.gov/sess120_2013-2014/bills/163.htm

Senate Bill 167 / Senate Bill 51 – Constitutional Amendment Secretary of State

Resolution would amend S.C. constitution to provide for the appointment of the Secretary of State by the Governor. Senate Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/167.htm

http://www.scstatehouse.gov/sess120_2013-2014/bills/51.htm

Senate Bill 177 – General Assembly May Adjournment

Regular session of General Assembly would adjourn in May. Senate Judiciary.

http://www.scstatehouse.gov/sess120_2013-2014/bills/177.htm

Senate Bill 178 / House Bill 3165 – Unemployment Benefits

Revised method of determining the eligibility for benefits if discharged for illegal drug use, gross misconduct, and failure to accept work. Senate Judiciary. House Judiciary favorable report with amendment.

http://www.scstatehouse.gov/sess120_2013-2014/bills/178.htm

http://www.scstatehouse.gov/sess120_2013-2014/bills/3165.htm

Senate Bill 180 – Personnel Action based on use of Tobacco

Repeals code section that prohibited taking a personnel action based on using tobacco outside the workplace. Senate Labor, Commerce & Industry. http://www.scstatehouse.gov/sess120_2013-2014/bills/180.htm

Senate Bill 185 / House Bill 3116 – SC Fair Tax Act

Would revise the SC Tax system to tax consumption of goods and services without exception, prevent multiple taxation and simplify the tax laws. Senate Finance. House Ways & Means.

http://www.scstatehouse.gov/sess120_2013-2014/bills/185.htm

http://www.scstatehouse.gov/sess120_2013-2014/bills/3116.htm

SOUTH CAROLINA LEGISLATIVE UPDATE (CONTINUED)**Senate Bill 201 / House Bill 3007 – Term Limits**

Establishes term limits for General Assembly. Senate & House Judiciary.

http://www.scstatehouse.gov/sess120_2013-2014/bills/201.htm

http://www.scstatehouse.gov/sess120_2013-2014/bills/3007.htm

Senate Bill 211 – Budget Proviso Codification Act of 2013

Permanently codifies temporary provisos contained in prior versions of annual general appropriations act. Senate Finance favorable report. http://www.scstatehouse.gov/sess120_2013-2014/bills/211.htm

Senate Bill 225 / House Bill 3117 – SC Chief Information Officer Restructuring Act

Establishes the Department of the State Chief Information Officer. Senate Judiciary. House Ways & Means.

http://www.scstatehouse.gov/sess120_2013-2014/bills/225.htm

http://www.scstatehouse.gov/sess120_2013-2014/bills/3117.htm

Senate Bill 226 – Commission on Streamlining Government

Creates Commission to examine ways to streamline agencies and state government and to reduce waste. Senate Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/226.htm

Senate Bill 227 – SC Voter Citizenship Verification Act

Requires proof of citizenship prior to registering to vote. Senate Judiciary subcommittee carried over.

http://www.scstatehouse.gov/sess120_2013-2014/bills/227.htm

Senate Bill 228 – County Board of Canvassers

Amends convening county commissioners as county boards of canvassers to increase certification of election results and other deadlines. Senate Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/228.htm

Senate Bill 234 / House Bill 3093 – SC Abandoned Buildings Revitalization Act

Creates an incentive for rehabilitation, renovation and redevelopment of abandoned buildings. Senate Finance Committee amendment amended and adopted. House Ways & Means.

http://www.scstatehouse.gov/sess120_2013-2014/bills/234.htm

http://www.scstatehouse.gov/sess120_2013-2014/bills/3093.htm

Senate Bill 256 / House Bill 3128 – SC Regulatory Reform Act

General Assembly may not change proposed regulations submitted for review and approval by state agencies. Senate Judiciary subcommittee. House Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/256.htm

http://www.scstatehouse.gov/sess120_2013-2014/bills/3128.htm

Senate Bill 262 / House Bill 3319 – High Growth Small Business Job Creation Act of 2013

Provides nonrefundable income tax credits for qualified investments in businesses meeting certain criteria and primarily engaged in manufacturing, processing, ... software development, information technology services, etc. S262 passed Senate and in House Ways & Means. H3319 in House Ways & Means.

http://www.scstatehouse.gov/sess120_2013-2014/bills/262.htm

http://www.scstatehouse.gov/sess120_2013-2014/bills/3319.htm

Senate Bill 267 – Mail or Wire Fraud

Creates offenses of mail and wire fraud and provides penalties. Senate Judiciary subcommittee.

http://www.scstatehouse.gov/sess120_2013-2014/bills/267.htm

Senate Bill 330 – Sine Die Adjournment in May

Regular session of General Assembly would adjourn in May. Senate Judiciary subcommittee.

http://www.scstatehouse.gov/sess120_2013-2014/bills/330.htm

Senate Bill 334 – ID Theft Protection Plan

Requires Governor to develop a protection plan to minimize actual and potential costs and effects of identity theft due to breach at SC Dept. of Revenue and to develop a policy to prevent a reoccurrence. Senate Judiciary subcommittee.

http://www.scstatehouse.gov/sess120_2013-2014/bills/334.htm

SOUTH CAROLINA LEGISLATIVE UPDATE (CONTINUED)**Senate Bill 338- 2013 Ethics Reform Act**

Amends ethics statutes relating to lobbying, campaign, reporting requirements, ethics committee investigations among other items. Senate Judiciary subcommittee favorable report with amendment.

http://www.scstatehouse.gov/sess120_2013-2014/bills/338.htm

Senate Bill 346 – Resolution Constitutional Amendment General Assembly Ethics

Amends constitution to provide that supervision of ethical conduct by General Assembly and punishment for misconduct is vested in state agency charged with adjudicating ethic misconduct for all other public officials. Senate Judiciary subcommittee. http://www.scstatehouse.gov/sess120_2013-2014/bills/346.htm

Senate Bill 347 – State Ethics Commission oversight of General Assembly

Members of General Assembly would be under the oversight of the State Ethics Commission. Senate Judiciary subcommittee. http://www.scstatehouse.gov/sess120_2013-2014/bills/347.htm

Senate Bill 377 – Uniform Limited Liability Company Act

Incorporates some of the provisions of the revised Uniform Act. Senate Judiciary.

http://www.scstatehouse.gov/sess120_2013-2014/bills/377.htm

Senate Bill 387 – Withholding Credit

Increases withholding credit for retraining employees and specifies eligible employees and programs. Senate Finance.

http://www.scstatehouse.gov/sess120_2013-2014/bills/387.htm

Senate Bill 412 – Campaign Contributions over \$250

Requires electronic reporting of campaign contributions over \$250 made during the 20 days prior to an election.

Senate Judiciary subcommittee. http://www.scstatehouse.gov/sess120_2013-2014/bills/412.htm

Senate Bill 416 – Wireless Devices

Prohibits use of wireless devices while driving. Senate Judiciary subcommittee.

http://www.scstatehouse.gov/sess120_2013-2014/bills/416.htm

Senate Bill 438 / House Bill 3639 – Government Contracts & Unions

State or local entities may not require or prohibit a contractor or subcontractor from entering into or adhering to a labor union agreement in regard to a project. Senate Finance favorable report. House Labor favorable report.

http://www.scstatehouse.gov/sess120_2013-2014/bills/438.htm http://www.scstatehouse.gov/sess120_2013-2014/bills/3639.htm

Senate Bill 446 – Resolution Constitutional Amendment Governor & Lt. Governor

Joint election for Governor and Lt. Governor. Passed Senate. House Judiciary

http://www.scstatehouse.gov/sess120_2013-2014/bills/446.htm

Senate Bill 480 – Public Service Commission

Elections for Commissioners to be held on May 1, 2013. House adopted and returned to Senate with concurrence.

http://www.scstatehouse.gov/sess120_2013-2014/bills/480.htm

Senate Bill 526 – Tax Credit for Digital Media

Allows a refundable income tax credit to a digital media company producing state-certified production equal to 25% of the base investment. Senate Finance. http://www.scstatehouse.gov/sess120_2013-2014/bills/526.htm

Senate Bill 531 / House 3751 – Unemployment Benefits

Conforms SC unemployment benefits to federal law. Senate & House Labor, Commerce & Industry.

http://www.scstatehouse.gov/sess120_2013-2014/bills/531.htm

http://www.scstatehouse.gov/sess120_2013-2014/bills/3751.htm

SOUTH CAROLINA LEGISLATIVE UPDATE (CONTINUED)**Senate Bill 537 – Regulations**

Requires agencies to hold public hearings concerning proposed regulations and all public submissions regarding the regulation must be transmitted to the Small Business Regulatory Review Committee. Senate Judiciary subcommittee. http://www.scstatehouse.gov/sess120_2013-2014/bills/537.htm

Senate Bill 601- Lobbying

Revises definition of lobbying to include promoting or opposing the action or vote of any member of the governing body of a political subdivision. Senate Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/601.htm

House Bill 3226 – Employees & Voting

Requires employer to give employees a reasonable time off from work to vote limited to 2 hours. House Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/3226.htm

House Bill 3248 – Identity Theft

Revises financial transaction card crime provisions in regard to financial identity fraud and theft. Passed House. Senate Judiciary favorable report with amendment. http://www.scstatehouse.gov/sess120_2013-2014/bills/3248.htm

House Bill 3249 – Government Accountability & Campaign Reform Act

Amends Act to revise definitions and disclosure statements regarding potential conflicts of interest. House Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/3249.htm

House Bill 3257 – Sine Die Adjournment in May.

Regular session of General Assembly would adjourn in May. House Judiciary subcommittee. http://www.scstatehouse.gov/sess120_2013-2014/bills/3257.htm

House Bill 3259 – Resolution Constitutional Amendment General Assembly

Regular sessions of General Assembly would begin in February. House Judiciary. Regular session of General Assembly would adjourn in May. Senate Judiciary subcommittee. http://www.scstatehouse.gov/sess120_2013-2014/bills/3259.htm

House Bill 3262 – Campaign Practices

Revises definition of independent expenditures to provide that expenditures by party committee which advocate the defeat of a clearly identified candidate are deemed a contribution to the opponent. House Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/3262.htm

House Bill 3264 – Corporate Income Tax

Eliminates corporate income tax over 4 years. House Ways & Means. http://www.scstatehouse.gov/sess120_2013-2014/bills/3264.htm

House Bill 3265 – Property Tax Exemptions

Creates property tax exemptions for manufacturing and business personal property. House Ways & Means. http://www.scstatehouse.gov/sess120_2013-2014/bills/3265.htm

House Bill 3284 – State Agencies Lobbying

Prohibits state agencies from spending funds for lobbying. House Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/3284.htm

House Bill 3296 – State Tax Credit

Employers receive a state tax credit for hiring unemployed individuals receiving unemployment benefits. House Ways & Means. http://www.scstatehouse.gov/sess120_2013-2014/bills/3296.htm

House Bill 3298 – Revised Candidates Filing Requirements

Adds requirements regarding the acknowledgement of statements of candidacy, economic interests and other filing requirements. Passed House. Senate Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/3298.htm

SOUTH CAROLINA LEGISLATIVE UPDATE (CONTINUED)**House Bill 3305 / Senate Bills 17 & 24 – Identity Theft Protection Service**

Allows a refundable tax credit against income tax liability for purchasing identity theft protection services. House Ways & Means. Senate Finance. http://www.scstatehouse.gov/sess120_2013-2014/bills/3305.htm
http://www.scstatehouse.gov/sess120_2013-2014/bills/17.htm
http://www.scstatehouse.gov/sess120_2013-2014/bills/24.htm

House Bill 3317 – Cell Phones

Prohibits use of cellular device while driving. House Judiciary.
http://www.scstatehouse.gov/sess120_2013-2014/bills/3317.htm

House Bill 3340 - Resolution Constitutional Amendment General Assembly

Regular sessions of General Assembly would begin in February and end in May. Passed House. Senate Judiciary subcommittee carried over. http://www.scstatehouse.gov/sess120_2013-2014/bills/3340.htm

House Bill 3341 – Property Tax

Revises property tax system to reinstate prior method of overriding the annual cap. House Ways & Means.
http://www.scstatehouse.gov/sess120_2013-2014/bills/3341.htm

House Bill 3343 – Resolution Constitutional Amendment Property Tax

Requires General Assembly to define fair market value for real property tax purposes. Eliminates 15% limit on increases over 5 years and transfer of interest as a trigger for changing value. House Ways & Means.
http://www.scstatehouse.gov/sess120_2013-2014/bills/3343.htm

House Bill 3344 – Clean Indoor Air Act

Amends Clean Indoor Air Act related to areas where smoking is prohibited to include within 15 feet of entrances/exits. House Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/3344.htm

House Bill 3352 – Mail or Wire Fraud

Creates offenses of mail fraud and wire fraud. House Judiciary.
http://www.scstatehouse.gov/sess120_2013-2014/bills/3352.htm

House Bill 3355 – Medicaid Eligibility

Prohibits SC Dept. of Health from establishing, facilitating or participating in expansion of Medicaid eligibility under Federal Patient Protection & Affordable Health Care Act of 2010. House Ways & means.
http://www.scstatehouse.gov/sess120_2013-2014/bills/3355.htm

House Bill 3357 – Motion Picture Tax Rebate

Increases the tax rebate from 15% to 20% of total SC payroll and increases rebate of expenditures if there is a minimum of \$1 million. House Ways & Means. http://www.scstatehouse.gov/sess120_2013-2014/bills/3357.htm

House Bill 3358 / Senate Bill 26 – ID Theft Reimbursement Fund

Establishes Dept. of Revenue Identity Theft Reimbursement Fund in the State Treasury to reimburse people whose information has been obtained by 3rd party from compromised computer system maintained by the state or political subdivision. House Ways & Means. Senate Finance. http://www.scstatehouse.gov/sess120_2013-2014/bills/3358.htm
http://www.scstatehouse.gov/sess120_2013-2014/bills/26.htm

House Bill 3406 – Resolution Constitutional Amendment General Assembly Ethics

Provides that supervision of ethical conduct of General Assembly including the authority to discipline members is vested in the state agency charged by law with investigating, enforcing, and adjudicating allegations of misconduct. House Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/3406.htm

House Bill 3407 – PACs

Prohibits state elected officials from organizing PACs, vests authority in State Ethics Commission to include General Assembly within its jurisdiction, increases time for former public officials from 1 to 5 years for being lobbyists, and changes campaign disclosure requirements. House Judiciary.
http://www.scstatehouse.gov/sess120_2013-2014/bills/3407.htm

SOUTH CAROLINA LEGISLATIVE UPDATE (CONTINUED)**House Bill 3413 – Medicaid Coverage**

Requires Dept. of Health & Human Services to provide Medicaid coverage to certain individuals from 2014 through 2016. House Ways & Means. http://www.scstatehouse.gov/sess120_2013-2014/bills/3413.htm

House Bill 3422 – Campaign Reform Act

Revises disclosure requirements for potential conflicts of interest, prohibits restrictions on campaign contributions from one candidate to another among other changes. House Judiciary subcommittee took no action. http://www.scstatehouse.gov/sess120_2013-2014/bills/3422.htm

House Bill 3429 – Ethics Committees

Increases number of members of General Assembly's ethics committees. Passed House. Senate Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/3429.htm

House Bill 3437 – Joint Committee on Economic Development

Creates joint committee to conduct a study of the laws that affect economic development. House Labor, Commerce & Industry favorable report with amendment. http://www.scstatehouse.gov/sess120_2013-2014/bills/3437.htm

House Bill 3449 – Social Media Fraud

Creates offense of unlawfully acquiring and using social media user's identity. House Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/3449.htm

House Bill 3473 – American Health Benefit Exchange

Prohibits state from establishing, operating or purchasing insurance from an American Health Benefit Exchange and make such contracts void; gives tax credits if taxed by federal under Patient Protection & Affordable Care Act; and allows Attorney General to bring an action against person or entity causing harm when implementing the Act. House Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/3473.htm

House Bill 3475 – Agency Fees

General Assembly must approve any increases in agency fees, fines or penalties. House Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/3475.htm

House Bill 3477 – Credit Card Surcharges

Prohibits seller from imposing a surcharge on consumer who uses a credit card. House Labor, Commerce & Industry. http://www.scstatehouse.gov/sess120_2013-2014/bills/3477.htm

House Bill 3484 – Public Service Commission Regulations

Requires PSC to obtain a fiscal impact statement estimating the cost of complying with and implementing regulations from the State Budget Office and filing it with the proposed regulation. Passed House. Senate Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/3484.htm

House Bill 3498 – Gas User Fees

Increases gas user fee to 26¢ per gallon and requires fee to be adjusted twice a year based on wholesale gas prices and increases road tax user fee to be adjusted twice per year. House Ways & Means. http://www.scstatehouse.gov/sess120_2013-2014/bills/3498.htm

House Bill 3505 – High Growth Small Business Access To Capital Act of 2013

Provides nonrefundable income tax credits for qualified investments to businesses meeting certain criteria and primarily engage in manufacturing, software development, information technology, among other industries. House Ways & Means. http://www.scstatehouse.gov/sess120_2013-2014/bills/3505.htm

House Bill 3511 – State Unemployment Trust Fund

Employees contribute to State Unemployment Trust Fund which is allocated to the employer to offset employer contributions. House Ways & Means. http://www.scstatehouse.gov/sess120_2013-2014/bills/3511.htm

SOUTH CAROLINA LEGISLATIVE UPDATE (CONTINUED)**House Bill 3517 – Change in Political Party**

Must resign from public office if change political party affiliation. House Judiciary.
http://www.scstatehouse.gov/sess120_2013-2014/bills/3517.htm

House Bill 3521 / Senate 124 – Limited Liability Companies

Members or managers cannot be held personally liable for obligations of limited liability company. House Judiciary. Senate Judiciary subcommittee. http://www.scstatehouse.gov/sess120_2013-2014/bills/3521.htm
http://www.scstatehouse.gov/sess120_2013-2014/bills/124.htm

House Bill 3522 – Sales Tax Exemptions

Deletes certain sales tax exemptions. Does not include telephone or cable exemptions. House Ways & Means.
http://www.scstatehouse.gov/sess120_2013-2014/bills/3522.htm

House Bill 3528 – Dept. of Information Security

Creates Department to provide comprehensive framework to ensure effectiveness of information security controls. House Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/3528.htm

House Bill 3590 – Demand Market Area

Authorized each county government to determine its demand market area and for notice to be sent to Nielson Co., FCC and legislative delegation. House Judiciary.
http://www.scstatehouse.gov/sess120_2013-2014/bills/3590.htm

House Bill 3640 – Gas User Fees

Increases gas user fee and road tax to 21¢ per gallon. House Ways & Means.
http://www.scstatehouse.gov/sess120_2013-2014/bills/3640.htm

House Bill 3645 – Gas User Fees

Increases gas user fee to 21¢ per gallon and requires annual adjustments based on inflation factor. Road tax is increased using the same method and imposes additional road fee on owner of a hybrid, plug-in hybrid or electric vehicle. House Ways & Means.
http://www.scstatehouse.gov/sess120_2013-2014/bills/3645.htm

House Bill 3646 – SC Restructuring Act of 2013

Abolishes the Budget & Control Board, creates Dept. of Administration and restructures agencies. House Judiciary.
http://www.scstatehouse.gov/sess120_2013-2014/bills/3646.htm

House Bill 3710 – Appropriations Bills

Annual appropriations bill passed House. Senate Finance.
http://www.scstatehouse.gov/sess120_2013-2014/bills/3710.htm

House Bill 3715 – Collaborative Law Act

Creates voluntary alternative dispute resolution process that does not involve a tribunal. House Judiciary.
http://www.scstatehouse.gov/sess120_2013-2014/bills/3715.htm

House Bill 3848 – Daylight Savings Time

Establishes daylight savings time as the new permanent standard time and eliminates changes from standard to daylight savings time. House Judiciary.
http://www.scstatehouse.gov/sess120_2013-2014/bills/3848.htm

House Bill 3858 / House Bill 3121 – Electronic Devices While Driving

Illegal to use an electronic communication device while driving. H 3858 in House Education & Public Works. H 3121 in House Judiciary. http://www.scstatehouse.gov/sess120_2013-2014/bills/3858.htm
http://www.scstatehouse.gov/sess120_2013-2014/bills/3121.htm



FCC BRIEFS

The following documents can be downloaded from the FCC's website at <http://www.fcc.gov>

The FCC's Internet closed captioning rules go into effect March 30, 2013, for live and near-live programming.

On March 22, 2013, Chairman Julius Genachowski announced that he will be stepping down from his FCC post in the next few weeks.

On March 21, 2013, The FCC released its 16th Annual Report and Analysis of Competitive Market Conditions for Mobile Wireless. FCC 13-34.

The FCC released its Universal Service Monitoring Report in March 2013.

On March 20, 2013, the FCC adopted a notice of proposed rulemaking to improve the reliability and resiliency of the 911 networks, especially during disasters by ensuring that service providers implement vital best practices in network design, maintenance, and operation. FCC 13-75.

The FCC issued a white paper *The Mobile Broadband Spectrum Challenge: International Comparisons* on February 26, 2013. The paper provides information on how the US and other countries are responding to the challenge of ensuring sufficient spectrum is available to satisfy the growing demand for mobile broadband.

The FCC issued a report and recommendation to Congress *Legal and Regulatory Framework for Next Generation 911 Services* on February 22, 2013. The report discusses the importance of transitioning to a

NG911 systems that uses Internet Protocol based technology to deliver and process 911 traffic.

The FCC released the 3rd *Measuring Broadband America Report* on February 15, 2013. The report indicates that most broadband providers continue to improve service performance by delivering actual speeds that meet or exceed advertised speeds during the past year and that customers are subscribing to the faster speed tiers.

On February 12, 2013, the FCC announced that savings from its Lifeline reform are on track to reach at least an additional \$400 million in 2013, adding to the more than \$214 million saved in 2012 by cutting waste, fraud and abuse.

The FCC released *Internet Access Services: Status as of December 31, 2011*, on February 7, 2013. The report indicates that Internet connections overall are growing and that growth is particularly high in mobile Internet subscriptions. Both fixed and mobile services are shifting to higher speeds.

In January, the *Local Telephone Competition: Status as of December 31, 2011*, was released. In December 2011, there were 107 million switched access lines, 37 million interconnected VoIP subscribers, and 298 million mobile subscriptions.

STATE-ISSUED CERTIFICATES OF FRANCHISE AUTHORITY

As of March 18, 2013 the South Carolina Secretary of State has issued the following certificates of franchise authority. Changes from the last newsletter are highlighted in red:

| | |
|---|---|
| ATLANTIC BROADBAND..... | Aiken, Aiken County, Allendale, Allendale County, Bamberg, Bamberg County, Barnwell, Barnwell County, Blackville, Burnetttown, Denmark, Elko, Fairfax, Jackson, New Ellenton, Snelling, Williston |
| BALDWIN COUNTY INTERNET/..... DSSI SERVICE, LLC | Beaufort County, Charleston County, Greenville, Greenville County |
| BELLSOUTH TELECOMMUNICATIONS, ... INC. d/b/a AT&T SOUTH CAROLINA | Anderson, Anderson County, Arcadia Lakes, Bamberg County, Belton, Berkeley County, Blythewood, Calhoun County, Camden, Cayce, Central, Chapin, Charleston, Charleston County, Cheraw, Cherokee County, Chesterfield County, Clemson, Clover, Colleton County, Columbia, Cordova, Dorchester County, Duncan, Easley, Edisto Beach, Elgin, Fairfield County, Folly Beach, Forest Acres, Fountain Inn, Gaffney, Gaston, Goose Creek, Greenville, Greenville County, Greer, Hanahan, Hollywood, Irmo, Isle of Palms, James Island, Kiawah Island, Kershaw County, Laurens County, Lexington County, Liberty, Lincolnville, Little Mountain, Lyman, Mauldin, McConnells, Mount Pleasant, Newberry County, North Charleston, Oconee County, Orangeburg, Orangeburg County, Pickens, Pickens County, Pine Ridge, Ravenel, Reidville, Richland County, Seabrook Island, Seneca, Six Mile, South Congaree, Spartanburg, Spartanburg County, Springdale, Sullivan's Island, Summerville, Travelers Rest, Walhalla, West Columbia, West Pelzer, Williamston, York, York County |
| BERKELEY CABLE TV, INC..... | Berkeley County, Bonneau, Charleston, Goose Creek, Harleyville, Jamestown, Moncks Corner, North Charleston, St. Stephens, Summerville |
| BROADBAND EXPERIENCE d/b/a FAMILY VIEW CABLEVISION | Central, Clemson, Pickens County |
| CAROLINA TELECOM SERVICES..... | Hickory Grove, Sharon |
| CATAWBA SERVICES, LLC | Rock Hill |
| CHARTER COMMUNICATIONS, LLC..... | Abbeville, Anderson County, Campobello, Chesnee, Clinton, Cowpens, Duncan, Easley, Greer, Greenville, Greenville County, Honea Path, Inman, Iva, Jonesville, Landrum, Laurens, Mauldin, Newberry County, Oconee County, Pelzer, Pickens County, Reidville, Salem, Six Mile, Spartanburg, Spartanburg County, Starr, Travelers Rest, Union, Wellford, West Pelzer, Whitmire, Woodruff |
| CHESNEE COMMUNICATIONS..... | Cherokee County, Chesnee, Spartanburg County |
| CHESTER COMMUNICATIONS, LLC d/b/a TRUVISTA..... | Chester |
| COMCAST OF CAROLINA..... | Berkeley County, Charleston, Dorchester County, Edisto Beach, Goose Creek, Hampton County, Hanahan, Isle of Palms, James Island, Mount Pleasant, Sullivan's Island, Summerville |
| COMCAST OF GEORGIA/SC II..... | Beaufort County, Charleston, Edisto Beach, Hampton County, Hollywood, Meggett, Mount Pleasant, Town of Seabrook Island |
| COMCAST OF GEORGIA/SC INC..... | Aiken County, Burnetttown, Hampton County, North Augusta |
| COMCAST OF THE SOUTH..... | Calhoun Falls, Prosperity |
| ELK COMMUNICATIONS, LLC..... | Gaston, Lexington County, Swansea |
| FARMERS TELEPHONE..... COOPERATIVE | Andrews, Clarendon County, Coward, Florence County, Georgetown County, Greeleyville, Lane, Lee County, Lynchburg, Mayesville, Paxville, Pinewood, Scranton, Sumter, Sumter County, Turbeville, Williamsburg County |

State-Issued Certificates of Franchise Authority *continued*...

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|---|---|
| FTC DIVERSIFIED SERVICES, INC..... | Bishopville, Clarendon County, Florence County, Georgetown County, Kingstree, Lake City, Lee County, Manning, Olanta, Summerton, Sumter, Sumter County, Williamsburg County |
| GREAT FALLS CABLEVISION, INC..... | Town of Great Falls d/b/a TRUVISTA |
| HARGRAY CATV CO., INC..... | Bluffton, Estill, Hampton, Hardeeville, Hilton Head Island, Jasper County |
| HARGRAY, INC..... | Beaufort, Beaufort County, Port Royal |
| HORRY TELEPHONE COOPERATIVE... | Conway, Horry County , Georgetown County, Surfside Beach |
| HPI ACQUISITION CO., LLC..... | Anderson, Anderson County, Due West |
| KNOLOGY OF CHARLESTON, INC..... | City of Charleston, Charleston County, Dorchester County, Hanahan, James Island, Mount Pleasant, North Charleston, Summerville |
| MANAGED SERVICES INC..... | Berkeley County, Horry County, Jasper County, Richland County |
| METROCAST COMMUNICATIONS..... | Marlboro County, McColl OF MISSISSIPPI, LLC |
| NORTHLAND CABLE TELEVISION..... | Abbeville County, Clemson, Laurens County, Oconee County, Pendleton, Pickens County, Saluda, Saluda County, Seneca, Six Mile, Walhalla, West Union, Westminster |
| PALMETTO CABLE TV, LLC..... | Fort Mill, Lancaster County, Tega Cay |
| PALMETTO RURAL TELEPHONE..... | Bamberg County, Colleton County, Cottageville, Lodge, Smoaks, Walterboro, COOPERATIVE, INC. Williams |
| PASSPORT COMMUNICATIONS..... | Fort Mill |
| PINE TREE CABLEVISION..... | Aiken County, Bamberg County, Barnwell County, Bethune, Cottageville, Gaston, Jefferson, Kershaw County, Lamar, McBee, Orangeburg County, Perry, Salley, Wagener |
| PBT COMMUNICATIONS..... | Gilbert, Lexington, Lexington County, Monetta, Pelion, Ridge Springs, Saluda County, Summit, Wagener |
| RST COMMUNICATIONS, INC..... | Gaffney |
| SANDHILL TELEPHONE COOPERATIVE.. | Pageland, Chesterfield County |
| TECHCORE CONSULTANTS II..... | Bowman, Dorchester County, Earhardt, Eutawville, Holly Hill, Orangeburg County |
| TELECOMMUNICATIONS MANAGEMENT | |
| LLC, DBA NEWWAVE COMMUNICATIONS... | Chesterfield County, Pageland (certificate transferred to Sandhill Telephone Cooperative) |
| TIME WARNER CABLE, | Andrews, Batesburg-Leesville, Beaufort County, Bishopville, Bluffton, Calhoun County, Cayce, Charleston County, Cheraw Clover, Chesterfield County, Columbia, Conway, Darlington County, Dillon, Dillon County, Florence, Florence County, Forest Acres, Fort Mill, Georgetown, Georgetown County, Goose Creek, Hardeeville, Hemingway, Hilton Head, Horry County , Irmo, Jasper County, Lakeview, Lane, Latta, Lee County, Lexington, Lexington County, Manning, Marion County, McBee, Moncks Corner, Myrtle Beach, Nichols, Orangeburg, Orangeburg County, Pamplico, Pine Ridge, Quinby, Richland County, Saluda County, South Congaree, Springdale, St. Matthews, Surfside Beach, Summerville, Sumter, Sumter County, West Columbia, Williamsburg County, York County |
| VIDEO VISION, INC..... | Fort Lawn, Heath Springs, Kershaw, Lancaster, Lancaster County |
| YRT2, INC..... | Berkeley County, Columbia, Dorchester County, Greenville, Greenville County, Horry County, Myrtle Beach, Summerville |