

# SOUTH CAROLINA CABLE TELEVISION ASSOCIATION NEWSLETTER

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## ***BROADBAND DEPLOYMENT***

The Dept. of Agriculture’s Rural Utilities Service and the Dept. of Commerce’s National Telecommunications & Information Administration are responsible for making grants and loans to expand broadband deployment and for other broadband projects pursuant to the American Recovery and Reinvestment Act of 2009 (“Stimulus Package”).

The Stimulus Package provides \$7.2 billion in funding for the broadband project and requires the FCC to create a national broadband plan by February 17, 2010. On April 8, 2009, the FCC issued a Notice of Inquiry to begin the proceeding to create the national plan. The notice seeks comments on the elements that should go into a national broadband plan. The plan must reflect an understanding of the problems involved with national deployment, clear goals for the future, a route to those goals, and benchmarks along the way. The plan will allow for modification as experience dictates. The notice seeks input from all

stakeholders: consumers, industry, large and small businesses, non-profits, the disabilities community, and governments at all levels.

The Stimulus Package specifically requires the FCC to analyze several specific elements of broadband deployment. First, the FCC must analyze the most effective and efficient mechanisms for ensuring broadband access for all people in the United States. Second, it must include a detailed strategy for achieving affordability of such service and maximum utilization of broadband infrastructure and service by the public. Third, the FCC must evaluate the status of deployment of broadband service, including progress of projects supported by the grants made pursuant to the Stimulus Package. Finally, the FCC must include a plan for use of broadband infrastructure and services in advancing a broad array of public interest goals, including consumer welfare, civic participation, public safety  
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***Broadband Deployment (continued from page 1)...***

and homeland security, community development, health care delivery, energy independence and efficiency, education, worker training, private sector investment, entrepreneurial activity, job creation and economic growth, and other national purposes.

The SCCTA has been in touch with the S.C. Educational Broadband Service Commission and the Office of Regulatory Staff in regard to the broadband deployment provisions in the Stimulus Package. The S.C. Educational Broadband Service Commission is currently evaluating responses to its requests for proposals seeking offers to lease excess Educational Broadband Service spectrum from the 67 licenses issues to the S.C. Educational Television Commission. The excess spectrum can be used for many services including broadband Internet access, multichannel video and voice communications. The SC Broadband Commission's goal is to present a contract to the Joint Bond Review Committee in June with final approval before the S.C. Budget and Control Board at its June 16, 2009 meeting.

Benedict College hosted the 2009 Broadband in Cities and Town Conference entitled "Broadband on Main Street: Implications for Education, Community and Economic Development" on April 15 & 16, 2009. The conference speakers included Representative Dwight Loftis, S.C. Educational Broadband Service Commission member Bill Byrd, State Superintendent of Education Jim Rex, Camilla Hertwig of Clemson's Strom Thurmond Institute, Benedict's Vice President for Community Development Jabari Simama and numerous broadband experts from private industry and academia. Conference topics included *Broadband and the Federal Stimulus: What's Coming Down the Pipe for South Carolina*, *Why Broadband is Important to Education and Community Development*, *Increasing Rural Community Competitiveness in a Knowledge-Based Economy*, and *Broadband as Community Renewal: Why Broadband Matters on Main Street*. A more detailed report of the conference will be circulated separately.

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***SOUTH CAROLINA TAXATION  
REALIGNMENT COMMISSION LEGISLATION***

Pending legislation introduced in both houses of the General Assembly would establish the South Carolina Taxation Realignment Commission. This Commission would conduct a comprehensive study assessing the effectiveness of the state's current tax system and submit a report of its recommended changes. The report would include recommendations of sales tax exemptions or limitations to be retained, modified or repealed. The Commission would evaluate the entire tax structure including all revenue laws including those imposed by any local taxing entity and the property tax system. The study would be submitted by December 1, 2009. The House Ways and Means Committee issued a favorable report with amendments. Debate on the House version was adjourned until April 24. (Senate Bill 12 / House Bill 3415).

***REVISED TELECOMMUNICATIONS FORMS***

The Office of Regulatory Staff revised the Authorized Utility Representative and 2008 Annual Report forms for Telecommunications which have been approved by the Commission. The new forms are available online at <http://www.regulatorystaff.sc.gov> and <http://www.psc.sc.gov>.

### ***AT&T DEREGULATION LEGISLATION***

The Senate Judiciary Committee issued a favorable report on an amended version of the AT&T-backed deregulation legislation introduced in the House. The General Assembly passed the *Customer Choice and Technology Investment Act of 2009* (House 3299), enrolled it for ratification, and sent it to the Governor for his signature on April 23, 2009. He is expected to sign the bill. This Act amends the statutory provision which allows local exchange carriers to elect another form of alternative regulation which deregulates virtually all services. The only exceptions would be for switched access which would be price-cap regulated and for existing customers who have basic residential service. Prices for existing customers who currently receive only stand-alone basic residential lines would be subject to inflation-based price controls. For an electing carrier, the Public Service Commission would not impose any requirements related to the terms, conditions, rates or availability of any of the local exchange carrier's stand-alone basic residential lines in service on the election date except to ensure compliance with inflation-based price increases. The Commission would not be able to regulate any of the carrier's retail services including any stand-alone basic residential lines put into service after the election date.

Any carrier who elects to be regulated under the bill would be able to use any type of technology including Voice over Internet Protocol to provide service. The new legislation would also impact the state universal service fund. Electing companies would continue to pay into the fund as it is now. The amendment reduced the originally proposed phase-out period for an electing company's withdrawals from the fund from four years to two years. Representatives from the South Carolina Cable Television Association have actively participated during the legislative committee hearings on the bill.

#### **Time Warner Cable Granted Authority to Operate in Rural Areas**

During its weekly meeting held on April 8, 2009, the Public Service Commission approved Time Warner Cable's application to amend its certificate to offer telephone service in the service areas of the following rural incumbent carriers: Farmers Telephone Cooperative, Inc.; Fort Mill Telephone Co.; Home Telephone Co.; PBT Telecom, Inc.; and Rock Hill Telephone Co.

#### **D.C. Court of Appeals upholds FCC on CPNI**

Three cable companies—Bright House Networks, Comcast and Time Warner Cable – filed a complaint with the Federal Communications Commission against Verizon California, Inc. in regard to its customer winback efforts. When Verizon received a local service request to move or port its customer's telephone

number to a competitor, Verizon used the information provided by the process to contact defecting customers and offered them various incentives to stay with Verizon before the number port was completed. The cable companies argued that Verizon's retention efforts violated the Telecommunication Act's restrictions on carriers' use of other carriers' proprietary information for marketing purposes. The FCC agreed and ordered Verizon to cease and desist. Verizon petitioned for review of the decision arguing that the FCC had misinterpreted the Act by applying it where a telecommunications service is provided only by a carrier submitting a request (here the cable companies), not the one receiving it (Verizon). The Court of Appeals for the D.C. Circuit disagreed with Verizon finding the FCC's interpretation reasonable. *Verizon California, Inc. v. FCC*, No. 08-1234 (D.C. Cir. 2/10/09).

## STATE-ISSUED CERTIFICATES OF FRANCHISE AUTHORITY

AT&T provided notice to the towns of Camden and Elgin that it would begin providing video service on March 30<sup>th</sup> pursuant to its State-Issued Certificate of Franchise Authority. AT&T applied for authority to provide video service in the following upstate areas on April 14, 2009: Anderson, Anderson County, Central, Clemson, Duncan, Easley, Greenville, Greenville County, Greer, Liberty, Lyman, Mauldin, Oconee County, Pickens, Pickens County, Seneca, Spartanburg, and Spartanburg County. As of April 14, 2009, the South Carolina Secretary of State has issued the following certificates of franchise authority:

<i>Company</i>	<i>Areas</i>
ATLANTIC BROADBAND.....	Snelling, Fairfax, Barnwell, Williston, Bamberg, Bamberg County, Denmark, Allendale, Aiken, Aiken County, Burnetttown, Jackson, New Ellenton
BALDWIN COUNTY INTERNET/ DSSI SERVICE, LLC.....	Beaufort County, Charleston County, Greenville, Greenville County
BELLSOUTH..... TELECOMMUNICATIONS, INC. d/b/a AT&T SOUTH CAROLINA	Blythewood, Camden, Cayce, Columbia, Elgin, Forest Acres, Irmo, Springdale, West Columbia, York, Kershaw County, Lexington County, Richland County, York County, Calhoun County
BERKELEY CABLE TV, INC.....	Moncks Corner, Harleyville
BROADBAND EXPERIENCE..... d/b/a FAMILY VIEW CABLEVISION	Central, Pickens County, Clemson
CATAWBA, INC.....	Rock Hill
CHARTER COMMUNICATIONS, LLC...	Pickens County, Union, Woodruff, Pelzer, West Pelzer, Easley, Greenville, Travelers Rest, Greenville County, Starr, Oconee County, Salem, Spartanburg, Clinton, Laurens, Honea Path, Six Mile
CHESNEE COMMUNICATIONS.....	Cherokee County, Spartanburg County, Chesnee
COMCAST OF CAROLINA.....	Goose Creek, Hampton County, Edisto Beach, James Island
COMCAST OF GEORGIA/SC II.....	Edisto Beach, Meggett, Hollywood
COMCAST OF GEORGIA/SC INC.....	Hampton County, Aiken County, Burnetttown
COMCAST OF THE SOUTH.....	Prosperity
FARMERS TELEPHONE..... COOPERATIVE, INC.	Andrews, Coward, Greeleyville, Lane, Lynchburg, Mayesville, Paxville, Pinewood, Scranton, Sumter, Turbeville, Clarendon County Florence County, Georgetown County, Lee County, Sumter County, Williamsburg County
FTC DIVERSIFIED SERVICES, INC.	Bishopville, Kingstree, Lake City, Manning, Olanta, Summerton, Sumter, Clarendon County Florence County, Georgetown County, Lee County, Sumter County, Williamsburg County
HARGRAY CATV CO., INC.....	Jasper County, Estill, Hampton

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

HOME TELECOM.....	Goose Creek, North Charleston, Charleston
HORRY TELEPHONE COOPERATIVE...	Conway, Surfside Beach
HPI ACQUISITION CO., LLC.....	Anderson, Due West
MANAGED SERVICES INC.....	Jasper County, Berkeley County, Richland County, Horry County
METROCAST COMMUNICATIONS..... OF MISSISSIPPI, LLC	McColl, Marlboro County
NORTHLAND CABLE TELEVISION.....	West Union, Pickens County, Seneca, Laurens County
PALMETTO RURAL TELEPHONE..... COOPERATIVE, INC.	Cottageville, Lodge, Smoaks, Walterboro, Williams, Bamberg County, Collegton County
PASSPORT COMMUNICATIONS.....	Fort Mill
PINE TREE CABLEVISION.....	Lamar, McBee, Cottageville, Kershaw County, Bamberg County, Orangeburg County, Aiken County, Perry, Wagener, Salley, Bethune, Gaston, Jefferson, Barnwell County
TECHCORE CONSULTANTS II.....	Orangeburg County, Holly Hill, Ehrhardt, Bowman, Eutawville, Dorchester County
TIME WARNER CABLE, LLC.....	Georgetown County, Charleston County, Andrews
TIME WARNER ENTERTAINMENT..... ADVANCE/NEWHOUSE PTRSHP	Myrtle Beach, Conway, Surfside Beach, Sumter, Sumter County, Richland County, Orangeburg, Orangeburg County, Columbia, Forest Acres, Lee County, Quinby, Myrtle Beach Air Force Base, Cayce, Springdale, West Columbia, Florence County, Georgetown County
TIME WARNER ENTERTAINMENT ADVANCE/NEWHOUSE PTRSHP..... -CHARLOTTE DIVISION	Clover, Fort Mill, York County
TIME WARNER NY CABLE, LLC.....	Dillon County, Nichols, Bluffton, Hardeeville, Jasper County, Hilton Head, Marion County, Lakeview, Goose Creek, Georgetown County
VIDEO VISION, INC.....	Heath Springs, Kershaw, Lancaster County, Fort Lawn
YRT2, INC.....	Greenville, Greenville County, Berkeley County, Dorchester County, Summerville, Columbia, Horry County, Myrtle Beach

## **SOUTH CAROLINA LEGISLATIVE UPDATE**



The first session of the General Assembly convened on January 13, 2009. Following is a list of additional bills of interest introduced since the last newsletter:

### **Senate Bill 8 – Office of Regulatory Staff’s “Operation Empowered”**

This bill creates a non-profit entity that would provide financial assistance to low-income households to implement energy efficiency and conservation measures. Referred to the Judiciary subcommittee.

### **Senate Bill 12 / House Bill 3415 – S.C. Taxation Realignment Commission**

See page 2.

### **Senate Bill 353 – Cellular Telephone Contracts**

This bill allows any member of the military stationed or residing in South Carolina to terminate their cellular contract without penalty upon deployment or permanent change of duty station outside SC.

### **Senate Bill 386/ House Bill 3525 – A La Carte Cable Pricing**

The bill would require cable television companies to provide PEG channels on their basic service tier and to provide service on a per-channel basis. The Senate version was referred to the Senate Judiciary subcommittee on February 6, 2009, and the House version was referred to the House Labor, Commerce and Industry Committee on February 12, 2009.

### **Senate Bill 577 – American Recovery & Reinvestment Act**

In this joint resolution the General Assembly accepts the use of the federal stimulus funds if the Governor fails to certify that he will request and use the funds to create jobs and provide economic growth. The Finance Committee issued a favorable report on March 18, 2009.

### **Senate Bill 691/ House Bill 3923 / House Bill 3962 – American Recovery & Reinvestment Act**

This joint resolution requires the Governor to apply for the federal stimulus funds within 30 days and describes how the state will use the funds. The legislation makes findings that it is in the best interest of the state for the Governor to apply for the funds and that the General Assembly has the authority to require him to make the application. It was referred to the Senate Finance Committee on April 14, 2009, and the House Ways & Means Committee on April 22, 2009.

### **Senate Bill 719 / House Bill 3550 – Energy Standard Act**

This bill revises the Building Energy Efficiency Standard Act and redesignates it as the Energy Standard Act which adopts the 2006 International Energy Conservation Code as the new standard. It was referred to the Senate Labor, Commerce & Industry Committee on April 15, 2009.



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*S.C. Legislative Update continued...*

**House Bill 3083 – Cellular Phones**

This bill would make it illegal to drive a motor vehicle while using a cellular telephone or other wireless communications device unless the device is equipped with and operated as a hands-free mechanism. Referred to the Education & Public Works Committee on January 13, 2009.

**House Bill 3243 – Business License Tax**

This bill would revise the business license tax so that it would be based on the size of the business and not its gross income. Referred to the Ways & Means Committee on January 13, 2009.

**House Bill 3313 – Fraudulent Check**

In order to obtain a warrant for a fraudulent check, the check must be posted on its face with the date it was received by that person or business. A warrant must be obtained within 180 days. Referred to the Judiciary Committee on January 27, 2009.

**House Bill 3921 – Fraudulent Check**

In order to present prima facie evidence of the identity of the issuer of a fraudulent check, the receiver would have to obtain a fingerprint exemplar of the check issuer. If not obtained, the party bringing the case must prove that the defendant signed or endorsed the check. Referred to the House Judiciary Committee on April 22, 2009.

**House Bill 3922 – Prepaid Wireless**

This bill requires the seller of a prepaid wireless telephone to verify the identity of the purchaser by requiring one photo identification card and to require the seller to register the identity in a secure file or database that is submitted to SLED on a quarterly basis. Referred to the House Labor, Commerce & Industry Committee on April 22, 2009.

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## **FCC BRIEFS**

FCC Orders and Notices can be downloaded from the FCC's website at [www.fcc.gov](http://www.fcc.gov).

**O**n March 13, 2009, the FCC released the following reports: *Quality of Service of Incumbent Local Exchange Carriers*, report on telephone subscribership levels and report on telephone number utilization. All can be downloaded at <http://www.fcc.gov/wcb/stats>.

**O**n February 6, 2009, the FCC issued a public notice regarding information to be collected pursuant to the New and Emerging Technologies 911 Improvement Act of 2008. The Act required Internet Protocol enable voice service providers to provide 911 and E911 services. The FCC must collect information regarding any fees collected by the states or other jurisdictions in connection with 911/E911 services.