

SOUTH CAROLINA CABLE TELEVISION ASSOCIATION NEWSLETTER

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BROADBAND NEWS

S.C. Broadband

On September 23, 2009, the Joint Bond Review Broadband Committee voted in favor of approving the \$143 million, 30 year lease with Clearwire and Digital Bridge Communications that will use ETV's excess capacity to bring the next generation of broadband technology, WiMax, to South Carolina. Rep. Gilda Cobb-Hunter opposed the contract because she believes that South Carolina should retain more than 5% of the spectrum for future needs. 70% of the capacity will be leased to Clearwire to create a WiMax network in the urban parts of the state. 30% will go to Digital Bridge Communications to serve the rural areas with a fee-base WiMax network. The proposal will now be submitted to the Budget and Control Board for final approval.

National Broadband Plan

As part of the FCC's efforts to develop a National Broadband Plan, it held a public hearing on broadband issues on October 5,

2009, in Charleston South Carolina. Commissioner Clyburn and Commissioner Cops represented the FCC at the Field Hearing. The FCC convened this and other hearings to promote an open dialogue between the FCC and the public on the development of the National Broadband Plan to be submitted to Congress by February 17, 2010. The Plan is to address broadband deployment, adoption, affordability, and the use of broadband to advance solutions to national priorities, including health care, education, energy, public safety, job creation, investment and others. The discussion in Charleston focused on the importance of broadband and details concerning the Stimulus package. Clyburn expressed her interest in hearing from the people, in particular the great needs in rural America. On October 6th, the Commissioner held another Field Hearing in Ravenel, South Carolina. Bill Watson of Comcast was one of the panel participants.

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On September 16, 2009, the Governor organized the Broadband Advisory Committee to evaluate and provide feedback to the Department of Commerce's National Telecommunications and Information Administration ("NTIA") on the South Carolina-specific Broadband Technology Opportunity Program applications that had been submitted for consideration. Public and private groups could apply for broadband grants from the \$7.2 billion Federal Stimulus Fund. The applications were then forwarded to the Governor's Office for prioritization. The Committee included House Representative Cobb-Hunter; Jeff Schiltz; Brent Legg; S.C. Senate Attorney Nancy Coombs; Paul Koch, General Counsel of the State Information Technology Division; Lt. Col. Mike Oliver of the S.C. Highway Patrol; and Nanette Edwards of the South Carolina Office of Regulatory Staff. The Committee's recommendations were sent to the Governor who forwarded them to the NTIA. Members of the Cable Association reviewed the applications and compiled objections to some of the proposals. The Cable Association presented Atlantic Broadband and Charter's list of objectionable applications to the Committee on October 7th. During its meeting Executive Director Sharpe informed the Committee that the Association and the cable industry supports broadband deployment in rural areas but are opposed to stimulus funds being used to subsidize competition. The Committee met for the final time on October 13th. On October 14th the Governor submitted the following list of recommended projects to the NTIA:

Sustainable Broadband Adoption

SC State Museum Foundation – SC State Museum Distance Learning Initiative
SC Department of Corrections – SC Telemedicine & e-Health Program
Connected Nation – Connect SC

Public Computer Center

SC State Library – Smart State SC Project
SC Department of Consumer Affairs – SC eFinancial Education Network
State Board of Technical and Comprehensive Education – SC Reach for Success – PCC

Broadband Infrastructure

FTC Diversified Services – Next Generation Broadband (4 Applications)
Mid-Carolina Electric Cooperative, Inc. – Western SC Remote Rural Economic Development Initiative
Community Connect, Inc. – Community Connect Wireless Broadband Public/Private Partnership for Rural Upstate SC
Knight Sky Consulting and Associates, LLC – SKYMAX Broadband Public Safety Satellite Network
City of Columbia – Capital Community Broadband Services Infrastructure Project
NuVu Communications, LLC – Cherokee County, SC Last Mile Broadband



NEWS FROM THE EXECUTIVE DIRECTOR

This has been a very busy summer and fall as we tackled reviewing and responding to the SC Broadband Stimulus applications on both the state and federal levels. The Governor's Broadband Advisory Committee was quite impressed with the SC cable industry's quick and professional response which assisted them in making decisions based on unserved or underserved areas.

The Federal Communications Commission (FCC) meetings hosted by Commissioners Capps and Clyburn were held this month in the SC Lowcountry. The subject was geared towards broadband needs and digital equality issues for minorities and rural areas. From the consumer's prospective, it was all about broadband affordability. Comcast's Bill Watson served as a panelist during one meeting and did an outstanding job detailing the company's broadband commitment to serve SC and this area. Bill also presented Comcast's local philanthropic initiatives. The SC cable industry's consistent message is our continued support for efforts to deploy broadband in rural, unserved areas, but we strongly oppose government subsidization of our competitors. Thanks to each of you for your assistance in making this message strong and clear.

The South Carolina Tax Realignment Commission (TRAC) will continue meeting this fall and winter. TRAC is a temporary and independent commission comprised entirely of non-legislators, created to assess the effectiveness of the state's current tax structure. Ultimately, this Commission plans to make recommendations to the General Assembly regarding necessary changes, if any, to that structure. According to an earlier meeting, such changes must be designed to ensure that the state's tax structure is "balanced" so that the system is "adequate, equitable, and efficient." I will continue to report to you the details of these meetings and any potential changes to the state's tax structure that will affect the cable industry.

The SC Public Service Commission (PSC) hearing for consideration of the issue of whether basic local service should receive State Universal Service Fund support when included in a bundled service offering or contract service offering is scheduled to commence at the PSC on November 20, 2009. Frank Ellerbe and the entire legal team at Robinson, McFadden have been busy preparing for this proceeding. Our team's work on H3299 (*ATT deregulation bill*) brought this matter to the forefront and we look forward to a resolution.

Mark your calendars for the 2010 Joint Summer Meeting to be held August 7 – 9, 2010 at Charleston Place in historic Charleston, South Carolina. The meeting will be hosted by the SC Cable Television Association and attended by our friends in North Carolina.

I will soon mark my first anniversary with the SC Cable Television Association and sincerely appreciate your support and guidance. It has been rewarding to witness the association moving forward to protect and promote the cable industry. Your great support makes it all possible!

Ray Sharpe

MEMBER NEWS



Jacobs Promotion

Mary Anne Jacobs has been promoted to senior director of public affairs for Time Warner Cable's regional operations. Jacobs most recently worked as senior director of public affairs for Time Warner Cable's South Carolina operations. She is now responsible for public affairs in both North and South Carolina. Ms. Jacobs also serves as the Board Chairman for the SC Cable Television Association.

Comcast Cares Day

Comcast Cares Day began in 2001 and has grown to become one of the largest single-day corporate volunteer efforts in the country. On Saturday, April 25, 2009, more than 60,000 volunteers did their part at 600 project sites around the country. In the Charleston area almost 300 Comcast employees, family members and friends participated. The Comcast Foundation donated \$6640 in September to the Lowcountry Food Bank, Special Olympics South Carolina and the Penn Center on behalf of the Comcast volunteers. The local volunteers processed 33,029 pounds of food and 6,000 pounds of canned vegetables. They also collected 1,300 books for a book drive. The Comcast Foundation invests in programs that have a positive, sustainable impact on their communities. For more information on Comcast's volunteer initiative visit www.comcast.com/inthecommunity.

Time Warner Cable Execs Named to Cablefax's Most Influential Minorities in Cable List

Time Warner Cable Also Named One of the Industry's Best Places to Work

On October 27, 2009 Time Warner Cable announced fifteen of their executives were named to *CableFAX Magazine's Most Influential Minorities in Cable* list for 2009. The list includes corporate and regional leaders chosen to be included on this year's list. Time Warner Cable was also named as one of the industry's *Best Places to Work*. "This is a great honor for us and our executives," said Tom Mathews, Executive Vice President of Human Resources. "We work hard to make sure that we have the best, most diverse and brightest leaders in our work place. It's good to see our efforts are paying off and that our leaders are being recognized." Added Mathews, "Our work force is a reflection of our customer base, and our employees make our company and our industry stronger, more inclusive and a great place to work."

The Time Warner Cable leaders honored by CableFAX include Charlene Keys, the Vice President / General Manager of Operations in South Carolina and Darrel Hegar, the Regional Vice President of Operations for the Carolinas. The list was unveiled in Denver at a breakfast sponsored by National Association for Multi-Ethnicity in Communications (NAMIC).

AT&T NEWS

AT&T Elects Deregulation

On September 23, 2009, AT&T filed its deregulation notice under the “Customer Choice and Technology Investment Act of 2009.” The election was effective October 1, 2009. Virtually all of AT&T’s services are deregulated except grandfathered basic residential lines. AT&T will reduce the amount of money it receives over the next two years from the state universal service fund. On September 25, 2009, the company filed revisions to its private line and local tariffs indicating that on a going-forward basis, their SC retail telecommunications services would be offered pursuant to the AT&T Service Agreements.

AT&T Request to Investigate Sprint Tariff Filing

On September 15, 2009, AT&T filed a petition with the Public Service Commission requesting an investigation of a Sprint tariff filing addressing Toll Free 8YY

Service and that the tariff filing be suspended during the pendency of the investigation or that Sprint be required to “true up” any and all activity to comply with any decision of the Commission. The tariff filing applies to toll-free “8YY” calls placed by a Sprint/Nextel wireless customer and carried, in part, by one of the AT&T Companies. Today the calls are routed from a Sprint/Nextel wireless switching center to an Embarq ILEC tandem switch. The Embarq switch sends a query to a database to determine where the call should be routed for further processing. When the call is to be routed to an AT&T company, the Embarq tandem routes the call directly to AT&T’s facility and AT&T pays Embarq. AT&T’s petition states that the Sprint proposed tariff filing would re-route these calls so that the Sprint/Nextel wireless switch sends the call to a Sprint CLEC tandem switch. The Sprint switch would send the query to a database and charge a significantly higher rate than Embarq. In addition, instead of routing the call directly to the AT&T facility, Sprint proposes to route the call to another entity’s tandem switch which

would then route the call to AT&T. AT&T complains that it would be asked to (1) pay Sprint a much higher price for the same database query that Embarq performs and (2) pay, in many cases, at least two entities for at least two sets of tandem switching and transport functions instead of paying one entity for one set of functions. AT&T requests that the Commission suspend the tariff pending an investigation by the Office of Regulatory Staff. On September 21, 2009, Sprint withdrew the tariff filing. The Commission granted Sprint’s request that the AT&T petition be dismissed.

AT&T Discontinues VoIP Service

On July 28, 2009, AT&T notified the Public Service Commission that the Company filed an application with the FCC to discontinue an interconnected Voice over Internet Protocol service, AT&T Call Vantage, in South Carolina and other states. AT&T intends to begin discontinuing service to customers on October 20, 2009, in all U.S. states and the District of Columbia.

REGULATORY UPDATES

Public Service Commission

The Commission implemented a new customer complaint procedure in July that was devised in collaboration with the Commission's Advisory Committee. A new online complaint form simplifies the process. A hearing examiner is appointed to each complaint once a complaint is filed. The goal is to resolve complaints within 45 days of filing.

The Commission is now offering RSS feeds from its Docket Management System. The feeds provide near real time notification of new filings at the Commission and of Orders as they are issued. More information on the new services is provided at the DMS RSS Feeds Page on the PSC website.

The Commission has also now added an online system, the PSC Order Index, to its Docket Management System. The index of orders can be searched using keywords or case names. They are working to add orders to the system. It is located at <http://dms.psc.sc.gov/orderindex/home/index.cfm>.

Clyburn Sworn in as FCC Commissioner

Public Service Commissioner Mignon L. Clyburn was sworn in as a Commissioner of the Federal Communications Commission by Judge Matthew J. Perry, Jr. of the U.S. District Court for the District of South Carolina on August 3, 2009 in the Federal Courthouse in Columbia, South Carolina. Clyburn is the first African American woman to become a FCC Commissioner. During her Senate confirmation hearings, Clyburn promised that she would make the Internet and public airwaves as open as possible for consumers without creating unnecessary burdens on the industry.

USF Update

On July 6, 2009, a state Universal Service Fund status conference was held by Hearing Officer David Butler at the Public Service Commission. As a result a new docket was established to examine whether basic local service should receive USF support when it is included in a bundled service offering or a contract offering. All parties represented at the status conference became parties of record in the new docket including the Office of Regulatory Staff, the S.C. Cable Television Association, CompSouth, tw telecom, AT&T, Verizon South, Verizon Communications, Sprint Communications, Sprint Nextel, Embarq, the S.C. Telephone Coalition, Verizon Wireless, NuVox, and Windstream. All other parties of record in the original USF docket were provided notice and an opportunity to participate in the docket.

The parties were also directed to file a statement of their position on the issue. The Office of Regulatory Staff, agreed with the S.C. Telephone Coalition, Embarq, and Windstream's position that basic local service should receive State USF when included in a bundled or contract service offering. AT&T indicated that it intends to elect to operate under the new deregulation statute and anticipates that its election will be effective before the deadline for filing testimony. Since AT&T's withdrawals from the state USF would then be governed by the deregulation statute, it did not take a position on the issue. The S.C. Cable Television Association, CompSouth, tw telecom and NuVox's oppose including unregulated bundles and contract offerings in lines receiving USF support. Sprint's position was that subsidies are anti-competitive and must be eliminated or minimized to the greatest extent possible. Limiting eligibility to only those ILEC lines that use stand-alone basic service is the first step toward minimizing subsidies. Verizon South notified the Commission that it has a neutral position on the issue at this time. A hearing in the docket is scheduled for Friday, November 20, 2009.

STATE-ISSUED CERTIFICATES OF FRANCHISE AUTHORITY

As of October 26, 2009, the South Carolina Secretary of State has issued the following certificates of franchise authority:

<i>Company</i>	<i>Areas</i>
ATLANTIC BROADBAND.....	Aiken, Aiken County, Allendale, Bamberg, Bamberg County, Barnwell, Burnetttown, Denmark, 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, Blythewood, Calhoun County, Camden, Cayce, Central, Clemson, Columbia, Duncan, Easley, Elgin, Forest Acres, Greenville, Greenville County, Greer, Irmo, Kershaw County, Lexington County, Liberty, Lyman, Mauldin, McConnells, Oconee County, Pickens, Pickens County, Pine Ridge, Richland County, Seneca, Spartanburg, Spartanburg County, Springdale, West Columbia, York, York County
BERKELEY CABLE TV, INC.....	Harleyville, Moncks Corner
BROADBAND EXPERIENCE..... d/b/a FAMILY VIEW CABLEVISION	Central, Clemson, Pickens County
CAROLINA TELECOM SERVICES.....	Hickory Grove
CATAWBA, INC.....	Rock Hill
CHARTER COMMUNICATIONS, LLC...	Clinton, Easley, Greer, Greenville, Greenville County, Honea Path, Laurens, Mauldin, Newberry County, Oconee County, Pelzer, Pickens County, Salem, Six Mile, Spartanburg, Starr, Travelers Rest, Union, West Pelzer, Whitmire, Woodruff,
CHESNEE COMMUNICATIONS.....	Cherokee County, Chesnee, Spartanburg County
COMCAST OF CAROLINA.....	Edisto Beach, Goose Creek, Hampton County, Hanahan, James Island
COMCAST OF GEORGIA/SC II.....	Edisto Beach, Hollywood, Meggett, Town of Seabrook Island
COMCAST OF GEORGIA/SC INC.....	Aiken County, Burnetttown, Hampton County,
COMCAST OF THE SOUTH.....	Calhoun Falls, Prosperity
FALCON VIDEO COMMUNICATIONS...	Beaufort, Beaufort County
FARMERS TELEPHONE..... COOPERATIVE	Andrews, Clarendon County, Coward, Florence County, Georgetown, County, reeleyville, Lane, Lee County, Lynchburg, Mayesville, Paxville, Pinewood, Scranton, Sumter, Sumter County, Turbeville, Williamsburg County

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

FTC DIVERSIFIED SERVICES, INC.	Bishopville, Clarendon County, Florence County, Georgetown County, Kingstree, Lake City, Lee County, Manning, Olanta, Summerton, Sumter, Sumter County, Williamsburg County
HARGRAY CATV CO., INC.....	Estill, Hampton, Jasper County
HOME TELECOM.....	Charleston, Goose Creek, North Charleston
HORRY TELEPHONE COOPERATIVE...	Conway, Surfside Beach
HPI ACQUISITION CO., LLC.....	Anderson, Due West
MANAGED SERVICES INC.....	Berkeley County, Horry County, Jasper County, Richland County
METROCAST COMMUNICATIONS..... OF MISSISSIPPI, LLC	Marlboro County, McColl
NORTHLAND CABLE TELEVISION.....	Laurens County, Pickens County, Seneca, West Union
PALMETTO CABLE TV, LLC.....	Lancaster County
PALMETTO RURAL TELEPHONE..... COOPERATIVE, INC.	Bamberg County, Colleton County, Cottageville, Lodge, Smoaks, Walterboro, 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, Pelion, Summit, Wagener
RST COMMUNICATIONS, INC.....	Gaffney
TECHCORE CONSULTANTS II.....	Bowman, Dorchester County, Earhardt, Eutawville, Holly Hill, Orangeburg County
TIME WARNER CABLE, LLC.....	Andrews, Charleston County, Georgetown County
TIME WARNER ENTERTAINMENT..... ADVANCE/NEWHOUSE PRTSHP	Cayce, Columbia, Conway, Florence County, Forest Acres, Georgetown County, Lee County, Lexington, Myrtle Beach, Myrtle Beach Air Force Base, Orangeburg, Orangeburg County, Pamplico, Quinby, Richland County, Springdale, Surfside Beach, Sumter, Sumter County, West Columbia
TIME WARNER ENTERTAINMENT ADVANCE/NEWHOUSE PTRSHP..... -CHARLOTTE DIVISION	Clover, Fort Mill, York County
TIME WARNER NY CABLE, LLC.....	Bluffton, Dillon County, , Georgetown County, Goose Creek, Hardeeville, Hilton Head, Jasper County, Lakeview, Marion County, Nichols
VIDEO VISION, INC.....	Fort Lawn, Heath Springs, Kershaw, Lancaster County
YRT2, INC.....	Berkeley County, Columbia, Dorchester County, Greenville, Greenville County, Horry County, Myrtle Beach, Summerville

SOUTH CAROLINA LEGISLATIVE UPDATE



The first session of the General Assembly adjourned in June. It reconvened on October 27th for a two day special session to restore federal unemployment benefits. The General Assembly may also address how it would handle impeachment proceedings against Governor Sanford. The next regular session is scheduled to begin January 12, 2010.

Court of Appeals Strikes Limits on Cable Companies

The U.S. Court of Appeals for the D.C. Circuit struck the FCC regulation that limits cable companies from serving more than 30% of the U.S. cable subscribers on August 28, 2009. The Court had previously rejected the 30% limit in 2001. The Court indicated that the Commission failed to demonstrate that allowing a cable operator to serve more than 30% of all cable subscribers would threaten to reduce either competition or diversity in programming. The Court indicated that the record was replete with evidence of ever increasing competition among video providers. Therefore, cable operators no longer have the bottleneck power over programming that concerned Congress in 1992 when the Cable Television Consumer Protection and Competition Act was passed. The Court also noted that over the same period there has been a dramatic increase in both the number of cable networks and in the programming available to subscribers. The Court found the FCC's dereliction in the case to be particularly egregious since the Court expressly instructed the FCC in the previous case on remand to consider fully the competition that cable providers face from non-cable video programming distributors. *Comcast v. FCC*, Ct. Appeals No. 08-114.

FCC BRIEFS

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

On September 9, 2009, the FCC released its report on top subject areas for inquiries and complaints during the first quarter of 2009. The total number of inquiries for all categories increased more than 10%, but the number of Cable and Satellite Services inquiries decreased more than 16% compared to the 4th quarter. Total complaints increased over 246%. Cable and Satellite Services complaints increased 96%. <http://www.fcc.gov/cgb/quarter/welcome.html>.

On September 8, 2009 the FCC released information regarding informal consumer complaints processed by the Disability Rights Office during the 1st quarter 2009. The Disability Rights Office processes informal complaints on (1) access to telecommunications services and equipment, (2) TRS, (3) closed captioning, (4) accessibility of video programming providing emergency information, and (5) hearing aid compatibility. <http://www.fcc.gov/cgb/dro>.

FCC BRIEFS (continued from page 9...)

The FCC released its Annual Telecommunications Industry Revenues Report on September 3, 2009. The wireless industry revenues grew 5% during 2007 while telecom revenues for incumbents decreased. www.fcc.gov/wcb/stats.

On September 3, 2009, the FCC released its latest report on telephone number utilization as of December 31, 2008. Overall, 47.9% of all telephone numbers were assigned to customers. The overall utilization rate for incumbents was down, CLECs and cellular carriers were up. It is available at www.fcc.gov/wcb/stats.

The FCC issued a notice of inquiry on August 27, 2009, on whether there are additional opportunities to empower American consumers by ensuring sufficient access to information about communications services. The notice asks questions about each stage of the purchasing process: (1) choosing a provider, (2) choosing a service plan, (3) managing use of the service plan, and (4) deciding whether and when to switch an existing provider or plan for all communications services, including voice services, broadband and subscription video (cable and satellite). (FCC 09-68).

The FCC announced the launch of a new blog, called “Blogband” to stimulate dialogue over the development of a National Broadband Plan on August 18, 2009. The blog can be found at <http://blog.broadband.gov>. The FCC is also launching on the microblogging platform, Twitter at <http://twitter.com/fccdotgov>. News about the FCC’s National Broadband Plan can be found at www.broadband.gov.

On August 13, 2009, the FCC released its latest report on telephone subscribership levels. In March 2009, the subscribership penetration rate in the U.S. was 95.6%, an increase over the last year and is the highest reported rate since the Current Population Survey began collecting the data in 1983. The report can be downloaded at www.fcc.gov/wcb/stats.

On August 6, 2009, the FCC released its Telephone Penetration by Income Report which presents data on a state-by-state basis. It tracks the effects of federal and state USF Lifeline and Linkup support mechanisms. It is available at <http://www.fcc.gov/wcb/iatd/stats>.

On July 23, 2009, the FCC released new data on local telephone service competition in the U.S. based on June 30, 2008, data. Customers obtained local service by using approximately 124.6 million incumbent LEC switched access lines, 30.0 million CLEC switched access lines, and 255.3 million mobile telephony service subscriptions. www.fcc.gov/wcb/stats.

On July 23, 2009, the FCC released the final data on high-speed services collected under the previous form 477 framework. High-speed lines increased by 10% during the first half of 2008. Of the 132.8 million total high-speed lines reported as of June 30, 2008, 79.1 million served primarily residential end users. As a nationwide average, the FCC estimates that high-speed DSL connections were available to 83% of the households to whom incumbent LECs could provide local service and that high-speed cable modem service was available to 96% of the households to whom cable systems could provide cable TV service. www.fcc.gov/wcb/stats.
