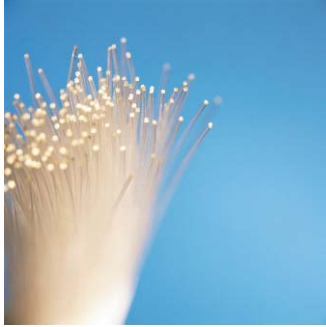


SOUTH CAROLINA CABLE TELEVISION ASSOCIATION NEWSLETTER

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CITY OF HARTSVILLE'S FIBER OPTIC PROJECT

Inside

News from the Executive Director...	3
National Broadband Plan	4
Member News.....	4
PSC News.....	6
State Issued Certificates of Franchise Authority	6
Legislative Update	8
FCC Briefs.....	9

The new mayor of Hartsville, Mel Pennington, is pushing a proposal to develop a city-owned fiber optic communications network. It appears the City is considering using the system to offer Internet, video and voice services. Prior to his election, Pennington, vice chairman of the city's planning commission, presented the proposal to City Council during a work session in October. He wanted the Council to consider a resolution authorizing a \$50,000 feasibility study. Pennington said the network would create a new revenue stream for Hartsville by allowing the City to sell digital telephone, cable television and high speed Internet services. Pennington also indicated that the network would create an incentive for annexation. Pennington is pushing for quick action so that Hartsville can apply for a broadband grant from the \$7.2 billion Federal Stimulus

Fund in the second round of funding.

In mid-October Dave Stockton of Uptown Services, LLC made a presentation to City Council on a proposal for the feasibility study. Uptown is a broadband consulting firm located in Atlanta, Georgia, that focuses on municipal and public power clients. Stockton indicated that the federal government would provide 80% of the total cost of setting up the City's network and that the City's portion could cost about \$2 million. Uptown was hired by the City of Wilson, North Carolina, to complete all outside plant design and engineering tasks for its new 3000 fiber to the premises network. Wilson now markets broadband services under the Greenlight brand name, offering cable television service, digital telephone and high speed Internet service.

(continued on page 2....)

Hartsville's Fiber Optic Project (continued from page 1)

Pennington and others visited Wilson in September to see its broadband system.

In November Hartsville City Council authorized spending up to \$5000 for a fiber optic feasibility study. City officials hope to receive the balance for the \$50,000 study from private sources. The South Carolina Cable Television Association contacted the City in November in regard to certain legal issues that should be considered regarding implementation of the proposal. The South Carolina Supreme Court issued a decision in 1994 in which Jones Cable successfully challenged the City of Orangeburg's authority to build a cable television system. *Sheppard & Jones Cable v. City of Orangeburg*, 442 S.E. 2d 601 (Sup. Ct. 1994). The S.C. Constitution only authorizes cities to operate "public utilities" with voter approval. The Supreme Court held that a "public utility" would only encompass a utility providing an essential service and that cable television was not an essential service. The Court also indicated that Orangeburg was not authorized to build and operate a cable system under its statutory authority to engage in recreation functions pursuant to S.C. Code Section 5-7-30.

The Cable Association also informed Hartsville that any municipality offering telephone service must comply with the *Government Owned Telecommunications Service Providers Act* passed in 2002 and codified at S.C. Code Section 58-9-2600. This Act would subject municipalities to the same regulatory and legal requirements as non-government owned telecommunications providers including regulation by the Public Service Commission and the Office of Regulatory Staff. The municipality would not receive any tax exemptions or be allowed to subsidize the cost of providing telecommunications service with funds from other non-telecommunications services, operations or other revenue source. The Act restricts rates and cost calculations. It also requires that separate books be maintained and that an independent audit reflecting the full cost of providing service be prepared annually. Hartsville awarded the bid for the feasibility study to Uptown Services in mid-December. It will take a minimum of three months to complete the study.



**2010 Carolinas
Joint Summer Meeting
August 7 - 9, 2010
Charleston Place
Charleston, South Carolina**

*Hosted by
The South Carolina Cable Television Association*



NEWS FROM THE EXECUTIVE DIRECTOR

The 2010 SC General Assembly session has commenced and it promises to be a session dominated by our state's budget crisis. South Carolina started the new year with over a half billion dollar deficit. The General Assembly has already decided to furlough a number of weeks this session and I expect another early sine die. Additionally, 2010 is an election year for South Carolina's Constitutional Officers and House members.

The South Carolina Tax Realignment Commission (TRAC) continues to meet this session. If you recall, 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. Lobbyist are strictly prohibited from contacting members of TRAC, however, TRAC chair Burnett Maybank recently allowed contact between TRAC and lobbyist principals.

Connected Nation is currently updating South Carolina's Broadband Mapping and each of our state's cable companies will provide data for this project. Connect South Carolina's objective is to create a detailed and accurate map – down to the street level, pinpointing exactly what types of broadband services are available at each address, while also clearly identifying the state's unserved and underserved areas. As a third party, non-profit organization, Connect South Carolina is able to help the state meet the new federal standards for local broadband mapping, while also maintaining the confidentiality of provider information as defined by the NTIA. In the end, the information Connect South Carolina collects will become an interactive, user-friendly map using a cutting-edge tool called BroadbandStat for viewing, analyzing and validating broadband information. BroadbandStat was developed by Connected Nation in conjunction with ESRI, the world market leader in geographic information system (GIS) software. The system allows users to select the kind of demographic and provider information they would like to see via custom viewing choices, allowing providers to plan for future business in an efficient and intelligent way. The map will also be included in the new, national broadband map that is scheduled for release in February 2011 and will be continually updated for information accuracy. Providers are asked to provide Connect South Carolina with data prior to the February 1 NTIA deadline and can do so through the website: www.connectsc.org

Your team at the SC Cable Television Association will continue to keep you informed as this session progresses.

Ray Sharpe

NATIONAL BROADBAND PLAN

The Stimulus Package established a February 17th deadline for the Federal Communications Commission to create a national broadband plan. On January 5, 2010, the FCC requested a four-week extension of the deadline from Congress in order to fully brief Commissioners and key members of Congress, to get additional input from stakeholders and to fully digest the record before the agency.

MEMBER NEWS



LIVE IT WITH CHARTER® Bike Sweepstakes 2009 SC.NC.VA KMA Grand Prize Winner

Mr. Kevin Tumblin of Fountain Inn, SC, was a Grand Prize Winner in the Live it With Charter Bike Sweepstakes. As a Grand Prize Winner, Mr. Tumblin's prize consisted of a TREK 7000 customizable bike, Pneumo bike helmet, set of bicycle gloves, bike lock, and a bike rack. The approximate total retail value of the Grand Prize is \$924.95. Mr. Tumblin wrote back to Charter to say, "I went for a 6-mile ride yesterday. I've never been on a bike so effortless to ride."



Dangerfield Promotion

Rose Dangerfield is the new director of public affairs for Time Warner Cable South Carolina. Rose is responsible for community affairs, philanthropic initiatives, internal communications and media relations for Time Warner Cable's South Carolina operations. Rose has more than 20 years of experience in communications and marketing.

TIME WARNER CABLE PARTNERS WITH EdVENTURE ON NEW PHILANTHROPIC INITIATIVE, CONNECT A MILLION MINDS

***\$45,000 Donation made to EdVenture
Children's Museum's Future Leaders Academy***



Columbia, SC (November 19, 2009) – Time Warner Cable officially launched its new philanthropic focus, Connect A Million Minds. Connect A Million Minds seeks to inspire young people to build the skills they need in science, technology, engineering and math (STEM) to become the problem solvers of tomorrow. Time Warner Cable will do this by raising awareness and visibility for STEM and by connecting youth to afterschool STEM opportunities in the Columbia area.

The kick off of Connect A Million Minds was held at EdVenture Children's Museum, with a \$45,000 donation presented by Time Warner Cable. Columbia Mayor Bob Coble and students from EdVenture's Future Leaders Academy were among the first to commit to 'connecting a million minds'. "Connect A Million Minds is driven by Time Warner Cable's heritage as a technology company," said Charlene Keys, vice president and general manager, Time Warner Cable Columbia. "With 80 percent of jobs in the next decade requiring STEM skills, building excitement in STEM areas is critical to helping students of today succeed in the future." As part of the event, students also learned about the dynamics of water at a hydroelectric plant and the structural spans and engineering of the Gervais Street Bridge. "We are the future of the world and we need to learn about this stuff because in the future, it will be up to us," said 12-year old participant Austin Counts.

Nationwide, Time Warner Cable is making a \$100 million, five-year commitment of cash and in-kind support. Of that, \$3 million dollars is designated for South Carolina. The company is in a unique position to use its products and technology to bring more attention to STEM opportunities. Public service announcements begin running this week. Parents and students can also easily identify local after-school programs and opportunities to explore STEM by visiting www.connectamillionminds.com.

Time Warner Cable's (TWC) Connect a Million Minds (CAMM) is a five-year, \$100 million philanthropic initiative to address America's declining proficiency in science, technology, engineering and math (STEM), which puts our children at risk of not competing successfully in a global economy. Using its media assets, TWC creates awareness of the issue and inspires students to develop the STEM skills they need to become the problem solvers of tomorrow. Program highlights include: original PSAs that challenge public perceptions of STEM; a unique website, www.connectamillionminds.com, where parents and community members can pledge to connect young people with the wonders of science; "The Connector", a one-of-a-kind online resource that makes it simple and easy for parents and students to find informal science and technology learning opportunities in their communities; grants to support non-profit organizations that bring stimulating, high-quality and affordable after-school STEM learning to students; TWC employees, over 47,000 strong, who volunteer their time at community events like science fairs and robotics competitions, and share their passion for engineering and technology with students at CAMM career days.

PSC News

Verizon – Frontier Transfer

On October 29, 2009, the Commission approved the transfer of Verizon’s incumbent local exchange carrier operations in South Carolina to Frontier Communications. Frontier made a number of unusual commitments to encourage approval of the transfer including a commitment to significantly expand the availability of broadband Internet access in South Carolina and to provide a free personal computer to its customers as a promotional offering when these customers sign-up for broadband service with telephone. Frontier also committed to operate substantially the same back office support, computer systems, and network systems used by Verizon prior to closing, and those systems will be operated by Verizon personnel who will continue as Frontier employees. This commitment includes maintaining the pension

plans of those Verizon employees who are now employed with Frontier.

Prepaid Carrier Regulations

The Commission will conduct a workshop regarding the applicability of its regulation on prepaid local exchange services and bonds to all jurisdictional providers of retail residential prepaid local exchange service on March 5, 2010. Persons who intend to participate should notify the Commission by February 17, 2010.

Commission Elections

Commission Chairman Fleming and Commissioner Wright’s terms on the Commission expire this year. The Public Utility Review Committee will screen them and any other candidates for those two positions during the upcoming legislation session.

STATE-ISSUED CERTIFICATES OF FRANCHISE AUTHORITY

As of December 23, 2009, the South Carolina Secretary of State has issued the following certificates of franchise authority:

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, Sharon
CATAWBA, INC.....	Rock Hill

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

CHARTER COMMUNICATIONS, LLC... Abbeville, 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..... Beaufort County, Charleston, Edisto Beach, Hollywood, Meggett, Town of Seabrook Island

COMCAST OF GEORGIA/SC INC..... Aiken County, Burnetown, Hampton County,

COMCAST OF THE SOUTH..... Calhoun Falls, Prosperity

FALCON VIDEO COMMUNICATIONS... Beaufort, Beaufort County

FARMERS TELEPHONE..... Andrews, Clarendon County, Coward, Florence County, Georgetown, COOPERATIVE County, Greeleyville, Lane, Lee County, Lynchburg, Mayesville, Paxville, Pinewood, Scranton, Sumter, Sumter County, Turbeville, Williamsburg County

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..... Marlboro County, McColl OF MISSISSIPPI, LLC

NORTHLAND CABLE TELEVISION..... Laurens County, Pickens County, Seneca, West Union

PALMETTO CABLE TV, LLC..... Fort Mill, Lancaster County

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, Pelion, Summit, Wagener

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

- 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..... Cayce, Columbia, Conway, Florence County, Forest Acres, Georgetown ADVANCE/NEWHOUSE PRTSHP County, Lane, Lee County, Lexington, Lexington County, 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..... Clover, Fort Mill, York County -CHARLOTTE DIVISION
- 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
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SOUTH CAROLINA LEGISLATIVE UPDATE



The first session of the General Assembly adjourned in June. The General Assembly returned on October 27, 2009, to approve a law change that allows South Carolinians to receive the maximum available unemployment benefits (**Senate Bill 374**). On October 28th the legislature also approved an economic development incentives package (**House Bill 3130 / Act 124**). As a consequence, Boeing announced that it will build a second production line for its 787 Dreamliner aircraft adjacent to its existing facilities in North Charleston. The next session convenes on January 12, 2010. The following bills of interest were prefiled:

Senate Bill 902 – S.C. Fair Tax Act

This bill proposes simplifying tax law and reducing administrative expenses by repealing the state law governing income tax, sales and use taxes, and the estate tax. It was referred to the Senate Finance Committee on December 9, 2009.

Senate Bill 942 – Palmetto Fair Tax Act

This bill also proposes eliminating the current law governing income tax, sales and use taxes and estate tax. A new retail sales and use tax rate would be imposed on every person within the state selling tangible personal property at retail and on every person selling, providing or furnishing services except financial mediation services. It would establish a monthly sales tax rebate to registered qualified

S.C. Legislative Update continued...

families. Purchases of tangible personal property or services to be used in the production, provision or sale of other taxable personal property or services in the ordinary course of business are not taxable. The bill also establishes a retail license tax. It was referred to the Senate Finance Committee on December 9, 2009.

Senate Bill 973 – On-line Predators

The Electronic Securing and Targeting of Online Predators Act requires that a sex offender must provide information on his/her Internet Accounts and Internet Identifiers to SLED as part of the Sex Offender Registry information. It was referred to the Senate Judiciary Committee on December 9, 2009.

Senate Bill 996 – Employment

This bill makes it illegal for an employer to use an individual's credit report or credit history as the basis to fail or refuse to hire, discharge or to otherwise discriminate against an individual unless the information directly relates to a bona fide occupation qualification reasonably necessary to the normal operation of the business.

House Bill 4189 – Text Messaging

This bill makes it illegal to drive a motor vehicle while texting or reading text messages.

House Bill 4256 – Law Enforcement Directive to Telephone Co.

This bill enables the Director of SLED or his designee to issue an administrative subpoena to a telephone company, Internet service provider or other communications entity under certain circumstances to provide information needed to resolve certain situations. It was referred to the House Judiciary Committee on December 15, 2009.

FCC BRIEFS

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

On December 31, 2009, the Federal-State Joint Board on Universal Service released its most recent Monitoring Report on Universal Service reflecting 2008 information and 2009 projections. The various USF mechanisms total about \$7 billion in 2008 with 63% for high-cost support, 24.8% for schools and libraries, 11.5% for low-income support and 0.7% for rural health care support. Total industry revenues for services provided to end users in 2008 was \$235 billion compared to \$240 billion in 2007. The report can be downloaded from the Wireline Competition Bureau at <http://www.fcc.gov/wcb/stats>.

On December 24, 2009, the FCC issued the *Quality of Service of Incumbent Local Exchange Carriers*. Statistically significant six-year trends as of 2008 include that repair intervals are increasing on average 5.8% annually for the industry overall; percentage of customers dissatisfied with residential repairs is increasing on average 4.3% per year for the larger companies; and the percentage of customers dissatisfied with residential installations is increasing on average 7.3% per year for the larger companies. The report can be downloaded from the Wireline Competition Bureau at <http://www.fcc.gov/wcb/stats>.

FCC BRIEFS (continued from page 10...)

On December 15, 2009, the FCC issued a further notice of proposed rulemaking in response to the 10th Circuit Court of Appeals ruling in the *Qwest Communications International v FCC* case in which the Court remanded the FCC's rules for providing high-cost USF support to non-rural carriers. The FCC anticipates that changes to universal service policies are likely to be recommended as part of the National Broadband Plan. The FCC seeks comments on certain interim changes to address the court's concerns while also taking into account the changes in technology, the marketplace and consumer buying patterns. The FCC seeks comments on whether it should define "reasonably comparable" rural and urban rates in terms of rates for bundled local and long distance services. (FCC 09-112)

The FCC released its latest report on telephone subscribership levels on December 15, 2009. In July 2009 the penetration rate was 95.7%. The report can be downloaded from the Wireline Competition Bureau at <http://www.fcc.gov/wcb/stats>.

On December 8, 2009, the FCC released a notice seeking comments on the National Cable and Telecommunications Association's petition for rulemaking that proposes new rules for universal service high-cost support. The NCTA proposes that the FCC establish procedures to reduce the amount of USF high-cost support provided to carriers in those areas where there is extensive, unsubsidized facilities-based voice competition and where subsidies are no longer needed to ensure that service will be available to consumers.

On December 1, 2009, the FCC issued a public notice seeking comments to set the stage for the FCC to consider whether to issue a Notice of Inquiry relating to the appropriate policy framework to facilitate and respond to the market-led transition in technology and services from the circuit-switched network to all-IP network. AT&T filed comments on the transition on December 21, 2009, in which it supports a Notice of Inquiry. AT&T indicated that the transition is underway with more and more communications services migrating to broadband and IP-based services leaving the public

switched telephone network and POTS as relics of a by-gone era. AT&T indicated that Congress' goal of universal access to broadband will not be met in a timely or efficient manner if providers are forced to continue to invest in and maintain two networks. AT&T states that due to technological advances, changes in consumer preference, and market forces, the question is when, not if, POTS service and the PSTN will become obsolete. AT&T contends that the single most important feature of FCC action at this time should be the establishment of a firm deadline at which point the transition will be complete.

On November 17, 2009, the FCC sought comment on how broadband can help to bring democratic processes into the digital age as part of its development of a National Broadband Plan. (DA 09-2431).

On November 5, 2009, the FCC issued an Order addressing the treatment of geographic numbers and certain aspects of the E911 call handling requirements for Video Relay Service and IP Relay. The order temporarily waives the prohibition against Internet-based TRS providers assigning geographically approximate numbers to users in cases where providers cannot gain access to 10-digit NANP numbers in the users' rate centers. Where emergency service authorities are unable to receive and use Internet-based TRS providers' Communications Assistant identification numbers via the ALI database during a 911 call, Internet-based TRS providers will be deemed to be in compliance if they convey this information orally. (DA 09-2389).

On October 22, 2009, the FCC issued a notice seeking public input on draft rules to preserve the free and open Internet.

On October 21, 2009, the FCC issued a notice seeking comment on TracFone Wireless' request for clarification of USF Lifeline program one-per-household rule as applied to group living facilities and to provide guidance on enrolling residents of shelters and other group living facilities without violating the rule. (DA 09-2257).
