



# SCCTA

SOUTH CAROLINA CABLE TELEVISION ASSOCIATION

## CONNECT AMERICA FUND



In October, the Federal Communications Commission voted unanimously to comprehensively reform its Universal Service Fund and intercarrier compensation system. The Order issued on November 18, 2011, creates a new Connect America Fund (“CAF”). The CAF’s annual budget is set at no more than \$4.5 billion—the same as the current universal service funding level. The CAF is expected to help connect 7 million Americans to high-speed Internet and voice in rural America over the next six years. In order to receive CAF support, carriers must demonstrate they are deploying broadband to their customers. These networks must meet performance criteria that enable the use of common applications such as distance learning, remote health monitoring, VoIP, two-way video conferencing, web browsing and email. The CAF will ultimately replace all existing high-cost support mechanisms.

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The CAF establishes a new Mobility Fund to expand mobile broadband nationwide to tens of thousands of road miles. Mobile broadband carriers will receive significant legacy support during the transition to the Mobility Fund and will have opportunities for new Mobility Fund dollars. In Phase 1, up to \$300 million in one-time support will be provided to immediately accelerate deployment of networks for mobile voice and broadband services in unserved areas.

The Order also phases down regulated charges for the exchange of voice traffic among carriers and transitions intercarrier compensation to a simplified, uniform “bill-and-keep” framework. The Order adopts a uniform national bill-and-keep framework as the ultimate end state for all telecommunications traffic exchanged with a local exchange carrier. Under bill-and-keep, carriers look first to their subscribers to cover network costs, then to explicit universal service support where necessary. The intercarrier compensation reform is transitioned into effect. Initial reforms focus on reducing terminating switched access rates. This approach promotes migration to all-IP networks while minimizing the burden on consumers. Carriers are required to cap most ICC rates as of the effective date of the Order. To reduce the disparity between intrastate and interstate terminating end office rates, carriers are required to bring these rates to parity within 2 steps by July 2013. Carriers are then required to reduce their termination (and for some carriers also transport) rates to bill-and-keep within 6 years for price cap carriers and 9 years for rate-of-return carriers. In addition to mandating reductions to intrastate and interstate access charges, the Order creates

*Continued on page 4...*



### From the Executive Director....

The second regular session of the 119<sup>th</sup> SC General Assembly is in full swing.

Dominating the Senate right now is the long awaited plans to create a SC Department of Administration replacing the SC Budget and Control Board. Former SC Governor Mark Sanford spent eight years working on continued state government restructuring with no success. Governor Haley, along with legislative leaders from both bodies, has expressed strong support to finally restructure state government. The last time major state government restructuring occurred decades ago during the administration of the late former Governor Carroll Campbell.

The House continues to spend less time on the floor and more time in committee as they prepare for the State Appropriations bill. The Board of Economic Advisors have reported more state revenues than expected which typically results in the budget moving slower as state agencies and colleges lobby for more funds.

The SC Cable Television Association will continue to work to move H3508 which imposes the same requirements on government-owned broadband operations that are currently imposed on telecommunications operations. When session ended last year, the bill was in Senate Judiciary subcommittee (Sen. Luke Rankin – Chair, Sen. Brad Hutto & Sen. Paul Campbell). Our team of lobbyists have been working very hard meeting with members of the full Senate Judiciary Committee to move this important industry bill forward. As of writing this column, we expect new amendments dealing with Clemson's Light Rail initiative and Orangeburg County. Our team has been assured the two counties who received the broadband stimulus funds, administered through the U.S. Department of Agriculture's Rural Utilities Service, will NOT provide service in areas that is capable of receiving other broadband services. This bill is to be heard before full Senate Judiciary and will then head to the Senate floor.

This association continues to monitor over 90 pieces of legislation that either directly or indirectly affects the cable industry. We will continue to discuss strategies and plans on our regular Friday morning calls.

I sincerely appreciate each of you sharing your expertise and advise as we continue to promote and protect the many cable interests in the Palmetto State.

*Ray Sharpe*

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## ***Amendment to the Government-Owned Telecommunications Service Providers Act***

The SCCTA is actively following the AT&T-backed legislation that would amend the Government-Owned Telecommunications Service Providers Act. House Bill 3508 / Senate Bill 483 takes a “level playing field” approach and makes it clear that government-owned broadband operations are subject to the same requirements that are currently imposed on government-owned telecommunications operations. The bill would exempt operations in an unserved area from the requirements. House Bill 3508 gives the Public Service Commission jurisdiction to determine whether an area is unserved. The proposed procedure limits potential objectors to service providers and residents. The SCCTA proposed revisions that would give potential objectors to the petition for the unserved designation more time to prepare testimony and would give the Commission additional time to rule on the petition. The Counties have proposed revisions that would increase the minimum speed requirement for a private provider to be designated as providing “broadband service,” revise the definition of “unserved area,” and clarify that a county can use federal broadband stimulus funds. A subcommittee of the Senate Judiciary Committee met on January 26<sup>th</sup> to discuss the bill. ([http://www.scstatehouse.gov/sess119\\_2011-2012/bills/3508.htm](http://www.scstatehouse.gov/sess119_2011-2012/bills/3508.htm) or [http://www.scstatehouse.gov/sess119\\_2011-2012/bills/483.htm](http://www.scstatehouse.gov/sess119_2011-2012/bills/483.htm))

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## ***Hidden Problems with Government-Owned Networks***

Joseph P. Fuhr, Jr., PhD, Professor of Economics at Widener University prepared a white paper entitled “The Hidden Problems with Government-Owned Networks” for the Coalition for the New Economy.<sup>1</sup> In the paper, Dr. Fuhr discussed the history of efforts by municipalities to build broadband networks, the reasons why their efforts have been unsuccessful, and examines alternatives to provide universal access to broadband. The paper notes the following reasons why municipal efforts have failed:

- Government-owned networks (“GONs”) use taxpayer funds and federal grants to build networks in areas where private providers already make high-speed Internet service available. This network overbuild is counterintuitive in that it requires taxpayers to fund and subsidize a network that duplicates an existing network.
- Many GONs fail because they lack a sustainable business plan and long-term resources to invest in maintenance and necessary upgrades as technology evolves. When this has happened, taxpayers have had to fund the failures....
- GONs compete unfairly with existing providers. As a government entity, a GON can practice various anticompetitive activities which put private firms at a competitive disadvantage. Thus, municipalities that use taxpayer funds to build a broadband network actually act to forestall market entry and decrease competition. With GONs, consumers lose the benefits of competition and choice. They also lose tax revenue from a private network that might have otherwise entered that market, and taxpayers pay more in taxes as they subsidize the operation and maintenance of a GON.<sup>2</sup>

The report cites several case studies of municipalities who have built GONs. For example, Ashland Fiber Network (“AFN”) in Ashland, Oregon was launched in the late 1990s and ultimately accumulated \$15.5 million in debt due to higher than expected construction and operation costs. Start-up costs and annual debt payments were made from other funds. In October 2005, the city adopted a \$7.50 surcharge on all electric bills to subsidize AFN. The surcharge was suspended after protests from citizens. Property taxes now help cover part of the debt. Originally about

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<sup>1</sup> Joseph P. Fuhr, Jr., PhD., *The Hidden Problems with Government-Owned Networks*, Coalition for the New Economy, [www.coalitionfortheneweconomy.org](http://www.coalitionfortheneweconomy.org), (released January 9, 2012) (“*Hidden Problems*”).

<sup>2</sup> *Hidden Problems*, p. 1.

***Hidden Problems (continued from page 3)...***

1300 households did not receive AFN services because it was too costly to build the infrastructure. Residents who were not offered access and those who did not want access were still required to subsidize the network through higher property taxes.<sup>3</sup>

In 2010, there were nine municipal telecommunications providers operating in Tennessee, all affiliated with a different municipal electric company. Chattanooga EPB's Fiber Optic System has received a lot of publicity because of the speeds of up to one gigabit per second that it offers. However, the price of the service, \$350 per month, makes it unlikely that many will subscribe. Net assets at the end of the 2010 fiscal year were a negative \$16.8 million—a decrease of more than \$3.8 million from 2009. The EPB Fiber Optics has \$57 million in notes payable to the EPB's electric system and current assets of only \$52.9 million.<sup>4</sup>

GONs serving five municipalities in North Carolina—Wilson, Salisbury, Morganton, Davidson and Mooresville—are also losing money. These GONs had a combined 43,000 household subscribers and a debt of \$148 million. Davidson and Mooresville took over the former Adelpia Communications cable company in 2007 and created MI-Connection. Four years later the system is still not operating profitably. For the second year in a row, MI-Connection has received a warning letter from state officials concerning its financial conditions and outlook. MI-Connections debt is \$89.9 million with an annual debt payment that is approximately 21% of Davidson's town budget.<sup>5</sup>

A state audit found that Burlington Telecom in Vermont has been violating its state license for the 5 years it has been operating and that there is no feasible way it can repay its debts. City officials confirmed that \$17 million was improperly borrowed from taxpayers. When the Vermont legislature approved Burlington Telecom it required that the venture be a stand-alone entity not using taxpayers' money for support. The debt contributed to Moody's downgrading of the city's bond rating. The company also owes \$33.5 million for lease of its equipment which was terminated in November 2010 when several payments were not made. The lessor has filed a suit in federal court against the GON.<sup>6</sup>

Marietta, Georgia built FiberNet, an Internet service provider in 1996. Eight years later it was sold at a loss for \$11.2 million. The system cost \$35 million to build and maintain.<sup>7</sup> The study recommends inducing private firms to enter unserved markets through subsidization or removal of barriers to market entry. The study concludes that public-private cooperation will lead to better results in unserved areas than GONs.<sup>8</sup>

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***Connect America (continued from page 1)...***

an accompanying federal recovery mechanism that allows carriers to recover losses caused by the access rate reductions. The Order also brings clarity to access charges for VoIP. Intercarrier compensation for toll traffic that originates or terminates in VoIP, but which is exchanged in TDM format, is capped at interstate access rates. Compensation for all other VoIP traffic exchanged in TDM format is capped at reciprocal compensation rates.

As of mid-December, the CAF Order was appealed in eight Circuits. Core Communications, the National Telecommunications Cooperative Association ("NTCA") and the National Association of State Utility Consumer Advocates ("NASUCA") appealed in the 4<sup>th</sup> Circuit. AT&T and Halo Wireless appealed in the D.C. Circuit. The petitions for review were consolidated in the 10<sup>th</sup> Circuit. The South Carolina Office of Regulatory Staff has contacted all interested parties, including the SCCTA, to meet with ORS to provide their viewpoints on the impact of the CAF Order on South Carolina telephone regulation.

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<sup>3</sup> *Hidden Problems*, p. 2-3.

<sup>4</sup> *Hidden Problems*, p. 4.

<sup>5</sup> *Hidden Problems*, p. 5.

<sup>6</sup> *Hidden Problems*, p. 7-8.

<sup>7</sup> *Hidden Problems*, p. 8.

<sup>8</sup> *Hidden Problems*, p. 8-9.

**SAVE THE DATE**

**2012 JOINT SUMMER MEETING**

**AUGUST 19-20, 2012**

**CHARLESTON PLACE HOTEL**

**CHARLESTON, SOUTH CAROLINA**



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## *REGULATORY UPDATES*

### **AT&T NEWS**

#### **USF Petition**

On January 17, 2012, the Public Service Commission of South Carolina granted AT&T's request to withdraw \$1,112,111 from the State Universal Service Fund for its "stand-alone" local residential service lines still in service since AT&T's deregulation election pursuant to the *Customer Choice and Technology Investment Act of 2009*. AT&T currently services 22,907 eligible residential lines. Prior to electing deregulation AT&T was drawing \$24.7 million from the State USF per year. The amount decreased in the first year to approximately \$20 million and dropped to \$15 million after the second year. After the Office of Regulatory Staff verified the customer numbers and reviewed the proposed process to reduce future withdrawals, the Commission approved the petition without holding a hearing.

#### **Price Increase**

AT&T notified the PSC that effective January 22, 2012, the Company will increase prices for its stand-alone basic residential lines that remain subject to the inflation-based price index. The 2009 Customer Choice Act allows AT&T to increase its rates on an annual basis.

The new rates will be no more than 2.37% higher than current rates based on the Gross Domestic Product Price Index.

#### **PSC News**

Commissioner David Wright was elected President of the National Association of Regulatory Utility Commissioners at NARUC's recent meeting in St. Louis. He serves a one-year term.

#### **Department of Revenue - Warranty and Maintenance Contracts**

The S.C. Department of Revenue recently issued S.C. Revenue Rulings #11-1 & 11-2 in response to the amendment of the application of the sales and use tax to warranty or maintenance contracts, including software and software maintenance contracts. The statute continues to tax the sale of a warranty or maintenance contract purchased at the same time the tangible personal property is purchased, unless the sale of the tangible personal property is exempt. However, with limited exceptions, the sales and use tax no longer applies to a warranty or maintenance contract purchased after the tangible personal property is purchased.

## Member News...



***Charter Brings 3D TV On Demand to South Carolina***

**November 8, 2011, SOUTH CAROLINA** – Movie buffs in South Carolina can enjoy a full 3D movie experience without leaving their living rooms, or their couch. Beginning November 8, Charter 3D On Demand will offer High Definition (HD) customers who have 3DTVs access to a select array of 3D movies On Demand. 3DTV is the latest addition to Charter's On Demand service, which has been available to customers for several years. Charter On Demand provides thousands of movies and shows with many in HD, and now with movies in 3D, there is always a wide variety of programs available instantly.

"As winter approaches, people find themselves indoors a bit more and inclined to stay at home for their entertainment," said Anthony Pope, Vice President and General Manager of Charter's operations in South Carolina. "Our On Demand service has become very popular year-round, providing in-home entertainment that's convenient and inexpensive. Access to Charter On Demand is available at no additional charge for Charter TV in Digital customers, and now with the availability of ordering movies in 3D, our On Demand service provides even more value to our customers." In order to view 3D movies On Demand, customers will need to have a 3DTV connected to a Charter Motorola HD receiver, as well as the pair of 3D glasses that came with their TV.

A May 2011 report by Scottsdale, Arizona-based In-Stat in *Home Media Magazine*, said it expects that all TVs with screen sizes larger than 40 inches will be 3D compatible going forward. The research firm said 3DTV units will top 300 million by 2015. "Because interest and demand for 3DTV has grown, Charter is providing 3D programming that is of value to our customers," Pope added. "The addition of movies in 3D is another enhancement to their TV experience." Customers who have 3D TVs in their home should use the 3D glasses and remote control that are compatible with their 3DTV in order to view Charter On Demand movies in 3D.

***Charter to Bring Holiday Greetings From Hometown Soldiers On Demand***

***South Carolina soldiers featured now through January 31***

**December 14, 2011, GREENVILLE** – As we enter the holiday season, families and communities keep servicemen and women serving overseas in their thoughts. For several years, Charter has facilitated a way for soldiers who won't be home for the holidays to work their way into their families' living room celebrations with its "US Soldier Holiday Greetings."

Charter is again making available soldiers' holiday greetings, featuring men and women throughout South Carolina who are serving our country and cannot make it home to celebrate the holidays with family and friends. The greetings will be available on Charter's On Demand service (channel 1) through January 31. "Seeing and hearing a loved one who is far away during the holidays, even if it's only for a few minutes on video, is a wonderful gift," said Anthony Pope, Vice President and General Manager of Charter's operations in South Carolina. "Having access to a greeting On Demand makes it easier for families and friends of our soldiers to view anytime. And there will be those who watch simply because they are uplifted by these true patriots serving our country."

US Soldier Holiday Greetings are available On Demand at no extra charge to all Charter TV in Digital customers throughout South Carolina. Customers should go to Charter On Demand (channel 1), then select "Local Interest," then "The Neighborhood," and then "Holidays on Demand." Because "US Soldier Holiday Greetings" is available On Demand, customers can watch it as many times as they wish, rewind and fast-forward through the program to search for the greetings they want to see, or sit back and enjoy watching greetings from South Carolina soldiers stationed throughout the world. Each greeting is listed with the soldier's name, rank, military branch and hometown. For more information regarding this holiday program call 1-888-GET CHARTER (1-888-438-2427) or go to [charter.com](http://charter.com).

## Member News (continued...)

### Charter Bringing More Power to Internet Users with Increased Download and Upload Speeds

**DECEMBER 1, 2011** – A study conducted earlier this year<sup>1</sup> predicts the number of devices connected to IP networks will be double the global population in 2015. In 2009 Charter first increased Internet speeds for its customers at no cost. Today the company did it again for a fourth time—increasing download speeds and at least doubling upload speeds on its most popular Internet service tiers at no additional cost. Charter is answering the call from more users, devices, streams and apps seeking Internet connectivity with faster upload and download speeds, greater reliability and a superior experience. In markets where Charter has deployed DOCSIS 3.0 technology, approximately 95 % of its Internet service area, the company is increasing *Charter Internet Express* download speeds from 12 megabits per second (Mbps) to up to 15 Mbps, and increasing upload speeds from 1 Mbps to up to 3 Mbps. *Charter Internet Plus* download speeds are being increased from 18 Mbps to up to 30 Mbps/upload speeds from 2 Mbps to 4 Mbps. Charter's fastest residential offering is increasing from 60 Mbps download to up to 100 Mbps download/5 Mbps upload, and has been renamed *Charter Internet Ultra100* to reflect the significant enhancement. *Express* and *Plus* speeds are also increasing in the remaining portions of Charter's service areas nationwide.

"The Internet is changing the way we watch TV, communicate with our friends and family, and engage in social and professional networks. When you're posting

content online, we know it's important to have a safe, reliable connection, and we're committed to enabling the rapid sharing of content," said Rich DiGeronimo, Charter Senior VP, Product and Strategy. "With multiple connected devices in your home, you don't have to make tradeoffs with Charter Internet. You can use multiple gadgets simultaneously, and enjoy a rich experience with each one. The power of the Internet continues to grow, and Charter delivers more speed than ever."

Charter customer Stephen Bolen is the head of a household of 3, with a continuously growing number of Internet-connected gadgets. "We've never had a problem scaling up, knowing that *Charter Internet* service would meet our demands," he says. "I'm usually browsing on my laptop, streaming video or uploading files to an FTP server for clients, while my wife browses on the tablet or her laptop. My daughter's data usage primarily comes from kids' shows and education apps." Bolen grew up in the era of one-at-a-time on the desktop computer, and during that time no one could use the telephone. "That's all changed with *Charter Internet*," he says."

"The value of the Internet can't be measured simply in megabits and gigabytes," said John Birrer, Charter's Senior Vice President, Customer Experience. "Our goal is to deliver the best experience with not only the fastest speeds, but also the most reliable, consistent Internet connectivity and highest quality customer service. Our customers deserve it, and we'll deliver it, now and in the future."<sup>1</sup>

<sup>1</sup>Cisco® Visual Networking Index.



### Charter's "Movies for Food" Supports Food Pantries throughout the Carolinas and Virginia

Charter's South Carolina KMA ended 2011 on a high note, collecting more than 7,000 non-perishable food items during its annual "Movies for Food" campaign for pantries throughout the Carolinas and Virginia. "Movies for Food" is a nationwide donation program created by Charter to help re-stock empty food pantry shelves in local communities. Charter customers and employees donating non-perishable food items received a Charter on Demand movie coupon in exchange for their support. Charter customers who donated items were also eligible to win prizes, including an HDTV and a year of the Charter Bundle with HD. Charter employees went above and beyond to support the campaign, with some offices forfeiting their annual "Secret Santa" gift exchanges to collect and donate items for "Movies for Food."

Charter's partnership with local pantries guarantees that food donations were distributed in the community in which the donation was received.

**Charter employees (l-r) Evelyn Phelps and Tasha Harrison collect items for Charter's "Movies for Food" drive.**

## SOUTH CAROLINA LEGISLATIVE UPDATE

The second session of the General Assembly convened on January 10, 2012. Following is a list of bills introduced since the first session ended in July.

### **Senate Bill 1004 – Regulation of Unsolicited Consumer Telephone Calls**

This bill requires every telephone solicitor who makes unsolicited consumer telephone calls to display on caller identification the solicitor's telephone number and if possible the name of the entity. Referred to Senate Judiciary subcommittee.

[http://www.scstatehouse.gov/sess119\\_2011-2012/bills/1004.htm](http://www.scstatehouse.gov/sess119_2011-2012/bills/1004.htm)



### **Senate Bill 1053 – Senate Rule Special Order Status**

This bill amends the Senate Rules relating to the order of business and special orders to increase the number of bills allowed to be in special order status on 2<sup>nd</sup> and 3<sup>rd</sup> readings and upon motion of the Rules Committee.

[http://www.scstatehouse.gov/sess119\\_2011-2012/bills/1053.htm](http://www.scstatehouse.gov/sess119_2011-2012/bills/1053.htm)

### **House Bill 4451 – Cell Phone**

This bill makes it illegal to use a cell phone while driving.

[http://www.scstatehouse.gov/sess119\\_2011-2012/bills/4451.htm](http://www.scstatehouse.gov/sess119_2011-2012/bills/4451.htm)

### **House Bill 4459 – Search of Cellular Devices**

This bill prohibits the search of cellular or other portable electronic wireless communications devices incident to an arrest without a search warrant or express written permission.

[http://www.scstatehouse.gov/sess119\\_2011-2012/bills/4459.htm](http://www.scstatehouse.gov/sess119_2011-2012/bills/4459.htm)

### **House Bill 4491 – Alarm System Business**

This bill requires an alarm business to use a means of alarm verification for all burglar alarm signals the alarm business receives. Referred to House Labor, Commerce & Industry Committee.

[http://www.scstatehouse.gov/sess119\\_2011-2012/bills/4491.htm](http://www.scstatehouse.gov/sess119_2011-2012/bills/4491.htm)

### **House Bill 4506 – Sales Tax Exemptions**

This bill deletes exemptions for all sales except those exempt pursuant to the state and /or federal constitutions and property sold to the federal government. It also requires the General Assembly to appropriate the excess sales tax revenue each year to specific agencies for certain purposes. Referred to the House Ways & Means Committee.

[http://www.scstatehouse.gov/sess119\\_2011-2012/bills/4506.htm](http://www.scstatehouse.gov/sess119_2011-2012/bills/4506.htm)

### **House Bill 4548 – Fee on Payment of Cell Phone Bill**

A communications service provider is prohibited from imposing a fee for payment of a bill for mobile communications service because payment is made by credit or debit card or because payment is made online, by telephone or otherwise. Referred to House Labor, Commerce & Industry.

[http://www.scstatehouse.gov/sess119\\_2011-2012/bills/4548.htm](http://www.scstatehouse.gov/sess119_2011-2012/bills/4548.htm)

### **House Bill 4555 – Text Messages**

A provider of a text messaging service or text messaging remote storage service would be required to give a parent or guardian who subscribes to these services access to the content of text messages sent, received or stored by his minor child. [http://www.scstatehouse.gov/sess119\\_2011-2012/bills/4555.htm](http://www.scstatehouse.gov/sess119_2011-2012/bills/4555.htm)

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## FEDERAL LEGISLATION– Next Generation Television Marketplace Act

Senator Jim DeMint and Congressman Steve Scalise of Louisiana introduced the Next Generation Television Marketplace Act in both the U.S. House and Senate on December 16, 2011. The legislation extensively deregulates the framework of laws and rules governing the video services market. The legislation would repeal those provisions of the Communications Act that mandate the carriage and purchase of certain broadcast signals by cable operators, satellite providers and their customers. It would also repeal the “retransmission consent” provisions and the Copyright Act’s “compulsory license” provisions. This would allow negotiations to carry broadcast stations to take place in the same deregulation environment as those to carry non-broadcast channels like Discovery and the Food Network.

## FCC BRIEFS

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

On October 17, 2011 the FCC and wireless carriers reached an agreement so that wireless users will get alerts when prior to being charged for excess usage.

The Wireline Competition Bureau released *Local Telephone Competition: Status as of December 31, 2010*, and *Internet Access Services: Status as of December 31, 2010*, in October. Interconnected VoIP service subscribership has continued to increase (22%) while traditional wired telephone services subscribership has declined (8%). Mobile subscriptions exceeded 84 million by December 2010—up 63% for the year.

The Universal Service Monitoring Report was issued including data through October 2011. It provides information on contributions, industry revenues, low-income support, and high-cost support.

On November 9, 2011, the FCC released its Annual Report to Congress on State Collection and Distribution of 911 Fees and Charges. Seven states, in part, used some portion of 911 fees for non-911 purposes in 2010. The *Telephone Subscribership in the U.S.* Report with

data through July 2011 was issued in December. 95.6% of all households had telephone service.

On December 13, 2011 the FCC adopted a Report and Order implementing the 2010 Commercial Advertisement Loudness Mitigation Act. The Order adopts rules that require commercials to have the same average volume as the program they accompany.

On January 12, 2012, the FCC issued a Report and Order that adopts rules governing the closed captioning requirements for the owners, providers and distributors of video programming delivered using Internet protocol.

On January 18, 2012, the FCC issued 1<sup>st</sup> & 2<sup>nd</sup> Quarter 2011 Reports of Informal Consumer Inquiries and Complaints. Both inquiries and complaints decreased overall in the 2<sup>nd</sup> quarter. Cable and Satellite inquiries decreased more than 30% and complaints decreased by 15%.

## STATE-ISSUED CERTIFICATES OF FRANCHISE AUTHORITY

As of January 5, 2012 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, Bamberg, Bamberg County, Barnwell, Burnetown, Denmark, Fairfax, Jackson, New Ellenton, Snelling, Williston

BALDWIN COUNTY INTERNET/.....Beaufort County, Charleston County, Greenville, Greenville County  
DSSI SERVICE, LLC

BELLSOUTH TELECOMMUNICATIONS, ...Anderson, Anderson County, Arcadia Lakes, Bamberg County, Belton, Berkeley  
INC. d/b/a AT&T SOUTH CAROLINA County, Blythewood, Calhoun County, Camden, Cayce, Central, Chapin,  
Charleston, Charleston County, Cheraw, Cherokee County, Chesterfield County,

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

BellSouth (continued).....	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, <b>Summerville</b>
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, 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 DBA 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, Burnetown, Hampton County, North Augusta
COMCAST OF THE SOUTH.....	Calhoun Falls, Prosperity
ELK COMMUNICATIONS, LLC.....	Gaston, Lexington County, Swansea
FALCON VIDEO COMMUNICATIONS...	Beaufort, Beaufort County, Port Royal
FARMERS TELEPHONE.....	Andrews, Clarendon County, Coward, Florence County, Georgetown County, COOPERATIVE
	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
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
	<b>City of Beaufort denied.</b>
HORRY TELEPHONE COOPERATIVE...	Conway, Surfside Beach
HPI ACQUISITION CO., LLC.....	Anderson, Anderson County, Due West

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

KNOLOGY OF CHARLESTON, INC.....	City of Charleston, Charleston County, Dorchester County, Hanahan, 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.....	Laurens County, Pendleton, Pickens County, <b>Saluda, Saluda County</b> , Seneca, <b>Six Mile</b> , Walhalla, West Union
PALMETTO CABLE TV, LLC.....	Fort Mill, Lancaster County, <b>Tega Cay</b>
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, <b>Ridge Springs</b> , Saluda County, Summit, Wagener
RST COMMUNICATIONS, INC.....	Gaffney
TECHCORE CONSULTANTS II.....	Bowman, Dorchester County, Earhardt, Eutawville, Holly Hill, Orangeburg County
TELECOMMUNICATIONS MANAGEMENT LLC, DBA NEWWAVE COMMUNICATIONS...	Pageland
TIME WARNER CABLE, LLC.....	Andrews, Charleston County, Georgetown County, Summerville, Williamsburg County
TIME WARNER ENTERTAINMENT.....	<b>Batesburg-Leesville</b> , Calhoun County, Cayce, Columbia, Conway, Florence County,
ADVANCE/NEWHOUSE PRTSHP	Forest Acres, Georgetown County, Hemingway, Irmo, Lane, Lee County, Lexington, Lexington County, Myrtle Beach, Myrtle Beach Air Force Base, Orangeburg, Orangeburg County, Pamplico, Pine Ridge, Quinby, Richland County, Saluda County, South Congaree, Springdale, <b>St. Matthews</b> , 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.....	Beaufort County, Bishopville, Bluffton, Cheraw, Darlington County, Dillon County, , Georgetown County, Goose Creek, Hardeeville, Hilton Head, Jasper County, Lakeview, Marion County, McBee, Moncks Corner, Nichols
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