



**SCCTA**

SOUTH CAROLINA CABLE TELEVISION ASSOCIATION

3<sup>rd</sup> Quarter 2016

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## SOUTH CAROLINA USF CHANGES

Act 181, the State Telecom in Equity Funding Act, modified the South Carolina Universal Service Fund (“SC USF”) and the Dual Party Relay Fund (“DPRF”). The Act expanded the base of contributors to the Dual Party Relay Fund which provides telephone access to persons who are hearing or speech impaired. The SC Office of Regulatory Staff who administers the program reported that the program was operating at a deficit due to the decline in landline revenues. The Act requires wireless providers, prepaid wireless sellers and VoIP providers to contribute. The S.C. Public Service Commission issued Order No. 2016-637 on September 27, 2016, adopting the recommendations of the S.C. Office of Regulatory Staff for approval of a registration form for CMRS and VoIP providers. The Order also approved the DPRF budget of \$4.1 million and the reduction of the DPRF charge from 25¢ to 6¢ per access line effective January 1, 2017. The hearing scheduled for September 28, 2016, was cancelled.

The Commission issued Order No. 2016-680 on September 27, 2016, adopting the SC Office of Regulatory Staff’s recommendations to implement the changes in the SC USF resulting from Act 181 and Order No. 2016-22 which required wireless carriers to contribute to the SC USF. ORS will resize the USF and combine the Interim LEC fund in the late summer/early fall so that billing under the new USF would begin January 1, 2017. The combined fund will be \$40 million not including Lifeline and the costs of administration. ORS will establish the USF factor and fixed per-transaction fee for prepaid wireless sales by late September/early October. The Order approved the following changes: (1) modifies the USF fund year to a calendar year, (2) extends the current USF fund year by one month to adjust for the modification to a calendar year, (3) shortens the current Interim LEC fund year by four months to adjust for a calendar year, and (4) approves the same annual support amounts as in 2015 to be disbursed to carriers of last resort. The Commission also approved revised “Guidelines for the SC Universal Service Fund” in Order No. 2016-756 on October 19, 2016.

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## From the Executive Director...



The fall season has started off quite busy as the SC General Assembly is currently holding interim committee meetings preparing for the 2017 session. Of interest to cable is the House Tax Policy Study Committee appointed this past summer by Speaker Jay Lucas. The SC House Speaker appointed 14 members of the SC House to serve on this ad hoc committee who will be responsible for reviewing South Carolina's current tax code and submitting suggestions for reform to the Speaker before the beginning of the next legislative session. Speaker Lucas selected Speaker Pro-Tempore Tommy Pope to serve as Chairman of the House Tax Policy Review Committee. Additional members include Rep. Todd Atwater, Rep. Bill Bowers, Rep. Mike Burns, Rep. Joe Daning, Rep. Chandra Dillard, Rep. Mary Gail Douglas, Rep. Shannon Erickson, Rep. Joe Jefferson, Rep. Jay Jordan, Rep. Roger Kirby, Rep. Mandy Powers Norrell, Rep. Bill

Taylor, and Rep. Anne Thayer.

Frank Rainwater, Executive Director of the SC Revenue and Fiscal Affairs Office, recently gave a statistical analysis of the current system. He noted that there is nearly \$3 billion annually in tax exemptions or adjustments. He also pointed out that 20% of the state's highest wage earners are paying 80% of the total state income taxes. Forty percent of South Carolinians pay no income tax at all. This Committee has engaged in a number of informal discussions as to how they would like to tackle this review going forward in order to reach some legitimate recommendations. The Chairman specifically cited an approach that would include creating a model that would eliminate all sales tax exemptions to see what those numbers look like as the committee begins its work. The Committee could then allow at that time the opportunity to add back in exemptions on a case by case basis depending on ties to federal funds, the public good, or other reasons. It is very clear from the Committee's discussion that all options are on the table - sales tax rates, income tax rates, taxes on services, and clearly sales tax exemptions.

Cable companies in the Palmetto State are provided with very broad *cable equipment* exemptions. This cable-related equipment includes purchases of distribution equipment, transmission equipment, production/programming equipment, cable drops, converter boxes, aerial and non-aerial cables, and DTA adaptors. Back in 2009 and 2010, we followed the dozens of TRAC (SC Tax Realignment Commission) meetings which resulted in a December 2010 report to the SC General Assembly. The TRAC report recommendations did not prompt the expected tax reforms. We will follow the same approach in 2016, protecting our exemptions to ensure the SC legislator's constituencies continuously receive exemplary cable services at *reasonable prices*. Without such business supportive exemptions, this will be difficult to accomplish.

The House of Representatives will meet for an organizational session on December 6 and 7. On those dates, House committee assignments will be announced by the House Speaker and committees will meet to elect their chairman. The Senate will organize when the General Assembly convenes in January. House members will be able to pre-file legislation on Thursday, December 15. The Senate has not yet set dates to pre-file legislation. The 122nd General Assembly convenes on Tuesday, January 10. Expected on the horizon again is ethics reform, infrastructure repair & funding. One major issue is the 40 billion dollars in unfunded liability for the state retirement systems. Late this fall and into January, I will attend a number of pre-session meetings which will outline the legislative focus for 2017.

Congratulations to Robinson McFadden attorney Bonnie Shealy on her upcoming retirement. Bonnie has been one of the reasons for the great successes of your association. We are very grateful for Bonnie's professionalism, knowledge and amiable qualities.

Thanksgiving is next month and as we consider our blessings, I am quite thankful for your many contributions to this association as we continue to promote and protect our industry.

HAPPY HOLIDAYS!

*Ray Sharpe*

## Member News...



### **ATLANTIC BROADBAND TO DELIVER SOPHISTICATED COMMUNICATIONS SERVICES TO SC ADVANCED TECHNOLOGY PARK**

#### **Local Internet, Phone and TV Provider Investing Heavily to Support Industrial Park Businesses**

Aiken, S.C., April 27, 2016 – Atlantic Broadband, the nation's 12th largest cable operator, announced today that it is investing \$100,000 to deliver advanced business communication services to SC Advanced Technology Park in the next 30 days. Located in Barnwell, S.C., the 1,606-acre industrial park is home to Fortune 500/1000 companies primarily in the manufacturing industry.

Atlantic Broadband's investment will provide companies in the park with access to advanced services such as Metro Ethernet, Dedicated Internet Access (DIA), Hosted Voice and FlexTrunk Primary Rate Interface (PRI). With the ability to deliver Ethernet and Internet Access up to 10 Gbps, Atlantic Broadband will offer these businesses the connectivity needed to efficiently and effectively connect with customers, suppliers and other business units around the corner or around the world. Businesses in the SC Advanced Technology Park will have the bandwidth they need to connect to offsite cloud based software, data centers and online corporate systems.

"Through our SC Advanced Technology Park network expansion, we are thrilled to supply the fiber infrastructure necessary to promote continued economic development in the Barnwell area," said Atlantic Broadband's Vice President and General Manager, Sam McGill. "This superior network connectivity increases the park's services from outdated DSL and T1 connectivity to advanced fiber based services that enable these businesses to stay in the market, compete globally and grow their bottom lines."

"We are excited about this partnership with Atlantic Broadband at SC Advanced Technology Park, as it will allow us to provide state-of-the-art technology to our tenants," said South Carolina Regional Development Alliance President and CEO, Danny Black. "By building out the park's fiber network infrastructure, businesses will have access to the communication services they need in order to effectively compete and will help our development team to continue to increase our customer base and park occupancy."

"I am grateful for the innovation and high-tech capabilities Atlantic Broadband will provide to Barnwell businesses located in SC Advanced Technology Park. Advanced communications services will strengthen both local businesses and the surrounding community, creating jobs," said Congressman Joe Wilson, Second District South Carolina.

For more information on Atlantic Broadband's Business Service offerings, visit <https://atlanticbb.com/for-business>.

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### **Update on VoIP Contributions to SC USF**

On July 8, 2016, the SC Telephone Coalition ("Coalition") filed a petition seeking a ruling from the S.C. Public Service Commission asking the Commission to rule that all carriers who offer interconnected Voice over Internet Protocol ("VoIP") services in South Carolina are required to contribute to the South Carolina Universal Service Fund ("SC USF"). The SC Cable Television Association intervened in support of the Coalition's request. The relief requested will not affect the Commission's jurisdiction or authority over broadband services. AT&T, CenturyLink, Frontier and Windstream have also intervened in the proceeding. ORS supports the petition and does not intend to present witnesses at the hearing scheduled for November 29, 2016.

## SOUTH CAROLINA LEGISLATIVE UPDATE

The second legislative session adjourned this summer. Prefiling of bills for the upcoming session will begin in late November / early December. Legislative committees will continue to meet during the fall.

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### FCC BRIEFS

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

On October 12, 2016, the FCC released its annual report on Cable Industry prices. The average monthly rate for basic service increased by 2.3% over 12 months ending January 1, 2015 to \$23.79. (DA 16-1166)

The FCC issued its Biennial Report to Congress required by the 21<sup>st</sup> Century Communications & Video Accessibility Act on October 7. It presents information on the accessibility for disabled individuals of telecommunications services, advanced communications services, and Internet browsers built into mobile phones. (DA 16-1161)

On September 29, 2016, the FCC issued a NPR to foster consumer choice and access to diverse programming on television. The proposed rules may prohibit the use of certain clauses in pay TV programming distribution contracts that impede carriage of independent and diverse programming. (Docket 16-41)

On August 8, 2016, the Wireline Competition Bureau released its report *Voice Telephone Services: Status as of June 30, 2015*. The report demonstrates continued growth in subscribership to interconnected VoIP and mobile voice services and continued decline in subscribership to traditional wired telephone services.

On August 8, 2016, the Wireline Competition Bureau released its report *Internet Access Services: Status as of June 30, 2015*. The total number of Internet connections increased by 9% from June 2014 to 2015 to 342 million.

On August 4, 2016, the FCC adopted an order to make permanent its program known as iCanConnect that provides communications equipment to low-income individuals who are deaf-blind.

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### **Cable Association Law Firm Robinson, McFadden to Merge with Sowell, Gray**

SCCTA law firm Robinson McFadden and Moore, which has been representing the Association for approximately 20 years, is merging with Columbia law firm Sowell, Gray, Stepp and Laffitte. The two firms, which have well established reputations for excellence and commitment to corporate, insurance and business clients, will merge on January 1, 2017. Sowell, Gray, Robinson, Stepp & Laffitte, LLC, will combine the strengths of the individual firms in focusing on litigation, counseling, regulatory, corporate, financial services and bankruptcy law.

Both firms have deep roots in the community. Sowell Gray is celebrating its 20th anniversary this year. Robinson McFadden has a century-long history as one of South Carolina's premier law firms, and is the only law firm in South Carolina that is a member of Meritas, a global affiliation of commercial law firms. The merger creates a firm of 30 attorneys, many with long histories of recognition from their peers and established reputations in the legal and business communities. The group includes experienced litigators as well as trusted advisors to businesses, both large and small, local and global, in regulatory and transactional matters.

With the formation of Sowell, Gray, Robinson, Stepp & Laffitte, LLC, clients of both firms will be able to take advantage of new strengths and broader capabilities. The attorneys' diverse backgrounds, education and legal experience will allow them to better serve a multitude of businesses. Combining the firms also enables clients to take advantage of the lean efficiency of a single firm capable of serving a wide range of legal needs throughout South Carolina, whether it's a contract for a corporate merger, a tailored approach to litigation or counseling clients on steps to avoid potential legal difficulties.

## STATE-ISSUED CERTIFICATES OF FRANCHISE AUTHORITY

As of October 24, 2016, the South Carolina Secretary of State has issued the following certificates of franchise authority. Changes since the last newsletter are highlighted in red.

ATLANTIC BROADBAND.....	Aiken, Aiken County, Allendale, Allendale County, Bamberg, Bamberg County, Barnwell, Barnwell County, Blackville, Burnetown, Denmark, Elko, Fairfax, Jackson, New Ellenton, Orangeburg County, Perry, Salley, Snelling, Springfield, Wagner, Williston
BALDWIN COUNTY INTERNET/ DSSI SERVICE, LLC	Beaufort County, Charleston County, Greenville, Greenville County
BELLSOUTH TELECOMMUNICATIONS... d/b/a AT&T SOUTH CAROLINA	Aiken, Anderson, Anderson County, Arcadia Lakes, Bamberg County, Belton, Berkeley County, Blythewood, <del>Burnetown</del> , Calhoun County, Camden, Cayce, Central, Chapin, Charleston, Charleston County, Cheraw, Cherokee County, Chesterfield County, Clemson, Clover, Colleton County, Columbia, Cordova, Dorchester County, Duncan, Easley, Edgefield County, 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, Marlboro County, Mauldin, McConnells, Mount Pleasant, New Ellenton, Newberry, Newberry County, North Augusta, North Charleston, Oconee County, Orangeburg, Orangeburg County, Pelzer (incumbent portions), Pickens, Pickens County, Pine Ridge, Ravenel, Reidville, Richland County, Rockville, Seabrook Island, Seneca, Six Mile, South Congaree, Spartanburg, Spartanburg County, Springdale, Sullivan's Island, Summerville, Travelers Rest, Union, Union County, Walhalla, West Columbia, West Pelzer, Westminster, Williamston, York, York County
BERKELEY CABLE TV, INC.....	Berkeley County, Bonneau, Charleston, Goose Creek, Harleyville, Jamestown, Moncks Corner, North Charleston, St. Stephens, Summerville
BROADBAND EXPERIENCE d/b/a FAMILY VIEW CABLEVISION ...	Central, Clemson, Pickens County
CAMDEN CORPORATE INVESTMENTS LLC, d/b/a TRUVISTA.....	City of Camden
CAROLINA TELECOM SERVICES.....	Hickory Grove, Sharon, York
CATAWBA SERVICES, LLC .....	Rock Hill
CHARTER COMMUNICATIONS, LLC....	Abbeville, Anderson County, Belton, Blacksburg, Campobello, Central Pacolet, Cherokee County, Chesnee, Clinton, Cowpens, Duncan, Easley, Fountain Inn, Gaffney, Gray Court, Greer, Greenville, Greenville County, Honea Path, Inman, Iva, Jonesville, Landrum, Laurens, Laurens County, Lockhart, Mauldin, Newberry County, Oconee County, Pelzer, Pickens County, Reidville, Salem, Simpsonville, Six Mile, Spartanburg, Spartanburg County, Starr, Travelers Rest, Union, Union County, Wellford, West Pelzer, Whitmire, Williamston, Woodruff
CHESNEE COMMUNICATIONS.....	Cherokee County, Chesnee, Spartanburg County
CHESTER COMMUNICATIONS, LLC d/b/a TRUVISTA.....	Chester, Richburg
COMCAST CABLE COMMUNICATIONS MANAGEMENT, LLC .....	Brunson, Charleston County, Colleton County, Folly Beach, Hampton, Jasper County, Kiawah Island, Newberry County, Newberry, North Charleston, Ravenel, Rockville, Varnville, Walterboro, Yemassee
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
FAIRVIEW COMMUNICATIONS d/b/a TRUVISTA.....	Blythewood, Richland County, Ridgeway, Winnsboro



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

FARMERS TELEPHONE COOPERATIVE.....	Andrews, Clarendon County, Coward, Florence County, Georgetown County, Greeleyville, Lane, Lee County, Lynchburg, Mayesville, Paxville, Pinewood, Scranton, Sumter, Sumter County, Turbeville, Williamsburg County
FRONTIER COMMUNICATIONS OF THE CAROLINAS	<b>Conway</b> , Georgetown, Georgetown County, Horry County, Myrtle Beach, North Myrtle Beach, Surfside Beach
FTC DIVERSIFIED SERVICES, LLC.....	Bishopville, Clarendon County, Florence County, Georgetown County, Hemingway, Kingstree, Lake City, Lee County, Manning, Olanta, Summerton, Sumter, Sumter County, Williamsburg County
GREAT FALLS CABLEVISION, INC. d/b/a TRUVISTA	Town of Great Falls
HARGRAY CATV CO., INC.....	Bluffton, Estill, Hampton, Hardeeville, Hilton Head Island, Jasper County, Ridgeland
HARGRAY, INC.....	Beaufort, Beaufort County, Port Royal
HORRY TELEPHONE COOPERATIVE...	Conway, Horry County, Georgetown County, Surfside Beach
HPI ACQUISITION CO., LLC.....	Anderson, Anderson County, Donalds, Due West
KNOLOGY OF CHARLESTON, INC.....	City of Charleston, Charleston County, Dorchester County, Hanahan, James Island, Lincolnville, Mount Pleasant, North Augusta, North Charleston, Summerville
MANAGED SERVICES INC.....	Berkeley County, Horry County, Jasper County, Richland County
NORTHLAND CABLE TELEVISION.....	Abbeville County, Central, Clemson, Edgefield, Greenwood, Greenwood County, Hodges, Johnston, Laurens County, Ninety Six, Norris, Oconee County, Pendleton, Pickens, Pickens County, Saluda, Saluda County, Seneca, Six Mile, Walhalla, Ware Shoals, West Union, Westminster
PALMETTO CABLE TV, LLC.....	Fort Mill, Lancaster County, Tega Cay
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, Monetta, Pelion, Ridge Springs, Saluda County, Summit, Wagener
RST COMMUNICATIONS, INC.....	Gaffney
SANDHILL TELEPHONE COOPERATIVE...	Bethune, Chesterfield County, Jefferson, Kershaw County, McBee, Mount Croghan, Pageland, Patrick
SANDHILL ConNEXTions, LLC.....	McColl, Marlboro County
SOUTH CAROLINA TELECOMMUNICATIONS GROUP HOLDINGS	Columbia, Richland County
SOUTHERN COASTAL CABLE, LLC.....	Georgetown, Georgetown County
SOUTHERN CABLE COMMUNICATIONS...	Georgetown, Georgetown County
TECHCORE CONSULTANTS II.....	Bowman, Dorchester County, Earhardt, Eutawville, Holly Hill, Orangeburg County
TIME WARNER CABLE, SOUTHEAST, LLC	Andrews, Arcadia Lakes, Batesburg-Leesville, Beaufort County, Bishopville, Bluffton, Blythewood, Calhoun County, Cayce, <b>Charleston</b> , Charleston County, Cheraw Clover, Chesterfield County, Columbia, Conway, Cordova, Darlington, Darlington County, Dillon, Dillon County, Dorchester County, Eastover, Elgin, Florence, Florence County, Forest Acres, <del>Fort Mill</del> , Georgetown, Georgetown County, Goose Creek, Hardeeville, Hartsville, Hemingway, Hilton Head, Horry County, Irmo, Jasper County, Kershaw County, Kingstree, Lake City, Lakeview, Lane, Latta, Lee County, Lexington, Lexington County, Little Mountain, Manning, Marion, Marion County, McBee, Moncks Corner, Myrtle Beach, Newberry County, Nichols, North Charleston, North Myrtle Beach, Orangeburg, Orangeburg County, Pamplico, Paxville, Pawleys Island, Pine Ridge, Quinby, Richland County, Saluda County, <b>Scranton</b> , South Congaree, Springdale, St. Matthews, Surfside Beach, Summerville, Sumter, Sumter County, Timmonsville, West Columbia, Williamsburg County, York County
VIDEO VISION, INC.....	Fort Lawn, Heath Springs, Kershaw, Lancaster, Lancaster County
YRT2, INC.....	Berkeley County, Columbia, Dorchester County, Greenville, Greenville County, Horry County, Myrtle Beach, Summerville