



SCCTA

SOUTH CAROLINA CABLE TELEVISION ASSOCIATION



Horry Telephone Cooperative Appeals City of Georgetown Order

Horry Telephone Cooperative (“HTC”) filed a case against the City of Georgetown, the Secretary of State and Southern Coastal Cable in 2008 in U.S. District Court. HTC alleged that Southern Coastal Cable and Georgetown conspired to unlawfully stifle competition in the Georgetown cable market after the City Council refused to consent to HTC’s request for a state issued certificate of franchise authority. After Southern Coastal Cable was removed as a party, HTC, the City of Georgetown and the Secretary of State filed a stipulation of dismissal of federal and constitutional claims. The stipulation of dismissal of the state claims was without prejudice allowing HTC to move forward with the complaint HTC filed in the Georgetown County Court of Common Pleas.

After a non-jury trial in Georgetown County, the Court issued an order dismissing the complaint. The Court held that the Competitive Cable Services Act does not create a cause of action against the City. The Court’s order indicated that the denied applicant may sue only if the denial results from an action that is otherwise actionable outside the Act. The Court noted that HTC was requesting that the Court analyze and critique each of the individual council members’ reasoning and motivation for their votes that denied approval of the state franchise. The Order found that judicial inquiry into the City Council’s legislative motivation is to be avoided since such inquiries would endanger the separation of powers doctrine. The Order of dismissal indicated that HTC failed to present sufficient evidence that the City’s actions in refusing to grant consent was arbitrary, unreasonable, an obvious abuse of discretion or in excess of its lawful delegated power. HTC appealed the decision on June 5, 2012.

[Editor’s Note: SCCTA will continue to monitor this appeal as any decision issued may affect interpretations of the State Issued Certificate of Franchise Authority Act.]

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From the Executive Director....

The 2012 SC Legislative session ended the last year of a two year session. The SC Cable Television Association was tracking approximately 100 pieces of legislation that either directly or indirectly affected the Palmetto State's cable industry. Unless the bills were in conference committee, these bills are no longer active.

At this point in the year, the SC General Assembly's focus is on the November 2012 election. Once the election is over and an organizational session is completed, prefiled bills will commence (late November and December 2012). The organizational session will include naming of committee members and committee officers. If certain incumbents are defeated, a domino effect of committee members and officers (particularly chairmen) would change.

I recently met with the staff of SC Governor Nikki Haley and her focus at this point is the 2013 state appropriations bill. Once the elections are over the governor will present her executive budget and the House Ways and Means hearing will commence. The annual processes of the appropriations bill dominate a lot of the General Assembly's time during each legislative session.

Last session, the SC House Republican Caucus backed four tax reform bills. If you recall, we followed the dozens of TRAC (SC Tax Realignment Commission) meetings in 2009 and 2010 which resulted in a December 2010 report to the SC General Assembly. The TRAC report recommendations did not prompt the expected tax reforms. Governor Haley recommended tax reform in her list of key legislative initiatives for 2012 which resulted in the House Republican caucus taking action. This association was most concerned with a bill (H. 4995) which would have deleted certain tax exemptions for the cable industry. These exemptions included supplies, technical equipment, machinery, and electricity sold to radio and television stations and cable television stations for use in producing, broadcasting and distributing programs. Additionally, H. 4995 deleted exemptions for toll charges for the transmission of voice or messages between telephones exchanges, charges for telegraph messages, carrier access charges and customer access line charges established by the FCC and the SC PSC. This association was successful in having these exemptions restored in the House Ways and Means subcommittee with full committee concurring. We have been informed major tax reform will be a focus in 2013 and this reform is strongly supported by SC Governor Nikki Haley and the powerful SC Chamber of Commerce.

Ethics reform is another issue that is expected to command much attention in 2013. Governor Haley has recently began such reform efforts to repair South Carolina's legislative disclosure, conflicts of interest and open records laws by creating a commission which is expected to develop a blueprint for major ethics reform. This commission, chaired by former SC Attorney Generals Henry McMaster and Travis Medlock, includes USC Dean Charles Bierbauer, former state representative Ben Hagood, former 3rd circuit solicitor Kelly Jackson, Bridgestone Americas community relations manager Monica Key, former chairwoman of the SC Ethics Commission Susi Williams, Executive Director of the SC Press Association Bill Rogers, former US Attorney & State Ethics Commissioner John Simmons and former US Attorney Xavier Starkes. An initial report is expected from this commission by the end of January.

I continue to sincerely appreciate the support I receive from each of you as we continue to advance the state's cable industry.

Ray Sharpe

Member News...



Greenville Band “Benton Blount” Named Finalist in Charter’s Center Stage Online Battle of the Bands

September 4, 2012, GREENVILLE, SC – A virtual battle of the bands will give one hometown band the opportunity to take “center stage” and open for internationally-known The All-American Rejects. The concert is the culmination of the second annual online *Charter Center Stage Battle of the Bands*, and will be held on September 29 at the Taste of St. Louis festival in St. Louis, Missouri, as well as streamed live on Facebook®.

This is Charter’s second year conducting a fan-driven, online battle-of-the-bands music video competition. “The Internet has changed the way we access and listen to music,” said Bonnie Lopez-Crowe, Director of Operations for Charter in South Carolina. “Finalists from the inaugural year of Charter Center Stage discovered that they received a whole new level of national exposure, beyond what they may have thought possible. We’re thrilled to sponsor this online music competition again, and help hometown bands receive national exposure and be discovered.”

Benton Blount entered the contest by submitting a video of the band that was posted on Charter’s website for online fan voting. With streamed videos from more than 245 bands watched by thousands of online fans across the country, Benton Blount garnered enough votes in the initial round of online voting to earn them a place as one of 11 finalists in *Charter Center Stage* online battle of the bands.

“It was great to learn that I was a finalist,” said Benton Blount, founder and lead singer of the band. “To know that I have fans that support me and push me to do my best reaffirms that I’m doing what I’m supposed to be doing.”

Blount describes the band’s style as a mix of country, rock and southern rock genres. He counts Hootie & the Blowfish and Edwin McCain among his biggest musical influences. Benton Blount can be seen at venues throughout the south, including Wild Wing Café and events in Downtown Greenville.

The Grand Prize winning band will also receive a prize package valued at up to \$25,000, which includes a \$10,000 gift card plus travel expenses to perform at the free concert.

Charter Center Stage Finalists:

Band	Hometown	Charter Market	Genre
Sienna	Greene, RI	New England	Rock
Benton Blount	Greenville, SC	Carolinas/Virginia	Country
The Regulars Band	Rex, GA	Alabama/Georgia	Rock
Dixie Voodoo Revival	Manchester, TN	Tennessee/Louisiana	Hard Rock
Dawn Over Zero	Dallas, TX	Texas	Modern Rock
Divine Sorrow	House Springs, MO	Missouri/Illinois	Modern Rock
Everything Under the Sun	Marquette, MI	Michigan	Blues Rock
The Royal	Madison, WI	Wisconsin	Pop
All The Right Moves	Burnsville, MN	Minnesota/Nebraska	Pop Rock
CHAMPIONship	Roseburg, OR	Northwest	Americana
Jetpacks and Laser Guns	Rancho Cucamonga, CA	California	Indie Rock

Charter is also rewarding fans who vote for their favorite band. Voters in Charter’s service areas can register to participate in the *Charter Center Stage* sweepstakes for an opportunity to win a gift card of up to \$2,500. Fans can vote one time every day. See complete contest rules at

https://connect.charter.com/CenterStage/Home/HowItWorks#contest_rules.

Interim LEC Fund - Intrastate Access Tariffs Update

The Universal Service Fund - Intercarrier Compensation Reform Order released last November created a federal access charge recovery mechanism to offset reductions to interstate and intrastate access rates. (FCC 11-161). As a result the S.C. Office of Regulatory Staff petitioned the Public Service Commission to open a proceeding to review the federally mandated reductions to intrastate access tariffs.

On June 13, 2012, the Commission issued Order No. 2012-479, finding that South Carolina Interim LEC Fund revenues are revenues from bulk-billed intrastate switched access service. Therefore, the Interim LEC Fund should be treated as tariffed switched access for purposes of determining participating local exchange carriers' eligible recovery amount in transitioning to the federal recovery mechanism. The effect of characterizing the Interim LEC Fund as access charges is that the Fund will go away on the schedule set by the FCC for phasing out access charges.

On July 2, 2012, the Acting Chief of the Wireline Competition Bureau issued an order suspending the Access Recovery Charge rates implemented by companies and instituted an investigation. The FCC indicated that it would be reviewing the manner in which carriers calculated their eligible recovery amounts. As a result ORS filed a motion requesting that the Commission modify its order in light of the tariff suspension and investigation until such time as the FCC concludes the investigation and the federal recovery mechanism is finalized. On August 29, 2012, the Commission issued Order No. 2012-657 which

revised the earlier order and allows ORS to collect interim LEC Fund contributions and withhold disbursement of the amount attributed to terminating switched access until the FCC concludes its investigation as it relates to the Interim LEC Fund, and not later than December 15, 2012. If the FCC takes action that clearly allows the transition of the terminating portion of the Interim LEC Fund in its entirety into the federal recovery mechanism or that clearly prohibits the transition, ORS is granted the flexibility to determine the manner in which contributed funds are returned, credited, or disbursed to the appropriate persons. Otherwise, ORS is to hold the contributed funds until further order of the Commission.

Supreme Court Holds that Cellular Carriers Not Telephone Companies for Tax Purposes

Several cellular carriers challenged the S.C. Department of Revenue's assessment of heightened corporate license fees imposed on utilities and electric cooperatives. *Alltel Communications v. S.C. Department of Revenue*, S.C. Supreme Court Opinion 27156, issued August 8, 2012. The statutory provision requires a "telephone company" to file an annual report and pay an increased license fee. The cellular carriers protested their inclusion in the definition of "telephone company" noting that cellular carriers do not have the power of eminent domain, do not use public rights-of-way, and are not regulated by the Public Service Commission. The Court noted that the term "telephone company" remains undefined by the legislature leaving the matter in doubt. Since in the enforcement of tax statutes, the taxpayer receives the benefit of the doubt, the Court ruled for the petitions.

SOUTH CAROLINA LEGISLATIVE UPDATE

The second session of the General Assembly adjourned in July ending this legislative session. Prefiling of bills for the upcoming term will begin in late November/ early December.



FCC BRIEFS

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

On September 30, 2012, rules requiring distributors of certain Internet video programming to provide closed captioning to assist viewers who are deaf or hard-of-hearing went into effect.

On September 17, 2012, the Commission issued its order granting National Cable & Telecommunications Association's petition for forbearance from applying Section 552(b)'s prohibition against cable operators acquiring competitive local exchange carriers. (FCC 12-111).

On September 5, 2012, the FCC announced the launch of "Measuring Mobile America," the first nationwide mobile broadband performance measurement program.

On August 31, 2012, the FCC released an order designating issues that impact carrier recovery for investigation of certain ILECs in the 2012 Annual Access Tariff filings pursuant to the new rules establishes in the USF/ICC Transformation order including several South Carolina ILECs. (DA 12-1430).

On August 21, 2012, the FCC released its Eighth Broadband Progress Report finding significant

progress being made expanding high-speed Internet access in recent years. The Report indicated that further implementation of major reforms newly adopted by the FCC is required before broadband will be available to the approximately 19 million Americans who still lack access. The report is available at <http://www.fcc.gov/reports/eighth-broadband-progress-report>.

On August 13, 2012, the FCC issued its annual report on Cable industry prices. The average monthly price of expanded basis service for all communities surveyed increased 5.4% to \$57.46. (DA 12-1322).

On August 3, 2012, the FCC adopted a NPRM proposing to modernize and reform its cable television technical rules, facilitating the cable industry's transition from analog to digital transmission systems. (MB docket No. 12-217).

On July 31, 2012, the FCC issued progress report on Lifeline reforms that have saved \$43 million in 2012 and which are on track to save at least \$200 million this year.

STATE-ISSUED CERTIFICATES OF FRANCHISE AUTHORITY

As of October 3, 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, Allendale County, Bamberg, Bamberg County, Barnwell, Barnwell County , Blackville, Burnetown, Denmark, Elko, 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, Bamberg County, Belton, Berkeley County, Blythewood, Calhoun County, Camden, Cayce, Central, Chapin, Charleston, Charleston County, Cheraw, Cherokee County, Chesterfield County, 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, Summerville
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 d/b/a 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..... COOPERATIVE	Andrews, Clarendon County, Coward, Florence County, Georgetown County, Greeleyville, 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
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
HARGRAY, INC.....	Beaufort, Beaufort County, Port Royal
HORRY TELEPHONE COOPERATIVE...	Conway, Georgetown County, Surfside Beach
HPI ACQUISITION CO., LLC.....	Anderson, Anderson County, Due West
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.....	Abbeville County, Clemson, Laurens County, Oconee County, Pendleton, Pickens County, Saluda, Saluda County, Seneca, Six Mile, Walhalla, West Union, Westminster
PALMETTO CABLE TV, LLC.....	Fort Mill, Lancaster County, Tega Cay
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, Ridge Springs, 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...	Chesterfield County, Pageland
TIME WARNER CABLE, SOUTHEAST, LLC*	Andrews, Batesburg-Leesville, Beaufort County, Bishopville, Bluffton, Calhoun County, Cayce, Charleston County, Cheraw Clover, Chesterviewld County, Columbia, Conway, Darlington County, Dillon, Dillon County, Florence County, Forest Acres, Fort Mill, Georgetown, Georgetown County, Goose Creek, Hardeeville, Hemingway, Hilton Head, Irmo, Jasper County, Lakeview, Lane, Latta, Lee County, Lexington, Lexington County, Manning, Marion County, McBee, Moncks Corner, Myrtle Beach, Nichols, Orangeburg, Orangeburg County, Pamplico, Pine Ridge, Quinby, Richland County, Saluda County, South Congaree, Springdale, St. Matthews, Surfside Beach, Summerville, Sumter, Sumter County, 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

* Formerly Time Warner Cable, LLC, Time Warner Entertainment Advance Newhouse Partnership, Time Warner NY Cable, LLC