

# CableViews

Ohio Cable Telecommunications Association

Issue 1 2018

## From the Executive Director: Broadband GON Wrong



*Jonathon McGee,  
OCTA Executive Director*

A recent policy brief by the Buckeye Institute examined "the unfortunate trials, errors, and failures of two Ohio communities that gave in to the temptation to provide government-sponsored broadband."

The policy brief examined the City of Lebanon's failed project and the ongoing struggles of Medina County's, saying they are stark reminders that local governments should resist the temptation to enter the world of broadband and internet connectivity.

The report concludes: "Even when a (government-owned network (GON)) has facilitated lower consumer prices, government officials have failed to reveal the true costs of the hidden subsidies to the public, and they continue to ignore – at the taxpayers' peril – the long-term challenges inherent in maintaining and upgrading the infrastructure needed to offer the high-speed broadband that consumers demand."

"Ohio's state and local policymakers should take a long hard look at broadband "GON" wrong in the City of Lebanon and Medina County before venturing into new government-owned networks," the brief said. "Local governments should focus their money and attention on providing their citizens with safe roads and drinking water, and let the private sector worry about adding new internet users."

The policy brief can be found here: <http://bit.ly/2G5OspO>

This isn't the first report to reach such conclusions and unfortunately, it's unlikely to be the last.

We at the Ohio Cable Telecommunications Association have long had concerns with government-owned networks. Local governments in Ohio and across America are well-positioned for many important responsibilities, but are simply not designed or equipped to keep pace with rapid technological advancements in the telecommunications arena. Diverting tax dollars from important health, safety and education priorities to develop and deploy an advanced communications network is not good public policy – and not good for taxpayers, either.

In related news, the Buckeye Institute separately issued a list of what it felt were the worst projects contained in the \$2.6 billion state capital bill approved by the legislature and signed into law by Gov. John Kasich on March 30.

Among the projects panned by the Buckeye Institute: \$400,000 to build government-owned broadband networks in several communities. The Buckeye Institute has shown these types of networks would be better built by the private sector.

State policymakers in Ohio play an important role in enhancing connectivity and the cable industry, as the dominant broadband provider in the state, stands ready to work with you and the communities you represent in meeting their needs.

## SAVE THE DATE

The Ohio Cable Telecommunications Association's annual Legislative Reception and Technology Demonstration will be held May 22. The event is always popular among lawmakers and staff, and is a great opportunity to talk with cable representatives and learn more about the latest from the cable industry.

The event will be from 5 to 7 p.m. in the Davidson Lobby, which is located on the third floor of the Riffe Center, 77 S. High St., Columbus.



*Amy Holmes, political analyst and host of MSNBC's Way Too Early, offered her perspective and insights on the latest from Washington at the recent OCTA Legislative Luncheon.*

# Capital Update

## Legislative Update

**Telephone Deregulation Legislation:** Legislation further deregulating incumbent local exchange carriers (ILECS) was introduced by Rep. Brian Hill, R-Zanesville, as House Bill 402. This legislation would make changes to Basic Local Exchange Service (BLES) and lifeline regulation.

The OCTA was opposed to this legislation as introduced but worked on the legislation with the Ohio Telecom Association (OTA) and the bill's sponsor to make changes to the bill to resolve our concerns. The agreement was incorporated into the bill via a substitute bill accepted by the House Public Utilities Committee on Feb. 13. On April 10, the committee made further changes to the bill. However, those changes did not alter the OCTA's position. The bill was then reported out of committee and now awaits a floor vote.

The OCTA thanks Hill and House Public Utilities Committee Chairman Bob Cupp, R-Lima, for listening to our concerns in crafting the legislation.

**Broadband Expansion Legislation:** House Bill 281, sponsored by Rep. Rick Carfagna, R-Genoa Township, which would create the Residential Broadband Expansion Program (RBEP) to be administered by the Ohio Development Services Agency (DSA), was passed by the House on Jan. 31. The Senate referred the bill to its Finance Committee, but no hearings have been set. The OCTA will continue working in the Senate in an attempt to make further improvements to the bill.

Separately, Reps. Ryan Smith, R-Bidwell, and Jack Cera, D-Bellaire, continued work on House Bill 378. This bill - as introduced - mirrored a bill earlier introduced in the Senate by Democrat gubernatorial candidate Joe Schiavoni (Senate Bill 199, now Senate Bill 225) to provide \$100 million in Third Frontier bond money to provide for rural broadband buildout.

On March 20, a substitute bill was reported out of committee. However, it did not include all of the items that the OCTA broadband working group suggested to improve the legislation. As such, the OCTA could not support that version of the bill. The House approved the legislation on April 11.

The OCTA continues to advocate for further changes to the bill before it can support the legislation. Among these changes are:

- Adding assurance that the providers participating in the program are capable of providing Ohioans with internet access under the grants;
- A robust, up-front process to challenge areas being targeted for state dollars as already being served and not in need of state money;
- A definition of "unserved areas" eligible for the program as

areas where speeds are 10Mbps down and one Mbps up (10/1) to make sure limited state dollars are focused on areas most in need, and provisions to assure that if electric cooperatives are participating in the program that they cannot charge discriminatory fees to other broadband service providers to access their utility poles and conduit for the deployment of network infrastructure.

The OCTA also believes public entities should not be eligible for funding under this initiative as history is replete with examples of failed public broadband projects or projects that are unable to exist without other subsidization which gives such systems an unfair competitive advantage. (See "Broadband GON Wrong," Page 1).

On the Senate side, Senate Bill 225 had sponsor testimony in the Senate Finance committee on March 6. However, no further hearings are scheduled.

**Small Cell:** After intense negotiations with representatives of the municipalities and AT&T, the OCTA was able to reach an accord on our concerns with House Bill 478 in the House.

HB 478 was referred to the Senate Public Utilities Committee where it had several hearings. The bill was reported out of committee with minor changes on April 11 and approved by the full Senate by a vote of 26-7. The House voted to concur with the Senate amendments, so the bill is now headed to the governor for his consideration.

**Threatening Utility Workers:** Republican Reps. Jeff Rezabek of Clayton and Dave Greenspan of Westlake introduced House Bill 276 to expand the offense of aggravated menacing to prohibit threatening a utility worker with the intent to obstruct the operation of a utility. The OCTA amendment to cover cable employees was incorporated into the bill before it was passed by the House on Jan. 31. The bill had its first hearing on March 20 in the Senate Judiciary committee.

**Disaster Relief:** Rep. Scott Ryan, R-Newark, introduced House Bill 133, which would exempt out-of-state disaster businesses and qualifying out-of-state employees from certain taxes and laws with respect to disaster work on critical infrastructure performed in this state during a declared disaster. The OCTA Board authorized the OCTA to support this legislation.

The bill is now in the Senate Ways and Means Committee, which is reviewing the legislation.

**Critical Infrastructure Legislation:** Senate Bill 250 was introduced on Jan. 24 by Sen. Frank Hoagland, R-Mingo Junction. This legislation is designed to provide further protections to "critical infrastructure" by enhancing penalties associated with certain types of wrongful acts. The bill had its first hearing in the Senate Judiciary Committee on March 20.

## PUCO Update

**Retail Rules:** On Nov. 30, 2016, the PUCO issued an entry adopting revised retail rules. After a long process, the final PUCO order was issued on Oct. 4 denying a final request for rehearing from the consumer groups. On March 5, the PUCO filed the rules with the Joint Committee on Agency Rule Review (JCARR), a final step before they become effective.

The OCTA is opposed to the rules as promulgated and opposed the adoption of the rules at JCARR. The OCTA is concerned that the rules could empower the PUCO to order cable operators to become the provider of last resort (POLR) in areas in which the incumbent local exchange carrier abandons service.

Prior to JCARR hearing the rules, the PUCO withdrew them from consideration. The PUCO will now reconsider the rules through internal processes.

## NCTA Key Contacts

NCTA's 2018 Key Contacts Conference will be held in Washington, D.C. May 7 – 9. To register, follow this link: <https://www.ncta.com/keycontactconference>

The OCTA is already scheduling Hill visits with Ohio members of Congress and their staffs. If you would like to be included in the Ohio Hill meetings that we are scheduling, please notify April Barrowman.

# Ohio Cable★PAC

## Ohio Cable Political Action Committee

### Company Participation

(January 1 – April 6, 2018)

| Company             | Amount Raised   | Goal            |
|---------------------|-----------------|-----------------|
| Armstrong Cable     | \$0             | \$2,496         |
| Buckeye CableSystem | \$592           | \$10,972        |
| Comcast             | \$0             | \$1,430         |
| Cox Communications  | \$542           | \$1,500         |
| G.L.W. Broadband    | \$500           | \$400           |
| MCTV                | \$10,000        | \$2,750         |
| Suddenlink          | \$0             | \$1,400         |
| <b>Total</b>        | <b>\$11,634</b> | <b>\$20,948</b> |

### Individual Contributions

(January 1 – April 6, 2018)

#### Buckeye Broadband

Jeff Abbas

Mike Bilik

Kayla French

Jeffrey Hansen

Marc Jaromin

Jessica Pitzen

Sarah Riedeman

Charles Riley

James Wolsiffer

#### Cox Communications

Jay Allbaugh

#### Erie County Cablevision

Nicholas Vitou

#### G.L.W. Broadband

Kevin Flanigan

#### MCTV

Robert Gessner

Nancy Gessner

#### OCTA

Jonathon McGee



172 E. State St., Suite 302  
Columbus, OH 43215

[www.octa.org](http://www.octa.org)



## Cable Calendar

### SAVE THE DATES!

#### 2018 OCTA EVENTS

May 22 – Legislative Reception & Technology Demo  
Capital Theatre Lobby  
Vern Riffe Center, Columbus, OH

June 25 – OCTA Golf Outing  
The Lakes Golf & Country Club  
Westerville, OH

#### **ALEC 2018 Spring Task Force Summit**

[www.alec.org](http://www.alec.org)

When: April 27, 2018  
Where: Amway Grand Plaza  
Grand Rapids, MI

#### **SCTE Buckeye State Chapter Cable-Tec Games and Chapter Appreciation Lunch**

[www.scte.org](http://www.scte.org)

When: May 9, 2018  
Where: Spectrum/Charter Tech Center  
Columbus, OH

#### **SCTE Buckeye State Chapter Golf Outing and Vendor Day**

[www.scte.org](http://www.scte.org)

When: July 13, 2018  
Where: Safari Golf Club  
Powell, OH

#### **NCSL Legislative Summit**

[www.ncsl.org](http://www.ncsl.org)

When: July 30 – August 2, 2018  
Where: Los Angeles Convention Center  
Los Angeles, CA

#### **ALEC Annual Meeting**

[www.alec.org](http://www.alec.org)

When: August 8-10, 2018  
Where: Hilton New Orleans Riverside  
New Orleans, LA

#### **WICT Leadership Conference**

[www.wict.org](http://www.wict.org)

When: October 15-16, 2018  
Where: New York Marriott Marquis  
New York, NY