

Cable Views

Ohio Cable Telecommunications Association

Issue 4 2016

Cable's evolution continued in 2016



Jonathon McGee,
OCTA Executive Director

government affairs for Charter Communications.

Change was afoot in northwest Ohio as well, as Buckeye CableSystem announced it is changing its name to Buckeye Broadband to better reflect the company's direction and the importance of high-speed internet.

Not surprisingly, the growth of technology was at the heart of some industry-related deliberations before the legislature:

Small Cell Amendment: During the recently-concluded lame duck session, AT&T made a push for easier access to municipal property

In the ever-evolving cable industry, change is a seemingly permanent fixture, and 2016 was no exception.

Perhaps the highest profile change in Ohio's cable landscape was completion of Charter Communications' transactions with Time Warner Cable and Bright House Networks. Soon, you'll get to know them by the name Spectrum. In this issue, we're pleased to have an OCTA Face to Face conversation with Gary Underwood, regional vice president, Midwest region,

to place its small cell facilities. The OCTA and the cable industry were able to address several deficiencies in the proposal, allowing OCTA to move from "opposed" to "neutral" on the measure. See Capital Update on Page 3 for additional details.

Sales Tax on Advertising: Late in 2015, the Ohio Department of Taxation issued an updated Information Release that unmistakably targeted digital advertising fees for imposition of the sales tax. Legislation introduced by Rep. Ryan Smith, R-Bidwell, corrected this bureaucratic overreach and was signed into law in July.

Utility Service Tax: I would be remiss in not noting the legislature's repeal of the utility service tax, a local tax option that had been sitting on the books for 50 years but had never been used. While it's debatable how practical the tax option would have been when it was first created, the countless changes in technology and competition in the telecom and utilities arena, even the way people use "utilities," made the UST a relic of a bygone era.

For more on the latest from the legislative and regulatory fronts, please see Capital Update on Page 3.

No doubt 2017 promises to be another active year, both in the industry and at the Statehouse. Thank you for your continued support and best wishes for a happy 2017!

Fox's Rosen to Speak at OCTA Luncheon



James Rosen,
Chief Washington
Correspondent, Fox News

James Rosen, chief Washington correspondent for Fox News and acclaimed author, will be the featured speaker at the Ohio Cable Telecommunications Association's 22nd Annual Legislative Luncheon.

The event will be March 1 at the Columbus Renaissance Hotel.

Across his two decades with Fox News, Rosen has covered the White House and State Department beats and filed from

Capitol Hill, the Pentagon, the Supreme Court, the campaign trail, forty-nine states and three dozen countries on five continents. He has broken many exclusive stories on subjects ranging from ISIS to Hillary Clinton's private server. When the Obama administration designated him a criminal "co-conspirator" for breaking news on North Korea's nuclear weapons program, the case triggered a national controversy over press freedoms and made Rosen a rallying point for champions of the First Amendment. More recently, the State Department was forced to apologize for having improperly excised Rosen's tough questioning on Iran from the

department's official video of a press briefing.

Before joining Fox News, Rosen worked as a researcher to CBS News anchor and managing editor Dan Rather; as an anchor/reporter at WREX-TV (NBC) in Rockford, Illinois and at News12/The Bronx; and in production roles at WWOR-TV and NY-1 News in New York.

Rosen is the author of *The Strong Man: John Mitchell and the Secrets of Watergate* (2008) and *Cheney One on One: A Candid Conversation with America's Most Controversial Statesman* (2015). He is the editor of *A Torch Kept Lit: Great Lives of the Twentieth Century*, a collection of eulogies by the late William F. Buckley, Jr. that has spent five weeks on the *New York Times* bestseller list this season. Rosen's articles have appeared in the *New York Times*, the *Washington Post*, *Atlantic Monthly*, *Harper's*, *Playboy* and *National Review*, among others.

Born in Brooklyn and raised on Staten Island, Rosen earned his bachelor's degree in political science from The Johns Hopkins University and his master's degree in journalism from Northwestern University's Medill School of Journalism. He lives in Washington with his wife and two sons.

Face **to** Face

with Gary Underwood of Charter Communications

Jonathon McGee: Tell us a bit about yourself. Where did you grow up?

Gary Underwood: I was born in Canton. When I was seven, we moved to southeast Texas. I grew up between Houston and Beaumont in a place called Liberty County. I lived there most of my life and still have a home down there. That's where my family lives. I graduated from Texas State University.

Fast Facts:

Team Colors: Dallas Cowboys. Thanks to Ezekiel Elliott, it's an even better time to be a Cowboys fan. Ezekiel Elliott has helped make the transition to Scarlet and Gray.

Last Movies Seen: "Allied"

Currently Reading: "Hillbilly Elegy" by J.D. Vance.

Quote to Live by: Always trust your instincts.



JM: You've been active in the cable industry for years. Tell us how you first got involved.

GU: I started working for Time Warner Cable in 2001 in Beaumont, Texas, and then in 2006, I was transferred to Time Warner Cable in Dallas. We had just taken over the system from Comcast as part of a larger industry transaction and property swap. I ultimately became their VP of Communication and Community Affairs and was there until about 2012. I did some consulting for about a year and then came to Charter with a lot of my former colleagues from Time Warner working in what was then the southwest region of Charter. It was right after Mr. (Tom) Rutledge had come to Charter and had begun reshaping the company and doing the same very positive things that you are now seeing across the new footprint.

JM: You are regional vice president, Midwest region, government affairs for Charter Communications. Tell us about your responsibilities with the company.

GU: There are five regions for government affairs in the company. Each of the regions has its hub in one of the large states in the footprint of Charter. As a hub, Ohio anchors the Midwest region, which has a total of eight states: Ohio, Illinois, Indiana, Michigan, Minnesota, Pennsylvania, West Virginia and Wisconsin.

JM: Pretty much the Big Ten.

GU: Right! My role is to handle state and local government

affairs. We have a community relations component. We are adding on to this team in Columbus, someone who will be the director of government and community relations. That individual will be responsible for community affairs programs that we are doing, for example some of the philanthropic events, partnerships and so forth. Really doing a lot of the grassroots work for our government affairs team at the Statehouse and in city governments across the footprint.

JM: There's been a lot in the news this year about Charter's merger with Time Warner Cable as well as Bright House Networks. Can you tell us about that merger?

GU: When we announced the transaction, we set out to do something unique: Combine three companies (Bright House, Charter and Time Warner Cable), pick the best of the best from each and combine them into one organization that would deliver a superior network, superior products and services, simple packaging and simple pricing across the footprint. When you think about it, historically in the cable industry, when you would move from state to state, you might have the same company servicing you, but your package looked somewhat different, your pricing looked different. You go to Nordstrom in Columbus or Dallas and you should be able to buy a shirt for around the same price. Why shouldn't your experience be the same with your video and internet provider? So, our company takes the view that pricing should be simple, it should be consistent, it should be easy to sell on the phone and it should be easy for our customers to acquire whenever they would like to do that.

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Legislative Update

The Ohio House and Ohio Senate wrapped up their work for the 131st Ohio General Assembly in December. And the time between the November election and before they went home (colloquially known as “lame duck”) was quite busy. Any legislation not wrapped up by the time the General Assembly adjourned would have to be re-introduced in January and start the process again; hence the rush at the end of the year.

Small Cell Amendment: The busy lame duck session saw AT&T push for easier access to municipal property to place its small cell facilities. The OCTA and the cable industry noted several deficiencies with the proposal which we fought to correct. Eventually, after negotiations with both AT&T and the Ohio Municipal Electric Association (OMEA), the House added an amendment to Senate Bill 331 addressing the OCTA’s concerns and allowing the OCTA to take a “neutral” position on the legislation. Under the amendment, cable operators are able to also take advantage of the new pole access process and our current capabilities in placing Wi-Fi facilities on strand mounts is maintained.

S.B. 331 passed the House the same day as the committee vote; the Senate concurred in the House changes later that day. The OCTA thanks Speaker Cliff Rosenberger, R-Clarksville, House Finance Committee Chairman Ryan Smith, R-Bidwell, and Rep. Robert McColley, R-Napoleon, for their leadership on this issue.

For a detailed analysis of the legislation, please see the “members only” section of the OCTA website.

Revised Uniform Fiduciary Access to Digital Assets Act (Uniform Act): During the last days of session, the Senate added the Uniform Act to House Bill 432 (Representatives Bob Cupp, R-Lima, and Jeff Rezabek, R-Dayton) which was then passed by the Senate and the amendments were subsequently agreed to by the House. Earlier OCTA concerns with the language were corrected. The bill was sent on to Governor John Kasich, who is expected to sign it into law. The OCTA wishes to thank Reps. Cupp and Rezabek, and Sen. Scott Oelslager, R-Canton, for sponsoring and shepherding this important measure through the legislature.

Republicans Increase Legislative Majorities: House and Senate Republicans each expanded their sizable majorities by one seat in the Nov. 8 elections. The House Republicans will hold a 66-33 edge in the new session of the Ohio General Assembly after Nelsonville Republican Jay Edwards won the open 94th District seat held by term-limited Democrat Debbie Phillips, D-Albany. The Senate Republicans will hold a 24-9 edge after Republican Frank Hoagland of Adena defeated Sen. Lou Gentile, D-Steubenville, in southeastern Ohio’s 30th District.

New Ohio Senate Leader: Medina Republican Larry Obhof

was elected by his colleagues to serve as the Ohio Senate’s next president, succeeding term-limited Republican Keith Faber. Faber was elected to the Ohio House on Nov. 8. You can read our 2016 Cable Views interview with Obhof here: <http://bit.ly/ObhofCV2016>

PUCO Update

Petricoff Resignation: Veteran attorney and Kasich appointee to the Public Utilities Commission of Ohio, Howard Petricoff, announced his resignation from the PUCO on Dec. 2, a day after the Ohio Senate Public Utilities Committee recommended, along party lines, that he not be confirmed for the post by the Senate. The resignation’s effective date was Dec. 31. Petricoff, a Democrat, was named to the PUCO by Kasich in June. Senate Republicans had expressed concern that Petricoff’s past legal and lobbying work would cause him to recuse himself from too many cases.

The PUCO Nominating Council through Jan. 12 will be accepting applications from those interested in being appointed by the governor to the commission. In addition to making recommendations to the governor for a replacement for Petricoff, the council must also make recommendations to fill Commissioner Lynn Slaby’s seat. Slaby’s term expires on April 10, 2017. The Slaby position will be for a new five-year term. The term for Petricoff’s former seat extends through April 10, 2020. After reviewing all resumes, the Nominating Council will narrow the list and then conduct interviews on Jan. 26. It will then send four names for each seat to the governor, who will have 30 days to either appoint a commissioner or request a new list of candidates.

Pole Attachment Proceedings: After nearly 50 new pole tariffs were filed, the only active administrative case in which the OCTA remained involved was the DP&L case. The commission recently ruled on two outstanding motions, thereby concluding this administrative proceeding.

By way of background, after the PUCO ruled on DP&L’s initial application, DP&L filed tariff sheets on Sept. 30. The OCTA filed a motion objecting to the tariff language involving the unauthorized attachment fee. Separately, DP&L filed an application for rehearing, raising errors regarding the unauthorized attachment fee and denial of its proposed noncompliance charge. The OCTA filed a memorandum contra.

The PUCO sided with the OCTA, affirming that the unauthorized attachment fee in DP&L’s tariff language is supposed to not exceed the FCC’s benchmark and that DP&L’s tariff language does exceed the benchmark. The PUCO stated that it limited the penalty to five times the current rental fee per pole. As a result, the PUCO granted the OCTA’s motion, denied DP&L’s application for rehearing and required DP&L to file consistent tariff sheets.

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2016 Annual Meeting



Kelly Rehm (right) of MCTV and president of the Ohio Cable Telecommunications Association board presents MAVTV's Ed Niemi with the Associate Member of the Year award.



Lt. Gov. Mary Taylor talks with Chris Steininger of Precision Broadband Installations at the OCTA's 50th annual meeting. Taylor was the featured speaker at the event.



Among the highlights of this year's annual meeting was a panel of cable industry pioneers, who shared their perspective on the industry's evolution. Panelists included, from left to right, Virgil Reed, Dave Huey and Dan Helmick. Steve Fry also participated on the panel, with the discussion moderated by Maryann Kafer.



Industry veteran Steve Effros (right) moderates a discussion on the future of cable, with panelists Katherine Gessner of MCTV, Ken Ashley of Armstrong and Sean Brushett of Buckeye Broadband.



Destiny McKnight (left) of NBC Universal talks with Pam McDonald of Charter Communications.



Kelly Rehm and Katherine Gessner of MCTV talk with Linda Vermule of B.A. Vermule Cable Contracting during the annual meeting's speed networking breakout session.

2016 Event Highlights



The 2016 OCTA golf outing low net winners, from left to right: Damon Cooley, Joe Karl, Chris Graves and Jim Purtee.



The 2016 OCTA golf outing low gross winners, from left to right: Mark Marazza, Anthony Marazza, Paul Arrendale and Rod Staats.



Fox News analyst KT McFarland was the featured speaker at the Ohio Cable Telecommunications Association's 2016 Legislative Luncheon, held Feb. 24. Following his Nov. 8 election, President-elect Donald Trump tapped her to be his deputy national security adviser.



Ohio House Finance Committee Chairman Ryan Smith (left) with, left to right, OCTA Executive Director Jonathon McGee and Armstrong executives Mike Sammon and Dan McGahagan at the 2016 OCTA Legislative Reception and Technology Demonstration.



MCTV President Robert Gessner (left) talks with Reps. Kirk Schuring and Ron Amstutz on May 3 at the 2016 OCTA Legislative Reception and Technology Demonstration. Amstutz was in his final year in the House due to term limits and was elected to the Wayne County Board of Commissioners on Nov. 8.



Ohio House Minority Leader Fred Straborn of Dayton (right) talks with Rep. Hearcel Craig, D-Columbus, at OCTA's legislative reception.

The new tariff language is due by Dec. 30, 2016.

Almost all of the pole owners have at this point filed the new tariffs with the PUCO. For detail on any of these cases, please see the tracking spreadsheet posted on the OCTA website in the members' only section.

New AT&T Tariff: Even though AT&T just recently revised its tariff in the pole proceeding outlined immediately above, on Nov. 1 it filed another new tariff sheet (Case No. 16-2117-TP-ATA). The new sheet revised the pole attachment rates downward and marginally adjusted the conduit rate upwards.

In addition, AT&T included an additional charge for each "incremental foot" of space used. On Nov. 21, after ascertaining that the new rates were calculated correctly according to PUCO rules, the OCTA objected to the language regarding the incremental foot concept. In response to the OCTA's objection, AT&T filed a revised tariff sheet removing the "incremental foot" language, but retaining the new rates. As our objection is resolved with the new revision, the OCTA dismissed the objection. The new rates will become effective on Jan. 1, 2017, unless the PUCO would suspend the application, which is not expected.

For more information on this proceeding, please go to <http://bit.ly/PUCO16-2117-TP-ATA>.

IP Transition Collaborative: The PUCO's IP Collaborative last met on Oct. 4. While we had been expecting a draft of the report of the Collaborative to the General Assembly, it has yet to be made public. However, staff indicated there are no surprises in the draft report and that it simply reports what has already been stated at the Collaborative's meetings.

Retail Rules: The PUCO recently issued an entry adopting revised retail rules. The OCTA and legal counsel are currently reviewing the proposed rules and will address any concerns in a timely matter. The amended rules may be reviewed here: <http://bit.ly/PUCO14-1554-TP-ORD>. If you have any specific input for the rules, please let OCTA know.

Carrier-to-Carrier Rules: Under Ohio law, all administrative rules must be reviewed by the promulgating agency every five years to determine whether to continue the rules without change, to amend the rules, or to rescind the rules. The PUCO held a workshop at the end of November to begin its review of the Carrier to Carrier (C2C) Rules.

At this workshop, the PUCO staff reviewed the rules and indicated that they are primarily only considering non-substantive changes. No interested party provided any input to the staff at the workshop. We expect the PUCO to issue proposed changes to the rules soon. Once they are issued, the OCTA will review them and provide any needed comments to the PUCO.

OCTA 2016 Sponsor Honor Roll

Thanks to our members and friends
who supported the OCTA
through contributions in 2016!

Buckeye Broadband	INSP
Comcast	Davis Wright Tremaine LLP
Time Warner/Charter Communications	Carpenter, Lipps & Leland LLC
COX Communications	Ohio Utilities Protection Service
Outdoor Sportsman Group Network	The Batchelder Group
Precision Broadband Installation	Grant Street Consultants
Vorys, Sater, Seymour & Pease	Roetzel & Andress
MCTV	The CJR Group, Inc.
Van Meter, Ashbrook & Associates	Baker Installations
HBO	A&E
MAVTV	GLW Broadband
Strategic Impact Consulting	Turner Networks
Crown Media Networks	NBC Universal
FOX Networks	Hannah News Service Inc.
Sheppard Mullin Richter & Hampton LLC	Armstrong
Ohio Council of Retail Merchants	Thomas Mulisano, CPA
Byers, Minton & Associates, LLC	Capitol Impact Strategies, LLC

Ohio Cable★PAC

Ohio Cable Political Action Committee

Company Participation

(January 1 – December 2, 2016)

Company	Amount Raised	Goal
Armstrong Cable	\$2,496	\$2,496
Buckeye Broadband	\$3,105	\$10,972
Comcast	\$2,750	\$1,430
Cox Communications	\$615	\$3,068
G.L.W. Broadband	\$0	\$400
MCTV	\$25,800	\$2,750
Suddenlink	\$0	\$1,400
Total	\$34,766	\$22,516

Individual Contributions

(September 8 – December 2, 2016)

Buckeye Broadband	Comcast
Jeffrey Abbas	Jim D'Innocenzo
Mike Bilik	Cox Communications
Laurie Cichy	Rob Howley
Pam Koontz	Erie County CableVision Inc.
Steve Piller	Nicholas Vitou
Jessica Pitzen	MCTV
Sarah Riedeman	Kelly Rehm
Charles Riley	OCTA
James Wolsiffer	Jonathon McGee

JM: On the business and government side of this merger equation, certainly a high profile transaction such as this went through a lot of regulatory review as well as public scrutiny. Can you share some insights about that process?

GU: It was something that I was proud to be a part of, the small part that I played, to help bring this transaction to fruition. Now that we are complete and looking toward the future, it's an exciting time to be in this business. Now we can get down to doing what we said we were going to do in the commitments to the FCC. For example, we intend to deploy 300,000 out-of-home wireless units over the next several years as part of the transaction. We have made commitments to build out downtown areas across our footprint, it's something like \$2.5 billion in future investments. We've also made commitments to launch a low income broadband program. In fact, earlier this month in Kalamazoo, MI, we did our first public announcement in the Midwest region, only the second in the company, and we were able to launch the low income broadband program there. Ultimately, what this will provide is an option for families and low income seniors across our entire footprint where if you qualify through the free or reduced price school lunch program or if you are a senior, 65 or older, qualified through SSI, then you will qualify for this program, be able to access it for basically \$14.99 for half the speed of what we deliver through our Spectrum suite of services. So, 30/4 Mbps, which is faster than the FCC's definition of broadband. This includes a free modem and it will be available across our footprint.

JM: Does Charter have any plans to build out in Ohio?

GU: What we are focused on doing in 2017 is launching our Spectrum pricing and packaging and that will include major enhancements to what we have right now. Charter will take all of our customers in Ohio "all digital." Basically, we will come through and remove the analog signals that are on the plant, saving an incredible amount of bandwidth. That will enable us to provide more HD channels and will allow us to increase the speeds that we offer on our broadband service. Right now we are able to deliver, I think, around 50 to parts of the area. That's in the legacy footprint. Once all digital is complete, and we finish our work here in Ohio, 60 Mbps will be the slowest speed that we sell. So, we will go from 60 to 100 Mbps as far as our internet product goes and then we will have all of the services available, including 200 total HD channels, plus many other advanced features for our customers here. Again, when you go all digital, you really are able to manage your bandwidth and your network in a way that is very helpful to the customers. We expect to have some equipment offers for folks who are not already taking some sort of digital product in their home.

JM: Is Charter looking at additional acquisitions, in either the distribution and/or content realms?

GU: I think we are looking most forward to going all digital in Ohio and launching our Spectrum services here!

JM: What, if any, changes might vendors and programmers in Ohio expect as a result of the merger?

GU: I think you can expect Charter to be here for a long time. I think you can expect Charter to invest in the network. We have a huge presence here now. We have over 7,000 employees. Our goal is to increase our customer base and our job base. We hope to be able to do that and the more favorable the regulatory environment is in a state, the easier it is to make that commitment.

JM: Without question, the heart of any successful company is its customers. Can you tell us about the process or timeline to integrate Charter to Time Warner Cable subscribers in Ohio?

GU: I think what you are going to see is a Charter/Spectrum everywhere. Spectrum is the name of the products we sell. You will see that more and more. Anytime you see a commercial, anytime you see a banner at a basketball game or a graphic on a van, it's going to say Spectrum. So, you will slowly see the name "Time Warner Cable" phased out. Our branding people are very excited about the Spectrum name and what it represents as far as our suite of services and products.

JM: What new benefits and options will subscribers have now by being serviced by Charter Communications?

GU: You are going to find under Charter that we have really made a commitment to customer care. You are going to find under Charter that we have really made a commitment to customer care. Prior to the merger, when it was just Charter, we closed any offshore call centers, brought those jobs back to this country and hired folks and expanded in the field. Our customer service reputation really increased at that point. People liked talking to folks that were more local and it is the same practice that we intend to bring here. Not only does it provide jobs, but it makes good business sense for our company.

JM: What do you enjoy doing in your spare time?

GU: I'm a movie and music fan, although I haven't gotten to explore too much of that here. I'm pretty excited about some of the concerts that I've seen that are coming to Columbus. I play a little bad guitar. I have a 17-year-old daughter who is the love of my life, so I spend as much time with her as I possibly can. I like to travel. Over the summer, my daughter and I and my family went out to Glacier National Park in Montana and just hiked for a week.

Read more *Face to Face*
interviews online.
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www.octa.org



Cable Calendar

NARUC Winter Committee Meeting

www.narucmeetings.org
When: Feb. 12-15, 2017
Where: Washington, D.C.

ALEC 2017 Spring Task Force Summit

www.alec.org
When: May 5, 2017
Where: The Westin Charlotte
Charlotte, N.C.

NCTC Winer Educational Conference

www.nctconline.org
When: Feb. 20-21, 2017
Where: Sheraton New Orleans Hotel
New Orleans, La.

OCTA Legislative Luncheon

www.octa.org
When: March 1, 2017
Where: Renaissance Columbus Downtown Hotel
Columbus, Ohio

ACA Summit

www.acasummit.org
When: March 28-30, 2017
Where: Grand Hyatt
Washington, D.C.

SAVE THE DATES! 2017 OCTA EVENTS

March 1 – Legislative Luncheon

May 23 – Legislative Reception

June 12 – Golf Outing

For all the latest news and events updates, OCTA members can sign up to receive our weekly broadcast email bulletin. Contact abarrowman@octa.org to subscribe.

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