Then and Now



Jonathon McGee Executive Director

In a recent "Translation Please" column, Multichannel News contributor and technology expert Leslie Ellis looked at coming trends in the cable telecommunications industry. She noted that December is often a month when new technologies are trotted out, reaching back for an early example to December 1, 1977 and the launch of a service called QUBE that would forever change the perception of cable television as a service that merely delivered a stronger signal than over-the-air broadcasts.

As anyone who lived in Ohio's capital city in the Seventies knows, the birthplace of QUBE

was Columbus, Ohio. Warner Communications, the local provider at that time, offered customers the opportunity to experience the cutting edge of technology before anyone else in the country. Only through QUBE could viewers "interact" with their TVs, participating in polls or playing along with game shows.

Ellis could have reached back further in Ohio's past for examples of early adoption of technology – to 1965, for example, when Buckeye CableSystem brought cable to a large city before it was thought to be viable. Toledoans had cable television 20 years before Detroiters. Buckeye was also the first cable company in the country to implement FM fiber optics to deliver entertainment television and data transmission from the system headend to hub sites for delivery to homes. It also was among the early industry leaders using AM fiber optics to provide a feed-and-return link between the headend and hub sites.

Or she might have fast-forwarded to 1996, when Time Warner Cable unveiled a new service to residential customers in Akron – one that would revolutionize not only how people thought about cable providers, but also dramatically change the ways in which they would experience the growing Internet. With the launch of Road Runner high-speed broadband service, customers could not only surf the web without tying up their home phone lines, but also maneuver around it at much faster speeds than their dial-up connections had ever allowed.

For a recent example of Ohio operators leading the adoption of new technology, Ellis might cite Massillon Cable TV and its pioneering move to an all-digital system. In fact, Ohio cable operators have continued to introduce new technologies ahead of the curve. Since 1996, when changes to the Telecommunications Act by Congress eased regulations that removed barriers to the convergence of voice, video and data services, the cable industry in Ohio and across the country has invested more than \$170 billion in private capital to upgrade facilities for advanced services. Exciting new interactive services are meeting consumers' total needs in entertainment, communication and lifestyle. Cable customers today enjoy more value and better services than ever before.

Now, as we enter the second decade of the 2000s, cable continues to innovate. We've seen an explosion of On-Demand programming and digital video recorders, services that let a viewer "start over" with a program currently in play, high-definition channels and so much more. And the advances have brought savings for customers as well. Cable customers can now choose a bundle of video, high-speed Internet and phone services that, combined, is 31% cheaper, on an inflation-adjusted basis, than the same service would have cost at the end of the last century.

In this issue's *Face to Face* interview, Ohio Representative Todd Snitchler advises Ohio's cable operators to "continue to be innovative, continue effort to try and deliver new products and services to the market." Snitchler stresses the importance of Ohio being an attractive state for cable to try those new ideas, to continue to grow and do business, of setting ground rules that allow for competition and innovation.

On February 15, 2011, Rep. Snitchler and his colleagues will have a chance to see the latest innovations in cable when the OCTA holds its annual Legislative Reception and Technology Demo at the Vern Riffe Center in Columbus. There, legislators and others will have a chance to see examples of the innovations Ohio cable operators are working on today – perhaps even slip on a pair of 3D glasses and check out cable network offerings using that technology. As importantly, they'll have the opportunity to talk with OCTA member operators and learn what they are working on to keep Ohio on the cutting edge of telecommunications technology.

Jonathon McGee Executive Director

In this issue of CableViews -

igspace Face to Face with Representative Todd Snitchler Page 2 igspace Regulatory Update

◆ Legislative Update and Ohio Cable Institute

Page 4

Page 3

♦ Industry Calendar

Page 6



with Representative Todd Snitchler

Todd Snitchler is entering his second term serving the 50th Ohio House District. In the 128th General Assembly he has served as the ranking member of the Public Utilities Committee and as a member of the Alternative Energy Committee, Economic Development Committee, Healthcare Access & Affordability Committee, Sunset Review Committee and Ohio Child Support Guideline Advisory Council. Prior to being elected to the House, Representative Snitchler was a member of the Lake Township Chamber of Commerce, where he served as secretary and chairman. He co-founded and chaired the Lake Township Development Foundation, Inc. (LTDF), an adjunct to the Chamber charged with the retention, development and

growth of business. Representative Snitchler earned his law degree from the University of Akron's School of Law and his bachelor's degree in history and secondary education/social science from Grove City College. He is a graduate of the 20th class of Leadership Stark County.

CableViews: What prompted you to run for public office?

Todd Snitchler: First and foremost, my interest in serving, trying to leave the state better than we found it, was an incentive. When I first ran in 2008, there were a lot of issues that needed to be addressed and I decided I would rather be a part of the solution than one of the people complaining from the sideline. I'd never run for public office before, but I threw my hat into the ring and managed to get elected once and now a second time.

CV: What are the core beliefs that you bring with you to your role as a legislator?

TS: I look at everything through the lens of three principles. First is limited government, second trying to maintain a low tax climate so that it is attractive for business and families, and third, individual accountability and responsibility. Those are the three things that I look at when we address issues and public policy.

CV: What do you mean by individual accountability?

TS: I think we have to make sure that we are mindful of the role that individuals have in making decisions that benefit them and their family, as well as not having government overstep its bounds and intrude on those decisions. There are certain responsibilities and obligations for government, but there are a whole lot more that individuals and families ought to accept responsibility for. Frankly, I trust individuals and families to make wise decisions in their best interest far more than I trust people that are removed either in Columbus or Washington, D.C.

CV: How do you view the role of the House Public Utilities Committee?

TS: I think we have had, and will have going forward, the opportunity to make sure that the State of Ohio is an attractive place for companies

Todd Snitchler - Fast Facts

Favorite Cable Channel: Fox News

Currently Reading: Just finished *Dupes*, a book by Paul Kengor and *Fed Up*, by Texas Governor Rick Perry

Kindle or Print? Print

Favorite Family Pastime: Running Political Role Model: Ronald Reagan

to do business, to make sure that the regulatory environment and the business climate is one that is conducive to growth and development of business and industry, as well as making sure that Ohio remains a cost-effective place for families to live, work, worship.

CV: From a public policy perspective, what attracts you to public utility law?

TS: I think this is an opportunity, a committee where members have the opportunity to do a lot of good for individuals and business, and that's an area of interest of mine. That's what I do in my private practice; I represent small businesses as well as families. Utilities and the service they provide are at the core of having a warm, safe place to live. The price of energy and other utilities can make Ohio attractive for businesses or it's potentially a cost driver that sends them elsewhere, in another state or somewhere else. We want to insure that we are helping ensure development through the presence of our Ohio utilities and the low costs that are associated with them.

(continued on page five)







REGULATORY PDATE

Schriber Resigns from PUCO

Public Utilities Commission of Ohio Chairman Alan R. Schriber announced on November 30th that he will retire on December 31, 2010. Chairman Schriber has led the 400-person staff at the PUCO for nearly 12 years.

"I have been considering this move for many months, and simply decided that after nearly 12 years as chairman, it's time to move on," Chairman Schriber stated. "It's been a great ride and privilege to serve Ohio."

Schriber was first appointed to the PUCO by Governor Celeste and served from 1983 to 1989. He was again appointed to the PUCO as chairman by Governor Taft in 1999 and reappointed by Taft in 2004. He was also reappointed by Governor Ted Strickland in 2007 and 2009.

S.B 162 Implementation Rules

After providing a period for comment on proposed rules to implement S.B 162, on October 27th, after taking into consideration comments filed by interested parties (including the OCTA), the PUCO issued an Entry adopting those new rules. Several parties, including AT&T and the Ohio Consumers Counsel (but for different reasons) requested that the PUCO "rehear" the rules and make further substantive changes. On December 15th, the PUCO denied the rehearing requests. Before these rules can take effect they must be approved by the Joint Committee on Agency Rules Review (JCARR). The Commission has submitted the rules to JCARR and approval is anticipated in January. If you wish to review these rules or any of the comments filed by interested parties, they may be accessed by following this link: http://dis.puc.state.oh.us/CaseRecord.aspx?CaseNo=10-1010

Prepaid Lifeline Service Docket

The PUCO has also opened a docket seeking comment on which, if any, of the Lifeline requirements apply to prepaid Lifeline service. The PUCO wishes to ensure that prepaid Lifeline service subscribers receive value comparable to those that post-pay, and to prevent fraud, waste and abuse of the USF. Comments are due December 20, 2010 with reply comments due January 19, 2011. The OCTA, after consultation with legal counsel and input from the Board, will not file Initial Comments in this docket; instead the OCTA will enter an appearance in the docket to reserve the right to file reply comments. This docket can be accessed at: http://dis.puc.state.oh.us/DocumentRecord.aspx?DocID=b1187c35-5c03-44f1-99da-042eb20e452e

Motor Carrier Safety Rules

As reported earlier by the OCTA, the PUCO extended its Motor Carrier Safety Rules to trucks weighing between 10,001 and 26,000 pounds operating intrastate, sweeping many of your vehicles within its jurisdiction. The PUCO had planned to begin enforcement of these rules on January 1, 2011. In late November, the PUCO delayed enforcement of the rules until January 1, 2012, except in cases of "egregious violations." What this means:

- Enforcement of the rules for trucks that weigh between 10,001 and 26,000 that do not travel out of state is delayed at least until January 1, 2012. While the PUCO uses the word "enforcement" of the rules, realistically speaking this means implementation of the rules.
- No civil forfeiture or monetary penalties will be assessed against any
 trucks falling into this category during the time frame mentioned above
 except in cases where egregious violations of safety regulations are
 discovered. "Egregious violations are those showing a blatant disregard
 for safety by the carrier or operator."
- Currently, while it is possible that trucks can be pulled over for an inspection, it is our understanding that there will be a concerted effort not to do so unless the enforcement officer witnesses some type of egregious behavior on the part of the carrier or operator.
- The PUCO will establish a process that will allow further comment by interested parties on the rules and will consider reasonable and appropriate revisions to the rules. The OCTA has already filed comments on these rules and will consider doing so in the process later established by the PUCO, if needed.

The OCTA will keep you apprised of developments regarding these rules.

Access Reform

SB 162 authorized the PUCO to create and administer mechanisms for carrier access reform. Since the PUCO has received complaints that carrier access rates are excessive and since small ILECs are experiencing a decline in access minutes thereby reducing profits, on November 3 the PUCO opened a docket soliciting comments and responses to questions posed by PUCO staff. Additionally, the staff's proposed access restructuring plan was released for comment. The OCTA worked with its members and legal counsel on comments in this docket, which can be accessed at: http://dis.puc.state.oh. us/DocumentRecord.aspx?DocID=8c 67e2b5-72d0-45ac-9c64-8826a 7d0e9d0

2010 Cable-PAC/PAT Participation

January I - December 15, 2010



Ohio Cable Political Action Committee

ARMSTRONG CABLE

Amount Raised: \$ 50 Goal: \$2,496

BUCKEYE CABLESYSTEM

Amount Raised: \$ 8,973 Goal: \$10,972

CLEAR PICTURE

Amount Raised: \$550 Goal: \$520

COMCAST

Amount Raised: \$2,900Goal: \$1,430

COX COMMUNICATIONS

Amount Raised: \$3,101Goal: \$3,068

INSIGHT

Amount Raised: \$1,910 Goal: \$5,252

GLW BROADBAND

Amount Raised: \$1,400

Goal: \$ 400

MASSILLON CABLE TV

Amount Raised: \$3,049Goal: \$2,750

SUDDENLINK

Amount Raised: \$ 0 Goal: \$1,400

TOTAL

Amount Raised: \$21,897

Goal: \$28,288

LEGISLATIVE PDATE

Swearing-in ceremonies will be in full swing in early January, with the 129th Ohio General Assembly holding its official swearing-in and opening session on January 3rd. Governor-elect John Kasich will officially take the oath of office in Columbus on January 10 following a weekend of celebratory events.

Since the general election November 2, when Republicans swept statewide offices and regained control of the Ohio House of Representatives, much has been done to prepare for the new regime in Ohio. When he becomes the 69th Governor of Ohio, Kasich will have much of his cabinet in place, having made a series of appointments to state agencies. Among those are state Sen. Steve Buehrer as administrator of the Ohio Bureau of Workers' Compensation, Rep. Jim Zehringer as director of the Ohio Department of Agriculture, Joseph W. Testa as Tax Commissioner, and Jerry Wray as Ohio Department of Trans-portation Director. Beth Hansen, Kasich's campaign manager, has been named chief of staff; Wayne Struble, a former Congressional staffer, policy director; and Tim Keen budget director. Keen served as Gov. Bob Taft's budget director.

In the Ohio House, the Republican majority will be led by their newly-elected Speaker of the House William Batchelder (R-Medina). Rep. Lou Blessing (R-Cincinnati) will be speaker pro tem; Rep. Matt Huffman (R-Lima) will be majority floor leader; Rep. Barbara Sears (R-Sylvania) will be assistant majority floor leader; Rep. John Adams (R-Sydney) will be the majority whip; and Rep. Cheryl Grossman (R-Grove City) will be the assistant majority whip. Reps. Batchelder, Blessing, Adams and Grossman retain their leadership slots in the caucus and Reps. Huffman and Sears fill the two extra leadership positions that come along with controlling the majority.

Senate Republican Caucus leaders are all in new positions for the 129th General Assembly. Sen. Tom Niehaus (R-New Richmond) has been elected Senate President, replacing the term-limited Sen. Bill Harris (R-Ashland); Sen. Keith Faber (R-Celina) moves up a spot to president pro tem; and newly elected to leadership positions are Sen. Jimmy Stewart (R-Albany), majority floor leader; and Sen. Shannon Jones (R-Springboro), majority whip.

Rep. Armond Budish (D-Beachwood) will serve as minority leader in the 129th General Assembly. Rep. Matt Szollosi (D-Toledo) will continue as the Democrat's number two as assistant minority leader; and Tracy Heard (D-Columbus) remains in leadership as minority whip. Debbie Phillips (D-Athens) will serve as assistant minority whip.

The Senate Democratic Caucus left its leadership team largely unchanged, retaining Sen. Capri Cafaro (D-Hubbard) as minority leader. The only new member of leadership will be Sen.-elect Edna Brown (D-Toledo), who is moving to the Senate after nine years in the House. Sen. Shirley Smith (D-Cleveland) and Sen. Jason Wilson (D-Columbiana) were re-elected as assistant minority leader and assistant minority whip, respectively.

Following the year-end lame duck session, the pace at the Statehouse should quicken noticeably. Once the formalities have been dispensed with, the General Assembly has before it the daunting task of dealing with the state's biennial budget. With an \$8 billion hole to be patched, filled, or whittled away, the job will not be easy. As always, the OCTA and our legislative team will monitor the budget proceedings and other bills in the House and Senate with a close eye to bills that could affect our industry.

2010 Ohio Cable Institute

Cable professionals from the OCTA and three other sponsoring groups met at the Longaberger Alumni House on The Ohio State University Campus on November 10 for the 2010 Ohio Cable Institute. Sponsored by the OCTA along with CTAM Midwest, the SCTE Buckeye State Chapter and the WICT Greater Ohio Chapter, the Institute featured sessions focused on cable technology, marketing and regulatory compliance.

The Institute opened with the WICT-sponsored lunch, where former Ohio Speaker of the House Jo Ann Davidson delivered the address. Speaker Davidson, who has championed the role of women in leadership, spoke on that topic as well as her experiences at the Statehouse and as co-chair of the Republican National Committee.

Craig Leddy of Interactive TV Works and veteran tech writer Leslie Ellis delivered CTAM's "How Cable Goes to Market: New Technology Summit" highlighting the latest cable technologies and cool products. The session included information on bandwidth technologies, and an assessment of the competitive landscape.

A session delving deeper into bandwidth management followed, featuring Joanne Bandlow, Network Engineer, Time Warner Cable, as moderator and panelists Robert Kidd, Manager of Technical Marketing Engineering, Cisco, and Bob Gessner, President, Massillon Cable TV, Inc.

In a breakout session, operators learned about the PUCO's removal of a long-standing exemption from the safety regulation of commercial motor vehicles operating in intrastate commerce on a not-for-hire basis. The PUCO had planned to implement these rules on vehicles weighing between 10,001 and 26,000 pounds, which would have affected some cable system fleets. The session offered guidelines for compliance with the new rules, which were later suspended from implementation. (See Regulatory Update, p. 3)



CV: As we approach a new session and moving forward, what are some of the issues that you see coming before the Public Utilities Committee?

TS: Well, I think that there are a number that have been talked about. Pole attachments are an issue that may be addressed that may affect a number of industries and players in the industry. A number of parties have already contacted my office concerning Senate Bill 221, passed into law by a previous general assembly, asking that it be revisited, but no decision has been made on that issue. As for other matters, I know that there are a number of folks who have some ideas they want to discuss and whether those turn into legislation that comes before the committee remains to be seen.

CV: What was Senate Bill 221?

TS: Senate Bill 221 was the most recent utility bill that dealt with the electrical utilities and advanced energy requirements, the use of solar and wind and alternative energy solutions as part of their energy portfolio. We've now had a number of years' experience with that and can see how it's actually working after being implemented and if those bench marks that were put in place are achievable, and what may need to be done to make sure that Ohio is an attractive state for energy companies not just now but for the next 50 years.

CV: In what way do you feel that technology has changing the role of public utilities here in Ohio?

TS: I think it's dramatic. In the world of telecommunications, you've got the death of land lines, the dramatic increase in wireless technology, the use of multiple means to provide television/entertainment, whether it's through cable or satellite television or through non-traditional content providers and the other technologies that are available. These changes as well as the competitive environment that exists for electrical or gas distribution, are all based at least in part on increases in technology. It's changed the way individuals and families do business and make decisions and truly empowered decision makers.

CV: Are you comfortable with the lines of communication between the House, Senate and public utilities commission?

TS: Given my limited role as the ranking minority member in the last General Assembly, my experience with that has been modest. I think that we can always do a better job communicating between the house and the senate and making sure that we have an open dialogue. We may not agree, regardless of which party controls each chamber, but, I think that having an honest dialogue about where we are on certain issues will help us be more effective. I think that the PUCO is about to undergo a dramatic change with the departure of Chairman Shriber and someone new being appointed as Chairman. That person is going to have the chance to ensure good communication with the house and the senate and perhaps do a good job of making sure that the issues are fully vetted and explored, before the respective house and senate committees. I hope that that would continue to improve.

CV: In general, what would you like to see accomplished in the 129th General Assembly?

TS: Aside from filling the \$8 billion dollar hole in the state's budget, I think this is a great opportunity for us to do a lot of reform in state government, to be very pro-active in making Ohio an attractive state for families and businesses. Workers' Compensation reform is going to be a key element that will be vetted in committee and hopefully it will be passed out of the house and into the senate. We hope that Governor-elect Kasich would sign a workers' comp reform bill. Performance audits are a project of mine that was introduced in the last general assembly and will be re-introduced in the next general assembly. It has the potential to save the state hundreds of millions, if not billions of dollars. It's not a silver bullet, because it takes time to do the audits and it takes time to implement, but for long term cost savings that bill has the ability to re-shape the state going forward.

CV: *Tell me a little more about the performance audits.*

TS: They are very different from a financial audit and sometimes folks get them confused. A financial audit shows dollars in and dollars out, and where it went. A performance audit looks at what the department or agency is charged with doing. Are you doing those things? Are you doing them well? Can you do them in a more cost-effective manner? And if you are not delivering those services, how do we correct or implement changes that would allow you to do that? Or if you cannot correct it should you be consolidated with another agency or department that would do a better job with future cost savings? It's assessing what an agency is charged with doing, determining how we budget for you to deliver those services and once you deliver them to make certain they are doing it right. Finding those agencies that do it well and then duplicating that effort across agencies or a broad number of areas is a fundamental solution to our budget problems.

CV: I think you also mentioned government consolidation. Could you delve into that a little bit more?

TS: Sure. The issue really boils down to what is the right number of govern-mental agencies and employees. As I understand it, the governor has more cabinet-level reports than the president of the United States does, and that strikes me as being out of whack. We need to look at ways to right-size that organization. Where there are certain agencies that have a common theme or a common element, we could eliminate some redundancies and be more efficient about delivery, focus on the issues that are being dealt with in each agency and then get a better outcome. And, again, that goes hand in hand with the performance audit concept of how we deliver services efficiently. Our government is structured as it has been for 40 or 50 years. If you're a business, you wouldn't be structured like you were 40 years ago or you would be out of business. There is no reason for us not to look at government in a way that tries to achieve some of those same changes and efficiencies, rather than say "that's how we've always done it." Now is the time to look at doing everything differently to find ways to save money and insure better delivery of services. That kind of change will put Ohio in a position where we can be competitive going forward. We compete with 49 other states and every other country around the world when it comes to businesses and families who can vote with their feet, and I would like Ohio to be attractive going forward.

CV: You are the father of teenage children - would you encourage them to run for public office?

TS: Yes, I have two of them. I would as I think there is a lot of value to public service. My family has been to Columbus a few times and they've seen what we do and they are getting a greater appreciation for how it's done, the pluses and minus, frustrations and successes that come with the job. I think it's a good education for them and they in turn get to share that with their peers.

CV: What advice would you have for the cable industry as we move the 129th General Assembly?

TS: I think I would urge you to continue to be innovative, continue your effort to try and deliver new products and services to the market. We want to make sure that Ohio's an attractive state for cable to try new ideas. Whether they work and are replicated in other states, or don't quite go the way you thought it might, at least we try it here. If you are trying it here, that means we're an attractive state and cable is invested in Ohio's future. That's all I can ask for - set the ground rules and we ask you to compete and do the best job that you can. That would, I think, be the best case scenario for both of us.

OCTA Legislative Reception & Technology Demo

www.octa.org

When: February 15, 2011

Where: Riffe Center, Columbus, OH

OCTA Annual Meeting

www.octa.org

When: March 22, 2011

Where: Hyatt on Capitol Square

Columbus, OH

SCTE – Chapter Leadership Conference 2011

www.scte.org

When: April 13 - 14, 2011 Where: Tampa, FL

WICT - Rising Leaders

www.narucmeetings.org When: May 22 - 27, 2011 Where: Delray Beach, FL

The Cable Show

www.thecableshow.com
When: June 14 - 16, 2011

Where: McCormick Place, Chicago, IL

2011 CTAM Summit

www.ctam.com

When: October 5 - 7, 2011

Where: Marriott Marquis, New York, NY



Cable-PAC/PAT Individual Contributions

(September 16 – December 15, 2010)

Buckeye CableSystem

Mike Bilik Brad Mefferd
Laurie Cichy Daniel Penny
Pat DeVille Jessica Pitzen
John Ducat Sarah Riedeman
Bonita Ehrhardt Charles Riley
Pam Koontz James Wolsiffer

Cox Communications

John Wolfe

Insight

Brian Gregory

Massillon Cable TV Inc.

Bob Gessner

NBC Universal Cable

Kevin Blute

OCTA

April Barrowman Jonathon McGee Maryann Kafer Chris Vaughan

Precision Broadband Installation

Tyler Caraway

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