

CABLE VIEWS

The Newsletter of the Ohio Cable Telecommunications Association

ISSUE Two | 2011

Everything Possible –

2011 Cable Show a Call to Continued Innovation



Jonathon McGee
Executive Director

Cable professionals in the thousands gathered in Chicago in June for the NCTA's 2011 "Cable Show," the industry's annual convention and trade show. McCormick Place, the city's convention complex, was abuzz with big names and big ideas, fitting for an event with the theme of "Everything Possible."

Oprah was there, drumming up enthusiasm for OWN, the Oprah Winfrey Network that is a multi-platform venture with Discovery Communications combining Discovery Health Channel and Oprah.com.

Dr. Jill Biden, wife of the Vice President, spoke during the Cable Show general session about Joining Forces, a program she and Michelle Obama created to recognize, honor, and support military families.

One-time FCC Chairman and newly named President of the NCTA Michael Powell declined to do a cartwheel as he had ten years ago when coming onstage at a cable show. But he did speak of the industry's importance, asserting that "Cable helps power the American dream."

From "The Park," a venue created by the NCTA on the exhibition floor, a series of talk shows streamed over the web, covering topics of technological possibilities, economic realities and the societal impact of social media on customer service, politics and commerce.

Paul Rodriguez, senior director, social media strategy, of the NCTA, explained the thinking behind The Park, saying that in previous phases of the industry's history, cable had a particular infrastructure and used certain technologies that enabled a set of services it could deliver to customers. Since the commercial launch of cable modems 15 years ago, the focus has gradually shifted to broadband. But now, he added, we are entering a new phase in which our business operates in a different way, delivering new types of services to our customers.

"This is a new world in which consumer electronics, information technology and Hollywood have become intertwined," said Rodriguez, in which the industry is "becoming a part of the broader ecosystem and finding innovative ways to carry our hybrid infrastructure into the future."

That new world can best be described in a single word - *convergence*. It seems that it was just yesterday we were talking about "triple plays" of voice, data and video service being provided by cable operators. Now, distinctions between those services have begun to fade. Cable's connected home allows content to be streamed from any device in the home, and leverages the network to enable new services like home monitoring, automation, and security. Services are becoming unchained from the set-top box and the modem, allowing consumers to extend the value of their subscription to mobile devices and even outside the home.

Speaking on a panel of industry leaders, Time Warner Inc.'s Jeff Bewkes provided context for the rapidly changing, ever evolving nature of cable. "It's morning in the cable industry," said Bewkes. "It's time to keep this fantastic industry moving. We have always in this industry invented the most cutting edge, most desired and watched thing in the United States. Think what we have all built together over the last 30 years. All of this infrastructure, the reason you can get things on tablets, on smart phones, is because of the infrastructure that was...led by the people in this room, and is now being copied and augmented by telephone and satellite companies. It's a fantastic infrastructure. It's the most successful, vibrant, high quality content industry in the world, and it's being copied by every country in the world."

In short, a world in which everything is possible. ■

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Executive Director

Gauging the Cable Industry's Impact on the U.S. Economy

The U.S. cable industry supports nearly 1.8 million jobs representing gross economic output amounting to more than \$251 billion, and has continued to grow in recent years despite the national economic downturn, according to a recent study by Bortz Media and Sports Group, Inc. released by the National Cable & Telecommunications Association (NCTA). The executive summary, an interactive map and complete study results are available at www.ncta.com.

Ohio Statistics:

Cable Operator Employees: 8,320

Total State Impact: 63,084 direct and indirect jobs
\$8.944 billion economic impact

The report analyzes direct and indirect impact of the entire cable industry, including the Multiple System Operators (MSOs), program network providers and suppliers. Some key findings from the study include:

- **Employment.** The cable industry directly employs 233,700 people in all 50 states and District of Columbia. There are at least 300 cable industry employees in each U.S. congressional district – and more than 2,000 cable employees in some districts. Personal income to cable industry employees totals \$17.3 billion.

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FACE2FACE

with PUCO Commissioner Andre T. Porter

He sits on the Capital University Board of Trustees and previously served as president of the Gahanna Community Improvement Corporation, chair of the Gahanna Board of Zoning Appeals, and as a board member of Kids Voting Central Ohio. Commissioner Porter received his undergraduate degree from Capital University and holds a law degree from The Ohio State University Moritz College of Law.

Jonathon McGee: *Tell us a little bit about your background - the path that led you to the PUCO.*

Andre Porter: I had every intention of continuing to practice law. After law school, I began working in the government and regulatory affairs area; eventually, however, I began practicing in the telecommunications law area. After the passage of S.B. 221, I worked on multiple electricity matters, during which time I practiced regularly before the PUCO. With that experience, in early 2011 I considered an appointment as Commissioner, began the application process, and was eventually appointed by Governor Kasich.

JM: *What about it interests you - and made you think you'd make a good commissioner?*

AP: Public service has always been important to me. Indeed, I served for a short time on Gahanna's City Council. Beginning with my consideration of this appointment, and continuing through the time I have served thus far, I have found that the decisions made in my capacity as a Commissioner are just as important as any elected official makes because every decision made by this Commission impacts Ohioans both at home and in their businesses. Being a Commissioner satisfies my drive to serve the people of Ohio because as a Commissioner I help to insure that Ohio is the type of state where people want to live and raise their families, and businesses come to grow and be profitable.

JM: *How does the PUCO balance the state's goal of robust competition and business development in Ohio with the needs of the Ohio utility consumer?*

AP: I have one mindset when it comes to doing this job: that is to ensure that this agency serves *all* of Ohio. Economic development is crucial for all of us. The Commission must provide for a regulatory environment that gets Ohio's economy back on track, and we should be mindful of

Commissioner Andre T. Porter was appointed to the Public Utilities Commission of Ohio (PUCO) by Governor John Kasich in 2011. Commissioner Porter serves as the PUCO representative to the Organization of MISO States (OMS) and the Eastern Interconnection States' Planning Council (EISPC). Before joining the PUCO, Commissioner Porter practiced law in the areas of energy, telecommunications, real estate, and municipal law. He counseled clients with regard to Ohio electricity laws, utility rate proceedings, energy efficiency, alternative energy, competitive natural gas and electricity purchasing, broadband infrastructure, and wireless tower issues.

Andre T. Porter - Fast Facts

Favorite Cable Network: I enjoy a diverse range of networks, largely those that deliver unbiased financial and political updates.

Currently Reading: For work, I am digesting every part of the "good book" - title 49 of the Revised Code. For fun, I recently finished *Decision Points* by George Bush, and *Left to Tell*, written by Immaculée Ilibagiza, a survivor of the Rwandan holocaust.

Mentor or Role Model: I have multiple mentors - spiritual, professional and political. Each is a person of great vision and integrity, a great decision maker, and gives great advice. For instance, Governor John Kasich is a role model who I believe is decisive and has an excellent vision for Ohio's economy.

Favorite Ohio Festival: Three come to mind - The Columbus Jazz and Rib Fest and Gahanna's Creekside Jazz and Rib Fest, because I love jazz music, and Alliance, Ohio's Carnation Days in the Park, because Alliance is my hometown, and I like to get back and see old friends.

the impact on jobs when making decisions. Consider the telecommunications and cable industries, for example. There, I think we have seen, and should continue to encourage, robust competition. That notwithstanding, the Commission must also consider the impact the regulatory environment has on Ohio's utility consumers and communities. So, to the extent that we can find harmony and balance, we must do so.

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Legislative Update

State Budget: The Ohio House of Representatives approved the state two-year budget (HB 153) the first week of May and sent it on to the Ohio Senate for consideration. The conference committee met to resolve differences between the House and Senate versions of the budget and finished its work on June 27th. The Senate agreed to the conference report on June 28th and the House on June 29th and sent the Act to the Governor for consideration. The Governor signed the Act on June 30th, in time for it to go into effect for the new fiscal year beginning on July 1st.

Importantly, there are no significant changes to the provisions in the budget impacting the cable industry. The Act appropriates \$340,000 in each of the two fiscal years for the operation of the Ohio Department of Commerce's (DoC) video service division through the video service assessment. The budget directs that the money collected is no longer to be deposited into DoC's administration fund, but into the video service fund.

PUCO Docket Update

Access Reform: PUCO staff has recommended that an "Access Reform Fund" be created for revenue replacement for eligible ILECs. Several interested parties, including the OCTA, requested that the PUCO establish a hearing process into this complex issue and the PUCO issued a procedural timeline. Believing that the timeline did not allow adequate time for dis-

covery, the OCTA, along with several other interested parties, requested that the PUCO extend the discovery timeframe and delay the comment period. The PUCO granted this request. The discovery deadline was extended, allowing the OCTA to gather evidence needed to prepare comments on the staff's proposal. Supplemental comments were filed July 1, with supplemental reply comments due July 15. The OCTA worked with Benita Kahn at Vorys Law Firm and our consultant, Joe Gillan, to prepare these comments. To view the OCTA's comments, as well as other pleadings in this docket, please go to: <http://dis.puc.state.oh.us/CaseRecord.aspx?CaseNo=102387&cx=10&cy=12>

Century Link Tariff: United Telephone Co., dba Century Link, filed a tariff with the PUCO which makes changes to its pole attachment tariff including changes to rates and certain items in the application process. The OCTA has intervened in this proceeding and has filed comments. It is expected that the PUCO staff will schedule a meeting with interested parties in the near future to discuss disputed issues.

AEP Tariff: Recently, AEP filed a tariff seeking increased pole rates, among other changes. The OCTA Board of Directors authorized the OCTA to intervene in this tariff proceeding, which has been done. While the PUCO has yet to rule on the motion to intervene, we expect that the PUCO will grant the motion. Also, AEP currently has an open proceeding at the PUCO requesting that Ohio Power and Columbus Southern Power be merged. We have also filed a motion to intervene in that docket so as to present the cable's industries interests therein. ■

2011 Cable-PAC/PAT Participation

January 1 - June 24, 2011

Ohio Cable★PAC Ohio Cable Political Action Committee		CLEAR PICTURE Amount Raised: \$800 Goal: \$520	GLW BROADBAND Amount Raised: \$ 50 Goal: \$400	SUDDENLINK Amount Raised: \$ 0 Goal: \$1,400
ARMSTRONG CABLE Amount Raised: \$ 150 Goal: \$2,496	COMCAST Amount Raised: \$2,820 Goal: \$1,430	INSIGHT Amount Raised: \$ 140 Goal: \$5,252	TOTAL Amount Raised: \$24,681 Goal: \$28,288	
BUCKEYE CABLESYSTEM Amount Raised: \$ 5,428 Goal: \$10,972	COX COMMUNICATIONS Amount Raised: \$3,093 Goal: \$3,068	MASSILLON CABLE TV Amount Raised: \$12,200 Goal: \$ 2,750		

Gauging the Cable Industry's Impact on the U.S. Economy

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- **Suppliers.** Cable industry suppliers provide another 136,000 cable-related jobs representing personal income of \$11.1 billion.
- **Job growth.** Since 2002, direct and indirect employment attributable to the cable industry has increased by 638,000 jobs. The industry added 4,700 jobs over the last three years.
- **Infrastructure investment.** After investing more than \$170 billion over the last decade and a half, cable's broadband offering continues to set the industry standard with more than one-third of cable customers receiving data rates of 10 Mbps or more and over 75 percent receiving at least 6 Mbps, while the majority of telephone company broadband customers receive speeds of 3 Mbps or less.

- **Economic impact.** Cable's economic impacts are spread throughout all major sectors of the U.S. economy, with the largest impacts in the information, services and manufacturing sectors. The industry also is estimated to have a substantial effect on public sector employment.

"Through aggressive re-investment of capital and efforts to deploy new and innovative services to consumers, the industry has fostered the development of a highly competitive telecommunications market and has been a catalyst for broadband growth in the U.S.," the report states. "Through these initiatives, the industry has exerted a substantial impact on the U.S. economy."

View results from the complete study, including economic and job data by state and congressional district at www.ncta.com. ■

OCTA 2011 Golf Outing

The sun shone bright June 6th on the Columbus Country Club, where OCTA members and friends converged for a scramble on the club's classic, historic course. A hundred or so golfers came out for the 2011 OCTA Golf Outing, where the day began with a continental breakfast and complimentary massages and ended with a late-afternoon reception and the awarding of prizes.

Many thanks to the event's sponsors and donors: Precision Broadband, Univision, Time Warner Cable, Comcast, ESPN, Buckeye CableSystem, NBC Universal, Bloomberg, Hogan Lovells, Arthritis Foundation, Massillon Cable, OVATION TV, B.R. Cablevision, Davis Wright Tremaine, Cox Communications, Vorys Sater Seymour & Pease, Ohio Council of Retail Merchants, GSN, Discovery Networks, SportsTime Ohio, The Cable Warehouse, Outdoor Channel, Sprint Wholesale, Inspiration Networks, Fox Networks, Grant Street Consultants, ION Media Networks, Turner Networks, HRTV, Scripps Networks, and West 1. ■



Congrats to the winning foursome of Chris, Jacob and Aaron Steining and Tyler Caraway. (Laura Caraway, who worked the betting hole with Bob Gessner, subs for Aaron in the photo above)



Daley Kirby, closest to the pin (female) and Mike Braxton, closest to the pin (male)

Below: Kevin Gardner, longest drive (male); Sybil Robinson, longest drive (female); Geoffrey Shoemaker, longest putt



Florence Buchanan, Pat Deville, Mike Braxton and Daley Kirby



Dave Celona, Jeff Campbell and Bill Ricker



Below: Kevin Blute, Mark Dunford, Jim Cook and Ray Snyder



Rod Staats, Tom Spooner, Dave Schwehm and Sebio DiLuciano

JM: What are the commission's overall priorities at this time?

AP: Jobs and economic growth. Folks have said to me, "hey, you (Commissioners) keep repeating this jobs and economic development theme," to which I respond that Ohio should be pleased to know that there are those of us thinking with a common mindset of ensuring that the PUCO and the state work in a manner to promote growth.

JM: What do you see as its greatest challenges?

AP: Being effective regulators for multiple and diverse stakeholders - Ohio's utility consumers, cable companies, telecommunications companies, electric companies, natural gas companies - all of whom have an interest in the regulation. They need to know that we have an open, transparent and fair process. Keeping in mind our overall policy of jobs and economic development, I think the number one challenge for us is to insure that we work in a manner to best serve all of our stakeholders, and I think we are making progress in that regard.

JM: Have there been any surprises since you were appointed to the commission?

AP: No, I like to be prepared. However, after getting out and visiting with Ohioans and other stakeholders (which I always enjoy doing), I have learned a lot. Getting out of this office and learning about the issues has helped prevent my being caught off guard when it comes to decisions here.

JM: What is your view of the future of the telecommunications industry in Ohio and beyond?

AP: I think it is strong and diverse. We obviously have large companies and small companies, and we have competition that seems to be robust and producing lower costs for consumers. I would like to promote competition with a mindset of ensuring a strong infrastructure and having all Ohioans have access to a diverse set of communications options. In terms of the future, we want to ensure that we have a playing field where everyone can compete to provide services for consumers here in the state.

JM: With the competition in the telecommunications industry changing, how do you see the role of the PUCO evolving?

AP: Generally, I think there are going to be decisions made through our orders that provide for transparency in the mindset of how the PUCO envisions the development and regulation of this field.

JM: Do you see a need for new regulation or less regulation?

AP: I see the need for the right system and fit for Ohio. If there is a regulation that negatively impacts economic development, then we need to rethink that regulation. Where regulation is necessary to promote growth, we should consider that regulation. We simply need to find the right balance here in the state. By insuring that we have adequate, safe and reliable services that will remain strong in the long term rather than just the short term, I think those are good policy goals.

JM: Your background indicates a high level of interest in public service at an early age. What inspired that desire to serve?

AP: My parents and family. I have a large family - 11 siblings. I think, growing up, there was always this sense of service instilled in all of us and I think that almost all of my siblings have served in different ways. For example, I have a brother who is a police officer in Washington, D.C., a brother who works for social service agencies here in the city of Columbus, a sister who seems to be pursuing a similar path, and my wife is a teacher - one of the most important jobs in the world.

JM: What do you think can be done to inspire other youth to be civic-minded and involved in their communities?

AP: We must impress upon our youth that there are many different ways to serve. Those of us who work in utilities need to inspire people to consider work in these fields as service. After all, cable, telecommunications, electric, gas and the like are topics which are very important to the future because they impact all people. Through this impact, we who currently work in this field - and the youth who will one day work in this field - serve our communities.

JM: Any advice for our readers or the cable industry in general?

AP: Simply, "stay tuned," and be confident that we are working daily to serve the citizens of, and to promote economic development in, the great State of Ohio. ■

Cable-PAC/PAT Individual Contributions

(April 1 – June 24, 2011)

American Cable Association

Matt Polka
Rob Shema

Black Heritage Network

Genia Edelman

Buckeye CableSystem

Patti Ankney
Mike Bilik
Florence Buchanan
Laurie Cichy
Pat Deville
John Ducat
Ron Durham
Bonita Ehrhardt
Lynnell Jefferson
Joe Jensen
Pam Koontz
Brad Mefferd

Rick Mlcek

Denton Parson

Daniel Penny

Jessica Pitzen

Sarah Riedeman

Charles Riley

James Wilsiffer

Clear Picture, Inc.

Susan Bicker
Keith Chambers
Kelly Rehm

Comcast

Jim D'Innocenzo

Cox Communications

Tom Andrews
Robert Brill
David Butas

Paul Cronin

Charles Davis

Gloria DeMarco

Nelson Eubank

Brian Ginley

Steve Heuser

Robert Howley

Dan Jakubowski

Linda Leyden

Todd Malone

Hector Ortega

Deborah Owca

Alex Petrofski

Mark Pigman

Mark Preston

Rajesh Rauniyar

Rich Saunders

Stacie Schafer

Allan Shockey

Angela Simko

Craig Smith

Steve Wild

John Wolfe

Tim Yanda

Fox Cable Networks

Jim Cook

Insight Media

Matt Senior

Massillon Cable TV, Inc.

Nancy Gessner
Robert Gessner
Richard Gessner
Susan Gessner
David Hoffer
Elizabeth Gessner McAllister

Precision Broadband Installation

Laura Caraway
Chris Steininger

SportsTime Ohio

Bruce Drennan
Ed Niemi

The Cable Warehouse

Kevin Gardner
Paul Kray

The Outdoor Channel

Daniel Soane

Vorys, Sater, Seymour & Pease LLP

Benita Kahn
Scott Ziance

West 1 CATV Supplies

Al Sorrick

NCSL Legislative Summit 2011

www.ncsl.org

When: August 8 - 11, 2011

Where: Henry B. Gonzales Convention Center
San Antonio, TX

WICT – Executive Development Seminar

www.wict.org

When: September 21 - 23, 2011

Where: Ranchero
Santa Fe, CA

WICT – Leadership Conference

www.wict.org

When: October 3 - 4, 2011

Where: New York, NY

2011 Annual NAMIC Conference

www.namic.com

When: October 4 - 5, 2011

Where: Hilton New York
New York, NY

Association of Cable Communicators Forum

www.cablecommunicators.org

When: October 5 - 6, 2011

Where: Hilton New York
New York, NY

2011 CTAM in New York

www.ctam.com

When: October 5 - 7, 2011

Where: The New York Marriott Marquis
New York, NY

SCTE Cable-Tec Expo '11

www.scte.org

When: November 15 - 17, 2011

Where: Georgia World Congress Center
Atlanta, GA



CABLE CALENDAR

2011

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