

SPOTSYLVANIA COUNTY CABLE TV COMMISSION  
ANNUAL REPORT FY1999

I. Chronological Highlights Of Commission & CATV Service Provider Activities

- A. Resignation of Roy McAfee as Chair; Election of Mike Fahey as Chair, Herb Pritchett as Vice-Chair - January 1999.
- B. Dr. Andrew M. Cohill, Director of Blacksburg Electronic Village, addresses area business leaders, government officials, and educators at Germanna Community College in Spotsylvania on the topics of networked information systems, the Internet, and the value of community networks - March 1999.
- C. Fiber optic cable installation completed by Prestige Cable TV - April 1999.
- D. Prestige extends service on Rt. 608 corridor to Po River - April/June 1999.
- E. Beta test sites for broadband cable modem service established by Prestige - May/June 1999.
- F. Media General announces sale of cable holdings to Cox Communications, effective Oct. 1; Notifies cable commission of intent to change upgrade plans to provide 750 Mhz system capacity with 78 analog channels and 2- way cable modem service. Request is made for additional time to install interconnect, due to re-engineering of entire system, interconnect now to be in place by March 2000 - August/ September 1999.
- G. Prestige announces change on local channel PV3 from character generator to Matrix pictures as format upgrade. One-half of all Spotsylvania subscribers are now cable modem capable - August 1999.
- H. Open access issue for cable modem ISP service is discussed by commission; consensus is to allow current court cases to run their course before adopting any position and wait for federal ruling - August 1999.
- I. Prestige announces intent to form "strategic alliance" with other major company, which leads to sale of franchise to Adelphia Communications of Pennsylvania, effective Summer 2000 - October / December 1999.
- J. Prestige provides cable debate forum for political candidates on PV3 in Spotsylvania and Stafford counties. Payment policy changing to walk-in/mail-in only. A Y2K upgrade has been installed, and Auto-Choice has been added as a new Pay Per View call-in system. Cable modem service is now online for 2/3 of Spotsylvania county subscribers. Beta testing ends December 1, with billing to start at that time for cable modem subscribers - October 1999.
- K. Spotsylvania School Board agrees to shared access of Ch. 17 with Board of Supervisors for a 10 month period beginning January 2000 while preparations are made for activation of new PEG channels, which are scheduled to be operational by June 2000 - October 1999.
- L. Cox announce additional changes to upgrade infrastructure and programming; cable system will now be 860 Mhz and fully 2-way capable, with expanded programming selections, including optional digital audio and video, to be introduced about June 2000. Immediate changes include the addition of The History Channel and ESPN2 to the Expanded Programming tier - December 1999.
- M. FCC adopts policy of "vigilant restraint", in effect forestalling any administrative effort

to modify existing regulations to require open access for independent ISPs to cable modem infrastructure on cable lines - December 1999.

N. Cox/Fox dispute results in temporary blackout of WTTG-Fox5 signal effective January 1, 2000. Significant increase in subscriber complaints occurs and Cox loses about 30 subscribers to satellite and Prestige systems. Re-transmission consent agreement is reached on January 6, 2000 with terms not disclosed by parties - December 1999/January 2000.

O. Prestige updates cable modem service contracts to permit home networks with no additional charge provided only one server computer connection is established. Expanded Basic service is required for cable modem service. The monthly cost structure for multiple service is as follows: \$13.00 - Lifeline Basic; \$20.95 - Expanded Basic; \$39.95 Cable Modem Internet Service; \$9.95 Cable Modem Lease or one time charge of \$240 to purchase modem; plus applicable fees, resulting cost without Premium channels is about \$80/month. Service upgrades are being phased in continuously to insure sufficient capacity as system is deployed - December 1999.

P. Prestige provides info on Photo Classifieds rates: [Full Page] Non-profits - \$40/mo.; Regular Ads - \$360/mo.; PSAs - free - December 1999.

Q. Cable commission establishes January 19, 2000 date for joint work session with representatives of Stafford and Fredericksburg cable commissions to explore options for managing public PEG channel network to be created by fiber optic interconnections between Cox and Prestige in Spotsylvania and Stafford counties - December 1999.

R. Annual election of Chair and Vice-Chair is held at December cable commission meeting; Mike Fahey is re-elected as Chair, and Herb Pritchett as Vice-Chair, with next election to take place in November 2000 upon return to by-monthly odd month meeting schedule.

#### FY2000 UPDATE

Due to delays caused by seating new members of the Board of Supervisors and budget work sessions, this update is added to cover ongoing events and discussions from the end of FY1999.

A. Cox Communications changes the Disney Channel to Expanded Basic tier and adds HBO-Family as a free premium channel bundled with HBO effective February 1st. Cox also announces plans to introduce Cox Digital Cable with over 200 video and music channels and internet telephony coming in mid-summer 2000 - December 1999/January 2000.

B. Spotsylvania, Stafford and Fredericksburg cable commission representatives meet to discuss possibility of creating regional entity to manage CATV PEG Channel network. Basic positions of individual commissions are established, with further interest established by all parties. Additional information on existing regional entities is requested of cable companies, with next meeting to be hosted by Fredericksburg in April - January 2000.

C. Prestige announces annual rate increase in Expanded Basic service tier from \$20.95 to \$23.45 effective April 1, 2000. All other charges to remain as is. Cable modem service installations continuing from Prestige's inquiry list; they are almost ready for full advertising campaign and service rollout. Prestige also reports minor subscriber cancellations from recent FCC regulatory changes that permit satellite service providers to carry local channels - February 2000.

D. Cox advises that fiber optic installation crews are laying cable on Lafayette Blvd. In anticipation of completion of cable service interconnect in March as scheduled. This effort results in

numerous complaints of service interruption due to construction contractor errors, which have been resolved. However, the commission notes that complaints were also received concerning Cox's customer service center response to these outages - February/March 2000.

E. By a unanimous vote, the cable commission members authorized the chair, Mr. Fahey, to propose to the Board of Supervisors a substantial change in the cable commission's structure and responsibilities. This resolution is based on recurring discussions concerning technological changes that are producing a convergence of personal computers, television and audio/stereo receivers, and telephones, and it reads as follows:

It is the commission's collective opinion that the concept of a cable system as a medium primarily intended for the transmission of entertainment channels is obsolete. The cable companies already recognize this, and are in the process of restructuring to change from being single to multiple service providers. To make this possible, they are investing massive amounts of money in fiber optic cable, digital laser transmission equipment, sophisticated network server computers and routers, digital signal processors, and telephony devices which will allow Internet voice and video communication. Another related development from the software side is the growing influence of the Internet as a primary medium of commerce as well as communications, due to advanced security and encryption algorithms.

It is time for Spotsylvania to recognize that a paradigm shift has taken place, and that new methods and structures are required at the government and community levels to cope with the changes that are occurring. One such change that can help is to rename the Spotsylvania Cable Commission and to expand its functions and structure to deal with telecommunications and related information systems issues. A proposal will be offered at the end of this report for your consideration that we believe will allow us to continue to fulfill our current responsibilities and deal with the new types of related issues that have arisen due to the circumstances mentioned above - February 2000.

F. Chris Hinzman is appointed to replace John Galyean (who passed away last fall) as the school board representative to the cable commission. Chris is the acting director for technology while a search for a permanent replacement for Mr. Galyean is conducted, and seems willing and eager to help and share info with other county departments - March 2000.

G. Mike Gray, the Battlefield District representative to the cable commission, submitted his resignation due to conflicts with his job schedule, effective after the March cable commission meeting - March 2000.

H. Prestige Cable advises that they have 12 nodes left to light up, some of which are in rural areas, to light up before the cable modem service is fully operational. Work on these nodes in progress, and they expect full operation no later than July 1st. - March 2000.

I. The cable commission has requested a presence on the county's web site similar to those found in other localities (e.g., <http://www.ci.charlotte.nc.us/cibss/catv/index.htm> .) The cited example is in Charlotte, NC, and is interesting for several reasons. (1) It contains information about shared PEG channel access between Prestige and Time-Warner. (2) It informs the citizens about the makeup and function of the CATV commissions at the jurisdictional and regional level. (3) It provides information on how to submit comments and complaints by mail, phone and email. (4) It answers a number of frequently asked questions about cable service. And (5) it provides useful links to other related jurisdictional services. We have a number of items we would like to include, and look forward to working with the county administrator's office and the county webmaster to move this project forward - March 2000.

## II. Summary by the Chair:

As Chairperson for the cable commission, I am pleased to be able to provide such a positive report on the status of our local cable system. Our overall number of complaints regarding transmission quality have nose-dived to near zero as a result of the installation of a fiber optic backbone by Prestige Cable, and

the elimination of the microwave towers and amplifiers which were inadequate, from a technical perspective, in covering the large physical area of this county.

The rapid deployment of this new infrastructure is a direct result of our common decision [the Commission and the Board] to pursue an informal negotiating process as the appropriate means to achieve a re-franchising agreement which meets both the objectives of the cable service providers and the present and future needs of our citizens. That is not to say that these system overhauls have occurred without problems, but in the context of the magnitude of what is now being provided, they are minor in character and duration.

When one reflects on the number and magnitude of the changes that have taken place in the last 15 months, it is hard not to be overwhelmed with the pace with which they have occurred. We have gone from two single service systems with no two way transmission capability, to an interconnected multi-service cable and telecommunications network which is as sophisticated as any in this country.

The benefits to be realized from this development are still emerging for those early adopters who have acquired Web TV capable equipment and/or purchased or leased cable modems, rewired their homes and/or places of business, and attempted to familiarize themselves with the rapidly changing technologies that have opened up to them. We expect most of the technological convergence to occur within the next five years, with the TV and Internet channels becoming increasingly complementary in the overall programming effort. In the meantime, I would like to point out some of the potential benefits we see as a commission, and ask that you support our efforts to facilitate their development.

A. The ability is to provide distance learning opportunities to all citizens of this region, via the Spotsylvania Secondary School System & Vocational Center, Germanna Community College, the Mary Washington College & James Monroe Graduate School campuses, and such other public and private institutions as may choose to participate. With the kind of Internet connectivity we now enjoy, these facilities can be local, regional, statewide, national or international in character. In addition, the cable system can serve as the backbone for the Regional Virtual Governor's School, reducing communication costs and improving broadband transmission capabilities. There really are no limitations other than our own abilities to organize and make use of what is available.

B. The opportunity to provide informative video content about medical, legal and social services available to the citizens. This can include not only contact information, but programs on health and safety issues; well-baby and elderly parents care, how to perform health related self exams, alternate language aides, and presentations of available programs by the American Red Cross, United Way, Rappahannock Area Agency on Aging and other similar groups.

C. The ability to view cultural programs created by many community institutions, such as concerts, plays, and sports events, or special programs that might be offered by such agencies as the Central Rappahannock Regional Library or Cooperative Extension Service.

D. The Parks & Recreation department could offer programs on youth sport coaching and skill development, arts and crafts instructions, and preparatory classes for prospective referees and umpires. League championship games could be televised, for the benefit of interested parents, players and coaches as well as the rest of the community.

E. Programs related to business interests could be offered by the Chamber of Commerce, Business Roundtable, Industrial Development Authority, and Economic Development Office. Tourism-related programming would also be a likely type of video content to provide.

All of these programs are either already available or could be produced within the next few years through public and private facilities that already exist in our community, and with the costs assumed by the institutions providing the content. This is already being done right down the highway by the regional cable commission formed by the town and county of Culpeper, two jurisdictions much smaller than our own. We need only the will to proceed, and that the Board must supply.

The proposal is outlined in more detail in the handout that accompanies this report. We hope you will give it the serious consideration it deserves.

Respectively submitted,

Michael S. Fahey, Chair

Spotsylvania Cable TV Commission