

Spotsylvania County Government
Cable Television and Telecommunications
Commission

2002 ANNUAL REPORT

The last annual report was given to the Board of Supervisors in February of 2002.

February 2002

- Don Shelby assumed the role of Chairperson and Scott Meade assumed the role of Vice Chairperson.
- Cox's customer base had not increased.
- Adelphia customers were notified by letter that they are adding a Technical Center at a \$12m investment.
- The Network Migration took place on January 30th and was successful, although Adelphia has encountered some typical, minor issues. The circuit capacity has doubled and is now more evenly distributed. The feedback from customers has been good since the migration.
- The increase of \$39.95/month to \$42.45/month (approximately) in cable modem rates was postponed until after the migration.
- Ms. Jacque Hirsch, a GCC Information Technology Representative, informed the Commission that Germanna Community College now has a cable TV connection at their Fredericksburg campus. It is now in two locations and can be expanded in the future.
- Adelphia does run temporary ads for agencies like the Red Cross, but does not want to run long-term ads because they would take up inventory and are not revenue producing.

March 2002

- Cox had bided on the AT&T Broadband properties, but Comcast won the bid.
- Cox connected fiber to Spotswood Elementary per the cable franchise agreement.
- Sprint is the vendor Adelphia's connection is through.

- Two fiber cables were moved from Massaponax High School and connected to Parkside Elementary.
- **The FCC ruling reclassifying broadband via cable modem as an "information service"**. The article (http://dc.internet.com/news/article/0,,2101_991361,00.html) on the ruling was distributed and it was requested that this information be sent to the County Attorney and have him decipher it. This ruling no longer allowed the County to collect franchise fees on cable modem service.
- A motion was made to have Mr. Fahey form and chair a subcommittee for the **benefit of establishing Stage 2 PEG Channel rules**. The following people were recommended for the subcommittee: Jane Reeve, Spotsylvania County Government; Jacque Hirsch, Germanna Community College; Chris Glover, Central Rappahannock Regional Library; and Janet Balas, Spotsylvania County Schools.

April 2002

The number of Adelphia digital subscribers is 9,006, which is part of the total number of basic subscribers of 22,754.

Effective June 1, 2002, there were service rate increases and expanded programming. In addition, as of June 1, 2002, the analog premium and pay-per-view services were no longer available, but these services will remain in place on Adelphia's digital lineup. Rates for additional connections were not increasing.

The last increase for basic service was May 1, 2001, and there has been a 20% increase in cable related services in one year in response to Adelphia's operations costs rising.

The Commission stated that there are too many channels being offered by Adelphia that nobody watches and would like to see fewer channels with better content. The Commission also noted that Adelphia could control costs by limiting content, and that the new channel, the Product Information Network, is simply one long infomercial.

Cox Cable launched the Hallmark channel and the Latino Channel. The Commission was also informed that technical support for high speed Internet service is now in Chantilly, Virginia, instead of Tyler, Texas.

PEG CHANNEL - The \$5,000 for a DV Cam had been approved for FY'03, and the PEG Subcommittee will have to (1) construct a set of programming rules, and (2) consider the technical aspects and whether additional equipment will be needed. It was requested that the PEG Policy be posted on the Commission's web page.

Mr. Glover of the Central Rappahannock Regional Library made a presentation to the Commission entitled 'Bringing a World of Information to the Citizens of Spotsylvania, Stafford, Fredericksburg, and Westmoreland'.

Cox has installed 82 cable modems in Spotsylvania since October 2001, at a monthly cost of \$34.95 per month.

Mr. Shelby addressed the legislation that gives local governments in Virginia authority to provide affordable high-speed telecommunications service to residents, where the state funds some wireless Internet access. Last year legislation was passed in Virginia that made it possible for a municipality to compete against a local operator in either telecommunications and/or video.

Adelphia noted no slowdown due to financial issues and it was business as usual.

June 2002

Adelphia noted that 3 of the additional 4 dispatchers for the 24/7-dispatch operation in the local office are on board and the operation should be in place by July 1, 2002.

Adelphia has added three new channels that are on the Extended Basic Tier:

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|-----------------------------|----|
| Hallmark Channel | 28 |
| Product Information Network | 29 |
| Inspiration Network | 30 |

The PowerLink rate increase will be effective 7/1/02.

Due to current liquidity problems, Adelphia is unable to build the River Club project at this time, but they do intend to extend cable to River Club in the future. The Commission formally advised Adelphia that this was a problem and requested Adelphia to get a definite time frame and report back to the Commission. The Commission also asked the alternative provider, Cox, to give the Commission information on their system in relation to this project. In addition, Adelphia was requested to advise the Commission at the first sign of a problem with the function of the local operation.

The Commission was informed of a meeting that is being held by the Blue Ridge Power Association on the sale of the Adelphia Cable Virginia System on June 21 in Charlottesville. It was recommended that Mr. Fahey attend the meeting as the Commission's representative.

Mr. Brittain has agreed to serve with Mr. Fahey on the PEG Channel Subcommittee. Eleven people attended the last meeting and the subcommittee was broken up into three task groups:

Policy & Procedures Task Group (Mike Fahey)
Technical Operations (Jane Reeve)
Community Outreach Program (Bert Brittain)

Mr. Hostler submitted his resignation to the Commission.

September 2002

Effective October 1, 2002, Cox will provide all Fredericksburg area customers, including Stafford and Spotsylvania, with 24/7 customer service from their Herndon, VA call center. Technicians will still be based locally, but dispatch will be located in Springfield.

The Commission requested, from both Cox and Adelphia, any plans for Cox to expand into the Spotsylvania County Industrial Park area and on the placement of their closest node to any office/industrial/commercial sites within the County, the distance from the last node to the site, and how much it would take to bring the service into the site (data transmission and/or video signal). The Commission also requested that the County prepare a map of the current County office/industrial/commercial sites, which can then be used by both Adelphia & Cox to pinpoint their closest locations of service to those sites.

Cox informed the Commission that when dispatch realizes there is a large outage in a particular area, Cox will update their IVR (Interactive Voice Response) System so that callers will hear the most recent information regarding that outage.

Adelphia is making improvements to their Call Center so that the reps will have more information on a regular basis, including outage information, differences in packages and rate codes.

The Commission was updated on Adelphia's local Dispatch Center, which is the key to monitoring customers' problems on a round-the-clock basis. Adelphia brought on three additional dispatchers. Adelphia now runs their local dispatch office from 7:30 a.m. to 7:00 p.m., Monday through Friday, 8:00 a.m. to 5:00 p.m. Saturday & Sunday. These hours will be extended during the weekdays first and then eventually hours will be 24/7. Due to the loss of two of the employees, the 24/7-coverage should begin November 1st.

Adelphia performed a PowerLink platform enhancement, which will make for a more efficient process of provisioning the modems. The first phase took place on Tuesday, September 17th and the second phase took place on Wednesday, September 18th.

The bankruptcy meeting in Charlottesville regarding Adelphia was discussed. The Blue Ridge Power Agency is the core of the organization that organized the meeting. It is a provider, but it services, through its member group, several different jurisdictions in the Central Virginia area. There was a large spectrum of Counties and Cities that attended the meeting with the intent of tracking what was

going on with Adelphia at the time. Local governments do not have any more standing than a private creditor, once a company goes into Chapter 11.

\$500M was the initial funding granted by the bankruptcy courts. Within days of the filing, there was an order by the bankruptcy court stating that funds were to be set aside for franchise fees. A number of jurisdictions have hired the same Washington lawyers, with Jim Baller as the lead attorney, who are basically the focal point for information dissemination on the bankruptcy process itself and its implications for each of the jurisdictions. The jurisdictions that have joined are mainly in the Charlottesville area.

A group of localities from Virginia, Maryland, and Delaware have agreed to split the cost of Attorney Jim Baller, and his group, – a 40/40/20 split. They are trying to negotiate a monthly cap, between \$15,000 and \$20,000. Mr. Scott will discuss the possibility of Spotsylvania participating in this group via VACO with Mr. Mark Taylor, the County Attorney.

Lisa Cash of Adelphia Cable has been given the System of the Year Award by the Virginia Cable and Telecommunications Association in recognition of outstanding customer and technical service and public relations.