

Kitty M. Vetter, Vice-Chair, District 3 Legislator



AnnMarie Martin, Clerk

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Dear Colleagues/Leaders of Broadband Issues,

It is our understanding that a decision regarding the Comcast/Time Warner merger will soon be made by the FCC. At this critical juncture, which is likely to have a major impact on rural counties in New York, we would like to see certain service, pricing and network upgrade agreements put in place to guarantee the availability of affordable services for all citizens.

Here are our requests and arguments justifying them:

- We are requesting that the New York broadband standard definition of 6 up and 1.5 down be used as a requirement instead of the federal standard of 4 up and 1 down.
- At present the cable companies are only willing and required to build out road segments with 20 or more homes or businesses per mile, contiguous with their existing plant. This needs to be changed to require that cable companies build out to all residences and business in their footprints, including those isolated communities that may be up to a few miles beyond the reach of their current plant. As cable companies' footprints do not overlap, and this is not deemed a violation of antitrust, no service gaps between these footprints should be allowed.
- Fair and realistic amounts of subsidization per mile, should be provided from the USF. This should not be based on any minimal number of homes or residences passed, but rather have the mandate of passing every home and business no matter how sparse the population. It is precisely those areas, that are not self sustaining, that are exactly the ones the USF monies should be subsidizing. These monies should be available without an auction or grant or competition. Cable companies should be allowed to apply for reimbursement on a sliding scale based on the number of homes passed. The FCC can set a competitive reimbursement amount for the cable companies and the Counties can provide the homes/businesses passed data.

- With the looming abandonment of the copper network, cable becomes the land line provider of last resort for telephone services to all residences and businesses in their rural footprints.

Many locations in rural upstate New York do not currently have and may never have adequate mobile telephone coverage for voice and so cannot transition to an all wireless network. In mountainous areas where the mobile service providers build large towers, the signal does not penetrate down into the narrow valleys, where the windy roads, with the homes and businesses, are located. Many areas do not have small wireless service providers, so no organizations are building out the finer mesh networks that would be required to provide wireless service to these geographically challenged areas.

- A clear and short time frame to complete this cable build out must be agreed to by Comcast/Time Warner, at this time, before the merger approval is granted.

Without a specific deadline to complete the build out to all residences and business in the rural counties, there is a danger that these rural areas may not be addressed for decades.

- All Cable companies that hold a franchise and provide broadband and/or telephone services in rural New York counties should be required to provide full disclosure of information about their current and future coverage plans, service offerings, and pricing for those areas where they are a monopoly or duopoly cable service provider.
- Deny requests for the cable companies to withhold this information.

\*STATE OF NEW YORK PUBLIC SERVICE COMMISSION Case 14-M-0183:  
Joint Petition of TIME WARNER CABLE INC. and COMCAST CORPORATION  
For Approval of a Holding Company Level Transfer of Control; SUPPLEMENTAL  
STATEMENT OF COMCAST CORPORATION AND TIME WARNER CABLE INC. ON  
SECRETARY'S SECOND REMAND OF FOIL ISSUES

\* State of New York Department of Public Services - current examination of the telecommunications industry in New York

- In rural areas, where monopoly or duopoly pricing exists, cable pricing, for broadband and telephone services needs to be regularly monitored and government regulated.
- The FCC and the Congress have obligations to audit Time Warner and Comcast and to oversee and scrutinize their financial reporting.

In 1995, the FCC created the “Social Contract” — an Order to grant the cable companies financial assistance for upgrades of the cable plant for new services, as well as fixing quality-of-service issues. Time Warner<sup>15</sup> and Comcast<sup>16</sup>, among others, could charge basic cable subscribers up to \$5 a month extra on cable bills. The Social Contract was supposed to expire in the year 2000. After 2000, there was no oversight or investigations and the companies never lowered their rates to remove this extra federally-added charge on customers’ bills.

The FCC needs to conduct full audits of every Municipality with a Time Warner or Comcast Franchise to determine if the Social Contract, at \$5.00 a month is still being collected and if so it should be removed and the company should refund excess charges.

Also, this audit should include whether the costs to 'basic rate' customers have been inflated because the other areas have not contributed their fair share.

- SEE: [http://huffingtonpopst.com/bruce-kushnick/questions-every-time-warner\\_b\\_5497049.html](http://huffingtonpopst.com/bruce-kushnick/questions-every-time-warner_b_5497049.html)
- The FCC cannot permit the abandonment of the copper network until cable passes every home and business in Rural Upstate New York. Until the cable network is completely built out, or DSL is available to all residents and businesses, the FCC must require the telephone companies to maintain their copper networks in the rural areas.

We feel that the FCC needs to take a strong stand to make sure that broadband reaches all American residents and businesses. We believe the public good is the responsibility of the FCC and would like to see the FCC require Comcast / Time Warner to enter into a legally binding agreement to build out their network so that it passes every home and business in their rural upstate New York footprints by the end of 2018.

In conclusion, we request that the FCC Committee on Broadband address our concerns before consenting to the Comcast/Time-Warner merger.

Respectfully,

Kitty Vetter  
Sullivan County Vice-Chairman  
Sullivan County Legislature