

MEMORANDUM

July 27, 2006

TO: Management and Fiscal Policy Committee

FROM: Sonya E. Healy, ^{SEH}Legislative Analyst

SUBJECT: Quarterly Review—Comcast Cable Communications and RCN Customer Service

The Management and Fiscal Policy (MFP) Committee is holding this worksession to review customer service performance for Comcast Cable Communications and RCN to ensure that performance measures established by the County's franchise agreements are being attained. This memorandum includes an evaluation of customer service performance for the first and second quarters of 2006 and a review of additional issues that have emerged during this period.

As part of the County's Department of Technology Services, the Office of Cable and Communications Services continually monitors customer service data for Comcast and RCN and takes complaints about Verizon's Fiber to the Premises (FTTP) Project. As the Committee knows, Verizon has broken off all negotiations related to obtaining a franchise agreement and has filed a lawsuit against the County (© 36-37). Verizon representatives were invited but are not expected to attend this meeting.

The Office of Cable and Communications Services' staff actively works with company representatives to resolve a variety of issues. Jane Lawton, Cable Communications Administrator, will attend the Committee worksession to provide information on these ongoing efforts. Representatives from Comcast and RCN are expected to attend the worksession.

I. CABLE TELEVISION GUIDELINES

Pursuant to the 1992 Cable Television Consumer Protection and Competition Act, the Federal Communications Commission (FCC) adopted guidelines for improving the quality of customer service provided by cable operators. During the last ten years, FCC standards have become boilerplate language in most local cable franchise agreements, including the County's agreements with Comcast and RCN. These agreements establish numerical standards for minimum customer service requirements that are virtually identical to FCC standards.

The following is a summary of the FCC standards that are part of the County's franchise agreements (© 1-2). Although Comcast and RCN are required to provide monthly reporting

numbers, their performance is measured quarterly to determine compliance. A violation of these minimum customer service standards may result in fines being levied against a franchisee.

A. Subscriber Calls to a Cable System

Unless otherwise noted, the following requirements must be met 90 percent of the time, measured quarterly, under normal operating conditions. In the County's franchise agreements normal operating conditions are defined as, "Those service conditions which are within the control of the cable operator." These conditions include special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or rebuild of the cable system.

1. Each cable system must maintain a local, toll-free, or collect-call telephone line that must be available 24 hours a day, seven days a week.
2. Company representatives must be available to respond to customer inquiries during normal business hours, which is defined as the hours during which most similar businesses in the community are open to serve customers.
3. After normal business hours, the cable system may use an answering service or machine, so long as messages are responded to the next business day.
4. A call to a cable system must be answered (including the length of time the caller is put on hold) within 30 seconds after the connection is made. If the call is transferred, the transfer time may not exceed an additional 30 seconds.
5. Cable system customers may receive a busy signal no more than three percent of the time.
6. Although no special equipment is required to measure telephone answering and hold times, cable operators should use their best efforts in documenting compliance.

B. Installations, Service Interruptions, and Service Calls

The following requirements for installations, outages, and service calls must ordinarily be met at least 95 percent of the time, measured quarterly, under normal operating conditions.

1. The federal guidelines state that standard installations, which are those located up to 125 feet from the existing distribution system, must be performed within seven days after an order has been placed.
2. Except in situations beyond their control, cable operators must begin work on a service interruption no later than 24 hours after being notified of the problem. A service interruption has occurred if the picture or sound on one or more channels has been lost.

3. Cable operators must begin to correct other service problems the next business day.
4. Cable operators may schedule appointments for installations and other service calls either at a specific time or, at a maximum, within a four-hour time period during normal business hours.
5. Cable operators may also schedule service calls outside of normal business hours for the convenience of the customer.
6. No appointment cancellations are permitted after the close of business on the business day prior to the scheduled appointment. If the cable installer or technician is running late, and will not meet the specified appointment time, he or she must contact the customer and reschedule the appointment at the convenience of the subscriber.

II. CUSTOMER SERVICE PERFORMANCE

A. Comcast Summary

For the first quarter of 2006, Comcast was out of compliance in three out of four cable customer service standards. This information is provided in Table 1 below. At the time this packet went to print, Comcast had not provided customer service numbers for June 2006, so staff cannot determine if the company is in compliance with the customer service standards for the second quarter; however, the May 2006 data shows improvement. The Office of Cable and Communications Services has sent a warning letter to Comcast, and the company has the June through August reporting period to meet the required customer service standards or be subject to liquidated damages (© 4-5).

**TABLE 1: Customer Service Summary Information Provided by Comcast for Video
January – June 2006**

Category of Service	Jan.	Feb.	Mar.	April	May	June
Percentage of calls answered in 30 seconds (90% required by franchise agreement)	86	91	86	83	90	*
Percentage of calls receiving a CAE connection within 60 seconds (90% required by franchise agreement)	84	91	85	82	92	*
Percentage of repairs performed within 24 hours (95% required by franchise agreement)	85	92	95	91	98	*
Percentage of installations performed in 7 days (95% required by franchise agreement)	98	98	98	97	100	*

* Data has not been provided.

As required by Executive Regulation 26-03AMII, Cable Modem Service Standards, September 2004 was the first month both companies were required to provide the County with customer service data related to high-speed Internet service. Both companies are now providing customer service information for high-speed data service to the Office of Cable and Communications Services. Comcast is out of compliance in the first quarter of 2006 for cable modem repairs performed within 36 hours (at 90 percent instead of 95 percent). Comcast has not provided June data to the Office of Cable and Communications Services, so staff cannot determine compliance for the second quarter of 2006. Comcast has received a warning letter about noncompliance with the cable modem standards.

B. RCN Summary

In the first quarter of 2006, RCN was in compliance with three of the four cable customer service standards required by the franchise agreement. The company was out of compliance in both quarters for the percentage of calls receiving a customer account executive connection within 60 seconds. This information is provided in Table 2 below. The Office of Cable and Communications Services has sent a warning letter to RCN, and the company has the June through August reporting period to meet the required customer service standards or be subject to liquidated damages (© 5).

**TABLE 2: Customer Service Summary Information Provided by RCN for Video
January - June 2006**

Category of Service	Jan.	Feb.	Mar.	April	May	June
Percentage of calls answered in 30 seconds (90% required by franchise agreement)	99	99	99	98	98	98
Percentage of calls receiving a CAE connection within 60 seconds (90% required by franchise agreement)	79	84	77	83	76	51
Percentage of repairs performed within 24 hours (95% required by franchise agreement)	98	97	98	98	98	97
Percentage of installations performed in 7 days (95% required by franchise agreement)	100	100	100	100	100	100

As far as cable modem service standards are concerned, RCN is out of compliance for the first quarter of 2006 for calls receiving a customer account executive connection within 60 seconds (at 70 percent instead of 75 percent). In the second quarter, this level decreased to 55 percent. RCN has received a warning letter about noncompliance with the cable modem customer service standards (© 5).

C. Office of Cable and Communications Services Summary of Complaints

1. Customer Complaints

In the first quarter of 2006, the Office of Cable and Communications Services received 263 complaints from Comcast customers, which is up one percent from the same quarter in 2005 (© 7). The majority of these complaints are for service (58%), billing (34%), and cable line problems (26%). In the second quarter, the Office of Cable and Communications Services received 387 complaints, which is down 25 percent from the same quarter last year. The majority of these complaints are for service (74%), reception (36%), and Internet service (34%) (© 7).

The Office of Cable and Communications Services received 13 complaints from RCN customers in the first quarter of 2006, which is up 44 percent from the first quarter in 2005 (© 8). The majority of these complaints are for billing (62%). For the second quarter of 2006, the Office of Cable and Communications Services received 15 complaints, which is more than double the complaints received for the same quarter in 2005 (© 8). These complaints are mostly related to billing (60%). RCN has only a fraction of the customers that Comcast serves.

The Committee should note that none of the complaint numbers provided in Table 3 below include calls from subscribers about cable rates.

TABLE 3: Customer Service Complaints to the Office of Cable and Communications Services January-June (© 7-8)

Issue Category	Comcast Complaints	RCN Complaints
Billing	155	17
Service	438	2
Programs	6	0
Cable Modem	178	5
Telephone	38	7
Reception	196	1
Construction	10	0
Marketing	20	1
Installation	41	0
Serviceability	7	0
Cable Line Related	144	0
Other	47	2
Total Issues Generated *	1,280	35
Total Complaints	650	28

* This total includes multiple complaints covering different issues filed by the same customer.

2. Construction Violations

During the first quarter of 2006, Columbia Telecommunications Corporation (CTC) reported 2,150 Comcast construction violations, which is 32 percent more than the last quarter of 2005 and a 13 percent increase from the same quarter in 2005 (© 12-13). During the second quarter of 2006, CTC reported 2,199 construction violations, which is up 2 percent from the first quarter and up 38 percent from the same quarter last year (© 21-22).

In the second quarter, CTC continued its inspection of the down-County areas. The majority of problems were related to the main line plant along the streets. Approximately 66 percent of the violations reported during the quarter were in the construction category, with most issues related to clearance and tree guards (© 22). Almost 30 percent of violations reported in the second quarter were related to drop installations and included cables that were not secured to poles as they transition underground to homes or were unsecured at the point of entry to the home. CTC reported seven inspection alerts in the second quarter (© 23). Comcast corrected each of these alerts within seven days.

Comcast continues to improve on their reinspections. During the second quarter, CTC revisited 997 first quarter violations and reported that 92 percent had been properly corrected (© 23). CTC also revisited all first quarter alerts and found that all have been properly repaired.

**TABLE 4: Construction Inspection Summary—Reported Violations for Comcast
1st Quarter 2005 – 2nd Quarter 2006**

Type of Problem	2005 1 st Quarter	2005 2 nd Quarter	2005 3 rd Quarter	2005 4 th Quarter	2006 1 st Quarter	2006 2 nd Quarter
Construction	753	736	566	370	1013	1460
Design	248	170	140	219	0	0
Equipment	123	173	193	201	242	48
Restoration	37	336	260	209	56	58
Subscriber Drops	339	485	440	630	839	633
Totals	1,500	1,900	1,599	1,629	2,150	2,119

(Note: Data compiled from CTC's Testing and Inspection Reports.)

During the first quarter of 2006, CTC reported a total of 478 construction violations for RCN, which is a 61 percent increase from the same quarter last year (© 26-27). Second quarter violations increased by approximately 50 percent, which brings the total number of violations to 715 (© 29-30). During the fourth quarter of 2005, CTC did not conduct inspections of the RCN system because RCN has not reported any new construction.

Most RCN violations were for unsecured lashings which caused cables to sag. Guy wires were also improperly installed. CTC reported that there were a number of areas where RCN cables did not meet the proper clearance requirements to separate their cables from those of Comcast or other utility providers. One action alert, where cables were lying in the roadway, was corrected in the first quarter (© 26). Another action alert was issued in the second quarter for a cable splice enclosure that fell into the roadway and obstructed traffic (© 30). RCN corrected the problem immediately.

During the second quarter, RCN reported that it had fixed all violations reported during 2005. CTC reinspected 414 of the violations and found that 13 percent were still not corrected as reported. RCN has not responded to any of the 478 violations reported during the first quarter of 2006. CTC reinspected 194 of these violations and found that 54 percent had not been corrected (© 30).

**TABLE 5: Construction Inspection Summary—Reported Violations for RCN
4th Quarter 2004 – 4th Quarter 2005**

Type of Problem	2005 1 st Quarter	2005 2 nd Quarter	2005 3 rd Quarter	2005* 4 th Quarter	2006 1 st Quarter	2006 2 nd Quarter
Construction	176	111	56	7	393	655
Design	85	246	2	0	0	0
Equipment	4	4	1	0	0	0
Restoration	0	0	0	0	0	0
Subscriber Drops	31	14	10	1	85	60
Totals	296	375	69	8	478	715

* CTC did not conduct inspections of the RCN system, but found violations during the course of their inspections of the Comcast system.

III. Other Issues

A. Congressional Activity

The Communications Opportunity, Promotion, and Enhancement (COPE) Act of 2006 (HR 5252) is a broad telecommunications bill designed to update federal laws to address changes in voice, video, and data services. The bill, authored by House Energy and Commerce Committee Chairman Joe Barton, (R-Texas), would allow telephone companies to enter broadband and cable markets nationally without getting approval from local franchising authorities. This bill passed the House on June 8, 2006.

COPE would streamline the process for telephone and cable companies to offer television, voice, and Internet services in areas across the country. It includes rules for network neutrality, municipal broadband, and emergency 911 services on Internet telephone (VoIP) services. As currently drafted, HR 5252 does not protect local governments ability to regulate its right-of-way or to assist in resolving consumer complaints. COPE does not protect an open and neutral Internet or encourage equitable broadband deployment. It has minimal language on network neutrality and fails to ensure that broadband providers will extend service to areas they view as less-profitable. In addition, the bill lacks build-out requirements that would prevent companies from cherry-picking service areas.

The companion bill in the Senate, Communications, Consumers' Choice, and Broadband Deployment Act of 2006 (S 2686) was introduced by Senator Ted Stevens (R-AK), Chairman of the Senate Commerce Committee. This legislation is intended to reform existing communications laws affecting broadband and video access, the universal service fund, video franchising, wireless spectrum, community Internet, and network neutrality. Senator Daniel Inouye (R-HI), Ranking Member of the Committee, has co-sponsored the bill, but has indicated he does not support it as drafted.

This bill contains a sweeping set of policy reforms. It streamlines the cable franchising process for telephone and cable companies and promises cable competition in exchange for the elimination of local government negotiating power. This bill has no build-out requirements to ensure the expansion of video competition. Funding for public, educational and governmental access programming is absorbed by federal law. In addition, this bill offers to study network neutrality rather than creating enforceable protections. Consumer protection rules are to be created by the FCC, applied nationwide, and enforced by the states.

This bill (S 2686) passed the Senate Committee on Commerce, Science and Transportation on June 28, 2006 and is awaiting floor consideration. Senators Rockefeller (D-WV), Kerry (D-MA), Dorgan (D-ND), Boxer (D-CA), Nelson (D-FL), Cantwell (D-WA), and Lautenberg (D-NJ) voted against this bill since it did not adequately protect, among other issues, network neutrality or the build-out of broadband to unserved communities.

B. FiberNet and Cable Modem Services

The Office of Cable and Communications Services has worked closely with Comcast to improve communications and shorten repair response time to correct FiberNet outages. This improved communication has enabled Cable Office staff to notify public safety sites of planned FiberNet outages. The two sites that were slated for construction in the first quarter of 2006 were Montgomery Village Middle School and Damascus Recreation Center. After a delay, Comcast is now working on these sites, and the Office of Cable and Communications Services continues to work with Comcast to complete the remaining sites required under the franchise agreement.

Several County agencies and non-profit organizations have contacted the Office of Cable and Communications Services related to outstanding cable and high-speed Internet requests. Under the franchise agreement with Comcast, the company is required to connect and provide service to certain sites. Cable Office staff has met with Comcast management to discuss the slow down in installations.

C. King Farm

Several King Farm residents have reported Internet service problems and having to wait a significant period of time for Comcast to resolve their issues (© 32-34). Many reported that any service restoration is followed by yet another interruption soon thereafter.

Comcast staff reports that they tracked a limited number of King Farm customers and found two issue that may have impacted service to some customers in that area—nicked cable drops and problems with an amplifier caused by a power outage. Comcast replaced the nicked drops and replaced the amplifier. Comcast staff reports that they performed plant maintenance in King Farm, and technicians checked every tap to ensure that services were working.

IV. STAFF QUESTIONS

1. What factors contributed to Comcast being out of compliance with customer service standards in the first quarter of 2006 for cable and cable modem service? What changes is Comcast making to resolve these issues?

2. For the second quarter of 2006, calls to the Office of Cable and Communications Services Office are down by 25 percent from the same period last year for Comcast. Has Comcast made any changes to the way that service calls are handled that would explain this reduction?
3. What types of changes has Comcast made related to construction inspections to facilitate faster corrections of violations and inspection alerts? What changes have been made to dramatically improve reinspection rates? Why are first and second quarter construction violations up from the same quarters last year? Has Comcast been able to track any of these violations back to Verizon's construction for the Fiber to the Premises Project?
4. Council staff has received reports about pixilation disruptions for blocks of time on Comcast's digital service. What causes such a disruption, and is Comcast working on this issue?
5. What has contributed to RCN being out of compliance with customer service standards in the first and second quarters of 2006 for cable and cable modem service? What changes is RCN making to resolve these issues? What caused the dramatic drop in customers receiving a customer account executive connection within 30 seconds for cable modem service?
6. Has the Office of Cable and Communications Services received subscriber counts from RCN for the municipalities? If so, are franchise fees accurate based on this information?
7. What has caused the dramatic increase in RCN construction violations from the same time last year? What steps are being taken to remedy these issues?

This packet contains:

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Rates for channels sold on a per-channel or per-program basis are not regulated.

CUSTOMER SERVICE GUIDELINES

Pursuant to the 1992 Cable Act, the Commission adopted federal guidelines which provide a standard for improving the quality of customer service rendered by cable operators. These guidelines provide minimum levels of service which should be provided by a cable operator. The guidelines address issues such as the cable operator's communications with customers over the telephone, installations, service problems, changes in rates or service, billing practices and information that must be provided to all customers. **Although the standards were issued by the Commission, local franchising authorities are responsible for adopting and enforcing customer service standards. Franchising authorities may also adopt more stringent or additional standards with the consent of the cable operator or through enactment of a state or municipal law.**

Subscriber Calls to a Cable System

Under the federal guidelines, each cable system must maintain a local, toll-free or collect-call telephone line available 24 hours a day, 7 days a week. During normal business hours, company representatives must be available to respond to customer inquiries. After normal business hours, (the hours during which most similar businesses in the community are open to serve customers), the cable system may use an answering service or machine so long as messages are answered the next business day. In addition, the cable system's customer service center and bill payment locations must be conveniently located and must be open at least during normal business hours and should include at least one night per week and/or some weekend hours.

A call to a cable system must be answered -- including time the caller is put on hold -- within 30 seconds after the connection is made. If the call is transferred, the transfer time may not exceed 30 seconds. Also, cable system customers may receive a busy signal no more than three percent of the time. Although no special equipment is required to measure telephone answering and hold time, cable operators should use their best efforts in documenting compliance. These requirements must be met 90 percent of the time, measured quarterly, under normal operating conditions.

Installations, Service Interruptions and Service Calls

Federal guidelines state that standard installations -- which are those located up to 125 feet from the existing distribution system -- must be performed within seven days after an order has been placed. Except in situations beyond its control, the cable operator must begin working on a service interruption no later than 24 hours after being notified of the problem. A service interruption has occurred if picture or sound on one or more channels has been lost. The cable operator must begin to correct other service problems the next business day after learning of them. Cable operators may schedule appointments for installations and other service calls either at a specific time or, at a maximum, during a four-hour time block during normal business hours. Cable operators may also schedule service calls outside of normal business hours for the convenience of the customer. No appointment cancellations are permitted after the close of business on the business day prior to the scheduled appointment. If the cable installer or technician is running late and will not meet the specified appointment time, he or she must contact the customer and reschedule the appointment at the convenience of the subscriber. These requirements concerning installations, outages and service calls must ordinarily be met at least 95 percent of the time, measured quarterly, under normal operating conditions.

Changes in Rates or Service and Billing Practices

Thirty days advance written notice (using any reasonable written means) must be given to subscribers and local franchising authorities of any changes in rates, programming services or channel positions, if the change is within the control of the cable operator. Cable operators are not required to provide prior notice of any rate change that is the result of a regulatory fee, franchise fee, or any other fee, tax, assessment, or charge of any kind imposed by a Federal agency, State, or franchising authority on the transaction between the operator and the subscriber. Cable system bills must be clear, concise and understandable, with full itemization. Cable operators should respond to written complaints about billing matters within 30 days. Refunds must be issued no later than either the customer's next billing cycle or 30 days following resolution of the request, whichever is earlier, or upon the return of equipment when service is terminated. Credits must be issued no later than the billing cycle following the determination that a credit is warranted.

Information to Customers

The following information must be provided to customers at the time of installation and at least annually to all subscribers and at any time upon request: products and services offered; prices and options of programming services and conditions of subscription to programming and other services; installation and service maintenance policies; instructions on how to use the cable service; channel positions of programming carried on the system; and billing and complaint procedures, including the address and telephone number of the local franchising authority's office.

UNAUTHORIZED RECEPTION OF CABLE SERVICES

The 1984 Cable Act provides damages and penalties of up to two years in prison and/or \$50,000 in fines to be assessed against anyone determined to be guilty either of the unauthorized interception or reception of cable television services or of the manufacture or distribution of equipment intended to be utilized for such a purpose. The Commission does not prosecute unauthorized reception of cable services. Rather, cable operators aggrieved by a violation may bring an action in a United States district court or in any other court of competent jurisdiction. Knowledge of violations should be reported directly to the cable system.

SIGNAL CARRIAGE REQUIREMENTS

The 1992 Cable Act established new standards for television broadcast station signal carriage on cable systems. Under these rules, each local commercial television broadcast station was given the option of selecting mandatory carriage ("must-carry") or retransmission consent ("may carry") for each cable system serving the same market as the commercial television station. The market of a television station is established by its Area of Dominant Influence ("ADI"), as defined by Arbitron and/or modified by the Commission. Every county in the country is assigned to an ADI, and those cable systems and television stations in the same ADI are considered to be in the same market. Upon the request of a television station or a cable system, the Commission has the authority to change the ADI to which a station is assigned. As a result of Arbitron abandoning the television research business, the Commission has determined that, effective January 1, 2000, the market of a television station shall be its Designated Market Area ("DMA") as determined by Nielsen Media Research.

Must-Carry/Retransmission Consent Election

Every three years, every local commercial television station has the right to elect either must-carry or retransmission consent. The initial election was made on June 17, 1993, and was effective on October 6, 1993. The next election occurred on October 1, 1996, and was effective January 1, 1997. All subsequent



DEPARTMENT OF TECHNOLOGY SERVICES

Douglas M. Duncan
County Executive

Alisoun K. Moore
Chief Information Officer

MEMORANDUM

July 25, 2006

To: Management and Fiscal Policy Committee

FROM: Jane Lawton, Cable Communications Administrator
Office of Cable and Communications Services

SUBJECT: Quarterly Customer Service MFP Worksession
First and Second Quarter, 2006

I. Customer Service Issues:

1. Rate Increases - Both Comcast and RCN increased their rates for the Preferred/Basic tier of service in January 2006. On July 1st Comcast lowered the rates for some equipment and installation charges.

A. Comcast:

1. Comcast Management Changes- There have been some upper-level management changes at Comcast, the Atlantic Division has been abolished and the Maryland Region has been moved to the Eastern Division. Regulatory and Financial reporting has changed. This will not affect the daily management operations of the Montgomery County System. Cable staff met with Sanford Ames, the General Manager of the Montgomery County and the Prince George's County systems this week along with Angela Lee, Comcast's Director of Government Affairs to discuss customer service and construction report issues.

2. Free Video and Cable Modem Obligations - Within the past month the Cable Office has received inquiries from various County agencies and non-profit agencies concerning outstanding Comcast -obligated cable and high speed internet requests. The Cable Office staff met with Comcast management to discuss the slow down in installations. This was also raised at the meeting with Comcast officials this week. Comcast will be getting back to us in two weeks with regard to this matter.



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3. Privacy Notice- Comcast submitted their Privacy Policy to the County on April 3rd. The Privacy Policy remained unchanged from the 2005 version, and once again this year, the County does not approve of the proposed notice because various provisions of the notice purport to permit actions that could violate the law.

4. Services: Family Tier of Service - A Family Tier of service began being offered by Comcast on May 1st. The Family Tier is a limited package of services that are family friendly. Disney, Nickelodeon, National Geographic and Toon Disney are just a few of the channels available in this package.

5. Digital Voice - Comcast now offers Digital Voice to a about 80% of the County. Subscribers now have the ability to take advantage of the triple-play bundle offered by Comcast. RCN also offers bundled services.

B. RCN:

1. Penalties: A fine and interest was assessed to RCN for submitting their 1st quarter franchise fees late.

2. Municipal Franchise Fees - In analyzing the municipal franchise fee report, we notice that there were no reported municipal fees in the Town of Chevy Chase, even though we were aware of customers in that jurisdiction. When we asked RCN we found that they have been including the Town of Chevy Chase payment in the "Other Montgomery" category. Section 8 (c) of the RCN franchise agreement requires the company to "indicate the number of subscribers within the corporate limits of Participating Municipalities." We have notified RCN that they must provide the subscriber counts for the Town of Chevy Chase, and other municipalities they may have missed, for each month since RCN commenced service in that area so that we can promptly resolve the issue. The information is due to the County no later than July 28th.

II. Customer Complaints -

A. Comcast- Complaints remained steady in the 1st and 2nd quarter. Lack of service and reception continue to be the biggest issues facing customers.

B. RCN- Complaints are up over last year, the main problem continues to be billing.

III. Compliance Issues: Reports -

Comcast & RCN have provided both video and cable modem service reports as required.

A. Comcast- For the 1st quarter of 2006, Comcast was out of compliance for 30 & 60 second phone answering, and service calls within 24 hours in the video category. A warning letter was sent and Comcast has the period of

June – August to remedy the situation or will be subject to liquidated damages under the Franchise Agreement.

Comcast has failed to comply with the County's cable modem service standards for the four calendar quarters ending March 2006. Because this is the first occasion Comcast has received a warning.

B. RCN- For the 1st quarter of 2006, RCN was out of compliance with the 60 second phone answering in the video category. A warning letter was sent and RCN has the period of to June – August to remedy the situation or will be subject to liquidated damages under the Franchise Agreement.

RCN has failed to comply with the County's cable modem service standards for the quarter ending March 2006. Because this is the first occasion RCN has received a warning.

IV. Construction Violations:

A. Comcast- Our engineering consultant CTC reported 2150 violations during the 1st quarter and 2199 during the 2nd quarter, an increase of about 32% over the previous quarter.

- a. **Exposed drops-** Exposed cable lines remain an issue throughout the County. The drop category includes unused drops dangling from the strand and exposed drops underground that need burial.
- b. **Construction-** Over 50% of the violations for the past two quarters were related to construction. Mainly for clearance issues, tree guards and guy wire problems.

B. RCN – Our contractor CTC reported 478 violations during the 1st quarter and 715 during the 2nd quarter, an increase of double the number of violations reported the same time last year. This is because inspections are currently taking place in the Takoma Park area.

1. **Exposed drops-** Drops not properly attached to poles and dangling from strand are the biggest issues.
2. **Construction-** Locations where coils of fiber had fallen from their lashing to the ground, need for tree guards and guy wire and lashing problems were identified.
3. **Outstanding 2005 violations-** RCN has reported that repairs have to been made to all 2005 violations. A re-inspection of these violations found that 13% of these were not properly corrected. Cable Office will be working with staff to resolve these more effectively.

V. Fibernet – Comcast is currently building two sites: Montgomery Village Middle School and Damascus Recreation Center. A delay in construction of new sites was

discussed with Comcast at the Fibernet meeting and again last week in the meeting with Sanford Ames, the General Manager and other management.

VI. Rate Regulation

FCC Form 1205 for 2004 and 2005: As required by the Settlement Agreement of County Executive Order 355-05, Comcast provided a refund of \$2.57 to subscribers.

2006 FCC 1205 and 1240 Rate Filings have been received from Comcast. We have sent information requests on both of these filings. Again this year, Montgomery County will be participating in a National 1205 review. The 1240 is currently being reviewed by our financial consultant. We will keep you advised as these progress.

Comcast Complaints By Quarter for 2006

	Total Complaints	Internet				Marketing	Install	Service- Cable Line												
		Billing	Service Programs	Telephone	Reception			ability	Related	Other										
2006																				
1st QTR	263	90	152	2	48	9	58	4	7	20	6	70	20							
Percentage		34.2%	57.8%	0.8%	18.3%	3.4%	22.1%	1.5%	2.7%	7.6%	2.3%	26.6%	7.6%							
2006																				
2nd QTR	387	65	286	4	130	29	138	6	13	21	1	74	27							
Percentage		16.8%	73.9%	1.0%	33.6%	7.5%	35.7%	1.6%	3.4%	5.4%	0.3%	19.1%	7.0%							
Totals	650	155	438	6	178	38	196	10	20	41	7	144	47							
% Totals by Complaint		23.8%	67.4%	0.9%	27.4%	5.8%	30.2%	1.5%	3.1%	6.3%	1.1%	22.2%	7.2%							
% Total by Issue		13.6%	38.6%	0.5%	15.7%	3.3%	17.3%	0.9%	1.8%	3.6%	0.6%	12.7%	4.1%							
													Total Issues Generated		1,436		Number of Issues per Complaint		1.7	
															1,280					

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RCN Complaints By Quarter for 2006

	Total Complaints		Billing Service Programs		Internet Service		Telephone	Reception	Construction	Marketing	Install	Service-ability	Cable Line Related	Other						
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Count	Count	Count	Count	Count	Count	Count						
2006 1st QTR	13		8	61.5%	1	7.7%	2	15.4%	3	23.1%	0	0.0%	0	0.0%	0	0.0%	1	7.7%		
2006 2nd QTR	15		9	60.0%	1	6.7%	3	20.0%	4	26.7%	1	6.7%	0	0.0%	0	0.0%	0	0.0%	1	6.7%
Totals	28		17	60.7%	2	7.1%	5	17.9%	7	25.0%	1	3.6%	0	0.0%	0	0.0%	0	0.0%	2	7.1%
% Total by Issue			48.6%		5.7%		14.3%		20.0%		2.9%	0.0%		0.0%		0.0%	0.0%		5.7%	

Total Issues Generated 35 Number of Issues per Complaint 1.3

MONTGOMERY COUNTY

Testing and Inspection Report

Comcast Subscriber Network

First Quarter 2006
January 1 - March 31, 2006

FOX HILLS SUBSTATION
P.O. BOX 258
LAUREL, MD 20630

9

I. INTRODUCTION

This report documents the quality of construction and the technical performance of the cable television system in Montgomery County during the first quarter of 2006.

The Comcast system rebuilt in 2002 provides service to County subscribers from its headend via 14 optical transition nodes ("OTN"), or hubs, and approximately 362 fiber optic nodes, each of which is designed to deliver signals to approximately 1,500 homes. The rebuild construction included an Institutional Network ("I-Net") presently connected to over 100 County buildings and offices.

The County's Office of Cable and Communication Services administers a comprehensive cable oversight program to ensure that a high level of services are provided in compliance with the terms and conditions of the Franchise Agreement, applicable sections of the County Code, Federal Communications Commission ("FCC") rules and regulations, and other relevant guidelines, rules, and generally accepted industry practices. Columbia Telecommunications Corporation ("CTC"), under contract to the County, provides the engineering support for the County's testing and inspection program. The program includes inspection of the physical cable system plant and system performance monitoring and testing.

The inspection portion of the program examines each phase of the construction process, which includes the addition of new service areas to the system as well as maintenance and repair of the existing system. To evaluate overall plant construction, inspections are conducted in three phases: in-progress construction, post-construction, and reinspection of repairs. Details of the inspection violations reported are provided in Appendix A.

The performance testing portion of the program is comprised of a series of system performance tests including:

- Semi-annual Proof-of-Performance tests;
- Quarterly monitor tests to collect additional data on system performance between the semi-annual proof tests;
- Acceptance tests of newly built and activated segments of the system; and
- Periodic tests of the fiber optic connections from the public, educational, and government programming ("PEG") facilities to the cable system's central programming distribution center or "headend."

These tests are used to monitor the compliance of the system with FCC, Comcast, and County technical specifications. The schedule for the tests is provided in Appendix B.

This report details the results of the testing and inspection program conducted by CTC for the period from January 1 to March 31, 2006.

II. CONSTRUCTION INSPECTION

The County continuously inspects the quality of in-progress construction work and the physical cable plant and equipment in the public rights-of-way. These inspections verify the extent to which the construction complies with the engineering design, construction standards for physical cable plant and installation of equipment on the cables, safety of work-in-progress, and the restoration of work areas after construction is completed. The results of our inspection are summarized in this report. Where problems are found during the inspection process, the specific violations are cited and provided to the operator for appropriate corrective action. This process verifies that for the locations inspected, the system is constructed, maintained, and operated in accordance with local and national construction and safety codes as required in §5 of the Franchise Agreement. In addition to other construction and operating requirements of the County Code and the Franchise Agreement, the primary authorities for compliance are summarized in Appendix F, with explanations of typical violations reported by our inspectors.

A. Work-in-Progress Inspection Sites

During construction, the performance of the work crews is monitored for compliance with Department of Public Works and Transportation standards for work in the public rights-of-way, national codes, and with generally accepted cable industry standards for construction. The system operator provides the County with a list of locations where its construction crews will be working so our inspectors may visit a sampling of these locations to verify that all safety codes and construction regulations required by the Franchise Agreement are followed.

Table 1 summarizes the number of "work sites" inspected during the reporting period. The statistic reported for work sites is simply the total number of sites each month where the operator reported active construction. This statistic gives a sense of the level of construction activity in the community.

Month	Total # Active Work Sites	Total # Work Sites Inspected	% Inspected
January	107	75	70%
February	153	21	14%
March	98	24	24%
Quarter Totals	358	120	34%
2006 Totals	358	120	34%

Most of the activity during the first quarter appears to be for maintenance, including numerous locations where drops were replaced. The total number of locates in the first quarter is only half the number reported during the same period in 2005.

B. Design Map Review

During the first quarter, we reviewed 34 design maps for new service to 31 areas or buildings in the County. Fourteen of the maps were for service to commercial offices, churches, or county facilities. Several of the maps were again for areas in Clarksburg, where Comcast still has not provided a complete set of design maps showing all of the Clarksburg service area by node. Consequently, we cannot comment on the system design in those areas until we see how the individual sections fit in with rest of the service area in the node. Comcast staff agreed to provide a set of updated service maps for the County; however, none have been provided as of the date of this report.

C. Construction Inspection Results

After construction is complete, the physical plant and construction work areas are inspected to verify that construction and restoration of the work site complies with the standards required by the Franchise Agreement.

During the first quarter we reported 2,150 violations to Comcast, which is approximately 43% more than for the same quarter last year. As of the end of the first quarter, Comcast reported they had corrected 1,102 (51%) of those violations, with 95% of the repairs occurring within 30 days of being reported. The percentage of violations corrected by the end of the quarter is significantly less than what Comcast has reported in previous quarters.

For the violations reported for repair during the fourth quarter, 47 were still outstanding as of the end of the first quarter. Comcast reported repair of 88% of the fourth quarter violations within 30 days.

On reviewing Comcast's responsiveness to fixing violations in 2005, our records to date reflect the following:

	1st quarter	2nd quarter	3rd quarter	4th quarter	Total	Percent
Total violations	1500	1900	1599	1629	6628	
30 days or less	1027	207	1513	1426	4173	63%
Over 30 days	473	1693	86	156	2408	36%
Total fixed	1500	1900	1599	1582	6581	99%
Outstanding	0	0	0	47	47	

Table 2 is a summary of the number of violations we reported in the first quarter.

Table 2					
Construction Inspection Summary – Reported Violations					
Type of Problem	2005 1st Quarter	2005 2nd Quarter	2005 3rd Quarter	2005 4th Quarter	2006 1st Quarter
Construction	753	736	566	370	1013
Design	248	170	140	219	N/A*
Equipment	123	173	193	201	242
Restoration	37	336	260	209	56
Subscriber Drops	339	485	440	630	839
Totals	1,500	1,900	1,599	1,629	2150

* - Starting with the 1st quarter 2006 we will no longer be reporting differences in what is constructed compared to the design map unless we find significant problems in new areas of construction. This change is made to streamline our inspection and reporting to Comcast in an electronic format for violations that require corrective work on the plant in the street or at the drop.

In the first quarter, we began inspection of areas where we have not inspected in some time in order to determine the condition of the plant resulting from changes made over the years by Comcast or other utility work on the poles and in underground areas. Overall we found that there is need for maintenance work in those areas to keep the plant in proper order. Even considering that we are no longer including in our statistics a "Design" category of violations we reported 32 % more violations in the first quarter than in the last quarter of 2005 and 43% more than for the first quarter a year ago.

Construction category problems accounted for 47% of the total 2,150 items we reported to Comcast for repair. These violations included plant bonding and grounding problems (15% of the violations in this category), broken lashing wires (18%), and missing tree guards (21%) where tree branches are rubbing against the cables and causing damage or weighing them down, which creates the potential for future damage. We also found 49 locations where Comcast needs to transfer its plant to the new pole that has been replaced at the site.

Equipment category violations included locations with missing pedestals, pedestals not properly installed, or broken pedestals that need replacement. The number of violations in this category increased 20% over last quarter.

In the Drop category, the majority of the problems involved exposed cables (some segments as long as approximately 300 feet) or unused drops left hanging from poles, across yards, fences, or trees and which need to be removed. There were also nearly 200 locations where the drop was

not properly secured to the pole or the house. We also found approximately 100 sites with recent drop work at the house but where the grounding was not in accordance with current code. This quarter we reported 30 more drop violations than last quarter. It appears that many of the exposed cables and drops may be lingering damage from Verizon fiber construction work.

Inspection Alerts

We report those violations that present a hazardous situation or which present an immediate liability to the County or to the operator as "Inspection Alerts." The operator attempts to correct these violations within seven days. We reported 11 alerts during the first quarter; Comcast reported repair of 10 of them within seven days.

D. Reinspection of Violations

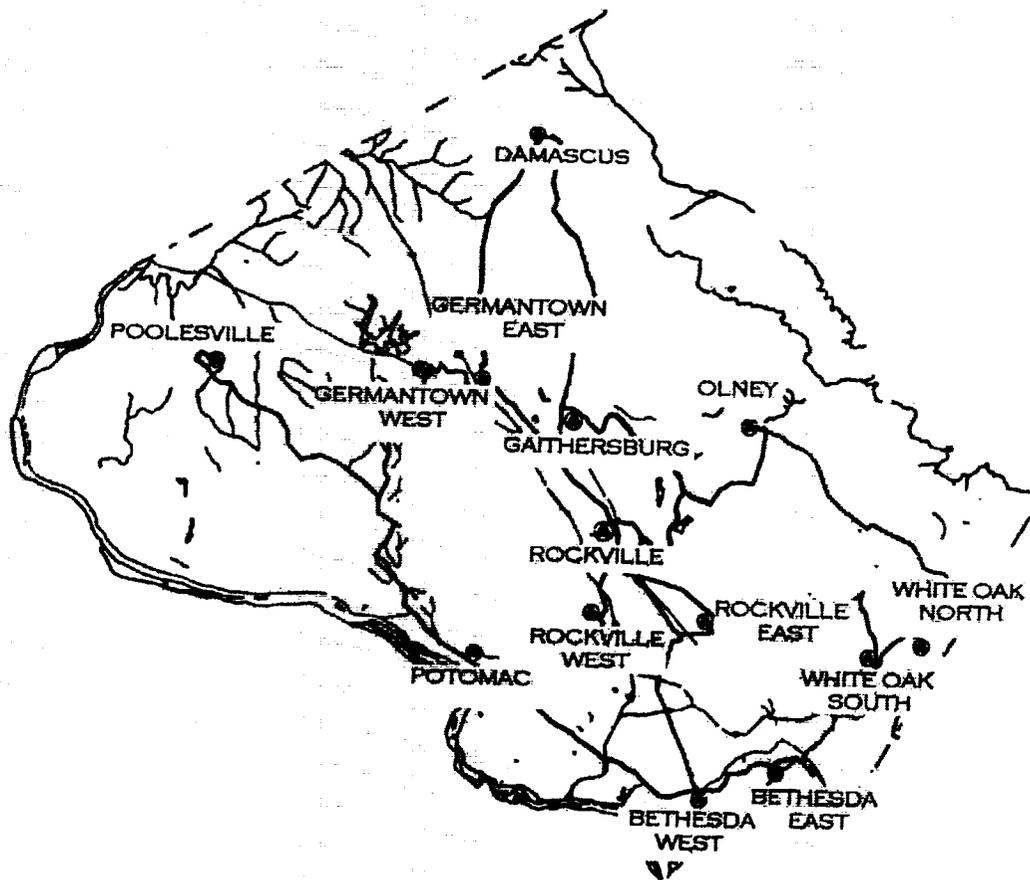
We reinspected 735 of the violations reported to Comcast for corrective action during the fourth quarter. We found that 92% had been properly corrected as Comcast reported. These outstanding items have been provided to Comcast for corrective action.

III. SYSTEM PERFORMANCE TESTING

CTC conducts a program of system-wide tests to evaluate the overall performance of the cable system. The performance tests are based on FCC and Franchise requirements and the approved design characteristics of the cable system. The testing program includes tests for newly constructed areas, required FCC tests, and monitor tests.

The system headend is located at the Comcast facility on Gude Drive in Rockville. The rebuilt system design utilizes 14 optical transition nodes ("OTN"), as well as a separate OTN dedicated to serve Leisure World, with redundant fiber rings along separate paths to all OTNs except the Poolesville Hub. The OTNs serve approximately 362 fiber optic nodes throughout the County. The OTN architecture is illustrated in Figure 1.

Figure 1: OTN Architecture



The system operator and the County jointly established 49 fixed test points throughout the service area. These test points, located at the extremities of the system, were selected to provide a representative geographic sampling of the system for electronic performance measurements.

The performance-testing program includes the following tests.

A. Federal Communications Commission Proof-of-Performance Tests

The system operator conducts semi-annual Proof-of-Performance ("proof") tests in accordance with FCC regulations to demonstrate that overall performance complies with the minimum technical standards established by the FCC for cable television systems. For a system of this size, the FCC's test procedures require a sampling of signals on nine channels at a minimum of 21 different geographic locations on the system. The locations tested during the proof tests are rotated among the 49 established test sites so that over time, the results reflect that the tests represent a sampling of service provided to all geographic areas served by the cable system. The proof tests are performed every six months: once in the winter and once in the summer. This is to measure system performance during extreme temperatures. We observe performance of those tests by Comcast staff to verify that they are properly conducted and that the results are accurately reported according to FCC rules.

We observed Comcast perform their winter 2006 proof-of-performance tests February 26th to February 28th. Based on our observation of the test measurements taken at that time, all of the sites met or exceeded the FCC's minimum technical performance standards. When Comcast provides us with the complete set of test results, including the 24 hour measurements, we can comment on those results as well.

On January 23rd, Comcast provided us with the complete summer proof test results for review. Based on the information provided by Comcast, it appears that all of the summer proof tests met the minimum FCC technical performance standards.

B. Monitor Tests

In addition to the proof tests, which measure only nine channels as required by the FCC, the County has CTC conduct quarterly tests to verify that FCC technical standards are continuously maintained across the system and on all channels as required. Monitor test measurements were taken February 26th to February 28th and March 21st to March 23rd. Two of the sites we tested (DA-03 and GT-06) failed to meet the FCC standard for carrier level variation between channels. The test results for those sites have been sent to Comcast for corrective action.

Details of the monitor test results at the problem sites mentioned are included in Appendix C. Additional information on test measurements, including an explanation of the effects of signals that do not meet the FCC technical standards and a listing of standards, are included in Appendix D. The channel line-up is provided in Appendix E.

C. Acceptance Tests

One new node was tested during the first quarter – Germantown West Node #34. This node serves approximately 400 new apartments just off Father Hurley Boulevard. All of the test measurements met the FCC's minimum technical standards.

D. PEG Feed Tests

The next round of PEG feed tests are scheduled for the second quarter of 2006. Sites scheduled for testing during the second quarter include the Maryland Municipal League, Montgomery College, the City of Takoma Park, and the two channels programmed by the University of Maryland, College Park and University College.

E. I-Net Tests

There were no I-Net tests conducted in the first quarter.

Q:\Mc-CATV\Inspection reports\Reports\2006 Reports\1st Qtr\Comcast 1st qtr 06 report 041106 rph.doc

MONTGOMERY COUNTY

Testing and Inspection Report

Comcast Subscriber Network

Second Quarter 2006

April 1 - June 30, 2006

FOX HILLS OFFORD RD
P.N. 5275
UNITS 258
POWER = 7.10 A

F 2
JLC-7
120/04h

F 2
JLN-7
R120-001

18

I. INTRODUCTION

This report documents the quality of construction and the technical performance of the cable television system in Montgomery County during the second quarter of 2006.

The Comcast system rebuilt in 2002 provides service to County subscribers from its headend via 14 optical transition nodes ("OTN"), or hubs, and approximately 362 fiber optic nodes, each of which is designed to deliver signals to approximately 1,500 homes. The rebuild construction included an Institutional Network ("I-Net") presently connected to over 100 County buildings and offices.

The County's Office of Cable and Communication Services administers a comprehensive cable oversight program to ensure that a high level of services are provided in compliance with the terms and conditions of the Franchise Agreement, applicable sections of the County Code, Federal Communications Commission ("FCC") rules and regulations, and other relevant guidelines, rules, and generally accepted industry practices. Columbia Telecommunications Corporation ("CTC"), under contract to the County, provides the engineering support for the County's testing and inspection program. The program includes inspection of the physical cable system plant and system performance monitoring and testing.

The inspection portion of the program examines each phase of the construction process, which includes the addition of new service areas to the system as well as maintenance and repair of the existing system. To evaluate overall plant construction, inspections are conducted in three phases: in-progress construction, post-construction, and reinspection of repairs. Details of the inspection violations reported are provided in Appendix A.

The performance testing portion of the program is comprised of a series of system performance tests including:

- Semi-annual Proof-of-Performance tests;
- Quarterly monitor tests to collect additional data on system performance between the semi-annual proof tests;
- Acceptance tests of newly built and activated segments of the system; and
- Periodic tests of the fiber optic connections from the public, educational, and government programming ("PEG") facilities to the cable system's central programming distribution center or "headend."

These tests are used to monitor the compliance of the system with FCC, Comcast, and County technical specifications. The schedule for the tests is provided in Appendix B.

This report details the results of the testing and inspection program conducted by CTC for the period from April 1 to June 30, 2006.

II. CONSTRUCTION INSPECTION

The County continuously inspects the quality of in-progress construction work and the physical cable plant and equipment in the public rights-of-way. These inspections verify the extent to which the construction complies with the engineering design, construction standards for physical cable plant and installation of equipment on the cables, safety of work-in-progress, and the restoration of work areas after construction is completed. The results of our inspection are summarized in this report. Where problems are found during the inspection process, the specific violations are cited and provided to the operator for appropriate corrective action. This process verifies that for the locations inspected, the system is constructed, maintained, and operated in accordance with local and national construction and safety codes as required in §5 of the Franchise Agreement. In addition to other construction and operating requirements of the County Code and the Franchise Agreement, the primary authorities for compliance are summarized in Appendix F, with explanations of typical violations reported by our inspectors.

A. Work-in-Progress Inspection Sites

During construction, the performance of the work crews is monitored for compliance with Department of Public Works and Transportation standards for work in the public rights-of-way, national codes, and with generally accepted cable industry standards for construction. The system operator provides the County with a list of locations where its construction crews will be working so that our inspectors may visit a sampling of these locations to verify that all safety codes and construction regulations required by the Franchise Agreement are followed.

Table 1 summarizes the number of "work sites" inspected during the reporting period. The statistic reported for work sites is simply the total number of sites each month where the operator reported active construction. This statistic gives a sense of the level of construction activity in the community.

Table 1 Work Sites and Project Inspections – 2nd Quarter 2006			
Month	Total # Active Work Sites	Total # Work Sites Inspected	% Inspected
April	176	31	18%
May	127	32	25%
June	152	27	18%
Quarter Totals	455	90	20%
2006 Totals	813	210	26%

In the second quarter, 455 locates were reported, which is approximately one-quarter of the number reported during the same period a year ago when there were many work locations that

required repair due to damage to the plant from Verizon's construction activity. Most of the activity during the second quarter 2006 appears to be for maintenance, with only a few locations where new construction was reported.

B. Design Map Review

There were no design maps submitted for review during the second quarter.

C. Construction Inspection Results

After construction is complete, the physical plant and construction work areas are inspected to verify that construction and restoration of the work site complies with the standards required by the Franchise Agreement.

During the quarter we reported 2,199 violations to Comcast, about the same number as last quarter. As of the end of the second quarter, Comcast reported they had corrected 73% of the violations with all but 31 of those corrected within the 30-day time period. Our records also show a total of 793 unresolved violations from prior quarters (47 from fourth quarter 2005 and 746 from first quarter 2006). Comcast has expressed concern that this statistic may reflect an inaccurate status of their corrective work because more violations may have been corrected but not reported by the close of the quarter as being complete. As we report this information next month, we will continue to "true-up" the record for the prior month. To date, their record of repair is shown in Table 1.

Table 1 Comcast Repair Record of Reported Violations						
	1st Qtr 05	2nd Qtr 05	3rd Qtr 05	4th Qtr 05	1st Qtr 06	2nd Qtr 06
Total violations	1500	1900	1599	1629	2150	2199
30 days or less	1027	207	1513	1426	1348	1577
Over 30 days	473	1693	86	156	56	31
Total fixed	150	1900	1599	1582	1404	1608
Outstanding	0	0	0	47	746	591

Table 2 is a summary of the number of violations reported to Comcast during the second quarter listed by category of the type of problem.

Table 2					
Construction Inspection Summary – Reported Violations					
Type of Problem	2005 2nd Quarter	2005 3rd Quarter	2005 4th Quarter	2006 1st Quarter	2006 2 nd Quarter
Construction	736	566	370	1013	1460
Equipment	173	193	201	242	48
Restoration	336	260	209	56	58
Subscriber Drops	485	440	630	839	633
Totals	1900	1599	1629	2150	2199

In the second quarter, we continued our inspection of the down-county areas where we have not inspected in some time. We found that the majority of problems were related to the main line plant along the streets. Approximately 66% of the violations reported during the quarter were in the construction category, with one-third of those related to clearance issues, one-third related to the need for tree guards, and the rest were primarily related to either guying problems or exposed cables. In the Bethesda, Takoma Park and Silver Spring areas where our inspectors are currently working, problems with guying and the need for tree guards have been observed. Stress on the guys can occur, for example, from fallen trees weighing down the strand which exerts pressure on the line and can pull guy anchors from the ground, loosen the guys, or in some cases break the guy wires. Also, over time tree branches grow and rub against the cable plant, which requires installation of a tree guard to protect the cable from damage.

Almost 30% of the violations reported in the second quarter were related to drop installations. Approximately 36% of the total drop problems included cables that were not secured to poles as they transition to underground runs to homes, or were not secured to the house at the cable point of entry. Unused drops dangling from the poles accounted for approximately 26% of the problems. Comcast needs to remove those unused drop cables. Exposed drops, either at the pedestal or from the pedestal to the house, accounted for approximately 22% of the problems reported for correction. There were only approximately 40 grounding-related drop problems reported for correction.

Equipment and Restoration problems accounted for only approximately 5% of the violations and were comprised mostly of broken pedestal covers and the need for reseeding along plow lines and bore pits.

Inspection Alerts

We report those violations that present a hazardous situation or which present an immediate liability to the County or to the operator as "Inspection Alerts." The operator attempts to correct these violations within seven days. In the second quarter, we reported seven Alerts. All of these have been reported as corrected, with four of them reported as corrected within seven days.

D. Reinspection of Violations

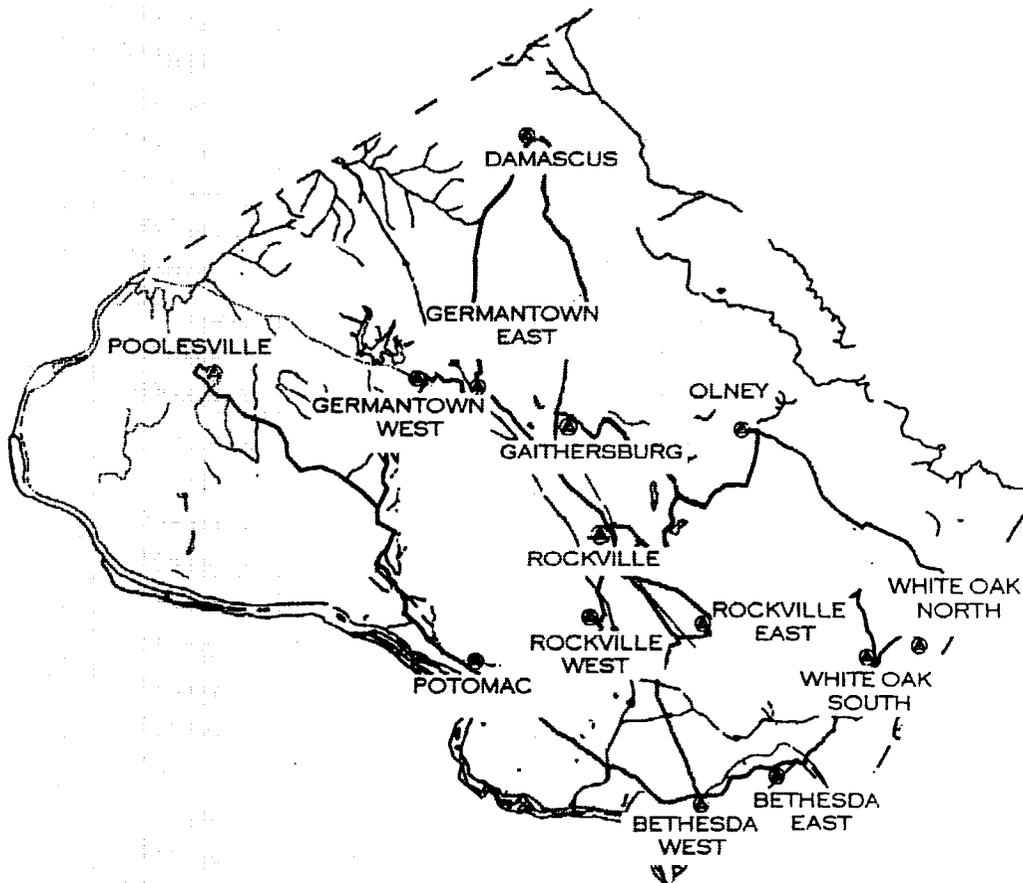
During the second quarter, we revisited 997 of the first quarter violations reported to Comcast for correction. We found that 92% had been properly corrected as Comcast reported. We also revisited the first quarter Alerts and found that all of those have been properly repaired.

III. SYSTEM PERFORMANCE TESTING

CTC conducts a program of system-wide tests to evaluate the overall performance of the cable system. The performance tests are based on FCC and Franchise requirements and the approved design characteristics of the cable system. The testing program includes tests for newly constructed areas, required FCC tests, and monitor tests.

The system headend is located at the Comcast facility on Gude Drive in Rockville. The rebuilt system design utilizes 14 optical transition nodes ("OTN"), as well as a separate OTN dedicated to serve Leisure World, with redundant fiber rings along separate paths to all OTNs except the Poolesville Hub. The OTNs serve approximately 362 fiber optic nodes throughout the County. The OTN architecture is illustrated in Figure 1.

Figure 1: OTN Architecture



The system operator and the County jointly established 49 fixed test points throughout the service area. These test points, located at the extremities of the system, were selected to provide a representative geographic sampling of the system for electronic performance measurements.

The performance-testing program includes the following tests.

A. Federal Communications Commission Proof-of-Performance Tests

The next proof-of-performance tests will be conducted during the third quarter. Comcast has not yet submitted the complete set of test data from the winter test results measured by Comcast. We will report on those results in the quarterly report of the period we receive them from Comcast..

B. Monitor Tests

In addition to the proof tests, which measure only nine channels as required by the FCC, the County has CTC conduct quarterly tests to verify that FCC technical standards are continuously maintained across the system and on all channels as required. Monitor test measurements were taken between May 15 and May 25, 2006. We were only able to test 42 of the 49 locations because test drops at six locations had been disconnected so measurements could not be made at those sites. One other location was not tested because it is located in an area near oncoming traffic and is unsafe to perform the tests from that site. We have requested that Comcast select alternate locations in those areas to install access points to the system so we can complete our tests.

We found that at the 42 locations where we performed tests, all sites met FCC minimum technical standards. Details of the monitor test results are included in Appendix C. Additional information on test measurements, including an explanation of the effects of signals that do not meet the FCC technical standards and a listing of standards, is included in Appendix D. The channel line-up is provided in Appendix E.

C. Acceptance Tests

No new nodes were activated during the quarter.

D. PEG Feed Tests

No PEG feed tests were conducted during the quarter. CTC plans to complete testing of all PEG sites during the third quarter of 2006.

E. I-Net Tests

There were no I-Net tests conducted during the quarter.



Columbia Telecommunications Corporation

5550 Sterrett Place • Columbia, MD 21044 • 410-964-5700 • fax: 410-964-6478 • www.internetCTC.com

May 25, 2006

Ms. Jane Lawton
Cable Communications Administrator
Office of Cable and Communication Services
Montgomery County Government
100 Maryland Avenue, Room 250
Rockville, MD 20850

Re: RCN First Quarter 2006 Report

Dear Ms. Lawton:

This is to update you on the status of our testing and inspection of the RCN system during the first quarter of 2006.

Construction Inspection

During the first quarter, we found a total of 478 violations in areas where RCN has its plant constructed. There were 393 construction problems found on the plant along the street and 85 subscriber drops that required repair.

In the Construction category, the majority of the violations reported were for locations where the lashing that secures the plant to its supporting steel strand had broken and unwound, which permitted the cables to sag away from the strand. There were also many poles to which the RCN plant was attached that were not properly guyed. Guy wires are required to provide additional support to the poles to carry the weight of the RCN cables. Some poles had guy wires that had broken and needed replacement, other poles were not guyed as required, such as the poles where the RCN strand ends. Additionally, some of the poles to which the RCN plant was attached had been replaced by new poles but RCN had not yet transferred their plant from the old to the new poles. Until that is done, the old poles cannot be removed. There were also a number of areas where RCN cables did not meet the proper clearance requirements to separate their cables from those of Comcast or other cables on the pole.

The majority of the subscriber drop violations were for grounding at the subscriber's home that does not meet current code. At some locations we found that drops were not properly secured to the pole as required.

There was one location where the RCN plant had fallen from the strand and was lying in the roadway. We reported that as an "Alert" – a violation that poses an immediate safety hazard. Based on our reinspection of the site, that problem has been corrected.

We have reported all of the violations to RCN for repair. We understand that RCN has initiated action to address the problems we reported, but we have not yet received any reports indicating what work has been done and if all of the problems have been corrected. RCN has also not provided documentation that they have repaired the 716 violations we show as still outstanding for violations reported in 2005. We understand that RCN staff has advised the Cable Office staff that they have corrected the majority of the 2005 violations, but they have not reported to us which ones have been fixed and why it has taken so long to make the repairs. The cable office staff has asked us to reinspect a sampling of those locations where we found problems to verify if any have been fixed. We will report our findings in next quarter's report.

Performance Testing

Proof-of-Performance Tests

On February 8 to February 10, 2006, we observed RCN perform their winter proof-of-performance tests required by the FCC. Measurements were taken at the following test locations:

- Test Point 1 – 400 Boston Avenue;
- Test Point 3 – 9218 Watson Road;
- Test Point 4 – 9212 Mintwood Street;
- Test Point 5 – 302 Granville Drive;
- Test Point 6 – 810 Lanark Way; and
- Test Point 12 – 7520 Jackson Avenue.

Based on the test results our engineer observed while the tests were being performed, the system met all FCC technical performance standards. However, RCN has not provided a copy of the measurements taken over a 24-hour period, as required by the FCC, so we cannot say whether those measurements also met the FCC standards. We have asked RCN staff for a copy of those results and will report our findings in the next quarterly report.

Monitor Tests

We performed monitor tests between February 10 and February 12, 2006. We measured signals at the following locations:

- RCN headend;
- Test Point 1 – 400 Boston Avenue;
- Test Point 2 – 1846 Flora Lane;
- Test Point 3 – 9218 Watson Road;
- Test Point 4 – 9212 Mintwood Street;
- Test Point 5 – 302 Granville Drive;
- Test Point 6 – 810 Lanark Way;
- Test Point 7 – 704 Justin Way;

Ms. Jane Lawton
May 25, 2006
Page 3

- Test Point 8 – Fern Street & Reddie Drive;
- Test Point 9 – 2945 Woodstock Avenue;
- Test Point 10 – 2726 Blaine Drive;
- Test Point 11 – 25 Holt Place; and
- Test Point 12 – 7520 Jackson Avenue.

Measurements at all those locations met the FCC minimum technical standards for the tests we performed.

Should you have any questions regarding this report or need additional information, please let us know.

Sincerely,



Robert P. Hunnicutt

Attachment
RPH/cc

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OFFICE OF CABLE AND
COMMUNICATION SERVICES
RECEIVED

2006 JUL 24 PM 4:00

Columbia Telecommunications Corporation
5550 Sterrett Place • Columbia, MD 21044 • 410-964-5700 • fax: 410-964-6478
MONTGOMERY COUNTY DEPT
OF COMMUNICATION SERVICES

July 22, 2006

Via Electronic

Ms. Jane Lawton
Cable Communications Administrator
Office of Cable and Communication Services
Montgomery County Government
100 Maryland Avenue, Room 250
Rockville, MD 20850

Re: RCN Second Quarter 2006 Report

Dear Ms. Lawton:

This is to update you on the status of our testing and inspection of the RCN system during the second quarter of 2006.

Construction Inspection

Cable Plant

During the second quarter, 715 violations were reported to RCN for correction. This is approximately the same number as last quarter. The majority of the problems we reported were related to the plant construction along the streets and only 13% were related to subscriber drops.

In the Construction category, the violations included problems with clearance of RCN's cables from other utilities and Comcast cables, guying and anchoring of poles, and the need for tree guards. Many locations were cited for tree guards to be placed on the cables to prevent damage to the plant or the lashing that supports the cables to its supporting strand. We found approximately 37 locations where the lashing had broken and the plant was falling to the ground. The guying problems we reported included sites where the guy wires were broken and needed replacement or the guy anchors had been pulled up out of the ground.

Work to correct clearance issues needs to be coordinated with the other utilities. In the older areas of the County where the poles are quite loaded with various cables, including fiber optic cables, coaxial cables, and telephone copper and fiber optic cable, it is not surprising that clearances are problematic. At some locations coils of RCN's fiber cables had fallen from their supports to the strand and need to be reattached. There were a number of locations where we found exposed underground cables that need to be buried, and approximately 42 locations where RCN's cable needs to be transferred to new poles. We also found approximately 28 sites where there was no ground at the end-of-the strand line as required.

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Subscriber Drops

Subscriber drop problems included approximately 60 sites where the cables were not properly attached to either the pole or the residence. There were approximately 16 homes where the drop was not properly grounded and a few places where the drop was attached to the mast that also supports the electric service line to the house.

Alerts

We reported one location where a cable splice enclosure had fallen into the roadway and presented an obstruction to traffic. We reported that as an "Alert" – a violation that poses an immediate safety hazard. RCN reported that they addressed that problem immediately.

RCN Repairs

During the second quarter RCN reported that they had fixed all violations reported to them for repair during 2005. We reinspected 414 of the violations from 2005 and found that 52 (13%) were still not corrected as reported.

RCN has not responded to any of the 478 violations reported to them during the first quarter of 2006. At your direction, we reinspected 194 of those violations and found that 104 (54%) had not yet been corrected.

Performance Testing

Proof-of-Performance Tests

We have reviewed the complete proof test results from the winter 2006 tests and found that all the sites tested met the FCC's minimum technical standards. The next proof tests will be performed during the third quarter.

Monitor Tests

On May 25, 2006 we performed monitor tests at nine test sites and found that all of the test measurements met the FCC's minimum technical standards. The locations tested included the following:

- RCN headend;
- Test Point 1 – 400 Boston Avenue;
- Test Point 3 – 9218 Watson Road;
- Test Point 4 – 9212 Mintwood Street;
- Test Point 7 – 704 Justin Way;
- Test Point 8 – Fern Street & Reedic Drive;
- Test Point 9 – 2945 Woodstock Avenue;

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- Test Point 10 – 2726 Blaine Drive;
- Test Point 11 – 25 Holt Place; and
- Test Point 12 – 7520 Jackson Avenue.

Should you have any questions regarding this report or need additional information, please let us know.

Sincerely,



Robert P. Hunnicutt

Attachment
RPH/cc

Q:\Ms-CATV\RCN\Inspection Report\2006\2nd Qtr 06\RCN Status Report Letter 2nd qtr 2006.doc

Dear Council Members,

My name is Tom Brannigan, I live in Silver Spring and I work in Rockville (King Farm).

I recently (this past week) went through what I can only characterize as a nightmare with Comcast and their so-called Customer Service. This nightmare lasted 5 days and after sharing the story with co-workers, one of them forwarded me a series of emails from King Farm residents echoing similar service issues. I now feel compelled to share with you, the nightmare I lived.

Last FRIDAY July 14, 2006, a Comcast technician (and I use the word loosely) came to my house to check our signal because we had been experiencing poor picture quality on some channels. He confirmed a very low signal and said he would send another truck after reconnecting our service. He did neither and left our service disconnected. I called the service number 301-424-4400 and the customer service representative, after a lengthy wait and discussion and a refusal to get a supervisor on the line, told me someone would be at our home SATURDAY morning (no time commitment). No one showed or called on SATURDAY (**FIRST APPOINTMENT MISSED**). I called several times throughout the day on SATURDAY to no avail (however, I did get to talk with billing representatives in Miami and other locations). No one cared or showed ALL DAY SATURDAY! This lack of service and commitment to customer satisfaction continued throughout SUNDAY with many more customer service calls falling on deaf ears.

Finally on SUNDAY evening, I was told someone would be there on MONDAY but they couldn't commit to a time (**BECAUSE THEY WERE FITTING US IN**). NO ONE SHOWED UP ALL DAY MONDAY (**SECOND APPOINTMENT MISSED**). MONDAY evening I was finally allowed to speak with a supervisor. After a lengthy discussion, she told me she was putting me on hold to speak with a technician and she would be right back. The next voice that came on the line was a man named Andre who said he was with their billing department in Louisiana and he had no idea why or how the call came to him. Personally, I feel like this happened because it was now past 6:00 PM and the supervisor wanted to go home. I did get a call MONDAY night telling me that another technician would be at my house TUESDAY morning between 8:00 and 11:00 AM. Do you want to guess or should I tell you, no one showed (**THIRD APPOINTMENT MISSED**). I called yet again and another uncaring customer service representative told me I was mistaking, their records showed the appointment to be between 2:00 and 5:00 PM. At this point I demanded the name and telephone number for a regional or district manager and I was told they were not allowed to give out that information. **THERE IS NO ONE ACCOUNTABLE WITH THIS COMPANY!!**

FINALLY ON DAY 5. A COMPETENT TECHNICIAN RESTORED MY SERVICE (THIS TOOK 5 MINUTES. BY THE WAY!!!) AND HE SCHEDULED THE SIGNAL IMPROVEMENT THAT STARTED ALL THIS. BECAUSE THE ORIGINAL TECH NEVER DID!!!!!!

I'm writing to you to share this story with you because it is time to end the monopoly that Comcast has on cable television service in Montgomery County. Their attitude towards their customers is an abomination! They don't care because they don't have to. Their employees are rude, uncaring and in many cases incompetent.

Now, let's talk about customer service. I live in Montgomery County, MD. When I call 301-424-4400, I EXPECT TO SPEAK WITH SOMEONE WHO IS ACTUALLY IN MONTGOMERY COUNTY, MD!!!! I find it absolutely insane that from Montgomery County, MD I can resolve a billing issue in Miami or Louisiana, but I cannot speak with a customer service representative in Montgomery County, MD or resolve a technical problem in Montgomery County, MD!!!!

Throughout this nightmare, occasionally I was assured that I would be credited for my time without service. I'll confirm that when the bill comes. But what will that amount to.....\$10.00. WHAT ABOUT SOME CREDIT OR COMPENSATION FOR MY TIME (MANY HOURS ON THE PHONE), FOR THE MANY MISSED APPOINTMENTS THROUGHOUT THIS 5 DAY PERIOD

AND THE TIME I SPENT AT HOME INSTEAD OF WORK BECAUSE I WAS TOLD SOMEONE WOULD BE THERE, FOR THE PURE AGGREVATION OF DEALING WITH INCOMPETENT, UNCARING PEOPLE THAT DON'T REALLY WANT TO ANSWER THE TELEPHONE EVEN THOUGH THAT'S WHAT THEY GET PAID FOR.

Someone needs to stand up and make companies like Comcast be accountable to the public and their customers. I understand that there is a Committee meeting scheduled for Monday July 31st at 2:00 PM that includes discussions on cable issues. Is this meeting open to the public? If so, I would love to re-tell this story to all of you, especially if there would be someone from Comcast there.

Thank you for your time and attention,

Tom Brannigan, Realtor

From: Kathy Neale [mailto: @comcast.net]
Sent: Tuesday, July 18, 2006 1:52 PM
To: Andrews' Office, Councilmember
Subject: comcast outages

Please HELP Us.....

i live in king farm and we r so frustrated with all the problems we continue to have with comcast.who can help us? do u consider it unreasonable to expect us to get internet service..a service for which we pay a great deal of money. tell me what actions we can take as an individual and as a community. what actions can the county council take on our behalf? i will forward this information on to the rest of our community...thank you for your time, Kathy Neale

From: Pennathur, Sridhar [mailto:@medimmune.com]
Sent: Friday, July 29, 2005 9:27 AM
To: Andrews' Office, Councilmember
Subject: Comcast Cable

Dear Council Member Andrews

I was watching a replay of the Management and Fiscal Policy Committee meeting that you had on July 25th on TV last night, and immediately decided that I had to bring one issue to your attention.

When you were questioning the lady from Comcast (Ms. Melody _____, I forget her last name), you specifically asked her if Comcast had talked to their customers before closing the complaint case. She initially said that Comcast tries to contact the customer before closing the case, but seemed to back pedal later during the questioning. I wanted to bring to your attention, my case which I think was closed without anyone contacting me to make sure that I was satisfied by the outcome.

I live in Clarksburg, MD, and I have recently had nothing but trouble with Comcast's cable and internet service. When months went by and they did nothing to resolve my problem (I even set up an appointment to have a service technician come to my house, but he never showed up and no one called to tell me that he would not be coming. I had taken half a day off from work to be at home, so I was understandably quite upset with Comcast's attitude), I contacted Montgomery County and filed a complaint. Within a day, I got two phone calls from Comcast! They even sent a guy from their Quality Assurance dept (his name was Byron, Tel # 301-294-7611) to my house to check on the problem. Since I did not know that he would be coming to my house, I was not at home when he came. But luckily, my Mom was visiting me and she was able to let Byron into the house so that he could take a look at the situation. Byron left me a message stating that the problem was not inside my house but somewhere outside. He said that Comcast would fix the problem, but did not give me a time frame as to when it would happen. He left a telephone number for me to call to get additional information, but has never returned my calls even though I have left him three voice mail messages. I therefore do not know if the problem has been fixed or not. I had also gotten a message from a Ms Reed at Comcast (Tel # 301-294-7745), but she too has not bothered to return the three messages that I have left for her.

So I was surprised when I went home last night and found a letter from Comcast, stating that the problem has been fixed and my case has been closed (a scanned copy is attached to this E-Mail). Since no one from Comcast has talked to me, despite my numerous efforts to try and talk to them, I cannot know for sure that the problem has been fixed permanently. I do not understand how Comcast can close this case without anyone in their organization speaking to me to make sure that I am a satisfied customer. It is certainly different than what the lady from Comcast told you during the committee meeting hearing on Monday.

I just thought that I would bring this matter to your attention since you had asked a question that was very relevant to my situation. I would very much appreciate any help that you can give me in this matter.

Thanking you.

Yours sincerely,

**Statement of Montgomery County Chief Administrative Officer Bruce Romer
re Verizon Lawsuit
July 10, 2006**

I would like to set the record straight and respond to inquiries we have received from residents regarding public statements made by Verizon in connection with the lawsuit the company has filed against Montgomery County.

Montgomery County has always strongly favored cable competition. In fact, Montgomery County is one of the few jurisdictions in the country in which residents benefit from head-to-head cable competition. That is no accident – it is proof of the success we have had in working in good faith with cable providers so they can bring new and expanded services to subscribers. We would like nothing more than to add Verizon to the list of cable providers in Montgomery County.

Any responsibility for the fact that Verizon has not been awarded a cable franchise in Montgomery County rests with Verizon itself. Indeed, the company has not even applied for a franchise. Moreover, since preliminary discussions began more than one year ago, the County has repeatedly proposed that Verizon enter into a franchise agreement on terms substantially similar to the agreements we have with Comcast and RCN, but Verizon has refused to do so. We also proposed that Verizon enter into a franchise agreement substantially similar to the one the company recently signed with Fairfax County. Remarkably, Verizon refused that offer as well.

While we understand and appreciate the benefits of competition, we have an obligation to ensure that all cable providers in Montgomery County compete on a level playing field and that we do not give one company special privileges not available to others. We also want to ensure that all cable subscribers in the county benefit from the consumer protections that they deserve and have rightly come to expect. For that reason, we have not accepted Verizon's demands that they be given special exemptions from lawful requirements that Comcast and RCN must meet. We have also rejected Verizon's demand that it not be required to comply with consumer

protections similar to those that are part of the Comcast and RCN agreements. Nor will we agree to accept Verizon's demands to include provisions in a franchise agreement that clearly violate the law. We have explained our position to Verizon, but they have continued to insist on these demands and have refused to address our concerns.

It is also important to note that Verizon's proposal excludes significant portions of the county from the company's initial service area, without any firm indication when those communities would receive cable service. For example, Rockville, Takoma Park, Chevy Chase, Gaithersburg, and parts of Bethesda and Silver Spring would not be included in the initial roll-out. Even if we granted Verizon a franchise today on its terms, it could be as much as 10 years before cable services are offered to these and other communities.

If Verizon wants to go through costly and lengthy court proceedings – which will do nothing to bring its cable services to county residents – we are prepared to vigorously and forcefully defend our laws. We are also prepared to address the many false and misleading statements that are contained in Verizon's public pronouncements in what is clearly an attempt by the company to sway public opinion.

Our preference, however, is that we return to the negotiating table, work through these differences, and bring another alternative for cable service to our residents. In the end, the choice is Verizon's.

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