MFP COMMITTEE #4
January 28, 2008

Quarterly Review

MEMORANDUM

January 24, 2008

TO: Management and Fiscal Policy Committee

FROM: Susan D. John, Legislative Analyst SJ

SUBJECT: Quarterly Review: Comcast, RCN, and Verizon Customer Service

The following are expected to attend this work session:

Steven Emanuel, Chief Information Officer, Department of Technology Services
Amy Wilson, Program Manager, Office of Cable and Communication Services
Representatives from Comcast, RCN, and Verizon

The Management and Fiscal Policy Committee is holding this work session to review customer service performance for Comcast Cable Communications, RCN, and Verizon Communications to ensure that performance measures established by the County's franchise agreements are being met. As part of the Department of Technology Services, the Cable Office continually monitors customer service data for Comcast, RCN, and Verizon. The Cable Office staff actively works with company representatives to resolve a variety of issues.

I. Customer Service Guidelines

A. 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 10 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 franchise agreement with Verizon has similar standards, but the language is not identical to the language in the County's franchise agreements with Comcast and RCN.

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.

1. Subscriber Calls to a Cable System

Unless otherwise noted, the following requirements must be met 90% 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.

2. Installations, Service Interruptions, and Service Calls

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

1. 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.

B. Internet Access Service Standards

As required by Executive Regulation 23-03AMII, Cable Modem Service Standards, September 2004 was the first month the companies were required to provide the County with customer service data related to high-speed internet service. On April 10, 2007, the Council approved Regulation 26-06AM, Internet Access Service Standards, which superseded Regulation 26-03AMII. Regulation 26-06AM continues the reporting requirement; however, certain customer service standards were modified by Regulation 26-06AM.

Regulation 26-06AM requires the following:

1. Calls must be answered in 30 seconds at least 75 percent of the time.
2. Calls must receive a customer account executive (CAE) connection within 60 seconds at least 75 percent of the time.
3. Repairs must be performed in 36 hours at least 90 percent of the time. (Regulation 26-03AMII specified that this standard must be met 95 percent of the time.)
4. Installations must be performed in seven days at least 90 percent of the time. (Regulation 26-03AMII specified that this standard must be met 95 percent of the time.)
5.

II. Customer Service Issues

A. Comcast

Rate Increase. Beginning January 2008, Comcast applied a rate increase on many of their monthly services. On their most popular tier of service, expanded basic cable, Comcast implemented a 5.7 percent increase. In addition, Comcast will increase the late fee assessment from a flat fee of $4.00, to 10 percent of any payment that has not been paid in full after 45 days.

Call Center Problems. Since the third quarter of 2007, customers have been experiencing problems when attempting to contact Comcast customer service on the local telephone number. These problems range from a constant busy signal, being put on hold indefinitely, no answer, and being disconnected. Comcast indicated these problems stemmed

from a flood of their building and other technical issues. The Cable Office will schedule further meetings to follow up. ***Committee members may wish to ask Comcast representatives to address the call center telephone problems.***

Billing. Customers have complained about being billed after service has been disconnected, including having their checking accounts debited by Comcast. Cable providers are required to process refunds within 30 days. In the cases of which the Cable Office is aware, Comcast has failed to properly issue refunds. The Cable Office will take appropriate remedial action if the problems continue. ***Committee members may wish to inquire whether customers have received appropriate refunds.***

Effective Competition. Comcast has filed a petition for Determination of Effective Competition with the FCC. If this petition is granted, the County and participating municipalities would lose the authority to regulate the rates for basic service, equipment, and installation. Comcast could also bundle services so that basic subscribers have to subscribe to a higher tier of service. The County filed a surreply to correct information filed by Comcast. Comcast filed a motion to strike the County's surreply, and the County submitted opposition to that motion.

Free Video and Cable Modem Obligations. There are 16 outstanding requests for free cable modem or video services, down from the previous MFP meeting.

B. RCN

Rate Increase. On November 21, 2007, RCN increased many of their rates. The basic cable service rate increase by 5.5 percent. Rates for digital and premium channels also increased.

Franchise Fee Increase and Public Education and Government (PEG) Fees. RCN notified the County that it would be increasing its franchise fee from five to 5.9 percent to reflect an itemized pass-through of the fees associated with cable advertising and home shopping revenues. The Cable Office's financial consultant is reviewing RCN's financial records to see if the 0.9% increase is warranted. RCN will begin to itemize and pass through the three percent fee for the PEG access grants.

C. Verizon

Rate Increase. Effective January 20, 2008, Verizon increased their rates for FiOS TV Premier package by 11.6 percent. Rates for installation, equipment, and sports and movie packages were also increased.

Non-Disclosure Agreement. The Cable Office and County Attorney continue to work on an agreement. The County has begun pursuing other options to inspect and test Verizon's infrastructure and will use in-house staff to conduct the winter proof of performance inspections and tests that are scheduled in February.

Activations. In December 2007, Takoma Park and the Town of Somerset were activated to allow consumers to purchase the bundled package of phone, internet, and cable services. The City of Rockville and Verizon continue negotiations on a rights-of-way use agreement. Their next meeting is scheduled for late January. Currently, the primary issue is permit fees. Until this issue is resolved, parts of the County that border Rockville cannot receive service, because they are fed out of Verizon's Rockville central office.

III. Customer Service Performance

A. Comcast Summary

1. Video Customer Service Performance

At the last meeting, complete third quarter data were not available. At the last meeting, July and August data showed that Comcast was meeting call answering standards. Complete third quarter data (*see Table 1*), now available, indicate Comcast fell just shy of the 90 percent goal, having answered calls within 30 seconds 89 percent of the time. Although complete fourth quarter data are not yet available, the data that have been reported show a marked drop to 70 percent and 74 percent of calls answered in October and November respectively. For the period of September, October, and November 2007, Comcast did not comply with the call answering time by a CAE. The company was originally warned of the phone issues in June 2006, and has been repeatedly assessed liquidated damages over the past 18 months. Comcast also did not comply with timely repair requirements and was assessed liquidated damages in this category as well. ***Committee members may wish to ask Comcast representatives about its failure to meet timely call answering and repair standards.***

TABLE 1: Customer Service Summary Information Provide by Comcast for Video January 2007 – December 2007

Category of Service	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Percentage of calls answered in 30 seconds (90% required by franchise agreement)	77	80	85	89	74	87	90	90	86	70	74	**
Percentage of calls receiving a CAE connection within 60 seconds (90% required by franchise agreement)	73	76	83	61	79	84	89	91	94	97	94	**
Percentage of repairs performed within 24 hours (95% required by franchise agreement)	91	85	83	86	82	85	82	90	97	91	85	**
Percentage of installation performed in seven days (95% required by franchise agreement)	100	98	97	96	96	96	96	100	91	84	98	**

**Data not due to the County until January 30, 2008.

2. Cable Modem Customer Service Performance

Third quarter data show that Comcast was in compliance with two of the four categories of service standards – calls answered and installations. Comcast completed 94 percent of repairs

within 36 hours, close to the 95 percent required by the franchise agreement. Comcast was not in compliance with the percentage of calls receiving a CAE connection. The regulation requires 75 percent of these calls to be connected within 60 seconds; however, Comcast had connected calls only 67 percent of the time. Complete fourth quarter data are not available until January 30, 2008; however, the committee should note that phone data were lost for October and cannot be recovered.

B. RCN Summary

1. Video Customer Service Performance

Third quarter data (*see Table 2*) indicate RCN was in compliance with initial call answering standards, repair standards, and installation standards. It failed to meet call answering time for a CAE, however, connecting calls 85 percent of the time within the 30 second time period. RCN received a warning from the Cable Office.

Fourth quarter data show RCN failed to answer calls within the 30 second window and RCN will receive another warning from the Cable Office. In addition, RCN did not comply with repair and maintenance requirements and received a warning. If RCN is not able to come into compliance during the warning periods, it will be assessed liquidated damages.

TABLE 2: Customer Service Summary Information Provide by RCN for Video January 2007 – December 2007

Category of Service	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Percentage of calls answered in 30 seconds (90% required by franchise agreement)	97	98	97	97	97	94	85	95	95	95	82	82
Percentage of calls receiving a CAE connection within 60 seconds (90% required by franchise agreement)	89	86	93	91	92	90	92	81	82	74	92	93
Percentage of repairs performed within 24 hours (95% required by franchise agreement)	97	98	97	98	97	98	98	98	74	100	90	78
Percentage of installation performed in seven days (95% required by franchise agreement)	100	100	100	100	100	100	100	100	100	100	100	100

**Data not due to the County until January 30, 2008.

2. Cable Modem Customer Service Performance

RCN was in compliance with all service standards during the third quarter except the percentage of repairs performed within 36 hours. The regulation requires that 95 percent of repairs be completed within this time frame; however, RCN was able to complete 89 percent. The same held true during the fourth quarter, where RCN again met the repair standard 89 percent of the time.

C. Verizon Summary – Video Customer Service Performance

Verizon has now met the subscriber threshold that requires the company to submit reports. It began submitting quarterly reports to the County; however, the data provided are regional numbers. Verizon must begin submitting specific data for the 2008 first quarter reporting period. Third quarter regional data indicate compliance with the call answering standards, although Verizon did not meet the standard for connecting calls with a CAE (*See Table 3*). It also failed to meet the timely installation standards. Fourth quarter data are not yet available.

TABLE 3: Customer Service Summary Information Provide by Verizon for Video January 2007 – December 2007

Category of Service	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Percentage of calls answered in 30 seconds (90% required by franchise agreement)							100	100	100	**	**	**
Percentage of calls receiving a CAE connection within 60 seconds (90% required by franchise agreement)							60	63	89	**	**	**
Percentage of repairs performed within 24 hours (95% required by franchise agreement)							100	100	100	**	**	**
Percentage of installation performed in seven days (95% required by franchise agreement)							70	80	91	**	**	**

**Data not due to the County until January 30, 2008.

D. Office of Cable and Communications Services Summary of Complaints (©16-17)

1. Comcast

The Cable Office received 457 complaints for Comcast during the third quarter of 2007. The majority of calls were for service, billing, and internet service. During the fourth quarter, the number of complaints was down significantly, totaling 343 for the reporting period. The majority of these calls were for service, telephone answer time, and billing. As discussed previously, the Cable Office reports that Comcast customers have been having problems when attempting to contact Comcast customer service at the local number. Problems range from a constant busy signal, being put on hold indefinitely, no answer, and after being connected, they are disconnected and must call again. ***Committee members may wish to ask Comcast representatives to address the number of complaints received.***

2. RCN

The Cable Office received 15 complaints for RCN during the third quarter and 19 complaints during the fourth quarter of 2007. Most complaints were about service and billing. RCN has only a fraction of the customers that Comcast serves.

3. Verizon

The Cable Office received 33 complaints for Verizon in the third quarter and 44 during the fourth quarter of 2007. Almost half of the complaints were about billing. The Cable Office reports that billing is an issue when customers convert from phone service to the bundled FiOS package. An example of a customer complaint made to Verizon and subsequent correspondence to the Council, the Cable Office, the customer, and a letter from Councilmember Berliner to Verizon is attached at ©58-69. ***Committee members may wish to ask Verizon representatives about billing issues, particularly those involving bundled services. The Committee may also wish to ask Verizon about the status of the particular complaint addressed.***

E. Construction Violations

1. Comcast

In the third quarter of 2007, Columbia Telecommunications Corporation (CTC) reported 2,552 construction violations, down significantly from second quarter violations that totaled 3,018. Of the third quarter violations, Comcast repaired 552, or 22 percent, within 30 days from the date they were reported. Approximately 40 percent of the violations had to do with guying and lashing issues. Thirty-seven percent of third quarter violations were related to subscriber drop installations – the cable connection to the residence.

In the fourth quarter, total violations increased approximately 27 percent over third quarter figures, totaling 3,241 (*see Table 4*). CTC attributes this increase, in part, to inspections in areas near Rockville where home construction crews have often disconnected drops and failed to reconnect them. CTC inspectors also noted exposed underground drops, temporarily unburied underground drops, and drops not secured to the poles.

TABLE 4: Construction Inspection Summary – Reported Violations for Comcast 4th Quarter 2006 – 4th Quarter 2007

Type of Problem	2006 4th Quarter	2007 1st Quarter	2007 2nd Quarter	2007 3rd Quarter	2007 4th Quarter
Construction	1,364	1,675	1,831	1,556	2,078
Equipment	75	38	38	17	60
Restoration	179	56	55	35	96
Subscriber Drops	680	1,159	1,095	944	1,007
Totals	2,298	2,928	3,018	2,552	3,241

**Data compiled from CTC's Testing and Inspection Reports*

Testing. The Cable Office reports that Comcast had a few channels that failed to meet the standards for carrier-to-noise and hum measurements; however, these problems have been corrected. In addition, the monitor tests found five locations where the signal levels were below the FCC minimum standards. Upon retesting, it appears the problems have been corrected.

Inspections. By the end of the third quarter, Comcast had 2,560 unaddressed violations. This number increased to 5,801 by the end of the fourth quarter (*See Table 5*). The Cable Office's engineers met with Comcast construction staff and reviewed the types of violations, and

discussed ways to improve their reporting process. Comcast briefly provided more frequent reports; however, none was provided during the fourth quarter. ***Committee members may wish to discuss these violations and reporting issues with Comcast representatives.***

TABLE 5: Comcast Violation Repair Record
2007

Repair Record	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Percentage Resolved as of 12/31/07
Total Violations	2,928	3,018	2,552	3,241	11,739
Addressed within 30 Days	2,213	2,741	552	0	47%
Addressed over 30 Days	367	65	0	0	4%
Total Repaired	2,580	2,806	552	0	51%
Outstanding Violations	348	212	2,000	3,241	5,801

Reinspections. Third quarter reinspections found that nine percent of the second quarter violations that had been reported as fixed, had not been. Fourth quarter reinspections found that 10% of the problems had not been corrected. These numbers are within acceptable limits, and the Cable Office will not assess any penalty for those two quarters.

2. RCN

Testing. Testing during the third quarter revealed one location with low signal levels and two channels that failed to meet standards for the video-to-audio separation. The Cable Office's engineers reported these findings to RCN, and based on fourth quarter tests, the problems have been corrected. The RCN summer FCC proof-of-performance tests all met the minimum standards.

Inspections. The Cable Office reports that there had been a discrepancy between the numbers of outstanding violations reported by its consultant and what RCN's records indicated. The Cable Office met with RCN staff shortly after the last MFP meeting and reviewed the numbers and reporting process. RCN assigned the violations to a contractor, and by the end of the fourth quarter, the number of outstanding violations was reduced to 141. RCN's contractor also corrected the remaining violations within the past few weeks.

Reinspections. In the third quarter, the Cable Office's inspectors indicated four percent of the violations RCN had reported corrected had not been fixed. Since this is below the 10 percent threshold, no penalty will be assessed.

3. Verizon

Testing. According to the Cable Office's engineers, Verizon did not conduct all summer proof tests, although of those done, Verizon met the FCC's minimum performance standards. The Cable Office has advised Verizon to ensure that all tests be conducted during the winter test, and Verizon has agreed.

Inspections. The Cable Office and its inspectors met with Verizon representatives and reviewed inspection and reporting procedures. The Cable office provided a list of the types of violations that will be cited as out of compliance with the Franchise requirements. Overall, there have been relatively few Verizon violations cited by Cable Office inspectors, totaling 52 for both the third and fourth quarters combined.

IV. Other Issues

A. Report Card

As requested by the committee at the last quarterly review, the Cable Office has begun designing a reporting system to compare all cable franchisees. The Cable Office will set up a meeting in early February with all three providers to discuss implementation and how to make the report effective for all parties involved. Data such as compliance information concerning phone answering, service appointments and installation, construction violations, Cable Office complaint statistics, and office and customer service representative availability are some of the topics being considered for inclusion. Once completed, the report care will be posted on the Cable Office website.

B. Institutional Network (I-NET)

According to the Cable Office, the WSSC Burtonsville location is scheduled to be completed within 7-10 days. This concludes the sites mandated by the franchise agreement. The County continues to contract with Comcast to build additional sites, and Comcast is currently building sites for MCPS, Montgomery College, Montgomery County Community Centers, and WSSC. The Cable Office has noted that Comcast as done an excellent job building these sites in a timely fashion.

C. Rate Regulation

Comcast's FCC Form 1205, a national composite filing for equipment and installation, is currently under review by the County. The County is participating in the review with a number of other local franchising authorities.

Comcast filed FCC Form 1240 with the County on October 1, 2007. This form regulates the rates for basic service.

These proposed changes are scheduled to be implemented in January 2008.

D. PEG Interconnection

The Cable Office's engineering consultants are working with Comcast and PEG operators to establish a digital transport switching system that permits bi-directional interconnection between all the PEG operators. The connection will facilitate sharing video

programming among the production facilities. The project will not only enhance the County's PEG program but could be an enhancement for emergency alert services.

This packet contains:	© Number
FCC fact sheet, June 2000	1- 2
Memorandum from the Office of Cable and Communications Services	3-19
CTC's Testing and Inspection Report Comcast, 3rd Quarter 2007	20-29
CTC's Testing and Inspection Report Comcast, 4th Quarter 2007	30-39
CTC's Testing and Inspection Report RCN, 3rd Quarter 2007	40-45
CTC's Testing and Inspection Report RCN, 4th Quarter 2007	46-48
CTC's Testing and Inspection Report Verizon, 3rd Quarter 2007	49-54
CTC's Testing and Inspection Report Verizon, 4th Quarter 2007	55-57
Correspondence Regarding Customer Complaint	58-69

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In order to exercise its authority to regulate basic cable rates and equipment, a franchising authority must be certified by the Commission. Unless notified otherwise by the Commission, a franchising authority's certification becomes effective 30 days after it is filed with the Commission. A franchising authority whose request for certification has been denied or revoked may petition the Commission for re-certification. In addition, a franchising authority that lacks the resources or legal authority to regulate basic cable service rates may petition the Commission to assume regulation, but the franchising authority must affirmatively demonstrate its inability to regulate to the Commission. The Commission will not intervene to regulate basic cable service rates should a franchising authority choose not to seek certification or choose not to request that the Commission assume jurisdiction. Appeals of local decisions will be heard by the Commission or by state or local courts, depending upon the subject matter involved.

The 1996 Act modified the regulation of cable programming services and the rate complaint process established under the 1992 Cable Act. Pursuant to the 1996 Act, the Commission's authority to regulate the rates charged for cable programming services (those are the channels that are not on cable system's basic tier and are not sold on a per-channel or per-program basis) was terminated for services provided after March 31, 1999. Therefore, the rates charged for cable programming services are determined by the cable company and the Commission does not have the authority to review these rates or to investigate allegations that the rates are excessive.

The 1996 Act did not modify the local franchising authority's ability to regulate basic cable rates. Therefore, complaints about basic cable rates should be filed with the franchise authority.

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

DEPARTMENT OF TECHNOLOGY SERVICES

Isiah Leggett
County Executive

E. Steven Emanuel
Chief Information Officer

MEMORANDUM

January 18, 2008

To: Management and Fiscal Policy Committee

FROM: Steven Emanuel, Chief Information Officer

SUBJECT: Customer Service MFP Worksession - Monday, January 28th, 2008

It is under very unfortunate circumstances that I am submitting this report for the third and fourth quarters of 2007. As you are aware, Jane Lawton our Cable Administrator for the past 13 years passed away suddenly at the end of November. Jane had a true passion for cable and telecommunications issues and was a true consumer advocate for protecting the rights of customers on a daily basis. We will miss her knowledge and expertise.

On December 5, 2007, I sent a memorandum outlining temporary administrative changes for the Cable Office to provide leadership during this transition period. I currently have reorganized the office into Administrative and Franchising Services & External Communications and Outreach Services, the acting supervisors for these two groups are Amy Wilson and Donna Keating, respectively. Until our re-organization recommendations are finalized, reports and actions will be managed through this temporary administration.

I. Customer Service Issues

A. Comcast:

1. **Rate Increase**: Beginning January 2008 Comcast implemented a rate increase on many of their monthly services. They implemented a 5.7% increase on their most popular tier of service--expanded basic cable. Increases on the digital tier, bundles, premium channels, equipment and installation were also implemented.

As of February 1st an increase in the late fee assessment will be implemented. Customers will be assessed a late fee of 10% per month for any payment that has not been paid in full after 45 days from the day the invoice was sent. Customers are currently assessed a flat fee of $4.00 for late payments.

2. **Call Center Phone Problems:** Beginning in the 3rd quarter of 2007 customers have been experiencing issues when attempting to contact Comcast customer service at (301) 424-4400. The problems range from a constant busy signal, being put on hold in the phone tree indefinitely, no answer, and after being connected into the queue they get disconnected and must start their call over.

Cable Office staff has contacted and met with Comcast to discuss these issues. Comcast cited many issues for the disturbances in their system including flooding of their building, installation of a new phone switch and technical issues. We have been assured by Comcast that these issues are being addressed. However, we continue to receive complaints concerning this matter.

An additional meeting will be scheduled with Comcast to see what pro-active measures can be taken to avoid these issues in the future.

3. **Billing**: Over the past several months we have received several complaints that customers continued to get billed after they disconnected their service. Many continued to have their checking accounts debited by Comcast. A particular concern is the issue of refunds since the company requires customers pre-pay for their cable services. Section 47CFR76.309 (c)(3)(i)(A)(B) of the Telecommunications Act requires providers to process refunds within 30 days. In the cases that have been brought to our attention, Comcast has failed to comply with this requirement. If the problem continues to exist the County will take appropriate remedial action.

4. **Effective Competition:** As previously reported, Comcast has filed a Petition for Determination of Effective Competition with the FCC. If the Petition is granted, the County and the participating municipalities would lose the authority to regulate the rates for basic cable service, equipment and installation. Also, Comcast would not be required to provide uniform rates throughout the franchise area, could bundle services so that basic subscribers would have to subscribe to a higher tier of service in order to receive premium channels and may even be able to transfer subscribers to new tiers of service unless they affirmatively "opt-out".

The Petition is currently being reviewed by the FCC. The County filed a surreply to correct erroneous information in the opposition filed by Comcast. On September 7, 2007, Comcast filed a motion to strike the surreply of Montgomery County, Maryland, and the County submitted opposition to that motion.

At this time, there is nothing new to report concerning this filing.

5. **Free Video and Cable Modem Obligations:** There are currently 16 outstanding requests for free cable modem or video services (list attached), down from the previous MFP meeting.

B. RCN:

1. **Rate Increase:** On November 21, 2007 RCN increased many of their rates. The full basic cable service increased 5.5%. Rates for Digital and Premium channels increased as well.

2. **Franchise Fee Increase & PEG Fees:** At the same time that RCN increased their cable rates, they notified the County that they would be increasing their franchise fee from 5% to 5.9% to reflect an itemized pass through of the fees associated with cable advertisement and home shopping revenues. Our financial consultant is currently reviewing RCN's financial records to verify if the .9% increase is justifiable.

In addition, RCN will begin to itemize and pass-thru the 3% fee for the Public, Educational and Government (PEG) access grants.

C. Verizon:

1. **Government Affairs Interim Change:** Al Carr, the Franchise Service Manager for Montgomery County will be taking a leave of absence from January 9th through April 8th to serve in the Maryland House of Delegates. During his absence Mr. Darian Gill will be the County's point of contact.

2. **Rate Increase:** Effective January 20, 2008 Verizon will increase their rates for the FiOS TV Premier package by 11.6%. Rates for installation, equipment and sports and movie packages will also be increased.

3. **Non-Disclosure Agreement:** Cable Office staff and the County Attorney continue to work on an agreement. The County has begun pursuing other options to inspect/test Verizon's infrastructure and will utilize in-house staff to conduct the Winter Proof of Performance inspections/tests that are scheduled for February.

4. **Activations:** In December, Takoma Park and the Town of Somerset were activated allowing consumers to take advantage of the bundled package that includes phone, internet and cable in those communities.

The City of Rockville and Verizon continue negotiations on a rights-of-way use agreement. Their next meeting is scheduled for late January. The primary issue at this point is permit fees. Until this issue is resolved, parts of the County that border Rockville cannot receive service because they are fed out of Verizon's Rockville Central Office (CO).

Comcast did not comply with these terms after being warned and was assessed liquidated damages on this category as well.

B. RCN

Warning: Section 9(c)(3) of the Franchise Agreement requires that telephone answering time not exceed thirty seconds, and that the time to transfer a call to a customer service representative not exceed an additional thirty seconds. These requirements must be met 90% of the time, measured quarterly. RCN was out of compliance for "the time to transfer a call to a customer service representative not exceed an additional thirty seconds" and has been warned.

RCN's 4th quarter data shows that they are currently out of compliance for the "Answered in 30 seconds" category and will be warned.

In addition, pursuant to Section 9(d)(1) of the Franchise Agreement, RCN must ensure that at least 95% of the time, measured quarterly, repairs and maintenance not requiring work within a subscriber premises be completed within twenty-four hours. RCN did not comply with these terms and has been warned.

In all three of these categories if RCN is not able to come into compliance during the warning periods they will be assessed liquidated damages.

C. Verizon

Verizon just began submitting quarterly reports to the County. They are currently submitting regional numbers but must begin submitting Montgomery County specific data for the 2008 first quarter reporting period.

We have discussed with Verizon that the percentage of calls answered in 30 seconds must be by a live agent as outlined in the FCC guidelines Section 76.309 C.F.R.

IV. Construction Violations

A. Comcast

1. **Testing:** Based on our engineer's observations of the summer proof tests, at two locations Comcast had a few channels that failed to meet the standards for carrier-to-noise and hum measurements. Based on the engineer's review of the final and complete test results these problems have been corrected.

The third quarter monitor tests found five locations where the signal levels were below the FCC minimum standard. These problems were reported to Comcast and on retesting in the 4th quarter it appears that they have been corrected.

We would like to commend Comcast for their improved format for reporting the FCC test results which provide a more complete set of data compiled in a single report. This makes the analysis of the test results much easier.

2. **Inspections**: At the end of the third quarter there were 2,560 violations that had not been reported as addressed by Comcast. By the end of the fourth quarter that number of violations increased to 5,801.

Our engineers met with Comcast construction staff and reviewed the types of violations being reported (especially grounding issues at subscribers homes), and ways to improve their reporting process. Some of the changes discussed were implemented and for a short time we were getting progress reports from Comcast on a more frequent basis. However, in the 4th quarter our contractor, CTC, never received a report from Comcast showing that any violations had been resolved.

3. **Re-Inspections**: Third quarter re-inspections found that 9% of the second quarter violations reported as fixed had not been. Fourth quarter re-inspections found that 10 % of the problems had not been corrected. Since these fall within the accepted margin of error, no penalty will be assessed for those two quarters.

B. RCN

1. **Testing**: Third quarter monitor test measurements for RCN revealed one location with low signal levels and two channels that failed to meet the standards for the video-to-audio separation. Our engineers reported those results to RCN and based on our tests in the fourth quarter, the problems have been fixed.

The RCN summer FCC proof-of-performance tests all met the minimum standards.

2. **Inspections**: At the last MFP meeting it was reported that there was a discrepancy between the numbers of outstanding violations our consultants reported and what RCN's records showed. RCN staff at the local and the corporate level have been very cooperative in addressing the issue.

We met with RCN staff shortly after the last MFP meeting and reviewed the numbers and the reporting process. As a result, RCN assigned the work to their contractor's correcting the approximately 1,400 outstanding violations. By the end of the fourth quarter, the number of outstanding violations was reduced to 141. We understand that within the last few weeks all of those have now been corrected. We appreciate their cooperation in resolving those outstanding issues promptly.

3. **Re-Inspections**: In the third quarter our inspectors found just 4% of the violations RCN reported corrected had not been fixed. Again, being below the 10% threshold, no penalty will be assessed. We have asked our inspectors to conduct a thorough re-

inspection of the corrective work done by RCN in the 4th quarter and will report the findings at the next MFP meeting.

C. Verizon

1. Testing: Based on our engineer's review of the Verizon's summer proof tests, we found that although all of the measurements were reported to have met the FCC's minimum performance standards, not all of the required tests were performed. With the winter test coming up in February, Verizon has been advised that those tests must also be conducted and they have agreed.

Our engineering contractors, CTC, will be training County engineers to participate in the next set of FCC proof tests conducted in Verizon's headend. Additionally, Verizon will establish County locations where CTC engineers can complete the oversight of the testing process and conduct the monitor tests at those sites. The Cable Office staff is working with Verizon to target mutually acceptable sites to conduct these tests.

2. Inspections: Cable Office staff and our inspectors met with Verizon representatives in the third quarter and reviewed our inspection and reporting procedures. We provided a list of the violations that will be cited as out of compliance with the requirements of the Franchise. There was also a meeting with Verizon's construction managers and contractor representatives to review the inspection procedures and the types of violations our inspectors look for during inspection. Those were productive meetings and Verizon staff has been cooperative in establishing communications to report their corrective work and has taken corrective action in a timely manner.

There have been relatively few Verizon violations cited by our inspectors, just 52 for both third and fourth quarter combined. At this time, Verizon has reported that all of those violations have been addressed and we will re-inspect a sampling of the corrective work.

V. Institutional Network (I-NET)

- WSSC Burtonsville is scheduled to be completed within the next 7-10 days. This will conclude the sites that were mandated by the franchise.
- The County continues to contract with Comcast to build additional sites. Comcast is currently building sites for MCPS, Montgomery College, Montgomery County Community Centers and WSSC. Comcast's construction staff has done an excellent job getting these sites built in a timely fashion.

VI. Rate Regulation

Comcast's FCC Form 1205, a national composite filing for equipment and installation, is currently under review by the County and its financial consultants. The County is participating in the review with a number of other local franchising authorities.

FCC Form 1240 was filed with the County on October 1, 2007. FCC Form 1240 regulates the rates for Basic Service.

These proposed changes are scheduled to be implemented in January 2008.

VII. PEG Interconnection

Our engineering consultants are working with Comcast and the various PEG operators to establish a digital transport switching system to permit bi-directional interconnection between all the PEG operators. This connection will facilitate sharing of video programming among their production facilities. The design for the interconnection is one that will enable full control of the switching among the operators without the need for coordination and manual patch panel connection and assistance from Comcast staff on a case-by-case basis. This project will enhance the County's PEG programming and also, could be an enhancement for emergency alert services. Attached for your review are the existing network configuration and the proposed network configuration.

VIII. Report Card

The Cable Office has begun designing a reporting system that would be utilized by all cable franchisees. The report card would establish a mechanism to look at all companies equitably.

A meeting will be set up in early February with all three providers at the table to discuss implementation and how to make the report effective for all parties involved.

Data such as compliance information concerning phone answering, service appointments and installation that has been deemed non-confidential, construction violations, cable office complaint statistics and office and customer service representative availability are some of the topics that are being considered for inclusion. Once completed, the report will be posted on the Cable Office website.

Comcast Open Drop Requests

Date Submitted	Database Number	Company Name	Address	Room	City	Phone Number
1/11/2006	721	Department of Fire and Rescue Services	8110 Georgia Av		Silver Spring	(240) 777-2494

Cable TV Request ☑ *Cable Modem Request* ☐ *Comcast Estimated Construction Cost*

☐ *Service address if Different* 8110 Georgia Av Silver Sprin

1/27- In survey and design 2/28- Angela asked if they could use County conduit 3/22- Comcast can use conduit to the building, not the conduit under Georgia it belongs to State. 3/22- Extensive construction, extemely difficult, ongoing construction in the SS area. 4/6- Gene said a directional bore is needed, Sligo Av to Georgia Av. 4/21- Spoke with Steve Lamphier and told him turnaround and cost to build is prohibitive to project. Comcast must cross two main streets, and numerous construction projects are taking place in area. Probably should consider satellite. 5/1- Comcast to leave these projects on the list for future build. 5/18- CONSTRUCTION ON HOLD 11/15- Comcast is checking to see if they can get us an estimate of when the construction in that immediate area may be done so they can start. 1/23- Per Matt Awaiting funding. 5/17-Funding approved, work order out to construction on 5/23. 9/11/07 Completed to the building. Nesd a contractor for the inside of the building.

4/4/2006	737	Department of Police	8300 Helgerman Ct		Gaithersburg	(240) 773-5251

Cable TV Request ☑ *Cable Modem Request* ☐ *Comcast Estimated Construction Cost* $4,573.51

☐ *Service address if Different* 8300 Helgerman Ct Gaithersbu

5/1- In the survey process. 5/18- Waiting on Comcast budget approval, $4,600 to build. 7/14/06 Comcast reports estimated construction cost. 11/14- Met with Comcast once the schools are completed they will begin building the other locations by date submitted as long as they have all permits and ROE 12/1 Comcast has submitted the CAF for construction. 1/23- Per Matt funding has been approved and this should be built in the 1st qtr of 07. 5/17-Construction scheduled this week 9/11/2007 Construction complete. Contractor to survey the inside for additional wiring. Contact w/Erlinda MCP

Date Submitted	Database Number	Company Name	Address	Room	City	Phone Number
4/10/2006	739	Montgomery College	7977 Georgia Av		Silver Spring	(240) 314-3152
Cable TV Request ☑	*Cable Modem Request* ☐		*Comcast Estimated Construction Cost*			
☐ *Service address if Different*			7977 Georgia Av		Silver Sprin	

5/18- Waiting on Comcast budget approval. 7/14/06 Comcast reports they are waiting for a permit from the Park service. 11/14- Met with Comcast, Angela's team not working on the college locations. They will report back who is, Comcast does not feel they are required to build these locations only K-12. 12/1 getting finished through commerical dept. Permits to be submitted to the contractor 12/11. Check on the correct address. Address confirmed 12/4 - 7977 Georgia Av per S. Crawford. 1/23- Per Matt construction is underway 5/17-Construction completed the end of January 2007. 9/11/2007 Construction not completed.

1/29/2007	965	Department of Police	2350 Research Blvd		Rockville	(240) 773-5232
Cable TV Request ☑	*Cable Modem Request* ☐		*Comcast Estimated Construction Cost*			
☑ *Service address if Different*		Department of Police	8300 Helgerman Ct		Gaithersbu	

This request is for 8300 and 8316 Helgerman Court, Gaithersburg, MD 20877

1/30/2007	966	Montrose Christian School	5100 Randolph Rd		Rockville	(240) 876-6226
Cable TV Request ☑	*Cable Modem Request* ☐		*Comcast Estimated Construction Cost*			
☐ *Service address if Different*			5100 Randolph Rd		Rockville	

Cable TV drop for classrooms. 5/17-Work being scheduled, cable in building additional drop requested, Matt to call. 9/11/2007 Construction completed. Scheduling a drop with the school.

Date Submitted	Database Number	Company Name	Address	Room	City	Phone Number
2/5/2007	970	Montgomery County Public Schools	850 Hungerford Dr		Rockville	(240) 876-5727
Cable TV Request ☑	*Cable Modem Request* ☐	*Comcast Estimated Construction Cost*				
☑ *Service address if Different*	College Garden Elementary School		1700 Yale Pl		Rockville	

5/17-On hold 9/11/07 School still under construction.

3/2/2007	974	The Family Services Agency, Inc.	610 East Diamond Av	100	Gaithersburg	(301) 840-4093
Cable TV Request ☑	*Cable Modem Request* ☐	*Comcast Estimated Construction Cost*				
☑ *Service address if Different*	The Family Services Agency, Inc.		23439 Tailor Shop Pl		Clarksburg	

(12)

5/17-Matt left a voice maill message no return call yet.

3/2/2007	975	The Family Services Agency, Inc.	610 East Diamond Av	100	Gaithersburg	(301) 840-4093
Cable TV Request ☑	*Cable Modem Request* ☐	*Comcast Estimated Construction Cost*				
☑ *Service address if Different*			640 East Diamond Av	D	Gaithersbu	

5/17-ROE pending 09/11/2007 reviewing ROE

Date Submitted	Database Number	Company Name	Address	Room	City	Phone Number
3/22/2007	981	The ARC of Montgomery County-After All Pro	11600 Nebel St		Rockville	(301) 681-4623
Cable TV Request ☑	*Cable Modem Request* ☐		*Comcast Estimated Construction Cost*			
☑ *Service address if Different*		Resurrection Luther Church	3101 University Blvd W		Kensington	

Please transfer the ARC's current service located at 13000 Forest Glen Road, Silver Spring to service address indicated. 5/17-BGE contacted, power supply needed. 9/11/07 Not complete

7/12/2007	987	MCPS Food Services	16644 Crabbs Branch Wy		Rockville	(301) 548-4993
Cable TV Request ☑	*Cable Modem Request* ☐		*Comcast Estimated Construction Cost*			
☐ *Service address if Different*			16644 Crabbs Branch Wy		Rockville	

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Reports service was active, but the drop was cut two months ago.

8/7/2007	989	Upper County Community Center	8201 Emory Grove Rd		Gaithersburg	(240) 777-6842
Cable TV Request ☐	*Cable Modem Request* ☑		*Comcast Estimated Construction Cost*			
☐ *Service address if Different*			8201 Emory Grove Rd		Gaithersbu	

The Center already has Cable TV service. 9/11/07 left messages, no return call, contact out if town until 9/17/07. 01/14/2008 Install scheduled for tomorrow, 1/15/2008

Date Submitted	Database Number	Company Name	Address	Room	City	Phone Number
8/14/2007	992	Montgomery County Sheriff's Office	199 E. Montgomery Av	Suite A	Rockville	(240) 777-7002
Cable TV Request ☑	*Cable Modem Request* ☐		*Comcast Estimated Construction Cost*			
☐ *Service address if Different*			199 E Montgomery Av	A	Rockville	

9/11/07 In design

8/27/2007	994	Family Services Agency, Inc	640 East Diamond Av	D	Gaithersburg	(301) 840-3292
Cable TV Request ☑	*Cable Modem Request* ☐		*Comcast Estimated Construction Cost*			
☑ *Service address if Different*			640 East Diamond Av	D	Gaithersbu	

(14)

Please see the attached PDF for the addresses requested. Requested free drops for 10 of their group homes.

10/12/2007	996	The Music Center at Strathmore	5301 Tuckerman Ln		North Bethesda	(301) 581-5151
Cable TV Request ☑	*Cable Modem Request* ☐		*Comcast Estimated Construction Cost*			
☐ *Service address if Different*						

Date Submitted	Database Number	Company Name	Address	Room	City	Phone Number
10/17/2007	997	Seven Locks Technical Center	1283 Seven Locks Rd		Rockville	(240) 777-6128

Cable TV Request ☑ *Cable Modem Request* ☐ *Comcast Estimated Construction Cost*

☑ *Service address if Different* Seven Locks Technical Center 1283 Seven Locks Rd Rockville

12/11/2007	999	MCPS - Bus Depot	16651 Crabbs Branch Wy	632	Rockville	(301) 548-4980

Cable TV Request ☑ *Cable Modem Request* ☐ *Comcast Estimated Construction Cost*

☑ *Service address if Different* Montgomery County Public Schools - 16651 Crabbs Branch Wy 632 Rockville

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1/11/2008 Additional request received for multiple buildings, scanned and sent to Comcast

Total Open Requests: 16

Complaint Description Breakdown *Timeframe:* 3rd QTR

Comcast Complaints	*Billing*	*Service*	*VoIP Service*	*Internet Service*	*Telephone Answ Time*	*Reception*	*Construction*	*Marketing*	*Install*	*Service-ability*	*Cable Line Related*	*Other*
457	169	268	42	122	42	111	13	29	11	0	47	28
Complaint Percentage	37.0%	58.6%	9.2%	26.7%	9.2%	24.3%	2.8%	6.3%	2.4%	0.0%	10.3%	6.1%
Total Issue Percentage	19.2%	30.4%	4.8%	13.8%	4.8%	12.6%	1.5%	3.3%	1.2%	0.0%	5.3%	3.2%

Total Issues Generated 882 *Total Issues per Complaint* 1.9

RCN Complaints	*Billing*	*Service*	*VoIP Service*	*Internet Service*	*Telephone Answ Time*	*Reception*	*Construction*	*Marketing*	*Install*	*Service-ability*	*Cable Line Related*	*Other*
15	5	8	0	2	0	3	0	0	0	0	1	1
Complaint Percentage	33.3%	53.3%	0.0%	13.3%	0.0%	20.0%	0.0%	0.0%	0.0%	0.0%	6.7%	6.7%
Issue Percentage	25.0%	40.0%	0.0%	10.0%	0.0%	15.0%	0.0%	0.0%	0.0%	0.0%	5.0%	5.0%

Total Issues Generated 20 *Total Issues per Complaint* 1.3

Verizon Complaints	*Billing*	*Service*	*Internet Service*	*Telephone Answ Time*	*Reception*	*Construction*	*Marketing*	*Install*	*Service-ability*	*Cable Line Related*	*Other*
33	15	5	3	0	4	5	5	4	0	2	2
Complaint Percentage	45.5%	15.2%	9.1%	0.0%	12.1%	15.2%	15.2%	12.1%	0.0%	6.1%	6.1%
Issue Percentage	33.3%	11.1%	6.7%	0.0%	8.9%	11.1%	11.1%	8.9%	0.0%	4.4%	4.4%

Total Issues Generated 45 *Total Issues per Complaint* 1.4

(16)

Complaint Description Breakdown *Timeframe:* 4th QTR 2007

Comcast Complaints	*Billing*	*Service*	*VoIP Service*	*Internet Service*	*Telephone Answ Time*	*Reception*	*Construction*	*Marketing*	*Install*	*Service-ability*	*Cable Line Related*	*Other*
343	144	161	22	62	87	79	4	9	13	2	39	25
Complaint Percentage	42.0%	46.9%	6.4%	18.1%	25.4%	23.0%	1.2%	2.6%	3.8%	0.6%	11.4%	7.3%
Total Issue Percentage	22.3%	24.9%	3.4%	9.6%	13.4%	12.2%	0.6%	1.4%	2.0%	0.3%	6.0%	3.9%

Total Issues Generated 647 *Total Issues per Complaint* 1.9

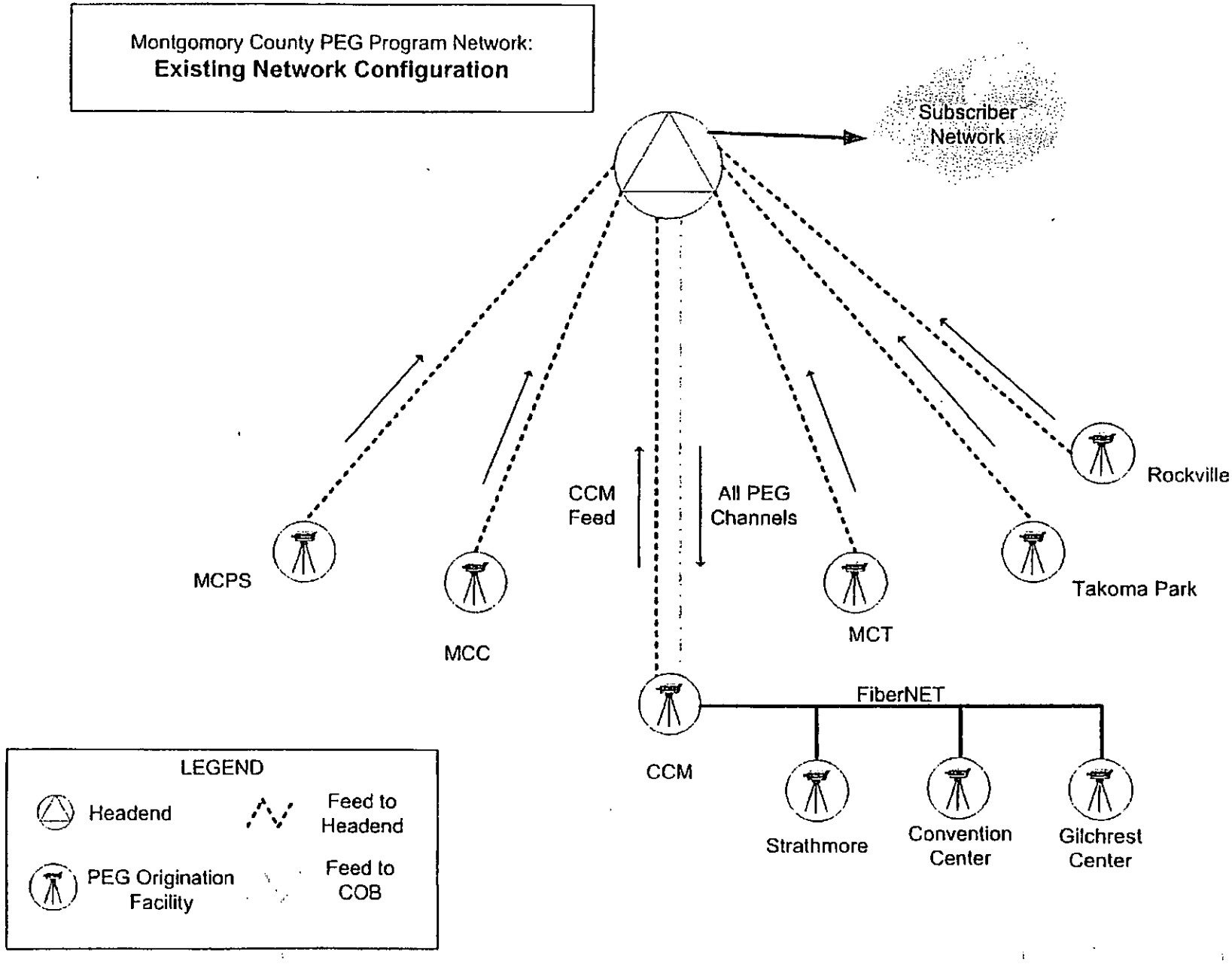
RCN Complaints	*Billing*	*Service*	*VoIP Service*	*Internet Service*	*Telephone Answ Time*	*Reception*	*Construction*	*Marketing*	*Install*	*Service-ability*	*Cable Line Related*	*Other*
19	13	5	0	2	4	2	0	1	1	0	0	2
Complaint Percentage	68.4%	26.3%	0.0%	10.5%	21.1%	10.5%	0.0%	5.3%	5.3%	0.0%	0.0%	10.5%
Issue Percentage	43.3%	16.7%	0.0%	6.7%	13.3%	6.7%	0.0%	3.3%	3.3%	0.0%	0.0%	6.7%

Total Issues Generated 30 *Total Issues per Complaint* 1.6

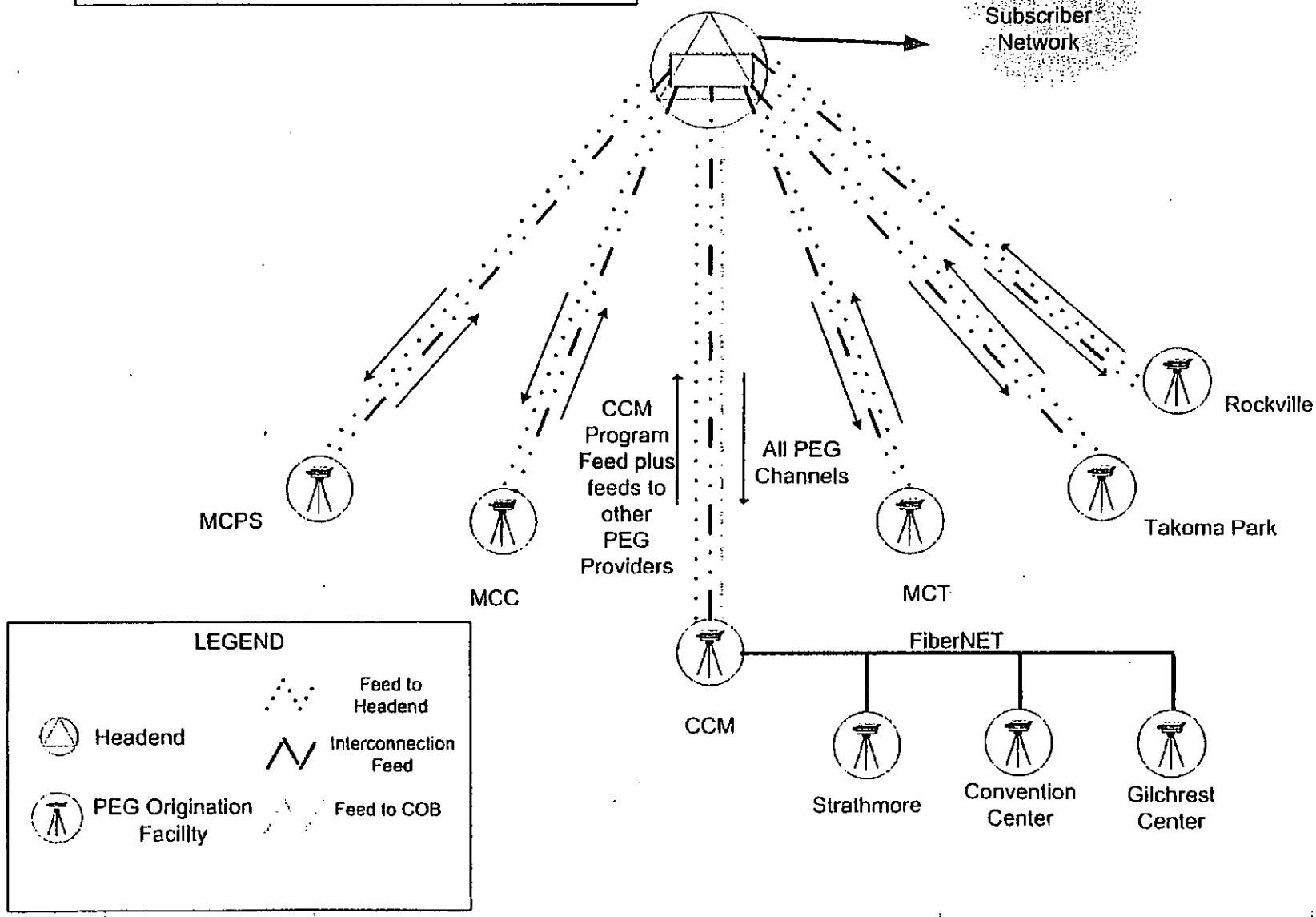
Verizon Complaints	*Billing*	*Service*	*Internet Service*	*Telephone Answ Time*	*Reception*	*Construction*	*Marketing*	*Install*	*Service-ability*	*Cable Line Related*	*Other*
44	22	9	3	2	4	1	6	7	0	2	7
Complaint Percentage	50.0%	20.5%	6.8%	4.5%	9.1%	2.3%	13.6%	15.9%	0.0%	4.5%	15.9%
Issue Percentage	34.9%	14.3%	4.8%	3.2%	6.3%	1.6%	9.5%	11.1%	0.0%	3.2%	11.1%

Total Issues Generated 63 *Total Issues per Complaint* 1.4

Montgomery County PEG Program Network:
Existing Network Configuration



Expanded Montgomery County PEG Program Network:
Proposed Network Configuration



MONTGOMERY COUNTY

Testing and Inspection Report

Comcast Subscriber Network

Third Quarter 2007

July 1 – September 30, 2007

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I. INTRODUCTION

This report documents the quality of construction and the technical performance of the Comcast cable television system in Montgomery County during the third quarter of 2007.

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 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 re-inspection 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 required by the FCC;
- Quarterly monitor tests to collect additional data on system performance between the two semi-annual proof test periods;
- 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 July 1 to September 30, 2007.

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 has been 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 County 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, along with explanations of typical violations reported by our inspectors.

A. Work-in-Progress Inspection Sites

During construction, 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 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

Month	Total # Active Work Sites	Total # Work Sites Inspected	% Inspected
July	187	72	39%
August	119	30	25%
September	279	73	26%
Quarter Totals	**585**	**175**	**30**
2007 Totals	1212	429	35%

Nearly all of the work reported during the quarter appeared to be for maintenance. No problems were reported by our inspectors at the work sites they inspected.

B. Design Map Review

No design maps were submitted for review during the third quarter.

C. Construction Inspection Results

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

During the third quarter our inspectors reported 2,552 violations. During the quarter, Comcast reported repair of 552 (22%) violations, all within 30 days from the date they were reported for correction.

Table 2 summarizes the violations reported during the third quarter by type of violation category.

Table 2
Construction Inspection Summary – Reported Violations

Type of Problem	2006 3rd Qtr	2006 4th Qtr	2007 1st Qtr	2007 2nd Qtr	**2007 3rd Qtr**
Construction	1720	1364	1675	1831	**1556**
Equipment	49	75	38	38	**17**
Restoration	123	179	56	55	**35**
Subscriber Drops	558	680	1159	1094	**944**
Totals	2450	2298	2928	3018	**2552**

The majority of the problems found during the third quarter were in the construction category. Approximately 40% of those violations had to do with guying and lashing issues. Nearly half of the guying problems cited included locations that required guy guards to alert passersby to the presence of the wire and protect pedestrians from injury. Locations that required tree guards accounted for 25% of the problems. The remaining violations in this category were either clearance related or were locations where the lashing that secures the cables to the steel strand had broken. Inspection sites with grounding issues represented approximately 12% of the total construction category violations reported.

Approximately 37% of the third quarter violations were for problems found with subscriber "drop" installations – the cable connection to the residence. Over 33% of those drop problems were related to improper clearance to electrical or other utility service lines to the home. Notwithstanding our meeting with Comcast staff in the second quarter when we discussed current electrical code for drop grounding, nearly 25% of the drop installations we inspected did

not meet current code requirements to bond the cable drop to the main electric ground. Approximately the same numbers of grounding problems were found in the third quarter.

Our records show that during the third quarter, Comcast reported they had responded to all of the 1,334 outstanding fourth quarter 2006 violations. However, there remained 560 violations from the first and second quarter of 2007 that had yet to be addressed. Table 3 is a summary of Comcast's repair record.

Table 3
Comcast Repair Record of Reported Violations

Repair Record	2nd Qtr 2006	3rd Qtr 2006	4th Qtr 2006	1st Qtr 2007	2nd Qtr 2007	3rd Qtr 2007	Percentage of Resolved as of September 30, 2007
Total Violations	2,199	2,450	2,298	2,928	3,018	2,552	
Addressed within 30 days	2,168	824	943	2,213	2,741	552	73%
Addressed over 30 days	31	1,626	1,355	367	65	0	27%
Total Repaired	2,199	2,450	2,298	2,580	2,806	552	
Outstanding Violations	**0**	**0**	**0**	**348**	**212**	**2,000**	**2,560**

A listing of the violations reported in the third quarter is provided in Appendix A.

Inspection Alerts

We report violations that present a hazardous situation or a potential liability to the County or cable system operator as "Inspection Alerts." The operator attempts to correct these violations within seven days. There were 15 Alerts reported during the third quarter. During the quarter, Comcast reported repair of 10 of these violations -- seven within 7 days. As of the end of the quarter, Comcast had not reported the disposition of the remaining five violations. Nearly all of the problems reported were for exposed temporary cables, one of which a resident stated had been there since July.

D. Re-inspection of Violations

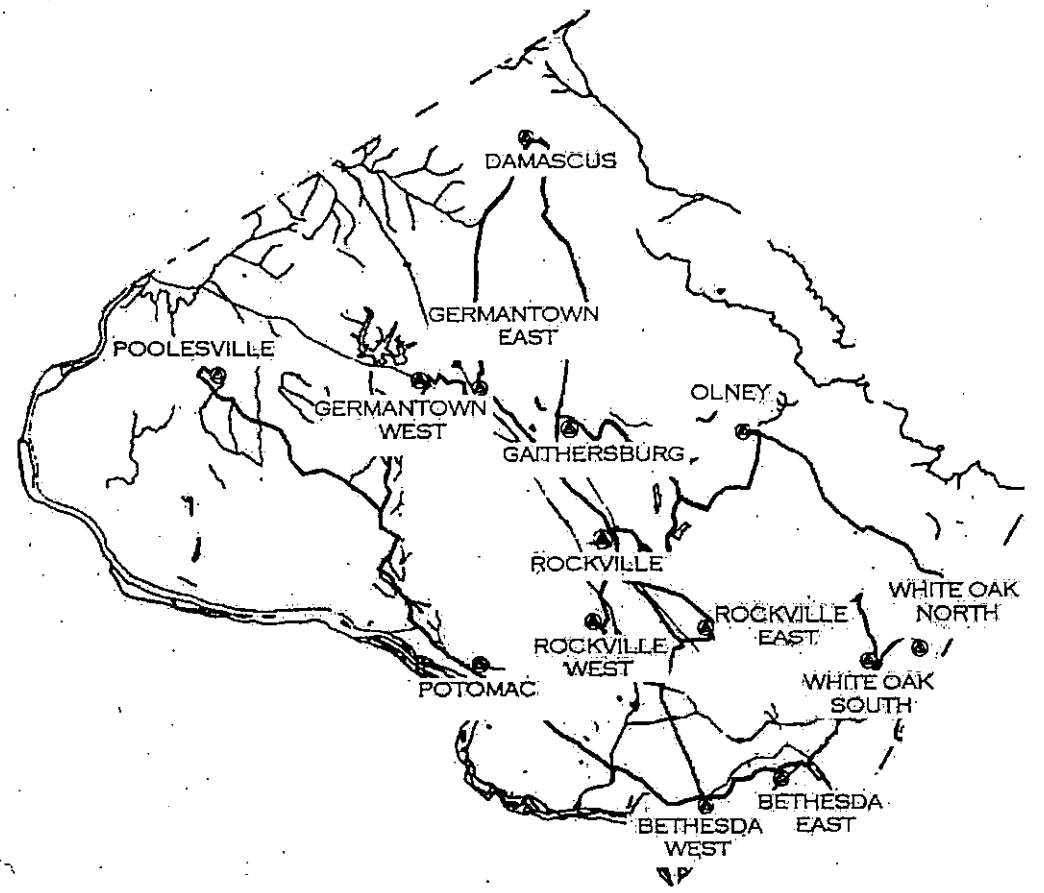
After Comcast reports correction of violations, we re-inspect a sampling of those violations to verify the repair has been made and the problem has been corrected. We found that 9% of the second quarter violations Comcast reported as resolved had not been properly repaired. We have provided Comcast with a copy of those violations 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.

A. Federal Communications Commission Proof-of-Performance Tests

The system operator is required by the FCC to perform semi-annual Proof-of-Performance ("proof") tests in accordance with FCC procedures to demonstrate overall performance of the cable system meets the minimum technical standards for analog signals as established by the FCC for cable television systems. The number of test locations is determined by the size of the system using a formula devised by the FCC. For the Comcast Montgomery County system, FCC test procedures require a sampling of signals on nine channels at a minimum of 21 different geographic locations on the system. The proof tests are performed once in the winter and once in the summer to measure system performance during temperature extremes that can impact transmission of signals across the system. We observe proof tests, which are performed by Comcast contractors, to verify the tests are properly conducted and the results are accurately reported according to FCC rules.

Comcast performed summer proof-of-performance tests at 25 test points across the County from August 22 – August 24, 2007. Based on our observation of the test measurements taken by Comcast's contractor, two test points failed to meet FCC minimum technical standards. Test Point WO-01 (Cherry Tree Lane in White Oak) recorded carrier-to-noise measurements on three channels (channels 3, 67 and 76) below the minimum 43 dB permitted. Test Point LT-02 (Boxberry Terrace in Laytonsville) recorded a hum measurement on Channel 3 in excess of the 3% maximum allowed by the FCC. We note that our monitor test results for both test points showed all measurements met FCC standards.

The County Franchise requires Comcast to maintain a minimum carrier-to-noise measurement of 47 dB on all channels. The proof test measurement recorded by Comcast showed 14 test points failed to meet this Franchise requirement on one or more channels.

Comcast had not provided the complete set of proof test results for the summer 2007 tests as of the time of this report. We will report the results of all FCC required proof test measurements for the summer 2007 when we receive that report from Comcast. We will also report the results of any subsequent testing by Comcast at the problem test points noted in this section.

B. Monitor Tests

CTC conducted third quarter monitor tests concurrent with Comcast's proof tests at the proof test locations in August. In addition, we conducted independent tests at the remaining test points from September 4 – 6, 2007. Our test results found five test point locations failed to meet FCC minimum technical standards. Three of these locations (Parker Avenue in White Oak, Haller Road in Poolesville, and Woodfield Road in Damascus) had signal levels below 3dB -- the FCC's minimum performance standard. We reported similar problems at two of those locations (Parker Avenue and Haller Road) in our second quarter report. A fourth test point (Paula Lynn Drive in White Oak) failed to meet all FCC standards except the measurement for hum. A fifth location (Fraley Farm Road in Olney) failed to meet the standard for the ratio of audio-to-video signal levels.

A copy of the test results for failed test locations is included in Appendix C of this report and has been provided to Comcast for review and necessary corrective action.

Additional information on test measurement standards, including an explanation of the effects of signals that do not meet the minimum FCC technical measurements, is included in Appendix D. The current Comcast channel line-up is provided in Appendix E.

C. Acceptance Tests

No new nodes were reported by Comcast for activation/acceptance testing during the third quarter.

D. PEG Feed Tests

During the third quarter CTC measured the performance of the fiber optic feeds from the PEG facilities to the cable system headend. These tests are performed periodically to ensure that the PEG programming origination signals reach the Comcast headend without undue degradation. Most of the measurements were within acceptable expected tolerances and FCC minimum specifications. However, we did find problems with the fiber feeds which need to be addressed.

Programming Feed Transmission Equipment
When the fiber optic transceivers were first installed by the Franchisee, they utilized wavelength division multiplexing (WDM) technology, transmitting lightwave signals at 1310 nanometers and 1550 nanometers to simultaneously transmit the audio and video signals in a single transceiver from each PEG facility in the County to the headend. Originally, each PEG facility was provided with two transceiver pairs. The links from Rockville, Takoma Park, Montgomery College and the Municipal League each had an active pair and a back-up pair of transceivers. Since the Public Schools and Montgomery Community Television program two channels, one fiber with one pair of transceivers was used to transmit the signals for each channel.

However, during our tests, we found only one site (Montgomery College) still had the active and back-up pairs of transceivers in place and operational. We suspect the others had either been used to replace broken units or had failed and had not been replaced. Consequently, it appears there may be no back-up or replacement parts for the feeds. We recommend replacement of all transceiver pairs (both in use units and back-up units) at all PEG facilities. We base this recommendation on a number of factors: 1) the units have been in service for seven years and are either obsolete or at or near the end of their useful life cycle; 2) there are problems with some of the units (see test results below) and no replacement units are available; and, 3) the manufacturer of those units went out of business years ago, thus the equipment is no longer supported. Further, the present transceivers transmit only one-way. Since the PEG operators now wish to activate the two-way service required by the Franchise Agreement, new equipment capable of providing two-way service will be required.

In conjunction with our work to interconnect the PEG facilities to share programming and cablecasting from remote I-Net or FiberNet sites over the PEG channels, we have been directed

to work with Comcast to select new equipment for the PEG programming feeds to the headend. Replacement of the transceivers is a necessary part of the overall plan for the upgrade.

Test results

Based on the measurements taken during our tests, the feeds from most of the PEG production facilities met minimum FCC standards and were found to be operating within acceptable tolerances. We found some measurements that failed to meet FCC standards, however. The fiber optic transceivers for County Cable Montgomery (channel 6), the Montgomery College (channel 10), and Montgomery Community Television (channel 21) failed to meet FCC standards for differential gain. This problem can result in "washed out" looking pictures, though we did not observe that occurring at the time we took the measurements. We recommend adjustment of the transceivers, where possible, to meet FCC standards until new transceivers can be installed. A summary of the results of the PEG feed tests is provided in Appendix H. The test procedures and explanations of the measurements is provided in Appendix I.

E. I-Net Tests

There were no I-Net tests conducted during the third quarter. The I-Net site located at the WSSC office just across the County line in Prince George's County still needs to be connected. Comcast of Montgomery had previously reported they were working with Prince George's Comcast staff to make this connection; however, it has been outstanding for quite a while and needs to be resolved.

MONTGOMERY COUNTY

Testing and Inspection Report

Comcast Subscriber Network

Fourth Quarter 2007

October 1 – December 31, 2007

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I. INTRODUCTION

This report documents the quality of construction and the technical performance of the Comcast cable television system in Montgomery County during the fourth quarter of 2007.

The Comcast system, rebuilt in 2002, provides service to County subscribers from its headend via 14 optical transition nodes ("OTN"), or hubs, and approximately 363 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 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 re-inspection 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 required by the FCC;
- Quarterly monitor tests to collect additional data on system performance between the two semi-annual proof test periods;
- 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 October 1 to December 31, 2007.

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 has been 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 County 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, along with explanations of typical violations reported by our inspectors.

A. Work-in-Progress Inspection Sites

During construction, 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 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

Month	Total # Active Work Sites	Total # Work Sites Inspected	% Inspected
October	82	66	80%
November	29	24	83%
December	22	22	100%
Quarter Totals	**133**	**112**	**84%**
2007 Totals	1345	541	40%

There were not as many locates reported as last quarter; typically this is due to the decline in work during cold weather months. Nearly all of the work reported during the quarter appeared to be for maintenance, although there were a few locations where new construction was reported. No problems were reported by our inspectors at the work sites they inspected.

B. Design Map Review

With the exception of a map for a new condominium development (discussed in Acceptance Testing Section II (C) of this report), no other design maps were submitted for review during the fourth quarter.

C. Construction Inspection Results

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

In the fourth quarter our inspectors reported approximately 27% more violations than last quarter. They attributed this increase, in part, to inspections in areas near Rockville where there have been many homes renovated or rebuilt. We have found that home construction crews often disconnect drops and leave them hanging from the cable plant or wrap them around the utility poles. We also noted an increase in exposed underground drops, temporary unburied underground drops, and drops not secured to the poles. Some of these violations may be attributed to locations where home reconstruction has required sites to move from an aerial drop to underground utilities. In these cases, when the drop is replaced it may not be properly buried or attached to the pole from the cable plant to the ground. There were also many locations in those areas were guy wires were found broken, very slack, or not attached to the guy rods. Table 2 summarizes the violations reported during the fourth quarter by type of violation category.

Table 2

Construction Inspection Summary – Reported Violations

Type of Problem	2006 4th Qtr	2007 1st Qtr	2007 2nd Qtr	2007 3rd Qtr	**2007 4th Qtr**
Construction	1,364	1,675	1,831	1,556	**2,078**
Equipment	75	38	38	17	**60**
Restoration	179	56	55	35	**96**
Subscriber Drops	680	1,159	1,094	944	**1,007**
Totals	2,298	2,928	3,018	2,552	**3,241**

The number of construction related violations represents a 34% increase from last quarter. This is in part a reflection of the greater number of number of guying violations reported in the fourth quarter. In addition to the guying problems, the number of locations reported with vertical ground wires not bonded together as required significantly increased from the number reported

last quarter. We also reported locations with violations such as broken lashing that secures the cables to the supporting strand, grounding issues, and locations that required tree guards. The number of these types of violations was comparable to the levels reported last quarter.

Restoration and equipment related problems were a very small percentage of the total number of problems.

Drop violations accounted for approximately 31% of the total violations cited in the fourth quarter. In addition to the drop problems noted above, we found nearly 200 homes where the cables entering the residences were not properly grounded. Current national electric code (NEC) requires drops to be bonded to the main electric ground; however, many of the drops we inspected were connected to a ground rod, a water spigot, or other metal surfaces such as electrical outlets or air conditioners. A listing of the violations reported in the fourth quarter is provided in Appendix A.

Repairs

Last quarter we reported that Comcast had a total of 2,560 outstanding violations they had not addressed: 560 from the first and second quarters and 2,000 from the third quarter. During the fourth quarter, not only have none of those violations been reported fixed but Comcast has not reported repair of any of the 3,241 violations reported in the fourth quarter. This brings the total number of outstanding violations that Comcast has not reported as corrected to 5,801.

Table 3 summarizes Comcast's repair record for 2007.

Table 3

Comcast Violation Repair Record

Repair Record	1st Qtr 2007	2nd Qtr 2007	3rd Qtr 2007	4th Qtr 2007	Percentage of Resolved as of December 31, 2007
Total Violations	2,928	3,018	2,552	3,241	11,739
Addressed within 30 days	2,213	2,741	552	0	47%
Addressed over 30 days	367	65	0	0	4%
Total Repaired	2,580	2,806	552	0	51%
Outstanding Violations	**348**	**212**	**2,000**	**3,241**	**5,801**

Inspection Alerts

We report violations that present a hazardous situation or a potential liability to the County or cable system operator as "Inspection Alerts." The operator attempts to correct these violations within seven days. We reported four Alerts during the fourth quarter -- all of which were for

temporary cables lying across sidewalks or driveways. Comcast reported repair of two of those violations – both within ten days after they were reported.

Comcast has not reported if the five unresolved Alerts from the third quarter had been fixed. Based on our recent re-inspection of those locations, we found they all had been corrected; however, we do not know when this occurred or whether it was within the seven day time period.

D. Re-inspection of Violations

After Comcast reports correction of violations, we re-inspect a sampling of those violations to verify the repair has been made and the problem has been corrected. On re-inspection of a majority of the 552 third quarter violations Comcast reported as repaired, we found that 10% had not been corrected as reported. We have provided Comcast with a copy of those violations for corrective action.

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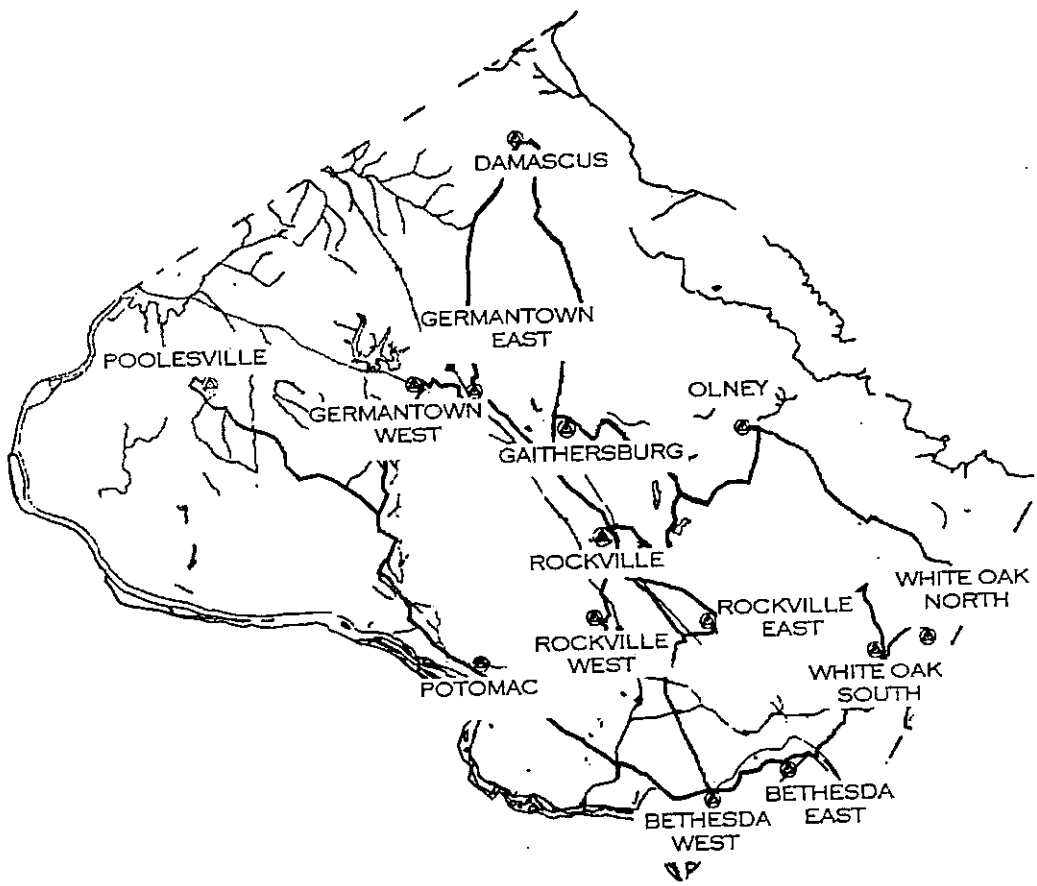
III. SYSTEM PERFORMANCE TESTING

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 363 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.

A. Federal Communications Commission Proof-of-Performance Tests

The system operator is required by the FCC to perform semi-annual Proof-of-Performance ("proof") tests in accordance with FCC procedures to demonstrate that overall performance of the cable system meets the minimum technical standards for analog signals as established by the FCC for cable television systems. The number of test locations is determined by the size of the system using a formula devised by the FCC. For the Comcast Montgomery County system, FCC test procedures require a sampling of signals on nine channels at a minimum of 21 different geographic locations on the system. The proof tests are performed once in the winter and once in the summer to measure system performance during temperature extremes that can impact transmission of signals across the system. We observe proof tests, which are performed by Comcast contractors, to verify the tests are properly conducted and the results are accurately reported according to FCC rules.

The next set of FCC tests will be performed in the first quarter of 2008.

Last quarter we reported that Comcast had not submitted for review a complete set of test results for the summer 2007 proof tests. We have now obtained a copy of those test results. Our review of that data found that all of the 24-hour measurements met the minimum FCC technical requirements. We note that Comcast now provides a greatly improved format for their proof test results which enables a more efficient analysis to verify compliance with FCC requirements.

B. Monitor Tests

CTC staff conducted monitor tests during November at 47 test point locations. The results of our testing found that all test locations met or exceeded FCC minimum technical performance standards. It appears that all of the problems noted in the third quarter test results have been addressed by Comcast. We observed marginally acceptable measurements for the carrier level between two of the channels at the Dullwich Lane test point. Based on our subjective viewing of the channels at that site, the picture quality was acceptable.

A copy of the test results for the Dullwich Lane test location is included in Appendix C of this report and has been provided to Comcast for review and necessary corrective action.

Additional information on test measurement standards, including an explanation of the effects of signals that do not meet the minimum FCC technical measurements, is included in Appendix D. The current Comcast channel line-up is provided in Appendix E.

C. Acceptance Tests

During the fourth quarter we were asked to observe activation tests for a new node constructed to serve Jefferson's at Indigo Crossing, a large luxury apartment complex in Rockville. All recorded measurements met the minimum FCC technical performance standards. A design map for the facility was provided at the time we observed the tests.

D. PEG Feed Tests

There were no PEG tests performed during the fourth quarter.

E. I-Net Tests

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

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CTC
COMMUNICATIONS
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FOR THE PUBLIC INTEREST

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November 13, 2007

Via Electronic Transmission

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 Third Quarter 2007 Report

Dear Ms. Lawton:

This is to update you on the status of our testing and inspection of the RCN system during the third quarter of 2007.

Construction Inspection

Cable Plant

During the third quarter, our inspectors were working primarily in areas where there was no RCN plant. Consequently we reported just 20 violations to RCN for correction during the third quarter. Nearly all of the violations reported were related to clearance and guying issues. As of the end of the quarter, none of the problems cited for correction had been reported as fixed by RCN. We note, however, that as reported below, RCN has been working with their contractors to address the many violations from prior quarters that had been outstanding for some time. By the end of the quarter, they had made significant progress toward that end.

During the quarter we also reported two inspection "alerts" – violations that pose an immediate safety hazard. RCN reported repair of one alert during the quarter. The alert not yet addressed (for an open power supply box with a battery hanging outside the pole) appeared to be in that condition for quite a while.

A list of violations reported to RCN during the third quarter is provided in Attachment A.

RCN Repairs/Re-inspection

At the end of the last quarter our records showed there were over 1,400 violations from prior quarters that had not been addressed. RCN has assigned this work as a priority to their

contractors and by the end of the third quarter they had reduced the number to under 980 outstanding violations. Table 1 is a list of unresolved violations as of this report.

Table 1
RCN Repair Record of Reported Violations

Repair Record	1st Qtr 2006	2nd Qtr 2006	3rd Qtr 2006	4th Qtr 2006	1st Qtr 2007	2nd Qtr 2007	3rd Qtr 2007	Total	Percentage of Resolved as of September 30, 2007
Total Violations	478	715	800	526	177	426	20	3142	
Addressed within 30 days	0	0	0	0	0	221	0	221	0
Addressed over 30 days	300	427	430	479	144	164	0	1944	%
Total Repaired	300	427	430	479	144	385	0	2165	
Outstanding Violations	**178**	**288**	**370**	**47**	**33**	**41**	**20**	**977**	

During the quarter, we re-inspected a sampling of sites RCN reported as repaired. Of the locations revisited, 7% were not corrected as reported. We have provided a list of these sites to RCN for follow-up.

Performance Testing

Proof-of-Performance Tests

RCN performed their summer 2007 FCC proof-of-performance tests on August 28 and 29 at the following test points:

- Watson Road
- Mintwood Street
- Granvillle Drive
- Lanark Way
- Jackson Avenue
- Boston Avenue

All measurements for the tests we observed exceeded FCC minimum technical performance standards. We will report on the results of the full set of summer proof tests once RCN provides a complete report of those test results.

During the third quarter, RCN submitted complete reports of the results from the summer 2006 and the winter 2007 proof tests. Based on the measurements contained in those reports, all of the locations met FCC required performance standards.

Monitor Tests

We performed monitor tests at the locations where the six proof-of-performance tests were conducted in the third quarter. Measurements at all six locations exceeded FCC minimum technical performance standards.

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

Sincerely,

Robert P. Hunnicutt

Attachments
RPH/cc

\Mc-CATV\RCN\Inspection Report\2007\3rd Qtr\RCN Status Report 3rd qtr 2007_080907.doc

ATTACHMENT A

INSPECTION VIOLATIONS

Table A-1
Montgomery County Construction Inspection Report - RCN
Third Quarter 2007 (July - September)

Inspection Number	Map Number	Date Reported	Date Resolved	Inspection Site Address	Construction	Equipment	Restoration	Subscriber Drop
10995-1		7/24/07		102 University Blvd. @ St. Lawrence/ P797431-7555	1			
10995-2		7/24/07		80 University Blvd./ P3877 (St. Bernadette's Church)	1			
10995-3		7/24/07		80 University Blvd./ P0875 (across University Blvd. to Blair HS)	1			
11324-1		8/3/07		10604 Bucknell Dr./ P0860	1			
11324-2		8/3/07		2011 Dayton St./ P4069	1			
11324-3		8/3/07		1600 Gridley Ln./ P8525 (pole on Inwood Ave.)	1			
11326-1		8/3/07		1322 Wheaton Ln./ P4920	1			
11326-2		8/3/07		1322 Wheaton Ln./ P4920	1			
11326-3		8/3/07		10708 Amherst Ave./ P5416	1			
11328-1		8/8/07		10511 Cascade Pl.	1			
11328-2		8/8/07		10511 Cascade Pl.	1			
11328-3		8/8/07		Cascade Pl. @ Dunkirk Dr./ P9835	1			
11331-1		8/24/07		9421 Holland Ave./ P2711	1			
11380-1		8/31/07		10705 Gregory St./ P0821	1			
11387-1		9/20/07		7260 Chestnut St./ P0118				1
11387-2		9/20/07		4516 Windsor Ln./ P2714	1			
11387-3		9/20/07		4524 Windsor Ln./ P1313	1			
11387-4		9/20/07		4532 Windsor Ln./ P0013	1			
11387-5		9/20/07		3818 Montrose Dr./ P1434	1			
11387-6		9/20/07		Connecticut Ave. @ Montrose Dr./ P0441	1			
					19	0	0	1

REPORT SUMMARY

Total Violations	20
Violations resolved within 30 days	0
Violations resolved after 30-day lim	0
Total violations resolved	0
Violations currently unresolved	20

Table A-2
Montgomery County Construction Alert Report - RCN
Third Quarter 2007 (July - September)

Ref. #	Map #	Report Date	Repair Date	7 day limit	Site Inspected	Violation Description
A1509		7/23/07			10705 Malone St./ P1342	Power supply box is open/battery is hanging on pole step (appears to have been in this condition for some time - there's a bird nest inside the box
A1518		8/29/07	8/30/07	Y	9917 Sutherland Rd./ P3951	Drop is laying on ground and roadway (damage appears to have been caused by recent storm)
TOTAL NUMBER OF ALERTS				2		
TOTAL CORRECTED WITHIN TIME LIMIT				1		
TOTAL CORRECTED				1		
TOTAL NOT CORRECTED				1		

45

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FOR THE PUBLIC INTEREST

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301.933.1488 • fax: 301.933.3340 • www.CTCnet.us

January 8, 2008

Via Electronic Transmission

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

Re: RCN Fourth Quarter 2007 Report

Dear Ms. Wilson:

This is to update you on the status of our testing and inspection of the RCN system during the fourth quarter of 2007.

Construction Inspection

Because our inspectors were working in parts of the county where there was no RCN system constructed, we had no violations or alerts to report during the fourth quarter.

Alerts

Last quarter we reported there was one Alert still not fixed. Based on our recent re-inspection of that problem we found that it has since been corrected.

RCN Repairs/Re-inspection

Our third quarter update on RCN's inspections reported there were 980 violations outstanding. After the MFP Committee expressed interest in seeing those violations addressed at their last operator performance review meeting, RCN initiated a campaign to address all of those violations as quickly as possible. We provided RCN with the violations we still showed as outstanding and discussed their plan for corrective action with RCN staff.

The RCN staff has been very cooperative, and has provided us with weekly updates on their progress during much of this quarter. As of the end of the fourth quarter there were just 141 unresolved violations. We have provided RCN with a detailed listing of those unresolved violations to be addressed.

Once RCN has notified us they have completed corrective work, we will re-inspect a sampling of the locations reported as corrected to verify proper repair. We expect to conduct this work during the first quarter of 2008.

Table 1 below summarizes the results of the corrective work by RCN.

Table 1

RCN Repair Record of Reported Violations

Repair Record	1st Qtr 2006	2nd Qtr 2006	3rd Qtr 2006	4th Qtr 2006	1st Qtr 2007	2nd Qtr 2007	3rd Qtr 2007	4th Qtr 2007	Total	Resolved as of December 31, 2007
Total Violations	478	715	800	526	177	426	20	0	3142	
Addressed within 30 days	0	0	0	0	0	221	0	0	221	7%
Addressed over 30 days	475	702	782	502	155	164	0	0	2780	89%
Total Repaired	475	702	782	502	155	385	0	0	3001	
Outstanding Violations	**3**	**13**	**18**	**24**	**22**	**41**	**20**	**0**	**141**	**96%**

Performance Testing

FCC Proof-of-Performance Tests

The next set of FCC proof tests will be conducted during the first quarter 2008. RCN has not yet submitted a complete report for the summer 2007 proof test results for our review. Once we obtain that information we will provide our comments.

Monitor Tests

On November 27th and 28th, we performed monitor tests at all test point locations on the RCN system. Measurements at all locations met FCC minimum technical performance standards. However, we noticed severe attenuation of the signal levels on channels in the upper frequencies at the test location on Granville Drive. Although that problem did not appear to impact the test measurements or picture quality it should be corrected. We have provided RCN with the test results for this site for corrective action.

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

Sincerely,

Robert P. Hunnicutt

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November 13, 2007

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

Re: Verizon Third Quarter 2007 Report

Dear Ms. Lawton:

This is to update you on the status of our testing and inspection of the Verizon system during the third quarter of 2007.

Construction Inspection

We reported just 49 violations to Verizon to address during the third quarter. By the end of the quarter, Verizon reported correction all but 7 of those problems. Our inspectors cited the need for transferring cables to new poles, grounding the ends-of-lines, fixing broken pole guy wires, guarding cables from damage from tree limbs, and fixing broken lashing to keep the cables secured to the strand that supports them on the poles. There were also a number of locations where we found exposed underground drop cable that needed to be buried.

During the quarter we reported two inspection "alerts" – violations that represent an immediate safety hazard. Verizon reported correction of both those violations as of the end of the reporting period. A list of violations reported to Verizon is attached for your reference.

We are in the process of establishing test locations for future monitor testing of the system performance. At the end of the quarter, we were awaiting delivery from Verizon of the summer 2007 FCC proof-of-performance test results for our review.

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

Sincerely,

Robert P. Hunnicutt

Attachments

Mc-CATV\Verizon broadband\Inspection Reports\2007\3rd Qtr\3rd qtr 2007 report_110707.doc

ATTACHMENT A

INSPECTION VIOLATIONS

Table A-1
Montgomery County Verizon Inspections
Third Quarter 2007 (July - September)

Inspection Number	Map Number	Date Reported	Date Resolved	Inspection Site Address	Construction	Equipment	Restoration	Subscriber Drop
10868-1	210-8NW	8/3/07		7917 Quarry Ridge				1
10869-1	217-4NW	8/3/07	8/21/07	13203 Justice Rd./ P9663	1			
10869-2	217-4NW	8/3/07	8/21/07	12905 Penrose St./ P3905	1			
10869-3	217-4NW	8/3/07	8/21/07	4432 Hallet St./ P8735	1			
10873-1	218-5NW	8/8/07	8/21/07	4902 Aspen Hill Rd./ P6476	1			
10873-2	218-5NW	8/8/07	8/21/07	13722 Lionel Ln./ P7459	1			
11327-1		8/8/07	8/21/07	10511 Bucknell Dr./ P7317	1			
11057-1		8/16/07	8/17/07	Connecticut Ave. (northbound) @ Baltimore Rd./ P2804	1			
11057-2		8/16/07	9/7/07	Connecticut Ave. @ Culver St./ P742564 (southbound)	1			
11057-3		8/16/07	9/7/07	Connecticut Ave. @ Culver St./ P8760/ P748564	1			
11058-1		8/16/07	8/17/07	10003 Connecticut Ave. @ Everett St./ P0003 (northbound)	1			
11058-2		8/16/07	8/22/07	Connecticut Ave. @ Dunnel Ln./ P2255/ P3070	1			
11058-3		8/16/07	9/7/07	9728 Connecticut Ave. @ Saul Rd./ P3919 (southbound)	1			
11058-4		8/16/07	9/7/07	9728 Connecticut Ave./ P3919/ P3304	1			
11058-5		8/16/07	9/7/07	9728 Connecticut Ave./ P3304/ P2690	1			
11058-6		8/16/07	9/7/07	9728 Connecticut Ave./ P2690/ P1976	1			
11058-7		8/16/07	9/7/07	Connecticut Ave. @ Everett St./ P8586 (southbound)	1			
11058-8		8/16/07	8/22/07	Connecticut Ave. @ Everett St./ P8586 (southbound)				1
11058-9		8/16/07	8/22/07	10008 Connecticut Ave./ P9208	1			
11058-10		8/16/07	8/22/07	Connecticut Ave. @ Dresden St./ P9828 (southbound)	1			
11058-11		8/16/07	9/7/07	Connecticut Ave. @ Dresden St./ P9828 (southbound)	1			
11058-12		8/16/07	8/22/07	Connecticut Ave. @ Franklin St./ P7660 (southbound)	1			
11059-1		8/16/07	8/23/07	Connecticut Ave. @ Dunnel Ln./ P777429-2255 (northbound)	1			
11059-2		8/16/07	8/23/07	9717 Connecticut Ave./ P4711 (northbound)	1			
11059-3		8/16/07	8/23/07	9721 Connecticut Ave. @ Saul Rd./ P5020/ P4711	1			
11059-4		8/16/07	8/23/07	9725 Connecticut Ave./ P5020 (northbound)	1			
11059-5		8/16/07	9/7/07	9725 Connecticut Ave./ P5328	1			
11059-6		8/16/07	8/17/07	9803 Connecticut Ave./ P6365 (northbound)	1			

Table A-1
Montgomery County Verizon Inspections
Third Quarter 2007 (July - September)

Inspection Number	Map Number	Date Reported	Date Resolved	Inspection Site Address	Construction	Equipment	Restoration	Subscriber Drop
11059-7		8/16/07	8/23/07	9807 Connecticut Ave./ P6680 (northbound)	1			
11059-8		8/16/07	9/7/07	9811/9813 Connecticut Ave./ P7001	1			
11059-9		8/16/07	9/7/07	9819 Connecticut Ave./ P7423	1			
11379-1		8/31/07	9/7/07	10909 Breewood Ct./ PM1248	1			
11379-2		8/31/07	9/7/07	902 - 904 Snure Rd.	1			
11379-3		8/31/07	9/7/07	1006 Kerwin Rd./ P1784	1			
11379-4		8/31/07	9/7/07	1006 Kerwin Rd./ P1784	1			
11379-5		8/31/07		4237 Charley Forest St.			1	
11379-6		8/31/07		18910 Olney Mill Rd.				1
11382-1		8/31/07	9/7/07	17904 Lafayette Dr./ P0303	1			
11382-2		8/31/07	9/7/07	17904 Lafayette Dr./ P0303	1			
11382-3		8/31/07	9/7/07	3401 Colonial Ct./ P6049	1			
11382-4		8/31/07	9/11/07	10901 Jolly Way/ P3060	1			
11382-5		8/31/07	9/11/07	10903 Stillwater Ave./ P0260	1			
11384-1		9/7/07	9/10/07	2300 Douglas Ct./ P9798	1			
11384-2		9/7/07	9/10/07	2906 Burton Hill Dr./ P1947	1			
11384-3		9/7/07	9/12/07	2905 Burton Hill Dr./ P9749	1			
11386-1		9/20/07		3015 Findley Rd./ P1980	1			
11386-2		9/20/07		3015 Findley Rd./ P1980	1			
11386-3		9/20/07		3015 Findley Rd./ P1980	1			
11386-4		9/20/07		Drumm Ave. @ Findley Rd./ P5902	1			
					45	0	1	3

REPORT SUMMARY

Total Violations	49
Violations resolved within 30 days	42
Violations resolved after 30-day lim	0
Total violations resolved	42
Violations currently unresolved	7

Table A-2
Montgomery County Construction Alert Report - Verizon
Third Quarter 2007 (July - September)

Ref. #	Map #	Report Date	Repair Date	7 day limit	Site Inspected	Violation Description
A1513		8/13/07	8/15/07	Y	11407 Symphony Woods Ln.	Exposed fiber optic drop from vault to home laying across front and side yards
A1514		8/17/07	8/24/07	Y	12109 Veirs Mill Rd./ P7774444864, Kensington	Disconnected cables dangling from pole at FiOS subscriber residence and blowing in the roadway
TOTAL NUMBER OF ALERTS				2		
TOTAL CORRECTED WITHIN TIME LIMIT				2		
TOTAL CORRECTED				2		
TOTAL NOT CORRECTED				0		

(54)

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January 8, 2008

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

Re: Verizon Fourth Quarter 2007 Report

Dear Ms. Wilson:

This is to update you on the status of our testing and inspection of the Verizon system during the fourth quarter of 2007.

Construction Inspection

During the fourth quarter, our inspectors reported only three violations on the Verizon plant. As of the end of the reporting period, Verizon had not reported repair of two of those violations.

Verizon reported correcting all of the outstanding third quarter violations during the fourth quarter. Of the 49 third quarter violations reported, 47 were fixed within 30 days. In addition to the two outstanding current period violations, there were five outstanding violations from the second quarter that Verizon had not reported as corrected. The problem with all of the unresolved locations was related to no ground installed at the end of the strand line. Our recent re-inspection of these violations found that the five violations from the second quarter had been corrected; however, the two violations from the current period still remain unresolved. We have notified Verizon of the need to address these few outstanding violations.

There were no Alerts reported for the Verizon plant in the fourth quarter.

Performance Testing

Verizon provided copies of the test results from the summer 2007 proof-of-performance tests. Based on our review of those measurements it appears that all of the FCC tests performed met the minimum technical standards. However, we note that Verizon did not perform all of the required FCC tests. Verizon has pledged to correct those omissions with the winter 2007 proof tests.

Verizon also agreed to establish test locations at County facilities where we could observe their tests for the winter proof tests. The County has provided a list of locations suggested as test points but has not been notified by Verizon that installations at those locations have been completed. We expect the next proof tests to be performed in January or February 2008.

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

Sincerely,

Robert P. Hunnicutt

Attachments

Mc-CATV\Verizon broadband\Inspection Reports\2007\4th Qtr\4th qtr 2007 report_010808.doc

ATTACHMENT A

INSPECTION VIOLATIONS

Table A-1
Montgomery County Verizon Inspections
Fourth Quarter 2007 (October - December)

Inspection Number	Map Number	Node Number	Date Reported	Date Resolved	Inspection Site Address	Construction	Equipment	Restoration	Subscriber Drop
11388-1			10/19/07	11/14/07	4504 Valley Forge Dr.		1		
11396-1			12/14/07		10308 Cherry Tree Ln./ P5701	1			
11396-2			12/14/07		205 Northmoor Dr./ P8785	1			
						2	1	0	0

REPORT SUMMARY

Total Violations	3
Violations resolved within 30 days	1
Violations resolved after 30-day limit	0
Total violations resolved	1
Violations currently unresolved	2

Mihill, Amanda

From: Richard Boltuck [rboltuck@verizon.net]
Sent: Monday, November 26, 2007 8:55 PM
To: Oldak, Reggie
Cc: Mihill, Amanda; O'Neill, Terry
Subject: RE: Verizon bundle (including FiOS television service) billing error information . . .

Dear Ms. Oldak . . . Many thanks for your assistance. I appreciate Mr. Berliner's interest in pursuing this matter further with Verizon. In addition to including my message in the information packet, you might consider also including the message that I had attached from Ms. Christina Dugan, a Verizon representative who has worked closely on customer service issues referred by the MC Cable and Communications Office (for your convenience, I have attached a copy to this message as well). Ms. Dugan's message documents the history and magnitude of overcharges in my case.

I hope Mr. Berliner will ask Verizon to commit to steps that will undo the harm caused consumers of Verizon FiOS TV services in Montgomery County and prevent further errors in the future, including specifically:

1. Verizon agrees to prevent future systematic billing errors of the kind that have recurred monthly over the past four or more billing cycles for customers in Montgomery County who purchased the company's "interim bundle" product (which includes, among other services, TV service subject to the Franchise Agreement).

2. Verizon agrees to audit its billing records to identify all Montgomery County residents who purchased the "interim bundle" and were subsequently overcharged, and to determine for each customer the amount of any uncorrected overcharge on each monthly bill.

3. Verizon agrees to contact each customer so identified and refund the amount overcharged to date.

I have read the Franchise Agreement, and I understand, as you explained in our conversation this morning, that the County government cannot order Verizon to undertake common-sense remedial steps such as these. But I do believe that Verizon's conduct in this matter places it in violation of several of its obligations under the Franchise Agreement. Consequently, I believe the County could inform Verizon that if it fails to agree to reverse the harm it has caused, and to correct the underlying billing problem in the future, the County will avail itself of enforcement measures provided in the Franchise Agreement, such as liquidated damages. I agree with you that Verizon is likely to be more significantly motivated to address this problem by its concern about the impact of adverse publicity on its commercial reputation than by any threat of minor regulatory fines (in the form of liquidated damages under Article 13 of the Franchise Agreement). I do believe, however, that the prospect of such publicity in the local media will be substantially enhanced if the County indicates publicly that it is prepared to move to enforcement under the Franchise Agreement unless Verizon undoes the harm its negligence and recalcitrance have caused.

Again, I appreciate your help, but more importantly, I am sure that other residents of Montgomery County who have been similarly overcharged month after month will also appreciate your help once they discover how they have been victimized.

Best regards,

Richard D. Boltuck

6015 Cairn Terrace
Bethesda, MD 20817-5405

Home: 301.320.0349 Cell: 202.320.7576
Reply to: Rboltuck@verizon.net

-----Original Message-----
From: Oldak, Reggie [mailto:Reggie.Oldak@montgomerycountymd.gov]

Sent: Monday, November 26, 2007 2:49 PM
To: rboltuck@verizon.net
Cc: Mihill, Amanda; O'Neill, Terry
Subject: FW: Verizon bundle (including FiOS television service) billing error information . . .

Dear Mr. Boltuck,

As we discussed by phone today, Councilmember Berliner will have your emails (below) included in the packet of information that MFP Committee members receive in preparation for their December 10th quarterly review of Comcast, RCN, and Verizon customer service. Further, he will ask Verizon to respond to the overcharge problems you have detailed in your messages.

Thank you for bringing this to our attention.

Sincerely,
Reggie Oldak

Chief of Staff
Office of Councilmember Roger Berliner
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850
[redacted]
Main phone: 240-777-7828
Fax: 240-777-7989
[redacted]

-----Original Message-----
From: Richard Boltuck [mailto:rboltuck@verizon.net]
Sent: Friday, November 16, 2007 7:01 PM
To: Berliner's Office, Councilmember
Cc: Trachtenberg's Office, Councilmember; Watkins, Keith
Subject: FW: Verizon bundle (including FiOS television service) billing error information . . .

Dear Mr. Berliner . . . I just noticed that you serve on the Management and Fiscal Policy Committee, which is responsible for oversight of the County's cable TV franchise agreements. Moreover, I live in Bethesda and am one of your District 1 constituents. I wrote the message copied immediately below to Ms. Trachtenberg ,as Chair of the MFP Committee, yesterday.

On examining the information on the Council's web site, I discovered that the MFP Committee plans its regular quarterly review of franchisee customer service at its December 10th meeting. If it would be appropriate, I would like to testify at that meeting, as part of that review, regarding a serious shortcoming in Verizon's customer service.

In short, Verizon has overcharged at least some, and perhaps all, of its customers who subscribed to FiOS TV service this past summer, through roughly the beginning of September, as part of what Verizon refers to internally as its "interim bundle" package. This package includes, at a fixed promoted price, internet and phone service in addition to TV service. Verizon has been well aware that it has been charging such customers more than the price it advertised and agreed to charge, and yet the overcharges have persisted, in my case, through four monthly billing cycles thus far. I have been in touch each month for the past several months with Mr. Keith Watkins of the MC Office of Cable and Communications Services (MCOCC), who, ironically, apparently fell victim personally to the same overcharges. In the past two monthly invoices, Verizon applied an adjustment reducing my bills by slightly over $10/month, representing an overcharge of about 10 percent. Although Verizon has been prepared to correct individual invoices when customers such as myself complain, it has dragged its feet in fixing whatever the underlying problem is, and has thereby benefited from extra revenue to which it is not entitled from customers who have not noticed the overcharge or otherwise have not complained or pursued the matter through time-consuming calls with customer service. The detailed history of my own experience is reflected in the thread of messages copied below between myself and the MCOCC (read chronologically beginning at the bottom).

For your further information, I am attaching an email message from Ms. Christina Dugan, a Verizon Executive Support staff person, who, at my insistence, has documented the history of monthly discrepancies between the accurate amounts due and the erroneous amounts charged in the original Verizon invoices I received.

I know that Montgomery County has imposed remedies under its enforcement rights set out in franchise agreements in the past, particularly with respect to liquidated damages levied against Comcast in one notable incident. I hope you would agree with me that the current facts are at least equally disturbing and egregious. In my view, Verizon should be asked to agree to audit its records and identify all Montgomery County residents who subscribe to the FiOS "interim bundle" package and have been overcharged; to determine the amount of the overcharges; to refund, with interest, all excess funds thus collected from customers; and to cease sending out erroneous bills in the future. Failing an agreement to thus rectify its error, I would urge the MFP Committee and the County regulatory authorities to pursue other enforcement remedies, including liquidated damages and the threat of franchise termination for habitual material misconduct.

Since I live in your District, I wonder if you might discuss with Chairperson Trachtenberg whether I might be provided a brief opportunity to bring this issue to the attention of the MFP Committee at its scheduled December 10th meeting in connection with the Committee's quarterly review of customer service? Many thanks in advance for sharing my concern.

Best regards,

Richard D. Boltuck

6015 Cairn Terrace
Bethesda, MD 20817-5405

Home: 301.320.0349 Cell: 202.320.7576
Please reply to: Rboltuck@verizon.net

-----Original Message-----
From: Richard Boltuck [mailto:rboltuck@verizon.net]
Sent: Thursday, November 15, 2007 10:27 AM
To: 'Councilmember.trachtenberg@montgomerycountymd.gov'
Cc: 'Keith.Watkins@montgomerycountymd.gov'
Subject: FW: Verizon bundle (including FiOS television service) billing error information . . .

Dear Ms. Trachtenberg . . . I just spoke to Mr. Keith Watkins of the MCOCC regarding Verizon's continuing practice of overcharging me for FiOS TV service, as part of the service bundle package I purchased last July. He suggested that I contact you because of your oversight of MFP on the Council, and thought you might be better positioned to pursue appropriate sanctions against Verizon under the County's November 28, 2006 Franchise Agreement with Verizon. He also confirmed that you may contact him for further details of the experience that some Montgomery County residents, including me, have encountered with Verizon's serial overcharge billing errors. (His number is 240.777.3793). My messages to the OCC and Mr. Watkins explaining my own experience in detail are copied below, but importantly, I am not the only one so victimized. (In fact, Mr. Watkins told me that he himself has been subject to a similar overcharge error).

I note that the Franchise Agreement requires that Verizon provide accurate pricing information in its promotional material, file copies of such materials, contracts, etc. with the County, and live up to detailed customer service standards set out in Exhibit D. In my view, Verizon has been unwilling to fix its billing system, which it is obligated to maintain in a form that generates accurate invoices, over four montly billing cycles now. This unwillingness reflects a self-evident lack of priority and commitment of required resources on Verizon's part to correct future billing, identify past victims, and make needed refunds to all those who have been victims. It is not sufficient that Verizon corrects each monthly invoice individually when a complaint is filed when it is unprepared to repair a known system problem that generates the problem month after month. Because many customer-victims of Verizon's overcharge practice may not know that they have been overbilled or take the time to complain and resolve the matter monthly, as I have, Verizon's foot-dragging actually increases its revenue illicitly. It should not benefit systematically from its own recalcitrance. I should note that although the magnitude of the monthly overcharge billing error has declined somewhat in the past couple of months, it still is roughly 10 percent of the correct amount due, which I regard as proportionally very significant.

Therefore, after four months of patience, I now strongly believe that it is time for the County to intervene to exert influence on Verizon. I note that the County has enforcement options, including liquidated damages (a $200

sanction per violation per day), and termination of the Agreement for habitual material violations. I would like to see these tools brought to bear at this point, perhaps initially through threat and if appropriate through an enforcement action. I am sure that many of Verizon's FiOS TV customers in Montgomery County would be gratetful and expect nothing less.

Please let me know if you have any questions or wish to discuss my concerns with me further. I may be reached at home at 301.320.0349 or by cell at 202.320.7576. Many thanks in advance for your efforts.

Best regards,

Richard D. Boltuck

6015 Cairn Terrace
Bethesda, MD 20817-5405

Reply to: Rboltuck@verizon.net

-----Original Message-----
From: Richard Boltuck [mailto:rboltuck@verizon.net]
Sent: Wednesday, November 14, 2007 4:34 PM
To: 'Watkins, Keith'
Subject: RE: Verizon bundle (including FiOS television service) billing error information . . .

Dear Mr. Watkins:

I first contacted you on September 18th to alert you to Verizon's practice of overbilling at least some of its customers for what it refers to internally as its "Interim Bundle" package of services, including FiOS internet, FiOS TV, and phone. This product was marketed over the summer until, I believe, roughly the beginning of September. I contacted the Montgomery County Office of Cable and Communications Services because, I understand, it franchises or licenses Verizon in its provision of television service in Montgomery County. I then wrote to you again on October 11th to advise you that although the specific overbilling referenced in my September 18th message had been resolved through discussions I had initiated with Verizon customer service, the problem had recurred on my October 5th invoice. That, too, was eventually corrected after I spoke with a representative in Verizon customer service. These earlier messages, and your response, are copied below.

Naturally, I hoped that this matter would be fully resolved going forward, since Verizon has now long been aware that it was charging me more than the agreed bundle rate on a recurring basis. Unfortunately, once again, my latest monthly invoice reflects an error similar to that on my prior three monthly bills. Ms. Dugan at Verizon called me last week to tell me that my new invoice, which I had not yet received at that point, would contain such an overcharge. I again spoke to her today, and determined that I had been charged $109.99 (plus $0.42 of additional ad valorem taxes/surcharges/other fees) for the three base monthly services, including FiOS TV, that Verizon had agreed last July to provide me for $99.99 per month. The overcharge has apparently been adjusted, once again, according to Ms. Dugan, and so I now anticipate being charged the correct amount when my monthly payment is debited automatically from my bank account later this month.

This current situation, however, is not acceptable in my view, for at least two major related reasons:

1) Verizon has not fixed the problem since July. That is far too long. I was not born yesterday. I know that if the company placed the appropriate priority on this matter, it would be corrected for future billings quickly. Verizon has obviously given this matter insufficient attention because it is more economical and convenient to deal with several individual complaints monthly then to correct its billing system, regardless of its moral and commercial obligation to do so promptly. My hypothesis is that its lack of urgency arises in part because it has not been subjected to the threat of regulatory sanctions (fines, license review, etc.) as a consequence of its conduct.

2) Verizon's incentive to resolve its billing problem at the source is also undermined by the fact that by overcharging customers, the company benefits illicitly, contrary to its contractual pricing commitment. Evidently this practice affects a number of customers beyond myself, at least some of whom also live in Montgomery County. I understood from an earlier coversation with Ms. Dugan that similar complaints have also been referred to her through the MCOCC from other customers.

I will call you about this matter this afternoon or tomorrow. My concern at this stage is that your office exerts whatever influence it can on Verizon to escalate and resolve this issue. I assume such influence would involve regulatory oversight of one form or another. (I recall that Verizon negotiated an agreement with the county prior to recieving permission to offer television service here; I imagine that agreement provides a mechanism for the county to pursue in protecting its residents from abuse by the franchise grantee.) I feel it is outrageous that others in Montgomery County who are being similarly overcharged but have not have devoted the effort to have their monthly bills individually corrected, month after month, imply that Verizon's recidivist, serial errors are continuing to accrue, unchecked and undeserved, to its bottom line -- at the expense of Montgomery County citizens. There must be a course of action to put an end to this outrage. Residents of Montgomery County shouldn't have to continuing enduring this situation even one day after it was been first identified and documented. I doubt there is much more to learn or verify through continuing investigation; it is now time to act on behalf of everyone in Montgomery County similarly situated and victimized.

Many thanks for your continuing attention to this matter. I appreciate your effort and hope for demonstrable results in the near future.

Best regards,

Richard Boltuck

6015 Cairn Terrace
Bethesda, MD 20817-5405

-----Original Message-----
From: Richard Boltuck [mailto:rboltuck@verizon.net]
Sent: Thursday, October 11, 2007 4:37 PM
To: 'Watkins, Keith'
Subject: RE: Verizon bundle (including FiOS television service) billing error information . . .

Dear Mr. Watkins:

You may recall my email message to you on September 18, 2007, copied below (together with your initial response), alerting you to Verizon's overcharge, in Montgomery County, for TV services sold as part of a bundle with telephone and internet services. At the time I contacted you, I believed this problem had been resolved going forward because I had been assured by a Verizon customer service representative that I would be charged the agreed bundle price on my next invoice.

Unfortunately, I regret to inform you that my latest Verizon invoice, dated October 5, 2007, continues to itemize the three services separately (including FiOS TV service which is franchised by your agency), and the total charged exceeds the amount to which I had agreed. I have again arranged a corrective credit through a lengthy phone conversation with a Verizon customer service representative ("Michael") this afternoon.

For your information, I have attached a copy of the summary first page of my Verizon October 5th invoice, showing the total amount charged for FiOS TV, internet, and telephone service to be $145.08. Based on my review with "Michael" at Verizon, this amount should have been no more than $135.08, representing an overcharge of at least $10.00. The correct amount ($135.08) consists of $99.99 for the basic bundle, $17.98 for rental of a DVR and set-top box, and assumes that the taxes, fees, and surcharges amounting to $17.11 would apply unchanged to the bundle. An adjustment fundamentally consistent with this analysis was applied to this invoice. Once again, I was told, this time by "Michael", that I would be billed correctly, based on the agreed bundle pricing, in my NEXT invoice (which I expect will be dated around November 5, 2007).

You should also know that after you provided my message below to Verizon, I received a call from a customer service representative who apologized and indicated to me that I should have been informed when I signed up for the bundle (which was installed on July 25, 2007), that it would take two billing cycles before I received the bundle price. If Verizon's usual practice was applied in my case, then Verizon has apparently NOT informed new customers of this delay when they first agree to subscribe to the bundled services, resulting in significant overcharges for at least several months. Has Verizon provided you with any written notification or signed customer acknowledgement that new bundle customers typically receive explaining that they will be charged tens of dollars more than the bundled price for several months? If not, I think it is

time for your office to come down hard on Verizon and demand remedial action benefiting all customers who have been overcharged.

Moreover, when I called Verizon this afternoon, before reaching "Michael", I once again heard the recorded message as part of Verizon's voicemail menu that I mentioned in my message below. This message states that customers who have purchased bundled services should know that it will take two billing cycles before the agreed bundle price is reflected in monthly invoices (and urges that if this is the issue motivating the call, no further customer action is needed). I have several comments regarding this recorded message:

1. This recorded message contains the very information that customers should be carefully notified about, in writing, when first signing up for the bundle package -- the existence of this message itself underscores that bundle customers do not understand prior to encountering it that they will be charged more than the agreed bundle price for several months;

2. The Verizon "remedy" involving extension of the bundle price for the full agreed period does not correct the overcharge issue (for reasons I discussed in my original message to you, below);

3. In my case, the overcharge has continued through THREE billing cycles (including the current invoice dated October 5th), so even by Verizon's low, self-created waiver of its contractual responsibility, it still has failed to deliver; and

4. The continuation of this inadequate recorded message reflects no resolution of the underlying problem that I alerted you about on September 18th in my original message below, but rather an unchanged practice of overcharging customers.

Finally, the customer service representative who called me last month after you had forwarded Verizon my original email message to you told me that she was aware your office had received a number of complaints from customers who had been similarly overcharged. If so, I hope you have consolidated all of the information you have received from each of us to form a complete picture of Verizon's unacceptable practice.

Please let me know how your office intends to address this problem.

Many thanks for your continued attention to this matter.

Best regards,

Richard D. Boltuck

6015 Cairn Terrace
Bethesda, MD 20817

301.320.0349 (home)
202.320.7576 (cell)

rboltuck@verizon.net

-----Original Message-----
From: Watkins, Keith [mailto:Keith.Watkins@montgomerycountymd.gov]
Sent: Monday, September 17, 2007 8:04 AM
To: rboltuck@verizon.net
Subject: RE: Verizon bundle (including FiOS television service) billing error information . . .

Mr. Boltuck:

Thank you for taking the time to contact our office. The County's Cable Office oversees the cable franchise, investigates complaints, and has been very successful serving as an intermediary to help resolve problem issues between subscribers and the cable companies.

I have reviewed your comments and filed a formal complaint with Verizon on your behalf. A representative from their Customer Advocacy Liaison group will be assigned and contact you directly within 48 hours. If no one does, please let me know. I've included all my contact information below.

Thanks again for taking the time to contact us.

-Keith Watkins

Keith Watkins, Investigator
Office of Cable and Communication Services
Department of Technology Services
100 Maryland Avenue, Suite 250
Rockville, Maryland 20850
240-777-3793 voice
240-777-3770 fax
keith.watkins@montgomerycountymd.gov
www.montgomerycountymd.gov/cable

-----Original Message-----
From: Richard Boltuck [mailto:rboltuck@verizon.net]
Sent: Friday, September 14, 2007 6:31 PM
To: Complaints, Catv
Subject: Verizon bundle (including FiOS television service) billing error information . . .

Dear Sir/Madam:

Re: Verizon Account 000045862284 23Y - FiOS television service overbilling issue

If you are not aware of it already, I would like to inform you that Verizon overbilled me significantly for FiOS TV service received as part of a bundle agreement that includes, in addition to television, phone and internet service. I have a strong basis to suspect that many other customers in Montgomery County have been harmed by Verizon's practice of overbilling at least some customers who have purchased similar product bundles (which include television service). Accordingly, I thought it important to bring this situation to your attention.

Here is what happened to me, and how it was resolved. I purchased the three products (FiOS internet, television, and phone) for $99.00/month, plus two set top boxes (including one DVR box) for $17.98 per month. These services were installed and commenced on July 25, 2007. The total monthly bundled charge, including various taxes and surcharges was estimated at approximately $129.00. Instead, my last two monthly bills charged me separately itemized prices for each of these three services that amounted to far more than the amount that my wife and I were told would be charged as a single bundled price. My bill dated 9/5/07, for instance, charged $51.96 for phone service, $67.05 for FiOS TV, and $39.99 for internet, totalling $159.00 (including taxes and fees), or roughly $30.00 more than the agreed bundled price (including taxes and fees). I had been similarly overcharged on my prior monthly bill, dated 8/5/07, which covered slightly more than one month of service (it included a full month plus a partial month from the date of installation to the beginning of the next full montly billing period).

After spending nearly an hour on the phone with Verizon customer service speaking with "Miss White," Verizon agreed to deduct $50.00 plus associated taxes and surcharges

from the amount currently due. "Miss White" indicated that this might not be exactly correct "to the penny", but it was the amount her supervisor had approved --and I told her that I would accept the adjustment provisionally, but reserved the right to calculate the amount due under our agreement for the overcharged months and re-visit this matter with Verizon again, if necessary. In fact, I believe the correct adjustment should be slightly larger than that applied thus far. "Miss White" readily acknowledged that the amount actually charged exceeded the bundle price to which I had agreed; that was never a point of contention during our conversation.

The reason I thought it important to advise you of this experience is that it appears essentially certain to me that Verizon has similarly overbilled numerous other new bundle customers for (at least) two billing cycles, and I imagine many of them live in Montgomery County. **Consequently, I urge the Montgomery County Cable & Communications Office to investigate Verizon's overbilling practice, since it covers a group of products that include FiOS television, which is franchised by your office.**

My conclusion that I am not the only customer so affected is based on the fact that as I navigated Verizon's customer service phone menu to reach a human representative, I encountered a recorded message to the effect that if I was calling about billing of a product bundle, I should know that it takes two billing cycles before the bundle price appears on the bill, but that my contract would be extended to include the full number of months promised under the bundle agreement; the message further explained that if this was the issue, there was no need to continue and speak to a human representative. Accordingly, it seemed plain to me that overbilling for two initial montly billing periods was standard Verizon practice.

As I explained to "Miss White", however, the proposed initial overbilling and subsequent extention of the covered pricing period (two years in my case) was in no way equivalent to the terms to which I had agreed. If Verizon had charged the bundled price from the commencement of service, as I had been promised, and then at the end of the contract period proposed, say, a $30/month increase in price for the three combined services, I would then immediately have the option of switching to a competiting service provider (for instance, Comcast). Instead, by overcharging me for two months up front, Verizon is precluding this competitive option for a period of two months.

Again, I hope your office investigates this situation and insists that Verizon correct its practice appropriately with respect to all of its customes, rather than requiring agrieved customers to insist on appropriate adjustments individually. This is an important issue that involves, collectively, considerable amounts of money being misdirected.
Please let me know if I can provide further information or be of assistance.

Many thanks.

Best regards,

Richard D. Boltuck
6015 Cairn Terrace
Bethesda, MD 20817-5405

301.320.0349 (home)
202.320.7576 (cell)

rboltuck@verizon.net

Mihill, Amanda

From: christina.m.encore@verizon.com
Sent: Thursday, December 13, 2007 3:13 PM
To: rboltuck@verizon.net
Subject: Fw: Regarding Your Bill

Mr. Boltuck,

Per our conversation today, I have manually adjusted $10.42 on your account. This is the difference in price + tax on your bill between what your discounts should be and what your are receiving. I have forwarded your concerns over to I.T. and my supervisor and asked for your account to be corrected ASAP.

I will continue to follow up with your account until the matter has been resolved. I do apologize for any inconvenience this matter has caused.

Thank you,

Christina Dugan
Executive Support
Potomac Region- Potomac Consumer Sales
410 594-8371

----- Forwarded by Christina M. Dugan/EMPL/MD/Verizon on 12/13/2007 03:10 PM -----

Christina M. Dugan/EMPL/MD/Verizon

11/15/2007 10:43 AM

To rboltuck@verizon.net
cc
Subject Fw: Regarding Your Bill

Good Morning,

I apologize, I hit send before I was finished. Below are the breakdowns of your statements for the last 4 months. I have highlighted payments direct debited from your account in Blue and Credits in Red. For a detailed breakdown of the totals for each individual service, please refer to your statement copies. I did breakdown where the bundle discounts were missing each month and where the partials were applied.

Thank you,

Christina Dugan
Executive Support
Boston District- Potomac Consumer Sales
410 594-8371

----- Forwarded by Christina M. Dugan/EMPL/MD/Verizon on 11/15/2007 10:40 AM -----

Christina M. Dugan/EMPL/MD/Verizon

11/15/2007 10:38 AM

To rboltuck@verizon.net
cc
Subject Regarding Your Bill

8/5/07 Statement

$32.18 Voice
$73.60 FiOS TV
$40.83 FiOS Data
$220.08 Verizon Wireless
$20.13 Verizon Long Distance

Total Balance- $386.82

This was the 1st bill with Freedom Essentials, and as previously discussed it should have taken 2-3 bill cycles, with this statement as bill cycle 1, for your discounts to take effect. No bundle discounts were on this bill.

****

9/5/07 Statement

Previous Balance- $386.62
Payment made- $386.62

New Charges:
$51.96 for Voice
$67.05 for FiOS TV
$39.99 for FiOS Data
$106.01 for Wireless

Total Balance- $265.01

This was bill cycle 2 , and your discounts had not begun yet, thus no discounts were applied.

****

10/5/07 Statement
Previous Balance $265.01
Payment- $210.39
Adjustment $54.62

New Charges:
$38.04 for Voice
$67.05 for FiOS TV
$39.99 for FiOS Data
$106.01 for Wireless

Total Balance $251.09.

The credit of 54.62 was given to compensate for the missing Bundle Discount for the 8/5 & 9/5 bill cycles. The discount each month is $22.98 Total. The representative you spoke with on 9/14, agreed to issue a $50.00 credit off of your Voice services to compensate for the 45:96 in missing discounts (22.98 x 2). The representative adjustment various components off your voice package and with tax the total credit actually came out to 54.62. This can be seen on page 3 of the 10-5 statement as a credit of $28.01 & $26.61. This credit should have been processed as two credits of $11.98 + tax off your voice, two credits of $6.00 off data and two credit of $5.00 + tax off your TV. I am not sure why the representative chose to issue the credit off just the voice, however, the full amount was given. This is why you only see credits for the voice, but the credit was actually towards all three services.

In addition, discounts started applying on this bill. Page 3, shows a data credit of $1.00, which is incorrect. It should show

$6.00. Credit also shows for $4.98 & $7.00 off of voice services. The $5.00 FiOS TV discount was not applied. Total credit missing was $10.00 + tax (on the video portion of $5.00 only).

****

11/5/07 Statement

Previous Balance- $251.09
Payment- $239.89
Adjustment- $11.20

New Charges:
$38.04 for Voice
$73.16 for FiOS TV
$39.99 for FiOS Data
$106.41 for Wireless

Credit of $11.20 was applied.

Total Balance Due- $257.60

The $11.20 credit was issued to compensate for the missing $5.00 video and missing $5.00 data credits from the 10/5 bill. This credit was also issued as a lump sum off your voice service, rather than off data and TV charges, thus the tax rates were not correct and rather than getting a credit of $10.42, the credit came to a little more, $11.20.

Again on this statement on page 3, the credit of $4.98 & $7.00 for voice were applied and only a $1.00 data credit was applied, rather than $6.00. The TV credit of $5.00 is also missing from the bill.

*****

As discussed yesterday, I have issued credit in the amount of $10.42 which will appear on the 12/5 statement. IT is working on the account to correct the credits for video and data. Until it is corrected, I will continue to issue the $10.42 difference in price. ($5.00 data and $5.42 for video which is the $5.00 discount with $0.42 tax). The credit will appear as $5.00 credit on the data portion of your bill, and $5.42 credit on the Video portion of your bill.

I will follow up with you in Early December, just was soon as I am able to view the bill. I have referred the matter as urgent to the IT department and we are currently working to fix the billing as quickly as possible. If you have any questions, please feel free to contact me via email or at the number listed below. My office hours are Monday- Friday 10 AM to 6PM.

Thank you,

Christina Dugan
Executive Support
Boston District- Potomac Consumer Sales
410 594-8371

MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

ROGER BERLINER
COUNCILMEMBER
DISTRICT 1

January 11, 2008

Briana Gowing
Assistant Vice-President of External Affairs
Verizon Maryland, Inc.
1 East Pratt Street
Baltimore, Maryland 21202

Dear Ms. Gowing:

My office has received a complaint from your customer Richard Boltuck regarding Verizon's billing practices. Mr. Boltuck reports that for the past several months, he has consistently been overcharged for the bundle package he purchased. Although he has eventually received credits for the incorrect charges, overcharges are an ongoing, monthly problem.

I find it completely unacceptable that Mr. Boltuck and possibly others are subjected to this type of systematic billing errors and request your assistance in resolving the problem for Mr. Boltuck and all other Verizon customers in a similar situation. To that end, I would like to understand the following:

1. How many Montgomery County residents who ordered what Mr. Boltuck referred to as the "interim" bundle package are experiencing similar billing errors? In other words, how widespread are the billing error problems?
2. Why has this problem not been fixed after months of billing errors?
3. What steps is Verizon taking to remedy these billing errors so that all customers, not just those who complain, will be properly billed and credited with overcharges?
4. When do you expect this problem to be resolved?

I would appreciate your prompt attention to this matter. For your reference, I am attaching copies of correspondence between Mr. Boltuck and my office as well as correspondence between Mr. Boltuck and Ms. Christina Dugan, executive support staff for Verizon.

Sincerely,

Roger Berliner
Councilmember, District 1

Attachments
cc: Richard Boltuck

69

100 MARYLAND AVENUE, 6TH FLOOR, ROCKVILLE, MARYLAND 20850 • 240/777-7828, TTY 240/777-7914, FAX 240/777-7989
COUNCILMEMBER.BERLINER@MONTGOMERYCOUNTYMD.GOV
WWW.MONTGOMERYCOUNTYMD.GOV/COUNCIL

PRINTED ON RECYCLED PAPER

ADDENDUM
MFP COMMITTEE #4
January 28, 2008

Quarterly Review

MEMORANDUM

January 25, 2008

TO: Management and Fiscal Policy Committee

FROM: Susan D. John, Legislative Analyst

SUBJECT: **Quarterly Review**: Comcast, RCN, and Verizon Customer Service

After the passing of Jane Lawton, the County's Cable Administrator, Steven Emanuel, the Chief Information Officer in the Department of Technology Services distributed the attached letter detailing the temporary reorganization of the Cable Office. Under the reorganization, there are 2 acting supervisors to lead an eight-person office. Responding to questions about the cost-effectiveness of this strategy, asked during the Council's deliberations on the FY08 Savings Plan, County Executive Leggett stated that:

> Appointing the two acting supervisors for the transition period will allow the department time to formulate a reorganization plan for the Cable Office, to leverage existing excellence in the current resources by providing interim leadership of the staff of the DTS Cable Office, and to provide continued customer service in light of the sudden loss of the Cable Administrator. The appointment will also allow the two acting employees to carry out added supervisory duties as well as their current duties while the CIO provides management direction. The temporary pay increases for the two acting supervisors will be absorbed in the Cable Fund by the Cable Administrator's lapse savings for seven months (December 2007 to June 2008).

Committee members may wish to receive an update on the status and timeline of the permanent reorganization of the Cable Office.

This addendum contains one attachment	© Number
Memorandum regarding Administrative Changes for the DTS Cable Office	1

F:\John\Packets\MFP Committee\080124 mfp addendum.doc

DEPARTMENT OF TECHNOLOGY SERVICES

Isiah Leggett
County Executive

E. Steven Emanuel
Chief Information Officer

M E M O R A N D U M

December 5, 2007

TO: Distribution List

FROM: E. Steven Emanuel
Chief Information Officer

SUBJECT: Administrative Changes for the DTS Cable Office

The purpose of this memo is to address the new changes that will provide leadership to the staff of the DTS Cable Office in light of the loss of our colleague and good friend, Jane Lawton. Effective immediately, the Cable Office will be temporarily reorganized to distinguish between the Administration and Franchising Services and External Communications and Outreach Services operational functions. In addition, I will provide direction to Amy Wilson and Donna Keating who will become acting supervisors respectively.

Administration and Franchising Services will include franchise negotiations and oversight, budgets, accounts payable and accounts receivables, legislative reporting, policies and procedures, and tower transmission siting coordination. Donna will manage all production services including the Technical Operations Center, television program services, CCM, PEG Network and web services and customer service and outreach.

After careful review of projected changes, I am confident that this temporary organizational structure will effectively provide ongoing leadership to the Cable Office until we present the long term organization plan to Executive management.

Please join me in supporting Amy and Donna through this temporary change. Thank you for your cooperation and attention to this matter.

ESE:dlm

101 Monroe Street, 13th Floor • Rockville, Maryland 20850 • 240-777-2900 • 240-777-2831 FAX
www.montgomerycountymd.gov/dts

ADDENDUM 2
MFP COMMITTEE #4
January 28, 2008

Quarterly Review

MEMORANDUM

January 24, 2008

TO: Management and Fiscal Policy Committee

FROM: Susan D. John, Legislative Analyst SJ

SUBJECT: **Quarterly Review**: Comcast, RCN, and Verizon Customer Service

Page 4 of the Cable Office's Customer Service MFP Worksession report was inadvertently omitted from the packet. The complete cover memo has been attached for your review.

DEPARTMENT OF TECHNOLOGY SERVICES

Isiah Leggett
County Executive

E. Steven Emanuel
Chief Information Officer

MEMORANDUM

January 18, 2008

To: Management and Fiscal Policy Committee

FROM: Steven Emanuel, Chief Information Officer

SUBJECT: Customer Service MFP Worksession - Monday, January 28th, 2008

It is under very unfortunate circumstances that I am submitting this report for the third and fourth quarters of 2007. As you are aware, Jane Lawton our Cable Administrator for the past 13 years passed away suddenly at the end of November. Jane had a true passion for cable and telecommunications issues and was a true consumer advocate for protecting the rights of customers on a daily basis. We will miss her knowledge and expertise.

On December 5, 2007, I sent a memorandum outlining temporary administrative changes for the Cable Office to provide leadership during this transition period. I currently have reorganized the office into Administrative and Franchising Services & External Communications and Outreach Services, the acting supervisors for these two groups are Amy Wilson and Donna Keating, respectively. Until our re-organization recommendations are finalized, reports and actions will be managed through this temporary administration.

I. Customer Service Issues

A. Comcast:

1. **Rate Increase**: Beginning January 2008 Comcast implemented a rate increase on many of their monthly services. They implemented a 5.7% increase on their most popular tier of service--expanded basic cable. Increases on the digital tier, bundles, premium channels, equipment and installation were also implemented.

As of February 1st an increase in the late fee assessment will be implemented. Customers will be assessed a late fee of 10% per month for any payment that has not been paid in full after 45 days from the day the invoice was sent. Customers are currently assessed a flat fee of $4.00 for late payments.

2. **Call Center Phone Problems:** Beginning in the 3rd quarter of 2007 customers have been experiencing issues when attempting to contact Comcast customer service at (301) 424-4400. The problems range from a constant busy signal, being put on hold in the phone tree indefinitely, no answer, and after being connected into the queue they get disconnected and must start their call over.

Cable Office staff has contacted and met with Comcast to discuss these issues. Comcast cited many issues for the disturbances in their system including flooding of their building, installation of a new phone switch and technical issues. We have been assured by Comcast that these issues are being addressed. However, we continue to receive complaints concerning this matter.

An additional meeting will be scheduled with Comcast to see what pro-active measures can be taken to avoid these issues in the future.

3. **Billing**: Over the past several months we have received several complaints that customers continued to get billed after they disconnected their service. Many continued to have their checking accounts debited by Comcast. A particular concern is the issue of refunds since the company requires customers pre-pay for their cable services. Section 47CFR76.309 (c)(3)(i)(A)(B) of the Telecommunications Act requires providers to process refunds within 30 days. In the cases that have been brought to our attention, Comcast has failed to comply with this requirement. If the problem continues to exist the County will take appropriate remedial action.

4. **Effective Competition:** As previously reported, Comcast has filed a Petition for Determination of Effective Competition with the FCC. If the Petition is granted, the County and the participating municipalities would lose the authority to regulate the rates for basic cable service, equipment and installation. Also, Comcast would not be required to provide uniform rates throughout the franchise area, could bundle services so that basic subscribers would have to subscribe to a higher tier of service in order to receive premium channels and may even be able to transfer subscribers to new tiers of service unless they affirmatively "opt-out".

The Petition is currently being reviewed by the FCC. The County filed a surreply to correct erroneous information in the opposition filed by Comcast. On September 7, 2007, Comcast filed a motion to strike the surreply of Montgomery County, Maryland, and the County submitted opposition to that motion.

At this time, there is nothing new to report concerning this filing.

5. **Free Video and Cable Modem Obligations:** There are currently 16 outstanding requests for free cable modem or video services (list attached), down from the previous MFP meeting.

B. RCN:

1. **Rate Increase:** On November 21, 2007 RCN increased many of their rates. The full basic cable service increased 5.5%. Rates for Digital and Premium channels increased as well.

2. **Franchise Fee Increase & PEG Fees:** At the same time that RCN increased their cable rates, they notified the County that they would be increasing their franchise fee from 5% to 5.9% to reflect an itemized pass through of the fees associated with cable advertisement and home shopping revenues. Our financial consultant is currently reviewing RCN's financial records to verify if the .9% increase is justifiable.

In addition, RCN will begin to itemize and pass-thru the 3% fee for the Public, Educational and Government (PEG) access grants.

C. Verizon:

1. **Government Affairs Interim Change:** Al Carr, the Franchise Service Manager for Montgomery County will be taking a leave of absence from January 9th through April 8th to serve in the Maryland House of Delegates. During his absence Mr. Darian Gill will be the County's point of contact.

2. **Rate Increase:** Effective January 20, 2008 Verizon will increase their rates for the FiOS TV Premier package by 11.6%. Rates for installation, equipment and sports and movie packages will also be increased.

3. **Non-Disclosure Agreement:** Cable Office staff and the County Attorney continue to work on an agreement. The County has begun pursuing other options to inspect/test Verizon's infrastructure and will utilize in-house staff to conduct the Winter Proof of Performance inspections/tests that are scheduled for February.

4. **Activations:** In December, Takoma Park and the Town of Somerset were activated allowing consumers to take advantage of the bundled package that includes phone, internet and cable in those communities.

The City of Rockville and Verizon continue negotiations on a rights-of-way use agreement. Their next meeting is scheduled for late January. The primary issue at this point is permit fees. Until this issue is resolved, parts of the County that border Rockville cannot receive service because they are fed out of Verizon's Rockville Central Office (CO).

II. Customer Complaints

Attached is complaint data for the 3rd and 4th quarters.

In 2007 the Cable Office received a total of 1,723 complaints. With assistance from the Cable Office, 49% of those customers received a credit to their accounts. Total credits exceeded $92,000.

A. Comcast: Complaint figures are similar to the same period last year. Service, reception and billing are the areas of most concern. In the 4th quarter the complaints doubled over the previous quarter for telephone answering. We believe the phone problems that were discussed earlier in this report were the cause of this increase.

B. RCN: The complaint levels remain about the same. Service, billing, phone answering and reception are the areas of most concern.

C. Verizon: Over the past two quarters the Cable Office has begun receiving complaints concerning Verizon. Billing is an issue as customers convert from phone service to the bundled FiOS packages.

III. Compliance: Telephone Answering, Installation & Service

Compliance reports are due 30 days from the end of the month or quarter depending on the franchise language for each of the three providers. At this meeting we are providing new information for Comcast for the months of September, October and November. For RCN the new data is for August through December. For Verizon the data is for July, August and September.

In order to synchronize the periods that are reported for each operator, the Cable Office would like to request that going forward, the MFP quarterly review meetings be scheduled no earlier than 60 days following the end of the calendar quarter. This will allow the operators 30 days, as outlined in their franchise agreement, to prepare their reports and the Cable Office two weeks to review the data.

A. Comcast

Liquidated Damages: For the period of September, October and November 2007, Comcast did not comply with the requirement that telephone answering time by a CAE not exceed thirty seconds. Comcast was originally warned of the phone answering issues in June of 2006 and over the past 18 months have repeatedly been assessed liquidated damages. On January 18, 2008 the County once again assessed liquidated damages.

In addition, pursuant to Section 9(d)(1) of the Franchise Agreement, Comcast must ensure that at least 95% of the time, measured quarterly, repairs and maintenance not requiring work within a subscriber premises be completed within twenty-four hours.

Comcast did not comply with these terms after being warned and was assessed liquidated damages on this category as well.

B. RCN

Warning: Section 9(c)(3) of the Franchise Agreement requires that telephone answering time not exceed thirty seconds, and that the time to transfer a call to a customer service representative not exceed an additional thirty seconds. These requirements must be met 90% of the time, measured quarterly. RCN was out of compliance for "the time to transfer a call to a customer service representative not exceed an additional thirty seconds" and has been warned.

RCN's 4th quarter data shows that they are currently out of compliance for the "Answered in 30 seconds" category and will be warned.

In addition, pursuant to Section 9(d)(1) of the Franchise Agreement, RCN must ensure that at least 95% of the time, measured quarterly, repairs and maintenance not requiring work within a subscriber premises be completed within twenty-four hours. RCN did not comply with these terms and has been warned.

In all three of these categories if RCN is not able to come into compliance during the warning periods they will be assessed liquidated damages.

C. Verizon

Verizon just began submitting quarterly reports to the County. They are currently submitting regional numbers but must begin submitting Montgomery County specific data for the 2008 first quarter reporting period.

We have discussed with Verizon that the percentage of calls answered in 30 seconds must be by a live agent as outlined in the FCC guidelines Section 76.309 C.F.R.

IV. Construction Violations

A. Comcast

1. **Testing:** Based on our engineer's observations of the summer proof tests, at two locations Comcast had a few channels that failed to meet the standards for carrier-to-noise and hum measurements. Based on the engineer's review of the final and complete test results these problems have been corrected.

The third quarter monitor tests found five locations where the signal levels were below the FCC minimum standard. These problems were reported to Comcast and on retesting in the 4th quarter it appears that they have been corrected.

We would like to commend Comcast for their improved format for reporting the FCC test results which provide a more complete set of data compiled in a single report. This makes the analysis of the test results much easier.

2. **Inspections**: At the end of the third quarter there were 2,560 violations that had not been reported as addressed by Comcast. By the end of the fourth quarter that number of violations increased to 5,801.

Our engineers met with Comcast construction staff and reviewed the types of violations being reported (especially grounding issues at subscribers homes), and ways to improve their reporting process. Some of the changes discussed were implemented and for a short time we were getting progress reports from Comcast on a more frequent basis. However, in the 4th quarter our contractor, CTC, never received a report from Comcast showing that any violations had been resolved.

3. **Re-Inspections**: Third quarter re-inspections found that 9% of the second quarter violations reported as fixed had not been. Fourth quarter re-inspections found that 10 % of the problems had not been corrected. Since these fall within the accepted margin of error, no penalty will be assessed for those two quarters.

B. RCN

1. **Testing**: Third quarter monitor test measurements for RCN revealed one location with low signal levels and two channels that failed to meet the standards for the video-to-audio separation. Our engineers reported those results to RCN and based on our tests in the fourth quarter, the problems have been fixed.

The RCN summer FCC proof-of-performance tests all met the minimum standards.

2. **Inspections**: At the last MFP meeting it was reported that there was a discrepancy between the numbers of outstanding violations our consultants reported and what RCN's records showed. RCN staff at the local and the corporate level have been very cooperative in addressing the issue.

We met with RCN staff shortly after the last MFP meeting and reviewed the numbers and the reporting process. As a result, RCN assigned the work to their contractor's correcting the approximately 1,400 outstanding violations. By the end of the fourth quarter, the number of outstanding violations was reduced to 141. We understand that within the last few weeks all of those have now been corrected. We appreciate their cooperation in resolving those outstanding issues promptly.

3. **Re-Inspections**: In the third quarter our inspectors found just 4% of the violations RCN reported corrected had not been fixed. Again, being below the 10% threshold, no penalty will be assessed. We have asked our inspectors to conduct a thorough re-

inspection of the corrective work done by RCN in the 4th quarter and will report the findings at the next MFP meeting.

C. Verizon

1. **Testing**: Based on our engineer's review of the Verizon's summer proof tests, we found that although all of the measurements were reported to have met the FCC's minimum performance standards, not all of the required tests were performed. With the winter test coming up in February, Verizon has been advised that those tests must also be conducted and they have agreed.

Our engineering contractors, CTC, will be training County engineers to participate in the next set of FCC proof tests conducted in Verizon's headend. Additionally, Verizon will establish County locations where CTC engineers can complete the oversight of the testing process and conduct the monitor tests at those sites. The Cable Office staff is working with Verizon to target mutually acceptable sites to conduct these tests.

2. **Inspections**: Cable Office staff and our inspectors met with Verizon representatives in the third quarter and reviewed our inspection and reporting procedures. We provided a list of the violations that will be cited as out of compliance with the requirements of the Franchise. There was also a meeting with Verizon's construction managers and contractor representatives to review the inspection procedures and the types of violations our inspectors look for during inspection. Those were productive meetings and Verizon staff has been cooperative in establishing communications to report their corrective work and has taken corrective action in a timely manner.

There have been relatively few Verizon violations cited by our inspectors, just 52 for both third and fourth quarter combined. At this time, Verizon has reported that all of those violations have been addressed and we will re-inspect a sampling of the corrective work.

V. Institutional Network (I-NET)

- WSSC Burtonsville is scheduled to be completed within the next 7-10 days. This will conclude the sites that were mandated by the franchise.
- The County continues to contract with Comcast to build additional sites. Comcast is currently building sites for MCPS, Montgomery College, Montgomery County Community Centers and WSSC. Comcast's construction staff has done an excellent job getting these sites built in a timely fashion.

VI. Rate Regulation

Comcast's FCC Form 1205, a national composite filing for equipment and installation, is currently under review by the County and its financial consultants. The County is participating in the review with a number of other local franchising authorities.

FCC Form 1240 was filed with the County on October 1, 2007. FCC Form 1240 regulates the rates for Basic Service.

These proposed changes are scheduled to be implemented in January 2008.

VII. PEG Interconnection

Our engineering consultants are working with Comcast and the various PEG operators to establish a digital transport switching system to permit bi-directional interconnection between all the PEG operators. This connection will facilitate sharing of video programming among their production facilities. The design for the interconnection is one that will enable full control of the switching among the operators without the need for coordination and manual patch panel connection and assistance from Comcast staff on a case-by-case basis. This project will enhance the County's PEG programming and also, could be an enhancement for emergency alert services. Attached for your review are the existing network configuration and the proposed network configuration.

VIII. Report Card

The Cable Office has begun designing a reporting system that would be utilized by all cable franchisees. The report card would establish a mechanism to look at all companies equitably.

A meeting will be set up in early February with all three providers at the table to discuss implementation and how to make the report effective for all parties involved.

Data such as compliance information concerning phone answering, service appointments and installation that has been deemed non-confidential, construction violations, cable office complaint statistics and office and customer service representative availability are some of the topics that are being considered for inclusion. Once completed, the report will be posted on the Cable Office website.