

## *State Regulation of Public Utilities Review Committee*

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*Heather Anderson*  
*Committee Counsel*  
*Jamey Goldin*  
*Committee Counsel*

*Post Office Box 142*  
*Columbia, South Carolina 29202*  
*(803) 212-6208*

To: Members of the General Assembly

From: Senator Thomas C. Alexander, Chairman

Date: April 28, 2017

Re: Report on Communications Services, pursuant to Act 284 (2012)

### **Background**

In 2012, the General Assembly passed Act 284 concerning government-owned communications service providers. This act required the Public Utilities Review Committee (PURC) to submit a report to the General Assembly every five years examining the act's effect on consumers.

### *Statutory Authority:*

“Section 58-9-2689. No later than five years from the effective date of this act and every five years following the submission of the first report, the State Regulation of Public Utilities Review Committee must submit to the General Assembly a report examining the effect of this act on residential and business consumers in areas served by communication providers. The reports must assess and determine the impact of the amendments to current law in this act on the availability of communications services to rural counties of the State and report whether the amendments to current law incorporated in this act have had an adverse impact on the provision of communications services in such rural areas. The reports must include data describing the extent of capital improvement and investment by communications service providers in rural counties since the adoption of the amendments to current law included in this act and present any recommendations it may have regarding the continuation, amendment, or repeal

of the amendments to current law included in the act. The reports must not disclose any proprietary or confidential information about individual communications service providers.”

### **Information Received**

The following entities were contacted for information for this report: (1) AT&T; (2) Association of Counties; (3) Oconee County; (4) Orangeburg County; (5) South Carolina Cable Telecommunications Association; (6) South Carolina Department of Commerce; and (7) South Carolina Telecommunications & Broadband Association. Information was submitted by AT&T, Oconee County, the South Carolina Cable Telecommunications Association, and the South Carolina Telephone Coalition Companies. During its meeting on April 19, 2017, the PURC voted to provide any additional information that may be received after April 19<sup>th</sup> as an addendum to this report.

For purposes of this report, AT&T defined “rural county” in accordance with the Federal Communications Commission’s February 2005 Rural Report and Order Compliance Guide. This guide defined “rural county” as a county with a population of less than 100 people per square mile; a list of the South Carolina counties that meet that definition are listed in Appendix A. From 2013-15, AT&T invested approximately \$132 million in its wired and wireless networks in South Carolina’s rural counties, approximately 15% of its total investment in the State. However, this investment in South Carolina, when broken down according to population, represents \$153 per person in rural counties as compared to \$164 per person in non-rural counties. AT&T further stated that it made the following structural upgrades in South Carolina rural counties during 2014-16: (a) 127 cell site upgrades (out of 324); (b) 35 capacity upgrades (out of 77); and (c) 81 network connection upgrades (out of 183). As of November 2016, 99.9% of South Carolina’s population were covered by the AT&T’s Mobile Broadband network.

Oconee County stated that it completed its project funded by the Broadband Technology Opportunities Project grant, provided by the National Telecommunications and Information Administration. The county met all goals in compliance with the grant, and the project’s next phase will proceed with a public-private partnership.

The South Carolina Cable Telecommunications Association (SCCTA) provided information regarding its member companies. According to SCCTA, these companies do not maintain financial records according to county boundaries or rural status, and furthermore, specific details regarding capital investment could not be provided due to proprietary and privacy concerns. The SCCTA did state that its member companies offer improved speeds to its customers as compared to five years ago. For example, Spectrum’s standard broadband service is 60 megabits per second (Mbps) download and 4 Mbps upload as compared to offerings in 2012 of 10 Mbps download and 1 Mbps upload. The SCCTA also stated that its member companies offer discounted broadband services to qualified customers. A list of the SCCTA’s member companies and their service territories are listed in Appendix B.

The South Carolina Telephone Coalition’s (SCTC) member companies are “carriers of last resort”, meaning that they are obligated to provide basic local exchange telephone service, upon reasonable request, to all residential and single-line business customers within a defined service area. From 2012-2016, the SCTC’s member companies and their affiliates reported \$3,034,194,577 in capital investments in South Carolina. The SCTC stated that the provisions of Act 284 have not had an impact on the availability of service in the rural areas served by SCTC members since there has been little to no activity by governmental entities providing communications services pursuant to the Act. SCTC member companies are defined as a rural telephone company pursuant to 47 USC 153 (44); therefore, a separate definition for “rural county” was not utilized and information was submitted according to the member companies’ service territories. A list of the member companies and their service territories are attached in Appendix C.

**Recommendations**

Based upon the information received, the PURC does not recommend any changes to Act 284 from 2012 at this time.

**Appendix A**

**Rural Counties Served by AT&T  
(As defined by the 2005 FCC Rural Report and Order Compliance Guide)**

Abbeville  
Allendale  
Bamberg  
Barnwell  
Calhoun  
Chester  
Chesterfield  
Clarendon  
Colleton  
Dillon  
Edgefield  
Fairfield  
Georgetown  
Hampton  
Jasper  
Kershaw  
Laurens  
Lee  
Marion  
Marlboro  
McCormick  
Newberry  
Orangeburg  
Saluda  
Union  
Williamsburg

**SOUTH CAROLINA CABLE TELECOMMUNICATIONS ASSOCIATION**

**SPECTRUM**

**SOUTH CAROLINA STATE ISSUED CERTIFICATE OF FRANCHISE AUTHORITY**

(As of January 26, 2017)

**Charter Communications, LLC**

Anderson County  
Cherokee County  
City of Abbeville  
City of Belton  
City of Chesnee  
City of Clinton  
City of Easley  
City of Fountain Inn  
City of Gaffney  
City of Greenville  
City of Greer  
City of Inman  
City of Landrum  
City of Laurens  
City of Mauldin  
City of Simpsonville  
City of Spartanburg  
City of Travelers Rest  
City of Union  
City of Wellford  
City of Woodruff  
Greenville County  
Laurens County  
Newberry County  
Oconee County  
Pickens County  
Spartanburg County  
Town of Blacksburg  
Town of Campbello  
Town of Central Pacolet  
Town of Cowpens  
Town of Duncan  
Town of Gray Court  
Town of Honea Path  
Town of Iva  
Town of Jonesville  
Town of Lockhart  
Town of Lyman

**Charter Communications, LLC** *(continued)*

Town of Pacolet  
Town of Pelzer  
Town of Reidville  
Town of Salem  
Town of Six Mile  
Town of Starr  
Town of West Pelzer  
Town of Whitmire  
Town of Williamston  
Union County

**Time Warner Cable Southeast LLC**

Beaufort County  
Calhoun County  
Charleston County  
Chesterfield County  
City of Bishopville  
City of Cayce  
City of Charleston  
City of Columbia  
City of Conway  
City of Darlington  
City of Dillon  
City of Florence  
City of Forest Acres  
City of Georgetown  
City of Goose Creek  
City of Hardeeville  
City of Hartsville  
City of Lake City  
City of Manning  
City of Marion  
City of Mullins  
City of Myrtle Beach  
City of North Charleston  
City of North Myrtle Beach  
City of Orangeburg  
City of Sumter  
City of Tega Cay  
City of West Columbia  
Darlington County  
Dillon County  
Dorchester County  
Florence County  
Georgetown County  
Horry County

**Time Warner Cable Southeast, LLC** *(continued)*

Jasper County  
Kershaw County  
Lee County  
Lexington County  
Marion County  
Newberry County  
Orangeburg County  
Richland County  
Saluda County  
Sumter County  
Town of Andrews  
Town of Arcadia Lakes  
Town of Batesburg-Leesville  
Town of Bluffton  
Town of Blythewood  
Town of Cheraw  
Town of Cordova  
Town of Eastover  
Town of Elgin  
Town of Fort Mill  
Town of Hemingway  
Town of Hilton Head Island  
Town of Irmo  
Town of Kingstree  
Town of Lake View  
Town of Lane  
Town of Latta  
Town of Lexington  
Town of Little Mountain  
Town of McBee  
Town of Moncks Corner  
Town of Nichols  
Town of Pamplico  
Town of Pawleys Island  
Town of Paxville  
Town of Pine Ridge  
Town of Quinby  
Town of Scranton  
Town of South Congaree  
Town of Springdale  
Town of St. Matthews  
Town of Summerville  
Town of Surfside Beach  
Town of Timmonsville

**Time Warner Cable Southeast LLC** (continued)

Williamsburg County

York County

**Time Warner Entertainment-Advance Newhouse Partnership**

Georgetown County

**Time Warner Entertainment-Advance/Newhouse Partnership**

Town of Clover

Town of Fort Mill

York County

**COMCAST**

**SOUTH CAROLINA STATE ISSUED CERTIFICATE OF FRANCHISE AUTHORITY**

(As of January 26, 2017)

**Comcast Cable Communications Management, LLC on behalf of Affiliates**

Charleston County

City of Folly Beach

City of Newberry

City of North Charleston

City of Walterboro

Colleton County

Edgefield County

Jasper County

Newberry County

Town of Brunson

Town of Hampton

Town of Kiawah Island

Town of Ravenel

Town of Rockville

Town of Varnville

Town of Yemasee

**Comcast of Carolina, Inc.**

Berkeley County

City of Charleston

City of Goose Creek

City of Hanahan

City of Isle of Palms

Dorchester County

Hampton County

Town of Edisto Beach

Town of James Island

Town of Mount Pleasant

Town of Sullivans Island

Town of Summerville

**Comcast of Georgia/South Carolina II, LLC**

Beaufort County  
City of Charleston  
Hampton County  
Town of Edisto Beach  
Town of Hollywood  
Town of Meggett  
Town of Mount Pleasant  
Town of Seabrook Island

**Comcast of Georgia/South Carolina, Inc.**

Aiken County  
Hampton County  
Town of Burnetown

**Comcast of the South**

Town of Calhoun Falls  
Town of Prosperity

**ATLANTIC BROADBAND (SC) LLC  
SOUTH CAROLINA STATE ISSUED CERTIFICATE OF FRANCHISE AUTHORITY  
(As of January 26, 2017)**

Aiken County  
Allendale County  
Bamberg County  
Barnwell County  
City of Aiken  
City of Bamberg  
City of Barnwell  
City of Denmark  
City of New Ellenton  
Orangeburg County  
Town of Allendale  
Town of Blackville  
Town of Burnetown  
Town of Elko  
Town of Fairfax  
Town of Jackson  
Town of Perry  
Town of Salley  
Town of Snelling  
Town of Springfield  
Town of Wagener  
Town of Williston

**South Carolina Telephone Coalition Member Companies  
Counties Served by Incumbent LEC (in whole or part)**

Bluffton Telephone Company, Inc.	Beaufort
Chesnee Telephone Company	Cherokee, Spartanburg
Chester Telephone Company, d/b/a TruVista	Chester, Fairfield
Comporium, Inc.	York, Chester
Farmers Telephone Cooperative, Inc.	Lee, Sumter, Clarendon, Williamsburg, Florence, Georgetown
Ft. Mill Telephone Company, d/b/a Comporium	York, Lancaster
Hargray Telephone Company, Inc.	Beaufort, Jasper
Home Telephone ILEC, LLC	Berkeley, Dorchester, Orangeburg
Horry Telephone Cooperative, Inc.	Horry, Georgetown
Lancaster Tel. Company, d/b/a Comporium	Lancaster, Kershaw, Chester
Lockhart Telephone Company, d/b/a TruVista	Union
McClellanville Telephone Company (TDS)	Charleston
Norway Telephone Company (TDS)	Orangeburg
Palmetto Rural Telephone Cooperative, Inc.	Colleton, Bamberg
Piedmont Rural Telephone Cooperative, Inc.	Laurens, Spartanburg, Abbeville, Union
PBT Telecom, d/b/a Comporium	Lexington, Saluda, Aiken, Edgefield, Orangeburg, Calhoun
Ridgeway Telephone Company, d/b/a TruVista	Fairfield
Sandhill Telephone Cooperative, Inc.	Chesterfield, Kershaw
St. Stephen Telephone Company (TDS)	Berkeley
West Carolina Rural Tel. Cooperative, Inc.	Abbeville, McCormick, Anderson, Edgefield
Williston Telephone Company (TDS)	Barnwell, Orangeburg, Aiken