



State of Connecticut

Office of Consumer Counsel

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The Energy and Technology Committee

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5463
Raised Bill No. ~~5215~~, AAC Periodic Review Of Video Providers.

Testimony of Mary J. Healey, Consumer Counsel

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The Office of Consumer Counsel (OCC) has carefully reviewed Raised Bill No. ~~5215~~, **5463**, *AAC Periodic Review Of Video Providers*, and **supports** the bill.

The bill directs the Department of Public Utility Control (DPUC) to conduct a biennial performance review of all providers of video services in Connecticut, no matter what form of regulatory authority they provide such service under (e.g., existing CATV laws, or the new certificates of video franchise authority or cable franchise authority).

The proposed bill will resolve the basic problem created by Public Act No. 07-253, *AAC Certified Competitive Video Service*, which largely deregulated the provision of video services in Connecticut, but which removed nearly all the authority vested by the General Assembly in the Department of Public Utility Control to review the performance of video providers. As it stands, the DPUC only receives annual compliance filings relating to the assessment required to fund the DPUC and the OCC through percentages of the gross receipts tax. In light of the volume of consumer discontent with video service and the on-going conflicts among the various providers, it is essential that the DPUC once again become empowered to review the activities of video providers in this state.

P.A. 07-253 requires all video providers to comply with a variety of state statutory obligations and for all areas not covered by the state law, reiterates that all providers remain required to comply with "any federal or state laws or regulations or Department of Public Utility Control orders applicable to community antenna television companies or public service companies, or from any other federal or state laws or regulations or department orders . . ."

This bill remedies the issue that there is no mechanism for triggering a review of whether video providers are in fact complying with their statutory obligations. There is no routine and simple way for the DPUC to meet its statutory obligation to ensure compliance with the terms and conditions of each of the statutory certificates. The areas of concern focused upon in this bill

for performance review would include issues concerning customer service, community access support, management of outages, service to handicapped and low-income customers and cooperation with the department.

The problem that has become obvious is basically that consumers continue to face issues with performance of all video providers in Connecticut, but largely have no recourse to resolve those problems. In spite of the loud claims of "competition" exerting great pressure on the video market, prices continue to rapidly rise in spite of the basic economic tenet that competition drives prices down toward cost. Programming decisions are made seemingly arbitrarily by the providers and due to state and federal laws, there is no legal authority left to the DPUC to even review, much less change those decisions.

As the law stands today, the DPUC would probably have to demonstrate probable cause in order to even trigger the provisions of P.A. 07-253 that require that all video providers "shall obey, observe and comply with" with the relevant sections of the statute pertaining to the different certifications. Indeed, to date, no such investigation has occurred yet the news remains full of painful consumer stories about the service provided by all video providers, and the DPUC's "Utility Scorecard" indicates that cable complaints have relentlessly grown over the last few years:

	CY 2008	CY 2007	CY 2006
Cable	874	796	701

It is vital to recognize that this bill does not propose to "reregulate" the provision of video services in Connecticut, nor does it remove any of the provisions of P.A. 07-253. What is proposed is that the DPUC be required to review the performance of all video providers every other year, thus providing consumers, PEG providers and any other groups interested in video services with an opportunity and a forum to ask questions of the providers related to perceived shortcomings. While this October marks the 3-year date for the DPUC to conduct a contested case proceeding to investigate the availability of certified competitive video service provider's video services and report its findings to the E&T Committee, this review will be limited only to AT&T and Cablevision. Quite frankly, more review of video performance is required.

The bill under consideration here levels the playing field to encompass all video providers and expands the scope of the investigation to the consumer concerns that have come to light during the last three years. Further, to provide the bill with the substance warranted under the current conditions, the bill properly requires that the performance reviews shall be conducted as contested cases, with power in the DPUC to take administrative notice of all complaints filed and act upon them individually and by class of complaint, with the full participation as parties of the OCC and the AG.