

Cable Communications



Fund Overview

The Department of Cable and Consumer Services, with a mission to educate and support the public through media, oversight, and outreach, includes the following program areas: Consumer Affairs, Regulation and Licensing, Public Utilities, Mail and Administrative Services, Communications Productions, and Communications Policy and Regulation. Agency program areas are allocated across the General Fund and the Cable Communications Fund.

The Department of Cable and Consumer Services 2016 Lines of Business (LOBs) includes four LOBs in the General Fund: Consumer Affairs, Regulation and Licensing, Administrative Services, and Mail Services, and includes six LOBs in the Cable Communications Fund: Public Utilities, Communications Productions, Meeting Space Management and Event Support, Communications Policy and Regulation, Communications Inspections and Enforcement, and the Institutional Network.

With an engaged workforce dedicated to improving the community, the Department of Cable and Consumer Services encompasses a diverse range of program areas, providing quality customer service while working collaboratively with County agencies, neighboring jurisdictions, and professional organizations.

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The range of program areas in the Department of Cable Consumer Services is exemplified in a summary of FY 2015 accomplishments:

- 260 outreach events
- 936 Channel 16 programming hours
- 2,906 licenses issued
- 8,527 consumer case inquiries
- 9,135 meeting space reservations scheduled
- 15,268 cable construction work sites inspected
- \$603,127 recovered for consumers
- 11,617,850 pieces of mail processed
- \$116 million in cumulative utility savings

Cable Communications Fund Overview

The Cable Communications Fund was established by the Board of Supervisors in 1982 to provide accurate and auditable accounting of revenues and expenses associated with the administration of the County's cable communications ordinance and franchise agreements, communications productions, and cable-related consumer and policy services. Cable communications revenue supporting this fund comes from state communications sales and use tax and Public, Educational, and Governmental (PEG) capital access grants received from local cable operators based on the operator's gross revenues.

The Cable Communications Fund includes the program areas of Communications Productions, Communications Policy and Regulation, and the Institutional Network. Communications Productions produces programming for Fairfax County Government Channel 16 and the Fairfax County Training Network and provides meeting services for the Government Center Complex common spaces. Communications Policy and Regulation negotiates cable franchise agreements and is responsible for regulatory oversight of the County's franchised cable television providers. Institutional Network is responsible for the County Enterprise-Wide Network Services and is managed by the Department of Information Technology.

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Fund Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
FUNDING			
Expenditures:			
Compensation	\$3,995,993	\$3,915,617	\$4,304,775
Benefits	1,661,549	1,656,743	1,923,985
Operating Expenses	3,599,255	5,224,928	5,726,190
Capital Equipment	274,696	492,993	450,000
Total Expenditures	\$9,531,493	\$11,290,281	\$12,404,950
Transfers Out:			
Transfer Out to General Fund	\$4,145,665	\$3,148,516	\$3,532,217
Transfers Out to Other Funds	12,207,428	11,978,085	12,183,882
Total Transfers Out	\$16,353,093	\$15,126,601	\$15,716,099
Revenues:			
Miscellaneous Revenue	\$2,603	\$529	\$1,000
Fines and Penalties	20,000	9,000	0
I-Net and Equipment Grant	6,979,820	7,269,189	7,367,468
Franchise Operating Fees	17,477,857	18,125,762	17,800,000
Total Revenue	\$24,480,280	\$25,404,480	\$25,168,468
POSITIONS			
Authorized Positions/Full-Time Equivalents (FTEs)			
Positions:			
Regular	52 / 52	52 / 52	52 / 52
Total Positions	52 / 52	52 / 52	52 / 52

Lines of Business Summary

LOB #	LOB Title	FY 2016 Adopted	
		Disbursements	Positions
255	Public Utilities	\$200,309	2
256	Communications Productions	4,363,899	25
257	Meeting Space Management and Event Support	405,188	4
258	Communications Policy and Regulation	17,793,283	12
259	Communications Inspections and Enforcement	1,796,164	9
260	Institutional Network	3,562,206	0
Total		\$28,121,049	52

Lines of Business

LOB #255:

PUBLIC UTILITIES

Purpose

Public Utilities protects and advances the interests of both County residents and the County government in matters involving regulated utilities, particularly in the areas of energy and transportation. On the energy supply side, Public Utilities' primary objective is to obtain the most favorable rates, terms, and conditions of service possible. To achieve this objective, Public Utilities participates in state regulatory proceedings on behalf of County residents and participates in contract negotiations on behalf of County agencies. On the energy demand side, Public Utilities participates in efforts to reduce the energy consumption of residents, businesses, and County agencies, thereby reducing cost and avoiding greenhouse gas emissions. Public Utilities also works to ensure reasonably-priced taxicab service and trespass towing rates for County residents.

Description

The Public Utilities Line of Business is performed through four distinct but related programs that include participating in state regulatory proceedings, negotiating contracts for electric service, promoting the County's energy and sustainability initiatives, and helping ensure the provision of reasonably-priced taxicab and trespass towing service.

Public Utilities represents consumer interests before legislative, administrative, and other public and private bodies. Public Utilities monitors and participates in utility cases before the State Corporation Commission to protect the interests of homeowners and small businesses in Fairfax County. With Board of Supervisors approval, staff has developed and presented expert testimony on a range of complex regulatory issues, including return on equity, cost allocation, rate design, and billing. Staff works directly with regulated utilities to encourage policies and practices that safeguard and benefit consumer interests.

Public Utilities represents the County as a consumer of energy services. Public Utilities has served in a leadership capacity with the multi-jurisdictional Virginia Energy Purchasing Governmental Association (VEPGA) since its formation and led the VEPGA team that successfully negotiated a four-year contract with Dominion Virginia Power effective through June 30, 2018. Public Utilities represents the County in multi-jurisdictional negotiations for electric service with the Northern Virginia Electric Cooperative. Given its familiarity with these contracts for electric service, staff advises County agencies on contract provisions, meets regularly with the utilities to resolve service issues, and addresses issues that arise during the contract terms, such as street lighting options and rates.

In 2009, Public Utilities assumed responsibility for staffing the County's newly-created Energy Efficiency and Conservation Coordinating Committee (EECCC) and for managing the County's \$9.6 million federal energy efficiency and conservation block grant. Public Utilities participated in numerous EECCC, energy, and environmental initiatives, including the development of the County's greenhouse gas emissions inventory, various Environmental Improvement Program activities, Energy Action Fairfax, and the initial *FY 2015 Sustainability Initiatives* document and FY 2016 update.

Public Utilities has been involved in the oversight of the Fairfax County taxicab industry since 1982 and the County's trespass towing industry since 2005. Under this program, staff conducts annual reviews of taxicab rates and develops and presents recommendations to the Consumer Protection Commission and the Board of Supervisors on matters including applications for authority, petitions for rate changes, and the need for additional taxicab operator certificates. Public Utilities evaluates rates for trespass towing on a biennial basis.

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Benefits

Public Utilities protects and advances the interests of both County residents and the County government in matters involving regulated utilities, particularly in the areas of energy and transportation.

This program protects the property of residents and the community, particularly the interest in just and reasonable rates, by ensuring a strong and effective advocate in complex regulatory proceedings. Public Utilities saved County residents \$116 million due to utility case interventions as a result of Board of Supervisors-approved participation in utility rate cases before the State Corporation Commission (SCC) since FY 1995. This program serves the entire County.

Connecting People and Places

Public Utilities' role in overseeing the County's taxicab and trespass towing industries supports the *Connecting People and Places* County Vision Element. Public Utilities has been instrumental in promoting industry change responsive to community demand, including the introduction of electronic payment methods, improvements in vehicle fuel efficiency, and increases in the number of wheelchair-accessible taxicabs.

Public Utilities has been instrumental in promoting change within the taxicab and trespass towing industries which is responsive to community demand, including the introduction of electronic payment methods, improvements in vehicle fuel efficiency, and increases in the number of wheelchair-accessible taxicabs.

Public Utilities' energy efficiency and conservation activities encourage reductions in energy use, leading to utility savings for residents, businesses, and County agencies, as well as the avoidance of emissions associated with energy use. The program promotes environmentally sound and sustainable practices, promotes efficient resource utilization, and encourages both individuals and businesses to protect environmental resources. This program serves the entire County and also provides a Central Service/Internal function.

Exercising Corporate Stewardship

Public Utilities' negotiations with the two electric utilities serving Fairfax County supports the *Exercising Corporate Stewardship* County Vision Element. This support includes the negotiation of favorable contract terms at the lowest cost for all County government agencies, to the benefit of both agencies and County taxpayers, as well as contract interpretation. Base rates for County accounts under the current contract with Dominion Virginia Power are approximately \$1.1 million per year less than rates for comparable service provided under tariffs approved by the State Corporation Commission. This program is a Central Service/Internal function.

Mandates

Public Utilities' representation of consumer interests before judicial, legislative, administrative, and other public and private bodies is set forth in Fairfax County Code Chapter 10, *Consumer Protection*, § 10-2-8, *Represent consumer interests*.

Local government negotiation of rates, terms, and conditions of electric service is authorized by Code of Virginia Ann. Title 56, *Public Service Companies*, Chapter 10, *Heat, Light, Power, Water and Other Utility Companies Generally*, § 56.234 and § 56.232.E, *Duty to furnish adequate service at reasonable and uniform rates*, which exempt from state regulation the rates charged by public utilities for service furnished to any municipal corporation.

Local oversight of taxicab service is authorized by Code of Virginia Ann. Title 46.2, *Motor Vehicles*, Chapter 20, *Regulation of Passenger Carriers*, § 46.2-2067, *Local regulation of number of taxicabs*. Fairfax County Code Chapter 84.1, *Public Transportation*, requires that the Department of Cable and Consumer Services (DCCS) exercise specific oversight responsibilities.

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Local oversight of trespass towing fees is authorized by Code of Virginia Ann. Title 46.2, *Motor Vehicles*, Chapter 12, *Abandoned, Immobilized, Unattended and Trespassing Vehicles; Parking*, § 46.2-1233, *Localities may regulate towing fees*. DCCS duties regarding trespass towing are set forth in Fairfax County Code § 82-5-32, *Removal, immobilization, and disposition of Vehicles unlawfully parked on private or County property*.

Trends and Challenges

Trends and challenges affecting the Public Utilities Line of Business primarily reflect state legislative activity.

Beginning in 2007 and continuing through 2015, amendments to Code of Virginia Ann. Title 56, *Public Service Companies*, have narrowed the scope of regulatory oversight involving energy utilities that provide service in Fairfax County. These amendments have the effect of supplanting the utility rate case, in which customer rates are set after a comprehensive review of utility earnings, revenues, and expenses. For example, Dominion Virginia Power (Dominion) is now permitted to seek expedited approval of rate adjustment clauses (RACs) that recover a wide range of project-specific costs outside of a rate case. These and other piecemeal approaches to ratemaking create more opportunities for utilities to recover excess costs, to the detriment of ratepayers. The revised regulatory landscape is altering the way in which Public Utilities can represent the interests of County residents in utility proceedings.

Public Utilities' negotiation of electric contracts, particularly with Dominion, is affected by these amendments to Title 56. Historically, the negotiation of multi-year contracts corresponded with Dominion's multi-year rate reviews before the State Corporation Commission. The introduction of RACs has introduced complexities, however, because Dominion's requests to establish or update a RAC now occur throughout the contract term. Given its leadership position in VEPGA, Public Utilities expects to have a significant role in addressing this and other negotiating challenges.

Public Utilities' oversight of taxicab service has been affected by state legislative activity. Amendments to Code of Virginia Ann. Title 46.2, *Motor Vehicles*, enacted in 2015, authorize Transportation Network Companies (TNCs) to provide on-demand, for-hire transportation services traditionally provided by taxicabs. The amendments also prohibit local regulation of TNCs, including the imposition of public-interest requirements currently applicable to taxicabs, such as wheelchair-accessibility. TNC activity in the County may warrant revisions to Fairfax County Code Chapter 84.1, *Public Transportation*, pertaining to the certification and regulation of taxicabs.

Public Utilities' efforts to promote energy efficiency and conservation are likely to increase in scope and significance as the federal and state governments take steps to address carbon emissions, particularly those associated with fossil-fuel power generation. In an August 3, 2015 statement, the Governor of Virginia expressed support for working with stakeholders to accomplish the objectives of reducing carbon emissions, creating the next generation of clean energy jobs, and building the new Virginia economy.

Cable Communications

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #255: Public Utilities			
FUNDING			
<u>Expenditures:</u>			
Compensation	\$117,879	\$122,948	\$123,773
Benefits	25,860	34,096	53,136
Operating Expenses	21,500	14,945	23,400
Total Expenditures	\$165,239	\$171,989	\$200,309
Total Revenue	\$0	\$0	\$0
POSITIONS			
<i>Authorized Positions/Full-Time Equivalents (FTEs)</i>			
<u>Positions:</u>			
Regular	2 / 2	2 / 2	2 / 2
Total Positions	2 / 2	2 / 2	2 / 2

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Cumulative County savings due to utility case intervention (in millions)	\$115M	\$116M	\$116M	\$117M	\$117M
Number of local, state, or federal testimonies and comments submitted	11	13	13	10	10

Cumulative County savings due to utility case intervention

Public Utilities saved County residents \$116 million due to utility case interventions as a result of Board of Supervisors-approved participation in utility rate cases before the State Corporation Commission (SCC) since FY 1995. When this metric was established, the prevailing regulatory model was the “utility rate case,” in which rates for all customer classes are set after a comprehensive review of utility revenues and expenses. Increasingly, that single review is being replaced with a series of cases in which the utility seeks approval of bill riders, rate adjustment clauses, adjustments, and tracking mechanisms. Given the evolving regulatory framework, Public Utilities’ ability to achieve the level of savings that has historically been realized will depend on the types of utility rate cases before the SCC.

Number of local, state, or federal testimonies and comments submitted

The number of written comments, testimonies, or other material presented or submitted in federal, state, or local proceedings reflect the significant amount of staff time, including time to research the topic, analyze the specific issue(s), and draft and finalize the document.

Cable Communications

LOB #256:

COMMUNICATIONS PRODUCTIONS

Purpose

Communications Productions informs the public about County government by televising meetings of the Board of Supervisors, Planning Commission, and Board of Zoning Appeals, and by producing informational programs that are televised on Fairfax County Government Channel 16, via live video-streaming, and through video-on-demand.

Communications Productions maintains an emergency messaging system that delivers important emergency information to County residents on Channel 16. The emergency message system is a reliable means of communication during an emergency for the Office of Public Affairs and the Office of Emergency Management.

Communications Productions operates the Fairfax County Training Network and produces training programs for over 30,000 employees of Fairfax County Government and Fairfax County Public Schools to support a productive and effective workforce.

Description

Communications Productions is the County's centralized resource for all video production services. Programs produced and televised by Communications Productions include meetings of the Board of Supervisors, Planning Commission, and Board of Zoning Appeals; County Executive programs; Board of Supervisors-directed programming; town meetings; monthly Board of Supervisors video newsletters; and programs highlighting the services of County agencies on Fairfax County Government Channel 16. Communications Productions operates and maintains an emergency messaging system that delivers important messages to the public during an emergency.

In FY 2015, Communications Productions produced 936 hours of original programming. Channel 16 programs are available to approximately 795,000 residents on the Cox, Comcast, and Verizon cable systems. All programs are closed-captioned and live video-streamed, and most are available through video-on-demand. The Communications Productions engineering staff designs, integrates, and maintains infrastructure to capture, process, and transmit high-quality video and audio signals, and provides a reliable means of communication during an emergency.

Communications Productions operates the Fairfax County Training Network, an internal communication channel available at all County and school facilities, that produces training programs for over 30,000 employees of Fairfax County Government and Fairfax County Public Schools. Programming on the Fairfax County Training Network is also live video-streamed for viewing on employee workstations.

Communications Productions provides technical support for all County agency video needs, manages an equipment loan pool, offers video teleconferencing services, processes duplication requests, and provides video engineering consulting services for audio-visual technology projects in new and existing County facilities.

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Benefits

Channel 16 connects the community to information about Fairfax County Government by televising government meetings and agency. Channel 16 informs the public about the latest news in magisterial districts and throughout the County. Through programs like *State of the County*, *Bond Referendum*, and *The County Executive's Annual Budget Presentation*, Channel 16 educates residents about Fairfax County Government and its programs and services.

Channel 16 engages residents in the legislative process and supports an open and transparent government. Channel 16 reaches an estimated 795,000 residents in 286,000 households via cable television, and an even larger audience through live video-streaming and video-on-demand. Televising the meetings of the Board of Supervisors, Planning Commission, and Board of Zoning Appeals supports a culture of engagement. Channel 16 connects a broader segment of the community by closed-captioning all television programs. Channel 16 serves an increasingly diverse constituency by producing television programs in Spanish, Korean, and Vietnamese, as requested by County agencies.

Communications Productions is supported by the Cable Communications Fund through the state communications sales and use tax and the Public, Educational, and Governmental (PEG) capital access grants received from local cable operators. This revenue is reflected in LOB #258 Communications Policy and Regulation which performs administrative functions for this fund. Communications Productions provides an effective and efficient means to communicate vital information to Fairfax County residents. Channel 16 provides responsive support through video production services to all County agencies and to contributory agencies such as the Arts Council of Fairfax County, Volunteer Fairfax, Southeast Fairfax Development Corporation, and the History Commission.

Mandates

Closed-captioning requirements for Fairfax County Government Channel 16 are governed by 47 U.S.C. § 613, *Video Programming* and 47 C.F.R. § 79.1, *Closed captioning of televised video programming*. Communications Productions complies with federal requirements by captioning all live and prerecorded Channel 16 programs.

Requirements for providing access to public records are mandated by Code of Virginia Ann. Title 2.2, *Administration of Government*, Chapter 37, *Virginia Freedom of Information Act*, § 2.2-3700-3714, The Virginia Freedom of Information Act. Communications Productions complies with state requirements by responding to all record requests within the time requirements.

The Cox, Comcast, and Verizon franchise agreements require that a PEG channel be used under the terms specified in the agreement. Fairfax County meets that condition by operating Channel 16. Cable providers may reclaim the channel for their own use should the County terminate operation of Fairfax County Government Channel 16.

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Trends and Challenges

As Fairfax County’s population grows more diverse, the communication needs of a multi-lingual community will require broader translation capabilities. More stringent federal captioning requirements may require shifting resources to meet new standards.

In response to agency communication requests for immediate programming, Communications Productions developed the *16 Around Fairfax* daily program to communicate information in a timely manner. Communications Productions distributes the daily segments on both Channel 16 and social media.

The communications needs of agencies are expanding to include video for social media. As the County’s centralized video provider, Communications Productions must evaluate how best to accommodate these new video production requirements.

As viewership habits change, Communications Productions will continue to evaluate production practices to provide timely and informative programming that meets County agency communication needs and serves the interests of Fairfax County residents.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #256: Communications Productions			
FUNDING			
<u>Expenditures:</u>			
Compensation	\$1,703,432	\$1,666,698	\$1,908,048
Benefits	747,333	738,035	850,685
Operating Expenses	1,077,687	1,120,924	1,255,166
Capital Equipment	274,696	486,371	350,000
Total Expenditures	\$3,803,148	\$4,012,028	\$4,363,899
Total Revenue	\$2,603	\$529	\$1,000
POSITIONS			
Authorized Positions/Full-Time Equivalents (FTEs)			
<u>Positions:</u>			
Regular	25 / 25	25 / 25	25 / 25
Total Positions	25 / 25	25 / 25	25 / 25

Cable Communications

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Hours of government meetings and informational programs produced per year	781	861	936	865	865
Percentage of requested programs completed	100%	100%	99%	99%	99%
Percentage of uninterrupted transmission of Fairfax County Government Channel 16	99.2%	98.8%	99.7%	99.5%	99.5%
Number of DVD duplication requests completed	562	470	434	430	400

Hours of government meetings and informational programs produced per year

The number of hours of government meetings and informational programs produced per year has increased over the past three fiscal years due to a greater number of requests for productions by the Board of Supervisors, County Executive, County agencies, and contributory organizations such as the Arts Council of Fairfax County. Communications Productions expects to continue to meet projections for numbers of hours of programs produced per year based on current trends and social media video needs.

Percentage of requested programs completed

To meet County video production needs, Communications Productions completed over 99 percent of requested programs, which varied from multi-camera Board Auditorium events to full-length documentaries.

Percentage of uninterrupted transmission of Fairfax County Government Channel 16

The Communications Productions engineering staff designs, integrates, and maintains infrastructure to transmit high-quality video and audio signals 24 hours per day, seven days a week, and provides a reliable means of communication during an emergency. Uninterrupted transmission has improved due to the implementation of new processes and equipment upgrades. In FY 2013, Communications Productions had an uninterrupted transmission rate of 99.2 percent. In FY 2014, the uninterrupted transmission rate was 98.8 percent. In FY 2015, the uninterrupted transmission rate increased to 99.7 percent. Communications Productions expects to meet the uninterrupted transmission estimate in coming fiscal years.

Number of DVD duplication requests completed

Requests for DVD duplication services have decreased over the past three fiscal years due to the availability of programs through video-on-demand. In FY 2013, Communications Productions completed 562 requests for DVD duplication services; 470 requests in FY 2014; and 434 requests in FY 2015. Communications Productions completes DVD duplication requests within Virginia Freedom of Information Act time requirements.

Cable Communications

LOB #257:

MEETING SPACE MANAGEMENT AND EVENT SUPPORT

Purpose

Meeting Space Management and Event Support provides scheduling services and meeting and event support at the Government Center Complex, accommodating meeting and event space requirements for the Board of Supervisors; boards, authorities, and commissions; County agencies; and non-profit organizations.

Description

In FY 2015, Meeting Space Management and Event Support processed 9,533 requests for the 61 meeting and event spaces located throughout the Government Center Complex. Meeting Space Management and Event Support also provides after-hours support for weekday evening and Saturday events.

Meeting Space Management and Event Support processes all reservation requests, stages furnishings and equipment, and configures meeting rooms throughout the day as required. Technical support for conference calls, audio-visual playback, public address systems, and audio amplification for individuals with hearing impairments is provided during meetings and events. Meeting Space Management and Event Support engineering staff oversees the J. Hamilton Lambert Conference Center audio-visual systems. Staff identifies requirements; recommends solutions; and installs, tests, and repairs audio-visual equipment.

Benefits

Meeting Space Management and Event Support processes reservation requests, stages furnishings and equipment, and configures meeting rooms for an average of 30 meetings and events each day at the Government Center Complex. Reservation requests are scheduled in accordance with PM 08-05, *Regulations for Public Use of Facilities and Grounds at the Fairfax County Government Center Complex*, and facility availability.

Creating a Culture of Engagement

Meeting Space Management and Event Support contributes to achieving the *Creating a Culture of Engagement* Vision Element by providing meeting space and event support for County users and non-profit groups.

Exercising Corporate Stewardship

Meeting Space Management and Event Support coordinates the use of the Government Center Complex common spaces, ensuring that the facilities are being fully used for the purpose of conducting County business and community gatherings. Meeting Space Management and Event Support provides responsive support to departments and non-profit groups by addressing meeting space and event needs and contributes to achieving the *Exercising Corporate Stewardship*.

Mandates

This Line of Business is not mandated.

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Trends and Challenges

Demand for meeting space and event support is generally steady, with requests for services consistent from year to year. In FY 2013, 9,604 reservation requests were processed; 9,270 requests in FY 2014; and 9,533 requests in FY 2015.

As technology evolves Meeting Space Management and Event Support changes to meet new requirements. Some customers still need access to older technology such as VCRs, but Meeting Space Management and Event Support also accommodates newer technology such as interactive displays and tablets.

During the scheduling process, customers identify and request needed services. Meeting Space Management and Event Support adapts to and accommodates changing customer needs as customer meeting and event requirements evolve.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #257: Meeting Space Management and Event Support			
FUNDING			
<u>Expenditures:</u>			
Compensation	\$193,710	\$198,148	\$204,436
Benefits	87,094	92,921	100,752
Operating Expenses	15,554	6,211	50,000
Capital Equipment	0	6,622	50,000
Total Expenditures	\$296,358	\$303,902	\$405,188
Total Revenue	\$0	\$0	\$0
POSITIONS			
Authorized Positions/Full-Time Equivalent (FTEs)			
<u>Positions:</u>			
Regular	4 / 4	4 / 4	4 / 4
Total Positions	4 / 4	4 / 4	4 / 4

Cable Communications

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of reservations requests received	9,604	9,270	9,533	9,500	9,500
Number of reservations requests scheduled	8,905	8,981	9,135	9,100	9,100
Percentage of reservation requests scheduled	93%	97%	96%	96%	96%

Number of reservation requests received

Requests for meeting space have been consistent from year to year. Meeting Space Management and Event Support received 9,533 requests for space at the Government Center Complex in FY 2015.

Number of reservation requests scheduled

Meeting Space Management and Event Support reviews and processes all reservation requests, scheduling 9,135 reservations in FY 2015. Meeting Space Management and Event Support processes reservation requests, stages furnishings and equipment, and configures meeting rooms for an average of 30 meetings and events each day at the Government Center Complex.

Percentage of reservation requests scheduled

Meeting Space Management and Event Support scheduled 96 percent of reservation requests received in FY 2015. Reservation requests are scheduled in accordance with Fairfax County PM 08-05, *Regulations for Public Use of Facilities and Grounds at the Fairfax County Government Center Complex*, and facility availability.

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LOB #258:

COMMUNICATIONS POLICY AND REGULATION

Purpose

Communications Policy and Regulation negotiates and oversees the County's cable franchises; advises the Board of Supervisors and County agencies on communications law and policy issues; and addresses resident inquiries on cable and telecommunications issues.

Description

Communications Policy and Regulation currently oversees three franchised cable providers: Cox, Comcast, and Verizon. Cable operators must obtain a nonexclusive franchise from the County, as the local franchising authority, to use the County's public rights-of-way to provide cable service.

Cable franchise agreements are negotiated subject to complex constraints imposed by federal and state law and at long intervals, typically ten or fifteen years. However, the franchise renewal process prescribed by federal law begins three years before the actual expiration date. This process involves extensive research and ascertainment prior to the actual negotiations. When a franchise agreement has been completed, Communications Policy and Regulation monitors cable operators' activities to make sure the agreement is carried out, meeting regularly with the cable operators to address issues that may arise. At the recommendation of Communications Policy and Regulation, the County's Communications Administrator may give notice of franchise violations and assess liquidated damages. Communications Policy and Regulation works with the Office of the County Attorney to review and recommend amendments to the Fairfax County Code provisions regarding cable service.

Communications Policy and Regulation provides information on communications issues to the Board of Supervisors, the Office of the County Attorney, the Department of Information Technology, and other agencies. To keep current, Communications Policy and Regulation tracks developments in communications markets, technology, laws, and regulation, at the Federal Communications Commission (FCC), in the trade press, and through participation in national and local associations. During the General Assembly legislative season, Communications Policy and Regulation reviews pertinent legislation and advises the County legislative team as to its implications and importance.

Communications Policy and Regulation responds to inquiries from residents that include both general questions and individual complaints. Communications Policy and Regulation reviews these inquiries with the cable operators directly and can often succeed in resolving a problem that the individual resident alone could not. Communications Policy and Regulation conducts consumer educational seminars for County residents and organizations on topics such as how to understand a cable bill or what to look for in buying a new television.

When authorized by the Board of Supervisors, Communications Policy and Regulation prepares filings, in conjunction with the Office of the County Attorney, for FCC or court proceedings.

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Benefits

Communications Policy and Regulation benefits County residents through cable franchise negotiation and enforcement and in individual complaint mediations.

Communications Policy and Regulation provides information and assistance to County residents on customer service issues. The franchise agreements and Fairfax County Code include protections for subscribers, such as customer service standards. Communications Policy and Regulation helps cable customers with billing matters, monitors cable operators' telephone answering performance, and ensures that service is made available throughout the County pursuant to the cable franchise agreements.

Connecting People and Places

Negotiation and implementation of the franchise agreements results in the availability of high-speed, high-quality broadband service that connects people and places by enhancing access to information. Communications Policy and Regulation provides important information via educational seminars and through direct contact with residents. Communications Policy and Regulation's response to individual inquiries promotes connectivity and access to information by helping cable subscribers get the communications services they pay for.

The needs assessment process conducted as part of cable franchise renewal engages the public in providing input for negotiations. The public, educational, and governmental access channels established through franchise negotiations provide ways for residents to connect with County government, schools, and the community via cable television. Communications Policy and Regulation works with communities and organizations on legislative and regulatory matters, engaging at local, state, and federal levels and providing recommendations to the Board of Supervisors on cable-related developments.

Exercising Corporate Stewardship

Communications Policy and Regulation negotiates cable franchise agreements that provide revenue to the County, offsetting General Fund expenditures, and supports the *Exercising Corporate Stewardship* County Vision Element. Cable communications revenue received in FY 2015 was \$25.4 million. Communications Policy and Regulation monitors cable operator payments and conducts reviews as necessary, ensuring the County receives what is due under the franchise agreements and applicable law. The County's I-Net, which connects County and school buildings for voice, video, and data services, is funded from the cable franchises, allowing the County to avoid buying comparable services on the commercial market.

Mandates

Federal law places primary responsibility for oversight of cable operators on the local franchising authority. While federal law limits what can be negotiated in a cable franchise, it does not generally ensure that any of the available benefits will be achieved unless the locality actively negotiates for them. *See* 47 U.S.C. §§ 531, 541-42, 544, 546, 552.

The County is authorized to negotiate cable franchises and regulate cable systems under Code of Virginia Ann. Title 15.2, *Counties, Cities and Towns*, Chapter 21, *Franchises; Sale and Lease of Certain Municipal Public Property; Public Utilities*, § 15.2-2108.20, *Authority to grant negotiated cable franchises and regulate cable systems*.

The franchise fee permitted under federal law has been subsumed in Virginia by the communications sales and use tax specified in Code of Virginia Ann. Title 58.1, *Taxation*, Chapter 6.2, *Virginia Communications Sales and Use Tax*, § 58.1-648, *Imposition of sales tax; exemptions*.

Cable franchising and regulation is governed by Fairfax County Code Chapter 9.1, *Communications*.

Cable Communications

Trends and Challenges

County revenue from the state communications sales and use tax and from the Public, Educational, and Governmental (PEG) capital access grants the operators provide under their franchise agreements has generally continued to rise. The County received approximately \$24.1 million in FY 2013, \$24.5 million in FY 2014, and \$25.4 million in FY 2015.

The cable and telecommunications industry expresses a continuing interest in constraining the benefits that can be obtained by cable franchising and the scope of local oversight at the federal and/or state levels. It is possible that future legislation or rules may reduce the County's authority.

The industries seek to reduce the amounts they can be required to pay via franchise fees, the communications sales and use tax, or PEG capital access grants specified in a franchise agreement. If the FCC or Congress endorses these efforts, County revenue may be affected.

The number of people who watch alternatives to traditional cable television using Internet-provided services ("over-the-top" video) is increasing. Such over-the-top viewing may eventually displace cable subscription and the associated revenue, although at present it principally seems to be used in addition to cable service rather than in place of traditional cable.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #258: Communications Policy and Regulation			
FUNDING			
<u>Expenditures:</u>			
Compensation	\$1,117,063	\$1,038,571	\$1,155,537
Benefits	452,322	420,466	522,014
Operating Expenses	127,478	136,086	399,633
Total Expenditures	\$1,696,863	\$1,595,123	\$2,077,184
<u>Transfers Out:</u>			
Transfer Out to General Fund	\$4,145,665	\$3,148,516	\$3,532,217
Transfers Out to Other Funds	12,207,428	11,978,085	12,183,882
Total Transfers Out	\$16,353,093	\$15,126,601	\$15,716,099
Total Revenue	\$24,457,677	\$25,394,951	\$25,167,468
POSITIONS			
Authorized Positions/Full-Time Equivalents (FTEs)			
<u>Positions:</u>			
Regular	12 / 12	12 / 12	12 / 12
Total Positions	12 / 12	12 / 12	12 / 12

Cable Communications

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Households subscribing to cable	288,498	289,531	286,249	286,150	286,000
Percent of households subscribing to cable service	72%	72%	71%	71%	70%
Cable Communications revenue	\$24,129,032	\$24,457,677	\$25,394,951	\$25,167,468	\$25,862,861
Policy and legislative activities	186	243	281	250	250
Public attendance at cable educational seminars	328	389	533	550	600

Households subscribing to cable

The total number of households subscribing to cable shows that County residents are not cancelling cable service, despite media reports about “cord-cutting” subscribers who are abandoning cable.

Percent of households subscribing to cable service

The percentage of households subscribing to cable service in the County indicates the high degree of penetration by the cable operators. If the County population increases at a greater rate than subscribership decreases, the result may be a decline in the percentage of households subscribing to cable service.

Cable Communications revenue

Cable communications revenue from the cable franchises includes two components: the communications sales and use tax and Public, Educational, and Governmental (PEG) capital access grants. The communications sales and use tax, a state tax charged to cable subscribers, is five percent of certain subscriber payments. PEG capital access grants amount to three percent of the cable operator’s gross revenues from cable service. A relatively stable level is projected for FY 2016 and FY 2017. Any decrease in the number of subscribers is liable to be offset by potential increases in cable rates.

Policy and legislative activities

The number of policy and regulatory activities includes two components: legislative reviews conducted by the agency as managed by Communications Policy and Regulation, and meetings in support of the County’s legislative or regulatory agenda in which Communications Policy and Regulation participated.

Public attendance at cable educational seminars

Public attendance at cable educational seminars, which provide information about matters such as understanding a cable bill and evaluating the features of new televisions, has increased. This trend should continue over the next few years.

Cable Communications

LOB #259:

COMMUNICATIONS INSPECTIONS AND ENFORCEMENT

Purpose

Communications Inspections and Enforcement inspects cable operator construction work sites, issuing violation notices for non-compliance with sound practices and standards, protecting property and County infrastructure. Communications Inspections and Enforcement responds to resident complaints regarding cable plant, construction activity, technical service quality, and service availability and assists County agencies by installing and maintaining video equipment that provides access to news, weather, and emergency information.

Description

Communications Inspections and Enforcement ensures that proper practices are followed and safety precautions are observed. Construction by cable operators must be conducted competently and in accordance with established standards, or risk damaging roads, yards, and buildings, and causing injury to residents. Inspectors receive daily work locations from the cable operators and inspect those work sites. Safety and other violations are noted and reported to the cable operator in non-compliance notices, each of which specifies a deadline by which the problem must be remedied. An inspector may issue a stop work order if necessary. Sites are re-inspected after the deadlines and additional non-compliance notices may be issued as needed.

Residents frequently report problems with aerial lines, ground equipment, service quality, and connection to certain homes or multi-dwelling units. Communications Inspections and Enforcement responds to complaints from residents by making a site visit within one business day. Depending on the circumstances, the inspector may issue a non-compliance notice, assist the resident in resolving a problem with the cable operator, or provide information to help the resident understand the problem.

In the course of visiting work sites or responding to complaints, inspectors may issue non-compliance notices for system defects they find, such as low-hanging or loose aerial lines.

Video service to County facilities allows staff to view Board of Supervisors meetings and news, weather, and emergency information. Communications Inspections and Enforcement advises agencies on the purchase of video display equipment and installs and connects video equipment at County facilities.

Benefits

Communications Inspections and Enforcement helps ensure residents have access to properly functioning communications services.

Ensuring sound construction and maintenance practices supports the *Maintaining Safe and Caring Communities* County Vision Element. Communications Inspections and Enforcement ensures that quality of service does not suffer by identifying system defects the operators have not found.

Communications Inspections and Enforcement provides technical service and support to County agencies; improves access to news, weather, and emergency information.

Cable Communications

Mandates

The County is authorized to regulate cable systems under the Cable Communications Policy Act of 1984 as amended, 47 U.S.C. § 521 *ff.* (“Cable Act”), and Code of Virginia Ann. § 15.2-2108, *Franchises; Sale and Lease of Certain Municipal Public Property; Public Utilities*.

Cable companies are governed by the federal Cable Act. Federal law includes technical standards for cable operators, but neither federal nor state law provides for enforcement of those standards, nor enforcement of other applicable standards such as the National Electrical Code. Rather, the federal Cable Act recognizes the role of a local franchising authority in establishing and overseeing relevant standards. *See* 47 U.S.C. § 552(a): “A franchising authority may establish and enforce . . . construction schedules and other construction-related requirements, including construction-related performance requirements, of the cable operator.”

Cable franchising and regulation is governed by Fairfax County Code Chapter 9.1, *Communications*.

Trends and Challenges

Cable operators identified 54,668 cable construction work sites for inspection in FY 2015. In recent years this number has been declining as cable operators meet franchise agreement-specified build-out requirements in the County.

The transition to digital transmission in cable systems results in more complaints and signal problems than with analog transmission. While the digital signal is higher-quality, it is more sensitive to interference and other plant problems, especially at the levels of compression used by cable operators, and the problems are harder to diagnose. The Federal Communications Commission (FCC) has yet to update its technical standards to address digital systems. Since local governments are prohibited by federal law from creating such standards, direct enforcement of digital standards will be limited unless and until the FCC acts.

The cable and telecommunications industry expresses a continuing interest in constraining the benefits that can be obtained by cable franchising and the scope of local oversight at the federal and/or state levels. It is possible that future legislation or rules may reduce the County’s authority.

Cable Communications

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #259: Communications Inspections and Enforcement			
FUNDING			
Expenditures:			
Compensation	\$525,655	\$543,253	\$556,400
Benefits	233,554	253,684	276,772
Operating Expenses	79,735	79,819	962,992
Total Expenditures	\$838,944	\$876,756	\$1,796,164
Total Revenue	\$20,000	\$9,000	\$0
POSITIONS			
Authorized Positions/Full-Time Equivalents (FTEs)			
Positions:			
Regular	9 / 9	9 / 9	9 / 9
Total Positions	9 / 9	9 / 9	9 / 9

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Cable construction work sites inspected	17,069	14,320	15,268	14,640	14,575
Inspector hours per cable construction work site inspected	0.47	0.61	0.58	0.50	0.58
Number of cable construction violations issued	498	1,146	725	700	700
Homeowner cable construction complaints inspected	225	190	200	210	200

Cable construction work sites inspected

Cable construction work sites inspected by Communications Inspections and Enforcement focuses on whether construction crews are observing proper safety practices and complying with code requirements. Communications Inspections and Enforcement inspected 15,268 work sites in FY 2015.

Inspector hours per cable construction work site inspected

Inspector hours per cable construction work site inspected has increased as cable construction activity has become more spread out over the County, rather than concentrated in primary build-out areas.

Number of cable construction violations issued

The number of cable construction violations issued varies according to the degree to which the cable operators engage in unsafe or unsound practices, as well as the extent to which severe weather or other conditions result in damage to cable plant.

Homeowner cable construction complaints inspected

The number of homeowner cable construction complaints inspected indicates the number of problems that are addressed by Communications Inspections and Enforcement, including property damage, poor reception, and damaged cable plant on private property.

Cable Communications

LOB #260:

INSTITUTIONAL NETWORK

Purpose

The Department of Cable and Consumer Services administers financial support for the County Institutional Network (I-Net) managed by the Department of Information Technology. The I-Net includes nearly 2,500 miles of fiber-optic lines, linking over 400 County and Fairfax County Public Schools locations and is funded by Public, Educational, and Governmental (PEG) capital access grants derived from the cable franchises, allowing the County to avoid buying comparable services on the commercial market.

Description

The Department of Cable and Consumer Services administers financial support for the I-Net. The Department of Information Technology manages the I-Net, the backbone of the County Enterprise-Wide Network providing video, voice, and high-speed data services.

Staff from the Department of Cable and Consumer Services and the Department of Information Technology meet regularly on I-Net requirements to ensure that adequate funding is available to support both ongoing expenses associated with running the I-Net and required equipment refresh updates. Both departments monitor system requirements and associated expenditures required to properly support the active I-Net and optimize network performance to ensure that I-Net equipment can handle current technical demands and can be maintained in a cost-effective manner.

Benefits

The Department of Information Technology oversees day-to-day management of the I-Net Line of Business. Please refer to the Technology Infrastructure LOB #302 in Fund 60030, Technology Infrastructure Services for additional information.

Mandates

The County is authorized to negotiate cable franchises and regulate cable systems under the Cable Communications Policy Act of 1984, as amended, 47 U.S.C. § 521 *ff.*, and Code of Virginia Ann. Title 15.2, *Counties, Cities and Towns*, Chapter 21, *Franchises; Sale and Lease of Certain Municipal Public Property; Public Utilities*, § 15.2-2108.20, *Authority to grant negotiated cable franchises and regulate cable systems*.

Cable franchising and regulation is governed by the Fairfax County Code Chapter 9.1, *Communications*.

Trends and Challenges

The Department of Information Technology oversees day-to-day management of the I-Net Line of Business. Please refer to the Technology Infrastructure LOB #302 in Fund 60030, Technology Infrastructure Services for additional information.

Cable Communications

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #260: Institutional Network			
FUNDING			
<u>Expenditures:</u>			
Compensation	\$338,254	\$345,999	\$356,581
Benefits	115,386	117,541	120,626
Operating Expenses	2,277,301	3,866,943	3,034,999
Capital Equipment	0	0	50,000
Total Expenditures	\$2,730,941	\$4,330,483	\$3,562,206
Total Revenue	\$0	\$0	\$0
POSITIONS			
Authorized Positions/Full-Time Equivalent (FTEs)			
<u>Positions:</u>			
Regular	0 / 0	0 / 0	0 / 0
Total Positions	0 / 0	0 / 0	0 / 0



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