



JOSH STEIN
ATTORNEY GENERAL

STATE OF NORTH CAROLINA
DEPARTMENT OF JUSTICE
PO Box 629
RALEIGH, NORTH CAROLINA 27602

SETH DEARMIN
CHIEF OF STAFF

June 12, 2018

North Carolina Senate President Pro Tempore Phil Berger
North Carolina House of Representatives Speaker Tim Moore
Co-Chairs, Joint Legislative Commission on Governmental Operations

Senator Tommy Tucker
Representative William Brawley
Representative Jason Saine
Co-Chairs, Revenue Study Laws Committee

North Carolina General Assembly
Raleigh, North Carolina 27601-1096

Re: Video Services Competition Act

Dear Members:

Pursuant to Session Law 2006-151, Section 18, titled the "Video Services Competition Act", please find the enclosed report concerning cable service complaints the Consumer Protection Division has received from cable customers under NC Gen. Stat. §66-356 for 2017 and 2018.

If you have any questions or I can be of further assistance, please feel free to contact me at (919) 716-6400.

Sincerely,

Seth Dearmin
Chief of Staff

SD/ml

**NORTH CAROLINA DEPARTMENT OF JUSTICE
CONSUMER PROTECTION DIVISION
REPORT REGARDING CABLE COMPLAINTS**

The Video Services Competition Act (Session Law 2006-151) enacted a number of changes that impact cable television companies, video service providers, and consumers. Among other things, the law allows such companies and providers to obtain State-issued franchises from the Secretary of State's office to provide cable TV service, rather than local franchises from local units of government, under certain circumstances. Section 17 of the law designates the Consumer Protection Division of the Attorney General's Office (CPD) as the agency to "receive and respond to unresolved customer complaints about cable service provided by the holder of a State-issued franchise."

Section 18 requires the CPD to report to the Revenue Laws Study Committee the following information regarding complaints about cable service received by the CPD: number of complaints, types of complaints, and the means for resolving them. Pursuant to Section 18, the Attorney General's Office makes the following report for the years 2017 and 2018.

As of March 11, 2017, one thousand four hundred and seventy-seven (1,477) State-issued franchises were accepted by the Secretary of State's office, according to that office's website. For the time period of March 11, 2016 to March 10, 2017, the CPD received seven hundred and three (703) written complaints against companies with a State-issued franchise. Out of those seven hundred and three (703) complaints:

- Two hundred and fifteen (215) involved allegations of unsatisfactory service or repair;
- One hundred eighty-six (186) involved allegations of billing errors;
- Twenty-three (23) involved allegations of unsatisfactory sales practices;

- Forty-three (43) involved allegations related to the cancelation of services;
- Twenty-seven (27) involved allegations related to failure to complete installations;
- Thirty-eight (38) involved allegations of damages to property; and
- The remaining complaints involved discrete or miscellaneous issues.

For the same time period, the CPD received eight (8) written complaints against companies with a local franchise from consumers who incorrectly believed that the 2006 law directed the CPD to handle all consumer complaints against all cable companies as of January 1, 2007. CPD referred these complaints to the locality still holding local franchise agreements with the company.

As of March 11, 2018, one thousand five hundred and eight (1,508) State-issued franchises were accepted by the Secretary of State's office, according to that office's website. For the time period of March 11, 2017 to March 10, 2018, the CPD received six hundred and seventy-three (673) written complaints against companies with a State-issued franchise. Out of those six hundred and seventy-three (673) complaints:

- Two hundred and seven (207) involved allegations of unsatisfactory service or repair;
- Two hundred and six (206) involved allegations of billing errors;
- Twenty-seven (27) involved allegations of advertising-related issues;
- Thirty-eight (38) involved pricing of products and services;
- Sixteen (16) involved allegations of unsatisfactory sales practices;
- Twenty-one (21) involved allegations related to the cancelation of services;
- Twenty (20) involved allegations related to failure to complete installations;
- Twenty-six (26) involved allegations of damages to property; and
- The remaining complaints involved discrete or miscellaneous issues.

For the same time period, the CPD received seven (7) written complaints against companies with a local franchise from consumers who incorrectly believed that the 2006 law directed the CPD to handle all consumer complaints against all cable companies as of January 1, 2007. CPD referred these complaints to the locality still holding local franchise agreements with the company.

The CPD treats cable complaints like other consumer complaints it receives and attempts to mediate resolutions by sending the complaints to the cable company for a response. The CPD tracks responses to see if consumers are satisfied and to determine if the complaints show patterns that may warrant further investigation.