

**MOORPARK CITY COUNCIL
AGENDA REPORT**

To: Honorable City Council

From: John Brand, Senior Management Analyst *JB*

Date: March 15, 2007 (CC Meeting of 03/21/2007)

Subject: Consider Time Warner Cable TV Customer Service Performance

SUMMARY

On March 7, the Council directed the cable TV ad hoc committee (Mayor Pro Tem Millhouse and Councilmember Parvin) to schedule a meeting with staff from Time Warner Cable that has technical expertise in call center operations and equipment, and directed staff to track actual telephone response times from Time Warner. The Council continued consideration of Time Warner Cable TV Customer Service Performance until March 21.

DISCUSSION

On March 14, the cable TV ad hoc committee met with Time Warner Cable representatives Patricia Fregoso-Cox, Vice President, Community Affairs North Division; Sagi Shimonvitz, Director of Customer Care; and Coby King, a communications and public relations consultant to Time Warner Cable.

The discussion with Time Warner included a detailed review of the state of customer service management since Time Warner's merger with Adelphia and Comcast in August 2006. Particular focus was on Time Warner's efforts to overcome the considerable obstacles it has encountered due to the three different systems for billing, product line up, corporate culture, policies, procedures, and customer service. Time Warner indicated that it continues to hire and train new Customer Service Representatives, and while significant improvements may be noticeable as soon as mid-April, it may be the end of the year before the company is able to return to normal operating conditions and achieve compliance with the thirty-second rule. Generally, the thirty-second rule states that a customer service call will be answered within thirty seconds, and that no more than an additional thirty-seconds will elapse until the customer is connected to a Customer Service Representative. This standard is to be met 90% of the time, measured over a period of three consecutive months.

At the meeting, the Time Warner representatives stated that the company's priority is to remedy this and related issues, and consequently it may not be able to explore the technical challenges involved in producing Moorpark-specific reports until after those

issues are resolved. The committee discussed the relative merits of using regional statistics for franchise compliance purposes.

The ad hoc committee recommendation is that the Council consider initiating the procedure for remedying franchise violations as stipulated in the Franchise Agreement and the Municipal Code.

Under separate cover, staff has provided Council with a procedural overview of the compliance enforcement process, including operational standards, records and reports required, verification of compliance, uses of the Security Fund, and procedures for remedying franchise violations.

Staff will have a verbal report on the results of its monitoring of the response times during telephone calls placed to the Time Warner Cable customer service center.

STAFF RECOMMENDATION

Direct Staff as Deemed Appropriate.

Attachments

- Attachment 1: Time Warner regional report, August 2006 – January 2007
- Attachment 2: March 5 letter from Patricia Fregoso-Cox
- Attachment 3: March 7 agenda report
- Attachment 4: February 23 letter from Assistant City Manager Hugh Riley
- Attachment 5: Resolution 2007-567
- Attachment 6: February 21 agenda report

Time Warner Cable

Aug-06 Sep-06 Oct-06 Nov-06 Dec-06 Jan-07

Repair Log*

Headend	0	1	0	0	0	0
Transportation	0	0	0	4	0	0
Distribution	0	2	0	0	2	2
Drop	18	7	15	16	14	14
Customer Premise	155	171	180	199	236	236
Administrative	0	0	0	0	0	0
Total Service Calls	173	181	195	219	252	252
Less Customer Calls	-155	-171	-180	-199	-236	-236
% Calls/Customers	89.6%	94.5%	0.0%	90.9%	93.7%	93.7%
Total Repair Calls	18	10	15	20	16	16
% Calls/Repair	10.4%	5.5%	0.0%	9.1%	6.3%	6.3%

Outage Log

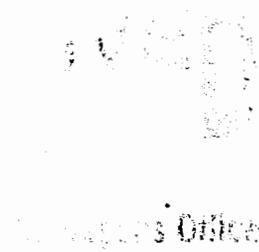
Total Outages	0	0	0	2	1	3
Total Minutes	0	0	0	95150**	565	250

Telephone Log*

Total Calls	956,157	1,683,023	2,154,234	1,748,276	1,404,961	1,641,720
% Busy Signals Received	2.6%	4.0%	2.6%	2.3%	1.5%	2.6%
% Calls Answered in 30 Sec	51.5%	57.6%	44.2%	48.8%	60.7%	50.8%
Total Calls Abandoned	70,346	60,568	236,825	466,718	298,393	427,302
% calls Abandoned	7.4%	3.6%	11.0%	26.7%	21.2%	26.0%

**This was a major outage due to damaged fiber optic lines that had to be respliced.

*NOTE: Due to the integration of Adelphia and Time Warner's call centers, the August telephone log reflects only partial information.



March 5, 2007

Hugh R. Riley
Assistant City Manager
City of Moorpark
799 Moorpark Ave.
Moorpark CA 93021

RE: Response to Letter and Resolution

Dear Mr. Riley:

I am in receipt of your letter dated February 23, 2007 and Moorpark City Council Resolution 2007-2567 regarding Time Warner Cable. I appreciate the opportunity to respond to your letter and the resolution. I want to also take this opportunity to formally request a meeting with the City Council's Ad Hoc Committee on Cable Service. As you and I have discussed before, I believe such a meeting would be very productive, and I hope it can be scheduled as soon as possible.

To assist Local Franchising Authorities understand the big picture of our operations, we provide monthly reports with regional statistics. We are happy to add the City of Moorpark to that distribution list. The City will begin receiving this monthly report within 45 days.

You have also asked for reports that provide a Repair Log, Outage Log, and Telephone Log for Moorpark residents specifically. TWC is able to provide "system specific" data for technical and outage repair information, but at this time we are not able to provide Moorpark specific telephone statistics. However, we are looking into the possibility of providing such reports in the future. We will report back to you once we have determined the feasibility of providing such "Moorpark-specific" reports.

Please do not hesitate to contact me at 661-265-6697 if you have any questions or concerns. Once again, I look forward to meeting with the Ad Hoc committee to discuss these issues.

Sincerely,

Patricia Fregoso-Cox
Vice President, North Division
Time Warner Cable

cc: Steven Kueny, City Manager
Debi Picciolo, President, North Division
Coby King, Esq.

**MOORPARK CITY COUNCIL
AGENDA REPORT**

To: Honorable City Council

From: John Brand, Senior Management Analyst *JB*

Date: February 28, 2007 (CC Meeting of 03/07/2007)

Subject: Consider Time Warner Cable TV Customer Service Performance

SUMMARY

On February 21, the Council considered a report from the Cable TV ad hoc committee (Mayor Pro Tem Millhouse and Councilmember Parvin) regarding remedies to Time Warner Cable's customer service performance. The Council approved Resolution 2007-2567 finding that in order to ensure compliance with the customer service standards of its franchise with the City, it is necessary for Time Warner Cable to take steps to acquire and install equipment which can report on telephone line(s) usage by Moorpark residents specifically, including but not limited to, a Repair Log, Outage Log, and Telephone Log consistent with, but distinct from, regional reports provided to other franchising authorities in the Los Angeles and Ventura County operational area.

A copy of the resolution, along with the attached cover letter, were transmitted to Ms. Patricia Fregoso-Cox, Vice President- Community Affairs, North Division, of Time Warner Cable on February 23. The letter summarizes the Council's discussion and action, asked for a response from the company by March 5, and invited a Time Warner Cable employee to attend the Council's March 7 meeting.

STAFF RECOMMENDATION

Direct Staff as Deemed Appropriate.

Attachment: Letter to Time Warner Cable



MOORPARK

799 Moorpark Avenue Moorpark, California 93021

(805) 517-6200

February 23, 2007

Patricia Fregoso-Cox
Vice President- Community Affairs
North Division
Time Warner Cable
41551 Tenth St. West
Palmdale, CA 93551

RE: Customer Service Standards - Moorpark

Dear Patricia:

As you know, the City Council of the City of Moorpark has been concerned about complaints from Moorpark Cable Customers concerning the quality of service being provided by Time Warner since the initiation of channel realignments, internet conversions and other actions associated with Time Warner's takeover of the Adelphia Cable TV System in Moorpark.

Of particular concern has been the length of waiting time required to reach a customer care representative. It is our understanding that Time Warner is able to generate call center performance statistics only on a regional basis, and that with the current call monitoring system there is no opportunity to measure call center performance specifically for Moorpark Subscribers.

In response to these frequent complaints, the City Council has adopted the attached Resolution calling for the submittal of monthly reports on telephone line(s) usage specifically by Moorpark Subscribers, including but not limited to Repair Log, Outage Log, and Telephone Log consistent with, but distinct from the regional reports that are already available. If possible, reports should include repeat call statistics as well.

The City Council has asked that Time Warner respond to this request no later than March 5, 2007, and has directed City Staff to place the matter on their meeting agenda for their regular meeting of March 7, 2007.

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PATRICK HUNTER
Mayor

KEITH F. MILLHOUSE
Mayor Pro Tem

ROSEANN MIKOS
Councilmember

JANICE S. PARVIN
Councilmember

MARK VAN DAM
Councilmember

Patricia Fregoso-Cox
Time Warner Cable
February 23, 2007
Page 2

Your assistance on providing a timely response will be most appreciated.

Sincerely,



Hugh R. Riley
Assistant City Manager

cc: Honorable Mayor and City Council
Steven Kueny, City Manager

Attachment: City of Moorpark Resolution
No. 2007-2567

000007

RESOLUTION NO. 2007-2567

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, TO REQUIRE TIME WARNER CABLE TO MONITOR ITS CABLE FRANCHISE CUSTOMER SERVICE, TELEPHONE ANSWERING TIMES, AND OUTAGES AND TO PROVIDE REGULAR REPORTS TO THE CITY

WHEREAS, the City of Moorpark currently has standards relating to cable television customer service operational standards that a cable franchise grantee must meet or exceed; and

WHEREAS, pursuant to Moorpark Municipal Code Section 5.06.810 (c), grantee shall not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards in the code unless a historical record of complaints indicates a clear failure to comply; and

WHEREAS, for the past several months, the City has received an unusually high number of complaints about Time Warner Cable's telephone answering wait times, hold periods, busy signals, service outages, and billing errors; and

WHEREAS, the City Council has determined that it is appropriate to require Time Warner Cable to acquire equipment to determine compliance with the telephone answering standards adopted by the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

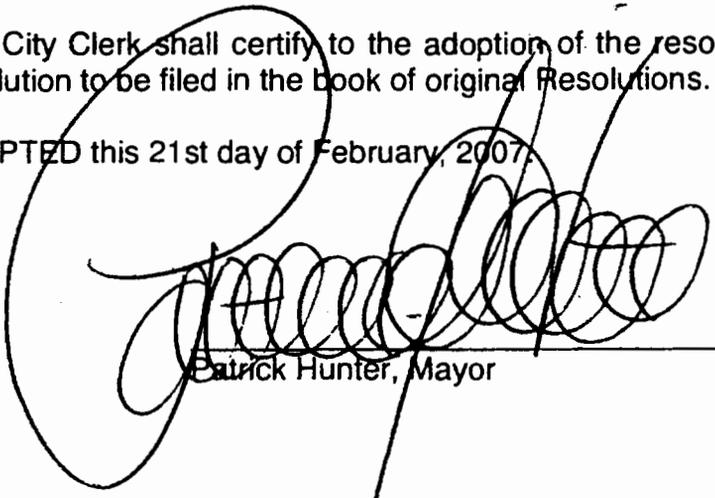
SECTION 1. The City Council of the City of Moorpark hereby determines that the record of complaints received suggests a failure to comply with the City's telephone answering standards for a cable franchise grantee.

SECTION 2. The City Council of the City of Moorpark finds that in order to ensure compliance with the customer service standards of its franchise with the City, it is necessary for Time Warner Cable to take the necessary steps to acquire and install equipment which can report on telephone line(s) usage by Moorpark residents specifically, including but not limited to, a Repair Log, Outage Log, and Telephone Log consistent with, but distinct from, regional reports provided to other franchising authorities in the Los Angeles and Ventura County operational area.

SECTION 3. The City Council of the City of Moorpark further finds that in order to verify compliance with the telephone answer standards adopted by the City, it is necessary for Time Warner Cable to submit the monthly customer service reports described in Section 2 to the City Manager and/or a staff designee of the City Manager

SECTION 4. The City Clerk shall certify to the adoption of the resolution and shall cause a certified resolution to be filed in the book of original Resolutions.

PASSED AND ADOPTED this 21st day of February, 2007.



Patrick Hunter, Mayor

ATTEST:

Deborah S. Traffenstedt
Deborah S. Traffenstedt, City Clerk



**MOORPARK CITY COUNCIL
AGENDA REPORT**

To: Honorable City Council

From: John Brand, Senior Management Analyst 

Date: February 14, 2007 (CC Meeting of 02/21/2007)

Subject: Consider Resolution to Monitor and Report on Cable TV Customer Service Performance

SUMMARY

On December 6, 2006, the City Council directed staff to investigate the remedies available to the City regarding the customer service provisions of the agreement with Time-Warner Cable Television. Staff was directed to explore the possibility of drawing against the \$25,000 Security Fund letter of credit for violations of the standards of customer service for Cable TV subscribers. The \$25,000 Security Fund might be used to assess liquidated damages if particular procedures and criteria can be met. Staff was directed to specifically look at the telephone answer time requirements, as well as other violations of applicable service standards. The Council also created an ad hoc committee consisting of Mayor Pro Tem Millhouse and Councilmember Parvin to consider these matters and how the implementation of AB 2927 (the state "Digital Infrastructure and Video Competition Act Of 2006") may affect local government's relationship to cable TV services in general. Staff was further directed to notify the Ventura Council of Governments of any action taken by Council.

The ad hoc committee found that certain necessary facts, such as actual telephone answering performance, could be difficult to document satisfactorily for an assessment to be upheld. The City could face significant legal expenses, particularly if its liquidated damages assessment is challenged and overturned. Alternatively, a provision of the Municipal Code may enable the City to cause Time Warner to acquire equipment to determine compliance with the telephone answering standards and to submit regular reports to the City. The committee is forwarding a resolution to the Council for its consideration for that purpose.

BACKGROUND

As a result of the federal "Cable Television Consumer Protection and Competition Act of 1992" (1992 Cable Act), the Federal Communications Commission (FCC) established customer service standards for cable TV operators. However, the 1992 Cable Act made local franchise authorities responsible for enforcing these customer service standards. The FCC regulations state:

"Under Normal Operating Conditions, the following standards shall be met by the Franchisee at least ninety (90) percent of the time, measured quarterly.

(A) Telephone answering time shall not exceed thirty (30) seconds, and the time to transfer the call to a customer service representative (including hold time) shall not exceed an additional thirty (30) seconds.

(B) A customer will receive a busy signal less than three percent (3%) of the time."

These standards were incorporated in §5.06.810 of the Moorpark Municipal Code, and they have been adopted by most local franchising authorities across the nation. Consequently, there is nothing onerous or excessive about the City's interest in Time Warner's performance regarding these standards of customer service. The 1992 Cable Act also gives local franchising authorities the ability to adopt more stringent standards, but the City's Franchise Agreement stipulates that the franchisee must concur with any changes in the Municipal Code chapter on Cable Communications.

The Municipal Code and the Franchise Agreement discuss the establishment of a "Security Fund" in the form of a \$25,000 irrevocable letter of credit, those purposes for which the Security Fund may be assessed, and the procedures for remedying franchise violations.

By about August 2006 the implementation of Time Warner's takeover of the Adelphia cable franchise in Moorpark began to generate a noticeable increase in customer questions, concerns and complaints. Many of these calls were directed to the City in its capacity as the franchise authority. The poor customer service conditions quickly came to the attention of the City Council, and the Council took action on December 6 to create the ad hoc committee.

DISCUSSION

On January 17, 2007, the Cable TV ad hoc committee (Mayor Pro Tem Millhouse and Councilmember Parvin) met and reviewed relevant portions of the Municipal Code, the Cable TV Franchise Agreement, and customer service standards for Cable TV operations adopted by other franchising agencies.

A review of the Moorpark Municipal Code and the Franchise Agreement found that while it may be an applicable and appropriate use of the Security Fund to assess Time Warner for failure to maintain the agreed upon telephone answering standards, there may be another way to remedy the problem that would strengthen the City's ability to successfully assess damages if it subsequently becomes necessary in order to improve the customer service to cable subscribers.

Ad Hoc Committee Proposal

The Committee discussed an interim action before considering liquidated damages. This would be for the Council to consider a resolution requesting Time Warner to document its telephone answering performance and submit regular reports to the City showing a summary of its actual response times. The City's Municipal Code anticipates such an action. MMC Section 5.06.810(C) states:

“Grantee shall not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless a historical record of complaints indicates a clear failure to comply.”

A resolution of the Council finding conditions that warrant Time Warner to monitor its call compliance and send regular reports to the City is not an onerous request. Time Warner has routinely done this for other franchising authorities.

Should Time Warner not voluntarily utilize telephone answering compliance equipment, then the City has a lesser standard of evidence to meet to compel the company to do so. Chapter 5.06.810 of the Code contains operational standards for cable franchise grantees. Included in this section is the “thirty second” rule discussed above. The Committee found that Moorpark’s customer service standards are the same as the federal standard, and are much the same as most other local franchising authorities. The subsequent sections of the Code stipulate the steps for verification of compliance with these standards. “A repeated and verifiable pattern of noncompliance with the consumer protection standards” that is not cured within thirty days may be deemed a material breach of the franchise agreement.

A refusal by Time Warner to provide telephone answering compliance equipment is not expected. It has been made clear to the company that the Moorpark City Council is seriously concerned about cable TV customer service performance, plus the possibility of providing such equipment is written into the Municipal Code, Time Warner provides similar equipment to neighboring franchising authorities, and the City’s service standards are consistent with the standards of other agencies.

Once the telephone answering compliance equipment is installed and reports are provided, the City could use the evidence Time Warner collects in its call monitoring reports to substantiate the company’s progress (or lack thereof) in answering consumer complaint calls. If after implementation the Council still believes Time Warner is not satisfactorily performing then contractual remedies could be pursued. The Cable TV ad hoc Committee respectfully requests that the Council consider the attached resolution.

STAFF RECOMMENDATION

Adopt Resolution No. 2007-____.

Attachments: Draft Resolution