

Date: May 13, 2009

To: Seattle City Council Energy and Technology Committee Members

From: Susan Cohen, Seattle City Auditor
Tony Perez, Director, Office of Cable Communications, Department of
Information Technology

Subject: Audit of Comcast's Compliance with the City of Seattle's Cable
Customer Bill of Rights

Background

The Seattle City Council established the Cable Customer Bill of Rights in 1999 to ensure that Seattle cable customers receive competent, responsive service from cable companies. In April 2002, the City Council adopted an amendment to the Cable Customer Bill of Rights, which strengthened several provisions, and added some of the country's most stringent privacy protections. The City of Seattle is a leader among cities in providing an active customer service enforcement program for cable customers.

In May 2006, the Seattle City Council passed an ordinance, 122089, authorizing the Mayor to renew the City's franchise agreement with Comcast of Washington to operate one of two cable communication systems in Seattle. To specify customer service standards, the Comcast franchise agreement incorporates the Cable Customer Bill of Rights. As provided under the agreement, the City has the authority to audit cable companies to determine if they are in compliance with the Cable Customer Bill of Rights' requirements. This audit is the sixth in a series of audits performed by the Office of City Auditor and the Office of Cable Communications on cable companies' compliance with Seattle's Cable Customer Bill of Rights.

The Office of City Auditor and the Office of Cable Communications audited AT&T Broadband (now Comcast) in 2000 and 2002. The 2000 audit reported that AT&T did not meet Cable Customer Bill of Rights requirements in three areas: reporting, complaint tracking, and awarding customer credits. In 2002, the City's audit found that AT&T was still not meeting the Cable Customer Bill of Rights reporting requirements. In addition, the report identified customer service problems with call centers, an insufficient number of service centers for the number of customers served, and failure to meet Cable Customer Bill of Rights customer privacy requirements.

Scope and Methodology

For this follow up audit, we reviewed Comcast's compliance with fifty of the most critical Cable Customer Bill of Rights requirements for the years 2006-2007. To assess the extent to which Comcast complied with each requirement, we conducted site visits to Comcast facilities in Fife, Everett and Lynnwood, interviewed Comcast managers and customer service representatives, and reviewed Comcast policies, procedures, and reports. We shared a copy of our draft report with Comcast managers and have incorporated their feedback as appropriate into the report. The written comments we received from Comcast are attached as Appendix I. The Office of City Auditor's response to Comcast feedback is found in Appendix II.

It is important to note the Cable Customer Bill of Rights does not specify what cable services should cost or what cable programs should be offered. These issues are governed by federal regulations and the franchise agreement. This audit also did not cover the upcoming conversion from analog to digital broadcasting and reception.

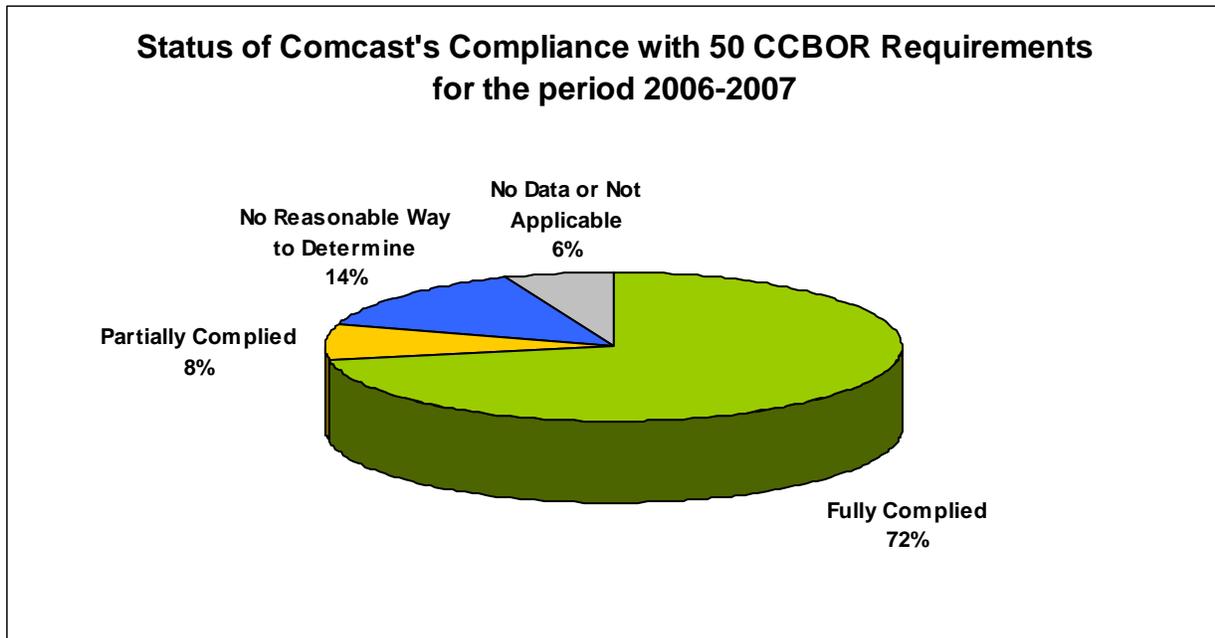
We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Findings

We found that Comcast fully complied with 36 of 50 Cable Customer Bill of Rights requirements, and partially complied with four. We were unable to determine if Comcast complied with one requirement because Comcast did not provide us with sufficient data. We could not determine Comcast's compliance with seven requirements because either there was no reasonable way to make a determination about compliance, or no activity had occurred in the area to allow us to conduct testing. Two items were rated not applicable.

Chart I and Table I below provide summary information on Comcast's compliance with the fifty Cable Customer Bill of Rights requirements. See Table II on page 6 for a complete list of the fifty Cable Customer Bill of Rights requirements we examined and how we rated each one.

Chart I. Summary of Audit Ratings



Source: City of Seattle, Office of City Auditor and Office of Cable Communications, January 2009

Table I. Status of Comcast’s 2006-2007 Compliance with 50 Cable Customer Bill of Rights Requirements by Issue Area

Issue Area	Fully Complied	Partially Complied	No Reasonable Way to Determine	Comcast Did Not Provide Data	Not Applicable	Total
Customer Service	23	1	6	1	2	33
Customer Privacy	5	1	1			7
Complaint Procedures	7	1				8
Reporting Requirements	1	1				2
Total Number by Rating	36	4	7	1	2	50
Percent by Rating	72%	8%	14%	2%	4%	100%

Source: City of Seattle, Office of City Auditor and Office of Cable Communications, January 2009

Areas in which Comcast fully complied with Cable Customer Bill of Rights requirements included:

- Toll free telephone access and telephone response times,
- Free exchange of faulty converters, and
- Proactive responsiveness to equipment failure, including dispatchers and technicians on call 24 hours a day/7 days a week for emergencies, and completion of repairs to all service interruptions caused by cable operator equipment failure within 24 hours.

Areas in which Comcast partially complied with Cable Customer Bill of Rights requirements included:

- Customer Privacy. Destruction of customers’ personally identifiable information within the period specified by the Cable Customer Bill of Rights.
- Reporting requirements. According to officials from the City’s Office of Cable Communications, Comcast has provided data in the past on service requests and customer contacts after installation as part of their quarterly and annual reports; however, the Comcast quarterly reports we reviewed did not contain this information. We rated Comcast “partially complied” for this requirement because their quarterly and annual reports do contain data in other required areas, including customer complaints, outages and customer privacy.
- Signal quality. The Cable Customer Bill of Rights requires that the signal quality provided by the Cable Operator shall meet or exceed technical standards established by the Federal Communications Commission. An independent technical review conducted in the fall of 2008, at the request of the City’s Office of Cable Communications, found that performance deficiencies during the period covered by the Cable Customer Bill of

Rights audit. According to the draft technical report, Comcast subsequently corrected these deficiencies.

One additional area in which Comcast could improve its compliance with Cable Customer Bill of Rights requirements concerns customer complaint procedures. The Cable Customer Bill of Rights (Seattle Municipal Code 21.60.830 A) states that the cable operator shall notify customers of their right to file a complaint with the City if the customer is dissatisfied with the cable operator's decision on a customer service issue. The cable operator must also explain the necessary procedures for filing such complaint with the City. We found that, since Comcast customer service policies and procedures are targeted toward fully satisfying all customers, there is no Comcast policy on the need to inform customers of their right to call the Office of Cable Communications if they are not satisfied with Comcast. During our fieldwork, we confirmed that Comcast Customer Service Representatives do not consistently inform customers of their right to file a complaint with the City's Office of Cable Communication. In addition, although Comcast managers told us that the right to call the City is stated on the Welcome to Comcast service kit and monthly customer billing statements, we could not identify this information on the Comcast customer billing statements we reviewed.

Recommendation 1: Revise Customer Complaint Policies and Procedures

Comcast should revise its policies and procedures to include the complaint referral requirement specified in the Cable Customer Bill of Rights, cover this requirement during its Customer Service Representative training, and clearly display this policy on its website and on customer bills along with the Office of Cable Communication's telephone number.

Cable Customers Need to Be Knowledgeable and Assertive to Obtain Their Rights under the Cable Customer Bill of Rights

Although we rated Comcast as fully complying with a high percentage of the Cable Customer Bill of Rights requirements (72 percent), we found instances in which Comcast's compliance was dependent upon cable customers' knowledge of their rights under the Cable Customer Bill of Rights and their assertiveness in asking that these rights be honored.

For example, Seattle Municipal Code 21.60.820 C (4) requires that cable companies offer customers the option of service calls or installation appointments weekday evenings until 7:00 p.m. and a minimum of four hours on Saturdays. While Comcast has these time slots available for service calls (hence they *technically* comply with this requirement), evening and weekend appointments are scheduled only upon customer request. Therefore, customers who do not know these times are available for service calls are unlikely to ask for them. As a result, many customers for whom these times would be much more convenient—for example, customers who work during normal business hours (8 a.m. – 6 p.m., Monday – Friday) may not know they can ask for them, and hence lose out on this opportunity.

Another example concerns Seattle Municipal Code section 21.60.820 D, which requires cable companies to provide mobility-impaired customers the free use of a converter remote control unit. However, unless a mobility-impaired customer is aware of this right, it is doubtful that s/he will ask for this benefit; on the other hand, if the Customer Service Representative does not know about the customer's disability, s/he will not offer the benefit.

Recommendation 2: Provide further information to customers

To fully comply with the Cable Customer Bill of Rights' intent, Comcast should provide information in its welcome packet and annual customer mailing on the additional services, and discounts available to customers with disabilities.

Finally, officials from the City's Office of Cable Communications said that they have received complaints from Comcast customers who stated that they were not informed about Comcast's lowest-price cable service package when they called to initiate new service or change their service package. Unless customers prompt the Customer Service Representative for information about the lowest-price cable service package, they may not learn that it is available.

Based on our work, we recommend that all City of Seattle cable customers read the Cable Customer Bill of Rights summary brochure that Comcast is required to mail to them annually, or that cable customers review the City of Seattle's summary of the Cable Customer Bill of Rights which is found on-line at <http://www.seattle.gov/cable> under Cable Customer Resources. If they have any questions about their rights as cable customers, they are encouraged to call the City's 24-hour Cableline at 206-684-8498, or 206-386-1989 during normal business hours.

**Table II. Summary of Ratings
50 Cable Customer Bill of Rights Requirements**

Green:	Comcast fully complied with the requirement (36)
Gold:	Comcast partially complied with the requirement (4)
Blue:	There is no reasonable way to determine compliance or non-compliance (7)
Purple:	Comcast did not provide sufficient data to allow a determination (1)
Grey:	Determined to be not applicable for this follow up audit (2)

Requirement	Rating and Justification
Customer Service – Courtesy	
1. All employees shall be courteous, knowledgeable and helpful and shall provide effective, timely and satisfactory service in all contacts with Customers. (Seattle Municipal Code [SMC] 21.60.820 A)	Fully Complied
Customer Service – Accessibility	
2. Cable Operator shall provide at least one service center for every 75,000 ¹ customers served. Service centers must be: <ul style="list-style-type: none"> ▪ Located in a safe, visible site ▪ Within the City of Seattle ▪ Handicapped accessible ▪ Located along a mass transit route ▪ Open Monday-Friday 8 a.m. – 7 p.m.; Saturday 9 a.m. – 5 p.m. ▪ Fully staffed, and offer the following services: bill payment, equipment exchange, processing change of service requests, and response to customer inquiries and requests, and ▪ Post a sign advising customers of its hours of operation and contact information for the City of Seattle and the Cable Operator if not open during business hours. (SMC 21.60.820 B)	Fully Complied
3. Cable Operator shall provide free exchanges of faulty converters at the Customer’s address. (SMC 21.60.820 B)	Fully Complied
4. Customer Service Representatives (CSRs) will be available to respond to customer inquiries during regular business hours. (SMC 21.60.820 B)	Fully Complied

¹ Currently, there are two Customer Service Centers located within the City of Seattle for Comcast customers. With over 166,000 Seattle-based cable customers, the Cable Customer Bill of Rights *could* be interpreted to require Comcast to provide three Customer Service Centers. At this time, the City of Seattle’s Department of Information Technology does not believe an additional Customer Service Center is required.

<p>5. Cable Operator shall maintain local or toll free telephone access lines that shall be available during Normal Business Hours for service/repair requests and billing inquiries. (SMC 21.60.820 B)</p>	Fully Complied
<p>6. Cable Operator shall have dispatchers and technicians on call 24 hours a day, 7 days a week, including legal holidays, for emergency purposes. (SMC 21.60.820 B)</p>	Fully Complied
<p>7. Telephone calls to service/repair and billing lines will be:</p> <ul style="list-style-type: none"> ▪ Answered within 30 seconds ▪ Transferred within 30 seconds ▪ Customer shall be able to speak with a CSR (human being) within 5 minutes. <p>These standards will be met no less than 90 percent of the time, measured on a quarterly basis under Normal Operating Conditions. (SMC 21.60.820 B)</p>	Fully Complied
<p>8. The total number of calls receiving busy signals shall not exceed 3 percent of the total telephone calls. This standard shall be met 90 percent of the time, measured under Normal Operating Conditions. (SMC 21.60.820 B)</p>	Fully Complied
Customer Service – Responsiveness	
<p>9. In the event of a system outage resulting from Comcast equipment failure affecting five or more Customers, Comcast shall initiate repairs within two hours after the third Customer call is received. All Customers who call the Cable Operator to report an outage shall receive credit for the entire day on which the outage occurred and for each additional day the outage continues. (SMC 21.60.820 C (3))</p>	Fully Complied
<p>10. The Cable Operator shall notify the City of any outage of at least 4 continuous hours that affects at least 10 percent of its Customers. (SMC 21.60.820 C (3))</p>	No Reasonable Way to Determine
<p>11. The Cable Operator shall initiate repairs to all other service interruptions resulting from Cable Operator equipment failure within 24 hours. (SMC 21.60.820 C (3))</p>	Fully Complied
<p>12. A Cable Operator shall initiate repairs to Customer reported outages and service interruptions, for any cause beyond the control of the Cable Operator, with 24 hours after the conditions beyond its control have been corrected. (SMC 21.60.820 C (3))</p>	No Reasonable Way to Determine
<p>13. The signal quality provided by the Cable Operator shall meet or exceed technical standards established by the Federal Communications Commission (FCC). (SMC 21.60.820 C (4))</p>	Partially Complied
<p>14. Cable modem Internet connections shall meet performance specifications advertised by the Cable Operator. (SMC 21.60.820 C (4))</p>	Not Applicable

15. The Cable Operator shall render efficient service, make repairs promptly, and interrupt service only for good cause and for the shortest time possible. (SMC 21.60.820 C (4))	Fully Complied
16. Scheduled interruptions that the Cable Operator anticipates will last more than 4 hours shall be preceded by at least 24 hours notice to affected Customers, and shall occur during period so minimum use of the system, preferably between midnight and 6 a.m. (SMC 21.60.820 C (4))	No Reasonable Way to Determine
17. Notification of a planned outage may take the form of a door hanger, a message or insert into the monthly bill, a telephone call, or supplemented with on-screen messages announcing the planned outage. Cable modem Internet Customers may receive notification by e-mail. (SMC 21.60.820 C (4))	No Reasonable Way to Determine
18. If a Customer experiences poor signal quality or interruptions of Cable or Other Services attributable to the Cable Operator's equipment, the Cable Operator shall respond and repair the problem no later than the day following the Customer call provided that the Customer is available and the repair can be made within the allotted time. (SMC 21.60.820 C (4))	Fully Complied
19. If an appointment is necessary, the Customer may choose a 4 hour block of time during Normal Business Hours. At the Customer's request, the Cable Operator shall repair the problem at a later time convenient to the Customer. The Cable Operator shall provide Customers the option of service or installation appointments weekday evenings until 7:00 p.m. and a minimum of 4 hours on Saturdays. (SMC 21.60.820 C (4))	Fully Complied
Customer Service – Services for Customers with Disabilities	
20. For any Customer with a disability, the Cable Operator shall at no charge deliver and pickup converters at the Customer's home. In the case of malfunctioning equipment, the technician shall provide and install substitute equipment, ensure that it is working properly, and return the defective equipment to the Cable Operator. (SMC 21.60.820 D)	Fully Complied
21. The Cable Operator shall provide TDD/TYY service through trained operators who can provide every type of assistance rendered by the Cable Operators' CSR for any hearing impaired customer at no charge. (SMC 21.60.820 D)	Fully Complied
22. The Cable Operator shall provide free use of a converter remote control unit to mobility-impaired Customers. (SMC 21.60.820 D)	No Data Provided

Customer Service – Customer Information	
23. Upon installation, annually, and at any time the Customer requests, the Cable Operator shall provide the following information, in clear, concise written form: <ul style="list-style-type: none"> ▪ Products and services offered (30 days prior to changing its channel lineup, the Cable Operator shall provide subscribers with the revised channel 	

<p>lineup);</p> <ul style="list-style-type: none"> ▪ Prices and options for programming services, including conditions of subscription to programming and other services and policies concerning changes in services offered, notification of changes, disconnection and service downgrades (30 days prior to changing any of the above, the Cable Operator shall provide subscribers with the changes); ▪ A copy of the Cable Customer Bill of Rights and other customer standards; ▪ Installation and service and maintenance policies, including Customer’s responsibilities for equipment; ▪ Instruction on the use of cable TV service, remote control and on standard VCR hookups; ▪ Instruction on the use of interactive television if provided by the cable operator; ▪ Instruction on the use of cable modem service; ▪ Billing and complaint procedures, including the address and telephone number of the Cable Operator’s offices, the Cable Operator’s policies on deposits and credit balances, returned check charges, refunds of disruption of service or poor reception, and telephone numbers and descriptions of services of the FCC and the City’s Office of Cable Communications; ▪ Policies concerning protection of Customer privacy (the Cable Operator shall include a self-addressed mail back postcard for opt-out purposes); ▪ Use and availability of parental control/lock out device; ▪ Special services for Customers with disabilities including any other discounts required by the franchises; and ▪ Days, hours of operation, and locations of the service centers. <p>A sample of all notices provided to the Customer shall be filed concurrently with the City. (SMC 21.60.820 E)</p>	<p>Fully Complied</p>
<p>24. The Cable Operator shall provide Customers with written notification of any change in rates, programming, or channels at least 30 days before the date of the change. (SMC 21.60.820 E)</p>	<p>Fully Complied</p>
<p>25. All officers, agents, and employee of the Cable Operator, its contractors and subcontractors in personal contact with the Customer shall have a visible identification card with their name and photograph. (SMC 21.60.820 E)</p>	<p>No Reasonable Way to Determine</p>
<p>26. Every vehicle of the Cable Operator used for providing services to Customers shall be clearly visually identified to the public as working for the Cable Operator. (SMC 21.60.820 E)</p>	<p>Fully Complied</p>
<p>27. All CSRs shall identify themselves orally to callers immediately following the greeting during each telephone contact with the public. (SMC 21.60.820 E)</p>	<p>Fully Complied</p>
<p>28. Officers, agents, and employees of the Cable Operator, its contractors and subcontractors shall identify themselves to the Customer when making a service call or installation. (SMC 21.60.820 E)</p>	<p>Fully Complied</p>

<p>29. All CSRs, technicians and employees of the Cable Operator in every contact with a Customer shall state the estimated cost of the service, repair, or installation orally prior to delivery of the service or before any work is performed, and shall provide the Customer with an oral statement of the charges before terminating the telephone call or before leaving the location at which the work was performed. (SMC 21.60.820 E)</p>	<p>No Reasonable Way to Determine</p>
<p>30. All promotional materials advertising cable services shall accurately disclose price terms. (SMC 21.60.820 E)</p>	<p>Fully Complied</p>
<p>31. For non-automated orders, the CSRs shall make clear the price of pay-per-view and pay-per-event programming before an order is taken. (SMC 21.60.820 E)</p>	<p>Fully Complied</p>
<p>32. The Cable Operator shall distribute promotional material in multi-unit buildings only with the approval of the building owner. The Cable Operator shall not condition the provision of Cable Services on the receipt of such approval. (SMC 21.60.820 E)</p>	<p>Not Applicable</p>
<p>33. The Cable Operator shall not charge Customers for any services they have not affirmatively requested; provided that this subsection shall not prevent a Cable Operator from adding programming to an existing tier. (SMC 21.60.820 E)</p>	<p>Fully Complied</p>
<p>Cable Customer Privacy</p>	
<p>34. A Cable Operator shall not use the Cable System to collect, record, monitor or observe Personally Identifiable Information without the prior affirmative written or electronic consent of the Customer unless, and only to the extent that such information is: (a) used to detect unauthorized reception of cable communications, or (b) necessary to render a Cable Service or Other Service provided by the Cable Operator to the Customer. (SMC 21.60.820 F (2))</p>	<p>Fully Complied</p>
<p>35. A Cable Operator shall take such actions as are necessary to prevent any Affiliate from using the facilities of the Cable Operator in any manner, including, but not limited to, sending data or other signals through such facilities, to the extent such use will permit an Affiliate unauthorized access to Personally Identifiable Information on the computer or other equipment of a Customer or on any of the facilities of the Cable Operator that are used in the provision of Cable Service. (SMC 21.60.820 F (2))</p>	<p>Fully Complied</p>
<p>36. A Cable Operator shall take such actions as are necessary to prevent a person or entity (other than Affiliates) from using the facilities of the Cable Operator in any manner, including, but not limited to, sending data or other signals through such facilities, to the extent such use will permit such person or entity unauthorized access to Personally Identifiable Information on the computer or other equipment of a Customer or on any of the facilities of the Cable Operator that are used in the provision of Cable Service. (SMC 21.60.820 F (2))</p>	<p>Fully Complied</p>
<p>37. A Cable Operator shall not disclose Personally Identifiable Information (PII)</p>	

<p>without the prior written or electronic consent of the Customer, except as follows:</p> <ul style="list-style-type: none"> ▪ A Cable Operator may disclose for a non-cable-related purpose the name and address of a Customer to any general programming tiers of service and other categories of Cable and Other Service provided by the Cable Operator if the Cable Operator has provided the Customer the opportunity to prohibit or limit such disclosure in accordance with this subsection F and Section 631 of the Federal Communications Act, 47 U.S.C. 551, and such disclosure does not directly or indirectly disclose: ▪ A Customer’s extent of viewing of a Cable Service or Other Service provided by the Cable Operator; ▪ The extent of any other use by a Customer of a Cable Service or Other Service provided by the Cable Operator, including, but not limited to, a disclosure of the particular viewing selections by a person subscribing to a Cable Service or Other Service, or the particular websites visited by a customer to cable modem service (i.e., a Cable Operator may only disclose the fact that a person subscribes to cable modem service); or ▪ The nature of programming or sites that a Customer subscribes to or views (i.e., a Cable Operator may only disclose the fact that a person subscribes to a general tier of service or a package of channels with the same type of programming). <p>A minimum of 30 days prior to making any disclosure of PII of any Customer as provided in this subsection F3a, the Cable Operator shall notify in writing the Office of Cable Communications and each Customer (that the Cable Operator intends to disclose information about) of the specific information that will be disclosed, to whom it will be disclosed, and notice of the Customer’s right to prohibit the disclosure of such information for Non-cable related purposes. The notice to Customers may be included with or made a part of the Customer’s monthly bill for Cable Service or Other Service or may be made by separate mailed notice. Each time that this notice is given to a Customer, the Cable Operator also shall provide the Customer with an opportunity to prohibit the disclosure of information in the future. Such opportunity shall be given in one of the following forms: a postage paid, self-addressed post card provided by the Cable Operator; a box that may be checked by the Customer on the Customer’s monthly bill for Cable Services or Other Services; a toll-free number that the Customer may call; or such other equivalent methods as may be approved by the Office of Cable Communications.</p> <ul style="list-style-type: none"> ▪ A Cable Operator may disclose PII only to the extent that it is necessary to render, or conduct a legitimate business activity related to, a Cable Service or Other Service provided by the Cable Operator to the Customer. ▪ To the extent required by federal law, a Cable Operator may disclose PII pursuant to a subpoena or valid court order authorizing such disclosure, or to a government agency. 	<p style="text-align: center;">Fully Complied</p>
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(SMC 21.60.820 F (3))	
<p>38. Any PII gathered and maintained by a Cable Operator shall be made available for Customer examination within 30 days of receiving a request by a Customer to examine such information at the local offices of the Cable Operator or other convenient place within the City designated by the Cable Operator. Upon a reasonable showing by the Customer that the information is inaccurate, a Cable Operator shall correct such information.</p> <p>(SMC 21.60.820 F (4))</p>	<p>No Reasonable Way to Determine</p>
<p>39. A Cable Operator shall annually mail a separate, written privacy statement to Customers consistent with 47 U.S.C. 551(a)(1), and shall provide a Customer a copy of such statement at the time the Cable Operator enters into an agreement with the Customer to provide Cable Service or Other Service. The written notice shall be in a clear and conspicuous format and be printed in ten point type or larger.</p> <p>In the statement required by subsection F5a, a Cable Operator shall state substantially the following regarding the disclosure of Customer information: “Unless a Customer affirmatively consents electronically or in writing to the disclosure of PII, any disclosure of PII for purposes other than to the extent necessary to render, or conduct a legitimate business activity related to, a Cable Service or Other Service, is limited to:</p> <ul style="list-style-type: none"> ▪ Disclosure pursuant to a subpoena or valid court order authorizing such disclosure; or to a governmental entity, but only to the extent required by applicable federal law. ▪ Disclosure of the name and address of a Customer to any general programming tiers of service and other categories of cable and Other Services provided by the Cable Operator that do not directly or indirectly disclose: <p>A Customer’s extent of viewing of a Cable Service or Other Service provided by the Cable Operator;</p> <p>The extent of any other use by a Customer of a Cable Service or Other Service provided by the Cable Operator, including, but not limited to, a disclosure of the particular viewing selections by a person subscribing to a Cable Service or Other Service, or the particular web sites visited by a Customer of cable modem service (i.e., a Cable Operator may only disclose the fact that a person subscribes to cable modem service); or</p> <p>The nature of any transactions made by a Customer over the Cable System;</p> <p>The nature of programming or sites that a Customer subscribes to or views (i.e., a Cable Operator may only disclose the fact that a person subscribes to a general tier of service, or a package of channels with the same type of programming.)</p> <p>The notice shall also inform the Customers of their right to prohibit the disclosure of their names and addresses in accordance with Subsection b for non-cable related purposes. This opportunity will be presented in the form of both a</p>	<p>Fully Complied</p>

<p>toll-free telephone number and a postage paid, self-addressed post card, provided by the Cable Operator with the privacy notice or other manner acceptable to the Office of Cable Communications. If a Customer exercises his/her right to prohibit the disclosure of name and address as provided in subsection F3a or this subsection, such prohibition against disclosure shall remain in effect permanently, unless the Customer subsequently notifies the Cable Operator in writing that s/he wishes to permit the Cable Operator to disclose his/her name and address. (SMC 21.60.820 F (5))</p>	
<p>40. A Cable Operator shall destroy, within ninety days, any PII if the PII is no longer necessary for the purpose for which it was collected and there are no pending requests or orders for access to such PII under subsection 3 of this subsection, pursuant to a court order, or pursuant to Section 631 of the Communications Act, 47 U.S.C. 551. (SMC 21.60.820 F (9))</p>	<p style="text-align: center;">Partially Complied</p>
Complaint Procedures – Complaints to the Cable Operator	
<p>41. The Cable Operator shall establish written procedures for receiving, acting upon, and resolving Customer Complaints, and crediting Customer accounts in accordance with company policies or Schedule A, whichever is greater, and shall publicize such procedures through printed documents at the Cable Operator’s sole expense. (SMC 21.60.830 A)</p>	<p style="text-align: center;">Fully Complied</p>
<p>42. Cable Operator’s written complaint procedures shall prescribe a simple process by which any Customer may submit a complaint in person or by telephone, electronic mail or in writing to the Cable Operator regarding an alleged violation of any provision of these Customer Service Standards, any terms or conditions of the Customer’s contract with the Cable Operator, or reasonable business practices. (SMC 21.60.830 A)</p>	<p style="text-align: center;">Fully Complied</p>
<p>43. For violations of the ordinance codified in Sections 21.60.800 through 21.60.830, credits shall be made to the Customer’s account. (SMC 21.60.830 A)</p>	<p style="text-align: center;">Fully Complied</p>
<p>44. In the event that the Customer no longer receives Cable Service or Other Services from the Cable Operator, the Cable Operator shall issue a check to the Customer within 30 days of the resolution of the Complaint. (SMC 21.60.830 A)</p>	<p style="text-align: center;">Fully Complied</p>
<p>45. The Cable Operator will make best efforts to resolve Customer concerns or Complaints at the first contact. (SMC 21.60.830 A)</p>	<p style="text-align: center;">Fully Complied</p>
<p>46. Within 15 calendar days after receiving a Complaint, the Cable Operator shall notify the Customer of the results of its investigation and its proposed action or credit. If the Complaint is in writing, a written response shall be sent to the Customer within 2 weeks of receipt. (SMC 21.60.830 A)</p>	<p style="text-align: center;">Fully Complied</p>
<p>47. The Cable Operator shall also notify the Customer of the Customer’s right to file a Complaint with the City in the event the Customer is dissatisfied with the Cable Operator’s decision, and shall explain the necessary procedures for</p>	<p style="text-align: center;">Partially Complied</p>

<p>filing such Complaint with the City. (SMC 21.60.830 A)</p>	
<p>48. The Cable Operator’s Complaint procedures shall be filed with the City prior to implementation. (SMC 21.60.830 A)</p>	<p style="text-align: center;">Fully Complied</p>
<p>Reporting Requirements – Verification of Compliance</p>	
<p>49. The Cable Operator shall maintain, in a manner consistent with the privacy rights of Customers, an accurate and comprehensive file of (1) any and all Complaints regarding the Cable System or the Cable Operator’s type and their disposition; (2) service requests, identifying the number and nature of the requests and their disposition; (3) service interruptions and their disposition; (4) required Cable Operator contacts with Customers after installation, and (5) Customer privacy information as per SMC 21.60.820 F (6). (SMC 21.60.830 D)</p>	<p style="text-align: center;">Partially Complied</p>
<p>50. Reports detailing compliance with the standards herein shall be provided by the Cable Company on a quarterly basis, within 30 days of the end of the quarter and shall be in a format consistent with the output capabilities of a Cable Operator’s call tracking technology sufficient for the City to monitor the Cable Customer Bill of Rights. If the Cable Operator fails to provide such reports on a timely basis, or if they are incomplete, monetary sanctions up to \$500 for the first quarter, up to \$1,000 for the second consecutive quarter of noncompliance, up to \$1,500 for the third consecutive quarter of noncompliance and up to \$2,000 for all subsequent consecutive non-complaint quarters may be imposed to encourage compliance. The Cable Operation shall permit the City to review and audit the information at any time during Normal Business Hours upon reasonable notice. (SMC 21.60.830 D)</p>	<p style="text-align: center;">Fully Complied</p>



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March 6, 2009

Sent via Facsimile and US Mail

Mr. Rich Richmire
City of Seattle
Assistant City Auditor
Office of the Auditor
700 Fifth Avenue, Suite 2410
Seattle, WA 98124-4709

Mr. Tony Perez
City of Seattle
Director, Office of Cable Communications
Key Tower, Suite 2700
700 Fifth Avenue
Seattle, WA 98124-4709

Subject: Comcast of Washington I, Inc. and Comcast of Washington IV, Inc. Franchise Fee Analysis Response to City of Seattle CCBOR Audit Report

Dear Mr. Richmire and Mr. Perez:

On behalf of Comcast of Washington I, Inc. and Comcast of Washington IV, Inc. (collectively "Comcast"), I am responding to your February 23rd email and attachment titled *D-12 Comcast draft memo 02-23-09.doc*.

Comcast appreciates the opportunity to respond to the City of Seattle (the "City") audit findings. I will address below those findings with which we have particular concern, beginning with the only requirement with which the City asserts Comcast does not comply. Our comments, however, do not constitute the entirety of our concerns with the findings.

Requirement 47: The Cable Operator shall also notify the Customer of the Customer's right to file a complaint with the City in the event the Customer is dissatisfied with the Cable Operator's decision, and shall explain the necessary procedures for filing such complaint with the City. (SMC 21.60.830 A)

Audit Finding: Does Not Comply

Response: We dispute the City's finding. Comcast customers are notified repeatedly of their ability to contact the Local Franchising Authority ("LFA") should they be dissatisfied with Comcast's handling of their complaint. Comcast provided the following documents during the audit as evidence of compliance:

- Welcome Kit: provided at install and again upon request. Specifically, referral to LFA's is addressed in the Customer Complaint Procedures section of the Residential Services

Agreement – page 29, and in the CCBOR brochure. (See the attachment provided with our May 15, 2008 correspondence and again as Document 17 in the Audit Binder)

- **Annual Notice:** provided to every customer once a year (See Document 15 in the Audit Binder)
- **Monthly Cable Bill:** The City of Seattle Cable Office address and telephone number is listed on every billing statement – 12 times a year.
- **CCBOR Brochure:** In addition to including the CCBOR Brochure in the Welcome Kit, Comcast delivers the Brochure to Seattle customers by direct mail once every year. We also make the Brochure available to customers visiting our Seattle Cable Store and payment locations.

Our goal at Comcast is to provide exceptional customer service at every juncture, and to satisfy every customer at every contact, on the first call, every time. That said, if a customer is unhappy with the resolution of their concern by the Customer Account Executive (“CAE”), the complaint is escalated to a supervisor, and ultimately to Executive Customer Care. Comcast customers know they can contact their LFA if they’re dissatisfied with Comcast’s resolution of their complaint, and that the reason the City has seen the volume of calls from Comcast customers decrease exponentially over time is that our customer service has improved. Our customers are satisfied with the service they receive and have no reason to call.

Requirement 13: The signal quality provided by the Cable Operator shall meet or exceed technical standards established by the Federal Communication Commission (“FCC”). SMC 21.60.820C(4)

Audit Finding: Partially complies.

Response: Comcast disputes the audit finding and asserts that our signal quality meets or exceeds FCC technical standards without qualification. Comcast annually provides the City the results of its semi-annual FCC required Proof of Performance tests. Those tests show unequivocally that Comcast has met or exceeded the technical standards established by the FCC. We do not understand the City’s assertion that this is not the case.

Requirement 49: The Cable Operator shall maintain, in a manner consistent with the privacy rights of Customers, an accurate and comprehensive file (1) of any and all Complaints regarding the Cable System or the Cable Operator’s type and their disposition; (2) service requests, identifying the number and nature of the requests and their disposition; (3) service interruptions and their disposition; (4) required Cable Operator contacts with Customers after installation, and (5) Customer privacy information as per SMC 21.60.820F(6).

Audit Finding: Partially complies.

Response: Comcast is fully compliant with this requirement. Comcast maintains (1) an electronic log of complaints, including type and disposition, (2) a record of all service requests and disposition, (3) a record of all service interruptions and their disposition (see Document 21 in the Audit Binder as an example of the portion of the log regarding service requests for “no picture”), (4) a record of customer contacts after installation (and Comcast provides the City with

a copy of all returned installation postcards from customers with the quarterly report), and (5) customer privacy information.

It is important to note that this requirement is about maintaining records, not reporting. The audit finding, however, is based on reporting of this information to the City, even though Comcast provided evidence of full compliance during the audit.

Requirement 29: All CSRs, technicians and employees of the Cable Operator in every contact with a Customer shall state the estimated cost of the service, repair, or installation orally prior to delivery of the service or before any work is performed, and shall provide the Customer with an oral statement of the charges before terminating the telephone call or before leaving the location at which the work was performed.

Audit Finding: No Reasonable Way to Determine

Response: We agree that there is no reasonable way for Comcast to prove to the auditors that an oral statement of charges is provided to every customer, every time. However, it is important to state that it is our policy to ensure that every customer receives the estimated cost of the service, repair or installation and a final statement of charges before terminating the call or leaving the location at which the work will be performed.

We thank you once again for providing us the opportunity to respond with our position on the audit findings. Of course, should you have any further questions regarding this response, do not hesitate to contact me.

Sincerely,



Janet L. Turpen
VP, Government Affairs
Comcast – Washington Market

jlt

cc: Ms. Ann Svensson, Comcast, Contract Administrator
Ms. Kathy Putt, Comcast, Director of Government Affairs and Franchising
Mr. Steve Holmes, Comcast, VP Government Affairs
Ms. Cindy Gallanger, Comcast, VP Customer Care

**Office of City Auditor Responses to
Comcast's March 6, 2009 Comments (see Appendix I)**

Requirement 47: The Cable Operator shall also notify the Customer of the Customer's right to file a complaint with the City in the event the Customer is dissatisfied with the Cable Operator's decision, and shall explain the necessary procedures for filing such complaint with the City. (Seattle Municipal Code 21.60.830 A)

- **Audit Finding:** Does Not Comply
- **Office of City Auditor Response to Comcast Comment:** We reexamined the material Comcast refers to above and were able to verify that the Welcome Kit, Cable Customer Bill of Rights brochure, and Annual Notice contain language referring dissatisfied customers to their local franchising authority as a last resort.

We do not believe that listing the Seattle Cable Office address and telephone number on monthly billing statements constitutes sufficient customer notification of this option. We would like to see language added to the monthly billing statement informing customers that they can contact the City of Seattle if they are unsatisfied with Comcast's handling of their complaint. In addition, our review of Comcast's customer complaint procedures confirmed that neither their Customer Account Executives, nor the staff in the Executive Customer Care Center (the unit to which all unresolved customer complaints are escalated) notify customers of this option over the telephone.

- **Office of City Auditor Action Taken:** Changed rating to partially complies.

Requirement 13: The signal quality provided by the Cable Operator shall meet or exceed technical standards established by the Federal Communication Commission ("FCC"). (Seattle Municipal Code 21.60.820C(4))

- **Audit Finding:** Partially complies.
- **Office of City Auditor Response to Comcast Comment:** See independent consultant's draft report "Technical Review of Comcast Cable System Serving Seattle, Washington" by CBG Communication, Inc., January 2009, page 7:

"During our oversight of proof of performance testing of the system, a problem was found that affected at least three nodes in the City and likely many more. The carrier to noise was below the FCC standard on these nodes and the picture quality on the analog channels was significantly below acceptable levels. In particular, the lower analog channels from channel 2 to approximately channel 24 were very grainy in appearance with the remaining analog channels showing varying degrees of graininess."

Although the draft report gives Comcast credit for subsequently fixing the problem and bringing the carrier to noise measurement within FCC specifications, our ratings must take into account Comcast's performance on each requirement throughout the audit period under review (2006 and 2007).

- **Office of City Auditor Action Taken:** None. Rating remains partially complies.

Requirement 49: The Cable Operator shall maintain, in a manner consistent with the privacy rights of Customers, an accurate and comprehensive file (1) of any and all Complaints regarding the Cable System or the Cable Operator's type and their disposition; (2) service requests, identifying the number and nature of the requests and their disposition; (3) service interruptions and their disposition; (4) required Cable Operator contacts with Customers after installation, and (5) Customer privacy information as per Seattle Municipal Code 21.60.820F(6). (Seattle Municipal Code 21.60.830 D)

- **Audit Finding:** Partially complies.
- **Office of City Auditor Response to Comcast Comment:** The reason for the partially complies rating for this requirement was the lack of two items listed above in Comcast's quarterly and annual reports: (2) a record of all service requests and their disposition, and (4) a record of customer contacts after installation.
- **Re: Records of all service requests and their disposition**
Seattle Municipal Code 21.60.830 (D) Verification of Compliance states:

"The Cable Operator shall maintain, in a manner consistent with the privacy rights of Customers, an accurate an comprehensive file of (1) any and all Complaints regarding the Cable System or the Cable Operator's operation of the Cable System, by number and type and their disposition; (2) service request, identifying the number and nature of the requests and their disposition; (3) service interruptions and their disposition; (4) required Cable Operator contacts with Customers after installation, and (5) Customer privacy information as per SMC Section 21.60.820 F6."

Document 21 that Comcast referred to was provided to substantiate compliance with a Cable Customer Bill of Rights requirement relating to service repair times. To fully satisfy the Cable Customer Bill of Rights requirement in question, Comcast would need to provide us with a summary of all service requests, by type, and their dispositions for the audit period (2006 and 2007).

- **Re: Records of customer contacts after installation**
Seattle Municipal Code 21.60.820 (B) 2 states:

"The Cable Operator shall contact new Customers by telephone, mail, e-mail or in person within two (2) weeks after installation or provide a self-addressed stamped response postcard to all Customers in its installation materials to assure overall Customer satisfaction with the work completed. The Cable Operator shall maintain records of a reasonable sample of Customer responses."

We reexamined Comcast's 2006 and 2007 quarterly reports provided to the City of Seattle's Office of Cable Communications and verified that they included copies of returned installation postcards. We did not, however, find a blank customer comment postcard in the Welcome to Comcast service kit Comcast provided us. Furthermore, based on the copies of returned postcards included in Comcast's quarterly reports, we could not determine whether these cards were being given to all new customers or just

some of them. Finally, no summary information was provided to the City's Office of Cable Communication—for example, the number of new installations in the quarter or the number of installation response postcards received overall—that would allow them to determine the overall level of customer satisfaction with new installations.

- **Office of City Auditor Action Taken:** None. Rating remains partially complies.

Requirement 29: All Customer Service Representatives, technicians and employees of the Cable Operator in every contact with a Customer shall state the estimated cost of the service, repair, or installation orally prior to delivery of the service or before any work is performed, and shall provide the Customer with an oral statement of the charges before terminating the telephone call or before leaving the location at which the work was performed.
(Seattle Municipal Code 21.60.820 E)

- **Audit Finding:** No Reasonable Way to Determine
- **Office of City Auditor Action Taken:** None. Comcast agrees with rating. Rating remains No Reasonable Way to Determine.