



CITY OF ORLANDO

MEMORANDUM

To: Richard L. Levey, AICP, Chief Administrative Officer

From: Beryl H. Davis, CPA, CGFM, Audit and Evaluation Director

Date: December 9, 2004

Subject: Cable Service Complaints Re: Hurricanes Charley, Frances and Jeanne
(Report No. 05-08)

As requested, we have been tracking cable service complaints related to Hurricanes Charley, Frances and Jeanne. The principal objectives of our tracking were to determine the nature of the complaints and their ultimate resolution. Our review was performed in accordance with Generally Accepted Government Auditing Standards. Following is a summary of the tracking results.

Background

At present, the City has franchise agreements with two cable service providers, *Bright House Networks (Bright House)* and *Strategic Technologies Inc. (STI)*.

The City and *Bright House* (beginning with its predecessor, Time Warner Cable) have had an arrangement that provides a City Hall telephone number on *Bright House* customer bills to allow City customers to contact the Office of Audit and Evaluation with cable service issues that have not been adequately resolved with *Bright House* directly. When contacted, Audit staff obtains appropriate information and contacts a specific *Bright House* individual, Judy Corron, for further follow-up and, hopefully, resolution of the issue. Historically, these contacts were quite infrequent (less than twice monthly) although a slight increase has been noted since *Bright House* assumed responsibility for the former Time Warner Cable operations. Because *STI* is still in the formative stage, contact arrangements have not yet been finalized.

Approximately one week after Hurricane Charley, our office began receiving more than the normal number of cable service complaints regarding the extended outage period and difficulties in contacting *Bright House* customer service. Beginning August 25, Commissioner Vargo began relaying additional *Bright House* complaints from citizens within her district. In response to the increasing level of complaints and to provide citizens with alternative access while we maintained control over the process, a cable service complaint area was opened on the City's website to allow citizen complaints regarding both *Bright House* and *STI*.

Summary

No complaints were received regarding *STI*, which may be partly because of their newness, small number of customers and plant located underground. As mentioned above, the *Bright House* customer complaints were passed on to Judy Corron for follow-up and resolution. Many of the complaints were also forwarded to Diane Culpepper, VP, Public Affairs & Government Relations, at *Bright House* for information and/or follow-up. *Bright House* staff was generally cooperative and responsive to our requests.

With respect to Hurricane Charley, we received 225 primarily service-outage communications (including 20 from non-City residents) during the August 16-September 14 time frame of which 151 were received through Commissioner Vargo, 53 via the newly established website, 19 via telephone and two through Commissioner Diamond. We were able to verify 184 (82%) *Bright House* customers had service restored while 41 (including 8 non-City residents) did not respond to our inquiries regarding service restoration.

Hurricane Frances generated 13 communications and Hurricane Jeanne resulted in 23 communications. Although we do not know the actual reasons for the lower complaints with Frances and Jeanne, we suspect it is a combination of several factors including fewer power outages than Charley, lowered expectations of subscribers, restoration crews and equipment more readily available, etc.

In addition to the service outages, a substantial number of the citizens indicated a fairly high frustration level with *Bright House* customer service. For example, 66 of the Hurricane Charley outage reports included one or more of the following complaints: inability to contact *Bright House* customer service (33), rudeness of customer service representatives (6), extended periods of "on hold" (4) and other complaints (42), the latter being primarily no information or misinformation provided by the customer service representatives. Comparable customer service issues for Hurricanes Frances and Jeanne were 6 of 13 reports and 11 of 23 reports, respectively, principally the inability to contact customer service.

Since the majority of the customer service issues involved the inability of customers to contact *Bright House* customer service, we periodically attempted to call the customer service number ourselves; our results verified that contact with *Bright House* customer service could be difficult. Over seven days during the September 20 – October 8 period (Exhibit A), we made 17 attempts to contact *Bright House* customer service and were unsuccessful on 12 (71%) occasions. (Note: because we did not wish to negatively impact *Bright House* customer service, successful was defined as reaching the recorded menu prompt; therefore, we cannot say for certain if a customer service representative could be reached on each occasion).

Because of their length, detailed schedules of the preceding outage reports are not attached but are available for review in our office. For informational purposes, we have attached a representative sampling of the types of comments received from *Bright House* customers (Exhibit B). A few customers have also expressed dissatisfaction with the dollar amount of *Bright House* service-outage billing credits which we have passed on to *Bright House* staff; this issue is not being addressed within this report as it is early and unknown as to whether this will be a significant concern with customers.

It should also be noted that we received a couple of complementary comments regarding *Bright House* actions during the storms as well as three complaints regarding Bell South outages (note: we have no authority over Bell South as telecommunications providers can no longer be franchised by local governments).

Additionally, although not regulated as a cable TV service by the City, many residents were quite upset by the service outage's effect on cable modem Internet service. This was particularly evident from those citizens that utilize the Internet for business related purposes.

Conclusions

Based on the information we received from City customers of *Bright House*, either verbally or in writing, we have drawn the following conclusions:

- While the service outages may have been the catalyst, the City customers that communicated to us appeared to be principally frustrated with the lack of information or misinformation provided by *Bright House* and the inability to even contact someone at its customer service telephone lines.
- A substantial number of the customers cited the inability to contact *Bright House* as a significant negative that was particularly noticed after *Bright House's* August 30 public announcement indicated service had been restored to "all homes capable of receiving service." Those customers remaining without service were urged to call customer service but were unable to do so as contact attempts resulted in busy signals, "all customer service facilities are busy" messages or because they were on-hold for an inordinate length of time before deciding to disconnect.
- In some instances, customers were without service over 30 days after Hurricane Charley.
- Several customers expressed the opinion that the City should not renew the *Bright House* franchise.

The number of complaints received represents a very small percentage of total *Bright House* City customers, although there could be many more customers that were dissatisfied but did not communicate their dissatisfaction to us. Nevertheless, the dominant theme of those residents that did take the time to voice their opinions was one of significant dissatisfaction with *Bright House* customer service.

Recommendations

Based on the preceding, we suggest that the City staff reviewing renewal of the cable television franchises be advised to:

1. Consider the cable operators' performance for compliance with the requirements of federal law and the City Code in relation to renewal of their franchises.
2. Provide City residents, businesses and others an opportunity to contribute their opinions and experiences regarding cable services.
3. Consider drafting amendments to the City Code (Chapter 25) to provide more stringent service requirements from the cable operators, including enhanced disaster recovery customer service requirements such as backup and/or additional telephone lines and service representatives post disaster, and the possible use of dollar penalties as an enforcement mechanism.

We understand you are in concurrence with the above suggestions. If you have any questions or would like further information, please contact me.

BHD/jts

- c: Honorable Buddy Dyer, Mayor
Jose I. Fernandez, Jr., Chief of Staff
Joseph Robinson, Deputy Chief of Staff
Dykes Everett, City Attorney
Jon Somsen, Chief Assistant City Attorney