

Cable TV Carrier Fact Sheet

(Updated November 2020)

History

In 1978, the Ocean Pines Association (OPA) granted TRIAD CATV, Inc. exclusive right and privilege to build, operate and maintain a cable TV system in the OPA assessment area. Triad was required to provide 20 channels and maintain an office within 12 miles of Ocean Pines. There is no record of any competition to TRIAD in 1978. The exclusive right to provide cable services was a requirement to allow for the Triad investment in the OPA. The population of the OPA in 1978 would not financially support more than one provider.

The term of the contract was for 15 years (to 1993), but at the company's option the contract could be extended for two more five-year periods (to 1998 and to 2003) unless they were found to be in "substantial default." An important contract clause was that if the OPA did not grant a third additional term in 1998, then it must purchase the system at its fair market value. Another clause gave the grantee the right to assign the contract with OPA written consent. Prior to the end of the first 15-year period, the Triad contract was assigned to Simmons Cable, which in turn was acquired by American Cable TV in 1992. In 1993, American Cable TV was granted the first five-year extension under the contract.

In 1997, with the approval of the OPA, the contract was transferred from American Cable TV to Mediacom. The following year, instead of granting the third contract extension, the contract was substantially amended such that a new 15-year term began with one five-year extension. By granting this amendment, the OPA received in consideration the replacement of the existing cable with a fiberoptic system that would provide more channels and services, 550Mhz bandwidth for internet access, and extension of the system to service additional OPA subdivisions. The OPA also received video equipment and training used in establishing Channel 78 and a "Franchise Fee" of up to 5% of billed services. The latter is billed directly to cable subscribers and, by OPA choice, has been maintained at 3%.

The terms of the new contract were similar to those in the preceding one. Mediacom had exclusive TV cable rights. Satellite or broadcast TV and DSL internet are available from other companies. If the OPA wished to deny an extension at the end of 15 years (2013) it needed to cite substantial default and have it upheld in a court of law. It also must purchase, or arrange to have purchased, the Mediacom fiberoptic cable system at fair market value. That contract expired on June 3, 2018.

In light of the expected need to re-negotiate of the Mediacom contract in 2018, in 2017 members of the OPA Board and a consultant began communicating with other carriers to determine their interest in serving the OPA community.

IN 2018, the OPA and Mediacom negotiated a new contract with Mediacom. The majority of the contract was an extension of previous contract language, except the exclusive rights from the previous contracts was removed. This allowed other providers to potentially enter the OPA marketplace.

In September 2019, the Ocean Pines Board unanimously approved a right-of-access agreement with Comcast to install, maintain, repair and operate equipment in the Ocean Pines community. The contract grants Comcast a nonexclusive license to supply service to Ocean Pines residents. The agreement also requires Comcast to install up to 25 video outlets for Ocean Pines buildings. Ocean Pines will receive a 1.6% right of access free, based on annual gross revenues that Comcast will earn in Ocean Pines.

The agreement marks the first time in Ocean Pines history that more than one cable television service will be available to residents.

Current Status

Mediacom continues to supply service to Ocean Pines. The company sent a statement to the Ocean Pines Board on Aug. 24, 2020:

“Mediacom values our opportunity to provide Gigabit Internet, as well as digital video and telephone services to residents in the Ocean Pines Homeowners Association.

“Over the last few months we have taken several steps to ensure that our fiber optic network in the city is functioning at peak performance. We want to make sure that your residents and local businesses are connected with a high-quality broadband connection. With speeds up to 1 Gbps, we can support your residents no matter if they are working from home, doing remote learning, staying up to date on current news and events, or just enjoying the vast entertainment options are available. We are continuing to invest in the infrastructure of your area to not just maintain but increase availability and the quality of service.

“One additional investment we have done to help build upon our presence in the area and to extend services to the area is to provide free Community WiFi in Ocean Pines. On August 24, 2020, we launched Xstream Hotspots in multiple areas of Ocean Pines. This WiFi is available in the sports core pool and library area, fire department and public works area, golf club area, community center, and Whitehorse park area. When Mediacom customers are in these areas, they will have unlimited access to our high-speed Community WiFi. Non-Mediacom customers will receive thirty minutes of connection every month. More information for our community hotspots can be found online on our website here: <https://mediacomcable.com/xstream-hotspots/>.”

Comcast continues its build out of network in the Pines. Comcast began installing infrastructure and providing service in 2020, but several times that work caused problems. Crews initially hit many waterlines that causes outages in the community, although Comcast did address those issues and have shown improvements. The county has billed Comcast for necessary repairs.

Comcast supplied the following statement in November 2020:

“Earlier this year, Comcast began construction of a powerful hybrid fiber/coax network in Ocean Pines, with over 130 fiberoptic nodes throughout the community. Since that time, the network installation has finished in many sections within Ocean Pines and can now provide residents with the various services offered by Comcast.

“Ocean Pines residents will be able to take advantage of internet speeds of up to 1 GB at home, as well as have access to millions of Wi-Fi hotspots nationwide to supply the speed, coverage and control that they need.

“Comcast has worked hard to build a smart and reliable network that delivers fast internet speeds for customers to use for the services they require from their online services provider.”

The Future

It appears that both Comcast and Mediacom are investing in infrastructure and technology upgrades in the community. It is unclear, as of late 2020, how much of an impact the addition of Comcast will have, but the assumption is that competition could drive both companies to supply quality service to Ocean Pines members – or else risk losing valuable market share.

OPA will continue to work with both companies to monitor levels of service and decrease construction-related outages. OPA will also continue to receive complaints from members and forward them to representatives at both Mediacom and Comcast.