Viable Competition in Cable Television, Finally!

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There has been only one provider for gated single family home communities and high rise multi-dwelling unit (MDU) complexes for far too long. Management Companies and Community Associations diligently bid out all of their agreements in the hope of getting better service and pricing for their residents. Efforts to find the most reliable provider, rewarding longtime quality vendors and eliminating those vendors that take the business for granted has worked in every area of your budget except one, cable television.

For years, the incumbent cable TV operator Comcast, in South Florida, has had no reason to maintain a certain level of service quality because Associations either didn't know that there were competitors or they didn't trust the smaller, private Satellite SMATV operators could deliver the required services.

In 2007 the Florida House of Representatives and Senate overwhelmingly passed Florida's statewide cable television franchising legislation, the Consumer Choice Act of 2007 ("The Act"). The Act became effective on May 18, 2007, when then Florida Governor, Charlie Crist, signed it into law. July 1, 2007 was the first date a provider could apply for a state-issued franchise certificate.

Comcast, AT&T and Hotwire Communications applied and received the new statewide certificate. In 2007 Hotwire was a very small privately held Cable TV provider but becoming a franchised cable provider began a period of exciting growth. With regulation becoming more reasonable Hotwire expanded their Fiber Optic Distribution Network from Miami-Dade to Broward and Palm Beach Counties. Earlier this year Hotwire acquired Connexion Technologies expanding our customer base even more! The new Hotwire has more than 220 individual properties serving over 65,000 homes in Florida alone. Today, Hotwire is by far the largest privately held cable TV, Internet, phone & security company operating in the state.

Being a franchised operator enables companies like Hotwire to utilize the county and city easements to lay their own fiber optic lines and to distribute video, voice and data over their network to the individual properties. Comcast is a traditional cable operator using a hybrid of fiber and coax cable distribution. In comparison to deploying services over Fiber to the Home (FTTH) technology, coax is considered to be "end of life." Having the FTTH Network allows Hotwire to offer Internet speeds of 20/5mbps, 50mbps and 100mbps for those extreme users!

AT&T and Hotwire are offering state of the art IPTV, Internet Protocol Television. Hotwire uses their FTTH technology to offer over 500 digital channels and we also continue to provide an analog cable lineup so customers don't need to have the costly requirement of a set top box on every TV! Offering analog cable saves residents from paying unnecessary and excessive set top box fees and has been a real differentiator

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for Hotwire in Palm Beach County. This customer savings is one of the primary reasons why Hotwire is now serving some of the finest properties in Palm Beach including:

Boca Woods, St. Andrews, Valencia Shores, Boca Greens, Stonebridge, Journey's End, The Landmark, Promenade in Boynton, City Palms and many others.

It's important for Association Managers to check their bulk cable TV agreement and start reviewing it two years before the expiration. If your community ultimately decides to bring in a new provider, from the time your community has a fully executed agreement you would have to allow for six to nine months for plant construction and installation. Add in the fact finding and negotiation and the timetable for a smooth transition is just over one year.

With nearly 100% of homes with a personal subscription to Internet service it is likely your residents would welcome Internet as part of the bulk package for your Community's next agreement. In Florida the Condominium and the HOA laws have changed to allow for bulk Internet agreements just like the bulk cable TV agreements. Which means you will not need to change your community homeowner or Condo Docs:

> **FL HOA – 720.309**
> (2) If the governing documents provide for the cost of communications services as defined in s. 202.11, information services or Internet services obtained pursuant to a bulk contract shall be deemed an operating expense of the association. If the governing documents do not provide for such services, the board may contract for the services, and the cost shall be deemed an operating expense of the association.
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> **FL Condo 718.115 - Common expenses and common surplus**
> (d) If provided in the declaration, the cost of communications services as defined in chapter 202, information services, or Internet services obtained pursuant to a bulk contract is a common expense. If the declaration does not provide for the cost of such services as a common expense, the board may enter into such a contract, and the cost of the service will be a common expense.

Our recommendation is to include Internet as part of your bulk package and we advise you would need to budget an additional $35 to $40 per month for a speed that can accommodate streaming video, that's the future!

Questions regarding the content of this article can be addressed to Carl Lender by email at: clender@hotwiremail.com. Carl is a technology enthusiast with over 17 years of experience in the Telecommunications industry and currently employed at Hotwire Communications. He is knowledgeable regarding trends in technological advancements in both the network infrastructure and the latest in consumer electronic devices.

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