

**CHAMPAIGN-URBANA CABLE TELEVISION AND  
TELECOMMUNICATIONS COMMISSION  
STUDY SESSION MINUTES**

**DATE:** July 12, 2006  
4:00 p.m.

**PLACE:** Champaign Council Chambers  
102 N. Neil St., Champaign, IL

<b>MEMBERS PRESENT:</b>	<b>CHAMPAIGN</b> Rick Atterberry Karen Walker Giraldo Rosales	<b>URBANA</b> Peter Resnick (via phone) Durl Kruse Barbara Gladney
	<b>PARKLAND</b> Tom McDonnell	<b>U of I</b> Stan Yagi

**MEMBERS ABSENT:** Danielle Chynoweth

**STAFF PRESENT:** Jeff Hamilton - City of Champaign

**OTHERS PRESENT:** Art Svymbersky - Insight Communications  
Steve Brown  
Dennis Roberts

**Call to Order**

Chairman Atterberry called the meeting to order at 4:02 p.m.

**New Business**

*Set Agenda for July 19, 2006 quarterly meeting.*  
Agenda accepted as presented.

*Federal cable franchising legislation update:*

Commissioner Atterberry – Legislation has passed the House, and another bill is headed for the Senate floor soon. Very difficult subject matter and careful study is needed.

Commissioner Resnick presented on Net Neutrality by phone. This was an amendment that didn't make it out of the Senate Committee, but is a very important part and will need to be included. He explained the difference between telephone and Internet traffic, and how each works.

Net neutrality is legislation that would prevent Internet providers from speeding up or slowing down some traffic, based on payments from content providers. Would also prevent Internet providers from limiting the user's applications.

Commissioner Resnick compared the lack of net neutrality to only having one shipping company (i.e. Fed Ex) who could charge whatever they want. If this is lacking, national cable franchises would give large telcos a lock on the Internet. This would stifle competition and make it harder for others to get into the market.

Dennis Roberts (audience member) asked Commissioner Resnick if franchising were federalized, would the federal government get the franchise fee money? Resnick answered no, most bills pass the franchise fee money back to the local governments.

Commissioner Atterberry asked Commissioner Resnick if Internet providers could prevent people from using particular search engines. Resnick responded yes, but the Internet service provider would likely pressure the user or the search engine provider to pay money to allow the service.

Commissioner Kruse asked what impact this would have on the user. Commissioner Resnick responded that Internet service providers could control how the user uses the Internet, like preventing them from using VOIP or downloading videos. Ultimately, this will also cost the user more as fees are either charged to them directly or passed through.

Commissioner Kruse asked if we keep net neutrality, will this inhibit the growth of the Internet? Commissioner Resnick explained that expansion won't stop, because there is plenty of bandwidth in place.

Commissioner Gladney introduced Steve Brown and asked him to present to the Commission. Mr. Brown explained that the legislation is another example of government getting bigger and dictating more. He discussed broadband over power lines and severe problems associated with it, which the FCC appears to be ignoring. He stated that cable operators and telephone companies are exchanging customers in large numbers. He discussed the impacts of competition and how they can cause cable companies to fail. He also expressed concerns over the franchise fees and likelihood that the federal government will take a cut. He concluded by saying we need to protect the consumers, provide choices in the market, eliminate redlining, protect franchise fees, protect home rule, and protect good service providers and keep them in the market.

Commissioner McDonnell stated there are no build out requirements in the legislation and asked what this means for the community. Mr. Brown answered that equal access is very important and redlining can hurt communities. Commissioner Resnick added that anti-discrimination laws won't have the same impact as anti-redlining language in the legislation. Commissioner Walker asked why Congress believes this is ok. Mr. Brown answered that they believe it will lead to lower prices.

Commissioner Atterberry updated the Commission on the current state of federal franchising legislation. He explained that the House bill could hurt local governments. He also stated that the Senate bill was marked up by Committee and is headed for the floor. He stated that this bill is better and doesn't hurt local governments as much as the House bill. He expressed concern over the lack of build out requirements and uncertainty that the bill will apply to AT&T. Build out is required of the current cable company and has never been a problem in Champaign-Urbana. He also expressed concern over exemptions for telcos that also offer satellite services, which would likely exempt AT&T from the bill entirely. He explained that the House and Senate bills would need to be reconciled before anything could happen. He also stated that time is running out to pass anything this legislative session. He stated that the Commission and our cities would love to have competition and welcome other providers to setup in town. He reported that Congressman Johnson voted for the House bill, but Senators Durbin and Obama haven't made any commitment on the Senate bill. He expressed that time is running out and he doesn't feel that the House and Senate can agree on a bill this year. He also gave some examples of the varying subjects addressed in the bill that are unrelated to national franchising.

Commissioner Gladney asked if the bill passed is national franchising inevitable? Commissioner Atterberry stated that local governments have only 90 days to negotiate before national franchising could kick in.

Commissioner Walker asked how the Commission can compete against the campaign contributions of the telcos. Commissioner Atterberry stated that grassroots campaigns and getting the public to voice their concerns is our only chance.

Commissioner Gladney presented a draft letter from the Conference of Mayors to the Commission and asked the Commission to consider endorsing it and sending it to Washington D.C. Commissioner Atterberry thanked the cities for also communicating to Washington and opposing the legislation.

The Commission discussed that net neutrality concerns have slowed down the legislation. Commissioner Yagi said that users understand the possible impact of Internet interference better than national cable franchising. Commissioner Resnick also pointed out that Internet companies also have more money to lobby for network neutrality.

Meeting Adjourned at 5:22 p.m.

Respectfully Submitted,

Jeff Hamilton  
City of Champaign