

**CHAMPAIGN-URBANA CABLE TELEVISION AND
TELECOMMUNICATIONS COMMISSION
QUARTERLY MEETING
MINUTES**

DATE: October 18, 2006
4:30 P.M.

PLACE: Urbana Council Chambers
400 S. Vine, Urbana, IL

MEMBERS PRESENT:	CITY OF CHAMPAIGN Richard Atterberry Giraldo Rosales	CITY OF URBANA Barb Gladney Danielle Chynoweth Peter Resnick Durl Kruse
	PARKLAND Tom McDonnell	U of I

MEMBERS ABSENT: Karen Walker, Stan Yagi

STAFF PRESENT: Chris Foster, City of Urbana
Jeff Hamilton, City of Champaign
Trisha Crowley, City of Champaign
Fred Halenar, City of Champaign

OTHERS PRESENT: Melody Brucker & Art Svymbersky, Insight
Communications

Call to Order

Chair Atterberry called the meeting to order at 4:34 P.M.

Agenda Changes

The Commission agreed to rearrange the order of items on the agenda, handling New Business first.

Approval of Minutes

The July 12, 2006 and July 19, 2006, minutes were approved as presented.

New Business

A. NATOA Conference Recap

Commissioner McDonnell congratulated Jeff Hamilton and the City of Champaign for winning a first place Government Programming Award. Mr. McDonnell reported that he took the programming track at the conference. He stated that access channels

are needed and provide important information to the public. He said that we must make our channels valuable so the audience will watch. He added that NATOA focuses on government access channels but we can do more than just cover meetings. The audience has high expectations and wants good, polished productions.

Jeff Hamilton reported that much of the conference again focused on communities much larger than Champaign-Urbana and stated that it is hard to relate to the programs produced by access channels with multi-million dollar budgets and dozens of staff members. Mr. Hamilton stated that a round-table discussion with smaller access channels was a great opportunity to share and learn from stations of similar size. He relayed that the viewing habits of the television audience has changed and that viewers expect on-demand programming and that access channels must explore that avenue in the future. Mr. Hamilton discussed a session on maximizing the right-of-way and not underestimating its value. He also shared that some municipalities have experienced numerous legal challenges while attempting to provide municipal broadband services.

Chair Atterberry reported that he felt the most interesting session was with AT&T. He reported that several Chicago suburbs attended, who complained about the lack of projected build-out maps for AT&T's Project Lighspeed. AT&T reportedly claimed that information was proprietary. Chair Atterberry asked them "What do I tell neighborhoods that aren't serviced?" but the AT&T representative didn't answer. Chair Atterberry reported that AT&T will likely build huge headends, with only a few located in each state. PEG channels would have to pay to get their signal to these headends, a financial problem for municipalities. He relayed that some municipalities report AT&T is proceeding without permission, saying they are "upgrading". Municipalities report that franchise renewals are proceeding per business-as-usual. Many municipalities are also seriously looking at providing wireless Internet services. The phone companies are still taking their battles to the state legislators too, in an attempt to get around local franchising authorities.

Commissioner Chynoweth said that community wireless Internet is very important - like public libraries. She thinks the Commission should do long-term planning on the "Digital Divide". The City of Urbana is experimenting with wireless downtown. She suggested that the Cities could put in the backbone, and let ISP's market, connect, and service customers.

Chair Atterberry said that Chicago is doing that now, and will have the private sector run the system.

Danielle Chynoweth stated that the Cities have long term planning for roads, etc., but not for wireless communications. Topic was referred to the Technical Committee. Commissioner Chynoweth agreed to work on this topic with Commissioner Resnick for a future meeting.

B. Public Hearing: Cable Franchise Renewal Proceeding per 47 USC 586

Chair Atterberry opened the Public Hearing. Jeff Hamilton stated that per the Cable Act, certain steps must be taken when renewing a cable franchise. He reported that Insight Communications had notified both Champaign and Urbana of its wish to renew the cable franchise in a letter received on June 15, 2006. He reported that the City of Champaign had provided a written response to Insight on October 9th, agreeing to enter into the renewal process. The City of Urbana is expected to do the same. Mr. Hamilton stated that this Public Hearing was one of the first steps of the process. Mr. Hamilton informed the Commission that Champaign and Urbana have agreed to negotiate jointly with the help of a cable consultant.

Mr. Hamilton reported that a Request for Proposals (RFP) for a Cable Consultant had been drafted by a committee consisting of staff from both cities and Cable Commissioners. The RFP was released on September 25, 2006 and are due on October 23, 2006. The proposals will be evaluated and the top finalists will be interviewed by City staff and the Cable Commission. After the top candidate is identified, a contract will be executed, along with an intergovernmental agreement between Champaign and Urbana.

The scope of services outlined in the RFP lays the groundwork for the renewal process. Mr. Hamilton stated that there are two phases of this project. Phase 1 is the preliminary workup, including franchise compliance evaluations, financial and technical audits and detailed needs and PEG assessments. Mr. Hamilton reported that the Cable Commission is responsible for holding public hearing and providing input on the renewal process. Mr. Hamilton reported that phase 2 will be the actual contract negotiations. The cable consultant will lead both Cities through the negotiations, and will be responsible for drafting cable ordinances and franchise agreements.

Commissioner Resnick asked what the Commission's responsibilities are concerning the cable franchise renewal. Jeff Hamilton answered the Commission is responsible for holding public hearings and providing input.

Commissioner Kruse asked who will be on the RFP evaluation committee. Mr. Hamilton reported that in addition to himself, Jim Getz, Bill DeJarnette, Trisha Crowley, Fred Halenar, and a Cable Commissioner (Atterberry or Gladney) would evaluate the RFP responses. Trisha Crowley clarified that this evaluation committee may not be involved at all stages of the renewal.

Commissioner Gladney asked why only one Commissioner will be allowed to participate at a time. Trisha Crowley responded that only one Commissioner can participate due to Open Meetings Act concerns. Commissioner Gladney reported that the UPTV Commission voted to have one of their members participate too. Trisha Crowley indicated that the UPTV Commission isn't a part of this process, but that if Urbana wants to appoint that person to participate, their staff can make that decision. She reiterated her concerns about Open Meetings Act violations if this results in two

Cable Commissioners on the committee. Responding to a question from Commissioner Resnick, Mrs. Crowley clarified that two Cable Commissioners would form a de-facto committee and that their joint participation would violate the Open Meetings Act. She reported that the Illinois Attorney General has taken a strong stance on Open Meetings Act violations. Commissioner McDonnell asked why we couldn't just negotiate in an open meeting. Trisha indicated that it would be very difficult and impractical to negotiate a contract in an open meeting.

Commissioner Chynoweth stated that the Urbana City Council has adopted the Public Access Study Committee's recommendations to pursue a Public Access channel and asked how the City Councils will give input on the franchise renewal process. Mrs. Crowley indicated that there are two phases of the consultant's scope of services. After phase one, the Consultant and staff will report to the Commission and both City Councils, gathering their input and direction on how to negotiate in phase 2

There was no input from the public and the Public Hearing was closed.

C. AT&T Project Lightspeed

Trisha Crowley referred the Commission to the staff memo that was included in their packets. She reported that in the past, the only way consumers could get multiple video channels was via cable TV or satellite. She pointed out that it is very rare to have two cable companies in one community. She reported that telephone companies now want to get into the television business, using the home telephone line.

She reported that recently the City of Champaign was approached by AT&T, stating they want to launch their "U-Verse" video service in parts of Champaign. Mrs. Crowley reported that Verizon has also begun to roll out video services in the eastern United States, and that they have been negotiating with local franchising authorities, agreeing that they are providing cable services. Though providing video in the same way, AT&T says they are not a cable service, and therefore not covered by our cable franchise ordinances. She reported that AT&T offered to pay a 5% right-of-way fee, a 1% PEG fee, and agreed to some other customer service terms. However, AT&T won't agree to 100% build-out in Champaign, which would leave some parts of the City without access to this new service. AT&T is making similar offers to other municipalities in Illinois, very few are accepting the offer without promises of full build-out. Staff will ask the Champaign City Council for guidance on this issue in an upcoming study session meeting. Staff will recommend that full build-out be required and that they follow the cable TV ordinance.

Commissioner Resnick pointed out that the staff memo included a suggestion that Champaign's cable TV ordinance be modified to include video services. He asked if this would help AT&T's case by seemingly indicating that Champaign agrees their service is different from cable. Trisha Crowley answered that this is simply a language change to clear things and make sure there is no possibility of misunderstanding. Commissioner Resnick stated that the two services are the same and it would be nearly impossible to argue otherwise.

Chair Atterberry noted that this is all about bundling and the loss of landline phone business hurting AT&T's bottom line.

Commissioner Gladney stated that competition is good, but there needs to be a level playing field.

Correspondence

Jeff Hamilton stated that this quarter's cable complaints were included in the Commission's packets and asked if there were any questions. He also said the Commission had received information about Digital 2.0 from Insight, which he would let them explain during their report. He also stated that both Champaign and Urbana had received a formal request to renew the cable franchise in letters received June 15, 2006.

Reports

A. Committee Reports

1. Technical Committee

Commissioners Resnick and Chynoweth will meet soon to look into municipal wireless Internet solutions. Commissioner Resnick stated the Technical Committee needs additional members.

2. Public Access Study Committee

Commissioner Gladney reported this committee is on standby until a cable consultant is hired.

B. Staff Reports

1. UPTV

Commissioner Gladney reported that a UPTV project produced by Kali Boyden is a finalist in a local video competition.

2. CGTV

None

C. Operator Report

Art Svymbersky handed out a customer handbook, service guide, and the quarterly statistics to each Commissioner. He pointed to a nice subscriber gain in August when the students returned. He acknowledged they failed to meet their telephone standards in July and August. He reported that Insight has added WILL-HD, WEIU, and The Tube to their channel lineup. He announced that in November, Insight will launch Digital 2.0 and more channels will be added and the digital tier lineup will be reorganized. The new monthly cost of the Digital Standard package will be \$8 and Digital Choice will be \$12. Existing customer prices won't change at this time, but they will get the additional channels.

Commissioner Resnick asked if there is any word on WCIA-HD. Melody Brucker responded that they anticipate a launch before year's end, stating that there are some technical issues on WCIA's end.

Commissioner Resnick stated that UPTV's schedule is still not in the digital programming guide on Insight's DVR boxes. He asked if Insight could help locate and fix the problem. Mr. Svymbersky agreed to work with UPTV and the programming guide vendor.

Commissioner Gladney stated that she attended the cable compliance meeting on October 3rd and she was impressed with the process.

Audience Participation

None

Commissioner's Comments

Commissioner Resnick reminded everyone to attend the Net Neutrality session at the Independent Media Center in Urbana on October 25, 2006.

Chair Atterberry announced that Champaign has an opening for a Cable Commissioner and encouraged those interested to contact the Mayor's office and apply.

Set Next Meeting Date

The next study session meeting will be at 4 P.M. on January 10, 2007, in Champaign's Council Chambers. The next regular meeting will be at 4:30 P.M. on January 17, 2007 in Urbana's Council Chambers.

The meeting was adjourned at 5:51 P.M.

Respectfully Submitted,

Jeff Hamilton
Telecommunications/AV Technician
City of Champaign