

**CHAMPAIGN-URBANA CABLE AND TELECOMMUNICATIONS COMMISSION**

MINUTES

DATE: April 26, 2000  
Wednesday, 7:00 p.m.

PLACE: Champaign City Building  
102 N. Neil  
Champaign, IL 61820

MEMBERS PRESENT: CITY OF CHAMPAIGN CITY OF URBANA

Brian Silverman  
Tom Bruno  
Jeff Newnam

John Peterson  
Barbara Gladney  
Carolyn Kearns  
Joe Wiedman

PARKLAND  
Tom McDonnell

UI  
George Badger

MEMBERS ABSENT: Tom O'Rourke

STAFF PRESENT: Teri Legner Amy Rose  
Steve Holz

CALL TO ORDER

Chairman Peterson called the regular Champaign-Urbana Cable & Telecommunications Commission Meeting to order at 7:00 p.m.

INTRODUCTION OF NEW COMMISSIONER

Chairman Peterson officially welcomed Joe Weidman to the Commission. He was recently appointed by the City of Urbana to replace Commissioner Landay, who resigned.

APPROVAL OF THE MINUTES

The minutes from January 13, 2000, January 19, 2000 and April 13, 2000 were moved and approved.

### APPROVAL OF AGENDA

The Agenda was approved.

### CORRESPONDENCE

There was none.

### UNFINISHED BUSINESS

#### A. Compliance Issues

Ms. Brucker noted that she passed out a packet of information to the Commission. Included in the packet is the current programming service list. This information is required to be provided per the current franchise agreement.

Ms. Brucker also noted that all as-built maps have been submitted, consistent with ordinance requirements. Ms. Legner confirmed that the City of Champaign has received all of the required maps per the City's Engineering Division.

Charlie Heflin explained TCI's compliance with FCC technical standards. He noted that this was the local cable company's best year for compliance with system leakage standards. The local system plant is very tight.

Ms. Carroll reviewed the company's customer service response (telephone) system and how it works. She noted various reports she reviews daily to monitor compliance. It was acknowledged that there is a fluctuation in these stats related to UI student arrival and exit and deploying new products. TCI monitors this and arranges staffing levels as needed to maintain compliance. It should be noted that TCI is in compliance with phone standards, as required in City ordinances.

The annual report was given to staff this evening. This is required in City ordinances.

Chairman Peterson asked why these issues were being reviewed. Ms. Brucker noted that consistent with discussions held during the transfer process, the Cities and TCI would regularly report on compliance with the franchise agreements, transfer and acceptance agreements and ordinances. These reports were shared with the Commission in an effort to keep it informed.

Commissioner Gladney asked about the employee ID cards. Ms. Brucker noted that she will provide a sample to the Commission when they arrive. Commissioner Weidman asked if subcontractors wear badges. Ms. Brucker noted they should be wearing their company's name, but would not be wearing an AT&T badge. She will check into it to see if they may be able to have them wear a badge that associates them with AT&T. Mr. Heflin noted that some of their subcontractors have their vans marked with a label that says they are working for AT&T.

## AUDIENCE PARTICIPATION

Paul Meece, Urbana, asked what the ratings are for the local PEG channels. Ms. Rose explained they had conducted a survey in Urbana to see if subscribers were aware of the channel. There were no ratings. Ms. Rose noted that they received a 25% response rate from 300 mailed surveys, 75% of which were aware the Urbana channel existed.

Commissioner Bruno asked if the Cable Company had the capability to track such information. Ms. Brucker responded that, on this current cable system, TCI is not technically able to track this.

Eric Chamberlain, Urbana, presented a handout (attached). He asked the Commission to address the issue of @Home pricing schemes. He opposes AT&T's policy of charging for additional computer connections. Commissioner Bruno suggested that the company ought to be able to charge the 'market' rate for the @Home service.

Commissioner Gladney thanked Mr. Chamberlain for bringing this issue up. She asked if the Commission had any regulatory authority over the issue. It was acknowledged that it probably did not.

Commissioner Kearns asked for further clarification on the matter and also asked for TCI's response.

Commissioner Badger asked Mr. Chamberlain what his request is of the Commission tonight. Mr. Chamberlain indicated he is seeking more information.

Commissioner Bruno noted that if the Commission does have regulatory authority in this area, does it want to regulate the cost of the service? It's a free market society.

Mr. Chamberlain suggested that the company's pricing alternatives ought to be based upon the amount of bandwidth a subscriber uses, not the number of computers they have connected to the service. Commissioner Kearns urged the Commission to find out what the company is, in fact, offering.

## REPORTS FROM STANDING COMMITTEES

### Programming Committee

No report.

### Technical Committee

No report.

## PEG Advisory Committee

Commissioner Gladney requested an annual report from each of the PEG channel operators for the July Commission meeting. She asked whether the Commissioners wanted her to prepare another PEG channel insert for subscriber mailings next fall. They indicated yes. Commissioner Gladney also asked about the status of live origination at the Urbana High School. Urbana High School wants to do live origination from various locations at the high school. Mr. Heflin noted this project should be completed for the fall.

Commissioner Gladney asked whether or not Champaign would consider implementing the optional 2% PEG fee. Commissioner Bruno predicted that it probably would not. He noted he is supportive of additional uses of Channel 5. He believes more programming could be done at virtually no cost. Commissioner Gladney noted that programming does cost more. Commissioner Bruno said he would ask other Council Members to see if they have interest in implementing the 2% PEG fee.

## COMMISSION STUDY SESSION

This report will be covered under New Business.

## REPORT FROM CITY STAFF

No report.

## REPORT FROM CATV SYSTEM OPERATOR

See attached report. Chairman Peterson asked for an analog channel lineup card. Commissioner Silverman appreciated the company's efforts it took to get his @Home service working correctly. Ms. Brucker noted they have 651 @Home customers currently with 83 in backlog. Eighty-one nodes of 132 are certified to provide @Home. She noted they are predicting having all nodes certified by the end of May.

## NEW BUSINESS

### A. Rate Increase Filing

Ken Ruske, Director of Regulatory Affairs at TCI, summarized the filing for local basic cable rate increases. The new rates are to become effective July 1, 2000. He noted that the company is requesting an increase in rates due to inflation, increased programming costs, and increased copyright fees. The increases are based upon the previous 12 months' costs and projections for the upcoming 12 months. The other filing is for equipment and installation costs. The basic rates are increasing 8 cents and generally other equipment and installation costs are decreasing. (See attached) It was noted that part of the reason the expanded basic tier costs rise significantly are due to increased programming costs/contracts. Two channels, Disney and Oxygen have been added this year. The large decrease in equipment and installation charges cannot be completely explained since the

current rates were developed by Time Warner Cable. TCI is proposing to significantly lower these rates.

Vice Chairman Silverman asked if the company will be broadcasting Cub games, that are not going to be on WGN or FOX 26, on another channel. Ms. Brucker said they are looking into it at this time.

It was noted that, in this filing, there is not much to object to that is within the Cities' authority with only an 8-cent increase in basic rates and decreases in equipment and installation charges.

Chairman Peterson noted that there is no more room for additional channels in the analog spectrum on the system. Additional channels can only be added digitally with significant cost to the subscriber.

#### B. WGN Interference

HAM radio operators have a repeater on the WLRW tower in Parkland Ridge. There is also a paging repeater on this tower. Mr. Heflin noted that he has been aware of the concerns in this area as they relate to WGN interference. Today, he ran leakage tests in the area and found no interference on the cable plant. He suspected that there was interference through the internal wiring in the subscribers' homes. He tested the company's own 'test sets' in some locations. It was discovered that the shielding in some subscribers' homes was not adequate to block out the signals from the repeaters. Mr. Heflin noted that there is not much more the company can do at this point to prevent the interference. Subscribers may need to purchase better quality sets and VCR's. He also noted that, legally, the HAM and paging repeaters that are responsible for the interference have the right to remain on the tower under their current specifications.

Commissioner Bruno noted he also has interference on WGN; he also has interference on WGN on some of his sets; he is not located in Parkland Ridge. He suggested that the company move the popular station, WGN, to a channel in the clear and replace 18 with less popular programming.

Mr. Heflin explained that the entire system is affected by this interference. Changing the location of WGN on the lineup would be a costly endeavor for the company and subscribers because it is a 'filtered' channel.

#### C. Change of System Ownership

Chairman Peterson asked for a summary of the status of this issue. Ms. Brucker noted that a letter of intent to transfer ownership of the local system has been signed by AT&T and Insight Communications. Insight Communications is the 8<sup>th</sup> largest Cable Company in the United States, it is Midwest based, serving mostly mid-sized communities. It was noted that the Rockford, IL system is operated by Insight.

Ms. Brucker noted that she will share information about this as things progress.

Insight will carry @Home. Commissioner Badger asked if Insight will continue AT&T's commitment to allow subscribers to use other ISP's with @Home. Ms. Brucker did not know what Insight's policies will be. She noted all of this will likely be discussed in negotiations. Vice Chairman Silverman encouraged the 'new company' to not require converters for all channels.

Chairman Peterson noted there will be a thorough review of any transfer application, but hopefully without acrimony as was the case with Time Warner Cable. Chairman Peterson asked for a copy of Insight's annual report.

#### D. AT&T Pricing for Internet Access

Commissioner Weidman asked what it is that a subscriber gets when they purchase the @Home service. Ms. Brucker noted that this is a new service that they are learning, too. If she does not know all of the information or have the answers to all of the questions tonight, she will research that and get back to everyone.

Ms. Brucker explained that a subscriber can purchase @Home for \$39.95/month. This service will allow for 5 computers to be connected to the service with 1 dynamic IP address, which means that only 1 of these potential 5 computers can be accessing the internet at a single time. This also provides 7 e-mail addresses and 70 megs (10 megs/e-mail address) of webspace to author your own web page. In order to allow for 2+ computers with simultaneous access, there is an additional fee of \$4.95/month per computer up to 5; with this option, the IP address is permanent. If you have more than 5 computers in your home that needed simultaneous internet access, you would need to purchase a second cable modem for \$39.95 to support computers numbered 6-10, plus an additional \$4.95/computer.

Vice Chairman Silverman noted that his @Home access speeds have been slow, not much faster than dial-up access. So what is the @Home advantage if high-speed access is slow? Mr. Heflin stated that the local system has some problems. Locally, they have found 1 abuser of Internet access. They have called upon the assistance of AT&T's top engineers to assist with the local system speeds. They have found slow latency, the time it takes to get from 1 outer to another... They have replaced some equipment already to help correct this problem.

Commissioner Weidman asked for a definition of "abuser". Ms. Kelly said she would look into it.

Commissioner Kearns asked where the public can get accurate information on @Home services and rates. Ms. Brucker noted that accurate information is available from @Home, and the local AT&T employees are getting educated on the details. She encouraged potential customers to "ask, ask, ask" so they can obtain clear information.

Commissioner Kearns asked Ms. Brucker to clarify @Home services and fees in writing to the Commission.

#### E. Plans for Information Forum on High Speed Internet Access

Chairman Peterson and Commissioner Newnam noted they are wanting to conduct another forum more specifically focused on security issues and providing comparison information on the various high speed options. Chairman Peterson noted that neither the Commission nor individual Commissioners will be advocating a specific service. They are hoping to plan this forum for May.

#### REPORTS BY OTHER GROUPS AND ORGANIZATIONS

There were none.

#### NEXT MEETING DATE AND ADJOURNMENT

The next regular meeting date will be July 19, 2000 at 7:00 p.m. in Urbana and the Study Session is scheduled for July 6, 2000 at 7:30 A.M. at the Original Pancake House in Champaign.

Meeting adjourned at 10:17 p.m.

Submitted by:

Teri L. Legner  
Assistant to the City Manager

TLL/pw

j:cmoladm\tll\cable\April 26,2000 min.doc

