

APPROVED

**CHAMPAIGN-URBANA JOINT CABLE AND  
TELECOMMUNICATIONS COMMISSION**

**MINUTES**

DATE: October 18, 2000  
Wednesday, 7:00 p.m.

PLACE: Urbana City Building  
400 South Vine Street  
Urbana, IL 61801

MEMBERS PRESENT:

CITY OF CHAMPAIGN

Tom Bruno  
Brian Silverman  
Tom O'Rourke

CITY OF URBANA

John Peterson  
Barbara Gladney  
Carolyn Kearns  
Joe Wiedman

UI

George Badger

MEMBERS ABSENT:

CITY OF CHAMPAIGN

Jeff Newnam

Parkland

Tom O'Donnell

CITY OF URBANA

UI

STAFF PRESENT:

CITY OF CHAMPAIGN

CITY OF URBANA

Steve Holz

OTHERS PRESENT:

CALL TO ORDER

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

## APPROVAL OF MINUTES

The Minutes of the July 19, 2000 regular quarterly meeting, October 5, 2000 study session meeting and October 12, 2000 special meeting were moved, and approved as amended with the notation that Commissioner \_\_\_\_\_ was not present at the October 5 and July 12 study session meetings..

## APPROVAL OF THE AGENDA

The agenda was approved.

## PUBLIC INPUT

Cable System Transfer. Steve Holz provided background information. The Cities are utilizing an outside consultant, John Pestle, to review the transfer proposal. The process was proceeding fairly smoothly, and staff planned to take approvals to the City Councils in December. Commissioner Brian Silverman suggested that the promises made by the President of Insight be memorialized in a side letter concerning issues of people being able to maintain their present levels of service. Steve Holz explained that Insight, by taking over the franchise, would also be agreeing to the side letters, and that everyone had been very impressed with the cooperativeness of Mr. Wilner, President of Insight. John Peterson suggested that Commissioners Tom O'Rourke and Carolyn Kearns be involved in the negotiations at some point. Tom O'Rourke and Carolyn Kearns agreed to work with Steve Holz to make sure the Commission was kept informed of the progress of negotiations. John Peterson noted that Insight was promising service delivery at perhaps a higher standard than AT&T could provide with its concentration in major markets, particularly mentioning video on demand. Insight is headquartered in New York, but is concentrating in the Midwest. According to Insight, Champaign-Urbana will be the location of one of the company's super headends and will be servicing not only the Champaign-Urbana area but surrounding areas and counties as well. Commissioner Peterson relayed from the Wall Street Journal some financial information that AT&T is having some financial difficulties. The cable portion of its operation is highly leveraged and the transfers from Time-Warner and TCI appear to be an attempt to deal with those issues. By selling portions of their operation, they will be less likely to run afoul of the FCC's rules on market share. Commissioner Peterson pointed out that with the present system, if a channel is added, another channel has to be bumped off because of capacity. This is because of the amount of the spectrum which is being devoted to analog signals. To the extent that future operators shift more of the spectrum to the digital signals, the services available to cable-ready set users will be reduced. Brian Silverman indicated that he believed the resistance to cable boxes would be reduced if the size of the box was smaller. Brian Silverman also indicated that the pricing of each box at \$4.00 apiece with the requirement of a box for each TV made people resistant. George Badger commented on the danger of being a community which, by opposing boxes, led the cable company to decide not to upgrade services in such a community. He would rather take a position that would encourage the cable companies to offer new services as early as possible to the community. Melody Brucker, for the system operator, commented that once boxes are installed, customers really appreciate them and they have seen increasing numbers in the community. Barbara Gladney commented that she appreciated Mr. Wilner's comments that he intended to give viewers a choice. The company anticipates serving both the

digital subscribers and Internet from the 200 mghz reserved for digital. Mr. Bruno stated that it would be good to be open to the possibility suggested by Mr. Badger that opposition to the boxes may be impeding progress in other areas. In answer from a question from the audience concerning high definition TV, the Cable System Operator indicated that there didn't seem to be at present any demand for high definition TV, and until there was demand or cable requirements to offer it, it is not being planned for right now.

### CORRESPONDENCE

At the request of the Chairman, Mr. Bruno recited the consensus of the Commissioners at the study session that the agenda item: correspondence was to recognize or acknowledge written correspondence, by letter or e-mail, received by the Commissioners, and not for oral conversations between Commissioners and citizens. Barbara Gladney explained the new process for dealing with oral complaints which is to complete a citizen complaint form and to forward it to staff for handling. It was moved and seconded to add to the regular agenda an item called "Commissioners Comments". The motion was approved.

### NEW BUSINESS

Esther Patt addressed the Commission on service to multi-family structures. Ms. Patt brought to the attention of the Commission complaints of tenants that they cannot receive service from AT&T because their landlord has signed an exclusive contract with Heartland Wireless. She recalled a similar situation several years ago with telephone services when landlords tried to become exclusive resellers. The Attorney General opined that that was not permitted. The other situation involves AT&T. AT&T directed tenants to the landlord from which the tenants must buy their basic and HBO services at the landlord's price. Ms. Patt raised the question as to whether the landlords can charge any price they want, and whether AT&T has the right to deny service to people. Several Commissioners discussed a statute which addressed that issue, and requested Steve Holz to determine whether the practice described by Ms. Patt was in violation of the franchise. Melody Brucker explained that AT&T did have bulk contracts with some landlords where they supply the cable to the landlord, the landlord pays the bill, and AT&T does not have individual agreements with tenants. When AT&T has a bulk agreement with the landlord, the tenant can order and be billed directly for services above and beyond whatever services are being provided to the landlord. There are bulk discount rates because of the reduced cost to the cable provider of less billing and less time to turn on and turn off service.

### UNFINISHED BUSINESS – EMERGENCY ALERT SYSTEM

Charlie Heflin reported on the issue of the request of two TV stations to be exempt from the FCC mandated automated alert system out of Lincoln, Illinois. Previous requests have been denied because that would also make them exempt from the METCAD automated alert system. However, equipment is now available which would override the cable operators automated emergency alert system, but not the METCAD system. FCC rules permit this kind of override. The request before the Commission was whether they would recommend to the Cities that the franchise agreement be amended. The Commission decided to defer this resolution until the Insight transfer had been completed in order to eliminate any confusion of the language of the franchise agreement.

[The minutes conclude at this point as the video of the remainder of the meeting is defective.]

Submitted by:

Trisha Crowley  
Deputy City Attorney

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