

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

MINUTES

DATE: April 17, 2002
Wednesday, 7:00 p.m.

PLACE: Champaign City Building

MEMBERS PRESENT: CITY OF CHAMPAIGN CITY OF URBANA

Richard Atterberry
Tom Bruno
Thomas O'Rourke
Brian Silverman

Barb Gladney
John Peterson
Kevin Maxson

PARKLAND

UI

Tom McDonnell

George Badger

MEMBERS ABSENT:

Danielle Chynoweth

STAFF PRESENT:

Trisha Crowley
Michelle Bailey

Chris Foster

OTHERS PRESENT:

Melody Bruecker, Charlie Heflin, Lori Carroll, Irma Alvarez, David Treat, and Greg Capranica (Insight)

CALL TO ORDER

Chairman John Peterson called the regular Champaign-Urbana Joint Cable & Telecommunications Commission Meeting to order at 7:03 p.m.

APPROVAL OF MINUTES

The following minutes were approved by the Commission:

- A. October 24, 2001 Regular Quarterly Meeting
- B. January 3, 2002 Study Session
- C. January 16, 2002 Regular Quarterly Meeting

APPROVAL OF AGENDA

Commissioner Gladney added a discussion on the report forms for Annual PEG reports. It was added under Reports from Standing Committees, the topic of Expanded PEG Usage was also moved from Old Business to Reports from Standing Committees. Chairman Peterson added the topic of Static IP Addresses under New Business.

CORRESPONDENCE

There was none.

OLD BUSINESS

There was none.

AUDIENCE PARTICIPATION

There was none.

REPORTS FROM STANDING COMMITTEES

A. Technical Committee

Commissioner Maxson accepted Chairman Peterson's request to be the chair for the Technical Committee.

B. Peg Committee

PEG Committee Chair, Commissioner Gladney touched on Exhibit B, Section 1C of the Cable Franchise Agreement, which details the hours of programming needed to get another PEG channel.

Commissioner Gladney prepared a draft of a report form for all PEG Channels, which needs to be filled out on an annual basis to monitor PEG usage. She added that the next reports were due in July.

Michelle Bailey asked how much detail was wanted on the report form?

- Commissioner Gladney said it would be nice if we could describe the types of programs that our on each channel, the more specific the better.

REPORT BY CITY STAFF

Michelle Bailey stated that the Champaign PEG Channel was trying to increase programming.

- Hours of Programming: JAN 2001 (110) JAN 2002 (205), FEB 2001 (97) FEB 2002 (264) MAR 2001 (113) MAR 2002 (351)
- Produced a Campustown Video and started playing programs from the Illinois Channel, which is a C-SPAN for Illinois Government

Michelle also touched on NATOA.

- Brought old NATOA magazines for Commissioners to look at
- Did research on the NATOA Conference and said she would have registration and hotel costs for the July meeting

Michelle discussed the new budget for the Commission.

- The total budget is \$5200 to be spent for the year
- Trying to cut down on postage costs by using e-mail

Michelle added that the City of Champaign was going to hire an Audio/Video Technician to help the PEG Channel out.

REPORT BY THE CATV SYSTEM OPERATOR

Melody Bruecker stated that Insight was growing in all facets of its business and that was causing the increase in the volume of phone calls.

- 19,000 to 20,000 calls a month
- HSD, the billing conversion, and the recapturing of IP's, reason for phone call increase
- Added staff to help the problem

Mrs. Bruecker said that longer phone calls were adding to the problem.

- Normal call takes about 2.5 to 3 minutes
- Phone calls that involve setting up IP addresses take 20 to 30 minutes

Commissioner Silverman asked if the Peoria office could change its phone message to accommodate after hours callers from Champaign, who get transferred to the Peoria office.

Michelle Bailey asked how much longer Insight was expecting the high phone call volume.

- HSD set in stone and all old cable packages expire on April 30th so it should get better after that
- Records should get better, but calls will increase when U of I students come back
- Trying to get students to use e-mail to set up cable and internet connections

Commissioner Silverman said that many customers were confused and thought they were going to lose cable television service, due to a letter that Insight sent out, regarding a change in cable television service.

Melody Bruecker said it was difficult to write a customer specific letter since Insight's 6800 customers have varied cable packages.

- Need customers to call them, so they can find out what package they have
- Confusion about letter was also adding to the high phone call volume

Insight described the new cable television packages.

- Basic Service – 20 channels
- Extended – 40 channels
- Digital Service – 4 different packages
- Packages geared towards interests (sports, family, etc.)

Commissioner Silverman asked how long the Analog Gateway box would be good for.

- Insight is moving towards enhancing their digital product
- As new services materialize additional bandwidth will be needed
- Analog boxes will continue to be available as long as the demand is there

Community member Michelle Ripple asked if it was going to be possible to program the digital gateway box for VCR recording, like you can the analog box.

- Not available on the box right now
- Has been some talk about adding the capability
- Suggested using analog box on second cable outlet, for taping shows

Commissioner Atterberry asked about Insight's strategy for accommodating what happens when local television outlets have the capabilities of broadcasting 2 or 3 signals simultaneously.

- HDTV 2 times the bandwidth as analog
- Once there is enough HD programming available they will carry it

Commissioner Silverman stated that the requirement for television channels to be HD may be pushed back to 2006 or 2007, because it is too expensive and customers don't care.

- Greg Capranica from Insight felt that the FCC was not buying that argument
- Commissioner Atterberry said that WB23, WAND, and WCIA were moving towards becoming digital
- Insight stated that they have to carry any local networks who move to digital

Commissioner Atterberry asked about the average length of time customers have to pay their bill once they receive it.

- Most customers should get their bills 14 days before they are due
- Commissioner Atterberry received his with only 8 days to pay
- Melody Bruecker from Insight said she would look into the problem

Commissioner O'Rourke asked about any effective strategies that had been put in place to solve the high phone call volume Insight was experiencing.

- Insight hired 6 additional CSR's
- When Excite@Home went bankrupt, Insight had to field all of the calls that would have been going to Excite@Home
- Bring in temporary employees to answer phones and take messages
- Monitor phone call records hourly, sometimes they answer 100%, but were working at a 61% success rate as of April
- Advertising in the Daily Illini for U of I students to use E-mail instead of the telephone, and they can sign up at Follet's Bookstore
- Customers can also use Insight's websites to e-mail questions or sign up for cable

NEW BUSINESS

A. Cable Commission Budget

Michelle Bailey provided the Commission with the details of the new budget.

- Reduced money towards educational training services
- Amount of budget was higher last year because of increased travel costs due to 9/11
- Dropped memberships to the Alliance for Community Media
- Budget totals out at \$5200
- Commissioner Badger wondered if the U of I and Parkland's fee of \$1,000 would be lowered since it was no longer 10% of the budget
- It was decided to address the issue in next years budget
- Commissioner Silverman asked that the budget be adopted
- All Commission members voted yes to pass the budget

B. Franchise Fee for Cable Modem

Trisha Crowley informed the commission about the new FCC ruling on cable modems.

- FCC trying to figure out how to regulate cable modem services that provide access to the internet
- FCC declared cable modems an Intrastate Information Service, regulation of such services hasn't been decided on
- Champaign and Urbana feel that they have a clear franchise agreement with Insight for use of right-of-way, which is used in the case of cable modems
- The Franchise Fee is based on gross revenues and the money they make from cable modems is part of their gross revenue
- Insight is moving in the same direction of most other cable companies, and not collecting the franchise fee for cable modem service
- They are no longer paying Urbana the 5% fee on cable modems
- Due to various factors Champaign is receiving there 3% fee
- The Champaign and Urbana legal staff had a meeting with Insight corporate members and there FCC Council to discuss the ruling
- Commissioner Silverman wondered why it mattered to Insight when they pass the cost on to the customers anyway, he went on to state that they are using city land for those cable modems
- Insight has stopped collecting the fee because the do not want to get sued

- Commissioner Silverman asked if the fee could be collected and segregated until the issue was resolved
- Insight said that they had a 35% customer turnover rate every year, and it would not be possible to track down and refund all of these customers
- Trisha Crowley stated that the legal staffs from both cities needed more time to look at the ruling before they could make any further recommendations
- Chairman Peterson asked if the ruling applied to TELCO's, Mrs. Crowley stated that it did not
- She added that the whole system for taxing TELCO's is changing because of a law passed by the Illinois Legislature
- If cable modem franchise fees are not collected the hit would be \$2,600 a month for Urbana and \$3,800 a month for Champaign
- Commissioner Bruno stated that he understood that Insight did not want to become a defendant in a Class Action Suit, which had already been filed, he also stated that he was confident that the Champaign and Urbana legal staffs would stay on top of the situation
- No action was taken by the Commission and the topic was tabled for further discussion in July

C. IP Addresses

Kevin Maxson provided the Commission with a report on Static IP Addresses.

- Users who wanted to control their computers from a remote location were having problems because their IP Addresses were changing all the time
- Static IP Addresses always stay the same, while Dynamic IP Addresses change
- Insight only provides Dynamic IP Addresses
- Charlie Heflin from Insight stated that the IP's are assigned by the address on users' computers
- They will continue to keep that address for 96 hours as long as they do not disconnect
- If they disconnect they have a 99% chance of reclaiming their IP Address by reconnecting
- Insight does not use Static IP's because it is too expensive, it is the common way that internet providers do business
- Mr. Heflin stated that there are no plans to reduce the 96 hour hold on IP's
- Commissioner O'Rourke felt the information was becoming too technical, and that it may be good for a workshop, but not for a public meeting
- Melody Bruecker suggested that anyone who was having a problem, should call Insight
- Commissioner Bruno agreed with Commissioner O'Rourke and said we should be having a policy or philosophical based conversation on IP's not a technical one
- Commissioner Badger added that the Commission should be in the business of informing people of services and lobbying with Insight about those services

COMMISSIONER'S COMMENTS

Commissioner Silverman complimented Insight on the placing of Cubs games on Channel 21, when they were not on WGN or Fox Sports Chicago, he added that it should be publicized that they do that.

NEXT MEETING AND ADJOURNMENT

The Study Session was scheduled for July 11th.

The Regular Meeting was scheduled for July 17th in the Urbana City Council Chambers.

The meeting was adjourned.

