

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

DATE: April 21, 2004
4:30 PM

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

MEMBERS PRESENT:	CHAMPAIGN Richard Atterberry Giraldo Rosales Brian Silverman	URBANA Barb Gladney Jim Hayes Kevin Maxson
	PARKLAND	U OF I

MEMBERS ABSENT: Tom McDonnell, Stan Yagi, Karen Walker

STAFF PRESENT: Chris Foster - City of Urbana
Jeff Hamilton - City of Champaign

OTHERS PRESENT: Melody Brucker, Art Svymbersky – Insight
Communications

CALL TO ORDER

Chairman Atterberry called the regular meeting of the Champaign-Urbana Joint Cable and Telecommunications Commission to order at 4:33 PM

APPROVAL OF MINUTES

- The following minutes were approved by the Commission
- A. January 14, 2004 - Study Session
 - B. January 21, 2004 - Regular Meeting

CORRESPONDENCE

- A. Jeff Hamilton presented the Commission with seven cable complaint/resolution forms taken by the City of Champaign during the first quarter.

- B. Mr. Hamilton then presented the Commission with the first quarter's correspondence from Insight Communications. These letters dealt with Insight's annual FCC filings, cable rate increase notice, and notice of the addition of the Weatherscan channel to the basic cable tier.
- C. A number of relevant newspaper articles were also provided by Mr. Hamilton and Commissioner Gladney.

OLD BUSINESS

A. Commission Rules and Regulations Amendments

Chairman Atterberry reminded the Commission that they were updating and revising the Commission's Rules and Regulations document. Commissioner Gladney questioned the Secretary's responsibility for "authenticating all official transactions". Commissioner Silverman commented that the Secretary was responsible for verifying the authenticity of communications to the Commission from either City Council. Commissioner Silverman moved for approval of the amendments, seconded by Commissioner Hayes. After a roll call, the motion passed 5-0. Commissioner Gladney suggested the Commission revisit the document more often and revise it when necessary.

B. Closed Captioning/Interpreting

Chairman Atterberry informed the Commission that he had received an e-mail from Robin Arbiter from PACE, concerning the Commission's study session on closed captioning and interpreting. Reading from Ms. Arbiter's report, Chairman Atterberry read that PACE is continuing to promote greater access to the PEG channels for the deaf or hard of hearing. At the invitation of Commissioner Gladney, PACE had participated in a PCETV program called "Live and Learn" in which they shared information about American Sign Language and deaf culture. PACE was also contacted by Chris Foster and invited to participate in an interview for UPTV's "Profiles" program. Ms. Arbiter and Ms. Susan Dramin-Weiss have also applied for membership in UPTV and hope to use public access capabilities to make deaf culture more accessible to hearing people. Commissioner Gladney stated that she learned a great deal from the "Live and Learn" program. Chris Foster reported that he is working with PACE on different programming possibilities and is preparing to have a program sent out for captioning.

COMMITTEE REPORTS

A. Technical Committee

The Technical Committee had no report.

B. PEG Report

Commissioner Gladney wanted to remind the public that Champaign-Urbana's PEG channels are available on cable television but not on satellite. Commissioner

Silverman recommended that Insight use this fact in their advertising campaign against satellite television providers. Commissioner Gladney reminded the public that the PEG channels are now offering more programming than ever. She also reminded the PEG coordinators that they will soon be meeting to prepare for the Commission's October Study Session on PEG channels. Commissioner Gladney then asked for clarification on her understanding that the Commission can't regulate all the cable rates, but it can regulate the basic tier rate. Commissioner Silverman stated that was true, within certain parameters. Commissioner Maxson stated that this authority is spelled out in the franchise agreement.

STAFF REPORTS

A. Urbana

Chris Foster informed the Commission that UPTV has purchased a second public access camera that is now available for checkout. In response to a question from Commissioner Silverman, he explained that to checkout the equipment, one needed to be a public access member. Membership is open to residents in the Champaign-Urbana area and is currently free. Mr. Foster also told the Commission that UPTV is looking into upgrading some of its broadcasting equipment in the near future. He also reported that UPTV was pleased with the frequent playback of a UPTV promotional spot that Insight is inserting on its cable system.

B. Champaign

Jeff Hamilton informed the public that the Commission's minutes and agendas are now available on the City of Champaign's web site at www.ci.champaign.il.us. Mr. Hamilton also presented the Commission with a summary of its remaining budget. Mr. Hamilton reported that the Commission has approximately \$1500 left of its approximate \$5500 annual budget. Commissioner Silverman asked if it was possible to retain unused funds so that more Commissioners could attend conferences in the next fiscal year. Mr. Hamilton said he would check with City management. Mr. Hamilton also informed the Commission that their budget for the next fiscal year would likely be for the same amount. Chairman Atterberry agreed that keeping unused funds into next year would be in the best interest of the Commission and asked staff to pursue this possibility. Commissioner Hayes informed the Commission that in the past, government bodies have cut budgets when all the funds aren't used. Commissioner Silverman stated that the Commission shouldn't be penalized and lose unused funds just because it was frugal. Mr. Hamilton agreed to pursue the matter with City management.

REPORT BY THE CATV SYSTEM OPERATOR

In response to Commissioner Silverman's suggestion that PEG channel availability be used in advertising, Melody Brucker stated that this fact is raised in print advertising, but not in radio and television ads. Ms. Brucker stated that Insight believes in and is working to foster relationships with the PEG channels. In response to a question

from Commissioner Silverman, Ms. Brucker stated that Insight doesn't want to launch a strong negative ad campaign like satellite television has.

Melody Brucker then presented the Commission with Insight Communications' first quarter report. Commissioner Silverman inquired why there had been a spike in customer service calls in January. Ms. Brucker stated that the fluctuation of students at the University of Illinois in January was a yearly cycle and responsible for the increased call volume. Commissioner Atterberry stated that the 119 unburied cable drops was pretty low. Ms. Brucker stated that good weather had allowed Insight to get out and bury drops earlier this year. Ms. Brucker then invited the public to contact Insight if they were concerned about an unburied drop on their property. Commissioner Silverman inquired about the targeted time frame in which Insight tries to bury drops. Ms. Brucker responded that they have a 30-day goal to bury drops, except during winter months.

Commissioner Gladney inquired if WEIU was a must-carry station. Ms. Brucker stated that it is a must-carry station that is within 50 miles of Champaign-Urbana. Chairman Atterberry asked if the must-carry regulations addressed poor signal quality. Ms. Brucker stated that Insight is working to encourage WEIU to boost its signal and increase picture quality. Commissioner Silverman suggested that WEIU could microwave their signal to Insight, since WEIU is trying to get a foothold in this market. He acknowledged that Insight is just passing along the signal it gets, and isn't responsible for the poor quality. Commissioner Silverman also stated that the Fox 27 (WCCU) had also had quality issues in Champaign in the past. Ms. Brucker stated that WCCU had made tower and equipment upgrades and that their signal was much better now.

Ms. Brucker informed the Commission that Weatherscan had been launched on Insight's basic tier. She feels this is a very valuable, very local weather resource for its customers. Commissioner Silverman asked if Weatherscan was a commercial channel. Ms. Brucker stated that the Insight pays for the programming and it is presented commercial-free. Chairman Atterberry pointed out that in the event of severe weather, Weatherscan switches to a continuous radar image with weather updates.

Ms. Brucker informed the Commission that Insight had adjusted rates for its classic tier on March 1, 2004. Ms. Brucker explained that rates had not been raised for the basic tier this year. She informed the Commission that the classic tier was raised \$2.10 per month due to the increased programming costs. Ms. Brucker stated that for the past several years Insight has kept its average rate increase at or below 5%. Commissioner Silverman pointed out that Congress is looking into requiring cable companies to provide programming a la carte. He also expressed concern that the rate increase is higher than the rate of inflation. Chairman Atterberry pointed out that the last rate increase was only 8 or 9 months ago and wasn't a full 12 months ago. He inquired if Ms. Brucker's calculations of a 5% increase took this into account. Ms. Brucker pointed out that the basic tier rate was raised in July 2003, not the classic tier, which was just raised in March 2004. Commissioner Maxson asked if there would be

any more rate increases before March 2005. Ms. Brucker stated that none are anticipated at this time, but she couldn't promise there wouldn't be any in the next 12 months. Commissioner Gladney explained that Senator John McCain's recent hearings addressed the public's discontent with cable rate increases. The hearings focused on the possibility of offering programming a la carte, which the cable company representatives (at the hearing) were strongly opposed to. Commissioner Gladney asked how many times during the year that Insight saw programming cost increases. Ms. Brucker stated that the corporate office handles those negotiations. Commissioner Gladney asked if the programmers sold a discounted "bulk-rate" package of channels to Insight or why a la carte wasn't a viable option for customers. Ms. Brucker stated that buying a programming package is cheaper for the cable company and its customers. Ms. Brucker stated that there is a niche audience for every channel on the system, even the home shopping channels. Chairman Atterberry asked if television programmers package their popular channels so that the cable operator is forced to also purchase the less popular channels. Ms. Brucker stated that those negotiations are made at the corporate level. Commissioner Silverman stated that this is certainly true and a common way for programmers to launch new channels.

NEW BUSINESS

A. Cable Rate Increase

Chairman Atterberry stated that the cable rate increase topic had already been addressed during the CATV System Operator's Report but would perhaps be a good study session topic. Commissioner Gladney stated that she didn't feel the topic warranted a full study session but that it's an issue the Commission should keep an eye on. Commissioner Maxson stated that the a la carte programming proposal likely wouldn't save the consumer any money and that the customer would likely get fewer channel for the same amount of money they pay today. He informed the Commission that customers living in communities with two or more cable operators are seeing lower rates as a result of competition. Commissioner Maxson encouraged the Commission to hold a study session on this topic in the near future. Chairman Atterberry recommended also keeping the topic open for discussion in future meetings. The Commission decided to add the topic to their July Study Session agenda. Commissioner Silverman also asked to have Urbana and Champaign's Legal representatives discuss political content on PEG channels with the Commission at the July Study Session. The Commission agreed. Chris Foster informed the Commission that he had found an article addressing this subject and could make it available for the Commission to review.

B. Alliance for Community Media Conference

Jeff Hamilton reminded the Commission that they had joined the Alliance for Community Media in January. At the request of a Commissioner, Mr. Hamilton provided a brief summary of the upcoming Alliance Conference. He reported that it would cost the Commission approximately \$1400 to send a representative to the conference in Tampa, Florida. Mr. Hamilton informed the Commission that sending a representative to the Alliance Conference in July and another to the NATOA

Conference in September would mostly deplete the Commission's annual budget in the first three months of the new fiscal year. The Commission inquired if it was possible to spend the funds remaining in this year's budget to pay for the Alliance Conference. Commissioner Silverman stated that if the funds could be encumbered and used to send another Commissioner to NATOA next year, that would be his preference. If this wasn't possible, he recommended sending Commissioner Gladney to the Alliance Conference. Commissioner Gladney declined the offer and recommended another Commissioner attend if they wanted to go. Chris Foster informed the Commission that he intended to attend the Alliance Conference and could prepare a report for the Commission. The Commission decided not to send anyone to the Alliance for Community Media Conference this year.

C. Future Study Session Planning

Commissioner Silverman asked to have Champaign's Trisha Crowley and Urbana's Steve Holtz make a presentation addressing political content on the PEG channels at the Commission's next Study Session. Commissioner Gladney said that she thinks this to be an allowable use of the access channels, provided it is available to all candidates. Commissioner Silverman expressed that he felt it was done on purpose to give one candidate a leg up over the other candidates. Commissioner Hayes stated he didn't feel it was intentional and that the previous year's MLK Program had also been run a large number of times. Chris Foster clarified how UPTV scheduled the MLK program and that it had only run for a few months.

Commissioner Silverman stated that several constituents had asked why Fox Sports Midwest wasn't available on our cable system, and that many St. Louis Cardinal baseball fans wanted to see those games. He stated that he had told the constituents that it was likely a business decision made by Insight. Melody Brucker agreed that it is a business decision and that the University of Illinois brings in people from all over the country. She stated that Insight regularly gets requests to carry sports programming from all over the country. She stated that they encourage customer suggestions and comments, but that sports programming is very expensive and would require even higher rate increases to carry more sports channels. She pointed out that Cardinal baseball fans could see 46 of their 162 games on channels the cable system does carry. Ms. Brucker encouraged customers to continue to send in their requests because Insight does take channel requests seriously.

D. Cable Operator Line Sharing

Commissioner Maxson shared that a recent court ruling could force cable operator ISP's to share their lines with competitors. He added that at the request of the FCC and National Cable Telecommunications Association, the court stayed this ruling while an appeal was prepared for the US Supreme Court. Mr. Maxson stated that this could impact the broadband internet offerings in Champaign-Urbana.

E. Broadcast Flag

Commissioner Maxson informed the Commission that the FCC adopted the broadcast flag in November 2003 in its proposed rule making. The Broadcast Flag would prevent the easy dissemination of pirated HDTV programming over the internet. He stated that it is feared the broadcast flag will put an end to the fair-use of television. He reported that public libraries are particularly concerned and state this will: limit the public's access to information, impact electronic equipment manufacturers, and poses various privacy risks. The FCC largely dismissed these concerns and is pressing forward with the proposal. Mr. Maxson pointed out that similar concerns were raised when the consumer VCR was first introduced in the 1980's. He pointed out that this proposed rule is important for anyone concerned with the erosion of the consumer's fair-use rights to purchase goods. He informed the Commission there is a very good primer on the subject from the Center for Democracy in Technology's web site at www.cdt.org. In response to a question from Commissioner Gladney, he stated that the broadcast flag is a proposed protocol to mark digital content to limit how it can be copied. He stated that the broadcast flag would impact computer, television, PVR, and other electronics manufacturers. In response to another question from Commissioner Gladney, he stated that this is only a proposed rule, but it is likely to be adopted by the FCC.

AUDIENCE PARTICIPATION

There was no audience participation.

COMMISSIONER'S COMMENTS

Commissioner Gladney commended Jeff Hamilton for his handling of the cable complaints and the preparation of the Commission's packets.

NEXT MEETING DATE AND ADJOURNMENT

Next meeting dates are July 14, 2004 (Study Session) and July 21, 2004 (Regular Meeting).

The meeting was adjourned at 5:51 PM.

Respectfully submitted,

Jeff Hamilton
Telecommunications/AV Technician
City of Champaign