

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

DATE: January 17, 2007
4:30 p.m.

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

| | | |
|-------------------------|---|---|
| MEMBERS PRESENT: | CHAMPAIGN Rick Atterberry Karen Walker | URBANA Barbara Gladney Durl Kruse Peter Resnick |
| | PARKLAND Tom McDonnell | U of I Stan Yagi |

MEMBERS ABSENT: Danielle Chynoweth, Giraldo Rosales

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

OTHERS PRESENT: Melody Brucker, Art Svymbersky, Marie Paulk – Insight Communications

1. CALL TO ORDER

Meeting called to order at 4:30 p.m.

2. ROLL CALL

Chair Atterberry asked the Clerk to note the attendance.

3. MODIFICATIONS TO AND APPROVAL OF AGENDA

There were no amendments to the agenda. Motion to approve the agenda moved by Commissioner Gladney. Seconded by Commissioner Walker. Motion passed.

4. APPROVAL OF MINUTES

- A. October 18, 2006 Quarterly Meeting**
- B. December 11, 2006 Special Meeting**
- C. December 15, 2006 Special Meeting**
- D. December 18, 2006 Special Meeting**
- E. December 19, 2006 Special Meeting**

Motion to consolidate the approval of the minutes moved by Commissioner Walker. Seconded by Commissioner Yagi. Motion passed.

Motion to approve the minutes by Commissioner Gladney, Seconded by Commissioner Walker. Motion passed.

5. CORRESPONDENCE

Jeff Hamilton informed the Commission there were five cable complaints taken by Champaign. Only one was regarding the recent rate increase. Other correspondence was received from Insight, including FCC form 1240, which updates the maximum rates for regulated cable services. He also received a letter from Insight announcing the launch of Digital 2.0. He also submitted a letter from Insight notifying the City and Commission of the rate increase in the classic tier of service. The increase is in the amount of \$2.75 - bringing the classic tier rate to \$38.25 effective Jan. 31, 2007. The basic tier was not increased.

6. OLD BUSINESS

A. AT&T Project Lightspeed

Last October, Deputy City Attorney Trisha Crowley and Fred Halenar (Information Technologies Director) informed the Commission of AT&T's proposal to provide "cable-like" television services via telephone line. AT&T wanted a video services agreement to use the right of way in exchange for a franchise fee and some other things. Staff could not resolve several concerns including a lack of build out requirements. AT&T insisted since they are not a cable company they will not follow the rules of the cable ordinance. Mrs. Crowley took the issue to the Champaign City Council last November to see if Council agreed with staff's recommendation that AT&T would have to follow the cable ordinance. Council agreed with staff. Champaign is amending their ordinance slightly to clarify that it includes coaxial cable and any other television service providers. After the Council decision, AT&T sent a letter saying they are unwilling to follow the cable ordinance and will go elsewhere to upgrade their infrastructure.

Commissioner Resnick asked where Urbana stands on the issue. Chair Atterberry replied that AT&T did not approach Urbana for a video services agreement.

B. Cable Franchise Renewal

Mr. Hamilton reported that a refranchising committee made up of staff from Champaign and Urbana and Cable Commissioners had setup a scope of services and released an RFP for a cable consultant. They were due and received on Oct. 23rd. The RFP was sent to 28 firms and 7 proposals were received. The proposals were narrowed down to 3 finalists: Moss & Barnett, Municipal Services Associates, and CBG Communications. Ultimately, Moss & Barnett was chosen by the committee. Staff anticipates taking the contract and an intergovernmental agreement to Council on Feb. 6 2007.

7. REPORTS

A. Committee Reports

Technical Committee

Commissioner Resnick stated he is going to discuss wireless internet services with Commissioner Chynoweth and perhaps hold an upcoming study session regarding the issue.

B. Staff Reports

Mr. Foster said that the issue with the digital cable guide had been fixed. The change from government to local access carries a \$75 charge that Insight is taking care of.

Commissioner Resnick pointed out that the other channels are still not showing hour by hour programming and Chris may need to share his Insight contact with those stations.

Mr. Foster shared with the committee information regarding the upcoming Open House on January 24, 2007.

Mr. Hamilton announced that the Champaign City Council meetings are now available on their website - www.ci.champaign.il.us. Champaign also has a new e-mail subscription service. Anytime information is posted in a category of interest, citizens can automatically be sent an e-mail. Champaign staff continues to work with governmental partners regarding how they use CGTV. Champaign also donated used cameras to the local school district to help enhance their school board meetings.

Mr. Hamilton reported the annual membership to IL NATOA and the Alliance for Community Media were renewed.

Mr. Hamilton also discussed an inquiry forwarded to him by Commissioner Chynoweth. The complainant wondered why Insight isn't carrying WCIA in HD as promised. Mr. Hamilton contacted WCIA and found that they are not broadcasting an HD signal yet. However, they are supposed to launch HD on January 17, 2007 at half power.

C. CATV System Operator Report

Art Svymbersky, Customer Service Manager for Insight Communications presented the subscriber statistics for the 4th Quarter. Customer numbers continued to grow in both digital and premium services. They currently have 97 drops to be buried. They launched Insight Digital 2.0 in November and added a number of Video on Demand content and 13 new channels - including 3 new HD channels.

Commissioner Resnick stated he was glad to see CSPAN3 make the list, but it is still not on the basic tier. CSPAN3 would be greatly appreciated by the basic subscribers. Commissioner Resnick also asked about a couple of complaints about the social security number required when calling customer service. Is there a way to opt out if customers are uncomfortable giving this information out?

Mr. Svymbersky replied that it is for the customer's own security. Insight only asks for the last four digits to validate. It is an automated system. If you don't put it in, it will continue without that information.

Commissioner Walker asked why the classic tier rate had increased.

Mr. Svymbersky replied that information is proprietary. Programming costs is probably the main reason, but gas and other regular business costs have gone up as well.

Commissioner Walker asked about the status of Insight Phone.

Mr. Svymbersky replied Insight Phone is in a test state right now and they hope to be able to release the product soon.

8. NEW BUSINESS

A. Insight IVR System

Marie Paulk, Insight District Trainer, provided a presentation on Insight's new Interactive Voice Response (IVR) system. Mr. Svymbersky and Ms. Paulk reviewed why it was necessary, how it works, what new features are available, how using the system has impacted how Insight does business, and 4th Quarter performance statistics.

Commissioner Walker asked how they know the 49,000 people who used the system were happy with it.

Mr. Svymbersky replied they completed the call and the customer did not hang up.

Commissioner Walker asked who would call the cable company in the event of a natural disaster.

Mr. Svymbersky replied an outlying community could get hit by a tornado or the Insight building could be hit by a tornado and this gives Insight the ability to handle any requests in light of those situations.

Commissioner Resnick asked if the IVR provides a way to solely report trouble.

Mr. Svymbersky replied that the IVR does not at this time, but the website does. He said this product allows them to add applications to it when necessary – depending on customer needs.

B. 2005-06 Cable Compliance

Chair Atterberry informed the Commission that annually they can review the requirements of Insight in the franchise and ordinance and make sure they are being followed.

Mr. Hamilton reported he had completed a compliance check for Champaign. He said he found three things that were not in compliance:

1. Insight is required to file and maintain "as built" maps with the city annually and to update substantial changes and additions quarterly. Public Works has not received those updates.
2. Insight is required to maintain sufficient telephone capacity so that 90% of all calls are answered in no more than 30 seconds before being transferred to a customer service

representative. Insight's call statistics show this requirement was not satisfied 3 months within the 12 month compliance period and the yearly average also fails to meet this requirement.

3. Insight is also required to secure all necessary permits before doing construction in the right of way. The Champaign Public Works department reports no permits had been sought or granted during the compliance period.

That report and letter were sent to Melody Brucker last fall. Last week, Insight staff, Champaign Public Works staff and Mr. Hamilton met to discuss the "as built" maps and permit issue. At that meeting, they came to some tentative agreements on procedures to follow. The as-built maps were delivered to Public Works yesterday. A final written authorization from Insight accepting those procedures has not yet been received; however a verbal agreement was reached requiring the meeting. Insight has not given a formal response to the second issue regarding the call statistics.

Commissioner Resnick asked what the impact is for failing to meet compliance requirements.

Mr. Hamilton replied the ordinance and the franchise agreement lay out terms and reviewed the steps to take to resolve the issue.

Commissioner Resnick noted the call in time doesn't start until they get through the IVR. Any navigation problems the customers have would not be reflected in the 30 seconds.

Melody Brucker replied she was away last week and that Insight will make a written statement regarding the permits within the next few days. Their shortfall in call responses occur during extremely high call volume periods like bad weather and internet service problems. Their new IVR will help manage that much better and take care of any discrepancies.

C. Recent FCC Action

Mr. Hamilton reviewed the four reports filed with the FCC by: the Chair (on behalf of Commission), the mayor of Champaign, and NATOA. Last fall, the FCC asked for comments regarding the status of competition in the marketplace. On Dec. 20, 2006, the FCC released a summary of an Order that could affect the local franchising authorities. The FCC sided with the big telephone companies including AT&T, and found that the local franchising authority is an impediment to competition in the cable marketplace and issued new rules to make it easier for the telephone companies to get competitive cable franchises. There appears to be four main changes:

1. The local franchising authority could apply for a competitive cable franchise and the cities would have 90 days to either grant or deny that.
2. The local franchising authority cannot establish unreasonable build out requirements - like requiring a phone company to build out further from their existing telephone service area.
3. The local franchising authority cannot require payments of fees or benefits unrelated to the provision of cable without such costs being subject to a 5% franchise fee cap.

4. The local franchising authority cannot impose unreasonable requirements for PEG or I-Nets.

The Commission discussed the impact these actions had on the Champaign-Urbana franchise and community.

D. Possible State Cable Legislation

The Commission discussed the possibilities of companies presenting proposals similar to the FCC action and what was presented to Congress last year.

Chair Atterberry stated that this would impact our constituents through customer service standards and issues not being answered by local representatives. The franchise fee would be established by the state as opposed to the municipalities. It is a serious issue of customer service; build out requirements, emergency things that we've negotiated in our contract that are different that the federal requirements for using the emergency alert system. It behooves the community to contact their state representatives.

Commissioner Gladney asked if the Commission could fax a letter or meet with legislators to explain the issues.

Commissioner Resnick volunteered to help contact Representatives.

Commissioner Yagi stated that he would speak to the appropriate University personnel about joining in this effort.

9. AUDIENCE PARTICIPATION

None

10. COMMISSIONER'S COMMENTS

Chair Atterberry reminded the public that there is still a vacancy on the Commission for a Champaign resident.

11. SET NEXT MEETING DATE AND ADJOURNMENT

Chair Atterberry reminded the Commission that there is a study session scheduled for April 11, 2007. The next regular meeting is April 18, 2007.

Motion to adjourn by Commissioner Walker and seconded by Commissioner Resnick.

Meeting Adjourned at 6:00 p.m.