

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

**DATE:** April 18, 2007  
4:30 p.m.

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

<b>MEMBERS PRESENT:</b>	<b>CHAMPAIGN</b> Rick Atterberry Karen Walker	<b>URBANA</b> Peter Resnick Barbara Gladney Durl Kruse
	<b>PARKLAND</b>	<b>U of I</b> Stan Yagi

**MEMBERS ABSENT:** Tom McDonnell, Giraldo Rosales, Danielle Chynoweth

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

**1. CALL TO ORDER**

Meeting called to order at 4:31 p.m.

**2. ROLL CALL**

Chair Atterberry asked the Clerk to note the attendance.

**3. MODIFICATIONS TO AND APPROVAL OF AGENDA**

No amendments to the agenda were made. Motion to approve the agenda made by Commissioner Kruse. Seconded by Commissioner Gladney. Motion passed.

**4. APPROVAL OF MINUTES**

Approval of the January 17, 2007 minutes was deferred to give everyone a chance to read them.

Motion to approve the March 16, 2007 minutes was made by Commissioner Walker. Seconded by Commissioner Resnick. Motion Passed.

## **5. CORRESPONDENCE**

Jeff Hamilton reported that the Commissioner packets included copies of news articles pertaining to hiring the cable consultant. There was also correspondence regarding the launch of Insight's phone service and an announcement regarding the transfer of the Champaign and Urbana cable franchises from Insight to Comcast. Insight correspondence was also included which stated that Insight has added one channel, deleted a channel, and announced the launch of Insight Broadband 10.0. There was one cable complaint for the quarter. Mr. Hamilton publicly thanked Insight for their quick response to a fiber connection problem that occurred during the winter months.

## **6. OLD BUSINESS**

### **A. Cable Compliance Report**

Mr. Hamilton summarized the findings of his cable compliance check, which were shared with the Commission in January. Written acceptance was received of the three non-compliant issues. Insight responded to the issue regarding phone statistics by replying the new IVR system would help them raise their phone statistics. The City accepted this as satisfactory and closed out the compliance report for the year. Mr. Hamilton reminded the Commission that a formal compliance check is part of the franchise renewal process currently taking place

Commissioner Resnick stated that Insight's notion that the IVR is solving the problem is a wild card. He stated that customers now have additional phone-navigation time that is not part of the compliance check. He suggested that the telephone survey and terms we negotiate into the next franchise agreement need to be more specific regarding how IVR use gets calculated into hold times.

### **B. Cable Franchise Renewal**

Commissioner Atterberry reported that a preliminary draft of the cable customer telephone survey is currently being reviewed.

Commissioner Resnick suggested that the survey ask questions regarding whether they use the IVR and how happy customers are with that automated system. The other general survey issue is the quality of the digital TV service.

Mr. Hamilton informed the Commission that the Refranchising Committee is moving forward and will be holding hearings and forums to gather input from all sections of the community. The Commission may be called upon to hold public hearings to help in that process. The consultant team has been authorized to start the project. The survey is in draft form and will be an important instrument to use for the next five years; however, there is a time crunch due to summer break changing the makeup of our community. If possible, the Committee will try and get the survey done prior to the break. The Commission will be called upon to help find participants for the focus groups.

Commissioner Gladney asked when the survey needs to go out before we lose the University of Illinois students/community. Mr. Hamilton responded around May 1<sup>st</sup>. The consultants say the company who will do the survey is ready and can get it done before the start of the summer

break. He also said that the survey will not move forward until the Committee is completely happy with it.

Commissioner Resnick asked if the survey could wait until September, if the May 1<sup>st</sup> deadline can't be met. Commissioner Atterberry said that is the fallback plan. He questioned how many University of Illinois students will be included anyway, since many students have cell phones as their only telephone service.

Commissioner Resnick asked if the survey takers will use Insight's customer list. Commissioner Atterberry replied the numbers don't come from Insight at all. They may use a randomizer. The problem here is many student cell phones don't belong to the 217 area code.

Commissioner Walker asked if the numbers would include dormitory numbers. Commissioner Yagi stated students may or may not use the University phone service except to receive messages.

Commissioner Gladney suggested using a combination of internet and phone survey.

Commissioner Resnick suggested getting Insight's customer list and using those phone numbers as an addition to the pool.

Commissioner Yagi stated that in summertime you lose permanent residents due to subletting. The people you get may not be the people paying for the cable bill. Summer is an awkward time for a survey if you want representation from students.

Commissioner Kruse stated that survey responses will only be collected from Insight subscribers and that the survey will continue in a scientific way until they have 300 completed surveys.

Commissioner Resnick said that we will miss a particular class of the population -students and faculty. It is a different demographic that would provide different kinds of answers. It is important to make sure we get a broad range.

Mr. Hamilton stated there probably is not a way around the issue of hitting the college student population. We have to defer to the professional judgment of the surveying firm and obtain a scientifically valid survey.

### **C. FCC Order**

Commissioner Atterberry reviewed the 4-prong perfect storm facing the franchising authorities: the FCC order, the franchise renewal, Illinois House Bill 1500, and the transfer from Insight to Comcast. The FCC has asked for comments on whether the FCC Order should be extended to incumbent cable operators too. Mr. Hamilton provided copies of the comments the City of Champaign filed with the FCC on this issue.

Commissioner Gladney motioned for Commissioner Atterberry to send comments to the FCC on the Commission's behalf. The motion was seconded by Commissioner Kruse. The motion passed.

Commissioner Resnick informed the Commission that the FCC Order says you have to complete the franchise renewal process within 90 days and if you don't complete it, an automatic franchise is granted. He pointed out that the completion could be an acceptance or a denial. There is a possibility the cities could choose to deny the franchise. He suggested that the cities prepare a list of things in the franchise that would be on a 'reasonable to deny' list so that within the 90 days the cities can say they tried to negotiate a franchise but the operator refused to comply, leading to a denial.

Commissioner Atterberry stated that the City of Champaign has a side agreement in place with the cable consultant in case AT&T approaches them under the new rules of the FCC Order. Mr. Hamilton confirmed money was set aside for possible use in case an application is submitted to the City.

Commissioner Resnick asked what Urbana's position is. Mr. Foster replied he is not sure due to the fact the Urbana doesn't presently have a City Attorney.

Commissioner Resnick stated Champaign is probably the bigger target, but both cities should be fully prepared to have this list of things to look for within the agreement.

Commissioner Walker asked why build out would be a deal breaker. She said that if a business decides there are some parts of town that would cost them more; we are essentially telling a commercial business where they have to do business. Commissioner Atterberry replied these companies all use the city right-of-way to deliver their services so the cities have the right to establish the terms under which they use them. He said it would be hard for the cities to tell half of a community they simply can't get the new cable TV services because they live in the wrong part of town.

Commissioner Resnick stated that DSL fell through the cracks because an information service was a business thing. On the other hand the federal government requires build out on telephone service. It is illegal to discriminate where services are delivered. With a utility there are tricky issues so leeway is provided because it is understood you can't serve everyone at once. To prevent discrimination you make sure they build out throughout the years and do not discriminate against certain neighborhoods.

#### **D. Illinois House Bill 1500**

Commissioner Atterberry informed the Commission that the House Committee hearing on HB1500 was postponed. Commissioner Atterberry reviewed the details of HB1500. He stated that up to now, cable franchising has been a duty of local governments - as stewards of the rights-of-way owned by the citizens. HB1500 takes away local franchising. He stated that there are terms in our existing franchises regarding customer service, build out, and PEG channels that could go away. The Bill also requires each PEG channel to have 8 hours of original programming a day; whereas other cable networks only do 2-3 hours in primetime. He said that this requirement would kill PEG channels. He said the Bill would also prevent local governments from intervening on behalf of its citizens in response to complaints or problems.

Commissioner Atterberry stated that the ads from TV-for-U.s are funded buy AT&T. He also pointed out they don't seem to be delivering a consistent message. The direct mailing piece says cable prices have skyrocketed 135% in the past few years, whereas the ad in the paper says 187% and the TV for Us commercials say something else. Competition may drive prices down, but if it only drives it down in some neighborhoods, it is not worth it.

Mr. Hamilton stated AT&T will not necessarily lower the rates in our market. AT&T has reportedly told Wall Street they don't intend on driving down the price. It is not to their advantage although that is what they seem to be selling to the public. Competition is good and can impact rates but AT&T is telling its investors something different.

## **7. REPORTS**

### **A. Committee Reports**

#### *Technical Committee*

Commissioner Resnick stated that he and Commissioner Chynoweth discussed holding a future study session on wireless internet service. He stated that right now the City of Urbana and the County have an underutilized fiber optic backbone. He stated there are two different ways to approach the issue. One is a wireless backbone infrastructure for the city as a point to point backbone that different ISPs and individuals can access. The second is to provide wireless internet service directly to homes. He said he would write a more formal report and work with Commissioner Chynoweth to develop the July study session topic.

Commissioner Walker asked what other communities currently have this service. Commissioner Resnick replied places like Philadelphia have a wide scale wireless initiative. He was unsure of others but agreed to research that for the study session.

### **B. Staff Reports**

Chris Foster reported that all city meetings will now be on the Urbana website. The three live call in shows on UPTV are going well. A Woman's Fund, the sports show, and the Urbana Park District all utilize the Chambers well. The Farm Bureau did 24 shows last year.

Jeff Hamilton reported that the City of Champaign has been busy with cable franchising work. He reported CGTV covered the Champaign City Council candidate forum sponsored by League of Women Voters and also telecast the Unit 4 School Board candidate forum. CGTV also telecast a forum for the City of Champaign Township.

Chris Foster reported that Urbana also held a forum sponsored by the League of Women Voters.

### **C. CATV System Operator Report**

Commissioner Atterberry reported that Insight management was unable to attend due to a corporate meeting in Indiana. He read the quarterly report which they provided. Commissioner Resnick reported the channel offerings are good and they are consistently adding new channels.

## **8. NEW BUSINESS**

### **A. Insight Sale to Comcast**

Commissioner Atterberry reported that Insight and Comcast are swapping systems and Insight will take all of Comcast's systems in Ohio and Kentucky and that Comcast will take all of Insight's systems in Illinois and Indiana. Champaign-Urbana will soon be served by Comcast and a cable transfer will be negotiated. He reported that our cable consultant thinks that is a good thing, as Comcast is a publicly traded company with greater transparency and resources.

Commissioner Gladney asked if the Commission is consulted regarding cable transfers. Commissioner Atterberry replied we have not been officially notified that the transfer is taking place. When that happens we can certainly make sure that Comcast understands our franchise.

Commissioner Walker asked if Insight subscribers will have to change their email addresses or will get different channels. Commissioner Atterberry responded that it is too early to tell, saying those questions will be raised after the transfer is official.

### **B. Future Role of Public Access Committee**

Commissioner Gladney reported that the Committee had met its charge and the group is willing to continue focusing on models of a community media center to support a new public access channel. Commissioner Kruse is joining the Committee. Kali Boyden, UPTV Outreach Coordinator will suggest a few active UPTV members to join the Committee. In addition, the Committee would like to meet with the consultant.

Commissioner Resnick asked how many people from the UPTV Commission and Cable Commission are on the Public Access Committee. Commissioner Gladney said four - Danielle Chynoweth, Durl Kruse, Giraldo Rosales and herself.

Commissioner Resnick suggested that perhaps the Public Access Study Committee should become a separate body and disengage from the Cable Commission. Commissioner Gladney replied that the Committee discussed that, but at this point, the Committee would like to remain connected to the Commission. There was a strong consensus to have official involvement with the re-franchising process.

## **9. AUDIENCE PARTICIPATION**

None

## **10. COMMISSIONER'S COMMENTS**

Commissioner Walker encouraged viewers to watch the programs offered on the PEG channels.

Commissioner Resnick stated the sports show is hysterical and a quality program similar to ESPN.

**11. SET NEXT MEETING DATE AND ADJOURNMENT**

The next meeting date is the July 11<sup>th</sup> study session.

The meeting was adjourned by Commissioner Atterberry at 5:59 pm.