

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

MINUTES

DATE: October 24, 2001
 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

Danielle Chynoweth
Barbara Gladney
John Peterson

PARKLAND

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Tom McDonnell

George Badger

MEMBERS ABSENT:

Kevin Maxson

STAFF PRESENT:

Trisha Crowley

Chris Foster

OTHERS PRESENT:

Charlie Heflin, Lori Carroll, Libbie Stehn, Irma Alvarez, Bill Dunlap,
and David Treat (Insight)

CALL TO ORDER

Chairman John Peterson called the regular Champaign-Urbana Joint Cable & Telecommunications Commission Meeting to order at 7:08 p.m.

APPROVAL OF MINUTES

Minutes from the July 12th study session, July 25th regular meeting, and October 11th study session were approved, it was noted that some names were misspelled in Item F of the July 25th minutes and Commissioner Peterson noted that he was given false credit for praising the 4th July parade on Item I.

APPROVAL OF AGENDA

Chairman Peterson noted that he had hoped to have some reports from the various broadband providers, but they were not prepared to speak at the meeting. He said the reports would be ready for the next meeting. No other additions or corrections were made to the agenda.

CORRESPONDENCE

Chairman Peterson stated that he did receive a piece of correspondence that he would pass on to the commission, when the issue was decided.

BROADBAND SERVICE OFFERINGS

Commissioner Bruno stated that a citizen called him and said that he walked into the Insight office and asked to sign up for the cable internet service, and was told he couldn't. Commissioner Bruno went on to say he was curious about the status of the cable Internet service. Commissioner Silverman added that he talked to someone who had a similar problem, and when he called in their behalf he was told that there was some court order that wouldn't allow them to install the service. Commissioner Silverman then questioned that, and he talked to someone from Insight who told him they could install the service. He added that Excite @ Home Corporation's stock is worth virtually nothing, and they have filed for bankruptcy protection, and AT&T has moved to purchase the cable access to Internet from Excite. Dave Treat from Insight stated that Excite did file for Chapter 11 bankruptcy and there was a court injunction that said that Insight could not install anymore @ Home customers, that injunction was lifted after about two weeks. Mr. Treat added that Insight was having an overload situation on its routers, which were slowing modems down so much that they have been dropping off line. He said the problem normally occurred from 5PM – to midnight, and the overload was why Insight was not installing anymore @ HOME customers at the moment. To fix the problem Mr. Treat said Insight would be doing a memory upgrade on the routers, increasing it from 64 megabytes to 128 megabytes. Also, they are going to install a third router and move some of the modems from the heavily loaded routers to the new one. They are also going to change out a 100-megabyte switch in their head-in and put in a gigabyte switch, which should help with latency problems. Chairman Peterson asked what areas of town the two current routers serve. Mr. Treat said that the routers were not divided by areas of town, and that they were balanced as they added customers. He also said that the overload was caused by the return of the U of I students. Chairman Peterson asked if it was Insight's or Excite @ Home's responsibility to add the router, Mr. Treat said that it was Insight's responsibility to purchase and install the router and then Excite has to configure and test it before any nodes can be moved to the router. Mr. Peterson asked if they knew how much traffic they were expecting once they were uncoupled. Mr. Treat said that they were going to spread the modems out evenly over the three routers, and it when they were all done they should have a little over 2,000 modems on each router. Chairman Peterson asked when the third router might be installed, Mr. Treat said it was ordered from Cisco, which is a 20 day process, and then @ Home wants 30 days to configure it. Mr. Peterson asked if they were having backbone problems out of the city, Mr. Treat said there were no circuit capacity problems. Commissioner Bruno wondered since they had lost 700 @ home subscribers in August, if October's numbers were even lower. Mr. Treat said that he did know where that number came from. Mr. Bruno was curious about these people who go the extra mile to buy something that is high speed, and how they are expressing their displeasure when the modem is not working. Mr. Treat said Insight is getting inundated with complaints, and they are basically telling them what they are telling the commission. Mr. McDonnell asked if customers were receiving billing relief because of the problem, Mr. Treat said that they were. Commissioner Chynoweth wondered if there were any other reasons for the lag time, for the installation of the third router. Mr. Treat said this problem was not anticipated due to the one year history of U of I subscribers, and they were not expecting the growth that occurred. Mr. Peterson wanted to clarify that the long-term fix would take until Thanksgiving, and Mr. Treat agreed.

OLD BUSINESS

- A. Commissioner Chynoweth handed out a report on her trip to the NATOA conference. The report said issues such as industry changes, FCC changes that would restrict local authority to control right of way and restrict the local authority to require a high level of customer service were discussed at the conference. Given this NATOA had decided to spend the next year focusing on local control of right away issues, antennae placement, the ability to get compensation for public uses, and to keep high standards of service. Mrs. Chynoweth added NATOA talked about a new initiative they would be adding, which included discussions with industry. White papers listing the agreements and disagreements during the meetings would be released to provide people with leverage to argue and lobby particular issues. Commissioner Chynoweth stated she was particularly interested in public access issues and their utilization of websites, she used fairfaxcounty.gov as an example of what to do. She went on to talk about what kinds of things

commissioners can bargain for when negotiating a franchise agreement. The things that were listed were channel capacity, technical capacity, PEG facilities and equipment support, that PEG go digital when other channels go digital, and the securing of channel numbers. Mrs. Chynoweth provided an example where one channel was bumped to channel 75 after being channel 11 for ten years, Commissioner Gladney added that there was an informal agreement with Insight that our channel would not be moved. Commissioner Chynoweth said she attended a seminar that talked about improving PEG access channels, and the primary point of the seminar was if you want good programming you have to pay people to produce programming. She added that she was going to look into opportunities like that for UPTV. Commissioner Atterberry's report on the NATOA conference focused on regulatory and technical sessions. The main thing that came out of the conference was questions about call centers, as we experienced in Urbana with @Home. There was also a lot of discussion about the pole attachment and right of way issues, and the issues seemed to be going into the area where there will be less control over right of way, particularly if the courts decide broadband services are more of a common carrier, where there is not a local control over right of way. Mr. Atterberry stated that the scariest thing about the regulatory side of the whole conference was word out of Florida that the state had passed a tax simplification law, which amounted to pulling away the franchise fee authority from local municipalities. The law said that local authorities were granted a one year guarantee where they would make no less than they had made the previous year, but after that it was entirely possible that if your municipality grew, or if broadband came in and you had 7,000 new customers over a couple of years you really wouldn't get any credit for it and the state would get the money. Mr. Atterberry added that the issue is something we will have to watch because it won't stop in Florida, it will probably go from state to state since operators love it and it is a lot less paperwork for them after the first year. Chairman Peterson commented that subscribers would still be paying tax, and Commissioner Atterberry agreed but said the money would be going to Springfield. Another issue was transfer systems, the trading of systems, and the lack of local responsiveness by new operators. Operators did not feel the least bit bound by any informal agreements that existed, they specifically said instead of watching your back, watch your PEG channels, their location, and how many you get. Mr. Atterberry said that operators didn't seem to be concerned about continuing local efforts that had been undertaken in the past, like some of the things we have here. The rarity of broadband and telecom and competition was another issue discussed as well as wireless transmitting. It worked in some places out west where they daisy chained the transmitter together through street lights, but when they moved on to the Midwest and East coast to test the technology they realized that unlike California, where they use solar power to light the street lights, here the power to poles is only there from dusk to dawn instead of 24 hours, thus the company went out of business. Mr. Atterberry also mentioned that there has been a problem with 800 MHz cell phones and police communications, particularly with those that work like walkie talkies, where it was discovered through the death of a police officer who could not be heard because he was too close to a cell tower. There is a blacked area near some cell towers where the power of the transmitter involved in the cellular transmissions overpowers the walkie-talkies that the police have. Although everyone was operating legally, the Florida state legislature passed a law that any interference whether intentional or unintentional, legal or illegal, with police communications is a felony. Cell operators are now trying to work something out. Mr. Atterberry added that he attended a presentation on audits where it was suggested that independent auditors be hired with expertise in the area of franchise fees. He added that the NATOA conference was going to be in Chicago next year, and the best was made of the conference even though it took place during the September 11th tragedy. Commissioner Silverman commented that when we negotiated our franchise agreement that the only thing that was not negotiated from Commissioner Chynoweth's Franchise agreement section, was that the PEG channels be digital and that was because digital didn't exist, and if you are on digital cable you need a converter box, and we specifically want the basic service to include the PEG access channels. Commissioner Silverman added that as far as the channel numbers go, Insight has made a conservative effort to place its channels in clusters. WGN and TBS are together, all the ESPN's are together, the old movie channels are together, so the PEG channels are all placed below channel 17 because that is basic service and while that could be changed, it is not likely, and there is no reason for the change. Commissioner Silverman went on to say that Insight has decided to consider the @Home service to be a franchise fee, and when they pay the

franchise fee they base it on their gross income, and they include that. They probably could make a choice and not include it and then pay it to the state like phone companies, but they have chosen to pay a franchise fee for it, and there are no indications that they are going to change that, although Mr. Silverman didn't think that we could regulate that anyway. Commissioner Silverman added that he appreciated the reports. Commissioner Bruno hoped that if there was not enough money in the Commissions budget to pick up any extra expenses that occurred because of the September 11th attacks, that the city would be able to pick up the expense. Mrs. Crowley said that she would look into the budgetary consequences, and send Mr. Bruno a report. Mrs. Gladney added that since the next NATOA conference was in Chicago it would be nice if it could be budgeted for a lot of the Commission to go.

AUDIENCE PARTICIPATION

There was none.

REPORTS FROM STANDING COMMITTEES

Chairman Peterson stated that there was number of standing committees, and they had not been reassembled. Mr. Peterson recommended that the Commission ask Commissioner Maxson if he would be willing to head the Technical Committee. Commissioner Gladney asked what the purpose of the programming committee was, Commissioner Silverman stated that it's original purpose was to give Insight input from the consumers, as to the kind of programming consumers wanted. Commissioner Bruno felt that it was appropriate to eliminate the programming committee, and just allow the ten Commissioners to resume that responsibility. **Commissioner Bruno then moved that we eliminate the standing committee called the programming committee. Commissioner Gladney seconded the motion. There was no further discussion, and the commission voted unanimously to eliminate the programming committee.** Commissioner Gladney noted she was in charge of the PEG advisory committee, and she wondered if Insight had put its programs in different clusters, because she noticed a Spanish language cluster. Commissioner Gladney noted that there were a lot of people who wrote letters and were interested in Spanish programming. Chairman Peterson asked how much it costs somebody if they Spanish language cluster. Lori Carroll from Insight it was \$10 dollars plus a converter box. Commissioner Silverman wondered about programs like the World Series that was broadcast in SAP, and if that tool was ever used. Mrs. Carroll stated there were a few stations that had that option available. Commissioner Gladney stated that the mail inserts for the PEG channels went out in September, and Parkland provides the photo-ready copy and the printing. 40,500 inserts were printed for \$625.25, which is covered by the commission budget. Mrs. Gladney added that annual reports from all four PEG channels were completed and she asked Urbana Public Television Coordinator Chris Foster to talk a little about his report. Mr. Foster stated that his report mainly focused on programming, it tells about the programs UPTV has and the programs they have been adding. The report also included monthly and weekly program schedules, and a list of what makes up each two- hour program block. Mr. Foster added that UPTV was very close to purchasing two dishes that would provide UPTV with the Annenberg Channel and Free Speech TV. Commissioner Silverman asked if any commercial material was being downloaded, Mr. Foster said no, and that all the programming was free once you were able to receive it. He added that there was an increase public access programs as there were 6 programs on the air and 3 more in the works. Commissioner Bruno wondered why UPTV had mostly day time programming and he suggested that city council meetings or other programs be run at 3 AM or later hours. Mr. Bruno went on to urge Mr. Foster to move forward and air programs at later times. He also said if our four PEG channels are trying to air city meetings, then we should use them to their full potential. Commissioner Silverman added that while we have four PEG channels the franchise agreement allows up to 8 channels. To get those channels you have to reach certain thresholds for original programming to become entitled to another channel. He also noted that we are nowhere near those thresholds, but the possibility for additional channels is there. Chairman Peterson wondered how the U of I did with respect to 24 hour programming. Commissioner Gladney said they are on 24 hours, they have telecourses, SCOLA, public affairs programs, and student newscasts. She added that Parkland's channel was on 24 hours as well. Commissioner Silverman stated that the reception for SCOLA was really bad, Charlie Heflin from Insight said that they have spent extra money to use fiber optic cable for each PEG channel. The quality of the picture is basically what the channels are sending, and

SCOLA is received that way from WILL. Commissioner Chynoweth added that the NATOA conference talked about the need for tickertapes during City Council meetings that can provide names, agenda items, and how much time is left in the meeting. Mr. Foster added that UPTV was working on purchasing a character generator so that could be done. Commissioner Gladney noted that each channel was unique and had provided a report. She wondered if that was okay or if the Commission felt they needed to develop some kind of reporting form for the information. Chairman Peterson asked Commissioner Bruno what kind of response he has been getting when he pushed the City of Champaign to do more with its channel. Mr. Bruno said the problem is that the duties of running the channel had not been assigned to any one department, Champaign created a new department called Information Technologies and Mr. Bruno said it is natural for the duties of the station to fall under that department. He added that the channel is a valuable asset, and that when he suggests the city council meeting should be shown over and over again it is greeted with humor. Commissioner Bruno didn't understand it, since the alternative was a bulletin board. He added that the PEG channels were very valuable to Insight because it makes their product unique unlike with digital cable or Direct TV, which don't receive the channels. Commissioner O'Rourke suggested that the Commission write up a proposal, vote on it, and take it to the city council. He added that the Telecommunications commission should be doing this instead of hearing it from Commissioner Bruno. Commissioner O'Rourke stated that he would be happy to present it, and Mr. Bruno added that he had not talked anybody who was opposed to the idea of increasing the use of Champaign's PEG channel. Commissioner Chynoweth said that we underestimate how interested the general public is in their local government. Commissioner O'Rourke said we should put expanded PEG usage on the agenda for the next meeting. Commissioner Gladney restated that she wanted the commission to think about if their needed to be a form for channel reports. She also mentioned that the channels are being promoted through mail inserts, Insource, 30 second spots, and a little in the news gazette. Chairman Peterson said the idea of common form might help get a handle on what is being done by the 4 channels. Trisha Crowley said that at the study session the issue of regulating broadband of the cable company came up, and that the whole issue of regulation and cable broadband was in a confused state, which was the purpose of her memo. She referred to a court case in Portland where they were attempting to put a requirement in their franchise that other companies have access to the cable modem service that the cable company was operating, the Federal Court said it was not something that could be regulated by the franchise. Which leaves the question what is cable broadband and how should it be regulated. She went on to say one of the problems was that the cable industry was changing so fast and companies were consolidating and buying, so their interests were changing. Chairman Peterson wanted to let Mrs. Crowley know that she was doing a great job, she announced that the staff position that normally fills her job had been filled, and the person would probably be introduced at the next meeting in January.

REPORT BY THE CATV SYSTEM OPERATOR

Technical Supervisor for Insight, Charlie Heflin informed the commission that the existing management team from Insight, along with Libbie Stehn from Springfield were running the cable system while Melody Bruecker was on maternity leave. Mr. Heflin stated that according to statistics the calls being received by Insight are going down as well as the call times. They have hired some new people and they have permission to hire 3 new customer service representatives. He went on to say that they did get two new antennae's in for WAND and WEIU, and WCCU is allowing Insight to use their tower to retransmit those channels from, which has eliminated the ghosting problem. Commissioner Silverman wondered why WCCU has little regard or care for the Champaign market, when it comes to advertising and picture quality. Mr. Heflin said there was a point when WCCU was off more than on, and they finally talked to the new WCCU general manager, John Newcomb, and he is generally concerned with the Champaign market. Problems Mr. Newcomb expressed were transmitter and receive problems, and he assured Insight that they have spent 1.5 million dollars to upgrade their transmission link in Penfield, which was torn down and rebuilt. Mr. Heflin added that WCCU microwaves their signal to Penfield and then it is retransmitted here locally. He also said that there were a few ad representatives in Champaign but since they have had problems, local businesses may be reluctant to buy time. Mr. Heflin said that they have made improvements, but he was not sure where they were at in terms of getting the picture quality and transmitter up to full power. He said that Insight spent \$10,500 to put a fiber optic link directly into WCCU's studio, but then they moved their transmission to Penfield, that link was then used to fix WAND and WEIU. Commissioner McDonnell said that one of his students at Parkland is a digital cable subscriber and says she

can't get the Parkland channel, he wondered if there was a problem or if it was something she was not doing right. Mr. Heflin said that if she has digital converter there should be no problem, since they pass the basic service right through the DCT. Mr. McDonnell asked if all the channels are the same, Mr. Heflin said they are the same and if she was having a problem, she should call and see if they could get her up and running. Commissioner Atterberry mentioned that there seemed to be a quick turn around time when it came to cable bills. Lori Carroll from Insight said that there has been some bit of a delay since September 11th, but they actually have 45 days to pay their bill, so there is a window. UPTV Coordinator Chris Foster asked Charlie Heflin about the status of the Urbana School Board meetings that have been having technical problems since the beginning of the school year. Mr. Heflin said that they had a problem with the fiber-optic link and determined that the transmitter was bad, and it was not back from the shop yet. They did order a spare transmitter so if it happens down the road they can switch it out with the dead one.

NEW BUSINESS

Trisha Crowley put together an annual operations report and she found that in the negotiations of the several franchise transfers, it became evident that there was not much oversight going from a technical point of view. She added that the staff worked out a schedule last year for looking at all the different elements of the franchise ordinance and to make sure there was compliance. One thing that is not done is an audit of any books to make sure the franchise fee needs to be collected and paid on a certain basis. Mrs. Crowley presumed that there was not a whole lot of urgency or need to do it, unless the Commission felt there was a need to do it. She also said that Melody Bruecker and her talked about how much of the report's information the Commission would want to see on an annual basis, and she noted that there would be a time that the same thing would have been done at Urbana. The actual information shows that the service figures are not in compliance with what the franchise requires, which has come out of the billing conversion that occurred in June, and while calls have gone down there is still a significant problem with calls being abandoned or not answered quick enough. Mrs. Crowley said that the Commission should watch the problem over the next quarter and request reports, and if they show there is still a problem then we can see what can be done about. All of the other technical requirements, like providing insurance, making sure their plans are on file, and paying fees were met. Mrs. Crowley said the Insight was very helpful in providing the information needed, but the service problem still needed to be watched. Commissioner O'Rourke suggested that when it comes up each year the staff provide the Commission with a list for each franchise requirement and if they are in compliance, not in compliance, or uncertain. Then those things that are considered to be not in compliance or uncertain would be brought to the Commission, the operator could explain the problem, and the Commission could look at the problem and make a decision. He added that those are the reports that the Commission needs to see. Commissioner Chynoweth wondered why Insight customers were still receiving busy signals when they call. Lori Carroll from Insight said the phone lines are there but they are going through a turnover. Less people working, and the addition of new employees is affecting the ability for Insight to work in its full capacity. Mrs. Chynoweth asked when the problem might be resolved; Mrs. Carroll said that the amount of busy signals had already been subsiding. Trisha Crowley asked if other Commissioners agreed with Mr. O'Rourke's suggestion, Commissioner Gladney and Chairman Peterson said that it seemed to be a logical solution.

NEXT MEETING DATE AND ADJOURNMENT

Commissioner Silverman stated that some Commissioners were having problem with some of 2002's meeting dates. He said the problem was coming on the fourth Wednesday's of the month, which was done so there was a week and half between the study session and regular meeting. Chairman Peterson decided to move the regular meeting to the third Wednesday and the study session to the first Thursday. The meetings were then set for January 4th, January 16th, April 4th, April 17th, July 11th, July 17th, October 3rd, and October 16th. Commissioner Gladney wanted to make it clear that the morning study session meetings were at 7:30 AM and the regular meeting was at 7:00 PM. Chairman Peterson adjourned the meeting at 9:00 PM.

