

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

DATE: October 15, 2008
4:00 PM

PLACE: Urbana City Council Chambers
400 South Vine Street, Urbana, IL

MEMBERS PRESENT:	CHAMPAIGN Rick Atterberry Karen Walker	URBANA Barbara Gladney Durl Kruse Peter Resnick David Gehrig
	UNIVERSITY OF ILLINOIS Stan Yagi	PARKLAND Chris Foster

MEMBERS ABSENT: Ken Pirok, Giraldo Rosales

STAFF PRESENT: Jeff Hamilton – City of Champaign
Kate Gorman – City of Urbana

OTHERS PRESENT: Art Svymbersky – Comcast

1. CALL TO ORDER

The meeting was called to order at 4:02 p.m.

2. ROLL CALL

Chair Rick Atterberry welcomed new members David Gehrig (Urbana) and Chris Foster (Parkland).

3. MODIFICATIONS TO AND APPROVAL OF AGENDA

Agenda was approved as presented.

4. APPROVAL OF MINUTES

Minutes were approved as presented.

5. CORRESPONDENCE

Mr. Hamilton presented various notices from Comcast regarding channel changes.

6. OLD BUSINESS

A. Cable Franchise Renewal Update

Chair Atterberry reported some progress has been made and negotiations continue.

B. Modification of Rules & Regulations

Chair Atterberry reported that at their last meeting, the Commission asked to modify the Commission's Rules, which is now up for a formal vote. The changes would remove the Secretary position, change the regular quarterly meeting time to 4:00 p.m., and a few other housekeeping changes. Approved as presented.

7. REPORTS

A. Committee Reports

Broadband Access Committee – Commissioner Resnick reported that the Committee has met and has begun gathering information. He plans to bring back the Committee's report early next year. The Committee representatives include: both cities, the U of I, Cable Commission, Independent Media Center, library, and other community members. They are discussing municipal broadband issues and various models.

B. Staff Reports

UPTV - Ms. Gorman reported UPTV has 2 new series and 38 new programs; 19 of which are local. She reported that UPTV is a finalist for a grant for new playback equipment. They have also hired a new intern, so UPTV is now staffed on weekends too.

CGTV – Mr. Hamilton reported that CGTV is covering two League of Women Voter candidate forums this month. CGTV is also producing the Champaign-Urbana International Humanitarian Awards program and live coverage of a joint Council/School Board/Park District Board meeting from the library on October 20th.

C. System Operator Reports

Comcast - Mr. Svymbersky announced that Comcast launched the *Big Ten Network* on 8/15/2008. Comcast has added *ION*, *Qubo* and *Total Living Network (TLN)* and moved several channels to a lower digital tier, including *AMC*, *HGTV*, *History* and *Sci-Fi*. They also moved *WGN American*, *National Geographic*, and *EWTN*.

On 11/11/08, Comcast will move analog channels *CSPAN2*, *MTV2*, *TBN*, *G4* & *Style* to the digital tier. The cable tiers in order of expense are: Basic, Expanded Basic, Digital Basic, Digital Starter, and Digital Preferred. He stated that the digital box can be rented for \$1.13 per month.

Commissioner Resnick asked why *CSPAN3* isn't on a lower analog tier, along with the other public affairs programming. Mr. Svymbersky will check on this and report back.

Commissioner Kruse asked what will go on channel 16 when *CSPAN2* moves. Mr. Svymbersky said channel 16 will completely go away as they recapture bandwidth so they can provide more HD channels.

Commissioner Kruse asked if Basic will continue to lose channels. Mr. Svymbersky said they are managing their bandwidth to launch new channels that subscribers want.

Chair Atterberry stated *EWTN* moved from Expanded Basic to Digital Starter. He asked what the additional cost is to the customer to keep this channel. Mr. Svymbersky replied that Digital Starter is an extra \$1.99 a month but adds many more channel choices, besides just *EWTN*.

Chair Atterberry asked Mr. Svymbersky to explain why Comcast is swapping out so many analog channels. Mr. Svymbersky explained that analog channels use a lot of bandwidth and they can put 4-10 digital channels in that same space. The changes are needed to stay competitive and meet customer demands.

Commissioner Walker reported that she has received a number of citizen complaints regarding Comcast. There have been too many service changes since Comcast took over, leading to several customer service issues too, including:

- Insight 10.0 became Comcast 6.0
- Comcast discontinuing news group access and capping Internet usage
- Comcast monitoring and controlling customer's Internet usage
- Several Basic channels are being removed
- Comcast planning to move to full digital service
- Telephone rates went up 25% without notice
- New fees implemented for various services
- Change of the local office phone number

She stated that many of these issues are negatively impacting customers or reflective of poor customer service. She said that taking away channels amounts to a rate increase. She reported that Champaign-Urbana pays the highest cable rates in the Midwest at \$52.75/month. Her research shows that same service costs \$1-\$4.25 less in other Illinois and Midwest communities. Commissioner Walker reported that Comcast is making a huge profit and it is hard for Comcast to justify higher rates. She is concerned that although Comcast is currently negotiating to renew their franchise, they are not treating our community fairly. Champaign-Urbana residents are not happy with Comcast.

Mr. Svymbersky said transitioning from one company to another always leads to changes that will upset some customers. He clarified that customers still get 10mb Internet. He will share her concerns with Comcast management.

8. NEW BUSINESS

A. Cable Complaints

Mr. Hamilton reported the City of Champaign received 19 cable complaints in 2007 but have received 42 complaints already in 2008. He explained that this includes cable

television, Internet, and telephone service complaints, although the Cable Commission really only has authority over cable television.

Chair Atterberry stated customer service is often an aggravating factor mentioned in the complaints.

Mr. Svymbersky agreed that they need to react quickly to their customers' problems, then look back and coach their employees to prevent recurrence of problems. They are having some challenges as they integrate into Comcast's new systems. They react to complaints as quickly as possible.

Commissioner Gladney said that she wants the public to know they can use the Commission and City staff to air their grievances.

Chair Atterberry asked if the increased complaints are becoming a burden for staff.

Mr. Hamilton said that Comcast customers don't differentiate between Comcast's various services. The City is happy to take citizen complaints and work to help resolve customer issues. Comcast is responsive to City inquiries and customers are being helped.

Ms. Gorman said Urbana is also happy to help customers resolve their cable-related problems, and that Comcast responds quickly to formal city complaints.

Commissioner Resnick asked staff to report on the number of Cable-TV, Internet and Phone complaints in the future. He also suggested staff track the amount of staff time spent handling cable complaints.

Mr. Hamilton reported that 90% of Champaign's cable complaint calls are really from people who think they are calling Comcast, not the Cities. Champaign has asked Comcast to clarify the complaint process on their bills, but they are either not willing or able to make that change.

Commissioner Yagi recommended that the negotiating team require this language change in the new franchise agreement.

B. NATOA Conference Report

Commissioner Resnick stated that he will provide a written trip report to the Commission at their next meeting. He reported that he attended several Community Network sessions at the conference. He learned that many communities have or are building out their own broadband networks. He reported that Lafayette, Louisiana built their own community network at a cost of \$110 million. They run a profitable cable, Internet, and phone company that is paying off the construction bonds. Lake Forest, Illinois is just starting to build their network. Charlotte-Mecklenburg, North Carolina bought the system from their cable operator and took over control. He learned that although local telecom companies threaten to sue and shut down these projects - they don't. The Broadband Access Committee will discuss these projects in more detail.

Commissioner Resnick also attended a Comcast roundtable meeting but still is waiting for Comcast's response to two questions and asked Mr. Svymbersky to see if he could get them answered:

- 1) When Comcast goes fully digital, will customers be able to use their digital TV or off-air digital tuners to watch Comcast's digital programming, without needing a cable box?
- 2) Comcast's local Internet traffic actually doesn't stay local and goes from here to Indianapolis and back. Is this Comcast policy? Mr. Resnick stated he would like to have it remain local thru local peering.

Commissioner Yagi answered that local peering is easy to do, but is against the policies of AT&T and Comcast. He agreed with Commissioner Resnick - why not keep local Internet traffic local? The University of Illinois has discussed this issue with both AT&T and Comcast but they aren't interested in local peering.

Commissioner Kruse said that in the other places that have built community networks, it appears they had strong political backing. He suggested that the Broadband Access Committee connect with upper-level administrators or local elected officials and involve them early on. Commissioner Resnick said that staff from both Cities and the U of I are on the Committee. He wants the group to develop a plan before they consult the Mayors and City Council.

Commissioner Gladney asked if the listed municipalities are doing cable TV too. Commissioner Resnick answered yes, most do TV, Internet, and telephone. In most cases they are competing head-to-head with the cable operators and telcos.

Commissioner Gehrig asked what the level of customer satisfaction is in those communities. Commissioner Resnick answered that people are very happy with the municipal service and it saves customers about 20%.

C. AT&T – PEG Access

Mr. Hamilton reported that AT&T has already launched their U-Verse service in the Chicago area and that several communities are complaining that AT&T isn't meeting the PEG requirements of their state franchise. Several have complained to the Attorney General's Office. IL-NATOA helped pay for an independent study which found that AT&T has the technical ability to provide PEG channels in a manner consistent with state law, but is choosing not to. About half of the communities in the Chicago area have agreed to put their PEG channels on U-Verse, but half have not.

Mr. Hamilton also reported that a Congressional Sub-Committee recently held a hearing on AT&T's carriage of PEG and asked the FCC to look into the matter.

Commissioner Gladney stated that the Commission should sign letters in support of PEG, when that time comes.

Chair Atterberry stated that if the FCC requests comments on a proposed rule making, that the Commission should respond.

Commissioner Resnick stated that the state franchise allows us some control over our rights-of way (ROW). He recommends that both cities control their ROW to the best of their ability and hold AT&T to their state franchise obligations.

9. AUDIENCE PARTICIPATION

There was no audience participation.

10. COMMISSIONER'S COMMENTS

Commissioner Foster said PCTV is considering carriage of the NASA Channel since Comcast no longer carries it. Chair Atterberry said the NASA Channel is also available on the Internet.

Chair Atterberry reported that AT&T couldn't attend today's meeting but that they would like to show the U-Verse product to the Commission early next year. He said the UI-7 has made a remarkable transition and looks really good.

11. SET NEXT MEETING TIME AND ADJOURNMENT

The next study session meeting date was set for January 14, 2009, at 4:00 p.m. in Champaign. The next regular meeting date was set for January 21, 2009, at 4:00 p.m. in the Urbana.

The meeting was adjourned at 5:28 p.m.

Respectfully submitted,

Jeff Hamilton
Telecommunications AV Technician
City of Champaign