

CABLECASTING BOARD MEETING MINUTES - NOVEMBER 17, 1999 - PAGE 1

Present: Abbott, Devereaux, Doctoroff, Fleischer, Hall, Kuhne and Spivak - Birmingham
Borgon, Janks and Lowmaster - Beverly Hills
Leckie - Bingham Farms

Absent: DiSessa - Franklin

Also present: Hagaman - Cablecasting Board Administrator
Martinico - Director of Technology, Birmingham Schools
Gillis - Attorney for Cablecasting Board
Colgan - Municipal/Library Access Channel
DiMaria and Cannon - MediaOne representatives
Currier - Birmingham City Attorney
Buterbaugh - Beverly Hills Council representative

Chairperson Hall called the meeting to order at 7:54 a.m. in the Rotary Room of the Baldwin Public Library at 300 W. Merrill Street.

APPROVE MINUTES OF REGULAR CABLECASTING BOARD MEETING HELD ON OCTOBER 20, 1999

Correct the time to read "8:15 a.m." on the last line of page four.

MOTION by Spivak, supported by Fleischer, that the minutes of a regular Cablecasting Board meeting held on Wednesday, October 20, 1999 be approved as amended.

Motion passes unanimously.

REQUEST FOR TRANSFER OF FRANCHISE

At last month's meeting, the Cablecasting Board approved a form of Resolution to be acted upon by the consortium communities for conditional approval of the Transfer of Control of Cable Franchise from MediaOne to AT&T. MediaOne representatives pointed out that several items in the conditional approval related directly to AT&T. They proposed that AT&T be afforded an opportunity to review and comment on those conditions. The Board passed a second resolution recommending that the member communities agree to a 30 day extension to the 120 day period for acting upon the application for consent to the transfer for the purpose of further review by AT&T, if such extension was requested by AT&T.

Hall informed the Board that AT&T did have substantive comments on the conditions attached to the Resolution. All four communities extended the 120 day period by 30 days as requested by AT&T. The period of time for acting on the application for consent to the transfer now expires at the end of the day on December 14, 1999.

Hall proposed that the Board should either recommend the document as drafted or revised to the communities for consideration or discuss another extension. Board members have received copies of a new draft of the Resolution approving the Transfer of Control of Cable Franchise from MediaOne to AT&T.

Gillis referred to his memorandum to the Board dated November 12, 1999. A modified resolution and attachments reflect extended discussions between himself, attorneys for AT&T, and Grover and DiMaria from MediaOne. Gillis believes that the revised resolution and side letters are satisfactory. Most of the changes were not as much substantive as editorial. MediaOne and AT&T preferred that certain provisions be removed from the resolution and stated in a side letter. This is satisfactory with Gillis as long as the undertakings are enforceable in the side letter. Gillis has received signed copies of those letters.

Gillis recommends that the Board adopt and approve the transfer subject to the revised resolution of approval and special conditions together with the related side letters.

RESOLVED by Janks, supported by Leckie, that the Cablecasting Board recommends that its member communities approve the proposed transfer of control of their Cable Franchisee from MediaOne to AT&T subject to the revised conditions and related separate undertakings with MediaOne as submitted by the Board's attorney by transmittal memorandum dated November 12, 1999. It is further resolved that this Resolution together with the revised Resolution of Approval subject to specified conditions and related MediaOne undertakings be furnished to the Board's member communities and their respective attorneys for action by such communities on or before December 14, 1999.

Questions and comments from the Board were addressed by Gillis. Condition (d) states that there will be a full and binding renewal franchise agreement or an agreement to extend the negotiations on or before December 31, 1999. Board members commented that it is highly improbable to have the new franchise agreement adopted by that date.

Gillis clarified that there is no question that the resolution language is overly optimistic with respect to a renewal of the franchise agreement. The parties agreed to extend negotiations without a formal extension of the franchise agreements, which would involve the communities' adopting resolutions. The company has and will continue to have operating authority without the formal requirements. Gillis thought it was important to include a date in the resolution as a guide. The parties are close to finalizing the agreement, and negotiations will proceed with all deliberate speed.

Hall stated that the Birmingham Commissioners are concerned that they have adequate time to review and discuss the franchise renewal documents once they are received. He assured the commissioners that the only deadline the communities are under is the mandated schedule for acting on the FCC Form 394 Transfer of Control request. The Board and Cable provider are not placing elected officials under pressure to approve a franchise by December 31. The communities will have the time needed to deal with this topic once the documents are submitted.

Roll Call Vote:

Resolution passes unanimously.

FRANCHISE RENEWAL UPDATE

Gillis remarked that franchise renewals are generally complicated and take a long time to finalize for several reasons, one of which is that renewal agreements are often delayed by transfers of the control

of the franchise due to the clustering of the industry. Gillis indicated that most of the time he spent on legal matters for this Board since the last meeting has been usurped by the AT&T acquisition of MediaOne.

Gillis has been working on franchise renewal documents. He related that Jon Kreucher of MediaOne may be in town during the Thanksgiving holiday and available for consultation. Gillis remains hopeful that the documents can be completed in time to submit them to the Board prior to its next meeting.

Gillis reported at the last meeting that two pending technical issues had been settled. The description of what the cable company will do with respect to the Birmingham INET has been furnished to the Board's technical consultant Dennis Fasset. Gillis is awaiting his report. The narrative has been included in the draft agreement subject to editorial changes.

The other technical issue pertains to the Birmingham School District requirements. DiMaria has indicated that the requirements of the School District are not unreasonable. There appears to be some technology issues that need tweaking.

Martinico commented that the Schools have been waiting to see something in writing from MediaOne technicians. The District has asked for what it deems is appropriate to serve the needs of the school system in a new franchise agreement. The availability of the technical people from MediaOne to meet combined with ongoing PEG access discussions has delayed the process. She is confident that an acceptable resolution can be reached.

Gillis asked to be provided with the language to be incorporated into the franchise agreement document as soon as it is available.

Kuhne stated that the negotiating committee is reviewing copies of the franchise agreements for both Bloomfield Hills and Bloomfield Township. This consortium used the Southfield franchise agreement as a format for its base agreement. Gillis remarked that the negotiating committee will want to be able to tell the Board that the Birmingham consortium is not in a less advantageous position.

It was noted that copies of the Bloomfield Hills and Township and the Southfield franchise agreements are available for review by interested Board members. Janks observed that it appears that this consortium is trying to include more specific language in its franchise agreement than Bloomfield has in their agreement.

PEG ACCESS COMMITTEE

Janks stated that the PEG Access Committee is waiting for additional information before having another meeting and moving forward with recommendations on PEG access. Some of the pending topics relate to the School District technology issues.

Questions from Lowmaster on plans for PEG access were addressed by Janks. She expressed concern about having the appropriate equipment and resources to produce quality access programming.

Janks explained the direction the Cablecasting Board has taken with respect to PEG access. The cable company will provide the consortium with funds, and the Board will make decisions on how to provide PEG access programming. Three realistic options are to partner with the School District, work with Bloomfield, or equip a free standing studio.

MEDIAONE RELATED TOPICS

Subscriber Complaints

Hagaman referred to a Complaint Report for October prepared by MediaOne that summarizes issues and actions. She noted that subscriber complaints continue at a rate higher than what was received prior to the rebuild.

The Board heard a complaint last month from Larry Walloch of Birmingham involving difficulty with getting through to the MediaOne call center to charge his payment. He was charged a late fee. The late fee was removed, and the subscriber was contacted to set up auto credit.

George Meyer of Beverly Hills was having problems with his payment being credited to his account. He was having difficulty getting the problem resolved with customer service representatives and supervisors at MediaOne. MediaOne charged late fees and sent shut off notices. MediaOne has resolved this situation to the customer's satisfaction. His payment was found in a "suspense" account where payments are placed when employees cannot apply them to a specific account.

Bruce Hampton who lives in Merrillwood Apartments in Birmingham complained about lack of response and follow up by MediaOne personnel. DiMaria stated that this individual's problem involving switching an analog box for a digital box has been resolved, and he received a credit for one month's service.

Spivak stated that he spoke with the manager of Merrillwood Apartments yesterday, and the problem has not been resolved. He related various complaints from tenants involving poor service from MediaOne. Spivak also related that he personally called MediaOne for service yesterday. It took him 58 minutes of talking to various MediaOne representatives before his problem was solved.

DiMaria will send Hagaman a copy of MediaOne's reply to Mr. Hampton. DiMaria will talk to the account representative for the Merrillwood Apartments. He will have a discussion with Janine Morris, MediaOne's customer service supervisor. MediaOne will involve its legal affairs team in this situation.

Problems at the Merrillwood Apartments will be carried over to next month's agenda. Hall asked Colgan to provide MediaOne with a videotape copy of this meeting.

Dan Sienkiewicz of Birmingham had problems with MediaOne personnel arriving at his home ill equipped to switch his old boxes for digital boxes. David Doolittle of Birmingham has had his cable out since October 25. The Board received a few more complaints that were recently forwarded to DiMaria for resolution.

Hagaman summarized that MediaOne is not following through on promises regarding service. Technicians are being scheduled to perform work and not given enough time to do it. They are not showing up. Public relations are poor and subscribers are frustrated with the lack of service. The problems being experienced should not be reoccurring, and something has to be done. Hagaman does not think that the regional call centers work.

Hall mentioned two complaints carried over from last month's meeting. Mr. Adams was present at the October meeting and indicated that his timer was off. DiMaria responded that the head end people replaced a controlling unit in the head end and set that time directly with the scrolling guide. Mr. Adams was given credit for past problems. Hagaman received a call from Adams and he is satisfied.

Jeff Silen was experiencing delays with getting cable installed. DiMaria stated that this has been resolved.

Update on Rebuild - Internet

DiMaria stated that MediaOne has 14 nodes available for high speed data. There are about 2,100 customers who received marketing through direct mail. Another 2,000 customers have been cleared by the engineering group for this service, but the marketing has not gone out. The mailing may be delayed to assure that staff is available to handle calls that come in after the area is certified. About four or five nodes a week are being certified in this consortium for high speed Internet service. Customers can call MediaOne and ask if their area is available for this service.

DiMaria stated that MediaOne has hired additional certification companies in order to meet its projection to have the entire area completed by the end of the year.

Hall commented that he distributed copies of a Detroit News Article from Tuesday, October 26, 1999 entitled, "Web Use Threatens Privacy". It reveals that computer owners using cable-modem services to receive high speed Internet access are taking a security risk. Without proper precautions, other users can gain access to their computer files.

Annual Report

Board members received a copy of a letter from MediaOne dated October 22, 1999 that responds to questions from the Board Chairperson about the 1998 MediaOne Annual Report. Hall had asked for specific information from the financial section submitted by MediaOne.

Hall went through the response letter clarifying the real issues and restating the questions being asked of MediaOne. A tape of the meeting will be furnished to MediaOne. Hall would appreciate a response from MediaOne financial people and from the auditors. If possible, he would like to have a

representative from the financial group and from Arthur Anderson present at a Board meeting to answer questions.

DiMaria suggested a conference call between Hall and the financial group before the meeting to verify that they are answering the questions being asked.

The suggestion was made that the Board consider initiating a revenue audit once the franchise renewal is completed.

Monthly Subscriber Statistics

The system statistics from October 1999 were reviewed. In answer to a question, DiMaria stated that there may be about 50 people on the old system because they live in an apartment complex that has not yet renegotiated a private agreement.

Monthly Access Report

Hagaman observed that there are only three hours of local origination programming reported for the month of October. That is less than the amount required under the current Franchise Agreement.

Hall stated that the current Cable Ordinance, Consumer Protection Ordinance, and Franchise Agreement provide an ability to assess liquid damages for violations. The Cablecasting Board may or may not wish to discuss assessing damages to the cable company on the basis of the complaints being received. This will be a topic for discussion at the next meeting.

MEDIAONE UPDATE TOPIC - Direct Debit

Janks reported that MediaOne's direct debit service is operational. This item will be removed from the list of MediaOne update topics.

MLAC 15 REPORT

Colgan presented highlights of the November production report.

BOARD COMMENTS

Janks updated the Board on the status of a bill that will allow Direct TV to broadcast local signals. Retailers are trying to push the bill, which is in conference committee, hopefully to be adopted before Christmas. It is important for retailers to be able to advertise that the consumer can receive local television stations on Direct TV.

Abbott commented that DSL and cable modems are the two alternatives for high speed Internet access for businesses. He hopes cable modems will be marketed to businesses in the near future.

Borgon related that he recently contacted MediaOne with a service related problem and got through to the call center quickly. He talked to a customer service representative at Ext. 3119 who was very helpful.

PUBLIC COMMENTS

DiMaria stated that MediaOne is a sponsor for First Night in Birmingham this year and will bring in a laser light show. MediaOne is hoping to simulcast the event from this location.

The meeting was adjourned at 9:32 a.m.