

Present: Hirsch, Hollinshead, Camp, Wilson – Birmingham
Borgon, Delaney, Lacroix, Woodard – Beverly Hills

Absent: Bello, Greenslade and Laidlaw – Birmingham
Ettenson – Bingham Farms
Anderson – Franklin

Also Present: Hagaman - Executive Director
Currier – Attorney for Cable Board
Helwig – Bloomfield Community Television representative
DiMaria - Comcast representative
Martinico – Director of Technology, Birmingham Schools
Pfeifer – Beverly Hills Council Liaison

Borgon called the meeting to order at 7:49 a.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road.

APPROVE MINUTES

Motion by Woodard, seconded by Wilson, that the minutes of a regular Birmingham Area Cable Board meeting held on Wednesday, September 25, 2002 be approved as submitted.

Motion passed unanimously.

COMMITTEE REPORTS

Logo Committee

Hirsch stated that progress is being made in developing a Cable Board logo. A meeting is scheduled tomorrow with two graphic designers.

PEG Committee

The PEG Committee did not meet last month.

COMCAST RELATED TOPICS

Comcast Performance

Status of Survey and Customer Complaint Log

DiMaria did not meet with the Executive Director on these two topics as he was involved in an auto accident that kept him out of the office for a week. He will follow up with Hagaman on these items. Board members will be provided with related information prior to the next meeting.

Subscriber Complaints

Borgon recounted a recent experience involving a call to Comcast to request service for poor cable reception, particularly on channel 2. The technician arrived after the scheduled appointment time. In answer to an inquiry, the technician indicated that Comcast had scheduled too many appointments for one day. Borgon received a \$20 credit on his monthly bill for the missed appointment window.

Borgon commented that the repairs were made as requested except on a television in the bedroom where channel 2 cannot be received. The technician indicated that Borgon needed to purchase a new television. Borgon also commented that the technician left numerous fittings and debris behind. DiMaria will follow up on this complaint with the installer's supervisor and report back.

Borgon mentioned that subscribers have called him complaining about poor reception on some of the channels and the fact that they cannot locate certain channels. He suggested that Comcast include channel line-up cards in customer bills for a couple of months.

DiMaria requested that customers with reception problems call Comcast to schedule an appointment for a technician to come out to tighten up fittings and check the cable drop to make sure the signal is clear. Comcast is in the process of confirming that the network is tight.

Currier stated that he received phone calls from Bloomfield Township citizens regarding the issue of poor reception on channel 2. Both individuals who contacted him indicated that they called Comcast customer service and were told that the problem could not be fixed unless they upgraded to digital. Currier suggested that customer service representatives be properly instructed to give the correct information. DiMaria responded that digital service does not improve the reception on channel 2. He will contact the Call Center about this situation.

Currier asked what can be done to correct the problem of poor reception on some of the analog channels. DiMaria reiterated that the cable company must ensure that the system is tight, which is currently being done, and check to determine if there is a problem with the customer's fitting or drop.

Complaint #02-102: A complaint from John Nebbia of Bingham Farms was carried over from the last meeting in order to receive information from the field supervisor regarding his service call. DiMaria stated that he talked to the supervisor in charge of the technician who had difficulty setting up the "picture in a picture" function for this customer. Technicians are trained to do this, and this person needed retraining. The subscriber received a two-week credit based on the amount of time his service was down.

Complaint #02-102-I: Paul Jacobs of Franklin submitted a complaint about continuing problems with his Internet service. DiMaria stated that a \$120 credit was issued to Mr. Jacobs. The diagnostics on his system were checked yesterday and were reported to be working properly according to the Comcast technical support group. A second call placed to Mr. Jacobs to make sure he is satisfied was not returned. This complaint will be held over until next month's meeting to confirm that the problem is resolved. The customer's allegation that the technician became hostile is being investigated.

Complaint #02-103: Mrs. William Zimmerman of Beverly Hills issued a complaint that her cable television was not working. DiMaria responded that the service had yet to be installed and was scheduled for installation that week. The customer is now connected.

Complaint #02-104: Mrs. Belmont in Beverly Hills commented on the lack of notification of the price increase. DiMaria explained that there may be some confusion if people are in the last

billing cycle. He affirmed that all subscribers were notified of the price change on their billing statement at least 30 to 45 days in advance.

Hagaman referred to a copy of a cable bill to demonstrate how Comcast communicated the recent price increase to customers. She has discussed the wording with Attorney Tim Currier and with Mike DiMaria, who disagrees that the language is unclear. A section at the bottom of the bill headed “News from Comcast” says, “Effective with your October statement the following prices apply to your cable television service.” Hagaman noted that it does not state that the price is going up. The prices for each tier are indicated followed by the statement, “Prices for packages will also increase \$2.84”.

Board members concurred that the text of the bill is unclear with respect to the rate increase. DiMaria stated that it meets all requirements but that the wording could be modified the next time Comcast makes this notification.

Currier remarked that the Cable Ordinance requirement is that the bill has to be clear and unambiguous to the customer. The fact that a number of customers have complained about not being notified of a price increase indicates that the explanation on the bill is not clear.

Hollinshead agrees that common consumer experience with any sort of statement indicates that an increase in fees should be presented in a way that is evident and clearly stated. This issue is similar to the settlement agreement with Comcast resulting in a package to customers that was not clearly explained.

Hollinshead stated that Comcast has an opportunity to make a case for the rate increase and whatever new and enhanced services are being offered. He views the recent rate increase as being counter to the dynamics in the cable viewing marketplace nationwide. This is a substantial increase that seems out of proportion to other increases that consumers are shouldering these days for a number of services.

Hirsch asked if Comcast has a policy on these matters. DiMaria answered that Comcast has a standard format for notification of a pricing change throughout the entire metropolitan Detroit area. Hirsch urged that Comcast do its best to communicate clearly.

Borgon referred to a handout distributed today by DiMaria entitled, “Talking Points October 2002 Price Increase”. The first paragraph states that the price Comcast pays cable networks for basic programming has increased more than 39% over the past three years. It indicated that, over the same period, the price of Comcast Preferred Basic Cable has increased only 28%. In answer to an inquiry, DiMaria stated that basic programming costs year-over-year increased in Michigan by 39.25% over the last three years.

Currier reviewed a resolution passed by the Board and agreed to by Comcast as part of the recent transfer of the franchise. That resolution states that there would be no price increases related to the merger of Comcast and AT&T. Currier related that it has been widely reported that Comcast had an operational profit of 40% in August of 2001. It is difficult to reconcile these rate increases with that reported operational profit.

DiMaria provided the Board with a copy of an article dated October 14, 2002 from Yahoo News regarding programmers. It discusses how networks purchase the rights to programs people want to watch and pass the fees onto both satellite and cable operators to pass onto subscribers. This is how networks get the revenue to bid on programs. It is an ongoing problem for the satellite and cable industries and something Congress has been investigating. DiMaria remarked that Comcast does make a profit, but it is also trying to absorb some of these costs.

Hollinshead referred to a Wall Street Journal article regarding cable companies raising rates far faster than the inflation for years. He made the point that we have to be mindful of what is being delivered to the people of the consortium and be mindful of other markets. Beyond the rate issue, which is not within the control of this Board, Hollinshead suggested that attention be given to the packaging of the product offered in this market including ways to put together a more basic package. He proposed that the Board consider sending a message to Comcast corporate headquarters in Philadelphia stating that this consortium does not endorse a rate increase of this magnitude.

DiMaria responded that Comcast has added more value to the Basic 1 tier over the last five or six years while being careful not to change the price, keeping it around \$10. He asked that the Board take into account the material set forth in the Talking Points handout.

Motion by Hollinshead, seconded by Delaney.

Resolved that the Birmingham Area Cable Board express its opposition to the most recent rate increase in cable service undertaken by Comcast and express this dissatisfaction to Comcast management and to other appropriate regulatory authorities.

Motion passed unanimously.

Delaney suggested that this resolution be forwarded to other Comcast communities for their support on the basis that an area-wide initiative would be more effective. Currier stated that Bloomfield Township and Bloomfield Hills will be informed through Leslie Helwig from BCTV. He will relay this resolution to communities in the ICCA and WOCCA consortiums.

The Board authorized Currier, Borgon and Hollinshead to draft the letter and mail it as soon as possible.

Complaint #02-105: Dr. Wiseman was told that she could not open an account with Comcast without giving them a Social Security number. DiMaria clarified that Comcast requires a SS# or a deposit. The complaint also indicates difficulty working with the Call Center and with scheduling an appointment for Internet service installation.

DiMaria responded that there was a technical computer problem that caused scheduling errors for about 24 hours. It was adjusted, and the advocate left a message with the subscriber's daughter. The advocate is continuing attempts to follow up on this complaint. Hagaman asked DiMaria to advise the Board as to whether the final contact was made.

At the request of the Board, Currier will follow up on subscribers being asked for their Social Security number to open an account. It is not required in our franchise agreement or regulatory ordinances. DiMaria remarked that this has been standard policy in the industry for the last ten years.

Complaint #02-106: Christine Carlson of Birmingham reported problems with the TV Guide Channel. She reported this to five different CSRs, who had no information on the topic.

DiMaria commented that the complaint was made on the day of the channel line-up change (10/8/02). There was a signal issue for a couple hours at the beginning of the switch. A message was left with this customer to make sure that everything was resolved.

Hagaman mentioned that there are times when the TV Guide channel is static. DiMaria responded that the channel must be reset in Nebraska where it originates when this occurs. A subscriber can report this problem to the Comcast network operation center.

Complaint #02-107: Martha Tittle of Franklin could not find channel 99. DiMaria related that the subscriber was assisted with locating the channel, and the problem is resolved. In answer to a question from the Board, DiMaria said that television sets older than seven years that do not go up to channel 99 can receive that channel with a cable box.

Complaint #02-108: Ken Ciszewski of Birmingham complained that he was not notified of the price increase. DiMaria responded that this customer was given notification in his billing for October due on November 9th.

Board member Delaney related that he was changing channels recently and came upon a program showing lewd and indecent material involving a nude woman. He receives Basic cable service with no adult channels. After a short period of time, the picture was distorted on the offending channel. He indicated that it may have been the Jerry Springer show. Delaney thinks that this incident should be reported to the appropriate party.

DiMaria stated that taped episodes of shows are sent to the network. The content producer is required to take measures to block out any indecent material based on a standard defined at the Supreme Court level. After talking to people in Comcast's legal department, DiMaria suggests that the way to proceed in this situation is to work with Delaney to determine what channel was showing the offensive material. The appropriate approach is for the Cable Board to file a complaint with the Federal Communications Commission (FCC) and copy the programming network on that complaint. The FCC does respond to and investigate this type of complaint.

The Board authorized Hagaman to draft a letter from the Cable Board to the FCC issuing a complaint on this incident.

Birmingham Link

Currier stated that work is being done on Martin and part of Henrietta streets as part of a streetscape renovation including underground utility work. He understands that a permit to

complete the underground fiber link to City Hall is on the way to Comcast but may have been held up as a result of this streetscape renovation. He will look into this.

Monthly Subscriber Statistics

There was a brief discussion of the system statistics for September.

EXECUTIVE DIRECTOR REPORT

Hagaman reported that a News Release was prepared and distributed with the assistance of Arnold Hirsch. The article communicating the special offers from Comcast for Birmingham area cable viewers was sent to the Oakland Press, Detroit News and Free Press, and the Birmingham Eccentric. The news release was placed on the Channel 15 electronic bulletin board and on the Cable Board website.

DiMaria related that he received calls from 12 people requesting a credit after reading the article in the Oakland Press. Five or six people have picked up a digital cable box.

Woodard related that she went to the Comcast office on Eton Street yesterday and found that the two people in the office were not knowledgeable about this special offer that went out to 11,000 subscribers. DiMaria responded that he talked to the staff at Eton Street following her visit and reiterated that the use of a free digital box is being offered to customers without cable boxes for two months. In response to an inquiry, he stated that it is the customers' responsibility to return the cable box at the end of two months to the Eton Street office or be charged for digital TV.

Hagaman reported that the franchise fee audit is underway with Comcast staff working with Plante & Moran to facilitate this effort. The operating fund audit is near completion. She and Borgon will meet with the auditors tomorrow to review the material. Hagaman thanked Beverly Hills staff for its assistance with this audit.

Hagaman highlighted the Cable Board 2001-2002 Financial Report distributed to all members. Franchise fee revenues exceeded the budget by \$18,000. The increased revenue is due to franchise fees generated from cable modem Internet service. The amount would have been greater, but Comcast and other cable providers informed municipalities that they will no longer collect franchise fees on cable modems. This is a result of an FCC ruling earlier this year that Internet access over a cable line is a data service and not a cable service and therefore not subject to franchise fees. Hagaman noted that conservative budgeting by the Cable Board kept this action by the cable provider from having an adverse effect on the current year's budget.

PEG (Public, Education & Government access) revenues also exceeded budget by \$11,000. PEG operations exceeded the budget by almost \$3,000. The cost of renovating the production van and additional repairs to the van went over the budget by \$27,000, which was offset by the unused programming line item.

Board expenses exceeded the budget by \$10,566.78. The primary factor for the overrun was attorney fees resulting from two major issues: transfer of the franchise and imposing liquidated damages on Comcast for defaults. The Board anticipates reimbursement by Comcast for

expenses incurred as a result of the franchise transfer and other legal charges. Currier interjected that he was informed by Jon Kreucher from Comcast that the reimbursement check has been sent to its divisional office where it is to be issued to the Board.

Hagaman has prepared and distributed a report on the NATOA annual conference held on September 18-21 in Chicago. The report includes a legislative update and information on multi-media funding, surveys, web streaming, new technology, a round table discussion between Comcast and the communities it serves based on geographical area, and a meeting with the Michigan Chapter of NATOA.

Hagaman reminded everyone that the November Cable Board meeting will be held on November 20 at 7:30 p.m. in the evening at the Village of Beverly Hills municipal meeting.

MLTV15/PA18 REPORT

Helwig reported on MLTV15 and Channel 18 meetings and programs produced during the last month and new programs coming up.

At last month's meeting, BCTV was asked to look into adding graphics to meeting programs to identify the speaker and the agenda item being discussed. This is already being done during productions at Beverly Hills (Village Council and BACB). The City of Birmingham's equipment does not have that capability. To add this feature in post-production could take an inordinate amount of time and would preclude any shows from being produced in the studio during that time block. The better solution would be for Birmingham to upgrade its equipment to include that capability. Helwig has discussed this with Joe Valentine from Birmingham.

With regard to municipal programming, Helwig proposed that an ad hoc committee be formed to plan and implement a program series highlighting services, events, and quality of life in the four BACB communities. The committee could be comprised of members of the Cable Board as well as people in the various communities who would serve under the authority of the PEG committee. BCTV would benefit from representation from the four communities to assist with identifying programming needs for each municipality and to establish contacts or resource people for BCTV. Helwig maintains that programming would be stronger if there was input from people in the community and BCTV's staff.

As a member of the PEG committee, Hollinshead said that he is willing to participate in this process. Pfeifer proposed working through a member of Beverly Hills administration to explore programming ideas in that community. She suggested Assistant to the Manager Stan Pasiaka as a point person for Beverly Hills.

Helwig acknowledged the contributions of BCTV volunteers: Carmen Abrego, Margaret Alberts and her son, Jerry Anderson, Stephanie Augustyniak, Zach Flora, Susan Flora, Alicia Freeze, Heidi Harlan, Enid Livingston, Adam Manix, Sam Marogie, Harold Patrick, Chris Salley, Greg Stefancin, Sari Stefancin, Clark Sui Wonders and Catherine Yeh.

Helwig announced that Assistant BCTV General Manager Jim Gillis received three first place awards in the 2002 Philo Video Festival contest. He was the director of three different

programs that won first place: Eddie Harris' "Online", Shelly Taub's "The Senior Show", and Jonathan Swift's "Global Connections". There were more than 300 entries in this regional awards program.

OLD BUSINESS

Martinico stated that the Birmingham School District is completing its second project with grant funds received from the Cable Board last year in the amount of \$75,000. Projects include re-equipping the Board of Education room with new microphones and video equipment and re-equipping the playback and editing areas at the district level. Birmingham Schools thank the Board for this grant.

PUBLIC COMMENTS

Michael Zack of 15802 Birwood commented that he has been a resident of Beverly Hills for about a year. He recently learned that the community has a Cable Board to oversee the cable television operation of the consortium. Zack related problems he has had with Comcast, particularly with the acute lack of customer service. His other complaint is with the service level for Comcast high-speed Internet service, which he maintains has decreased significantly since he subscribed for broadband service with Media One in 1996.

Zack stated that he is pleased with the advocacy that this Board demonstrated today by its adoption of a Resolution to be forwarded to Comcast corporate headquarters stating that this consortium does not support the recent price increase.

DiMaria stated that he has noted the dates and names indicated by Zack with respect to poor customer service and will draft a letter to be forwarded to the Call Center Director.

Motion by Delaney, seconded by Hollinshead, to adjourn the meeting at 9:35 p.m.

Motion passed unanimously.