

Present: Camp, Greenslade, Hirsch, Kuhne, Wilson - Birmingham  
Borgon, Pfeifer, Pinkos, Woodard – Beverly Hills  
Anderson – Franklin  
Ettenson – Bingham Farms

Absent: Correa, Hollinshead – Birmingham  
Delaney – Beverly Hills

Also Present: Hagaman - Executive Director  
Currier – Attorney for Cable Board  
Helwig – Bloomfield Community Television representative  
Eaton, Parker and Parr - Comcast representatives

Borgon called the meeting to order at 7:45 a.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road.

### **APPROVE MINUTES OF JULY 16, 2003 CABLE BOARD MEETING**

The time of adjournment should be corrected to read ‘8:30 a.m.’.

Motion by Woodard, seconded by Anderson, that minutes of the regular Cable Board meeting held on July 16, 2003 be approved as amended.

Motion carried.

### **ACCESS POLICIES AND PROCEDURES**

Copies of a draft of the Bloomfield Community Television Access Policies and Procedures were distributed to the Board several months ago. Board members have received a final document in this month’s packet for review and adoption. The policy manual will encompass procedures for operation of this consortium’s channels 15 and 18.

Currier commented that it is appropriate for the Board to formally adopt policies and procedures for the cable access channels it administers. The control of channels 15 and 18 is a function of the BACB and not the Bloomfield Township Board. It is in the best interest of all parties if the Birmingham Area Cable Board adopts the policies and procedures established by Bloomfield Community Television so their staff is able to follow the same rules that apply to Bloomfield Township channels. If an issue comes up in terms of prohibited activities, it would fall back on this Board to make a determination as to broadcasting. These issues would be referred to the Board’s PEG Committee for review.

Motion by Wilson, seconded by Pfeifer, to adopt the Bloomfield Community Television Access Policies and Procedures for Channels 15 and 18.

Motion carried.

Motion by Pfeifer, seconded by Hirsch, that issues regarding use of public access programming by politically active groups be reviewed by the PEG Committee. Members

of the PEG committee who live in the community in which an issue arises will not vote on the matter to assure fairness in the review process.

Motion carried.

Wilson suggested that the Access Policies and Procedures manual be revised to denote 'Birmingham Area Cable Board' on the title page.

## **COMMITTEE REPORTS**

### **PEG Committee**

Hagaman reported that Hollinshead met with representatives from BCTV regarding the status of programming being developed for Channel 15 on a number of issues that surround the Rouge River basin in this area. It was determined that there is a need for someone with more knowledge of what the content should be in order to assure that all pertinent points are covered. Arne Anderson volunteered to produce this show. He has in-depth knowledge of the material that should be included in the program because of his active involvement with the Rouge River organization.

Anderson views the program as being a series of shows covering different aspects of the Rouge River. He is meeting with Lillian Dean of the Southeastern Oakland County Water Authority this afternoon and later with Friends of the Rouge members to discuss how these individuals can cooperate in terms of adding their expertise to this programming.

Borgon announced that bids were opened on August 18, 2003 for Cable Access Management service. Proposals were received from two companies, Bloomfield Community Television and Create Tech. The PEG committee will review the proposals, meet with the principals, and forward its recommendation to the Board for consideration.

### **Cable Review And Liaison Committee Report**

Board members are in receipt of a handout entitled "Birmingham Area Cable Board Action Notes" dated 8-11-03. Hirsch commented that one of the functions of the Cable Review and Liaison Committee is to maintain a focus on key issues that arise from monthly Board meetings. There are several items to review which require a response from Comcast representatives.

Ettenson addressed the subject of cable fees and increases. The Board had asked Comcast for a written review and rationale of each rate increase for BACB subscribers in the last two years. Also requested was data showing the effect, if any, of competition on rates and the frequency of increases. In addition, the Board would like an explanation of Vice-President Dave Scott's statement that Comcast is "getting closer on standard increases once a year" as quoted from Crain's "Detroit Business".

Ettenson quoted an article in the Wall Street Journal from Friday, June 27, 2003 highlighting Comcast's strategy to use its clout as the nation's biggest cable operator to shift the balance of power from those who supply content to those who distribute it. Programming costs have been the primary reason given by Comcast for the steady increases in cable fees. Ettenson asked for a

timeline as to when this consortium might see the effect of lower programming costs being passed along to the subscribers.

Greenslade noted that the subject of senior discounts has been raised with Comcast several times. She inquired whether Comcast is discussing anything in terms of providing seniors with discounts.

Eaton asserted that, every time Comcast announces a price adjustment, it is accompanied with a letter that includes the rationale for that change. He offered to resend those letters to the Board. Borgon interjected that the Board is asking for a recap of the price increases for the last two years and the reasons for those increases. Eaton agreed to provide the information.

Ettenson questioned when the subscribers might see the effect of lower programming costs in future fee reviews.

Eaton responded that he has only recently learned of the Board's request and has not had the opportunity to prepare a report. He thought that the rationale for the price increase had been explained previously.

Michael Parker, V.P. of Government & Regulatory Affairs for the region, asked what specific information is being requested by the Board. It was his understanding from the last meeting he attended that DiMaria provided the Board with information requested relative to price increases and price comparisons.

Ettenson stated that the Board has received a history of price increases. The Board would like to know what to expect in the future and how the effect of Comcast's attempt to reduce programming costs will mitigate the annual rate increases that the consortium might anticipate. Greenslade added that one of the discussion points has been how the increases come about and what specific improvements have resulted from these increases.

Borgon recalled that a subscriber prepared background information on rate increases and included it in a letter to Comcast complaining about her bill. Eaton distributed copies of Comcast's response to this subscriber's letter, which he thinks answers the question about price increases over the last two years.

In response to the inquiry about program costs and future increases, Eaton responded that Comcast is working with programmers in an effort to mitigate increases in prices and bring about a reduction in programming costs. Comcast cannot provide a prediction on something that is unknown at this time. Eaton commented that one of the reasons that programming costs have increased is because producers of cable programming are investing more money and producing higher quality programming that is often outdrawing network channels.

Parker added that rate increases are made up of factors other than programming costs. Comcast will respond in writing to the Board's questions, but it is difficult to predict what will happen in the future.

Parker addressed a comment quoted from Dave Scott relative to a once a year price increase. He explained that Comcast's Michigan region is an amalgamation of different systems that were not previously owned or run by Comcast. Because of this, there are some disparities in rates, channel line ups, and price adjustment schedules. Comcast is working to streamline the process so that there is more uniformity in rates and offerings. The goal is to consolidate all of these systems and provide some predictability.

Eaton stated that the question of a senior discount is being studied. Senior discount practices and policies vary with the different systems accumulated by Comcast. The company is attempting to study this matter and arrive at a uniform and sensible approach that is logical for customers and for Comcast.

Ettenson asked for the status of Comcast's plan with respect to sports tier pricing, which has been discussed at Board meetings and nationally.

Eaton responded that Comcast as well as the rest of the industry is looking at this question. It is being studied at the corporate level in terms of whether it would work and how it would be implemented.

Borgon stated that the Board has talked to Ann Marie Patton, V.P. of Customer Service for Michigan, about placing Comcast's phone number in lieu of the Board's number on the part of the bill that tears off. This should be added to those items requiring a response from Comcast.

## **COMCAST RELATED TOPICS**

### **Subscriber Complaints**

There were six complaints received this month with the majority of issues related to service problems. Hagaman stated that follow up on the resolution of complaints or credit issues has not been received from Comcast. Eaton responded that Comcast staff has contacted all of these subscribers and were able to establish that they are satisfied with the resolution of the issue with the exception of one customer who could not be reached.

Hagaman requested that Eaton complete the Comcast response and resolution portion of each customer complaint for the Board's record. It has not been indicated whether credit was issued in Case #03.50.

Hagaman noted that the Board has lost Mike DiMaria as its Comcast representative at Board meetings and that LaShundra Wiley has been promoted into another Comcast division. These individuals were a mainstay in terms of complaint resolution.

Eaton commented on the changes in Comcast's process of managing escalated complaints. Connie Szilagyi will be taking e-mails regarding complaints and has a cadre of well trained and capable customer service people. Going forward, the Board will have the resolutions to complaints in advance of the meeting. Questions on this month's complaints were addressed by Eaton.

### **Birmingham Link**

Eaton stated that work is proceeding on the underground link to Birmingham City Hall. Conduit is being installed. The construction supervisor has estimated that work will be completed in more than one month but less than two months.

Currier referred to a meeting with Michael Parker and Comcast engineers regarding final plans and permits for the Woodward crossover near the 555 Building. It was indicated that work would be completed five weeks from receiving all permits. Comcast has had the permits for four weeks. Parker will get back to the Board on the change in the timeline for completion.

### **Monthly Subscriber Statistics**

Comcast subscriber statistics for July, 2003 were distributed and reviewed. Eaton commented that subscriber numbers remain stable with a steady increase in the number of customers subscribing to high speed Internet service and converting to digital converters. Questions on the statistics were addressed by Eaton. Greenslade asked if there was a way to include an annual comparison in this schedule. Eaton will provide that comparison.

### **Other Issues**

Currier made reference to last week's power outage and questioned Comcast's policy relative to charging customers for the day or days there was no cable service due to the blackout.

Eaton responded that the general practice in the case of an incident of this kind is that credits are not provided if the outage is not the fault of Comcast.

Currier asked why Comcast is not pursuing Edison as opposed to charging customers for the outage. Power outages are becoming a more frequent problem in the area. The customers did not receive the service for which they are being charged.

Eaton affirmed that subscribers did have Comcast service but could not turn on their televisions because of the blackout. The Comcast cable plant was activated the entire time.

Parker stated that Comcast is currently working on talking points on this issue that will hopefully be delivered to the BACB today. He stated that Comcast's relationships with municipalities are generally governed through franchise agreements. Those agreements have a force majeure clause. Comcast is looking into other ways to handle the blackout situation because of the extreme nature of the event. Parker will discuss this further with the Board if issues remain after members review the talking points.

Pfeifer related that a Beverly Hills resident who uses Comcast telephone service lost phone service two hours after the power failure. Parker stated that the talking points he mentioned will address telephone service.

Eaton introduced John Parr, Area Regional Vice-President for Comcast, who spoke about Comcast's response to the power outage. Parr discussed how Comcast managed through the power failure that began last Thursday afternoon and what they were able to do in terms of customer service on the call center side as well as the technical side.

Parker announced that the Greater Detroit region has been reorganized and is now the Michigan Region. Mike Cleland is the Division V.P. of Operations and will be responsible for special projects and new product launches throughout the entire Mid-West Division. Linda Hoissinger brings a multitude of experience to the position of Senior Michigan V.P. of Comcast.

Parker stated that the Cable Board can contact him with issues. John Parr is responsible for the consortium's system from a day-to-day operation standpoint. If the Board has issues that he and Parr are not able to resolve, they can contact Linda Hoissinger and ultimately Dave Scott.

### **EXECUTIVE DIRECTOR'S REPORT**

Copies of the Birmingham Area Cable Board Annual Report for fiscal year 2002/2003 have been distributed to Board members. Hagaman highlighted issues that the Board has addressed during the last year.

Hagaman provided the Board with a preliminary financial statement for the period ending 6/30/03. It does not include fourth quarter revenues, which have not been received by Beverly Hills. She summarized that revenues are down due to an FCC ruling that resulted in loss of franchise fees on Internet services. However, the budget is balanced for the year. Questions from the Board were addressed by Hagaman.

Hagaman and Board member Elizabeth Correa will attend the NATOA Conference from September 9-13, 2003. Hagaman will mail meeting packets to Board members prior to leaving for this conference with any last minute items provided at a later date.

Chris Webber of Plante & Moran will begin the financial audit for the Board's operating expenses for FY 2002/2003 in mid-September.

### **MLTV15 / PA18**

Helwig reported on production of regular municipal meetings plus a joint meeting of the Birmingham Commission and the Birmingham Parks and Recreation Board held in Booth Park. Other programs include Birmingham and Beverly Hills concerts and a Baldwin Library production.

Bloomfield Community Television produced 26 programs for Channel 18. Productions from Birmingham's newest public access producer, Gerry Doelle, are underway and will be aired soon. Helwig reported a minor problem with one of the decks in the BACB production van. Construction is almost complete on the BCTV studio.

With respect to the power outage last week, Jim Gillis and David Sommerfeld did a great job on Thursday and Friday. Channel 18 suspended normal programming during the power outage and ran the bulletin board with pertinent public service information. There was no equipment damage resulting from the power failure.

**NEW BUSINESS**

Borgon reminded Board members that Hagaman provides copies of articles of interest from various sources on telecommunications issues in the monthly packets delivered to members. He asked Tim Currier to discuss a communication from Moss & Barnett on a FCC ruling.

Currier stated that the Fifth Circuit Court upheld a FCC franchise fee decision as to how franchise fees are passed through to customers. The practical result for franchising authorities across the country is that cable operators can pass through as a separate line item on subscribers' bills all franchise fees due and owing the franchising authority. These franchise fees may include non-subscriber revenues including home shopping and advertising revenues. In other words, cable operators will be permitted to reap the benefits of growth in non-subscription revenue while subscribers must bear the financial burden of increased franchise fees. The Fifth Circuit Court decision will not result in any reduction in franchise fee payments to Local Franchising Authorities although subscribers will continue to bear the burden of additional franchise fee payments even as cable operators increase non-subscription revenue. Currier understands that the ruling is being appealed.

Currier commented on another item in the Moss & Barnett publication regarding municipal ownership of cable and Internet services.

Currier referred to a paragraph regarding the FCC report on cable industry prices. After the issuance of the report, Senator John McCain, Chairman of the Senate Commerce Committee, described the cable rate increase as “astounding” and stated that “this means that cable rates increased an unbelievable 5-1/2 times faster than inflation. The cable industry has risen to new heights in their apparent willingness and ability to gouge the American consumer.”

On behalf of the BACB, Borgon wished Mike DiMaria the best of luck in his move to another cable company in the south.

Helwig requested to meet with members of the PEG Committee following the Board meeting to consider an item concerning Channel 15.

Motion by Ettenson, seconded by Woodard, to adjourn the meeting at 9:06 a.m.

Motion carried.