

Present: Correa, Hirsch, Hollinshead, Kuhne - Birmingham
Borgon, Delaney, Pinkos, Woodard – Beverly Hills
Anderson – Franklin

Absent: Camp, Greenslade, Wilson – Birmingham
Ettenson – Bingham Farms

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

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.

The Board agreed to add agenda item 4C, “Village of Beverly Hills Grant Request”.

APPROVE MEETING MINUTES

The correction was made to indicate that Comcast representative Parr rather than Parker was present at last month’s meeting.

Motion by Woodard, seconded by Delaney, that the minutes of a Birmingham Area Cable Board meeting held on February 18, 2004 be approved as amended.

Motion carried.

FRANCHISE FEE REVIEW

Borgon referred to a letter dated March 22, 2004 to Attorney Tim Currier from Michael Parker, Comcast VP of Government and Regulatory Affairs. The letter is in response to numerous issues raised by the Board with respect to the franchise fee review.

Currier reviewed that the BACB authorized a franchise fee review of the first 18 months of Comcast’s operation of the system, which was from January 2000 through June 30, 2002. In November of 2002, the auditing firm of Plante & Moran issued a report raising questions relative to the fees paid. There followed discussions between the accountants and Comcast. The Board sent a letter to Comcast on November 26, 2003 setting forth a determination on calculation of franchise and PEG fees based on case law. Four months later, a response was received from Comcast.

Currier questioned who is making decisions at Comcast regarding this matter and who the Board can talk to regarding the franchise fee review. He asked if there is anyone present from Comcast who can explain the letter and comment on particular references made in the correspondence.

Louise Beller apologized for Comcast’s delay in responding to the letter and noted that she is not in a position to clarify the company’s stance on items questioned by Currier. She stated that

Michael Parker has been working closely with the Comcast corporate legal staff on crafting this response and will continue to be the Board's contact. Beller suggested making a phone call following the Board meeting to arrange a follow-up meeting in the short term to address this issue.

Currier related that he and attorney Don Gillis have conferred with the accountants regarding the letter sent by the Board outlining its position on the determination of Franchise/PEG fees. The accountants concur that our position is correct. Currier will reserve further comment for an attorney/client privileged communication to the Board. He mentioned that other clients that he represents have expressed interest in participating in litigation on this system-wide issue.

COMMITTEE REPORTS

PEG Committee

Hollinshead reported that the PEG Committee met on March 19 and considered a number of issues. The Rouge River program is complete and has been airing on Channel 15 for much of the month. There has been positive publicity in the local print media. Movement is being made on planning and producing the second program in this series. It will focus on wildlife in the Rouge River area and the impact of changes in the river on the environment and wildlife. A concerted effort will be made to forge links with familiar area sites that will resonate with the audience. Hollinshead has talked to Lisa Martinico regarding the participation of the Birmingham Schools Environmental Center in this program.

The PEG Committee was requested to work with BCTV on providing the Board with an account of the number of hours of original programming produced for Channel 15. Leslie Helwig has prepared and distributed this report. Hollinshead summarized that, while the contract requires 60 hours of programming a month, BCTV has produced an average of almost 400 hours of programming over a six month period.

The next PEG Committee meeting is scheduled for April 15 at 3 p.m.

Cable Review and Liaison Committee

Hirsch reported that members of the Board have appeared before the governing bodies of each of the municipalities to present an update of Cable Board issues and activities. Topics addressed at these meetings have been subscriber service complaints, rate increases, lower rates for seniors, and lack of competition.

Hirsch commented that pricing will be a topic at the next meeting of the Review and Liaison Committee in light of recent increases in cable rates. The meeting will focus on meaningful plans that can ultimately lead to regulatory control of cable companies and cable rates. In preparation, the Committee has begun researching the Telecommunications Act of 1996, which is the deregulation law that opened the door to today's "sky's the limit" cable situation. Committee members have identified several organizations that are as frustrated with the cable television industry as this Board is. These groups include the Consumer's Union, which is the publisher of Consumer's Report, and the Consumer's Federation of America. The U.S. Public Interest Research Group (PIRG) in Washington is also critical of the Law and has put facts and figures together to support their position.

Grant Request from the Village of Beverly Hills

Stan Pasieka, Assistant to the Village Manager, requested the Board's consideration to provide a grant to Beverly Hills for an upgrade to the cable television system in its Council chambers. The requested audio/visual items were deleted from the original installation to reduce costs. The upgrade will allow for a direct feed from a power point projector, which will provide enhanced visual clarity to the home cable television viewer. The equipment will give better clarity in complex presentations involving budget detail or engineering topics.

The company that installed the original system has provided Pasieka with a proposal that will permit direct feed capability at a total cost of \$3,635 including installation. Board members have received copies of this proposal.

Motion by Woodard, seconded by Delaney, that the Birmingham Area Cable Board fund the request from the Village of Beverly Hills to upgrade its cable television system in the amount of \$3,635.

While offering his support of the motion, Kuhne noted that the City of Birmingham also has an installed cable system in its council chambers that needs updating. Board members concurred that improvements to Birmingham's system are needed. Carrier mentioned that the individual in charge of this system is preparing a proposal to present to the Cable Board for its consideration.

Motion carried unanimously.

Request for purchase of gooseneck microphones

A memo from Jim Gillis from BCTV states that two bids have been received for four new gooseneck mics to be used at Cable Board meetings. The mics are portable and can be used for other forums or panel discussions and for remote coverage of municipal meetings. Both Roscor and ProVideo Systems quoted \$920 for the mics.

Motion by Kuhne, seconded by Hollinshead, to approve the purchase of four gooseneck microphones in the amount of \$920.

Motion carried unanimously.

COMCAST RELATED TOPICS

Subscriber Complaints

There were three complaints registered this month. One was service related, another addressed price/competition, and a third subscriber criticized the wording of the price increase.

Hagaman related that there was an on-site meeting with a subscriber and Pat DeLisi from Comcast to resolve a problem concerning Comcast outside equipment. The subscriber called Hagaman and left a message thanking her and Comcast for resolving the issues in a satisfactory and timely manner.

Another subscriber commented that the wording of the price increase notification did not match any of the wording on the actual bill. In addition, this customer was told by a Comcast customer

service representative that a value pack would be included in the rate increase, which was incorrect information. This was later clarified by a Comcast representative.

Woodard questioned why the preferred basic tier is broken out into three components on the bill. Beller responded that Comcast is attempting to standardize the package names so there will be less confusion and errors by customer service representatives. This is part of the company's integration of multiple systems. In answer to an inquiry, Parr explained that the \$3 value pack is another program package that includes a selection of channels.

Hagaman stated that a subscriber complained that he was being charged for cable guard, a service he did not request. Beller responded that Comcast contacted this customer and is waiting for a call back to obtain more detail.

Beller explained that cable guard is rolled into the digital package price. It is a separate option for other customers at a cost of \$1/month. The service allows subscribers to receive service on something that may not have been installed by Comcast at no additional service charge. The Board asked Beller for a written explanation of cable guard. Hirsch remarked that subscribers should also be provided with this information so they understand the service and the charge.

Monthly Subscriber Statistics

Board members are in receipt of the updated January 2004 subscriber statistics and the February system statistics.

Other Issues

Board members have received a copy of a letter dated March 1, 2004 from Louise Beller informing the Board of developments that will affect customers in the consortium communities and notifying the Board of changes in the prices of some Comcast services. The letter states that the primary reason Comcast is able to continue to add value to the products and services that customers choose is its investment in upgraded broadband networks. Upgraded networks ensure greater quality and reliability for the Comcast customer and provides a platform on which to deliver advanced services: digital cable, high-speed Internet, HDTV, On Demand with digital cable, and Digital Phone.

Borgon commented that it appears that all Comcast justifications for price increases are directed towards subscribers who have digital cable service. He maintains that about two-thirds of the people in the consortium are basic cable subscribers. Borgon questioned the added value received by basic cable subscribers who have seen their cable rates almost double in the last three years.

Beller asserted that the overall investment in the infrastructure and training of local technicians also benefits the basic tier customers. Because of the investment made in the broadband digital lineup, the quality of the signal for analog customers has improved because of the advanced network capabilities. They are receiving a higher quality and more reliable signal. Much of the investment that supports the digital system also supports Comcast's ability to maintain the system and provide service support.

Woodard asked why the digital packages are increasing in cost by 4-5 percent while the basic platforms are going up 8-12 percent. She questioned whether Comcast is trying to move people to the digital platform.

Kuhne remarked that C-SPAN is a public service that was originally intended to be a cable channel that everybody would receive. His concern is that people now have to pay extra to receive C-SPAN with the limited basic tier. Kuhne understands that cable rate increases as well as programming costs to Comcast outpace the rate of inflation. To what degree should be researched further.

Currier read an excerpt from the executive summary of a document mentioned earlier in the meeting, the Consumer Federation of America Consumer Union's report dated February 2004 about the continuing abuse of market power by the cable industry.

Referring to the letter from Comcast, Delaney does not agree that the picture quality has improved nor does he think that programming is what it should be.

Borgon left the meeting at 8:40 a.m. Delaney took the chair.

Beller provided a clarification on the status of Channel 21 as requested by the Board. The Comcast engineering group has indicated that Channel 21 is being used for data transmission that monitors the system. Beller suggested that April 7 may be a good date for interested Board members to tour Comcast's head end facility.

Beller related that Comcast has been working with the Birmingham Area Seniors Coordinating Council. Representatives of the organization are present to report on these activities.

Theresa Monsour, coordinator for BASCC, thanked the Cable Board for pointing Comcast in their direction. Technology has been an increasing area of interest and concern for seniors in recent years. Thanks to support from the community, BASCC has been able to establish a computer lab. Vice-President of Finance for the BASCC Board, Henry Neighbors, talked about the organization's technology programs and how they have been enhanced over the years.

Mel Drum, a volunteer at the BASCC senior center, stated that he has assumed the task of upgrading computer lab networking, Internet access, and software. He found assistance from the Cable Board who suggested contacting Comcast. Drum has been working with an incredible team of people from Comcast who have assisted him with installing a network in the computer lab, other classrooms used by BASCC, and their office. Comcast provided BASCC with ten computers, networking, staff and service as a donation to the senior center.

The technical operations group led by Rob Burton from Comcast spent many hours installing the cable and networks in order to make this project happen. Markus Johnson, Comcast IT support person, has pledged his continued support to make sure the computers are installed and operating. Drum thanked John Parr, Area VP, who helped lead this project and Louise Beller who has been responsive in driving the project. On behalf of the seniors and the senior center,

Drum thanked Comcast for its support and thanked the BACB for its support and direction towards that end.

Monsour mentioned that BASCC has developed a 12-minute video that highlights all of the organization's activities. Hagaman suggested that this video could be edited and aired on Channel 15. Beller announced that the annual BASCC fund raiser, Bask in the Glow, will be held on April 22.

EXECUTIVE DIRECTOR'S REPORT

Hagaman stated that the Cable Board directed a letter to Wide Open West requesting them to respond regarding their interest in bringing cable competition into the Birmingham area. The Board received a letter from Mark Dineen, VP and General Manager of WOW as follows: "Thank you for your interest in WOW! Internet and Cable. At the present time, we are not expanding out. Rather, we are focused on delivering customers in our current service areas with exceptional value and service. We will keep your municipalities in mind when we decide to expand franchises in the future."

Delaney suggested that a copy of the letter from Wide Open West be delivered to each of the four consortium communities.

In answer to an inquiry, Hagaman stated that she has contacted the municipalities regarding displaying the Comcast number on their informational calendars or newsletters. She is also developing an article to be included in municipal newsletters regarding cable complaints and requests for service.

Hagaman has drafted a preliminary Cable Board budget for 2004/2005, which will be reviewed by Delaney and discussed with the full Board at the April meeting.

Hagaman reported that the complaint form has been added to the BACB web site (www.birminghamareacableboard.org).

Board members received a copy of a resolution passed by the City of Farmington Hills urging Congress to assist in regulation of Cable Television Rates.

Hirsch concurs that the Board should make its concerns known to state and federal representatives, but he would like to see this as part of a coordinated effort.

MLTV/PA 18 REPORT

Helwig stated that BCTV cannot at this point diagnose nor remedy the problem with the audio quality in the live feeds from the Beverly Hills Council chamber encountered last month. It appears that the buzz in the live feeds has subsided. BCTV will continue to monitor the situation. The problem does not come through to the BCTV site, and it does not originate in our recording. Helwig asked that Board members keep BCTV posted and bring in tapes if they notice the problem again.

Eight municipal meetings were produced in the last month. In addition, BCTV produced a League of Women Voters Candidates' Night for the Village of Franklin, a BASCC presentation about the new Social Security medical benefits, and two special focus groups for the Village of Beverly Hills. These focus group programs are for the Village's internal purposes and not for airing.

Steve Rota is working with the City of Birmingham to produce another program explaining the proposed Birmingham budget. Jim Gillis has met with personnel from the City of Birmingham to discuss updating equipment in the council room.

Helwig distributed a memo outlining what BCTV has done to promote and distribute the River Rouge program. Hollinshead asked that a copy of the program tape be furnished to Martinico for the Birmingham Schools.

Helwig submitted a report to the Board on the hours of programming playing on MLTV 15 as it relates to the contractual agreement. The contract requires 60 hours of programming a month including repeats. The actual number of scheduled hours averaged 395 hours in a six month period; actual playing hours are somewhat less than that. Helwig included a detailed explanation of actual hours of play time in her report.

The Board is in receipt of a BCTV Program Analysis report for 2003. It is an analysis of the programs that have been produced for PA 18 and MLTV15. The report shows that BCTV has produced 465 programs this year. This does not include municipal meetings or programs that come from other sources. There were 406 programs aired on PA 18 and 59 programs aired on MLTV 15 in addition to the public meetings.

Helwig stated that there was a large response to an open position at BCTV. She has conducted 13 interviews and has scheduled four second interviews.

BOARD COMMENTS

Pfeifer thanked Comcast for the services it has provided to BASCC.

Correa seconded that thanks to Comcast. She made the suggestion that the Board consider conducting a benchmarking study of other cable stations in lieu of a survey to see what is out there.

Hollinshead recognized the huge contribution made by Arne Anderson in producing the Rouge River program. This will be Anderson's last Cable Board meeting, although he has agreed to continue assisting with the development of that series. On behalf of the Board, Hollinshead stated that the members have appreciated working with Anderson.

Delaney commented on the layout of the TV guide channel in terms of the multiple picture-in-picture format which makes it difficult to use. Beller responded that this channel is part of the contracted TV guide, but Comcast is always looking at other options for an interactive guide.

Currier reviewed that there were a series of class action lawsuits filed against various communities based on the pass through of the franchise fee. Two of the suits have been dismissed, one on a motion to dismiss for lack of standing and the other dismissed due to failure to meet the statute of limitations on filing the suit. In both cases, the court opined that the franchise fee was not a tax under Headlee. Currier believes that the remaining ten lawsuits will be dismissed in the next month.

The meeting was adjourned at 9:24 a.m.