

Present: Correa, Frishman, Hirsch, Hollinshead, Kuhne - Birmingham
Borgon, Delaney, Pinkos, Woodard – Beverly Hills
Ettenson – Bingham Farms

Absent: Lund - Birmingham
Gallasch – Franklin

Also Present: Hagaman - Executive Director
Christ – Attorney for Cable Board
Helwig and Gillis – Bloomfield Community Television representatives
Martinico - Director of Technology, Birmingham Schools
Beller - Comcast representative
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.

APPROVE MINUTES

Motion by Woodard, seconded by Ettenson, that the minutes of a regular Cable Board meeting held on April 21, 2004 be approved as submitted.

Motion passed.

FISCAL YEAR 2004/05 BUDGET

The Board reviewed and discussed the proposed 2004/05 Birmingham Area Cable Board budget and Cable Administrator budget at its April meeting. Acceptance of the budget was deferred until the May meeting at the request of Hollinshead in order to give the PEG Committee an opportunity to review the document before it is forwarded to the member municipalities. Hollinshead has reviewed the budget and recommends no changes.

Motion by Delaney, second by Ettenson, to accept the 2004/05 Birmingham Area Cable Board budget and Cable Administrator budget and forward the documents to the member communities for review and comment before adoption by the Cable Board.

Questions and comments from Board members on the budget were addressed by Hagaman.

Motion passed.

RESOLUTIONS OF APPRECIATION

Borgon read Resolutions of Appreciation recognizing former Birmingham Area Cable Board members Arne Anderson and Carol Greenslade for their dedication and service to the Board. Arne Anderson served as representative from Franklin from February 2001 to March 2004; Carol Greenslade served as representative from Birmingham from August 2002 to March 2004.

Motion by Delaney, second by Hollinshead, to adopt the Resolutions of Appreciation as read, recognizing former Birmingham Area Cable Board members Arne Anderson and Carol Greenslade.

Roll Call Vote:
Motion passed.

Delaney left the meeting. Alternate Beverly Hills member Pfeifer assumed his seat at the table.

FRANCHISE FEE REVIEW

Attorney for the Cable Board Dan Christ reported that negotiations between Tim Currier and Comcast representatives are proceeding with respect to the PEG fee obligations and the interpretation and computation of those obligations. Their next meeting is scheduled for June 15. Christ related that there has been preliminary agreement with respect to the way the computation of those PEG fees will be calculated going forward. Hopefully, a resolution will be in place for the next Cable Board meeting of June 16.

COMMITTEE REPORTS

PEG Committee

Due to recent resignations from the Cable Board, Peter Hollinshead is the only remaining member of the PEG Committee. Volunteers from the Board are needed to serve on this important committee. Hollinshead remarked that a mandate of the PEG Committee is to provide original public service oriented municipal, government, and school related programming for our constituents. The PEG Committee has been working diligently on this effort and is getting started on a number of new initiatives. He hopes that one or two members will consider joining him to keep the work of the PEG Committee going.

Board members have received a copy of an invoice in the amount of \$4,030.14 from the consulting engineering firm of Hubbell, Roth & Clark for its work with Bloomfield Township and the Cable Board on the preparation and production of the Rouge River programs. The Bloomfield Township Water and Sewer Department has paid the bill in full. Bloomfield Community Television is asking that the Birmingham Area Cable Board reimburse Bloomfield Township for the amount paid to HRC.

Hollinshead provided background on the production of the Rouge River program this past fall and winter. One component of the program was the citizen activist view offered by former Board member Arne Anderson, who provided counsel and background on the environmental issues surrounding the River Rouge basin and the impact on the communities. Another aspect of this subject is the scientific, engineering, and environmental background on the projects associated with the Rouge basin and the involvement of the surrounding communities.

Hubbell, Roth & Clark has been engaged in the work that has gone forward on the Rouge River basin on behalf of our communities. HRC was able to lend perspective, background and direction that was invaluable in the successful completion of this program. The work

done by HRC was contracted directly through Bloomfield Township. It was noted that Bloomfield Township's Water and Sewer Superintendent and other personnel contributed their time and expertise to this project.

Hollinshead believes that the nominal expenditure for the services for HRC was important and necessary to the production of the River Rouge program. He recognized that the appropriate procedure would have been to receive a proposal outlining the scope of work and estimated cost. This process will be followed in the future. The PEG Committee and BCTV expect to produce two more Rouge River programs with nominal involvement anticipated from HRC. A more formal determination of cost will be obtained and shared with the Board before retaining contractual services. As chairperson of the PEG Committee, Hollinshead submits this invoice to the Executive Director for payment with the Board's full endorsement.

Board members commented that their questions and concerns on the invoice and procedures followed have been anticipated and answered by Hollinshead's presentation. Hagaman indicated that there is \$10,000 earmarked in the current budget for special projects. She affirmed that the invoice has been reviewed, and it has been determined that the charge is reasonable.

Hollinshead stated that Birmingham, Beverly Hills and Franklin will be hosting a concert series this summer on Wednesday evenings. This will present an interesting programming opportunity for Channel 15. The PEG Committee will present the Board with a plan for this concert coverage that will attempt to avoid overlap and duplication and present the fullest array of concert programming from the three communities.

The City of Birmingham has asked BCTV to help produce a program on millage rates. The PEG Committee is looking at other programming for later in the year.

Cable Review and Liaison Committee

There was discussion at last month's meeting about pursuing means of persuading Congress and the FCC to place meaningful controls on cable television pricing. Hirsch stated that a model resolution has been prepared for consideration and possible adoption by the four consortium governments. It is based on similar resolutions recently passed by Farmington Hills and the City of Southfield.

Kuhne expressed the view that, as valid as the resolution may be, policy making is not within the mandate of the Cable Board. As a procedural matter, he thinks the authority to do this should come from the councils and commissions of the four communities.

Borgon responded that he received strong support for this type of resolution when he attended a Franklin Council meeting to present a Cable Board update. He believes that this direction was also received from the Birmingham Commission.

Woodard stated that she was under the impression that the communities were looking to the Cable Board to offer them a model resolution. It will be up to the member

communities whether to adopt the resolution and forward it to the appropriate individuals.

Hirsch agreed that the communities are looking for some guidance, if not direction. That is what the Cable Review and Liaison Committee is trying to provide. The idea is to get as many communities as possible to pass resolutions like this, which will have more impact than one resolution.

Ettenson believes that this Board has an obligation to respond to the cable subscribers that it serves in an advisory capacity. It is attempting to advise the communities it represents that this is a first and necessary step in trying to change cable rates.

Motion by Hirsch, second by Ettenson, to forward the following resolution to the consortium communities for their consideration.

RESOLUTION
Urging Regulation of Cable Television Rates

WHEREAS, In an effort to bring effective competition to the market, Congress deregulated cable television rates with The Telecommunications Act of 1996; and

WHEREAS, evidence from the General Accounting Office (GAO) indicates that when an incumbent cable operator faces competition from another cable provider, rates are approximately 15% lower, service levels higher and new services are added without an increase in cost to subscribers; and

WHEREAS, such competition is not available for most cable subscribers; and

WHEREAS, the 2004 annual report on the Status of Competition in the Market for Delivery of Video Programming by the Federal Communications Commission (FCC) describes regulatory and other barriers that limit the ability of prospective video program distributors to compete with incumbent cable operators with long-term and/or exclusive contracts; and

WHEREAS, those barriers include a significant infrastructure investment that potential competitors regard as a high-cost expenditure with little or no assured return; and

WHEREAS, between April 2000 and April 2004 cable prices for subscribers in Birmingham Area Cable Board communities rose 50.3%, while the Consumer Price Index (CPI) increased 9.5%;

NOW, THEREFORE, be it resolved that the Village of Bingham Farms urges Congress to reinstate cable rate regulation;

BE IT ALSO RESOLVED that a copy of this resolution be sent to Michael Powell, Chairman of the FCC; to the Honorable Congressmen Joseph Knollenberg and Sander Levin; to the Honorable Senators Carl Levin and Debbie Stabenow; to the chairs of appropriate House and Senate Committees, and to government officials in neighboring communities.

Motion passed.

Hirsch stated that, in keeping with the goal of sharing ideas and direction with other cable boards, several members of the Cable Review Committee plan to attend a workshop on “Understanding Politics and Politicians” sponsored by the Michigan chapter of NATOA tomorrow afternoon at the Southfield Public Library. Dr. Joe Ohren, Eastern Michigan political science professor, will talk about a number of topics including a proposal for action for reduce cable rates.

The Committee is continuing to research effective ways for cable subscribers to communicate their thoughts on cable matters to members of Congress and the FCC including letters, e-mail, phone calls, and petitions. A guide has been obtained from the Consumers Union detailing how to petition the government to get best results. This community to government communication effort is important and will take time. The Committee needs another volunteer to help get the effort up and running.

Ettenson commented that the Committee is monitoring the initiative for a-la-carte pricing. There have been hearings in Washington at the Senate Commerce Committee level addressing this matter. Board members have received an article that indicates that a recent poll demonstrates support by subscribers nationwide to a-la-carte pricing. The Committee would appreciate feedback from the communities as to how they feel about a-la-carte pricing as a method of mitigating the spiraling cable television price increases.

Hirsch stated that besides written petitions, the committee is also looking at online petitioning. Committee member Grant Pinkos has been researching this.

Pinkos stated that he came across an interesting web site called www.petitiononline.com. Interested parties can enter their name and information and click on a petition. The site encompasses thousands of active petitions, and a person can view how many signatures a petition is receiving. The organization has been in existence for about five years and is funded primarily through contributions from various organizations. The petitions on this site are used for advocating a opinion, the equivalent of a message board. It is an interesting tool that may prove useful at some point.

Pinkos presented an update on his webstreaming research as a way for Cable Board meetings to be replayed via the Internet with the ability to view only topics of interest to the viewer. He posted a webstreaming clip of a Cable Board meeting and sent it to Board members to view. Beverly Hills and Birmingham municipal offices were contacted to determine how they are hosting their web sites. Pinkos learned that they are being stored on “plain vanilla” servers, mostly text and images. He located a company in Canada

called NetroStreaming that specializes in storing and streaming video from a server (streaming.netro.ca).

Pinkos was quoted a cost of \$40/month to store and stream three or four meetings. Because Cable Board meetings are taped with VHS, there would need to be a person and limited equipment to convert the tape to a computer file that can be stored and streamed over the Internet. Pinkos contacted Birmingham Schools about the possibility of a student handling that task. This would not be a long-term solution due to the problems with the availability of a different student each semester. He suggested employing someone for a reasonable fee per month to convert a meeting to a digital file and upload it to a server. He estimates the total cost of the labor and storage at about \$100/mo. Pinkos encouraged members to look at the NetroStreaming web site.

COMCAST RELATED TOPICS

Subscriber Complaints

Seven complaints were received this month, all of which have been resolved. Three complaints involved the Comcast rate increase; one related to a charge for Cable Guard; one was an Internet connection problem; and two were service related. Hagaman is following up on a new complaint from a subscriber who was charged for Cable Guard without having authorized that service. Hagaman was asked by a customer whether Comcast could state on its bills that Cable Guard is not mandatory. There will be further discussion with the Comcast representative on this issue.

Beller stated that any subscriber who does not want to receive Cable Guard can call Comcast to have the service taken off their bill and receive a credit on their account. It is an optional service that is not placed on the bill automatically.

Monthly Subscriber Statistics

A minor correction made to the April system statistics. Board members asked to receive Comcast subscriber statistics in their information packets delivered prior to the meeting so that they can review the report in advance of the meeting day.

Other Issues

Beller stated that information has been distributed to the Board today on cable pricing and regulation and on a-la-carte distribution. She related how the cable industry and Comcast specifically have been investing in the infrastructure and technology to be able to provide all the features that customers are asking for in terms of programming, high speed Internet, digital services and new capabilities. Beller stated that there are many regulations that Comcast is required to comply with including a significant amount of customer service standards. She emphasized that there is a downward trend in the number of customer complaints. Comcast provides proper training so its people can resolve issues.

Beller stated that there are people that view the a-la-carte approach as a viable option to pricing cable services. She made the point that government-mandated a-la-carte pricing could increase prices for many consumers while decreasing programming diversity. Most

basic cable networks depend on a dual revenue stream of advertising and license fees paid by the cable provider. Beller explained that a-la-carte or tiering would require consumers to buy or lease addressable converters to access such programming.

EXECUTIVE DIRECTOR'S REPORT

Hagaman announced that member Lee Wilson tendered his resignation following last month's Board meeting. Birmingham is working on finding a replacement.

Board members are invited to attend the Michigan NATOA meeting tomorrow May 20 with the fee to be paid by the Board.

Joe Valentine with the City of Birmingham has contacted Hagaman to inquire about the process of obtaining a grant from the Board to offset costs for upgrading the cable television equipment in the Birmingham Commission chambers. There is likely to be movement in this process in the next few months.

An article was drafted for the member municipalities to be used in their newsletters regarding the cable complaint process.

Comcast has extended an invitation to Board members to attend the Grand Opening of its new Detroit West Operations Center on Thursday, May 27. Responses should go to Beller. A tour of the Comcast Head End facility in Taylor is being arranged. Board members should advise Beller as to their availability. A date will be chosen that will accommodate the majority of members.

Comcast has sent its 2003 Annual Report to each municipality.

Hagaman asked Beller to comment on the reorganization that has occurred at Comcast. Beller announced that Comcast named Kevin Gardner as the area Vice President for Detroit West. He succeeds John Parr who was promoted to the division level as Vice President of sales and marketing. Borgon is looking forward to Kevin Gardner joining the Cable Board at an upcoming meeting.

MLTV/PA 18 REPORT

Helwig thanked the communities for the support that the Bloomfield Township Police Department received last week in response to the tragic death of Officer Gary Davis. Because of cooperation from the communities, regular patrols were maintained throughout the Township allowing Township police officers to attend the funeral of their colleague.

Helwig announced that the open staff position has been filled by new employee Zachery Florance. Helwig outlined organizational changes at BCTV.

BCTV has produced eight regular meetings, a BACB meeting, and a special Franklin meeting during the last month. Steve Rota has been working with Joe Valentine from the City of Birmingham on a program about millage rates. Helwig urged Board members to

encourage their municipalities to call upon BCTV for assistance if they have a topic they want to put forward to their citizens.

Jim Gillis taped the “Celebrate Birmingham” parade on Sunday, and it is already airing. David Sommerfeld has been working with a group from Oakland County Circuit Court about its new Adult Treatment rehabilitation program, which will be airing within a couple of weeks.

BCTV produced 34 programs for PA 18 in the last month. Of special interest was the video Jim Gillis worked on with United Way Community Service for its Volunteer Awards celebration at the Renaissance Center. Betsy Laboe, Birmingham public access producer continued her “Spectacles” series with two new programs, and Lex Kuhne began production of his “The Lex Files”.

Helwig announced that it was 20 years ago that Bloomfield Township instituted its Cable Communications Board to oversee the cable television franchise and start the building of a cable studio. Board members are invited to attend an Open House celebration on Thursday, June 17.

Kuhne commented that the four municipalities are fortunate to have such a fine facility as BCTV contiguous to their communities. Having produced a show, he can say that the staff and facility are great. Kuhne would encourage anyone with an idea to do a show to contact BCTV. The staff will help hone their idea, visualize it, and get it on the air.

NEW BUSINESS

Pfeifer commented that the recent edition of the Beverly Hills quarterly newsletter contains an article on the cable television complaint procedure.

BOARD COMMENTS

Ettenson suggested that Board members look at an article included in their meeting packets entitled, “Local Broadcasters Offer Cheaper Premium Services”. The article speaks of a movement in the Salt Lake City area whereby a company called U.S. Digital Television is using surplus bandwidth from local broadcasters in three cities to compete for revenue now collected by cable and satellite services. Ettenson thinks that we will be hearing more about this.

The meeting was adjourned at 9:15 a.m.