

Present: Correa, Decker, Fredrick, Hirsch, Hollinshead, Jones - Birmingham
Borgon, Pfeifer, Verdi-Hus, Woodard – Beverly Hills
Ettenson – Bingham Farms
Gallasch – Franklin

Absent: Frishman – Birmingham
Delaney – Beverly Hills

Also Present: Hagaman - Executive Director
Currier - Attorney for Cable Board
Gillis – Bloomfield Community Television representative
Martinico - Director of Technology, Birmingham Schools
Valentine – Birmingham Staff Liaison
Beller - Comcast representative

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. Three new members were welcomed: John Decker from Birmingham, Brian Jones from Birmingham, and Mary Ann Verdi-Hus from Beverly Hills. It was noted that Birmingham appointed Patricia Tarini to the position of alternate member from Birmingham.

APPROVE MINUTES

Motion by Ettenson, second by Pfeifer, that the minutes of a regular Cable Board meeting held on November 17, 2004 be approved as submitted.

Motion passed.

COMMITTEE REPORTS

PEG Committee

Hollinshead stated that a primary agenda item for the PEG Committee includes the ongoing production of the second Rouge River program, which is on schedule for airing next month. The committee is being kept apprised of the progress regarding the cable update of the Birmingham Commission chamber and the other Birmingham facilities to provide better coverage of city meetings. Specifications for the necessary equipment are being prepared. Joe Valentine will provide more detail in his report.

Pfeifer asked whether the improvements to the Birmingham Commission chamber will have a maximum budgeted amount. Hollinshead will attempt to provide the Board with that information by the next meeting. Valentine added that specifications for the project will be structured so that components of the Request for Proposals will be bid separately, which will allow the Board the opportunity to reject an item if it cannot be funded for budgetary reasons.

Cable Action Committee

Hirsch stated that the committee discussed a few matters informally in the last month. One of the issues was cable pricing. The communities have received no announcement from Comcast about a price increase. However, the headline of a recent Wall Street Journal article reads, “Cable’s

holiday gift – a bigger bill”. The article stated that Comcast is raising its rates an average of 5.9% for a standard analog cable package of about 70 channels. This is well about the 3.2% inflation rate and more than last year’s Comcast’s price increase of 5.7 percent.

Hirsch related that last Sunday’s Oakland Press carried a front-page story on rising cable rates in the county. The article says that Comcast and Wide Open West will be sending out bills averaging \$2-\$3 more per month. Borgon asked that Hirsch redistribute to the Board a report prepared a year ago that documented the history of price increases for this consortium.

Hirsch reviewed that Congress had asked the Federal Communication Commission to study a la carte pricing, which refers to a menu system that would allow people to order the channels they want to receive. Proponents view it as a way to cut cable rates. Cable operators say that a la carte pricing would force them to radically change the way they do business and would probably eliminate some of the smaller cable channels that survive only because they are packaged with widely viewed channels. The operators also argue that subscribers wanting to keep the same service that they have now would likely have to pay more for that service.

To update the Board on this issue, Hirsch related that the FCC issued a comprehensive study a few weeks ago that sides with opponents of a la carte pricing. The report was criticized by the Parents Television Council, which is a proponent of a la carte cable television as well as a supporter of more enforcement of Federal indecency laws against broadcasters. It can be concluded that subscribers will not be offered a la carte channel choices any time in the near future.

DISCUSSION OF MEETING TIMES

The topic of Cable Board meeting times was placed on the agenda for consideration at the request of a few members of the Board. Borgon stated that the Cable Board has always met on the third Wednesday of every month at 7:45 a.m. A couple of meetings were scheduled in the evening a few years ago in an effort to obtain more public involvement. The evening meetings did not result in additional public participation.

There followed a comprehensive discussion on whether the meetings should continue to be held in the mornings or be changed to evening meetings on the same day. BACB Bylaws require monthly meetings without saying where or at what time. It was the consensus of the Board to continue to meet monthly on the third Wednesday of the month at 7:45 a.m. in the Beverly Hills municipal building.

COMCAST RELATED TOPICS

Subscriber Complaints

Two of the complaints discussed last month were included in the packet for follow up from Comcast. One complaint raised the question of whether customers must call Comcast every day that they are without service in order to receive a credit (#04-43).

Beller responded that, Comcast does not have the technology set up in its billing system to automatically trigger a credit if there is a large area outage. She looked into the internal processes and learned that it is not Comcast’s policy to require a subscriber to call numerous

times to receive a credit for an outage. The customer complaint was a result of a CSR training issue, which has been addressed.

Beller addressed intermittent service problems in Franklin. Comcast technical people have kept in periodic contact with the customer and made multiple phone calls in an attempt to track and identify intermittent issues. These types of problems are difficult to detect and must be identified when they are occurring. The source of the problem has not been identified as yet with complaint #49. Complaint #46 has been resolved and a credit was issued for interruption of service.

Complaint #44 concerns a subscriber's problem with telephony service. It was noted that the Board has no jurisdiction over telephony service. Comcast did work with this customer and received no response back from him. Beller indicated that a no-response letter was sent to the individual on November 19.

Hagaman stated that Complaint #04-45 involves an customer who disconnected from cable and had to program their televisions to accept the antenna. The individual was having difficulty doing this and was assisted by Comcast representatives.

In complaint #04-48, a subscriber called Comcast to request to go on a vacation rate. The individual objected to the customer advocate requiring that she give Comcast her social security number in order to receive the vacation rate.

Complaint #04-49 is still pending. The customer is having problems with picture quality on channel 95. This has been an intermittent problem in some areas of Franklin and Beverly Hills.

Pfeifer commented that she understands that the Cable Board has no jurisdiction over telephony, but it is a complaint that she is hearing frequently from Comcast customers in Beverly Hills. They are losing their telephone service for no reason and have poor quality service at times. Beller responded that she has been in contact with the Comcast technical management team to try to track intermittent issues. These are difficult issues to identify, but they are not being ignored.

Monthly Subscriber Statistics

There were no comments on the Comcast system statistics for November.

Other Issues

Beller presented highlights of Comcast announcements and offerings. Comcast Local 8 was launched a few months ago in an effort to cover local events and sporting activities. Comcast was proud of its December 13 coverage of the last game played by Igor Larionov in the Russian All Stars vs. World All Stars in Moscow.

TV One was launched and will be available on Comcast Digital Cable Channel 163. Comcast is offering a subscription service called Bridges TV. It is a new English-language, Muslim oriented cable television network that offers a cultural, lifestyle and entertainment network. It is the first program of its kind to serve that market.

Comcast recently announced the launch of the Sports Tier in southeast Michigan, which will cost \$4.95 per month and is available to customers who subscribe to digital cable services. Comcast continues to add value to its Video on Demand libraries.

Borgon mentioned that the Board was informed in a letter that the Woman's Entertainment channel (WE) will be repositioned from channel 69 to channel 117. This is another channel that is being moved from the analog to the digital tier. The Board was informed that there will not be a replacement program on channel 69.

Beller was asked for the rationale of this change. She responded that Comcast is trying to efficiently manage its analog spectrum as it makes the transition to digital.

Pfeifer remarked that it is apparent that the analog tier will not be available at some point in the future. She asked for a target date for this conversion.

Beller referred to FCC articles that speak of digital migration and convergence as part of the FCC model to keep introducing new technologies in the world of telecommunication. Comcast is following the lead of the FCC for what they determine is a transition time frame for requirements to carry all digital. Programmers are paying to produce basically two levels of programming, HD and analog. As digital technology and two-way technology evolve, there are guidelines towards all digital services that are being looked at by the telecommunications industry.

Beller stated that Comcast is responding to people who want that new digital technology. That does not mean that Comcast will not do anything on the analog spectrum. Comcast is looking at ways that it can continue to add value to the analog tier. Comcast Local 8 is an example of this.

Currier stated that this Board has had discussions over a long period of time with regard to speculation that analog is being phased out by the cable provider in an attempt to force everyone to subscribe to the digital tier. The Board has been assured by Comcast on several occasions that this is not happening, but the customers experience more channels being repositioned from the analog to the digital tier. Switching to digital service would be a huge expense to BACB customers, many of whom are seniors who cannot afford the digital tier. Everything that is happening points in the direction that Comcast is forcing people to subscribe to digital service.

Fredrick commented that an obvious alternative to opting for the digital tier is to consider satellite television. There is a risk involved to Comcast because there will be some loss of subscribers to satellite dish service with its switch to the digital tier.

Currier emphasized that the communities do not receive any revenue for public, educational and government television programming if people convert to satellite TV. It is important to keep people subscribing to cable television in order to receive revenues for PEG operations and for the communities. It is not to the municipalities' advantage in their partnership with Comcast for the cable company to push in the direction of the digital tier when they have so many subscribers dependent on analog.

Gallasch commented that television technology is changing with people getting into wide screen television, which will drive people towards digital.

EXECUTIVE DIRECTOR'S REPORT

Hagaman reported that Comcast has submitted a check to BACB as part of its agreement to resolve the shortfalls discovered during the franchise fee review. The Board has submitted reimbursement checks to each of the communities.

Granicus, a web streaming company in California, will give a short presentation to the Board at its January meeting.

The final first quarter Cable Board financial report has been distributed to the Board.

It was mentioned last month that police and fire and public safety departments of the consortium communities were notified by Comcast that courtesy cable programming would no longer be offered. Comcast is continuing to provide the basic cable package to these departments at no cost. Complimentary high-speed Internet service has been removed by Comcast. Beller has provided a list and cost breakdown of the services that will no longer be provided by Comcast.

The Board has received a letter from the Birmingham Fire Fighters Association requesting a grant from the Cable Board for 2005 in the amount of \$600 to pay for the cost of a premium channel package and the required boxes for two stations in Birmingham. Hagaman mentioned that Comcast's new policy will also impact the Beverly Hills and Franklin departments.

The Board discussed the request from the Birmingham Fire Fighters Association as well as the premium channel services that were discontinued in Beverly Hills and Franklin. It was indicated that the various departments were not receiving the same channels or packages. Ettenson suggested that the Board look into the services that were discontinued from each of the communities in conjunction with the specific request from the Birmingham Fire Fighters Association.

There was agreement that the Cable Board should break down what services are being received by each department, consider long-term costs, and decide whether to enter into this type of grant.

Motion by Ettenson, second by Woodard, to direct the PEG Committee to contact the administration of the member communities to discuss the matter of the Cable Board providing a grant for premium cable television services to consortium community police and fire and public safety departments.

Motion passed.

MLTV/PA18 REPORT

Gillis' report shows that MLTV 15 completed the production of five regularly scheduled municipal meetings in the last month and one BACB meeting. A program shot at the Birmingham Historical Museum about Wallace Frost has been completed. The second Rouge program is on schedule for a January premier. A new program by Birmingham/Bloomfield

County Commissioner Chuck Moss called *Eye on Oakland* will begin airing as a filler program on MLTV 15 starting in January. Moss is planning for new shows about every month.

BCTV completed a total of 38 programs for playback on PA 18 for this time period. Of this total, BACB residents or organizations produced 11 programs.

With regard to the Birmingham Commission equipment upgrades, Gillis expressed the view that it is important in this bid process to receive an “apples to apples” comparison from vendors on their proposals. The system that will be put in place in Birmingham will be slightly more advanced than the Beverly Hills system based on the new technology and the demands of Birmingham meetings.

There is a need to look forward to the future of web streaming and the capabilities required to put it in play. Birmingham is interested in web streaming and how it will integrate with its IT. Any equipment purchased by Birmingham will be format friendly to the future. Gillis added that meeting coverage and internal operations at the Birmingham DPS facility is being reviewed as part of the grant and an opportunity for Birmingham to upgrade everything that goes through the MLTV channel.

OLD BUSINESS

Gallasch invited members to his home after the meeting if they are interested in seeing first hand the capabilities of a satellite system as an alternative to Comcast cable service.

NEW BUSINESS

None

BOARD COMMENTS

Borgon commented on the importance of web streaming and encouraged representatives from interested member communities to be present after the next Cable meeting to discuss their involvement.

Borgon thanked Hagaman for her diligence in preparing meeting packets and getting them to the Board members before the monthly meetings. He encouraged members to read the news articles included in the material.

PUBLIC COMMENTS

Les Millichamp of 18630 E. Chelton in Beverly Hills commented that he has been a subscriber to Direct TV for five years. He is also a subscriber to Comcast for high speed Internet service because Comcast has the marketplace cornered for Internet service for this area. This has to do with the intricacies of DSL and the distance a subscriber can be located from a switch point. Millichamp spends approximately \$56 a month for Comcast Internet service.

Millichamp explained that he does not have cable television service with Comcast because it is too expensive. He receives 72 channels from Direct TV basic service for \$26 per month. It works perfect and is never down except when the power is out. He fails to understand why a basic entry

level addition for someone who is already a subscriber to Comcast Internet service is not offered in terms of adding a la carte channels.

Borgon wished everyone a happy and safe holiday season.

The meeting was adjourned at 9:12 a.m.