



City of Cambridge

O-25.

IN CITY COUNCIL

March 19, 2001

COUNCILLOR DECKER
COUNCILLOR BORN
COUNCILLOR DAVIS
MAYOR GALLUCCIO
VICE MAYOR MAHER
COUNCILLOR REEVES
COUNCILLOR SULLIVAN
COUNCILLOR TOOMEY

ORDERED: That the issue of delays in negotiating with RCN for competition in cable services be referred to the Cable TV, Telecommunications and Public Utilities committee for a hearing to which all the stakeholders are invited.

In City Council March 19, 2001.

Adopted by the affirmative vote of eight members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

D. Margaret Drury
City Clerk

**REFERRED TO CABLE TV, TELECOMMUNICATIONS AND PUBLIC UTILITIES
COMMITTEE.**



City of Cambridge

O-28.

IN CITY COUNCIL

March 19, 2001

VICE MAYOR MAHER

ORDERED: That the appropriation of \$2 million be referred to the full City Council with a favorable recommendation.

In City Council March 19, 2001.

Adopted by the affirmative vote of eight members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

D. Margaret Drury

D. Margaret Drury
City Clerk



City of Cambridge

O-29.

IN CITY COUNCIL
March 19, 2001

VICE MAYOR MAHER

ORDERED: That the City Manager be and hereby is requested to report back to the City Council on the follow up negotiations with AT & T including all seniors who received basic and standard packages.

In City Council March 19, 2001.
Adopted by the affirmative vote of nine members.
Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

A handwritten signature in cursive script that reads "D. Margaret Drury".

D. Margaret Drury
City Clerk

SEE COMMITTEE REPORT #10

of inspections and legal work. Vice Mayor Maher asked could the city require that future build out be underground. The underground and aerial expense, Mr. Healy stated, will be negotiated. Mr. Healy stated that if the Electric Utility Company is required to convert from aboveground to underground this expense could be passed on to consumers under their legislation.

Councillor Born stated that with the continuous street work for electrical or information technology upgrading could the city benefit by requiring companies to buy into conduit work. Mr. Healy responded that this is an issue for the Pole and Conduit Commission. It is implementing a "Siting Policy" to encourage shared use. He further stated that there is a new position in the License Commission to do analysis work for the Pole and Conduit Commission with the telecommunications companies.

Councillor Born asked if there is any street that has split utility where cable is underground and electricity is aboveground. Mr. Healy responded in the negative.

Councillor Born asked about telecommunication hotels. Mr. Healy stated that the hotels are installing special wires. Fiber optic wires are being installed; analog wires are on the way out.

Councillor Born asked if there is any obligation to remove wires that have become obsolete. Mr. Healy stated that the city has the right to require that obsolete wires be removed. If obsolete wires are not removed the city owns the wires, he said. Mr. Murnane, AT & T, stated that this is usually in the license. Councillor Born asked Mr. Murnane about the wires on poles that are not used. Mr. Murnane stated that it is to the advantage of AT & T to remove the bad or unused lines.

Vice Mayor Maher asked when will a recommendation be received on the second cable provider. Ms. Peterson stated that it is anticipated that the recommendation will be made by June. She further stated that when the second license is granted there will be an 18-24 month build out. Consumers, she said, will not have access for at least two years. Vice Mayor Maher asked if build out would be done in stages. Ms. Peterson responded in the affirmative. Mr. Healy stated that as segments were completed in the past there were incremental subscriptions.

Mr. Robert Winters, 366 Broadway, stated that the Pole and Conduit Commission should establish standards. He stated that Continental Cablevision was in so much of a rush to install their cables that there was no installation plan between the cable and telephone companies. The Pole and Conduit Commission should regulate how the wires are installed and companies must adhere to this policy, he said. RCN, he said, will be just as quick to lay their lines. Ms. Peterson stated that construction standards are important to the city. An arborist will need to be board, she said.

The discussion turned to the appropriation of \$2M. **(ATTACHMENT A)** Mr. Healy stated that the recommendation to the City Council was to place the funds in the Capital Budget. The city has been running its own fiber optic wires to the schools and to city buildings. Funds will be used to improve the production facilities in the Sullivan Chamber, Ackermann Room, mobile production van, cameras, the Senior Center and 57

Inman Street. One million dollars is part of the license renewal. He further stated that splitting the license renewal revenue with CCTV is fair. In the previous license, 3% of the 3.75% operational funds were used for CCTV operation. CCTV will likely keep the 3%, he said. A meeting will be held with the School Department personnel and the Mayor to discuss the use of the revenue for the schools, he said. Mr. Healy stated that he anticipated allocating some of the operating expense to educational access.

Councillor Born asked how many broadband subscribers are in the city. Mr. Murnane stated he would get this information for the committee. He stated that 90% of customers who were offered digital service, purchase this service.

Vice Mayor Maher asked the cost of the premium package. Mr. Murnane responded the premium package cost is \$79.00. The picture and audio quality is better with this package.

Councillor Born asked the fee for broadband and digital per month. Mr. Murnane responded \$99.99. This covers television, telephone and Internet service.

In response to a question on the net revenue, Ms. Peterson stated that \$175,000 represents 1% of a growing base. Mr. Healy stated that the revenue stream shows support for the cable budget. There is a commitment to allow a public access model that is citizen driven. Three percent of the revenue is tied up to this commitment; one percent will go to the Municipal Access Channel and one percent will likely be allocated for educational needs, he said.

Vice Mayor Maher informed Mr. Murnane that he has received several complaints about the sharp increase in pricing and the limited options offered from customers including several seniors. Vice Mayor Maher asked Ms. Peterson about the senior citizen discount. Ms. Peterson stated that the city negotiated a 10% discount for all seniors. Vice Mayor Maher asked how does the consumers obtain this information. Mr. Murnane stated the discount will list information about obtaining the discount on the bills and that this discount applies to all persons 65 years or older. Vice Mayor Maher asked if the senior discount is retroactive. Mr. Murnane responded in the negative. Seniors need to contact AT & T and an affidavit will be sent to the senior to sign and return to AT & T. Mr. Healy stated that the city would publicize this information through the Council on Aging. Vice Mayor Maher stated the city would be happy if the media would highlight the senior discount in a feature story. Ms. Peterson stated that the city was expecting that AT & T will offer the senior discount on both the basic and the standard programs.

Vice Mayor Maher asked what is the difference between the basic and standard packages. Mr. Murnane stated that the regulated basic service includes local access, the Municipal Channel and cable channels. The standard package includes A&E, the Discovery Channel and the Disney Channel.

Vice Mayor Maher asked why the Food Channel is not offered. Mr. Murnane stated that the Food Channel is not available because Cambridge is channel locked, meaning all channels are being used. Councillor Born asked if there are communities that are not channel locked. Mr. Murnane stated that Cambridge has 99 channels not

including digital channels. Public access ties up eight channels. Cambridge, he said, has top notched service.

Vice Mayor Maher requested a breakdown of subscribers on both basic and standard packages. He stated that even with the discount subscribers are experiencing an increase. Customers do not feel that service has increased in proportion to the rate increase, he said.

Mr. Winters asked why has AT & T decided to have bare bones basic service with an increase of \$25.00 for the next tier of service. Mr. Murnane stated that this is a business decision. AT & T, he said, offers more choice than its competitors. It would be cost prohibitive to offer a-la-carte service, he said.

Ms. Fleishman, CCTV Director, commended the work done by the city team. She stated that she was concerned with the \$500,000 allocation. She hoped that more funding would be provided to the system from RCN.

Vice Mayor Maher inquired if there is a requirement in the license that requires AT & T to maintain a presence in the community. Mr. Murnane stated that AT & T will maintain the Sherman Street site for customer service for the term of the license. Councillor Born highlighted the fact that calling Directory Assistance for a telephone number for the Sherman Street site reveals the telephone number is not available. Mr. Murnane stated that Sherman Street is not a customer care facility; these facilities are located in Chelmsford and Bedford.

Mr. Fred Fantini, School Committee Member, informed the committee that the City Manager and Ms. Peterson have done a good job on this matter. AT & T, he said owes CCTV money for fees. Fees have been only received for fourteen years of the fifteen-year license. Suit will be filed against AT & T, he said. Mr. Healy stated that the dispute is that the license is for fifteen years. Payment of fees is made on the gross revenue from the first year of the license. There is a disagreement on the interpretation regarding the end of the year clause, he said.

Mr. Fantini stated that in Somerville the rental space is paid by the city. Vice Mayor Maher asked what is the square footage of the CCTV space. Ms. Fleishman responded 5,000 square feet. What is the ideal footage requirement the Vice-Mayor asked? Ms. Fleishman responded 6,000 to 6,500 square feet.

Mr. Fantini asked about the income stream for educational purposes. Mr. Healy stated that there is a cap on the funding; however discussions are on going on maximization of the funding for education. Mr. Fantini stated that a non-professional education board should control this funding.

Vice Mayor Maher stated that the School Department has not made their meetings more accessible to families who are unable to physically attend the meetings. An infrastructure is needed in the School Department, he said.

Mr. Fantini informed the committee that the Mayor would like the sporting events covered by cable; but who will cover school events. Councillor Born asked how are school events covered at present. Mr. Healy stated it is personnel issue. It takes 3-4 hours to edit one hour of production, he said. There are currently four employees plus one intern in the Cable office.

Councillor Born again stated that to be customer friendly AT & T should make sure that there is a telephone listing in the telephone book. Mr. Murnane stated that he would take this information back to AT & T.

At the conclusion of the meeting, Vice Mayor Maher made the following two motions:

ORDERED: That the appropriation of \$2 million be referred to the full City Council with a favorable recommendation.

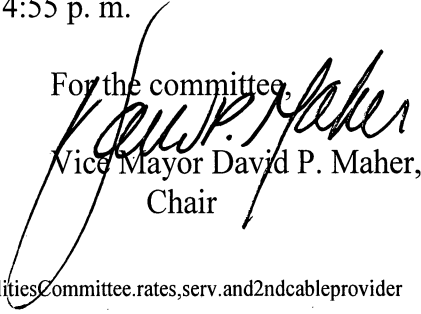
ORDERED: That the City Manager be and hereby is requested to report back to the City Council on the follow up negotiations with AT & T including all seniors who received basic and standard packages.

On a voice vote the two motions -
Carried.

Vice Mayor Maher thanked all person who attended the meeting.

The meeting adjourned at 4:55 p. m.

For the committee,


Vice Mayor David P. Maher,
Chair

010307.CableTVTelecommunications&PublicUtilitiesCommittee.rates,serv.and2ndcableprovider



ATTACHMENT A

CITY OF CAMBRIDGE • EXECUTIVE DEPARTMENT

Robert W. Healy, City Manager Richard C. Rossi, Deputy City Manager

February 12, 2001

To the Honorable, the City Council:

I am requesting the appropriation of \$2 million from AT&T/MediaOne of Massachusetts for the purposes outline below. \$1 million was received by the City as part of a settlement agreement regarding issues of the former license and the transfer of that license from MediaOne to AT&T; another \$1 million, to be fully received by June of this year, is capital funding required in the new Cable License with AT&T (10 year license effective December 30, 2000). I request that these funds be appropriated as follows:

- (a) \$150,000 to the Public Investment Finance Department/MIS Extraordinary Expenditure Account for equipment necessary to allow video transmission over the municipal fiber network.
- (b) \$850,000 to the Public Investment Executive Department Extraordinary Expenditure Account for:

A new City Hall Production Facility; cameras for the Sullivan Chamber; lights, cameras, audio system and microphones for the Ackermann Room, the Senior Center, and 57 Inman Street; a mobile production van; and studio cameras (\$632,000);

Reimbursement to CCTV for payment for a fiber reconnection when it moved to Prospect Street (\$18,000); and

To increase access to City services via the City's web page, and increase residents access to the Internet (\$200,000). These services will be developed, in part, through a new "Office for Constituent Services."

- (c) \$1,000,000 to the Public Investment Executive Department Extraordinary Expenditure Account, received as part of the new cable license negotiated by the City, to be used for:

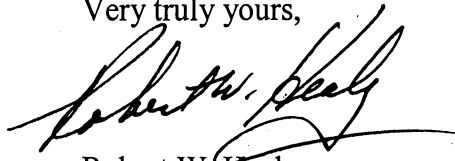
\$500,000 to CCTV for capital funding. In large part, CCTV will be using these funds to replace/upgrade aging equipment in its studio and edit suites, and replace analogue equipment with digital production equipment.



\$250,000 to upgrade the School Committee Production Facility, for new cameras for the Media Cafeteria, and other video production hardware.

\$250,000 for future cable/telecommunications equipment needs.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy", with a stylized flourish extending from the end.

Robert W. Healy
City Manager

City of Cambridge

CABLE TV, TELECOMMUNICATIONS AND PUBLIC UTILITIES COMMITTEE MEMBERS

*Vice Mayor David P. Maher, Chair
Councillor Kenneth E. Reeves
Councillor Michael A. Sullivan*

In City Council March 19, 2001

The Cable TV Telecommunications and Public Utilities Committee conducted a public meeting on Wednesday, March 7, 2001 at 3:20 p. m. in the Sullivan Chamber.

The purpose of the meeting was to discuss rates and service changes to customers by AT & T, the settlement agreement with and the transfer of the license to AT & T, a status report on negotiations with the second cable provider and any other business which may come before the committee.

Present at the meeting were: Vice Mayor David P. Maher, Chair of the Committee, Councillor Kathleen L. Born, Robert W. Healy, City Manager, Lisa Peterson, Assistant to the City Manager, Nancy Glowa, First Assistant City Solicitor and Donna P. Lopez, Deputy City Clerk. Also present at the meeting were Susan Fleishman, Director, CCTV, Fred Fantini, School Committee Member, Tim Murnane, AT & T.

Vice Mayor Maher opened the meeting and asked for a status report on the license renewal of AT & T and a status report on the second cable provider.

Robert W. Healy, City Manager, stated that the original license was granted in 1985 to American Cablevision. This license was transferred to Continental, then to Media One and lastly, to AT & T. This license expired on December 30, 2000. A parallel process was on going, he said. The transfer of the license from Media One to AT & T occurred prior to the conclusion of the terms of the existing license and negotiations were on-going for a renewal for a ten year period. Mr. Healy stated that the City Council received a recommendation on February 12, 2001 for the appropriation of the revenue that was part of the settlement agreement and revenue that is a part of the current license. This was the subject of the Charter Right and was referred to this committee on February 12, 2001. The appropriation is a one-time capital payments that the city is receiving. There is no disruption in service with this new license, he said.

Mr. Healy stated that discussions are on-going with RCN. An Issuing Authority Report was issued. Only RCN responded to this report, he said. Negotiations between the city and RCN are on going.

A discussion ensued regarding the placement of the wires. Vice Mayor Maher asked what is the percentage of wires that are underground. Mr. Healy responded 50% of the wires are underground. He further stated that where wires are underground the wires will remain underground. The second cable provider will be a new build system and this construction will take 18-24 months to complete. Councillor Born asked if there is any cost of this new construction to the city. Mr. Healy responded city staff time in the form

1055

Committee Report #10

Committee Report from Vice Mayor David Maher, Chair of the Cable TV Telecommunications and Public Utilities Committee for a meeting held on March 7, 2001 to discuss rates and service changes to customers by AT&T, a status report on negotiations with the second cable provider and any other business which may come before the committee.

In City Council March 19, 2001

Report Accepted.
Orders Adopted
also see Policy
Order # 25