

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 July 30, 2001

The Cable TV, Telecommunications and Public Utilities Committee held a public meeting on Wednesday, June 27, 2001 at 12:35 p. m. in the Ballroom, Senior Center, 806 Massachusetts Avenue, Cambridge.

The purpose of the meeting was to conduct a public meeting to discuss cable issues affecting senior citizens and to give a status report on the issue of the senior discount on cable bills.

Present at the meeting was Vice Mayor David Maher, Chair of the Committee, Nancy Glowa, First Assistant City Solicitor, Lisa Peterson Commissioner of Public Works, Jason Marshall, Mayor's Office, Benjamin Barnes, License Commissioner and Donna P. Lopez, Deputy City Clerk.

Vice Mayor Maher opened the meeting and stated the purpose. There have been two previous meetings to get feed back from the seniors as well as to provide information to the public on the cable issue. This is the third meeting. Vice Mayor Maher outlined the cable history.

The original cable license was with American Cable Systems and was fifteen years ago. The license holder changed hands many times over this period. AT&T is the major cable carrier in the country and has been buying up other cable companies. The City needed to negotiate a new license and did so with AT&T. There was a 15% senior discount received by persons in senior housing with the previous license. The City Council wanted all seniors to receive a discount. AT&T did not agree to the 15% discount. The City thought it had arranged for a 10% discount for all seniors. Since the negotiations the \$35.00 package has increased to \$37.00. The City thought a discount of \$3.89 was received. AT&T stated that the discount was on the Basic Service. Then AT&T renamed the \$35.00 package to Standard Service. The lower new Basic Service costs \$6.89. AT&T has stated that the discount was on the Basic Service and the language going forward and not the language used for the last fifteen years. The entire City Council believes that the City negotiated in good faith for a senior discount for all seniors. This amounts to the bait and switch tactic. The City Manager has put AT&T on notice that they are in violation of the contract. A public hearing will be held on July 16, 2001 at 5:30 p. m. What may come from the public hearing is either a settlement on the issue or a court case in a state or federal court. The City, he said, is prepared to go to court on this issue. The City's intent was to negotiate a discount for all seniors.

Sally H. Lunt, Esquire, 1105 Massachusetts Avenue, asked what is the City's strategy. Ms. Glowa responded that the City contracted for a 10% senior discount on the

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\$35.00 Basic Service Package. AT&T has changed this by changing the name of the package to Standard Service. AT&T is not providing what they negotiated. The City believes that AT&T is in breach of the terms of the contract for not providing the discount to seniors. The cable license requires that a public hearing be held. Attorney Lunt stated that she would like the City to broaden the court case to include the state and federal government to pressure AT&T to do what is right.

Vice Mayor Maher stated that minutes from these meetings would be forwarded to Mike Capuano and Senators Kerry and Kennedy. The FCC has been sympathetic to the needs of AT&T and not the consumer. State and federal officials will be contacted to advocate for the City, he said. At the Truman Apartment meeting it was made clear that readability of the cable bills is an issue. AT&T is redesigning the bills to be more consumer friendly, he said. The senior discount does not show up as a discount; no minus appears on the bill. If a senior was receiving the discount previously they are probably receiving the discount now. If a senior has not received the discount an affidavit needs to be filed with AT&T stating that the person is 65 years or age or older to receive the discount.

A senior stated that all Standard subscribers would receive NESN for a price. She cancelled her Standard Service. She switched to the Basic Service and will be charged only \$7.20 per month.

AT&T is a company that relies on expanding their service, stated Vice Mayor Maher. He urged seniors to down grade their cable service because of the treatment of seniors by AT&T.

Vice Mayor Maher stated that a flyer would be prepared with information about Direct and Dish TV. The companies will be contacted to obtain a price listing of the cost of their services. Installation is free, but the monthly bill is the problem, he said.

Cambridge, he said, was the first City to negotiate a senior discount with a cable company. The discount was negotiated fifteen years ago. AT&T is afraid surrounding cities and towns will also want the discount.

The discussion turned to the issue of a second cable carrier. The City has negotiated with RCN. There are however, two problems:

1. The whole city needs to be rewired and this will take two years; and
2. RCN is over extended.

Vice Mayor Maher further stated that where there is competition prices have not decreased or escalated. Community concerns are taken more serious when competition exists.

Benjamin Barnes, License Commissioner, informed the attendees that Ms. Nichols from the License Commission will be at the Senior Center one day a week starting the week of July 9th to help seniors document their complaints and help read their cable bills.

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Sergio Bru, 150 Erie Street, stated that he wanted the Basic Service but was encouraged to buy the entire package for \$39.00. Now his bill is \$44.00 with AT&T.

Barbara Adams, 411 Franklin Street, stated that she had her cable shut off in the winter because she was away. When her service was turned back on the bill was too confusing.

A senior complained about the lack of choice with cable. She was not asked if she wanted NESN, she was told she would have NESN and would be charged for it.

An 85-year-old senior complained that the consumer cannot contact any human person if you have a cable problem. The person at the cable office that she talked to was located in West Virginia.

Vice Mayor Maher informed the attendees that if they have a cable-ready TV a box is not required. A box is needed for the movie channels, she said. AT&T is telling the seniors that they have to return the boxes themselves. It is mandated in the license that the office on Sherman Street be maintained for customer service.

Vice Mayor Maher stated that AT&T is telling customers that they are getting NESN free, but the rates are increasing. If you previously had NESN there is a discount. He encouraged the seniors to bring their bill to the Senior Center so that Ms. Nichols can review them. AT&T will be informed that the City went out into the community and that there is a lot of dissatisfaction in the city with AT&T.

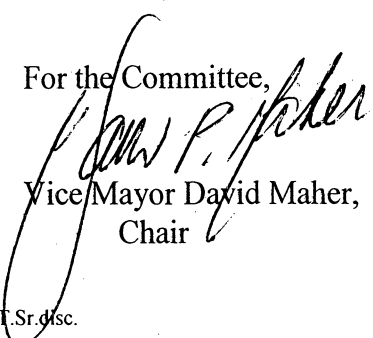
Virginia M. Jay, 2 Mt. Auburn Street, stated that she has had five increases in her cable bill since January. Vice Mayor Maher explained the increases were caused by a loss of the senior discount, a rate increase and changes in the state and federal taxes. Mr. Barnes stated that if the seniors bring their bills to the Senior Center his staff can verify that they are being billed correctly. Vice Mayor Maher urged the seniors to say "NO" to the telemarketing efforts by AT&T.

A senior asked about the advantages of cable versus digital. Commissioner Peterson stated that digital service is not available yet. AT&T does have digital boxes. AT&T is getting ready for the digital technology.

Vice Mayor Maher thanked all attendees.

The meeting adjourned at 1:40 p.m.

For the Committee,


Vice Mayor David Maher,
Chair

City of Cambridge

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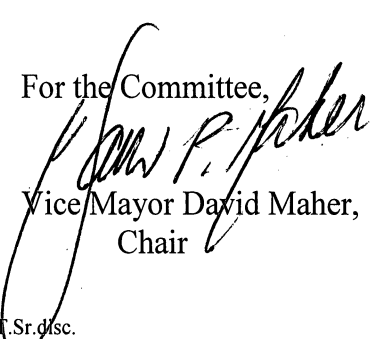
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For the Committee,


Vice Mayor David Maher,
Chair

3115

Committee Report #5

Committee Report from Vice Mayor David Maher, Chair of the Cable TV, Telecommunication and Public Utilities Committee, for a meeting held on June 27, 2001 to discuss cable issues affecting senior citizens and to give a status report on the issue of the senior discount on cable bills.

In City Council July 30, 2001.

Report Accepted

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