

when RCN comes to Cambridge it will have to build a separate system in 18-24 months. RCN has built separate systems in other communities and is now competitive, he said.

Vice Mayor Maher asked what percentage of the clients changed. Mr. Epstein stated that using as an example RCN projects to have 1/3 of the market at maturity.

Vice Mayor Maher asked if the two license procedures are independent of each other. Ms. Peterson responded in the affirmative. Vice Mayor Maher asked how does this affect the negotiations with Media One. Mr. Epstein stated that the negotiations with Media One are a separate issue and the procedural process is a separate issue. It is not a one-for-one comparison when comparing an incumbent to a new provider, he said.

Vice Mayor Maher asked if there has been any price relief in the communities where competition has occurred. Mr. Epstein stated that in Somerville, the incumbent, Time Warner, did not raise or lower its rates. RCN, he said, bundles its services (cable, Internet, etc) and Media One has started to do this also which is a benefit for the subscribers. The advantages of bundling are that it improves customer service, he said.

Mr. Healy stated that the rates may not go up as they could have. There is no authority at the local level to regulate rates, he said. Competition prevents escalation of rates.

Vice Mayor Maher stated that he would like the senior discount extended to all seniors in the city. The technology in the School Committee Room and the Sullivan Chamber is not state of the art, he said. He expressed his hope that both facilities will be updated.

Vice Mayor Maher asked the Cable Director, Calvin Lindsay, about his vision on programming. Mr. Lindsay responded that he is trying to incorporate series into the program strategies to augment the many meetings. He outlined programming issues and series planning such as:

- Hidden Treasures – a 10-15 minute look around Cambridge, such as in museums that the public may not have knowledge of.
- The “02138” zip code as a metaphor for Cambridge is being looked at to create a documentary presence to frame national discourse
- Review of whether the presentation of City Council meetings can be improved through revamping
- Development of independent film series – to introduce local filmmakers
- Editorial philosophy is being worked on and reshaped.

At eleven o'clock and thirty minutes A. M. Vice Mayor Maher opened the meeting to public comment.

John Heyer, 142 Amory Street, stated that he is representing a coalition of Church groups, students and schools, who are trying to create a news and public affairs channel, like CSPAN in English and Spanish. The channel would air programming such as documentaries and reports from the UN. The public, he said, feels alienated because of funding. This programming would promote democracy. He further stated that the Boston Catholic TV is distributed by microwaves to cable and needs to be linked. The infrastructure started in 1985 has been lost because it was not used. His group wants to get into the system.

Vice Mayor Maher asked the staff to shed some light on the issue of availability of access for citizen groups. Mr. Epstein stated that this group is seeking channel capacity. In the RFP the city has asked for a number of access channels. This would come under public access. CCTV is the public access provider in the city, he said. Ms. Peterson stated that CCTV has three channels 9, 10 and 22. Channel 22 is used for international programming. Mr. Epstein stated that the Boston Catholic TV should be conversing with CCTV on this issue. He questioned why this group is not working with CCTV to develop this programming when the resources are in place. He informed Mr. Heyer that it would be difficult to get their own channel.

Vice Mayor Maher asked Mr. Heyer if his group has met with CCTV. Mr. Heyer responded in the affirmative. He further stated that his group is trying to develop a theme channel. The problem is that CCTV flips to different subjects. Mr. Epstein stated that channel capacity is limited. Media One can charge for a new channel per regulations. A new channel has a rate impact, he said. Mr. Epstein encouraged Mr. Heyer to use the public access channel for this programming. Vice Mayor Maher agreed that the Peace Channel group should meet with CCTV. Mr. John Donovan, representing CCTV, stated that CCTV would agree to having the Peace Channel group meet with Ms. Fleishman. Vice Mayor Maher stated that he is willing to arrange a meeting between the Peace Channel group and CCTV.

Mr. Heyer asked if there would be an increase in public access channels with the new franchise. Mr. Epstein stated that CCTV has three channels. In most communities, he said, the access channels have time for this type of programming. CCTV is there to provide access to groups. He informed Mr. Heyer that if he is experiencing problems he should inform the City Manager. He again encouraged Mr. Heyer to work with CCTV.

Ruth Weizenbaum, 734 Old Marlboro Road, Concord, Chair of a Coalition for a Strong UN, stated that debate on cable programming needs to be broadened nationally. She wanted to know if there is a way to link programming and to expand programming. Mr. Epstein stated that in Cambridge there is an interconnection with contiguous communities. Public access channels are shared with Somerville. Concord,

he said, has three access channels which only service Concord. Lease access under federal law is on a paid basis, he said. Mr. Epstein stated he would encourage the Peace Channel group to work something out with the public access channel so that regular programming will take place at the same time and/or day each week to build a following. Or a channel can be leased on a paid basis.

Ms. Weizenbaum asked what does access channel mean. Mr. Epstein stated that channels in most communities have regular programming. If a following is developed by the Peace Channel group the operator, Media One, will negotiate the programming. The channels make money for the operators. The Peace Channel will not be profitable for the operator. He stated that the Peace Channel group should get their program, develop a following and then request additional programming. Mr. Epstein stated that a statement could be aired that the Peace Network is bringing the programming to the public.

Dave Lewit, 271 Dartmouth Street, Boston, a member of the Alliance for Democracy, expressed his concern for the increase in public access. He asked who makes the decision on the classification of channels as public, government and education. He stated that he would like a more democratic, broader process on classifying programming.

A discussion ensued regarding the possibility of charging rental rates as a revenue source. Mr. Epstein responded that the 1984 Cable Act contains a provision regarding license fees. There is a 3% fee required by Cambridge for public access; CCTV gets this fee. A $\frac{3}{4}$ % fee funds government access, he said. Mr. Lewit stated that the viewer is confused by the fact that there is a limited amount of viewing time. He suggested that there should be a process to review the fee. Mr. Epstein stated that the federal limit is 5%. The City, he said, is trying to allocate funding for public, government and education access. Mr. Lewit stated that he feels the public is excluded from this debate. He further suggested an evaluation to include awareness of access, the funding and what is available. Mr. Epstein stated that the 5% cap needs to be renegotiated. The chance of an increase of the 5% is slim to none, he said. Pursuant to the Act passed by Congress in 1984 the operator can pass this expense onto the subscriber. CCTV is receiving 3% and this fee appears on the subscribers' bill whether the subscriber uses public access or not.

Paul Schlaver, Director of the Cambridge Consumer Council, requested a discussion between the City and the operator on the concept of linkage. Mr. Epstein stated that the federal law directs the need to look at community needs and interests.

John Donovan, representing CCTV, 675 Massachusetts Avenue, stated that 3 $\frac{3}{4}$ % is an embedded rate. He informed the committee that the channel cap is not capped, it is negotiated. He suggested that the City might want to think about a more flexible channel cap to reduce dark channels and to keep active channels higher in number.

At the conclusion of the meeting Vice Mayor Maher stated he would be willing to arrange a meeting between Susan Fleishman, Paul Schlaver and John Heyer to discuss this matter.

Vice Mayor Maher thanked all in attendance at the meeting.

The meeting adjourned at twelve o'clock and thirty-five minutes p. m.

For the Committee,

David P. Maher

Vice Mayor David P. Maher,
Chair

by dc

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 31, 2000

The Cable TV, Telecommunications and Public Utilities Committee held a public hearing on Thursday, June 22, 2000, beginning at eleven o'clock and thirteen minutes A. M. in the Sullivan Chamber.

The purpose of the meeting was to receive an update on the cable relicensing process, to discuss the goals of the committee and any business that may come before the committee.

Present at the hearing were: Vice Mayor David Maher, Chair of the Committee, Robert W. Healy, City Manager, Lisa Peterson, Assistant to the City Manager, Peter Epstein, Special Legal Counsel, Calvin Lindsay, Director of Cable TV, Paul Schlaver, Director of the Consumer Council and Donna P. Lopez, Deputy City Clerk.

Vice Mayor Maher opened the meeting and stated that an overview of the cable licensing will be presented.

City Manager Robert W. Healy stated that there are two issues with the cable license. The first issue is the transfer of the license from Media One to AT&T, the second is the expiration of the current license. Another issue, he said, is the issue of inviting competition that will create a better and cheaper product.

Ms. Lisa Peterson, Assistant to the City Manager, stated that the current license, which is with Media One, will expire at the end of 2000. A Request for Proposal (RFP) has been completed and Media One has until mid July to respond, she said. The goal is to have a new license with Media One by the end of the year. RCN is a separate license. The Issuing Authority Report (IAR) was issued last year. The city is in negotiations with RCN and the hope is that a new license will be issued to RCN by the end of the year. RCN, she stated, needs to build its infrastructure before service can be broadcast. Mr. Healy stated that full build out will be required; Media One is not letting RCN use the infrastructure. There will be a construction period of 18-24 months that will be disruptive to the city.

Vice Mayor Maher asked if there are any other communities that share lines. Mr. Epstein, Special Legal Counsel, responded in the negative. Vice Mayor asked if sharing was possible. Mr. Epstein responded in the negative. Mr. Epstein stated that

Committee Report #5

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A communication was received from Donna P. Lopez, Deputy City Clerk, transmitting a report from Vice Mayor David Maher, Chair of the Cable TV, Telecommunications and Public Utilities Committee, for a public hearing on June 22, 2000 for the purpose of receiving an update on the cable relicensing process, to discuss the goals of the committee and any business that may come before the committee.

In CityConcil July 31, 2000

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