

Attorney Epstein stated that the reason that the City is concentrating on the RCN competition process is because the Media One license does not expire until the end of the year 2000. Media One has the right to the entire license term; a renewal would start January 1, 2001.

Mr. Epstein emphasized that these are two separate processes. The licensing process for a competitor is pursuant to state law, whereas the renewal process is mostly pursuant to federal law.

Paul Trane stated that Massachusetts is in the early stages of where it will be vis a vis cable competition in twenty-four months. Cable competition will affect the rate structure and will have an ancillary affect on CCTV. Somerville has RCN as a licensed competitor and RCN is up and running in Somerville. Somerville has seen a drop in rates. Somerville's public access is now one of the best funded public access programs in the state. Competition when done with the view of protecting the public interest can work well, as the Somerville experience evidences. Brookline and Newton experiences also support this.

Vice Mayor Galluccio asked when the process could be completed for Cambridge and for a comparison of RCN and Time Warner Services in Somerville. Mr. Trane stated that the build out cannot begin until a franchise is signed, which will probably be in the fall of 1999. The build out can be anywhere from ten months to twenty-four months. Time Warner provides cable-only services, RCN provides a bundle package of telephone, internet and cable, as well as cable-only.

Councillor Triantafillou asked for more information about the timeframe and the consultant's activities. Attorney Epstein said that under federal law, municipalities are not authorized in the renewal process to look at other bidders. The licensing and renewal processes really are separate processes.

RCN submitted an application, which is a very general application on a state form. Then the City develops a report of its needs and interests, called the issuing authority's report, to which RCN responds.

Mr. Healy stated that the report will include issues raised by the City Council, this Committee, staff and citizens, such as customer complaint responsiveness, senior discounts, etc. It is a delicate balancing act because one of the goals of competition is reasonable rates for citizens, and additional and specialized services increase rates.

Councillor Triantafillou asked whether there is any likelihood that Media One could refuse to renew because there is another cable company. Attorney Epstein answered in the negative.

Councillor Triantafillou asked if the channels will be the same for the access and educational channels regardless of the system. Mr. Trane stated that the companies are required by law to have the same channels for the access programming, which includes the educational channels.

Councillor Triantafillou asked about the disruption to the infrastructure. Mr. Healy noted the possibility of RCN having access to ComEnergy conduit, which would significantly lessen the disruption.

Councillor Triantafillou asked when the City could expect a response to the issuing authority's report. Attorney Epstein stated that there will be a response about six weeks after RCN receives the issuing authority's report.

Councillor Triantafillou asked about the issues raised by many citizens about international channels. Attorney Epstein noted that cable operations have First Amendment rights that the City must be sensitive to, but that the City in its report will be describing the diversity of the community, and asking RCN how it proposes to meet needs related to this diversity.

Vice Mayor Galluccio asked whether now is a good time to have another hearing with Media One about all of the complaints about their service. He urged the City staff to survey the City Council on what they see as needs for cable TV.

Mr. Healy stated that the annual performance review hearing of Media One's performance will take place in January and that is probably a good opportunity to review these issues.

Vice Mayor Galluccio stated that he will poll the committee to decide on the best way for the committee to consider the survey information. He added that he has done informal surveys of other communities and has seen better rates in other communities for premium channels, and better discounts, especially for fixed income seniors and the disabled.

Vice Mayor Galluccio then invited public comments.

Susan Fleischman, 5 St. Mary Road, Executive Director of CCTV, noted the "level playing field" clause which makes it important to be sure that RCN is required to provide as much support for access channels, etc.

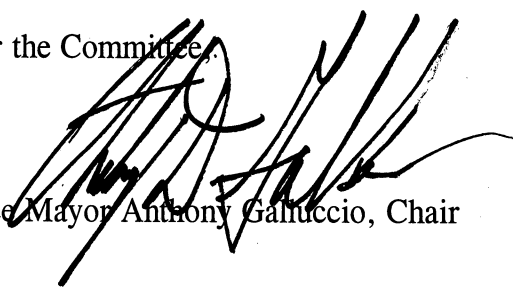
Mr. Trane stated that there is no "level playing field" language in the Cambridge license with Media One that requires this. However, as a matter of policy, the City will be

looking to obtain from a competitor as at least as good a deal as is provided under the license with Media One.

Jennie Casner, 48 Irving Street, stated that her husband is Peter Casner, who runs the school channel, Channel 98. She asked whether anyone has examined Media One to see whether it is in compliance. With respect to Channel 98, Media One is not in compliance. She urged Cambridge to ask for what it wants and to demand reasonable fees regardless. Basic cable should be offered free to low income people because the access channels affect their ability to participate in government.

Vice Mayor Anthony Galluccio thanked all those present for their attendance. The meeting was adjourned at 6:40 p.m.

For the Committee,



Vice Mayor Anthony Galluccio, Chair

City of Cambridge

In City Council December 7, 1998

The Cable TV Telecommunications and Electricity Committee held a public meeting on November 12, 1998, beginning at 5:30 p.m. in the Sullivan Chamber for the purpose of receiving an update on the progress in the area of establishing competition for cable television services and on the refranchising process.

Present at the hearing were Vice Mayor Anthony Galluccio, Chair of the Committee, Councillor Katherine Triantafyllou, and City Clerk D. Margaret Drury. Also present were Robert W. Healy, City Manager; Don Drisdell, Deputy City Solicitor; Lisa Peterson, Assistant to the City Manager; Attorney Peter Epstein and Paul Trane, Cable and Communications Consultant to the City.

Vice Mayor Galluccio convened the hearing and explained the purpose. He noted that Councillor Born is chairing another committee meeting tonight and thus could not be present. He added that other members of the City Council may also be at that meeting.

Vice Mayor Galluccio then introduced City Manager Robert W. Healy and requested that he begin the presentation. Mr. Healy stated that there was a public hearing in July, the public hearing required to begin the process for competition. The City advertised for other applications. One additional company, RCN, responded.

Mr. Healy stated that the next step is to prepare a report on the City's cable television needs. The City commissioned citizen input as to cable TV needs through a statistically valid survey. It is expected that this report will go out December 11. RCN is the only company eligible to respond. Mr. Healy stated that City departments have also been surveyed as to their needs vis a vis the cable. The City also received a completed needs assessment from CCTV.

Vice Mayor Galluccio asked whether the survey and needs assessment were for both the purpose of competition and for the refranchising decision. Mr. Healy answered in the affirmative.

Vice Mayor Galluccio asked how far along the City is in the refranchising process. Mr. Healy stated that the refranchising process is a little behind the process for licensure of a competitor because of the date of expiration of the current license with Media One. The process is quite similar.

Mr. Healy then introduced Attorney Peter Epstein and Paul Trane, the City's Cable TV consultant, and described the experience that they bring to their work.

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Committee Report #4

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A report from Vice Mayor Galluccio,
Chair of the Cable TV Telecommunications
and Electricity Committee, for a meeting
held on November 12, 1998 for the
purpose of receiving an update on the
progress in the area of establishing
competition for cable television
services and on the refranchising
process.

In City Council December 7, 1998

Report Accepted.
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