



City of Cambridge

Committee Report #2A

IN CITY COUNCIL

January 6, 1997

COUNCILLOR TRIANTAFILLOU

ORDERED: That the City Manager be and hereby is requested to report to the Cable TV and Communications Committee regarding any conversation with Continental Cablevision regarding the possible elimination of two public service channels.

In City Council January 6, 1997

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

A handwritten signature in cursive script, reading "D. Margaret Drury".

ATTEST:-

D. Margaret Drury
City Clerk



City of Cambridge

Committee Report #2B

IN CITY COUNCIL

January 6, 1997

COUNCILLOR TRIANTAFILLOU

ORDERED: That the City Manager be and hereby is requested to review the rate request filed by Continental Cablevision with the FCC and report back his findings to the City Council.

In City Council January 6, 1997

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

A handwritten signature in black ink, reading "D. Margaret Drury".

ATTEST:-

D. Margaret Drury
City Clerk



City of Cambridge

Committee Report #2C

IN CITY COUNCIL

January 6, 1997

COUNCILLOR TRIANTAFILLOU

ORDERED: That the City Manager be and hereby is requested to inform the City Council whether the City has a telecommunications plan which includes a program for responding proactively to changes in the federal law.

In City Council January 6, 1997

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy; *D. Margaret Drury*

ATTEST:-

D. Margaret Drury
City Clerk

City of Cambridge

The Cable TV and Communications Committee held a public meeting on Thursday, December 19, 1996 in the Sullivan Chamber at six o'clock and two minutes p.m.

Present at the meeting were: Councillor Anthony Galluccio, Chair of the Committee; Councillor Katherine Triantafillou; Vice Mayor Kathleen Born; Donna P. Lopez, Deputy City Clerk; Donald Drisdell, Deputy City Solicitor; Ginny Berkowitz and Susan Fleishmann from CCTV; Steve Marx; Roberta Fusari and Mark Adamy from Continental TV.

Councillor Galluccio opened the meeting and stated that the purpose of the meeting was to receive information regarding the impact of rates and services on Cambridge citizens of recent changes in the Cable TV industry, especially the merger of U.S. West and Continental Cablevision as well as to understand some of the changes that will occur such as rate changes and how these things will happen due to deregulation.

The committee heard from Steve Marx who gave a presentation regarding the upgrading of the equipment. He stated that Continental has invested in the base infrastructure and the co-axial fiber optics which will cover 600 to 1,000 homes. We are trying to put Cambridge into the system, he stated.

New equipment will be introduced such as Customer Premise Equipment (CPE); Advanced Analog Set Tap (Smart Box) and data and telephone modems. Continental will be installing a Communications Broadband in a circular ring so that communications can be sent around the other way in the event the communication is broken, he said.

Mr. Marx outlined to the committee the Cambridge Initiatives:

*Phase I	Expand regional network to Cambridge hub.
*Phase II	Installation of the state of the art network
*Phase III	\$8 million to upgrade Cambridge Plant (1997)
*Phase IV	Introduction of voice and digital TV (1998)

Mr. Marx stated that some of the goals are to enhance quality and to attract people to work and live in Cambridge.

The committee next heard from Mark Adamy from Continental Cablevision who gave a presentation on the programming plans. He stated that programming is decided on three levels:

1. Customer Demands;
2. Competitive landscape; and
3. Business factors involved.

Mr. Adamy said that the consumers want more choices and more control. The programming consumers want most was:

- News/info
- Movies
- Family Programming
- Sports
- Documentaries
- Children
- Comedies

Mr. Adamy stated that in 1997, the following additional services could be added to the standard package:

- WGOT-60
- Court TV
- Fox News
- The Golf Channel
- Speedvision

The optional Program/Extra Seven additions would be:

- Sci-fi Channel
- Bravo
- FX movies
- Comedy Central
- Classics Sports
- Cartoon Network
- *HBO2
- *Starz
- *Encore
- *3 1/2 new pay per view

* optional included in Smart Choice.

Councillor Galluccio questioned the cost. Mr. Adamy stated that the optional seven extra channels would cost \$2.95 per month and if the Smart Box choices are purchased the cost will be less. Councillor Galluccio questioned why more movie channels in the basic \$2.95 service have not been included. Mr. Adamy responded that consumers wanted more current movies which are available on the premier choices. Mr. Adamy outlined the cost per month:

\$ 2.95 = lowest price option + cost of converter
\$ 3.95 = Smart guide
\$ 8.95 = Select package and Starz and Encore
\$21.95 = Smart Box package
\$43.95 = Premier Package per month = all optional programming

Councillor Galluccio questioned if the rate increases are for competition or infrastructure and new services. Mr. Adamy responded that there are three informational channels - text only with Smart Box:

Customer Info;
Smart Routes; and
Local Weather.

Councillor Triantafillou questioned the information on the information channels. Mr. Adamy stated that the information is limitless.

Vice Mayor Born asked Mr. Adamy how many pay per view channels there were now. Mr. Adamy stated that there are two channels with a cable box at a price of \$3.95 per movie.

Mr. Adamy outlined the Channel Line Up on Continental Cablevision:

57	Standard Channels
15	Broadcast Channels
3	Virtual Info Channels
<u>9</u>	<u>Unique Channels</u>
84	Total Channels

Mr. Adamy stated that there are four Cambridge Community TV Channels, Unique Channels, such as WRLS Radio, Municipal Access and Educational Access.

Councillor Galluccio questioned Mr. Adamy on the Unique Channels. Mr. Adamy stated that there is room for nine channels out of fifteen services.

Councillor Galluccio questioned Mr. Marx if telephone companies will provide more channels. Mr. Marx stated that if you build a state of the art system now, we would be more advanced but we need to make improvements to keep up.

Councillor Galluccio asked if Cambridge rates are comparable to other communities. Mr. Adamy responded that the differences are based on the differences in the communities.

The committee next heard from Roberta Fusari on the rates. She told the committee that effective January 1, 1997, Cambridge's rates will increase \$2.00 and that the regional average rate increase was \$2.40. She stated that there was a 7.5% rate increase from their programmers. The Sports Channel has been added to basic service and there is a plan to expand Bravo to full-time.

Councillor Galluccio stated that the constituents are not happy about the rate increase. It is a customer service concern as well. Customers cannot get through the telephone line. Seniors living in public assisted housing received a discount and seniors not living in public assisted housing do not receive the discount. If these seniors are income eligible, why don't they receive the discount as well. Ms. Fusari responded that there was a technical problem with the telephone service in Cambridge due to the change over of the new Customer Care Center recently built in Chelmsford. This has been rectified, she stated. Regarding the Senior discount, Ms. Fusari stated that Continental Cablevision is rate regulated and its responsibility is to provide affordable service. She stated Continental provides a life line service for \$9.00. She informed the committee that the issue of the senior discount would be taken back to the Company and report would be made to the committee on this issue. Mr. Marx informed the committee that in 1985 when the cable license was granted, no senior discount was included in the license. After the license was granted, the senior discount was requested and we have responded to this need.

Councillor Galluccio stated that with the new RTPI Programming, there is a new constituency. These changes are good for our residents and it provides more consumers for Continental.

Councillor Triantafillou asked when WOR TV was dropped. Mr. Adamy responded that this channel is a New York channel and it was dropped recently. He stated that ESPN and FX are providing the sports coverage. Councillor Triantafillou asked about notice of this change. Mr. Adamy stated that Continental provided thirty days notice of the change.

Councillor Triantafillou asked if the license requires the type of programming that must be provided. Ms. Fusari stated that the license references diverse programming. We try programming that will make everyone happy and dedicate unique programming for specific communities.

Ms. Fusari stated that moving toward standardized programming was important to Continental.

Councillor Triantafillou asked when the last rate was changed and what was the increase. Ms. Fusari responded that the FCC approved the rate change in January, 1995 and it was in the range of a \$2.00 increase. Councillor Triantafillou asked Ms. Fusari why another increase was needed within a year. Ms. Fusari responded that the increase was needed because of investments in the cable industry, maintenance, rebuilding and upgrading, picture quality, new programming, infrastructure and the 7.5% increase from Programmers. Councillor Triantafillou requested a copy of the application for the fee increase. Mr. Fusari stated that she would check with Mass. Cablevision on this matter.

Councillor Triantafillou asked when the high speed data service would be provided to Cambridge. Mr. Marx responded that this service would be provided by the end of 1997. He stated that it would cost \$6 to \$8 million to improve the underground cable. Councillor Triantafillou asked if we were subsidizing Continental competing with telephone companies. Ms. Fusari responded that Continental's core business is cable and will remain the same. There are costs associated with the new services, she stated.

Ms. Fusari spoke about the high speed data scheduled for 1997. To provide this service we need to take the International Channel, CCTV and see if they will accommodate this service and BET, WRLS and School Department channeling. Continental will drop two shopping channels, she said. Ms. Fusari stated that Continental would like to have dialogue with the city and CCTV. In order to make these service accommodations, Cambridge will have to be put into the timeline, she said.

Councillor Triantafillou asked what cities and towns have standardized programming. Mr. Marx stated that Needham and Watertown have standardized programming. Councillor Triantafillou stated that Continental wants to increase the choices, but you want to homogenize the choices.

Vice Mayor Born asked when the current contract will expire. Ms. Fusari responded the end of the year 2000. Vice Mayor Born questioned Mr. Marx about the 8 channels to be provided by Continental plus one for the School Department, will this be scaled back to seven with a net loss of one channel. Mr. Marx responded that there will be two channels which will be full with other programming. The International Channel will migrate to CCTV and the Educational Channel will use BET.

Vice Mayor Born stated that there will not be more subscribers by providing more movies. Ms. Fusari stated that Continental did think they would get more subscribers.

Vice Mayor Born stated that the impact of the elimination of two public channels, one cut back of a CCTV station and one cut back of an educational station, should be evaluated. She stated that more information was needed and that there was very little publicity about this by Continental. The Vice Mayor suggested that Continental place an announcement in the Chronicle and ask for feed back regarding the elimination of these two public stations.

At this time, Councillor Galluccio informed Ms. Fusari and the other representatives from Continental Cablevision that the proper protocol was to present this issue to the full City Council and the City Council will forward the issue to the sub committee. Ms. Fusari stated that this was a tough decision, but in order to add the data service, we will have to eliminate these two channel services.

At seven o'clock and fifty-five minutes p.m., the public comment portion of the meeting commenced. The committee heard from Ms. Susan Fleischmann, Director of CCTV, who stated that she was against the process to eliminate one channel. The subscribers to CCTV are lower income residents, she stated. Ms. Fleischmann informed the committee that Continental approached CCTV a year ago and asked about the elimination of a channel. CCTV rejected this proposal and now they are bringing this proposal to a public forum. Mr. Fusari stated that this is the best proposal for the best outcome.

Councillor Galluccio repeated again that this is not proper protocol. He said that notice has not been given to the School Committee.

At this time, Councillor Triantafillou submitted the following motion:

ORDERED: That the City Manager be and hereby is requested to report to this sub-committee regarding any conversation with Continental regarding the possible elimination of two public service channels.

The motion carried on a voice vote.

Councillor Galluccio stated that we have to stick to the issues the meeting was scheduled to discuss.

Councillor Triantafillou stated that she received a call from a consumer who was upset because she could not get high speed data transmission. Councillor Galluccio stated that high speed connections will bring in new constituency.

Ms. Fusari informed the committee that a programming service was dropped to provide the RTPi programming.

The committee heard from Charlotte Goldberg, 335 Pearl Street, who stated that she came to the meeting for understanding and is now more confused. She asked if the Smart Box has a fee. Mr. Adamy responded that all converter boxes have a price, the Smart Guide will be \$1.95 per month.

Councillor Galluccio questioned if the AMC (American Movie Classics) and Bravo were in other communities serviced by Continental. Mr. Adamy responded that they are an optional service in Cambridge. AMC, he stated, will be brought to Standardized Programming when the improvements are completed. Ms. Goldberg stated that these programs are standard in other communities and cost less. She asked why these changes were necessary, other communities did not have to make any changes. Mr. Marx responded that if we did not make these changes, we could not make these services available. The final package will include AMC, he stated.

Ms. Goldberg asked why do different communities have different numbered channels. Ms. Fusari stated that where legally possible, service will be on the same channel across the region. Ms. Goldberg asked how the differences in the channels in every community happened. Ms. Fusari stated that originally cable service started out as a mom and pop operation with no standardization.

Councillor Galluccio informed the representatives of Continental that he had received a consumer complaint about changing their mind about wanting the pay per view service and found that there was no way of canceling service. He asked about the status of Continental moving, what did this mean for the jobs and the service provided. Mr. Marx stated that personnel were moved from the Cambridge site to the Chelmsford site. The Cambridge site will still be open and located in Cambridge.

Councillor Galluccio questioned the renegotiation of the cable contract. Mr. Marx stated that the process begins three years from the date the contract expires.

Councillor Galluccio asked when the service and rates will change. Ms. Fusari responded that NYNX, an integrated provider, has been rebuilding and bettering their plant and have invested millions of dollars and the change is anticipated in the next six to twelve months.

Councillor Triantafillou made the following motion:

ORDERED: That the City Manager be and hereby is requested to review the rate request filed by Continental with the FCC and report back his findings to the City Council.

The motion carried on a voice vote.

Councillor Triantafillou stated that the telecommunications plans need to be developed by the City Council.

Councillor Galluccio stated that he would call another meeting of the committee in the future and will have the attorney who is the city's expert on cable issues present. He stated that Continental has gone beyond their contract requirements.

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

For the Committee,

Anthony D. Galluccio
Councillor Anthony D. Galluccio *by au*
Chair

Committee Report #2 . S- 1/3

A report was received for a meeting held on December 19, 1996 for the purpose of receiving information regarding the impact of rates and services on Cambridge citizens of recent changes in the Cable TV industry, especially the merger of U.S. West and Continental Cablevision as well as to understand some of the changes that will occur such as rate changes and how these things will happen due to deregulation.

In City Council January 6, 1997

Report Accepted,
Placed on file,
Adopted three
orders