

Cable Communications Commission Regular Meeting Minutes

Planning Conference Room, Second Floor
Meridian Municipal Building, Okemos, MI
October 8, 2014

Present: Commissioners: Chair, Walter Benenson, Tunga Kiyak, and Patrick Crowley
Staff: Deborah Guthrie, Mike Watza, Esq., Penney Stephen
Township: Ron Styka
Comcast: John Gardner
AT&T: None
Haslett Schools: None
Okemos Schools: None

Call Meeting to Order: Commissioner Benenson called the meeting to order at **6:05 pm**.

Public Remarks:

No Public Present

Introductions: Michael J. Watza, head of the governmental litigation and affairs practice at the Kitch, Drutchas, Wagner et al. law firm, introduced himself to the commission as legal counsel for Meridian Township cable communications issues.

Approval of Agenda:

Chair Benenson moved TO MODIFY THE AGENDA. Seconded by Commissioner Crowley. Agreed to move the Granicus presentation on iLegislate to the December meeting, as the presenter had to cancel.

Voice vote: Motion carried unanimously.

Approval of Minutes:

Commissioner Crowley moved TO APPROVE THE MINUTES OF August 6, 2014 AS SUBMITTED. Seconded by Commissioner Kiyak.

Voice vote: Motion carried unanimously.

Communications/Announcements:

- Director Guthrie started discussion by explaining the inclusion of the first communication item as part of a previous discussion of new revenue sources through having ad space on the HOMTV website. This email was included as a suggested reminder for the Commission to possibly review this as part of the 2015 goal setting.
- Chair Benenson wanted clarification as to what should be included in this section of the packet, as to whether or not any action is required on these items. It was clarified that it is a section where communications with the township are shared, discussions could be had but no action needed to be taken.

- Commissioner Kiyak asked if there was a Township wide policy regarding advertising on the website. Director Guthrie clarified that the HOMTV website is not a township website and that she would look into it. Chair Benenson reminded the commission that Director Guthrie looked into it about three years ago and that we should review the minutes from that meeting.

Commissioner Kiyak moved TO ADD THE OLD MINUTES TO A FUTURE AGENDA for review and discussion. Seconded by Commissioner Crowley.

Voice vote: Motion carried unanimously

- Before Old Business was reviewed, Commissioner Kiyak wanted a clarification regarding iLegislate. Director Guthrie explained that in order to use this Granicus feature; our future 2015 meetings will need to be moved to a night that there are no other televised meetings. Commissioners unanimously agreed that adjusting the calendar would be appropriate for 2015.

Old Business:

1. Audits

a. Comcast Franchise Fee Audit: The audit is now underway, Mr. Gardner explained that the information for the audit from Comcast will be sent to Ashpaugh and Sculco (the audit company Meridian Township has hired) in the next day or two so that our auditors can review how the franchise fees are being calculated.

b. AT&T Review Franchise Fee Audit:

This audit is further underway and as of now, Director Guthrie explained that there have been some discrepancies found in the Grand Rapids model. Commissioner Kiyak asked where the process was at; Guthrie stated it is nearing the middle of the process. Chair Benenson asked for clarification as to why these audits are happening, Guthrie explained that pursuant to the franchise agreement and the cable act for the refranchising process, the township undergoes the federal process for refranchising as established by Comcast in their letter which includes a technical review, franchise fee audit and communications needs assessment. Guthrie explained, in regards to the AT&T audit that began last year, when AT&T sent a letter stating that they overpaid the franchises (13 communities) by \$5000 and that they took those funds back. However, during this audit process it has been found that they are calculating the fees incorrectly and that Meridian will probably get the \$5000 returned to us and the other communities will see a return as well.

c. Technical review audit: Director Guthrie explained that we are in discussions with Comcast and Mr. Gardner as to when we can perform the technical audit; who can attend the audit and then what will be tested and reviewed. Hoping that by October 21, 2014 they can come to an agreement as to what the next step will be in the process.

Transfer of Control Update:

Chair Benenson turned over the discussion of the new transfer of control from Comcast to the new subsidiary GreatLands Connection to John Gardner so that he can explain where the transfer is at. Commissioner Kiyak asked about the naming of the transfer, Gardner explained that it will begin as Midwest Cable LCC, and then convert to Midwest Cable Inc. and sometime next year it will become GreatLands Connection. The reason it is considered a transfer of control is due to the fact that the legal entity that operates the system now will remain the legal entity after the transfer. The only difference is who owns the legal entity will be different. As of now, the process is being held in for Federal Regulatory Approval and by the FCC until the end of October.

Gardner explained that with a transaction of this size with this many consumers, it is normal that the ~~Federal Regulatory Committee~~ and the FCC it would put the transfer on hold. Commissioner Crowley asked what the ramifications of this transfer will have on PEG Channels, and Gardner explained that per the letter he has provided the Commissioners, there will be no modifications to current franchise agreements. Director Guthrie read aloud from page two of said letter:

- “A commitment that existing franchise obligations to the local community would not be affected by the pending transaction (“Transaction”). Midwest Cable’s Application specifically sought no modifications to existing franchise agreements.”

Chair Benenson asked for clarification regarding the equipment and it was stated by Gardner that the equipment provided by Spectrum (Charter’s Subsidiary) will be compatible with what current Comcast customers are using. Guthrie pointed Commissioners to page two of the letter provided by Mr. Gardner and read:

- “The overriding objective of *this* transition process is to ensure that current Comcast customers experience a seamless transition”

She then stated that this thought process is pretty standard. She went on to explain that on page four of the same letter it states:

- “Marketing and Sales: Transition from Comcast / Xfinity branding to the Midwest Cable and Charter co-branded “Spectrum” product offering (as described more fully in the CSA discussion below)”

She then directed the Commissioners to the last sentence on page four that continues onto page 5 that reads:

- “The faster Midwest Cable is able to operate without dependency on Comcast, the faster it can implement its own product, pricing, packaging, technology, equipment, and service strategies without reliance on Comcast facilities, assets and platforms.

Commissioners also voiced concern about the ability of Charter and Spectrum to be able to keep up with Comcast as far as the technology is concerned. Mr. Watza, attorney representing the Township in the refranchising as well as in the transfer of control, explained that Charter now mainly deals with rural areas and Comcast deals with more urban areas and there is concern with Charter being able to keep up with the

urban demand. He explained that there are many moving parts of these deals and there are many aspects of these documents and there are more to come. He explained that in addition to the transfer conversation we are having with Comcast right now we all have the right to comment to the FCC and voice any concerns individuals or communities may have with the transfer, such as the equipment compatibility, the ability if the new company to keep up with the technology that is currently in place, etc.

Mr. Watza further explained that filing a brief to reply would be costly, however, the Commission could draft a letter of support to those who have filed briefs and Director Guthrie suggested that the Commission could recommend staff to draft such a letter. The Township Board has the ultimate decision to either a. approve the transfer, b. approve the transfer with conditions, or c. deny the transfer, however, Mr. Styka, the Township Liaison made it clear that the Township . Commissioner Crowley expressed concerns regarding having Mr. Gardner, an associate of Comcast, in the room while consulting with legal counsel and the ramifications surrounding FOIA and attorney/client privilege as well as rules regarding open meeting. Mr. Watza explained the process and that writing a letter would be of interest because the FCC at this point is trying to see if this transfer is in the best interest of the public. It is important for the public to weigh in so that the FCC realizes what if any concern the public has.

Commissioner Crowley moved to have staff, Deborah Guthrie, with the help of Chairman Benenson DRAFT A LETTER OF SUPPORT FOR REPLY COMMENTS EXPRESSING CONCERN WITH THE TRANSACTION MERGER TO BE REVIEWED BY THE COMMISSION. Seconded by Commissioner Kiyak.

Voice Vote: Motion carried unanimously

Meeting Adjourned at: 6:52 pm due to loss of quorum: Commissioner Kiyak had to excuse himself from the meeting. At this time, the remaining individuals: Commissioner Crowley, Mr. Styka, Director Guthrie and Attorney Watza decided to continue discussion of the remaining agenda items. No other action items remained.

Discussion Summary:

DAS (Distributed Antenna Systems): Mr. Watza explained to the commission what these are and how they affect the Township; explained that they are basically poles installed in communities to boost cellular reliability. Other communities have allowed them to be installed without collecting revenue and once they are installed, co-locaters may build upon these already standing poles without informing the community. Important to commission and Meridian Township because they are in the Rights of Way and we can gain revenue from these and it is something that Director Guthrie feels the commission should be aware of.

Licensing and Copyright: Staff have recently had requests for HOMTV footage from outside sources and Mr. Watza and director Guthrie quickly put together an agreement and would like commission at next meeting to assist in tightening up the language in this agreement and in putting together a fee schedule.

2015 Goals Discussion: Township liaison Ron Styka informed commission and staff that the next budget meeting for the Township board will take place on November 13th at 10:00 am and if the commission wanted to provide feedback or input they would need to draft information before that time.

Reports:

- Cable Compliments/Complaints: No discussion.
- Video Service Provider(s): Comcast Representative John Gardner reported that there are many back-to-school events planned to promote the Internet Essentials program.
- Communications Director's Report: No discussion
- Chair's Report: Chair Walter Benenson did not have anything to add.
- Township Information: Township Liaison Ron Styka reported that the next Township Board meeting will be held on November 13th at 10 am.
- Programming: Tabled until the next meeting.
- Viewership/Promotions: No discussion
- Finance: No discussion

Other Business & Announcements:

Chairman Benenson asked about the possibility of moving the next meeting to a date other than November 5, 2014 so that all commissioners could be present due to the major agenda items that need to be discussed. Per Mike Watza and Ron Styka this was a possibility as Chairman Benenson could request this change as long as public has at least 18 hours' notice. Secretary will send out email to ask for a change in date.

Future Agenda Items:

Nothing to Report.

Public Remarks:

John Gardner informed commission and staff of charity event being hosted at Izzo residence. Could provide more information about ticket prices and other details after meeting to whoever was interested.

Discussion period adjourned: 7:48 pm

NEXT MEETING:

The next scheduled meeting is **Monday, November 3, 2014 in the Administrative Conference Room.**