

Cape Ann Regional Cable Negotiations Committee
August 27, 2015
6:00 pm – C. A. Cable TV, 38 Blackburn Center

Present:

Sal DiStefano/Gloucester
Mitch Vieira/Rockport
Barry O'Brien/Essex
Greg Federspiel/Manchester
Bill Hewig/Kopelman & Paige
Tom Manning
James Pope/Gloucester

Meeting Called to Order

Public Comment Period: none

Presentation regarding Mission and Operation of Cape Ann TV.

Approval of Minutes: B. O'Brien moved to accept the minutes from the November 13, 2014 meeting, seconded by M. Vieira, all in favor.

Discussion with Attorney Regarding Ascertainment Process and Other Elements of Renewal Process:

Bill Hewig, Kopelman & Paige, explained the ascertainment process; to establish community related needs. He said a proposal needs to be put together for Comcast indicating what our communities need. He said we would need dollars, and annual percentages. He said we can negotiate up and ask for an increase. The cost of monthly bills to subscribers could go up. The rate currently is 3.25%, the maximum is 5%. This part of the process, annual grant to regional access Corporation, is to determine how much each community needs. We can ask for technology grants, (equipment, etc.) collectively we will come up with an agreement on how much the committee (supportable/sustainable) can ask for.

Bill said they will know a reasonable request when they see it. They know the cost of equipment and what we realistically need and want. We can add a little bit to what we know we need (.5%); if we send a reasonable request, we will probably get it. If we do our homework and can support what we ask for we may get it.

We start with E. Archer's capital needs and his annual budget. If they are moving the studio, how much that will cost needs to be projected. E. Archer needs to realistically and reasonably know the funds needed for ten years from 2015, Essex needs to know 10 years from 2016, and ten years from 2017 for Manchester and Rockport. The contracts were signed as follows for the communities: December of 2016 for Essex, June of 2017 for Rockport and Manchester, and 2017 for Gloucester. The contribution from each community should be the same. The fact that Gloucester has more subscribers means that the percentage should be the same.

Whatever the budget is, it translates into a percentage, let's say 2%. So for 2018 we will need funds increasing the percentage or more income coming in because there are more subscribers.

It is possible to increase the request during the term of the license, though that is not popular.

Public Outreach Strategy Associated with Ascertainment Process:

1. Each municipal representative should go back to their community and ask for input. Those that have an interest in participating, Town Hall, Board of Selectmen, School Communities, Fire, Police, DPW, Historical Society, Library, Senior Centers, etc. These city/town departments could have a role as well as needs that can be fulfilled. If you want a live feed, a drop could be put there. Where town meetings are held, new equipment could be requested. Previously (10 years ago) each community had a similar request. This request doesn't have to be the same for every community.
2. Erich Archer, Regional Access Cable Provider. They need funds each year; capital grants as well. It is legitimate to ask for all of that from Comcast. Annual grants cannot exceed 5%. We can still ask for capital funds down the road.
3. Each community must have a public hearing. The last time each community held its own public hearing; it should be convenient for local residents. This is to get community input. You don't have to have all the information together before the public hearing. Public hearings can be held anytime. Notify the public two times for two weeks publicizing the public hearing.
4. A survey is also a helpful tool; they could be put in the backpacks of school kids, enclosed with tax bills, and distributed at public buildings. It helps with the platform with Comcast; Comcast will conduct their own survey as well. Remember, any funds come directly from subscribers so their rates will increase. The survey should be short and simple. Ask questions and provide details and information. Our proposal should be specific on what we want.

Remind residents about all that they are provided by the local programming. Public access support from the survey will be better if you ask direct questions with clear information. This will get the conversation going.

M. Vieira said Rockport has a paid Monkey Survey account that could be used. Gloucester has a research methodologist that can be used. Essex sent out a survey for increasing the taxes previously; they received one response. Essex replaced all I-nets with Comcast drops. They got better bandwidth to many Essex buildings. The school in Manchester has a bottle neck problem. If we can get Comcast to improve the drops, that would improve the ability in every town; each community needs the drops. Verizon is the primary provider in Essex. Comcast has a great opportunity to compete with Verizon.

It would make sense for us to put together a survey within one month with what we're prepared to ask for. We could share the surveys at the next meeting to look at the results to be sure we're asking the right questions. We should give ourselves a deadline. Surveys should be available on paper as well as on-line.

B. Hewig said when you're thinking about the survey we should ask ourselves: 1) what do you want? 2) have you had any problems with Comcast? 3) has Comcast been in compliance with its current license? 4) how is the signal quality? 5) how are their customer relations?

B. Hewig cautioned that this is about cable TV and not internet service. Any complaints must be about TV service. We don't survey with questions on rates or programming.

It was stated that in Gloucester's agreement, Gloucester was paid to close off the iNet connection; it's proprietary. Comcast would be happy about eliminating the iNet; they might pay us to do so and we could install fiber. Essex outsources to Malden; they have "dumb" terminals. Hamilton has both Verizon and Comcast.

G. Federspiel/Manchester said we need to talk about the timeline. We have approximately one year before the license is up. That would be December for Essex and one year from now for the remainder of the communities. He said we will need to be able to sit down in January or February of 2016 with Comcast. It makes more sense to negotiate together instead of separately. We need everything ready for February so fall is a good time to do this. We should try to get everything together by this December or January, with the surveys and individual budgets.

The capital grants can be within the percentage amount (say each community could ask for 4%, then each community would want a capital grant). We can have a separate capital amount or it can be included in the percentage. It makes more sense to make everything part of the gross annual revenue; for the rate payer, that is a much better deal.

B. Hewig said come up with a bottom line for Cape Ann Cable and each community for each year. Specify each need, add it up, divide it by the number of years. It doesn't matter if the request is for capital or not.

B. O'Brien said there are many on-line education opportunities, (tutoring, making up for snow days, etc.). There would be stronger communities on Cape Ann, with better programming and access.

Next meeting: Thursday, 9/24/15 at 6pm. It was decided that future meetings can continue to be at Blackburn Park, food will be served; the meetings will be posted. Maybe bring a sample survey to the next meeting. It was decided to meet monthly going forward. Well-advertised public hearings are the best way to go; the rooms should be packed. We would need to show how the funds are going to be spent. Cable companies don't mind spending money if it's a good product. It was recommended to bring the same presentation shown tonight to public hearings; maybe customize it for each community.

Surveys and some preliminary funding requests could be e-mailed to B. Hewig at Kopelman & Paige for his review before the next meeting.

8:30 pm: M. Vieira moved to adjourn, seconded by B. O'Brien, all in favor.