

Town of Hampton
November 2, 2009
Comcast Cable Franchise Contract Renewal

Present:

Richard Bateman
Richard Nichols
Fred Rice
Rick Griffin
Bill Lally
Gerald Znoj
Mark Gearreald
Katherine Miller

Comcast Cable Franchise Contract Renewal Public Comment Period:

Kevin Lonergan of 7 Windmill Lane commented on Comcast's basic cable package. He explained that he was unhappy with many of the choices that are provided on basic cable. Mr. Lonergan noted that of the more than fourteen thousand people who live in Hampton, there are fewer than sixty residents whose primary language is not English, yet Comcast provides three Spanish speaking channels on basic cable. Mr. Lonergan explained that even the digital starter package includes twenty six stations that are included in basic cable, and there are other stations in which he felt held no entertainment value. Mr. Lonergan then spoke about the most inclusive package Comcast offers, noting that of the 501 stations offered in this, only 251 of them are unique to the package, and that one could spend up to \$685.00 per month on cable. He said that he would like to see programming such as the National Geographic Channel, Turner Classics, Discovery Health, DIY, BBC, the History Channel, the Military Channel, the Outdoor Channel and other sports networks integrated into the basic cable package. Mr. Lonergan also expressed concern that the town is receiving only a percentage of money from the basic cable packages from Comcast, rather than receiving a percentage for every package including the digital services, he hopes to have this corrected.

Lawrence Douglass of 248 Landing Road said that he had reservations about speaking tonight, but wanted to express his concerns with Comcast's escalating basic cable prices. Though Mr. Douglass understands that prices will rise over the years for the cost of cable, he does not see why the price would raise, as there are channels being removed from the basic cable line up, rather than added. Mr. Douglass thought that if the price for service was going to increase, the actual services should also increase. He said that comparatively, his cable bill is the same as his electric bill. Mr. Douglass also detailed his concerns about blank channels such as channel 12, 17, 23 and 27 and agreed with Mr. Lonergan that certain channels such as MSNBC, CSPAN, National Geographic and the Hallmark Channel should be included in the basic cable package.

Benjamin Moore of 107 Locke Road appeared representing the Hampton Historical Society and the Tuck Museum, noting he was invited to attend the meeting by way of letter from Attorney Gearreald. He said the main concerns of the Hampton Historical Society and the Tuck Museum was they would like a hardwired cable connection for the internet. Attorney Katherine Miller noted that the hearing tonight does not include internet services.

Mary-Louise Woolsey of 148 Little River Road said that she was on the Board of Selectman during the time of the first cable contract signing in 1988 with PCNH. She said that at the time the major concerns focused around each home in the town having access to cable and that there would be local access as well. Ms. Woolsey further detailed the history of cable installation in Hampton. She said that she would like to echo the concerns of Mr. Lonergan, Moore and Douglass in that she would like to see a consolidated basic cable package. She said the channels she wishes were on basic cable were the Weather Channel and CSPAN. Ms. Woolsey said that Channel 22 is very in demand right now and that a second local access channel will be necessary in the future. Ms. Woolsey said that she would like to have the town receive a franchise fee for every package that is sold, not just the basic cable, as the franchise fees support the current local access Channel 22. Ms. Woolsey said she would like to see an a la carte program where people can choose the programming they would like and pay a rate that correctly reflects their choices and finally she would like to see a senior citizen discount.

Michael Pierce of 16 Hedman Avenue said that though he was happy with the level of service provided by Comcast but that there should be a conflict resolution department or some way customers can convey a problem and receive a response. Mr. Pierce discussed contract rights and that he would like to see channels which have been moved from the basic cable to the digital starter, such as National Geographic be returned to basic cable. Mr. Pierce said he did not think it fair to pay more money for less channels; he also noted that though there has been a severe financial crisis, Comcast has remained an industry leader and is doing well despite the economic climate.

Pricilla Fanning of 4 Smith Avenue echoed the concerns of Mr. Peirce and Ms. Woolsey, noting they she believed there should be a more basic level of pricing available to all customers.

Kathleen Dow of 15 Bonair Avenue noted that she was concerned with Comcast's recent signal as she has noticed a recent surge of her television not working. Ms. Dow spoke about the redundancy of the channels provided and the amount of non-English speaking channels. Mr. Nichols asked Ms. Dow if she had a chance to call Comcast regarding her signal problems, as it may be a wiring problem, she said she has not contacted them, but will in the future with problems.

Mr. Lonergan spoke again to compare his other cable company Metrocast, to Comcast.

Edmund St. Pierre appeared noting that he is on the Cable Advisory Board and he is also an employee of Verizon, and was attending the meeting in support of renewing the

contract with Comcast. He said he is not attending the meeting to steer opinions in one way or another, but rather to discuss the history of the cable contract in Hampton, and that they were originally given a fifteen year contract due to their promise to invest in infrastructure. Mr. St. Pierre said that since then times have changed and competition has increased, and it may be more prudent to have a contract with a shorter term, such as five years with a five year option containing planned goals such as implementing a second public service station. Mr. St Pierre also noted that the absence of competition should not be the reason for lack of technological upgrades, and would like Comcast to commit to implementing some upgrades. Mr. St. Pierre also spoke about infrastructure upgrades and a senior citizen discount. He said that by raising the franchise fee rates, even half of a percentage, would instrumental in assisting the needs of Channel 22 and the possibility of a second public access station.

Michael Pierce wanted to add that he is not complaining about Comcast's services, but he forgot to add he believes there needs to be a second public access channel. He spoke about the benefits of town government and town business being broadcasted to the community and that transparency in town business has been appreciated by people of the town.

Bruce Demaine representing the Information Technology Department at Winnacunnet High School appeared and said that Comcast has basic cable wired in each of the school classrooms. He said that although helpful, there are few channels that can be used for educational value. He said they would like to see more bandwidth for the internet. There was discussion about channel 13, which is internal to the school which broadcasts announcements, and the possibly of that internal channel being broadcasted to the community. The channel could feature concerts, sporting events and other student presentations; they also hope to not only have this broadcasted to the public, but to have the content On Demand as well.

Bryan Belanger, Hampton School District Technology Director noted that there are fifteen classrooms at Hampton Academy that are still not wired for cable and that the school would like to see this completed. Mr. Belanger said that the other Hampton schools do not have local access channel 13 as Winnacunnet does and would like to see one channel for the other schools. There was further discussion regarding the wiring of cable in school classrooms.

Mr. Lonergan spoke again about international language programming.

John Nickerson, Chairman of the Cable TV Advisory Committee and Operations Director for Channel 22 spoke about his experiences with Comcast. Mr. Nickerson said that the main person he deals with is Jay Somers, and he has been very helpful to the committee in the past. Mr. Nickerson said that Channel 22 has removed its videos from the Town's webpage because there was too much bandwidth. The videos have since been moved to a new, Channel 22 website. Mr. Nickerson said that recently they needed a digital conversion box and after speaking with Mr. Somers, he spoke with the corporate headquarters, who quickly responded on a Friday; he also complemented the company

for notifying customers if they will be late to an appointment. Mr. Nickerson said that he is on the negotiation team looking for a second public access channel, in addition to that he would like to see the internet expanded to all the town buildings, as currently the system is old, corroded and in many locations inoperable. Mr. Nickerson said he would like to see fiber optic installed to assist in communications between computers and buildings. Finally Mr. Nickerson entered into record a certified copy from a stenographer of the December meeting.

Mr. Znoj stated that he has had trouble with his connection before and has contacted Comcast and they responded quickly and were attentive to his issues. He said that he has a bundle plan which includes the internet, cable and phone service and pays around \$150.00 per month for the plan. He does agree that many channels are being taken off the basic cable line up, and said that he personally does not use the non-English language channels.

Mr. Lally thanked the schools for attending and noted he was unaware that half of the classrooms in Hampton Academy were not wired for cable. He agreed that WHS should have their own channel, assessable to the public. Mr. Lally also said he was most concerned about the differences between the basic and digital cable packages.

Mr. Bateman noted that part of the reason there are so many Spanish speaking channels are because by Federal law they are required to have them within a fifty mile radius of certain broadcasting areas, in this case Lawrence, MA. Mr. Bateman said that he was impressed by Comcast but would also like Hampton Academy to be wired for cable, and would like a second community access channel. Mr. Bateman discussed the benefits of the public access channel, noting that every committee and board would like to be broadcasted, but with one channel it is not possible currently to do so. He said the second public access channel could also be used for other local specials and types of programming. Mr. Bateman complimented Channel 22 for their use of tabbed topic jumping with the meetings available online with their new website.

Mr. Nichols questioned the process for collecting input and bringing the recommendations to the negotiations, there was also discussion about the power of the Board of Selectmen and the FCC.

Attorney Miller said that Hampton has been engaged in negotiations for some time now and that Comcast is regulated mainly by Federal law, which limits the items that are on the table for negotiation. Attorney Miller stated that Comcast is an economic monopoly within the town as there is no competition, and that the contracts are not required to be exclusive. Competition leads to better services and lower prices, but when small communities have an existing cable provider; they find that they cannot compete in such a small market. She said that though some FIOS was installed, Verizon pulled out of negotiations and transferred to Fairpoint, who just filed for bankruptcy. Fairpoint has had a difficult time meeting benchmarks set for the internet and phone services and with the lack of a video service or bundle package as Comcast does, Fairpoint may still have a difficult time turning the corner economically. Attorney Miller said that there will be a

number of changes in the future as the Town is currently engaged in the process of evaluating the performance in terms of the current contract, and was surprised to learn about Hampton Academy, noting this may be addressed with the current franchise agreement.

Attorney Miller also noted that there are certain topics that are not on the table for negotiations, and are not regulated by the Board of Selectmen, which include the channel selections, the migration of channels and price structures offered. There was discussion about minimum tier pricing and that if more than fifteen percent of the subscribers in the community have satellite the FCC will deregulate it. She thanked the public for their stated concerns, but noted that most of them were not up for negotiations. Mr. Znoj asked why the channel lineup was not up for negotiation and Attorney Miller said that they are currently working on a matrix to identify the existing agreement and topics brought up at tonight's meeting in order to come back with a proposal for renewal that reflects the communities interest. Mr. Nichols said that he did not realize that the FCC regulates many of these negotiations, and also noted in terms of process recommendations there has been only one cable committee meeting in the previous thirteen months, and that perhaps there needs to be more frequent correspondence with Mr. Nickerson.

Mr. Welch asked for the record to remain open for sixty days. He spoke about the comments from the Hampton Historical Society, several citizens in the community, the schools and the Parks and Recreation Department and their needs from the cable system and additional services for the community. Mr. Welch also spoke about the old network in the community and the need for this to be rebuilt to serve the municipality and state facilities at the beach. Mr. Welch would like to see a provision for a third public access channel as currently they one channel is over its penetration limit and he expects the same to happen once a second channel is introduced. Finally Mr. Welch was concerned about the franchise fee, noting that this should increase and be resolved in conjunction with the license requirement.

Chairman Griffin said that he knows that an a la carte programming system is not possible, but does hope for competition to Comcast. He said that the last contract was for fifteen years and that the terms of the new contract should be shorter unless there is some commitment to improve infrastructure or the value of packages for people in Hampton.

Jay Somers representing Comcast said that he looks forward to renewing the contract with the town. Mr. Somers addressed people's concerns about the migration of channels noting that the reason for this was the industry has changed, and it is a digital world. The driving force to move the channels to the digital side is analog channels take up a large amount of bandwidth and by moving them to the digital menu there is more room for HD channels, and the need for those channels is driven by market forces. Mr. Somers also responded to Mr. Lonergan's comments about cable bills reaching \$685.00 per month, saying that this is unreasonable considering the package containing internet, phone and cable is only \$199 per month. Mr. Lally said that he understood the migration of channels to digital but hopes the billing would reflect a loss in channels by a decreased rate.