



**Portsmouth
Cable Commission Meeting
3:30 p.m. – June 7, 2007
City Hall/City Manager's Conference Room**

The Portsmouth Cable Commission met on Thursday, June 7, 2007 at 3:30 p.m.

The following were present:

John Gregg, Chairman
Louis Vinciguerra, Commissioner
Brian Gregg, Commissioner
Nancy Beach, Commissioner
Gary Lowe, Alternate Commissioner

Also present were Alan Brady, City of Portsmouth Webmaster and Suzanne Woodland, Assistant City Attorney.

- I. **Call to Order** - Chairman John Gregg called the meeting to order at approximately 3:30 p.m.
- II. **Approval of Minutes – April 5, 2007** - Voted to approve and accept the minutes of the April 5, 2007 meeting. Motion passed.
 - I. **Update PEG Access** – Based on prior study and conversations about what would go into the budget of running a public access channel, the Chair and Alan Brady presented the Committee with Public Access Channel Operating Budget Planning Scenarios. The scenarios included expenses: three levels of staffing a Public Access Channel and with and without donated space for the studio. The Chair asked for comments. Revenue scenarios listed all reasonable sources including receiving some portion of the franchise fees.

Louis Vinciguerra felt that full effort should be put into trying to obtain the educational channel, feels there will not be much opposition and once it is up and running then work in public access use and grow into it and get the people familiar with it.

Alternate Commissioner Gary Lowe referenced that given the mood of the recent budgeting process, it would be difficult to get the City Council to allocate money for Public Access.

Commissioner Brian Gregg suggested the best we could hope for without using any taxpayer money is the following: For the first year, line out tape dubbing and video services. He felt member donations by 80 people @ \$25.00 each would be feasible and organization sponsorships of about \$5,000. Do not count on grants. Hope to further fund it with an incremental franchise fee. It would be reasonable to aim for an initial operating budget of \$69,500. He would consider supporting a “bare bones” with no City money, no rent i.e. share space with an Educational Channel, and have only a part-time person.

Alan Brady pointed out that by using a couple of old cameras, a switcher, a couple of DVD's, \$10,000 for video production equipment could be eliminated bringing the total expense down to \$59,000 for the first year.

The Chair stated he had some misgiving in asking cable subscribers to give an extra \$.50/mo given they already are paying a 5% franchise fee.

Gary Lowe is in agreement with the bare bones start, a positive way to start.

The Chair then suggested suspending further conversation for this meeting and moving to the next agenda item.

IV. Update Verizon – Fairpoint Transaction – Suzanne Woodland went to the Public Utilities Commission (PUC), there was a technical session related to the Fairpoint Verizon proposed transaction. The City is an intervener, Suzanne has not taken a position on behalf of the City, either for or against. Almost everyone else has participated in the docket which is beginning to identify our concerns both with the Commission and issues related to construction. Fairpoint is not engaged in any video discussions at this time. They are saying they will begin to enter discussions or negotiations with a video provider in the 3rd or 4th quarter of this year but have not yet begun discussions. Verizon is continuing to provide connection to homes for fiber where the system is already deployed, however, they stopped deploying in June of last year and Verizon was basically deploying in those areas where they felt there was an opportunity to roll out the video as well as internet and telephone. In Portsmouth there are some pockets where the fiber is not deployed. Basically, Fairpoint could not promise further deployment without further investigation of the pockets. There may have been difficulties deploying out there, for example there may be some underground conduits which generally is more expensive to deploy under ground than it is aerial, but said they would look at those pockets. They have deployed some fiber in other communities using a different technology from what Verizon currently has. The PUC was firm that they wanted Verizon to remove the FIOS advertising on Channel 9, it is misleading as it refers to the video and want to make it clear that the video is not available in New Hampshire. FIOS is the brand, the brand name is staying with Verizon. Fairpoint is not getting the brand name but getting everything else. Fairpoint will offer the pricing available by Verizon at the time of closing including promotions. This will be a merger, a new corporate entity but Verizon shareholders will have a piece of the new corporate entity (60%). The PUC and Office of Consumer Advocate, which is not a part of the PUC, both have hired consultants to look at financials and labor unions have intervened and have a representative. The PUC is tentatively scheduled to hear testimony the end of September.

John Gregg and Suzanne went to a public hearing before the Commission, introduced themselves advising at this point not taking a formal position for or against, gave a quick outline of the concerns, so they would be familiar and show that we have a voice and know how to be heard.

The Chair stated it is worthwhile to remember that our role is video, not internet or phone, etc.

Commissioner Brian Gregg asked if there was much support for Fairpoint. Suzanne Woodland responded there are many more individuals, corporations and organizations concerned about the transactions than there are supporters. Fairpoint is

promising to do something that Verizon just does not have on their plate in terms of more DSL to the North Country. Fairpoint's specialty is serving rural areas.

The Chair directed this to Suzanne Woodland that they had talked about the City who may want to take the position with regard to the Fairpoint issue on matters other than video. The Chair thinks that it would be excellent if the City in whatever package of issues they want to advance were to state that we are enthusiastic about the promise of receiving video service from Verizon and having gone through the experience of having FIOS installed in most of the City and would seem reasonable given that Verizon is still going to own Fairpoint that there be some assurance as to what and when they will follow through. It is important to us to have competition in the City.

Suzanne Woodland stated one option this committee could recommend to City Council that they adopt a resolution in support of assurance that video will be forthcoming subsequent to the transaction. Word it in some way that the City remain involved to communicate its concerns and interest in competition.

The Chair asked how the Commission felt. After discussion, the following motion was made and passed.

MOTION made by Kathy Pearce that the City seek assurances from Fairpoint that they will offer and provide video services within two years of closing. Seconded by Louis Vinciguerra. Motion passed.

- V. **Other Items** – Brian Gregg asked if there was a benefit to us of the idea of a state wide franchise. Suzanne Woodland responded by saying that as a practical matter a state wide license makes a lot of sense. The problem is explaining that to a little town that thinks somehow they are getting a better deal because they get control.

The Chair having a conversation with Nancy suggested that this fall for the city wide elections that we set up a process and a system to let all candidates running for office have a small period of time, (5 min. or so) that they can make a statement of their credentials for office and would then be shown on channel 22 as a service to the City including City Council and School Board. Perhaps ask the high school students to do this for the School Board.

After discussion Alan Brady suggested bringing this back at the next meeting. The Chair asked Brian Gregg to work with Nancy Beach, Alan Brady if he would like to, and himself to formulate a position that we could look at the next meeting. Brian responded he would be glad to.

- VI. **Non Public Session (meeting with Legal Counsel) –**

MOTION made by Louis Vinciguerra to go into non-public session. Seconded by Brian Gregg. Motion passed.

The Commission then went into non-public session.

MOTION made by Brian Gregg to go back into public session. Seconded by Louis Vinciguerra. Motion passed.

MOTION made by Brian Gregg to close the Ascertainment Hearing process on June 30th with announcement on Channel 22. Seconded by Louis Vinciguerra Motion passed.

VI. Adjournment - MOTION made by Brian Gregg. Seconded by Karen Pearce.
Motion passed.

Next meeting is scheduled for July 5, 2007.

Respectfully submitted,
Elaine E. Boucas, Recording Secretary