

1 that it is up to the planning of the Agenda by the Mayor and the City Manager and for this
2 to have been - with this much concern over this issue, for it to have been laid off at the end
3 of the Agenda, knowing full well that there would probably be a lot of information needed to
4 be picked up, is not the public's problem. And, it is not the reason for - and it's not them
5 to feel bad that it's so late at night. So, whoever put this on the end of the Agenda should
6 be held responsible, not we, the public, who want to make sure you get the information you
7 need for public input. Thank you.

8 MRS. BARNARD: I would tell you I had no idea this was even being put on the Agenda.

9 MR. CROSBY: It was communicated to you two weeks ago and then again it was
10 communicated again last week.

11 MRS. BARNARD: The budget took priority tonight. That was what people knew was going
12 to be on. I'm sorry that the public had to wait, but when we have so many things on the
13 Agenda, something has to wait. Yes, Darbie, come forward, please.

14 MS DARBIE MARLIN: Madam Mayor, Members of the City Council. One of my complaints
15 with Cox Cable, before I get into my harangue, is, when I called to subscribe to cable
16 because I do not get the network free with any good reception. They said, "Well, do you
17 want basic cable?" Well, doesn't basic sound like the absolute minimum that you could get,
18 I mean, I want the networks. And, I suppose I don't really have much complaint with the fact
19 that I do get more than the five network channels that we have available if you don't have
20 cable. But I think it's rather interesting that they call it "basic cable" when, in fact, it's not
21 "basic cable." And, Cox would like to tell that when it comes to regulating, it's only going to
22 apply to the minimum. That is not us basic cable subscribers who are paying \$22 a month,
23 but for the people who are only subscribing to the basic five, but in point of fact, it also has
24 to do with the percentage of people who subscribe. And, since they push that \$21 service,
25 we are most likely to be in a position where we can regulate for the majority of people. Mr.

1 Dixon made a comment that public testimony is coming from an emotional basis, rather than
2 based upon facts. But, without an independent audit, we do not know what the facts really
3 are. Yes, nothing cannot be done until 1993, but we can get started now, as Mr. Crosby
4 says, so that when time allows for rate regulation, we will be ready. Let's use our lead time
5 wisely. The Cable Advisory Board and City Council have a history of opposition to an audit
6 of Cox Cable, often causing me to ponder about the existence of strange bedfellows. In
7 order to assess whether or not cable rates are fair and reasonable, you need more
8 information than what Cox gives you to determine what level of profit Cox actually makes.
9 I believe it is important and appropriate for you to take advantage of the cable regulation to
10 examine our rates. Cox's audit, by a company paid for by Cox, is not an independent audit.
11 I find it ironic that the rates for premium channels have decreased, while basic cable rates
12 have increased. Without an independent audit, it would appear that basic rate subscribers
13 are actually subsidizing those who choose, and can afford, premium services. This apparent
14 subsidization is the sort of practice that led to the breakup of the telephone company
15 monopoly and, in fact, cable re-regulation. I would suspect that if you had a qualified auditor
16 review the books, you would find that Cox is making more than a fair rate of return. Two,
17 the citizens should not be required to pay for Cox for the cable, for the cable company's
18 failed advertising campaign to halt regulation. Also, I am concerned that everyone is
19 currently paying for an upgrade of services, when there are sections in the City that have
20 not yet to receive that upgrade. I believe that you should, in fact, get what you pay for and
21 not have to pay for something for months that you have not yet received. I also am angry
22 that our rates have gone up to pay for this upgrade - an upgrade as Mr. Cousins says that
23 was promised during the first franchise period. Cox should have done the upgrade before
24 you even considered renewing their franchise. They were supposed to pay for the upgrade
25 with dollars past, not dollars present. I was greatly opposed to the renewal of Cox's

1 franchise. Since you have, in my opinion, foolishly given them free rein for the next 13
2 years, I would urge you to take advantage of the new cable regulation to license Cox, put
3 them on a leash, and rein in our cable rates. And, Madam Mayor, I'm sorry that you've had
4 a 12-hour day, but in point of fact, you are still paid to be here, where we're here on our own
5 time and when someone presents as many facts as Mr. Cousins was trying to give you
6 tonight, I think that you owe him more than three minutes.

7 MRS. BARNARD: What I would like to have done, Darbie, is schedule this maybe another
8 night so that we could take the three hours, or whatever it is, that the citizens deserve to
9 give us, and I'm just sorry you all had to wait two hours. I'm not upset with the citizens. I'm
10 upset with the way it was put on the Agenda. Thank you for your testimony.

11 MS MARLIN: I don't have a problem with the waiting. I have a problem with the cutoff when
12 I think that the facts he has to present here tonight should be heard and I think you should
13 call him back up and let him finish.

14 MRS. BARNARD: What I would like to say is, "When is the five-year review up, Mr. Pupo?"
15 When do we have the five-year review?

16 MR. PUPO: My recollection is, and I'm going by memory, but I think we are mid-way through
17 the first three years of the franchise. I think we're at a five-year interval where we have
18 language written in the franchise agreement. . . .

19 MRS. BARNARD: All right. I am going to call the Public Hearing to a close - sir, please. Go
20 ahead, come on, no, yeah, I just thought that nobody else wanted to speak.

21 MR. JOHN HANSON: I am John Hanson and I own a company called "Skyline Entertainment
22 Network."

23 MRS. BARNARD: Skyline what?

24 MR. HANSON: Skyline Entertainment Network. All the problems are gone now. There is
25 competition, or at least there is a choice in Spokane now.

1 MRS. BARNARD: Well, that's nice to know.

2 MR. HANSON: We're a locally owned, locally financed company. We have - we are a
3 provider of multi-channel video services. We microwave a signal off of Tower Mountain.
4 People are welcome to call our office and get installed. I think the issue that Mr. Crosby
5 would like to have dealt with is this Cable Bill. And, the FCC is currently taking public
6 comment.

7 MRS. BARNARD: Right.

8 MR. HANSON: There's only one issue that's important in that whole Cable Bill and that is
9 just access to programming. You know, you said, Mayor, that you would like to see
10 competition. Cable companies produce most of the cable programming and they control the
11 access to that programming and the heart of that Cable Bill is the access to that
12 programming. There is going to be me, and there is going to be telephone, and there is
13 going to be direct broadcast satellite - all within the next two years.

14 MRS. BARNARD: So, there will be a lot of competition.

15 MR. HANSON: There's going to be, but what's slowing it down right now is the access to
16 that programming.

17 MRS. BARNARD: Right.

18 MR. HANSON: Three years ago I couldn't buy HBO, I couldn't buy ESPN. It's getting better,
19 but there's still programming that they flat refuse to sell.

20 MRS. BARNARD: But, if I want to sign up with your program, can you use the same cable
21 lines that are outside my house?

22 MR. HANSON: That's part of the FCC rule-making right now. I think they have to - I think
23 February 4 is when they have to decide who owns the cable in your house. Right now, I
24 respect the cable company's ownership and, if someone comes to me and wants us to install
25 our system in their home, we will also run separate wire. But, the FCC is, if people pre-wired

1 the home, it's theirs. But, I would guess that it is going to be the homeowner's cable. And
2 the simple answer is: If you are going to switch services, the cable company's cable is now
3 trespassing on your property. Please come and remove that and fix all the holes in my home
4 and we are now going to have a new service. So, there is a way around that, but I think if
5 the Council would like to make comments to the FCC, that's the single issue that solves the
6 problems. There is going to be a lot of video choices in just the next two years.

7 MRS. BARNARD: Good.

8 MR. HANSON: I could have 200 channels that will be possible - compression is coming.
9 There's going to be a lot of choices in a short period of time.

10 MR. CROSBY: So our comments should reflect that we want the maximum access to
11 programming?

12 MR. HANSON: They should reflect that you'd like to see equal access to programming at
13 equal prices.

14 MRS. BARNARD: Okay, well, thank you very much, and we wish you the best of luck in your
15 business. Public Hearing is adjourned.

16 MRS. PICKETT: Could I ask one question about whether you're going to have (unintelligible)
17 more open Hearings and more public testimony on this particular issue, and, when there's
18 a window, it's a small window on this, Mr. Pupo, isn't it?

19 MRS. BARNARD: We will have

20 MRS. PICKETT: It's just a small period of time that you're allowed to make your decisions
21 and the input you want, isn't it?

22 MR. CROSBY: Well, we can make our comments. We can take these comments, compile
23 them, and then forward them to the FCC. That was my purpose.

24 MRS. PICKETT: And then what he's talking about on accessing the equipment and
25 accessing for it, is to that people will be able to get more than just the kind of information

1 that's on TV now - that other organizations will be able to get in on that? Is that right?

2 MRS. BARNARD: Okay. Thank you.

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