1 happy to appoint you, along with several other committees this year, but Mrs. Reikofski could
2 not do it because of her time.
3 MR. CROSBY: I was told she was the liaison to the Committee. That was what was
4 communicated to me.
5 MRS. BARNARD: No, she isn't. I did not appoint her last year. And, also at this time, I
6 believe Mr. Dixon, the Chairman of the Cable Advisory Board, Mr. Dixon, are you there?
7 MR. GRANT DIXON: I'm here.
8 MRS. BARNARD: I know you wanted to make a few comments. Please come forward.
9 MR. DIXON: Thank you. We are talking about the budget here, and, a little bit, before I get
10 into. . . .
11 MRS. BARNARD: Mr. Dixon, I want to thank you for serving as Chair since this has been
12 established.
13 MR. DIXON: Thank you.
14 MRS. BARNARD: I know it hasn't been a real easy task, and I appreciate the work that the
15 Cable Advisory Board has done.
16 MR. DIXON: Thank you. It's been interesting and I think next Monday I will be reporting to
17 the Council on what the Board feels are some of the accomplishments of the Cable Advisory
18 Board over this past year.
19 MRS. BARNARD: Thank you.
20 MR. DIXON: Getting back to talking about salaries, the Cable Advisory Board gets zero
21 salary, so if you think you guys are a little bit low on salary, come and talk to us sometime.
22 We meet the second Wednesday of every month and we'll be happy to talk about salaries.
23 Honorable Mayor and Council Members and Ladies and Gentlemen, I'm here as
24 Chairman of the Cable Advisory Board. This is a volunteer board established by the Mayor
25 and the first mission statement of the Cable Advisory Board reads as follows: "The Cable

1 Advisory Board should advise, interpret, and recommend actions to the City Council with
2 respect to the terms and conditions of the Cable Cox franchise agreement - the Cox Cable
3 franchise agreement - and regulatory ordinances. Councilman Crosby was present at the
4 regularly held Cable Advisory Board Meeting of Wednesday, October 14, and, I think, Joel,
5 you even attended the November 11 Meeting, and you are certainly welcome to come to any
6 Meeting at any time you choose, or any other Council Member certainly is welcome to come
7 to these. They are open to the public. He stated that it was the community's responsibility
8 to evaluate the 1992 Cable Consumer Protection Act and determine what our options were
9 concerning cable rates. I submit to you that this is expressly the purpose of the Cable
10 Advisory Board and why it was formed. The Cable Advisory Board has done research on
11 cable rates through Glenn Lipsker, who is responsible for local government programming
12 on Channel 5. The FCC, in turn, has not even set any criteria for cable rates regarding the
13 CCPA Act of 1992. The criteria will be forthcoming sometime around April of 1993. The
14 Cable Advisory Board is continuing to disseminate information of this Bill and is being
15 advised by counsel, namely Bob Beaumier, and the City legal counsel.
16 Of studies done on cable rates in communities of similar nature to Spokane, the
17 Cable Advisory Board has seen no evidence of Cox Cable rates being out of line in
18 comparison to other community rates, as well as services. In the October 14 Meeting, the
19 Board agreed that a Hearing should not be held for a hearing's sake. The Board agreed that
20 if a Hearing was to be held, it should be for the purpose of enlightening the public on the
21 CCPA Act of 1992 and as to what part rate regulation would play under this Act. This is not
22 going to happen until 1993. The CAB asked Councilman Crosby to incorporate an
23 educational process if he were to ask the City Council for a public hearing. This was
24 requested at the October 14 Meeting, and Councilman Crosby assured the Board that, if a
25 hearing was called, he would do that. He did say, however, that he would call for a public

1 hearing with the CAB's cooperation or not. And, it is the Cable Advisory Board's sincere
2 feeling that public testimony at this point is coming from an emotional level, without any solid
3 factual basis, and then several months premature. Now, one of the things that has been
4 really a valuable thing for the Cable Advisory Board has been the aspect of Glenn Lipsker
5 and his input to the Board.
6 And, I'm going to, before I leave this Meeting, I'm going to pass out to you a request
7 that Glenn has forwarded to me for Council consideration. It's for renewal of a NATOA
8 membership which provides him some insight on some of the legislative things that happen
9 within the cable industry. And, I do want to thank Katie Reikofski because she attended a
10 lot of meetings. I know later, her schedule got very busy, but she was at all the early
11 meetings. She was there for the formation of the Board. She supplied great support for the
12 Cable Advisory Board on her own time, and thank you very much, because you were really
13 an invaluable help to the Board, as well as Gary Persons and Bob Beaumier and Bill Pupo
14 have been. So, thank you very much for your time and I'll leave these with the Council.
15 MRS. BARNARD: Thank you very much, Mr. Dixon. We appreciate your comments. Now,
16 I would like to ask those of you who would like to speak if we could limit testimony to about
17 three minutes each, unless somebody is speaking for everybody - you know - whatever.
18 We'll just play it by ear. Why don't you come forward and give us your name and your
19 address and we'd like to hear from you.
20 MR. CARLOS MALDONADO: My name is Carlos Maldonado, and my wife and I operate a
21 (unintelligible) store located at 364 Garland, in the Garland District. My wife and I,
22 (unintelligible), and with the cooperation of other Latino community people, have been trying
23 to bring Spanish television to Spokane and we initially wrote a letter to the management of
24 Cox Cable requesting a meeting to discuss this need from the Spanish community. Cox
25 Cable responded to us stating that there was insufficient interest and need for this type of

1 request and, in addition, our request for a meeting with Cox Cable management was also
2 summarily dismissed and not even mentioned in their reply to our request for that meeting.
3 MRS. BARNARD: Did you ever talk to Mr. Dixon from the - did you even know we had a
4 Cable. . . .
5 MR. MALDONADO: Yes. We met with the - I'll come to that point later on, but. . . .
6 MRS. BARNARD: Okay, excuse me.
7 MR. MALDONADO: . . . I thought that the reply was inadequate because, first, Cox Cable did
8 not indicate what level of interest would be considered sufficient in order for us to be
9 appropriately informed and also to try to assist Cox Cable as far as information about need
10 that exists in the community. And, second, the request for a meeting was not addressed in
11 Cox Cable request - in our request to Cox Cable. We then visited with Cox - with the
12 Spokane Cable Advisory Board to seek assistance in establishing dialogue with Cox Cable.
13 We left that meeting with the Spokane Cable Advisory Board with mixed feelings.
14 Nonetheless, a few days after, Cox Cable called us and set up a meeting to, hopefully,
15 establish a dialogue. So, a meeting was set, and at that time, Mr. Collins, who is the General
16 Manager for Cox Cable, was not able to be at the meeting and we met with another
17 representative from Cox Cable. At that meeting, we were hoping that we would be able to
18 establish a dialogue, but rather it was basically a meeting to restate their position that there
19 was not sufficient interest or demand for Spanish programming on Cox Cable.
20 So, what we are here tonight, or personally, we came to the City Council Meeting
21 tonight to share with you Cox Cable's indifference to our needs and our interests. We also
22 came to the City Council Meeting to bring visibility to the issue that Cox Cable, a company
23 licensed by the City of Spokane to operate a cable system to benefit the entire community,
24 is really leaving out a segment of the community that's rapidly growing. We have more, over
25 7,000 (unintelligible) Latinos in Spokane. That does not include other individuals that are

1 interested in Spanish programming, that are not part of that community. And, I think, thirdly,
2 most important, we'd like to request the assistance of the Members of the City Council
3 Members in establishing a Spanish television program in Spokane. I think that there is a
4 great need and, thus far, we've waited here for a couple of hours . . . .
5 MRS. BARNARD: I'm sorry about that.
6 MR. MALDONADO: . . . and when we first met with Cox Cable management, we felt that we
7 were coming across a brick wall and then when we meet, we did meet with the Cable
8 Advisory Board, we really did not feel there was great support there and we left that meeting
9 with mixed feelings. So, our plea is that we would like to have Council assist us in
10 establishing an important service to our community. Thank you.
11 MRS. BARNARD: Well, Thank you very much. How many of you in the audience agree with
12 that statement? My goodness, and I agree with you. I would think that with the new - the
13 addition of all the channels that it would - I have watched Spanish channels before and I
14 would love to have one in the City. Mr. Dixon, what was the feeling of the group when you
15 met with and talked with Mr. Collins?
16 MR. DIXON: Well, in our discussions with Alan, of course, the Cable Advisory Board can't
17 necessarily dictate or regulate what channels Cox Cable will provide for the general public.
18 We did listen to the Hispanic community that came in and spoke to the Cable Advisory Board
19 and we are certainly cognizant of what their desires are, and, I think, Cox Cable is certainly

1 programming that's going on, so . . . .

2 MR. HEBNER: Your Honor, because Kim is here, might it be possible, rather than turning

3 this into a "they said this, we said that, and so on," if perhaps Kim would be able to address

4 all of these very specific things through a letter back to us, or at least we would have the

5 information, because I think this is a very legitimate request and it would seem to me that

6 Cox would have an interest as well.

7 MRS. BARNARD: Kim, do you want to comment on it right now, please? Kim Boston, Public

8 Relations for Cox Cable, I believe. Mr. Brewer did have a comment, while she's coming up.

9 COUNCILMAN MIKE BREWER: Let me make my comment. My daughter and her husband

10 and my grandsons would be delighted to have a Spanish-speaking station here in Spokane

11 when they come home to visit from southern California. They speak Spanish rather fluently.

12 MS KIM BOSTON: I don't know, Madam Mayor and Council, that I can effectively address

13 the particular issue of the Hispanic channel, but what it comes down to is that there are a

14 lot of interests in the City of Spokane, not just the Hispanic community, the Black community,

15 there are a lot of Vietnamese, Asian. . . .

16 MRS. BARNARD: Canadian.

17 MS BOSTON: Canadian. There are a lot of us people that would like us to address all

18 things for all people and I don't know that any company can be all things to all people. I

19 think that Alan is very aware of the Hispanic need and we realize that the Hispanic

20 community is a very fast-growing community in the City of Spokane. I, myself, my 16-year-

21 old son, is part Hispanic and is studying Spanish and would love to see a Spanish channel.

22 But, I think it comes to the point that those things are all evaluated based on - as we add

23 programming to our lineup, we evaluate all services that have been brought to us from

24 different communities and different interest groups, and there are a lot of variables that are

25 determined in adding those services. Demand is one thing. Cost is another. The number

1 of people that it really appeals to and applies to. So, there are a lot of things that we have
2 to evaluate when we prepare to launch a service, and it really is separate from a rate issue
3 at this point. And, I think, at this point, where we are here to talk about rates, well, I think.
4 . . .
5 MR. CROSBY: Rates and service. And, I think that - my response would be that I think Cox
6 Cable, and even the Cable Advisory Board, when they were approached by these people out
7 of concern, those people did not feel like they were heard and they didn't feel like they were
8 - people were trying to help them find a solution. They felt they were just being brushed
9 aside by Cox Cable and by the Cable Advisory Board and I think that's why they've come
10 down here tonight to make more visible their concern, which I think is a legitimate concern.
11 MS BOSTON: I agree with you. I do agree that it is a legitimate concern, but, again, I don't
12 think that there's any company or service that can be all things to all people, and that
13 changes as companies develop, and . . . .
14 MRS. BARNARD: Well, I think - I did want to ask the gentleman that spoke to please give
15 us your name and address so that we can continue to be in touch with you and I would like -
16 I think we do want to talk about rates, but I would like to have a letter from Mr. Collins talking
17 about this request to this Council telling us what his future plans are and how he might work
18 with these people, since they have brought this issue to our attention and since it's
19 something we are very interested in. And, with the addition of all the new channels, I would
20 certainly think this would be considered.
21 MS BOSTON: It's very much a situation where the company is in a growth point as far as
22 adding services.
23 MRS. BARNARD: So, if we could have a letter to us and to this gentleman that spoke, it
24 would be appreciated.
25 MS BOSTON: Okay.

1 MRS. BARNARD: Would you be sure and write your name and address down, sir? Please,
2 on this sheet right here.
3 MR. MALDONADO: I also can make available copies of our correspondence with Cox Cable
4 and Cox Cable correspondence with us.
5 MRS. BARNARD: All right. I would just like to say I am delighted to know that the Hispanic
6 community is growing in Spokane. I think it's a wonderful addition to our community and the
7 more of you that are here, the more I'll like it. I value cultural diversity. And, we are pleased
8 to have you down here tonight. I hope you come back and visit us again. All right. Would
9 someone else like to comment?
10 MR. DIXON: Let me make one more statement, Madam Mayor, before I leave this
11 permanently. This will probably be next Monday, my last official act as Cable Advisory
12 Board. To show you that the Cable Advisory Board's heart is in the right place, they've just
13 elected a new Hispanic chair in the form of Ric Mendoza, so we are not saying that we are
14 closing our eyes to this subject. I think we realize there is a need and want this.
15 MRS. BARNARD: I'm sure you do. Thank you very much. We appreciate that. Who else
16 would like to testify? Please come forward. Give us your name and address, please.
17 MRS. RACHEL MALDONADO: Rachel Maldonado from (unintelligible) at 634 West Garland.
18 And, I would like to address some of the comments that Kim made about Cox Cable and the
19 fact that they cannot address all needs and that they are aware of the needs and yet, when
20 we went to meet with Cox Cable, they could not tell us what rate of interest would determine
21 whether they could put on this programming or not. And, we asked Cox Cable very directly,
22 "How do you determine need?" And, their response was, "We send out surveys. And, the
23 surveys coming back for Cox Cable did not indicate any interest in Spanish programming."
24 And, I asked them, "What language do you send your surveys out in?" And, they said, "We
25 send them out in English." And, I told them, "If you do not speak English, are you going to

1 respond to a written English survey?" And, I asked them, "Can we help you in any way to
2 determine need?" And, I am real concerned about a monopoly attitude that will not allow
3 input from their citizenry. We asked them, "Okay, can we then begin a petition drive to let
4 you know what need is out there?" And, their response was very negative towards that -
5 that, no, that would not work. We asked them, "Can we have a write-in campaign?" "No,
6 because that is something that you can generate yourselves." "Can we then have a phone-in
7 campaign?" "No, that will not work either, because you can also generate that."
8 MRS. BARNARD: The mistake you made was asking. You should have just done it. You just
9 do it.
10 MRS. MALDONADO: But, their response was that that is not valid information for them.
11 MRS. BARNARD: Okay.
12 MRS. MALDONADO: We offered to translate surveys for them, to help them reach a target
13 market. Their response was they cannot deal with target markets at this point, and, so, I
14 don't believe that Cox Cable is really listening and I don't believe that they are really trying
15 to determine the need for that programming.
16 MRS. BARNARD: Well, you certainly raise a good point about sending out the form and the
17 language that would make people want to read it and fill it in. Yes, next, please?
18 MR. JOHN VARGAS: Yes, good evening, Council and Madam Mayor. My name is John
19 Vargas and I am the president of the Inland Empire Hispanic Association and I am also a
20 member of the other organizations that went to Cox Cable. I also would like to report that
21 the Inland Empire Hispanic Association is taking advantage of the community access
22 channel. We are doing programming. We are going to be doing it bilingual, but that's not
23 what the community is seeking. They are seeking regular programming. So, I just want to
24 give testimony to the fact that that is really needed within the community.
25 MRS. BARNARD: Right. Okay, thank you very much, and please sign in so that we have

1 your name and address, would you? Sir? And, you are the president, so I'd like to, of the
2 group, so it would be nice to have your name and address. Yes, sir?
3 MR. GILBERT GARCIA: Hi. My name is Gilbert Garcia. I am the coordinator of a new
4 organization in Spokane, LaRossa (sp) Coalition for Political Action, located - you can write
5 to us a P. O. Box 1250, Spokane, Washington.
6 MRS. BARNARD: What's the name of the organization?
7 MR. GARCIA: LaRossa (sp) Coalition for Political Action. We are relatively new. I think that
8 tells you a little bit about how the community has changed over the last four years. In 1988,
9 when I came into the area, there was only one which was the Inland Empire Hispanic
10 Association, now there is actually more. There is one from the Catholic church -
11 (unintelligible) - who have some members here. So that tells you about the changes. And,
12 I think, you know, even though we are not talking about rates right now, we are talking about
13 rates and services, which are connected. Cox Cable has just failed to respond to this and
14 every time that we talk to them, it has been basically what Carlos said, "a brick wall." And,
15 I'm hoping the City Council can help us in making it clear that they are here to serve the
16 community. And, even though they are the only ones, they should be responding to the
17 needs of the total community and, since the City Council of the City of Spokane provides a
18 license to work here, they should be responding to our community as well. And, we are
19 hoping that we can get your support in doing this, so that we can start maybe sharing more
20 of the diversity that we have in Spokane, especially coming from the Latino, bilingual,
21 bicultural community.
22 MRS. BARNARD: Okay, great. We very much appreciate. Be sure - would you sign in, sir,
23 and then we'll have your name so that we can have Mr. Collins address all of us in the letter.
24 Yes, sir.
25 MR. JERRY GARCIA: My name is Jerry Garcia. I live in Cheney, Washington. I am also a

1 student at Eastern Washington University. I'm here representing a student organization by
2 the name of MECHA, which is Chicano student organization. And, I just wanted to come
3 down here tonight to put on record that our organization at our campus supports the effort
4 being made to bring Spanish programming to Spokane. Also, I wanted to make a quick
5 comment on what Kim said about Cox Cable not being able to be everything to every
6 segment of society. If you go up and down eastern Washington to all the communities,
7 communities that are ten to twenty times smaller than Spokane, they have access to Spanish
8 programming. If Cox Cable can't do that to a community this size, then maybe it's time to
9 get somebody else who can.
10 MRS. BARNARD: Okay, thank you, Jerry. Appreciate it very much.
11 (Applause from the audience.)
12 MR. BREWER: That's a good point.
13 MR. BRUCE VAILS: Bruce Vails, East 603 Joseph. Just before I get into the Cox deal, I'd
14 like to inform the group behind me. I am a Washington State Hunter Education Instructor.
15 The Wildlife Department is having a Hunter Education manual being printed in Spanish.
16 Right now, the representatives from Olympia are down in Mexico so they can get the
17 translation.
18 COMMENT FROM THE AUDIENCE: It could have come from right here.
19 MR. VAILS: Well, we asked them that. We asked them, "Why didn't you come into. . . " They
20 said, "Well, they never thought of it." Hindsight.
21 MRS. REIKOFSKI: Hey, it's warmer in Mexico.
22 MR. VAILS: As soon as this training manual comes out, is published, I will get a hold of Ric
23 Mendoza and tell him about it because, to be very frank with you, there are few of us
24 instructors in this area who speak Spanish, so we may have to ask for some volunteers to
25 go through the Hunter Education Instructor Training Program, but the Game Department is

1 looking out 'cause they know we've got the group who likes to hunt.

2 MRS. BARNARD: Okay, Mr. Vail, give us your three-minute comment, please.

3 MR. VAILS: Okay. I got a question to ask. Maybe Mr. Sloane can answer it. Maybe he

4 can't. But, in 1955 through 1959, every attempt through the federal courts, through just

5 about every circuit in the United States, when pay television was brought up and challenged,

6 the federal courts voted it down. The reasoning: There was sufficient enterprises out there

7 to sponsor anyone who wanted to get into the television industry. Now, my question to Mr.

8 Sloane: When was those court decisions rescinded? Because they directed the FCC to

9 interpret the electro-magnetic spectrum as being property of everyone in the world. They

10 can snatch out any signal out of the air they wanted to. There was no license that said they

11 could not.

12 MRS. BARNARD: Is this a question you want Mr. Sloane to answer? Mr. Sloane, is that a

13 question you can answer at this point?

14 CITY ATTORNEY JAMES SLOANE: The short answer to that is: No. And I don't even

15 believe Mr. Beaumier could either, but I would certainly give him the opportunity, since he

16 is here this evening.

17 ASSISTANT CITY ATTORNEY ROBERT BEAUMIER: I am very sorry. With all due respect,

18 sir, I could not understand your question.

19 MRS. BARNARD: So, what is your point?

20 MR. VAILS: Okay, my point is: Why, all of a sudden, we have pay television in our

21 communities, when the federal courts said, "No, there is sufficient sponsoring." If you think

22 I am crazy, look at CNN. It started out, no sponsors; it's sponsored. EPS, no sponsors; its

23 sponsored. The Weather Channel, no sponsors; it's sponsored. They are sufficient, so why

24 are we paying when the federal courts. . . .

25 MRS. BARNARD: But I think, you know, that's the reason I set up a Cable Advisory Board,

1 so that maybe when people like you have questions, these people who care about cable and
2 understand it, could answer. I would ask that you write a letter to the Cable Advisory Board
3 and let them do some investigating into it. Did you want to comment, Mr. Pupo?
4 ACTING CITY MANAGER BILL PUPO: I think maybe I can answer that. The issue - cable
5 originated in the late 50's, early 1960's, as the ability to provide signals, network
6 programming, on-air programming, to those homes or businesses that couldn't receive the
7 signal, the transmission from the tower. I think what he's asking is: "Why, all of a sudden,
8 is a cable company carrying an ESPN, or a Disney, or whatever." Those are agreements,
9 because they are not carried by the on-air broadcaster, so they pay a sponsorship fee, or
10 a carriage fee, if you will, to the cable operator through their corporate office to carry as part
11 of their menu, a basic service, or, in the case of your Home Box Office, a pay service.
12 MR. VAILS: That's not the - that's not the question.
13 MRS. BARNARD: Okay, Mr. Vail.
14 MR. VAILS: The question is . . . .
15 MRS. BARNARD: We are here to debate the cable fees. I wonder if we could move on and
16 you could speak with somebody. . . .
17 MR. VAILS: Okay, I'm against any rate increases. In fact, I favor rolling them back to a
18 (unintelligible) pay.
19 MRS. BARNARD: That sounds like a good idea. Who else would like to testify?
20 MR. MICHAEL TOWNSEND: Madam Mayor and Members of the Council, I'm Michael
21 Townsend at 614 South Laura. As a consumer, I've become totally frustrated over the
22 business practices of Cox Cable over the last year. I'm with a family on a fixed income and
23 every penny counts, and, in order to stay within our budget, our only affordable source of
24 entertainment is cable television. We don't go out to movies. We cannot afford it on $9,500
25 a year. Now, today, we are on the verge of dropping cable for numerous reasons, including

1 the constant rate increases, the billing practices, and, most importantly, their lack of
2 personalized service. I've always believed that the key to a successful business is to
3 provide a quality product at a reasonable price, listen to consumer suggestions and
4 complaints, and make the customer feel appreciated for purchasing that product. Well, Cox
5 Cable has just arrogantly ignored these basic rules. You have abetted them by allowing
6 them exclusive contracts to provide their so-called service to the Spokane community, and
7 doing it on an exclusive basis. Now, Cox Cable has created a smoke screen in their billing
8 practices in order to add late charges, now additional collection fees, even though a
9 customer is already paying in advance for services as a consumer. And, being on a fixed
10 income, being able to pay these bills the first of each month, Cox Cable has placed me on
11 a billing cycle which runs from the 18th of the month to the 17th of the following month.
12 Now, although I've made payments every single month, which they receive by the 6th of
13 each month, I am paying for services up to the 17th of that month, they still arrogantly argue
14 that I am late in making my payment because they state that their due date is the 29th of the
15 month. And, ever since last April, every month I have called them and requested an
16 explanation and, through four different people I have talked to, I have gotten four different
17 stories, and I am getting a $7.50 late charge tacked on. Maybe one month when I complain,
18 they'll take it off, but this could come to nearly $90 a month, or $90 a year rather, in extra
19 fees. Now, in addition, Cox Cable continually advertises that their product is at one fixed
20 rate, yet they've got hidden charges which are not adequately explained to the public until
21 the time of billing. Now these include collection fees, the late fees, copyright fees, and, of
22 course, that famous franchise fee. And, having been in broadcasting for over 25 years
23 myself, I am aware of the necessity for the BMI, ASCAP, and copyright fees, and so forth,
24 yet the general public isn't aware of this requirement in the broadcast material. Now, Cox
25 should be required to provide a complete disclosure of all the added costs to the consumer

1 before submitting their bill. At the time that you sign up for the service, it should be made
2 clear exactly what you are paying for, and not have all these other added things come in, and
3 having them nickel and dime you to death when, supposedly, you are paying $23.30, but
4 your bill really comes to $27.95. Now, also a complete explanation as to the franchise fee
5 probably should be made public and posted as many of the consumers do consider this to
6 be nothing more than a hidden tax, which has been worked out through the Council and Cox
7 Cable, as just a source of revenue. I noted with interest a small slip of paper that was
8 enclosed with my monthly bill in December, and on it, I was informed if I was not satisfied
9 with aspects of the service, simply contact City Hall. Well, I did that and I was informed by
10 the lady that I spoke to that they would look into the difficulty I was having and return my
11 call.
12 MRS. BARNARD: Who did you call?
13 MR. TOWNSEND: I did not get the name.
14 MRS. BARNARD: Was there a number on there? Call . . .
15 MR. TOWNSEND: Yes, there is - (509) 625-6262. And it says City Manager, City Hall, West
16 808 Spokane Falls Boulevard. The statement says: Cox Cable, Spokane, serves multiple
17 franchised areas. If you wish to register a complaint, please select the appropriate franchise
18 authority for your address from the list below.
19 MRS. BARNARD: I think that's ridiculous. Mr. Townsend, I think you've made some very
20 interesting points. Mr. Pupo wanted to respond to one.
21 MR. PUPO: Franchise fee is a fee that the City has authority to impose through the Federal
22 Cable Act. It is a 5% franchise fee and it yields $800,000, thereabouts, per year that goes
23 into the City's General Fund. The franchise fee needs to be viewed, if you will, in a - as a
24 rental fee. In other words, Cox Cable's physical plants, the wire that carries the signal to
25 your home, runs on the public right of way, and that's their rental, the franchise fee is a cost

1 of doing business that they pass on to the consumer for the use of our public right of way.
2 We have the same kind of franchise fee that's applied to the phone companies for use of our
3 right of way and electrical and power companies as well.
4 MRS. BARNARD: Mr. Townsend, I would like to ask you to meet with Kim Boston right now
5 regarding your rate - your fee - your late fee - because I think you raise an interesting
6 question. Sometimes when I am late paying my bill, I feel like I am going to end up in prison.
7 MR. TOWNSEND: Madam Mayor, I just received my bill this afternoon at about 2:30 and I
8 contacted Cox Cable and spoke with a gentleman by the name of Ron who took 40 minutes
9 of his time and tried to give me a smoke screen, but I said, "Now, listen. I've got every
10 statement since last January in front of me right now. I want you to tell me from the billing
11 date of 12/18 to 1/17 beginning last January how much I owe; when you received my check;
12 how much I owe for the next month; when you received my check; and, when we totaled that
13 all up, it came out that my bill, which would cover December 18, which it is not yet, to
14 January 17, would be $44.08. Now this is for services that are due - that bill has to be paid
15 by December 29, or otherwise I get a late fee.
16 MRS. BARNARD: Mr. Townsend. . . .
17 MR. TOWNSEND: But I have a bill here that was mailed me today for $98.65, and I'm still
18 waiting for explanations.
19 MRS. BARNARD: Could you go speak to Ms Boston back there, please, and maybe the
20 Cable Advisory Board would like to take this up, also. I think you've raised some serious
21 issues.
22 MR. TOWNSEND: Well, okay.
23 MRS. BARNARD: Come back next, come back next week. We'll be having a report and we'll
24 ask this question to the Committee that gives us the report, okay?
25 MR. TOWNSEND: Okay.

1 MRS. BARNARD: Thank you.

2 MR. TOWNSEND: Well, I would like to make one more statement, if I could. I'd like to urge
3 the Council to consider the possibility of working with a mediation board to handle
4 complaints regarding Cox Cable, because the lady I spoke to here at City Hall said that she
5 would get back to me.

6 MRS. BARNARD: And she didn't.

7 MR. TOWNSEND: Oh, yes. Somebody got back to me within two hours. It was the same
8 lady from Cox Cable that I had argued with four hours earlier and could not receive any
9 satisfaction.

10 MRS. BARNARD: All right. All right. Thank you, Mr. Townsend. Is there anyone else that
11 would like to testify, please.

12 COUNCILMAN JACK HEBNER: Your Honor, while Frank is coming to the microphone, Mr.
13 Sloane, would you please address the issue about Cox Cable having a monopoly. If there
14 were someone who wished to come in and apply for a franchise and pay a franchise fee,
15 would we not let them use the right of way?

16 MR. SLOANE: The Charter prohibits exclusive franchises.

17 MR. HEBNER: So, therefore, it is not, in fact, a monopoly. It's just that no one is willing to
18 make the investment?

19 MR. PUPO: It's a non-exclusive franchise. We have two pieces of paper, if you will, with
20 Cox - well, one piece of paper with Cox Cable, and that's a franchise agreement that
21 establishes their terms and conditions by which they will operate their franchise for 15 years.
22 The second is a City Council Ordinance creating a franchise, creating a cable ordinance in
23 the community which establishes the terms and conditions by which a cable operator, if the
24 Council chose, could come in and operate, and they would be basically the same playing
25 field as Cox Cable operates under.

1 MRS. BARNARD: Mr. Yuse.

2 MR. FRANK YUSE: Thank you, Madam Mayor and Members of the Council. I'm Frank Yuse.

3 MRS. BARNARD: Good night, everybody. They are all leaving. See you later. Thanks for

4 coming down. I'm sorry you had to wait so long.

5 MR. YUSE: I believe the question was raised about the legislation. It was Senator Warren

6 Magnuson who set up the airways regulation of radio and television, and I think if you look

7 that up, you'll find that what he proposed was the ownership of the airways was to be the

8 right of the people, and always the right of the people. Well, I want to thank Councilman

9 Crosby for bringing this issue up, because it was one of my concerns back in 1990 and '91.

10 And, I see the same faces, and I see the same blank looks, and I wonder if you are going to

11 give me the same reception. I also remember Marion Hay, the Chairman of the Plan

12 Commission, City Plan Commission, coming before you and saying, "We, the Plan

13 Commission, want to have the authority to hear the concerns of the people." And it was a

14 real debate, remember, that went on? And I, as a Plan Commissioner for the County, I raised

15 the same issue, because when you issue franchises and easements, you are, in essence,

16 coming under the authority of the Plan Commission. And, it is within their jurisdiction. Well,

17 anyhow, some of the things were not addressed. And, I hope, Mr. Crosby, I hope you will

18 take this to heart and bring it back to us. I can say, with all honesty, that I was the one and

19 only voice of the community that stood up here in 1990 and 1991 and before also your sub-

20 committee on the cable franchise. And, I have my notes to prove it. That I asked these

21 questions about rates. And, I got nothing but a "Thank you" from Bob Dellwo. And, I was

22 very concerned about that and I said, in my testimony, that we, the people, are the partners

23 in the contract with Cox Cable and we have to have information that we don't have. We did

24 not get the report that Dr. Lewis did from Gonzaga University to you people - you would not

25 divulge it, you would not disseminate it, so we didn't know and the report said quote, "Cox

1 a reasonable fee?

2 MRS. BARNARD: Thank you, Mr. Yuse. Next, please. I think, Mr. Yuse, we hear what you're

3 saying. What makes me mad is we had a budget hearing tonight. I have been down at City

4 Hall since seven this morning, and this should have been put on another time, so this

5 Council does not have to sit here and have a doubled-up Agenda, and that is the only thing.

6 . . .

7 MR. YUSE: I sympathize with you.

8 MRS. BARNARD: Yeah. I mean this should have been planned and put on a Council Agenda

9 with the Council looking at the Agenda. And, that's the only thing that irritates us, is that

10 we've been here all day, and we need to go home.

11 MR. YUSE: I also watched 12 hours. . . .

12 MRS. BARNARD: Yes, sir.

13 MR. YUSE: . . . of Governor Clinton.

14 MR. JAY COUSINS: Madam Mayor, Members of the Council, my name is Jay Cousins, and

15 I reside in the City of Spokane. I want to open my remarks by addressing a few of the things

16 that Mr. Dixon spoke to and have been kind of racist as the discussion has gone on this

17 evening. For one thing the FCC has, in fact, requested input on rate regulation. They are

18 starting, and they have asked for that prior to rule formulation. So, the request that Mr.

19 Crosby made that the City become involved in forming and helping to form the rules for rate

20 regulation is a very valid request. The FCC has made that request itself and they are moving

21 into those hearings right after the first of the year. The whole process is on an extremely

22 fast track.

23 MR. CROSBY: Let me comment. That's the reason I brought this up at this time. Because

24 to have this at a time so we could take these comments and communicate them to the FCC...

25 MRS. BARNARD: I think it would have been nice if you'd had it with the Cable Advisory

1 Committee as they'd asked so that they could have sat here and had the public hearing
2 because they are the committee, instead of us having to do it.
3 MR. CROSBY: Well, I asked them to do it and they wouldn't.
4 MR. COUSINS: I'd like to address that very issue. The November 14, Meeting there was a
5 motion made by a Cable Advisory Board Member to support this Hearing. Before a second
6 could be heard, Mr. Dixon immediately leapt in and spoke at some length against any such
7 hearing. By the time Mr. Dixon was done, no second could be heard. This is typical of the
8 way the Cable Advisory Board Meetings have run. Mr. Dixon's data, by the way, that he got
9 from Mr. Lipsker is predicated on other cable systems that are not in a competitive situation.
10 Where competition has occurred, rates historically go down about 50%. So, the expanded
11 basic that we enjoy here for - of 51 channels, is comparatively being provided in other places
12 in the country for a rate down around $13 or $14 where there is head-up competition.
13 In regard to some of the testimony from the Latino community, Cox Cable routinely
14 refuses to answer any written requests for information regarding their policies. That's just
15 the way they do business here. Their arrogance is to be experienced to be believed and I
16 will be happy to have you experience it if you make a request. The billing practices, and so
17 on and so forth, that were brought up earlier also kind of come under the idea that refunds
18 at Cox Cable where you've paid in advance, you are requested to pay in advance for your
19 service, you go back in and you have maybe 10 or 15 days left on the service - if you have
20 under $10 left for a refund coming, Cox Cable doesn't mention that to you. They don't
21 mention your refund to you and they will not send it to you unless you specifically request
22 it. So, Cox Cable basically keeps all refunds under a $10 bill, unless specifically requested
23 by the subscriber at the time of cancellation. I think that's a rather nefarious practice myself.
24 As to my remarks for the reason I came down here this evening, I feel that context
25 is everything when it comes to a discussion of cable TV and a sense of history is vital to this

1 issue. History shows that in 1974, the City of Spokane passed a franchise ordinance
2 allowing Cox Cable to provide cable service to its citizens. The rate for regulated cable at
3 that time was $4.95. Cox promised then that the rate would not exceed $7.95 over the 15
4 year life of the franchise. Now, that's written right into the franchise. For this fee, cable
5 consumers were to receive a dual trunk cable system that would provide then, in 1977, 56
6 channels of programming, as well as an additional 20 channels of return signals. Thirty five
7 channels comprised the system until 1989. At the time of the franchise renewal in 1990,
8 subscribers were receiving 37 channels on a maxed out capacity system. No return
9 channels were ever provided. Today we've got 51 channels available - still under what was
10 promised in 1974. There are still no return channels, but an enclosure from Cox Cable that
11 went out this summer indicates that Cox does have the ability to eavesdrop on you in your
12 home through your television set and observe you, if you're hooked up to their cable. They
13 promised not to do that unless requested by the proper authorities, but nevertheless it does
14 (unintelligible) personal questions, anyway. In 1977, with 42,000 subscribers, the rate for
15 cable stood at $6.95. In that year, a family of four living in Spokane had a median income
16 of nearly $10,000. Today, there are 80,000 + subscribers who are paying $21.46, and that
17 family of four now makes nearly $15,000. That's twice as many households. They're paying
18 three times as much as they were in 1977. If our incomes had kept pace, the median family
19 would be making $30,000. So, in 15 years, the number of subscribers has increased 100%.
20 The rates have climbed 200%, while the number of channels went up 40% and our wages
21 increased a mere 50%.
22 One of the things that we've all learned is that if you can sell your product to more
23 people, you can sell it cheaper. Cox Cable refutes this logic by charging more customers
24 increased prices for less product than originally agreed to. Presently Cox Cable has 80,000
25 subscribing households. The average household monthly cable bill is around $25. Their

1 yearly gross then is about $24,000,000. What does this money really buy for local
2 subscribers? Only Cox Cable knows for sure and that information is not available to the
3 public as has been pointed out. Part of the reason that this information is not available is
4 that Cox Cable has not been independently audited in 16 years. The City collects a fee from
5 Cox Cable for allowing the use of the public right of way for coaxial wires, as Mr. Pupo
6 pointed out. Currently the fee is 5%. Five percent of the gross revenue currently will
7 provide about $1.2 million to the General Fund.
8 MRS. BARNARD: Mr. Cousins, could you - I think you've made some very valid points and
9 we need to - I wonder if you could give us your notes in writing and I'd like to ask Mr. Dixon
10 to come back next week, and if the Committee is going to give us a report and fill us in on

1 years and if it isn't - but you know, when we did that we wanted competition. We couldn't
2 have it the way it was done. We were caught. And, I favor competition more than anybody
3 on this Council.
4 MR. COUSINS: I have no quibble with the fact that the franchise is, in fact, wide open to
5 anybody that wants to come in here and do an (unintelligible).
6 MRS. BARNARD: That's right.
7 MR. COUSINS: I understand that perfectly well. I've been involved in cable and cable-
8 related issues since 1986 when the franchise was originally first discussed.
9 MRS. BARNARD: And, you know, if you - it's interesting, Jay, 'cause if you hadn't been so
10 rude to us when we were doing that I would have appointed you to the commission. So,

1 So, I thank you and I certainly look forward to next Monday night and Mr. Dixon's
2 report to this Council as to the wonderful things the Cable Advisory Board has done for the
3 City and the citizens of Spokane. Thank you.
4
5 MRS. BARNARD: Thank you, Mr. Cousins. Is there anyone else that wishes to testify for
6 three minutes, please?
7 MRS. CAROLYN PICKETT: I'll take a few minutes and then she's - okay. Carolyn Pickett.
8 I have some remarks and questions and I will make it brief. People are being placed on
9 cable because they can't get good reception because they haven't been shown the change
10 over on TV that creates the necessary power requirements. This is something that a lot of
11 people in apartment buildings don't realize, that they can change off and they don't have to
12 accept Cox Cable and their televisions are showing poor imagery because they haven't been
13 shown the difference in power needs for their TV set when they don't have Cox Cable.
14 Disabled persons are being billed for black boxes and are being charged. In the very
15 concise manner that one of the testifiers said, "It's something we really need to look into."
16 Cable is being laid during times when telephone lines or electricity utilities are put in and
17 Cox Cable was dumping in the hole at the same time and a lot of other companies that would
18 normally have been able to use that process for becoming a part of cable, being another
19 company being able to come into the City of Spokane, they weren't aware of the fact that this
20 was happening and that was where a lot of cost was going, was it was being absorbed by
21 their being - working with a telephone or other utility company to put their cable down. And,
22 I happen to stumble across this information via talking to a northside cable company that
23 couldn't lay cable as many places as Cox can, because they didn't realize it was being
24 dumped in the holes when the lines were being put in for other utilities. And, I know it's, it's
25 something that's interesting. It is late, but at the same time, I would like to make mention