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COUNCIL OF THE CITY OF PHILADELPHIA

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PUBLIC HEARING

4

COMMITTEE ON PUBLIC PROPERTY AND PUBLIC WORKS

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Room 401, City Hall
Philadelphia, Pennsylvania
Wednesday, December 8, 1999
8:00 p.m.

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9 BILL NO. 990842, An Ordinance consenting to the
transfer and assignment of the Area II cable
10 television franchise from Wade Communications
Partnership, d/b/a Wade Cablevision, a subsidiary of
11 Time Warner, Inc., to Urban cable Works of
Philadelphia, L.P., a Delaware limited partnership
12 formed by Wade Communications Partnership as a
minority partner and companies controlled by Inner
13 City Broadcasting corporation as majority partner
under certain terms and conditions.
14 BILL NO. 990843, an ordinance renewing the Area II
cable television franchise held by Wade
15 Communications Partnership, under certain terms and
conditions.

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PRESENT:

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COUNCILWOMAN AUGUSTA CLARK, Chairman

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COUNCILWOMAN JANNIE BLACKWELL

20

COUNCILMAN DAVID COHEN

21

COUNCILMAN JAMES KENNEY

22

COUNCILWOMAN DONNA MILLER

23

COUNCILMAN MICHAEL NUTTER

24

COUNCILMAN FRANK RIZZO

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VINCENT VARALLO ASSOCIATES, INC.
Registered Professional Reporters
Eleven Penn Center
1835 Market Street, Suite 600
Philadelphia, Pennsylvania 19103
(215) 561-2220

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1 BILL NO. 990843

2 CHAIRWOMAN CLARK: Ladies and gentlemen,
3 the Council Committee on Public Property and Public
4 Works is now convened, but we're now waiting for
5 testimony to be copied.

6 (Pause.)

7 CHAIRWOMAN CLARK: Good evening. The
8 Council Committee on Public Property and Public
9 Works now convened. The record will show that a
10 quorum is present in the room. Present at the table
11 is Councilwoman Donna Miller, next to her is
12 Councilman Jim Kenney, I am your Chair Councilwoman
13 Augusta Clark, next to me is Councilwoman Jannie
14 Blackwell, and next to her is Councilman Michael
15 Nutter. I have just been told that Mr. Rizzo is on
16 his way down. Mr. Cohen we thank you for your
17 attendance.

18 Before us today are two bills. This is
19 a reconvened Committee. We heard a very long list
20 yesterday and recessed for the purpose of hearing
21 these two bills which concern themselves with the
22 cable franchise in Area II. Will the Clerk read the
23 bills before the Committee.

24 THE CLERK: Bill No. 990843, an
25 ordinance renewing the Area II cable television

1 BILL NO. 990843

2 franchise held by Wade Communications Partnership,
3 under certain terms and conditions.

4 CHAIRWOMAN CLARK: Thank you. Mr.
5 James, Vincent. Thank you very much. Would you
6 please identify yourselves for the record, spell
7 your last name for the benefit for the stenographer
8 and proceed with your testimony.

9 MR. JAMES: My name is Joseph James,
10 J-A-M-E-S, Deputy Commissioner for Department of
11 Public Property. Good evening to the Chair and
12 Members of the Council. I'm here on behalf of
13 Andres Perez, Jr., Commission for the Department of
14 Public Property. With me is Vince Costello Director
15 of Communications.

16 I appear before you to provide brief
17 review of the substantive provisions of the cable
18 franchise renewal for Wade Communications
19 Partnership doing business as Wade Cablevision.
20 Based upon the negotiations pursuant to this
21 renewal, it is my recommendation that City Council
22 give its approval for this transaction and renew the
23 cable television franchise for Area II served by
24 Wade Cablevision.

25 Bill No. 990843 was introduced November

BILL NO. 990843

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2 18, 1999. Representatives from my department have
3 engaged in continuous discussion with
4 representatives from Wade Cablevision concerning
5 renewal of the franchise as permitted by the bill.
6 Through the franchise renewal process we have sought
7 terms for an agreement that will best serve the
8 needs of the communities in which Wade Cablevision
9 operates as well as the needs of the City.
10 Specifically, these terms include such issues as
11 term of renewal, franchise fee, system upgrade,
12 intuition network services, public educational and
13 government access, local origination program,
14 MBE/WEB and EEO commitments, customer service
15 standards, and billing.

16 Specific terms. The renewal term. Wade
17 Cablevision renewal of the franchise is for a term
18 of 15 years for Area II commencing on August 12,
19 year 2000 and expiring on August 12, year 2015. The
20 15-year term will provide the City with an improved
21 cable television infrastructure, potential for new
22 related services and technology and additional
23 franchise fee revenues.

24 The franchise fee determined by the
25 Federal Cable Act may not exceed 5 percent of the

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2 cable operator's gross derived from cable services.
3 Wade agreed to pay through the 5 percent gross
4 revenue from cable loan services. The current
5 annual Wade is approximately 1.8 million a year.
6 The City expects this revenue to increase over the
7 length of term giving additional modem services.

8 Wade Cablevision has agreed to upgrade
9 by installing fiberoptic cable which will provide a
10 minimum capacity of 80 downstream analog channels
11 and approximately 320 megahertz of available for
12 digital, video, and data services. Wade Cablevision
13 upgrade system will be capable of two-way operation
14 for the provision of interactive services and will
15 permit access to the internet using high speed cable
16 modems.

17 The institutional network services. The
18 renewal agreement will provide for an institution
19 network to interconnect police and fire department
20 facilities located in Area II franchise. The public
21 safety data connections will use fiber and coaxial
22 cable to provide data exchange capability at a
23 minimum speed of 56 kilobits. Additionally, Wade
24 Cablevision will provide these data exchange
25 connections at no cost to the City.

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2 Wade Cablevision has also agreed to
3 construct, install, and maintain 12 strands of
4 fiberoptic cable for the exclusive City use for
5 governmental purposes on the upper loop of the Area
6 II system. This fiberoptic cable will be connected
7 from the Roxborough area of the City to the cable
8 network interconnect site at Wayne Avenue as Lower
9 Germantown. This link will have the capability for
10 the City to use for the upcoming 800 megahertz
11 public safety radio network. Additionally, Wade
12 Cablevision will provide the City with \$100,000
13 equipment grant for the transmission equipment
14 required to operate the network.

15 Wade Cablevision has agreed to renew
16 commitments to public, educational, and government
17 access or PEG programming. Wade Cablevision has
18 also agreed to specific revision of education
19 government access consistent with
20 previously-approved cable franchises Area I, III,
21 and IV.

22 For public access, Wade Cablevision has
23 agreed to roll forward on the same terms provided in
24 the current franchise agreements. It's a commitment
25 to fund equipment and capital facilities for public

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access and it's a commitment to forward annual
operating funds to the public access corporation
upon City request. Wade Cablevision capital funding
obligation is 675,000 total for Area II. The annual
operating fund obligations deductible from franchise
fees paid to the City total between 75,000 and
125,000 as directed by Council.

Five public access channels currently on
loan to Wade Cablevision remain returnable to the
City upon demand pending implementation of a public
access corporation.

Educational access. Three channels will
continue to be available for education or program by
local college and universities. For the School
District two channels will continue to be available
for use by the Philadelphia School District for
distribution of educational programming. The City
will exchange one analog channel presently used by
the School District upon Wade Cablevision's
provision of a digital closed circuit channel for
school district use. Wade Cablevision will ensure
implementation of cable in the classroom programming
throughout the City's public school within Wade
service area. Additionally, Wade Cable Vision will

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make a lump sum grant to the Philadelphia School District of \$250,000 for use by the District at its discretion to fund video programming and the communication needs of the school.

Upon my request as the Commissioner of Public Property and once cable modem service is commercially available in the franchise area, Wade Cablevision will equip each public and private K through 12 school with an Area II with one free cable modem.

Wade Cablevision currently has use of one of the two government channels for broadcast, the Pennsylvania Cable Network. The City will continue tip to use one government access channel for City broadcast activities.

Wade Cablevision has agreed to make a \$250,000 grant to the City for the purchase of replacement, upgrade, and maintenance of equipment in the government access facility.

Wade Cablevision has agreed to continue its commitment to cablecast each week a combined minimum of 70 hours of programming originally locally and to continue to operate and maintain production facilities and staffing necessary to

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fulfill this commitment.

Throughout the renewal term, Wade Cablevision has agreed to comply with minority-owned and women-owned business enterprise participation and employment goals and will meet participation levels established by the City.

Wade Cablevision has agreed to contribute \$250,000 to the Philadelphia Commercial Development Corporation to underwrite low cost small business loans to certified local minority and women-owned businesses.

Wade Cablevision agrees to comply with all applicable federal, state, and local requirements related to minority, female, and other special group employment, training, and promotional opportunities.

Wade Cablevision is committed to make available 30 percent of all jobs within Wade Cablevision to minority employees and 20 percent of all jobs within the company allocated to women.

Wade Cablevision agrees to adhere to the National Television Association and federal communication commission customer service standards and requirements.

1 BILL NO. 990843

2 Wade Cablevision specifically adopts the
3 NCTA on-time guarantee which provide for free
4 standard installation by a technician if it he does
5 not arrive within the four-hour appointment window
6 and a \$20 credit if a technician does not arrive for
7 service within a four-hour window.

8 In the area of billing, Wade Cablevision
9 agrees to preclude negative option billing, a
10 procedure where the failure to object to a billing
11 term result in a customer being billed for a service
12 or item.

13 I respectfully ask the Committee to
14 amend the bill in accordance with the proposed
15 amendment that has been provided to you to attach as
16 Exhibit A to the bill, Exhibit A that is appended to
17 the proposed amendment. Exhibit A is a revised form
18 of franchise renewal agreement that reflects the
19 discussions of parties since the bill was
20 introduced.

21 In addition, I respectfully ask the
22 Committee that the Rules of Council be waved to
23 allow this bill to be reported out of Committee and
24 have its first reading at the next Council session.

25 I am now available to answer any

1 BILL NO. 990843

2 questions you may have.

3 CHAIRWOMAN CLARK: Mr. James, is the
4 amendment to which you a refer?

5 MR. JAMES: Yes.

6 CHAIRWOMAN CLARK: Is it your intention
7 to read it tonight?

8 MR. JAMES: No.

9 CHAIRWOMAN CLARK: Thanks, Mr. James.
10 It was will be set forth in the record as if it had
11 been read fully.

12 MR. JAMES: Thank you Chair. We would
13 like to include in that amendment a kind of update
14 to the minority business and Women Enterprise goals
15 that reflects some recent discussions that were not
16 in the original draft. They reflect a minimum of 30
17 percent of capital expenditures shall procured
18 through local business, a minimum of 20 percent of
19 capital expenditures, inclusive of capital
20 expenditures related to the upgrade shall be
21 procured through local minority-owned businesses.

22 CHAIRWOMAN CLARK: Okay. Any questions
23 or comments from Members of the Committee?

24 COUNCILMAN KENNEY: Thank you very much.
25 The issue of both minority participation in

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contractual issues both for upgrade and other types of issues, does that also include our best efforts to use local contractors and individuals who may have some relationships with our local building trades?

Part of my goal and many of the goals of people in this Committee is inclusiveness from a diversity standpoint, but not to the exclusion of -- exclusiveness of Philadelphians. So your characterization of best efforts being used in that regard would be very important to me as a particular member voting on this in addition to your assurances that minorities and women will be adequately represented.

MR. JAMES: Councilman, I would say that that is a correct statement. We have worked very closely with the management at Wade Cablevision and in particular their plans for doing the upgrade has a certain amount of involvement. If our understanding of their processes for the bid process and they have our involvement on finding local participation, whether it's minority or local trades.

COUNCILMAN KENNEY: One of other issues

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2 that we worked diligently on along with
3 Councilmembers here, and Councilmember Clark is
4 insisting and encouraging the building trades in
5 Philadelphia to open up its ranks for membership to
6 minority men a women in the City because we think
7 that that's the real way to get our community
8 neighborhoods built back up to where they should be.
9 Thank you very much.

10 CHAIRWOMAN CLARK: Thank you for that
11 comment.

12 Councilwoman Miller.

13 COUNCILWOMAN MILLER: I just have a
14 follow-up to Councilman Kenney's question about the
15 minority participation and the participation of
16 women. What are the current percentages?

17 MR. JAMES: I really don't have the
18 current percentages with me; unfortunately, do not
19 have the details at the table, but we can provide
20 that to you.

21 COUNCILWOMAN MILLER: Okay, I'd like to
22 no.

23 MR. JAMES: Sure.

24 CHAIRWOMAN CLARK: Mr. James, I
25 understand that your department and the consultants

1 BILL NO. 990842

2 you've retained have concerns about whether urban
3 cable financial projections are realistic and can be
4 achieved. Would you care to comment on that?

5 MR. JAMES: I would say that in respect
6 to the transfer bill that we do have some specific
7 concerns and we are at that time be willing to
8 provide some recommendations for Council to
9 consider.

10 CHAIRWOMAN CLARK: Thank you. There
11 appears to be no further questions.

12 MR. JAMES: Thank you.

13 CHAIRWOMAN CLARK: The Clerk will read
14 the title of the next bill.

15 THE CLERK: Bill No. 990842, an
16 ordinance consenting to the transfer and assignment
17 of the Area II cable television franchise from Wade
18 Communications Partnership, d/b/a Wade Cablevision,
19 a subsidiary of Time Warner, Inc., to Urban Cable
20 Works of Philadelphia, L.P., a Delaware limited
21 partnership formed by Wade Communications
22 Partnership as a minority partner and companies
23 controlled by Inner City Broadcasting Corporation as
24 majority partner under certain terms and conditions.

25 CHAIRWOMAN CLARK: Thank you. Mr.

1 BILL NO. 990842

2 James.

3 MR. JAMES: Thank you. I'll kind of cut
4 the testimony kind of short, so I won't track it
5 exactly as it's written. But basically, it is the
6 Commissioner's view that the Bill No. 990842 which
7 was introduced on November 18th of 1999, after
8 lengthy discussions with representatives from the
9 Department of Public Property and the City's
10 Solicitor's Office a meeting with Time Warner which
11 will retain operation of the franchise concerning
12 the franchise recommend that City Council give its
13 approval for this transaction.

14 The Time Warner on behalf of Urban Cable
15 Works in Philadelphia, L.P., represents that it will
16 need all the terms and conditions of the franchise
17 renewal agreement for franchise Area II which you
18 will enter into pursuant to the renewal of the
19 franchise Bill No. 990843.

20 The Department also engaged TCS
21 International, Inc., a cable television compliance
22 consultant to review and provide the City with an
23 analysis of the Federal Communications Commission's
24 form 394. The consultant's report supports the
25 approval of the transfer with certain reservations

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but has reached the conclusion that Urban Cable Work meets the technical financial and legal requirements to operate the cable franchise for Area II. The report has provided for the Committee, and I'm available to testify in response to any questions you may have concerning the report.

In conclusion Urban Cable Works of Philadelphia, L.P., is committed to all terms and conditions of Area II franchise renewal agreement which acceptable to the department. Again, I also ask that the Rules of Council be waived to allow this bill to be reported out of committee and have its first reading at the next Council session.

In addition to your question that you raised earlier, there are specific recommendations that we would like to enter into the record. Those recommendations I will read.

The City shall require that the new franchisee through its management committee provide oral and written reports and detail on a semi-annual basis for the first three years of ownership and an annual basis for the next five years. It's actual basic and tier penetration, the penetration of new product tiers and services identify any

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2 discrepancies between the actual performance and the
3 15-year financial and operational projections
4 provided to the City. Provide its detailed analysis
5 of why those discrepancies occurred and if the
6 discrepancies represent shortfalls from the
7 projections its plans for achieving the projections
8 or compensating for any shortfalls so that service,
9 upgrade completion and the subscriber rates will not
10 be adversely affected.

11 Recommendation No. 2, in lieu of a
12 guarantee by the franchisee for performance, the
13 City should consider requiring an enhanced
14 performance security form the franchisee in the form
15 of a performance bond and/or letter of credit in
16 the amount of at least \$5 million to reduce to \$3
17 million upon a showing that the franchisee has met
18 or will meet the 15-year penetration and revenue
19 projections provided to the City.

20 CHAIRWOMAN CLARK: Mr. James, the
21 materials that you just read, are they available for
22 distribution to the Committee?

23 MR. JAMES: Yes, they're in part of a
24 consultant report dated December 7, 1999, that was
25 sent to all Members of Council.

1 BILL NO. 990842

2 And then the third and final
3 recommendation is that the franchisee should be
4 required to form community advisory board that will
5 provide needed local knowledge of the franchise area
6 and ensure the franchise sensitivity and
7 responsiveness to the needs and requirements of the
8 citizens of the City and the communities and
9 neighbors which it serve. Such responsiveness is,
10 in my view, essential to the achievement of the
11 subscriber penetrations projected for the franchise.

12 CHAIRWOMAN CLARK: Thank you. Are there
13 questions from Members of the Committee for this
14 witness?

15 Mr. Nutter.

16 COUNCILMAN NUTTER: Thank you. Mr.
17 James, the Chair had asked about the
18 recommendations. Are you putting them forward as
19 proposed amendments to this particular bill out of
20 your consultant's report, is that what you're
21 asking?

22 MR. JAMES: That is correct.

23 COUNCILMAN NUTTER: And other than in
24 the consultant's report, I'm assuming this s the TSC
25 International, Inc. Where would I find those

1 BILL NO. 990842

2 particular documents or do you have them on a
3 separate sheet of paper. If you have the December
4 7th letter there will be a Page 6 of 8. The page
5 numbers are on the top left hand corner.

6 COUNCILMAN NUTTER: Where the staple is?

7 MR. JAMES: Yes, where the staple is.

8 COUNCILMAN NUTTER: 6 and of 8,
9 recommendations.

10 MR. JAMES: Recommendations. In the
11 first paragraph except for the words that I read
12 into the record this evening on the first sentence
13 where it says the City should require the new
14 franchisee, we've inserted the words "through its
15 management committee provide oral and written" and
16 then it picks up from there with "reports and
17 detail" as the first recommendation.

18 COUNCILMAN NUTTER: Where do you propose
19 in the bill these amendments be made, or are you
20 proposing to amend the agreement between --
21 ultimately, who's signing the agreement with the
22 City Philadelphia, is that Urban Cable Works of
23 Philadelphia.

24 MR. JAMES: I'm sorry. I've been
25 advised that they will go into the agreement. The

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2 franchise agreement will be signed by the
3 Commissioner of Public Property and Urban Cable
4 Works, the principals for Urban Cable Works, the new
5 franchisee.

6 COUNCILMAN NUTTER: I understand. Are
7 you asking the Committee to take a particular action
8 on those issues or are you saying that the
9 Commissioner of Public Property is going to insert
10 those items?

11 MR. JAMES: Those are our
12 recommendations to Council and this Committee, and
13 we would recommend that that language be inserted
14 into the agreement, made part of the agreement.

15 COUNCILMAN NUTTER: Are you proposing a
16 location for these amendments? They have to go
17 somewhere.

18 COUNCILMAN KENNEY: Point of
19 information, Madam Chair. I don't seem to
20 understand the testimony. Mr. James, are you saying
21 that you're going to amend the franchise agreement
22 or amend the ordinance?

23 CHAIRWOMAN CLARK: The agreement gets
24 incorporated in the ordinance so you don't repeat
25 the terms.

1 BILL NO. 990842

2 COUNCILMAN KENNEY: I'm just trying to
3 figure out the mechanics, as I think Councilman
4 Nutter is trying to figure out the mechanics of it
5 are.

6 MS. FRANKLIN-SUBER: I apologize,
7 Councilman Kenney. For the record, my name is
8 Stephanie Franklin-Suber. I'm City Solicitor for
9 the City of Philadelphia. The recommendation by the
10 Department of Public Property is that City Council
11 condition its consent to the transfer on the
12 satisfaction of the conditions, the recommendations
13 in the report of the consultant.

14 COUNCILMAN NUTTER: I understand your
15 response. I believe, Madam Solicitor, I guess the
16 question is how do you propose Council take that
17 particular action? Are you suggesting that at some
18 point in the agreement which is incorporated by
19 reference in the bill that a specific page or in a
20 certain section these three recommendations are
21 incorporated or are you saying that these items by
22 our discussion and possibly a motion being made on
23 they that they automatically become a part of the
24 agreement that is referenced in the bill?

25 MS. FRANKLIN-SUBER: They would be

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2 incorporated into the agreement in the event that
3 Urban Cable is willing to satisfy the conditions.
4 They would be incorporated into the agreement. And
5 so the question becomes during the course of
6 Council's deliberations and discussions this evening
7 whether or not Urban Cable is prepared at this point
8 to satisfy the conditions.

9 COUNCILMAN KENNEY: Do they simply
10 satisfy those conditions in their testimony on
11 record? Are the conditions satisfied by Urban Cable
12 through their testimony on the record, or is there a
13 requirement that we amend in writing the actual
14 ordinance; which is still what I think is our
15 question is. If Urban Cable comes to the table and
16 satisfies through oral representation to the record
17 that they're going to satisfy those three
18 agreements, is that in fact what satisfaction is.

19 MS. FRANKLIN-SUBER: Yes. And then
20 those conditions will be incorporated into the
21 agreement.

22 CHAIRWOMAN CLARK: Madam Solicitor, may
23 we suggest that you draft the language that you
24 believe satisfactorily sets forth that position?

25 MS. FRANKLIN-SUBER: Yes.

1 BILL NO. 990842

2 CHAIRWOMAN CLARK: Does that satisfy
3 you, Mr. Nutter?

4 COUNCILMAN NUTTER: Absolutely.

5 CHAIRWOMAN CLARK: Thank you. Any more
6 questions?

7 I do have a few questions.

8 COUNCILMAN NUTTER: Go ahead, Madam
9 Chair.

10 CHAIRWOMAN CLARK: Go ahead, I don't
11 want to interrupt.

12 COUNCILMAN NUTTER: Mr. James, in one of
13 the documents in response to a question, and there
14 are numerous tabs that refer to response to the
15 City, No. 3, No. 4, somewhere in that area. There
16 was a question with regard to the inclusion of the
17 franchise fee as a part of the calculation of gross
18 revenues. The response in the materials seem to me
19 that either Time Warner or Urban Cable Works of
20 Philadelphia -- I do not recall which was answering
21 that particular question -- would not include the
22 franchise fee as a part of the gross revenues. But
23 I thought in another section of the bill in a
24 definition section of gross revenues, the franchise
25 fee is included in the definition; is that correct?

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2 MR. JAMES: Just so I understand the
3 last part of your question, the franchise fee that
4 you're referring to is part of the bill, that's part
5 of the renewal document, the 5 percent gross revenue
6 fee?

7 COUNCILMAN NUTTER: Yes.

8 MR. JAMES: Which show in the revenue
9 projections for Urban Cable Works and the
10 performance statement, is that --

11 COUNCILMAN NUTTER: I read it in a
12 response to the City to some question. The question
13 was, will you include franchise fees as a part of
14 the calculation of gross revenues. The response in
15 the document was no. What I'm asking you is, aren't
16 franchise fees by the definition of the bill, one of
17 the bills, isn't franchise fee calculated as a part
18 of gross revenues in our own definition in the bill.

19 MR. JAMES: If I may check for a second.

20 COUNCILMAN NUTTER: Sure.

21 MR. JAMES: Sorry to keep you waiting.
22 In the Form H, Tab No. E, the question does appear
23 in there, will transferee or assignee including
24 gross revenues of franchise fee collected from the
25 subscriber and pay the City 5 percent thereon, and

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2 they did answer the question no. We do feel that
3 the franchise fee is part of gross revenues. There
4 was a recent ruling where the 5 percent franchise
5 fee they have to pay on top of the fee that they
6 collect from the City so that it's more than just a
7 5 percent of the total subscriber bill, it's 5
8 percent of the 5 percent. While they did not agree
9 to that, that's correct, that's how we view it and
10 that's how it's in our document that we do include
11 that as part of the gross revenues.

12 COUNCILMAN NUTTER: Let's talk about an
13 individual subscriber. We can talk about me. I
14 pay, I believe, about 60-some dollars a month in
15 cable bills. Somewhere in that \$60 is a line item
16 that says franchise fee which is based on all the
17 other services minus sale tax and any other taxes
18 that may be a part of that. You're saying that the
19 franchisee has to calculate their 5 percent?

20 MR. JAMES: No. I'm saying that in the
21 past what would happen is that your bill would be
22 \$60, you would see a line item that says franchise
23 fee 5 percent of the 60, \$3 would appear and then
24 you would have your total with any taxes and you pay
25 that, and that's the way it had been for a period of

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2 time. Then there was court ruling not that long ago
3 that says, no, the way that they should be
4 calculating it is you take that \$3 or that franchise
5 fee and they then pay 5 percent of that so that the
6 total that they would submit as far as the revenue
7 to the City for the franchise fee as opposed to
8 being \$3 would be \$3.15 because that franchise fee
9 is part of the total gross revenue, is part of the
10 total bill.

11 COUNCILMAN NUTTER: So if the response
12 on this Form H is no, this is a part of a submission
13 in Letter Tab E, October 12, 1999, if the response
14 to that question is no, I go back to my original
15 question; in the definition sections for either this
16 bill or the renewal bill, there's a definition of
17 gross revenues and I thought I read in that
18 definition that franchise fee was included.

19 MR. JAMES: It is. Despite what their
20 answer may appear in here, the bill and the
21 agreement we do sign does track the language that
22 you just mentioned. There may be a disagreement on
23 their part as far as how they collect it, but
24 according to the FCC and recent ruling, we do
25 include that as part of the total gross revenue.

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2 COUNCILMAN NUTTER: Okay. Just trying
3 to understand. Thank you.

4 Madam Chair, I'll wait until later.

5 CHAIRWOMAN CLARK: Should the City do
6 any special monitoring for the new franchisee's
7 financial performance as a way of insuring that the
8 performance will be as predicted and to give the
9 City notice if the franchise gets into financial
10 difficulty? Specifically, what would you recommend?

11 MR. JAMES: Once again, Councilwoman, we
12 would recommend original recommendation that for the
13 City to ensure that the franchisee, the new
14 franchisee is successful and that the City
15 protected, the original recommendation would require
16 for semiannual monitoring of their performance, in
17 particular to look at their ability to meet their
18 financial projections.

19 CHAIRWOMAN CLARK: With respect to
20 community involvement, the proposed new franchisee
21 stresses that close involvement with the local
22 community is essential for achieving the subscriber
23 increases it projects to make the franchise viable.
24 How can the franchise achieve this goal? Do you
25 have any recommendations about how to improve local

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2 involvement and input into the operations of the
3 franchise?

4 MR. JAMES: It is our recommendation, as
5 similar other franchisees in the City, that they
6 establish a local advisory board, that local
7 advisory board made up of citizens within the
8 franchise area who would be able to provide input
9 and comment on the type of programming and type of
10 services that would be more reflective of the
11 community that they serve.

12 CHAIRWOMAN CLARK: And you've been
13 satisfied that they both can and will do that?

14 MR. JAMES: Yes.

15 CHAIRWOMAN CLARK: Mr. James, do the
16 term of the management agreement parallel the term
17 of the franchise agreement?

18 MR. JAMES: The applicant for the
19 transfer has agreed to make the management agreement
20 coterminous with the franchise period for a total of
21 15 years.

22 CHAIRWOMAN CLARK: What would happen if
23 the management agreement were to be terminated for
24 whatever reason prior to the expiration of the
25 franchise agreement?

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2 MR. JAMES: The City working with the
3 applicant has agreed to a holdover provision in the
4 agreement that provides for the operator, in this
5 particular case Time Warner, to operate the
6 franchise for a period of 18 months while the City
7 finds an acceptable replacement.

8 CHAIRWOMAN CLARK: Eighteen months?

9 MR. JAMES: Yes.

10 CHAIRWOMAN CLARK: Thank you.

11 Are there further questions by Members
12 of the Committee?

13 Let me just restate for emphasis. The
14 comment that you just made, Mr. James, is that Time
15 Warner has agreed should there be a failure to
16 perform that they will run the franchise for a
17 period of 18 months?

18 MR. JAMES: That is correct.

19 CHAIRWOMAN CLARK: Thank you.

20 Councilwoman Miller.

21 COUNCILWOMAN MILLER: Thank you, Madam
22 Chair.

23 Mr. James, has the recommendations of
24 the consultant been discussed with Urban Cable
25 Works, Time Warner, and any other entity involved?

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2 MR. JAMES: The recommendations have
3 been discussed with them, and I believe they are
4 prepared to comment on their ability to accept those
5 recommendations.

6 COUNCILWOMAN MILLER: Okay, so we'll
7 look forward to that. Thank you.

8 CHAIRWOMAN CLARK: Mr. Nutter.

9 COUNCILMAN NUTTER: Thank you.

10 Mr. James, back on the guarantee issue
11 which was topic of some discussion at last night's
12 community meeting, I was concerned based on the
13 submission on, I believe, Form K which asked about
14 this issue and the response at the time was no
15 formal guarantee provided. This is regarding Time
16 Warner, Time Warner Cable, TWI Communications or any
17 subsidiary or affiliate thereof. Is there new
18 language that provides for the 18-month provision
19 that you were just discussing? I may have missed it
20 in your response to Councilman Clark.

21 CHAIRWOMAN CLARK: That's a different
22 assurance. Mr. James, I believe he's referring to a
23 different assurance.

24 MR. JAMES: This a different assurance.
25 This sort of like a holdover provision in the

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2 agreement, in the franchise agreement that protects
3 the City should there been a default or some sort of
4 defect on the part of the Urban Cable Works to
5 operate franchise, that Time Warner not as a type of
6 financial guarantee, which was much of the
7 discussion last night, but a guarantee that the City
8 won't be left with trying to operate a cable
9 franchise in case there was a default on behalf of
10 Urban Cable Works.

11 COUNCILMAN NUTTER: That provision is in
12 the proposed amended lease document that you put
13 forward earlier? Is that where that is? Where is
14 the holdover provision?

15 MS. FRANKLIN-SUBER: Councilman Nutter,
16 we will require that as a separate agreement from
17 Time Warner. There will be an assumption agreement
18 in connection with the transfer which will include
19 the conditions recommended by the consultant,
20 language that will incorporate those conditions into
21 the agreement. And there will be a separate
22 agreement with Time Warner which will incorporate
23 the holdover provision. So you do not have language
24 in front of you today, but everything is subject to
25 the review approval of the City Solicitor.

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2 COUNCILMAN NUTTER: I understand. Who
3 is Time Warner signing that agreement with, the City
4 of Philadelphia?

5 MR. JAMES: Yes.

6 COUNCILMAN NUTTER: How does that relate
7 to the lease between the City and Urban Cable Works
8 of Philadelphia? Where does the stand-alone
9 document between Time Warner and the City of
10 Philadelphia, where does that sit in relationship to
11 any other documents or agreements that are made with
12 regard to the operation and ownership of the system?

13 MS. FRANKLIN-SUBER: It will be
14 incorporated with the assumption agreement. We will
15 have them sign that agreement.

16 COUNCILMAN NUTTER: Where is the
17 assumption agreement?

18 MS. FRANKLIN-SUBER: We have not drafted
19 it yet. You have a draft of it, but it does not yet
20 incorporate the conditions that will be discussed
21 this evening. That also will be included in that
22 agreement.

23 COUNCILMAN NUTTER: I understand. I
24 don't mean to be difficult, Madam Solicitor.

25 CHAIRWOMAN CLARK: As far as the

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2 franchise agreement?

3 MS. FRANKLIN-SUBER: This is on the
4 consent.

5 COUNCILMAN NUTTER: This assumption
6 agreement that you're talking about, and I
7 understand it may not be drafted yet, but what will
8 it be a part of or is it a separate stand-alone
9 document?

10 MS. FRANKLIN-SUBER: Separate
11 stand-alone document.

12 COUNCILMAN NUTTER: And where does it
13 sit as it relates to -- if you want to find out what
14 the agreement is between the City and the
15 franchisee, that is generally a exhibit or an
16 attachment to the bill. If a person wanted to find
17 this other document, where would it be in
18 relationship to these other documents?

19 MS. FRANKLIN-SUBER: It will be a
20 separate stand-alone document. We will draft it at
21 the conclusion of the hearing. If Time Warner and
22 Urban Cable were not willing to satisfy the
23 conditions -- so it will be a stand-alone document
24 that will be drafted, assuming Time Warner and Urban
25 Cable are willing to satisfy the conditions we're

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2 discussing at this point, it will be separately
3 drafted with those conditions included. It will be
4 language that will be satisfactory to the City
5 Solicitor. We'd be happy to make copies available
6 to Council, but we do not a document that exists at
7 this point that we can share with you that includes
8 the terms and conditions that we're discussing right
9 now.

10 CHAIRWOMAN CLARK: And when taken
11 together will represent one more agreement between
12 the parties?

13 MS. FRANKLIN-SUBER: Correct.

14 COUNCILMAN NUTTER: I understand that
15 when taken together part, Madam Chair. What I don't
16 understand is I will know where to find the bill and
17 the agreement between the City and Urban Cable Works
18 of Philadelphia. What I'm asking is --

19 CHAIRWOMAN CLARK: Is it Exhibit B?
20 Look on Page 4 of the bill.

21 MS. FRANKLIN-SUBER: Councilman Nutter,
22 the assumption agreement is attached to the bill.
23 It will be executed when it is in form and substance
24 satisfactory to the City Solicitor. The form that
25 is currently before Council is not satisfactory and

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2 will not be satisfactory until the conditions that
3 we have discussed are incorporated.

4 COUNCILMAN NUTTER: And if there is no
5 agreement on those terms, what happens?

6 MS. FRANKLIN-SUBER: It is our
7 understanding that Urban Cable is prepared to
8 address exactly those issue this evening during the
9 course of their testimony.

10 COUNCILMAN NUTTER: Thank you. Thank
11 you, Madam Solicitor.

12 CHAIRWOMAN CLARK: Are there any other
13 questions from Members of the Committee?

14 Thank you very much.

15 Are there persons present in the room
16 who wish to be heard to speak in favor of or against
17 Bill No. 990842? Please join us at the table.

18 I would you note that Mr. Rizzo has
19 joined us.

20 Good evening. Let me first of all thank
21 you for your patience. This has been a trial by
22 ordeal just to see who was paying attention and how
23 long you could last, and you are the survivors.
24 Would please introduce yourself to the record, spell
25 your last name for benefit of the stenographer, and

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2 proceed with your testimony calling on such members
3 as you feel makes your case.

4 MR. KERNODLE: Good evening Madam
5 Chairperson, ladies and gentlemen of the committee.
6 My name is Obra Kernodle. I'm an attorney. I will
7 be speaking here in the context of representing
8 Urban Cable Works of Pennsylvania. For the purpose
9 of this record, my name is spelled O-B-R-A
10 K-E-R-N-O-D-L-E.

11 For the purposes of our presentation,
12 you have had references to serial corporate bodies.
13 Would you please identify those bodies and the
14 people that we've assembled here to answer your
15 question. To my left we have Mr. Willie Johnson.
16 He is the president of PhillyCom. PhillyCom is a
17 Pennsylvania corporation which presently comprises
18 those members of the local community. Presently we
19 have here Mr. Larry Jaret, Ms. Joanna Bell, and Dr.
20 Gene Newton. In addition to that, we have Inner
21 City Broadcasting representatives. Who we have here
22 is a Mr. Percy Sutton, Chairman Emeritus of Inner
23 City Broadcast, as well as his Council Lois Wright.
24 To my right we have a Mr. Sylvester Williams
25 representing Time Warner. He is a general manager

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2 of the franchise, and here assisting him is his
3 counsel Mr. John Fogarty, Council for Time Warner.
4 We also have a Mr. Ed Shirley who is financial
5 consultant.

6 I am speaking here with respect to Urban
7 Cable Works of Pennsylvania. Let me say at the
8 outset that we have put together a management
9 committee. I will be representing the management
10 committee as the local person and I can address
11 Councilman Kenney's question. We will make a
12 commitment to explore all best efforts to make sure
13 that the procurement will be focussing on local
14 corporations.

15 With respect to several of the other
16 questions raised, I would like to defer for a moment
17 to Mr. Percy Sutton who is representing Inner City
18 to see if Mr. Sutton would like to have something to
19 say.

20 MR. SUTTON: Thank you, very much.
21 Madam Chairperson, distinguished members of the
22 Committee, I am Percy Sutton. I am delighted to be
23 here because in 1985 I was here before competing
24 this same system. It is a marvelous thing that time
25 passes, new identifications are made because some of

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2 the persons I am here with today were my opponents
3 then. We have adjusted our differences over the
4 years, we have cooperated in a variety of areas. I
5 am chairperson of a company called Queens Cable
6 System. It is a franchise that I won in New York,
7 and I've been Chairperson in joint venture with Time
8 Warner for 14 years and we will continue with the
9 relationship with Time Warner here in this City of
10 Philadelphia and possibly in other areas of the
11 country.

12 I can answer the question more
13 specifically with regard to the question asked
14 before as to agreements. We have had discussions
15 with solicitor and -- what is gentleman's name that
16 we discussion with as to -- Mr. James, yes, Mr.
17 James. And we are prepared to sign the document
18 that we agreed to this afternoon. I don't know
19 where they will be located in the overall document,
20 but I gather there will be an amendment to it. If
21 there's some specific questions that would be asked
22 of me, I'll be happy to answer, after having said
23 that we will sign the documents necessary. We've
24 had the discussions and we think we're in total
25 agreement, I believe we are in total agreement with

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2 regard to it. Counsel?

3 MR. KERNODLE: If there are any other
4 questions, I would specifically like to address the
5 questions that have been posed to us. Are there any
6 other questions for Mr. Sutton?

7 CHAIRWOMAN CLARK: Mr. Nutter.

8 COUNCILMAN NUTTER: Thank you, Madam
9 Chair.

10 First, let me say good evening Mr.
11 Sutton. Welcome back to Philadelphia. Sorry it
12 took so long, but these things have a way of working
13 out. This is either a question for yourself or
14 possibly for Mr. Kernodle. An issue was raised last
15 night with regard to the five-person management
16 committee. As I best understand it from the
17 documents, two representatives from the Time Warner
18 entity will have representation on this group. Two
19 representatives primarily from Inner City
20 broadcasting or it may go by the Queens name and a
21 position to be named later; that was the way things
22 were left last night in our discussion. I am left
23 with the impression this evening that Mr. Kernodle
24 may be the local person filling the -- according to
25 the documents at least, the unfilled seat. Is that,

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2 in fact, correct by way of testimony this evening?

3 MR. SUTTON: Let me say, sir, that I
4 have great affection for Counsel. I move to my --

5 COUNCILMAN NUTTER: Mr. Sutton, I won't
6 hold that an against you.

7 (Laughter.)

8 MR. SUTTON: Attorney Wright, would you
9 answer that question, please? She's been involved
10 in the negotiations.

11 MS. WRIGHT: Yes, Councilman Nutter,
12 that is correct. Mr. Kernodle would fill the third
13 seat which would be of the three designated Inner
14 City seats, and the other two would be Time Warner
15 seats.

16 CHAIRWOMAN CLARK: Will you identify
17 yourself for the stenographer.

18 MS. WRIGHT: Lois Wright, and I'm here
19 as the President of Inner City Cable Television
20 Systems.

21 CHAIRWOMAN CLARK: And that's
22 W-R-I-G-H-T?

23 MS. WRIGHT: W-R-I-G-H-T.

24 MR. SUTTON: I should tell you that in
25 Queens, New York, where we have operated with Time

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2 Warner, we had an eight-member committee, each
3 person being designated representative to the
4 committee, and we had an excellent working
5 relationship. We have found Time Warner to be the
6 best partners you could possibly have. I should
7 tell you that our franchise in Queens was one of the
8 top two franchises in the entire Time Warner
9 ownership or affiliation. At last renewal -- I
10 address this because you must have a concern when
11 you talk about an advisory committee is how we will
12 relate to the community here. Let me specifically
13 say that it is not intent of those of us coming from
14 outside of the City to be the point people here.
15 Our intent is to see that our point people do the
16 job we have been doing in New York because it has
17 been a cause diligently pursued to have quicks in
18 New York to be the very best, to be the very best
19 because we care about people, to be the very best
20 because we're involved with the community. I have a
21 schedule that carries me for the last 14 years I've
22 had at least 9 per month engagements in our
23 franchise area, speaking, helping people, working
24 with legislators. And our last franchise renewal,
25 we had every major, every public official came to

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2 testify on our behalf. Not one single person in the
3 entire community spoke a cross word with regard to
4 us; nothing but praise. That praise came out of
5 servicing the community. Our headquarters was often
6 used as -- we have community boards. We service
7 four community boards, and often their committee
8 meetings were held in our headquarters. Often the
9 food that was there came from us because we found it
10 both good relationship and good profit to be
11 intimately involved in the community.

12 CHAIRWOMAN CLARK: Thank you.

13 MR. KERNODLE: Madam Chairperson and
14 Members of the Committee, let me try to address the
15 specific questions which posed and previously
16 testified to by the City in the person of Mr. Joseph
17 James. We've had extensive discussions with
18 representatives from the City and we have discussed
19 in detail the language that both the City Solicitor
20 and Mr. James have discussed with respect to the
21 recommendations, the meetings, and the financial
22 submissions. I think they refer to it as three
23 paragraphs. We have reviewed that. We are
24 comfortable with that and we will adopt that.

25 CHAIRWOMAN CLARK: In brief, you accept?

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2 MR. KERNODLE: That's correct.

3 CHAIRWOMAN CLARK: Are there questions
4 from Members of the Committee? Mr. Nutter?

5 COUNCILMAN NUTTER: Not on that issue,
6 Madam Chair. I probably have four questions.
7 They're all of an operational nature. As best I can
8 figure out on the operational side, I believe Mr.
9 Kernodle can probably turn his cable on with his
10 remote control, but for the direct operational
11 questions I would like to have an opportunity to
12 either talk to Mr. Williams or people who would be
13 directly involved in the operation of the system,
14 the marketing of the system, and the running of the
15 system.

16 MR. KERNODLE: We are here for that
17 purpose, Councilman.

18 CHAIRWOMAN CLARK: Please proceed.

19 COUNCILMAN NUTTER: Thank you. Mr.
20 Williams, some of this material was certainly
21 discussed last night in the community meeting, but
22 this is our City Council Public Hearing and we have
23 a record to deal with. The issue was raised last
24 night about, again, the submission as a part of the
25 documents. This is one is attached to cover memo

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2 dated November 15, 1999 that lays out some financial
3 projections and market share in the franchise area.
4 Again, can you state for the record your figures
5 indicate that you have, I believe, 38.3 percent
6 coverage in the franchise area going to upward of 60
7 percent over the course of the next 15 years. Do
8 you know what the market share in the franchise area
9 was when Time Warner picked the franchise up four
10 years ago?

11 MR. WILLIAMS: In 1996 --

12 CHAIRWOMAN CLARK: A little louder, sir.

13 MR. WILLIAMS: In 1996, that's when the
14 system was transferred to Time Warner.

15 COUNCILMAN NUTTER: Do you know what the
16 market share was at that time?

17 MR. WILLIAMS: No, I don't know the
18 specific number.

19 CHAIRWOMAN CLARK: The record should
20 show that the witness testifying is Sylvester
21 Williams.

22 MR. WILLIAMS: 37.2 percent is what we
23 show as the penetration level for '96.

24 COUNCILMAN NUTTER: I apologize, I'm
25 sorry. What was that?

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2 MR. WILLIAMS: 37.2 percent.

3 COUNCILMAN NUTTER: 37.2 percent in
4 1996?

5 MR. WILLIAMS: That's correct.

6 COUNCILMAN NUTTER: And your submission
7 is in September of 1999 you're at 38.3?

8 MR. WILLIAMS: That's correct.

9 COUNCILMAN NUTTER: Again, the question
10 revolves around how to expect to get the kind of
11 growth that you're talking about over the next few
12 years, given where things have been and what plans
13 do you have in place to achieve those kinds of
14 projections?

15 MR. WILLIAMS: The strength of the
16 projections are really based upon the upgrade of the
17 system which we're undergoing at the current time
18 which will allow us to provide additional broad band
19 services, including digital, high speed internet
20 services, a digital music program which has at the
21 current time 40 channels. These are services that
22 are not available right now, which through very
23 aggressive marketing door-to-door campaigns and
24 other ways that we push these products out, we
25 expect to be able to successfully grow the system.

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2 COUNCILMAN NUTTER: Is your testimony
3 that short of these new products and services, the
4 rate would pretty much continue at the level that it
5 is or that people have not been subscribing because
6 they didn't have enough channels or they didn't have
7 access to the internet? I mean, what's been going
8 on for the past couple years that has it at the rate
9 that it does especially in comparison to the other
10 -- about a year ago we could say franchises in
11 Philadelphia, now there's one. But their rates, and
12 everybody stated about the same time, their rates
13 are somewhat significantly higher than where the
14 system is today. What is going to change so
15 dramatically by way of either product offerings or
16 marketing that gets you to where you want to go?

17 MR. WILLIAMS: I think one of the
18 biggest differences in the system is, when the
19 system was built out in the late eighties, it was
20 built out at 550 megahertz which is 80 analog
21 channels. So roughly over the last 15 years, the
22 system has been operated at that level. You can
23 make an argument that certainly not having expansion
24 of services and offering the same programs with rate
25 increases for programers going up at very

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2 exponential percentages over the last 15 years that,
3 you know, we're put in a position we're to compete
4 with other providers of broad band services that we
5 have to upgrade the system and offer more products
6 in order for us to gain customers, and that's the
7 real driving force behind growing the business. I
8 mean, it's very difficult to grow your business if
9 you're offering the same service year and in and
10 year out. And certainly, if you look at systems
11 that have launched new services such as digital, and
12 certainly at home that Comcast has that they've
13 experienced very aggressive growth rates in their
14 business. And within Time Warner, we've also seen
15 the similar type of growth in systems that have
16 launched digital and road runner and markets that
17 were pretty much tapped out for a period of time.

18 COUNCILMAN NUTTER: I understand. The
19 other system that serve the City, are you aware of
20 whether or not they have digital service or have
21 done the upgrade to their system?

22 MR. WILLIAMS: I do know that Comcast
23 has upgraded their plan and is offering digital in
24 some areas, and I think Greater Media is in the
25 process of upgrading.

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2 COUNCILMAN NUTTER: Those are all fairly
3 recent phenomena, right?

4 MR. WILLIAMS: Yes, exactly.

5 COUNCILMAN NUTTER: In one of your
6 submissions there was a question with regard to
7 commitment to keep your present office and
8 facilities and, I believe, staffing levels and there
9 were a couple other requests. The response was no.
10 Can you further expound on that?

11 MR. WILLIAMS: I'm not sure I understand
12 the submission about no. We had stated last night
13 that the office that we currently occupy is located
14 in an enterprize zone. We certainly are very
15 comfortable there and think that that's a very
16 important part of being a part of the community by
17 being a company that can definitely provide
18 technical services to the enterprise zone, so that's
19 a good location for us.

20 With respect to staffing, we have
21 roughly 160 employees right now. A good many of
22 them come from West Philadelphia, and that's a very
23 important component of being a community
24 organization because the employees represent the
25 community and the interest that they have by the

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2 churches that they attend and schools their children
3 attend and the community organizations that they are
4 affiliated all help us to be a better part of the
5 community, so we definitely encourage and will
6 continue to recruit actively employees from the West
7 Philadelphia market while we are doing business over
8 the next 15 years.

9 CHAIRWOMAN CLARK: Are your employment
10 projections flat, or do you see some hockey stick
11 effect?

12 MR. WILLIAMS: I'm sorry?

13 CHAIRWOMAN CLARK: Are your employment
14 projections flat in the future, or do you see some
15 little upward turn, some hockey stick effect?

16 MR. WILLIAMS: As we go into new
17 businesses such as digital and road runner, we will
18 be looking at hiring new people to fulfill the needs
19 to operate those businesses, so we do expect that
20 over time we will continue to bring on people as the
21 business expands. And certainly as we add more
22 customers, we'll have to service those customers in
23 light of not having the benefit of new technology
24 will allow us to be more efficient. Then we will
25 have to rely on labor to make the case of providing

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2 the level of service that the customer should expect
3 from us every day.

4 COUNCILMAN NUTTER: I'm sorry, Mr.
5 Williams, maybe you didn't understand my question.
6 The question in the submission to the City was,
7 "Will transferee assignee agree that it will not
8 without City's approval change the location of the
9 local office, reduce the services currently offered
10 at that office, the number of staff currently
11 serving at that office, or the current office
12 hours?" The response was no. That's the question
13 that I was asking.

14 MR. WILLIAMS: Can you hold on one
15 second?

16 COUNCILMAN NUTTER: Sure.

17 MR. FOGARTY: My name John Fogarty,
18 F-O-G-A-R-T-Y, an attorney with Time Warner. I
19 think, Councilman, the way the question was phrased
20 was would we agree, we interpreted that to be as a
21 matter of contractual obligation to maintain the
22 office that we have in its current location, and
23 that is not something we would generally agree to.
24 I think what Mr. Williams is saying is that we have
25 certainly at this time absolutely no plans to move,

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2 but over a 15-year period, if needs dictated, that
3 might be something that happen. But I certainly
4 think we would always maintain our office in the
5 franchise area.

6 As far as staffing goes, again, staffing
7 needs are driven by the needs of the business. Our
8 every anticipation is that there will be, as Mr.
9 Williams indicated, a gradual increase in the
10 number of employees as we, hopefully, add
11 subscribers and introduce new services. But it's
12 not a matter that we would think is approach as
13 matter of contractual agreement, and I think that's
14 how we interpreted the question.

15 COUNCILMAN NUTTER: I appreciate your
16 response. There was no explanation to go with that.
17 I think you're familiar with the submission, and in
18 most instances where a no answer was supplied, there
19 was addition response made to the question. That
20 particular question it was just a flat out no and
21 you moved on.

22 I have one last operational question.
23 You were asked, "Will answering services or
24 automatic answering machines used at any time?"
25 Your response was yes. You did expound on this

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2 answer that "the system uses an answering service
3 from 6:30 p.m. Monday through Friday and after 4
4 o'clock p.m. on Saturday. The answer services faxes
5 a record of calls through the system which will be
6 responded to the incomes business day." Do you
7 expect to upgrade your level of service and respond
8 such that if a person who in many instances has not
9 been at home in the course of the day to realize
10 maybe there's something wrong with the service at
11 they home. They get in 7, 8 o'clock at night, they
12 call, apparently now they talk to an answering
13 service and with very little opportunity to have
14 their issue responded to that evening; is that the
15 way the system current operates?

16 MR. WILLIAMS: Yes. If the customer
17 calls in after the call center closes, which is 6:30
18 right now, then they would be forward to an
19 answering service. Barring being involved in an
20 outage area, then the answering service would take
21 the customer information down and fax it over to us,
22 and first in the morning, the technical support desk
23 would contact the customer and work through the
24 problem that they had, but that is something that we
25 are looking to see if there are more efficient ways

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2 to serve customers. In the evening we do have
3 people on call in the evening, but primarily they're
4 working on outages.

5 COUNCILMAN NUTTER: So for that
6 particular customer, they're just basically out of
7 service for that night with the exception of
8 extraordinary response the other evening to a call
9 that I made, generally if you get home at 8 o'clock,
10 you call, you talk to answering service, but you're
11 not going to have cable service that night; is that
12 basically what happens.

13 MR. WILLIAMS: Unless you're in an
14 outage for that evening, that's correct.

15 COUNCILMAN NUTTER: But you're looking
16 to do something about that or looking to extend the
17 services into the evening, or are they going to be
18 able to talk to real live person or maybe a
19 technician or something to help them through their
20 situation?

21 MR. WILLIAMS: As our business changes,
22 one of the things that we are looking at is trying
23 to expand the hours for service in the field as
24 well as service on the telephones. So that is
25 something that we are currently trying to evaluate

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how we can provide that level of service to
customers.

COUNCILMAN NUTTER: The reason I raise
that question, and I'll close with this, is because
people do talk around the City and people in other
franchise areas have at least shared with me their
experience that they can in the evening at least
talk to a technician, not a call-takers. I don't
know where the call-takers are. They could be here
in Philadelphia, they could be California for all we
know, but they're not going to help you that night.
So I'm trying just trying to share with you that if
you live somewhere else in the City, that service,
that kind of service is available to you. And if
we're going to compete or if you're at least going
to have comparable services as compared to what
other people have in other parts of the City, this
kind of response is apparently very important to
people.

MR. WILLIAMS: I would agree with that,
and that is something that we are definitely looking
at right now to see if there is a way we that we can
expand both the call center hours and the technical
support in the field later into the evening.

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2 COUNCILMAN NUTTER: Thank you.

3 CHAIRWOMAN CLARK: Mr. Sutton wants to
4 be heard as to this.

5 MR. SUTTON: Earlier, sir, you asked a
6 question with regard to our projections, how would
7 we met them. The answer was additional services.
8 May I add to that that if you're make us love us,
9 we're going to give us so much attention in your
10 district that you're going to solicit subscribers
11 for us. We have seen that happen.

12 COUNCILMAN NUTTER: We may be able to
13 work something out, Mr. Sutton. It's kind of a
14 tough existence here. I mean, is there like a
15 commission?

16 (Laughter.)

17 COUNCILMAN NUTTER: Just playing, Mr.
18 Sutton. Please encourage people to use the system.

19 CHAIRWOMAN CLARK: Mr. Rizzo.

20 COUNCILMAN RIZZO: Thank you. In
21 reference to your process that you use in the
22 evening hours answering service, I don't know a
23 whole lot about cable television, but I know that
24 everyone that's hooked up to cable television has
25 the ability, and I recall when I first got cable

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2 that they had a device called an A/B switch which
3 allowed me to, in the event of interruption of
4 service, throw the switch and at least have an
5 opportunity know what's going in the world to be
6 able to watch the local broadcast 3, 6, 10, 29, 17.
7 But I've noticed that the cable companies no longer
8 give their customers the ability in the event of an
9 interruption of service, the ability to watch the
10 broadcast channels. Why is that?

11 MR. WILLIAMS: Councilman, if there's an
12 interruption in the service line, they would not be
13 able to receive any signal through the cable to that
14 TV. Basically if the service is out because of an
15 outage or a service problem, we wouldn't be able to
16 service them through that line anyway until we fixed
17 the problem.

18 COUNCILMAN RIZZO: No, that's not my
19 question. My question is that if the story that
20 Councilman Nutter described, a person comes home,
21 their cable is not working. When my cable was first
22 installed, if that scenario was the case, I could
23 simply flip a switch, get off the cable and go back
24 to over the air television where at least I'd have
25 minimum; I'd have Channel 3, Channel 6, Channel 10,

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2 Channel 12, the over-the-air channels. But for some
3 reason, the cable companies recently -- when I say
4 recently, have not installed the little switch
5 that's required. And Commissioner James is shaking
6 his head. To give that customer at 7 o'clock at
7 night and the kids and the ability to get off of
8 cable and to be able to view the over-the-air
9 channels. Now, what I've told people to do is just
10 unscrew the cable.

11 MR. WILLIAMS: Yes, and go to regular
12 service.

13 CHAIRWOMAN CLARK: Go back to what you
14 did before you got it.

15 COUNCILMAN NUTTER: Councilman, the
16 rabbit ears that come with your TV, do not throw
17 them away. You never know when you might have to
18 pull them out and reconnect them.

19 COUNCILMAN RIZZO: But my question is,
20 how come we don't do that anymore in the event
21 emergency or a storm, a snow storm, people would
22 still have an opportunity to know what's going on in
23 the world.

24 MR. WILLIAMS: And I think it's always
25 an option, especially in a market like Philadelphia

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2 that customers will always have the off-air
3 broadcasting channels, not cable, just like you
4 said, they can unscrew the cable and still get those
5 local signals.

6 COUNCILMAN RIZZO: But how many people
7 in this room know when their cable out that there is
8 an alternative. Your franchise should tell the
9 people that there's an alternative in the event of a
10 cable interruption.

11 MR. WILLIAMS: And we do still put A/B
12 switches for people, but they request it. That's
13 certainly something that we could inform them about
14 at the time that we do the install.

15 COUNCILMAN RIZZO: Thank you.

16 CHAIRWOMAN CLARK: Thank you.

17 Councilwoman Miller.

18 COUNCILWOMAN MILLER: Thank you, Madam
19 Chair. Mr. Williams, most of my area that I
20 represent is serviced by Comcast, but also a
21 significant number of residents in my Councilmanic
22 District are subscribers to Wade. And I called
23 several people in different locations geographically
24 just to get some feedback from them on their service
25 level and their opinion. Most of all, they all said

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2 that they were satisfied, of course, with the
3 sharpness of the picture, et cetera. A few people
4 did, and everyone commented on customer service
5 needs, and they're saying that they have to stay on
6 the phone and hold much too long and also the
7 courtesy or lack of the customer service staff. And
8 also a few people talked the channels that are being
9 offered by Comcast that they can't quite get on
10 Wade. In this new structure who would I be able to
11 refer people to in terms of the structure that
12 you're proposing to have here in Philadelphia?

13 I'm familiar with dealing most
14 with Comcast. I can pick up the phone and directly
15 call their senior management team right here in
16 Philadelphia.

17 Can you kind of describe to me what the
18 structure will be? You're saying Obra will be the
19 local representative to the management team. What
20 else? What's going to happen? You're going to
21 housed in Keystone zone area or empowerment zone
22 area; where is that?

23 MR. WILLIAMS: Our primary office right
24 now is 1700 49th street, which is 49th and Parkside.
25 And with respect to the contact person, the

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management team, including myself will be housed in that location which is where we are right now. And we would be the principal contact for anyone in the system that had a question about their service or billing or anything like that.

I've been in the system since January 4th of 1999 and I came here from one of Time Warner's systems in Upstate New York where we are the Beta test for road runner and the first system that launched, the high speed internet service for the company in that market. When I first got here, we did have meetings with several people from the Department of Public Property with respect to customer service standards and complaints that the City had been receiving from many cable subscribers about service issues. One of the things that we did immediately was put a plan together over the last eight months that included training, professionalism, back to basics, how to deal with basic customer service questions. We hired a firm to instruct and teach the customer service reps how to be more professional, how do we measure that, and those types of tools that are very important to provide in customer service. We had staffing issues

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2 which we have been able to successfully staff the
3 department now which will alleviate people being on
4 hold for a long period of time. The other thing is
5 just customer education about our service. One of
6 the things that we did before I got there, the
7 system was experiencing a rather high level of
8 service calls to the customers, and we set up a
9 technical support desk which basically takes all of
10 the inbound calls for technical problems that
11 customers have and they can spend a good amount of
12 time on the phone trying to resolve the problem.
13 That was not available for January, and that was
14 part of the plan that we put together to alleviate
15 the people having to hold on the phone for a long
16 period of time and not being able to give them a
17 higher level of service. So those are the things
18 that we have done based upon that issue that the
19 City did bring to my attention the second week that
20 I come to this system, and I think we've worked very
21 closely with the City of Philadelphia addressing
22 that issue. I know specifically that the complaints
23 have come down tremendous since January from
24 customers. Our calls are answered within 30
25 seconds. In January it was right around 50 percent,

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2 and for the last two months it's been at 88 percent.

3 So we are --

4 CHAIRWOMAN CLARK: Excuse me. 50
5 percent of what?

6 MR. WILLIAMS: 88 percent of all of the
7 calls that we take are answered within 30 seconds.

8 COUNCILWOMAN MILLER: Very good. Two
9 other quick questions. What do you believe the
10 impact of satellite service is? I mean, Direct TV,
11 you can't even turn the TV on now without hearing an
12 advertisement about purchasing a Direct TV satellite
13 disk. What will that have on your plan to boost
14 your customer, boost a number of your customers?

15 MR. WILLIAMS: With respect to direct
16 broadcast satellite, the recent Congress legislation
17 that was passed which allows DBS companies now to
18 offer local broadcast channels, some will argue will
19 have a significant impact on our business. However,
20 the prices that I've seen that the Echo Stars and
21 other companies are going offer is going to be an
22 extremely expensive proposition for customers. The
23 installation price to just receive local broadcast
24 signals is going to be between \$299 and \$399 just
25 for the installation, and recurring monthly fee is

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2 going to be between \$4.99 and \$8.99 just to receive
3 those basic channels, and that's per TV. Basically,
4 we charge a life line rate at the current time of
5 \$10.31, and that can be as many outlets as the
6 customer wants because the outlet we cannot charge a
7 rate for per outlet to customers. The Congress
8 changed that ruling for us back in 1994. So
9 although we are very sensitive to DBS and
10 penetration effect that it can have on my market,
11 that's one the reasons why we are expanding the
12 channel capacity through the upgrade, looking to
13 offer digital channels, looking to offer --

14 CHAIRWOMAN CLARK: Are you just about
15 through, Mr. Williams? I don't mean to be rude, but
16 this has been a very long day.

17 MR. WILLIAMS: I apologize.

18 CHAIRWOMAN CLARK: I know you didn't
19 cause it, sir, I just don't want you to add to it.
20 I want you to leave here with me loving you.

21 (Laughter.)

22 MR. WILLIAMS: Thank you, Mr. Williams.

23 CHAIRWOMAN CLARK: Do you have another
24 question? I don't mean to step on you. If you have
25 another one, please do.

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2 COUNCILWOMAN MILLER: I just wanted to
3 talk about my constituents as well as Councilman
4 Nutter's that I read in the paper last night are
5 concerned rape increases, and there's a proposal to
6 do a 5 percent rate increase starting with the new
7 contract. What is the present level of a rate
8 increase, the annual?

9 MR. WILLIAMS: The rate adjustment for
10 this year will be 4.9 percent.

11 COUNCILWOMAN MILLER: Because they want
12 you to keep the cost down.

13 MR. WILLIAMS: And we do want to keep
14 the cost down. But, again, things affect our
15 prices, mostly programming. The programming cost s
16 are very significant for us. Unfortunately, they
17 increased those rates and we don't have a lot to say
18 over those prices.

19 COUNCILMAN KENNEY: Madam Chair, can I
20 say one thing on rates? One of the things that I've
21 learned over the course of franchises being
22 re-authorized and such in sales and some of the
23 discussions about rates, one of the things that
24 people won't recognize and won't admit is the theft
25 of the services in the cable industry is terrible.

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2 We are all paying for every person that we know or
3 every relative that we know who has that little chip
4 and gets all those channels for free, it's like the
5 same guy who rides around without auto insurance,
6 everybody else is paying for that person to ride
7 around without auto insurance. So one of the things
8 I think would help to keep the rates down is your
9 continued efforts in shutting down those operations
10 that put the chips in, blowing up the chips when
11 people have them in their box and when the Tyson
12 fight's on everybody's got it on and send that
13 silver bullet and blow up those boxes, and also keep
14 on educating consumer that the theft of service in
15 that area just makes everybody else pay more money,
16 and it's a crime to boot. So I would encourage you
17 to step up if you haven't already the efforts in
18 getting those chips out of those boxes because it's
19 a terrible situation.

20 MR. WILLIAMS: Councilman, I would agree
21 with that, and we do have an audit department on
22 staff which is made up of 12 auditors who basically
23 go door to door throughout the system looking for
24 people who are illegal connected and receiving
25 services unauthorized, so that's a very big part of

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2 our concern as well.

3 CHAIRWOMAN CLARK: Thank you very much.

4 I have some testimony that I've been asked to have
5 put in the record as though it was set full
6 testimony, and that includes the testimony of
7 Richard O'Malley of 5101 Overbrook Avenue and his
8 testimony is one page concerning the proposed
9 transfer of Wade. And then there's several pages of
10 testimony on Bill 990842 and 843 from Inja Coates and
11 we will put that in the record as if it had been
12 given orally here today. And the third and last
13 piece of testimony is from Harmonious Volunteer
14 Center, Inc., from Irvin B. Shannon, Executive
15 Director, concerning public access on Ordinance 1963
16 and 1983. I understand Mr. Cody Anderson has
17 provided me with copies of his testimony on Bill
18 990842 and 990843, and we will put it in the record
19 as though it had been given fully. Mr. Anderson's
20 testimony can be characterized as being in favor of
21 the matter that is before us.

22 (Testimony attached to the record.)

23 CHAIRWOMAN CLARK: Have you put your
24 case forth?

25 MR. KERNODLE: There's only one matter

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2 that I believe, Madam Chairperson, that we've not
3 addressed. There was a question posed to Time
4 Warner with respect to the management agreement. I
5 believe that the solicitor referred to an assumption
6 agreement, and I would just ask either John or
7 Sylvester to state for the record whether or not
8 they will accept that management agreement so
9 referred to.

10 MR. FOGARTY: Yes, we have had
11 discussions with representatives of the City and we
12 have reached an agreement that if at any time there
13 was a reason that the management agreement between
14 Time Warner and the prospective franchisee were
15 going to terminate, we would give the City notice of
16 that matter. And if there were not other
17 arrangements made that were not acceptable to the
18 City, Time Warner would continue to manage the
19 franchise for a period of 18 months. So as
20 described by the City staff, that is correct and
21 agreeable to Time Warner.

22 CHAIRWOMAN CLARK: Thank you.

23 MR. KERNODLE: I would think, Madam
24 Chairperson, that that would conclude our testimony,
25 would also lend to this Committee the fact we have

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2 agreed in fact those specific qualifications and
3 conditions previously referenced by the City
4 representatives.

5 CHAIRWOMAN CLARK: Thank you. Thank you
6 very much for your patience and explaining a very
7 complicated and complex transaction. You man stand
8 down, and I thank you very much.

9 I understand that your interest is
10 public access. Please, do you mind sharing a table?
11 Good evening, sir. I thank you patience.

12 MR. SHERROUSE: Good afternoon. Thank
13 you for your patience, all of you, for holding out
14 throughout the day.

15 CHAIRWOMAN CLARK: Would you just give
16 your last name for the stenographer and spell it.

17 MR. SHERROUSE: It's Paul Sherrouse,
18 S-H-E-R-R-O-U-S-E. Actually, I've been asked to
19 read testimony for Irvin Shannon which you had
20 mentioned earlier.

21 CHAIRWOMAN CLARK: Well, we put his in
22 the record fully.

23 MR. SHERROUSE: But I'd like to just
24 read it; it's one page. And I would also like ask
25 Council to pay and the parties of this to pay

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2 particular attention to testimony by Inja Coates
3 that's been submitted. I think there are some very
4 important points being addressed.

5 The main reason representing this here
6 is that we feel it does relate to the contract and
7 it's important for the parties that are involved in
8 this to keep this in mind throughout all the
9 negotiations agreements.

10 "Thank you for your fair and equitable
11 representation concerning the best interest of the
12 Citizens of Philadelphia community. Thank you for
13 this forum in order to bring forth a solution to the
14 issue of cable franchises in our City. It is
15 evident that each member of Council who's worked
16 long and hard in order to establish Ordinance 1963
17 along with Bill No. 53A and numerous related pills
18 and resolutions, including the partnership
19 arrangement that have been made.

20 "As an ordinary Philadelphia resident, a
21 taxpayer and voter, and I'm concerned with the
22 question of quality of life issues we face daily.
23 We definitely have problems, therefore are concerned
24 with why the Mayor and mayors of past 15 or 16 years
25 have not signed this ordinance that establishes a

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2 non-profit corporation which would implement and
3 oversee public access in the community. As the
4 director of a non-profit community, I am concerned
5 about the citizens of Philadelphia being denied
6 access to their resources of the inner-comminity and
7 intra-neighborhood communications. When citizens of
8 Philadelphia who are consumers of this cable
9 marketplace are bearing the full cost in subscriber
10 fees and competing cable companies are slicing up
11 the market share, it seems to me that the return of
12 their investment should result in a high quality
13 service and performance record when the City of
14 Philadelphia reimburse its allocated expenses, use
15 the taxpayer dollars to the tune of 600,00 a year or
16 9 million over 15 years to allow these companies to
17 operation, I must ask where is the accountability to
18 the citizens.

19 "The franchise agreement for all of it
20 is fine for it will provide an immense opportunity
21 for our community. It is not fine in that your
22 elected officials made a deal with private industry
23 for the benefit of constituents you serve who are
24 not getting thier fair of what has been proposed.

25 "I call upon the current Mayor and

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2 Mayor-elect on the benefit of all the residents and
3 people of my organization, Affinity Partners,
4 represent to enact the full provisions of public
5 access, and I call upon the Members of City Council
6 to ensure that this is done immediately on behalf of
7 your constituents of the citizens of Philadelphia.

8 "Thank you for the opportunity to appear
9 before you."

10 CHAIRWOMAN CLARK: Good evening, sir.
11 Thank you for your patience. I want give us your
12 name and spell your last name for stenographer.

13 MR. POWELL: My name is Joseph Powell,
14 P-O-W-E-L-L, I'm a concerned citizen. I'm also a
15 member of the PCAC, and there were a lot of them
16 earlier. They left at 7 o'clock, and I believe they
17 made an arrangements to -- that the record would be
18 kept open so their input could be mailed in written
19 form. But the Philadelphia Community Access
20 Coalition is a grassroots coalition of individuals
21 and organizations throughout working together
22 through outreach organizing and advocacy for the
23 establishment of public access community television
24 in Philadelphia.

25 I was struck by one of the earlier

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meetings on Venice Island. If we had public access years ago, what a beautiful way of presenting that information to City Council from the community's perspective.

One thing I'd like to make it understood, my interest as a concerned citizen is I really believe in the Constitution and government for the people. In fact, I was hoping a couple of those back panels some day we might be able to get the Constitution up there, "We the people." Quite often, neighborhoods around the City have difficulty getting input.

Also, so you'll know, I'm registered as a bipartisan voter and I consider myself a concerned citizen at large, if you would, because a lot of the issues are City-wide issues and I think we should do our best to help provide the proper input on that.

The public access to City Council is needed now, too, before the people get public access TV. We heard the thought that it takes a village. Without the input from the citizens around the neighborhood, the neighborhoods are hurting bad often. And last night I provided Wade officials with a copy of my letter. I have some here if you

1 BILL NO. 990842

2 don't have enough. I guess one will go in the
3 record. Anyway, that particular item --

4 CHAIRWOMAN CLARK: Mr. Powell, it's been
5 a very, very long day. I wonder if you could
6 summarize your testimony now.

7 MR POWELL: The point in this letter is
8 consumers, subscribers full choice in selecting .

9 COUNCILMAN NUTTER: Let me interrupt
10 you, Mr. Powell. First, good evening. It's nice
11 seeing you two nights in a row. You were at a
12 meeting last night. You don't want to be charged
13 when there's a black out?

14 MR. POWELL: That's one of my points.

15 COUNCILMAN NUTTER: We can't solve that
16 problem either. I suggest to you this evening, we
17 know what your testimony is from last night. It was
18 recorded on videotape. Talk to Joe James in the
19 back or Commissioner of Public Property Mr. Perez.
20 If you wish to leave something with the Committee,
21 we will incorporate it into the record. We can't
22 solve your problem here about this particular issue.

23 MR. POWELL: I'll mail it.

24 COUNCILMAN NUTTER: Do you have one last
25 question for us, Mr. Powell.

1 BILL NO. 990842

2 MR. POWELL: Almost. On the public
3 access portion of the franchise fees which the City
4 has spent from the General Fund, I believe, for the
5 past 15 years, one thing for fiscal year '99 that
6 the public access portion of franchise fees should
7 be reserved for public access use only so it won't
8 get spent this fiscal year.

9 COUNCILMAN NUTTER: Thank you very much,
10 Mr. Powell. We appreciate your testimony.

11 CHAIRWOMAN CLARK: That is a fair
12 testimony and we will assure you that there is no
13 other use.

14 MR. POWELL: And the few points I
15 haven't been able raise, I'll put them in writing as
16 part of this and I'll assembly it all as one piece.

17 COUNCILMAN NUTTER: Thank you. That
18 would be great.

19 CHAIRWOMAN CLARK: Thank you, sir.
20 Again, I thank you for your patients. We did not
21 mean to step on your right to be heard. It's a long
22 day.

23 MR. POWELL: Well, this happens often
24 wit input from communities. The problems is the
25 meetings run long, and then when the community gets

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2 up to provide input, they're rushed, cut short or we
3 have to take a vote in a hurry, we can't explain
4 these important issues. I think more time should
5 be allowed for the community input. And if you give
6 us public access TV, we'll give it to you TV. It
7 will solve a lot of problems with the Zoning Board
8 of Adjustment, City Planning, a lot of other things,
9 but it's very important we get it.

10 CHAIRWOMAN CLARK: I appreciate that. I
11 appreciate your interest and your enthusiasm. We
12 mean you know disrespect. It is just very late and
13 we've been here a long time as have you.

14 COUNCILMAN NUTTER: Madam Chair, I move
15 that we move out of our public hearing into our
16 public meeting.

17 (Duly seconded.)

18 CHAIRWOMAN CLARK: All in favor?

19 Opposes?

20 It has been properly moved and seconded.

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COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC MEETING

COMMITTEE ON PUBLIC PROPERTY AND PUBLIC WORKS

- - -

Wednesday, December 8, 1999

- - -

Public Meeting conducted by the
Committee on Public Property and Public Works, held
in Room 401, City Hall, Philadelphia, Pennsylvania,
on the above date, to consider action on the
following:

BILLS 990842, 990843

- - -

PRESENT:

COUNCILWOMAN AUGUSTA CLARK, Chairman
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN DAVID COHEN
COUNCILMAN JAMES KENNEY
COUNCILWOMAN DONNA MILLER
COUNCILMAN MICHAEL NUTTER
COUNCILMAN FRANK RIZZO

- - -

1 PUBLIC MEETING

2 CHAIRWOMAN CLARK: We now are in public
3 meeting. I'll entertain a motion from Mr. Nutter on
4 Bill 990843 to amend it. This is the bill that has
5 to be amended and put in this big fat Exhibit No. A.

6 COUNCILMAN NUTTER: Madam Chair, I move
7 that bill 990843 be amended to include the new
8 Exhibit A as given to us by the Public Property
9 Commissioner tonight.

10 (Duly seconded.)

11 CHAIRWOMAN CLARK: All in favor?

12 Opposes?

13 Then Bill No. 990843 has been amended.

14 The Chair calls on Mr. Nutter for a
15 motion.

16 COUNCILMAN NUTTER: Madam Chair, I move
17 that Bill 990843 as amended be reported out of this
18 Committee with a favorable recommendation and a
19 further recommendation that the Rules of Council be
20 suspended so as to permit first reading at our next
21 session.

22 (Duly seconded.)

23 CHAIRWOMAN CLARK: All in favor?

24 Opposes?

25 Then Bill No. 990843, as amended, has

PUBLIC MEETING

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2 been reported out of this Committee with a favorable
3 recommendation with a further recommendation that
4 the Rules of Council be suspended so as to permit
5 first consideration at the next stated meeting of
6 Council.

7 All in favor, aye.

8 Opposes?

9 So ordered.

10 Mr. Kenney, Bill No. 990842.

11 COUNCILMAN KENNEY: Madam Chair, I move
12 that Bill No. 990842 be reported out of this
13 Committee with a favorable recommendation and
14 request made for Rules suspension to allow for first
15 reading at our next Council session.

16 (Duly seconded.)

17 CHAIRWOMAN CLARK: All in favor?

18 Opposes, nay?

19 Then Bill No. 990842 has been reported
20 out of this Committee with a favorable
21 recommendation and with the recommendation that the
22 Rules of Council be suspended so as to permit first
23 reading at our next stated Council.

24 Would the record please show that the
25 assumption agreement will be finalized, and when it

1 PUBLIC MEETING

2 is finalized, it will be incorporated.

3 COUNCILWOMAN BLACKWELL: I make a motion
4 this meeting be adjourned.

5 CHAIRWOMAN CLARK: All those in favor?

6 Thank you so ordered.

7 (Council adjourned at 9:50 p.m.)

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C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of December 8, 1999, were reported
fully and accurately by me, and that this is a
correct transcript of the same.

RE: COMMITTEE ON PUBLIC PROPERTY AND PUBLIC WORKS

Lisa C. Bradley, RPR
and Notary Public