

**City of Lincoln**  
**Telecommunications/Cable Television Advisory Board**  
**Meeting Minutes – November 18, 2021**

**Members Present:** Demet Batur, Kate Engel, Jim Johnson, Steve Kiene, Helen Meeks, Bennie Shobe, Art Zygielbaum

**Members Absent:** Rebecca Henderson, Laurie Thomas Lee, Ed Hoffman

**City Staff:** Diane Gonzolas, Tim Seih, Jamie Wenz

**Windstream:** Ann Ames

**ALLO/NelNet:** Dave Miller

**Charter/Spectrum:** <No representative at this month's meeting>

**Call to Order/Introduction**

The meeting was called to order at 4:06 pm by chair Art Zygielbaum. Zygielbaum made note of the copy of the Open Meetings Act at the back of the room. Board members and guests introduced themselves.

**Minutes**

Minutes of the August 12, 2021 meeting were read. Last two sentences in the personnel updates paragraph in the City Reports section were modified for clarity to read: "Melissa Fuller will be full time coordinator for the Health Channel as of September 1. The City has also added a Social Media employee." Meeks moved approval of the minutes as corrected; Engel seconded; motion passed 7-0.

**Discussion of impact of cable cutting and migration to Internet Protocol-based broadcast and on-demand streaming on City revenue, franchises, and quality of service.**

Zygielbaum has asked Sieh to prepare a report on the effect of cable cutting and migration to IP-based streaming on City revenue, franchises, and quality of service.

Sieh presented a first look.

He asked for suggestions of people to serve on the cable-cutting committee; members suggested were board members Steve Kiene, Laurie Thomas Lee, Bennie Shobe, Art Zygielbaum, and city staff Tim Sieh, Diane Gonzolas, and Jamie Wenz.)

Sieh said that cable-cutting is a difficult subject; the law has not kept up with technology. Some estimates are that by 2024, one-third of customers will have cut their cable connection.

Issues to consider are:

- (1) Effects on this board.
- (2) Financial Impact on the City
- (3) Technology and the Law
- (4) Roadblocks.

***(1) Effects on this board.***

This board looks at various aspects of cable. The cable-cutting trend is a reflection of a changed marketplace. There will be new and exciting topics for us to take on in the next few years. High-speed internet; working from home; other issues. The question is what is the City's role in this as we move forward? There are still a significant number of users out there who have cable, but the market changes will force us to look at this.

**(2) Financial Impact on the City.**

Sieh said that Wenz's office is funded by the provider fees. A number of needs have been identified; the subscriber fees already won't cover this, and it will continue to drop as subscribers drop cable.

Zygielbaum said that a lot of subscribers are viewing LNKTV online, and there is no income stream for those users.

**(3) Technology and the Law.**

Sieh said that when the cable services started going, the thinking was that cable companies would need to go under city streets, and the funding was set up with that in mind. But now we have Dish network and other providers that don't do that, so the definition doesn't apply.

We have to think about a redefinition of cable providers if we want to get those revenue streams.

We do have

- (a) traditional cable companies
- (b) the Internet broadband providers that own their facility
- (c) Hulu or Sling, etc, provided by a company that doesn't have a financial interest in the cable system.
- (d) NetFlix, Amazon Prime, Disney Plus, etc.
- (e) YouTube and web-based platforms.

**(4) Roadblocks.**

Sieh said that a number of cities have tried to find a way to bring some of the non-traditional companies into a franchise. In the Eighth Circuit, Iowa City tried to bring a company in, but the court ruled against the city. If the tie is not there in terms of cable, there is a lot of risk that we could lose. Traditional cable providers suffer because of that.

Politics gets involved too. The state of Texas said that a cable company had to have a franchise, but no one required them to have a franchise.

Kiene said that as a committee, he assumes that we can research anything, but then that's where we might get into discussion. Sieh agreed.

Gonzolas asked what the likelihood is that we would get taken to court if we were to pass an ordinance. Sieh said it's very likely.

Batur said that these companies are US based companies, and asked if this is more in the purview of the federal government. Sieh said that this is going to be the big debate.

Zygielbaum said that we do have a broadband franchise. There is a precedent to do something a little broader. We are not able to impose a broadband franchise, but maybe we could work with cable companies.

Zygielbaum said that in the 1980s, there was a mutual relationship between cities and cable companies. He asked if there is a way that we can get a mutual benefit. Sieh said that Lincoln may have a head start on that, due to the conduit system.

Zygielbaum says that one of his biggest concerns is funding of LNKTV.

Gonzolas says that the capital expenses is where the city's greatest risk lies.

Shobe said he remembers in his home community there was some exclusivity for franchisees. He asked if that is true here. Sieh and Gonzolas said that Lincoln has never had an exclusive franchise. Wenz said that there was a lot of perception that Time-Warner used to have an exclusive franchise, but it was never exclusive.

Sieh said that he would like to get the committee set up to meet in December or so.

Gonzolas said that David Young will consult with the committee.

Wenz said that content producers are starting to get territorial; he could see a few years down the road that people who used to want a la carte programming might go back and want some kind of bundling.

#### **Windstream/Kinetic Report**

Ann Ames reported for Windstream.

Not much to report this month. They are looking for workers. They have applied for a grant to expand broadband; that would probably not affect the city too much, but possibly the county.

#### **Allo Report**

Miller reported for Allo. They too are trying to hire workers.

They are working on Emergency Broadband; they are working with customers to keep them connected.

Allo continues to grow and expand in Nebraska, Colorado, and Arizona.

Miller said that Allo will have to implement rate increases at the beginning of the year.

Wenz asked both Windstream/Kinetic and Allo if we will see any impact from the recently passed infrastructure bill. Miller said he thinks so; Ames said she hopes so.

#### **Charter/Spectrum Report**

No report.

#### **City Reports**

Wenz distributed a written Report. He said that he is happy to see an increasing number of Video On Demand views of their channel. Amazon Fire and other streaming services are lumped into their VOD counts.

Wenz said that the City rarely has media present for news conferences any more; they use a live feed.

He said that LKNTV has reached one million views; LNKHealth is up to 5.6 million views.

Shobe commented that he was at a City Council meeting one time, and hadn't noticed media in the room but he went home and saw it covered on a local news channel.

**Public Comments**

None.

**Other Items**

Gonzolas said that three board members have had terms that expired this year; that will be taken care of in December.

Gonzolas reminded us that our next meeting will be our Annual Meeting, as the bylaws indicate that the first meeting of each calendar year is the Annual Meeting.

**Adjournment**

Meeks moved adjournment; Johnson seconded; motion passed 7-0. Meeting adjourned at 5:02 p.m.

Respectfully submitted,  
Jim Johnson, secretary