

## COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

**October 25, 1999**

**5:30 PM**

Chairman Pariseau called the meeting to order.

The Clerk called the roll.

**Present:** Aldermen Pariseau, Rivard, Thibault, Girard, and O'Neil

**Messrs:** Atty. Epstein, Asst. Solicitor Arnold, G. Sullivan, J. Farrell, T. Gage,  
Atty. Girard, T. Lyle, J. Monahan

### **TABLED ITEM**

On motion of Alderman Rivard, duly seconded by Alderman Girard, it was voted to remove this item from the table.

Communication from C. Michael Armstrong, Chairman of the Board of AT&T submitting an application for transfer of control of the existing cable television franchise with MediaOne.

Mr. Arnold introduced Atty. Peter Epstein who, as you know, is the lawyer/consultant that the City has hired to assist with both the transfer request and the upcoming negotiations for renewal of the franchise. At this point, having introduced him I guess I would turn the meeting over to him briefly so that he can explain to you the background and the process.

Atty. Epstein stated maybe the easiest thing is if I explain very quickly the transfer process. The City, or I should say the Board of Mayor and Aldermen, received the AT&T transfer request on July 14 asking the Board of Mayor and Aldermen as franchise authority to approve the transfer from MediaOne to AT&T and under federal law, the Board has 120 days to go through that process and either grant the transfer request or deny it. I have approximately November 10 as the 120 days for your Board to act. The criteria for the Board to consider your transfer request, we negotiated in the current franchise agreement and again that is basically in Section 3.2 in your franchise and basically that is looking into whether or not this is a company that will comply with all of your current franchise requirements. The Board can look into the legal, financial, character and technical qualifications of

AT&T to run your cable system and, and this is important, whether the proposed change of control is in the public interest. Now I know that you had a hearing back in early October I believe on the transfer request and, again, I have talked to Tom about a statement that the Board can use should it decide to consent to the transfer request. I believe that you can certainly put conditions on that transfer request. I know there are some questions about some franchise compliance matters that you may want to discuss, including I know that Tom and his folks have been looking into your institutional network performance. I think there have been some questions about signal quality on the two public access channels and there are some questions about, I believe, MediaOne providing their free Internet students to, amongst other people, the schools. That is a federal law requirement.

Chairman Pariseau stated with the questions that Dr. Sullivan submitted, we received a memo from a Jeffrey Fialky saying that much of the information requested by Dr. Sullivan is not related to the qualifications of AT&T. Would you consider the issues raised by Dr. Sullivan part of the discussion for transfer?

Atty. Epstein replied I have not seen Mr. Fialky's response so I will look this over. I know, in talking to Grace that a number of issues that were brought up by her group, including the signal quality, that is certainly appropriate. The interference, I believe is appropriate. I believe that how you assign that channel is appropriate. The free cable model access to the schools that I mentioned, that is a requirement of the FCC pursuant to the Social Contract which was entered into by MediaOne a couple of years ago. There was one issue, I believe, that Dr. Sullivan brought up on financing and I think that while that has something to do with transfer, it may not be something that you condition your transfer on but I think this was important to Grace's group and she wanted to bring it up. I think it is important to remember that MediaOne would probably say that the only criteria you can use is whether AT&T has the legal, financial and technical qualifications to step into the shoes of MediaOne. I believe that is wrong. I believe it is wrong. I think it totally contradicts what we drafted in the franchise, which includes other criteria, including is this in the public interest. Now I am not suggesting that you should go and say well it is not in the public interest so we should deny this thing. All I am saying is that simply because MediaOne doesn't think it is so, doesn't mean it is so. As a practical matter, I don't think that you want to transfer a franchise that has important provisions that may not be complied with. I don't think that is unreasonable. I think they could come back if you did so and say you know what, we are a new company and we think you waived your right to have that complied with. I think the issues that Tom and Grace have raised should not be that difficult for MediaOne to agree to some way to resolve this. If you have local channels that have poor signal quality, then at a minimum MediaOne and AT&T should give you a letter that says we are going to comply with the franchise. It is a clear franchise requirement. I remember negotiating this 10 years ago because I did this

contract with Grace and Tom Clark and Sam Phillips from United Cable. We didn't put it in here just to waste space. There is no reason why those channels should have signal problems. There is no reason why, in three days, MediaOne cannot give us a letter saying by date certain we are going to clean it up and if we have to buy equipment and do this then we will do it. There is no reason why MediaOne cannot give the schools a date certain by which time that free Internet service will be provided to the schools. We are not making up the requirement. The requirement is a requirement under federal law. They are required to do this. MediaOne will be required to do it and all we are saying is look, we have an opportunity, when a new company is coming in to take over, to make sure that you are doing everything you are supposed to do. We are not going to make you do more than you have to do, but we are going to make sure that you are doing what the franchise requires you to do.

Alderman Girard stated, Mr. Arnold, at the last meeting of this Committee you asked representatives of MediaOne and AT&T several questions regarding the legality of their assertion, which Atty. Epstein has just addressed. Did you ever receive the materials promised by either company?

Asst. Solicitor Arnold replied the short answer is no. If you are talking about the FCC ruling that was referred to, I have not seen a copy of that and have operated under my understanding of the law which is that the standard set forth in our franchise agreement with MediaOne at this point is complied with in the transfer and that includes a public interest standard which I referred to at the last Committee meeting.

Alderman Girard asked, Atty. Epstein, you would concur then with the City Solicitor's opinion from our last meeting that we are not confined to the legal, financial and technical capabilities of AT&T to assume MediaOne; that we do have the ability to judge the company's character and whether or not the transfer is in the public interest.

Atty. Epstein answered yes.

Alderman Girard asked in evaluating whether or not this transfer is in the public interest, Sir, I don't know how familiar you are with the concerns that Dr. Sullivan, myself and some others raised at the last meeting regarding local programming, regarding access to various channels, different tiers of programming and things of the like, but are we able to consider that, in your opinion, part of the public interest area that we can consider as part of this transfer.

Atty. Epstein replied I am not sure I understand. Are you talking about the commercial programming that MediaOne puts on its system?

Alderman Girard responded yes.

Atty. Epstein answered no. If you are asking if it would be appropriate for the City to consider the programs that MediaOne puts on its system and whether or not that is good or bad or should they have something else, I don't believe that the City has that authority either under renewal or transfer and I would say to you there are really two areas that municipalities are basically precluded from regulating. Number one is commercial programming like ESPN and HBO. Not local access, but commercial. Number two is rates. We don't have any authority over rates.

Chairman Pariseau asked would EWTN be a commercial channel.

Atty. Epstein answered yes.

Alderman Girard stated if I am not mistaken, our franchise agreement calls for the cable company to produce local programming and that was a concern. Am I correct?

Atty. Epstein replied we have, in Article 7, provisions for local access. I don't recall if there is an LO requirement per say and that is local origination, which is the local programming that operators produce compared to access programming, which is the kind of programming that Grace helps volunteers to produce.

Alderman Girard stated at our last meeting, Dr. Sullivan pointed out that there used to be locally originated programming done by MediaOne and its predecessors and that much of that, if not all of that, has pretty much disappeared. In their response to Dr. Sullivan's concerns, MediaOne was satisfied that they were doing regional New England programming rather than Manchester-specific programming. I am wondering whether or not our franchise agreement gives us the ability to require that local programming. I heard, after the last meeting, from several groups that used to do the programming, least of which was ACA. I received a phone call from Mr. Eugene Lemieux who is the head of the ACA, which is the Association Canada American. They are terribly upset over the loss of this local type of programming and they have no recourse. Does our franchise agreement give us any recourse?

Atty. Epstein replied I don't recall negotiating a commitment in the franchise for the operator's local origination programming. In other words, I have franchises where the town or city may have said, "you, Mr. Operator, have to provide 10 hours of your programming or 20 or 30 or 40. We are not going to tell you what it has to be other than it has to be Manchester-specific LO." That was not something that we negotiated in this franchise. As I recall, what we did 10 years ago was that

we were making the case that United at that point should really fund this group in the City to start doing more programming because they weren't doing a very good job. I will go back and check, but after a quick look, I don't believe that was something we negotiated.

Dr. Sullivan stated I think that was one of the things that I brought up in terms of looking at the public interest that when MediaOne stopped production of the local origination programming that in doing that it has increased demand on us to produce more local programming. So, in the climate of the original contract, they were doing local origination programming. United Cable Company did local origination programming. Continental Cablevision was very committed to it. MediaOne came in and subsequently phased out local origination for Manchester-specific programming. What you are doing now is producing at that studio programming which is kind of generic to New England and in doing so many people have made more and more demands that we need to do more and more programming, therefore, we would like to be able to increase our percentage of the franchise fee coming to us. Yes, I know, technically under the contract it says 1%, but going back to the cable company and what AT&T said last time we met was that they are taking over MediaOne and MediaOne took over Continental Cablevision and they took over United Cable and United Cable said if we only give 1% and no more than that then we won't raise the cable rates and as we all know, that didn't happen. We are going back to that public interest thing of trust, faith, I don't know. Where are we at the public interest? The question that I asked was what has AT&T done at the local level. They have been a long-distance carrier in Manchester for awhile now and I asked what have they done. They responded with well we gave \$2.5 million to people in Massachusetts. Well, that is good. What have you done in Manchester? Regarding the LO issue, legally I am sure under the law they are not required to do this, but it would make a big difference in being able to do the French language programming and more programming for the community. I am going to pass out my responses to the responses I received from MediaOne.

Atty. Epstein stated I would say that in Section 6.2 of your franchise, there is a requirement for the franchise to use its best efforts to provide a wide diversity of programming, but again the most we can do legally is to require broad categories of programming. We can't require specific programming. Now, when you transferred these franchises before from United to Continental and Continental to MediaOne, which Grace was just alluding to, I don't know if there may have been some discussion about what they were doing with LO programming because if they made statements on the record about stepping in and doing as much as United, then it may not be a franchise requirement but if they are stepping into the shoes of your previous franchisee and that franchisee is providing a certain level of local programming than I think you can say what happened. You were going to

do no less. Also, if you have a studio in the City and they are now using that City studio to produce regional programming and it may not be purely a transfer issue, but I would be a little bit concerned about who is paying for that regional programming. Are Manchester residents paying? In other words, if they have imbedded the cost of that studio into Manchester rates for rent, for staffing, for equipment, and they are now saying well this is Manchester-specific anymore, we are now producing for the entire State, well in the end maybe they can do it but I sure as heck would want to know that everybody is paying for that and it is not Manchester subscribers who are subsidizing programming for the entire State. Is that something that we should go down the road on transfer on? Perhaps not. That may be something more appropriate through renewal and I think that that, even though it is a rate issue, is important for the City to understand. You don't want your 30,000 or 40,000 subscribers paying for programming that is going to the entire State.

Dr. Sullivan stated it is New England programming.

Atty. Epstein replied then it is even worse. It is the whole New England region that you are paying for.

Chairman Pariseau asked could we place that local origination as part of a condition of transfer as well as the free cable modem access.

Atty. Epstein answered this is something...we would have to go back and see if a commitment was made during one of the two previous transfers because there is nothing in your current franchise about that. All I am saying is that before you do that, I would check to see if they made a commitment before. Again, LO is their proprietary product and I think they have some first amendment protections that we are not going to come in and tell them what they have to program and 10 years ago, that was not something that the City stressed because I think what we wanted to stress 10 years ago was getting funding for the City to start doing programming but make that something, if you have records going back to the previous transfers, that we should look at.

Alderman O'Neil asked, Atty. Epstein, in all honesty does the City have any clout if we deny the transfer.

Atty. Epstein answered you may have some clout and I am not suggesting that you deny it as much as that you simply insure that you are getting the benefit of the bargain. I am not saying you should deny this thing unless they really stonewall you.

Alderman O'Neil asked and the fact that many of these issues could be corrected during negotiations which we are going to be starting soon.

Atty. Epstein answered actually the renewal is going on now. Some of them, I think, are renewal issues and what I am saying is I think the purely compliance issues we can get resolved now. I wouldn't wait. Things like the cable modem access for your schools and the signal ingress on the access channel and making sure that your institutional network works, I wouldn't wait another eight or nine months. Some of the other issues we have talked about, I think, may be more appropriate for renewal.

Alderman O'Neil stated I know about some of Dr. Sullivan's concerns with regards to the percentage. In all honesty, in my opinion we should probably be kicking what we receive entirely for local programming and not trying to help balance the books of the general fund with some of it. That is my personal opinion and that is what some other cities chose to do. That is a decision for the City to make more than anybody else. I also believe that during these other two transfers, that we maybe didn't pay as much attention as we should have and I know one of the things when we went out this time for RFP's that one of the things we requested was that you would be available to address a lot of these issues that go on during the contract and not just have you in to do renewals. I just hate to see a lot of time and a lot of money spent beating up this thing when we can address these things through negotiations and the fact that we are not going to stop the transfer of MediaOne to AT&T in my opinion.

Chairman Pariseau asked Ms. Farrell what happened to the free model access for municipal departments.

Ms. Farrell answered as you can see, we have sent several invitations to the district and, in fact, we had Paul Erikson attend one of the trainings in July of 1998. I do know that he told our director of Broadband that he wasn't sure if the district was ready to bring that in yet. I am not sure if that was accurate, but it doesn't really matter. We are happy to outfit them with free cable modems almost immediately. Grace knows that there are two seminars coming up. There was one the day before yesterday but it was in Taunton and I didn't think she would want to travel for that. Instead, there are ones coming up that are closer and I also have been working with our consultants as far as this goes with the school connections to get them personal training so they will come up. They have said if that were the case that they would also have to meet with the Superintendent so I am going to be trying to set that up.

Chairman Pariseau asked who is this Mr. Erikson that you had discussions with.

Dr. Sullivan answered he used to be the Technology Coordinator for the school district. He went through the training last year but then he took a job in Massachusetts.

Chairman Pariseau asked has the position been filled.

Dr. Sullivan answered the person is coming in in November. I spoke with the Superintendent and there also was a meeting that went on between that time that I attended with people from MediaOne. Jennifer was not there. Paul Erikson was there. I was there and the School Business Administration was there. What MediaOne asked us to do at that time when providing free cable modem access was if we were to do that they would give us some kind of premium or give us some money if we put flyers in the kid's backpacks to take home advertising MediaOne. That was a very unsettling meeting that the district had and we really didn't want to get into that kind of situation and have kids go home with flyers. At that point, going back to the Superintendent and talking to him about the transfer process and saying because there is no Tech Director can I be the point of contact for getting the cable modems in the schools, the Superintendent said fine go ahead.

Alderman O'Neil stated since I have been back on the Board this past year and a half, certainly Jennifer's predecessor was...I am going to say useless because I don't know what other word to say. Whatever issue we brought up, we never got a response. I think he drove one of the reasons why there are bad relations between the City and MediaOne. I have a lot of faith in Jennifer and Tim Gage that they are going to try and improve relations with the City of Manchester. She has already asked me in the short time I have known her, what do you think. We have talked and that is something that never happened with her predecessor. I don't think he cared what went on in the City of Manchester. I think we have an opportunity to start fresh here and address a lot of these issues. We have a good team on the City end with Grace and Tom and Peter. I think they have a good team put together and let's get on with it.

Alderman Thibault stated the only thing I was interested in was the constant interference with television signals since June of 1999 here where it says that it interferes mostly with the west side section of the City. Can I get some feel as to what they may try to do for something like that? This is the thing that interests me.

Dr. Sullivan replied that was very important to me. When I looked at their answer to the problems that we had, that MCTV has been having with the cable channels, MediaOne assigned Channel 9 to MCTV's education government channel, a channel that we had asked for in the original contract and finally got this year. It

has been a long time coming. It is good that the transfer came up because that is when they said you are going to get your channel now. They assigned it to Channel 9 and WMUR's broadcast signal causes interference with MediaOne's cable channel 9 in many areas of the City, predominantly the West Side. Over the weekend at home I got phone calls from people who told me they were very happy that they could see the municipal candidates. They could hear them but they had a hard time seeing them. MediaOne, technically, would know what the problem is because they had that channel before for LL. They also needed channel 3 for LL. They knew that channel 9 was a channel that had a lot of interference with WMUR's broadcast signals, however, what they did was they assigned a government educational channel to that number. I think that we are looking at a breach of agreement. We are looking for the standards of the contract to be met either with the transfer agreement...I am not really...I don't trust MediaOne to say yes if you transfer, AT&T will come along and fix that for us. I have heard that story before. The other one, the hum bars that are on channel 16, they answered that with "this is not a directive to which AT&T must respond." Who is going to respond?

Alderman Thibault stated right. If they don't respond, who is going to?

Dr. Sullivan stated I would feel a lot more comfortable if there were something that was in...some kind of written legal document so when people call I can give them an answer.

Alderman Thibault asked is there anyone from AT&T here who can answer that.

Ms. Farrell answered we have spoken about this a couple of times and we are monitoring that channel very, very careful right now and we will be talking to you about it very soon. I don't feel that I can give you a definitive answer on that this evening.

Alderman Thibault asked is it something that we can hope that in the future will be cured. That is my real concern. Is this something that we are just looking at and we won't be able to cure or is this something that we are looking to cure?

Ms. Farrell answered I think we will be able to give you, as Atty. Epstein said, a date certain and we will agree on what we are headed toward for that issue.

Alderman Thibault asked Dr. Sullivan if she was happy with that.

Dr. Sullivan answered I am a lot happier since this is a directive in which they don't have to respond.

Asst. Solicitor Arnold stated that is a compliance issue that we can deal with with the transfer and will deal with with the transfer. I am not sure that the problem will be corrected.

Chairman Pariseau asked transfer or renewal.

Asst. Solicitor Arnold answered transfer.

Alderman Thibault stated so going from MediaOne to AT&T, we can demand something here.

Asst. Solicitor Arnold replied I think that we can demand that they are in compliance with the present franchise agreement and I think the present franchise agreement deals with the issue of signal problems.

Atty. Epstein stated Section 7.7 and it says your access channels...

Chairman Pariseau interjected so we could have that as a condition if we so chose.

Atty. Epstein replied correct. I think the issue should be that if channel 7 and 8 and 12 and 13 and 14 have good signal quality, there is no reason why your local channel shouldn't. There is no reason why and I would ask MediaOne to provide you within the next three or four days a letter with how they are going to fix those two channels so that the signal quality on those two channels is as good as any other channel and if they need to buy equipment, they have to buy equipment. That is on their side because that is the requirement. I would have a date certain. This is a very common problem. This is not just Manchester. I see this with MediaOne and other companies all the time and I think the requirement should be we want you to fix the problem, we want it by a date certain and we want to attach that as a condition to the transfer statement because that is something you can do. As I understand, this has been an issue for a long time. This is what MediaOne does. This isn't going to take them 30 or 40 days to figure out what the problem is with the channel. They should now right now what that problem is.

Alderman Thibault stated those are some of the questions I get. I have had several people call me about the same thing and I say I don't know what is going on there. I told them we were having a meeting tonight and maybe we can clear it up. What I am trying to find out is, is there a date that we are looking at to try and cure this problem so when people call me I can say we are working on it and it is going to be a month, or three weeks or five days or whatever.

Atty. Epstein stated the City should say we want a date certain that you are going to fix it and that the signal quality on those two access channels is going to be at least as good as your other commercial channels and certainly that it meets all the FCC technical stuff.

Alderman Rivard asked are we going to be asked tonight to vote on the transfer of MediaOne to AT&T.

Chairman Pariseau answered yes.

Alderman Rivard stated if we are, is our consultant going to explain to us clearly what the attachments to the transfer as he stated during the last half hour so that when we vote on this we know exactly what we are expecting MediaOne to do before the transfer takes place. Why don't we do that now? You (Atty. Epstein) are the expert and you are the gentleman we pay for the advice. I think we should lay it out here and we should vote on it with his recommendation and move on. He had some very good ideas and I agree with him. I am not an expert. I depend on the hired consultant to make a recommendation so that we can consider it.

Alderman Girard stated I think Atty. Epstein's input tonight has been very helpful but I, for one, do not intent to vote to transfer the title from MediaOne to AT&T and my reasons are as follows. First, I think it is unfortunate that my colleague on this Committee chose to signal out an individual who held a job for MediaOne prior to the current person holding it. Mr. O'Rourke was someone that I dealt with frequently before it was MediaOne and after it was MediaOne. He was one person in an organization of some \$20 or \$30 billion in size so to suggest that one person is the reason for the difficulties that the City had with MediaOne, I think, is not to the point. I think, in my dealings with Mr. O'Rourke and I have not had any with his predecessors because they haven't seen fit to call me for any reason never mind to introduce themselves as they have with others, but I think what it is more indicative of is the corporate culture of MediaOne. Personally, I don't think Mr. O'Rourke was the problem. I think the company is the problem. I received, for example, after the last meeting a packet of information on the Odyssey channel from Reverend Bianchi here in town. The Reverend, along with the Federal of Churches and others in the City have been trying to get MediaOne to pay attention to their concerns and their requests and they were told flat out by MediaOne, and I don't want to put words in the Reverend's mouth, but they were told flat out by MediaOne that MediaOne believes that it has done all it needs to do for religious and family programming and they weren't interested and they weren't going to take it any further. Now I realize that that is not necessarily subject to the transfer, but I think what is a subject of the transfer is whether or not the transfer is in the public interest. We are not dealing with a local cable company anymore that

needs to be responsive to our concerns and our desires. We have seen the regionalization of local programming, we have seen the cutback of programming that citizens in this City not only worked hard with United Cable and Continental Cable to win, but can't get a response from the current company and I don't think it is going to be in this community's interest to go from a cable company the size of MediaOne to the one that it will be which is the enormous size of AT&T. Now, I am not an expert and I can't tell you whether or not legally, financially or technically AT&T is capable of doing it. At the last meeting, AT&T said that it was technically capable of doing this because they had bought another cable company somewhere in the country and, therefore, they had expertise and experience. Well, MediaOne if I am not mistaken is US West, which is a phone company and I am not impressed with how they have handled the concerns of the citizens of this City and the area. Atty. Epstein and Asst. Solicitor Arnold can come up with all of the conditions they want, Mr. Chairman, but I do not believe that it is in the public interest to have a larger corporate entity that in its answers to Dr. Sullivan's questions was disinterested at best and obnoxious at worst. The fact that Solicitor Arnold's request for information and answers to questions posed at the last Committee meeting haven't been responded to, frankly, I get the feeling that those involved in this think that it is inevitable. They really don't have to pay attention to the City of Manchester. Whether we vote to transfer may or may not interfere with their ability to go ahead with this purchase. If it doesn't interfere with it, fine, I would be happy to go on record saying we don't approve and we don't think it is in our community's interest and it is about time that people start paying attention to what is happening in the individual communities. It is easier for MediaOne to do New England wide programming. It is better for their bottom line. These shows that they reference, and I had a chance to pick up some of them and if I were living in the Boston area I would think they are wonderful because that is where their focus has been. They haven't been on the City of Manchester like it used to be and I think we have to make a point and statement.

Alderman O'Neil stated my colleague dragged me into this so I am going to respond to this. We could decide in our next contract to send all of the revenues...we currently get 4%...like the City of Lowell does kicks all of their revenues to local programming. I imagine you could have more than three channels, correct, Peter? If we kick the 4% that we currently get to local programming, all of these issues that my colleague has brought up could be addressed. We could do a lot with 4% going to local programming, but not in this City. We chose to help balance the general fund. We want to have our cake and eat it too. That is the problem here. Other communities make a commitment to local programming. We don't. We are very fortunate to have Grace Sullivan and her staff bust their butts and get everything they can out of 1%. I will vote tonight to support 4% going to local programming and I am sure it will improve the

situation. I agree with Alderman Rivard. Let's get the conditions from Atty. Epstein and move on.

Asst. Solicitor Arnold stated I asked that this meeting be moved up because Atty. Epstein has to leave at 6:30 PM.

Alderman Thibault stated it really surprises me to see that here we are, the City of Manchester, trying to change from the cable company that we have now to AT&T but there is not an AT&T representative in this place. I am a little bit concerned about that because I want to know how they would answer the question that I asked before. When and where are they going to cure that problem? I would like to see some of them here before we transfer this. I would like to have their commitment so we can come back on them.

Chairman Pariseau asked Mr. Gage if he was representing AT&T.

Mr. Gage answered I am here on behalf of MediaOne and AT&T and this is my second appearance in the same number of weeks. We did bring in the folks from AT&T at the last hearing. We would have stayed all night long to answer any particular questions and as a matter of fact, I would be more than happy to bring in AT&T folks. I think we have pretty much told you the status of the transfer request and the merger as it stands. Again, we indicated after that hearing that we would certainly welcome written requests that we could file written responses to. I met with the City Solicitor and Grace Sullivan and some other folks in town and we seemed to have answered a number of questions there. It is really not that AT&T is disinterested. They would have been here this evening had I asked them to come. My understanding was that most of the questions related to their part of this deal had been answered and that, in fact, this meeting this evening was going to be a vote. Again, Alderman, if at any time you have questions for AT&T, they would be more than happy to answer them. The time is short on dealing with this transfer.

Chairman Pariseau stated the correspondence that we received from MediaOne is kind of snobbish. I hate to use that word but it is arrogant. The letter they sent in response to Dr. Sullivan's questions. We don't care if they think it is related to the transfer or not. Answer the question without being snotty about it.

Mr. Gage stated in our meeting with the access group and Grace, I have indicated that we are certainly willing to work with her. This will be my third or fourth meeting with her since coming in town about a month ago. I don't know that I have answered all of the questions the way you want them to be answered, but we are perfectly willing to explore those issues. We are willing to make her signal, her ingress problem right and she will certainly be a part of that.

Alderman Rivard stated what you just said doesn't sound like what Mr. Arnold said a few minutes ago. You said that you were more than cooperative and you answered all of the questions and we asked Mr. Arnold if you responded and he said no. I am not sure what the story is here. You said you answered the questions and he said you didn't respond. Can we get a clarification?

Asst. Solicitor Arnold stated to be clear I was referring to a particular document that was mentioned in the last meeting regarding an FCC interpretation of the City's authority to consider its standard of transfer set forth in our cable franchise agreement as opposed to what is set forth in federal law. That I have not received. I would say that Mr. Gage has sat down with myself and Grace Sullivan on more than one occasion to try and address questions.

Alderman Rivard asked did he provide you with answers.

Asst. Solicitor Arnold answered we discussed Open Access. He provided me with a number of answers, yes. I haven't seen the particular document.

Alderman Rivard asked yes or no.

Asst. Solicitor Arnold answered yes. He has provided a number of answers. Again, probably not what the City would want to here.

Chairman Pariseau asked what do you recommend as the City Solicitor.

Asst. Solicitor Arnold answered Peter and I have spoken on a number of occasions about what action the City should take. I would turn to him for what he would recommend. I could certainly set it forth for you if that is what you would like.

Atty. Epstein stated if you are asking me for what my recommendation would be...

Chairman Pariseau interjected knowing that MediaOne has the attitude of "we don't give a damn what Manchester does."

Atty. Epstein stated again, looking at your contractual criteria, I think what we had discussed before, at a minimum I would require that it be a consent with conditions. Those conditions being amongst other things that the City is satisfied with MediaOne's status report on the institutional network, that those two access channels are brought up to acceptable standards by a date certain and that agreement is reached within the next three or four days and is in writing and we attach it to the statement, which I can draft for you and that on the cable modem access to the schools that we can simply give them a list of the schools, the

address, the Superintendent, the requirement under federal law is free service, a drop, a single port modem, there is no reason why we can't say by December 1 of this year one of the conditions is we want that service in the schools and working. So that, I believe, you can do. I don't think that is a problem. That is something that is within our authority. Tom mentioned this Open Access issue that apparently came up before and I believe these gentlemen may be here to discuss that. In a nutshell, the issue is whether or not, as a condition of this transfer, the Board of Mayor and Aldermen should add a condition to its consent if you do vote to consent that AT&T must open its system, in other words MediaOne now offers a high speed Internet service over its cable system. The Open Access issue would have it that AT&T, if approved, should let other Internet providers use its platform to provide that kind of high speed, high bandwidth cable modem service. That is it. It is very simple. The city of Portland, Oregon did a condition on that. I think there are a few others that have done it. There are an equal number of cities, maybe a few more, that have looked at the issue and thought well we agree with the issue but we are not sure that is something that we should get involved with either as a transfer requirement or otherwise. I am not taking a position here that you should condition it on this issue, other than I think the Board should understand that it is an issue, what the issue is, what your position is, so that at a minimum if folks come and ask you about it you can tell them why you made this decision and that you are either going to condition it on Open Access or you are saying it is a good issue but we don't think we should do that. At least you have looked at it. It has come up. It is something that if you get 10 people to say that you should require Open Access, you will have another 10 telling you not to.

Alderman Thibault stated before I could vote on this tonight, I would certainly like to know if Grace is comfortable with what has been said here as far as AT&T taking over. If you are satisfied with the explanation that Atty. Epstein has given.

Dr. Sullivan asked on getting the channel signals fixed, yes with the conditions and a timeline. On that level, yes.

Atty. Girarder stated we would like specific conditions in the transfer agreement. Very specific actually so we can really pin them down.

Alderman Rivard stated I understand the school connections and the clear signal but I don't understand this last part. What is that all about? I don't want to ask the question if it is going to take an hour to answer.

Alderman O'Neil stated we are not going to solve this tonight. Peter has to get out of here. Can he draw up the conditions and we can vote on them next week?

Chairman Pariseau answered no.

Alderman O'Neil asked why.

Chairman Pariseau stated because of the short week next week. We have to do it tonight.

Alderman O'Neil asked are you (Atty. Epstein) comfortable with the conditions you just laid out.

Atty. Epstein answered I can draw something up and discuss the document with Tom. Let me also say that while you have 120 days, if you are unable to come up with an agreement, that 120 days under federal law can be extended by mutual consent. MediaOne can certainly say we won't consent to extra time but understand that it is a possibility. If you take a tentative vote tonight to make it subject to conditions including what we have discussed tonight, I can certainly draft something and get it to Tom in the next day or two. The missing element is going to be that what we said we expect at a minimum from MediaOne is we expect a date certain that this is going to be done. It is not that we will work on it and that we are monitoring it. This is simple. This is simple stuff. It is just signal quality, the cable modem. I mean they should be able to get me a letter the day after tomorrow with all of these answers, a firm commitment that is attached to this document. That is no problem. The problem you asked about, Alderman Rivard, on the Open Access, it is hard to summarize it simply other than saying again you understand that MediaOne now offers subscribers in Manchester the opportunity to get Internet over the cable system and by doing so it is a faster Internet service and a wider bandwidth than say CompuServe or AOL over the phone. It is that speed and bandwidth that are important to people. People in the know on one side of the issue would say to you because AT&T/MediaOne can offer a high speed, high bandwidth Internet, they have an inherent advantage over competitors who don't have that ability to offer it as fast with as much bandwidth. It is not that you can't get it from AOL or CompuServe, it is that you may not be able to get it as fast and as wide. The fact is without being pejorative, Alderman Girard got it right. This is not your old cable TV company. We have had a revolution. The fact is that AT&T has come in and this is the company that Judge Green saw fit to break up 15 years ago because they were a monopolist. They were practicing like monopolists. Whether or not it is in the public interest and anti-trust, that may be getting into some issues that are federal issues but I don't think that MediaOne, and I am not sure that MediaOne has come in and said this is like any old transfer like going from Sam Philips to Continental. It is clearly not. You are now talking about a company that is going to offer cable, telephone, and Internet services. I think that merits a more studied look at the transfer. You, in the end, may say fine we agree but I think that Alderman Girard also had a point that when MediaOne comes in and AT&T comes in and AT&T says we have the

management and technical expertise, well I questioned that in Massachusetts. I said frankly you at AT&T don't have any such expertise. You bought TCI and maybe TCI, which is another big cable company, has the management expertise. Maybe MediaOne does, but we are not looking at MediaOne's expertise. MediaOne is the transferor, not the transferee and with all due respect to Mr. Gage and Ms. Farrell, they are not the issue. The issue is AT&T. So, you may think I am parsing here, but I think it is important. They had a President of AT&T Broadband who quit two weeks ago. So, what is the management expertise now. Management expertise was the AT&T Treasurer who now apparently is the interim Chairman. Well he may or may not know the slightest thing about cable TV and I am probably going too far afield other than saying that this is an important transfer. This is going to transform things and you are not remiss in treating this with great importance because it is not like your previous transfers. It is much more important.

Asst. Solicitor Arnold stated I would note to be clear that unless, as Peter referred to, there is an extension of the 120 days that if we do not act by November 10 it is deemed to be granted so we want to take some action.

Alderman Girard stated Atty. Epstein I don't think you were getting too far afield. I think that for once somebody was finally speaking to this Committee candidly about the technical requirements of a company that we all presume is capable of handling the system because we all know who they are and we don't think twice about it. I only have one question, Dr. Sullivan, these issues concerning the signal quality, the channels and where they are placed or whatnot, frankly you can have all the money in the world to do cable access but if they give you lousy channels that are technically junky, you can't really produce can you?

Dr. Sullivan answered no.

Alderman Girard asked how long has this been a problem.

Dr. Sullivan answered since they gave us the second channel it has been a problem since we got it about a month ago. The disruptions we were just tracking for the last year. We didn't have as much disruption with Continental. MediaOne has really brought down the channels a lot.

Alderman Girard asked have you, over the time that you have had these problems, consistently tried to address them.

Dr. Sullivan answered yes; we have called and called.

Alderman Girard stated so what we are hearing is that MediaOne is becoming responsive to your issues simply because there is a transfer at hand. How long have they been stringing you and the school district out on some of these issues? A couple of years on the modems anyway? We approved the Social Contract three years ago didn't we? I think her non-answer speaks for itself.

Dr. Sullivan stated I do think that Atty. Epstein had a really good point about this isn't what we think of as traditional cable. We are at convergence now with voice, video and data. I know that Vitti's Communication, which is a company that is based in the City, that is in our local economy, that is a telecommunications company, might have...I am not sure about Open Access myself.

Alderman Girard stated if we don't have Open Access, are we in effect giving the cable company a monopoly on a technology that is going to be the preferred technology, the Internet. Atty. Epstein, feel free to answer that if you would like.

Atty. Epstein stated I will answer it then I have to leave.

Alderman O'Neil asked what action do we have to take before he leaves. That is the important thing.

Chairman Pariseau answered we have to decide whether we want to approve the transfer or not.

Atty. Epstein stated let me just suggest something. If this Committee has to vote tonight on some action, I don't know why you couldn't take a vote that you would vote to approve the transfer subject to the conditions we had discussed and I suppose frankly if you have a discussion on Open Access again could you vote that way, yes. Should you? Again, that is up in the air but I think you could take that vote and I can draft some language and send it up to Tom.

Alderman O'Neil stated I want to know before Atty. Epstein leaves what action we need to take because we seem to be on this November 10 deadline and if we don't refer something to the full Board by next week it is not going to happen.

Atty. Epstein stated I would assume and Mr. Gage can correct me if I am wrong, that MediaOne generally is not agreeable to extending the timeline. Assuming that you vote to transfer subject to conditions and assuming that we get those commitments I talked about from MediaOne in writing with date certain that we can attach to the statement, then I think that you are okay. How we deal with Open Access is different. There are a lot of different ways to do it and these gentlemen I am sure have a point to be made. You are asking, and I was going to answer Alderman Girard's question, if AT&T's platform for cable modem access

is not open do they have a monopoly, well they do have a monopoly. Can somebody else come in and build that kind of platform? Yes, they could. Down in Boston we have some companies that are over building and theoretically building that kind of capacity. In markets where you may not get a competitor, I think the argument would go that even the Bell Atlantic DSL service or a satellite service is simply not the same. You are talking about fundamental issues, given the importance of the Internet that can impact e-commerce. If you have to go through AT&T's Internet service to get to somebody else's, well is it going to be a little slower to get to somebody else's. Is AT&T going to make deals with K-Mart and you are going to get to K-Mart real quick, but if you want to get to Wal-Mart maybe it is not going to be as quick. Again, this is so glossing over it and there are some fundamental questions including, even if you accept the logic and the rationale there, is it your authority to mandate this. That is what the Portland case is about. It is a jurisdictional case. The District Court upheld the City's conditional transfer. It is now at the Court of Appeals. AT&T is lobbying everybody heavily on this. I guess one question could be and again I wouldn't put these folks in that position because these folks aren't AT&T. I don't believe they can speak for AT&T. AT&T bought this company for a reason. It wasn't to provide cable service. AT&T is not in the market. AT&T has gone around and complained about Bell Atlantic. They don't open their network to us. Well what I would say is AT&T's position on this is closed access. They want everything open to them. They want Bell Atlantic to open this and they want them to open that, but they then buy a network and their response is we don't want to compete, we want it closed. Now the history of the development of the Internet, I think if you look back 30 years with the active involvement of the government has been to foster openness of that network, a competitive process and the Internet has grown precisely because the government has said we want it to develop in an open and competitive way. Now, the FCC now all of the sudden says we are not sure that is the way so we are not going to say no, we are just going to take no action. I would pose to you that no action is the same as the government saying we are now going to reverse our regulatory process. The Internet would not have grown if the government didn't say to telephone companies you have to open it to competitors. That is how it developed. Now, all of the sudden the government under Bill Kennard is saying well, I am not sure. I don't think we should do anything. I would say that doing nothing is supporting these guys. Again, I am not being pejorative. Tim is a nice guy. It is not his issue and he is not AT&T.

Alderman Thibault asked are all of these questions going to be answered if we put these conditions on this.

Atty. Epstein answered let me just say this and I apologize because I have to go to North Andover and talk about this issue now. We have talked about the conditions that we would include and all I am saying is that I understand you have

discussed Open Access and you have some time to discuss that and perhaps in the next few days we can discuss that and in your motion you may want to have some language that you expect the transfer statement draft to in some way address this issue. I can't tell you how it is. It is not my job to come up here and say to this Board you should push Open Access. My main concern as your outside counsel is saying you should understand the issue so that if people come and say why did you take that vote, you can say we took it, we thought about it, we understood it and we made that decision. You may not agree with us, but we made the decision and it is not like we didn't think about it. Understanding the lack of time and especially my lack of time, if you have a resolution that says we are going to transfer, subject to the conditions that we discussed, including but not limited to Open Access and we will work on that in the coming days.

Alderman Rivard moved to approve the FCC Form 394 Request with conditions and those conditions include, but are not limited to discussion on 1) the Internet in the City; 2) the PEG access channel signal quality problems; 3) cable modem access to the Manchester schools; and 4) Open Access. Alderman O'Neil duly seconded the motion.

Alderman Girard stated I agree with everything that Atty. Epstein has said, however, I am not going to vote to issue consent because I do not believe that either MediaOne or AT&T have been responsive in any way to the City and I find it terribly troubling that we have to condition a transfer consent for problems that Dr. Sullivan has dealt with for years just to get them addressed. I think that just goes to show that we are going in the wrong direction. While I agree with all of the conditions, I am opposed to granting consent.

Alderman Rivard asked Dr. Sullivan if she thinks the motion will be helpful.

Dr. Sullivan answered if there is a schedule, a date, a time.

Alderman Girard asked what happens if they miss the date.

Dr. Sullivan answered then there needs to be some kind of penalty.

Alderman Girard asked what happens if the dates that are agreed to are not met. Suppose MediaOne, AT&T or whoever comes in and says well we can have this all ready for you by March 1 of next year...

Chairman Pariseau interjected we rescind our consent of transfer.

Alderman Girard replied by then it is too late. The merger will have already taken place.

Chairman Pariseau asked when is the merger taking place.

Mr. Gage answered the first quarter of 2000.

Chairman Pariseau stated we make the date certain December 1.

Alderman Girard stated once we grant consent, we can't take it back and we have no guarantee.

Chairman Pariseau replied yes we can because if they don't meet the conditions we impose on that consent, we can rescind the whole thing.

Dr. Sullivan asked could Atty. Girard address that.

Atty. Girard answered a conditional transfer is just what it means, conditioned on A, B & C. If A, B and C are not met then the consent is rescinded. Also, you could have financial penalties and other carrot and stick kind of items to get this done.

Chairman Pariseau asked we could or they could.

Atty. Girard answered you could.

Chairman Pariseau called for a vote on the motion. The motion carried with Alderman Girard duly recorded in opposition.

Alderman O'Neil asked could these conditions not be handed to us Wednesday night at 7:30 PM.

Asst. Solicitor Arnold answered I will do my best to get them to you as soon as possible.

Alderman Girard stated I wish to have a minority report on file with the Board.

Chairman Pariseau stated we are not privy to anything else on the agenda except the transfer.

Mr. Monahan stated I work with the Dupont Group and Tom Lyle is here with Vitts Networks located in Manchester, NH. We are here because our company is quite interested in the Open Access issue. It very well may be that the language being discussed here satisfies our concern for the time being and maybe Tom could take a minute to introduce himself. We brought some material on the issue for the Committee that we will hand out.

Mr. Lyle stated I had about a 15-minute presentation that I was going to give but Atty. Epstein essentially stole my thunder. There is no reason to rehash a lot of what he said. Again, my name is Tom Lyle and I am with Vitti Networks. We are located at 77 Sundial Avenue right here in Manchester, NH. We have approximately 100 employees and are adding more and more people every week. We are in favor of Open Access. We are a data communications and information technologies company. What we do essentially is provide Internet based services primarily to small and medium sized businesses, but also very importantly to Internet service providers. It is through Internet service providers that we are able to reach residential customers and give those residential customers higher speed access to the Internet and also to corporate enterprise networks so that they can telecommute as opposed to commute by vehicle to work. We think that is in the public interest in terms of opening up cable because it is, as Atty. Epstein was saying, a faster vehicle for people to telecommute. We are, right now, locating our equipment, our electronics, in Bell Atlantic's central offices. There are essentially ATM switches and routers that redirect data. We could, if we were allowed to, just as easily put our equipment into cable head ends and connect customers to our network and to the Internet over cable at a much faster speed than we can do right now through Bell Atlantic's network. There are serious limitations to copper facilities. The copper is too long. There are quality of service problems that slow data transmit speeds way down compared to the cable TV wires. In today's world, when it comes to the Internet and when it comes to data transfer, speed is everything. In addition, just two other comments on what Atty. Epstein had said. It is more than just cable or telephone wires, a closed system, as AT&T is proposing also affects where customers can actually direct or do their research or direct themselves through other Internet service providers. They are fairly constricted to just AT&T and Roadrunner, but if it is open and companies like Vitti are able to put their equipment in, customers can go anywhere just like they can today. They can go to AOL or Bannigan's Bicycle Shop if they have a website just as easily with Open Access in cable as they could with Bell Atlantic's network but they can do it at a faster speed. The other comment Atty. Epstein had made was that the FCC has taken the position...I should really say it is FCC staff, not necessarily the FCC Commissioners themselves, who have taken the position that it is wait and see. They are not saying no, we are not going to do anything with cable. It is more of a wait and see and we will monitor what happens as the cable industry and the broadband industry develops into a more mature industry. They may step back from this issue at some point in time and say that cable unbundling or Open Access is in the public interest.

Mr. Gage stated I would like to say just quickly, but I think the just quickly is very dangerous in this area. What you have just heard this evening in a half an hour is something that folks in the western and southern part of the State have been struggling with for at least a year in the courts and what AT&T and MediaOne

have been working on for a number of years. MediaOne built the network. We spent \$6 billion of private investors money to do so. The FCC is taking a hands-off approach for a reason and I think the real issue is, and it almost makes my point in the end that the FCC is stepping back here. They are the major regulatory body in the United States for telecom issues and they are staying back saying this is an infant situation. We are not going to step in and stop the progress. Listen, we sent \$6 billion to advance our networks to make it so that the folks in Manchester could have broadband access. We did that. Our networks are open. I think it is a matter of interpretation as to what an open network is. If you listened to the last comment, you may think that you may not be able to get to AOL by getting on our network, but the facts could be no further from the truth. You go on MediaOne Roadrunner and in one click you are to AOL. The real problem is that AOL has decided to charge their customers for the content so, therefore, if you subscribe to MediaOne Roadrunner and you want to get AOL content, you can get that but they are going to charge you \$9.95 to do it.

Chairman Pariseau asked \$9.95 every time you do it.

Mr. Gage answered no, for the monthly subscription but you are going to pay \$39.95 for the Roadrunner service and we have content and a delivery system. We are not saying that you can't go anywhere else on the Internet. AT&T has been very clear and this issue has not been developed in Manchester and I really want to warn this Board from getting into something that is much larger than you heard this evening. There are serious issues on both sides. It is one of the those things, like Peter said, you are going to get some people who agree and some people who disagree but the real point here is that this market enabled us to develop this product. Yes, we went out and spent the money. Years back we went to AOL and said do you want to come on in and join us and invest because we think this broadband is the greatest thing and they said no we are going to sit back and ride this thing out and what happens now. This is the wave of the future and we have a serious vested interest. We don't consider the network closed. It is open. You can go anywhere and you can configure your computer to skip right over the Roadrunner content and go right to the AOL so those arguments are not true and correct and I warn you...what I would like you to do is if you are going to go down that road and visit this Open Access issue, really take a week or a month or whatever you have to do to understand this. This issue is big and it is a matter of you folks making a condition on a license. That is what happened in Portland, Oregon. AT&T and Portland, Oregon are in court. This is not a trend. We have had over 1,000 communities look at these kinds of transfers between TCI and MediaOne transfer. Three communities in the United States have stepped up and said we want to condition our license. They are all in court right now. Three out of 1,000 and that is what the FCC has said. We don't want that kind of regulation in the United States. How can we have 3,000 different ways to handle the

Internet. The Internet is the way of the future. We understand that. We guarantee that our networks are open. This future stuff that Atty. Epstein spoke about regarding clamping down the pipe, etc. we don't find that argument to be tremendously powerful. Look at what has gone on. We have invested the money and the other folks haven't. There is nothing stopping anyone from coming into Manchester and saying we are going to overbuild and we are going to build the same network and we are going to provide the same product. I only ask you...these guys could come back at me and we could go back and forth and everyone is packing up their papers but this is too important an issue to make a quick decision on. If you want to do that, I will make myself available 24-hours a day to this Committee before you have to make your vote. I will bring in every expert you could possibly want because I think that is the kind of information you need to make a decision. Don't take this issue lightly and move fast because somebody has an appointment.

Asst. Solicitor Arnold stated I would agree that it is not a light issue. As a matter of fact, a week ago Wednesday I went to an entire day seminar on Open Access in Massachusetts and I could certainly sit down with the Committee if you desire. We could deal with it in the transfer statement in a number of ways, but I think again it is basically a policy decision and you ought to make an educated decision on that. Again, I would join Peter in saying that I really can't say whether it is the way to go or not the way to go. It is a policy decision and not my prerogative.

Alderman Rivard asked does that have to be part of the transfer or is that going to be part of the renewal.

Asst. Solicitor Arnold answered I think we could deal with it in the transfer. The way we do that is a decision of the Board. We could say that we want Open Access. I am not saying that I would recommend that. I am saying that we could do nothing. I am saying that we might do something like a favored nation type of provision which says if you grant Open Access or the State or the courts mandate Open Access you will provide it here. There are a number of ways we could deal with that issue and none of them are simple.

Alderman Girard asked, Mr. Gage, you made reference to the \$6 billion invested in developing this network but who paid for that.

Mr. Gage answered private investors.

Alderman Girard stated so you are telling me that MediaOne found \$6 billion in private investment and the ratepayers have not spent one dime on this.

Mr. Gage replied we entered into a Social Contract, which there has been some discussion on this evening. In part of that Social Contract, we agreed to upgrade a certain percentage of our networks to 750 megahertz, which is part of the broadband application and part of that Social Contract, agreed that the upgrade would have certain rate implications.

Alderman Girard stated so the ratepayers have paid for the upgrade.

Mr. Gage replied no, I would not say that. MediaOne paid for that. You have to understand that things platform is carrying, you know the fibers are carrying the video signal, the Internet signal and the voice signal in places where we deliver telephone service. It is also other parts of the network that you attach to that that make it available for the Internet product. Those parts are paid for by MediaOne and Roadrunner in a joint venture.

Alderman Rivard asked what are we recommending to the Board. Atty. Epstein said he is not sure which way we should go. 50% say yes and 50% say no. He is asking us to delay it. Tom tells us he went to a seminar and it was quite complicated. Is this going to be part of our recommendation to the Board? What are we going to recommend to the Board when it comes to Open Access? I would like to be clear because too many times we vote and we are not clear. What are we recommending?

Chairman Pariseau stated we are going to approve the transfer subject to the four conditions.

Alderman Rivard replied I understand the first three. How are we going to deal with this Open Access? How is that going to be worded?

Chairman Pariseau responded I leave that up to the City Solicitor.

Mr. Gage stated the Solicitor is saying that as a Board, you have to tell him which direction you want to go. One of the options is to say you looked at this, you have heard both sides of the story and we don't think it is Manchester's place to put that kind of common carrier regulations on the cable system.

Alderman O'Neil stated that is your position but our outside counsel recommends that it is our policy decision to make and then it goes wherever it goes.

Mr. Gage replied I am saying that is one of the possibilities. The other possibility is you say that we are going to condition this transfer.

Alderman O'Neil stated we certainly understand MediaOne and AT&T's position on this, but that is not what our counsel said.

Mr. Gage replied I don't think, from where I was sitting that he was telling you to go down that road.

Alderman O'Neil responded well he didn't say don't go down it.

Alderman Girard asked would MediaOne be amenable to any kind of extension beyond the deadline.

Mr. Gage answered no.

Alderman Girard stated you and I agree on one thing right now and that is that I don't think this entire transfer process has been given enough consideration. So, MediaOne is not interested in an extension?

Mr. Gage replied we have 500 of these approvals going. We are on track to get a \$58 billion merger done. We sent you this application in July. It is now November and I have had to come here three times in the last month. It is not something that we are looking to get involved in - an extension. The other thing is, and you can talk to your counsel about this, but there is no magic bullet to this transfer process in terms of where you go with this issue. Because you go through this and maybe don't get there because you don't have the information you need, there is no magic bullet. First of all, our position is you can't do it, but it has not been determined where your right is. These things are in court right now. If you have any rights, there is nothing saying that if you let the transfer pass that your rights go by the board either. That is not clear at this point.

Alderman Thibault asked so we could always come back to it, is that what you are saying.

Mr. Gage answered our position is whatever rights you have today, and we happen to think you don't, but whatever rights you may deem you have...

Alderman O'Neil interjected we are not going to solve this tonight. Let the staff work on it. Atty. Epstein better be at the meeting next Wednesday night.

Asst. Solicitor Arnold stated that he would invite him.

There being no further business, on motion of Alderman Girard, duly seconded by Alderman O'Neil, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee