

Cable crusader wants to take bite out of rates

BY LARRY O'CONNOR
STAFF WRITER

To Thomas DeWard, a dollar increase is a line in the sand. A dollar and 88 cents hike in cable service is a declaration of all-out consumer rebellion.

The Farmington Hills resident and certified accountant is taking on the area's cable provider, Time Warner.

DeWard was spurred into action when Time Warner raised monthly rates \$1.88 in January. Since then, an arsenal of written correspondence and verbal volleys have been exchanged between DeWard and cable officials.

He's questioned the need for increases, citing Time Warner's 48-percent profit margin for this area in 1995 by his estimation.

Another stamped letter addressed to Time Warner regional vice-president Tom Bjorklund awaits to be launched into the mail from the forefront of the desk in DeWard's Livonia office.

"In my opinion, they're just greedy," DeWard said.

Consumer advocacy is DeWard's livelihood. The company he works for, Larkin & Associates, analyzes public utility rate increases for consumer advocacy groups.

He has testified before public service commissions in Nevada, Florida, Kentucky, Hawaii, and California as well as Michigan.

He examines expenditures of telephone, electric and gas companies, separating the capital investments from the country club memberships and lobbying costs. The difference between those companies and cable is most utilities have profit margins of 15 to 20 percent — not 48-percent, DeWard said.

The work is adversarial and subtle remarks can take on an explosiveness of their own.

At the Southwestern Oakland Cable Commission meeting Sept. 3, DeWard made a point to address Time Warner officials about a letter he had received

■ 'In my opinion, they're just greedy.'

Thomas DeWard

—Farmington Hills

from them.

"Being in the utility business and submitting testimony I've been called a lot of things, but I've never received a letter thanking me for my curiosity," said DeWard to Time Warner general manager Bob McCann and Bjorklund.

Later, DeWard said he interpreted the salutation as a way of being dismissed as a pest. Bjorklund was reluctant to comment on DeWard.

"Mr. DeWard certainly has the right to be talking at the cable commission meetings," he said. "We respect that ... I'm not going to get into a discussion of personalities."

DeWard watches cable TV for news. He's an avid runner, completing five Detroit Free Press Marathons.

He canceled his \$8.95 a month subscription to sports channel PASS when he had to pay \$10 for a broken remote control that "they were going to throw away any way," when he returned his converter box recently.

When Time Warner announced its rate increase in January — for which the FCC didn't require the company to give the usual 30-day notice — DeWard tried to get 2,700 subscribers to cancel in protest.

That number of cancellations would've offset the \$800,000 in revenue Time Warner would generate from an increase, he said.

So far, there have been few takers.

"I'm not going to be the only one to cut off my cable," DeWard said. "But if I get 2,700 people to stand with me on principle ... then I'll cancel cable."



STAFF PHOTO BY SHARON LEHMAN

Clicked off: Farmington Hills resident and certified public accountant Thomas DeWard has made rising cable rates a personal crusade. DeWard has provided testimony on utility rates for public service commissions around the country as part of his job as a CPA with Larkin & Associates in Livonia.

DeWard lives in Independence Green subdivision and has been a Hills resident since 1973. He

has three daughters. His youngest graduated as salutatorian from Mercy High in the

spring and is planning to attend Dartmouth College in New Hampshire.

"That's big money," he said about the tuition. "Here I'm worried about a buck 88 a month."

Cable from page A1

statement given to SWOCC had covered nine months, not taking into account the company's earnings as MetroVision, said Tom Bjorklund, regional vice-president. Financial reports covering the 12 months were subsequently submitted.

MetroVision became Time Warner as part of a 1995 merger.

Financial reports submitted don't comply with a Hills ordinance requiring audited statements, Farmington Hills resident Tom DeWard said.

"This is one number — the \$14 million — they verified; This is not an audited statement," DeWard said.

Said Bjorklund later, "To put it into a little perspective, we've been in business for 14 years in Farmington. We've presented, every year, all the financial information that we're obligated to."

"We feel we've done the same this year."

DeWard's comments were diplomatic compared to some resident complaints.

"Those guys are just pulling the wool over your eyes," said Hills resident Judith Madrid.

"I mean I thought they were just incompetent. Now I'm beginning to hear with all this four million dollars worth of differences, this is not incompetence. This is close to being criminal."

Said Hills resident Torkild Nielsen: "I think your wasting the citizen's time in having this committee because you're hands are tied. They want it they way they want it."

An additional meeting will help clarify questions over financial statements, SWOCC officials said.

Farmington City Manager Frank Lauhoff suggested an independent audit of Time Warner revenues for franchise fees, recalling how a similar examination resulted in an additional \$6,600 being paid to the cities.

Last year, Farmington Hills received \$282,924 in franchise fees; Farmington's share was \$38,666. Franchise fees are 2-percent of total cable revenues, which are divided among cities on a per capita basis.

"People in Washington, who make the rules we follow, have set up a really complicated system ... we are not CPAs,"

Lauhoff said. "We hire the people to come in and give us the best advice they can."

SWOCC has hired a consulting firm Cable Television Information Center during the renewal process. The existing 15-year franchise agreement expires next year.

The Cable Act makes it difficult to dislodge an existing company unless there are serious violations.

Also, municipalities such as SWOCC have to give cable companies time to comply if there are violations, CTCI spokesman said.

Ameritech has made a presentation to come into the Farmington area to provide competition as a second cable provider. That is still being discussed, said Caren Collins, SWOCC director.

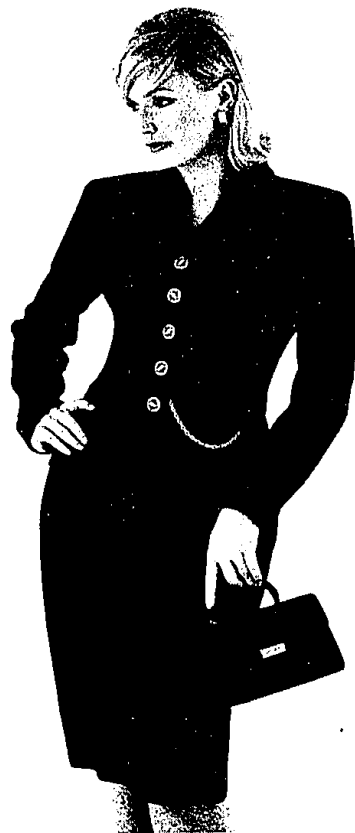
The \$14.8 million in revenues doesn't take into account dispatch services, marketing and construction costs, Bjorklund said. Those are line items in Time Warner budgets for Livonia and Redford.

"I don't think that figure is a reflection of the true cost of doing business in Oakland County," Bjorklund said.

ST. JOHN FALL 1996
COLLECTION SHOW

Wednesday, September 11
10 am to 4 pm

Featuring smart selections
for day or evening wear.
Preview the shapes and
colors of St. John for fall.



Jacobson's

338 W. MAPLE RD. • BIRMINGHAM
MONDAY, TUESDAY, WEDNESDAY & SATURDAY, 9:30 AM TO 6 PM.
THURSDAY & FRIDAY, 9:30 AM TO 9 PM. SUNDAY, NOON TO 5 PM.
PHONE: 644-6900 • FAX: 645-8687

Farmington revamps ordinance on satellite dishes, antennas

BY LARRY O'CONNOR
STAFF WRITER

Shoppers for satellite dishes have more to choose from and, in Farmington, one less regulation to worry about.

A city ordinance has been amended, requiring only those dishes three feet in diameter or larger to have site plan approval by the Planning Commission.

The 1993 ordinance mandated that all satellite dishes installed in residential areas first had to be OK'd by the Planning Commission. Purpose of the ordinance was to have some control in how the larger dishes look in residential neighborhoods.

A second part of the telecommunications ordinance approved by Farmington City Council at the Sept. 3 meeting specifies areas where cellular towers can be placed within the city.

When the ordinance was initially adopted, most satellite dishes were 6 to 8 feet in diameter. New technology has seen the television reception devices shrinking in size to 18 to 21 inches and in price.

Satellite systems are advertised for as low as \$199 for the equipment and a \$300 for an annual subscription channel package similar to cable TVs. Smaller dishes have emerged with more powerful

satellites, said Perry Reamy, manager of Radio Shack in Farmington.

Larger satellite dishes can still pick up any where up to 100 channels free of charge, Reamy said.

Farmington has any where from 12 to 24 large satellite dishes, a city official said. There have been no problems with compliance.

Farmington had no ordinance dealing with where cellular tower can be built, but new federal regulations require cities to have one.

Cellular towers can be no higher than 120 feet and are limited to the Nine Mile and Eight Mile areas in the city that zoned for industrial use. Single pole cellular antennas that do not exceed the height of a building can be installed in other areas, including the central business district.

The new FCC regulations say the city must provide a location, City Manager Frank Lauhoff said. "If AT&T comes along and says 'We want to put up a cellular antenna,' we can say this is where you can put it."

City has had inquiries from cellular telephone companies about putting up cellular antennas, Lauhoff said.

"We anticipate listening to some of those proposals at the council level in the near future," he added.