

CABLE

in Oakland County

Cable monopolies hard to fight alone

Cable industry competition is heating up. If you live in Birmingham-Bloomfield, Farmington, West Bloomfield or Southfield, you might not see it yet. But you soon will, in the form of expanded service and new rates.

BY LARRY O'CONNOR
STAFF WRITER

Cable monopolies and multi-million dollar telecommunication mergers are of no interest to Cormac Wright. This Bloomfield Township resident sees cable TV as a war between the haves and the have-nots. Wright puts himself in the latter category.

The computer analyst's brother-in-law, Chris Mason, lives in Troy and has what Wright sees as the Cadillac of cable: Comedy Channel, History Channel, ESPN 2 and the Spanish channel Univision.

Wright wants those channels on his system. More so, Mason has two companies courting him.

This irks Wright, who pays nearly the same — \$27 a month — for his service from Booth Cable. Mason, instead of bragging about a new snowblower or the family's trip to Disney World, unknowingly needles his relative by recapping his TV viewing habits.

His frustration, though, underscores a fact: There are few avenues for the disgruntled local cable viewer who wants more options.

Corporate executives of the cable TV remote are a faceless bunch.

They're also entrenched due to 15-year franchise agreements worked out with city officials



On air: Jack Roberts, host of "In Tune," a local show at Continental is spruced up by producer, Jeannette Avolia.

going back to a time when MTV played music videos. So, Wright's insurrection started with a letter to Booth Communications, headquartered in Birmingham. "Of course, you never hear back from them," he said.

The disgruntled cable watcher could air grievances in front of the commission that oversees the city's franchise, but hasn't tried yet.

Bloomfield Hills and Bloomfield Township have a seven-member board, which includes three township trustees, two Hills commissioners and two members at large from the school district. The board doesn't exactly keep a regular meeting schedule. When asked about how often and when the board meets, cable commissioner Nadine Maynard said, "Periodically, and that's all I'll say."

By comparison, neighboring Birmingham, Bingham Farms, Beverly Hills and Franklin have a 15-member panel that meets once a month.

Booth Communications, incidentally, is cable provider for the Bloomfield and Birmingham areas. Since 1983, Booth Communication has served the Bloomfield Hills.

But Continental U.S. West announced it was acquiring Booth as part of a merger affecting 40,000 subscribers, including Wright. Approval of the franchise transfer would have to be worked out between the new owner and the Bloomfield cable board.

"People think because of the sale when they turn on their TV Monday morning their operator is going to be Continental," Maynard said, "but it takes six months to a year for a transfer to go through."

Another impediment exists, though. The Bloomfield system

has no room to add channels. While other cable operators are changing to fiber optic wiring to increase channel capacity, Bloomfield has the initial coaxial cable installed in the early 1980s and doesn't nearly have the same channel capacity of fiber optic wiring.

"Because they've been up for a sale for a year, they haven't been interested too much in an upgrade," Maynard said.

Troy, in contrast, is bustling with fiber optic activity.

Troy has TCI — with Ameritech on its heels — vying for cable subscribers. Since Ameritech announced in April that it would offer service in Troy, TCI responded in kind.

The media giant started offering the Disney Channel as part of its expanded basic service and lowered rates. Chris Mason's cable bill is \$23.95 a month compared to \$28.02. "I noticed that, by the way," Mason said.

Some customers weren't too excited, though. A Troy official said, "Six months before, they (TCI) jacked up the rates by four bucks," said Roger Kowalski.

Ameritech's Ameriast is not expected to be available to all residents for another year.

Competition might not be the pie in the sky everyone thinks. Ameritech officials made a presentation before the Southwestern Oakland Cable Commission (SWOCC), but the arrival of a competing cable operator is only something to fantasize about.

"It would be better for awhile," said Farmington Hills Mayor Aldo Vagnozzi, who sits on the cable commission. "Knowing the industry, though, if they didn't make as much money as they expected, they'd merge."

recently licensed to provide local phone service in some southeast Michigan communities.

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Instead, according to Malone, TCI will focus on its core business, cable service.

"We were just chasing to many rabbits at the same time," he said, referring to plans for TCI to branch out to become a telecommunications giant. "The company got overly ambitious about the things it could do simultaneously."

While TCI's situation seems to support Baldwin's contention, another media giant is going in another direction, says Harry

Semerjian, vice president of planning at Ameritech in Detroit.

Some companies may be retrenching, Semerjian said, "But Ameritech is going head-to-head with incumbent cable providers."

In Troy, for example, the telephone giant — through its sister company Ameriast — is providing cable television in direct competition to incumbent provider, TCI.

Ameriast currently provides direct cable television service in 15 Michigan communities, Semerjian said, "and we're negotiating with numerous other communities."

"Ameritech is not backing off," he insisted. "If anything, we're getting more aggressive."

That's the future in telecommunications, Semerjian said, single companies offering a variety of services. "It will be so much easier for the consumer," he said, "when one company can provide phone service, cable television, Internet access, home security and other services."

OAKLAND COUNTY CABLE RATES

The major cable companies in Oakland County all offer a form of expanded cable service that appeals to a majority of subscribers. Usually this includes Detroit-area broadcast stations, public access/government channels, and the so-called "cable networks" (MTV, USA, TNT, ESPN, Comedy Central, QVC, etc.). Certain networks (Sci-Fi Channel, MSNBC, TV Land) may not be available to all services or communities. Additional fees apply for "premium" channels, including HBO, Showtime, PASS Sports and The Disney Channel.

The gray screens identify each company's expanded cable service, the monthly rate*, and major communities they serve, in Oakland County.

Limited & Expanded Basic Service

\$23.00

Beverly Hills, Bingham Farms, Birmingham, Bloomfield Hills, Bloomfield Twp, Franklin

Continental Cablevision

Basic and Cable Plus

\$28.02

Berkley, Clarkston, Clawson, Lake Orion, Rochester, Rochester Hills, Troy

TIME WARNER CABLE

Limited and Preferred Basic

\$26.99

Lake Angelus, Pontiac, Waterford Twp

Booth Communications

Broadcast Basic and Satellite Tier

\$23.55 to \$25.99

Southfield, West Bloomfield, Keego Harbor, Orchard Lake, Franklin, Lathrup Village

TCI

Broadcast Basic and Standard Cable Service

\$26.42

Farmington, Farmington Hills, Novi

COMCAST

* Rates listed are for regular monthly service, and do not include promotional discounts, franchise fees and taxes, which vary from community to community.

Sources: Booth Communications, Comcast, Continental Cablevision, TCI Cablevision of Oakland County, Time Warner Cable.

ILLUM HELTZER GRAPHIC

Cable TV, telephone companies eyeing each other's turf

BY PAT MURPHY
STAFF WRITER

Within a decade, some customers in Oakland County will be able to get television cable service — as well as other services, like a home security system — from a telephone company. Other households will be able to get phone service — as well as high-speed access to the Internet — from cable companies.

The major question: When.

State and federal regulators insist the changes will come about more quickly with minimal government interference. Deregulation is the watchword, regulators insist, thus leaving the market free to dictate service and price. Providers agree.

With all the emphasis on competition, it would seem that average customers have the advantage. However, that may not be the case. Many households feel powerless, even frustrated.

Ameritech is kicking off the

competitive drive for cable dollars, starting in Troy. Continental Cablevision is preparing to offer Internet access in Southfield. But a resident in Franklin still says basic service is not available.

Some customers, aware of what the industry can provide, are frustrated because change and progress aren't coming fast enough, according to Bill Black, corporate affairs director at Continental Cablevision in Southfield.

"Customers who know about the state and federal telecommunications acts are aware government agencies are promoting competition," he said. "But that competition — with all its promises — isn't going fast enough, he said."

Jean Ann DeWalt, a Franklin Village trustee, said some of the frustration is rooted in what many customers see as arrogance on the part of cable companies. That conviction, she said, is based on personal experiences as well as an admittedly unscientific survey

the village conducted last year. Booth Communications serves Franklin Village residents.

"We didn't realize there was such frustration out there," said DeWalt, who considered the survey results as eye-opening. "Booth (based in Birmingham) certainly wasn't telling us."

Steve Dewey, assistant general manager for Booth, disagreed with DeWalt's interpretation. "I won't comment on the survey," he said, "but if you look at the numbers, they're inconclusive."

The entire industry has problems that need addressing, according to Thomas F. Baldwin, professor of telecommunications at Michigan State University, who has written several books on telecommunications.

Informal surveys indicate some customers are concerned about price and frustrated because they don't have much choice, said Baldwin. "Customer loyalty isn't very deep," he said.

But the telecommunications companies have bigger problems, Baldwin said. "Being part of the information superhighway requires a higher level of technology," he said. "They need money to upgrade equipment and keep pace with the competition."

Baldwin believes a much-needed competition between telephone companies and cable companies — with each intruding on the other's turf — is not going to come about as rapidly as expected, at least for the near future.

The big reason, he said, is competition from related fields.

AT&T is critical of Ameritech for attempting to branch out into the long-distance phone service.

AT&T advertising suggests the public would be better served if Ameritech had more competition for local phone service. AT&T doesn't specify where that competition should come from, but lists competitors at the end of the ad.

From cable companies like Continental,

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THE TECHNOLOGY OF CABLE TELEVISION

The basic structure of a cable system is a simple one. There are five major parts to a cable system:

- The headend.
- The trunk cable.
- The distribution (or feeder) cable in the neighborhood.
- The drop cable to the home and house wiring.
- The terminal equipment (consumer electronics).

THE HEADEND

Signals from various sources (including broadcast transmissions, satellite delivered programming, and local television productions) are received and processed at the headend.

Television signals are electromagnetic impulses or waves that take up space in the frequency spectrum.

They require some medium through

to travel, or propagate. Broadcast television transmissions travel through the air at various frequencies, or television signals can travel through metal wires such as coaxial cable. Each television signal travels on a different frequency inside the cable, and so coaxial cable acts as a self-contained spectrum — and thereby endures households that cannot receive over the air transmissions to receive television. The cable operator receives a variety of different programs from satellite and broadcast signals, and re-transmits those signals through coaxial cable and/or optical fiber to customers' homes.

"TRUNK," FEEDER AND "DROP" CABLES

Generally, a large "trunk" cable carries the signals down through the center of the neighborhood.

Smaller diameter "feeder" cables connect to the trunk cable and branch off to local neighborhoods.

When a customer purchases cable services, the cable operator runs a smaller "drop" cable from the feeder cable

directly into the customer's home, where it is attached to the television set. This system design, or "architecture," is known as a "tree and branch" design.

THE END OF THE LINE

TCIs and VCRs have built in tuners which allow switching frequencies (changing channels) across the broadcast spectrum. Older equipment may not have the cable channels of interest because

they are not "cable compatible." For these, a converter is required, placed between the cable and the TV tuner. For "cable-ready" equipment, a converter may still be desirable for certain premium channels and pay-per-view programming.

ILLUM HELTZER GRAPHIC

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