

The 2007 conference program was one of the best and the entire conference experience was excellent. I attend both as an executive director and as a vendor for our software product Facil which now has an installed base of over 200 centers. We have just launched a new product called *Facil Web Interface* which our IT consultant and former employee Zack Williams is going to install for up to 4 centers a month under our current IT contract with him. This is the interface which allows data from the database to be automatically ported to a website. If you look at our own website at www.accesstucson.org you will see how this works if you search the program guide or classes we offer. Our software partner, Dave Becker from Becker Software was at the ACM conference in our booth and reports a lot of interest in the web interface. We are starting to receive orders. We have revenue potential of about \$48,000 per year on this product. In addition, I am thrilled to report that a long standoff between Becker Software and Leightronix (the leading manufacturer of PEG playback automation equipment and servers) was settled and Leightronix will soon announce that their products will be compatible with Facil. This is a very important development and could lead to many new Facil sales.

As the other attendees have likely reported, there is a huge buzz, tension, controversy and interest in what is being called *Community Media 2.0*, the integration of Internet distribution and services. My view of this is that the debate is healthy and meanwhile we are all making progress implementing the new strategies and technology. I look forward to our own discussions of this but can now report that we have adopted a plan to move forward quickly implementing several 2.0 concepts including making content available from our website for viewing online, on iPhones and other wireless devices, and in full resolution downloaded to TVs. More details will follow but this will be achieved in months, not years and in addition we will soon announce new workflow procedures so that producers can submit programs in new ways (such as DVDs and digital files) and also tapeless from the studios. We are very excited about these new 2.0 services. There are a few minor technical and legal issues to work out but we are on our way. We have acquired a new 24 terabyte server and are discussing how quickly we will be able to upgrade our Internet bandwidth by hooking up to the City's I-Net. These are exciting times both for all of PEG and for Access Tucson. As far as Cable On Demand, the new contract with Cox which will give us 1,000 or more hours on their system which we expect to be operational in about a year is one of the best deals so far in PEG and we are very excited about this. Contrary to what people may say, TV is not going away any time soon and cable will continue to be our most important method of content delivery for years.

I moderated a panel on HDTV with two engineers and it was an excellent session. I learned a lot including the fact that there is no actual HDTV standard in this country. This makes for very difficult equipment path decisions. I also talked about how Glendale, AZ is upgrading their government channel to HD at a cost of over \$4 million but they have no prospects at this time for cablecasting HD on their Cox channel there.

Another panel on copyright left more questions unanswered than answered and created significant concern about whether our current streaming of our TV channels and future web content delivery can be handled legally the same as PEG channel delivery. The short answer is that it is a very different scheme and the legal issues, particularly copyright, must be considered. This is a discussion that is ongoing but which we need to engage in with our own advisors.

At the Alliance for Communications Democracy annual meeting most of the discussion was about legal issues with phone companies (Verizon and AT&T) coming into communities to compete with cable. We do not face that here now but will certainly in the future.

Again, this is an exciting time for us and we are engaging in planning at an opportune moment.

Sam