

Cable-TV deal reported to be in the works

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A deal is reportedly in the works that would provide the city of Santa Cruz and much of the unincorporated area of the county with a new cable-television operator.

City and county officials have long sought a new cable operator which would provide improved service to the 39,000 customers in Santa Cruz County. The new deal may provide hope of such improved service. (The cities of Watsonville and Capitola would not be affected since they are served by Sonic Cable TV.)

A well-placed source who asked not to be named said yesterday that a local group led by Mark Van Louchs, in affiliation with a company called United Cable, has offered to buy out both Greater Santa Cruz Cable TV Associates and TCI, the controlling partner in the consortium which currently operates the system.

The current Santa Cruz County cable picture is highly confused. In 1983, the city and county, charging poor quality service, and intent on exercising control over rates, decided to ditch Group W, which had run the cable system for more than 20 years. The city and county decided to award the franchise to Greater Santa Cruz Associates, a group composed of local businessmen, including Watsonville beer distributor George Couch, restaurateur Manuel Santana, bookstore owner Neal Coonerty and Van Louchs. They planned to link up with the cable system serving San Jose. But Group W sued the city and county, saying they

had no right to deny Group W the franchise.

In the midst of the lawsuit, which has dragged on for six years now, Group W sold out its interests in the Santa Cruz area to a consortium including TCI, a company which operates several cable systems across the United States. Also during those years, state and federal laws took away the power of local communities to control cable-TV rates.

Even though TCI is operating the system, Greater Santa Cruz Associates still holds the franchise for it.

The reported new deal has Van Louchs, who earlier broke with Greater Santa Cruz Associates, and United Cable (another multisystem operator) first buying the franchise from Greater Santa Cruz Cable TV Associates. Then the United group will offer to buy out TCI, thus reuniting the franchise and the equipment to operate it.

Coonerty, one of the partners in Greater Santa Cruz Associates, said yesterday, "I can't confirm one way or another" whether the buy out of his group would occur.

Couch did not return the Register-Pajaronian's phone calls.

Santa Cruz City Councilman Mike Rotkin, self-proclaimed "media czar" for the city, said such a buy-out deal, if it occurs, might mean the city and county could negotiate a contract demanding improvements for the cable system, which serves 39,000 customers.

Santa Cruz County is one of the most lucrative cable-televi-

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sentence him to more than

CABLE

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sion markets in the country, Rotkin said, because in order for residents to receive more than one or two channels, they must subscribe to the cable. About 90 percent of the residences in the county that can hook up to cable do so. In Los Angeles County, cable-TV subscribers amount to only 15 percent of the residents, Rotkin said, because TV owners there can tune in many channels over the air.

If Greater Santa Cruz Associates had succeeded in taking over operation of the system, Rotkin said, the city and the county would have had a "really tight" contract with them, one that contained stiff penalties for failure to maintain and extend cable lines to parts of the county that are not currently served.

Despite the high percentage of residents who subscribe to cable TV, Santa Cruz County has one of the worst systems in the country, Rotkin said, with poorly maintained lines and a relatively small channel selection.

Rotkin said Santa Cruz County deserves a cable operator that provides "bells and whistles and stuff."

A buy out that resulted in the kind of contract the city and county want could bring an end to the long-running legal dispute, Rotkin said.

That suit, over the last six years, has cost the county alone \$458,000, said County Auditor Gary Knutson. The city has kicked in another \$200,000 or so, according to City Manager Dick Wilson.

Rotkin said the money was well spent, despite the fact that the city and county have lost the case at every turn.

Santa Cruz has scared the cable-television industry, which has pretty much had its way in whatever areas it serves, Rotkin said.

"We're notorious in the industry. They're embarrassed about what they've done to us," Rotkin said. "On the other hand, they think we're crazy that we won't give up."

Rotkin said Congress should intervene in the laws governing cable TV and make it easier for local governments to dump companies that are providing shoddy service.