

# Sale of Group W Cable complicates cable dispute

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People concerned with the quality of cable-TV service in the city of Santa Cruz and much of the unincorporated area of the county are asking an important question: Does the sale of Group W Cable void the company's application to renew its franchises with the city and county?

City councilmembers and county supervisors will study that question at a joint public hearing on Tuesday, July 15.

The question is important because the city and county, displeased with Group W service, are attempting to award exclusive cable franchises through a competitive bidding process.

Group W, one of four applicants vying for the franchise, claims it has a First Amendment right to continue operat-

ing in the county even without the franchise, and a contractual right to renew its franchise with the city.

The recent sale of Group W, however, may significantly alter this dispute. Though the city and county have not been formally notified, it appears Westinghouse Corp. has sold Group W to a consortium of buyers and transferred control of its Santa Cruz cable system to Century Southwest Cable Television Inc., County Administrative Officer George Newell said.

These events might invalidate Group W's application to renew its franchise or might even be a breach of the company's existing franchise, Newell said. The sale and restructuring of the company might also cripple the company's ability to comply with the terms of its application to renew the franchise, he

said.

The points Newell has raised refer to the 1984 federal Cable Act. Group W lawyers have repeatedly cited the act during their testimony before the City Council and county Board of Supervisors. They have claimed the act guarantees Group W the right to continue operating in the county.

The act lists four criteria, which, if met, allow a company to automatically renew its cable franchise. The criteria include complying with the terms of the existing franchise contract and having the ability to carry out the franchise-renewal contract.

Group W lawyers have argued that the company meets all the criteria for automatic renewal. The council members and supervisors will test this claim against the new issues raised by the sale of Group W.