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Board opens bidding process for new cable TV franchise

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SANTA CRUZ - In an action that's expected to be mirrored tonight by the Santa Cruz City Council, the county Board of Supervisors today opened up the competitive bidding process for the new cable TV franchise.

The county today formally ended a year of what they consider "frustrating negotiations" with Group W Cable Co. which owns the current franchise.

The county and city had been hoping to renew with the Westinghouse Broadcasting subsidiary, as the current franchise expires in July 1986. It will take about two years for a new, state-of-the-art cable system to be installed.

The Santa Cruz market is considered extremely lucrative because of a projected 90 percent "penetration rate," which is the number of households expected to sign up for the system.

By virtue of its location, sandwiched between the Pacific Ocean on one side and the Santa Cruz Mountains on the other, this area receives poor airwave TV reception.

Because of these considerations, the county and city have requested certain safeguards be built into the contract to protect the consumer from rate gouging.

The so-called "Request for Proposal" suggests a limited partnership between the governments and the company that becomes involved. It passed 4-1, with Supervisor E. Wayne Moore casting the lone dissenting vote.

Moore said he could not support the limited partnership on principle because it's "an invitation for government ownership."

Assistant County Administrator Pat Busch said, that at this time, the county has no right to limit rates. This is because of the new state deregulation laws, which take away the county's regulatory authority.

Moore kept pushing the point that he could not support any kind of government partnership and would not endorse that provision being included in the RFP that goes out to bid.

Supervisor Gary Patton shot back, "You don't even have any constituents that will be affected by this, so what do you care whether the rates are \$16 a month or higher?"

Patton said the county and city are trying to get a legally binding document signed by the companies that choose to participate.

There's a provision in the RFP for those firms that are interested in the franchise to disregard any proposal they don't like — such as the limited partnership — and come up with their own plan.

"I continue to have deep reservations over a partnership operation," said Moore. "But that's a better alternative to having government take over the entire operation, which is the direction we're heading now."

"It sure is," said Patton.

Later, Patton said the direction of government takeover may be his own personal preference, but being practical, "I know the Gary Patton pie-in-the-sky motion to take over cable won't pass."

It just isn't supported in the community, he said, and therefore is not practical.

He said the comment made by another supervisors that Moore's "principled argument" was really a red herring was apt.

Moore also questioned why the county was going through the RFP path, instead of opening it up to bid. He said he felt it restricted the free marketplace.

But Busch countered, "We're only trying to get proposals that are sincere and are binding ... which can be presented to the board for consideration."

And Patton said the county must ask for binding contracts, or else it won't find out until too late again that there's "more chaff than wheat" in the RFPs. It was the non-binding negotiations with Group W which led to the long delay, he said.

An emotional Moore pressed on, saying it was a matter of principle. And he levelled a veiled threat that he would be willing to file a lawsuit over the proposal.

Chairwoman Robley Levy countered, "The argument you are proposing now has a lot of rhetorical attractiveness, but what I'm concerned with is providing a good cable system to the residents who live in my district."

She said the present system is not adequate, that too many complaints have been registered about poor service and that not enough channels are available.

The county grand jury noted that no new channels have been added to the present system since 1976, when "Showtime" was added.

The grand jury suggested the county and city present RFPs to prospective cable companies, as the county supervisors adopted today.

Supervisor Dan Forbus said, "I have an analogy that this is not different from a contractor ... coming in here with a bid bond on a binding bid."

Forbus noted that on Page four of the RFP, the city and county firmly state their position on the limited partnership, that neither is wedded to that proposal, but each prefers it.