

Ruling won't end cable TV battle

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The battle for control over local cable television service is likely to continue, despite a recent court ruling prohibiting the city and county of Santa Cruz from granting an exclusive cable television franchise.

U.S. District Court Judge William Schwarzer ordered city and county officials to renew its cable television franchise with Group W Cable Inc., even though the city and county granted an exclusive franchise to Greater Santa Cruz Cable TV Associates last year.

Schwarzer found that by awarding an exclusive franchise to the associates, the city and county had violated Group W's first amendment rights.

The Friday ruling was consistent with the statements the judge made at a hearing last spring, when he indicated he'd rule in favor of Group W.

The ruling comes in response to a Group W suit against the city and county over an attempt to grant an exclusive franchise. Group W filed the suit in 1984 after the city and county requested bids for the franchise.

Of the four companies competing for the lucrative market, Greater Santa Cruz Cable TV Associates ranked first and Group W as the least desirable.

"It's totally not surprising," said Santa Cruz City Council member Mike Rotkin said of Schwarzer's decision. "It's not even disappointing."

Rotkin said he did not believe the decision would shake the City Council's commitment to improving local cable television service. He said he believed the next step by the city and county would be to appeal Schwarzer's decision.

Schwarzer's decision did not clear up two important legal questions surrounding the regulation of cable television,

Rotkin said.

The question, Rotkin said, is "to what extent is cable TV like a newspaper?"

City and county officials have argued that economic and physical limitations of the local marketplace make it impossible for more than one cable television company to operate profitably.

Judge Schwarzer did not resolve either key question in his opinion, Rotkin said.

If the City Council and county Board of Supervisors agree to carry on the legal battle, members of a group of private investors called the Greater Santa Cruz Cable TV Associates will have to decide if they're in for the fight.

The associates won the exclusive franchise from the city and county through competitive bidding in 1986.

"Our decision will be part legal and part pocketbook," said Neal Coonerty, owner of Bookshop Santa Cruz and a member of the associates.

The group is scheduled to meet next Monday to decide what steps to take.

Up to now, the group has taken a two-pronged approach to keeping its exclusive franchise. It's tried to buy the cable system. It's footed a share of the city's and county's legal bills and has pledged \$200,000 so far to the litigation.

The group needs to decide whether to make another purchase offer and how much it's willing to pay in legal fees, Coonerty said.

Meanwhile, the new owners of Group W, operating under the name Santa Cruz Cable, have announced plans to proceed with a \$7 million improvement of the system.