

# Better days ahead for cable-TV customers

Cable T.O.  
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The company that operates the cable-television system in Santa Cruz County once owned by Group W announced it will upgrade the system over the next two years and raise rates to cover costs.

Barry Marshall, a vice president of TCI West Inc., based in Bellevue, Wash., said the company will spend upwards of \$8 million to rewire the part of the system that serves unincorporated areas of Santa Cruz County, making it capable of

carrying 54 channels. When finished, the system will offer customers 35 to 40 channels — "all stuff of quality," Marshall asserted.

Some 125 miles of cable will be extended into areas previously not served, he said.

Rates will jump to \$14 a month for the expanded basic service from the \$7.14 now charged county residents, he said. So-called premium channels such as Showtime, HBO and the Disney Channel will cost extra.

There will be no extra charge for more than one outlet in a

home.

The system serving the unincorporated parts of the county is one of the last 12-channel systems around.

Viewers in the city of Santa Cruz, where the system already carries more than just broadcast channels, will begin paying \$11.95 for expanded basic service in July, he said. Marshall defended the rates as being comparable to neighboring cable systems.

Santa Cruz viewers previously paid \$7.03 for basic channels and \$5.95 extra for a package of cable channels such

as CNN, ESPN and MTV. All subscribers will have to pay \$11.95.

Marshall said the changes mean some bills will go up, others will fall.

Marshall and local TCI officials called a press conference yesterday for their announcement. He said an advertising campaign will begin soon to tout the changes.

Marshall did not want to talk much about a lawsuit by Group W against the city and county of Santa Cruz, currently in federal court. But he said the company decided to upgrade

the system despite the pending litigation.

"There is no particular reason customers have to wait for the process to run its course," he said.

TCI has taken over the suit, which seeks to block the city and county from awarding an exclusive franchise for cable-television service to a local group of investors called Greater Santa Cruz Television Associates. Local governments formerly had the authority to grant a franchise, and when the current one was up last year the local group won out.

Group W sued before the making of the award, contending it had a right to stay under terms of the federal 1984 cable television act.

A member of the Associates group indicated it will continue to press its case to run the local cable system.

"It's brand-new news," Santa Cruz business owner Neal Coonerty said. "We're happy Santa Cruz will get a better system. They've deserved one for a long time."

But Coonerty added: "We're still the franchisee and plan to See CABLE page 2 ▶"

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provide Santa Cruz with a first-class system."

The Associates group, which includes George Couch, Jack Baskin and George Ow, has had some preliminary talks with TCI about buying the system, Coonerty said.

The upgrading will begin in the fall, according to Marshall.

TCI is one of three cable companies that acquired Group W's stock. The company oper-

ates eight other systems in the San Francisco Bay Area, with about 100,000 customers, said Joe Haber, the TCI state manager. Santa Cruz will add 39,000 customers to its stable, interim local general manager Ken Humbert said.

TCI officials said they believe Santa Cruz County is a ripe market, in large part because of poor through-the-air television reception. Currently, 70 percent of households are cable subscribers, a high percent for the industry.

Because of the restrictive market, Marshall said, the company could raise its rates further, but won't do so.

"We could probably charge as much as we want and probably get it," he said.