

# <sup>Cable</sup> Fuzzy reception in Watsonville



Dan Coyro/Sentinel

Cable TV Committee member John Burdick says Sonic is not cooperating enough with the city.

## Viewers, city say Sonic Cable is offering too much static

By GREG BEEBE  
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WATSONVILLE — The city wants improved cable TV service, but it's getting a fuzzy reception from Sonic Cable officials.

Efforts to get Sacramento-based Sonic to upgrade its system, add channels and offer public-access TV — are progressing slowly, if at all.

Watsonville's franchise agreement with Sonic Cable, which expires in the year 2003, came up for its five-year re-evaluation this year, and three recent public hearings yielded a litany of customer complaints, including:

- Poor picture quality on some channels;
- Higher basic rates and fewer chan-

nels in comparison with TCI Cablevision in the city and county of Santa Cruz;

- Substandard repair service, and a lack of Spanish-speaking customer service representatives;

- Interruptions in service, especially during the winter months;

- No public access, educational and government, or PEG, community TV;

- Questionable billing practices.

In addition, a recent audit of franchise fees — Sonic is required to pay 4 percent of its gross revenues to the city — showed the company short-changed Watsonville more than \$10,000 over a two-year period, according to Assistant City Manager Gary Smith, a member of the city's Cable TV Committee.

But even though the city has come to the bargaining table armed with consumer grievances and what it says is a glaring audit sheet, efforts to get better service from Sonic are virtually stuck in a test pattern.

"The negotiations are going terribly," said City Councilman Parr Eves.

### A binding contract

Sonic serves an estimated 16,000 customers in Capitola, Watsonville and a small portion of south county's unincorporated area.

John Burdick, a member of the city's Cable TV Committee and a teacher at Watsonville High School's Video Academy, said, "Service could be better and



# Sonic Cable

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we don't feel we're getting the cooperation we need from Sonic.

"They've fairly ignored most of the requests that we gave to them, based on our public hearings," he added.

"That's kind of a general statement to make," said John Adams, regional general manager for Sonic Cable. "It's a pretty subjective thing. ... We've got a contract that's good for another 10 years and the city agreed to the contract on those terms. ...

"Based on our record, that's not true. The record speaks for itself."

Watsonville and Capitola are petitioning the FCC, under the Cable TV Act of 1992, for new powers as the local regulating agency for Sonic Cable. There is talk of some sort of unified action, even a lawsuit, against Sonic by the estimated 30 California cities and communities statewide served by company.

"It may come down to that," said Bob Hanna, chairman of the city's Cable TV Committee.

"There would be absolutely no basis for anyone to challenge our franchise in any of our (service) areas," said Adams. "We have our problems that we try to take care of, but overall we're a very good operator."

Sonic didn't always get such a poor marks from government officials and customers. When it began cable service here in 1977, it was hailed by consumers and city officials as the area's best.

In fact, some TV viewers actually moved into Sonic's service area to dip into the first wave of music television, pay-per-view sports and entertainment events and premium movie channels, said Capitola City Manager Steve Burrell.

Today, Burrell said he receives between 10-15 complaints a week from dissatisfied Sonic viewers. In fact, before he agreed last week to take the city manager's job in Hermosa Beach, Burrell checked to make sure Sonic didn't have the cable franchise there. (It didn't).

## Tale of two networks

"Watsonville is driving a model-A and Santa Cruz is driving a Cadillac

when not broadcasting movies and special events. Three more basic channels — E!, the Travel Channel and the Home Shopping Network — appear in the place of channels blacked out during prime time by FCC regulations.

TCI is the largest cable operator in the country, with an estimated 6 million subscribers. By comparison, the privately held Sonic is more akin to a "mom-and-pop" system, Adams said. The company has roughly 100,000 subscribers in California and Utah, less than the total number of cable TV customers in San Jose alone.

"When you talk about rates and service and compare us to the other cable companies in the area our rates are average and our service is at least as good," said Adams.

There is nothing "inherent" in Sonic's system that is causing picture quality to suffer, said Adams.

"What happened was Sonic stood still and Santa Cruz moved ahead," said Hanna, a former network TV executive and cable system operator. "Simply, the Watsonville system is 10-15 years old and it hasn't been upgraded since it was installed. TCI has a real state-of-the-art system."

Because of outdated equipment, Sonic's carrying capacity has reached its maximum, and customers are complaining, said Pat Busch, a county analyst who negotiated the contract with TCI.

"They have some serious problems with the system, the system is old," said Busch. "That breeds a lot of subscriber dissatisfaction."

Adams said the meat-and-potato offerings of TCI and Sonic are quite similar.

"We have ESPN, they have ESPN. We have MTV, they have MTV. ... If you look at the value of the service, the quality of the service, it's very, very similar. People say, gee, they have 60 channels. But what people neglect to do is look at what's in those 60 channels. People look at quantity and not quality," said Adams.

Sonic Cable customer Kathy Arnold of Watsonville, who has viewed other cable offerings in San Jose and Santa Cruz, said there isn't any question Sonic is trailing the field.

shopping channel," she said.

Only one of the new stations, KTSF, was requested by the city as a result of public testimony, said Burdick. He accused Sonic of making the additions as part of an unannounced 11th-hour bid to make its roster look more attractive before a Sept. 1 rate hike.

"If people in the Sonic service area want additional channels, they need to write in and tell the us what they are interested in," said Adams.

The company, Adams said, is doing the best it can to reduce service interruptions.

"If the commercial power goes out somewhere in the service area, the cable goes out everywhere," Adams said.

"We do have a back-up system that lasts about an hour, but if the power doesn't come back on after that, the cable is out. ...

Sonic, said Adams, recently spent \$100,000 to improve its system. "This winter will be an entirely different story," he said.

Since the carrying capacity of the Sonic's system is "maxxed out," Smith said the city wants Sonic to upgrade it.

"(But) a whole rebuild of their system could cost hundreds and hundreds of thousands of dollars, and they're reluctant to make that kind of jump," he said.

An upgrade, or rewiring of Sonic's system, would cost as much as \$5 million, said Adams. "And quite frankly with the new cable rate regulations, a lot of operators' thoughts about upgrades and those kind of huge capital investments came to a screeching halt."

## Help is far off

According to industry standards, each subscriber is worth between \$2,000-\$3,000 to a cable company, said Hanna. That makes Sonic's Watsonville, Capitola and county coverage worth an estimated \$40 million.

New technology, not a massive infusion of cash, may hold the best chance for increased Sonic service, said Adams said.

"There are some exciting breakthroughs that might be happening with digital compression in the next couple of years. Digital com-

its customer service, including offering Spanish-speaking customer service representatives and phone mail, said Smith. The company is also phasing out its practice of requiring customers to pay two months of billings in advance after the city complained.

But there is still the issue of public access. Committee members, after being told by Sonic that the company doesn't have the necessary equipment to provide a schools-government TV link, were surprised to see the recent "Sports and Arts Telethon," broadcast by TCI, show up in Watsonville homes.

"Officially, there is no interlink," said Burdick. "But unofficially ..."

"We've been talking to the city about public access at the renegotiation meetings," said Adams. "We need them to present a detailed plan to work from. It's been our experience that public access television is very expensive to produce and it puts people to sleep."

Watsonville and Capitola are not the only cities frustrated with Sonic, according to members of the cable TV committee.

"We haven't made a lot of progress, either," said Debbi Hossli, an analyst for the city manager's office in San Luis Obispo, where Sonic's contract is up for renegotiation.

Adams describes Sonic's relationship with other cities as good, although "people join committees and sometimes they have to justify their existence. ... We get a lot of good feedback from various committees but there are a few that just have it out for the cable company."

Hanna likens the cable TV talks to a video card game, with the city losing, at least for now.

"I guess you could call it a game of poker and I guess (Sonic) has a higher hole card for a while," said Hanna.

"They've got much better financial resources to fight this thing than the city does," said Hanna.

And when it comes right down to it, the options are limited, said Smith.

"I'm not willing to say that it's time to put on the boxing gloves

## Cable comparisons

### BASIC SERVICE:

TCI: 51 channels for \$18.14 a month

Sonic: 33 channels for \$21.76 a month

### OTHER SERVICES:

TCI: Five premium channels, 6 pay per view channels, public access system (in 1994)

Sonic: Four premium channels, 1 pay per view channel

### CUSTOMERS:

TCI: 49,000

Sonic: 16,000

### BENEFITS TO LOCAL GOVERNMENT:

TCI: 5 percent of gross revenues to county

Sonic: 4 percent of gross revenues to Watsonville

### FRANCHISE HISTORY:

TCI: 1991, when TCI bought UA (franchise first awarded in 1984, taken over by UA in 1989)

Sonic: 1977, when it bought Central California Communications.

### IMPROVEMENTS:

TCI: \$20 million upgrade

Sonic: \$100,000 in improvements

### CONTRACTS:

TCI: Expires in 2013

Sonic: Expires in 2003 in Watsonville and 2000 in Capitola

Chris Carothers/Sentinel



## Tale of two networks

"Watsonville is driving a model-A and Santa Cruz is driving a Cadillac, as far as cable is concerned," said Hanna.

"They were the state of the art when they first started and it was the cable network in the Santa Cruz area that had to be doing some catching up," said Smith. "Now everybody here wants to compare Sonic's service to what they have in north county (with TCI)."

Denver-based TCI, one of the industry leaders, offers a converter box and 51 channels of basic TV service for \$18.14. In addition, TCI has five premium channels such as HBO, six pay-per-view channels and is working with government and education officials to establish a public access system that could be on-line next year.

According to a Sept. 1 rate card, Sonic offers 35 basic cable channels and a converter box for \$21.76. Sonic also has four premium channels and one pay-per-view channel, which doubles as a news station

nold of Watsonville, who has viewed other cable offerings in San Jose and Santa Cruz, said there isn't any question Sonic is trailing the field.

"It's really poor service," she said. The "standard joke" during the winter — when in past years Sonic has experienced occasional trouble staying on the air — is "somebody hit a power pole. ..."

"There's kind of a pattern where it goes down in the winter and you don't know why," Arnold said. "(Sonic) doesn't have to worry about competing so they just do what they want to. ... If you're in a monopoly, you can pretty well play your own song and that's what they do."

Burdick complained that some of the new channels can be picked up only by cable-ready TVs with 99-channel capacity or more. And recent additions to the Sonic lineup — including Asian TV network KTSF and a second shopping channel — were done at the expense of its FM radio service, he said.

Arnold said the increase in channels looks better on paper than it does on TV.

"Just what we need, another

said Adams said.

"There are some exciting breakthroughs that might be happening with digital compression in the next couple of years. Digital compression fits four to eight channels into the space of one channel in the already existing equipment," he said.

"Of course, the technology will have to be tested and the process evaluated. There is some question about the compatibility of our equipment as it stands now," Adams said.

City officials have had more success convincing Sonic to improve

And when it comes right down to it, the options are limited, said Smith.

"I'm not willing to say that it's time to put on the boxing gloves and fight it out in court," said Smith. "To kick them out, the judge would have to rule that they're providing such substandard service that they don't have a right to keep what they've invested."

Said Burrell, "We don't really have as much latitude as people would like us to have."

*Sentinel correspondent Tina Clifford contributed to this report.*