

Critic Scorns Cable Plan

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Three years ago, it looked like local television was on the brink of revolutionary change. As three cable companies bartered for the city and county of Santa Cruz's exclusive cable TV franchise award—an award that would allow them to be the only cable operators in town—the wind carried word of public access to television production, video programming and a responsive, multichannel apparatus to implement innovative improvements in cable TV.

This week, the Santa Cruz City Council signed into law its now one-month-old emergency ordinance approving a contract with yet a fourth cable operator—United Cable TV. This contract is only a piece of paper until United Cable can buy Santa Cruz's existing cable system from its current operator. Meanwhile, critics charge Santa Cruz cable subscribers are still eons away from the revolutionary TV apparatus they once expected.

The city and county's detailed agreement with United Cable TV and its cable maverick owner Mark Van Loucks replaces the municipalities' now-defunct contract with the victors of the heated franchise battle back in 1985, a group of local entrepreneurs dubbed Greater Santa Cruz Cable TV Associates (GSC). One critic, an activist in the National Federation of Cable Programmers and a member of the former Santa Cruz Cable Co-op—a losing bidder in the 1985 franchise process—contends that the latest agreement differs so widely from the city's original deal that the bidding process may as well begin all over again. "When I compare the two agreements I say they sold public access down the river," charged Tom Karwin, publisher of *California CableLetter*.

The original franchise was awarded after a year-long period of heated bidding, extensive public comment and lengthy tribulations among mem-

bers of the city council and county board of supervisors. In contrast, at their public meeting this May 24, the council and board of supervisors signed their pending agreement based on almost no public input and no bidding among other companies.

The United Cable agreement compares closely to the original contract in the areas of customer service, system upgrade, expansion of service areas and local origination programming along the lines of KRUZ TV. But on at least two counts—community participation and rate protection—the contracts are worlds apart. The agreement with United Cable calls for:

- In the realm of **Public Access**, United Cable must provide as many as four studios with guaranteed access for educational, governmental and public usage of all sorts. Although the contract is unclear in this regard, United Cable will manage the studios and the public will be allowed entry

during a prespecified 42 hours a week. In the original contract with GSC, the public was assured five public access studios managed by an independent, Cable Usage Corporation. The studios would have been on neutral ground and been run as an operation entirely separate from the cable company's. This contract also would have required the original franchisee, GSC, to spend over \$300,000 in facilities for the studios and over \$12 million for operations and service. United Cable must now put a comparable \$685,000 toward equipment but has no obligation to operations or service. "For them to charge \$100 an hour to use a studio would be completely within this agreement," elaborated Karwin.

- **Rate Protection** under United Cable is tied to the market rate of cable TV in the San Francisco Bay Area. The company will not be allowed to raise the rates until they complete an upgrade of the existing

cable system; rate hikes thereafter cannot exceed prices in San Francisco. Because the Santa Cruz mountains block most broadcast TV signals, a Santa Cruz cable company faces no real competition from basic TV programming and can charge monopoly rates if no contracts are in place, the argument goes. Tying the rates to San Francisco pricing will keep the operator from charging according to a monopoly marketplace, elaborated the city and county's lawyer Bill Marticorena at the boards' May 24 meeting. However, under the original agreement a complex rate structure tied the price of cable to the costs of operation rather than to a broad range of markets. "[The final agreement] just means we're assured that we're going to be gouged as much as anybody else....that is *not* rate protection," said Karwin. ●