

Cable rate hike may be illegal

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Rate hikes of more than 60 percent for Sonic Cable Television service in about a year may be illegal because Sonic failed to hold public hearings before raising rates, Capitola and Watsonville city council members said today.

Sonic delivers programming to more than 6,500 Watsonville-area customers, 3,400 Capitola customers, and about 4,000 customers in unincorporated parts of the county. Since December of 1984 when the federal government deregulated the cable industry, Sonic has risen its basic service rate from \$8.95 to \$13.95.

Watsonville City Councilwoman Betty Murphy questioned the legality of the rate hikes because of a contract between the city and Sonic signed in 1983.

She said in an interview that her recollection of the agreement between Watsonville and Sonic is that Sonic would be required to hold public hearings before changing the rates.

"One of the reasons I got concerned," she said, "is that I voted for the contract only because we had some control over the rates."

Murphy said she plans to bring up the subject tonight at the Watsonville City Council meeting.

In Capitola, City Council member Jerry Clarke said he formed his opinion after talking with City Attorney Richard Manning.

For a cable operator to be able to take advantage of federal deregulation, which took place in December, 1984, officials said the cable operator would have to petition the state for deregulation. If they didn't do that, they would have to hold public hearings on the rate increases.

"Since they (Sonic) did not petition the state and they did not hold public hearings," Clarke said, "I consider the rate hikes to be illegal. I think they should roll back their rates to \$8.95 — what they were before the federal deregulation — and give people credit for what they were overcharged."

Two weeks ago, after the latest increase, Clarke sug-

gested a boycott of Sonic service. He began collecting letters from people who wanted their service disconnected in protest of the hikes.

"The response has been phenomenal," Clarke said. "Most of the people sat down and wrote long letters. Many of them said it was totally unfair and they couldn't afford it."

Clarke said one person from Watsonville wrote his letter on the back of a can label, and another wrote a letter on a paper towel.

"These people just can't afford the increase," he said. "In Capitola, I had one person on a fixed income tell me he would have to cancel his newspaper subscription in order to pay for cable."

He received about 60 letters, and many more people contacted him and said they empathized but could not join the boycott because of possible reconnection fees.

Clarke said he plans to forward the Watsonville letters to Murphy, although Murphy said she would investigate means other than a boycott to get Sonic to reduce its rates.

Sonic general manager Les Johnson said he would not roll back charges unless told to do so by the company's owner or lawyers.

"We charge what we do because we think it is the correct amount," he said.

The increases were made, he said, with the advice of company lawyers. "I suggest Mr. Clarke talk to one of our lawyers," he said.

Robert Schiebelhut, a lawyer for Sonic, said, "It is our position that the rate hikes are in compliance with the regulations."

REFERENCE