

CF CABLE TV RP 5/19/88

Cable deal all but signed

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The end is apparently in sight in the six-year legal battle against the operators of Santa Cruz Cable TV waged by the city and county of Santa Cruz.

A settlement will reportedly be signed Tuesday at a joint closed session of the city and county.

"No papers are finalized," said Santa Cruz Mayor John Laird, but he did not deny that a contract had been prepared.

"As soon as we have the documents, we'll distribute them," said City Manager Dick Wilson.

The settlement, as reported May 4 in the Register-Pajaronian, would have United Cable, the nation's eighth-largest cable operator, buy the "exclusive" franchise to operate the system from Greater Santa Cruz Cable TV Associates. The Associates, a group of local businessmen, were awarded the franchise by the city and county in 1986.

able to operate the cable system because of the lawsuit, initiated by Group W, when it operated the cable system here, and carried on by TCI, the majority partner in the consortium that currently operates the system.

In that suit, Group W and TCI have maintained that the city and county wrongly took away the franchise from the operator.

After acquiring the franchise, United Cable will take over operation of the cable system, but it is not clear whether United will buy the operation from TCI, since TCI owns stock in both United Cable and United Artists, which recently swallowed up United Cable.

Barry Marshall, vice president and chief operating officer of TCI, denied Tuesday that TCI would sell its operation here to United, because it would in effect be selling its own property to itself. But United Cable is supposed to become the operator of record in the new system.

The deal between United and Greater Santa Cruz Associates was apparently engineered by Mark Van Loucks of Englewood, Colo., who had served as the Associates' vice president but later fell out with the group. The deal will purportedly also result in the settlement of a suit between Van Loucks and the Associates.

The settlement will also reportedly provide reimbursement to the city and county of at least \$350,000 of the nearly \$600,000 in legal fees spent on the case in the last six years.

The settlement comes just as Santa Cruz Cable is getting under way with a long-promised

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forecast

Fair tonight and hot tomorrow, with highs in the 80s.

Details page 11.

Santa Cruz Public Library
224 Church Street
Santa Cruz, CA 95060

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CABLE

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upgrading of the cable system. Within two years, customers in unincorporated areas of the county will be able to receive 54 channels, up from 11. The city channel capacity was recently increased from 11 to 28, and will be raised to 54 as well after the county improvements have been made, according to Santa Cruz Cable officials.

The long-sought upgrading was one of the bones of contention when the city and county originally decided to award the franchise to the Associates, run by local businessmen who could be held to account, it was thought. Lowering rates was another concern, apparently now abandoned.

The cities of Watsonville and Capitola will not be affected by any of these transactions, because they are served by a different company, Sonic Cable TV.