

Supervisors OK cable negotiations

After listening to some savage attacks on the recommendations of their chief administrative officer, and on the consultant they had hired, Santa Cruz County supervisors refused today to endorse the CAO's "negotiating objectives" regarding a new cable television system.

The supervisors did adopt two of the three recommendations made by CAO George Newell:

(1) That Newell's office in conjunction with consultant William Marticorena and a representative of the city of Santa Cruz, begin negotiations immediately with Group W Cable on the details of a new 15-year cable TV franchise which would include the construction of a new "state of the art" cable system, and (2) that those negotiations be completed by Sept. 30.

A third recommendation — that a list of negotiating objectives drawn up by Newell be adopted — was cast aside in the interest of getting unanimous support for launching the negotiating process.

The most controversial of Newell's "negotiating objectives" was one that would recommend that the county become a "limited partner" with Group W as a way to "to protect subscribers by discouraging" any unreasonable rate raises in the future by Group W. Newell noted that under existing state legislation, the county's powers to regulate cable TV rates have been virtually eliminated. His partnership proposal would provide for a distribution of profits after Group W had reached its stated goal of an 18 percent return on equity in a way that would discourage excessive rates.

This "partnership" plan was hotly attacked by a number of members of the audience, as well as by Watsonville supervi-

sor E. Wayne Moore Jr., who said, "It's not only unworkable, I absolutely repudiate it."

Moore echoed a number of other speakers when he noted that the way the partnership proposal was structured could put the county in the position of "reaping profits" from the rate payers — which he indicated was just another way of taxing the people.

Other speakers launched attacks on a report by county consultant Marticorena — a partner in a San Francisco law firm — that ranged from the purely statistical to the savagely personal.

Marticorena's report is an analysis of the proposal made to the county (and the city of Santa Cruz) by Group W.

Aptos CPA Bob McKenzie, for instance, dismissed the report as "riddled with factual errors" and in general so poorly prepared and misleading that, said McKenzie, "I don't know if he is (A) dishonest; (B) disingenuous; or (C) dumb."