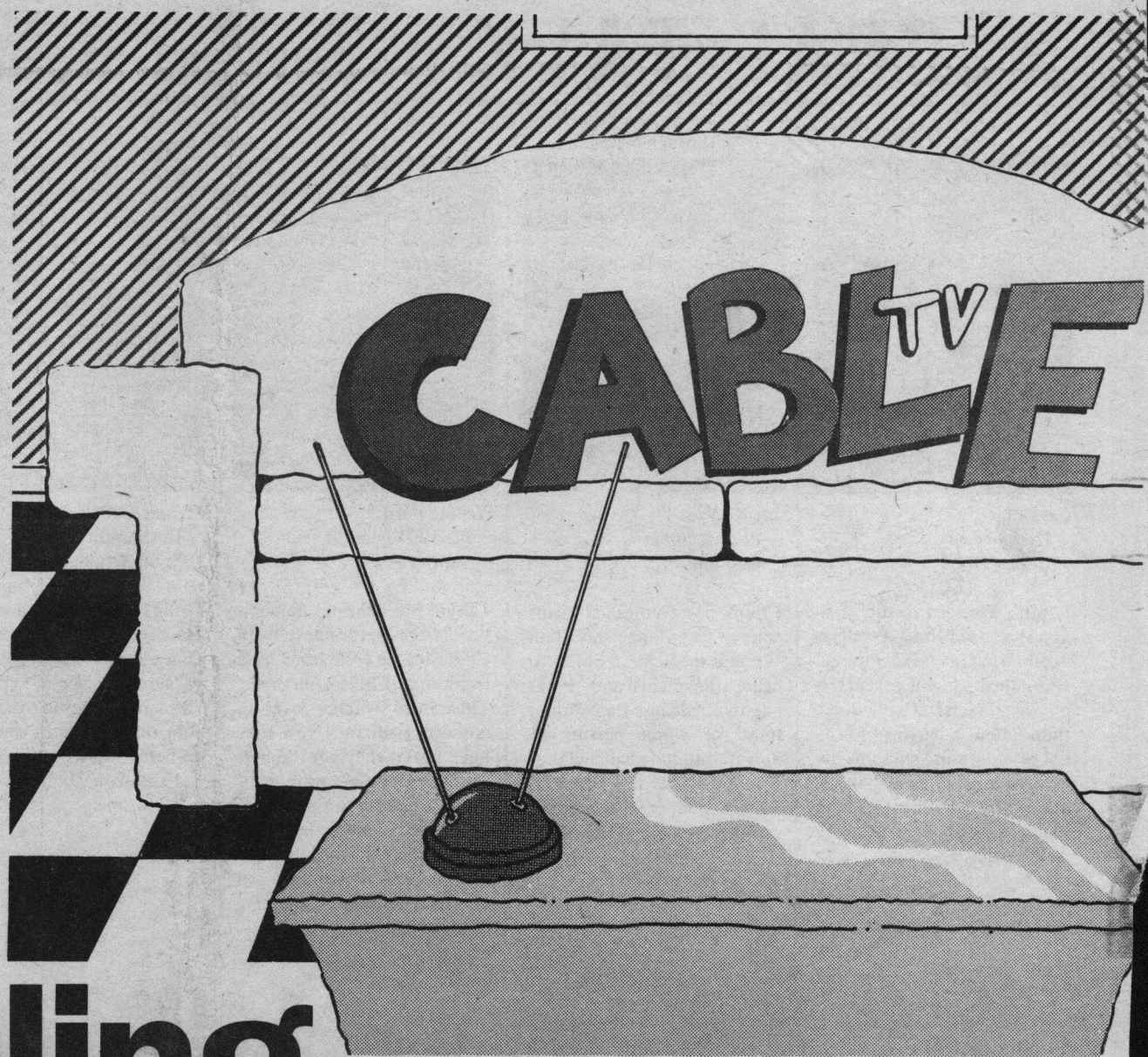


Cable TV

When the city and county awarded the lucrative cable TV franchise to Greater Santa Cruz Cable Associates they did more than thumb their noses at the quality of Group W's service.

The franchise award reaches far beyond resident's living rooms, into the political make-up of this community. Couch's coup was one of the most important business and political milestones for liberals here since the first "progressive majority" on the city council ousted the conservative old guard 13 years ago.



# Channeling the Liberal POW

**G**EORGE Couch's 300-plus-pound frame might be the first thing about the man to grab one's attention. But it's his uncanny acumen as a businessman that commands the respect of local community leaders, and his finesse as a marketing mastermind that has catapulted the president of Couch (Budweiser) Distributing into his position as one of the county's most successful business leaders.

It was his unique ability to build a winning team that convinced the county and city three weeks ago to hand the lucrative cable TV franchise award to Couch's powerful group of local business leaders, Greater Santa Cruz Cable Associates.

by Sam Mitchell

When Couch came here 13 years ago, the 26-year-old risk-taker hung his MBA from Harvard on the walls of what amounted to a backwater beer distributorship in Watsonville. Today, Couch oversees a fleet of 55 trucks, and his distributorship is a model for the entire nation.

As much as Couch loves his position within the beer industry, one of his pet projects has always been the communications industry. So there's little wonder that Couch took the offensive the moment the city and county announced two years ago that they'd like to hear from anyone who thought they could provide better cable TV service than the oft-criticized Group W.

In choosing his team, Couch "tried to look for people with an entrepreneurial spirit — bright, aggressive people with a good record of community service to Santa Cruz County.

I felt that a local group might be looked on favorably by the city and county."

The major requirements for being invited to join Greater Santa Cruz were money, name recognition, impeccably clean records, and history of community service. Furthermore, a review of the names (see related story) points to the fact that political connections played an instrumental role in getting an invitation.

With as much political and financial muscle as that packed by Greater Santa Cruz Cable Associates, one almost wonders if anyone else ever had a chance at the franchise. The notion has already risen that the group is composed of a bunch of rich liberals, an opinion scoffed at by Couch and other members.

"We wanted to make sure we weren't monolithic in any way, shape or form from a political standpoint," said Couch. "We didn't want a simple stereotype."

## Wealthy Liberals Most

Whether he wanted the liberal label or not, he got it — and a look at how company stock is split reveals that the label fits. (It wasn't as if the city and county had much of a choice except to hand the franchise to a group with a liberal label: the second-

place winner, Cable Co-Op, had greater liberal notoriety than Couch's group with the endorsement of the Santa Cruz Action Network, a powerful local liberal political action committee.)

Out of 20 members, three wealthy liberals (Couch, Jack Baskin and George Ow) own 36 percent of the company:

— Couch, the group's president and chief executive officer, owns 16 percent of the stock;

— Baskin, the group's chairman of the board of directors, owns 10 percent of the stock;

— Ow, the board's treasurer, owns 10 percent.

Twenty-six percent of the stock is owned by out-of-town stockholders, leaving 16 people to split the remaining 38 percent. The most well-known conservatives on the board of directors (Al Castagnola, Robert Swenson, Larry Pearson and Bud Prindle) together own seven percent of the company.

## Old Guard Erosion

When the city and county last month handed the franchise to Greater Santa Cruz Cable, they further solidified the liberal power base that has been building in Santa Cruz for the past 15 years. With this

franchise, the liberals would have control of the city council, the board of supervisors and a monopoly cable TV franchise that reaches some 80 percent of county households.

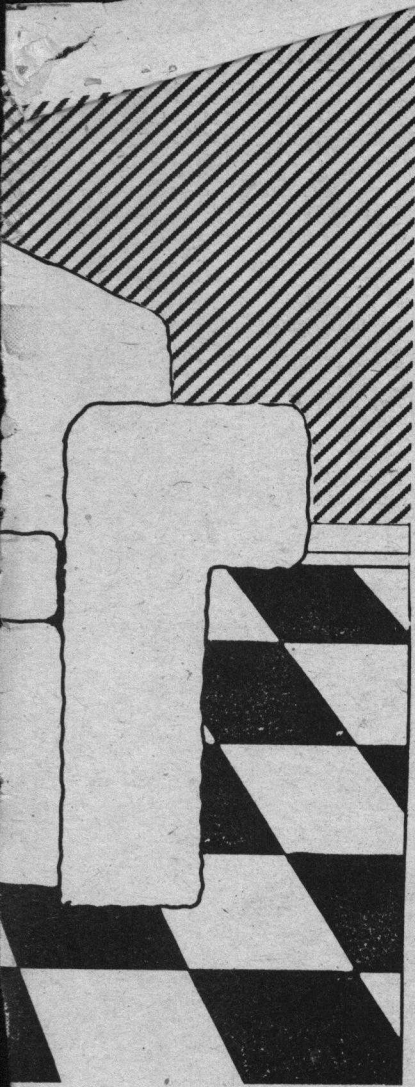
The award of the cable TV franchise to Greater Santa Cruz reaches far beyond residents' living rooms, into the political makeup of this community. Couch's coup was one of the most important political milestones for liberals here since 1973, when the first "progressive majority" on the city council ousted the conservative old guard that had run this town for decades.

Since that time, the old guard's position in local business has continually eroded while individual liberal business people have grown, thanks in part to support from the same group of politicians that awarded Greater Santa Cruz the franchise.

But until Couch hand-picked his winning team, the individual business people were just that — individuals. Greater Santa Cruz Cable Associates represents the largest business-oriented liberal think tank to form in Santa Cruz, and this time the "new guard" is packing more than the support of some left-leaning students at the university. This time, they're hauling some big bucks.

What all of this means, if anything,





ER

only time and improved TV reception can answer.

The most difficult part of predicting the effects of a group of wealthy liberals controlling 80 percent of the county's TV sets is the fact that the members of the group vehemently deny that the franchise award has any political overtones at all.

Board members Couch, Baskin, Ow and Neal Coonerty all insisted that they joined the group solely as a business venture, a way to get better TV reception in their own homes, and as a way to do something good for the community.

"To say we're trying to force a liberal ideal through the medium of TV is sheer nonsense," said Baskin.

"This is not a political venture for us to be on some kind of power trip with (cable TV) as our arsenal," said Couch. "I suppose you could say it solidifies us, from the standpoint that a cable TV franchise with a vast territory as we will have is a major institution in the county; however, we don't have control over the content of what comes through that system."

The subject of how much control the board of directors will have is a touchy one. While Couch, Baskin, Coonerty and Ow all readily admit they will enjoy a large amount of con-

trol over the *company* — indeed, local control was probably the group's strongest selling point — the four strongly deny they will exercise any control over the *content* of what goes through their cable.

As Couch summed: "We're simply a conduit to bring programming that is already packaged into the area." (That is, unless the packaged content is something that might offend some members of the local "progressive/feminist" community which ultimately decided who would get the franchise award. For example, nowhere in the group's 61 channels will you find the Playboy Channel).

"We're not going to go into any show and say you can say this, but you can't say that," said Coonerty. "It will be more making sure people aren't doing something totally outrageous. If someone wants to go on TV and drop their pants, we're not interested in leasing time for them to do it."

#### Control of Content

Ow said whatever control the group ends up having can only be an improvement over what Group W has now.

"What we have right now is controlled out of some building in New York, and I don't really know by whom," said Ow. "Our alternative is much better than what we've been getting. If we can give more than the people are getting now, then that's what we should be judged on. I'm confident we can do it, or I wouldn't put my time and money into it. I'd rather play tennis."

Greater Santa Cruz Cable's two major opportunities for input on content will be channel 16 (local news and community information) and channel 31 (leased local access). While specifics have yet to be set down, the group has said they want to offer a Santa Cruz local news program. It remains to be seen whether news will be produced (i.e., edited) by the group itself or by some outside agency. Greater Santa Cruz has already had informal discussions with the Sentinel.

The leased access station is one whereby local organizations, whether non-profit or for-profit, can buy time on the station and pay for it through advertising. It is unclear how much right of refusal the board of directors will have for what goes on this station, but one thing is clear: Any board member will have the privilege of producing a show, and paying for it with advertisements from his own business.

#### Public Access

Dispelling any notion of potential conflicts of interest, Couch said: "This isn't in any way a conduit for me to run a bunch of beer commercials on cable TV. With as tough partners as I have, I can assure you I'll pay full rates."

Ow — who joined the group partly because he wanted to get some of his "pet projects" televised — was the most excited about the potential of the leased access station.

"I have no preconceived idea at this time, except that I'd like to have a great variety of things to choose from," said Ow. Specifically, he mentioned videos produced by local film-

makers, profiles on local businesses and personalities, and special attention paid to the area's large population of artists and writers. "These guys have a lot to say, and they're local — they should have time to say it."

You won't have to be a famous writer or artist to have a soapbox on TV if Greater Santa Cruz' dreams are realized. One to four stations will be reserved for "public access," and anyone in the county has a right to go in front of the camera with absolutely no control over content exercised by the board. A committee formed of community members will make up the governing board for the stations.

"It's totally independent from us," said Coonerty. "It will largely be a free-for-all, but some guidelines will have to be met, and community standards will come into play. It may be that the political left is there and ready for programming, but it may be that the Republicans are there with their talk shows. It's mainly who is there with the initiative to get things done."

Other channels will be reserved for local government meetings, schools, UCSC and Cabrillo.

#### A Moneymaker

Couch and the others readily admit that there is precious little cable TV expertise among the local investors. For that reason, they hired an industry expert named Mark Van Loucks to oversee the technical end of the operation. For his trouble, Van Loucks — who will be moving to Santa Cruz soon — will receive \$75,000 per year and 16 percent of the company's stock, making him equal (in stock) only to Couch.

Gill Cable, the operators of San Jose's cable system, will be in charge of laying the new cable and the day-

## Group W Not Out of It Yet

NOW that George Couch's group has won the franchise award, the local investors' battle is only half-won. A lawsuit filed by Group W against the city and county (with Greater Santa Cruz Cable Associates added as a co-defendant) promises to hold Couch's dreams in abeyance for at least one year.

Group W is charging that the local government lawmakers are violating its constitutional rights by awarding an exclusive contract to another company, and are refusing to budge as they continue to operate without a contract. Two weeks ago, a U.S. district judge agreed with Group W, and barred the city and county from ousting the group, a decision which is being appealed by Greater Santa Cruz.

The lawsuit threatens to hold up Couch's group's progress for at least a year. After that, it will take another two years for a new cable to be installed. Meanwhile, Group W insists that it will improve its service to customers, but a report prepared by the city and county indicates that the planned improvements — which do not call for a new cable — will not be enough to solve problems with the existing system. •

to-day physical upkeep of the system. For its efforts, Gill Cable will retain 4 percent of Greater Santa Cruz' profits in addition to owning 10 percent of the company's stock.

One fact that can find little argument is that Greater Santa Cruz Cable Associates will inherit a money-maker that will solidify its board of directors' financial base in the community, if not its political one. At a basic rate of \$7.95 per month (county supervisors and city council members retain the right to set rates), the new company stands to earn at least \$5 million its first year of operation.

#### The Fight to Come

Of course, the group of investors cannot make its first penny until Group W is out of the picture, and the present cable providers aren't about to leave without a long and expensive battle (see related story).

Greater Santa Cruz has already put up some \$400,000 to cover legal fees in the ongoing court battle between Group W and the county and city. But if anyone can beat an industry giant at its own game, it will be George Couch and his high-powered group of handpicked teammates.

"We all like to consider ourselves very competitive people," said Couch. "We're at home in the competitive process. We like to think we're winners. We are ready, willing and able to purchase the system from Group W, and we hope that can be accommodated (out of court). We're not looking for a fight, but we very much want this system."

"We have held out the olive branch that we're willing to talk," added Couch. "We'd like to find a peaceful solution, as opposed to war." •

(more on page 12)

GREG PIO



George Couch (inset at left) and the Greater Santa Cruz Cable Associates (from left to right): Jack Baskin, Larry Pearson, Shelly Pearson, Dexter Algren, Manny Santana, George Ow Jr., Valerie Algren, Rowland Rebele, Al Castagnola, Neal Coonerty, Carolyn Prindle, Mason Morris, Richard Klein, Robert Swenson, Diane Klein, Mark Van Loucks, Bud Prindle and Kristina Malliard. Not pictured: Alicia Santana, Candy Coonerty, Elena Baskin and Gail Michaelis-Ow



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# Cable Players Program

## GEORGE W. COUCH, III, President and Chief Exec. Officer

- President - Couch Distributing Company
- Member - Board of Governors - California Bar Association
- Vice Chairman - Cabrillo College Governing Board
- Member - Board of Santa Cruz County - American Cancer Society
- Member - Board or Trammel Crow Hotel Companies
- 16 percent of Company Stock

## MARK L. VAN LOUCKS

- Cable TV industry veteran - over 14 years
- Former Senior Vice President - Office of the Chairman, Rockefeller Center Television - NYC
- Former Vice President - Marketing, Subscriber Services and Corporate Development, United Cable TV Corp. - Denver (10 years)
- 16 percent of Company Stock

## JACK BASKIN,

### Chairman of the Board

- General Contractor
- Past President - UCSC Foundation
- Founding Member, President - Santa Cruz County Community Foundation
- Founding Member - Cultural Council of Santa Cruz County
- Vice Chairman - Greater Santa Cruz County Disaster Relief Committee
- 10 percent of Company Stock

## ELENA BASKIN

- Former school teacher
- Member - Santa Cruz County Seniors Commission
- Founder, President - Live Oak Seniors Center
- President - Wingspread (Women's Health Org.)
- Consultant - United Way Grants Committee
- Recipient - "Scope" Award for Excellence - 1979
- Recipient - "Outstanding Woman in the Community" Award, Board of Supervisors - 1980
- 10 percent of Company Stock (w/ husband Jack)

## GEORGE OW, JR.

- Developer, Owner - Commercial Real Estate, Shopping Centers (Kings Plaza, Kings Village)
- Owner - 1700 Mission St. Office Building
- General Partner - Capitola Book Cafe
- President - Mid-County Exchange Club
- Film Producer - Various local projects and topics
- Book Publisher - "Chinese Gold: A History of the Chinese in the Monterey Bay Area"
- 10 percent of Company Stock

## GAIL MICHAELIS-OW

- Developer - Santa Cruz Planned Parenthood Birth Control Clinic
- Real Estate Broker
- Manager - Commercial Real Estate developments
- Former Trustee - UC Foundation
- 10% of Company Stock (w/ husband, George)

## GILL CABLE

- Cable TV Service provider for San Jose
- 10 percent of Company Stock

## NEAL COONERTY

- President - Blue Sky, Inc. (Lulu Carpenter's Bar)
- Owner - Bookshop Santa Cruz
- Former Chairman - Personnel Commission - Santa Cruz City Schools
- Former Member - Board of Cabrillo Music Festival
- Former Member - Board of Family Services Association
- President - Northern California Booksellers Association
- Vice President - Cultural Council of Santa Cruz County
- Member - Board of Santa Cruz Area Chamber of Commerce
- Member - Board of Downtown Association of Santa Cruz
- 6 percent of Company Stock

## CANDY COONERTY

- Owner - Bookshop Santa Cruz
- Sales Representative - Paper Regs West Co.
- Past President - Temple Beth El Congregation
- Member - Board of UCSC Affiliates
- Member - Board of Tandy Beal & Co. Dance Troupe
- Member - SPECTRA Steering Committee - Cultural Council of Santa Cruz County
- 6 percent of Company Stock (w/ husband, Neal)

## MANUEL SANTANA

- Owner - Several Mexican Restaurants in the Santa Cruz Area
- Founder - Martin Luther King Committee
- Member - UCSC Water Resources Board
- President - Cabrillo Music Festival
- President - Central Coast Counties Development Group
- Member - Board of Bear Republic Theater Company
- Member - Board of Family Services of Watsonville
- 6 percent of Company Stock

## ALICIA SANTANA

- Owner - Several Mexican Restaurants in the Santa Cruz Area
- Trustee - Santa Cruz Art Museum
- Chair - Santa Cruz County Employment Commission
- Member - Board of Region I Migrant Education Comm.
- Member - Health Services Council
- Member - Santa Cruz County Social Welfare Commission
- 6 percent of Company Stock (w/ husband, Manuel)

## RICHARD KLEIN

- Attorney
- Real Estate Developer
- Member - Santa Cruz County Democratic Central Committee
- Former Director - Central Coast Counties Development Corporation
- 5 percent of Company Stock

## DIANE KLEIN

- Former School Teacher
- Former Member - Board of Temple Beth EL Congregation
- Member - Board of Cabrillo Music Festival
- 5 percent of Company Stock (w/ husband Richard)

## DEXTER D. AHLGREN

- Civil Engineer
- Winery Owner
- Member - American Public Works Association
- Member - American Arbitration Association
- President - San Lorenzo Valley Water District
- Member - Sierra Club
- Member - Boulder Creek Business Association
- 5 percent of Company Stock

## VALERIE E. AHLGREN

- Former College Teacher
- Winery Owner
- Member - Environmental Council
- Member - Save San Lorenzo River Association
- Founding Member - Valley Women's Club
- Member - Boulder Creek Business Association
- Member - Santa Cruz County Agricultural Policy Advisory Commission
- 5 percent of Company Stock (w/ husband, Dexter)

## AL CASTAGNOLA

- Director - Dominican Hospital Foundation
- Former Member - Santa Cruz Planning Commission
- Former Councilman - City of Santa Cruz
- Former Mayor - City of Santa Cruz
- Member - Board of Greater Santa Cruz Chamber of Commerce
- Member - Board of Santa Cruz Community Foundation
- Member - Board of Goodwill Industries
- 2 percent of Company Stock

## ROWLAND K REBELE

- Publisher, Owner - Nine newspapers in California, Colorado, Wisconsin, Minnesota and Illinois
- President - Santa Cruz County Symphony Association
- Member - Board of California Newspaper Publishers Association
- Trustee - Christ Lutheran Church, Aptos
- 5 percent of Company Stock

## LAWRENCE W. PEARSON

- Owner - Pacific Cookie Company, Inc., on Pacific Garden Mall
- Former Professional Golfer
- Former President - Downtown Association of Santa Cruz
- Commissioner - Downtown Commission
- Member - Board of Santa Cruz Area Chamber of Commerce
- 2 percent of Company Stock

## ROBERT E. SWENSON

- Former Dean of Men - Fullerton Junior College
- Former Dean of Instruction - Long Beach City College
- President - Cabrillo College
- Executive Director - Accrediting Commission of Community and Junior Colleges
- Member - Phi Beta Kappa
- Member - Board of Dominican Hospital
- Member - Board of Santa Cruz County Community Foundation
- Member - Board of Cabrillo College Foundation
- Past President - Santa Cruz Area Chamber of Commerce
- Member - Board of Cultural Council of Santa Cruz County
- 2 percent of Company Stock

## EDWARD (BUD) PRINDLE

- Member - American Institute of Real Estate Appraisers
- Member - Santa Cruz Realty Board
- President - Monterey Bay Financial Co.
- Past President - Santa Cruz Rotary
- Past President - Santa Cruz Chamber of Commerce
- Past Chairman - Santa Cruz Visitors & Convention Bureau
- Former Member - Grand Jury
- 2 percent of Company Stock

## CAROLYN L. PRINDLE

- Former School Teacher
- Past President - American Field Services
- Past President - UC Alumni Association
- Member - Sigma Alpha of Omega Nu
- Treasurer - Harbor Investors
- 2 percent of Company Stock (w/ husband, Bud)

## KRISTINA MAILLIARD

- President - Garratt & Gunn, Ltd., Santa Cruz
- Former Legislative Aide - to U.S. Senator Alan Cranston
- Founder, Director - California Grey Bears, Inc., a non-profit self-help program serving the elderly of Santa Cruz County
- Recipient - "Ten Most Outstanding Women" Award - 1977, Mademoiselle magazine
- Recipient - "Woman of the Year" Award - 1975 Santa Cruz Chamber of Commerce
- Former Commissioner - Santa Cruz Commission on Aging
- 2 percent of Company Stock

## MASON P. MORRIS

- Certified Public Accountant
- Controller - Couch Distributing Company
- Former Tax Manager - Watkins, Meegan, Drury & Company (Washington, D.C.)
- 1 percent of Company Stock