

SACRAMENTO COUNTY OFFICE OF EDUCATION

9738 LINCOLN VILLAGE DRIVE • SACRAMENTO, CALIFORNIA 95827 • (916) 366-2591

BOARD OF EDUCATION: MAMIE D. JENNINGS, President
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LEO A. PALMITER, County Superintendent • DR. DALE A. MOORE, Deputy Superintendent • DR. ROBERT L. BRANCH, Assistant Superintendent

May 22, 1980

TO: District Superintendents and Governing Boards in
Sacramento County

FROM: Leo A. Palmiter, County Superintendent

SUBJECT: A Position Paper and Recommendations Regarding Community
Use of Cable Television by the Sacramento Area Educational
Consortium for Instructional Television

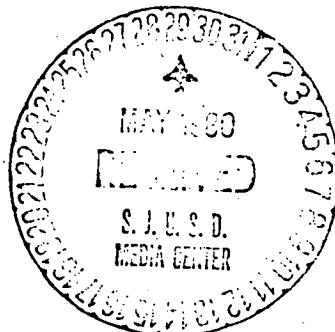
Attached is a copy of the above mentioned position paper and the letter of transmittal to the Board of Supervisors regarding cable television. If you and your governing boards support the position I feel it would be important and timely to immediately contact your representative on the Board of Supervisors indicating your support.

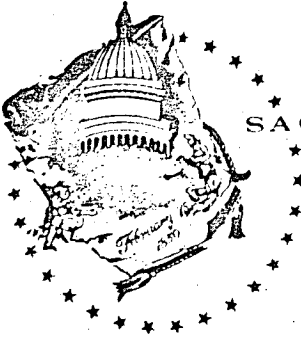
If you have some questions or concerns regarding any items in the position paper please let me know so that I might work with the Consortium that we may give further consideration to the concerns.

Thank you for your help.

d1

encl.

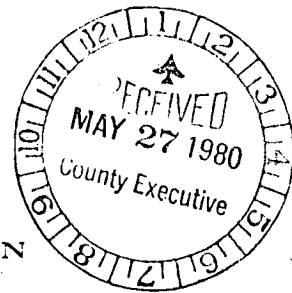




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LEO A. PALMITER, County Superintendent • DR. DALE A. MOORE, Deputy Superintendent • DR. ROBERT L. BRANCH, Assistant Superintendent

May 22, 1980

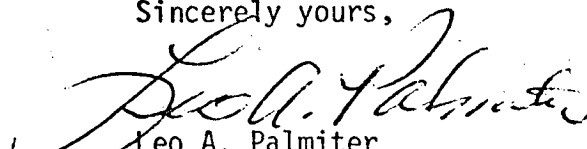
Mr. Joseph E. (Ted) Sheedy, Chairman
Sacramento County Board of Supervisors
700 H Street, Room 2450
Sacramento, CA 95814

Dear Mr. Sheedy:

I transmit herewith a copy of the position paper and recommendations regarding the community use of cable television by the Sacramento area Educational Consortium for Educational Television. It is the intent of this paper to outline the needs of the Educational Consortium that can be met by cable television in order that those needs may be addressed as the Board develops their request for proposals, ordinances, and franchises. The paper is also intended to transmit the commitment of the Educational Consortium to work with the County Board of Supervisors as needed to assist in the development of the strongest cable television system to meet the needs of the total of all of the communities within Sacramento County.

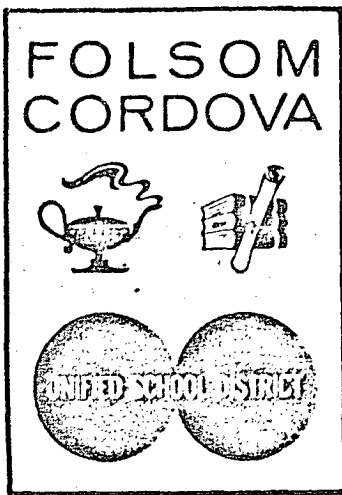
Please notify us if you have questions concerning the position paper and when you feel we can be of most assistance to you in assisting in the development of this important resource for Sacramento County.

Sincerely yours,


Leo A. Palmiter
County Superintendent

dl

cc: William R. Freeman ✓
Illa Collin
Sandra R. Smoley
Fred G. Wade
C. Tobias Johnson



June 18, 1980

BOARD OF EDUCATION

Helen S. Paavola, *President*
David K. Marty, *Vice President*
Craig R. Burnett, *Clerk*
Joel S. Moskowitz
Richard H. Will

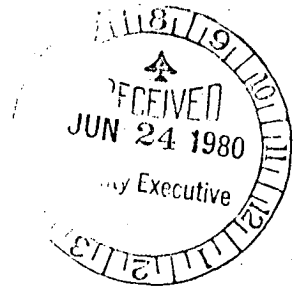
ADMINISTRATION

James S. Loughridge, Ed. D., Superintendent
David H. Benson, Assistant Superintendent
Harold E. Mathews, Ed. D., Assistant Superintendent
B.E. Hood, Director of Business Services
Jan Malaspino, Chief Accountant
Bonnie Connelly, Purchasing Supervisor

1091 Coloma Street, Folsom, California 95630 Phone 985-4483

Bill

122



The Sacramento County Board of Supervisors
700 "H" Street
Sacramento, California, 95814

Dear Members of the Board of Supervisors

At their regular meeting of June 3, 1980 our Board of Education went on record in support of the reconstitution of the Educational Cable Television Consortium and a letter stating that support was sent to you.

At their regular meeting of June 17, 1980 the Board passed a formal Resolution in support of this reconstitution of the Educational Cable Television Consortium and a copy of this Resolution #6178009 is herewith transmitted to your for your further consideration.

Sincerely

James S. Loughridge

James S. Loughridge, Ed. D.
Superintendent
JSL/dg
Encl: Res. #6178009

1980 JUN 20 PM 1 15

COUNTY OF SACRAMENTO
BOARD OF SUPERVISORS

FOLSOM CORDOVA UNIFIED SCHOOL DISTRICT
1091 Coloma Street
Folsom, California

June 17, 1980

RESOLUTION #6178009

WHEREAS the Sacramento County Board of Supervisors in cooperation with all of the incorporated cities in Sacramento County has initiated a procedure to develop an ordinance and a franchise that would provide cable television services to Sacramento County, and

WHEREAS an Educational Consortium for Cable Television was formed in the early 1970's for the purpose of assessing the needs of the school districts for cable television and developing a procedure to work with the Board of Supervisors and City Council to insure that the needs of public schools would be carefully considered in the granting of any franchise, and

WHEREAS according to the published time-table of the Sacramento County Board of Supervisors the franchise would be awarded prior to December 31, 1980,

NOW THEREFORE be it resolved that the Board of Education of the Folsom Cordova Unified School District supports the reconstitution of the Educational Consortium for Cable Television, and urges that all possible steps be taken to protect the interests of the public school districts in the current franchising movement.

PASSED AND ADOPTED by the Board of Education of the Folsom Cordova Unified School District, Sacramento County, State of California, this Seventeenth Day of June, 1980, and duly recorded in the District Office.

Helen S. Kacvola

Wayne H. Egan

Craig R. Burnett

Bob Cardillo

John S. Whitcomb

ATTEST:

Craig R. Burnett
Craig R. Burnett, Clerk

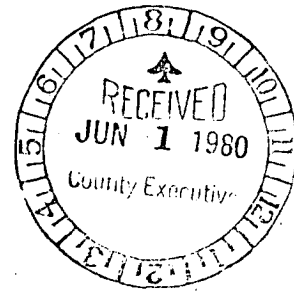
17 June 1980
(Date)

SAN JUAN UNIFIED SCHOOL DISTRICT

3738 Walnut Avenue • Carmichael, California 95608 • 916-484-2011

May 29, 1980

Mr. Joseph E. (Ted) Sheedy, Chairman
 Sacramento County Board of Supervisors
 700 H Street, Room 2450
 Sacramento, CA 95814



Dear Mr. Sheedy:

Mr. Leo Palmiter, County Superintendent of Schools, initiated an Educational Consortium for Cable Television in 1972. This consortium consisted of representatives from the following educational institutions:

Sixteen (16) Elementary & Secondary
 School Districts
 Los Rios Community College District
 Sacramento County Office of Education
 California State University, Sacramento
 University of California, Davis
 Sacramento City/County Library System
 Diocese of the Sacramento Catholic Schools
 Department
 California Congress of Parents & Teachers,
 Third District
 Phi Delta Kappa
 Sacramento County School Boards Association

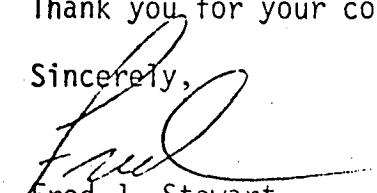
The purpose of this consortium was to advise the Board of Supervisors of the needs of the educational community in the event the Board of Supervisors authorized a Cable TV franchise.

Recently, when it became apparent the Board of Supervisors was seriously considering the signing of a franchise, Mr. Palmiter reconstituted the consortium which revised a previously-prepared position paper setting forth the requirements of the educational organizations operating within the county.

I am attaching, for your information, a copy of the position paper and recommendations forwarded to me by Mr. Palmiter on May 22nd. The purpose of this letter is to indicate to you that the San Juan Unified School District Board of Education and I, personally, support the efforts of the Educational Consortium, and trust that the Board of Supervisors will take into consideration the requirements of the county's educational institutions when a franchise is granted.

Thank you for your consideration.

Sincerely,


 Fred J. Stewart
 Superintendent of Schools

FS:EL:wm

cc: William R. Freeman, Illa Collin, Sandra R. Smoley, Fred Wade, C. Tobias Johnson

Attachment

INSTRUCTIONAL CABLE TELEVISION

A POSITION PAPER AND RECOMMENDATIONS REGARDING COMMUNITY USE OF CABLE TELEVISION BY THE SACRAMENTO AREA EDUCATIONAL CONSORTIUM FOR INSTRUCTIONAL TELEVISION

May 22, 1980

INTRODUCTION

The membership of the Sacramento Area Educational Consortium for Instructional Television commends the Board of Supervisors for their leadership in working with the Cities of Sacramento, Galt, Folsom, and Isleton in initiating a procedure to provide for cable television in Sacramento County.

In 1972 when the City and County first considered cable television, the Educational Consortium for Cable Television (CATV) was formed consisting of the 16 elementary and secondary school districts and the Los Rios Community College District in Sacramento County, the Sacramento County Office of Education, California State University at Sacramento, University of California at Davis, Sacramento City/County Library System, the Diocese of the Sacramento Catholic School Department, the California Congress of Parents and Teachers, Third District, Phi Delta Kappa, and the Sacramento County School Boards Association. At that time the Educational Consortium worked very closely with the Joint CATV Committee and its staff in an attempt to define the needs for CATV and educating the general public concerning the value of CATV to the Sacramento County community. The Consortium developed a set of recommendations and a position paper that outlined the schools' needs and the ability to use CATV at that particular time.

Since the County Board of Supervisors has indicated their procedures to develop an ordinance and grant a franchise for CATV, representatives from the Educational Consortium have met and have updated their statement of needs for CATV and developed a series of recommendations to the Board of Supervisors in an effort to assist the

Board in providing a CATV system that not only will meet the needs of the educational community but will provide a quality service to all the communities within Sacramento County. In this effort the Consortium has formed a close working relationship with public television station KVIE. Historically KVIE has worked with the educational community and several Consortium members are currently involved with the station in an on-going relationship. Both KVIE and the Consortium are committed to working together to deliver instructional, educational, and public service programming via cable.

The public educational agencies making up the Consortium have a long history of utilizing television for instructional purposes and for cooperatively working together to use their combined resources to provide instructional television services to the classrooms of the area. This broad experience of program development, production and transmission has created a large cadre of educators in the area with considerable expertise in the technical aspects of programming and facilities required for a viable instructional service.

Through multi-county cooperative organizations, which permit school districts, county offices of education, State universities and community college districts to voluntarily pool their resources to provide a needed service for all, there has been created an atmosphere of cooperation and administrative experiences among these agencies at all levels.

The Educational Consortium has expanded the broad base of representation among public school agencies to include the City/County Library System, the private schools sector, California Congress of Parents and Teachers Association, and Phi Delta Kappa to provide the opportunity for expression in this report and the ultimate planning for CATV in Sacramento County.

A committee of the CATV Consortium was activated to prepare the following statement.

At this writing the following educational agencies representing more than 150,000 students have officially reaffirmed their commitment to the Consortium: Los Rios Community College District, San Juan Unified School District, Sacramento City Unified School District, California State University at Sacramento, University of California at Davis. It is expected that all of the public school districts will take official action in the very near future to support the Consortium. The City/County Library System has also reaffirmed their support for the Consortium.

The statements of need and the recommendations are the informed judgment of the Consortium of the projected utilization of the cable TV system by the educational community represented by the Consortium. This report is also an attempt to convey to the Board of Supervisors a sincere desire and commitment by the Consortium membership to participate with the Board and its staff in the development of the strongest CATV system possible for Sacramento County.

I. STATEMENT OF FACILITIES AND NEED

Most of the school districts and higher educational institutions of Sacramento County already have television capability in one form or another. In many cases this is capability both for origination/recording and for reception. In this report both origination/recording and reception facilities are discussed as they presently exist, as they may be expected to function, and as they may evolve after some years of cable TV in Sacramento County.

A. Origination/Recording Facilities

The following studio and field type origination facilities are presently in existence in Sacramento County:

<u>Agency</u>	<u>Studio Locations</u>	<u>Type of Equipment</u>
County Office of Education	none	3/4" color
Calif. State Univ., Sacto.	1	3/4" color
University of Calif., Davis	2	3/4" color
Cosumnes River College	1	3/4" & 1" color
Sacramento City College	1	3/4" & 1" color
American River College	1	3/4" color
San Juan Unified S.D.	1	3/4" color
Sacramento City Unified S.D.	2	3/4" color

The colleges and school districts which have television studios constantly utilize those studios for instruction purposes. However, these studio facilities can and should be counted on for some available studio time which might be used by the Consortium for CATV purposes. This CATV use, of course, would be secondary to the primary use by the institution for instructional purposes. All of the above mentioned institutions have the production capability through portable and/or mobile equipment that is transportable to area sites.

Currently the CATV Consortium projects a need for at least 200 hours a week of television time for instructional and related use. It would seem reasonable to assume that in projecting this figure, the districts have not planned for many of the options presented to them through the use of cable television, e.g., computer links and two-way systems. If this assumption is true, the needs would be doubled or tripled over the projections that are identified at this time.

There are presently enough facilities and studio time to accommodate the current needs of the public school system in Sacramento County. By the time

the system now being contemplated becomes a reality, the need for expanded facilities and equipment will undoubtedly be an absolute necessity. Looking to the future, it is also apparent that the needs of the educational community will be compounded by the changes in society itself. Groups such as senior citizens, displaced homemakers, the disadvantaged and other minorities have instructional and educational needs that can be met by CATV service and will also increase the need for expanded facilities and time. If the method of finance for education and changes in available energy sources are as unstable in the future as they appear to be, it becomes imperative for the instructional potential of a cable system to be incorporated into master planning for the future. The Consortium believes the franchisee should provide for flexibility and growth in facilities and equipment, consistent with future requirements.

B. Reception

Because of their lengthy experience with the instructional TV programming provided by VITA and KVIE, the elementary and secondary schools of Sacramento County are prepared to receive programming distributed by cable. Virtually every school has some equipment for off-air TV reception. Full utilization of Cable TV will require additional receivers and associated equipment.

All institutions of higher education make extensive use of existing broadcasting stations to distribute programs of instruction to home viewers, a service which will be greatly facilitated and undoubtedly expanded when the greater capacity and flexibility of cable is available.

II. RECOMMENDATIONS

The Consortium recommends that the franchisee should provide without cost to the school systems and other community based organizations the equipment and facilities contained in the following recommendations.

A. Cable Drops

Each cable drop shall be capable of two-way communications and shall be installed to provide both computer data transfer and voice communication. In addition to the drops mentioned, all institutions and agencies housing off-campus programs provided by the County Office of Education or one of the school districts shall be equipped with a cable drop.

1. All of the public schools (pre-school through community college) and district offices under the jurisdiction of the Sacramento County Office of Education and the County Office of Education should be interconnected and this interconnected school system should offer the ability to connect with the cable television that provides services to the residential population.
2. Each public library in the Sacramento City/County Library system shall also have a cable drop.
3. A cable drop or drops shall also be provided for California State University at Sacramento.
4. It is imperative that the University of California at Davis be able to interconnect with the cable system in Sacramento County.

B. Origination and Distribution Needs

1. Each school district and the County Office of Education shall have at least one terminal where origination may be inserted into the cable system. The location of this terminal will be designated by the district but may be presumed to be at the location of an existing TV or multi-media center.
2. All library branches shall have at least one terminal where video origination may be inserted into the cable system.
3. Each higher educational institution - California State University at Sacramento, University of California at Davis, Cosumnes River College,

Sacramento City College, and American River College - shall have the capability for origination into the system. In the case of U.C. Davis which lies outside Sacramento County but which has possible important audiences in Sacramento County, this origination terminal initially may be coupled to the University of California at Davis Instructional Television Fixed Service (ITFS) terminal system. Ultimately a full two-way link between the cable system and U.C.D. should be provided. All institutions of higher learning should also be provided with links with their out-reach centers in other counties.

4. All members of the Consortium will have a two-way link to KVIE.
5. The five channel head-end should be located in a facility that makes it readily accessible to all of the Consortium membership.

C. Channel Requirements

1. Five standard broadcast width TV channels should be made available on a full-time basis to the educational community for instructional purposes at the outset of cable programming.
 2. The channels allocated to education should permit:
 - a. Some capacity to be restricted to school viewing (that is, blocked out of homes), and
 - b. Some capacity to be further subdivided by geographic district so that, for example, programming exclusively for the San Juan Unified School District could be carried on the same channel simultaneously with other programming exclusively for the Sacramento City Unified School District.
- D. A mobile origination unit should be made available for use by the educational community for instructional purposes.

- E. Receivers and other equipment that would permit the Consortium members to fully utilize the CATV should be provided.
- F. The Consortium recommends that a fair portion of the franchise fee collected should be earmarked for programming, equipment, and operation of instructional services by the educational agencies.
- G. It is recommended that the Board of Supervisors permit the Consortium membership to participate in the development of the governance structure for the total community utilization of CATV, the development of the RFP, franchise and the ordinance.



LOS RIOS COMMUNITY COLLEGE DISTRICT

Sacramento City College 1916

American River College 1955

Cosumnes River College 1970

DR. EARL L. KLAPSTEIN
Chancellor/Superintendent

April 14, 1980

Sacramento County Board of Supervisors
700 H Street
Sacramento, CA 95814

Educational Cable TV

Los Rios Community College District serves in excess of 40,000 students each semester. These students range from the recent high school graduates to the more mature adults who are for various reasons enrolling in our courses to further their education and to up-grade their skills.

This great number of students, and even additional students, could better be served by the Los Rios District if channels could be reserved for educational use on the cable television system for which the County Board of Supervisors is presently negotiating. Presently our District is providing some television courses on a limited basis, but the availability of dedicated educational channels within a cable system would greatly enhance the opportunities of our District working in concert with other educational agencies to reach many more students on an economical basis.

The Los Rios Board of Trustees urges you to require the company that is ultimately granted the franchise for cable television to arrange for the educational use of at least two of the potential channels.

Basil Clark
Chairman
Los Rios Board of Trustees

BC.gw

1980 APR 16 AM 11 57

COUNTY OF SACRAMENTO
BOARD OF SUPERVISORS

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Comm
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interview

UNIVERSITY OF CALIFORNIA, DAVIS

BERKELEY • DAVIS • IRVINE • LOS ANGELES • RIVERSIDE • SAN DIEGO • SAN FRANCISCO

SANTA BARBARA • SANTA CRUZ



DEPARTMENT OF APPLIED BEHAVIORAL SCIENCES
NATIVE AMERICAN STUDIES

DAVIS, CALIFORNIA 95616

December 17, 1979



Sandy Smoley, Chairwoman and
Sacramento County Board of Supervisors
700 H Street
Sacramento, CA 95815

Dear Supervisors:

I wish to raise several issues pertinent to your consideration of a cable television franchise for the Sacramento area.

I consider the following points to be essential:

- (1) at least one Spanish-language station must be carried;
- (2) at least one Black station must be carried (from Los Angeles probably);
- (3) KQED should be brought in from the Bay Area, but with KVIE also having a channel if they wish;
- (4) one open community channel must be reserved for the Sacramento Native American population, probably operating through the Sacramento Indian Center, Inc. or perhaps D-Q University;
- (5) one channel should be reserved for the Filipino and Asian communities;
- (6) one channel should be reserved for California State University; and
- (7) a strong affirmative action program must be demonstrated by the successful applicant.

I would ask that you examine the past policies of competing companies, as follows:

- (1) have they already demonstrated their sincerity by employing women and minorities at all levels, including Native Americans;
- (2) have they already brought in Chicano or Black programming on their other cable systems;
- (3) have they shown support for diversity and educational programming in their other operations.

For example, do the McClatchy papers employ many minority journalists? Do they have any Indians on their professional staff? Did their television stations employ minorities in visible roles? Et cetera.

I am extremely concerned about Time, Inc. and its growing power in communications. Time magazine has a long history of anti-Indian news slanting. How many

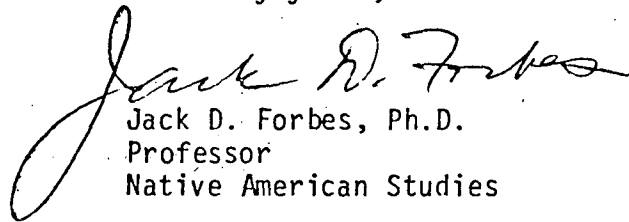
Sacramento County Board of Supervisors
Jack D. Forbes

December 17, 1979
Page: 2

senior writers does Time employ who are Indian or minority?

These are extremely pertinent questions. I hope that you will not turn over cablevision for the county to a monopoly with little concern for our particular heritages and population mix.

Sincerely yours,



Jack D. Forbes, Ph.D.
Professor
Native American Studies

JDF/td

cc: Director, Sacramento Indian Center, Inc.
Director, Inter-Tribal Council of California
Rachel Bluestone, Governor's Indian Office
NAACP, Sacramento Chapter

UNIVERSITY OF CALIFORNIA, DAVIS

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SANTA BARBARA • SANTA CRUZ

DEPARTMENT OF APPLIED BEHAVIORAL SCIENCES
NATIVE AMERICAN STUDIES

DAVIS, CALIFORNIA 95616

May 27, 1980



William R. Freeman
Assistant County Executive
700 H Street
Sacramento, CA 95814

Dear Mr. Freeman:

Thanks for your letter of May 21.

The regulations and forms seems quite adequate except as regards to two areas:

(1) I believe applicants should be required to identify percentages of minority employees in various levels who are already employed. In other words, there should be some basis for judging their track record;

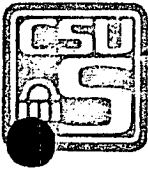
(2) There should be a specific page asking applicants how they propose to meet the linguistic and cultural needs of Sacramento's multi-ethnic population. Here they could specifically indicate if they intend to bring in a Spanish-language, Black, or other TV signal from the Bay Area, Los Angeles, or elsewhere.

Otherwise it looks very comprehensive.

Sincerely yours,

Jack D. Forbes, Ph.D.
Professor

JDF/td



CALIFORNIA STATE UNIVERSITY. SACRAMENTO

6000 J STREET, SACRAMENTO, CALIFORNIA 95819
COUNTY OF SACRAMENTO
BOARD OF SUPERVISORS

Bill Fucman

THE PRESIDENT

1979 AUG 31 AM 11 48

August 30, 1979

Ms. Sandra Smoley, Chairperson
Board of Supervisors
700 H Street
Sacramento, California

Dear Ms. Smoley:

Dr. Charles J. Vento, of my staff, reported on the County Board's Cable Television deliberations. We are pleased to know the franchising process is moving forward and the residents of Sacramento County will soon enjoy the benefits of Cable.

As you are aware, personnel from CSUS were very active in the previous discussion of CATV. Since that time, Dr. Vento has joined the CSUS staff and continues his interest in the educational potential of Cable. Through his reports, my staff is kept informed and I support the continued study and definition of educational use of CATV.

Our Center for Instructional Media includes a full broadcast capable television production facility. It is staffed by experienced production people assisted by students majoring in Communication Studies. The Center's function is twofold; 1) to provide instructional support to our faculty and 2) to provide a broadcast laboratory for students.

An appropriate interface with CATV and the campus would increase the opportunities for instructional support and would expand higher education opportunities throughout the County.

Should the Board wish additional information related to CSUS' needs, please advise.

Sincerely,

W. Lloyd Johns
W. Lloyd Johns
President

cc. By S. Bill Fucman

SACRAMENTO AREA MEDIA ASSOCIATION CABLE RECCOMENDATIONS:

1. The basic level or tier of Cable service SHALL include separate leads for BOTH TV signals and a minimum of fifty (50) FM channels.

(We strongly recommend an additional 50 or more FM channels be provided in either the basic tier or additional tiers.)

a. Of these fifty FM channels, half, or 50% should be dedicated to non-profit educational community broadcasting, with 15 of these to be set aside for the development of a comprehensive community radio network to be regulated and administered by a non-profit community aligned corporation.

b. The remaining 10 educational channels should be reserved for carrying the signals of existing or future over the air radio stations.

2. The winning cable operator SHALL provide funds for the construction, equipping and first year staffing costs of a community media center, which would be run by a community radio organization under the auspices of the community cable advisory group. Cost to the operator SHALL NOT exceed \$250,000.

a. On-going operating cost of the network will be partially funded from franchise fees generated by the cable, and as administered by the cable advisory board.

3. We favor a Cable system with two-way capability, as well as one with technical provisions for the individual programming of channels in different parts of the city/county through hubs, or sub-ends, so that theoretically, the same channel could be used simultaneously, but programmed differently in various communities. (Such a system presently operates in Stockton.)

4. While it is our intention to help upgrade the variety and quality of programming available on FM radio, of equal importance is our desire to make the media a responsive two-way street with the emphasis on PARTICIPATION as opposed to consumption.

5. It is recognized that the capabilities of cable have barely been scratched, let alone even dreamed of. This makes it an exceedingly valuable commercial commodity and causes potential bidders to line up as much community and political support as time, money, and imagination warrant. We believe, as much as possible, the emphasis should be placed on what is best for the ENTIRE community as opposed to what might be advantageous to any one particular group. The joint powers commission should solicit considerable input both from individual groups and the communities affected in general as to what requirements they would like to see included. These should then be incorporated into the bidding process for ALL bidders to consider. Specifically, we would like to see a lower (or perhaps even free) basic service charge that would benefit ALL area residents.

6. Other questions you will need to address is the wider issue of cable access, and the political and economic implications for already established businesses. We realize the addition of potentially scores of new TV and FM channels to the marketplace will eventually have a profound impact on how we all perceive media and its role in our lives. We believe ALL interested parties, whether non-profit or commercial, existing or new, have a right to the responsible and fair use of this developing technology. We would oppose attempts by any group to limit or restrict equal access for whatever reasons

(3)

6.(cont.) believing that the open marketplace will automatically make those decisions for us.

Respectfully submitted,

The Sacramento Area Media Association

c/o Lawrence Lee Amundsen
3730 1st. Avenue
Sacramento, California 95817
452-1395

SACRAMENTO-SIERRA'S BUILDING AND CONSTRUCTION TRADES COUNCIL

(Sacramento, Yolo, Amador, Placer, El Dorado, Nevada and Sierra Counties)

Business Manager • (916) 422-2623 • Labor Center, 2245 Florin Road, Suite 6 • Sacramento, CA 95822

October 17, 1979

Return

Mr. Ted Sheedy
Supervisor, First District
700 H Street
Sacramento, California 95814

Dear Ted:

Enclosed are some suggestions for the draft of the proposed Cable TV contract which you, I and Brother Frith, Electrical Workers #340, discussed on September 26th.

These suggestions will go a long way towards alleviating our concerns with Cable TV and will strengthen the protection to the consumer and public alike.

Yours truly,

al.

R. A. Caples
Business Manager

RAC:bb
opeu #29
afl-cio
enclosure

The Cable TV Company shall be prohibited from directly or indirectly doing any one of the following:

- a. Engaging in the business of leasing, renting, repairing or servicing any product which is not an integral part of the Cable TV System itself such as: television sets, radios, hi-fi, appliances, etc.
- b. Engaging in the business of selling any product, whether or not said product is an integral part of the Cable TV System itself.
- c. Engaging in the business of furnishing contract services for labor and materials. Exception: Engaging in the business of furnishing contract services for the specific purpose of delivering service to a subscriber is permitted. Example: Distant residence outside of the area being served where owner is willing to pay construction costs to extend service to said residence.

The Cable TV Company shall be prohibited from directly or indirectly shifting its construction costs to a builder/developer,

The Cable TV Company shall be required to construct its cable system in a manner which will not discriminate against the economically disadvantaged neighborhoods. The Cable TV Company therefore, within five (5) years from date of award of franchise, shall provide service to all areas in the community with a dwelling density (averaged) of 45 or more dwelling units per running mile of cable. The Cable TV Company shall hire employees from the community it services and shall pay area's established wages and fringes for comparable work.



International Brotherhood of Electrical Workers

October 10, 1979

Mr. Ted Sheedy
County Board of Supervisors
700 "H" St.
Sacramento, CA 95814

RECEIVED

OCT 11 1979

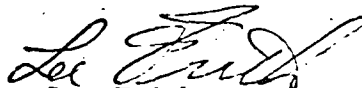
BOARD OF SUPERVISORS

Dear Sir;

I am forwarding to you a request from Local Union 340, IBEW, suggested language to be included in the proposed Cable TV franchise being considered by the Sacramento County Board of Supervisors. Your assistance in this matter would be greatly appreciated. Thank you in advance.

Respectfully,

ELECTRICAL WORKERS UNION
Local No. 340


Lee Frith
Business Manager

LFjc
opeu 29
aficio

The Cable TV Company shall be prohibited from directly or indirectly doing any one of the following:

- a. Engaging in the business of leasing, renting, repairing or servicing any product which is not an integral part of the Cable TV System itself such as: television sets, radios, hi-fi, appliances, etc.
- b. Engaging in the business of selling any product, whether or not said product is an integral part of the Cable TV System itself.
- c. Engaging in the business of furnishing contract services for labor and materials. Exception: Engaging in the business of furnishing contract services for the specific purpose of delivering service to a subscriber is permitted. Example: Distant residence outside of the area being served where owner is willing to pay construction costs to extend service to said residence.

The Cable TV Company shall be prohibited from directly or indirectly shifting its construction costs to a builder/developer,

The Cable TV Company shall be required to construct its cable system in a manner which will not discriminate against the economically disadvantaged neighborhoods. The Cable TV Company therefore, within five (5) years from date of award of franchise, shall provide service to all areas in the community with a dwelling density (averaged) of 45 or more dwelling units per running mile of cable. The Cable TV Company shall hire employees from the community it services and shall pay area's established wages and fringes for comparable work.

THE FOLLOWING INFORMATION WAS DEVELOPED DURING MEETINGS OF SACRAMENTO BUSINESS MEN AND WOMEN CONCERNED ABOUT THE LONG RANGE IMPACT OF CABLE TV ON THE COMMUNITY.

1. One major area of concern was how Cable TV might affect local business. The following concerns were voiced:
 - a) Would Cable TV be permitted to sell goods? If so, what type? The proposed ordinance only prohibits the sale of television sets and radios.
 - b) Would Cable TV be permitted to sell repair services? If so, what type? The proposed ordinance only prohibits the "imposing of a fee or charge for any service or repair to subscriber owned receiving devices". How about other devices?
 - c) Would Cable TV be permitted to enter into contracts to furnish labor and materials not required or involved in its delivery of service to the subscriber?
2. The majority of persons attending the meetings did not take a position against CATV. Most were more concerned about the regulations governing the activities of CATV.
3. Everyone agreed that the community had the most to gain if there was a legitimate competition for the franchise. Two of the names mentioned were Warner Cable Corporation and Cox Broadcasting.
4. Another major concern was whether or not Cable TV would have a free reign to establish bulk rate schedules which would intentionally or unintentionally create an economic hardship for various sectors of the community. Such economic hardship is caused when the Cable Company either refuses to deliver its basic service at a bulk rate or at a bulk rate in excess of 20% of its single subscriber rate. Some of the examples given were:
 - a) Most condominium Home Owners Associations already own and maintain their own Master Antenna TV (MATV) systems. Some of these systems include either local program origination or security, or both. A very few have their own entertainment channel. If bulk rate CATV service is made available to these associations at an affordable bulk rate, they can opt for the bulk rate service. The alternatives to bulk rate service are to either sell their system to the Cable Company or to allow the Cable Company to traverse their premises to serve those tenants who wish to become subscribers. It should be noted that in the absence of an affordable bulk rate service the only alternative is to grant the Cable Company easement rights on its premises. The end result is the ultimate abandonment of the private MATV system. The Cable TV Company wins; the private sector loses.

It should also be noted that the bulk rate requirement must be for basic service only. Pay TV entertainment channels such as "Home Box Office", "Showtime", etc., cannot be included in the basic service bulk rate

- b) Condominium Home Owner Associations are not the only ones who are concerned as to the availability of bulk rate service. Others are:

Apartment House Owners
Mobile Home Park Owners
Hotel and Motel Owners

It should be noted that the transient needs of hotels and motels are not as important as the resident needs of the other groups. Since hotels and motels are economically less vulnerable to the impact of Cable TV, most Cable TV companies make their service available to them at very low bulk rates.

- c) How about bulk rate service for hospitals? As a maximum it should be made available at no more than the bulk rate charged for hotels and motels.
- d) How about bulk rate service for the Sacramento Redevelopment Agency? The Sacramento Redevelopment Agency has spent hundreds of thousands of dollars installing Master Antenna TV Systems in most of its housing developments. It should have the option of contracting for the basic Cable TV service at reasonable bulk rates.

As to whether or not the bulk rate service should be contracted for in any given instance, who can say? With respect to the many locally owned multi-dwelling projects, the Cable TV companies have many valid arguments as to why their basic subscriber service should be preferred to bulk rate service. On the other hand, there are the arguments that can be brought to bear by the private sector as to the advantages of bulk rate service. The entire thrust of the bulk rate argument is to create within the community a freedom of choice. For those of us in the Master Antenna TV (MATV) System business, it gives us a chance to survive.

Another point to ponder is the FHA requirement on FHA #235 projects which requires the owner/builder to provide free TV. In those communities with Cable TV, the owner/builder installs an MATV system and the Cable TV Company installs its system. The outlets are side-by-side. This is a waste of somebody's money. An "affordable" bulk rate service might be more advantageous to the community.

- 5. Where new residential construction is involved, there have been instances where the cable companies have passed on a part of their construction costs to the builder/developer by requiring the builder/developer to furnish trenching, conduit, etc. Is this legal and right? Although the Cable Company, in the absence of rate regulations, can charge its subscribers whatever it wishes, does it have the right to recover any portion of its construction costs from other than its subscribers?

AS REGARDS THE PROPOSED CITY/COUNTY CABLE TV ORDINANCE, THE FOLLOWING PROTECTIVE LANGUAGE SHOULD BE INCLUDED:

- 1. BULK RATE SERVICE. Definition: The delivery by the Cable TV Company of its "basic" programming to the property line of a multi-dwelling residential project or a multi-occupancy facility, at which point it will be fed into a privately owned multiple-outlet TV signal system. The signal so delivered shall be of the same strength and quality as that delivered to a single family residence, no more or no less. The current bulk rate must be paid monthly with a single check for all dwelling units, whether occupied or not. The minimum bulk rate service shall not be less than five (5) times the single family subscription rate for a single outlet.

- a) Bulk rate service for condominium homeowners associations, owners of mobile home parks, and owners of apartment houses shall not exceed (for each dwelling unit) 20% of the single family subscription rate for a single outlet:
 - b) Bulk rate service shall be made available to both publicly owned and privately owned licensed (State of California) general hospitals. The service charge shall not exceed that charged for hotels/motels, or for privately owned multi-dwelling facilities, whichever is less.
 - c) Bulk rate service shall be made available to publicly owned retirement facilities or similar multi-dwelling units. The service charge shall not exceed that charged for hotels/motels, or for privately owned multi-dwelling facilities, whichever is less.
 - d) Bulk rate service shall be made available to privately owned nursing care facilities, retirement facilities, convalescent hospitals, etc. The service charge shall not exceed that charged for other privately owned multi-dwelling projects.
2. The Cable TV Company shall be prohibited from directly or indirectly doing any one of the following:
- a) Engaging in the business of leasing, renting, repairing or servicing any product which is not an integral part of the Cable TV System itself such as; television sets, radios, hi-fi, appliances, etc.
 - b) Engaging in the business of selling any product, whether or not said product is an integral part of the Cable TV System itself.
 - c) Engaging in the business of furnishing contract services for labor and materials. Exception: Engaging in the business of furnishing contract services for the specific purpose of delivering service to a subscriber is permitted. Example: Distant residence outside of area being served where owner is willing to pay construction costs to extend service to said residence.
3. The Cable TV Company shall be prohibited from directly or indirectly shifting its construction costs to a builder/developer.
4. The Cable TV Company shall be required to construct its cable system in a manner which will not discriminate against the economically disadvantaged neighborhoods. The Cable TV Company therefore, within five (5) years from date of award of franchise, shall provide service to all areas in the community with a dwelling density (averaged) of 45 or more dwelling units per running mile of cable.

AS REGARDS THE CITY/COUNTY CABLE TV DRAFT ORDINANCE PRESENTED TO THE BOARD OF SUPERVISORS AT THEIR AUGUST 7, 1979 MEETING, THE FOLLOWING QUESTIONS WERE RAISED:

- 1. Reference Section 3, paragraph (j); Should there be limitations as to how many channels can be used for advertising?

2. Reference Section 4, paragraph (a); How much will the City/County receive annually from the Cable TV Company?
3. Reference Section 4, paragraph (c); Since the Cable Company rates will be unregulated (AB699) why should the County limit its annual increase to 2%? Why not increase in direct proportion to the amount of increase levied by the Cable TV Company against its subscribers; no more, no less.

911-22nd Street, Sacramento, California 95816
Telephone 444-5730-code 916



April 25, 1980

Ted Sheedy, Chairman
Sacramento Co. Board of Supervisors
700 H Street
Sacramento, Ca. 95814

Re: Cable TV Franchise

Dear Ted,

This letter is in accordance with your request that written input be provided for consideration during preparation of a proposed ordinance and your deliberations relating thereto.

A mandated bulk or wholesale rate must be provided for those individuals who have already invested in systems which can be utilized in providing cable reception. This influences a great many people and properties, mobilehome parks, apartment houses, condominium units, convalescent or senior citizen homes, hospitals, etc. - factually, just about any type of group housing or care community.

I have been advised by informed individuals that existing compatible systems have a potential value to a franchise from \$3,500.00 to \$10,000.00 per unit. Certainly this is a wild differential, but no more wild than the potential values tossed about relating to the unknown total value of a franchise.

New or existing systems constitute major initial investments and continuing maintenance responsibilities. Typical maintenance contracts are \$1.50 per month per connection. It is totally reasonable to require a franchisee to provide a bulk rate which will reflect existing investment amortization and reimbursement for continuing maintenance costs.

My concerns go far beyond the assurance of a bulk rate. The following thoughts bother me and a great many others!

1. Should government mandate access to cable for renters? If a landlord chooses not to provide cable service, residents certainly have the right to rent from an apartment owner who has this amenity.

April 25, 1980

2. Does government have the right by the issuance of a franchise to enrich someone else at my expense; i.e., use of existing systems without compensation?
3. Do we need an exclusive cable franchise? Other major areas are serviced by more than one firm.
4. Is modern technology advancing so rapidly we should cease even considering countywide cable with the attendant destruction related to installation?
5. In the hearings there was some discussion of mandating cable installation during the course of construction. One more regulation to aggravate affordable housing costs which is already a problem!

I urge you to seriously consider the ramifications of your actions relating to historic property rights with a full knowledge of the technology advances which may soon make cable obsolete. Are we, through exclusive franchise rights, excluding the benefits of technological advances?

Yours very respectfully,



Neva J. Cimaroli

NJC/jn

cc: Ella Collin, 2nd District
Sandra Smoley, 3rd District
Fred Wade, 4th District
Toby Johnson, 5th District
Bill Freeman

SACRAMENTO AREA CONDOMINIUM ASSOCIATION
P. O. BOX 160246
Sacramento, California 95816

December 20, 1979

Mrs. Sandra Smoley
Supervisor Third District
County Administration Center Suite 1450
700 H Steet
Sacramento, California 95814

send proposed ordinance when ready
RECEIVED
DEC 21 1979

BOARD OF SUPERVISORS

Dear Mrs. Smoley:

The membership of the Sacramento Area Condominium Association consists of 40 homeowner associations in the metropolitan Sacramento area representing about 5,000 homeowners. Many of our member organizations have existing master antenna systems and are vitally interested in the current issue of cable TV being considered by the Board of Supervisors.

Since you live in a homeowner association served by a master antenna system, I'm sure you understand the economic advantage which would be given to a cable TV franchisee if a "bulk-rate" provision were not made in the ordinance.

It is estimated that homeowners paid about \$200 each for the master antenna system when they purchased their homes. Without "bulk-rate" this becomes a gift to the franchisee. With bulk-rate, an association could choose to maintain the system (hopefully at a low cost) and provide its' members with cable television at an advantageous rate.

Since many of our members are affected by this issue, please provide me with copies of the proposed ordinance.

Yours very truly,

Richard Peters

Richard Peters
President,
Sacramento Area Condominium Association

355-0701
PHONE Wn 5127
Bulk Rate Issue
NOT ADEQUATELY
ADDRESSED

August 10, 1979

Info 8/11

RECEIVED

AUG 13 1979

BOARD OF SUPERVISORS

The Honorable Joseph E. Sheedy, Member
Sacramento County Board of Supervisors
700 "H" Street, Suite 2450
Sacramento, California 95814

Dear Ted:

I note with interest the County's progress in considering the award of a cable TV franchise for Sacramento County.

Our concern is that you do not include the Rancho Murieta 3500-acre project within the franchise since we have our own system with a current investment of over \$300,000.

You will recall that around 1975, we applied for a franchise for Rancho Murieta. We did not pursue because of the proposed initial fee and the annual fees thereafter. I would think it unfair for the County to consider the inclusion of Rancho Murieta in such a franchise and we, by necessity, will aggressively resist such inclusion.

I think it would be appropriate to consider approval of our request for a separate franchise for the Rancho Murieta territory. We have one of the most sophisticated systems in the United States; therefore, we do not need any outside transmission. We can provide thirty-six channels and have bio-directional capabilities, including surveillance for fire and burglary. Presently, we do not charge our residents for this service.

Yours truly,

RAY D. HENDERSON & ASSOCIATES
PROPERTY MANAGER - RANCHO MURIETA

Ray D. Henderson
Ray D. Henderson
President

RDH/ab

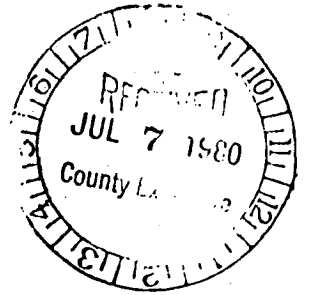
Raymond (8/14)
file - refer to Claus + Freeman for comment

Ray D. Henderson

REAL ESTATE

SACRAMENTO AREA ALARM ASSOCIATION

5933 Folsom Blvd.
Sacramento, CA 95819
(916) 452-4004



July 1, 1980

Mr. Bill Freeman
Assistant County Administrator
700 H Street
Room 7650
Sacramento, California 95814

Re: Cable TV Franchise

Dear Mr. Freeman:

This letter is to make you aware of the serious conflicts and detrimental impact that the proposed Ordinance and Request for Proposal for the cable franchise will have on the existing alarm industry.

The alarm industry in Sacramento must lease telephone lines in order to transmit alarm signals from the customer's protected premises to the alarm company's central station. All alarm companies compete on an equal footing, as the telephone leased lines are regulated by the Public Utilities Commission.

The proposed cable franchise mandates that the cable franchisee provide alarm service, installation, and monitoring. This process, in fact, franchises a "county wide alarm company" which can use its own cable for signal transmission to the cable head station. There are no provisions for alarm companies or other interested parties to be able to lease channels or terminations from the cable franchisee.

This "cable alarm company" has a distinct marketing advantage over all of the existing alarm companies, due to the fact that their sales people have available the list of cable subscribers to effectively direct their sales energy. The cable company also has unlimited advertising capability over the cable programming. From a competitive position, the existing alarm industry is at a distinct disadvantage.

SACRAMENTO AREA ALARM ASSOCIATION

**5933 Folsom Blvd.
Sacramento, CA 95819
(916) 452-4004**

July 1, 1980

Page 2

It is our position that the cable franchisee should not be allowed to enter into the alarm business. In so doing, they would enjoy a monopoly on the cable use and have unlimited ability to subsidize the alarm operation from the entertainment revenues.

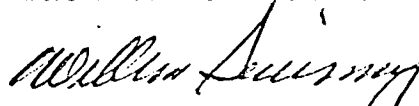
Please see the attached information which directly points out the possible antitrust violations for the franchisee.

It is our belief that neither the City nor the County of Sacramento desires that this franchise be delayed indefinitely while the merits of the case are decided in the courts.

The wording in the enclosed letter dated June 14, 1980, to Supervisor Illa Collin clearly states the alarm industry's position and was used in the franchise for Nashville, Tennessee and Jefferson County (Louisville), Kentucky.

It is our desire to work with the City and County of Sacramento to arrive at a solution to this problem in order to allow the cable franchisee to proceed in an expeditious manner.

**Very Truly Yours,
SACRAMENTO AREA ALARM ASS.**



**William H. Swinney
PRESIDENT**

WHS:ms

**Please mail responses to:
William H. Swinney
& Capitol Alarm Company
P.O. Box 1888
Sacramento, California 95809**



ALARMEX SYSTEMS FOR SECURITY

DIVISION OF VANGAS, INC.

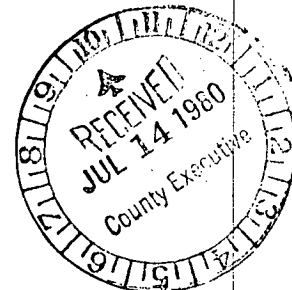
2340 "C" GOLD RIVER

RANCHO CORDOVA, CALIFORNIA 95670

916/635-1430

William Freeman
Assistant County Administrator
700 H Street, Room 7650
Sacramento, Ca 95814

July 11th, 1980



Dear Sir,

A provision in the franchise of a CATU system, with available multiple security channels, to engage in the business of private alarm security would be extremely detrimental to the burglar alarm industry in the Sacramento area. We ask to have equal access to an equal number of channels and have guarantees of service for those channels. Access and service for those channels should be at an equal standard that the CATU Company provide themselves. A provision excluding alarm transmission would be acceptable.

CATU systems have historically been able to provide transmission lines cheaper than are normally available. They also have historically not provided equal access to available excess channels. The burglar alarm industry depends upon transmission lines or channels to remain in business.

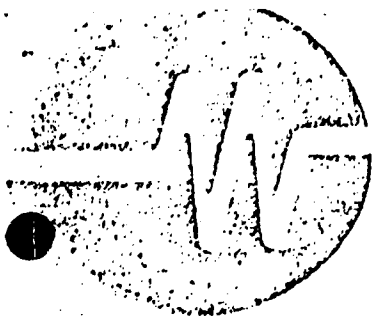
We invite competitive competition, however, we can not compete with a company that has virtually been granted a monopoly. The City is going to receive a percentage of the gross. This puts the City in direct competition with private alarm security companies, unless some regulation of this area is adopted into the granting of a franchise. A provision for security services is outside the basic intent of the Ordinance granting the franchise and is certainly not a common function of a CATU system.

Your attention to this matter would be greatly appreciated.

Thank you,



Herbert George
Manager



WESTERN

Burglar and Fire Alarm Association

8500 WILSHIRE BOULEVARD • SUITE 314 • BEVERLY HILLS, CALIFORNIA, 90211 • (213) 652-0490

June 14, 1980

Illa Collin, Supervisor
Sacramento County Board of Supervisors
700 H Street
Sacramento, California 95814

Re: Cable TV Franchise

Dear Supervisor Collin:

To assist in our response to the various inquiries posed by you, Supervisor Johnson and Mr. Gan during our meeting on May 30, 1980, we engaged the anti-trust law firm of Blecher, Collins & Hoecker whose preliminary opinion letter is enclosed.

As indicated during the course of the meeting, the suggested language for inclusion in the franchise agreement is as follows:

"Neither the FRANCHISEE nor any of its affiliates shall engage in the private security business, directly or indirectly except to the extent that communication lines are leased or made available to third parties for that purpose."

Although the enclosed opinion letter fairly well summarizes our position, I would like to request that you further consider the problems raised with the separate subsidiary concept. As you characterized during the course of our meeting, the concept raises many problems, particularly with reference to enforcement and the opportunity for unfair advertising. The Franchisee, given a monopoly under the terms of the franchise, has the advantage of the selling tool that the cable is already installed at the location.

Quoting from an interview which appeared in the May issue of SDM Magazine (copy enclosed):

"Cableguard advertises its security system on cable television and its subscribers monthly TV bills. Leads are followed up by salesmen who do not depend on price to sell systems."

Hla Collin Supervisor

June 14, 1980

Page -2-

Quoting further from a Vice President of Viacom, Inc.:

"Cable is the sizzle that helps us get appointments. Our salesman gets his foot in the door because the cable is already there."

This type of advertising has already permeated through cable TV operators although many writers have already recognized that the preferred method of operation would be one in which the cable operators provided access to the plant by security companies and refrained from becoming directly involved in alarm monitoring, processing and emergency response (see article of David L. Leninger and Donald J. Schiller, Las Colinas Association, Irving, Texas).

We encourage the county of Sacramento to consider our position and to make certain that the county does not inadvertently franchise a cable TV alarm company who ends up with a monopoly.

Very truly yours,

WESTERN BURGLAR AND FIRE
ALARM ASSOCIATION

By 

Lessing E. Gold, Counsel

LEG/sg

cc: Supervisor Toby Johnson
cc: Bill Freeman, Executive County Officer
cc: Lee Elam, County Counsel
cc: Bill Swinney, Capitol Alarm
cc: Bruce Westphal, President
Western Burglar and Fire Alarm Assn.
cc: Howard Gan

Blecher, Collins & Hawker

612 SOUTH FLOWER STREET, SUITE 800

LOS ANGELES, CALIFORNIA 90017

TELEPHONE (213) 625-0200

TELECOPIER (213) 625-1828

June 12, 1980

Lessing E. Gold, Esq.
Gold, Herscher, Marks & Pepper
8500 Wilshire Blvd.
Suite 614-19
Beverly Hills, California 90211

RE: Proposed Cable Franchise,
Sacramento County, California

Dear Les:

I am writing in response to your request for this office's opinion with respect to the antitrust implications which likely would attach if Sacramento County were to permit its cable franchisee to engage in the central station alarm business. It is the opinion of this office that the cable franchisee's participation in the alarm business, except to the extent that communication lines are made available to private security companies, could run afoul of the Supreme Court's admonition that one who possesses a lawful monopoly in one field may not "us[e] its monopoly power . . . to foreclose competition or gain a competitive advantage or to destroy a competitor" in another field. Otter Tail Power Co. v. United States, 410 U.S. 366, 377 (1972).

In Otter Tail Power Co. v. United States, the defendant power company had monopoly power over power transmission facilities in its service area. The Supreme Court in Otter Tail held that the defendant had violated Section 2 of the Sherman Act, 15 U.S.C. § 2, by utilizing this lawful monopoly in the transmission field to foreclose competition for the provision of retail power. 410 U.S. at 377.

The Ninth Circuit Federal Court of Appeals, which has jurisdiction over California, has also condemned under Section 2 of the Sherman Act attempts by a lawful monopolist to extend its monopoly power unlawfully into a competitive field. In Pacific Coast Agricultural Export Association v. Sunkist Growers, Inc., 526 F.2d 1196 (1975), cert. denied, 425 U.S. 959 (1976), the defendants' monopoly power over the production of oranges in California and Arizona was protected by the Capper-Volstead Act. Plaintiffs alleged that defendants

Lessing E. Gold, Esq.

June 12, 1980

Page 2

used their lawful monopoly power over production to foreclose competition in the distribution of oranges to Hong Kong, and the Ninth Circuit agreed:

"[P]laintiffs attempted to show and did show, that Sunkist's control of supply was employed to extend its monopoly into distribution." Id. at 1261.

Similarly, in Greyhound Computer Corp. v. International Business Machines, 559 F.2d 488, 503 (9th Cir. 1977), cert. denied, 434 U.S. 1040 (1978), the Ninth Circuit reiterated in dicta that it is a violation of Section 2 of the Sherman Act to foreclose competition in one market through the extension of monopoly power from a second market:

"The Sherman Act would be violated if IBM had monopoly power in the sales market and used that power to foreclose competition, gain a competitive advantage, or destroy a competitor in the lease market."
(Citations omitted.)

Other Federal Courts of Appeal have also firmly condemned the extension of lawful monopoly power into a second, competitive field. See, e.g., Berkey Photo, Inc. v. Eastman Kodak Co., 603 F.2d 263, 275 (2d Cir. 1979), cert. denied, _____ U.S. _____ (1980) ("It is clear that a firm may not employ its market position as a lever to create -- or attempt to create -- a monopoly in another market . . ."); T. V. Signal Co. of Aberdeen v. AT&T, 462 F.2d 1256, 1261 (8th Cir. 1972) ("The monopoly which defendants have in the field of telephone communications cannot be used to foreclose competition in the broadband cable field.")

It is possible that the same type of conduct condemned in Otter Tail and its progeny may occur if Sacramento County permits its cable franchisee to engage in the alarm business beyond the provision of communication lines to central station alarm companies. We cannot predict to what extent, if any, a cable franchisee might engage in such unlawful, anticompetitive activities as refusing to deal with competing alarm companies or imposing unreasonable terms and conditions as a condition of permitting access to the cable network. However, if the cable franchisee is permitted to enter the alarm business, it

Lessing E. Gold, Esq.

June 12, 1980

Page 3

will have both the power and self-interest to squeeze out rival alarm companies through its control over what we understand to be the most cost-effective means of providing a communications link between a central station and its customers, a cable network.

In addition, it appears that a cable franchisee who desires to provide alarm services would enjoy inherently unfair marketing advantages in terms of advertising, sales, etc., over competing alarm companies, solely by virtue of its ownership of the cable network. At best, there is an uncertain regulatory climate with respect to permitting those who control common carrier transmission facilities to compete with an industry which depends upon such a network for its survival, as demonstrated by the attention Congress is now giving to AT&T's desire to expand into new fields.

Moreover, to the extent Sacramento County may wish to grant the cable franchisee the exclusive right to provide alarm services over the cable network, the County should be advised that it may subject itself to antitrust exposure by granting a monopoly beyond its lawful authority. See City of Lafayette, Louisiana v. Louisiana Power & Light Co., 435 U.S. 389, 400-01 (1978); Woolen v. Surtran Taxicabs, Inc., 461 F. Supp. 1025, 1032 (N.D. Tex. 1978).

Based on the foregoing, we believe that the prudent course for the County to take is to avoid the spectre of antitrust exposure and regulatory turmoil by prohibiting the cable franchisee from engaging in the private security business, except to the extent that communication lines are made available to private security companies.

Finally, we strongly believe that the First Amendment protects the WBFPA's right to lobby Sacramento County consistent with the principles set forth herein. See Eastern Railroad Presidents Conference v. Noerr Motor Freight, Inc., 365 U.S. 127 (1961); United Mine Workers of America v. Pennington, 381 U.S. 657 (1965). However, it should be pointed out that there is the possibility, especially in the context of seeking to exclude the cable franchisee altogether from competing in the alarm business, that some court might consider such concerted

Lesling E. Gold, Esq.

June 12, 1980

Page 4

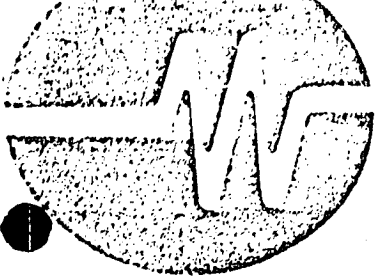
lobbying efforts, which may include conduct with which this office is not aware, to be a "sham" unprotected by the First Amendment. See California Motor Transport Co. v. Trucking Unlimited, 404 U.S. 508, 516 (1972).

Very truly yours,

Steven S. Davis

STEVEN S. DAVIS

SSD:bea



WESTERN

Burglar and Fire Alarm Association

8500 WILSHIRE BOULEVARD • SUITE 614 • BEVERLY HILLS, CALIFORNIA, 90211 • (213) 652-0490

April 17, 1980



President

Bruce Westphal
Day Alarm Company
325 Seventh Street
Oakland, California 94607
(415) 452-3211

Southern Vice President

William F. Habla Jr.
American District Telegraph Co.
500 South Shatto Place, Suite 300
Los Angeles, California 90020
(213) 383-3200

Northern Vice President

Gary B. Wiens
Bonded Security Services, Inc.
701 11th Street
Modesto, California 95354
(209) 577-2111

Secretary

Rod Uffindell
Denalect Alarm Company
P.O. Box 5379
Walnut Creek, California 94596
(415) 935-2680

Treasurer

Daniel L. Wilson
Central Alarm
P.O. Box 925
Pomona, California 91769
(714) 595-2503

Southern Directors

Sherwood Underdown
Central Alarm, Inc.
P.O. Box 6433
Phoenix, Arizona 85005
(602) 253-6131

Dick Lippert
Honeywell Protection Services
2043 West Peoria Avenue
Phoenix, Arizona 85029
(602) 995-2222

Northern Directors

Richard D. Moore
Alarmex, Division of Vangas, Inc.
925 N. Abby Street
Fresno, California 93701
(209) 485-8400

Charles E. Skobrak
Charlie's Day & Nite Security, Inc.
708 E. Lindsay Street
Stockton, California 95202
(209) 465-5561

Sergeant at Arms

Joseph R. Escobar
San Jose Alarm Co., Inc.
6582 Camden Avenue
San Jose, California 95120
(408) 294-1200

Director at Large

Tom Sandiakowski
Harris Protection Systems, Inc.
P.O. Box 702
Fairfield, California 94533
(707) 422-3304

Immediate Past President

Paul Worsley Jr.
Valley Burglar & Fire Alarm Co., Inc.
P.O. Box 12627
Fresno, California 93778
(209) 486-2650

Council

Jessing E. Gold
Gold, Marscher, Mares & Pepper
8500 Wilshire Blvd., #514
Beverly Hills, California 90211
(213) 652-5153 (213) 652-0490

Ted Sheedy, Chairman
Sacramento County Board of Supervisors
700 "H" Street
Sacramento, California 95814

Re: Cable TV Franchise

Dear Supervisor Sheedy:

It has come to the attention of the Western Burglar and Fire Alarm Association that the County of Sacramento is contemplating the issuance of a Cable TV Franchise for the County of Sacramento.

As several of the members of the Association are suppliers of burglar and fire alarm services in the County of Sacramento, the Association and its members have a vital interest in the outcome of this issue. The Association endorses the granting of a franchise for a two-way cable transmission system provided that the license does not include an exclusive franchise to any one person or company to provide burglar and fire alarm services.

As you are aware, burglar and fire alarm services have been provided by small businesses engaged in private enterprise throughout the United States for many years. The Western Burglar and Fire Alarm Association feels that the granting of an exclusive franchise to the exclusion of these alarm companies would infringe upon the rights of their members and could create serious anti-competitive violations.

The Association does not object to the granting of a franchise to install and operate a cable television system in the County of Sacramento. We do feel, however, that every qualified alarm company should have the opportunity to interface with the cable system at a subscriber terminal and utilize the system for the transmission of the alarm signals. The cost to the alarm company for the use of the transmission system should be reasonable, competitive and should be the same for any company who is providing the alarm services.

As you have no doubt been made aware, this issue has come up in various communities throughout the country. Of recent note has been the

Ted Sheedy, Chairman
Sacramento County Board of Supervisors
April 17, 1980
Page -2-

resolution arrived at by the city of Nashville, Tennessee and Jefferson County, Kentucky (Louisville), both of whom have developed similar type programs to that outlined above. In a recent case arising in the State of Louisiana, the Court held that local government entities are not exempt from prohibitions against anti-competitive agreements, unless there is a clear state policy to displace competition with monopoly public services. Lafayette vs Louisiana Power & Light (55 L.Ed.2d 364). Apparently relying on this case, the Commissioners of the County of Jefferson amended their ordinance which now provides:

"Neither Storer Communications of Jefferson County, Inc. nor Storer Broadcasting Company, nor any of their affiliates, shall engage in the private security business in Jefferson County, Kentucky, either directly or indirectly except to the extent that communication lines are leased or made available to third parties for that purpose."

The Western Burglar and Fire Alarm Association sincerely hopes that this same type of program as outlined in Jefferson County will be considered and incorporated in the franchise developed for the County of Sacramento and that it will not be necessary to attempt to restrain any type of anti-competitive conduct.

We would appreciate hearing from you regarding the position that will be taken by the County of Sacramento in this matter as soon as possible.

Many thanks for your courtesy and cooperation.

Very truly yours,

WESTERN BURGLAR AND FIRE
ALARM ASSOCIATION

By 

Lessing E. Gold, Counsel

LEG/sg

cc: Supervisor Illa Collin
Supervisor Sandra Smoley
Supervisor Fred Wade
Supervisor Toby Johnson
✓ William Freeman, Asst. County Executive
Howard Gan
Bruce Westphal, President
Western Burglar and Fire Alarm Association

OPERATIONAL CONSIDERATIONS ASSOCIATED

WITH TWO WAY CABLE SYSTEMS

David L. Leininger

Donald J. Schiller

Las Colinas Association

Irving, Texas

BACK GROUND

Las Colinas is a 6,500 acre land development served by a two-way cable system owned and operated by the Las Colinas Association. By virtue of being a multi-user land development consisting of residential, commercial and industrial facilities, it provides a unique opportunity for evaluating the full range of issues associated with the utilization of two-way capabilities. In particular, their experience indicates that there are four areas concerned that must be addressed by the cable operator: 1) plant and product reliability; 2) alarm signal receiving and processing procedures; 3) design and installation of proprietary systems; 4) special purpose local origination capabilities.

INTRODUCTION

The Las Colinas Association cable system currently comprises 12 miles of active plant. There are approximately 11 miles of plant under construction at this time. Installation of a triple trunk underground plant was begun in 1974 using .500 and .412 trunk and feeder cable, most installed in conduit. A combination of Tocom, Magnavox, and RCA amplifiers were utilized.

The three trunk cable system affords a wide variety of capabilities, many of which are being utilized at the present time. Cable "A" (45-300 MHz) carries the downstream in television programming

and polling signals for security and data systems. Cable "B" (5-110 MHz) provides the upstream return signals for the security and data systems. Cable "C" possesses both upstream (5-108 MHz) and down-stream (174-300 MHz) capabilities. Currently "C" cable is utilized to bring entrance and exit gate video back from remote guardhouse locations to central communications control where it is viewed by on duty security officers and may be videotaped.

Shortly an interface will be complete between a community college campus and LCA's system head end, thereby permitting live and taped broadcast to be offered over the system. LCA is currently participating with Tocom, Inc. and Dow Jones, Inc. in the demonstration of two-way data retrieval services over a cable. Six installations have been utilizing these services since the spring of 1979. Additional uses of the "C" cable under immediate consideration include: return of local and audio-video programming from remote locations (such as golf course fairways) and viewing of traffic control from various points within the Development.

PLANT RELIABILITY

Plant reliability has become a major factor in two-way cable systems because of the security and interactive data services offered over such systems.

Loss of service due to system outages can directly cause a disruption in business service. In the case of alarm monitoring, failure to detect an emergency signal due to a system outage could result in considerable property loss due to theft and fire damage. For these reasons, it is our belief that the design of two-way cable plant must incorporate such features as redundant amplification, stand-by power, status monitoring and alternate path routing.

To minimize service disruptions, an overall program has been undertaken by the Las Colinas Association which incorporates a number of technical and operational considerations. The system has been redesigned and a physical upgrade begun to incorporate .750 cable for trunk runs, use of some of the existing trunk for feeder, and eventual replacement of all trunk amplifiers with Jerrold JV-300 equipment. Jerrold JV-300 amplifiers were selected for trunk amplification because of the redundant amplification and status monitoring features they provide. Stand-by battery power for all power supply locations, stand-by battery, an uninterruptable power supply and a stand-by gas powered generator for the systems control center have been installed to reduce a vulnerability to power outages and brownouts.

Alternate path routing has been incorporated as a strategy in the LCA system. It attempts to provide a minimum of two feeds into major subdivisions of property within our cable plant. If the primary feed fails, either manual or automated switching to the second feed will permit the outage to be localized and service restored to unaffected areas beyond that point as soon as possible.

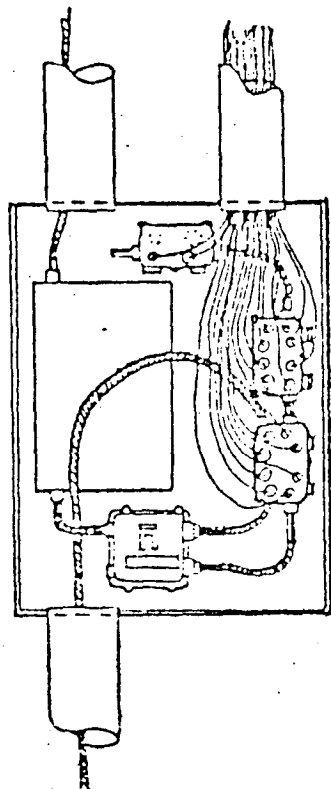
PROPRIETARY INSTALLATIONS

Another aspect of two-way cable plant design that has to be reconsidered over cable relates to proprietary plant installations such as hotels, apartment complexes and office and industrial facilities. With the introduction of security service over cable, these establishments are much more attracted to the introduction of cable systems within their premises. This will open up for the cable operator an altogether new market for their services, but it simultaneously poses some significant plant design problems.

Perhaps the most important consideration to be addressed in facilitating proper design of proprietary installations and interfacing them into commercial cable plants is the development of a series of specifications which describe and pictorially illustrate what such installations should look like in

highrise facilities. We have prepared a set of typical drawings which architects and engineers can utilize when attempting to incorporate a cable plant configuration inside a new facility. A "typical" tap illustration for each floor on a highrise facility is depicted below:

TYPICAL TAP CONFIGURATION



We refer to the proprietary plant "typical" as a "Backbone System" for use in a proprietary installation. It consists of a line extender at the point of entry into the facility and the installation, on each floor, of a directional coupler mounted inside an 18x24x4 inch electrical box.

A critical factor in the design of a "Backbone System" is the fact that, except for hotel and apartment properties, the final utilization of the office space in a highrise facility is often unknown at the time that construction begins. As a consequence, it is necessary to design for an intensity of use based upon assumptions about overall use rather than actual plans. We have elected to install a directional coupler on each floor so that the installation of additional drops can be accomplished without disrupting service to other floors.

The introduction of a typical "Backbone System" configuration has greatly facilitated the orientation of architects, engineers and contractors. It has made two-way cable capabilities within proprietary installations far more likely of occurring in the majority of new facilities to be constructed in Las Colinas.

SECURITY OVER CABLE

Cable operators considering the introduction of security alarm monitoring services over the cable plant will find themselves confronted with a number of basic issues relating to the actual accomplishment of this objective. In general, cable operators will need to fully acquaint themselves with the signalling devices, transmissions modes and processing approaches that companies that are presently involved in alarm monitoring employ. Among the issues which the cable operator must consider are:

- 1) The determination of which entity or entities will receive, process and initiate appropriate response to alarm signals transmitted over cable;
- 2) The determination, if access to cable channel space is provided to private security alarm companies, of the manner in which the communications interface will be accomplished between the cable operators head end facility and the private security company central station alarm monitoring facility;
- 3) The determination of which entity or entities will install the

actual devices and alarm circuits inside protected business and residential properties and the manner in which licensing of these designated installers will be achieved;

- 4) The determination of which types of sensors, control equipment and basic alarm circuits may be utilized in an installation;
- 5) The determination of the extent to which the installation at the premise must incorporate features designed to increase overall reliability and to provide adequate notice to the occupant of system malfunction.

Access to the cable plant by private commercial security firms would greatly reduce the extent to which the other items will require in depth inquiry on the part of the operator. It is our considered opinion that the preferred method of operation would be one in which the cable operator provided access to the plant by one or several security companies and refrained from becoming directly involved in alarm monitoring, processing and emergency response.

Because of several unique circumstances, the Association elected to undertake centralized alarm monitoring itself. As a result of our early experience with

the receipt of the alarm signals over cable, interfaced with an automated alarm monitoring system at the head end, we have become aware of the fact that alarm monitoring services incorporate a considerable number of procedures not immediately obvious to the cable operator. Without attempting to enumerate the many difficulties involved in the operation of a central alarm monitoring facility, sufficient to say that the automation of these procedures has proven to be very difficult.

Of the basic issues described above, the considerations associated with local premise equipment reliability and occupant notice would appear to be the most critical. It is in this area where a considerable amount of liability for personal injury can occur if equipment failure prevented an alarm message from being transmitted to the monitoring facility. It is essential that the occupant be able to readily ascertain if the alarm sensors and transmitting devices are operational and capable of transmitting such a signal.

The Las Colinas Association has elected to deal with this problem by the introduction of minimum specifications for a basic installation package in the home, apartment or business. Specifications are currently being drafted which will require that the local installation incorporate a standby

battery and a timing circuit interface board which can sense when the local RF transmitter has failed or has otherwise lost communications with the receiver at the head end facility.

If system malfunction occurs, a change in status will be indicated by a red LED. If the malfunction continues beyond five minutes, a timing circuit will activate a local annunciation panel at the premise. In addition, we are going to stipulate that single family and business installations, must also incorporate a digital communicator which can transmit a signal via telephone line into a digital receiver at the head end. This approach provides an attractive, relatively low cost means to substantially improve overall reliability by providing alternative transmitting mechanism and a separate communications link with the head end.

We are presently completing the design of necessary interface boards to support these revised specifications. At this time, no such interface electronics are readily available, therefore necessitating the development of an altogether new, specialized application for our purposes.

VIDEOPHONE

The emphasis upon security services rather naturally led Las Colinas to the consideration of the introduction of access controls systems over the cable plant. One such type of system, incorporating video monitors and audio intercom is currently undergoing development at Las Colinas.

The videophone, a one-way video, two-way audio communications device, originated in Italy. The normal installation of this equipment is used to provide private visual and audio review of a visitor to an area. It has application in secure villages, residential apartments, commercial facilities and some limited use in single family dwelling units. Normally, videophone units are hard wired with six to eight conductor wires on a point to point basis.

The basic components of the videophone system specified for installation at Las Colinas in July, 1980 include: a camera unit, a control unit (CPU) and a monitoring unit. The camera unit incorporates two cameras of which one is mounted inside the guard facility and the other outside the guard facility. The CPU consists of the electronic processing hardware required to operate the camera units, a keyboard, monitor and handset. The monitor unit includes

a video monitor screen, hand set and push button.

One of the prime features of the videophone system will be the protection of the privacy of the conversation between the guest and the resident. Only the party being contacted by the guard will have its monitoring unit activated and be able to see the visitor and hear the conversation. This will be accomplished through an encoding/decoding circuit in the videophone CPU unit.

The technical specifications of the RF videophones were designed for a two-way plant on a downstream frequency of 294 MHz and an upstream of 30.75 MHz. The levels run 20-40 dBmV downstream to 35-52 dBmV upstream. The video portion of the screen is currently on television European standard, however, the final units will meet American TV standards and will be UL listed.

The logic and control system provides: a decoding of the incoming signal from the control unit; receiving video and audio signals; transmitting of the audio signal and enabling the call from the resident to gate attendant; filtering of the incoming spurious frequencies with suppression of those over 40 DB; protection of reception of binary code signals from the CPU against interferences; automatic control of the

signal level variation of the line amplifier; automatic turn off of the monitor when handset is returned to the holder; and quartz control of all frequency generated by the monitoring unit.

Future options on the videophone may include; operation from multi location guard gates, multiple monitor unit installations within a single residential or commercial unit, two-way video (guard would be able to see resident or information from resident's location) and color video presentation.

The discussion presented above clearly illustrates that a wide variety of applications are possible over a cable plant possessing two-way capabilities. Because the active utilization of two-way cable plant is so limited at the present time, the ability of a cable operator to introduce a variety of two-way services is seriously impeded by the lack of proven applications and firms competent in the installation of such applications. The success of early attempts by cable operators will therefore be a direct function of the ability of the cable operators resident technical staff to undertake a great deal of development effort in-house. It is unlikely, therefore, that widespread application of two-way services will occur in the near future. Even so, a number of individual projects are

currently underway, offering the prospects for more and better information on this subject within the next year or two.

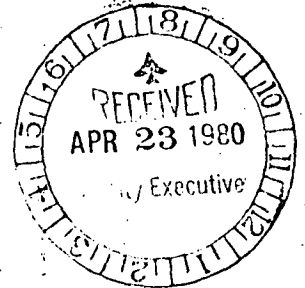


CALIFORNIA STATE UNIVERSITY. SACRAMENTO

6000 J STREET, SACRAMENTO, CALIFORNIA 95819

CENTER FOR INSTRUCTIONAL MEDIA

April 14, 1980



Mr. Ted Sheedy
Chairman
Sacramento County Board
of Supervisors
700 H Street, Room 2450
Sacramento, California 95814

Dear Supervisor Sheedy:

You are to be complemented on the systematic method of pursuing the development of CATV in Sacramento County. As the Board and County Staff progresses through the Cable television franchise process, I hope strong consideration be given to the following items:

- 1) Total community participation and access to hearings and documents during the process.
- 2) Development of a joint powers or some form of independent agency to administer the Community Cable service.
- 3) Deposit fees with the agency for use by community agencies in order to eliminate or reduce cost of access.
- 4) The development of facilities, program services and coordination to assure total community access and use at little or no cost. This need is particularly important to minorities and education which historically have been denied low cost access to PBS because of the nature of nationalized programming decisions. (This programming is not all bad - very good programs have been telecast.)
- 5) County government agencies set-up a monitoring/review process to assure county citizens' needs are being met.
- 6) Community agencies representing a constituency must not, independently of the joint powers governing board, be beneficiaries of funds, facilities and/or programming without specific consideration and approval of the joint powers board.
- 7) Small format video allows for less expensive facility and programming requirements thereby assuring the public access for agencies less economically capable of paying for high-cost broadcast services.

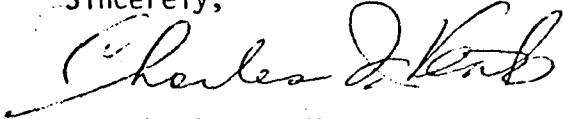
8) Every effort be made to assure a single system in the County.

Public information and education for Sacramento County can be a reality only if a countywide community agency is formulated to administer this very valuable public service.

Although many special interest groups in Sacramento County will wish to independently receive and control the public access channels, I believe a cooperative endeavor is the only solution.

Best wishes to the Board on this exciting venture.

Sincerely,



Dr. Charles J. Vento
Associate Director
Center for Instructional Media

CJV:do

cc: Sandy Smoley
Illa Collin
Fred Wade
Toby Johnson
Brian Richter
Bill Freeman ✓

INSTRUCTIONS TO APPLICANTS

The governing bodies of the Cities of Sacramento, Folsom, Isleton and Galt and of the County of Sacramento (hereinafter "County") have each declared their intention to solicit proposals for the construction and operation of a single cable television system to jointly serve the five communities. While the Cities and County retain their respective legal and legislative prerogatives as independent political jurisdictions, each has agreed to accept only those proposals which offer to provide a unified cable television system and service to the cities and county. Furthermore, each jurisdiction has declared its intention to act independently, but in concert, for the purpose of awarding City and County franchises to serve the greater Sacramento area. Only proposals offering to provide a single area-wide cable system will be considered and evaluated.

This document contains information and instructions relating to the preparation and filing of proposals; conditions and provisions regarding the construction, design, operation, and maintenance of the cable television system; and the procedure to be used in evaluating applicants' proposals. Appended are forms which must be completed by all applicants.

Applicants should carefully read the following instructions, since they contain various data and specifications which must be used in the preparation of proposals.

This document including its appendices, is referred to herein collectively as the "Request for Proposals".

Franchise Description

The Franchise will be non-exclusive, and will be for a term of 15 years. It is tentatively planned that the franchise area will cover the entire incorporated and unincorporated area of the County of Sacramento. However, if either of the Cities of Folsom, Isleton, or Galt fails to enact a regulatory franchise ordinance, fails to issue a franchise, or selects a different applicant to whom the franchise will be awarded than is selected by the County, the incorporated area of any such City shall be deemed excluded from the area covered by the franchise awarded, and all proposals shall be deemed rejected insofar as they apply to such incorporated area.

Filing of Proposals - Non Refundable Deposit

Ten copies of each applicant's proposal, together with all accompanying enclosures, shall be submitted in sealed envelopes with the caption:

"Cable Television Proposal"

addressed to:

Office of the County Executive
700 H Street
Room 7650
Sacramento, California 95814

Proposals may be filed in person or by mail but must be received at this office no later than _____. The County reserves the right to extend the deadline.

Each proposal shall be accompanied by a filing fee in the amount of \$7,500 in the form of a certified check made payable to County. All such fees shall be retained by County for the purpose of defraying the costs

incurred by County in planning and conducting this proceeding. No filing fee shall be subject to refund, whether the proposal which it accompanies is rejected, accepted, or all proposals are rejected. The costs incurred by the County to be defrayed by such filing fees include, but are not limited to, the salaries and fringe benefits of County personnel who have expended time in planning, coordinating, administering, legally reviewing, legally drafting, legally advising, conducting the environmental analysis and preparing the environmental documents in association with this proceeding; the fees and expenses which become owing to Cable Television Information Center (hereinafter "CTIC") who has been retained to provide consultation service and advise in association with this proceeding; and advertising and other miscellaneous direct and indirect costs. In the event a franchise is awarded pursuant to this Request for Proposals, the applicant receiving the franchise shall pay by certified check made payable to County, submitted with its acceptance of the franchise, a supplementary fee to defray expenses which have not been fully compensated by the filing fees in an amount which shall not exceed \$50,000. The actual amount to be paid shall be equal to the amount set forth in a written demand provided to the franchisee at the time of or after enactment by the County of its ordinance issuing the franchise.

Form of Proposals - Registration

Please Note: All proposals must be on the official forms attached hereto.

Each prospective applicant for the franchise shall register in writing with the County and shall obtain a copy of this Request for Proposals from the County. The purpose of registration is to provide a means of identifying all prospective

applicants so that information and documentation may be submitted during the proposal solicitation period uniformly to all interested parties. The registration shall be filed with and the Request for Proposals shall be obtained from the office of Mr. William Freeman, Office of the County Executive, 700 H Street, Room 7650, Sacramento, California 95814. The registration shall consist of a written notice signed by an authorized representative of the prospective applicant which states that the prospective applicant is considering the possibility of presenting a proposal, and contains the name of the prospective applicant, the mailing address of the prospective applicant, the telephone number of the prospective applicant, and the name of an authorized representative who may be contacted in connection with this proceeding. All documents distributed during the solicitation period will be mailed to the address indicated in the notice.

The application forms have been designed to elicit pertinent data that will be used in evaluating the proposals. Instruction for each form are included in the form. Space has been provided for specific and succinct answers to all questions and requests for data. Applicants should use only the pages on the official application forms (or copies of these pages if, for example, more room is needed to list equipment or provide manufacturer's specifications). Alternative proposal forms will not be considered. Any attempt to merely use the official forms as an "index" to voluminous narrative may disqualify an applicant from consideration. The official forms have been designed to facilitate an objective comparison of proposals. Evasive, imprecise or incomplete responses can only serve to the disadvantage of the applicant.

Alternative proposals for services within a single application which, in effect, constitute a separate application will not be considered. If an applicant desires to submit more than one application, each application must be on a separate set of forms and accompanied by a separate \$7,500 filing fee.

Regulatory Ordinance

Neither the Cities nor the County has enacted ordinances regulating the Cable TV system franchise as of the date of issuance of this Request for Proposals. Each agency intends to enact such an ordinance as an urgency measure not later than July 14, 1980. The ordinances will include, but not be limited to, provisions which will regulate the operation of any franchise which may be issued pursuant to this Request for Proposals, provide for the issuance of future franchises and regulation thereof, and delegate to Joint Powers Authority consisting of representatives of the participating agencies administrative authority and responsibility in connection with a franchise issued pursuant to this Request for Proposals.

Not later than July 15, 1980, copies of all regulatory franchise ordinances will be mailed to all prospective applicants who have registered. Any prospective applicant who does not receive a copy may obtain one from the office where registrations are to be filed.

In the event either the City of Sacramento or the County should fail to enact a regulatory franchise ordinance by July 14, 1980, this Request for Proposals shall be deemed void effective July 15, 1980. In the event either of the Cities of Folsom, Isleton, or Galt fail to enact a regulatory franchise

ordinance by July 14, 1980, the incorporated area of any such City shall be deemed to be excluded from this Request for Proposals and the franchise area identified herein.

Contract Documents

The contract documents constituting a part of the franchise shall consist of the following:

This Request for Proposals;

The regulatory franchise ordinances to be enacted, as they may be amended from time to time;

The proposal submitted by the applicant to whom the franchise is awarded, together with any amendments thereof which are authorized pursuant to this Request for Proposals;

The ordinances awarding the franchise;

The written acceptance thereof by the applicant to whom the franchise is awarded.

Clarification of Contract Documents

In the event of a conflict between the provisions of this Request for Proposals and the provisions of the regulatory franchise ordinances, the provisions of the regulatory franchise ordinances shall prevail and control. In the event of a conflict between the provisions of the proposal by the applicant to whom the franchise is awarded and the provisions of either this Request for Proposals or of the regulatory franchise ordinances, the provisions of this Request for Proposals or of the regulatory franchise ordinances, as the case may be, shall prevail and control.

In the event that an applicant has questions as to any terms, conditions, or provisions of the contract documents or the meaning or interpretation

thereof the applicant may request information or clarification by submitting such request in writing to:

Mr. William R. Freeman
Office of the County Executive
700 H Street
Room 7650
Sacramento, California 95814

Requests for information must be submitted no later than fourteen (14) days prior to the deadline for filing applications. Responses to such requests will be made in writing as promptly as possible. All requests and the responses shall be sent to all prospective applicants who have registered. No interpretation shall be deemed binding or effective unless it is reduced to writing and signed by Mr. Freeman. No other interpretation by any other person, whether oral or in written form, shall be binding.

An applicant, by submitting its application, shall have evidenced the fact that it agrees that it has no unanswered questions with respect to these specifications, and shall have no basis for withdrawal or modification of its proposal on the basis of misunderstanding.

Amendments to Proposals

Substantive amendments to proposals will not be considered except to acknowledge involuntary changes such as a change in ownership due to death. Correction of inadvertent errors submitted prior to the filing deadline will be considered. Correction of errors submitted after the filing date may be considered at the discretion of the County or its consultant, only if the applicant submits with its correction sufficient information to prove that the error was inadvertent. Clarifying information or data may be requested

by the county or the consultant if, in the judgment of either, such clarification is needed in order to make a fair and accurate analysis of a proposal.

Procedure for Proposal Evaluation and Franchise Award

The following procedure shall govern the evaluation of proposals and award of franchise or rejection of all proposals.

An environmental analysis will be conducted by the Environmental Section of County, as a lead agency. The environmental analysis will include this Request for Proposals, the regulatory franchise ordinances, and the proposals submitted by applicants.

After the deadline for filing proposals, the proposals received will be analyzed by CTIC.

If it is determined that an Environmental Impact Report is required, the Board of Supervisors of County may conduct a hearing upon the draft Environmental Impact Report.

CTIC will present a report to the County which evaluates the proposals. The report will be distributed to the Cities and the applicants.

Applicants will be given the opportunity to react to the contents of the report by CTIC and respond to any questions raised therein. CTIC will thereafter file any supplementary comments with County and the Cities.

A joint meeting of the City Councils of the Cities and Board of Supervisors of County will be held. At that time, the Board of Supervisors will conduct a

public hearing upon any environmental document which has been prepared, for the purpose of receiving any presentations desired to be made by applicants, and for the purpose of receiving comments from the public upon the applications. The hearings may be continued from time to time by the Board.

After the close of the public hearings, the Board of Supervisors will decide whether the environmental document is adequate and complete. If it decides that the document is not adequate and complete, further proceedings will be conducted with respect to the environmental issues before any action is taken concerning award of the franchise. If the Board determines that the environmental document is adequate and complete, it will decide whether a franchise is to be issued pursuant to this Request for Proposals. A decision not to issue a franchise shall be deemed to constitute a rejection, in behalf of the County and each of the Cities of all proposals by applicants.

If the Board of Supervisors decides to issue a franchise, it will tentatively select, in behalf of the County, the applicant to whom the franchise is to be awarded. The Board shall also at that time enact any amendments or make any other changes or other modifications in this Request for Proposals and the

County's regulatory franchise ordinance made necessary or advisable by adoption of the environmental document.

Each applicant shall file with the County Executive of County not later than ten days following the date of any amendments which have been made by the Board of Supervisors in this Request for Proposals or the County's regulatory franchise ordinance, any amendments, changes or other modifications of its proposal which it deems necessitated by any amendments, changes or other modification which the Board of Supervisors has made in this Request for Proposals or the County's regulatory franchise ordinance, together with a written explanatory statement indentifying why the changes are being made. Within such ten day period, any applicant may also withdraw its application from consideration.

Not later than 40 days following the date of tentative selection by the Board of Supervisors of the applicant to whom the franchise will be awarded, each City shall incorporate into its regulatory franchise ordinance such applicable amendments, changes and other modifications, if any, as have been adopted by the Board of Supervisors with respect to the County's regulatory franchise ordinance, and shall independently decide to whom the franchise shall be awarded by enacting an ordinance which conditionally grants the franchise. The condition of the ordinances granting the franchise shall be that there be a future enactment

by the Board of Supervisors in behalf of the County of a similar ordinance awarding the franchise to the same applicant as is identified in the City's ordinance. If either of the Cities of Folsom, Galt, or Isleton fail, within the time required, to enact an ordinance granting the franchise, such failure shall be deemed to constitute a rejection of all proposals as they apply to the incorporated area of any such City which so fails to act, and any franchise issued pursuant to this Request for Proposals shall be deemed to have excluded from the franchise area the incorporated area of each City which so fails to act. If the City of Sacramento fails to act within the time required to enact an ordinance granting a franchise, all proposals, including the one made by the applicant tentatively selected by the Board of Supervisors of County, shall be deemed to be rejected, and no franchise shall be issued pursuant to this Request for Proposals.

Not later than 50 days following the date of tentative selection by the Board of Supervisors of the applicant to whom the franchise will be awarded, the Board of Supervisors must decide to whom the franchise shall be awarded by enacting an ordinance granting the franchise to a named applicant in behalf of the County. The applicant to whom the franchise is granted may or may not be the one who was tentatively selected, and the tentative selection shall not be deemed binding. The Board of Supervisors shall not be

authorized to enact an ordinance granting the franchise to an applicant different from the one selected by the City of Sacramento in its ordinance granting the franchise. If the Board of Supervisors fails, within the time required, to enact an ordinance granting the franchise, all applications shall be deemed denied, no franchise shall be issued pursuant to this Request for Proposals, and any ordinances granting the franchise by the Cities of Sacramento, Folsom, Galt, or Isleton shall be null and void. If the Board of Supervisors enacts an ordinance granting the franchise to a different applicant than has been named by either the City of Folsom, the City of Galt, or the City of Isleton, the franchise awarded to the applicant named by the Board of Supervisors shall be deemed to have been rejected by any such City which has named a different applicant, and the franchise awarded by the Board of Supervisors shall be deemed to have excluded from the franchise area the incorporated area of any such City. The ordinance granting the franchise by any such City shall be null and void.

Not later than ten days following the date on which the ordinance adopted by the Board of Supervisors granting the franchise in behalf of the County becomes effective, the applicant to whom the franchise has been granted shall file a written acceptance thereof with the County Executive of the County. The written acceptance shall be deemed to

apply to all ordinances by Cities granting the franchise which have become effective. No applicant shall file an acceptance of a City ordinance granting the franchise, and any such individual acceptance shall be deemed null and void.

The Board of Supervisors reserves the right to reject all proposals at any time between the date the proposals are received and the date on which the Board of Supervisors enacts the ordinance granting the franchise in behalf of the County. Any such rejection shall be deemed to have been in behalf of the County of Sacramento and each of the four Cities. The Board of Supervisors, in behalf of the County of Sacramento and each of the four Cities also reserves the right to waive any irregularity or defect in proposals submitted.

Rejection of Proposals

It is understood that a determination as to whether a franchise should be issued cannot be made until completion of the environmental analysis and approval of the environmental documents. For that reason, because issuance of a franchise is a legislative act, which involves broad policy consideration, and for other reasons, neither the County nor any of the four Cities, have decided that a franchise will be issued. Such a decision will not be made in favor of issuance of a franchise until the date on which each agency takes final action with respect to the matter. Neither the County, any joint powers

authority with respect to the matter. Neither the County, any joint powers authority created as a result of this Request for Proposals, any of the four Cities, nor any of their officers, agents or employees shall be deemed to be liable for costs or expenses incurred or other damages suffered by any prospective applicants or applicant as a result of a failure to either enact regulatory franchise ordinances, the exclusion of one or more Cities from the franchise area, or the rejection of all proposals and failure to issue any franchise whatsoever, whether such rejection is expressed or results from another act or omission as prescribed by this Request for Proposals.

Use of Uniform Data Supplied

In order to permit logical comparison of applications, all applicants will be required to utilize certain uniform data supplied in these forms. This information is appended to these instructions.

All pro forma statements must be based on the uniform data supplied. These data include street miles, dwelling units, population growth and inflation factors.

Note: All applicants should incorporate an inflation factor of 10 percent annually. And all applicants must use the uniform figure for cable miles of 85 percent of total street miles to be wired.

DESIRED SERVICES AND PROPOSAL REQUIREMENTS

The Cities and County are establishing few service requirements so that all applicants have maximum freedom to develop their own innovative proposals.

All items being offered by applicants are considered to be freely and voluntarily offered and will be included in the franchise and become subject

to the enforcement provisions stated therein. The successful applicant should agree to support any waiver required by the Federal Communications Commission (FCC) for any voluntary offer of services or technical standards that may exceed FCC requirements.

Franchise Fee

There will be a franchise fee of five percent per year on all gross annual receipts. In order to eliminate this fee from becoming a bid item, there will be no consideration of any fee that is different than five percent, or any prepayment of fees or lump-sum cash contributions, other than those specified in these instructions. All revenues derived from the five percent franchise fee will be utilized for either regulatory oversight of the cable system or cable/communications related purposes.

During the term of any franchise granted pursuant to this Request for Proposals, the right is reserved to charge a franchise fee which is greater than five percent per year on all gross annual receipts, if there should be a change or changes in law which permit a higher fee. The right will not be exercised except after advance notice to the franchisee and a public hearing conducted for the purpose of receiving comments from the public. If a fee higher than five percent should be charged, that portion of the revenue derived from the fee which represents the difference between five percent on all gross annual receipts and the fee charged may be used for any purpose deemed appropriate.

Initial Service Area and Line Extension Policy

The grantee will be required initially, within three (3) years of the franchise award, to make cable service available to those areas defined as

the initial service area. In addition, applicants may propose initial construction in areas beyond the initial service area and exceeding the following line extension standard. Applicants are required to clearly delineate the initial service area being proposed on detailed maps of the Cities and County.

The Cities and County have established the following minimum line extension requirements for the entire franchise area. The grantee will be required to extend cable TV service to:

areas which are within the line extension standard stated in the ordinance--40 dwelling units per street mile, contiguous to existing cable plant;

residents are otherwise in the service area who are willing to share the costs of system extension above normal costs incurred.

Applicants may propose other line extension policies which exceed the minimum requirements.

System Design and Institutional Services

The Cities and County seek a modern, efficient, and cost-effective system which will provide high-quality, state-of-the-art technology, deliver a variety of communications services, and provide the flexibility needed to adjust to new developments. The Cities and County are interested in receiving proposals for a system with the initial capacity of delivering at least 35 channels to subscribers and two-way capability. The Cities and County are particularly interested in proposals which will provide an institutional communications capability within the Cities and County. Applicants are also encouraged to propose high standards of technical performance which may exceed current FCC requirements and to propose plans for interconnection on a regional basis with other cable systems in the Sacramento area.

Services and System Design

Applicants are encouraged to propose, at minimum:

- one public access channel;
- one local government access channel;
- one educational access channel;
- one leased access channel;
- video production equipment available for access use;
- initially activated, bi-directional design and proposed uses bi-directional for the system;
- access channels dedicated to other identified users;
- nonautomated local origination programming;
- national and international news services;
- financial and stock market information;
- sports channels;
- weather service;
- FM/stereo programming;
- children's programming;
- movie channels;
- pay cable channels;
- public access facilities and portable equipment;
- interactive services;
- free or discounted service to public buildings; and
- security services (fire/burglar alarm).

The Cities and County, after assessing their own potential uses of the cable system, are also interested in proposals which can accommodate the following types of services or cable system utilization areawide:

- upstream transmission capability for public service programs, coverage of public meetings and events and training seminars;
- closed-circuit bi-directional capability for area-wide shared training for police, fire and other public service agencies;
- availability, at reasonable rates of / leased data and video channels to accommodate use of the cable system by parties other than the system operation;
- planned cooperation with television station KVIE and other media groups in the greater Sacramento area to utilize local existing facilities and talent to its fullest extent and foster increased local media effort;

- cooperative efforts with area-wide educational authorities in order to maximize use of the system for educational purposes;
- availability of advanced news and informational services via teletext or similar types of services; and
- designation of community viewing centers in public libraries or community centers at no cost for installation or monthly service charges for access and public service channels.

Institutional Capacity

All applicants proposing institutional networks should contact government and community groups and evaluate their needs and desires. Based upon the information received from these groups, applicants should incorporate these potential uses into an efficient and cost-effective system design. The Cities and County are interested in a flexible system which can best accommodate the present and future needs of institutional users without economically burdening the average subscriber.

In surveying needs and potential utilization of an institutional network, the following are suggested potential users:

Medical. Public and private hospitals; public and private ambulance locations (most public ambulance services are located in fire stations); private doctors; and nursing homes.

Religious. Individual church locations; denominational offices; church operated homes for the elderly; religious schools; and church operated facilities for social programs.

Educational. Public and private schools and district administrative offices. (Libraries may interact with education facilities, but are included under governmental institutions).

Governmental. All levels of government in the community including federal, state, county, cities, and districts; including all types of facilities.

Community Service Organizations. Community groups which provide various services to the community as evidenced by funding from public donations or governmental contracts.

A non-exclusive up-to-date list by name, description, and address will be furnished with the Request for Proposals covering many of these institutional locations. Flexibility in any plan is important to provide for additional sites as they are created or become known.

All services offered in excess of any minimum requirements must be guaranteed and within the financial capability of the system as demonstrated in the financial pro forma statements.

Legal Qualifications

Evidence must be presented assuring the County that the applicant complies with the FCC's applicable rules and regulations regarding ownership and control of regulated franchises and businesses.

Media Cross-Ownership Position Statement

In order to facilitate a full and intelligent discussion of any questions concerning cross-ownership of various communications media, in the Sacramento area and in other areas of the country, each applicant is requested to submit a position statement on media cross-ownership. This statement is not to exceed 10 pages in length.

Financial Plan

Pro Forma

An important feature of the application is an adequate demonstration of financial capability to perform in accordance with the ordinance and this application. Failure to provide the detailed Pro forma requested may be interpreted as evidence that an application is not properly qualified to receive a grant of the franchise.

The pro forma data submitted should include plans and terms for debt and equity participation, terms of local ownership participation (if any), financial goals as well as financial projections and assumptions. Complete detail is required pertaining to equity participation of local owners and the equity of lenders, now and envisioned for the future. All understandings for equity participation are to be provided in detail, whether written or oral; and if equity is provided by the company in exchange for services, the extent and nature of the services are to be detailed.

Tiered service structures, if offered, must be factored into the revenue projections. Adequate documentation of the applicant's assumptions and processes must be provided so that a fair analysis can be made of the projections. Highly optimistic projections will be scrutinized carefully. For purposes of the financial pro forma, Year one begins on the date the franchise is awarded.

Implementation

Applicants should present evidence of financial resources that assures the company's ability to complete the entire initial service area within the construction period specified in the application.

Rate Schedule and Regulation

The rates initially proposed by the applicant must be substantiated in the pro forma statements by use of realistic levels of penetration. Projected rate increases should be indicated in the pro forma projections. Applicants must assure the Cities and County that the initial rates proposed are realistically calculated to meet the applicant's financial goals as indicated by a guarantee that rates will not be increased for a specified period of time (see Form M).

The regulatory franchise ordinances will contain provision for rate regulation to the extent permitted by law. Section 53066.1 of the California Government Code contains provisions authorizing cable-television systems to exempt themselves from rate regulation and to elect to avail themselves of rate increases, subject to the terms and conditions set forth therein. The Cities and County desire to know in advance of issuance of any franchise whether the franchisee will reserve the right to elect to avail itself of the exemptions from rate regulation and election permitting rate increases authorized by Section 53066.1 or any other exemption or limitations upon rate regulations which may be established by an amendment to Section 53066.1 or any other law enacted subsequent to issuance of any franchise hereunder. The Cities and County also desire that any determination made during the selection process by the franchisee not to elect such exemptions or rate increases, be binding and irrevocable during the term of any franchise which may be issued pursuant to this request for proposals.

Therefore, each applicant shall, by filling out Form L-4, decide whether it elects not to avail itself of any exemptions from rate regulation or right to elect rate increases or other limitations upon rate regulation established

by Government Code, Section 53066.1, or any amendment of said Section or other law which may be enacted during the term of any franchise issued pursuant to this Request for Proposals. If a franchise is issued to an applicant who has elected not to avail itself of such exemptions or rights in the manner above described, the applicant shall not during the term of the franchise elect or take any other type of action to exempt itself from rate regulation or elect any rate increase or other limitations upon rate regulation authorized by Section 53066.1 of the Government Code or any amendment to said Section or other law enacted during the term of the franchise, any action so taken shall be deemed null and void, and neither Section 53066.1 of the Government Code nor any amendment thereof or other law enacted during the term of the franchise which prohibits or otherwise limits the rate regulatory authority conferred by the regulatory franchise ordinances to be enacted and requires consent, election or approval of a cable television system or franchisee thereof as a condition of operation of such prohibition or limitation, shall be applicable to the franchise.

The decision by an applicant not to divest itself of the right to elect applicability of exemption from or other limitations upon rate regulation established by Section 53066.1 of the Government Code or any amendment thereof or other law enacted during the term of the franchise, shall not disqualify the proposal by the applicant from consideration or otherwise negate the right to award a franchise to such an applicant.

Ordinance Regulation

Land use zoning, building and construction, grading and noise ordinances, and all other regulatory ordinances of the County and the Cities shall be

applicable to the operations under and improvements installed pursuant to any franchise issued hereunder to the same extent and in the same manner as they would apply to a private party engaging in the same operations and installing the same improvements without a franchise.

Environmental Review

An environmental analysis will be conducted pursuant to this Request for Proposals, and the analysis, preparation and consideration of environmental documents is integrated by this Request for Proposals into the process for awarding or declining to award the franchise.

In order to reduce and limit the magnitude of time required to complete the environmental analysis and preparation of environmental documents, all applicants are requested, by separate attachment to their proposals (forms are not included), to provide the following information:

- Main T.V. Office/Studio Complex
 - Planned location (specific or general)
 - Drawings/specifications in 3-dimensions for typical site design including structure(s), parking requirements and landscaping
 - Description of the external appearance of any structures
 - Planned number of employees and visitors
 - Planned operating hours
 - Anticipated noise, if any, measured in decibels at (a) the noise source, (b) a 100-foot radius from the noise source, and (c) a 200-foot radius from the noise source.

- Headend (Hub) Stations
 - Approximate number of stations which would be required
 - Planned locations (specific or general)
 - Detailed construction drawings/specifications in 3-dimension for typical site design, including any antenna(s) and tower(s)
 - Description of the external appearance of any structures
 - Planned number of employees, if any
 - Anticipated noise (humming, buzzing, etc.) measured in decibels at (a) the noise source, (b) a 100-foot radius from the noise source with no wind, and (c) a 200-foot radius from the noise source with no wind.

- Cable Distribution Lines

Detailed construction drawing(s)/specification(s) or typical poles

Graphically illustrated sections of that cable distribution system which would be installed overhead and which would be installed underground, and indication of the lengths of these sections to the approximate nearest tenth of a mile

Identification of areas in which existing utility poles would be used, and areas in which new poles would have to be installed, estimated number of new poles which would be required, and the approximate distances between poles

For any underground cable sections which would be installed outside public street rights-of-way, indicate the locations and lengths to the approximate nearest tenth of a mile

The width and depth of any underground trenching.

- Miscellaneous

Graphic description of the entire distribution system

Expected number of dwelling units to be served by the system

Description of any planned safety/security provisions

Estimated planned daily energy usage of the system, including information concerning peaks and fluctuations in energy consumption.

Identification of any freeways, railroads or waterways (including creeks) to be crossed by the cable distribution system, and locations of crossing.

Any applicant who is unable to provide all of the above information shall specifically identify that information which is not included, and the reasons why. Failure to supply all information could result in a staged environmental review process which extends beyond the grant of the franchise, with consequent unilateral right on the part of the Cities and County to impose additional conditions after the franchise has been issued.

Demonstrated Experience in Operating a Cable Television System

Information will be solicited from the jurisdictions in which applicants operate cable television systems. This information will be used by the Cities and County to determine applicants' performance in those communities in

which a franchise is held. The Cities and County will consider evidence of timely construction and satisfactory delivery of services as promised, as well as management background that gives evidence of excellent construction practices, a history of satisfied customers, and good community relations.

EVALUATION CRITERIA AND PRIORITIES

The Cities and County will award franchises to the applicant who can demonstrate the best overall capability and willingness to provide cable communications service to the greater Sacramento area. All the information requested herein will contribute to the evaluation of applicants and the subsequent selection process.

The criteria upon which applicants will be judged include, but are not limited to, the following, not necessarily in the order listed:

- construction and line extension plan;
- technical standards;
- origination cable casting (automated services, special interest programming);