

# SPECIAL MEETING CITY COUNCIL SACRAMENTO

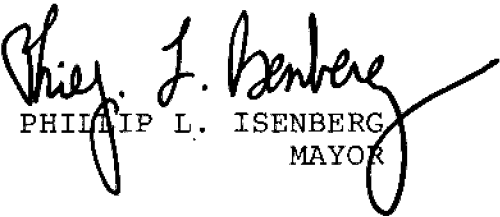
DECEMBER 4, 1980

THURSDAY

4:00 p.m.

I HEREBY CALL a Special Meeting of the Sacramento City Council to be held at the hour of 4:00 p.m., Thursday, December 4, 1980, in the County Executive Conference Room, Room 7450, 700 "H" Street, Sacramento, California, for the purpose of a two hour Work-Study Session on CATV - Cable Television. As the meeting is a Work-Study Session, no public testimony will be received.

ISSUED: This First Day of December, 1980

  
PHILIP L. ISENBERG  
MAYOR

ATTEST:

  
LORRAINE MAGANA  
CITY CLERK



CITY OF SACRAMENTO  
CALIFORNIA

OFFICE OF THE  
CITY MANAGER

November 17, 1980

CITY HALL  
915 I STREET - 95814  
(916) 449-5704

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: Proposed Cable Television Workshops

Enclosed are agendas and discussion materials for three proposed cable television workshops. The attempt is to provide a structure that has the flexibility to accommodate the concerns, questions, and suggestions of individual Council Members.

The list of policy questions was previously distributed to members of the Council and the Board of Supervisors in June 1980. For our discussions, the questions have been reorganized; questions raised in our last workshop have been added; and space has been provided for you to write out any additional questions you may want to discuss.

The agendas have time allocations to keep us moving. If we run out of time, we can schedule additional meetings--or staff can meet with individual Council Members to answer questions.

Members of the Board of Supervisors will be invited to join in the discussions with us including Supervisor-elect Bill Bryon.

Respectfully submitted,

Mac Mailes  
Assistant City Manager/  
Community Development

Enclosures

SACRAMENTO CITY COUNCIL  
CABLE TELEVISION WORKSHOPS

SUMMARY OF AGENDAS

FIRST MEETING

WEDNESDAY, NOVEMBER 19, 1980 - 4:00 p.m. to 6:00 p.m.  
Council Chambers  
City Hall

- Introductory Comments
- Policy Questions--Dealing With The Operators
- Policy Questions--What Do We Want From The System

SECOND MEETING

THURSDAY, DECEMBER 4, 1980 - 4:00 p.m. to 6:00 p.m.  
Conference Room, Seventh Floor  
County Administration Building

- Policy Questions--How Much Control Do We Want

THIRD MEETING

THURSDAY, DECEMBER 11, 1980 - 4:00 p.m. to 6:00 p.m.  
Conference Room, First Floor  
Housing and Redevelopment Agency

- Items Continued From Previous Meetings
- How Do We Organize To Award And Administer Franchises

ADDITIONAL MEETINGS

- As Requested By Council

SACRAMENTO CITY COUNCIL  
CABLE TELEVISION WORKSHOP AGENDA

November 19, 1980

LOCATION: Council Chambers

- 4:00 p.m.            I.    INTRODUCTORY COMMENTS
- A.    Film
  - B.    Overview summary (copy attached)
  - C.    Review of available reference material
  - D.    Proposed schedule and format for workshops
- 4:25 p.m.            II.   DEALING WITH THE OPERATORS
- \* A.    The "Rent a Citizen/Organization" approach
  - \* B.    Lobbying
- 5:00 p.m.            III.  WHAT DO WE WANT FROM THE SYSTEM?
- \* A.    Required services
  - \* B.    Service policies
  - \* C.    Minority involvement
  - \* D.    Control of community access channels
- 5:50 p.m.            IV.  REVIEW AND SUMMARY

\*Refer to attached list of policy questions.

CABLE TELEVISION  
OVERVIEW SUMMARY  
OCTOBER 1980

I. INTRODUCTION

A. What is Cable Television

1. Cable Television is a misnomer. It is a means of transmitting signals which includes:
  - a. Entertainment
  - b. Data
  - c. Information
2. At this point entertainment programming via satellite makes the system economically feasible.
3. Data transmission is the future source of increased revenue for the cable operator. It includes such uses as:
  - a. Alarm systems
  - b. Bank or shop at home
  - c. Home computer services
  - d. Meter readings
4. Information involves community usage including:
  - a. Government
  - b. Education
  - c. Community groups

B. Local Government is included because of their responsibility for allowing the use of public streets and easements for installing the cable. From that act flows the other regulatory aspects of local government over the cable operator. (It should be noted that the general trend is to reduce the regulatory control of local government.)

C. Our goal should be to develop a community-wide system that meets present needs yet is flexible enough to take advantage of future developments.

II. APPROACH

A. System Design

1. Set minimum requirements and let operators design a proposed system.
  - a. They have more capability
  - b. Let them offer so we have a contractual franchise not a unilateral franchise which may be hard to enforce.
2. The alternative is to design a system that we feel is best.

II. APPROACH continued.

B. Community Access

1. We will retain control of all dedicated channels.
2. Funding for programming production will come from 5% franchise fee.
3. The alternative is to let the operator manage and control access.

III. PROCESS

A. As defined by CTIC the phases are:

1. Organization
2. Study
3. Legislation
4. Selection
5. Administration

B. Organization

1. Alternative approaches were presented in report to the Board of Supervisors and all five City Councils dated February 5, 1980.
2. The present organizational approach is:
  - a. The County is the lead agency.
  - b. The Board of Supervisors and the Sacramento City Council will jointly participate in policy decisions.
  - c. The Cities of Folsom, Isleton, and Galt will participate as they determine what is in the best interest of their citizens.

C. Study

1. The study phase has been somewhat concurrent with organization phase.
2. The study phase has included:
  - a. Various staff reports
  - b. Study sessions by the Board and the Sacramento City Council with the consultant.
  - c. Two initial policy discussion sessions by the Board with the consultant.
  - d. Preparation of an initial draft ordinance and Request for Proposals.
  - e. Preparation of a cable television policy issues paper.
  - f. Preparation of a workbook for Members of the Board and the Sacramento City Council which includes:
    - 1) Issue summary papers
    - 2) Written community input
    - 3) The draft ordinance and RFP
    - 4) Written community/operator comments on the drafts

### III. PROCESS continued.

#### C. Study

3. To complete the study phase we propose to:
  - a. Prepare a new draft ordinance that reflects staff recommendations.
  - b. To be accompanied by a report which identifies major policy issues and alternative approaches to the staff recommendations including community input.
  - c. Based on the public hearings and the final ordinance, an RFP will be prepared.

#### D. Legislation

1. The regulatory ordinance will represent the basic legislation governing the process of awarding and administering a franchise.
2. Essentially the ordinance will:
  - a. Define the franchising process.
  - b. Establish operating standards for the franchisee.
  - c. Provide for administration of the franchise.
3. The intent is to have each jurisdiction adopt the ordinance prior to the release of the RFP or at least by the time of proposal submissions.

#### E. Selection

1. Starts with the development of an RFP which needs to be approved by all the jurisdictions. Still open is the question of multiple proposals for a community-wide system or a single city and a single unincorporated area franchise.
2. The consultant will evaluate each proposal and prepare a preliminary report and based on written comments from applicants, a final report will be submitted by the consultant.
3. The general concept is for Board to select a final operator and the City Council will accept or reject the Board's selection. A more precise process will need to be developed.
4. Each of the other cities will then decide whether to award a franchise to the selected operator.

#### F. Administration

1. Generally accepted that a single administrative body is best.
2. Franchise administration involves:
  - a. Construction
  - b. Operation
  - c. Rate regulation
3. Community access involves:
  - a. Production cost
  - b. Channel allocations
  - c. Use of franchise fee

SACRAMENTO CITY COUNCIL  
CABLE TELEVISION WORKSHOPS  
POLICY QUESTIONS

I. DEALING WITH THE OPERATORS

A. The "RENT A CITIZEN/ORGANIZATION APPROACH"

1. Problem: Based on experience in other localities, it is anticipated that potential franchisees will try to develop support for their proposals by: a) giving away equity to groups or persons or possibly exchanging equity for some type of service; or b) giving groups dedicated channels, facilities, or equipment. Carried to an extreme, this approach potentially can impact the rate structure. However, for the operators to prepare proposals they need an assessment of community needs and will want to talk to various groups about these needs.
2. Questions:
  - a. Should this type of action by a potential operator be prohibited? OR
  - b. Should some sort of control be built into the process? OR
  - c. Should we simply require disclosure for consideration in the evaluation process? OR
  - d. Should we remain silent on the issue?
  - e. Should local government assume the responsibility to ascertain public opinion as to the needs relative to community access to cable? Or should this be left to the bidders in their individual proposals?
  - f. To what extent should the KVIE or the educational consortium's expressed needs be included in the RFP?
  - g.
  - h.
  - i.
3. Refer to "Rent a Citizen" Issue Summary sheet in workbook.



I. DEALING WITH THE OPERATORS continued.

B. LOBBYING

1. Problem: It is anticipated that all the proposals will be good, and the final selection will be subjected to intense lobbying. Due to possible lawsuits the safest courses of action for individual decision-makers are to talk to everyone or to talk to no one.
2. Questions:
  - a. Should there be any form of regulation of lobbying during the entire process?
  - b. Should such lobbying be prohibited?
  - c. Should some alternative to outright prohibition be utilized such as:
    - (1) Full disclosure as to all contacts; OR
    - (2) Full disclosure up to a point in time, beyond which contacts would be prohibited during the remainder of the process?
  - d. If some form of control is enacted, when should it commence: at issuance of the RFP; on date of proposal deadline; after the hearing on the final evaluation report; or some other selected control point?
  - e.
  - f.
  - g.
3. Refer to "Lobbying" Issue Summary sheet in workbook.

II. WHAT DO WE WANT FROM THE SYSTEM

A. REQUIRED SERVICES

1. Problem: It is anticipated that the competition for a franchise will produce good proposals from each of the operators based on the experience in other localities. However, there may be some unique feature of our community which we would wish to identify and include as a required item.
2. Examples:
  - a. Implementation of specific programming such as foreign language stations.
  - b. Free services such as drops to government buildings or free access to the community access channels.

II. WHAT DO WE WANT FROM THE SYSTEM continued.

3. Questions:

- a. Are there any specific such services that can be identified?
- b. Should these be specifically required or can they simply be mentioned as points of interest?
- c. Are there any regulatory or legal constraints on such requirements?
- d.
- e.
- f.

4. No issue summary sheet

B. SERVICE POLICIES

1. Problem: In order to evaluate the performance of the operator in actually providing services, criteria need to be established in relation to the minimum densities that will require service and line extension rates and policies beyond the service area for these minimum densities.

2. Questions:

- a. Should this be a matter left open for the operators to address in their proposals?
- b. Or, are there some minimums that we wish to establish? Such as forty households per cable mile?
- c.
- d.
- e.

3. No issue summary sheet

II. WHAT DO WE WANT FROM THE SYSTEM continued.

C. MINORITY INVOLVEMENT

1. Problem: The problem of minority involvement is in three areas: hiring; ownership; and contracting.
2. Questions:
  - a. In the area of personnel practices, should affirmative action programs be required over and above the simple statement on policies or a non-discrimination provision?
  - b. Should there be a minimum requirement in the RFP for a percentage of equity ownership by minorities? Can such a requirement be legally upheld? Would the prohibition of gratis equity offset this requirement?
  - c. Considering special requirements for the laying of cable, are there enough qualified minority contractors available?
  - d.
  - e.
  - f.
3. No issue summary sheet

D. CONTROL OF COMMUNITY ACCESS CHANNELS

1. Problem: Control of the community access channels involves: financing the cost of production and distribution; scheduling the use of available channel time; and dealing with problems of program content.
2. Questions:
  - a. Is this a subject should be delegated to the Joint Powers Authority?
  - b. If not, then what other alternatives should be considered? Should the cable company be responsible; if dedicated channels are assigned to specific groups, should they then be responsible?
  - c.
  - d.
  - e.
3. Refer to "Control of Access Channels" Issue Summary sheet in workbook.

SACRAMENTO CITY COUNCIL  
CABLE TELEVISION WORKSHOP AGENDA

December 4, 1980

LOCATION: County Administration Building  
Seventh Floor Conference Room

4:00 p.m.

I. HOW MUCH CONTROL DO WE WANT?

- \* A. Rate regulation
- \* B. Prohibited activities by operator
- \* C. Master Antenna Systems
- \* D. Regulation of cablecasting
- \* E. Media cross-ownership
- \* F. Non-exclusive franchise
- \* G. Buy-out provisions
- \* H. Enforcement of ordinance/franchise provisions

5:00 p.m.

II. REVIEW AND SUMMARY

\*Refer to attached list of policy questions.

### III. HOW MUCH CONTROL DO WE WANT

#### A. RATE REGULATION

1. Problem: Existing state law permits an operator to elect to not be regulated by providing up to four community access channels. Although the RFP can be drafted to require an operator to indicate he would waive this right, there may be legal problems involved with requiring such a waiver.
2. Questions:
  - a. How important is rate regulation?
  - b. Should a waiver of the deregulation rights be extracted as part of the process?
  - c. How much weight should be given to a voluntary waiver?
  - d. Should other alternative approaches be explored such as built-in increases based on cost of living?
  - e. Should we consider a rate differential for installation that reflects differences in densities?
  - f.
  - g.
  - h.
3. Refer to "Rate Regulation" Issue Summary sheet in workbook.

#### B. PROHIBITED ACTIVITIES BY OPERATOR

1. Problem: By virtue of ownership of the cable, the operator can engage in separate businesses that utilize the cable and thereby have an unfair advantage over competing firms.
2. Examples:
  - a. Community input requesting prohibitions include: selling goods; contract-to sell labor or materials; selling, servicing, or leasing items such as radios and television sets or hi-fi's; and alarms.
  - b. Other such businesses could include computer service bureaus; special programs; or the installation and maintenance of master antenna systems.

III. HOW MUCH CONTROL DO WE WANT continued.

3. Questions:

a. Questions related to the issue of anti-trust are:

- (1) Should a cable company be allowed to have a monopoly?
- (2) Should a cable company be allowed to compete at all without creating a new and separate company to avoid cross funding which is destructive of competition?
- (3) Should the issue be ignored since the franchise is non-exclusive, or could a party demonstrate that we had combined to form a monopoly as a practical matter, even though the franchise facially is non-exclusive?
- (4) Are there other alternative approaches to work out the problem between a cable operator and other companies?

b.

c.

d.

4. Refer to "Prohibited Activities " Issue Summary sheet in workbook.

C. MASTER ANTENNA SYSTEMS

1. Problems:

- a. The owners of such systems do not want the cable company to make individual drops to each tenant because:
  - (1) It would make their system useless and waste their investment;
  - (2) It would violate their right as property owners in terms of control of the placement of the cable.
- b. The installer of the systems will go out of business if the cable company replaces the master antenna systems in the future.
- c. Tenants should be able to receive service directly if the master antenna system is not capable of carrying all the programming of the cable operator or if the rates charged by the master antenna owner are excessive.

III. HOW MUCH CONTROL DO WE WANT continued.

2. Questions:

- a. Should landlords be required to make the service available?
- b. Can a landlord exact payment from the cable company for granting access? If not, is not there an inverse condemnation problem requiring landlords to grant an easement?
- c. If service is available to the tenants, should each tenant deal directly with the cable company?
- d. Should landlords deal with the cable company and charge or not charge the tenants? If he charges tenants, should these charges be regulated?
- e. Should the cable company be required to provide bulk rates for the owners of the systems?
- f. Should such master antennae systems be excluded from the franchise area? (NOTE: Developments such as Rancho Murrieta with privately owned streets may be excluded automatically.) What are the rights of the cable company in negotiating services in areas excluded?
- g.
- h.
- i.

3. Refer to "Master Antenna Systems" issue summary sheet in workbook.

D. REGULATION OF CABLECASTING

1. Problem: The operator will originate some programming on channels that are not otherwise utilized. The problem is how much we may want to be involved in this activity.

2. Questions:

- a. Do we wish to provide for any type of regulation over cablecasting?
- b. If so, is our concern the requirement of certain kinds of programming such as school lunch menus, pollution index, or other such public service announcements?
- c. On the other hand, are there any such programs that we would want to prohibit?
- d. Should we attempt to restrict the operator from advocating a single political philosophy or slanting the news on cablecast programming?

III. HOW MUCH CONTROL DO WE WANT continued.

e.

f.

g.

3. No issue summary sheet.

E. MEDIA CROSS-OWNERSHIP

1. Problem: FCC prohibits a TV station owner from owning a cable system in the same area; they do not prohibit a newspaper owner from having a cable franchise. It is anticipated that the newspaper ownership will be a point of contention later and the RFP request a statement on this issue from each applicant. The intent is to resolve the issue before it can impact the award of a franchise.

2. Questions:

- a. What forms, if any, of cross-ownership should be prohibited or regulated?
- b. At what point should this decision be made? Prior to the release of the RFP? Upon receipt of statements from each of the applicants?
- c. Should the requested statements be required even before the RFP goes out?
- d.
- e.
- f.

3. Refer to "Media Cross-Ownership" issue summary sheet in workbook.

F. NON-EXCLUSIVE FRANCHISE

1. Problem: Although it is proposed to award a non-exclusive franchise, the practical result of awarding only one franchise is that it is in effect an exclusive franchise. The purpose of awarding a non-exclusive franchise is to provide future ability to award additional franchises should circumstances warrant.



III. HOW MUCH CONTROL DO WE WANT continued.

2. Questions:

- a. Should the franchise be exclusive or non-exclusive?
- b. If non-exclusive, then:
  - (1) Should the ordinance be silent in terms of the reasons for and the process for awarding additional franchises?  
  
OR
  - (2) Should the ordinance anticipate future awards in relationship to these services to be provided, the provision of production facilities and channels for community access and usage, and the justification for such award?
- c. Will each jurisdiction retain independent authority to award additional franchises?
- d. Are there anti-trust issues involved (this is a legal question rather than a policy issue)?
- e.
- f.
- g.

3. No issue summary sheet.

G BUY-OUT PROVISIONS

1. Problems: Most ordinances contain a buy-out clause--primarily as an escape valve for future legislative bodies to handle disputes or affect a change in franchisee. Our initial draft ordinance provides for purchase of a system by the franchisor at value. Several operators indicate buy-out must be at market value.

2. Questions:

- a. As opposed to buy-out, should the ordinance provide that the system will belong to the local agency at the end of the franchise?
- b. Should local government have the right to purchase the system at termination of the franchise?
- c. If purchase is to occur what should be the price: book value? fair market value? negotiated value?
- d. Should there be different provisions for buy-out depending on whether the franchise is terminated or has run the full term?
- e. Is this a matter that could be left open in the RFP for each of the operators to make a specific proposal?

III. HOW MUCH CONTROL DO WE WANT continued.

f.

g.

h.

3. Refer to "Buy-Out Provisions" issue summary sheet in workbook.

H. ENFORCEMENT OF ORDINANCE/RFP PROVISIONS

1. Problems: Application of specific provisions of the RFP may result in: disqualification of the proposal; levy of a penalty; or termination of the franchise. Any of these actions could lead to lawsuits.

2. Examples: (NOTE: This is not an exhaustive list.)

a. Use of uniform data.

b. Rate guarantees.

c. Construction timetable.

d. Required service drops as trunk cable laid.

3. Questions:

a. Is this a matter to be delegated to the JPA? If so, will there be appeals permitted to the jurisdictions?

b. Assuming careful drafting of language and reasonableness of penalties, how strict should enforcement be?

c. Should the franchise be subject to an arbitration provision for resolution of disputes? If so, how should the arbitrator's authority be circumscribed as to remedy? Should the arbitration clause apply to all contractual disputes, or just to selected situations?

d. Should we attempt to protect our right to enforce ordinance and franchise in the event of changes in state or federal laws on regulations? If so, how is the best way to address the problem?

e.

f.

g.

4. No issue summary sheet.

SACRAMENTO CITY COUNCIL  
CABLE TELEVISION WORKSHOP AGENDA

December 11, 1980

LOCATION: Housing and Redevelopment Agency  
First Floor Conference Room

4:00 p.m. I. ITEMS CONTINUED FROM PREVIOUS MEETINGS

5:00 p.m. II. THE PROCESS  
(no later  
than)

- \* A. For award of franchises
- \* B. For administration

5:50 p.m. III. REVIEW AND SUMMARY

\*Refer to attached list of policy questions.

#### IV. OUR PROCESS

##### A. THE PROCESS FOR AWARD

1. Problem: Because of the need to involve the city councils, questions involving the process need to be addressed.
2. Questions:
  - a. Should the RFP and the ordinance be prepared and adopted by each of the jurisdictions prior to the time the RFP is issued?
  - b. Should the RFP and ordinance specify that the ordinance remains subject to change during the period prior to the actual grant of franchise?
  - c. Is the franchise subject to reasonable changes in the regulations ordinance after the grant of the franchise?
  - d. What, if any, competitive bidding procedures should be established?
  - e. Should any specific selection criteria be included in the RFP and/or the ordinance?
  - f. How many public hearings should be held? Should such hearings be conducted on a joint basis with all jurisdictions?
  - g. Should there be any time deadline for completion of the process?
  - h.
  - i.
  - j.
3. No issue summary sheet

##### B. CREATION OF A JOINT POWER AUTHORITY FOR ADMINISTRATION

1. Problem: A creation of a JPA has been discussed for either or both of the following two purposes: Award of franchises on behalf of the member jurisdictions; and administration of the ordinances and franchises of the member jurisdictions. Decisions on this subject are necessary before the final ordinance and the final request for proposals are drafted. Formation of the JPA for the award of the franchise has been discussed and rejected. There has been consensus on the use of JPA for the administration of the ordinance and the franchise, but there are still many questions related to the details of such a JPA.

IV. OUR PROCESS continued.

2. Questions:

- a. If legally possible, should the award of the franchise be delegated to the JPA? If not, how should the joint decision-making process be structured?
  
- b. If a JPA is formed for administration of the ordinances and the franchises, then a number of questions need to be addressed:
  - (1) What should be the composition of the JPA?
  - (2) What should be the voting structure of the JPA?
  - (3) Should review and/or veto power be retained by member jurisdictions?
  - (4) Should provision be made for dissolution of JPA should the need arise?
  - (5) What are the responsibilities of, and how much authority should be delegated to, the JPA in the following areas: rate regulation; management of community access channels; award of additional franchises; renewal of franchises; enforcement of penalties for failure to perform; modifications in ordinances or franchises; collection and use of franchise fees; changes in the use of franchise fees if legally possible?
  - (6)
  - (7)
  
- c.
  
- d.

3. No issue summary sheet.

CITY OF SACRAMENTO

INTER-OFFICE ROUTING

To:

- Mayor / City Council Office
- City Manager
- Asst. City Manager
- Asst. City Manager, Community Development
- Asst. to City Manager
- Public Information
- City Clerk
- Finance Administration
- Revenues & Collections
- Purchasing
- Central Stores
- Accounting
- Utility Billing
- Data Processing
- City Treasurer
- City Attorney
- Planning Department
- Personnel Administration
- Employee Relations
- Employee Services
- Management Services
- Personnel Selections
- Training
- Police Department

To:

- Fire Department
- Fire Prevention
- Weed Abatement
- Emergency Planning
- City Engineer
- Asst. City Engr. Administration
- Animal Control
- Real Estate & Street Assessment
- Facility Maintenance
- Street Maintenance
- Traffic - Parking
- Water & Sewer
- Building Inspection
- Electrical Inspection
- Plumbing Inspection
- Community Improvement
- Waste Removal
- Equipment Maintenance

To:

- Museum & History Commission
- Recreation & Parks Administration
- Recreation
- Parks
- Golf
- Zoo
- Crocker Art Gallery
- Library Administration
- Housing and Redevelopment
- Community Center
- \_\_\_\_\_

Note:

- For Your Information
- Return with Recommendations
- Please Comment
- Prepare Draft and Return
- Prepare Letter
- Take Necessary Action
- Investigate and Report
- Per Your Request
- Reply, Send Copy To:
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

To: Mac Mailes, Assistant City Manager for Community Development

Comments Per Your Request, attached material is being forwarded to you for your information. (re cable J.V.)

Signature

Title or Dept.

CITY CLERK

Date Nov. 13, 1980

CONFERENCE ROOMS AVAILABLE  
FOR CABLE T.V. WORKSHOPS

SHRA CONFERENCE ROOM

Wednesday, November 19, 1980	UNAVAILABLE
Thursday, November 20, 1980	4:30 - 6:30
Wednesday, November 26, 1980	4:00 - 6:00
Wednesday, December 3, 1980	UNAVAILABLE
Thursday, December 11, 1980	4:00 - 6:00

COUNTY EXECUTIVE CONFERENCE ROOM

Thursday, November 20, 1980	4:00 - 6:00
Thursday, December 4, 1980	4:00 - 6:00
Thursday, December 11, 1980	4:00 - 6:00

PERSONNEL CONFERENCE ROOM

Wednesday, November 19, 1980	4:00 - 6:00
Thursday, November 20, 1980	UNAVAILABLE
Wednesday, November 26, 1980	4:00 - 6:00
Wednesday, December 3, 1980	UNAVAILABLE
Thursday, December 4, 1980	UNAVAILABLE
Wednesday, December 10, 1980	UNAVAILABLE
Thursday, December 11, 1980	UNAVAILABLE

November 6, 1980

To: Members, City Council

Enclosed are agendas and discussion materials for three proposed cable television workshops. The attempt is to provide a structure that has the flexibility to accommodate the concerns, questions, and suggestions of individual council members.

The list of policy questions was previously distributed to members of the Council and the Board of Supervisors in June 1980. For our discussions the questions have been reorganized, questions raised in our last workshop have been added, and space has been provided for you to write out any additional questions you may want to discuss.

The agendas have time allocations to keep us moving. If we run out of time, we can schedule additional meetings--or staff can meet with individual Council Members to answer questions.

I will invite members of the Board of Supervisors to join in the discussions with us. I also extend an invitation to Supervisor-elect Bill Bryan.

Phillip L. Isenberg, Mayor



CABLE TELEVISION  
OVERVIEW SUMMARY  
OCTOBER 1980

I. INTRODUCTION

A. What is Cable Television

1. Cable Television is a misnomer. It is a means of transmitting signals which includes:
  - a. Entertainment
  - b. Data
  - c. Information
2. At this point entertainment programming via satellite makes the system economically feasible.
3. Data transmission is the future source of increased revenue for the cable operator. It includes such uses as:
  - a. Alarm systems
  - b. Bank or shop at home
  - c. Home computer services
  - d. Meter readings
4. Information involves community usage including:
  - a. Government
  - b. Education
  - c. Community groups

B. Local Government is included because of their responsibility for allowing the use of public streets and easements for installing the cable. From that act flows the other regulatory aspects of local government over the cable operator. (It should be noted that the general trend is to reduce the regulatory control of local government.)

C. Our goal should be to develop a community-wide system that meets present needs yet is flexible enough to take advantage of future developments.

II. APPROACH

A. System Design

1. Set minimum requirements and let operators design a proposed system.
  - a. They have more capability
  - b. Let them offer so we have a contractual franchise not a unilateral franchise which may be hard to enforce.
2. The alternative is to design a system that we feel is best.

## II. APPROACH continued.

### B. Community Access

1. We will retain control of all dedicated channels.
2. Funding for programming production will come from 5% franchise fee.
3. The alternative is to let the operator manage and control access.

## III. PROCESS

### A. As defined by CTIC the phases are:

1. Organization
2. Study
3. Legislation
4. Selection
5. Administration

### B. Organization

1. Alternative approaches were presented in report to the Board of Supervisors and all five City Councils dated February 5, 1980.
2. The present organizational approach is:
  - a. The County is the lead agency.
  - b. The Board of Supervisors and the Sacramento City Council will jointly participate in policy decisions.
  - c. The Cities of Folsom, Isleton, and Galt will participate as they determine what is in the best interest of their citizens.

### C. Study

1. The study phase has been somewhat concurrent with organization phase.
2. The study phase has included:
  - a. Various staff reports
  - b. Study sessions by the Board and the Sacramento City Council with the consultant.
  - c. Two initial policy discussion sessions by the Board with the consultant.
  - d. Preparation of an initial draft ordinance and Request for Proposals.
  - e. Preparation of a cable television policy issues paper.
  - f. Preparation of a workbook for Members of the Board and the Sacramento City Council which includes:
    - 1) Issue summary papers
    - 2) Written community input
    - 3) The draft ordinance and RFP
    - 4) Written community/operator comments on the drafts

### III. PROCESS continued.

#### C. Study

3. To complete the study phase we propose to:
  - a. Prepare a new draft ordinance that reflects staff recommendations.
  - b. To be accompanied by a report which identifies major policy issues and alternative approaches to the staff recommendations including community input.
  - c. Based on the public hearings and the final ordinance, an RFP will be prepared.

#### D. Legislation

1. The regulatory ordinance will represent the basic legislation governing the process of awarding and administering a franchise.
2. Essentially the ordinance will:
  - a. Define the franchising process.
  - b. Establish operating standards for the franchisee.
  - c. Provide for administration of the franchise.
3. The intent is to have each jurisdiction adopt the ordinance prior to the release of the RFP or at least by the time of proposal submissions.

#### E. Selection

1. Starts with the development of an RFP which needs to be approved by all the jurisdictions. Still open is the question of multiple proposals for a community-wide system or a single city and a single unincorporated area franchise.
2. The consultant will evaluate each proposal and prepare a preliminary report and based on written comments from applicants, a final report will be submitted by the consultant.
3. The general concept is for Board to select a final operator and the City Council will accept or reject the Board's selection. A more precise process will need to be developed.
4. Each of the other cities will then decide whether to award a franchise to the selected operator.

#### F. Administration

1. Generally accepted that a single administrative body is best.
2. Franchise administration involves:
  - a. Construction
  - b. Operation
  - c. Rate regulation
3. Community access involves:
  - a. Production cost
  - b. Channel allocations
  - c. Use of franchise fee

FIRMS EXPRESSING INTEREST IN  
CABLE TELEVISION FRANCHISE  
FOR SACRAMENTO COMMUNITY

I. GENERAL

- A. Only ~~four~~<sup>five</sup> companies have publicly indicated definite interest.
- B. There have been contacts with other possible interested operators...but none have declared their intention to seek the franchise.

II. FOUR DECLARED OPERATORS ARE:

- A. American Television and Communications Corp. in conjunction with McClatchy.

1. Home company is:

American Television and Communications Corp.  
20 Inverness Place East  
Englewood, Colorado 80112  
(303) 773-3411

2. Local company is:

Sacramento Cablevision, Inc.  
1029 "J" Street, Suite 500  
Sacramento, Ca 95814  
443-5853  
Contact Person: Ms Chris Hunter

3. Other contacts are:

- a. John V. Diepenbrock  
455 Capitol Mall, Suite 900  
Sacramento, Ca 95814  
444-3910  
Attorney representing ATC.
- b. Downey, Brand, Seymour, Ronwer  
555 Capitol Mall, Suite 1050  
Sacramento, Ca 95814  
441-0131  
Attorneys representing McClatchy
- c. Douglas T. Foster, Legal Counsel  
McClatchy Newspapers  
Post Office Box 15779  
Sacramento, Ca 95813  
446-9461

B. United Cable

1. Home Company is:

United Cable Television Corp.  
40 East Denver Technological Center  
7995 East Prentice Avenue  
Englewood, Colorado 80111  
(303) 779-5999

B. United Cable (con't)

2. Local Company is:  
United Cable TV of Sacramento, INC.  
1025 19th Street, Suite 10  
Sacramento, Ca 95814  
448-8766  
Contact Person is: Janine Hime

C. Telecommunications Inc.

1. Home Company  
Tele-Communications Inc.  
Box 22595, Wellshire Station  
Denver, Colorado 80222  
(303) 771-8200
2. Local Company is:  
River City Cable  
2394 Fair Oaks Blvd  
Sacramento, Ca 95825  
972-8888  
Contact Person is: Baxter Culver
3. Local Attorney is:  
Ochoa Holderness Barbosa - Crook  
925 "L" Street  
Sacramento, Ca 95814  
447-3383

D. Teleprompter

1. Home Company is:  
Teleprompter Corp.  
888 Seventh Avenue  
New York, N.Y. 10019  
(212) 247-8700  
  
West Coast Office  
901 W. Sixteenth Street  
Newport Beach, Ca 93663  
(714) 642-3260
2. Local Company:  
No information that a local company has been  
formed yet.  
Contact person has been:  
Steve Robins (408) 727-1418
3. Local Attorney is:  
David W. McMurtry  
2020 Hurley Way  
Sacramento, Ca 95825  
920-0902

E. Greater Sacramento Cable -- a local company.

1. Local Company is:  
Greater Sacramento Cable, Inc.  
2110 "K" Street, Suite 3  
Sacramento, Ca 95814  
443-1464  
Contact person is: Eva Garcia

2. Attorney is:  
Paul Chambers  
701 Fulton Mall  
Fresno, Ca 93721  
(209) 233-6641