

SACRAMENTO METROPOLITAN



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file

BILL BRYAN
SUPERVISOR, 4TH DISTRICT
CHAIRMAN

May 4, 1983

To: Members, Sacramento Metropolitan Cable Television Commission
From: Bill Bryan, Chairman
Sacramento Metropolitan Cable Television Commission
Subject: RESCISSION PERIOD CONDITIONS

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It is my belief, in supporting the granting of a "Rescission Period", that it is a necessary element of fairness to UTC. Without it, UTC must accept major liabilities for the System, yet not have an unconditional approval from a lender for financing. UTC does not know what conditions lenders or regulators may impose, and whether or not a financing plan of this magnitude is feasible, given our Resolution. The Rescission Period is not an excuse to delay construction of the System, or a basis for continued negotiations, but it is a reasonable opportunity for the Franchisee to obtain solid financing within any constraints we may have developed.

I have extracted from the Resolution, and listed below, those actions UTC must undertake in the next six months to meet the required construction schedule. I propose that we condition our acceptance of the Rescission Period on these:

- 1) Confirm site locations (Headends, hubs, community facilities and tele-communication centers), and initiate action on any required zoning changes
- 2) Submit architectural drawings and initiate the second stage environmental impact analysis
- 3) Finalize electronics design and engineering studies
- 4) Begin Strand-mapping
- 5) Initiate construction drawings
- 6) Initiate "make-ready" work with the public utilities
- 7) Reimburse Commission operating expenses
- 8) Initiate and finalize SC3 incorporation.

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Further, I propose that UTC report monthly to the Commission on its progress on each of these items, and pledge that they will not re-negotiate terms of the Resolution during the Rescission Period.

The Rescission Period must be structured so that "no action" on the part of UTC within 180 days automatically triggers all responsibilities and obligations of the Franchise. To provide for an orderly process, should there be difficulties with lenders, UTC must present to the Commission within 90 days, its preliminary financing plan.

Lastly, in preparation of the possibility that UTC does act upon its right of rescission, the staff shall be directed to prepare all necessary documents, including a detailed RFP based on the current Resolution, and shall schedule a public hearing within 90 days of today for all the bidders to provide their comments on the rebid documents.

Respectfully submitted,

Bill Bryan
BILL BRYAN, Chairman
Sacramento Metropolitan Cable
Television Commission