

Sacramento Telecommunication Forum

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Evaluation of Selected Provisions
of the Proposals of Applicants for
the Cable Communications Franchise
for Sacramento County, California

November 14, 1983

PREPARED BY

SACRAMENTO TELECOMMUNICATIONS FORUM
1121 L Street, Ste 204
Sacramento, California 95814
(916) 447-9260

INTRODUCTION

The Sacramento Telecommunications Form (STF) is a voluntary organization of local citizens actively involved in the promotion of minority interests in cable and in the local cable franchising process.

STF's membership is comprised of persons with combined expertise and experience in a variety of areas including but not limited to: extensive community organizing and community group experience in Sacramento; education; corporate management; affirmative action and employment policy; telecommunications law and policy; small business management and financing; minority, women and handicapped issues; and federal, state and local government and legislative advocacy.

Over the past months, STF members have met with representatives of each of the bidding cable companies to ensure that major business and policy provisions reflecting legitimate and comprehensive minority participation are included in each company's proposal for Sacramento. In addition, STF has been working with the staff of the Metropolitan Cable Commission and others to ensure that minority concerns are a central consideration in selection of a cable company to provide broadband telecommunications services in cable in the city and county of Sacramento.

In this evaluation, STF has focused on provisions in each of the applicants' Form M and other initial proposals that we feel are among those of greatest importance to minority residents of the franchise area -- affirmative action and equal opportunity in employment; minority/female business participation; equitable cable construction and wiring policies; and community use and local resource commitments. Recognizing that each of the applicant's affirmative action and minority/female business provisions were voluntarily submitted, STF has analyzed each of the applicant's proposals in these respective areas, comparing, where appropriate, each company's proposals; noting perceived deficiencies; highlighting commendable provisions and making recommendations for ensuring successful implementation no matter which cable company is ultimately awarded the cable franchise.

Based on its evaluation, STF has not made any ranking of the respective applicants. The evaluation and comments contained herein are made for the benefit of Sacramento elected officials, and to inform community residents.

I. Affirmative Action and Equal Opportunity in Employment

If desired, describe the policies, practices and procedures you will implement to insure full compliance with the non-discrimination and affirmative action provisions contained in Section 5.50.548 of the Ordinance. The submission of such procedures is not mandatory; however, submission of a well-designed, voluntary, non-discrimination and affirmative action employment program for the applicant and for its contractors and subcontractors will be considered a plus factor in the selection process.

American Cablevision of Sacramento (ACS)

ACS has chosen to achieve its local equal employment opportunity (EEO) goals in Sacramento by using its parent's corporate Affirmative Action Program. ACS's corporate parent is American Television and Communication (ATC), the second largest national MSO in the cable industry (over 2 million subscribers) located in Englewood, Colorado, a Denver suburb. ATC itself is a wholly-owned subsidiary of Time, Inc., with national headquarters in New York City.

ATC's corporate Affirmative Action Officer will be responsible for monitoring ACS's local practices to ensure that ACS's hiring practices in Sacramento are in compliance with corporate affirmative action policies. Under these corporate policies, ACS's system manager will make quarterly reports to the corporate Affirmative Action Officer to summarize local minority hiring, promotions, transfers, terminations and related employment activities taken in Sacramento.

It is unclear to what extent ACS's reliance on its corporate parent's affirmative action policies will be effective in adapting to local employment conditions in Sacramento. ACS states that nationwide, ATC's cable systems' employment of minorities has exceeded the national workforce representation of minorities. Sacramento County's minority population and workforce percentages (23% and _____%) exceed the national minority workforce percentage. Thus, ACS's goal of achieving minority workforce employment parity in Sacramento may require more aggressive efforts and different methodologies to achieve a higher percentage of minority hiring than is customarily done at the ATC corporate level. ACS's reliance on a corporate affirmative action policy in Sacramento, therefore, may result in more of a problem than a solution.

ACS's stated EEO goal for women, minorities and other affected "target groups" is employment in "numbers that reach or exceed their proportionate levels in the Sacramento area workforce population" (emphasis added).

As others have noted, ACS's workforce parity goals for minority and other target group employment may result in less minority hires than would reliance on population parity goals. This is true because workforce goals reflect an under-representation of minorities and women due to the historical existence of employment discrimination in the workforce. By contrast, population parity goals in employment do not reflect such an inherent historical bias against minorities and others.

Another potential difficulty is that ACS has not defined with specificity what its relevant minority employment recruitment "area" will be: The State of California, Sacramento County or the City of Sacramento. Each has different minority workforce and minority population percentages.

ACS does not establish specific annual goals and timetables for minority hires according to job categories. As the Federal Communications Commission has noted, the top four (4) job categories -- Officials and Managers; Professionals; Technicians and Sales Workers -- are where appropriate EEO and affirmative action emphasis should be placed because these are the employment categories with significant decisionmaking responsibilities.

ATC's corporate training activities are nationally recognized within the cable industry as exemplary. However, ACS does not make any specific commitment to involving local minorities, women or the disabled in any of its corporate training programs in Colorado, nor does ACS commit to establishing any locally-based cable training programs.

ACCESS

Like ACS, ACCESS, too, has chosen to incorporate its parent corporation's EEO and Affirmative Action policy into its local employment policy. ACCESS and its parent company, Sun Cable Services, Inc., are wholly-owned subsidiaries of Kaufman and Broad. All of these companies are headquartered in Los Angeles, California. In addition to incorporating its parent corporation's policy, ACCESS has identified specific procedures, beginning upon grant of the franchise, to ensure equal employment opportunity and affirmative action in all aspects of employment relating to its involvement in cable in Sacramento.

ACCESS has stated its EEO intentions to "work toward the long term goal of achieving a balanced workforce which reflects the racial and ethnic composition of the Sacramento area throughout all aspects of the cable system." Thus, ACCESS appears to have chosen "area" population parity as the goal of its EEO and affirmative action employment efforts. "Area", according to

ACCESS, will be the franchise area; thus, the Sacramento County minority and other target group population percentages (e.g., 23% minority) should be controlling for ACCESS' minority hiring.

ACCESS has designated a local affirmative action compliance officer with specific responsibility to monitor, investigate, make findings, and, where appropriate, recommend action to resolve any noncompliance with its EEO and affirmative action policies. The local ACCESS Chief Executive Officer (CEO) has responsibility to impose sanctions for noncompliance.

The ACCESS affirmative action plan applies to every contractor and supplier doing business with the ACCESS cable system in Sacramento during the franchise term. ACCESS is the only applicant to apply its own specific affirmative action requirements to third-party contractors doing business with it during the franchise term.*

ACCESS does not provide specific annual goals and timetables for implementing its EEO and affirmative action minority hiring plan for itself and its service contractors. However, ACCESS does reference the FCC's EEO guidelines for cable as minimum requirements.** Further, ACCESS has committed to hiring all (100%) of its workforce from the local residents of the (Sacramento County) franchise area.

Unlike ACS, Cablevision or UTC, ACCESS does provide specific annual minority and female hiring goals for every construction contractor with which it does business during the franchise term. These annual goals and timetables include:

- (1) 1984-1989 - construction contractors hire 20% minority construction craft workforce;
- (2) 1989-1998 - construction contractors hire minority construction craft in parity with FCC EEO guidelines;

*Note: Both Cablevision and United Tele-Communications (UTS), discussed infra, rely on the Greater Sacramento Area Plan (GSAP) to control the minority hiring practices of their respective contractors and subcontractors. ACS does not address this issue.

**The FCC's EEO guidelines for broadcasting require, among other things, 50% of minority workforce parity in the top four (4) job classifications. The FCC has yet to formally apply these guidelines to the cable industry.

- (3) construction contractors annually hire 25% female construction craft workforce;
- (4) construction contractors hire 50% construction workforce from local residents.

Cablevision of Sacramento

Cablevision, too, has chosen to rely on the corporate EEO program of its managing general partner, Cablevision Systems, to accomplish its EEO plan in Sacramento. Cablevision of Sacramento is a general partnership between River City Cablevision (a local group), Scripps-Howard Cable of Sacramento, (a wholly-owned subsidiary of Scripps-Howard Broadcasting) and Cablevision Systems Sacramento (a wholly-owned subsidiary of Cablevision Systems). Cablevision Systems is headquartered in Long Island, New York.

Cablevision's EEO program appears to be based upon achieving population parity goals reflecting appropriate percentages of minority, women and other target groups in the Sacramento County population. Cablevision states that "a key objective of the EEO program will be to set goals and timetables ... at all levels and in all phases of Cablevision's operations" (emphasis added).* Although it provides projected totals for minority and female hiring at years 1, 5, 10 and 15, Cablevision has not provided any specific timetables for achieving its projected population parity goals for minority and female hiring. Moreover, Cablevision has not provided any population parity goals or timetables for hiring disabled persons from the Sacramento County population.

Cablevision states in response to the Affirmative Action Officers of the City and County of Sacramento and the Human Rights/Fair Housing Commission that it "cannot pledge to meet parity goals until the system is mature at the completion of the construction of the system" (emphasis added). Such a "non-commitment" by Cablevision to minority, female, disabled and other target group hiring until years 5-6 of the franchise term is totally unacceptable and frustrates any real employment prospects for minorities and others participating in the employment benefits generated by the cable communications system in Sacramento.

Cablevision is the only applicant to refuse to pledge to meet minority and other target groups population parity goals until completion of cable system construction.

*Cablevision Form M, p.4

Cablevision vests responsibility for administration and implementation of its EEO program in the local general manager. Although Cablevision states that effectiveness of the local EEO program implementation will be reviewed periodically by Cablevision's corporate chief executive officer, we are given no specificity as to when such a review will "periodically" occur, e.g., biannually, annually, etc., nor does Cablevision provide any details concerning a process or procedure or whose responsibility (local or corporate) it will be to impose corrective sanctions.

Cablevision's proposal mentions the "Cablevision Implementation Task Force" comprised of 5 members of River City, its local partner, to assist the company, minorities, women and other target groups to achieve the Cablevision EEO goals in hiring, training, purchasing and contracting.* Cablevision notes that this group will represent various segments of the community and act as a "liaison" with the Sacramento community.

Cablevision also notes that the Implementation Task Force will make recommendations to Cablevision, but it is unclear what final decisionmaking authority, if any, rests with the Implementation Task Force. For example, Cablevision points out that the Implementation Task Force will seek the advice of the Greater Sacramento Area Plan (GSAP) to locate local contractors who hire minorities and women. Yet Cablevision does not specify whether the Task Force can contract with such contractors, or with GSAP. Finally, although Cablevision states the Task Force will be "representative" of "various segments" of the Sacramento community, Cablevision makes no specific commitment to minority, female or other target group representation on its Task Force.

Cablevision proposes that it will give "special attention" to the training needs of minority, female and disabled persons in the context of its EEO program.** Cablevision has allocated \$2 million to its training program over the 15-year life of the franchise, and designated a local Training Coordinator to implement its in-house training program.

Although Cablevision stresses its local and minority training experience in other cities, as well as its relationship with minority-controlled nonprofit training centers in Brooklyn, New York and Boston, Massachusetts, Cablevision has made no specific commitment to establishing such training ventures with minority nonprofit community organizations in Sacramento nor does any of its projected training efforts focus on the critical need for management training of minorities, women or the disabled.

*Cablevision, Form M, pp.8 and 18.

**Cablevision, Form M, p.16.

United Tele-Communications of Sacramento (UTS)

UTS has established a local EEO policy and affirmative action program with primary emphasis on utilizing local community resources.

UTS' EEO program and its minority and other target group hiring goals are intended to achieve population parity with the percentages of minorities and women in the Sacramento area. UTS' disabled hiring goal is workforce parity. To implement its EEO program, UTS has designated a local Affirmative Action Officer with this responsibility. In addition, UTS will form an Affirmative Action/Minority Business Enterprise (AA/MBE) Committee, comprised of equal representation of UTS employees and community members, to assist with implementation and achievement of its EEO and hiring goals. Like Cablevision's Implementation Task Force, it is unclear what final decisionmaking authority, if any, rests with UTS' AA/MBE Committee. Moreover, it is unclear if UTS' employee representatives on the AA/MBE Committee will be able to act independently of UTS management, or be critical of UTS' EEO and affirmative action efforts.

UTS does not provide any specific annual goals and timetables for achieving its overall EEO hiring goal of population parity. Lack of such specific annual goals and timetables will make it difficult to evaluate and monitor UTS' ongoing EEO performance.

Like Cablevision, UTS has also proposed to establish a local cable training program focusing on skills and career training. UTS proposes to contract with local organizations as a priority to provide skills training, and to initiate career technical training programs through the Los Rios Community College District. While UTS notes that unemployed and economically disadvantaged persons in the Sacramento community will look to the cable system as source of long-term employment prospects, UTS makes no specific commitments to include specific percentages of minorities, women and the disabled in its training programs nor to contract with minority community organizations, to provide basic skills training for the unemployed or economically disadvantaged in the Sacramento community.

II. Minority/Female Business Participation

M.2. If desired, describe goals and procedures by which you intend to be bound relating to insuring that minority-owned and/or female owned contractors will participate in the construction of the cable system. The submission of such goals and procedures is not mandatory, but will be considered a plus factor in the selection process.

American Cablevision of Sacramento (ACS)

ACS's goals for minority and/or female business (M/FBE) participation in Sacramento are a minimum of 10-15% of its annual dollar volumes for all purchasing and service contracting. ACS has established 10-15% as a combined goal for doing business with minority and female-owned businesses; ACS has not provided a specific separate goal for minority business participation. ACS does not establish any specific timetable for achieving its M/FBE goals in Sacramento; however, we assume ACS would agree to be held to a standard of annual review.

Once again, ACS relies on its parent corporation's (ATC) Minority-Owned Business Program for successful implementation of its local M/FBE program. Under ATC's program, the corporate Director of Materials Management in Englewood, Colorado is responsible for implementing ACS's local M/FBE plan.

ACS does not explain how its corporate personnel would solicit and identify local minority and/or female-owned businesses with adequate potential for doing business with it during the franchise term nor does it designate any local ACS management person with specific responsibilities for M/FBE implementation. It is unclear from the ACS proposal whether ATC's corporate purchasing practices will reflect any sensitivity to the dynamic's of Sacramento's minority and women's business communities. For example, ATC's reliance on the current NCTA Directory of Minority-Owned Businesses to help it locally may be misplaced since this directory reflects no minority business listings in the Sacramento area, and very few (and incomplete) minority business listings statewide. The case is likewise for local women-owned businesses. Moreover, ACS does not provide any specific goals for utilization of local minority and/or female-owned businesses.

ACS explains that ATC has established a national reputation for its minority purchasing programs; ATC awarded \$1.3 million to minority businesses in 1982, and now does business with eleven (11) minority suppliers. ACS fails to note, however, how many of these minority suppliers are California businesses serving one of the ATC's other California cable systems. Further, ACS provides no information concerning ATC's national track record for utilizing female-owned businesses.

ACCESS

The ACCESS goal for minority, female and veteran business participation is a minimum of 20% of the total annual dollar volume for construction and service contracts. More importantly,

ACCESS commits to a minimum of 20% of the total annual dollar amount of construction and service contracts to local contractors and/or suppliers from the Sacramento area, with first consideration given to Sacramento's minority businesses.

None of the other cable applicants make such a specific priority commitment to utilization of local minority business resources.

The ACCESS designate a local affirmative action officer to be responsible for implementing the ACCESS M/FBE plan. While ACCESS does not establish a specific timetable for achieving its M/FBE goals in Sacramento, we assume an annual review would be an appropriate standard.

ACCESS notes additional procedures applicable to the contract award and purchasing process it will use to ensure minority, female, and other target group businesses participate fully in the economic benefits of cable in Sacramento. Among these are contractor bonding programs for small previously unbonded minority and local business; technical assistance in obtaining business insurance, etc.

Cablevision of Sacramento

In its Resolution, Cablevision makes reference to "considering" minority and women vendors. However, no specific percentage goals for utilization of local minority and/or female businesses are listed in Cablevision's Resolution. Moreover, Cablevision has made no specific commitment to M/FBE participation in detailing its Affirmative Action plan in its Form M submission.

In response to questions from the Affirmative Action Officers of the City and County of Sacramento and the Human Rights/Fair Housing Commission concerning its specific plans for using minority and/or female-owned businesses, Cablevision stated "the requested pledge for percentage commitments to minority and/or women vendors may raise problems of availability of such vendors for specialized cable products in the Sacramento area. Cablevision commits to a best efforts standard, and pledges to seek the help of our Implementation Task Force to solve this problem." (sic)

Cablevision is the only applicant to refuse to set aside or make specific commitments to utilizing local minority and/or female-owned businesses. Such an approach is totally unacceptable and an affront to the local minority and women's business community. More importantly, Cablevision raises the

issue of the non-availability of minority and female-owned vendors to supply cable products and services in the Sacramento area without any evidentiary support of its claim or documentation of its own outreach efforts to identify relevant local minority and/or female-owned businesses, or inform them of Cablevision's contracting needs during the franchise term.

From STF's perspective, Cablevision's reliance on a "best efforts" standard and help from its Implementation Task Force is simply inadequate to address the serious economic development issue of utilizing the goods and services of local minority and women's businesses.

Cablevision's statements and its failure to make a specific commitment to utilizing local minority and women's business resources is a serious defect in its bid proposal for Sacramento.

United Telecommunication of Sacramento (UTS)

UTS' goals for minority and/or female-owned business participation are a minimum of 10% of all annual contracting dollars for minority businesses, and a minimum of 3% of all annual contracting dollars for female-owned business. As a means of achieving these goals, UTS will require all prime contractors on contracts greater than \$50,000 to establish goals of 10% and 3%, respectively, of all subcontract dollars for minority and female-owned businesses.

UTS designates local management personnel, a MBE/FBE Program Coordinator, with specific responsibility for implementing its minority business program. In addition, UTS commits to developing a AA/MBE/FBE Council to assist local management in meeting its goals. It is unclear what decisionmaking authority rests with the United AA/MBE/FBE Council. However, UTS does state that with the Council's assistance, it will provide technical assistance and other additional efforts such as bonding and insurance assistance, loan packaging, etc. to assist minority and female-owned businesses to do business with UTS.

III. Geographical Construction Priorities

H.9 Discuss any proposals you wish to make which will ensure that service is extended to each geographical area of the system and to various socio-economic neighborhoods within the system on a substantially equal basis during each phase of construction.

As noted in STF's discussion paper:

Steps must be taken to ensure that affluent communities like Greenhaven, Fair Oaks and Carmichael are not the only ones first wired while predominantly minority communities like Oak Park, Del Paso Heights and Glen Elders are the last to receive cable services. Aside from the obvious adverse impact to minority businesses, Sacramento's minority youth will have been placed years behind due to inaccessibility to the new medium of cable communications.

STF notes that each of the cable bidders has proposed a cable building construction plan that balances various communities' access to cable according to socio-economic status in the latest census tracts. STF strongly recommends that the City and County require a simultaneous building plan, i.e. upscale and lower income areas built and wired simultaneously, according to socio-economic and racial/ethnic characteristics in Sacramento's various neighborhoods.

IV. Community Use and Resources to Local Entities

All of the respective cable bidders propose various programs to address community programming and local group utilization. STF notes, however, that none of the respective bidders makes any specific commitment to making equipment or financial resources available to any identifiable minority community groups such as the NAACP, Urban League, or to minority religious organizations to do community programming. Moreover, with the exception of ACS's Community Grants Board, none of the respective bidders makes a specific commitment to including minority or disabled representation on any of their independent bodies which will dispense community programming and local community grants.

STF recommends that each of the respective cable bidders should re-evaluate their positions on community programming and resource allocation to local community entities to ensure diverse, broad-based minority participation.

CONCLUSION

The Sacramento Telecommunications Forum (STF) will continue to work with each of the cable bidders to ensure comprehensive minority participation in cable in Sacramento.

Sacramento Telecommunication Forum

BOARD MEMBERS

Sylvia Spencer
Darryl Freeman
Charlot Bolton
Marion Woods
Thurman White
Mel Assagai
Tyrone Netters
Homer Carter
Roy Desmangles

November 9, 1983

PSW
PSW

The Sacramento Telecommunications Forum (STF) has completed its review of the minority provisions in your cable proposal.

To ensure that there is clarity on the specific intent of your company's commitment to comprehensive minority participation, we have attached a letter of suggested endorsements.

Recognizing the dynamics of commitment during a cable franchising process, this letter offers a reasonable solution between language that is too nebulous or noncommittal and language which may be specific but unrealistic.

In addition, we submit that this letter categorically addresses what constitutes the essentials of a substantive and comprehensive minority presence in the final contractual agreement.

STF will address the City Council and County Board of Supervisors on November 14th or 16th. Our analysis would be greatly enhanced by a greater understanding of your proposal's minority provisions.

We look forward to hearing from you as soon as possible.

November 10, 1983

The Honorable Bill Bryan,
Chairman
Sacramento Cable Commission
700 H Street, Suite 2450
Sacramento, California 95814

Dear Supervisor Bryan:

Having had an opportunity to obtain feedback from local community organizations such as the Sacramento Telecommunications Forum (STF), we are offering this letter of commitment to resolve many of the concerns raised about the minority plans in our initial proposal.

We are committed to the following minority provisions and plans which are listed categorically.

(a) Minority Business Contracts/Subcontracts

- o Jointly sponsor with STF a series of procurement seminars to disseminate information to minority businesses about contracting opportunities with attending corporate buyers or purchasing agents who will meet with minority business owners one-on-one;
- o Establish a list of certified minority businesses and their service or product for use by corporate buyers;
- o Solicit and work with business assistance organizations and associations to help minority businesses with bidding or bonding requirements of the corporation;
- o Develop a loan guarantee program to help minority businesses who need loans against a contract to meet necessary operating capital; and,

- o Set aside or target 23 percent of our corporation's procurement activity for minority and women businesses.

(b) Geographical Construction Priorities

- o Our construction plan calls for a simultaneous building construction plan which balances each community's access to cable to ensure an equitable extension of cable service to all Sacramentans.

(c) Affirmative Action (AA)/EEO Plan

- o Our Affirmative Action Plan is based on statistics reflecting Sacramento's population parity instead of workforce parity.
- o Our Affirmative Action Plan will be implemented on all levels of the cable company's employment structure.
- o Establish an Affirmative Action unit with authority to implement and require compliance with the AA plan.

(d) Training

- o Develop a training program for minorities and women which shall include the diverse socioeconomic strata within ethnic minority communities and emphasize the technical training of women.
- o We will develop an outreach program which will encourage local minority college students, who would willingly enter the telecommunications field, if an avenue were available, to explore cable carriers.

(e) Programming

- o We are committed to using the works of independent minority producers.
- o We will contract with Black and other minority-owned film companies for local origination programming.
- o We will provide training and outreach opportunities to encourage minority community organizations to utilize the cable system to produce programming.

(f) Support a joint city/county/community organization task force which will refine the comprehensive minority participation program after the franchise has been awarded. The task force will have representatives from ethnic minorities, women, the cable commission, the Sacramento Human Rights Commission, and our corporation. The task force will complete its refinement of the minority participation plan no later than May, 1984.

These provisions are an important and reasonable beginning to ensure that a positive and productive minority participation plan is implemented in the cable franchise process.

Sincerely,

Sincerely,

TYRONE NETTERS

TN:tas
Enclosure



**national federation of
local cable
programmers**

Sacramento/Sierra Chapter
2500 Portola Way
Sacramento, CA 96818



**International
Television
Association**

Sacramento Chapter
1301 Santa Ynez Way
Sacramento, CA 95816

CABLE TELEVISION PUBLIC FORUM--FORMAT AND AGENDA

The program will begin promptly at 7:00 P.M. November 2, 1983 in the SMUD Auditorium, 6201 S Street, Sacramento. The general public has been invited and we expect an audience of approximately 150 persons. Additionally, we expect full press coverage, both print and electronic. Each of the four companies/joint ventures submitting proposals to the Cable Commission have been invited and have agreed to participate. This will be the only community-based public forum to be held prior to the tentative selection on November 22.

Attached you will find the five questions each company will be expected to address at the forum. Given the detail some of the answers might require and the limited time allotted for your response (five minutes per company, per question), written responses in addition to an oral summary are suggested. The written responses and other supporting data will be forwarded to the Cable Commission for their information and evaluation. Because of the constraints of time, audio/visual presentations will not be permitted and only one representative per organization, please. As soon as possible, contact Ron Cooper, ITVA vice-president, with the name of your representative so that we might inform the press and prepare the appropriate name placard.

Opening comments will begin the program. Each company will be allowed three minutes to introduce to the audience the ownership of your firm and your reasons for seeking the Sacramento Cable TV franchise. Immediately following these introductory statements, Question #1 will be answered between 7:15 and 7:45 P.M. Each company will be allowed five minutes to answer (4 companies X 5 minutes = 20 minutes), thus allowing for eight to ten minutes for answering written questions submitted from the audience. Each of the four remaining questions will follow the same time frame and presentation format, so the agenda appears as follows:

Question #1	7:15 - 7:45
Question #2	7:45 - 8:15
Question #3	8:15 - 8:45
INTERMISSION	8:45 - 9:00
Question #4	9:00 - 9:30
Question #5	9:30 -10:00 END

To complete the evening's program within the time allowed, we must strictly adhere to the above timetable. For your convenience, a timing device will be visible to help your representative end each response within the time limits allowed. We thank you in advance for your cooperation in this regard. We look forward to a full and informative evening.

CONTACT PERSON: RON COOPER, ITVA VICE-PRESIDENT
Office: 441-7482 Home: 456-5052



**national federation of
local cable
programmers**

Sacramento/Sierra Chapter
2500 Portola Way
Sacramento, CA 95818



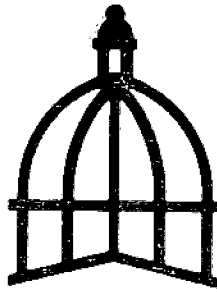
**International
Television
Association**

Sacramento Chapter
1301 Santa Ynez Way
Sacramento, CA 95816

CABLE TELEVISION PUBLIC FORUM --- QUESTIONS

- (1) Explain your system design and why you think it is the best one for Sacramento. Be sure to include the number and location of headends and hubs. Describe which locations and which groups or individuals can originate signals for transmission on both the Institutional and Subscriber networks. Indicate timelines and criteria for construction, activation, and availability of services.
- (2) Describe the structure and responsibilities of your Community Programming Independent Body. Indicate what resources will be allocated to community groups and individuals (e.g., channel time, studio time, equipment, funding, etc.) and what process, if any, will be used to award and evaluate the use of these resources.
- (3) What are the accommodations in your bid to provide for the technical needs of the local independent producer (e.g., rental equipment, studio time, mobile unit, etc.)? Also discuss who will hold the copyright on Community Use productions.
- (4) Describe the interactive capabilities that will be available to subscribers and other users. Describe what steps will be taken to ensure security of confidential subscriber information. Indicate timelines and criteria for service availability.
- (5) Describe your marketing strategy for competing with other programming delivery systems (e.g., home videotape rentals, SMATV, MATV, DBS), as well as with data and transactional services provide via phone lines. Provide evidence that you will be able to reach your projected penetration rates.

CONTACT PERSON: RON COOPER, ITVA VICE-PRESIDENT
Office: 441-7482 Home: 456-5052



American Cablevision Of
Sacramento

November 16, 1983

Robert E. Smith, Executive Director
Sacramento Metropolitan Cable
Commission
700 H Street, Room 2450
Sacramento, CA 95814

Dear Bob:

By now I hope you have had a chance to assess the information supplied in Gayle Greer's November 14 letter. It clarifies American's position in key areas, and addresses some blue sky developed by our competitor's proposals. I urge you to consider carefully the information contained in Gayle's letter, the impact it has on American's ranking, and communicate this information to the Commission.

A.T.C.'s initial commitment to parental guarantee recognizes the realism of its bid, and the special importance of such a guarantee to Sacramento. A.T.C. parental guarantee is now joined by Time Incorporated, the largest communications company in the world. Along with A.T.C., Time is committed to Sacramento in guaranteeing the American Cablevision of Sacramento proposal.

Bob, please find attached resolution language which makes binding these changes. We are available at your convenience to discuss these points.

Thank you for your consideration.

Regards



Greg Bicket
Director - Franchise Development

GB/gs

Attachment

American Cablevision of Sacramento
1029 J Street, Suite 500-12
Sacramento, California 95814

Amendment to Section I - 13

13. Joint and Several Liability of Named Owner and Related Entity. The obligations, commitments and promises of the Franchisee under the franchise documents shall be the direct, joint and several obligations, commitments and promises of ACS, ATC, and Time Incorporated and each expressly agrees that in the event of any default or breach by the Franchisee, the Commission, City or County may proceed directly against ATC and Time Incorporated in any litigation which may be undertaken without first seeking a judgment or satisfaction thereof from the Franchisee.

Addition to Section III

7. Low Density Exemption:

The Franchisee has heretofore filed with its application as Exhibit H-5 a map designating "Possible Low Density Areas" within the imposed service area. Franchisee acknowledges that said map was based upon preliminary data and must be further refined as detailed strand mapping is prepared by the Franchisee in preparation for construction of the Cable Television System. Accordingly, the Franchisee shall not claim a low density exemption for any area or areas of possible low density depicted on Exhibit H-5 unless and until it shall have prepared and filed with the Commission more refined maps detailing those areas, if any, within the Possible Low Density Area in which Franchisee desires to retain the right to claim a low density exemption under Section 5.50.413 of the Ordinance.

Amendment to Section IV - 9

14. Affirmative Action Requirements

Franchisee shall meet those requirements and guidelines for Affirmative Action as proposed in Form M of Franchisee's Application, and in Exhibit M-1 thereto, as supplemented and modified by the Franchisee's responses to the Commission regarding employment practices, dated November 14, 1983. For purposes of measuring Franchisee's compliance with the Minority and Female Owned Business Participation requirements set forth in said documents, female-owned vendors and contractors shall constitute one-fifth (1/5) of its total commitment during the first year of the franchise, four-fifteenths (4/15) of total commitment during the second year of the franchise, and three-tenths (3/10) of its total commitment in the third year and each subsequent year of the franchise. Female-owned vendors and contractors who would also qualify to meet the Franchisee's commitment for minority-owned vendors and contractors shall be excluded in determining Franchisee's compliance with its above-mentioned specific commitment in reference to female-owned vendors and contractors.

Franchisee hereby amends its Application in Form M and Exhibit M-1 thereto. As originally submitted, Form M and Exhibit M-1 address Franchisee's original equal opportunity employment goal of employing women, minorities and target groups in numbers that reach or exceed their proportionate levels in the Sacramento area work force population. Both Form M and Exhibit M-1 are amended as follows:

"American Cablevision of Sacramento's equal opportunity employment goal is to implement ATC's corporate Affirmative Action Program (Exhibit M-1,) in employing women, minorities and target groups in numbers that reach or exceed parity to their proportionate levels in the Sacramento area general population."

Exhibit M-1 shall be administered using general population parity goals.

Amendment to Section V - 2a

a. Location:

(i) Two (2) studios shall be situated at the Master Head End of the Cable System. The Franchisee shall construct the Master Head End (and the two studios) at a site to be selected by the Franchisee in the general location that Master Head End site identified at Page I-10 of Form I of the Application. Consistent with sound engineering practices and subject to the availability of land, the Franchisee shall locate the Master Head End (and two studios) at a site accessible to public transportation.

(ii) Two (2) studios shall be situated at a site or sites selected by the Franchisee and approved by the Commission.

(iii) All studios shall be situated within the County and shall be located subject to applicable zoning ordinance requirements, or upon such other site or sites as the Franchisee may select with the consent of the Commission.

(iv) All offices and studios of the Franchisee shall be fully accessible to the handicapped.

Amendment to Section V - 30

30. Independent Body

Pursuant to the provisions of Section 5.50.334 of the Ordinance and Franchisee's Application, the Franchisee shall form a non-profit volunteer advisory board to administer Access and Community Use Programming pursuant to Sections 5.50.336, .338, Franchisee shall assist the advisory Board in the creation and filing of the Articles of Incorporation and all necessary tax certificates and shall assist in the preparation of the Bylaws, arrange and provide for appointment of the initial Board of Directors, and otherwise form and organize the creation of the corporation in accordance with the Ordinance Section 5.50.334. Once formed or created, the Advisory Board shall not include any officer, employee or appointee of the Franchisee. Membership on the Advisory Board shall facilitate subscriber participation in its activities. The non-profit volunteer Advisory Board shall be formed and fully competent to transact business not later than twelve (12) calendar months following filing of the Certificate of Acceptance.

The Articles of Incorporation, Bylaws and all contracts of the Advisory Board between the Franchisee, the Advisory Board, and/or subgrantees shall contain the minimum terms and conditions therefor approved by the Commission. The Advisory Board shall perform those duties as outlined in Franchisee's response to Question K.8(b) of the RFP.

Funds for the operation of the Advisory Board will be granted by the Community Grants Board, but shall in no event exceed \$25,000 per year of the Advisory Board's operation unless greater funding for the Advisory Board's operation is specifically recommended by the Commission.

Amendment of V - 31

31. Community Grants Board

Pursuant to Franchisee's response to Form K, Question K.3(a) of the RFP, Franchisee shall form a Community Grants Board and shall provide grant funds to said board in an amount not less than the greater of:

- (a) The sum of \$500,000 per year; or
- (b) A sum equal to two percent (2%) of the gross revenues received by the Franchisee in each preceding year of the franchise from the rates and charges for subscription to Basic Service and Star Service, inclusive, during that year.

The term "year" as used herein shall mean a fiscal year commencing with the fiscal year in which the franchise is issued. The amount of the grant shall be prorated for the first and last fiscal year of the term of the franchise if the franchise is issued or terminates in the middle of a fiscal year. Not later than ninety (90) days following the end of the fiscal year, the Franchisee shall file with the Clerk of the Board of Directors of the Commission a written statement signed under penalty of perjury by an officer of the Franchisee which identifies in detail the amounts of gross revenues received by the Franchisee in the preceding fiscal year from rates and charges for subscription to Basic Service and Star Service, inclusive, during that year.

Not less than annually, the Franchisee shall provide the Commission with the certificate of an independent certified public accountant certifying the accuracy of the above-mentioned written statement and the amount of any annual grants by the Franchisee to the board pursuant to the provisions of this section. Said certification shall comply with the accounting standards set forth in Section VII - 8 of this Resolution.

Grant funds paid by the Franchisee to the Community Grants Board will be available for Community Use Programming activities pursuant to Sections 5.50.336, .338, .342 and .344 of the Ordinance ("the Community Grants Board"). Such funds may be used in conjunction with Institutional or Subscriber Network programming as herein defined. It is anticipated that these funds will be used for any array of programming-related expenses to include, but not be limited to, improvements of production facilities, the purchase of equipment to produce programs, costs for the development and promotion of Community Use Programming and for operating expenses incurred by Community Use producers.

The Franchisee shall assist the Community Grants Board in the creation and filing of the Articles of Incorporation and all necessary tax certificates and shall assist in the preparation of the Bylaws, arrange and provide for appointment of the initial Board of Directors, and otherwise form and organize the creation of the corporation in accordance with the Ordinance Section 5.50.334. Once formed or created, the Community Grants Board shall not include any officer, employee or appointee of the Franchise. Membership on the Community Grants Board shall facilitate subscriber participation in its activities. The non-profit Community Grants Board shall be formed and fully competent to transact business not later than twelve (12) calendar months following filing of the Certificate of Acceptance.

The initial payment of grant funds to the Community Grants Board shall be made by the Franchisee at the earliest date following the date upon which it is formed and fully competent to transact business. Subsequent payments shall be made not later than ninety (90) days following the end of the fiscal year.

The Articles of Incorporation, the Bylaws and the contracts of the Community Grants Board between the Franchisee, the Community Grants Board, and/or subgrantees shall contain the minimum terms and conditions therefor approved by the Commission. The Community Grants Board shall perform those duties as outlined in Franchisee's response to Question K. 3(A) of the RFP.

Addition to VI - B 4a (2)

(d) The subscription rate for Star Service shall be maintained by the Franchisee at a level not greater than that provided in sub-subparagraph (a) above for a period of not less than three (3) years from the date when the Franchisee first provides said service to a subscriber of the Cable Television System.

(e) The subscription rate for each Pay Premium Service shall be maintained by the Franchisee at a level not greater than that provided in sub-subparagraph (b) above for a period of not less than two (2) years from the date when the Franchisee first provides such a service to a subscriber of the Cable Television System.

Amendment to Section VII - 4

4. Indemnification of Franchisee. The Commission shall at its own expense fully indemnify, defend, and hold harmless the franchisee and any and all named owners thereof, their parent entities, directors, officers, agents and employees from and against any and all claims, suits, actions, liability and judgments for damages for actual and alleged injury, declaratory and/or injunctive relief arising out of or through or alleged to arise out of or through the enactment of the franchise documents by the County and the municipalities or the issuance of the franchise by the Commission and not involving any act or omission of the Franchisee other than its application for the franchise (and its acts preparatory thereto) and its acceptance thereof. Nothing contained in the foregoing indemnification shall preclude the franchisee or any named owner thereof from appointing its own counsel and directing its own defense upon notice to the Commission thereof.

Addition to Section VII - 20

20. Consent to Transfer of Franchise.

Pursuant to the provisions of Section 5.50.754 of the Ordinance, the Commission hereby consents to the transfer and assignment of the Franchise offered hereby by the Franchisee to a new entity to be organized, if at all, under Franchisee's reservation of right contained in Form A of Franchisee's Application provided that said transfer shall not become effective unless and until:

a. The new entity shall acknowledge in a properly authorized writing that the transfer is subject and subordinate to the rights of the County, Cities and Commission under the Franchise Documents for the Franchise and it agrees to comply with and be bound by the terms, conditions, provisions and requirements of the Franchise Documents; and

b. American Television of California, Inc. or the named owner thereof shall be both a participant in the ownership of the new entity and the sole manager of the new entity unless otherwise approved by the Commission pursuant to Section 5.50.756 et seq. of the Ordinance; and

c. That the parties who have assumed joint and several liability pursuant to Section I-13 of this Resolution shall each acknowledge in a properly authorized writing that their undertakings, promises and covenants made by the filing of the Certificate of Acceptance hereto are not diminished, impaired or affected to any degree whatsoever by reason of this transfer to the new entity; and

d. In the event such new entity should be a limited partnership;

(1) The limited partnership shall have no general partners which are not designated as "named owners of the Franchise" herein, unless said additional general partners shall have applied for and received the approval of the Commission pursuant to Section 5.50.756 et seq. of the Ordinance.

(2) The limited partnership agreement shall provide that:

(a) The Commission is expressly declared to be an intended third party beneficiary of the agreement and is entitled to enforce any provisions thereof against the general partners.

(b) Any amendments must be filed with the Clerk of the Commission.

(c) The limited partnership may not be terminated prior to the expiration of the franchise term without the prior written approval of the Commission.

(d) The sale by a general partner of all or part of its interest shall not operate to relieve said general partner of any obligations under this Resolution unless the Commission shall have given its prior written consent to such relief.

(3) Any amendment to the partnership agreement which has the effect of modifying or altering the provisions required by subparagraph d. hereof without the prior written approval of the Commission shall constitute a material breach of the Franchise Documents and give rise to proceedings under Section 5.50.820 et seq. of the Ordinance; and

e. If the transfer occurs prior to the issuance of a Final Order of Completion, as provided in Section 5.50.416 of the Ordinance the Franchisee shall file with the Commission a financial statement, certified in an unqualified opinion by a certified public accountant reflecting that the sums of all considerations by the new entity to the Franchisee by reason of the transfer does not exceed the total of all sums expended by the Franchisee to parties other than the named owners of the Franchisee subsequent to the filing of the Certificate of Acceptance or if the sum of all consideration so paid does exceed said expenditures, that to the extent of such excess funds, the recipients of such excess funds are firmly and legally obligated to repay such excess funds to the new entity as necessary to complete the build of the system.

f. The Franchisee shall not be in breach of any provision of the Franchise Documents at the time of the transfer; and

g. On not less than thirty (30) days notice, Franchisee may apply to the Commission for a Certificate of Compliance indicating whether or not Franchisee is in compliance with all of the provisions, terms and conditions of the Franchise Documents for the purposes of this Paragraph. Said Certificate shall be issued as of the date of Franchisee's application. Only the new entity, and no other party or entity, shall be entitled to rely upon said certificate for the purposes of the transfer by this Paragraph; and

h. The new entity shall file a fully executed copy of its organizational agreement(s) and all necessary supporting documentation, in a form acceptable to the Commission, with the Clerk of the Commission.

i. Any subsequent transfer and/or assignment of the Franchise shall be subject to the provisions of Sections 5.50.754 and 5.50.758 as amended of the Ordinance.