



City of Modesto

CITY PRIDE

January 2001

City Wide

CITY OF MODESTO SERVICES ARE AVAILABLE TO CITY RESIDENTS ONLY

VISIT THE CITY OF MODESTO ON THE INTERNET!

<http://www.ci.modesto.ca.us>



W I N T E R

Penalties piling for local cable provider

After two years of haggling, negotiations between the City of Modesto and Cable One over its cable franchise agreement are coming to a head.

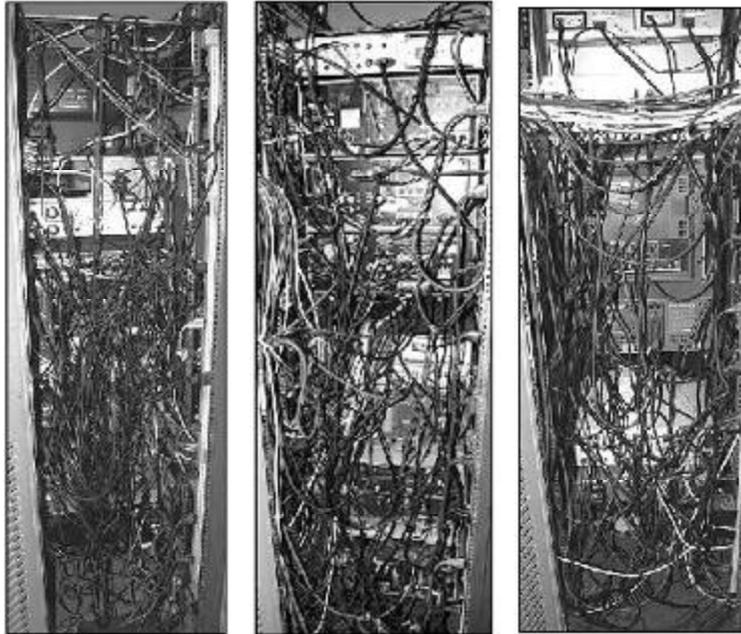
Cable One has until January 30, 2001 to provide the city with an acceptable plan to cure issues of non-compliance as defined in the franchise agreement.

If at that time an acceptable plan is not presented to the city, Modesto Councilmembers have the option of blocking the company's transfer of ownership to United Cable Televisions Corporation, a subsidiary of AT&T.

Additionally, the city may pursue legal action to make demand on the company's \$250,000 performance bond and continue to impose significant penalties on the incredible number of violations identified throughout the city.

A consultant hired by the city earlier this year, conducted a physical plant inspection and review of Cable One's technical compliance with city, state and federal requirements.

In his report, Jonathan Kramer of Kramer.Firm, Inc. identified literally thousands of violations ranging from code infractions to improper electrical grounding, which could impede on the safety



These photos exhibit the poor wiring of the Cable One Studio Control Room Equipment Racks identified in the Buske report.

of Cable One customers.

Kramer also noted that the degraded state of the physical plant did not meet the minimum safety standards established by the California Public Utilities Commission, meaning the company is putting the safety its own employees at risk.

"Given that the violations reported here were clearly visible to a trained observer, the inescapable conclusion is either the field staff are not qualified to detect the violations and report them to management, or that the violations are reported to management but not acted upon," Kramer stated in his

report to the city.

During the course of the year, the city also retained the services of the Buske Group, a Sacramento firm, to assist in the evaluation of the local origination and public access production facilities.

Results of that evaluation revealed that Cable One has repeatedly failed to provide 15 hours of required weekly original, locally-originated programming, excluding all public meetings and public access programming.

Local Origination refers to programming introduced or produced by the cable operator over one or more of

its channels. Members of the public, as opposed to the cable operator, produce Public Access programming.

The Buske report stated that an average of only eight hours and fifty minutes per week of locally originated programming was presented during the six weeks examined by the consultant.

Also noted was that Cable One's facilities and equipment at the time of the report were generally in unsatisfactory condition, obsolete and inappropriate for public access use.

During a public hearing on November 7, the city council declared Cable One in breach of its obligations under the city's franchise agreement.

On December 12, the council voted to extend the present franchise agreement from December 20, 2000 to February 28, 2001. This extension, like previous extensions, was granted to insure that Cable One remains bound to their contract. It also allows the city to impose penalties for failure to correct deficiencies.

According to city officials, the sum of penalties had reached \$61,000 on December 12, 2000 and continues to pile each day Cable One remains non-compliant.