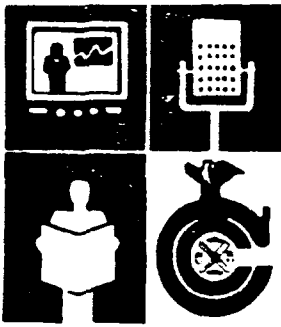


11/17/91

PRESS RELEASE



THE CITY CLUB of NEW YORK

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For Immediate Release

CITY MUST REQUIRE EVERY CABLE TV SYSTEM TO PROVIDE
NO-COST CONNECTIONS TO EVERY HOME AND
PROTECT EVERYONES' RIGHT TO SUPPLY PROGRAMS AND SERVICES

The City Club of New York urged the Board of Estimate to recognize that advances in cable television technology and efficiency coupled with explosive sales increases in services to the public now make possible both universal service at no or minimal cost and universal access to every potential supplier of programs and services.

The Club's recommendations were presented to the Cable Working Group of the City's Board of Estimate at their meeting of Wednesday, November 18th. At this meeting, the Cable Working Group planned to make a final recommendation to the Board of Estimate on preferred applicants for franchises in all four boroughs other than Manhattan, as well as to recommend essential requirements of cable franchise contracts. When the Board of Estimate makes a preliminary selection of applicants they will be referred to the Bureau of Franchises for the negotiation of actual terms.

Robert Kandel, Assistant Mayor and Chairman of the Cable Working Group, has stated that the City will exercise its option to negotiate upgrading of the two Manhattan systems after the services and terms of the new franchises in other boroughs have been approved. The City Club said that the low level of services in Manhattan compounded by the almost complete lack of supervision by City agencies makes it imperative that the Board of Estimate authorize a

strong, competent, adequately staffed negotiating group. No plans for such a group or even effective oversight and development staffing on a permanent basis have been disclosed by the Board of Estimate.

The Club asked the Board of Estimate to negotiate a foundation service for every home and establishment at no costs of installation or maintenances. This open service would provide 12 channels for municipal, educational, community, public TV stations, plus sponsored leased channel-time programs of the franchisee, advertisers, etc. No set-top converter is required for a twelve channel service, thus greatly reducing initial costs. The basic service would be 55 channel, full-range with optional two-way, choices of pay-cable, and such services as security, pay-per-program, business, shopping and banking at fair rates. Almost unrestricted subscriber selection would be made possible by addressable, two-way, interactive converters.

The cornerstone of diverse, competitive services to the public is enforcement of the right of any person and organization to lease channel-time for any lawful use, at non-discriminatory terms. The Club pointed out that cable TV operators lack the ability, resources and know-how to produce programs and advanced services. They are mere middlemen and packagers who exploit their control over transmission to profit from others' services.

The Club would not interfere with operators providing programs. Instead, the Club recommended that the City require operators to maintain total leased channel capacity reasonably in excess of demand and to treat operators as lowest priority users. This position, in principle has already been adopted by the Cable Working Group.

Suppression of operator monopolization of programming should have the highest priority if the public is to be assured of diverse, quality communications services over the 15-20 year life of franchises. Other operator-controlled "choke points" such as their legally unauthorized control over converters and terminals and over microwave and satellite interconnections with other systems throughout the U.S. must be broken up in order to enforce truly fair competition in information, entertainment, news, education and other vital communications services.

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(City Club "Recommendations" follow)