



CABLE TELEVISION IN NORTH CAROLINA

A report by The N.C. Center for Public Policy Research

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The cover is an abstract drawing of an earth station by Mary Margaret Wade. Earth stations are used by a number of North Carolina cable systems to receive satellite transmissions of pay cable programming.

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**N. C. Center for Public Policy Research, Inc.
700 West Morgan Street P. O. Box 10886
Raleigh, North Carolina 27605
(919) 833-1656**

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PREFACE

This report, like the Center's other publications, takes North Carolina's state government as the focus of its inquiry. The question that the Center's study sought to answer was: What role, if any, should the state government play in the development of cable television in North Carolina? This report presents answers to that question. Its recommendations will be of interest to state legislators and policy makers. The overview of cable television in North Carolina that it presents will also prove useful to local government officials and to private citizens interested in learning about a medium that has many potential community uses.

The study found, in brief, that the current system of regulating cable television in North Carolina, which gives major control over the operations of cable systems to local governments, should continue. It should continue because decisions on the extent and nature of the programming and services cable systems offer belong properly to the communities they serve. But the study also found that many of the local government officials who have to make those decisions are not adequately informed on cable television. Its potential as a medium for local expression and for delivering services has not been considered in many communities. Toward the end of informing and stimulating local discussion of cable television, the Center has recommended that the state establish a Cable Communications Commission. The recommendation is presented in detail in the final section of the report.

Tom Earnhardt, a former member of the Center staff, gathered preliminary data for this study. Betsy Taylor, also a former staff member, prepared the material for and wrote a substantial part of the section on Durham's locally originated programming. The principal author of the report was Henry Wefing, an associate director of the Center. The publication was designed by Mary Margaret Wade. It was composed for printing by Sallye Branch.

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1 THE NATIONAL PICTURE

CABLE TELEVISION TODAY

More than 13 million American homes are served by cable television. The television sets in those homes are hooked up to cables instead of to indoor or outdoor antennas. The cables are connected to big antennas that pick up television signals and relay them into the homes.

Cable television (it is also called CATV or community antenna television) got its start in the late 1940s, first being used to bring television signals into communities that were located far from television stations or in terrain that prevented good television reception. Local entrepreneurs with electronics know-how erected master antennas and wired them to serve the homes in a community located beyond the range of or blocked from over-the-air television signals. Like most new technologies, cable television was soon put to broader use. Cable operators discovered that many viewers within the range of over-the-air television signals were willing to pay for better reception and a broader choice of stations and programs.

In 1950, cable television was operating in 70 communities in the United States, serving some 14,000 subscribers. By 1960, the number of communities with cable had increased to 640 and the number of subscribers to 650,000. By 1970, the figures were 2,490 communities and 4.5 million subscribers. By the end of 1977, cable television was operating in about 9,300 communities, serving more than 13 million subscribers.

The biggest cable system in the United States, which serves San Diego, has 129,750 subscribers. There are 22 systems with between 30,000 and 90,000 subscribers. Two North Carolina systems---those in Fayetteville (24,868) and Winston-Salem (23,395)---are among the 86 systems that have more than 20,000 subscribers. The average cable subscriber, according to the Federal Communications Commission (FCC), pays \$20 to have cable installed and \$6.20 a month for cable service.

What does the subscriber get for his money? That depends on where he lives. If he lives in a small community, he is probably able to watch the programs of several television stations he wouldn't otherwise receive, and he may be able to tune to a channel that shows the time, the weather, and the latest stock prices. If he lives in a big community, he may get a broad variety of television stations, one or more channels that carry printed information and messages (time, weather, stock prices, news, community events, public service announcements), and a selection of FM radio stations. He may also be able to watch local programs originated by the cable company or community organizations. In an increasing number of communities, cable subscribers are able to purchase a package of pay cable programming that includes movies, sporting events, and variety shows. Subscribers to most pay cable services pay an additional monthly fee. In some cable systems, subscribers may purchase individual programs or a series of programs.

If a viewer lives in Columbus, Ohio, and is one of the 20,000 subscribers to Warner Communications' Qube, he is hooked into a sophisticated computerized system that permits him to interact with the people he sees on the television screen. By pushing one or a combination of the five "response" buttons on a hand-held Qube console, he can register his opinions on subjects ranging from municipal services to the quality of a local talent show participant. He can answer queries from celebrities, tell a professor delivering an adult education course that he is going too fast, and rate local restaurants and theaters. Subscribers to Qube, which cost Warner between \$15 million and \$25 million to develop, will soon be able to purchase fire and burglar protection.

Warner's experiment with Qube has received a great deal of attention because it has been seen as a test of the thesis that the United States will someday be "a wired nation." In that prophesied wired society, the television set, or the technological successor to the television set, will be central to people's lives. It will offer them an impressive array of entertainment, it will provide them with the means to shop and bank without leaving their homes, and it will give them access to a host of educational and government services.

services has been explored in a number of experiments initiated and funded by organizations from outside the cable industry. In Spartanburg, S. C., for example, the National Science Foundation sponsored an experiment in three possible uses of two-way cable services. Two-way cable was used to tie together instructors and students in a high school equivalency course, a day-care professional and some 30 providers of day-care, and the local State Employment Office and the Department of Social Services, both of which are involved in handling applicants for a Work Incentive (WIN) program.

Cable television's potential for increasing community awareness and community dialog has also been explored in a number of localities (Some examples are cited below in the sections on public uses and local programming). A number of long-established groups like the Communication Commission of the National Council of Churches and a number of ad hoc groups like the National Federation of Local Cable Programmers have worked to increase public access to the capacity for local program production that cable television affords.

But cable operators have not yet seen evidence that the delivery of services or the production of local programs can significantly increase their markets and the profitability of their operations. Cable companies have, naturally enough, been interested mainly in the dollar impact of cable television, not in its social impact.

Thus, cable companies are focusing on a proven vehicle for gaining new subscribers: pay cable television. As recently as 1974, only 50 cable systems offered pay cable television. They served about 50,000 subscribers. Today, more than 1.6 million subscribers pay for programming packages offered by 600 systems. Pay cable television has grown so dramatically because it offers cable companies a way of penetrating major television markets where there is already a broad variety of traditional television programming, and because the cost of the equipment necessary to transmit pay television has been sharply reduced in the last several years. More than 400 of the systems with pay cable television, including some in North Carolina, receive their programming packages through so-called earth stations that pick up signals beamed from satellites.

Cable companies have also adopted the economically successful strategy 5

of importing the signals of distant independent television stations that offer programming of a kind not available from local TV stations. A number of North Carolina cable systems, for example, have imported the signal of WTCG, Channel 17, in Atlanta. Cablevision of Raleigh recently urged Raleigh residents to make their own "Declaration of Independents" by subscribing to cable. "Channel 17," the cable company said in an advertising pitch, "offers 24-hour programming seven days a week, including a full roster of 40 Hawks basketball games, 25 Flames hockey matches and over 100 Braves baseball games. You'll see six post season football games, N.A.S.L. Soccer, professional tennis and Georgia Championship Wrestling, too! For the night owls, WTCG features all night movies and classic series . . ."

In its 1972 Cable Television Report and Order, the FCC expressed high expectations for cable television. The federal agency said cable could further the goals of a national communications structure through "the opening of new outlets for local expression, the promotion of diversity in television programming, the advancement of educational and instructional television, and increased informational services of local governments." On the whole, cable television has failed to meet those expectations.

Discussing "The Social Effects of Cable Television" in a 1975 Rand Corporation paper, Leland L. Johnson wrote: "Its (cable television's) service consists almost entirely of rebroadcasting local television broadcast signals, plus carrying signals from several distant broadcasting stations and, more recently, offering special pay television channels for movies and sports . . . We are indeed witnessing a television of abundance, but the abundance is almost entirely composed of more of the same: more movies, more sports, and more of other mass entertainment." The situation hasn't changed since Johnson's paper was published three years ago. The cable industry's strategy for growth remains the same: offer the viewer more movies, sports, and entertainment---by introducing pay cable television or importing the signal of a distant independent station.

FEDERAL REGULATION

The Federal Communications Commission regulates cable television. The federal agency first asserted limited jurisdiction over cable television in 1962, established rules for systems which received signals by microwave in 1965 (those systems were able to import distant television signals), and established regulations for all cable systems in 1966. The 1966 rules were significant because they prohibited cable systems from bringing distant signals into the 100 major television markets without hearings on the probable effect on local broadcasting. The prohibition, which was lifted in 1972, slowed the early development of cable television in the big cities. The agency's jurisdiction over cable television was upheld by the U. S. Supreme Court in 1968. The FCC adopted comprehensive rules in its 1972 Cable Television Report and Order (36 FCC 2d 143). Many of those rules have been amended, and some of them have been eliminated since 1972.

Most of the FCC's rules have to do with the signals cable systems may carry, with channel capacity, with cablecasting services (that is, locally originated programs and so-called access channels for use by citizens, educational institutions, and government agencies), and with technical performance.

The FCC's 1972 report included a number of mandatory standards for the franchising of cable systems, which is done by state agencies or local governments. The federal agency has retained only one mandatory standard. It limits the franchise fee, or the amount the cable system pays to the franchising authority (a municipality or county in North Carolina), to three percent of the system's gross yearly revenues. The FCC may approve a fee of up to five percent if the franchising authority justifies it in light of its regulatory program. The limit on the franchise fee became effective on Nov. 15, 1977. Higher rates called for in franchise agreements negotiated before that date are permitted to remain in effect until the expiration of the agreements.

Other franchising standards that were mandatory from 1972 to 1977 are now merely recommendations. The FCC recommends that:

- A cable system's qualification be approved only after a full public proceeding affording due process.

- Neither the initial franchise period nor the renewal period exceed 15 years.
- The cable system accomplish significant construction within one year after receiving Commission certification and make service available to a substantial portion of the franchise each following year.
- A franchise policy requiring less than complete wiring of the franchise area should be adopted only after a full public proceeding preceded by specific notice of such policy.
- The franchise specify that the cable company and the franchising authority have adopted local procedures for investigating and resolving complaints.
- The cable company maintain a local business office for handling complaints and provide to each new subscriber notice of the procedures for reporting and resolving complaints.
- The cable company designate by title the office or official responsible for the continuing administration of the franchise and implementation of complaint procedures.

The FCC's rules on the signals that cable systems may carry now apply only to systems with 1,000 or more subscribers. They have been designed to protect local broadcast stations from competition that would decrease their market and thus their advertising revenues. In the 1968 decision that upheld the FCC's authority to regulate cable television (*United States v. Southwestern Cable Co.*, 392 U.S. 157), the Supreme Court found that the agency had jurisdiction because of the relationship of cable to broadcast services and the equitable distribution of those services.

Broadcasting interests have generally been hostile to cable television. Officials of the major television networks and many local broadcasters view cable television as a threat to what they call free television, television that is paid for by advertisers rather than by viewers. The importation of distant signals, according to the broadcast industry, results in "fractionalization" of the television audience and consequent diminution of the markets and revenues of local television stations. The economic growth of the cable industry raises in broadcasters' minds the prospect of "siphoning" off of

8 major sports and entertainment programs to pay cable television.

In a slide presentation on cable television, "Television: Medium at the Crossroads," ABC also argues that cable television will be able to serve only certain segments of the population and the country. "Obviously," the presentation's narrative says, "a lot of people are going to be shortchanged. Cable TV operators wire Beverly Hills -- not Watts . . . Grosse Pointe -- not the Detroit inner city -- because they are looking for the families who can afford this considerable additional charge. And the immense costs for laying wires make it economically unfeasible to service the more sparsely populated areas of the United States. Thus Cable TV bypasses both the poor and the majority of rural Americans." The economic relationship between the broadcasting industry and the cable industry has been one of the most controversial issues before the FCC.

The FCC's regulations on channel capacity, two-way communications, and public access channels apply to systems that have 3,500 or more subscribers. They are rooted in the FCC's vision of "a future for cable in which the principal services, channel uses, and potential sources of income will be from other than over-the-air signals" and in the agency's hope that public access channels "will offer a practical opportunity to participate in community dialogue through a mass medium."

New cable systems must provide 20 channels and the technical capacity for nonvoice return, or two-way communications. Systems that already have 20 channels are not required to rebuild to provide two-way channel capacity. Systems in operation as of March 31, 1972, with less than 20-channel capacity, are required to reconstruct by June 21, 1986, to comply with channel capacity requirements.

In 1969, the FCC adopted a rule requiring cable systems with more than 3,500 subscribers to originate local programming. That rule was suspended pending the outcome of a court challenge by a cable company. Although the U. S. Supreme Court upheld the FCC's right to require local origination (*United States v. Midwest Video Corp.*, 406, U.S. 649, 1972), the federal agency did not reinstate the rule and it formally rescinded it in 1974.

The 1972 regulations required cable systems to provide four access 9

channels----one for use by the public on a first-come, non-discriminatory basis, one for use by local educational authorities, one for use by local governments, and one for other leased uses. Cable companies are now permitted to maintain one composite access channel to accommodate all of those uses unless demand warrants additional channels. As the discussion of public access below will indicate, there is rarely demand for an additional channel. The cable companies are also required to make equipment available for the public to use in producing and presenting programs. The U. S. Court of Appeals for the Eighth Circuit ruled early in 1978 that the FCC's mandatory channel capacity, equipment, and access rules exceeded the jurisdiction of the agency. But the rules remain in effect pending the outcome of an FCC appeal to the U. S. Supreme Court. The court announced in October, 1978, that it would hear the case.

Cable systems with 1,000 or more subscribers must obtain a Certificate of Compliance from the FCC. They are also required to file various reports with the federal agency, keep certain records, and maintain a public inspection file. Systems must also adhere to FCC regulations on equal employment opportunity, technical performance, and ownership.

In its 1972 Report and Order, the FCC said it planned to serve as an information clearinghouse for the local governments involved in franchising. The agency has published a number of informational documents, but it has not taken the initiative in disseminating information to local governments. The burden of getting information from the FCC remains with the local governments. Keeping up with rule-making proceedings and changes in FCC regulations requires monitoring of the Federal Register or of cable industry periodicals. Copies of statistical reports compiled by the FCC must be obtained through a private contractor.

The FCC moved slowly toward comprehensive regulation of cable television. Two decades passed from the agency's first consideration of regulation in 1952 to the 1972 Report and Order. Since 1972, the FCC has surrendered much of its control over cable operations. It has dropped all but one of its once-mandatory standards for cable franchising, it has eliminated the rule that required the bigger cable systems to originate local programming, and it is now considering abandoning its requirement that

systems with more than 1,000 subscribers obtain a Certificate of Compliance. Its rules on public access and channel capacity are being challenged in the courts. FCC officials acknowledge that the trend is clearly toward less federal regulation of cable television. A major rewrite of the federal Communications Act of 1934 (H.R. 13015) now being considered by the U. S. House of Representatives would, if passed by the Congress, result in complete deregulation of the cable industry. Final action on that extremely controversial bill, which also proposes major changes in federal regulation of the broadcasting industry, is not expected before 1980. If federal regulation of cable television were eliminated, many states (see the following section) would have to decide whether they wanted to enter the regulatory field.

STATE REGULATION

The FCC has acknowledged that federal licensing of cable systems would be an unmanageable burden and has described the cable industry as one uniquely suited to "a deliberately structured dualism." It has permitted state or local governments to become its partners in the regulation of cable television, an arrangement it has characterized as "creative federalism." In most of the states, the FCC's partners are local governments. Municipalities and counties issue franchises to cable systems, and in doing so set standards for the operation of cable television in their communities.

In 11 of the states, however, state government agencies have assumed control over cable television. Those states are Alaska, Connecticut, Delaware, Hawaii, Massachusetts, Minnesota, Nevada, New Jersey, New York, Rhode Island, and Vermont. Bills calling for state regulation of cable television have been introduced in the legislatures of 28 other states. North Carolina is one of 11 states in which state regulation of cable has not been given legislative consideration.

The degree and nature of control varies in the 11 states that have chosen to regulate. Five of the states---Alaska, Connecticut, Hawaii, Rhode Island, and Vermont---have assumed the authority to franchise cable systems. The franchises are issued by the Public Service Board in Vermont and by public utilities commissions in the other four states. Delaware's Public Service Commission issues franchises only in unincorporated areas. The remaining five states---New York, New Jersey, Massachusetts, Minnesota, and Nevada---leave franchising to local governments, but they have established regulations governing the operation of cable systems, and all of them except Massachusetts issue certificates of compliance, confirmation or approval. Three of the states---Massachusetts, Minnesota, and New York---have established separate cable television commissions to carry out their regulatory programs. The rest regulate through public utilities commissions or boards or---in the case of Hawaii---through the Director of Regulatory Agencies.

Most of the states that regulate cable television produce little in the way of information on cable television. Because they themselves issue
12 franchises and decide on rate increases, they have no need to provide assis-

tance to municipalities. But in several of the states, providing information and municipal assistance are central functions.

The New York Commission on Cable Television has issued a workbook to help local governments in the franchising process and a handbook for cable systems. Its publications include *Why Cable TV*, *Financial Profile of New York State Cable TV Companies* (an annual report), *Technical Standards Handbook for System Operators*, *Listing of Rates and Services*, *Preparation and Evaluation of Rate Increase Applications*, and a weekly bulletin. The commission works to involve government agencies in cable programming. It held a conference on public access in 1976 that resulted in the formation of the National Federation of Local Cable Programmers.

The Office of Cable Television in New Jersey's Public Utilities Commission sponsors workshops and provides a periodically updated publication, *A Guide to the Writing of the Cable Television Municipal Consent Ordinance*, to assist municipalities in selecting cable operators. Its staff members meet with cable television advisory committees in municipalities during the franchising process to advise them on state and federal regulations. The office issues a quarterly report that provides statistical information on the cable industry in New Jersey and a monthly bulletin that describes the office's actions during the month.

The Massachusetts Community Antenna Television Commission provides municipalities with licensing rules and forms and a publication, *Cable Licensing in Massachusetts -- A Guide to Granting a License*. Members of the commission's staff meet with local advisory committees.

Minnesota is the best example of a state that takes a broad approach to the job of regulating cable television. Its Cable Communications Board works with local communities to protect the public interest in franchise negotiations, encourages development of cable in rural as well as urban areas, and works to increase community and government awareness of the services that cable might provide. The chairman of the board wrote recently in a letter to a researcher for the Minnesota House of Representatives that "the Board considers its developmental responsibilities to be every bit as important as its franchise regulation responsibilities."

The legislation that established the board, a group composed of seven 13

citizens appointed by the Minnesota governor, recognized that there was "a need for a state agency to develop a state cable communications policy; to promote the rapid development of the cable communications industry responsive to community and public interest . . ." (Cable Communications Act, Minnesota Statutes, Chapter 238). The board has a staff of eight and a current yearly budget of \$244,945. Its funds come largely from a fee of one percent of gross revenues charged to cable companies.

Cable franchises are granted by Minnesota municipalities, but the board requires the municipalities to meet standards, and it certifies franchise agreements. Some of the board's franchising standards are similar to those that were once mandated by the FCC. Representatives of the board's staff work extensively with municipalities in the franchising process, from the time a municipality expresses interest in negotiations through the drafting of a franchise agreement.

The cable board requires that all systems regardless of the number of subscribers provide at least one channel for use by the public, the schools, and local governments. The FCC's requirement of one composite access channel applies only to systems with more than 3,500 subscribers. The FCC requirement would apply to only 10 of the 110 cable systems in Minnesota.

In addition to maintaining a current list of the cable systems in Minnesota and the fees charged by and to the cable companies, the board's staff has published information on such subjects as producing cable programming, forming non-profit corporations to spur local programming, municipal ownership of cable systems, funding of cable access projects, and franchising. It also publishes a quarterly newsletter, "Minnesota Cable Interconnect," which includes features by cable operators and producers of local programs.

The board requires municipalities to appoint citizen advisory boards, it encourages experimental ownership, it holds video workshops, and it expresses the state's viewpoint on issues before the FCC. It has made vigorous efforts to promote local programming. Figures compiled by the board show that at least 47 of the state's 110 cable systems are involved in community programming and that from 1977 to 1978 the average amount
14 of such programming increased from six hours to 11.5 hours a week.

The board is encouraging efforts to make use of technology that permits telephone and cable television services to be delivered over the same wires in rural areas. It has expressed keen interest in federal legislation that would allow the Rural Electrification Administration to provide low-interest loans for the construction of integrated cable-telephone facilities in rural areas. It is now considering a proposal from a cable company to deliver cable-telephone service to a rural area in Minnesota.

2 THE NORTH CAROLINA PICTURE THE ORIGIN AND GROWTH OF CABLE TELEVISION

Cable television began in North Carolina, as it did elsewhere, in communities that had access to few television signals. The first North Carolina cable operation went into business in Wilmington in 1961. In 1963, a cable company began operations in Waynesville, Hazelwood, and part of Haywood County. In 1964, two cable companies commenced operations, one serving Roanoke Rapids, Weldon, and Halifax and the other serving Fayetteville and Cumberland County. In 1965, three cable companies started up, one in Gastonia, one in Laurinburg, and one in Jacksonville. Since 1965, there has been steady growth in North Carolina's cable industry.

Cable now serves 123 North Carolina communities through 52 cable systems owned by 29 financial entities.* FCC reports show that cable passes 455,758 North Carolina homes, and 237,921 of those homes subscribe to cable service. The total assets of North Carolina cable companies in 1976,** according to FCC figures, amounted to \$29,534,393. The North Carolina systems had operating revenues of \$12,776,411, including revenues of \$305,949 from pay cable television, total operating expenses of \$6,814,585, and net income before taxes of \$1,404,124.

The fees charged to North Carolina subscribers for the installation of cable range from \$5.95 to \$25. The average installation charge is \$14.50. Monthly charges range from \$5.95 to \$8.00. The average charge is \$6.90. Following is a listing of the North Carolina communities served by cable television and the fees charged to subscribers.

*The statistics on North Carolina cable operations contained in this report are based on FCC computer printouts (the North Carolina pages from "Form 325, Schedule 1, Statistics List," "Community Unit Full Record Print," and "CATV Industry Financial Data January 1976-December 1976"), the 1978 edition of *Television Factbook*, and conversations with cable operators and local government officials.

**The FCC's computation of financial data for 1977, which was to be ready by the
16 end of October, 1978, was not available in time for inclusion in this report.

FEES CHARGED TO CABLE SUBSCRIBERS

The charges listed were quoted by the cable companies in October, 1978.

	Install.	Monthly		Install.	Monthly
Aberdeen	\$15.00	\$6.95	Hendersonville	\$15.00	\$7.00
Ahoskie	15.00	6.00	Hickory	25.00	8.00
Apex	15.00	6.00	High Point	15.00	6.00
Arlington	15.00	6.50	Hillsborough	15.00	6.00
Asheville	18.00	8.00	Hope Mills	15.00	7.50
Banner Elk	10.00	7.50	Jacksonville	11.00	7.95
Beaver Creek	10.00	8.00	Jefferson	10.00	8.00
Bessemer City	15.00	6.50	Jonesville	15.00	6.50
Black Mountain	10.00	6.50	Johnston Co.	20.00	7.00
Boone	12.00	6.50	Kill Devil Hills	20.00	5.95
Burlington	15.00	7.00	Kitty Hawk	20.00	5.95
Burnsville	15.00	7.75	Kure Beach	15.00	7.00
Carolina Beach	15.00	7.00	Laurel Hill	13.00	7.00
Cary	15.00	6.00	Laurel Park	15.00	7.00
Chadbourn	15.00	7.00	Laurinburg	13.00	7.00
Charlotte	15.00	7.00	Lenoir	15.00	8.00
Clayton	15.00	6.50	Lexington	12.00	6.00
Craven Co.	6.50	6.95	Longview	25.00	8.00
Cumberland Co.	15.00	7.00	Lumberton	15.00	7.00
Dare Co.	20.00	5.95	Manteo	20.00	5.95
Davidson Co.	12.00	6.00	Marion	15.00	7.00
Dunn	15.00	8.00	Maxton	13.00	7.00
Durham	15.00	7.00	Morganton	15.00	6.50
E. Laurinburg	13.00	7.00	Mount Airy	15.00	6.50
Elizabeth City	15.00	6.75	Murfreesboro	15.00	6.00
Elkin	15.00	6.50	Murphy	10.00	7.00
Elk Park	10.00	7.50	Nags Head	20.00	5.95
Elon College	15.00	7.00	New Bern	6.50	6.95
Erwin	15.00	8.00	New Hanover Co.	10.00	8.00
Fayetteville	15.00	7.00	Northampton Co.	9.50	6.50
Forsyth Co.	12.00	6.00	North Wilkesboro	20.00	8.00
Fort Bragg	15.00	7.00	Pasquotank Co.	15.00	6.75
Fuquay-Varina	15.00	6.00	Pinehurst	15.00	6.95
Garner	15.00	6.75	Plymouth	12.50	6.75
Gaston	9.50	6.50	Pope AFB	15.00	7.00
Gastonia	15.00	6.50	Raeford	14.00	6.50
Goldsboro	15.00	6.00	Raleigh	15.00	7.00
Greensboro	15.00	7.00	Red Springs	14.00	6.50
Greenville	7.50	7.50	Roanoke Rapids	9.50	6.50
Halifax Co.	9.50	6.50	Robeson Co.	13.00	7.00
Hamlet	15.00	7.00	Rockingham	15.00	7.00
Haywood Co.	10.00	6.50	Rocky Mount	7.50	7.50
Hazelwood	10.00	6.50	St. Paul's	14.00	6.50
Henderson	10.00	6.50	Salisbury	15.00	8.00
Henderson Co.	15.00	7.00	Sanford	10.00	7.00

	Install.	Monthly
Scotland Co.	\$13.00	\$7.00
Selma	20.00	7.00
Seymour Johnson AFB	15.00	6.00
Shelby	12.00	7.00
Smethport	10.00	8.00
Smithfield	20.00	7.00
Southern Pines	15.00	7.75
Spring Lake	15.00	7.00
Statesville	12.00	6.00
Surry Co.	15.00	6.50
Swannanoa	10.00	6.50
Tarboro	7.50	7.50
Thomasville	12.00	6.00
Trent Woods	6.50	6.95
Vance Co.	10.00	6.50
Wanchese	20.00	5.95
Wake Co.	15.00	6.75
Watauga Co.	12.00	6.50
Wayne Co.	15.00	6.00
Waynesville	10.00	6.50
Weldon	9.50	6.50
West Jefferson	10.00	8.00
Whiteville	15.00	7.00
Whitnel	15.00	8.00
Wilkesboro	20.00	8.00
Wilkes Co.	20.00	8.00
Williamston	12.50	6.75
Wilmington	10.00	8.00
Wilson	15.00	6.50
Windsor	12.50	6.75
Winston-Salem	12.00	6.00
Wrightsville Beach	10.00	8.00
Yancey Co.	15.00	7.75

WHAT CABLE TELEVISION OFFERS

L.H. Taylor, manager of Roanoke Rapids Telecable, recalls having a 50-foot antenna on his roof before the advent of cable so he could get good reception of television stations in Norfolk, Va., Raleigh, and Greenville. Cable was able to sell in Roanoke Rapids, Weldon, and Halifax because it offered subscribers better television reception and more channels to choose from. Better reception and a broader choice of channels are the major selling points for cable in North Carolina as they are elsewhere.

Take Cablevision of Raleigh as a representative North Carolina cable system. A Raleigh television viewer who doesn't subscribe to cable can view the programs of four stations: WUNC in Chapel Hill (a public television station), WRAL in Raleigh (an ABC station), WTVD in Durham (a CBS station), and WPTF in Durham (an NBC station). Here are the cable channels and their equivalent television stations or special services that are available to Raleigh's cable subscribers: Channel 2---WITN, Washington, N. C. (NBC); Channel 3---WRAL, Raleigh (ABC); Channel 4---WUNC, Chapel Hill; Channel 5---FM music, no video; Channel 6---WTTG, Washington, D.C. (Independent); Channel 7---Home Box Office, a pay cable package of movies, sports, and other entertainment; Channel 8---WGHP, High Point (ABC); Channel 9---WTVD, Durham (CBS); Channel 10---WTCG, Atlanta (Independent); Channel 11---FM music, no video; Channel 12---WPTF, Durham (NBC); Channel 13---community service (time, weather, public service announcements and occasional local programming).

Since the Raleigh system has more than 3,500 subscribers, it must, by FCC regulation, make equipment available for use by persons interested in using the cable company's public access channel (Channel 13) for local programming. The Raleigh system carries a videotape of a local church service on Sunday mornings, and during the school year it runs programs produced by students at North Carolina State University. That modest amount of local programming is more than most cable companies in North Carolina provide and substantially less than the amount run by some North Carolina systems.* The services provided by most of the state's cable systems

*Local programming will be discussed in more detail below.

amount to better reception of local television stations, importation of the signals of distant independent and network-affiliated stations, and information like time, weather, news and stock prices printed on one channel.

Cable television plays a significant role in the operation of the University of North Carolina Television Network, the state's public television network. According to George Bair, the network director, cable is important to the UNC system everywhere in the state because most cable systems deliver first-rate television pictures, but it is particularly important in rural areas and in the mountains. (Increasing the number of homes and schools its signals reach is currently a major concern of the UNC network. The system recently received a state appropriation of \$5.8 million to upgrade its existing transmitting and receiving equipment and to install new equipment in many parts of the state.)

Cable companies also benefit the public television network by providing free "drops," or connections, to public schools in their operating areas, thus making the UNC signal available to the schools and saving the schools the expense of erecting antennas. Bair said his network hopes to explore the possibility of packaging public television programs---programs different from those broadcast over the air---and distributing them for showing by cable companies. Although that project is only in "the dream stage," Bair cites it as an example of how the multi-channel capacity of cable could be utilized by public television.

Public television officials, however, like commercial broadcasters, have an ambivalent view of cable television. While cable offers distinct benefits to public television networks in North Carolina and elsewhere, it is also a source of competition. Bair notes that some cable systems in North Carolina import the signal of a public station in Washington, D. C., and thereby fractionalize the audience for public television programs. The problem of imported signals will become increasingly serious, Bair suggests, as the UNC network steps up plans to seek financial support from the general public to supplement its state funding. On the other hand, Bair recognizes that "it is pretty much the widespread opinion that the world is ultimately going cable." He envisions the time---well in the future---when the major distribution of television pictures will be by cable or the technological successor

GEOGRAPHICAL DISTRIBUTION

A glance at the map on the following page reveals that most of North Carolina's cable systems are located in population centers or in resort areas. Cable companies have set up shop "from Murphy to Manteo" (cable companies operate in both of those municipalities), but there are big gaps in between the two geographical extremes. In vast areas of the state, the only cable along the roads belongs to telephone or utility companies.

Much national discussion has focused on the question of how rural residents can be exposed to the wealth of communications potential that cable and other technologies afford. The rewrite of the Communications Act of 1934 now before the Congress would eliminate the current prohibition against the operation of cable services by telephone companies. Integrated telephone-cable facilities have been viewed as a vehicle for bringing cable television to rural areas. The Congress is also considering proposed legislation that would permit the Rural Electrification Administration to make low-cost, long-term loans for the construction of cable facilities.

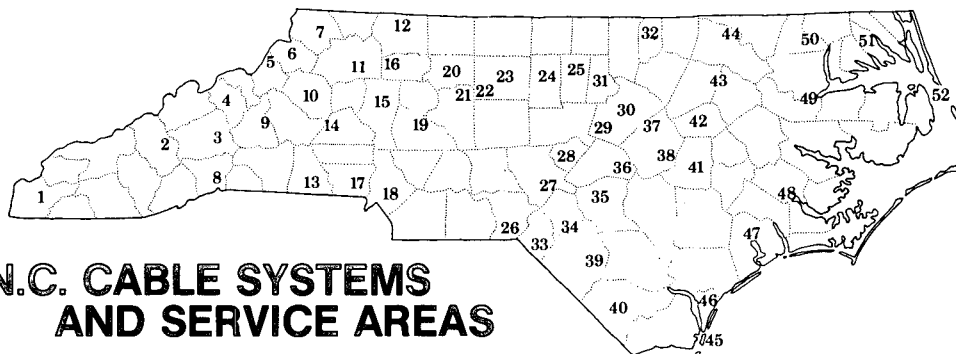
Many students of communications technology, like William A. Lucas, who is a consultant to the North Carolina Task Force on Telecommunications, have advocated greater use of the communications capacity of the telephone system. Lucas, formerly of the Rand Corporation, writes in "Telecommunications Technologies and Services":

Unlike cable, which is "broadband" technology capable of passing full motion video and voice, the telephone line is "narrowband," which is sufficient to carry data and voice signals. Copy machines use this narrowband capacity to transmit facsimiles of papers one piece at a time, so that a copy can be reconstructed at the receiving end. Now "slow-scan" technology can do the same with pictures. As you speak on a slow-scan terminal, your image is trickled through a telephone line and compressed at the other end so that, at regular intervals, a new picture appears. The practical consequence is a moving slide show, where the still picture on your screen periodically changes.

Lucas and others have proposed a full-scale, federally funded rural demonstration project to test the effectiveness and cost of various technologies.

Cable companies have not, by and large, located in sparsely populated areas because it has not been economical to do so. For the same reason, 21

many cable companies have not strung cable in low-income city areas. John Jerose, president of the North Carolina Cable Television Association, acknowledges that the "donut theory" has applied to the development of cable television in North Carolina and elsewhere. Cable companies have "donuted" cities, that is, they have left holes in the middle of their circulation areas, where poor families predominate, and strung their cable in more affluent



N.C. CABLE SYSTEMS AND SERVICE AREAS

- 1 MURPHY CABLE TV Murphy
- 2 SAMMONS COMMUNICATIONS Black Mountain, Haywood County, Hazelwood, Swannanoa, Waynesville
- 3 THOMS CABLEVISION Asheville
- 4 CLEARVIEW CABLE Burnsville, Yancey County
- 5 ALPINE CABLEVISION Banner Elk, Elk Park
- 6 UNITED ANTENNA SERVICE OF BOONE Boone, Watauga County
- 7 BLUE RIDGE CABLEVISION Beaver Creek, Jefferson, Smethport, West Jefferson
- 8 SULLIVAN CABLE OF NORTH CAROLINA Henderson County, Hendersonville, Laurel Park
- 9 MADISON CABLEVISION Marion, Morganton
- 10 LENOIR TV CABLE Lenoir, Whitnel
- 11 WKBC CABLEVISION North Wilkesboro, Wilkes County, Wilkesboro
- 12 CABLEVISION OF MOUNT AIRY Mount Airy, Surry County
- 13 VISION CABLE OF SHELBY Shelby
- 14 CATAWBA VALLEY CABLE TV Hickory, Longview
- 15 SUMMIT CABLE SERVICES OF STATESVILLE Statesville
- 16 YADKIN VALLEY CABLEVISION Arlington, Elkin, Jonesville
- 17 CABLEVISION OF GASTONIA Bessemer City, Gastonia
- 18 CABLEVISION OF CHARLOTTE Charlotte
- 19 CABLEVISION OF SALISBURY Salisbury
- 20 SUMMIT CABLE SERVICES OF WINSTON-SALEM Forsyth County, Winston-Salem
- 21 SUMMIT CABLE SERVICES OF THOM-A-LEX Davidson County, Lexington, Thomasville

areas of the city and the suburbs. Cable operators generally look for areas where there is a heavy concentration of homes per mile. But the income level of the families in an area is equally important. Jerose, who is manager of Thoms Cablevision in Asheville, is considering running cable to an affluent suburban area where there are only 30 homes a mile, but where 20 to 25 of those 30 homeowners are likely to become cable subscribers.

- 22 CAROLINAS CABLE High Point
- 23 CABLEVISION OF GREENSBORO Greensboro
- 24 CABLEVISION OF ALAMANCE COUNTY Burlington, Elon College
- 25 ALERT CABLE TV OF NORTH CAROLINA Hillsborough
- 26 CABLEVISION OF ROCKINGHAM-HAMLET Hamlet, Rockingham
- 27 SANDHILLS CABLEVISION Aberdeen, Pinehurst, Southern Pines
- 28 CASS COMMUNITY ANTENNA TV Sanford
- 29 ALERT CABLE TV OF NORTH CAROLINA Apex, Cary, Fuquay-Varina
- 30 CABLEVISION OF RALEIGH Raleigh
- 31 CABLEVISION OF DURHAM Durham
- 32 HENDERSON CATV Henderson, Vance County
- 33 COMMUNITY ANTENNA East Laurinburg, Laurel Hill, Laurinburg, Maxton, Robeson County, Scotland County
- 34 NORTH CAROLINA CABLE TV Raeford, Red Springs, St. Paul's
- 35 FAYETTEVILLE CABLEVISION Cumberland County, Fayetteville, Fort Bragg, Hope Mills, Pope AFB, Spring Lake
- 36 CABLEVISION OF DUNN-ERWIN Dunn, Erwin
- 37 ALERT CABLE TV OF NORTH CAROLINA Clayton, Garner, Wake County
- 38 ALERT CABLE TV OF NORTH CAROLINA Johnston County, Selma, Smithfield
- 39 CABLEVISION OF LUMBERTON Lumberton
- 40 CABLEVISION OF WHITEVILLE-CHADBOURN Chadbourne, Whiteville
- 41 ALERT CABLE TV OF NORTH CAROLINA Goldsboro, Seymour Johnson AFB, Wayne County
- 42 ALERT CABLE TV OF NORTH CAROLINA Wilson
- 43 TAR RIVER CABLE TV Rocky Mount, Tarboro
- 44 ROANOKE RAPIDS TELECABLE Gaston, Halifax County, Northampton County, Roanoke Rapids, Weldon
- 45 CAROLINA BEACH CABLE TV Carolina Beach, Kure Beach
- 46 CABLE TV New Hanover County, Wilmington, Wrightsville Beach
- 47 JACKSONVILLE TV CABLE Jacksonville
- 48 CAROLINA TV CABLE Craven County, New Bern, Trent Woods
- 49 WINDSOR CABLEVISION Plymouth, Williamston, Windsor
- 50 PEMBROKE CABLE Ahoskie, Murfreesboro
- 51 ELIZABETH CITY VIDEO Elizabeth City, Pasquotank County
- 52 OUTER BANKS VIDEO Dare County, Kill Devil Hills, Kitty Hawk, Manteo, Nags Head, Wanchese

OWNERSHIP Some cable systems in other states are owned by municipalities or by non-profit corporations. All of North Carolina's systems are owned by private interests. In October, 1978, as this study was being completed, the Chapel Hill Board of Aldermen named a committee to explore the possibility of establishing a municipally owned cable system in Chapel Hill. The majority of North Carolina's systems are owned in whole or in part by corporations whose headquarters are in other states. Big organizations like American Television and Communications Corp. (ATC) of Colorado have bought up systems that were once owned by telephone companies (the FCC ordered telephone companies to divest themselves of cable operations in 1970) or by groups of local businessmen. And they have started new cable systems in many North Carolina municipalities.

ATC owns 14 North Carolina systems that serve 26 communities. The six systems run by Alert Cable TV of North Carolina, which serves 14 communities, are owned by Wometco Communications of Miami, Fla. Other out-of-state companies that own North Carolina cable systems are Peninsula Broadcasting (Virginia), Basil Cable Systems (New York), Alpine Cablevision (Virginia), Sammons Communications (Texas), UltraCom (Pennsylvania), Telecable (Virginia), Sullivan Productions (New York), Harris Cable (California), Vision Cable Communications (New York), Madison Communications (New York), and Cass Community Antenna (Illinois). Only 18 of the state's 52 cable systems are owned by North Carolina interests. (See appendix on cable system ownership.)

MUNICIPAL FRANCHISING

North Carolina law empowers municipalities (G. S. 160A-319) and counties (G. S. 153A-137) to issue franchises for cable television operations within their boundaries. State law (G. S. 160A-311) defines a cable television system as a "public enterprise." In a 1967 court case (*Kornegay v. City of Raleigh*, 269 N. C. 155, 152) that turned on the question of whether the city of Raleigh could grant the right to construct a cable television system without putting its action to a vote of the electorate, the North Carolina Supreme Court held that such a grant is a franchise. In the opinion, Justice I. Beverly Lake wrote: "The grant by a city to a person, firm or corporation of the right to construct a city-wide system of towers, poles, cables, wires, and other apparatus in, along and over its streets and other public ways and to operate such systems for the profit of the grantee is clearly a franchise, for it is the grant of a right not held by all persons in common and which may be granted only by the act of the sovereign or its authorized agent."

There is no record of legislation calling for state regulation of cable television ever having been introduced in the General Assembly. During the 1978 session, the legislature passed a law that makes theft of cable television service punishable by a fine of up to \$300 and/or imprisonment of up to 60 days (S. B. 914). Theft of service laws have been passed in many states in the last several years at the behest of cable operators.

Almost all of the franchise agreements between cable companies and North Carolina local governments set forth the fees that the companies charge to subscribers. They also contain provisions giving the local governments authority to approve or disapprove rate increases. Some of the state's local governments have big and competent staffs that should be capable of analyzing the companies' performance and the financial data on which a rate decision should be made. But others, especially the small municipalities, many of which have no town manager and only a part-time attorney, are ill-equipped to deal with the mass of statistical information that cable companies typically present in support of their requests for rate increases.

Many municipal officials and others who have studied the franchising process are skeptical about the ability of local governments to negotiate 25

franchise agreements and cable rates. "Cities are typically at a disadvantage when they are negotiating these things (franchises)," says Charlotte city attorney Henry Underhill. "I think there is a need for a state clearinghouse," says Knox Walker, the city attorney for High Point. "I don't think there is that much awareness on the part of municipal attorneys on what fees can be." Howard Gan, general counsel for the Urban Institute's Cable Television Information Center, which provides consulting services to municipalities, describes the issues that confront local officials as "definitely confusing and hard to understand . . . Personally, I would like to see information services provided by the states." James T. McHugh, regional manager for Alert Cable TV of North Carolina, says "the economics of cable are difficult to understand. The cable market place is a changing thing." William Johnson, chief of the FCC's Policy Review and Development Division, describes rate regulation by local governments as a political process rather than the economic process that it should be.

Some states (see the earlier section on state regulation) have removed the rate-making power from municipalities and placed it in a state agency. Others have established state agencies to assist municipalities in negotiating franchises and setting rates.

The North Carolina Cable Television Association, a group that represents many of the cable companies in North Carolina, is firmly opposed to state regulation of cable television. Like their counterparts in other states, North Carolina's operators want less regulation and more freedom to operate like other industries. "This business needs to be regulated like it needs a hole in the head," says John Jerose, the association's president. The cable industry, in the view of Jerose and his fellow operators, is in competition with movie theaters, off-the-air television signals, and "anything that competes for the entertainment dollar." The association has retained the Raleigh law firm of James Stutts and Associates to lobby for the cable industry's interests in Raleigh. The association and its lobbyists, Jerose makes clear, will oppose any move toward state regulation, which North Carolina's cable operators view as the addition of a third tier to what is already a two-tiered regulatory scheme (the FCC and local governments).

a steady movement toward rate deregulation by local governments. Fayetteville had stood out for years as the one municipality in North Carolina that permitted a cable company to raise rates without local government approval. Fayetteville Cablevision may raise rates by 10 percent a year without approval of the City Council. Cablevision of Charlotte recently received permission to raise rates six percent a year without council approval, and earlier this year the Raleigh City Council granted Cablevision of Raleigh permission to raise rates by 10 percent a year without council approval. The small municipality of Spencer recently signed a franchise agreement with Cablevision of Salisbury that gives the local governing body no control over the rates the cable company may charge. The cable company must simply notify the town 30 days in advance of putting a rate increase into effect. The Fayetteville, Charlotte, Raleigh, and Salisbury systems are all operated by American Cablevision of Carolina, the wholly owned ATC subsidiary. Reidsville has granted a franchise to Alert Cable TV of North Carolina that gives the city no control over rates. It provides only that the cable company notify the city 60 days in advance of raising rates.

Cablevision of Asheville, whose manager is Jerose, recently persuaded the Asheville City Council to approve an amendment to its franchise agreement that provides that the council may increase or decrease the cable company's monthly service charge each year by the amount that the national average has increased or decreased. The national average will be determined by ascertaining the rates charged by cable television systems in cities and towns having approximately the same population of Asheville. The ordinance provides that the council must increase the rates at least every three years to insure maintenance of at least the national average. The cable company is also permitted to apply every 18 months for increases in its installation charges by an amount that is based on the percentage increase of the National Consumer Price Index over the preceding 12 months.

North Carolina municipalities have taken various approaches to negotiating franchises. Some have used outside consultants, some have taken steps to make their own officials experts on the issues, and some have relied principally on using other municipalities as models. Charlotte employed the services of the Cable Television Information Center in Washington, D. C. The

center is a non-profit, foundation-funded organization designed as an information resource for local governments. Its services range from publications to field visits. Underhill, the Charlotte city attorney, estimates the city spent about \$1,000----mostly on travel expenses----for the center's help.

Wilson, according to City Manager Bruce Boyette, was fortunate to have two council members who were interested in electronics and were already familiar with the terminology and issues of cable television. They and one other member of the council joined the manager and the city attorney on a cable television committee. The committee reviewed ordinances from cities in North Carolina and other states and then drew up a proposed ordinance it considered suitable for Wilson. The committee sent copies of the proposed ordinance to cable companies interested in the Wilson franchise and visited cable operations in Alabama, Pennsylvania, and Arkansas. Those visits were paid for by cable companies competing for the Wilson franchise. Boyette said a local agent for one of the cable companies also invited an expert from Florida to meet with the cable committee.

Durham had the free services of a task force connected with Duke University's Institute of Policy Sciences and Public Affairs and headed by David Lange, a Duke law professor. The task force analyzed the bids of the nine companies competing for the Durham franchise. The city also assigned the task of negotiating an agreement with the successful bidder to Richard Stevens, a member of the city's budget staff. Stevens estimated that he spent 75 percent of his working time on cable television during the four months of his involvement in the negotiating process. He visited a cable operation in Orlando, Florida, at Durham's expense and consulted many publications and information sources.

Elkin, which has a population of slightly more than 3,000, granted a franchise after town officials checked with five or six cities and consulted the North Carolina League of Municipalities, according to the Elkin attorney, Lewis Alexander.

Many other North Carolina municipalities, particularly those with populations ranging from 2,500 to 25,000, have consulted the League of Municipalities during cable franchise negotiations. The League provides general
28 information on cable television, sample ordinances adopted in other

communities, and a now-outdated list of selected North Carolina cities that shows the lengths of franchise agreements, installation fees and rates charged to users, and the percentage of gross revenues paid by the cable companies in those cities.

The League's staff will also review proposed ordinances upon the requests of municipalities. In one such review, a staff member advised a city manager to strengthen a number of provisions in the proposed ordinance ("The ordinance," the staff member wrote, "probably was drafted by a representative of the Company, and naturally it is written so as not to place any more requirements on the Company than absolutely necessary.") He sent to the city manager a recent franchise ordinance adopted by another North Carolina city, suggested that the City Council appoint a committee to prepare recommended guidelines and provisions for a proposed ordinance, and recommended that the city involve its attorney ("The grant of a franchise for cable television can be highly technical and complex, and I think it is important to have your Attorney's guidance.")

DeWitt McCarley, a staff attorney for the League, said his organization's assistance comes at the point when a municipality is just beginning to get involved with cable television. He said the League encourages municipalities to get their attorneys involved in the cable franchising process to a point at which "the town attorney is doing enough to know more than we do."

PUBLIC USES OF CABLE

Public access is one of cable television's most significant prospects. With programming created by local citizens for local citizens and transmitted on cable channels dedicated for that specific purpose, television may finally discover local issues and culture. It may become commonplace to see ordinary people videotaping programs in their own neighborhoods, bringing the problems and pleasures of local life to the attention of their communities.

— Richard C. Kletter
*Cable Television: Developing
Community Services*

Few North Carolinians are aware of the prospective community uses of cable television described in the passage above. Most people view cable television as a way of getting better television reception and more channels. They see it as an avenue for bringing more and better entertainment into their homes.

Few cable subscribers know that the FCC requires cable systems with more than 3,500 subscribers to provide one channel for public uses (more than one if there is sufficient demand) and to maintain equipment for use by the public. The equipment must be made available free on a first-come, nondiscriminatory basis for programs of up to five minutes in length (modest charges may be made for longer programs). Thus, community organizations or individuals in many North Carolina communities have free access to television production.

A chapter of the League of Women Voters could produce a voter information show. A neighborhood organizing group could share its experiences with groups in other neighborhoods. The local Red Cross could demonstrate the techniques of cardio-pulmonary resuscitation. A local political candidate could deliver a five-minute appeal for votes. (The equal time rule would not come into play because—as the FCC recognizes—opposing candidates are free to respond by taking advantage of the same opportunity to use the public access channel on a first-come, nondiscriminatory basis).

Those rather simple uses of cable television's production capacity require
30 little expense. The equipment is available because of the FCC's rules on

public access. The training required to use the equipment in producing a program can be provided through workshops run by cable companies, schools, or organizations that already know television production techniques.

Local programming does not have to be confined to cable systems that are required by the FCC to have an access channel. Local franchise agreements could require cable systems to reserve one channel for public uses. The local governments, community groups, and the cable companies could cooperate in securing production equipment and training persons in its use. Portable equipment for filming on location in a community can be purchased for as little as \$4,000. The average cost of a studio for producing black and white programming is approximately \$20,000 and the studio equipment necessary for producing color programs can be bought for about \$50,000.

There are other, more complex uses to which cable television can be put in a community. Some of them require the two-way capacity of cable; some do not. The literature about cable television includes many "laundry lists" of potential uses of cable. In addition to uses by community organizations, they list various government and social services that could be delivered or aided in delivery by cable and commercial applications of cable technology that range from facsimile reproduction of mail to personal banking.

Here is a sampling of the ways cable is being used in other states:

In Franklin County, Maine, cable is used to improve rural health care. The county has three clinics, two of which are staffed by nurse practitioners. The cable system permits a supervising physician to see and talk with the practitioners and the patients in the outlying clinics.

In Haverhill, Massachusetts, meetings were held to plan a series of cable programs on the city's diverse ethnic and cultural neighborhoods. Each community produced a one-hour, videotaped festival that included such things as folk songs and dances, reviews of favorite foods and entertainment, and discussion of the ethnic group's history in Haverhill. Social clubs, schools, and churches were involved in each production, and the tapes became part of the permanent collection of the city library.

In Casper, Wyoming, the Natrona County Public Library operates a video reference system. Cable subscribers can phone the library and request 31

video materials like maps and photographs. The librarian locates the materials and shows them on the screen. The library leases its own channel from the cable company for \$1 a year.

In Philadelphia, a closed cable system ties together the main police headquarters, city hall, and nine divisional police stations. The system permits immediate dissemination of news reports, transmission of fingerprints and documents, arraignments on the screen, and decentralized staff meetings.

LOCAL PROGRAMMING

Some commentators on cable television have described discussions of the potential of cable as "blue sky talk." It must be recognized that all but the simplest cable projects require technical expertise, financial support, cooperation from cable companies, and a full measure of community support. They also require audiences if they are to be successful.

"If nobody watches it (a cable production), it's a bad idea," says Jerose, the cable association president. His words come close to summing up the attitude of many cable operators toward local cable programming. They are looking for programs that people will want to watch and that will, therefore, increase their market of subscribers. They are not opposed to using their equipment and resources or to having others use their equipment for local programming. But they have not been persuaded that local programming can increase their market and their profits, and they have not been persuaded that the communities in which they are located are interested in the programming potential of their cable operations. The problem is that people in most North Carolina communities have not had the opportunity to decide whether they could benefit from local cable programming. Most of them are not even aware that local programs can be produced through the cable company. The public access channel and the equipment for local production that North Carolina's bigger systems maintain as the result of FCC regulations are used infrequently.

Summit Cable Services, whose Winston-Salem system has more subscribers than any other system except Fayetteville's, originates no local programming. It has the minimal studio equipment required by the FCC for use by the public, but that equipment is not now being used. Bryan McMurry, the manager, argues that his cable company can not---and should not---compete with local Winston-Salem television stations, "which are out desperately looking for material." As for simply providing facilities for community programming rather than producing its own programs, McMurry contends that such programming can not work if it has to be underwritten by cable companies. Someday, he predicts, there will be access channels 33

operated and funded by communities. "But until communities see the need," he adds, "there will be wasted time and effort."

Fayetteville Cablevision, which has the biggest number of subscribers in North Carolina, has "deactivated" its studio due to lack of community interest, according to Randy Fraser, who is a regional manager for American Television and Communications. In Charlotte, too, Fraser said, there has been little interest in community programming.

Taylor, manager of Roanoke Rapids Telecable, said local school officials have expressed a desire to produce programs. The cable company's response has been to provide free drops to the schools so they can pick up the programming of the UNC Television Network.

There are, however, some stirrings of interest in local programming. Fraser said Cablevision of Charlotte is considering hiring a local program director, and the city's public information officer plans to get a group together to discuss community use of the cable system. In Wilson, city officials have begun producing "Windows on Wilson," a 30-minute program designed to give viewers information on city operations.

All of the six systems operated by Alert Cable TV of North Carolina have equipment for producing local programs, according to James T. McHugh, Alert's vice president and general manager. The Alert systems serve Hillsborough, Apex, Fuquay-Varina, Cary, Garner, Clayton, parts of Wake County, Selma, Smithfield, parts of Johnston County, Goldsboro, Seymour Johnson Air Force Base, parts of Wayne County, and Wilson.

Because Alert owns a number of systems in rather close geographical proximity, it is able to tie several of them together for special programs. In early October, 1978, Alert produced a candidates' forum in its Garner studio and fed it to the communities served by the Apex and Selma systems as well as by the Garner system. Earlier in the year, using students from North Carolina State University as a production crew, Alert produced a 30-hour March of Dimes cablethon from North Hills Mall in Raleigh. The company borrowed microwave equipment from television station WRAL and fed the programs to its own and other cable systems in eastern North Carolina. According to McHugh, 40,000 cable subscribers were able to view

McHugh describes himself as committed to community programming. "We have an obligation," he says, "to provide something other than television signals." Three of the Alert systems, those in Garner, Goldsboro, and Wilson, have program directors, but local programming is only one of their responsibilities.

In Asheville, there is considerable interest in local programming. Thoms Cablevision has a \$25,000 studio and a full-time staff member, Lawson Warren, whose sole responsibility is local origination programming. The Asheville operation makes liberal use of volunteers---many of them students from the University of North Carolina at Asheville and Asheville-Buncombe Technical Institute---to produce programs in its studio.

Although the amount of programming is small (three to four hours a week), the content has been varied, and the focuses of the shows have been strictly local. The programs have included a series on western North Carolina musicians, a series called "The Advent of the Black Woman," a series hosted and written by senior citizens in the Asheville area titled "The New World of the Aging American," a series on the theory and practice of the martial arts, and appearances by local rock bands. The company produced a program in which all of the candidates for municipal offices were able to make three- to five-minute appeals for votes. Warren said he is now holding discussions with a black community group that has expressed interest in producing a series of programs dealing with public policy issues in Asheville.

In a brochure distributed to cable subscribers, the Asheville system publicizes its public access channel as an "opportunity to the citizens of the Asheville area to be heard at a low cost." (Warren says that, in fact, the facilities and production crew are provided free.) The company also plugs its local origination programs as dealing with "subjects that affect our daily lives, and range from social documentaries to talk shows featuring local personalities of interest to the viewers in the Asheville area." The publication invites subscribers to inquire about the specifics of production and to let the company know "if you have an idea for a production, or some specific subject that you would like to see incorporated into a program . . ."

Warren says the main drawback to local origination is the lack of con-

tinuity in programs and the need to publicize programs to gain viewers' attention. "I think when you're dealing with local origination, you have to think in terms of one to five years. It takes two-and-a-half to three years to build an audience." But the program director says the management of Thoms is committed to local programming because it represents good community relations and because it is the only medium available for the airing of local opinion. He said the direction Thoms plans to go in local origination is toward on-spot filming in Asheville's neighborhoods. His advice to cable operators just getting into local origination is to "totally stay away from the studio," spend \$7,000 for a van and \$12,000 for portable video equipment and "go to the people" to check moods and trends.

A MODEL FOR PUBLIC ACCESS

Durham's brief experience with cable television (it has been in operation since June, 1977) appears to bear out the contention of most cable operators that local programming is a function of community interest. Durham has several persons in key positions who are excited about and interested in exploring potential community uses of cable television. One of them is Richard Stevens, the city official who was most closely involved in negotiating Durham's cable contract.

Because of the poor quality of most television signals Durham residents could receive and because of the concentration of educational institutions (Duke University, North Carolina Central University, and Durham Technical Institute), Durham was viewed as a strong market for cable television. Nine companies submitted bids for the Durham franchise. After Durham Cablevision, an ATC subsidiary, was awarded the franchise, the city designated Stevens, then a member of the budget staff and now director of administration, to hammer out the details of a supplementary contract. Stevens said the city wanted to pin down the rather vague promises the cable company had made in its bid.

Stevens visited a cable operation in Orlando, Fla., where he climbed poles with cable installers, inspected the system's transmitting tower, worked cameras and generally got a first-hand look at how a cable system operates. He subscribed to a number of periodicals on cable television, consulted the Rand Corporation's publications on cable, and consulted with the Cable Television Information Center in Washington. For the better part of four months, he worked at negotiating a successful contract. By his own account, he was intrigued by and excited about the potential of cable television.

The resulting agreement* between the city and Durham Cablevision contains many provisions designed to encourage community programming. The cable company is required to provide an access channel and an access studio with equipment that includes color cameras and tape recorders. The studio and related production equipment must be made available to the

*A section of the agreement is reproduced as an appendix.

public free. The company is required to provide a mobile van for free use by the public, to encourage community groups to actively utilize the access facilities and equipment, to help the Durham community develop an access video workshop, and to provide programming and technical assistance to all access users. The company is further required to train and assist any individual or group interested in producing programming for the access channel and to assist community groups and agencies in obtaining government funds for productions.

Durham Cablevision is also required to "employ a full-time person whose primary responsibility will be to assist any person or group interested in governmental, educational, public access, and local program origination." It must "work actively in the community to ensure that two-way and other future communications services will be introduced to Durham in a timely manner and used effectively for Durham's benefit." It must offer an annual scholarship to a Durham resident planning to study communications at a North Carolina school.

The agreement required the company to wire all schools, governmental buildings, and hospitals at a cost of time and materials only and to work closely with Duke University and North Carolina Central University to develop educational programming for both on-campus and off-campus viewing. The agreement also provides for the establishment of an advisory board of seven members, three appointed by the company, three appointed by the city, and one appointed by the company and city appointees.

Dave Reed, the cable company's program director, said all of the equipment required for community programming except the mobile van has already been purchased. The van will be bought when public demand for production capacity increases. Reed began conducting workshops last spring to teach interested citizens the techniques of television production. The workshops are free and open to anyone who wants to learn how to produce a program on the local access channel. Reed has publicized the workshops in appearances before a number of community groups.

The program director says he encourages people to do their own filming, but he will also handle the production of a program if he has time for it.

38 He has filmed a "Meet the Candidates" program for the Durham League of

Women Voters and the Miss Black America Pageant, and he joined with other television professionals in filming segments of the Eno River Folklife Festival and a Durham "Black & Blues" concert. He is now cooperating with the Durham Flying Club in producing a 20-part instructional series on "How to Fly."

In addition to those special programs, the cable company regularly televises Durham school board meetings, city council meetings and "Durham Showcase," a weekly program that focuses on issues, events, and people in the community. "Showcase" productions have included a review of the North Carolina School of Science and Mathematics, an interview with the president of the Durham Chamber of Commerce, and a performance by a local clogging group.

Durham's schools are already heavily involved in cable programming. George Harvey, audiovisual director for the city school system, says the Durham school district is the only district in the state that is taking full advantage of cable's capacity. Harvey is able to videotape educational programs shown by UNC-TV and make them available, upon request, to teachers and classes on the school system's two closed-circuit channels. In addition, the two school channels will soon permit administrative announcements to be made in all the schools at the same time, debates between students at different schools, and specialized teacher conferences. Since Durham's City Hall and the schools have two-way communications capacity, Harvey can arrange for the mayor to talk to a class about local politics, for the city's recreational director to make students aware of recreational programs, or for the city's manpower director to hold a jobs seminar for high school seniors. Harvey says the potential for educational and vocational programming is unlimited.

Durham's students are involved in producing as well as viewing local cable programming. About 30 high school students who have studied television production under Harvey began producing their own programs last February. The students, trained as camera operators, announcers, production assistants, and statisticians have covered live basketball, volleyball and football games. They regularly cover meetings of the city school board.

Another avid promoter of local cable programming in Durham is Bob 39

Gunther, audiovisual director at Durham Technical Institute (DTI). Gunther hopes to have DTI credit courses cablecast for viewing by Durham residents. He and DTI students are working on a series of programs on selected community issues. Two of those programs---one on Stagville, a restored plantation home in Durham, and one on sky-diving in the Triangle area---have already been completed.

Local programming is flourishing in Durham because people in the community have been aware of the potential of cable television. That awareness has been translated into a contract that places heavy emphasis on the importance of community programming. The contract, in turn, resulted in the measures that are necessary for successful local production: the hiring of a program director, the purchase of production equipment, and the training of individuals and groups in the use of the equipment. Durham has been able to supply the final necessary ingredient: interested community response.

3 STATE GOVERNMENT'S ROLE

FINDINGS

North Carolina's cable television industry has developed without examination by state government. The scrutiny it has received has come from local governments interested only in the effect of cable operations on their communities. Little thought has been given to potential public uses of cable technology. Cable companies have proliferated in North Carolina because they had products---better television and a wider choice of television stations and programs---that many residents of the state were willing to purchase. Cable companies are seeking to expand their markets mainly by offering more entertainment through pay cable television and the signals of distant, independent television stations. If the state continues to play no role, commercial forces will play the major role in shaping the future of cable television in this state. Cable television's potential as a medium for community expression and services will get scant attention.

The regulation of cable television lies with the FCC and with North Carolina's local governments. The FCC has released much of its control over cable. It has turned most of its mandatory franchising standards into non-binding guidelines, it is reconsidering its requirement that systems with more than 1,000 subscribers obtain Certificates of Compliance, and its public access rules are under attack in the courts. FCC officials themselves say the federal agency's influence on cable television operations is fast waning. Legislation now before the Congress would strip the FCC of its power to regulate cable television. If the state government continues to consider cable television beyond its purview, it will be ill-prepared to grapple with the issues it will face if federal control is removed.

North Carolina's local governments, which have the task of franchising cable companies, have generally been able---by using their own resources, modeling their agreements on those of other communities, or, in many cases, consulting with the North Carolina League of Municipalities---to draw up agreements that protect the public from abuses by cable companies. But many of the local officials charged with negotiating franchise agreements and acting on rate increase requests, have only superficial knowledge of cable 41

television and its potential. Community uses of cable have not even been considered in most of North Carolina's municipalities. Without the involvement of state government, key decisions will continue to be made by local officials who have little knowledge of cable television. The trend toward deregulation of rates is likely to continue. In giving up control over rates, local governments will also surrender leverage that they could use in bargaining for increased community services. And cable companies, no longer required to seek local government approval for rate increases, will operate with less public scrutiny.

Cable has been strung mainly in the densely populated areas of the state. Vast areas of the state have no access to cable television. Many of those areas are places where a variety of cable applications could be beneficial. If the state continues to ignore cable television, there will be no impetus for development of cable in the rural areas of North Carolina. The operators' view that cable is not feasible in rural areas because of the high cost and low return of stringing wire in sparsely populated areas will go unchallenged. There will be no attempt in the near future to explore technological developments, ownership arrangements, or financial avenues that might make possible the introduction of cable television into rural North Carolina.

There are only a few examples in North Carolina of genuine efforts to encourage community involvement in cable programming. There have been few efforts to explore more sophisticated uses of cable technology. The spur to greater community involvement in cable programming will have to come from the communities themselves, and experiments in delivering services by cable will work only if they are supported by the communities in which they take place. But communities will neither spur local programming nor support cable experiments if they are not aware of cable's potential uses. If the state continues to play no role, local officials and the public will remain, by and large, ignorant of the opportunities that cable affords.

RECOMMENDATIONS

Decisions on the nature and extent of programming and services delivered by cable systems should be made on the local level. Past experience shows that cable television's potential as a vehicle for community expression and for the delivery of community services can not be realized without strong local support. But the decisions should be made by local government officials who are fully informed on cable television and its potential.

The Center recommends, therefore, that the General Assembly establish a Cable Communications Commission. The commission would have as its major purpose the development of cable television in North Carolina as a medium for serving community interests and needs. It would have no regulatory role. It would neither issue franchises nor certify them, and it would collect no franchise fees. It would work to attain its goals, not by regulating the cable industry, but by providing assistance to local governments.

The commission would be unique in that it would seek to influence the development of cable television in a state without exerting any regulatory control. But the Minnesota Cable Communications Board, even though it certifies franchises and has powers broader than those envisioned for the North Carolina commission, may serve as a model in several aspects of its work. It publishes a large amount of information on cable television, provides extensive consultation services to municipalities, encourages local cable programming, and explores avenues for bringing cable television to the rural areas of Minnesota.

The North Carolina commission would have two main functions: information and stimulation.

INFORMATION

The commission should maintain current information on:

- Cable operations in North Carolina, including services, rates, requests for rate increases, applications for franchises and actions on franchise applications.
- Changes in FCC regulations.
- National and state legislation affecting cable television.
- Cable services and rates around the country.
- Developments in cable television technology.

The commission should disseminate that information free to North Carolina's local governments and cable companies in a periodic publication. It should also prepare or make available suitable publications on such subjects as cable technology, franchising, community use of access channels, and formation of non-profit corporations to support local programming.

The members of the commission's professional staff should be available for consultation with local officials on all aspects of cable television operations, but particularly on the negotiation and renegotiation of franchise agreements.

STIMULATION The commission should actively promote the growth of cable television in North Carolina, particularly in the rural areas of the state. In conjunction with local governments, regional organizations, and appropriate state agencies, it should explore technological and financial avenues for encouraging the extension of cable television to sparsely populated areas. It should work especially closely with the North Carolina Task Force on Telecommunications, which is studying the appropriateness of various technologies for serving North Carolinians and which has conducted an exhaustive series of interviews to determine which state services might be delivered by a telecommunications network. The task force was appointed by Gov. James B. Hunt early in 1978. It is expected to make preliminary recommendations in December, 1978.

The commission should also encourage local governments to explore the full variety of public programming and community services that cable television is capable of providing. In that regard, the commission's information program should make local governments aware of cable television's potential. But the commission should also work with local governments to spur the formation of local non-profit corporations to serve as conduits for the funding of local programming experiments. It should encourage municipalities and counties to establish citizen advisory committees on cable television. The commission's staff should also, in cooperation with local governments and cable companies, hold workshops to train the public in the use of production equipment and encourage persons trained in those

ORGANIZING AND FUNDING THE COMMISSION

The commission's role will not be regulatory. It will seek to influence the development of cable television by informing and stimulating the activities of local governments. It should not, therefore, be connected with the state Utilities Commission, which directly regulates many of the other "public enterprises" in North Carolina. Nor should it be connected with any of the state departments charged with delivering specific services to the people of the state, although its activities may affect those departments. In light of its broad mission, it should be placed in the Department of Administration which, as an article in the summer, 1978, issue of the Center's quarterly magazine pointed out, "is a grab bag of functions that cut across the boundaries of other more narrowly defined departments." The staff of the North Carolina Task Force on Telecommunications is also housed in the Department of Administration.

Minnesota's Cable Communications Board has seven members appointed by the Governor. The members of the North Carolina commission should also be appointed by the Governor, but the number of members should be higher to allow for representation of those groups with a substantial interest in cable television and for adequate representation of the public. The cable industry, the broadcasting industry (public and private), local governments, and state government should be represented on the commission. The majority of its members should be citizens with no connection to the cable industry, the broadcasting industry, or government.

The commission's staff can be smaller than the eight-member staff of the Minnesota board because the commission will not be involved in the certification of franchises, a task that consumes much of the Minnesota staff's time. The staff of the North Carolina commission should include individuals versed in law, finance, economics, and communications technology.

Since the commission will not be directly involved in the franchising process, it should not finance its operations with franchise fees collected from cable companies. Its services will be provided to local governments and through them to the public, which is the potential beneficiary of the community programming and services offered by cable television. It should, therefore, be funded by a general state appropriation.

APPENDIX

CABLE SYSTEM OWNERSHIP

Owners listed in bold followed by areas serviced.

LOCAL OWNERS

- BLUE RIDGE CABLEVISION** Beaver Creek, Jefferson, Smethport, West Jefferson
- CAROLINA BEACH CABLE TV** Carolina Beach, Kure Beach
- CAROLINA TV CABLE** Craven County, New Bern, Trent Woods
- CLEARVIEW CABLE** Burnsville, Yancey County
- COMMUNITY ANTENNA** East Laurinburg, Laurel Hill, Laurinburg, Maxton,
Robeson County, Scotland County
- HENDERSON CATV** Henderson, Vance County
- LENOIR TV CABLE** Lenoir, Whitnel
- MURPHY CABLE TV** Murphy
- NORTH CAROLINA CABLE TV** Raeford, Red Springs, St. Paul's
- OUTER BANKS VIDEO** Dare County, Kill Devil Hills, Kitty Hawk, Manteo, Nags Head,
Wanchese
- SUMMIT COMMUNICATIONS**
- Summit Cable Services of Statesville** Statesville
- Summit Cable Services of Thom-A-Lex** Davidson County, Lexington, Thomasville
- Summit Cable Services of Winston-Salem** Forsyth County, Winston-Salem
- TAR RIVER CABLE TV** Rocky Mount, Tarboro
- THOMS BROADCASTING** Asheville
- UNITED ANTENNA SERVICE OF BOONE** Boone, Watauga County
- WINDSOR CABLE** Plymouth, Williamston, Windsor
- WKBC CABLEVISION** North Wilkesboro, Wilkes County, Wilkesboro

OUT-OF-STATE OWNERS

AMERICAN TELEVISION AND COMMUNICATIONS Englewood, Colorado
Cablevision of Alamance County Burlington, Elon College
Cablevision of Charlotte Charlotte
Cablevision of Dunn-Erwin Dunn, Erwin
Cablevision of Durham Durham
Cablevision of Gastonia Bessemer City, Gastonia
Cablevision of Greensboro Greensboro
Cablevision of Lumberton Lumberton
Cablevision of Raleigh Raleigh
Cablevision of Rockingham-Hamlet Hamlet, Rockingham
Cablevision of Salisbury Salisbury
Cablevision of Whiteville-Chadbourn Chadbourn, Whiteville
Carolinas Cable High Point
Fayetteville Cablevision Cumberland County, Fayetteville, Fort Bragg, Hope Mills,
Pope AFB, Spring Lake
Sandhills Cablevision Aberdeen, Pinehurst, Southern Pines

WOMETCO COMMUNICATIONS Miami, Florida
Alert Cable TV of North Carolina Hillsborough
Alert Cable TV of North Carolina Apex, Cary, Fuquay-Varina
Alert Cable TV of North Carolina Clayton, Garner, Wake County
Alert Cable TV of North Carolina Johnston County, Selma, Smithfield
Alert Cable TV of North Carolina Goldsboro, Seymour Johnson AFB, Wayne Co.
Alert Cable TV of North Carolina Wilson

VISION CABLE COMMUNICATIONS New York City, New York
Cable TV New Hanover County, Wilmington, Wrightsville Beach
Jacksonville TV Cable Jacksonville
Vision Cable of Shelby Shelby

BASIL CABLE SYSTEMS New York City, New York
Cablevision of Mount Airy Mount Airy, Surry County
Yadkin Valley Cablevision Arlington, Elkin, Jonesville

ALPINE CABLEVISION Damascus, Virginia
Alpine Cablevision Banner Elk, Elk Park

CASS COMMUNITY ANTENNA Virginia, Illinois
Cass Community Antenna TV Sanford

HARRIS CABLE Los Angeles, California
48 Catawba Valley Cable TV Hickory, Longview

MADISON COMMUNICATIONS New York City, New York
Madison Cablevision Marion, Morganton

PENINSULA BROADCASTING Hampton, Virginia
Pembroke Cable Ahoskie, Murfreesboro

SAMMONS COMMUNICATIONS Dallas, Texas
Sammons Communications Black Mountain, Haywood County, Hazelwood
Swannanoa, Waynesville

SULLIVAN PRODUCTIONS New York City, New York
Sullivan Cable of North Carolina Henderson County, Hendersonville, Laurel Park

TELECABLE Norfolk, Virginia
Roanoke Rapids Telecable Gaston, Halifax County, Northampton County,
Roanoke Rapids, Weldon

ULTRA COM Lansdale, Pennsylvania
Elizabeth City Video Elizabeth City, Pasquotank County

AN EXCERPT FROM THE CONTRACT BETWEEN THE CITY OF DURHAM AND CABLEVISION OF DURHAM

7. The COMPANY shall provide at least one full-time composite access channel for educational, governmental and public uses.

The COMPANY shall provide this full-time composite access channel from the date service commences within the City, with additional channels being made available commensurate with community need and interest; and shall provide competent and trained personnel and reasonably adequate financial resources to develop access programming.

8. The COMPANY shall provide an access studio.

The studio shall have not less than 700 square feet for access programming including a glass enclosed control room.

9. The COMPANY shall make available to the public, at no charge for access programming, the studio and all related production facilities and equipment on a 24-hour a day basis.

10. The COMPANY shall provide state-of-the-art studio equipment including color cameras, and tape recorders . . .

11. The COMPANY shall provide at no charge a mobile van for access use by the public, when requested and reasonably required by the CITY.

12. The COMPANY shall encourage community groups to actively utilize access facilities and equipment.

The COMPANY shall at no charge help the Durham community develop an access video workshop similar in nature to the one operated by the American Television and Communication Corporation system in Reading, Pennsylvania.

13. The COMPANY shall provide, at no charge, programming and technical assistance to all access users.

Cablevision of Durham employees shall, at no charge, train and assist any individual or group interested in producing programming for the access channel in Durham.

14. The COMPANY shall at no charge assist community groups and agencies in obtaining available governmental funding for projects and productions to be developed in the public interest.

15. The COMPANY shall, at no charge, make available to community group, agencies and individuals the technical and production expertise of its employees.

The COMPANY shall employ a full-time person whose primary responsibility will be to assist any person or group interested in governmental, educational, public access, and local program origination. The COMPANY may employ two part-time studio assistants and other personnel, as they are needed, to help in program production.

16. The COMPANY shall provide reasonable and adequate technical assistance to the CITY'S public and private schools in developing effective educational and instructional programs for the access channel by making available to these institutions, at no charge, its studio, equipment and personnel.

17. The COMPANY shall provide free connections to all educational and governmental buildings located within 500 feet of the nearest public street with existing electrical power and telephone services.

One cable television outlet shall be installed in each such building free of charge by the COMPANY. No monthly service fee shall be charged for such outlet.

18. The COMPANY shall wire all schools, governmental buildings, and hospitals at a cost of time and materials only.

19. The COMPANY shall assist the CITY at no charge in developing its abilities and capabilities to ensure the CITY'S full utilization of the cable television system.

SELECTED SOURCES AND RESOURCES

GENERAL Basic factual and statistical information on cable television in North Carolina and the rest of the states is contained in the 1978 edition of *Television Factbook* published by Television Digest Inc., 1836 Jefferson Place, N. W., Washington, D. C. 20036. *The Cable/Broadband Communications Book 1977-1978* edited by Mary Louise Hollowell contains chapters on many of the subjects discussed in this report. It is published by Communications Press, Inc., 1346 Connecticut Avenue, N. W., Washington, D. C. 20036. Various statistical reports compiled by the Federal Communications Commission may be inspected in the agency's Public Reference Room, which, along with the offices of the FCC's Cable Television Bureau, is on the sixth floor at 2025 M Street, N. W., Washington, D. C. 20554. Copies of FCC reports may be ordered through the Downtown Copy Center, 1114 21st Street, N. W., Washington, D. C. 20037. *Cable TV and Video Resource List*, compiled by the Communications Commission of the National Council of Churches and up to date as of April, 1978, is a detailed and helpful tool. It lists sources under the headings of comprehensive cable information, church-related resources, newsletters and periodicals, access and origination, franchising, education, libraries, video use and production, studies, analyses, conference reports, cable regulations, satellites, satellite organizations, directories, and resource centers. It is available from the commission at 475 Riverside Drive, New York, N. Y. 10027. The Rand Corporation has published an extensive series of books and papers on cable television. A bibliography of selected Rand publications on television is available from the Rand Corporation, 1700 Main Street, Santa Monica, California 90406. The Cable Television Information Center of the Urban Institute has also published a great deal of information on cable television. A listing of publications is available from the center at 2100 M Street, N. W., Suite 412, Washington, D. C. 20037.

FEDERAL REGULATION The Federal Communications Commission has issued an information bulletin that sets forth, in summary form, the agency's rules on cable television. It is available from the FCC's Cable Television Bureau, Washington, D. C. 20554. Also available from the same source is *Cable Television Rule Making Proceedings*, which lists proceedings chronologically and by subject. The key 1972 Cable Television Report and

Order is reproduced in volume 36 of the second series of Federal Communications Commission Reports, which are available at most law libraries. Changes in rules are reported in those Reports and in the Federal Register.

STATE REGULATION *Cable Television State Regulation: A Survey of Franchising and Other State Law and Regulation on Cable Television* was printed in March, 1977, by the FCC's Cable Television Bureau. Updates which summarize state legislation on cable television enacted in 1977 and 1978 are also available from the bureau. The author of those publications, Sharon A. Briley of the Cable Television Bureau, has written a narrative summary of her findings as a chapter in *The Cable/Broadband Communications Book 1977-78* referred to above. *State Regulation of Cable Television*, one of a series of reports on cable television by the Rand Corporation, was published in 1971. Information on the Minnesota Cable Communications Board, which is discussed at some length in this report, may be obtained by writing to the board at 500 Rice Street, St. Paul, Minnesota 55103. Copies of the legislation that established the board are available from the Legislative Reference Library, Room 111, State Capitol, St. Paul, Minnesota 55155.

MUNICIPAL FRANCHISING Durham's franchise agreement and contract with Durham Cablevision may be taken as models for emphasis on local programming and public access to production. Copies of the documents may be obtained by writing to Richard Stevens, Director of Administration, 101 City Hall Plaza, Durham, N. C. 27701. Many of the publications of the Rand Corporation and the Cable Television Information Center (see above) deal with franchising. The Rand publication, *Cable Television: A Summary Overview for Local Decisionmaking* by Walter S. Baer, is of special value for local government officials. It presents an exhaustive checklist of matters that should be considered before a franchise is awarded. Also worthy of particular mention is the Cable Television Information Center's *Regulating Cable Television Subscriber Rates: A Guide for Local Officials*. That publication presents a detailed analysis of the economic factors that should be weighed in acting on requests for rate increases. 53

COMMUNITY PROGRAMMING

AND SERVICES The *Cable TV and Video Resource List* cited above lists many publications and organizations devoted to increasing public access and local programming. Among the major sources consulted in the preparation of this report were: *Social Services and Cable TV*, a report prepared by the staff of the Cable Television Information Center for the National Science Foundation. It is available from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402. *Cable Television: Developing Community Services*, a publication in the Rand series available from its publisher, Crane, Russak & Company, 347 Madison Avenue, New York, N. Y. 10007. *Cable Television in the Cities: Community Control, Public Access, and Minority Ownership*, edited by Charles Tate, The Urban Institute, 2100 M Street, N. W., Washington, D. C. 20037.

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700 WEST MORGAN STREET · P.O. BOX 10886
RALEIGH, NORTH CAROLINA 27605

