

CABLE RAP

The following is a discussion on cable, representative of a number of points of view, which took place in the offices of Source Associates, N.Y.C., on Sept. 24. The participants were Jeff Casdin and Art Anderson of Source, a private investment and consulting firm specializing in the problems of interfacing people with technology, Theodora Sklover, consultant on urban communications to the Bedford Stuyvesant Restoration, Corp., the Sloane Commission, the Center for Policy Research, Forum Communications, Fordham University's Center for Communications, etc., Barry Steigers, Director of Program Origination for Columbia Cable Systems, a publicly owned company based in Westport, Conn., with systems in Florida, Texas, Washington, Oregon, Arizona, California, Colorado and New Jersey, Beryl Korot and Phyllis Gershuny, the editors of *Radical Software* and Steve Katz, who had been visiting Source Associates prior to the start of the meeting.

JEFF: Thea, maybe we should start by your outlining for us your involvement with cable.

THEA: Well, I've primarily been into developing different uses of media that have to do with urban needs for a variety of projects—some are in the cable area, some are in broadcasting. I've been working with the Bedford-Stuyvesant Restoration Corp., trying to help them to develop an application for cable franchise as well as ways of developing programming concepts in terms of community input . . . John Hay Whitney has made a donation to Restoration to help them get this franchise, and they in turn have hired an attorney and myself as a communications consultant. Prior to this I had worked in the Two Bridges community trying to help them organize around the concept of cable, trying to see if we could work something out with the existent system. There is already a company in Manhattan that is franchised in the area of the Two Bridges community, Manhattan Cable-Sterling. We tried to work something out whereby there could still be some sort of a community set-up, set-up within Two-Bridges which the community could get access to and control over.

JEFF: How many channels are available now in that area?

THEA: I think they only have what is presently available which is twelve, and only two others, 6 and 8. The New York City contracts that were signed stipulates that by July, 71, seventeen channels will be made available. Actually, my plan was a little premature and a lot of the concepts that we developed there I think have now fed into the contracts and could now be picked up by individual communities. One of the things that's stipulated in the city contract is that the two franchise operators, Manhattan Cable in the lower half of Manhattan, Teleprompter in the upper half, will have to within the next three years sub-divide their systems into ten sub-districts giving access to each one of those sub-communities, setting up some sort of origination facilities in each one. So the concept I was developing in Two Bridges is now inherently a part of the contract. However how that is going to be implemented is another question. Who's going to pay for the origination facilities? What kind of training will be made available? Will the sub-districts really have programming of their own? . . . Let me give some further background to the New York situation. There were hearings held on July 23. They were to determine whether the two companies I mentioned before, Teleprompter and Sterling, would indeed be awarded these two franchises and given the exclusive rights to operate cable in Manhattan. I think they were originally given three year franchises, which were extended, but this was to see whether new contracts would be awarded. These were 20 year contracts which was one of the very big issues.

JEFF: Do you know how much money Teleprompter had invested in New York up until that time?

THEA: No.

JEFF: Well, I don't have the exact figures, but I know it was millions of dollars. That's a lot of money to be sunk into Manhattan on the risk that they were not insured the franchise renewal. They must have felt fairly guaranteed they'd get it.

THEA: Yes, the argument that was given on behalf of the franchises being granted for 20 years is the fact that they have already expended this enormous amount of money, and who would really come along and buy them out? Also the rationale that they had acted in good faith.

JEFF: It's interesting that Howard Hughes owns half of Teleprompter—that's as much money as everyone has all together.

BARRY: There's no question that it's going to take a great deal of money not only to construct and operate the cable stations, and operate them properly, but to provide a service that must be provided. . . We all know that no matter what business you're in, if you don't provide the service you lose the faith, and once you do that then the whole premise for being in business becomes questionable, and this more so than any business I've ever seen. In broadcasting, sure you can get hurt, but there's a direct relationship here of providing a 24 hour continuous service that demands a great deal of expertise and money—particularly, money. It's not money that you can hope to get by having tremendous sales. You build this plant and you maintain it from day number one, regardless of how many people are connected with it. You definitely must have capital first, then the sales later to pay back that capital or that investment goes down the drain, which is a little different from some other businesses.

JEFF: But there is enough history in the cable industry to tell one that the risk of sales not following investment are low.

BARRY: Except in the major markets. . . , and even the medium markets are not the same as the small hometown markets and it's all based on formulas we, the industry, have been able to formulate over the years—a particular market gets no television, cable television brings it, the demand is great, everybody wants television. They want adequate service, at least, and this is why cable television was born.

ARTIE: How would you describe the service as you are delivering it today?

BARRY: Basically a reception service. It's becoming a program service—the new rules are going to turn the industry into a programming service, but it is basically a reception service, has been and will probably have to continue to be.

THEA: This really brings up a very important question which I guess is the thing that really splits the cable operators as well. The FCC ruling saying that all cable operators must start originating programming if they have over 3500 subscribers, (what was it, moved up now to April 1), is now a whole different ballgame. And then you get the theoretical question—should the industry evolve in such a way so that the cable operators become the leasers of channels and operate the hardware, allowing other people to assume the programming responsibility of utilizing the channels, and, thus, giving up control and liability for what is carried?

BARRY: I think the commission has this in mind. I think they feel that the cable tv operator is going to become the community channel. In your major markets you may get 3 or 4 or who knows how many community channels. The cable operator himself who up to now has been running a reception service is faced with the dilemma of now getting into the programming business. That's why I suppose I have my job. I was a programming person and now I'm a cable person with programming background. My job with the companies I've been with is to program the systems. The amount of money, the amount of talent, the amount of knowledge that it takes to program one of these things is extensive. It runs in all directions. Take a small, medium market. Start with a complete local concept. Everybody doesn't do this. We think this way. And I think eventually it evolves to this. Start with local news, some in-depth news, and weather and sports and things that we know are acceptable to the viewers in the community—things that they want to know.

PHYLLIS: How do you go about finding out what they want to know?

BARRY: I personally run a marketing survey. I happen to go to a segment of the community and point blank I ask them, and I ask them in 15 different ways which is the same thing I would do if I were marketing anything else. Because I know I can ask somebody and not get an answer, and I can ask them a point blank question and they'll tell me what they think they want me to hear.

JEFF: You have the national broadcast format to kind of clue you in to what they want to see. . .

BARRY: Well, that's true to a point, if that can then be brought down to the local level. I'll give you an example. Weather in Texas is so vital to everybody's daily life that they'll go out and watch the river run like I would go to the state fair. Now that sounds ridiculous but they want to know when the storms are coming. There are homeowners who know that when they get their two inches a year, it could all come at once and absolutely wash their land clean, and also down there storms are terribly, terribly destructive. Loving, Texas, as you know, was completely wiped off the map with a storm that all of a sudden came over the hill, so that weather plays a major role. All right, this is a role that cable in that particular part of the country can play. It's a dominant role and it must be. The obvious thing is to offer the facilities and to go to the weather bureau to get some kind of warning service. Granted, in Levittown, Pa. weather is no big deal, but there are things there that do interest the programming person and it's up to the programmer to find out.

JEFF: Can you describe the kind of programming you're doing now which we've talked about before. Granted it isn't revolutionary, but it is informative.

BARRY: There are three communities I've been actively involved with on a day to day operational basis. The first programming concept which we've tried to come up with is to provide, if only a half hour a day—I know that sounds ridiculous since on radio we did 18 hours a day, 7 days a week. Cablecasting, you can't really do that.

JEFF: Can you say why?

BARRY: We're not really equipped to do it. First off the equipment is not reliable enough to allow you to provide it. Somebody has to bear the cost of doing it. The cable operator can't really do that even if we have the permission, which the Federal Commission says we do, to go out and get commercial revenue to help support this kind of programming. It costs money to go out and do that. Up to this point we've been a reception service, a Monday through Friday over the counter business, with men who work 24 hours a day if need be if equipment breaks, or to keep it maintained, but not to take cameras and tape recorders and go out and do simple programming. The nature of the beast at this point is a limited service.

JEFF: Which is not to say that it might not work. It's just to say that that's the status quo.

BARRY: That's correct.

THEA: A rationale to everything. . .

BARRY: Well, to some extent, but if the cable station is bringing in 9 or 10 or 11 channels, that's an awful lot of programming you would either be duplicating or competing with which I'm not sure makes a lot of sense. Why have the same type of programming or the same national delivery type of programming that the other 11 stations have. If it isn't local why do it?

THEA: That's the point. In other words, you've been talking about importation, which means that you'd be bringing in more of the national type of programming. But why not do real local programming? It makes no sense to put on canned things, but it makes a tremendous lot of sense to really do a community program.

JEFF: How do you change the fact that the cable systems, by and large, are profitable? Once you put up your equity, borrow money—and a lot of times the equipment supplier will lend you the money—you build up subscribers fairly rapidly, you break even after 2-3 years, the cash starts to come in, you pay off your debt, you pay for the investment, and at the end of that period of time, 50%, roughly, of what you take in revenue goes to profit before taxes, and really the business becomes one of bill collecting. You don't promote any more subscribers, you just have a bookkeeper who writes out the bills once a month and makes sure they get paid, a maintenance crew that sees that everything operates properly. What is the motivation to spend any more money to do anything? The guy is happy. He's making 5 times as much money as he ever intended to make. He was like the average guy, not a large system type, a middle class guy who didn't have a hell of a lot of money, maybe ran the radio-TV repair store or was a local businessman or an accountant, maybe he had some political connections, got the franchise, got some money from the bank. He just has no motivation to do any more.

BARRY: I think in all fairness to what you're saying, let's back it up a little. That could have been true at some point. I don't think the business today is revolved around that fantastic money machine theory. Maybe it appears that way.

JEFF: Our influence and your influence, that is bigger money, bigger companies, the impact of capitalism on this thing, the impetus to make even more money. . .

BARRY: Well, anyone who is in business is in business to make money. How much money, I guess is how good a management you are with the investment you put in.

JEFF: If you're a public stockholder you want to make more and more. If you're a local one man owner you could be happy at some point.

BARRY: It's all well and good to yell and scream about profits but let's get back to the programming considerations and what the cable industry must do at the local level, and the programming from the cable operator's point of view must do one of two things. One, it must serve the viewer or he won't look at it, and the cancellations of what I considered in some cases to be great shows have gone down the drain because viewer responses through some measurement has not worked. The other 11 channels on there are what the majority of the people in the town are looking at. Now if the cable operator, with a programming staff and camera crew goes to a local programming concept of doing nothing but local programming you have to go into the community to find out what that local programming can be. Well, it's limited to the political type of area, a news-in-depth type of area, an educational area, your sports area, or an entertainment area. Out of those five areas every town has certain amounts of these things. How do you take these from the town and turn them into meaningful programming so that the viewer will watch this, and will watch it compared to the Beverly Hillbillies, Bonanza or NFL? You're up against a big thing here.

The second question is do you program to get the masses away from NFL or do you aim directly at the 10 or 12 people that really care about it?

JEFF: Well, let's say you have something on the sewer construction of Ridge Road, but there are going to be fifteen Ridge Roads so that you've touched quite a few people.

BARRY: Well, that's true, but, when you talk about the neighborhood programming concept, forgetting about the money, it takes people and time to put together meaningful programming in addition to running a normal business. We in cable television do this in addition to running a normal business. In some cases, it is very easy to do this. We can go to the Junior Chamber of Commerce, who are very active people. They're young, aggressive, they have divisions which make it their business to know what's going on in politics, new ballfields, what have you. And we must give both sides hearings, whether it's the JC's on one side or the League of Women Voters on the opposite side. This is one way to do it. We do involve these people.

THEA: There are a few points I'd like to make. Everything you are saying is traditionally the way most people have thought of television. You're talking about the "we", meaning "we" the cable owners, "we" the people who make the programs, rather than letting the people themselves state it from their point of view without the editorial "we". Now according to your line of thinking, I think you're right—if you're going to use this as your means or your staff. It's very difficult. You need a great deal of money. If you look at any local broadcaster, and you can see his revenue, and what he puts into programming, it's quite high. However, when you start thinking of the concept of cable, and opening up, and really providing accessibility, I think you can start thinking not so much in terms of "we" are doing the programming, but that we are going to, by lending some of our expertise to other people within the community—the technological expertise that they could utilize—allow them to make the decisions of how or what the information to be presented is.

BARRY: Let's bring it down to my day to day reality. Effective in the next few months the commission says we're in the business. And that becomes a now business program. We now must do this. We must create it. We must do something. I'm saying "we" again but I'm saying the cable operator has the responsibility to get it done. It isn't that easy. My finances show there is no way.

ARTIE: Let's say there is no financial return, can you satisfy the FCC local origination requirement by saying we're going to dedicate to the community a channel? We're going to have someone here who knows the equipment, who can get you technical advise, but here, it's yours, and let's use it.

BARRY: Yes, I think it's going to come to that, and yes, I agree that way. In fact, we are actively looking at the channel for education, give it to the schools, we'll give you the transportation of the system. You do everything.

JEFF: Giving it to the schools is different from giving it to the community.

BARRY: That's a very good point.

THEA: Getting back to a point Jeff was making before, you can supply information that would be available to other communities, since similar kinds of needs exist in many communities. One of the ways to look at the new system, the new use of this technology, is that it really can become an exchange of information between communities. What you can help people in one community do is provide the information in such a way, that that pieces of programming, if you want to call it programming, could then be utilized somewhere else.

BARRY: There's a New York firm experimenting with this. They're taking 10-20 communities, tackling a problem, whether it be fluoridation of the water or air pollution, they go to these communities that are in local origination and ask them to go out to their people and get back answers to certain questions. . . All the information is then funnelled here to New York, to a common source, put into a common programmer, and sent back out.

PHYLLIS: That's almost unfair. People don't know what they're being asked.

JEFF: Remember, Radical Software is putting a 100% hypothetical grid on top of reality. Right now as things exist, someone is going to hold the camera. Someone is going to keep the tapes in some central places.

THEA: I think what Phyllis means is that you're making arbitrary decisions of what the problems are, as opposed to saying to people this is your commun-

ity, etc. what are your problems, what are the issues that you consider to be important? I understand that the cable operator has the problem of worrying about whether a program will be usable in many markets, but there really is another way of going about this.

BARRY: What if profitability weren't even a question? I've known many broadcasters in small communities that have had a terrific stake in the community, not the broadcast property, or the cable TV property, but had a real burning desire to promote the community, to get business in the community, to make it a better place to live, to fight air pollution. I know many guys like this all throughout the United States. I've also known in these communities the League of Women Voters, who spend a great deal of time working on issues, and to counteract them you've got JC's who work very hard to do the same thing and when you've got a really hot issue you have groups banding together getting mad, holding meetings, and they're worth listening to.

THEA: But even in your choice of those people you have already made a statement of what is representative of community. There are a tremendous number of community groups that I think should be heard and listened to, and I don't just mean the Panthers and the Young Lords, either, though of course them, too, but young people, old people, people who you don't necessarily categorize,—where are they at, how do they feel about decisions that are being made, where is their input?

JEFF: I think to some extent that as technology develops and broadband opens up, some of these problems will resolve themselves. There are 54 channel systems that are now going in, 24 two-way and 6 left open. There's one going into Riverside, one to Worcester, Mass., my hometown, and there's no conceivable way that that guy can fill up half of those channels with anything. . . Within five years, with the microwave link-ups and satellite link-ups, there's a lot of hardware accessible that has no software to go into it. A lot of cable stations are going to say, "take it, here's a \$1500 portapak that you can rent for \$10 a day, come over, stand on line, and we'll put this over 10 channels." The conflict will no longer be profitability. The conflict will be who's going to control the information, and the power of the information is now going to be something to resist. The practical problems of today, which are high cost of equipment and scarcity of equipment, and problems of profitability to the local cable operator, and the physical, technical expertise of doing programming are going to disappear as technology advances.

THEA: One of the reasons that broadcast TV has taken the form it has is that it has a limited spectrum. It can only carry so many channels through the air. The beautiful thing about cable is that it is unlimited potential. You're talking about a system which can have 54 channels. Potentially it could even be more. But then there's the reality that there are those places where more channels are not going in, or where they're limited, New York City being one.

BARRY: Please remember that five years ago there were only five signals.

JEFF: Thea, space out 5 years.

THEA: Even, indeed, if there are 54 channels there are a lot of other things. A cable operator isn't installing that without some thoughts of profit making relations to those other channels, and we know that there are potentially many other uses—computer hook-up, facsimile, reproductions, etc. Theoretically, idealistically, I agree with you. It should mean this is now open. Anybody, everybody, come, say it, do it, it's yours. However, how will this be implemented? Will it be utilized for more computer usage, cassettes, or is it going to be utilized so that the average person, maybe with some qualification, maybe you have to come in and be representative of some group, have that kind of pure access to utilize that channel to put on there what he believes is his point of view, valid, produced, put together. Who's going to let that happen?

ARTIE: The FCC I think will. They've been quite explicit in that they want one or more channels dedicated to the public.

THEA: OK. This is the nitty gritty, not the technological aspects, but the legal implications of it. Let's take New York. The New York City contract stipulates, and I believe it is the only contract at this point in the country that has any stipulation of this sort, that it have two channels made available for public use, public channels, not common carriers which is really what we're talking about, but public channels, meaning the cable operator still has control of, and liability for, what goes over those channels. Therefore, if you are worried about obscenity, profanity, if you are worried about bringing in issues—Black Panthers, Jewish Defense League—the cable operator still is the guy who has to make this decision. He is legally responsible. This is the crux of the issue. How do you construct channels that actually allow people to come and utilize it for free flow of information if you have this problem of liability?

BARRY: The commission does go into this area. I think they are going to say that common carrier will become a part of the system. Maybe not in Bellow Falls, Vt., but I think the commission is trying to answer the questions you're raising here today. There is the problem of getting the voice of all concerned on the air. They've tried it with the Fairness Doctrine which is reasonably satisfied by bringing up the opposite points of view.

BERYL: But that goes back to forcing the public to think in polarized terms.

BARRY: Well, that's an issue I can't debate. I enjoy debating with the FCC. But if you bring it down to this individual level—this is what we're asking isn't it, this is what I feel when I've spoken in groups like this—that there must be an individual accessibility to this communications wire that goes to the group on the other end with a receptacle. Is that really what we're saying—that it has to be easy enough that an individual can get access?

THEA: The ultimate is that every individual can have access.

BARRY: Then you're very right. Then you get back to the other point—the minute you make an individual, a businessman, reliable for what the individual is going to say, there is the bottleneck, there is the problem that must be solved.

ARTIE: Is this really a problem? What if the FCC were to say that there are to be public channels and on a common carrier basis?

THEA: Then the liability falls to the individual and the individual can only be liable if he has final say in what is carried.

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BARRY: Do you think that the phone-in concept, participating over the airwaves like open mike shows on radio stations, does this take care of what you're talking about?

THEA: You're talking about feedback now. I think that the fact that radio stations are utilizing this now, and are doing well, which they are, is a statement about what people are asking and wanting in terms of media, just as they're asking for more participation on every level of society. However, to go to the extreme—it is still not total control. It's still somebody else programming the show and making decisions as to whether the show should continue to be carried. Usually the phone calls are pre-screened, again maybe for good reason, but it does bring up the issue of professionalism and that the ultimate control and choice is still in the hands of the operator.

BARRY: A common carrier would not do that. In the current proposed rules the common carrier will be encouraged on CATV. Maybe this is the answer to it. From our point of view, the cable tv point of view, is honestly to try to do a job at the community level and see as many different points of view are put on the air as possible. And so far in communities we've worked with it does work fairly well, and I've got as far as getting pros and cons in four ways on vivisection, which was a very touchy situation. It got very wild for a few hours, and I wasn't sure I'd get out alive because I was the programmer and the people were pretty violent when they got done with the program. But I personally felt that as the programmer in that community, that particular program did do the very things you're talking about.

BERYL: Specifically, what does common carrier mean?

BARRY: A common carrier is that your lines, your transportation system, is open to any persons that want to lease that facility and you have no right to dictate or alter in any way, shape or form what that is. The input and output are none of your business. You are the common carrier getting it from point A to point B, like the telephone company. Let's take the UPI as a case in point. They sit in New York and they report and type the news in New York. They put their information together and lease common carrier lines, in this case American Telephone Telegraph, the phone company, and they in turn cannot alter news nor can they do anything with the information as it goes through the wires. In regards to CATV a person would buy accessibility to our video lines.

JEFF: The telephone company to some extent has flexibility as to what they can charge for access to that common cable. In the case of UPI they can afford to spend the money to pump it through the system. But there are few individuals, groups, whatever, that can afford that.

BARRY: Why can't it be looked at from another point of view—that if it takes this kind of money and that type of organization to reach that large a segment of the population, shouldn't it be more difficult than touching a button somewhere?

JEFF: Barry, maybe this says how big cable is going to become. If the demand is there for the information, and if information is a primary commodity like food, and necessary like food, and people finally express this to the powers that be, this thing could become a monstrous system. And in fact the technology may provide that.

BARRY: Don't forget that the cable tv situation itself still stops and starts in every neighborhood.

THEA: But that's not going to last for very long. Look at the merger between Teleprompter and H&B. How many systems throughout the country do they own now?

ARTIE: And think about when they have microwave and satellites on a common-carrier basis.

STEVE: I've never heard this CATV stuff before, but it seems to me you can draw distinction between information that's going to be put across networks like this that's going to be compatible with the existing communications systems—structure as it exists in this country, and other kinds of information that are going to be incompatible with the existing structure and systems of this country. If you don't have something that goes beyond the common carrier notion you're going to have the private citizen accessing common carrier, who is a part of the system, let's say the private entrepreneur who put up the system to begin with, who is at least going to be monitoring the same way the greyhound bus monitors who comes on the bus and who doesn't come on the bus, in the area of information. So isn't it really necessary, if you're going to have a full interchange of ideas, if you're going to make this viable in a sense that you're going to present viewpoints and information that have never been presented before, to totally take it from the hands of the guy who is putting up the capital, and functioning in the profit making mode, or any monitoring mode? Don't you need the FCC to say you can't keep the Weathermen out because you think their views should not be presented for whatever reason, or anybody else? Don't you have to build in legal restrictions on that guy doing the monitoring in the first place? Don't you have to take the power away from him?

BARRY: As long as the guy who owns the bus is protected from who drives the bus.

JEFF: What you're talking about is complete cultural freedom. I don't think the culture can handle that. That amount of information, of free access, will bust apart the culture. It could. That's what the resistance is—"Let's do it slowly." Otherwise the whole thing may go zap.

BERYL: How do you insure that free access is implicit in the cable system? How do you avoid the power grab so people can determine what they want to see?

THEA: There is the concept now that media in this country—thanks to Mr. Agnew—is the most powerful way of speaking to the people. It is the way that information is passed and processed. Television as opposed to print is that much more powerful. I think in answer to Beryl's question that one way to deal with this is legally.

JEFF: But I think there has to be some kind of valving system. Otherwise a lot of people won't be able to handle this, whether it's the federal government or people who can't accept seeing themselves.

THEA: Take the constitution for example, you know what is guaranteed. It has all been written. But the translation from that, from print into this new form of giving information, has not been written. And it has to be more than a rediscovery process. It has to be guaranteed or else I don't believe the choice is really there, as indicated by the way that the FCC and the states and the cities are going about con-

structing the rules by which cable systems will be governed. Unless there are certain guarantees of open access it seems as if the system will develop according to who is the most powerful right now, or in the immediate future, and not taking into consideration drastic changes going on in our society that are becoming more and more a reality.

BARRY: Who is to guarantee this—the FCC?

STEVE: I think what I was saying is that freedom of the press, first amendment rights are still in existence to the point where you can write about certain things that are antithetical to the system, that are self-destructive to the system, because they're self-revelatory about the systems' weaknesses, but it's one thing to see that on the level of abstraction of print, which people are used to—and say, oh gee, and that sort of thing—and it's another to drop down levels of abstraction so that you see it happening in the real world. If those guys who are making the decisions about what you can read and what you can see and do are tuned into the view of reality as being destructive of many rigid systematized things that they are functioning in, I'm not sure you're going to get people dropping levels, no less broadening out into new areas of what you can and can't see. For example, Agnew might say—ok, keep it in the New York Times because we know how human beings in this society function on that level of abstraction—they'll deny it, or it'll shake them up a little bit, but if you put it on television or CATV it'll present major problems because that's shaking somebody and saying that's the real world.

THEA: You see what I'm saying in addition to this—you say project, go ahead—is that if you begin to realize the impact that the visual has now in terms of television as opposed to the print medium, it will indeed change drastically in the next five to ten years. Then if you do open up and have free access and allow people to experience all these different things, I think what begins to happen there too is some leveling process; that it will not be as earth shattering as we think of it now. The individual will adjust and acclimate.

JEFF: I also think that a new impact on the scene is the home cartridges and cassettes, video recorders. If it's successful, and there's a tremendous amount of capital being poured into it to almost force it to be successful, if a couple million recorders reach the homes in the next few years which seems likely, the amount of video programming, software, that's going to be around will be immense compared to what it is today, and the broadcasters have no possible way of putting this over the air, and the cable guys do, because they have all these available channels—it'll make cable grow faster because you can't get the information any other way, and people can't afford cassettes in any great quantity compared to the information that's around. And also it's going to change the broadcasters much like Hollywood has changed as a result of the movies. I think you're going to see that happen, which again is that gradualism, and that as the broadcasters change, people will begin to watch television a little differently so that they can handle the kinds of information you're talking about better.

BARRY: I think what you'll find is that television, cable television, is going to play an extremely in-depth role in this thing.

BERYL: How are you going about creating these changes in Bedford-Stuyvesant?

THEA: the Bedford Stuyvesant project would be owned by the Restoration Corporation which is representative of the community, and the profits which are made off the venture would feedback into providing additional services for the community. It is going to have more community ownership because profits are going to feedback. The thing that's really new about the project is that no television outlet in this country has ever had black ownership, and very often we know that those who own do control. Before, we were talking about a very different kind of system, but given this present system, as it exists, ownership determines control, so therefore, the whole concept behind the Restoration's proposal or hoped for actualization is to have ownership and control within a Black community so the Black man's needs would be better represented. He would have programming that would speak to the needs of that community. Black people in the community would have more access to the system than they do now. The reality and the problem of the system, however, is who's going to buy it? You've got to come up with all that front end bread, an adequate amount of money to put the system in—it's tremendously expensive—and you have to give people something if you want them to purchase and subscribe to your service. Traditionally, the cable companies that have made money have provided better reception or else they have provided importation of distant signals. In Brooklyn you don't have either one of those problems. There is not a reception problem in Brooklyn so people are not going to subscribe to cable to get a better picture, and also in the entire New York market you have a tremendous number of channels available to you now. So you're going to have to provide some kind of a service if you're going to have people pay you. Conceptually, the way this has been set up—first of all I want to say they don't have many things yet, there's been no franchise given out—this is all conceptualization. The Board of Estimate has not begun to entertain bids for cable in Brooklyn. I'm talking about this from a traditional point of view—this is the way a businessman would look at this market. He would also look at the other aspects of it, once you get the cable system in there, there are many other ways of utilizing it to make money—computer uses, facsimile, reproduction—the myriad things that people think are at the other end of a cable system, cable operation. Really, the reason the Restoration is interested in it is the service it can provide the Black community which they do not feel regular television is now providing, and they do not feel that if a traditional company comes in there and owns it, it will provide to the Black community.

PHYLLIS: How can a Black community go about getting access?

THEA: One way is to go about what they're doing, and that is, to own it. Because the feeling is very strong that if you don't own it then you're always the guy on the outside banging on the door asking for it, which is what we were talking about before—someone else is the "we", someone else is in control, and what they're attempting. . .

PHYLLIS: How do they get to own it?

THEA: Right now, the proposed project at this point, is to find a financial partner to go hand in hand with the Bedford-Stuyvesant Restoration Corporation, the Bedford-Stuyvesant Restoration Corpora-

trying to proceed right now according to the way things have always been done, the way they've been done elsewhere, the way cable franchises were allocated in Manhattan. However, let me digress. The City of New York is in the process of setting up an office of Telecommunications which will come out with specific guidelines for bids for cable franchises in the boroughs that have not been given out as yet so in actuality there really is no blueprint as yet. The blueprint is in the process of being created. On the other hand, the Restoration Corporation feels there are steps that should be taken along these lines which would most likely or most probably be helpful in securing the franchise.

JEFF: Changing the subject a bit, from a straight financial point of view we do not think that the top 50 markets, in the short term, are going to provide as financially successful as some investors feel today, whereas, those cable systems composed of fairly good size small, rural towns of 25-30,000 populations, and the bottom 50 market, cities that don't have multiple network and all the available programming, in terms of cash flow they are going to be the more successful ones. They have the least amount of problems for developing reasons for people to look at cable for other than reception or more of the same standard fare of broadcasting, as would, say, New York City. The reasons for this are two-fold: the research and development and management expertise necessary to come up with practical cable services to attract large numbers of subscribers is going to take a longer time and be more expensive than people think, and secondly, the amount of capital, legal and political maneuvering, to reach all those people who want to subscribe to the services, is expensive and time consuming. Those smaller systems which I categorized before, while they have fewer of the kinds of problems which keep people away from cable, they are on the other hand not taking the longer term risks, but rather, capitalize on those traditional reasons of why people subscribe to cable, i.e., poor reception and lack of complete large city-type, network programming.

BARRY: I've got to leave. Is there anything I can add before I go? I hate to feel like I'm ducking out.

JEFF: Well, one last question—about Aspen. Aspen's on the verge of going to the hands of the freaks. They almost elected a freak mayor; they're about to elect a freak sheriff; they're taking over control of the town. The power of the town is now going into nonestablished interests. What are you guys going to do? Are you aware of what's happening?

BARRY: I can't answer that. I don't really know. I will say this—the cable system there is one that provides a needed service to the people because it's well accepted, beyond that point I can't honestly tell you what is happening at the city level. It's hard to say at this point whether they can or not. At this point in that particular system it will fall beneath the required programming level of the FCC—the 3500 level of subscribers, but that's being talked about to be changed to 5000—but what I'm not really sure about is how accessible do we all want this to be. We want to say it's so available that one individual can go in front of it and expound a view. From an operating point of view it poses a very large problem. How is this all to be accomplished?

THEA: And do people really want it?

JEFF: The technology is becoming more and more accessible so we have to come to grips with that. A guy now stands up in Union Square, but with technology the impact of one individual on a lot of people is becoming greater. . .

BARRY: The cable television idea is that you've got 12 or 15 or 27 or 47 or however many channels and technically, going back to the wire itself—it will handle any frequencies. . .The more channels there are, the less control to any one person, which I guess is what we're all yelling about here or talking about or thinking about is all going to evolve.

THEA: I guess I'm pessimistic, that it'll get to evolve that easily.

(Barry leaves)

BERYL: Well, what steps can people take in order to access cable? Right now many of us are originating our own programming. Paul Ryan is going up to a cable conference. What's he going to do there? What is he opting for?

JEFF: Barry Steigers represents the kind of guy who will talk about anything. But a lot of your cable operators aren't even at awareness level 1. First you should differentiate between Multiple Systems Operators (MSO's) and Single System Operators (SSO's). The single systems operator is the kind of guy I characterized before—a local middle class guy who wants to make some money, and chances are he's in a community that doesn't have good reception. He got the franchise from the city. He probably had a contact to the city councillor or he had a lawyer who knew. . .

ARTIE: And it's on a non-exclusive basis, so someone else can come along and get a franchise too.

JEFF: Then you've got the multiple systems operator who has a corporation; stockholders who are very heavily into the scene of making a lot of money and getting big. A multiple systems operator looks at local origination as a way to make more money. From what we can see, he probably sees it as a way to add more subscribers to his station, perhaps over the possibility of getting advertising on the local channel. And that's what Barry said. No matter how you run through the economics, it doesn't seem that you can ever get enough local advertising to cover the cost of local programming. The single system guy is not interested in making more money. He probably spends one day a week at his system. He doesn't want to hear about origination. He doesn't care if it makes more money or if it doesn't make more money.

ARTIE: That's a very broad generalization. The people who have been most successful in origination have been the moms and pops, the ones who care, who take pride in their systems and want to provide a utility type service.

THEA: Right. But I think the division Jeff's making is that they're not really concerned with the other implications of cable as well, the really broad-band capabilities. I'm sure they're the ones who would very easily go along with the splitting off of the services—really setting up a common carrier system. All they're interested in is the hardware.

JEFF: I think that looking at this from another end, in this society a person's bread is his vote. And if he wants a certain kind of information, and he needs it, he's going to pay for it. And if he's going to pay for it, there's going to be a capitalist around who's going to give it to him because he wants to take that bread. And we are dealing with the capitalists who

own cable systems and who need to be convinced that this is indeed what the people want to see.

THEA: Let's take a look at broadcast. Every broadcaster must do a certain amount of public service broadcasting, but he has control of when and where he does it, so he puts it on at all odd hours—there's a Sunday morning ghetto hour—and he does it because he's made to do it. All I'm saying is that right now when laws are being made around the new cable industry, let's try to construct it in such a way that access is guaranteed to people. I do think that the cable operator will be able to afford it, and I've discussed this with cable operators. They certainly will be able to afford it if they are left those other channels to make money from. If they are still collecting subscription fees which they will be, if you allow them to lease the other channels, etc., or maybe do programming on one channel.

ARTIE: Instead of 5% of your gross revenues going to city municipalities, which is what's happening right now, why not make it 3% and dedicate 2% to the support of public channels.

JEFF: Let's go back to Paul Ryan, or to any group or person experimenting with new kinds of programming. You're a bunch of people who know how to handle equipment, understand that if the equipment is handed out properly and used properly the kinds of results that come from that. The assumption has got to be right because if people indeed want it and need it then they're going to pay for it, and there are going to be people around, people who have money, who are going to respond to that by giving that to them. We're trying to reach the cable operators. Explain to them the methodology. Show them some tapes. Show them some examples of things that have happened. Show them how it might be profitable. Put them in touch with Foundations that have money, that can fund the equipment to begin with, to start doing the things. If people like it, they're going to ask for more. They're going to write in, call up, look for equipment, and it's going to start to happen if in fact it works. Laws are fine. But make the systems as fluid as possible. Allow it to happen—as much money, as much exposure, as possible, and see whether or not our assumption, our idea works. PHYLLIS: How do we ourselves get access, and how do we influence those who already have access? They'll both happen side by side. The second one already exists.

THEA: There are many fronts you have to operate on and giving people equipment and having Paul and many other people going into communities is not going to be adequate if you're not going to have the laws to back it up. They have empty time now. They'd be crazy not to give it to you. But you've got to take people where they are. You are not going to change information systems that quickly, nor are you going to change people's ability and ways of taking information in. People now are programmed when it comes to television. You are not going to change their attitudes towards television that quickly or radically by introducing open type of programming (such as the kind of thing that Raindance would do) on a channel in a given area. That, in and of itself, will not prove to cable operators this is a great, sexy thing, and man it works. Because what they're thinking about in reality is what's sexy. What can I put on my system that's going to make people subscribe? The Knicks and Rangers, that's sexy man, that's what people will subscribe to. People look at television now as something that's programmed, as entertainment, as escape from reality. They have never experienced television in any other way. All I'm saying is that until you allow them the time for the process of controlling their information, of seeing a different source a different way, you are not going to change their viewing habits. That is going to take time.

JEFF: Are you going to legislate that they change their viewing habits?

THEA: I'm saying you do both things. You keep making it available, keep giving people the equipment, and helping people to know how to make programs, but make sure that it is backed up by the legal aspect so that when people get to the point where they say, "hey, this is what I want, I want access," the laws are there that say you must give it to them.

ARTIE: Going back to Paul approaching the cable operators. They're only listening to him because the FCC has said you must originate by April 1, 1971. If that hadn't been said I don't know how many would be listening.

THEA: This was a legal action, and it came out of the FCC.

BERYL: Why did they push it up to April?

THEA: Lobbying, pressure from the cable operators, and they may try to push it up again. . . the point I was trying to make before is I think it's terribly important to give people the expertise and allow them to utilize the technology. But people have to become aware of the fact that when franchises are granted that there be stipulation made for public access. First, you find out where cable franchises stand in your community, if indeed they have been given out, or if they haven't. Number two, in most instances, they have just been given away. They just say nothing; they're like bus franchises with no stipulations of what the cable operator must do or must not do. In this country the jurisdiction at this point is still within the local community. You as a person within the community have more access to affecting the legislation. Eventually it may end up in the FCC. However, right now the feeling is the FCC really is looking at the municipalities for guidelines, and sitting back and taking a longer view and allowing a lot of this to evolve in front of them. So you would try to stipulate at least that you have some public channels, that this is required of whoever the cable operator is, that he sub-divide these channels in such a way that they service individual communities, so it's not just two public channels that go out to the entire community, but that it is sub-divided in such a way that each neighborhood has access to do some programming for itself. This is also stipulated in the New York City franchise, and that origination facilities be made available. . . . What I did in Two Bridges with Paul as a matter of fact for a while, and with Ken Marsh, was bring that equipment into the community so people could experience it, so the people could utilize it, again not talking about the process of media, but letting the people experience the process and having the half-inch portable equipment available and letting people get that immediate feedback at community meetings, so they begin to understand what that process is. Most people really want to act when they learn about something. . .

see RAND report on Cable Television by Ned Feldman