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A Special Meeting of the City Council of the City of Charlotte, North Carolina was held in the Council Chamber, in the City Hall, on Monday, November 10, 1964, at 2 o'clock p.m., with Mayor Brookshire presiding, and Councilman Albea, Bryant, Jordan and Thrower present.

ABSENT: Councilmen Dellinger, Smith and Whittington.

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PURPOSE OF MEETING.

Mayor Brookshire announced the purpose of the Meeting is to hold a public hearing on the question of a franchise for the operation of a Community Antenna Television System in the City of Charlotte. That notice of the hearing has been advertised once each week for four successive weeks preceeding this date and the notice stipulated "The City Council will hear from any persons interested in the question of whether such a franchise should be granted and also from persons interested in securing such a franchise."

GROUND RULES.

Mayor Brookshire announced the ground rules of the hearing. He stated the following procedure would govern the order in which persons will be heard:

- (1) Persons other than applicants for franchise.
  - (a) Persons wishing to speak in favor of granting such a franchise will be heard first.
  - (b) Persons wishing to speak against the granting of a franchise in the City of Charlotte.
- (2) Applicants for the franchise will be heard and the order in which they will be heard will be drawn by lot. Each applicant present who wishes to apply for franchise was asked to come to the microphone and give their name to the City Clerk.
  - (a) The Broadcasting Company of the South
  - (b) Television Transmission Company of Illinois

The Broadcasting Company of the South was drawn as the first applicant to be heard.

PERSONS OTHER THAN APPLICANTS FOR CATV FRANCHISE SPEAKING IN FAVOR OF GRANTING FRANCHISE IN CITY OF CHARLOTTE.

Mr. George Henderson, Executive Vice-President of WSOC Radio and Television in Charlotte, stated he is on record with the city by letter encouraging that the franchise be granted for CATV in Charlotte, North Carolina. He then quoted the following from the letter: "I sincerely feel that a CATV system is a very necessary supplement to the television service already available in our city. And since it is impossible for WSOC TV and WBT TV to carry all of the programs for three networks the citizens of our community are entitled to this extra service to a CATV system. The Federal Communications Commission has decided against adding an additional VHF Channel in Charlotte. The new commercial UHF Channel - WCCB TV - will take the air November 1st and will be a welcome addition to the television services already made available here. However, the number of UHF receivers in Charlotte by comparison with the number of VHF

receivers is practically nil. There will be a number of years before the UHF circulation approaches VHF circulation in numbers. No one knows better than you your obligation to the citizens of Charlotte. I do not mean to be presumptuous when I urge you in fairness to the public of Charlotte to grant a CATV franchise. You have an application from G. Richard Shafto of the Broadcasting Company of the South of Columbia, S. C. This gentleman as well as his company has a flawless record spanning a number of years as an outstanding broadcaster for both radio and television. The competence of Mr. Shafto and his company are admired by all in our industry. I therefore urge if you grant a CATV license, that you grant it to Mr. Shafto and his associates."

Mr. Henderson stated further that if the Broadcasting Company of the South is granted a franchise the three local stations would automatically be on their system. Therefore, WBT TV, WCCB TV, WSOC TV would automatically be on this system. That it is also his understanding that Mr. Shafto and his associates do not plan to duplicate the service of the three local television stations simultaneously; therefore, there will be no problem of "I Love Lucy" being available on two channels on the CATV system at the same time or whatever program you might consider. Another thought, he feels and he has no facts or figures to back it up, that actually the granting of a CATV franchise in this market would increase more rapidly than two normal channels the circulation of the UHF Station. People who subscribe to it, automatically become VHF viewers without convertors as it would be better in their homes. That he urged Council in fairness to the people of this community to grant a CATV franchise in Charlotte, North Carolina.

PERSONS OTHER THAN APPLICANTS FOR CATV FRANCHISE SPEAKING AGAINST THE GRANTING OF FRANCHISE IN THE CITY OF CHARLOTTE.

Mr. Bill Enloe, former Mayor of Raleigh, stated because of Charlotte's major significance to the welfare of our people, to the vitality of our economy and the many other valued contributions it makes to our great State, he hesitates to come to this fine City with even a hint of caution or counsel to this distinguished body. His embarrassment is compounded because he is a resident of Raleigh. That he appears not as one of "that Raleigh gang", but as a District Manager of Wilby-Kincey Theatres, operators of the Carolina, Park Terrace and Dilworth Theatres here and obviously local taxpayers. Even though his office and residence is in Raleigh, their home office is located here and he is sure most know Mr. H. F. Kincey personally.

That is his understanding there is no Ordinance or Franchise pending before this Body at this time and this necessitates his speaking with many reservations regarding his Company's position on Community Antenna Television here. There are also many legal ramifications involved and until these questions are resolved by the City Attorney, or perhaps even our Courts, he believes the other obstacles will seem but minor in comparison. For example, it would be to his company's advantage to know if Charlotte contemplates granting an exclusive Franchise for a Community Antenna Television System or to adopt certain rules and procedures under which any number of companies may install these systems. He knows Council is aware some municipalities in this and other states have adopted the latter policy.

If it should be the decision to grant an exclusive Franchise, would it not be necessary to show sufficient evidence that CATV is a public necessity and convenience? He is not a lawyer, but has serious doubts that a private company can operate for private gain over or under public streets, sidewalks and other public property, not to mention private property over which Public Utility companies have obtained easements through the power of eminent domain. He is sure Council is aware of these legal aspects and aware too that a temporary restraining order has been granted in Raleigh by the Superior Court of North

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Carolina with a hearing on the granting of a permanent injunction scheduled for November 16th. Regardless of that Court's decision, the case seems destined for our State Supreme Court and it would seem prudent to await the final decision before any action is taken here. That, is for them to decide. Then too an Application has been filed with the State Utilities Commission by the Southern Bell Telephone Company on rates of service charges they contemplate making to companies operating Community Antenna Television over the Bell System. It is his understanding Southern Bell proposes to furnish the coaxial cable for CATV at certain service charges. He also understands there will be some opposition to this plan of Southern Bell's and it is entirely possible that this matter may have to go into our Courts before the question is finally resolved. That our public utility companies do not want their poles or underground conduits cluttered with cables not their own. Who is to say our public utilities are to have exclusive rights for wires and cables over and under our public streets, sidewalks and public property? A public hearing on this phase of the controversy is to be held in Raleigh before the Utilities Commission on November 24th.

Mr. Enloe stated further that he wished he could say he is qualified to speak as an expert on Community Antenna Television, but as Winston Churchill once said, "There are no experts - only degrees of ignorance." One thing he does know, Community Antenna Television is the forerunner to Pay TV. It seems significant that the Columbia Broadcasting System has just bought 80% of the stock in the New York Yankees. Quite obviously this would give them priority of broadcasting the Yankees' home games on Pay TV, or otherwise. And incidently, the November 4th issue of "VARIETY", the theatrical weekly, says the Certificate of Incorporation empowers the Corporation, among other things, "to create and produce athletic and other exhibitions in radio and television programs and to sell, furnish for hire and otherwise deal in and with respect to the same in any place and in any manner and by any means or methods 'now or hereafter known or discovered." That surely that is all inclusive and permits Pay T.V. Apparently, CATV was originated in 1947 or 1948 on New York Hotel and Apartment roof-tops. There a single master antenna was installed and wires were run down from this antenna to rooms and apartments in various buildings. Later this same principle was employed to serve mountainous regions or other remote areas where television reception previously had been all but impossible. This served as a valuable function. No one did or should object to that. Surely, no such condition exists in the City of Charlotte today where many television stations are received even without a rotary antenna.

It is in cities such as Charlotte that CATV becomes controversial, because this area is already adequately served by free television, carrying all network programs. There can be but one ultimate goal by the operators of a Community Television System in cities having adequate free TV and that is either Pay TV or Cable Movies. Cable Movies is a system whereby movies are "piped" through coaxial cable into the homes for a unit fee or for an annual or monthly service charge. Many informed members of the industry believe that some system of Pay TV may become commercially successful. It is also possible Cable Movies will become commercially profitable. If these commercial systems are developed, the various community Antenna Television Systems will probably be the pioneering suppliers of such service. This is obvious because their Cable Circuits of networks can readily be adapted to this service with only moderate mechanical changes and at little additional expense. It is impossible to predict if Pay TV or Cable Movies will become practical; or how much profit, if any, can be generated in Charlotte. That whatever the profits, there will be more than one Corporation interested in bidding for the privilege here. That Charlotte would not wish to grant a permit or Franchise in haste only to learn later of its great value and he respectfully asked that if a Franchise or Permit for a Community Antenna for television, and nothing more, is to be granted that it be made unmistakably clear in the Franchise or Ordinance that the System be just that and that no programs in advertising form or otherwise, are to originate from a studio for the purpose of direct transmission into the homes or other places.

Because Charlotte is the motion picture film center of The Carolinas, he believes they would want to protect these Exchanges as well as your many Motion Picture Theatres here. However, if it should be the decision to award an exclusive Franchise, they believe it should be awarded on a competitive bid basis under specific rules and regulations, and with plans and specifications adopted by this Body. This would assure the City of the highest revenue possible, and the citizens of a system of the highest quality. There has been too little time for a study of the full impact of a CATV System here. It is his opinion that many municipalities are going to be distressingly embarrassed because of acting in haste. Especially those municipalities that are granting Franchises or Permits for ten years or more. Some as much as twenty-five years and even options for renewal. For example, the Federal Communications Commission does not have any authority, AS YET, to control CATV Systems in the best public interest. Bills are pending in Congress to grant the Commission this authority, but until they are adopted there is a very grave responsibility for protecting the public interest and that will be placed on local government, and he doubts they want to assume that responsibility. That he would not presume to speak for the FCC, but would urge the Council to send the Mayor and City Attorney to Washington, that they may talk to Officials of the Federal Communications Commission. This request was made to the Council of Dayton, Ohio, when an application for CATV was presented to that Council. The Mayor was told by an official of FCC, and he so reported to the Council, words to this effect: "Mr. Mayor, why don't you wait? Perhaps FCC will gain control of CATV regulations and we can then be of help to you." As information he called attention to an item that appeared on the front page of THE WALL STREET JOURNAL of November 5th, (last Thursday) which stated, "Pay Television by either air or cable was outlawed in California. Voters approved, by a 2 to 1 margin, a proposition declaring such operations to be contrary to public policy of the State. Sylvester L. Weaver, President of Subscription Television, disclosed it would appeal the decision." Recently an election was held in Fort Dodge, Iowa, on the proposition of awarding a TV Cable Franchise and it was overwhelmingly defeated in a referendum by a margin of 7,305 against as compared to only 730 in favor. That defeat was a little more than 10 to 1. There are many experiments that have been, or are being made on Cable Movies for the home as well as Pay TV. Bartlesville, Oklahoma, completed a test of Cable Movies a few years ago and it proved to be unsuccessful within the span of about one year. He is not aware of what expense, the City of Bartlesville incurred as a result of its failure. The Cables that were strung throughout the city may not have been removed even now. He cannot believe the City of Charlotte is going to grant a Company the right to install a system that could be used for Pay TV or Cable Movies, merely because that company was the first to apply. Instead, should not the City await other tests that are now being made, and by marking time, benefit from the experience of others? If one or more of these systems prove successful, he believes they would then award the Franchise or Permit on either a competitive bid basis or permit multiple operations. That his company may then wish to offer a bid for an exclusive Franchise. On the other hand, it may be years before any such offer is made, if any. They would not ask you to grant them a Franchise without giving an equal privilege of bidding. Until something more definite is known, they cannot intelligently discuss the matter with Council or make a realistic bid that would produce the maximum revenue for the City of Charlotte and a fair profit to them. If a successful system is found to broadcast or pipe movies, Pay TV or any other entertainment, by wire into the homes and it is in the public's interest and convenience, rest assured, Charlotte will get such a system just as it now has television, radio, talking movies, Closed Circuit TV, Cinerama and cinemascope pictures with stereophonic sound. He asked in fairness to themselves; in fairness to the people of Charlotte; and in fairness to them, that Council not act in haste, as there will be no leisure in which to regret.

Mr. Harry Pickett, President of the Theatre Owners of North and South Carolina and associated with Sterling-Everett Theatres in Charlotte, stated they request Council to defer any action on awarding a franchise for Cable Antenna Television as they do not feel it is in the public interest. That the City of Charlotte has all the television programs brought right into it, and they do not feel the people should be required to pay for something that is being paid for by advertisers - they can get anything they want. Now, many people can get more than the Charlotte stations without any trouble. There have been any number of antenna systems suggested in various towns. As Mr. Enloe has said many towns have taken the same action in refusing to grant a franchise until more information is received. They feel this is the opening wedge for Pay television and these systems would go into Pay TV. That the RKO General Corporation who operate the Pay Television in Hartford, Conn. have recently made a move to acquire additional cable antenna systems and there can be only one motive for that move, and that is to have facilities available when they want to spread out. Again he urged Council to go cautious and not do anything that would be detrimental to the people of Charlotte because they do not feel it is in the public interest.

Mr. Cy Bahakel, operator of Channel 36 Television Station WCCB, stated prior to coming to Charlotte they reviewed the City of Charlotte and its needs very carefully and were very much impressed by the growth of Charlotte and its potentials. That they acquired the assets of Channel 36 and established this Television Station which is one of a chain of stations his Company operates. They have been in business since 1947 and operate radio and television stations throughout the South, Southeast and Midwest, and he now makes his home in Charlotte on Redfox Drive.

Mr. Bahakel stated they are very much interested in seeing that the public receives all the television service which it is entitled to. Up until the date they went on the air - November 1st - a great number of programs were not available to the people of Charlotte and in the past several weeks they have been able to acquire more than 40 top network programs to fill the great gap which existed here. They are carrying the greater part of programs remaining from the network. He listed a number of programs which are now available through his station during daylight hours and at nights, such as Truth or Consequences, Missing Link, Say When and many in color - and Windy and Me, World I Man from Uncle, The Week that Was, The Virginian and so forth. That he does not believe Charlotteans need apologize to any city in the United States for their network program service by the fine stations which are now serving this city. He knows of no substantial program service that Community Antenna System could render to the Community. They feel that the Community Antenna System at this time should not be granted in the City of Charlotte. There was a time in the United States in the early days of Television that CATV was important and in the public interest in so far as diversity in programming was concerned. The system operated originally in the sparsely settled communities with few television stations - one or perhaps no television station. The system soon spread into the city as the profits from the system grew, and in every case where the public benefited was where the three networks were not immediately available. They feel the Community Antenna Television System is going through a basic change and is on the threshold of certain important developments which this Body should be appraised of. For example, the CATV operators do not pay the normal music license for their license fees, nor do they have contractual obligations similar to broadcasters, nor do they have a governmental responsibility - freedom under license as they in the trade call it. And so they are on the threshold of certain proposed rule makings by the FCC that may render much of what they say and do this afternoon null or void as he is sure the FCC rules and regulations would take precedents over anything they do locally. Free television or free broadcasting should be the creed. In the United States we have surpassed the other

countries of the world in broadcasting because it has been essentially free and in the finest tradition of the free enterprise system, and in this system in which we have excelled broadcast programs have been taken from the air free by the public and utilized in their sets at home - radio and television. They believe this concept to be the finest concept of our democratic system and think that setting a price for television be it \$6.50 a month or \$10.00 a month is pay television and would defeat and set in motion a whole new concept of broadcasting in the United States and would perhaps open Pandora's Box for this community insofar as cost is concerned three years or more from now because the cost can never be fixed for the programs if regulation enters into the picture and the community antenna system must pay program charges, license fees and certain other considerations that must necessarily follow as it approaches this great basic change on which it stands at the moment. That in the best interest of Charlotte we should not shackle our citizens with a cost factor that cannot be controlled in the future. That within the next two to three years without any injury to the community and with the fine programs they carry that we can again look at the matter and see whether the public needs or demands additional service over that which is now provided. That in his opinion the reception of Channel 36 more than satisfies any hole which existed just a few short weeks ago. Mr. Bahakel stated further they have received expressions from the citizens of Charlotte who are very pleased with their reception. He stated further after considering it very carefully he believes that Community Antenna System would be a serious determinate to the early establishment of this station, and if they were to become dependent upon the Community Antenna System for their reception in the home they would be at the mercy of the CATV, and the set viewer at home would then become at the mercy of the CATV on the type and selection of program rather than on the concept of free broadcasting. Mr. Bahakel concluded by saying these are just a few of the reasons why this decision on CATV, in the best interest of Charlotte, should be delayed until (1) the FCC has made its final proposal and (2) until their station has established itself in Charlotte and (3) so they can become an integral part of the community rendering their full service as an established station as a part and partial of every worthwhile projects in the community.

Mr. Charles Crutchfield, President of W.B.T. TV, stated he has no formal statement and he does not know at this point whether he is opposed to CATV or not. That he wrote a letter to the Council and City Manager last week and pointed out several observations. He feels that his company would prefer to withhold formal comment until they have had a chance to study the proposals or applications of the two applicants before Council today. They would request that Council give them an opportunity to go over these proposals in detail and to make formal comment on the proposals within a reasonable length of time.

Mr. John Ledbetter, owner and operator of Ledbetter Electronics, who sell and service television sets and is also a member of the Service Association of the Service Club in Charlotte - that is the Radio and TV Club, stated they have been quoted as being in favor of Cable TV because they are in the antenna business. That today 99% of televisions use rabbit ears so they have not lost anything. TV Community distribution to the outlying residential district where their greatest profit would be derived from would mean tremendous amounts of payroll and that in itself will make Community TV expensive to the consumer. There are some people who have trouble just making payments on the TV and they cannot afford to pay the \$6, \$8, or \$10 a month for cable TV service. He stated its true that the larger business concerns who sell TV's would like to have cable TV for demonstration purposes and he has no kick against this, but the one thing they object to is that Cable TV will not serve the masses who cannot afford it.

APPLICANTS FOR CABLE TELEVISION FRANCHISE IN THE CITY OF CHARLOTTE.

Mr. John Shaw, representing the Broadcasting Company of the South, stated they would reserve their rebuttle until after they make their affirmative presentation. He stated he would like to re-present Mr. Richard Shafto, Executive Vice-President of the Broadcasting Company of the South, and Mr. James Yaeger, Chairman of Planning and Development of the Broadcasting Company of the South. Mr. Shaw stated Mr. Yaeger would make their presentation.

Mr. Yaeger stated they would review for Council just exactly who they are. They are the Broadcasting Company of the South and as such own WIS Television and WIS Radion Station in Columbia, S. C., WSFA TV in Montgomery, Ala., both of which are VHF Televisions in operation. They also own a CATV System in Ocala, Florida which they purchased in 1962 and a CATV System in Florence, S. C., which they completed construction on in the early spring of this year, they are presently building a CATV System in Sumter, S. C. and have micro-wave proposals under study for CATV Systems in Marion, Darlington and North Augusta, South Carolina, for which franchises have been granted to BCS. That only last week they broadened themselves and became more than the Broadcasting Company of the South when they negotiated and entered into a contract to purchase WTOL TV in Toledo, Ohio.

Mr. Yaeger stated they and their directors and officers are familiar with Charlotte as to its needs. The Chairman of the Board of Directors is Mr. B. Calhoun Hipp, President of Surety Investment Company; the President of the Company is Mr. Shafto; Vice-President and Treasurer and Director of the Company is Mr. Francis Hipp who is President of the Liberty Life Insurance Company; Mr. Herman Hipp, Mr. Charles Batson, the Managing Director of the Television station in Columbia, Mr. Carter Hardwick, Managing Director of the station in Montgomery; Mr. John Lindsay, Associated with Liberty Life Insurance Company, Mr. R. R. Scales, Jr., associated with Liberty Life Insurance Company and Mr. William Evans, associated with Liberty Life Insurance Company; Mr. Frank Hardin, connected with the radio station in Columbia and one time manager of WIST in Charlotte, Tom Boyle and Frank Gary are both native Columbians with Mr. Boyle's in the real estate business and Mr. Gary, an Attorney and Mrs. Gunter. That these are the officers and directors of their company.

Why do they feel they are qualified in CATV? They purchased in 1962 the Video Corporation of Ocala, which was not doing well and was low on subscribers. They knew the situation when they purchased it so they immediately began training a man to do down and operate the system, and he moved to Ocala two months after they purchased the system. From that time they started training other personnel. When they got the Florence franchise they immediately went into training of personnel for Florence, and since that time they have developed a complete CATV training program in their Columbia office.

What has to be done to build a CATV System - this is no simple task. The first thing to determine is whether the community or city needs a CATV System. That in the case of Charlotte, they feel it does. Next you need authorization from the city to build it - a franchise or permit. Then you have to perform extensive signal tests to determine what signals can actually be brought in. Following the signal tests you have to detail each street and each block of the city on special blown up maps and on the maps you mark the location of the utility pole. Following this they go into the tower site determination - which place in the community would be best to place the tower, where you best pick up all the signals. This is done by a special airplane equipped with a special antenna in the tail. Then you go into the determination of micro-wave - is it or isn't it needed? In the case of Charlotte, would inter-city micro-wave be used or wouldn't it be used. Finally ask FAA application approval of the tower site.

Then they go into the determination of the specifications that they will build the system to. That in the case of Florence they had Mr. Howard Frazier, a consulting engineer in Washington, D. C., prepare very rigid specifications for a CATV System, which they have adopted as the law of the land for their CATV Systems and their Florence System was built to these specifications. Then they go into a series of negotiations for joint pole use contract with, in the case of Charlotte, Duke Power Company and Southern Bell. That they have had experience with Southern Bell as they are on Southern Bell poles in Florence, Darlington, Marion, and North Augusta. Following that is a selection of tower and antenna to be used. Head-in is where they receive the signals once they are picked up on the tower - this is the master control or master receiving location. That its from the head-in that signals are sent out on the transmission lines. That in Florence and Sumter they used all aluminum cable which is probably the best cable on the market today. Then into the construction - in their case they have a special contractor under contract who does all their CATV construction work. Following this is the determination of personnel and as they have their own training program it is becoming easier for them. Then the preparation of detail budgets and the final analysis of the entire system and how it will operate; then the selection of offices - downtown offices in the case of every system they have - and warehouse facilities, and the formulation of sales plans. Mr. Yaeger stated they believe in promotion and the development of a CATV System and then listed some of the promotion and ideas they have used in advertising and promotion of the different CATV Systems.

That when they first appeared before Council they had a series of charts which showed those programs which were not available in the Charlotte Area and as Mr. Bahakel has stated to a great extend the program void has now been alleviated with the new third Station.

Mr. Yaeger stated they believe there is still a need for CATV in Charlotte. That CATV in Charlotte will : (1) improve reception of all signals whether they are VHF or UHF simply because they receive the signal under the best possible conditions and deliver it to the home in the same condition which they receive it. It is an uninterfered with and unblocked signal and there is no co-channel on it as they seek out the place in the community where the best possible signal is obtainable. Therefore, they would deliver a good VHF signal for both Charlotte VHF Stations and a good UHF signal to all the Charlotte homes. They convert the UHF signal to a VHF signal on the cable so that it comes into the home on one of the VHF channels. They do it and do it very well and they are receiving the UHF signals in their Florence operation. (2) CATV will improve reception of color programs, and (3) it will improve and broaden program selection. That this means you have three network sources available in Charlotte. What will happen with CATV? They have researched this and contracted with General Electronic Company to perform a survey of the available signals in the Charlotte area and they performed signal tests in January of this year on top of North Carolina National Bank Building and this is what they found. That without micro-wave, through a tall antenna, a CATV System could pick up WBT TV , WSOC TV, could also pick up WSJS TV and WGHP TV from the Winston Salem - Greensboro - High Point area; it could also pick up WSTC TV and WSPA TV and WIS TV. That at the time they performed their survey test WCCB and WTVI were not on the air. He stated they would carry all of the Charlotte Television Stations and would not simultaneously duplicate any program carried by the Charlotte stations. That this means if the Virginian was on WCCB no other channel on their CATV system would simultaneously have the Virginian on, thereby giving WCCB the sole audience in Charlotte to the Virginian. That they would say this as a matter of policy and as a proposal today. They would carry the Charlotte Stations but not duplicate them. They have the program schedules of the stations he mentioned before and while they would not propose

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that they would carry at any one time all of the channels, there is enough of a combination so that 85.7% of prime time (7:30 to 11:00 P.M.) each week you would have four or more commercial channels for selection. That when the Charlotte ETV Service begins operation it will also be carried and make it five or more channels of selections on CATV. That 34.7% of prime time period would have five or more channels for the subscribers to choose from. Mr. Yaeger stated prime time is the time when network programs are most likely carried. That in addition to signal surveys they have made a detailed ride-out of the entire City of Charlotte with representative engineers of General Electronics Company. They know the areas and how many miles of cable it would take to wire the City and they have an estimate from General Electronics Corp. that it would take approximately 600 miles of coaxial cable to completely wire the City. That they have prepared an estimated cost per mile chart which they made up from the extensive work done in Ocala, the actual cost of the Florence System and the contract cost of the Sumter System. He presented a chart showing the make ready cost, the transmission equipment cost, labor cost, pole hardware cost, tree trimming cost for a total of \$3266 per mile.

In conclusion he stated they believe CATV is needed in Charlotte; the people of Charlotte should have the choice to subscribe or not to subscribe to CATV. BCS, if granted a franchise, will build a system to rigid technical specifications and would propose to the City that the Frazier specifications be adopted as those specifications which would apply to the CATV System they would build in Charlotte, and they would be happy to make a copy of the specifications available to the City. They will carry the Charlotte stations; will not simultaneously duplicate the Charlotte stations, will use the best available equipment at the time they build whether transistorized or tube type equipment; will provide one channel for time-weather service and will complete construction of the system within 24 months of the FAA approval of the tower site. They have to have this stipulation because they have to get FAA approval before they can begin any kind of layout work - the tower has to come first, the location where you can best receive the signal. BCS is qualified; they are gaining experience every day in CATV and would very much like to become a part of the community.

Mr. Victor Lespinasse, founder of the Television Transmission Company of Illinois, stated they are here today because of the notice which was sent to them by Mr. Sherman Seid their local representative. That the notice was published in the Charlotte News on November 3rd and announced the meeting would be held. That in their letter to the City Council they state that the notice indicates - first, the question of whether or not to grant a franchise for CATV in Charlotte; and second, that the City would entertain applicants for such franchise. They feel that Charlotte is entitled to have more than its share of good television and that certainly more than one applicant should come forth. That they have a good deal of respect for the Broadcasting Company of the South as they are doing a fine job in the CATV business. Mr. Lespinasse stated they have been in this business since its inception. They operate in the City of Peru, City of Spring Valley, Illinois, and in the Town of Ogelsby a franchise has been granted and they will be constructing there next. In addition to this they have micro systems - the Midwest Microwave Inc. which comes out of Chicago and brings four channels down into the southwest of Chicago area - 100 miles into Illinois. That it delivers the four channels from Chicago to six cities covering 12,000 subscribers. In the Town of Peru the Television Transmission Company is on its way to 5,000 subscribers and think ultimately in the complex of Spring Valley, Ogelsby and the south, there will be 8,000 subscribers.

Mr. Lespinasse stated his comments have been prepared in two sections. First, bearing on the fact they recommend that Charlotte should have a CATV system. In this regard they have presented to the City Attorney a map which depicts all

the television stations situated in Charlotte and of the area 67 miles to 136 miles from Charlotte. This map reveals in the 136 miles area there are 13 stations. All or most of the stations may well be made available to the TV viewers of Charlotte if they have a CATV system to serve them. Beyond the 13 are 6 more television stations which possibly might be in the range of a CATV System, and beyond these six are the 3 stations in Atlanta which by microwave possibly could be brought into Charlotte. Considering only the 13 closest stations you can see that these alone would constitute enough stations to fill each of the 12 positions on the TV dial in Charlotte thus multiplying by 4 the number of the TV channels available to Charlotte viewers. That they also present a time chart and this presents the various programs available to viewers at each time segment throughout a typical day in Charlotte. Mr. Lespinasse stated there is much of this which the Broadcasting Company of the South has covered and he feels it might be an imposition to go through this again, and it is not mere coincidence they have covered these points as they are confident craftsmen. That in his letter to the City Council he covers an article entitled "CATV spells Television to 3 Million Viewers" and also note that the Associated Press states that from a matter of 2 or 3 CATV systems in operation 14 years ago, today CATV "has exploded into 1,300 systems serving more than 3,300,000 people in 46 states with an estimated 15,000 homes being added each month". Continuing in the matter of the desirability of CATV for Charlotte they have learned over the past 14 years, from their own personal experience as CATV operators, that CATV systems seldom cease to grow. They continue to expand by developing new subscribers, extending lines to new territories, increasing the number of TV channels available in their areas, in offering channels for other purposes of benefit to their communities. Their experience in the past decade is that few subscribers request to have their CATV service discontinued. They present this information as an indication that CATV is truly a dynamic service which is gaining wider acceptance with the American people with each passing day. Every day more and more people everywhere are learning and seeking the greater enjoyment and greater advantages that can be theirs with the added variety of education and entertainment which their TV sets can now bring them in no other way except via CATV. They urge the City to make it possible for the citizens of Charlotte to have an opportunity to enjoy CATV's manifold benefits just as millions of other Americans elsewhere are doing, and they trust the Council will permit CATV to be offered to the people of Charlotte.

Mr. Lespinasse stated in their own behalf that Television Transmission Corporation has been in business since 1951, and their local representatives in the matter are the Messrs. Sherman Seid and Herb Berg at 915 Camborne Place. Since the inception of CATV in 1950 they in the Television Transmission Company have been active in every phase of CATV development, engineering, construction, operation and maintenance. They were pioneer in CATV and their system in Illinois is probably the 3rd system in the United States. That they have a chart which is included in the material to the City Attorney depicting the steady growth of the Television Transmission Company complex from its beginning in 1951 to date. They feel, as the Broadcasting Company of the South, feels the estimate of the cost of construction here would be in the area of \$4000 a mile, and they would design a system that is subsequently able to serve the 70,000 homes in Charlotte but have not yet had the opportunity to make an engineering study of Charlotte because the November 3rd notice was the only notice they had of the meeting. That the engineering details would certainly be made available to the City should it decide to permit CATV in Charlotte and would also submit a proposed ordinance form. That in applying for such a franchise, they would provide Charlotte with many benefits - a substantial return on gross receipts from the operation of the CATV system and its associated service, multiple TV and FM services, FCC experience gained by their long experience with the FCC in the matter of their microwave licenses -

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this is important in the event FCC does step into the CATV picture - a proven record in CATV for capability and reliability and technical excellence, including more television transmission experience than any other applicant; free CATV service to certain designated public and non-profit places designated to the City. They would contribute materially to the matter of providing education TV channels and localize the service in every other reasonable way possible. The Television Transmission Company has always been a leader in CATV and should it come into Charlotte, it would continue this policy of leadership in the CATV industry and service to the public.

Their Midwest Microwave, Inc. has been in business since 1956 and has been delivering the four Chicago TV channels to approximately 12,000 CATV subscribers in six Illinois towns in the area 100 miles southwest of Chicago. In all of this CATV activity, the Television Transmission Company has for many years maintained amicable relationships with the Illinois Bell Telephone Company and the Illinois Power Company in the matter of joint pole line usage in the several towns in which the TTC has its CATV operations. If granted the CATV franchise in Charlotte, they would build and operate an "all band" community antenna TV system of maximum capacity which would provide: (a) distribution of programs from all local channels, plus programming from as many other of the most popular TV stations which they may be able to reach in the area noted on the Charlotte TV area map which he has prepared and presented to the City Attorney. (b) One channel for time and weather service which will include the following: clock, temperature gauge, barometer, rain gauge, wind direction gauge, wind velocity gauge. (c) Background music would be a feature of the cable system on the weather channel (d) FM music will be available for FM tuners over the cable system to any standard FM tuner or receiver. This provides the best possible selection of all network radio independent radio stations, plus auxiliary services. In Illinois they provide, from time to time, 22 or more FM channels that are able to receive on long distance by the tower there. (e) All subscribers will be able to tune in all of the TV channels carried on the cable television system without any additional converts, adapters or antennas. (f) They also intend to provide a Civil Defense warning system.

In conclusion Mr. Lespinasse stated they did not come today to make a presentation to appear in full blown form and array. They noted in their letter to the City Council that they have a half hour film on the subject of CATV which was done professionally in 16 mm sound narrated by Mr. Basil Rathbone. The film is a dynamic aid toward understanding the full meaning of CATV and they would like to present a showing of this film as soon as it might be convenient. That the film would be presented in support of their general thesis, i. e. that Charlotte should grant a CATV franchise and present it only indirectly in support of their own franchise application. That they wish to cooperate in any way they can to assure Charlotte of having a first class CATV system as they think the viewers in Charlotte are entitled to all of the Television that they can possibly receive.

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Mayor Brookshire stated the floor would now be opened to rebuttles and he recognized Mr. Richard Shafto, President of Broadcasting Company of the South.

Mr. Shafto stated in connection with Mr. Enloe asking City Council to delay everything, he spoke of the Raleigh situation and they hope the City Council of Charlotte will not do what was done in Raleigh. That he thinks Raleigh made a very grave mistake and it has had many consequences. Raleigh granted the franchise to three applicants and they feel the City Council in Raleigh did not properly assume its responsibility in doing so. Carolina Power and Light shares in this feeling as well as Southern Bell as it presented them with a great dilemma. That it was because of the mistake in Raleigh that Southern Bell saw fit to file a tariff in North Carolina which they indicated but did not say so, the only manner in which facilities would be available on their poles was through buying from Southern Bell channels to carry these transmission circuits. In short, Southern Bell would construct all the wiring on the pole and would wire everything from the headin of the system right into the private home and several weeks ago they filed a tariff to that effect. That it was their contention their poles could not accommodate three separate subscribers who might duplicate, as it would be an economic waste if that prevailed. That it has prevailed in a few cities always to the detriment and disaster of some of the applicants. That Pensacola is one city in which that prevailed. Mr. Enloe also stated that Southern Bell was requiring applicants to buy the facility from them. On November 6th the AT & T Company announced the change in policy throughout all of their systems. November 9th issue of Broadcasting Magazine stated "The Bell System Telephone Company will cooperate with private CATV by providing pole line attachment where possible. Spokesman said this Bell policy applies to all its phone companies including Southern Bell, which maintained last month that it wasn't giving any pole attachment agreements. Generally speaking Bell Companies are granting attachment agreements where only one CATV company is involved in any one area. Pole line space ordinarily is not available to accommodate more than one CATV Company". If it is the decision of Council that this be granted to one company that he says that Southern Bell will enter into an agreement with that one company and permit it to use its poles and make attachments thereon. Because of what he has just said, Mr. Enloe's information that there is a hearing in Raleigh November 24th is incorrect. The hearing has been cancelled and Southern Bell has withdrawn the franchise in the State of North Carolina.

In connection with Mr. Enloe's remarks this would open the door through this system to pay TV or perhaps cable movies. This is not a new position for movies exhibitors to take. That Wilby-Kincey Company confronted them on their application in Sumter, S. C. where they operate theatres and made the same protest that they would begin to show movies. Therefore, in their Sumter franchise they have a clause which is acceptable to Wilby-Kincey to the effect they will not show movies on the system - they first stated they had no intention of showing movies - and secondly stated for their protection they would not show movies on the system until at least one month after it was shown in the downtown theatres in Sumter and until a year after or unless the movie has been shown at least a year beforehand on one of the networks; and this was acceptable to Wilby-Kincey. He stated BCS has no intention of running movies on the system and if this would ease Mr. Enloe's feeling they would be agreeable to that being a condition. Secondly, speaking to pay TV the proposed franchise which they submitted to City Council has a clause which stated that no pay TV may be shown on this system or this system may not be converted to pay TV without, the company holding the franchise, first coming back to the city for further approval. So he would hope that these two provisions would adequately satisfy Wilby-Kincey and remove their plea to Council that this whole matter be delayed. On the statement there was to be a bill pending in Congress - Congress is in adjournment and whatever bills were there have been erased and if there is a new bill it will be a new bill next year and he assures Council there is no bill pending. In reference to pay TV being outlawed in California. This is correct. This was not CATV in any sense of the word

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it was a pay TV system and provided primarily bringing the baseball games of the Los-Angeles and San Francisco teams. That this was private enterprise and they saw fit in California to outlaw it. Although they as broadcasters are opposed to pay TV, and this is the policy of their national association, as it deprives the public of those programs which they now see free and put them on pay TV. Therefore they are opposed to it, but despite that fact they regret very much that pay TV was outlawed in California because they don't think they should run to the government and be protected against competition. And in this case, the referendum in State of California saw fit to outlaw what they regard as private enterprise. They went to the Bell System, hired their circuits and offered it to subscribers. In reference to the cable movies in Bartlesville this was an old old experiment, one of the first in the country. It failed, the public was offered movies on it and movie companies were very much interested in it as a test. They supplied the movies at a very nominal charge and it failed because of one principle. That principle was that in Bartlesville they endeavored to fix a flat monthly fee instead of giving their subscribers a choice as the Hartford Pay TV experiment. They put a flat fee on and for that flat fee they simply could not buy enough product. People were satisfied with what they were getting over the air without it. Mr. Shafto stated further as far as the opportunity is concerned they made application to the City approximately a year ago by letter and had a public hearing some five or six months ago and this hearing has been advertised for about a month so he would hope that anyone who chose to be an applicant feels that he has had ample opportunity to come before Council and would not ask for further delay. On Mr. Pickett's comments on RKO in Hartford applying for additional cable, the RKO System in Hartford is an off the air pay TV experiment authorized on an experimental basis by the FCC and makes use of no cables at all, and makes use of one of the ultra high frequency and comes into the home by radio. In reference to Mr. Bahakel's remarks, there is no music license fee paid by CATV systems for the reason that the music license fee is charged to no broadcasting stations, and the Licensing Associations VMI and NASCAP have up to this time held that CATV is merely an extension of circulation of the broadcasting station. Inasmuch as their license fees are paid on the basis of gross relative less certain allowable deductions, if the circulation of a station increases through a CATV system, theoretically its gross relative increases and theoretically the licensing society receives more money and for that reason no demand has been made on any CATV for the extension or transmission of broadcast signals. That where CATV originates background music through records or otherwise they are asking a fee now. On Mr. Ledbetter's comment that 99% of the homes in Charlotte use rabbit ears and there is no need to subscribe - if this is true television reception on rabbit ears is fairly unsatisfactory. Color dealers generally do not assure you of good color reception unless you put up an outside antenna. This is one advantage of CATV, there is no outside antenna.

By way of summation, Mr. Shafto stated there is a void in the programming available to the residents of Charlotte and will not be satisfied for a long, long time by the established new UHF Station. It takes a long time to receive saturation of sets. Up until April of this year not a single all channel receiver capable of receiving Mr. Bahakel's station was being sold in Charlotte. In April a new law became effective which requires that all sets being sold be capable of receiving all channels - UHF and VHF, so generally speaking the only sets in Charlotte today capable of receiving Channel 36 are those new sets which have been bought since April or those which have been converted. Mr. Shafto stated conversion is fairly expensive. Not only would you pay for the converter but in addition to that you would put up a separate antenna to receive the UHF station. If and when enough purchasers in Charlotte do this, then they may on their present receivers or newly acquired receivers receive all these program. That CATV does not detract from any service.

The person who now is satisfied with rabbit ears and is fully serviced by his rabbit ears - nothing is taken away from him - he will eventually get good CATV. CATV will not be pay TV and this is a stipulation in their proposal to the City Council. They agree they will not originate movies. On the positive side, CATV will provide a greater choice of programs. VHF sets now have 12 operative channels and at present time are getting only two channels on the sets. It will eliminate the need for an antenna; will solve the growing problem on color as at present all the color transmissions are from one station although some have recently been added by Channel 36. The three stations in Charlotte are located at different locations. If you purchase a color set the first thing the dealer advises is put up an outside antenna and have it oriented to the station sending the color. The television set is at the place that must look at the station from which it gets its programs. This problem will become aggravated by three times as all the networks go into color and they are going to do that in 1965. This means if you are going to receive effectively color transmission from all three stations there is but one way to do it with maximum efficiency and that is to put up three antennas on your house with one oriented to each station. Cable eliminates this need, CATV does that out in some remote point and brings all three of the programs into your set. That TMC mentioned FM services and this is also one of their proposals which they would include. That CATV is private enterprise and is offering the service to those who desire it and is not depriving any citizens of Charlotte of any service and the people who do desire are not asked to sign a contract, they can have it as long as they please and the day they don't want it they can stop it.

Mr. John Shaw stated this concludes their presentation. That no one has to take this service, but the fact that the movie industry is here and the dealer who sells the antennas is here thinking that this will interfere with their business shows people would want it and they ask to do so. They have been in negotiations with the City Attorney and the City Manager furnishing financial information, and these are confidential, and will continue to furnish any information they want. That they have asked for a non-exclusive franchise except they would ask for a period of time protection because they are talking in terms of a two million dollar investment in installing the cable and getting ready; therefore they would like to have enough time and it has been suggested four years before a franchise is granted to anyone else who comes in. After that, they would be free to do so. Also as suggested, they ask that only one franchise be granted whether to them or whether not to them. If Council sees fit to grant it, only grant to one company and make that company furnish service to the citizens. Don't let them just cover the Plaza, Eastover, Myers Park and Providence Road, and over here take the cream of the crop. That the industry polices itself. If it brings in these programs they will have to be brought in well or the station they are bringing in would have a right to complain and will complain. They say this is not a time for too much bit government but give them a chance as they are willing to spend their money. They think they are qualified and they will discuss it with Council now or later and disclose any of their plans but they would like some of it kept confidential.

Mr. Enloe stated he did not think he had mentioned the Raleigh ordinance other than the fact that there was to be a hearing, to be held on a permanent injunction. That he did not intend to mislead Council when he said the hearing was scheduled before the Utilities Commission. That he left Raleigh this morning and if it has been cancelled he did not know about it. But this just goes to show if a company as big as American Telephone and Telegraph Company with all the engineers and scientist they have, if they have an on-again, off-again Flannagan thing such as this, where a month ago they decided they wanted to furnish coaxial cable and then withdraw, that is what he says, we don't know what is going to happen, even Southern Bell doesn't know. So he says lets wait for time so we will know what we are doing.

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Mr. Charles Crutchfield asked Mr. Shafto to amplify on his remark that there would be no simultaneous duplication of program. Mr. Shafto stated this is correct. If WBT were carrying a program simultaneously they would not carry it on any channel on their system. Mr. Crutchfield asked if this applies to network as well as filmed program and Mr. Shafto replied yes.

Mr. Bahakel stated it becomes increasingly apparent that this small Channel 36 will be seriously jeopardized by the granting of this franchise. That in Sunday's Charlotte Observer there was a long article "CATV Fight Rocking Industry". That it is a very serious and one of the most pressing problems facing broadcasting today and he would beg Council's indulgence in the big problem that is rocking the industry and the very crux of the settlement of it comes in Washington, D. C. who have the ultimate regulation. That he is a great believer in local enterprise, minimum government regulations and a product of that system but they all live by the FCC control broadcasting as it is part of the federal statutes. There is no telling what the final rule making will be. There is no telling what the fixed cost of CATV to the subscribers will be and nothing has been said about that. For example, the CBS network representatives told him just the other day that their legal department is looking into the right of the CATV to Broadcast its programs as contrary to their property rights. They are raising the question of property rights. One of the largest films company asked them to be a witness in a case as to whether CATV could run a film which was bought by a station. They don't know what the outcome will be but if these costs are added to the subscriber then the question as whether it is pay TV is moot. It will be pay TV whether by the month or by the program and the public itself might rebel at this. As for the cost of conversion, it should be made clear that the cost of converting is only a few dollars. That one of the leading stores in the community is selling a conversion kit for less than \$30.00. That the cost of conversion is a one time affair whereas the cost of CATV continues month after month subject to cost we are not able to visualize properly today. That it is unfair to straddle on the citizens of Charlotte a cost factor that no one can control today. With all the testimony given nothing has been given about the program Charlotte is now missing. You can perhaps count them on your fingers. That Council is entitled to the number of shows not now available. Another thing when ARB and the measuring people come into the community to determine whether these local stations are worth a rate and how much and what their rating is, they will take a sample of the rating and if a person is not watching Channel 36 they might be seriously endangered of the rating as they are in Greenwood, Mississippi VHF Station that has a Community Antenna System that cuts into their local viewing. This is a very serious problem. They are trying to get started with a station, and it is highly unlikely they can make the grade properly and satisfactorily and as speedily if the Community Antenna System is thrown into the community at this time. What injury will the public suffer by not granting the CATV at this time? None at all, whereas they are receiving all of the major network programs with only minor exceptions. There is no injury that the public can suffer and yet there will be considerable injury suffered by his station and other members of the community. Mr. Bahakel urged in the course of prudence and fair play to this new station and the other factors in the community, that they consider for some reasonable length of time the delay of this until other and more crystalized facts can be brought to bear. To this end his station will fully cooperate with the Council and any committee or group they appoint; will make any records or studies in CATV available, will make program comparisons available to Council to see if there is a void in the community that needs to be filled and will be happy to cooperate at their own expense in any possible way to the end that they preserve Channel 36 and free broadcasting to this community for the foreseeable future.

Mr. Sherman Seid associated with Television Transmission Company of Illinois stated he failed to see why Mr. Bahakel says this will hurt Channel 36. They guarantee no duplication, as whatever he has on, he alone will have on. They are also guaranteeing that everybody with a set will be able to get his programs and it seems to him the only thing Mr. Bahakel is fighting is competition; his programs against somebody else's. That he does not see where this would enter into the picture as competition is for everybody. He stated he would like to understand more how they are hurting Channel 36. They would put him on VHF and not duplicate at the same time his programs and it would seem to him more people would get him that don't have convertors, and in his estimation would help rather than hurt. That they have made up charts which they submitted and this proves different. This says that there is a lot more programming - local as well as network that is not being carried by the three stations especially in the evenings. That if there are only three coming down and they are not going to duplicate, then what is Channel 36 worrying about. That they come up and talk about people paying for the service and he says nobody is holding a gun to anybody's head. If you want to buy it, you buy it. If you want to buy a converter you buy it. If you want to put up an outside antenna you put it up. Nobody is forcing anybody to buy this. You can turn it back the same day, as there is no contract, and he fails to see where it will hurt Channel 36. They cry let them grow and this is fine and CATV will help them grow.

Mr. Lespinasse stated in rebuttal there is no compulsion to buy CATV or anything else. Also the business of duplication - it is one of the cardinal precepts of CATV Industry in their recent policies. This is a private enterprise and they are willing to spend a substantial sum of money in the City of Charlotte. The theatre people, the broadcasters and the public have a right to be heard but in the end it is the public whom they are trying to serve. That they have been serving the public for 20 years in this business and they have continued to grow year after year and their industry has grown proportionately. If there are any questions they would be happy to answer them and they would like very much for Council to read their letter and let them know what their decision is specifically to the letter. That they are trying to serve the public and if it can be pointed out where they are failing in this they will mend their ways.

Councilman Bryant stated it seems to him the City is being put in the position of having to help solve some of the problems of the ills of the television industry and it seems an unusual kind of approach to him. That Mr. Shafto made the statement in discussing the matter of outlawing pay TV in California that he didn't think we should run to the government to be protected from competition, so he asked if the City grant franchises or permits to both applicants which applicant would take advantage of it, or would both. Mr. Shafto stated he would prefer the city not do this. If they do, Southern Bell will allow attachments on their poles to one applicant in the City. In the event the City authorizes two, Southern Bell then says their poles would not accommodate two sets of wires, therefore they would supply cable service under their new proposed tariff. The essence of that tariff is, first they are common carriers so they then will supply service to the two applicants who are authorized for such section of the city as the two applicants apply for. If this is what the City wants this is what they get. Councilman Bryant asked Mr. Shafto if he would participate with such a plan, and Mr. Shafto stated they would not participate in such a plan if the result of their participation would duplicate facilities. This would be so uneconomical. That what they would probably do would be get together with the other applicant and say will you take part of the town and we take part of the town.

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Councilman Bryant asked if they would be interested if the city did that, and Mr. Shafto replied yes. Councilman Bryant asked with all the apparent uncertainty as to what might happen with the FCC doesn't the outlay of such a large sum which has been mentioned worry him as to what might happen in the future and Mr. Shafto replied that it doesn't. That the FCC has made it very clear what its rules are. Two years ago a bill was introduced in Congress by the FCC and was defeated by only one vote. That since then there have been constant meetings between the FCC and the NCCA and the National Association of Broadcasters, the feeling being that the only way any legislation could get to Congress would be if there is an agreement between the three factions. Mr. Shafto stated further that he has had the privilege of serving on a Committee for the National Association of Broadcasting and has tried to suggest to their association this policy with respect to cable television and pay television. That they have had numerous meeting with the FCC, and two weeks ago they had meetings with the Directors of the National Association for the Antenna Television people. That the agreement is so close to accord. The essence of the agreement will involve the four elements. One that a CATV system should carry local stations in the event the local stations request it. The station will not degrade the local stations. The FCC will become the test master of determining what the requirements are. That they feel they are so far ahead of anything the FCC will command of them because of the very lengthy specifications which they engaged Mr. Howard Frazier to devise for them in Florence, S. C. have now become the standard for National Association of TV Antenna TV. That Mr. Frazier has now been named head of the Standards Committee of the Association, so they feel any standards the Commission requires will be less than those available now, so they do not fear any regulations by the FCC.

Councilman Bryant stated to Mr. Lespinasse that they are fairly well acquainted with the Broadcasting Company of the South because of their proximity but he is not sure of his financial background and he asked who the principles of his Company are and what type of financial experience they have? Mr. Lespinasse replied they are first not in the Life Insurance Business or the Security Business or any other kind of business. They are in the CATV Business and have been for the past 14 years. His associates in the business are Mr. Earl Nelson, Sr. and Mr. Earl Nelson, Jr. Mr. Earl Nelson, Sr. was a pioneer in the broadcasting business. He began in Chicago and had a radio station and one of the really pioneer TV stations in Chicago - the radio station in 1922 and they were on the air with the mechanical standing type of television in 1928. Mr. Nelson, Sr.'s brother was Al Nelson who was the Vice President of NBC and set up the San Francisco operation of NBC, and this establishes their precedent. Mr. Nelson Sr. and his son, Bud, and he developed the Television Transmission Company from a rather humble beginning to a point now where they are able to commit to a situation as this and make a serious application. That he states in his memorandum to Council should they decide that a CATV system should be permitted in Charlotte and if they would be permitted to make an application for it, they would give Council the facts and figures which establishes their capacity to take on a job of this type.

Councilman Bryant asked Mr. Enloe if they inserted the clause that Mr. Shafto spoke of which he used in Florence, would that in any contract which Charlotte might have with any CATV Company be satisfactory with the Wilby-Kinsey Company. Mr. Enloe replied he would have to see the contract of course, but if Charlotte is going to grant a franchise or permit at this time they would appreciate very much the clause being inserted. Whether or not they are satisfied with it they will live with it. Councilman Bryant asked if the insertion of the clause in Sumter eliminated their objections. Mr. Enloe stated he did not know what that clause was but they did have a clause inserted in Fayetteville and Lumberton that was acceptable. That he does not know what the wording was in Sumter, but they do have wording of the clause which they would like to have inserted.

Councilman Jordan asked if he understands that we still have one more public hearing on this? Mr. John Shaw stated this is his understanding under G.S. 160-26. Mr. Morrissey, City Attorney stated that statute provides that no ordinance granting a franchise or special privilege shall be passed unless read at two separate meetings. But that doesn't require more than one public hearing and, in fact, there is no legal requirement for any public hearing. This was a policy matter decided by the City Council.

Mr. Crutchfield stated he asked in two separate communications to have the privilege of presenting their position in this case officially after they had heard the petition of the two applicants, and he still make this request, whether by brief or in person.

Mayor Brookshire asked if this would be in the interest of making an application of their own, later, and Mr. Crutchfield replied no.

Councilman Bryant stated he thought it would be appropriate to decide what the procedure would be so that the people present would know what to expect. Mayor Brookshire stated because three members of Council are absent, a transcript will be made of the hearing and he would suggest that Council wait until the other members of Council have had an opportunity to review the minutes of the meeting and then Council will discuss it at a later session.

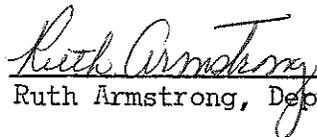
Mr. Lespinasse stated the CATV Industry has been engaged in the business of trying to point out whether or not CATV should be a fit subject of a permit in the City of Charlotte. The business of who should have it and the merit of the applicants have not been explored here today and he referred again to his letter saying they would like to make themselves more firmly understood.

Mayor Brookshire stated if Council decide to grant a franchise, then they will get into the matter quite thoroughly with the interested parties.

Mr. Lespinasse stated in the matter of the film which they would like to show they think it is a dynamic thing that will help anyone to understand the CATV Business.

ADJOURNMENT.

Upon motion of Councilman Bryant, seconded by Councilman Albea, and unanimously carried, the meeting was adjourned.

  
Ruth Armstrong, Deputy City Clerk