

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Meeting

March 19, 1957
2:30 P.M.

Council Chamber, City Hall

The meeting was called to order with Mayor Miller presiding.

Roll call:

Present: Councilmen Long, Palmer, Pearson, White, Mayor Miller
Absent: None

Present also: W. T. Williams, Jr., City Manager; Doren R. Eskew, City Attorney; Reuben Rountree, Jr., Director of Public Works.

The Mayor announced that this was a meeting called at the request of the motion picture people.

MR. JOE GREENHILL, local attorney representing Interstate Circuit, Inc., announced that an application for a permit or franchise for operation of a community T.V. Antenna and cable system for furnishing visual entertainment, including motion pictures, had been filed this morning. He stated Interstate had been making investigations and studies, and he listed some of the mechanical and engineering problems involved. He requested that the Council grant 90 days additional to allow Interstate and any others time to complete its studies and to submit a definite plan to the Council. He suggested that the Council consider the employment of independent engineers to assist it and its City Engineers in the evaluation of the various proposals offered, and to assist in setting up plans and specifications. Interstate would be willing to underwrite the reasonable cost of such an independent survey, and would be willing to post bond for the full amount and be willing to pay its share, or even all of the cost of such a survey. MR. R. J. O'DONNELL, Vice President of Interstate, stated when new ideas in motion pictures were presented, Interstate wanted to be a part of it, and wanted to bring the very best that could be secured. It did not want to be in the radio or T.V. business; but in order to keep abreast of the times and present the motion picture business, their application was all embracing.

MR. EVERETT LOONEY reviewed previous appearances in January and February, and the filing of an application for franchise or permit and a pilot ordinance, in the name of the Capital Cable Company, and filed a letter signed by the directors of the Capital Cable Company ratifying and adopting the application

made on February 28th. He explained the proposal, and stated they were ready to proceed on the Community Antenna System. Discussion was held on the proposed franchise and contract, on the regulation of rates, and on the capital stock of the various companies. Mr. Looney stated the Capital Cable Company was prepared to go ahead when the Council gave them the right to cross the streets and made a contract with them regarding the poles, and that the Capital Cable Company was registering its opposition to any request made by Interstate or anybody for a 90 day delay.

MR. JOE HILL inquired if this proposal were a public utility and if not, could a franchise be granted; if so, would it deter the possibility of another station's coming in. He expressed doubt if the people wanted this type of service, and he stated that there was no need for it. He discussed the proposal as filed by the Capital Cable Company. He read a SUGGESTED DRAFT RESOLUTION FOR CITY COUNCIL CITY OF AUSTIN, TEXAS, which he had prepared, setting out several reasons why action should be deferred.

MR. WROE OWENS, representing Mr. Louis Novy, Trans-Texas Theatres, Inc., stated he had filed an application in behalf of the Austin Telemovie Corporation, for authority to operate a community antenna system and closed circuit system for the purpose of exhibiting motion pictures in Austin. He asked also for the Council to defer action on any of the offers until there was more information; however, since Mr. Novy had been in the business in Austin for over 30 years, he should be considered as the one to go into the closed circuit business. He recommended that the Council grant more time so that information, and more data could be developed.

MR. EDDY JOSEPH introduced MR. EDWIN TOBOLOWSKY, General Counsel for all Drive-In Theatres, who stated Mr. Joseph wanted to project motion pictures into the home, and he would be willing to meet any combination offered to the city by any other applicants, or be willing to allow people to invest with him and form a corporation with whatever capital stock the city would require. He had made an application for a permit to operate an electronic home theatre in Austin. Mr. Tobolowsky stated he was not too familiar with the toll T.V., but Mr. Joseph was interested in the electronics theatre, which would be controlled by local levels. The motion picture would be projected from a theatre or studio into the homes. Mr. Joseph had been in the theatre business for many years; and if there were a new movement to present motion pictures and special events, Mr. Joseph felt he was due consideration.

Discussion was held on Toll TV and closed circuits.

MR. ZALMON H. GARFIELD, Assistant to President, Jerrold Electronics Corporation, stated that his company served the needs of 400 of 500 community antenna systems throughout the United States and had pioneered this service in 1950-51. The service started as a fringe-area service and spread into this proposed service. He gave information on the industry as a whole, saying it was not a new nor a mysterious industry, but one in which millions of dollars had been invested, and much experience had been developed, and that facts were available. Two methods proposed for home movies, were (1) the scrambled broadcast, which was broadcast into the air, and unscrambled by a device, and subject to the FCC; (2) the closed circuit, piped into a cable, and not sent out over the air, and not controlled by the FCC. Mr. Garfield invited the Council to be their guests and visit their laboratories and facilities, and be informed about the industry, as the industry was here to stay. MR. STILWELL, General Manager

of Jerrold-Southwest, Inc., Dallas, was present.

The Mayor suggested that Mr. Kinney, Superintendent of the Electric Plant be contacted; also Mr. Schmidt with the Telephone Company, as there was an agreement as to the use of the poles.

DR. GEORGE WATT, University of Texas professor, did not believe it was so much a question as to the granting of a franchise to certain interests, but a question as to whether or not the people wanted this type of service. He did not believe very many people were aware of this meeting. The Mayor advised him of the previous meetings, and of the publicity given, and stated that the Council would serve the best interests of the people.

MR. LOONEY answered some questions raised by Mr. Watt. He then requested that the matter be set down at the earliest possible moment for the Council to consider passing the ordinance. He had maps and data that were available and Midwest had consulted with Mr. Kinney from the very beginning.

MR. HARRY PRUETT, interested citizen, asked that the 90 day delay be given to permit the interested people to make their studies.

DR. L. O. MORGAN, Professor at the University of Texas, did not think a franchise could be obtained for a luxury item. He questioned the wisdom of relying on a poll conducted to determine whether this would be a paying business, and he did not believe the people had made their opinions known. He wondered if the people of Austin knew about this. Mayor Miller replied that there were rules and regulations concerning franchises; and the criticism the Council was receiving was on not being hasty in this matter.

DR. GEORGE W. WATT, Professor at the University, did not think the Council should act without informing itself of public opinion on such an issue; and thought the people should be advised of this. He did not believe there was any demand.

MR. ROBERT MORRELL spoke regarding the status of the motion picture industry; also regarding contracts throughout the country for use of the utility poles.

MR. J. E. MOORE, Standard Radio Supply, stated this community antenna system might affect the radio service, and the sale of T.V. sets, particularly if the Community Antenna System did perform service and sell sets. MR. MORRELL and MR. GARFIELD both stated the systems were not in that type of business.

MR. HENRY SCHMIDT, Southwestern Bell Telephone Company, spoke about the use of the poles and the reciprocal agreement.

Councilman Long moved that the Council take this under advisement and adjourn. The Council voted by a rising vote to take this under advisement and adjourn.

There being no further business the Council adjourned subject to the call of the Mayor.

APPROVED


Mayor

ATTEST:


City Clerk