

"Is Cable Dying?"

Sue Hall and John Hopkins (of Graft-On and CATS respectively) did a TV and audio interview with Mr. Maurice Townsend, of Greenwich Cablevision. Playing back the video tape, they could see some levels of meaning in Mr. Townsend's reactions to questions - such as rapid eye movements and gestures (indicative of pressure or anxiety) which are relevant to the subject of the interview.

They also noticed some contradictions which perhaps indicated that there are several levels of answering questions, depending on whose point of view you are adopting.

None of this is intended to cast any shadow on Mr. Townsend, who was friendly and receptive, and allowed us to shoot some demonstration edits in the control room. We simply wish to indicate that video can be used as a penetrative analytic tool (and the unedited tape is available for anyone who would like to view it) in an interview when one is trying to understand the real components of a situation as distinct from the apparent. We would like to thank Mr. Townsend for his time and patience.

Excerpts from the tapes are printed verbatim except for some condensation.

S = Sue
T = Mr. Townsend
H = Hoppy

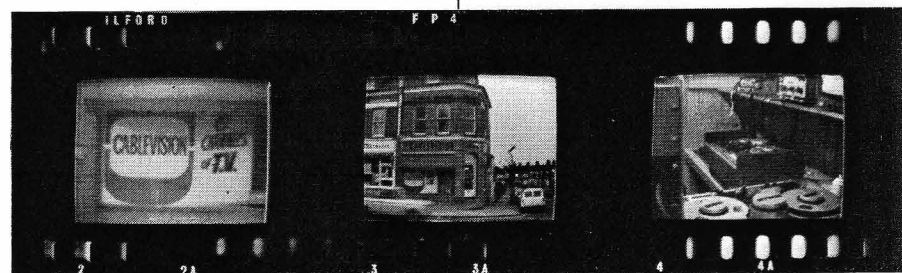
The Future of Cable

- S: How do you see the future of cable?
T: We have established quite definitely that the community channel does not generate revenue in itself, therefore the problems of the future relate directly to money. I think the main source of income must come from the users of cable television. Community TV, which is what we're doing here, should not have a programme format that requires support from advertising.
S: What other channels are you going to have on the cable?
T: There would be local television which would be very much more professional with a hard news facility and in some way an

entertainments media as well which would be audience-drawing and which would be supported by advertising: and of course box office television which is new words for the old Pay TV. So the subscriber wouldn't have to pay for the local hard news channel, but he would for the box office channel; and he'd pay one exclusive fee for all the services we could render, something like £2.00 per month.

There's a very interesting facility being developed in Quebec, Canada. The director of programmes of Telecard de Quebec is required to provide 3 programme facilities, which all must break even. There is a Community access channel, a semi-educational channel and a news channel with advertising on a caption basis. When the cost, or income, arrive at the profit and loss account, there is no charge and no profit ie. he breaks even on these 3 facilities.

- S: So where does he make his money?
T: The cable system is interested in making a return on its investment. It isn't necessarily interested in making software and profit on software. So if you can find some answer on how to build a cable system economically, that is, a ratio of use to cost, in other words if you've got 50% use of your wire you have to charge £2 to £3, if you've got 100% use of the wire you can charge £1 to £1.50.



- S: What's the percentage use of the wire here?
T: Just over 60% and the price we charge at the moment is too low in relation to future developments. Let me make this clear: there are two elements to the financial problem.
One is, that if you build a cable system you must employ capital. You must then service that capital properly. If you have 20 channels that will attract subscribers, and 100% density charging £2 a month, then you haven't got an economic problem with regard to cable.

The other problem is, who's going to pay for the software? There are many agencies that contribute to the cost of the software. eg. if the cable operator could look to the Open University for perhaps one dedicated set of VTRs, one dedicated engineer, that would be one programme taken care of that is socially very worth while. We're not talking about advertising as you know it, we're talking about using captions and written displays on carousels. Then there's the box office channel. I favour the idea that it is the cinema in the home, that you are shown first run movies. There would be an encoder at the head end and a decoder at receiver, in other words a scrambler and descrambler. We would show 2 movies a week repeated everyday and the subscriber would get, say 8 movies a month, just like the cinema. It would cost £2 - £3. But you can't go out and do any deals with anybody, its just a bag of wind, we have no authority to do this.

The Realities

- S: Why are you really doing this operation? Is it so that your parent company can get a foothold in the European TV market?
T: No, absolutely not. I don't want you to get the impression that there's a dirty capitalist waiting on the other side of the Atlantic, who wanted to jump into a good thing, (though) I think to a degree that's true. Our problem is that no-one in England is interested in investing in Cable TV.

- S: I'm just looking at it in terms of a world market. If there's a Canadian Company that's got a foothold in the cable market, it stands to reason if things are going well for them, they'd want to expand.
T: Absolutely right. It's advantageous to us in a number of ways, one of which is that they operate a number of systems throughout Canada with local channels. They are also very up to date on the technology, there's a lot of spin off that we get in addition.
S: Do they own companies that provide the hardware for cable TV itself?



- T: Yes, they are part owners of another public company in Canada that manufactures equipment for the Canadian-American market. On that subject, other than EMI, Rediffusion and British Relay, there isn't anybody else who would want to invest money in Cablevision at this time, it's too speculative.

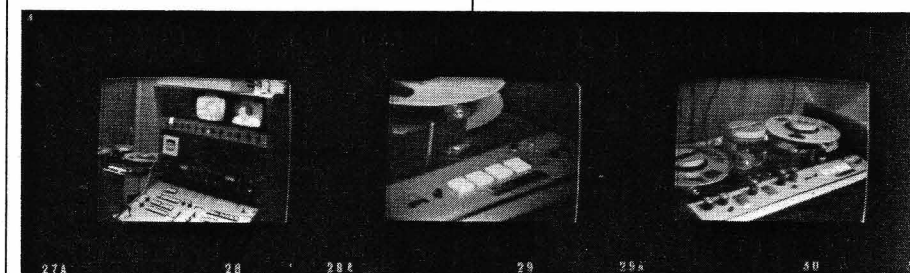
Closing Down

- S: You spend £20,000 to £30,000 a year on the community channel and you haven't got any more subscribers. What's going to happen?
T: We were optimistic that the last government would enable us to expand the experiment ie. create revenue to support these services. Now, Lord Harris tells us that the matter has been put over for discussion by the Annan Committee, and they won't be reporting for an estimated 2½ years.
S: So can you afford to go on for this length of time?
T: No we cannot.
S: So you're going to close down?
T: We will do, unless we can see that there is some reason to continue to believe in the facility in economic terms. We believe in it in social terms. It has been a tremendous success, but economically a tremendous failure. I have to convince my shareholders that the investment they're making now will be repaid to them in the future, and if I do they'll continue to spend their money, and keep the experiment going.

Social Benefits

- S: How do cable stations relate to community video agencies, if at all?
T: As far as Greenwich is concerned they don't relate positively in any way. We have extended invitations to various people to make programmes in Greenwich in conformity with our license to show them on the cable. As far as we are concerned the opportunity is there, but they're not yet taking it.
S: Would these programmes have to have local content?
T: Yes.
S: What have you, the cable

company, got, and what have the users got now that you didn't have before, if anything?
T: I think we have a greater public awareness of the capability of cablevision as an optional facility to broadcast through the ether. I think the public debate has been very valuable in this context. We ourselves have become aware of the problems involved in local TV, and the many ghosts we have laid. The one area that everyone thinks we are totally mad about is that we make no attempt to protect the company on the subject of libel. The fact is, people don't go around publicly blaspheming the local mayor or the local opposition (Editorial comment: How could this possibly be true in Camden?) We find people quite responsible in this context. There can be no doubt that the organised community is interested in creating information about their activity; the 5 or 10 per cent that run almost every organisation are very much those people that come forward to us.



- S: What are the widest social consequences of cable TV?
T: A greater awareness of the environment and conditions locally. (Editorial comment: In that case there should be a permanent line into the Town Hall.) In a programme called Hot Seat run in a small theatre in the town, members of the public come and question the decision-makers of the town - architects, police, the planners and people like that. And I think that has aided people in the democratic process.

Cost Benefit

- H: Taking into account that the spread of broadcast TV has almost eliminated the original reason for

the expansion of cable TV... How do you justify cable TV as something that has a good future on cost benefit criteria?

- T: That's a question we don't often get asked. A 1967 symposium in Montreux said that by 1980 Europeans would be demanding 6 TV channels. The ether can only provide 5, so does one need to have more channel time on TV? To cable up the whole of England would cost £1500,000,000 if it were done today and no-one could say that it's worth doing that as a national project. The larger companies at present in cable TV would like to be able to conduct more experiments with a larger number of channels, to see if a worthwhile social package can be put together in terms of what's on the screen. The only way you can carry out experiments is to give the opportunity to the entrepreneurs that exist now to conduct proper experiments in a proper length of time.

It seems terribly arrogant at this moment for anyone to suggest that we should spend £1500,000,000 on a resource that we cannot evaluate the cost efficiency of.

Editorial Note: The formula that many different agencies use to evaluate their present and future activities is called "cost benefit

analysis". It takes account of social and welfare factors as well as financial. There are well known means of measuring the cost of cable TV operations but the social benefits still have to be qualified.

Information on Greenwich Cablevision

History

Relay system started in 1963 here because of bad broadcast reception. Broadcast reception has since improved, and cut their potential market. In 1971 Chataway allowed cable companies to transmit UHF programmes from far transmitters in spite of inferior quality, according to existing standards yardsticks, thus enabling operators to offer more choice without altering the strict laws on broadcasting monopoly.

*File Extra Video
Greenwich Arts
No 3 Dec 1979*