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Attorneys for Defendants

IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

PREFERRED COMMUNICATIONS, INC.,)	NO. 83-5846 CBM (Bx)
a California corporation,)	
)	
Plaintiff,)	
)	
v.)	DEFENDANTS' PROPOSED
)	FINAL JUDGMENT
CITY OF LOS ANGELES, CALIFORNIA,)	
a municipal corporation, and)	
DEPARTMENT OF WATER AND POWER,)	
a municipal utility,)	
)	
Defendants.)	

This action came on for hearing before the Court, the Honorable Consuelo B. Marshall, District Judge, presiding. In this action, Plaintiff challenges, on federal constitutional and other federal and state law grounds, the validity of the

DEFTS PROP'D FINAL JUDGMENT

1
2 cable television franchising process employed by Defendant City
3 of Los Angeles, and seeks damages and other relief. The issues
4 having been duly heard and decisions on those issues having
5 been duly rendered,

6 It is hereby Ordered, Adjudged and Decreed:

7 1. That Plaintiff has standing to bring this action.

8 2. That the following aspects of the cable television
9 franchising process employed by the City of Los Angeles are
10 declared in conflict with the First Amendment to the United
11 States Constitution:

12 a. The City's practice of awarding only one cable
13 franchise in each of its franchise service areas, including
14 South Central Los Angeles.

15 b. The provisions of the 1982 Notice of Sale of a
16 cable television franchise for South Central Los Angeles ("1982
17 NOS") permitting consideration by the City of an applicant's
18 past litigation history with franchising authorities in
19 choosing the franchise applicant it deems "best" for each
20 franchise service area.

21 c. The provisions of the 1982 NOS requiring a
22 franchise applicant to agree to provide a total of eight
23 mandatory access channels: two channels for use by the City
24 and other governmental entities, two channels for use by
25 educational institutions, two channels for use by the general
26 public, and two leased access channels.

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d. The provisions of the 1982 NOS requiring a franchise applicant to operate and maintain a state-of-the-art cable television system which includes at least 52 channels of video service and interactive (two-way) service.

e. Section 8(2)(d) of City Ordinance No. 58,200 to the extent that it allows the City to purchase a cable franchisee's property at below a fair market value.

f. The provisions of the 1982 NOS that, in order for cable subscribers to receive uninterrupted service, prohibit a cable franchisee from withdrawing service without the City's consent and that may compel a cable franchisee to continue to provide services after its franchise has expired or been revoked.

g. The provisions of the 1982 NOS limiting the duration of a cable franchise to a set term of years.

h. The provisions of the 1982 NOS requiring a franchise applicant to pay a good faith deposit of \$500 and a \$10,000 non-refundable filing fee and requiring the applicant granted the franchise to reimburse the City's expenses in processing the applications up to a maximum of \$60,000; provided, however, that the City may charge cable franchise applicants a fair and reasonable filing fee that compensates the City for its application and processing costs as long as the fee does not reimburse the City for expenses generated by

1 those aspects of the City's franchising process the Court has
2 found to be unconstitutional.

3 i. The provisions of the 1982 NOS requiring a cable
4 franchise applicant to agree to provide character generators
5 and portable production facilities, and public access
6 production facilities, equipment and staff available for
7 noncommercial programming purposes.

8 j. The provision of the 1982 NOS requiring a cable
9 franchise applicant to agree to form, when directed by the
10 City, a cable franchise advisory board.

11 3. That the following aspects of the cable television
12 franchising process employed by the City of Los Angeles are
13 declared to be consistent with the United States Constitution:

14 a. The provisions of the 1982 NOS requiring a cable
15 franchisee to provide universal service to all in its franchise
16 area.

17 b. The provisions of the 1982 NOS permitting the
18 City to consider, in selecting a cable franchisee, the
19 participation of individuals and/or groups from the local
20 community in the ownership and operation of the cable system.

21 c. The provision of the 1982 NOS prohibiting the
22 franchisee from selling its cable system or transferring its
23 franchise without the City's consent.

24 d. The requirement that a cable franchisee pay the
25 City a franchise fee equal to 5% of its gross annual revenues.

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e. The recourse and indemnity provisions of the 1982 NOS.

f. The provisions of the 1982 NOS requiring a cable franchise applicant to provide information concerning its financial resources and technical experience to construct and operate a cable system.

g. The customer service provisions of the 1982 NOS.

h. The provisions of the 1982 NOS permitting the City to inspect a cable franchisee's property and records.

i. The provisions of the 1982 NOS permitting the City to install, maintain and operate equipment necessary for a City communications system on the franchisee's antennas, towers and poles or ducts in a manner that does not interfere with the franchisee's property or operations.

j. The City's use of a notice of sale process to grant a cable television franchise.

4. That Plaintiff recover of the Defendants the sum of \$1.00 in nominal damages.

5. That Plaintiff recover no other damages of Defendants.

6. That all other claims and relief sought by Plaintiff are denied.

7. That any application for award of statutory costs and/or attorneys' fees may be made as otherwise permitted by

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law and the rules of this Court, but the filing of same shall not delay entry of final judgment herein.

The Clerk is hereby directed to enter this final judgment forthwith.

IT IS SO ORDERED.

Dated: _____

Consuelo B. Marshall
United States District Judge

FINALJ2(0127)

PROOF OF SERVICE BY MAIL

I, the undersigned, say: I am over the age of 18 years and not a party to the within action or proceeding. My business address is 1700 City Hall East, 200 No. Main Street, Los Angeles, CA. 90012

On NOVEMBER 1, 1990, I served the within

DEFENDANTS' PROPOSED FINAL JUDGMENT

on the person(s) indicated below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at Los Angeles, California, addressed as follows:


Mr. Harold R. Farrow
FARROW, SCHILDHAUSE & WILSON
Including a Professional Corporation
2125 Oak Grove Road, Suite 120
P.O. Box 9383
Walnut Creek, CA 94598-9383

Mr. Thomas C. Lewellyn
THE BOCCARDO LAW FIRM
Attorneys at Law
111 West St. John St., 11th Floor
P.O. Box 15001
San Jose, CA 95115-0001

— Federal — I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on NOVEMBER 1, 1990 at Los Angeles, California.


SALLY ANDERSON