mittee had cut from the administration's budget. The House Foreign Affairs Committee had approved the total amount requested for the parent U.S. Information Agency in the two years (BROADCASTING, May 9).

In establishing a Cuban Service, the bill does not totally restrict it to use of 1180 khz. It would allow the simultaneous use of frequencies above and below the AM band (535 khz-1605 khz), provided they are also used for all other VOA broadcasts to Cuba. And it would permit the service to lease time from nongovernmental shortwave stations, provided at least 30% of the programing carried is "regular" VOA material. Nor is the ban on the use of frequencies in the AM band other than 1180 khz absolute. The VOA director would be authorized to lease time on commercial and noncommercial AM stations if jamming or interference became a serious problem— if the jamming or interference on 1180 khz increases by 25% or more over that experienced in the 12 months preceding Sept. 1, 1983.

The Cuban Service proposed in the bill would serve to distinguish the programing designed for Cuba from the rest of that aired by the VOA station on Marathon Key. It would operate under a director appointed by the USIA director, and would report directly to the head of the USIA as well as to the director of the VOA. What's more, the bill would create within the Office of the President a bipartisan nine-member board—the Advisory Board for Radio Broadcasting to Cuba—which would be appointed by the President with the advice and consent of the Senate. It would review the activities of the Cuban Service and make recommendations regarding its operations.

Now, the bill is headed for the House, where swift action approving the Senate version is a strong possibility. Two versions of the Radio Marti bill are pending in the House. The House Foreign Affairs Committee has reported a bill satisfactory to the administration. But the House Energy and Commerce Committee, which considered the bill in light of its jurisdiction over broadcasting matters and which was sensitive to broadcasters' concerns, loaded the measure with a number of amendments that altered its focus considerably. But last week, following the Senate action, staff members of both committees expressed the view their respective panels would accept the Senate bill. "There is a general consensus this is a good compromise," said one member of the staff of the Commerce Committee's Telecommunications Subcommittee. "It's not as good as what we did in committee," he said. But he indicated it would do—"an eight on a scale of 10."

By Thursday, members of the Foreign Relations and Energy and Commerce Committees had already talked to Representative Claude Pepper (D-Fla.), chairman of the Rules Committee, about a rule for taking the bill to the floor. An aide to Pepper said later the committee will hold a hearing on the matter on Tuesday (Sept. 20). And the House leadership was considering scheduling the Senate bill for floor action later in the week. □

Tri-Star gets go-ahead from Justice

Nothing anticompetitive is seen in movie studio joint venture planned by CBS, HBO and Columbia; additional HBO agreements approved

The Department of Justice says it will not stand in the way of a $400-million joint venture to be formed by Home Box Office, CBS Inc. and Columbia Pictures Inc. William F. Baxter, assistant attorney general in charge of the antitrust division, said the division had conducted an extensive investigation and concluded that the joint venture and licensing agreements were not likely to have anticompetitive effects.

As a joint venture, the three companies would finance a new movie studio, Tri-Star Pictures, which would produce and distribute theatrical motion pictures and provide HBO with exclusive pay television rights to the films. Baxter said that rather than lessening competition, the joint venture might increase it among motion picture producers and distributors by creating a new competitor in the industry.

Besides the joint venture, the antitrust division examined several agreements entered into by HBO for the production and licensing of motion pictures:

Under one, HBO would be granted exclusive pay television rights to 50% of Columbia's films in production prior to June 30, 1986, and rights to obtain additional Columbia films on an exclusive basis. In exchange, HBO would help finance the production of those films.

Under another, HBO would receive exclusive pay television rights to about 30 films to be produced by Orion Pictures Corp., in return for HBO's participation in financing the films and a $10-million investment in securities.

The division cleared those agreements also, as well as a series between HBO and independent motion picture producers involving pay television rights and the vehicle for financing the production of motion pictures, the Silver Screen Limited Partnership.

None of those arrangements were likely to reduce competition in the distribution of pay programing services to cable television operators or in the licensing of motion pictures to pay television programing services, according to Baxter. The reason, they said, was the number of theatrically successful films expected to be available for licensing by HBO's competitors and the ability of other pay television programers to invest in film production to obtain exclusive pay television rights.

Baxter made a point of distinguishing between the arrangements in the HBO-CBS-Columbia joint venture and those involved in the proposed joint venture the division blocked in June (BROADCASTING, June 13). Paramount Pictures Corp., Universal City Studios Inc. and Warner Bros., three major motion picture distributors, were to acquire and operate Showtime and The Movie Channel, respectively, the second and third largest pay television programers after HBO. The division was concerned about the possibility of collusion at the production level.

The division dropped its opposition to that proposed merger when it was restructured to include only one studio—Warner Bros.—instead of three. The agreements under scrutiny in the HBO-CBS-Columbia proposal, Baxter said, "involve only a single pay television programer, HBO, and only one of the six major distributors, Columbia." He also said the nature of the financial arrangements between Columbia and HBO "does not encourage Columbia to collude with its production or distribution competitors." As a result, he said, "there should be no increase in the incentive or ability of competitors in the licensing of motion pictures to pay television programing services to coordinate or otherwise restrict, implicitly or explicitly, competitive activities."

Nevertheless, he said, the division would continue to monitor developments in the pay programing industry and would challenge any of the HBO agreements it determined were anticompetitive. □

Foundation report may supply fodder for program quantification legislation

National Science Foundation study saying government should require educational programing on TV is being considered by Wirth's subcommittee

The National Science Foundation's recent report on education may play an integral role in the development of broadcast deregulation legislation in the House. The report, released last week, is called "Educating Americans for the 21st Century" and has attracted the attention of House Telecommunications Subcommittee Chairman Tim Wirth (D-Colo.) and his staff, who are working on legislation that will include quantified programing standards for radio and television.

The report recommends that the government require commercial TV stations to "include a required period of educational programing for children." Wirth is reportedly considering using the NSF finding as the basis for quantifying children's programing standards.

A Wirth aide noted that the report is even