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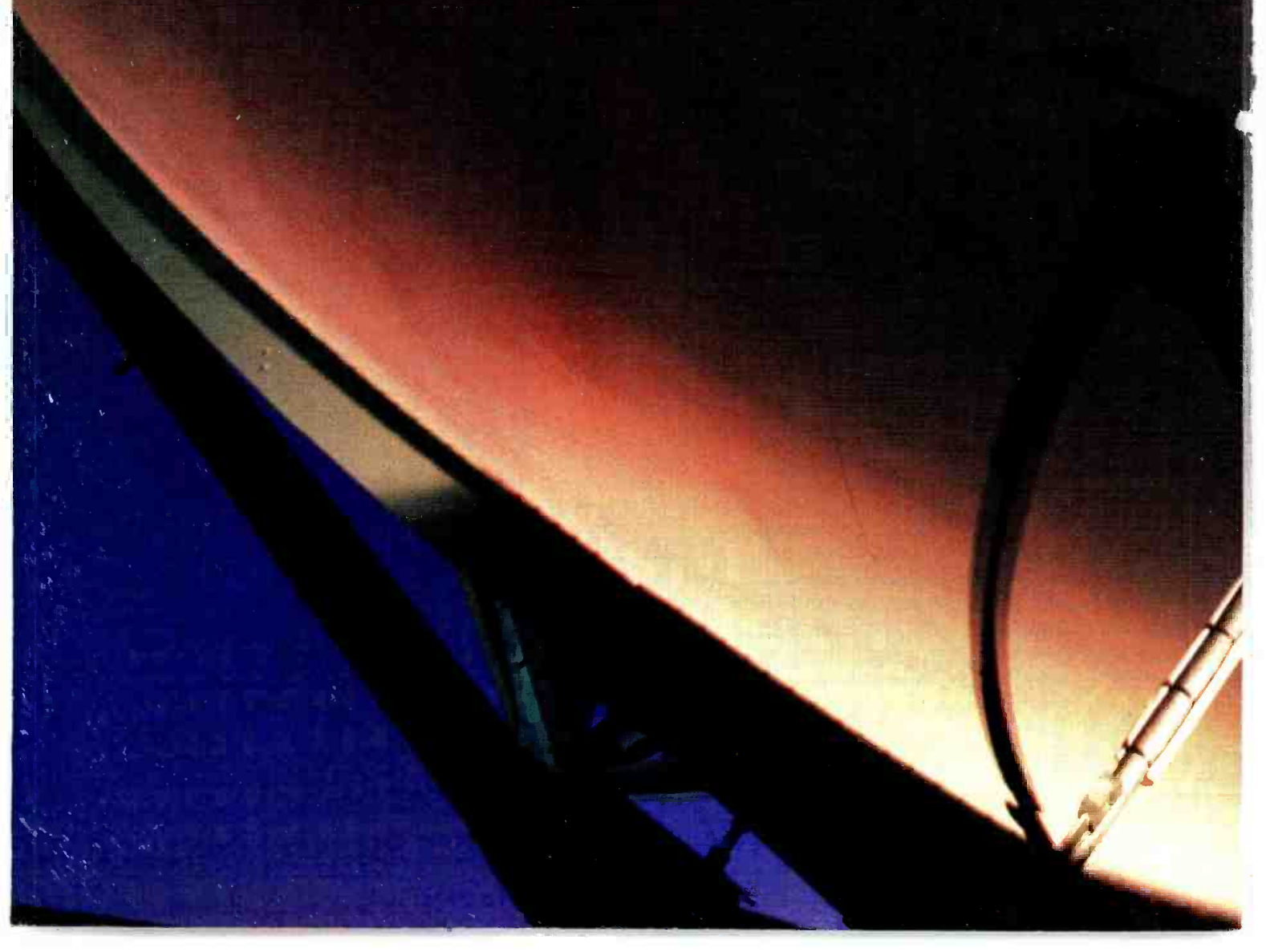
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Radio Station Brokerage & Financing

Broadcasting Jul 20

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Money hunt

In search for revenue to reduce federal deficit, Senate Commerce Committee is said to be looking at "everything." Among communications-related options that have surfaced: across-board increase in FCC's cost of regulation fee schedule; introduction of license transfer fee, auction of nonbroadcast spectrum.

Second thoughts

As search for FCC's fifth commissioner goes into final week, fortunes of earliest candidate may be rejuvenating. Peter Pitsch, now chief of staff to Chairman Dennis Patrick, was early choice of both Patrick and former chairman Mark Fowler, but was passed over in face of broadcaster opposition on generic grounds that he was ideologue and specific complaint that he favored spectrum auctions. But Pitsch performance since Patrick became chairman has quieted critics, with some—including FCC's dean, James H. Quello—conceding they had misjudged him. Pitsch gets credit for contributing to "much more open society" at commission, and although admittedly conservative in approach has not appeared to be inflexible—style and compliment being increasingly extended by FCC colleagues to Patrick himself.

To last man

One way or another National Association of Broadcasters is determined to keep broadcasters from being subject to discounted rate for political broadcast time. If broadcasters are unable to defeat congressional measure that would replace lowest unit rate for broadcast time with flat 30% discount (see page 25), NAB plans to challenge constitutionality of bill.

Spat in space

Pope John Paul II's week-and-half-long visit to U.S. in September has set off industry sniping over satellite time for live news coverage. Following at least one complaint, CBS has been asked by GTE Spacenet to reevaluate its space segment order for event and release one of what may be as many as six transponders booked on GSTAR II. CBS News executive John Frazee denied network was warehousing satellite time to hurt others' coverage, calling accusation "sour grapes" and saying he was "convinced we need transponder space we've reserved." CBS placed order in question at beginning of

year, but after conversations last week with Spacenet. Frazee said it might be willing to take transponder on alternative GTE satellite. Spacenet had no comment, but another industry source said it has already formed internal body to determine how to contain similar contentions in heavy 1988 news year.

In and out

Marty Pompadur's ML Media Partners, which recently bought WREX-TV Rockford, Ill. ("Changing Hands," June 22), will buy Stoner Broadcasting System Inc. for about \$70 million. Annapolis, Md.-based group of six AM's and nine FM's is owned by Tom Stoner, who will pursue interests outside broadcasting.

Willing candidate

Jim Gabbert, who held record for FM station sales when his KIOI(FM) San Francisco went for \$12.5 million in 1980, will still have \$1.5 million left if his deal to reenter Bay City's FM game with proposed purchase of KKCY(FM) San Francisco for \$11 million ("Changing Hands," page 72) goes through. KIOI has also gone on to other times; 75% of it has since been resold for about \$45 million.

First president of erstwhile National Radio Broadcasters Association, Gabbert may come back with vengeance. Gabbert told BROADCASTING Friday that he was appalled by current industry lobbying efforts and would consider heading new all-radio association if there is interest. Gabbert noted there is still \$250,000-\$300,000 retained in bank account by former NRBA directors for that purpose.

Tireless missionary

Preston Padden, president of Association of Independent Television Stations, continues to press case for reopening debate on must-carry ("Closed Circuit," June 29). Two weeks ago Padden was in Los Angeles to meet with other independent broadcasters and program distributors to discuss INTV's desire to see cable's compulsory license conditioned on must carry. He's counting on Hollywood's support to bring up concept in discussions between Motion Picture Association of America and National Cable Television Association over compulsory license. Padden is suggesting cable systems carry local television signals in exchange for compulsory license. Independent television's actions, however, are said to be viewed by cable industry as violation of must-carry agreement that

broadcast (INTV is signatory) and cable industries reached last year.

RCA wins one

ABC Entertainment has agreed to keep three services—ESPN, Arts & Entertainment and Lifetime—on RCA Americom's Satcom III-R through end of C-band satellite's life in 1992, according to well-placed sources. Agreement is significant victory for RCA in its battle with Hughes Communications to be dominant satellite carrier of cable programming in future. In latest skirmishing, Hughes, with help of Viacom International, has been trying to lure cable programmers from Satcom III-R and other RCA cable birds to Hughes's Galaxy III. Satellite's transponders are owned by MCI and Equatorial/Contel ASC, but Hughes has been acting as broker, trying to lease them to programmers. Viacom now has seven slots on bird; C-SPAN, two, and Weather Channel, National Shopping Club and PPV Network, one each.

According to sources, under new long-term agreement, three services that reupped on Satcom III-R will be paying substantially less than \$142,000 per month they are now paying.

Familiar face

Rumor surfaced last week that Karl Eller, former president of Combined Communications, which merged into Gannett, may take plunge back into station management by linking up with long-time business acquaintance, Carl Lindner. Latter, who had been largest shareholder in Combined before 1979 sale to Gannett, is leading buyout of Taft Broadcasting Co. Eller told BROADCASTING that indeed he is looking at becoming investor in TFBA Limited Partnership, proposed buyer of Taft, but that he has no plans to take on operational role.

Bizshow

Business News Broadcasting is proposed name of satellite-delivered radio programming venture that would offer 17 hours of continuous business and financial news daily. Service, which is being targeted for medium- and major-market AM stations, is expected to be operational by first-quarter 1988, according to Joseph Knowles, vice president of marketing and sales for BNB, who also serves as director of Woodstock Corp., Boston-based investment management firm that is among backers of project.

Where Things Stand

A weekly status report on major issues in the Fifth Estate

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AM-FM allocations. Comments deadlines have been extended for FCC proposal to permit about 1,600 AM daytimers operating on clear and regional channels to operate all night with up to 500 watts, with expectation of all but 200-300 of 2,400 daytimers getting some nighttime power. July 17 comment deadline was extended to July 27, with reply comment deadline moved from Aug. 3 to Aug. 10. About 500 daytimers operating on foreign clear channels received nighttime authority in previous proceeding. FCC hopes to have final order by fall.

FCC has processed 24 of about 80 windows for new FM allocations created by docket 80-90 proceeding. Commission has also received almost 800 petitions for new allotments and facility upgrades.

□

AM stereo. Following five-month inquiry, National Telecommunications and Information Administration concluded last February that AM stereo marketplace has "stagnated" and that multisys-

tem radios are only way to get marketplace moving and insure AM stereo's future. Multisystem radios receive signals generated by two incompatible systems battling to be de facto standard—Motorola's C-Quam and Kahn Communications' single-sideband. To confirm its faith in technology, NTIA's laboratories in Boulder, Colo., are testing multisystem radios and integrated circuits. Tests are expected to be completed by end of July.

Motorola has wide support among broadcasters and receiver manufacturers. About 500 AM stations broadcast in stereo with Motorola's system as compared to fewer than 100 with Kahn's. But Kahn Communications, backed by several major group broadcasters, has proved tenacious. Since no one is making radio to receive Kahn signal only, Kahn is counting on proliferation of multisystem radios.

□

Antitrafficking. Congressional interest in reinstating FCC's antitrafficking rule is building. Although Hill action on any broadcast legislation has been put on hold until fate of fairness doctrine is settled (see "Fairness doctrine," below),

signs indicate antitrafficking could move on its own (BROADCASTING, June 29). Legislation is pending in House and Senate that would restore rules requiring broadcast stations to be owned three years before sale. House measure (H.R. 1187), offered by Representative Al Swift (D-Wash.), was focus of Telecommunications Subcommittee hearing last month. In Senate, broadcast renewal bill (S. 1277) contains provision that would reimpose rule (see "License renewal," below). Senate hearings were scheduled for July 17 and 20, with antitrafficking key issue.

□

Compulsory license. After often-bitter war of words, cable and motion picture industries have begun talking again about settling their differences over cable's compulsory copyright license. If fruitful, talks could lead to legislation overhauling license. Reform would likely include simplified "flat-fee" formula (so much per subscriber per distant signal) for calculating license fees to replace existing complicated formula (varying percentages of gross basic revenues per signal). Some cable operators have also indicated willingness to give up license under certain conditions after transitional period of five or 10 years, but all feel it's important to preserve license for carriage of local signals and for distant signals by cable systems in "underserved markets."

□

Crossownership. On the telco-cable front, as part of first triennial reassessment of modified final judgment that resulted in breakup of AT&T, District Court Judge Harold Greene is considering whether to lift prohibitions against Bell Operating Companies' providing "information services," which include everything from electronic mail to videotex to cable television.

Even if Greene decides to lift prohibitions, the BOC's still wouldn't be free to provide cable service wherever they wanted. The Cable Communications Act of 1984 codified FCC rules banning all local telcos, except those serving strictly defined "rural areas," from operating cable systems within their service areas.

□

Direct broadcast satellites. High-power DBS, which would use Ku-band spectrum set aside for it, has foundered because of high start-up costs and programming dearth, but low-power C-band variety resulting from scrambling of cable programming on C-band satellites has emerged from the home satellite market.

Latter got started in January 1986, when Home Box Office scrambled feeds of HBO and Cinemax and began selling subscriptions to owners of backyard earth stations (TVRO's), which now number more than 1.7 million. Number of TVRO homes subscribing to cable programming has grown as more cable programmers have scrambled feeds and begun selling subscriptions directly or as packages through other programmers or cable operators.

HBO now wants other major cable pro-

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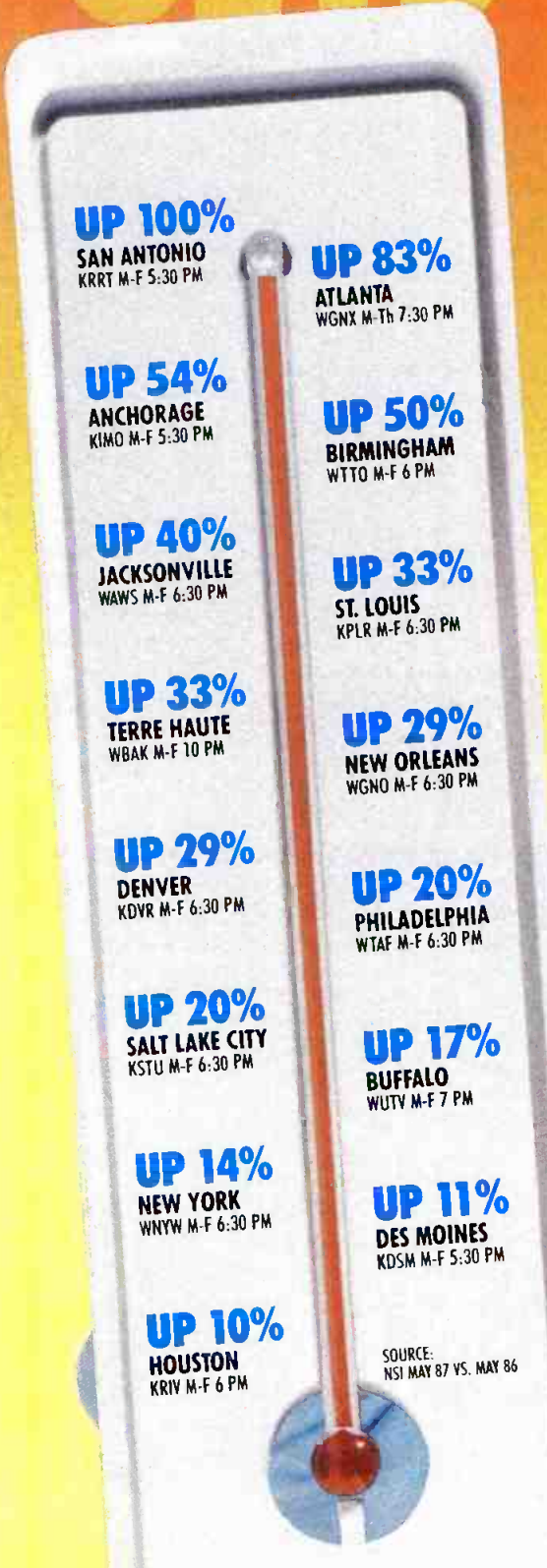
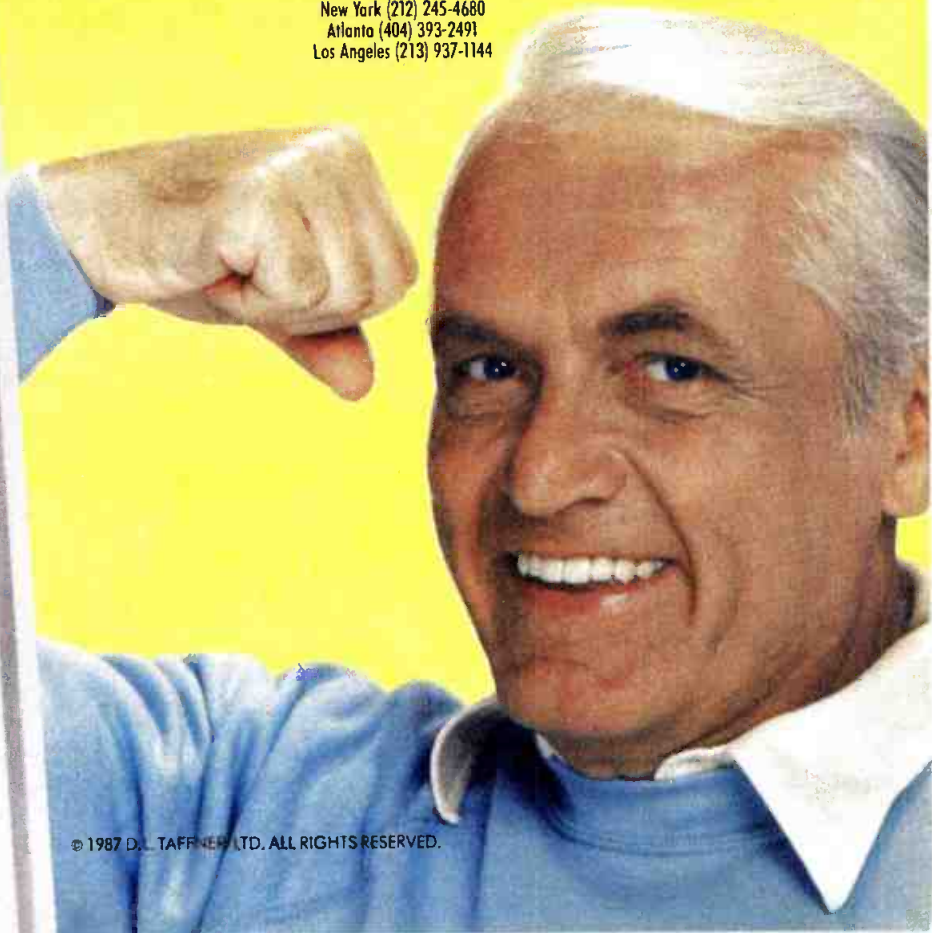
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gramers to join it in stepping up from C-band to medium-power Ku-band satellites that can beam signals to much smaller dishes.

□

Fairness doctrine. President Reagan vetoed bill codifying fairness doctrine. Senate Democratic leadership lacked votes to override, but had support to refer veto message to Commerce Committee, where measure originated. It is anticipated doctrine will be attached to legislation President will be reluctant to veto. Broadcast industry opposition to codification was initially limited, with only CBS and Radio-Television News Directors Association working for veto. Now, however, NAB says it will support veto (BROADCASTING, June 29).

FCC has initiated rulemaking to determine whether enforcement of doctrine is contrary to public interest. It acted after panel of U.S. Court of Appeals in Washington remanded case in which Meredith Corp. had challenged constitutionality of doctrine (BROADCASTING, Jan. 19). Same panel, in case brought by Radio-Television News Directors Association and number of other broadcaster groups, had held that it lacked jurisdiction to consider constitutionality of doctrine. Panel directed plaintiffs to submit issue to U.S. District Court. Full court, after considering petitions from broadcasters and FCC, decided to rehear case.

□

Federal Trade Commission. FTC has begun antitrust investigation of National Football League television rights contracts, issuing subpoenas to ABC, CBS, NBC, Fox Broadcasting and NFL. Under investigation is possible network collusion in pressuring NFL to retain basic

TV rights structure in recently negotiated three-year, \$1.4-billion package or otherwise blocking FBC, HBO and other cable entities from gaining television rights. As part of NFL deal, some games will be shown for first time on cable by ESPN, cable channel 80% owned by ABC. FY 1988-90 authorization of FTC cleared Senate in March (BROADCASTING, March 16). House Commerce Committee adopted its own version of FTC authorization on July 14. Both bills authorize FTC at \$69.85 million for FY '88, \$71.9 million in 1989 and \$72.9 million in 1990. Senate version calls for permanent prohibition against FTC regulating ad industry based on "unfairness" standard, controversial provision that is not included in House bill.

□

High-definition television. FCC voted at last Thursday's meeting to launch inquiry into advanced television systems and their impact on current television services (see "Top of the Week,"). HDTV broadcasting may also soon be subject of extensive tests by industry organizations. Standards body, Advanced Television Systems Committee, will meet at end of July to discuss plan to see how high-resolution, wide-screen signal could be transmitted on terrestrial TV bands such as UHF or 12 ghz microwave. National Association of Broadcasters in June approved and is seeking \$700,000 for two years of HDTV tests to help determine feasibility of HDTV broadcasting compatible with today's standard NTSC (525 scanning line) television receivers. Most advanced HDTV system, Japan's Hi-Vision (with 1,125 scanning lines), although not compatible with NTSC, is already gaining experimental use for high-end video production, while bandwidth-reduced TV receivers and other home video gear are expected to reach market in time for launching of Japan's HDTV direct-broadcasting satellite system in 1990.

□

International Telecommunications Satellite Organization. Intelsat's members, meeting in Extraordinary Assembly of Parties April 1-3, confirmed Board of Governors selection of Dean Burch as director general. Burch, former FCC chairman, succeeds Richard Colino, who along with Deputy Director General Jose L. Alegrett, was fired by board in December after outside lawyers and auditors submitted report indicating their possible involvement in financial irregularities. Intelsat in May filed civil suit against Colino, claiming his activities resulted in damage to organization of up to \$11.5 million (BROADCASTING, May 25). His attorneys filed response contending that court lacks jurisdiction over suit. And in dramatic end to investigation by U.S. attorney for District of Columbia, Colino and business associates pleaded guilty in U.S. district court last week to criminal fraud and conspiracy charges growing out of \$4.8 million said to have been siphoned from Intelsat during construction of its headquarters building.

□

International telecommunications satellite systems. President Reagan in November 1984 determined that separate U.S. systems providing international communications satellite service are in public interest, provided restrictions are imposed to protect economic health of International Telecommunications Satellite Organization. Thus far, eight systems have received conditional authorization from FCC, but the proposal of only one, PanAmerican Satellite Corp., which has secured Peru as a foreign part-

ner, has been consulted with Intelsat. Assembly of Parties, acting on recommendation of board of governors, approved consultation at meeting in April.

□

Land-mobile. FCC proposal to reallocate UHF TV channels for land-mobile radio use has run into controversy, with broadcasters fearing that reallocation would leave broadcasting without spectrum for HDTV use. Broadcasters have asked FCC to delay reallocation proceeding pending completion of study of impact of HDTV on local broadcasting, (see "High-definition television"). At present, however, FCC Chairman Dennis Patrick sees terrestrial HDTV and land-mobile use of UHF frequencies as separate issues.

□

License renewal reform. Bills to reform comparative renewal process are pending in House and Senate, but fate of proposed measures is unclear. Hearings were scheduled for Friday, July 17, and following Monday, July 20, by Senate Communications Subcommittee on license renewal reform. Hill leadership has indicated that no broadcast legislation will move until outcome of fairness doctrine is determined. Most of broadcast industry's attention has been focused on draft of bill in House, where Representative Al Swift (D-Wash.) has been working with NAB and public interest groups to devise compromise package that would eliminate comparative renewal in exchange for public service obligations. Draft of bill, however, was rejected by NAB board three weeks ago and association says it wants to renegotiate (BROADCASTING, June 29). Swift has since said he will introduce the bill with or without broadcaster support (BROADCASTING, July 13). H.R. 1140, already introduced by Representatives Tom Tauke (R-Iowa) and Billy Tauzin (D-La.), would eliminate threat of competing applicants, establish two-step renewal process in exchange for reaffirmation of public interest standard. In Senate, S. 1277 would also set up two-step process, but there are number of other provisions broadcasters find objectionable.

□

Low-power television. FCC's freeze on low-power applications and major changes—in effect since 1983—thawed, with new window opened June 22-July 2. Estimated 1,200 applications were received, far fewer than FCC officials had expected, giving CBA and applicants hope applications will be processed well before year's end. Keith Larson, chief of FCC's LPTV branch, would go no further than to say "pre-processing"—placement of applications on public notice and input of their data into computers—would be completed in a few weeks.

Important new buyer may soon emerge in syndicated programming marketplace. Community Broadcasters Association, which represents budding LPTV industry, is considering forming cooperative to buy and distribute syndicated programming for 160 or so LPTV stations that are now originating programming.

□

Mergers. Mass Media Bureau has approved purchase of five television stations from Spanish International Communications Corp. by joint venture of Hallmark Cards and First Chicago Investment Corp. for \$301.5 million. ■ Pending



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before FCC is proposed \$320 million settlement of KHL-TV Los Angeles license challenge in which Walt Disney Co. would end up owning station. ■ Almost complete is initial review before FCC's television transfer branch of proposed \$270 million sale of WRVJ-TV Miami by Wometco Broadcasting to joint venture of NBC and General Electric Property Management. ■ Also pending before transfer branch is sale to Gillett Holdings for approximately \$650 million of half-interest in six TV stations currently owned and run by SCI Holdings. ■ Sale is contingent on commission's approving long-form application to transfer five other stations to trust whose beneficiaries are children of George Gillett. ■ Taft Broadcasting Co.'s \$157 per share buyout by joint venture composed of leading shareholders was recently filed before FCC and Taft expects to hold special shareholders meeting sometime this fall. Two protests seeking to block transfer have been filed so far (see story, page 30).

□

Minority preference. OMB has ruled that broadcast licensees need not return special FCC minority ownership questionnaire that would have generated data for its pending reexamination of constitutionality and advisability of preferences for minorities and women. FCC received comments in proceeding in June (BROADCASTING, June 8). Reply comment deadline has been extended to Aug. 20.

□

Multichannel television. Multichannel television (MCTV), otherwise known as MMDS or "wireless cable," has made appearance in several markets, including Cleveland, Washington and San Francisco. Using mix of microwave (2 ghz) channels allotted to three services—multi-point distribution service, instructional television fixed service and operational fixed service—pioneer MCTV operators are offering multiple channels of cable programming—sometimes in direct competition with cable systems.

Growth of MCTV has been retarded by regulatory and financial problems. But, according to some MCTV proponents, chief problem is securing distribution rights to popular cable services like Home Box Office and Showtime. Metropolitan had to go to court to get rights to Showtime.

□

Multiple ownership. FCC received comments on proposals to relax its duopoly rules for radio and to loosen strictures of its one-to-a-market rule for broadcast ownership (BROADCASTING, June 22). Reply comments in proceeding (Docket 87-7) were due July 15. Comments are due July 31, and reply comments Aug. 31, in FCC proceeding re-examining cross-interest policy (Docket 87-154), dealing with "nonattributable" ownership interests.

□

Music licensing. For radio, All-Industry Radio Station Music License Committee reached agreement with ASCAP last summer and with BMI this past March for new music licensing pacts. Latest industry contracts for both ASCAP and BMI (both blanket and per-program) eliminate trade and barter income reporting. ASCAP blanket licenses run for five years, retroactive to Jan. 1, 1986, with per-program agreements in effect for four years, retroactive to Jan. 1, 1987. New agreement raises annual blanket fees by 7.5%.

BMI contract has been "simplified" for blanket licenses, raising annual rates for some stations by 2% to 3%. New blanket licenses are retroactive to Jan. 1, 1987, while new per-program licenses took effect on July 1.

Committee is continuing to solicit funds from industry to pay off remaining legal and administrative debt from contract negotiations.

For television, May 5 trial date set by federal rate court in New York to establish "reasonable" ASCAP fees for blanket and program licenses for TV stations has been pushed back to October. Interim decision was handed down last winter by magistrate in Southern District for New York establishing retroactive ASCAP fees for period from April 1985 through March 31, 1988, of \$60 million (BROADCASTING, March 9). In same ruling, magistrate said music fees should not be based on station percentage-of-revenue be-

cause formula is not adequate measure of value of music rights. Ruling is subject to change, pending outcome of rate trial, but sources indicate that BMI and All-Industry Television Station Music License Committee are close to agreement on similar interim operating procedures.

□

Must carry. Group of cable operators, including United Cable and Daniels & Associates, have asked U.S. court of appeals in Washington to find FCC's new must-carry rules unconstitutional—violation of cable operators' First Amendment rights—just as it did old rules in summer of 1985. New rules, which are less onerous for operators than were old rules, are product of compromise between cable and broadcasting industries. Not appealing rules was Turner Broadcasting System, whose First Amendment



\$100,000,000

**United Artists
Communications, Inc.**

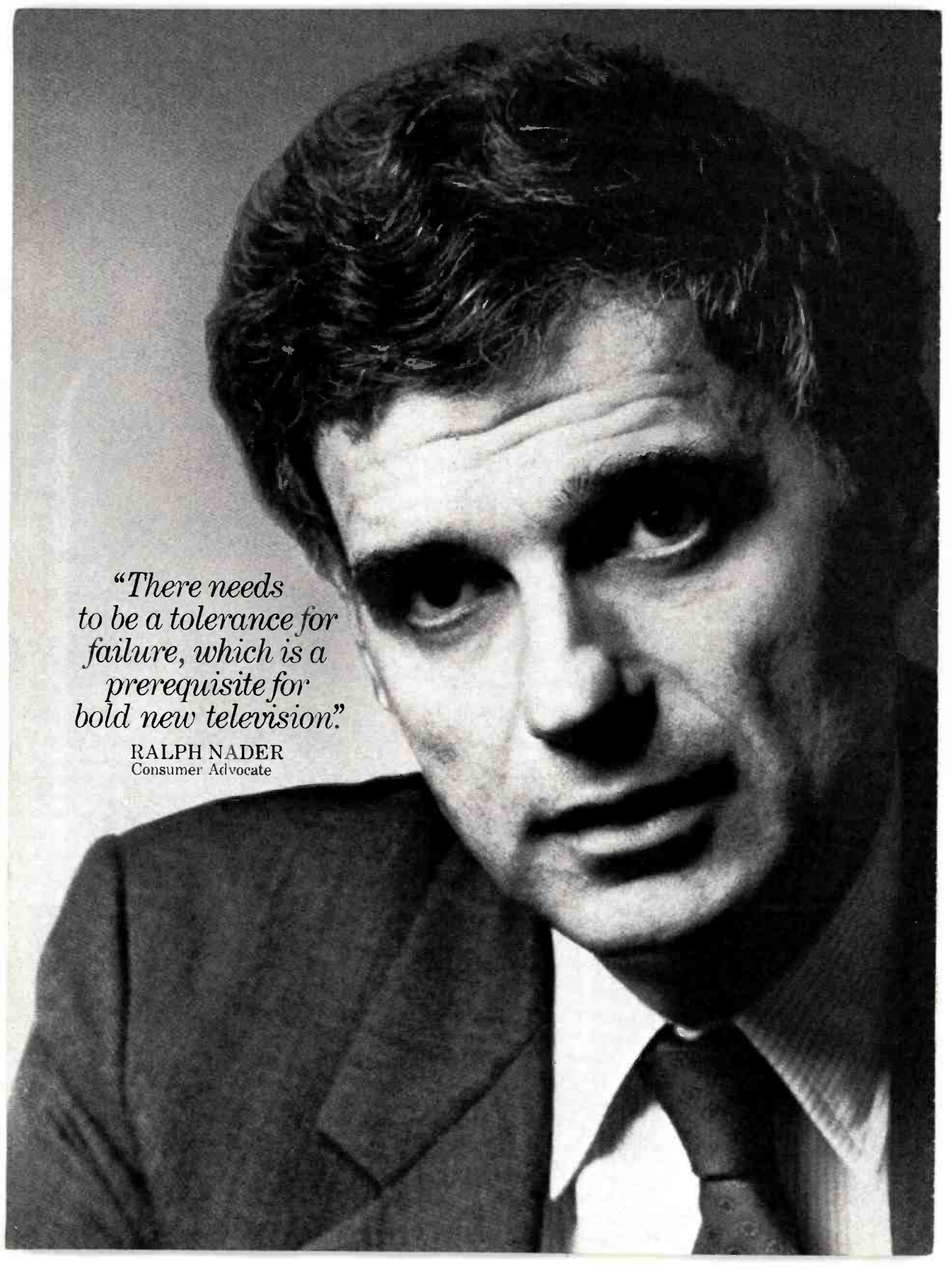
*through its subsidiary,
United Artists Holdings, Inc.*

Euro Commercial Paper Program

*The undersigned acted as financial advisor
in establishing this program*

June, 1987

CITICORP INVESTMENT BANK LTD.

A black and white close-up portrait of Ralph Nader. He has dark, wavy hair and is looking slightly to the right of the camera with a serious expression. He is wearing a dark suit jacket, a white shirt, and a dark tie. The lighting is dramatic, with strong shadows on the right side of his face.

*“There needs
to be a tolerance for
failure, which is a
prerequisite for
bold new television.”*

RALPH NADER
Consumer Advocate

Ralph Nader. No money.

There's not enough money in the world to make Ralph Nader say something he doesn't believe. So when we asked him to appear in NBC's "Tuned In To America" series of announcements we didn't know if we would agree with everything he had to say.

He did know we weren't looking for praise for NBC or its people or its programs. We were looking for credibility, and the credentials to speak authoritatively on the subject of television. We didn't write a script for him, and we didn't pay him any money.

"Tuned In To America" is NBC's corporate public forum for ideas. Its messages have been broadcast on NBC for a year and will continue throughout 1987.

The design of the campaign is simple: people who have something to say about television say it

on our television network. Some speakers are well known and some are unknown. Some are connected with television, but most aren't. No one gets paid.

During the campaign we've heard from Steve Allen and the President of the National PTA. We've heard from former astronaut James Irwin

and two New Jersey school teachers, among many others.

We've heard a lot of good things about our campaign from the press, the public and our affiliates. If you've got something to say about television, NBC would like to hear from you.

After all, the whole idea is for us to stay tuned in to America.



NBC. Tuned In To America.™

If you'd like to participate in this project, write to
TUNED IN TO AMERICA, NBC, 30 Rockefeller Plaza, Room 1420A, New York, New York 10112.

suit was one of two that led to court outlawing old must-carry rules two years ago. In light of limited scope and duration of new rules—they're set to expire after five years—TBS said it was "unnecessary" to pursue a further judicial challenge.

In House, Representative Edward Markey (D-Mass.) has introduced bill to repeal five-year sunset provision of rules that set guidelines for cable carriage of broadcast stations. But at same time measure is on hold. It won't move until Congress deals with fairness doctrine.

□

People meters. A.C. Nielsen and AGB Television Research Co. are scheduled to launch people meter TV viewing measurement services in September. First on-line people meter—launched in late April in Denver—was Arbitron's and SAMI-Burke's ScanAmerica. Arbitron announced three weeks ago it was postponing national launch of service, previously scheduled for September of 1988, and is buying out SAMI-Burke, Time Inc. subsidiary. Another local service is being launched in New York in September by Seattle-based R.D. Percy & Co., which will monitor both program and commercial ratings.

Nielsen has not signed any broadcast clients exclusively for its people meter service. In fact, both ABC and CBS have formally indicated to Nielsen their intention not to renew three-year contracts with the ratings service this September. CBS and NBC claim service's sample base is unreliable and have requested conventional (NTI) ratings service for another season. Nielsen vice president, John Dimling, has confirmed that Nielsen has not ruled out retaining current NTI audimeter household panel next season (at

least through fourth quarter) to cross check people meter ratings.

ABC wants Nielsen to proceed with people meter, but has asked for sampling performance guarantees. Nielsen has agreed and is negotiating money it will pay networks if it falls short of guarantees.

As of July 1, 1987, according to Nielsen, people meters had been installed in 2,000 households, with an anticipated 4,000 by September 1988.

□

Public broadcasting. House subcommittee marked up Corporation for Public Broadcasting's FY 1990 appropriation last week (July 14), sending bill to full committee, but would not release figure it adopted. CPB had been asking for \$254 million. Donald Ledwig was unanimously elected permanent president of CPB after serving as acting president for seven months (BROADCASTING, July 6). Size of CPB board increased to eight with addition of three new members—Archie Purvis, Marshall Turner and Sheila Tate—and return of former chairman, William Lee Hanley (BROADCASTING, June 29). Former board member Harry O'Connor withdrew his nomination for second term. Confirmation of Charles Lichtenstein for one of two remaining openings has been controversial: Lichtenstein has been faulted by noncommercial system for reputedly believing that funding to CPB should be cut, but Senate source expects nomination to go through ("Closed Circuit," June 29).

□

Scrambling. House hearing two weeks ago on scrambling (BROADCASTING, July 6) seemed to

indicate there is still congressional concern that home satellite marketplace is not working. Many members of House Telecommunications Subcommittee appeared skeptical of conclusions by FCC, NTIA and Justice Department that TVRO marketplace is competitive, particularly when dish industry continues to complain about access to programming and pricing. Bills have been introduced in Senate and House to promote fair marketing of scrambled satellite signals, but prospect for passage seems remote. Senate Communications Subcommittee is convening scrambling hearing July 31.

□

Syndex. FCC has proposed rulemaking to reinstate rules requiring cable systems to black out syndicated programming on distant signals if it appears on local stations. Broadcast industry is chief advocate for return to syndex, along with motion picture community. FCC has extended comment deadline for syndex to July 22, with reply comments due Sept. 8. In compulsory license proceeding, comment deadline has been extended to Aug. 6, with replies due Sept. 21.

□

TV stereo. Seven percent of U.S. TV households have stereo receivers, although vast majority of homes are within reach of broadcast stereo station. Some 400 stations will be broadcasting TV stereo by year's end and one source puts number of cable systems carrying broadcast stereo signal at 300. Receiver penetration is expected to increase, with 37% of all TV sets and 22% of all VCR's sold to dealers and distributors this year featuring stereo, according to the Electronic Industries Association. In 1988, stereo TVs will represent 43% of color sets sold, and 24% of VCR's will have stereo, EIA projects. For year to date as of July 3, 1,606,765 stereo receivers have been sold to dealers.

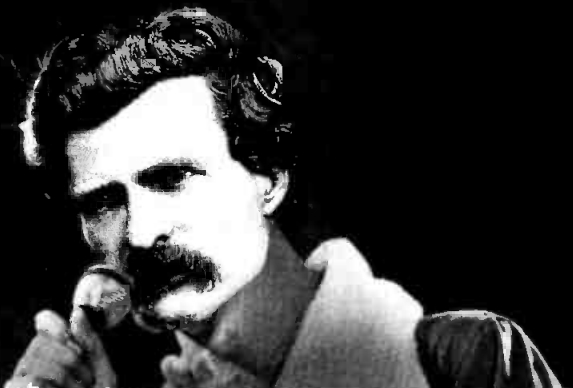
□

Unions. Eleventh-hour agreements last week between Alliance of Motion Picture and Television Producers and NBC prevented first Directors Guild of America walkout in union's 51-year history. DGA announced tentative accord with AMPTP shortly after directors and other unions took to picket lines in Los Angeles and New York, and with NBC-TV, which had been targeted for strike because of its weakened position stemming from National Association of Broadcast Employees and Technicians strike. Guild's 8,420 members were scheduled to take ratification vote by mail last week. Directors still needed to resolve differences with ABC and CBS, but no talks had been scheduled with two networks at midweek. No immediate work stoppage was planned in either case, however.

Talks between NBC and union representing some 2,800 striking technicians, newswriters and others are scheduled today (July 20). Company and NABET failed to reach agreement on new contract after last four-year pact expired three months ago. Strike began June 29. Dispute centers on network's proposed increase in use of temporary employees and term of new contract.

Still unresolved last week was labor dispute between Screen Actor's Guild and four major Hollywood animation studios. Of the five studios originally struck, Hanna-Barbera reached agreement with union earlier this month (BROADCASTING, July 6). SAG members are picketing different studio each week. Last week Disney studio was target, in part for its solicitation of nonunion voiceover actors.

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The man who began his career as a riverboat pilot comes alive when Mike Whorf introduces you to him — through Kaleidoscope, the Peabody Award-winning radio program he writes, produces and narrates. ★ Mark Twain is but one of the many people, places and events brought to life in each Kaleidoscope program. Stand beneath the glare of exploding shells and listen as Francis Scott Key writes the Star Spangled Banner. March the rugged road to independence with Jefferson and Washington. Over 400 subjects in six categories. ★ Kaleidoscope subjects are available in 13 or 52 week segments; packages aimed at helping station owners and program managers increase both listener loyalty and revenue. ★ For a demo tape and more information, write on your station's letterhead to:

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**And two fathoms deep.*

Datebook

■ Indicates new entry

This week

July 20-22—*New England Cable Television Association* annual convention. Keynote speaker: Former House Speaker Tip O'Neill. Dunfey Hyannis hotel, Hyannis, Mass.

July 21-23—*Florida Cable Television Association* annual convention. Bonaventure hotel, Fort Lauderdale, Fla.

July 21-24—*National Cable Forum* summer press tour, in conjunction with *Television Critics Association*. Century Plaza, Los Angeles.

July 21-27—Classical music recording workshop, sponsored by *National Public Radio*. State University of New York, Fredonia, N.Y. Information: 1-800-235-1212; extension 2734.

July 22—Comments due in *FCC* proceeding (Gen. Docket 87-24) considering reinstatement of syndicated exclusivity rules.

July 22—*National Academy of Television Arts and Sciences, New York chapter*, drop-in luncheon, "New Era in Spanish Language Television." Speaker: Carlos Barba, VP-programming and production, Telemundo Television Group, and president and general manager.

WNJU-TV Linden, N.J. Copacabana, New York.

July 23—"How to Get on Public Access." drop-in breakfast sponsored by *National Academy of Television Arts and Sciences, New York chapter*. Speaker: Fred Ciccone, director of programming, Manhattan Cable TV, 11 East 61st Street, New York. Information: (212) 765-2450.

July 23-25—*Idaho Association of Broadcasters* annual convention. Sun Valley, Idaho.

July 24-25—*South Carolina Broadcasters Association* summer convention. Radisson hotel, Myrtle Beach, S.C.

July 24-28—*National Federation of Community Broadcasters* public radio training conference. Clarion hotel, Boulder, Colo. Information: (202) 797-8911

July 25-27—*NBC* press tour, in conjunction with *Television Critics Association*. Century Plaza, Los Angeles.

July 26-28—*California Broadcasters Association* summer convention, celebrating CBAs 40th birthday. Keynote speaker: FCC Chairman Dennis Patrick. Hyatt Regency, Monterey, Calif. Information: (916) 444-2237.

Also in July

July 28—*Television Critics Association* Day, with pre-

sentation of TCA awards. Century Plaza, Los Angeles.

July 28—Synditel, syndicators' annual press preview of first-run television programming, during *Television Critics Association Day* (see above). Sheraton Redondo Beach, Redondo Beach, Calif. Information: Bill Coveny, (213) 653-3900.

July 28—*Satellite Broadcasting and Communication Association* meeting of public affairs working group. San Diego. Information: Christine Gliozzo, (703) 549-6990.

July 29—*Virginia Public Radio Association* meeting. Holiday Inn-South, Charlottesville, Va. Information: (703) 568-6221.

July 29—*National Academy of Television Arts and Sciences, New York chapter*, drop-in luncheon, "How the MPAA and its Allies Are Combating the Billion Dollar Swindle which Affects Everyone from Executive Producer to Go-Fer to Consumer." Speaker: William Nix, VP-worldwide director, anti-piracy, Motion Picture Association of America, Copacabana, New York. Information: (212) 765-2450.

July 29-31—*PBS* press tour, in conjunction with *Television Critics Association*. Sheraton Redondo Beach, Redondo Beach, Calif.

July 30—Deadline for entries in *Critics Award* on sexual content in the media, sponsored by *Center for Population Options*. Information: (818) 766-4200.

July 31—Comments due on *FCC* proposal (MM Docket 87-154) to eliminate cross-interest policy.

August

Aug. 1-3—*ABC* press tour, in conjunction with *Television Critics Association*. Sheraton Redondo Beach, Redondo Beach, Calif.

Major Meetings

Aug. 16-19—*Cable Television Administration and Marketing Society* 14th annual meeting. Fairmont hotel, San Francisco.

Aug. 30-Sept. 1—Eastern Cable Show, sponsored by *Southern Cable Television Association*. Merchandise Mart, Atlanta. Future meeting: Sept. 7-9, 1988.

Sept. 1-4—*Radio-Television News Directors Association* international conference. Orange County Convention Center, Orlando, Fla.

Sept. 9-12—Radio '87, sponsored by the *National Association of Broadcasters*. Anaheim Convention Center, Anaheim, Calif. Future meetings: Sept. 14-17, 1988, Washington; Sept. 13-16, 1989, New Orleans; Sept. 12-15, 1990, Boston, and Sept. 11-14 (tentative), 1991, San Francisco.

Oct. 6-8—*Atlantic Cable Show*. Atlantic City Convention Center, Atlantic City, N.J. Information: (609) 848-1000.

Oct. 18-21—*Association of National Advertisers* 78th annual convention. Hotel del Coronado, Coronado, Calif.

Oct. 31-Nov. 4—*Society of Motion Picture and Television Engineers* 129th technical conference and equipment exhibit. Los Angeles Convention Center, Los Angeles. Future conferences: Oct. 14-19, 1988, Jacob K. Javits Convention Center, New York, and Oct. 22-27, 1989, Los Angeles Convention Center.

Nov. 11-13—*Television Bureau of Advertising* 33d annual meeting. Atlanta Marriott.

Dec. 2-4—Western Cable Show, sponsored by *California Cable Television Association*. Anaheim Convention Center, Anaheim, Calif.

Jan. 6-10, 1988—*Association of Independent Television Stations* annual convention. Century Plaza, Los Angeles. Future convention: Jan. 4-8, 1989, Century Plaza, Los Angeles.

Jan. 23-25, 1988—*Radio Advertising Bureau's* Managing Sales Conference. Hyatt Regency, Atlanta.

Jan. 29-30, 1988—*Society of Motion Picture and Television Engineers* 22d annual television conference. Opryland hotel, Nashville. Future meeting: Feb. 3-4, 1989, St. Francis hotel, San Francisco.

Jan. 30-Feb. 3, 1988—*National Religious Broadcasters* 44th annual convention. Sheraton Washington and Omni Shoreham hotels, Washington. Fu-

ture meetings: Jan. 28-Feb. 1, 1989, and Jan. 27-31, 1990, both Sheraton Washington and Omni Shoreham, Washington.

Feb. 17-19, 1988—*Texas Cable Show*, sponsored by *Texas Cable Television Association*. Convention Center, San Antonio, Tex.

Feb. 26-29, 1988—*NATPE International* 25th annual convention. George Brown Convention Center, Houston.

April 9-12, 1988—*National Association of Broadcasters* 66th annual convention. Las Vegas Convention Center, Las Vegas. Future conventions: Las Vegas, April 29-May 2, 1989; Atlanta, March 31-April 3, 1990; Las Vegas, April 13-16, 1991; Las Vegas, April 11-14, 1992, and Las Vegas, May 1-4 (tentative), 1993

April 10-12, 1988—*Cabletelevision Advertising Bureau* seventh annual conference. Waldorf-Astoria, New York.

April 17-20, 1988—*Broadcast Financial Management Association* annual meeting. Hyatt Regency, New Orleans. Future meeting: April 9-12, 1989, Loews Anatole, Dallas.

April 28-May 3, 1988—24th annual *MIP-TV, Marches des International Programmes des Television*, international television program market. Palais des Festivals, Cannes, France. e12

April 30-May 3, 1988—*National Cable Television Association* annual convention. Los Angeles Convention Center.

May 18-21, 1988—*American Association of Advertising Agencies* 70th annual convention. Greenbrier, White Sulphur Springs, W. Va.

■ **June 8-11, 1988**—*American Women in Radio and Television* 37th annual convention. Westin William Penn, Pittsburgh.

June 8-12, 1988—*Broadcast Promotion and Marketing Executives/Broadcast Designers Association* 32nd annual seminar. Bonaventure, Los Angeles. Future meeting: June 21-25, 1989, Renaissance Center, Detroit.

Sept. 23-27, 1988—*International Broadcasting Convention*. Metropole Conference and Exhibition Center, Grand hotel and Brighton Center, Brighton, England.

■ **June 17-June 23, 1989**—16th International Television Symposium. Montreux, Switzerland.

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Aug. 1-4—Association for Education in Journalism and Mass Communications convention. San Antonio, Tex. Information: Ken Keller, (618) 536-7555.

Aug. 1-8—First TV Weathercaster Institute, sponsored by Lyndon State College meteorology department. Campus, Lyndonville, Vt. Information: (802) 626-9770.

Aug. 2-7—Television Bureau of Advertising/All-Harvard Faculty Taught General Sales Management Program, sponsored by TVB. Stouffer's Bedford Glen (Boston), Bedford Glen, Mass. Information: (212) 486-1111.

Aug. 3—Deadline for reply comments on FCC proposal to permit about 1,600 AM daytimers operating on clear and regional channels to operate all night with up

to 500 watts (MM Docket 87-131). FCC, Washington.

Aug. 3—Deadline for reply comments on FCC inquiry to consider authorizing short-spaced FM stations using directional antenna systems (MM Docket 87-121). FCC, Washington.

Aug. 3—Deadline for reply comments on FCC proposal to eliminate Carroll doctrine and UHF impact policy (MM Docket 87-68). FCC, Washington.

Open Mike

In good standing

EDITOR: Thanks for re-instituting "Where Things Stand" on a weekly basis.

The way things are moving these days, even once a week might not be enough!—*Bill Clark, president, radio division, Shamrock Broadcasting, San Rafael, Calif.*

On leadership

EDITOR: In February during the winter board meeting of the NAB in Laguna Nigel, Calif. (BROADCASTING, Feb. 9), I initiated the discussion and proposed resolutions for adoption by the NAB board, which urged licensees to refrain from permitting indecent or obscene programming. My resolution was not adopted.

Since then, the FCC has expressed disapproval of "indecent" language over the air. Some parties have since asked the commission for "clarification" and others, of course, for "reconsideration," and yet, public indignation continues to grow.

To me, the real meaning of the First Amendment is that we "serve the public interest," whether it is profanity, obscenity, indecency, or *decency*! Even the *New York Times* has the slogan "All the news that is fit to print..."

As I told the board six months ago, if we want to keep Congress and the commission out of programming, then *we*, through our NAB, must police our own. It was the NAB who could have best prevented the FCC's formal intrusion into program content we now find so distasteful and dangerous. But now it has happened and we must not relax the principles of free speech and the First Amendment for strategic or political rea-

sons.

It was William Jennings Bryan who told Woodrow Wilson... "The best way to lead is to LEAD!"—*David W. Palmer, president, WATH(AM)-WXTQ(FM) Athens, Ohio, and retired NAB board member.*

Storer response

EDITOR: Joel Chaseman's letter of June 24 to you concerning "widespread channel switching" in Dade county deserves our response.

Storer is the largest cable operator in Dade county, operating two separate systems. The system serving North Dade and portions of South Broward counties serves 90,915 subscribers. South Dade serves 37,326. The northern system has always carried the local stations on the same channel, but cannot carry them on-channel due to the proximity of the antenna farm which causes direct pickup interference. As a convenience for our viewers, and a courtesy to the broadcasters, we have always grouped them together and they appear on the converter in the order of their appearance on the VHF band.

Our South Dade system, which we purchased from another operator and rebuilt, has *always* been able to carry the VHF stations on their respective on-air channels. This has not changed.

I am in sympathy with the stations' difficulty in promotion and diary identification in a large ADI where there are multiple cable operators. Storer stations have similar problems. But to include Storer Cable in the broad brush of "channel switching" in Dade county is not only inaccurate, but just as disingenuous as Joel believes TCI was.—*Ken Bagwell, executive vice president, oper-*

ations, and president, cable communications division, Storer Cable, Miami.

Sports log

EDITOR: As a sports media executive, I was extremely interested in your recent "On Radio" piece on New York City's new WFAN entry, but disappointed that Greg Gumbel's proper affiliation with Madison Square Garden Network was overlooked.

Greg left ESPN for MSG Network last October, and has since excelled in a wide variety of roles: Host of *Coors Sports Forum*, a weekly half-hour interview show; host of *Coca-Cola High School Sportsweek*, a pioneer among regional scholastic sports programs; play-by-play broadcaster for Knicks basketball, college basketball and college baseball games, and host of the Millrose Games and other "Garden Premiere Events" on MSG.

The opportunity to broaden both his on-air repertoire and his exposure in the New York City market were two of the primary reasons for Greg's decision to join MSG last fall, and the resulting relationship has been nothing but positive for our network and our viewers.

We really think his ongoing quality work with us was pivotal in his obtaining his new position, and are confident that he will attract a loyal following on WFAN, as he already has for Madison Square Garden Network.—*Robert M. Gutkowski, president, MSG Network, New York.*

Radio omission

EDITOR: Your publication's recent special section on Fifth Estate honors (July 6) did not include two additional awards presented for radio by the National Association of Broadcasters.

The Radio Award has been presented annually since 1984 at the fall radio convention to honor those who have contributed significantly to the radio broadcasting industry. This year's award will be given to CBS News Correspondent Douglas Edwards. Previous recipients are Howard Cosell (1984), Larry King (1985) and Gary Owens (1986).

The other award is the new "Crystal" Radio Award for Excellence in Achievement. These awards, to be presented for the first time at Radio '87, will go to 10 stations that best represent the ideals of community involvement. All radio stations are eligible to submit their entry through July 17.—*David E. Parnigoni, senior vice president, radio, NAB, Washington.*

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A sports programming commentary from Richard M. Brown, partner, Finley, Kumble, Wagner, Heine, Underberg, Manley, Myerson & Casey, Beverly Hills, Calif.

Making sports programming work

The first radio broadcast of a sports event occurred on April 11, 1921, when radio station KDKA(AM) presented the Johnny Ray v. Johnny Dundee fight from Morton Square Garden in Pittsburgh. Seventeen years later in 1938 with all six Philadelphia television sets tuned in, the University of Pennsylvania televised one of its home football games. Today, sports events, and in particular team sports events, are a premiere programming product of the broadcast media. Televised National Football League games attract 37% of the adult audience (64 million people), Major League Baseball just under 37% (63 million people), college football 29% (50 million people) and college basketball 21% (36 million people). In 1987, CBS generated gross advertising revenues of approximately \$40 million from the Super Bowl. (CBS charged a list price of \$600,000 for 30-second spots during the play-by-play of the game.)

Extraordinary ratings and revenues carry a hefty price tag. Rights fees earned from radio and television stations for professional and college football in 1985 were estimated to be at least \$530 million. In 1985, the NFL, a \$700-million industry, received 60% of its income from television alone. In contrast, in 1960 the NFL earned approximately \$13 million, of which television revenues accounted for slightly over \$2.5 million. The NFL now has a \$1.42-billion television package, generating a flat \$476 million a year from network/cable. Fees paid for televised college football games in 1985 amounted to \$53 million, and Major League Baseball is currently operating under a six-year network television pact totalling \$1.1 billion.

Every transaction involving the acquisition and grant of sports broadcast rights is different because it involves the objective of specific parties, such parties' bargaining strengths and negotiating skills, the peculiarities of the specific sport, and the various applicable laws, regulations, rules and policies of federal, state, local and administrative jurisdictions.

A radio or television station must initially determine its objectives in acquiring specific broadcast rights and then initiate a complete and thorough investigation to achieve the intended goals (i.e., a competitive advantage over other stations in the broadcast market, a conduit to the sampling of the broadcaster's nonsports programming, a positive identification and association, listener loyalty and ratings) while subjecting itself to the least possible risk. At the conclusion of the investigation, the evaluation must determine



Richard M. Brown, a partner in the Beverly Hills, Calif., office of the law firm of Finley, Kumble, Wagner, Heine, Underberg, Manley, Myerson & Casey, heads the firm's sports and broadcasting department. Brown is also secretary, legal counsel and a director of the California Angels Major League Baseball club and represents various television and radio stations, an athlete agency and well-known sports figures. He has negotiated and drafted broadcast right agreements covering virtually every major sport. Brown obtained his Juris Doctor from UCLA School of Law of 1967 and his AB from UCLA in 1964.

the factors that make an agreement economically feasible for both parties.

The strength of the broadcaster's bargaining position can be greatly enhanced by discovering the university's or professional team's motives for making a broadcast rights agreement. If a school or professional team is dissatisfied with its current broadcast relationship, the investigation should uncover those areas of dissatisfaction and allow the broadcaster to offer attractive alternatives.

The success of the broadcaster's investigation will depend to a large extent on the knowledge of the personnel utilized for this task. The complexities of the transaction will require an investigation team of professionals with expertise and experience in the legal, financial, sales and engineering aspects of both sports and broadcasting. Only then can all issues and risks be effectively identified and addressed.

Stations generally assign the leadership role of the investigation team to an attorney knowledgeable in both sports and broadcasting who ultimately negotiates and drafts a formal agreement incorporating the various input of the investigation team members.

External forces of the marketplace will

also have an impact on the negotiations. For example, in spite of the monopolistic or oligopolistic position of the sports entity, the number of interested broadcast stations and their respective capabilities, current competitive sports programming, and the size of the audience will also influence the negotiating strengths of the parties.

Since the sports entity will ultimately base its decision on the attractiveness of the economic package offered, the broadcaster must know against whom it is competing and then sell itself by comparing the strengths of its offer to the weaknesses of the packages proposed by competing stations. (If a competing station carries the football games of one university and touts its experience and expertise to obtain the broadcast rights of a rival university, the broadcaster can present the benefits of a separate and distinct broadcasting affiliation, such as separate listener identification, broadcaster loyalty, the allocation of more time and efforts to the promotion of the rival university, and the impossibility of conflicting live play-by-play broadcasts of the two universities.)

The number of games televised in the broadcast market is an important consideration to the radio broadcaster in evaluating the rights and the rights fee. Since sports fans prefer to watch a televised sporting event, the radio broadcaster should negotiate an annual rights fee based upon the number of games to be televised during the applicable season.

The particular sport involved must be analyzed. While football, baseball and basketball lend themselves to both television and radio, other sports, like soccer and ice hockey, have limited appeal to a radio audience. In addition, certain sports have only regional appeal.

The proposed transaction also requires a review of the sports entity. The mutual cooperation of the parties is absolutely essential to the financial and business success of the venture. The length of the relationship is initially more important to the broadcaster than to the sports entity. The front-end expenses associated with the transaction can be quite costly to the broadcaster, thus putting off early profits. Additionally, once obtaining major sports broadcast rights, the broadcaster may desire to change its image and programming to become consistent with the acquisition of such rights. A short-term relationship can adversely affect the entire programming of the broadcast station.

An experienced attorney understands that continuing relationships are founded upon mutually satisfactory agreements. An agreement subsequently judged by one party to be one-sided and unfair will ultimately lead to a costly, short-term failure.

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Broadcasting Jul 20

Vol. 113 No. 3

TOP OF THE WEEK

Debate kicks in over Hollings's broadcast bill

Senate measure would trade two-step renewal for programing and administrative requirements; Patrick and Quello troubled by "meritorious" renewal standard

Evidence that Congress intends to restore some form of regulation in the broadcasting industry continues to mount. At a Senate hearing last week the stage was set for what could be a major debate in that chamber over the merits of a bill (S. 1277) that would impose significant programing and administrative obligations in exchange for a two-step-license renewal procedure.

Judging from the remarks of Senate Commerce Committee Chairman Ernest Hollings (D-S.C.), there's a strong likelihood legislative action could occur. Hollings, along with Daniel Inouye (D-Hawaii), chairman of the Communications Subcommittee, are authors of the legislation. "We intend to insure that the regulatory process does, in fact, work to enhance the quality of service provided to the public. That process is not working now, and we intend to fix it," said Hollings, who initially chaired the Communications Subcommittee hearing. Attendance by members started out strong, but a vote on the floor concerning the trade bill took all but Senator J. James Exon (D-Neb.) away.

Hollings believes government intervention is needed because of changes that have resulted under the FCC's deregulatory policy. "There's no question that the broadcast media has reached outstanding heights, but now we see it's not necessarily as good as it use to be." The senator is particularly disturbed by the emergence of a "new generation of broadcasters who seem to care only about attention to the bottom line on their balance sheet." Hollings is referring to the turnover in station ownership that has occurred since the FCC's eliminated its anti-trafficking rule; a provision in the bill would restore the rule.

But not all members share Hollings's view and he is likely to encounter resistance. Senators Bob Packwood (R-Ore.) and John Danforth (R-Mo.), Commerce's ranking minority member, were critical of the legislation. Among other things, they were troubled by the bill's renewal standard, which would be

based on whether or not a licensee has broadcast programing that is "meritorious." Danforth thought the term was too "subjective and quirky." (Danforth also expressed opposition to reinstating the FCC's anti-trafficking rule.) And Packwood thought the public would be better served by letting broadcasters "manage the airwaves," rather than the government.

Backing up those concerns were FCC Chairman Dennis Patrick and Commissioner James Quello. Both Patrick and Quello were uncomfortable with "meritorious" because it would force the commission to make subjective judgments. "We have very severe reservations about using meritorious as a standard . . . it's enormously ambiguous," Patrick told

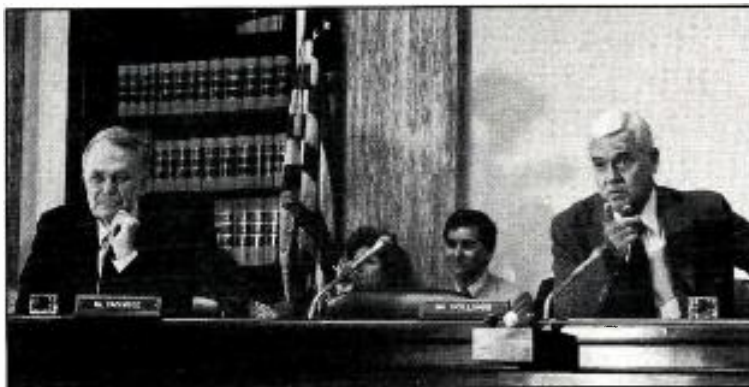
claims that profiteers flourished following the FCC's elimination of the requirement that newly acquired stations be held for a minimum of three years. "Fears of 'fast-buck artists' sweeping through the broadcast industry are misplaced," Kagan said. He stressed that nowhere in his data are figures showing that stations are being traded like commodities.

In reality, said Kagan, "we have not seen a wave of hostile attacks and in-and-out trading because broadcast stations are not commodities and the speculators know it." The overwhelming majority of recent station sales involved media veterans, he said, and many stations were sold in groups or were purchased by members of the same company. Kagan pointed out that two transactions—the transfer of Cox stations to a management group within the company and the purchase of ABC by Capital Cities—accounted for 44 station sales. In the past four-and-a-half years, Kagan said, 6% of the radio stations accounted for 40% of the money spent in radio sales and 26% of the television stations accounted for 81% of sales in TV.

Kagan claimed decreasing interest rates played a major role in the increase in the number of station sales. In addition, deregulation ended "a long period of broadcast stagnation," Kagan said, and broadcasters should not be penalized.

As for the legislation's premise, Patrick and Quello endorsed the concept of a two-step renewal process. They think the current system needs reform. Instead of requiring stations to meet specific programing obligations, the FCC chairman advocates a more deregulatory approach. He suggested conditioning renewal on whether a licensee has complied with the Communications Act and FCC regulations. Petitions to deny could still be filed but competing applicants would not be accepted at that stage.

Last Friday's hearing was the first of two to be held on the broadcast reform bill, the second hearing convenes today, July 20. (Slated to testify: NAB President Eddie Fritts; Joel Chaseman, Post-Newsweek Stations; Henry Geller, Washington Center for Public Policy; James Winston, National Association of Black Owned Broadcasters; Marlene Belles, American Women in Radio and Television, and Herbert Wilkins, SYN-



Packwood and Hollings

the lawmakers. Moreover, he emphasized such a requirement intrudes upon the First Amendment. Quello likewise said such a standard would "mean something different to each commissioner." He thought it might be difficult to reach a consensus.

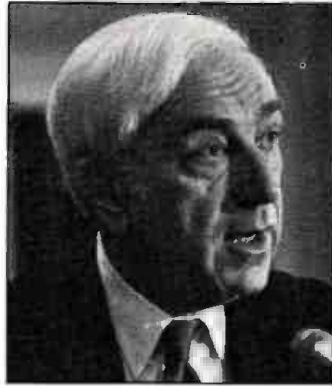
When it comes to the three-year rule, however, the two are not in agreement. Quello repeated his earlier calls for reestablishing the three-year rule. Patrick sees no need for returning to the rule. "It would be a mistake. The ability to transfer properties is the key to a competitive marketplace," he said. And he pointed out that only 3.5% of properties sold in 1985 were held for less than three years.

But Hollings was unmoved by Patrick's statistics. He insisted the rule was necessary to restore stability to the broadcast industry. "These hit and run drivers take the money . . . sell to someone else and the community is at a loss," the senator said.

Opposition to reimposing the rule was also voiced by broadcast and cable analyst Paul Kagan, president of Paul Kagan & Associates Inc., Carmel, Calif. Kagan disputed



Quello, Patrick



Lautenberg



Charren

COM Capital Corp.).

In addition to the two-step license procedure, the bill would also curb the practice of some groups of extracting a financial settlement in exchange for withdrawing a license challenge. And it would eliminate the provision in the FCC's new must-carry rules that would sunset the rules in five years.

But in exchange for eliminating competing applicants, television and radio broadcasters would be subject to more stringent program reporting requirements. Television licensees, specifically, would have to demonstrate that its nonentertainment and children's programming is also "meritorious."

And while the current post-card renewal process would remain intact for both radio and television each year 10% of television renewal applicants would be randomly selected for additional scrutiny by the commission. The FCC's anti-trafficking rule would be restored and the commission's minority preferences, tax certificates and distress sale policies would be codified. The measure also prohibits the FCC from tampering with its multiple ownership, crossownership and duopoly rules.

The hearing also served as an opportunity for Senator Frank Lautenberg (D-N.J.) to announce he was reintroducing children's programming legislation. (He also called attention to his bill, S. 1095, that would codify the FCC's policy on minority and women's preferences.) Called, "The Children's Television Education Act," it was offered last Friday and would require each commercial television network to air seven hours per week of educational programming designed for children, and would require the FCC to

hold inquiries into "program-length commercials" and programs featuring interactive toys. Lautenberg, who is not on Commerce, said "the FCC has been so blinded by its faith in the marketplace that it can't see the facts"—that commercial television broadcasters "have failed the children of this nation" and that "the marketplace alone won't achieve [the public] goals."

Action for Children's Television President Peggy Charren also made the case for improvement of children's television. She applauded the inclusion of a section in S. 1277 singling out children's programming as especially worthwhile, but called the bill "just a first step" and said "more is needed, especially in light of the sorry state children's television is now in." Charren criticized the current FCC for having opened "the Pandora's box of outright commercialism" in children's TV. She claimed the commission "has turned its back on our nation's children," and said it is up to Congress to improve the quality of children's TV.

Pluria Marshall, chairman of the National Black Media Coalition, testified on those aspects of the bill which effect minority broadcasters. Marshall emphasized the importance of three FCC policies—the tax certificate policy, the distress sale policy and the granting of minority preferences in the comparative hearing process—and asked that they be "enhanced and strongly promoted." He stated NBMC's opposition to the bill's provisions that would prevent organizations from challenging license renewals or from receiving settlements when they withdraw from applications for transfer of station control. Those sections will "prevent blacks

from addressing and having a forum to meet one-on-one with media companies," Marshall said.

Broadcaster Richard Ramirez, general manager of WHCT-TV Hartford, Conn., who purchased the station in a distress sale and described himself as a minority, also argued the importance of minority preferences and the FCC's distress sale and tax certificates policies. The preferences given minorities are "a one-shot push, not a long-term act of favoritism," he said, and minority broadcasters who receive such preferences are subject to the same public interest obligations and standards as other broadcasters are. Potential abuses of the preferences, such as selling a newly obtained license to a non-minority for a profit, can be avoided with legislative or administrative safeguards, Ramirez said. He proposed that the current one-year holding rule applicable to minorities who receive preferences be increased to three years.

Support for the measure's prohibition on broadcast ownership rules was expressed by Norman Pattiz, chairman and chief executive officer of Westwood One, a Los Angeles network radio company. He's concerned about the FCC's "wrongheaded and foolhardy" proposals to relax the duopoly and one-to-a-market rules, which limit concentration of ownership of broadcast outlets. Pattiz disagreed with the FCC's position that relaxing the rules would have a positive effect on diversity and quality of programming, and claimed instead that "the only welfare that the rules change will promote is the private welfare of those who own multiple broadcasting outlets." □



Kagan



Pattiz



Marshall



Ramirez

HBO signs \$500-million film deal with Paramount

Agreement calls for exclusivity starting with next year's films; effect on Showtime uncertain

Home Box Office Inc. has signed an exclusive agreement for the pay television rights to 85 Paramount Pictures films, beginning with those released theatrically in May 1988. The agreement is expected to last at least five years, depending on the film release schedule. The licensed films will be seen on HBO's programming services, HBO, Cinemax and Festival. No price was disclosed, but industry sources estimate the deal to be worth in excess of \$500 million. One executive said the price is difficult to determine because it is related to how successful the movies are at the box office as well as the size of HBO's subscriber base.

Robert Klingensmith, president of the video division of Paramount's Television Group, said the company was "pleased to conclude this arrangement with HBO because of the reinvigorated subscriber growth exhibited and anticipated by their services." Said Steve Scheffer, HBO executive vice president of film programming and home video, "Paramount has one of the best track records of any of the major studios and we are certain our subscribers will enjoy this next generation of Paramount films."

HBO, the largest pay television service, had been negotiating for the Paramount package against Showtime/The Movie Channel, the second-ranked pay service. Showtime currently has an exclusive five-year deal for films with Paramount, currently the top-grossing studio in Hollywood, through mid-1988. Paramount's box office hits include "The Untouchables" and "Beverly Hills Cop II," and according to an industry source, some Paramount titles now in production for release in 1988 are "Crocodile Dundee II," "Star Trek V" and "Raiders of the Lost Ark II." They would be available to HBO in 1989.

How the HBO-Paramount deal affects Showtime, which has aggressively sought exclusive titles, remains to be seen. According to one industry analyst, Mark Riely of Eberstadt Fleming, the loss of Paramount will hurt. Showtime/TMC's agreement with Paramount was "the cornerstone" of Showtime's strategy to make the pay service "a logical companion service in the consumers' mind" with HBO, rather than Cinemax, he said. Of Showtime's exclusive deals, Paramount's "was by far the most important," Riely said, adding that "clearly HBO is trying to break that strategy."

Asked how it will affect Showtime's ex-




clusivity strategy John Tinker of Morgan Stanley said: "I think it means Showtime has got a problem." Showtime has "traditionally been number two and its problem was to differentiate itself and therefore it adopted the policy of exclusivity," telling cable operators "you have to carry Showtime or else you won't get to see half the good movies." The Paramount deal, coupled with HBO's existing exclusive contract with Warner Bros., gives HBO rights to movies from two studios whose films tend to well at the box office, Tinker said.

For "roughly the next two years," said Fred Schneier, senior vice president of pro-

gram acquisition and enterprise of Showtime/TMC Inc., the pictures that go to pay TV from Paramount will be exclusive to Showtime/TMC. "Thereafter, we will replace the lineup from Paramount with other exclusive movies" because this is "an ongoing series of cycles which complete and then start again in whatever configuration exists." Orion Pictures, for example, "completed an exclusive cycle with HBO and has now entered an exclusive cycle with us," he said. (Currently, in addition to its exclusive arrangement with Paramount and Orion, Showtime/TMC also has exclusive deals with, among others, Walt Disney's Touchstone Films and Imagine Films Entertainment.)

Showtime, which Schneier said is profitable, is continuing to pursue its exclusivity strategy. He said that Showtime's current Paramount lineup "enabled us in large measure to prove and support the exclusivity strategy," which is "now strong and deep and continuing." He said that Paramount was "a significant ingredient in the [exclusivity] recipe. That ingredient, two years from now, will change... [and] be even tastier one than it is today." Schneier said also that Showtime/TMC is "always in discussion at one level or another with potential exclusive sources."

As for whether HBO's deal is an attempt to break that exclusivity strategy, Sheffer said: "HBO can't break Showtime's strategy" that only Showtime can do that. "Our effort is to make our services the best services and not worry about the competition," he said. Paramount fit into HBO's film strategy of "high volume of top quality movies," he said, adding that HBO would have preferred a nonexclusive arrangement with Paramount.

Paramount and HBO Pictures also entered into an agreement through which they will jointly finance a number of original films made for pay TV. □

FCC's cable rules get A- from court

The FCC's rules implementing the Cable Communications Policy Act of 1984 generated enormous controversy, with dozens of parties opposing or supporting them. Last week, they emerged from the review of an appeals court somewhat bloodied but, in the main, unbowed. The key feature of the rules—establishing the standard for what constitutes effective competition for cable systems and, therefore, denies local franchising authorities the authority to engage in rate regulation—was affirmed in an unsigned opinion by a panel of the U.S. Court of Appeals in Washington. So was the commission's assertion it would exert only limited jurisdiction over the resolution of franchise fee disputes. The panel, however, reversed the commission on other aspects of its order, and remanded them for further consideration.

The primary focus of the rulemaking was

to determine the circumstances under which local authorities would be allowed to regulate cable systems' rates for "basic cable services"—that is, where "effect competition" did not exist. The commission held that such competition would exist where any three "off-the-air" broadcast signals were available in the cable community. Representatives of the nation's cities said such a single standard was arbitrary and irrational. But the court found the commission's action, "for the most part, neither arbitrary, capricious nor otherwise contrary to law."

Similarly, it found that the commission, at least on reconsideration, had acted reasonably in determining when it would intervene in disputes under the Cable Act's franchise fee provision, which limits such fees to 5%. The commission initially had said it would "forbear" from adjudicating such disputes, and would leave them to the local courts. On

reconsideration, it modified that position to the point of saying it would entertain fee disputes that "directly impinge" on national policy involving cable communications and implicate the agency's expertise. That appeared to satisfy the panel, which made clear its concern that the commission implement what the panel said was Congress's determination to establish a national policy.

Among the aspects of the commission's order that the panel overturned:

- Redefinition of "basic cable service." The Cable Act defines the term as "any service tier which includes the retransmission of local television broadcast signals." The commission, however, defined basic service as "the tier of service regularly provided to all subscribers that includes the retransmission of all must-carry broadcast signals... and the public educational and governmental channels, if required by a franchising au-

thority . . .” The panel said the “rather technical, definitional dispute is significant because . . . only ‘basic cable service’ is potentially subject to rate regulation.” And the panel said it saw no reason not to accept the statutory definition of the term.

■ The “automatic pass through” of certain “identifiable” costs incurred in the provision of basic service. The panel said that would “functionally” remove the 5% cap that Congress placed on automatic increases, and added: “The pass through was contrary to law. Indeed, [FCC] counsel conceded as much at oral argument. Congress had already addressed the question; it conferred no power upon—and left no room for—the FCC to weigh in with an automatic increase

of its own. This act of gratuitous administrative largesse cannot stand.”

■ The commission’s signal availability standard. The commission said that, in determining effective determination, a signal will be counted if it places a predicted Grade B contour over any portion of the cable community or is significantly viewed within the cable community.” The panel agreed with the commission’s argument that no standard is perfect and that a waiver procedure would deal with inherent difficulties with whatever standard is selected. “What we cannot accept,” the panel added, “is the FCC’s enormous margin of error created by its decision to ‘count’ every signal that covers ‘any portion of the cable community.’ . . . (emphasis supplied.” The standard, the panel said, is

“arbitrary and capricious.”

The panel also dealt with three interpretive rules that had been challenged by some of the petitioners. It said the leased access rule—which requires cable operators with 36 or more channels to make 10% to 15% of them available for leased access—to be unripe for review. As for the rule directing cable operators to make lock boxes available to restrict the viewing of “obscene or indecent” programming, the panel directed the commission “to delete the improper suggestion that lock boxes need not be capable of blocking selected channels.” And it said the commission’s rule regarding “income neutral service” does not conflict with the congressional intent to bar “redlining,” that is, the denial of service to lower-income neighborhoods. □

FCC launches inquiry into HDTV, telco-cable

Commission freezes applications for new UHF stations in 30 major markets as it starts HDTV probe; some industry officials believe three- and five-month comment deadlines should be extended

The FCC got behind the broadcasting industry’s push to improve radically the quality of television service in the U.S., launching an inquiry last week into high-definition television (HDTV) and other so-called advanced television (ATV) systems and the FCC’s role in encouraging such services.

In connection with the inquiry, the FCC imposed a freeze on applications for new UHF stations and for reallocation of spectrum for new UHF stations in 30 of the top 34 markets. The FCC said the freeze, which went into effect at 5:30 p.m. NYT last Thursday, was needed so that the FCC would have maximum flexibility in writing new rules to accommodate ATV systems. The FCC also ordered the staff to set up a joint FCC-industry advisory committee on ATV systems.

“The most important issues the commission will address in this proceeding, which will profoundly influence the future of television, are whether additional spectrum will be necessary to implement ATV, where it will come from and whether the current television technical standards, developed in 1941, should be revised or replaced,” the FCC said in a prepared statement.

In his comments immediately preceding the unanimous vote to launch the inquiry at last Thursday’s open FCC meeting, FCC Chairman Dennis Patrick cautioned that the FCC would be “mindful” of the costs of new television systems. In evaluating the various ATV systems, he said, he will consider most closely their compatibility with today’s NTSC receivers, the amount of additional spectrum required, if any, and “the degree of quality improvement.”

The impetus behind the FCC’s inquiry comes from a group of broadcasters led by the Association of Maximum Service Telecasters. In a prepared statement, AMST President Tom Paro said the association is “delighted” by the FCC’s action. “The major focus of the FCC’s inquiry will be the potentially severe constraints facing local television stations that could handicap and perhaps preclude broadcasters’ efforts to compete with the other video media in the new HDTV technologies,” he said. “The FCC agrees with MST’s position that the FCC must evaluate how local stations can implement HDTV and then make sensible spectrum allocation decisions based on that evaluation.”

Paro criticized the FCC for its tight deadlines for comments and reply comments in the proceedings—90 days and 150 days after the order appears in the *Federal Register*. The deadlines “appear to be unrealistic in light of the complexity of the issues,” he said.

Edward O. Fritts, president of the National Association of Broadcasters, also issued a statement in support of the action. But he, too, criticized the deadlines, adding that the NAB will ask the FCC to extend “substantially” the comment period.

In his statement, Fritts also said he assumed the FCC’s freeze encompasses any reallocation of the UHF television spectrum for land-mobile use. According to FCC officials, Fritts’ assumption is

wrong. Terry Haines, a senior attorney in the FCC’s policy and rules division, said the freeze applies only to broadcast applications.

Much of the broadcasters’ current interest in HDTV stems from their concern that the FCC, in a separate proceeding, may reallocate UHF spectrum from broadcasting to land mobile. The broadcasters have petitioned the FCC to hold in abeyance the land-mobile proceeding pending the outcome of the HDTV inquiry. The FCC is withholding judgment on that request until it’s had a chance to evaluate final comments on the request, which are due July 30.

In its notice of inquiry, the FCC will ask for comment on whether the UHF mileage separations should be relaxed to free more spectrum for ATV systems. The large separations specified by FCC rules today were established primarily because of the inability of television sets in use at that time to reject interference from other stations, the FCC said.

The FCC will also ask for comment on whether it should make the 46-year-old NTSC television standard a voluntary option instead of FCC rule. The FCC suggested that such a move would not adversely affect the delivery of broadcast television and would remove constraints that might hinder the development and of ATV.

The NAB announced last week that its high-definition task force, assigned to find a way to raise \$700,000 to aid in the development of a high-definition television system compatible with existing NTSC terrestrial transmissions, is suggesting that funding come from NAB reserves. NAB’s executive committee has accepted the task force’s recommendation and says the association will finance a two-year project.

Commission to examine lifting restrictions on telephone companies getting into cable

As it promised last August when it adopted its new must-carry rules, the FCC launched an inquiry last week to determine whether all telephone companies should be allowed to own and operate cable systems within their telephone service areas.

The FCC favors “open entry and competition” in the marketplace, said FCC Chairman Dennis Patrick just before the unanimous vote to launch the inquiry at last Thursday’s open FCC meeting. “And yet we have for quite a while now assumed that telephone provision of cable service would impede and not facilitate that very result. It is clearly time to take a look at the assumptions that underlie the rules.”

According to the FCC’s 17-year-old telco-cable crossownership rules and the Cable Communications Policy Act of 1984 that codified the FCC’s rules, only telcos in “rural” areas not served by cable are now able to own a cable system in the same place they provide telephone service.

Because crossownership prohibitions are incorporated in federal law, the FCC would forward any finding that the prohibitions be lifted or modified to Congress with a recommendation that the law be changed accordingly.

The seven regional Bell operating companies (RBOC’s) are also blocked from entering the cable business by U.S. District Court Judge Harold H. Greene’s modified final judgment (MFJ) in the antitrust case that led to the breakup of AT&T and the creation of the

RBOC's. However, Greene is now considering whether to lift the MFJ's prohibitions against the RBOC's offering "information services," including cable television (BROADCASTING, July 6).

The telco-cable inquiry is part of an overall review of cable and the "video marketplace" that the FCC initiated last August when it adopted the new must-carry rules requiring cable systems to carry some local broadcast signals for the next five years. Other parts of the review are an inquiry into whether cable's compulsory license should be retained and a proposal to reimpose syndication exclusivity rules (see story, page 26).

The driving force behind the telco-cable inquiry is FCC Commissioner Mimi Dawson, who believes cable systems are local "gatekeepers" controlling the flow of cable programming for which there is, in her words, no "perfect substitute."

At the meeting, Dawson expressed concern about "disequilibrium in the marketplace." "As we look at entry and barriers to entry... we are hitting... at the very heart of the... factors relating to the disequilibrium," she said. Parties who believe the crossownership prohibitions should be retained, she said, will have a "strong burden" to prove it.

Dawson pressured the staff to move the proceeding along as quickly as possible so that the recommendations or even preliminary recommendations could be used by Congress, which will be addressing cable issues in the fall. "I would hate those recommendations to

go to Congress eight months after they may be relevant to [it] for taking action."

Commissioner Patricia Dennis also disclosed an interest in dropping the crossownership bans. She said the FCC proceeding was timely because it comes while Judge Greene is reconsidering restrictions on the RBOC's. "Hopefully, the judge... will lift... [the] restrictions on information services... so we can meaningfully consider whether we and ultimately Congress should lift these additional restrictions." She also said cable is not the "infant" it was when the rules were first adopted but "a strong and well-developed adult."

Regardless of where the FCC finally comes down, said National Cable Television Association President Jim Mooney, it is unlikely that Congress will amend the Cable Act to allow telcos to compete with cable operators. "It's been known for some years that this FCC has been unenthusiastic about the crossownership rules. That's the chief reason Congress enacted the provision in the Cable Act."

FCC officials say the move to reconsider the crossownership rules stems solely from the FCC. Bill Johnson, acting chief of the Mass Media Bureau, said telcos have not lobbied for the inquiry. The inquiry, he said, is "an internally generated policy issue."

According to the FCC release issued following the meeting, the FCC's inquiry will also look at whether AT&T should be allowed to enter the cable business. The MFJ currently prohibits AT&T from entering cable through 1989. □

Colino, others plead guilty to defrauding Intelsat

Sentencing scheduled for September; investigation continues into activities of missing deputy

A little more than four years after the Board of Governors of the International Telecommunications Satellite Organization selected him as the first American to head the worldwide organization (BROADCASTING, June 27, 1983), Richard Colino, along with two associates, walked into U.S. District Court in Washington last week and pleaded guilty to charges they defrauded the organization of \$4.8 million. The charges, U.S. Attorney Joseph E. diGenova said, stem from a scheme to receive kickbacks in a series of four transactions involving the construction of Intelsat's new headquarters building in Washington.

Colino, under a plea bargain struck with diGenova, pleaded guilty to one count of interstate transportation of money taken by fraud. He faces a maximum penalty of 10 years in prison and a \$250,000 fine. Those who joined him in guilty pleas were Manuel G. Serra, the owner of a Washington real estate brokerage firm, and Charles Gerrell, a mortgage broker from Little Rock, Ark. Each pleaded guilty to a single count of conspiracy to transport in interstate commerce money taken by fraud. They face a maximum of five years in prison and a \$250,000 fine. Judge Gerhard Gesell ordered the men to surrender their passports, released them on their own recognizance, and scheduled sentencing for Sept. 11.

The scene in the courtroom was played out on Tuesday, four days after Colino's lawyers filed papers in a U.S. district court in Baltimore in an effort to win dismissal of a multimillion-dollar civil suit Intelsat has filed against Colino (BROADCASTING, July 13). The world organization says Colino's actions harmed it in the amount of \$11.5 million and that Colino and associates converted more than \$5 million to their own use.



Colino

Colino's lawyers argued that the Intelsat suit is beyond the jurisdiction of U.S. courts, a theory Intelsat's attorneys last week said had no merit.

Colino, in entering his guilty plea, acknowledged receiving and sharing in about \$2.7 million. He personally profited by "over \$1 million," he told Gesell. "You did that knowingly and purposefully?" Gesell asked. "Yes, sir," Colino replied. Serra, according to government documents unsealed at the hearing, was implicated in three of the cited actions that involved \$3.45 million in fraudulent payments, and personally retained \$390,000. Gerrell was said to have been involved in two of the transactions, totalling some \$2.4 million. He and his wife, Dana, reportedly shared

\$435,000 from those payments. One of the transactions—an unauthorized payment to the Gerrells of \$1.35 million—was the last one related in the documents that were submitted by diGenova, the transaction that led to the investigations by Intelsat and the U.S. attorney, and to last week's guilty pleas.

In a related development, Colino filed a petition for bankruptcy. The aim was to protect his assets from creditors, including Intelsat which was listed as the principal creditor.

The U.S. attorney's investigation is continuing and could result in other criminal indictments. A likely target is Jose L. Alegrett, Intelsat's former deputy director general. The Board of Governors dismissed him along with Colino last December, following a preliminary investigation into apparent financial irregularities. His name appears frequently in the summary prepared by the U.S. attorney's office as a "factual proffer" to the court. And Colino, in the one-page statement released by his attorneys, said that Alegrett "had played a major role in the events" that were the subject of the court hearing.

Alegrett cooperated with Intelsat in its investigation, and returned \$1 million in cash and other assets valued at \$150,000. However, he has not cooperated with the U.S. attorney, apparently because of an inability to strike an agreement. One of his attorneys, Mark Shaffer, said Alegrett is in his native Venezuela, in Caracas, and "is trying to be helpful" to the U.S. attorney. But, Shaffer said, "things are unresolved."

He said his client has instructed him "to make every effort. The documents filed by the U.S. attorney talked of kickbacks, phony bills, shell companies, and Swiss bank accounts into which the fruit of the illegal activities was siphoned." □

NAB catching heat for First Amendment stands

New York broadcasters ask NAB to oppose FCC's indecency stand and actively resist fairness doctrine codification; association also is chastised by NYSBA panel for its actions

The National Association of Broadcasters' stand on First Amendment issues is drawing fire. Last week the New York State Broadcasters Association approved a resolution calling on NAB to "actively" oppose the FCC's new policy on obscene and indecent broadcasts and to resist codification of the fairness doctrine, an indication of NYSBA's dissatisfaction with NAB's positions on those issues.

Those positions have been a source of industry debate since the association's executive committee adopted a resolution in May condemning the broadcast of obscene and indecent programming. The association also opted to seek clarification, rather than reconsideration, of the FCC's new indecency guidelines, an action not well received by some broadcasters.

As for the fairness doctrine, NAB's decision not to launch a major campaign to block legislation that would have codified the doctrine was another disappointment to some of its members, as was the word that NAB opposed the presidential veto of the fairness act that was passed.

In response to those concerns, the association's joint board of directors reviewed both matters during its June meeting (BROADCASTING, June 29). Although the board adopted a new resolution on indecency it did not advocate reconsideration, despite pressure from some directors. This time NAB said if the FCC does not provide sufficient "guidance to broadcasters to enable them to determine what constitutes compliance with federal statutes on indecency, then it is the sense of this board that the staff should evaluate an appeal to the courts." On fairness, the directors made it clear that NAB is committed to fight codification.

Nevertheless, the New York broadcasters who were meeting last week as part of an executive conference at the Sagamore Resort hotel in Lake George, N.Y., didn't think NAB had gone far enough. The resolution read: "It is the consensus of the New York State Broadcasters Association that our national trade organization, the NAB, vigorously oppose any incursion into broadcasters' First Amendment rights. The NYSBA holds with the NAB that the fairness doctrine is indeed an unwarranted government intrusion into programming content. And that the imposition of indecency/obscenity regulations by the FCC also represents a serious First Amendment violation. The NYSBA urges the NAB actively to oppose the FCC's imposition of government censorship not

merely to request 'language clarification.' "

"The NYSBA notes that broadcasters have traditionally been in the forefront of First Amendment defense and feels there would be a tragic irony if broadcasters were not to defend those First Amendment rights which most directly affect them.

"Should the fairness doctrine become law, by veto override, or by the introduction and passage of another bill or by rider or amendment, it will have done so because the elected representatives of the people of the United States so desire. Meek acceptance of a bureaucratic censorship regulation, however, will ever after mark broadcasters as 'sunshine patriots' in issues of constitutional and First Amendment championship.

"In urging the NAB to take every necessary action to oppose the FCC's establishment of a lexicon of language permissibility, NYSBA recognizes that spirited defense of free speech is most difficult when one disa-

grees with what is being said. That is precisely when men of good will who support the Bill of Rights must stand together to do battle."

The resolution, said Martin Beck of Beck-Ross Communications, Rockville Centre, N.Y., represents the general sentiment expressed by broadcasters attending the meeting. Beck, a former NAB radio board chairman, said he was "disappointed" with the way NAB has handled the issues. "I was upset with NAB's lack of action on indecency... Maybe this will provoke NAB to explain what they're doing," said Beck.

According to reports, NAB's actions permeated the meeting. The subject came up during a seminar on "Broadcasting and the Constitution," when *Village Voice* columnist Nat Hentoff called NAB a "First Amendment eunuch" and Mobil Oil's Herb Schertz described the association as "wimps" when it comes to the First Amendment. □

Networks rotate hearing coverage

With most of the fireworks from North's testimony over, NBC, ABC and CBS split coverage duties; Post-Newsweek opts for own in-house coverage of continuing testimony

Television's top box office draw—Lieutenant Colonel Oliver North—ended his six-day run last week, and with him went the Iran/contras hearings' daytime monopoly on the commercial television networks. Two days after North's testimony concluded on Tuesday, July 14, ABC, CBS and NBC began rotating responsibility for live coverage of the remaining witnesses. Their stated reason: "to provide live nationwide broadcast



Pointdexter

coverage of the hearings, as well as to provide the public with a wider choice of alternative programming." Their unstated reason: to cut the losses sustained in airing gavel-to-gavel coverage. The estimated advertising revenue sacrificed by the networks to cover the hearings: ABC, \$800,000 per day; CBS, \$1 million per day; NBC, \$600,000 per day.

It was NBC President Larry Grossman who first went public with the proposal to split coverage among the networks. The technique had been used for the Watergate hearings in 1973, and Grossman pulled out the old contracts. The Justice Department was informed because of possible antitrust considerations, and the networks quickly reached an agreement, which went into effect when NBC took over responsibility for

coverage on July 16. It was decided that CBS would handle the second day, ABC the third, and so on, in the same order, with any network "free to provide complete or partial live or repeated broadcasts on the days when it does not have the primary broadcast responsibility." Any network can terminate the agreement on a day's notice. CBS is providing pool coverage from the Senate, and ABC from the House. Full coverage continues on PBS and CNN, and C-SPAN is airing the hearings in full each evening.

North's testimony attracted more attention than audience. According to ABC figures, which compared the North testimony with an average of the previous four weeks, ABC's rating dropped from 7.5 to 6.2, CBS's from 4.3 to 4.1, and NBC's from 4.7 to 4.5. CBS claimed its game shows and soap operas were drawing a 6.2 compared with the North hearings' average 5. But NBC, also using a four-week average, reached the conclusion that North's testimony increased its ratings by 15%.

Washington Post columnist Tom Shales described the Pointdexter hearing as "a polite game of patty-cake... much more civil and much less emotional [than the North hearings]," and concluded the climate change "probably meant viewers were less absorbed."

And they might have lost the chance not to care, had Pointdexter's lawyer, Richard Beckler, succeeded in getting television cameras ejected from the hearing room during Pointdexter's testimony, as he requested Wednesday morning before the hearing began. Beckler proposed that live coverage be suspended, but the House and Senate select committees voted down that request with only one dissenting vote on the House side. And so the cameras recorded Pointdexter's revelations and a hearing that, in the opinion of *The New York Times*'s John Corry, "is no longer great television" because it lacks the drama instilled by North. And yet, Corry concluded, with less attention paid to television, the committee "may have been getting down to more serious things." □

NAB campaign spending study draws fire from Hill

Association's report finds that TV, radio spending by candidates is less than believed, but Swift and others have problems with methodology

The National Association of Broadcasters' strategy to convince Congress that campaign expenses for television and radio time are not as overwhelming a portion of campaign expenses as many observers have estimated may have backfired. NAB hoped a study it has commissioned on overall campaign expenses (see box) for federal candidates in 1986 would provide the ammunition needed in making their case against legislative efforts to expand political broadcast regulations. But last week it was evident that lawmakers might be a tough sell: At a House hearing, leadership of the Subcommittee on Elections expressed serious doubts about the study's credibility.

Subcommittee Chairman Al Swift (D-Wash.) was particularly harsh in his criticism of the data. (The data was compiled from reports filed at the Federal Election Commission.) He concluded that much of the data was not reliable.

The subcommittee is considering a campaign finance reform bill (H.R. 2464) that would replace the lowest unit rate for broadcast time with a flat 30% discount. NAB President Eddie Fritts, who testified before the subcommittee, said TV and radio spending by candidates has been targeted as a "major villain" leading to rising campaign costs. NAB's study, he argued, presents a more accurate picture of what's going on.

Swift, however, found "serious" inconsistencies with the study and he said it "raises some questions about the quality of the data." For example, the congressman was skeptical that, on average, an incumbent Senate candidate spent only \$500,000 for postage. According to the report, House incumbents spent \$9.6 million on television buys and \$5 million for production. But Swift wondered why it listed House challengers as spending \$5.6 million on television time and only \$628,806 for production.

The study was defended by Aristotle Industries' John Phillips. He maintained the figures were accurate and pointed out that some of the totals were affected by how candidates categorized their expenses. Specifically, he said consultants often took their commission as part of the media buy which in that case was not broken out. While in other instances, the media consultant was paid separately.

Representative William Thomas (R-Calif.), ranking minority member on the subcommittee, was not as tough in his analysis of the NAB figures. "I think this is long overdue. Even if there are gross mistakes, it's the first look," Thomas said.

Swift also was troubled by Aristotle Industries' methodology. The company had earlier provided the congressman with a report on his own campaign expenditures. A Swift aide said the subcommittee had been approached by Aristotle Industries prior to the NAB study about purchasing campaign



Phillips (l) and Fritts

data and gave Swift a printout which included a breakdown of his campaign expenses. Again, Swift found several problems. He said a \$16,000 media buy was not listed and that a "whole series of expenditures were counted twice." But Phillips argued the report he provided was incomplete and he had made that clear to the subcommittee staff.

The subcommittee chairman remained skeptical and pointed out that others have found it "impossible" to gather information from the FEC reports because they lacked specificity. But Phillips disagreed. Swift asked whether Aristotle Industries would provide the data to support the NAB numbers. "I'd be happy to make it available but we don't give it away free," Phillips replied.

After the hearing, NAB emphasized that Aristotle Industries' clients "over the past four years, have included 198 members of Congress and more than 1,800 other candidates for national, state and local office."

Furthermore, the association said the research company "completed a project for *The Wall Street Journal* last month and currently works for the ABC Political Unit in New York."

If Swift was bothered by the company's interpretation of the FEC data, Fritts suggested the FEC reports might be altered to require more specific information. As for the discount proposal, the NAB executive suggested every candidate be given a federal discount card for air fare, rental cars, gasoline and other campaign expenses. Fritts felt the legislation portrayed broadcasters as the "bad guys." But Swift said the 30% discount is used as an incentive to persuade candidates to participate in the voluntary spending limits that his bill also contains. Moreover, the congressman said there is "difference between a gas station and a broadcaster. A broadcaster is charged to serve the public interest . . . while a service station is not."

Fritts had some other ideas. Instead of mandating a discounted rate, he recommended changing the FCC's interpretation of what constitutes a "use" that enables candidates to qualify for the lowest unit rate. The FCC should adopt a narrower definition, he said, that would require a candidate to make a substantial appearance in political ads. NAB's proposal is aimed at curbing negative ads. Fritts also suggested Congress

Campaign costs. Congressional candidates, House and Senate, spent 24.4% (or some \$97.3 million) of their total campaign expenditures on media time in the 1986 primary and general election, according to a study released last week by the National Association of Broadcasters. The report is part of NAB's effort to show Congress that costs for radio and television time are not disproportionate to other campaign expenses. "Most estimates have grossly overstated the impact of TV and radio," said NAB President Eddie Fritts. He pointed out that political experts have said up to 80% of 1986 campaign costs went for TV and radio buys. Instead, the study shows that Senate candidates spent \$63.8 million (or 34% of \$189.5 million in total expenditures) on broadcast time and House candidates spent \$33.4 million (or 15.8% of \$210.8 million in complete expenditures).

Expenses for radio and TV production and media consultants were also provided. The study showed that 4.21% (or \$8 million) of the Senate candidates' budgets went to television production costs, 0.07% (\$140,149) for radio production and 0.94% (\$1.8 million) for media consultants. The combined total for broadcast expenses (ad buys plus production and consulting fees) would be 39%. House candidates spent 0.15% (\$319,149) on radio production, 3.08% (\$6.5 million) on TV production, and 0.79% (\$1.7 million) for media consultants. The broadcast total for House races would be 20%.

NAB intends to use the data to oppose congressional efforts to replace the present lowest-unit-rate ceiling for political advertising charges with a flat 30% discount. "We hope to show that attacking television and radio is not the magic answer in controlling campaign costs," Fritts said at a press briefing at the National Press Club in Washington last week. The study was also used to back up Fritts's testimony against the discount proposal before the House Election Subcommittee last week (see above). "NAB believes when Congress debates this issue its important to have the facts," stated Fritts.

The study, which was conducted by Aristotle Industries, a Washington research firm, is based on filings with the Federal Election Commission from 810 Senate and House candidates. More than 350,000 expense items were examined. Actually, Fritts maintained the total for TV and radio buys is 15% less because ad agency commissions for the buys were not broken out. According to the study, the average House incumbent candidate spent \$36,234 for TV and radio time, the average challenger, \$24,873, and the open seat candidate, \$126,950. Senate incumbents spent \$1.15 million, challengers, \$652,358, and open-seat candidates, \$1.08 million.

Among other campaign costs, office and overhead represent 18.8% of total campaign expenses in House races, salaries and consulting, 13.9%, other communications (including balloons, ballots, banners, cable TV buys, clothing and graphics) 11.4%, and total mail, 10.9%. In Senate races, office and overhead was 16%, salaries and consulting, 19.3%, other communications, 6.8%, and total mail, 7.1%.

exempt stations from the equal time requirements to enable them to air candidate interviews apart from news programs. And he thought the FEC's policy prohibiting broadcasters from making in-kind campaign contributions in the form of free air time should be reviewed.

"We've never denied TV and radio are a big component, but what we're trying to say is that it is not disproportionate to other expenses," the NAB executive told BROADCASTING following the hearing. Said NAB Joint Board Chairman Wallace Jorgenson of Jefferson-Pilot Communications at another NAB briefing, "if he (Swift) wants to dispute the figures, he can check with the Federal Election Commission; that's where they came from." □

Daytime pricing. Other television dayparts began to sell in the networks' upfront marketplace last week. Some advertising agencies, such as Ogilvy & Mather and Young & Rubicam, had already completed their daytime buying by last Friday. Daytime unit prices were said to be, on average, flat—halting a previous decline—while news and late-night were said by some advertising agency executives to be showing increases.

Already agency executives were assessing the 20% and higher cost-per-thousand increases said to have been obtained by the networks in prime time. Paul Isaacson, executive vice president, Young & Rubicam, said there was more money available in part because of new upfront advertisers who "generally paid too much in last year's scatter... There is nothing that magical about it [prime time upfront]. There was also a general decrease in the amount of rating points to sell... a function of supply and demand."

While scatter prices earlier this year were said to have been created more by a shortage of supply, than the strength of demand, "the unfortunate thing," said Aaron Cohen, vice president, general manager of broadcast, Grey Advertising, "is that the cheapest prices still are upfront prices... especially if they [the networks] go as deep into inventory as they did last year." There was still no clear indication last week how much of their prime time inventory the networks were planning to sell.

INTV study calculates indies' losses without syndex

Financial shortfalls reaching the millions, association tells FCC

In comments to be filed with the FCC this week, the Association of Independent Television Stations has underscored its argument that the commission should reimpose syndicated exclusivity rules, by providing research that it says shows substantial losses of audience and revenue incurred by independent broadcasters since the rules were eliminated.

The proposed syndex rules, which are similar to those dropped by the FCC in 1980, would enable broadcast stations to order local cable systems to delete programs on imported distant broadcast signals (superstations) for which the local stations have the local broadcast rights. Comments from all interested parties are due this Wednesday (July 22).

The INTV comments were also supplemented by a cartoon, in which a man from J.P.M. Cable Co. carts away all of Channel 34's programming while saying, "I just love the 'free' market." The cable industry, led by National Cable Television Association President James P. Mooney, is vigorously opposing reimposition of the rules.

The research was conducted by INTV and Butterfield Communications Group, Cambridge, Mass., which INTV commissioned. "Our analysis demonstrates that independent television stations suffer substantial economic injury from the audience and sales revenue losses which arise when cable television systems import programs which duplicate their own," Butterfield concluded.

The INTV examined a "large selection" of stations and determined the ratings points they lost on programs as a result of competition from the same programs being imported by cable systems. From the group, Butterfield selected 40 cases in which the competition has a "significant impact" on the "home-market station." In each case, the cable-imported program ran either head-to-head with the "home-market broadcast" or in the time slot preceding it.

Using INTV's ratings data, Butterfield calculated the annual revenues stations are losing in each case. The annual losses aver-



age \$135,477, but vary greatly. At one extreme, Butterfield found WUHF(TV) Rochester, N.Y., to be losing \$4,992 a year on its showing of the *The New Gidget* on Sunday at 1:30 p.m. because the local cable system imports superstation WWOR-TV New York, which airs the show the same day two-and-a-half hours earlier. At the other, it said, KUSI-TV San Diego is taking a hit of nearly \$1 million a year on its broadcast of *Facts of Life* at 6 p.m., Monday through Friday, because cable brings in KTTV(TV) Los Angeles, which airs the show at 5 p.m. each weekday.

In its comments, INTV said the research demonstrates "clearly that distant signal duplication of local independent television station programming has a critical negative impact on the local station's audience ratings, and consequently its advertising revenues for that programming. When aggregated across all duplicated programs imported into its home market (INTV cited 199 hours weekly as a 'typical' amount of duplication in a selected market), the impact on a local station's revenues can be devastating, especially for a new station attempting to establish a foothold in an intensely competitive market or for a station in a small- or medium-sized market."

Economic harm wasn't INTV's only argu-

ment. "Syndicated television programs are the very lifeblood of independent television stations," it said. "Without the ability to distinguish itself as the local provider of programs with significant audience appeal, it is difficult or impossible for an independent station to establish the unique identity that permits it to build a loyal and viable audience in its community."

INTV also took a shot at the cable industry's claim that the FCC is blocked from reimposing the syndex rules by the Cable Communications Policy Act of 1984. "The 1984 Cable Act does nothing to deprive the commission of this jurisdiction," the INTV said. "While the act generally prohibits the imposition of affirmative requirements upon cable systems to provide specific programming or services, syndicated exclusivity rules would impose no such obligation." □

Taft sale elicits challenge to FCC's character test

Public interest law firm says policy incompatible with Communications Act

The FCC's 1986 policy directive drastically easing the character tests it once employed in considering licensee qualifications is under challenge—not in court but in an FCC proceeding. At issue is the proposed \$1.45-billion sale of 20 radio and television stations owned by Taft Broadcasting Co. to an applicant controlled by Carl Lindner, board chairman, chief executive officer and controlling stockholder of American Financial Corp. The Media Action Project, the Washington public interest law firm, sees the proposed sale as offering a clear basis for a test of the 1986 policy statement.

The petition, filed in the name of Moreland-Portland Listeners Association, of Portland, Ore., where two of the stations involved, KEX(AM)-KKRZ(FM), are located, and



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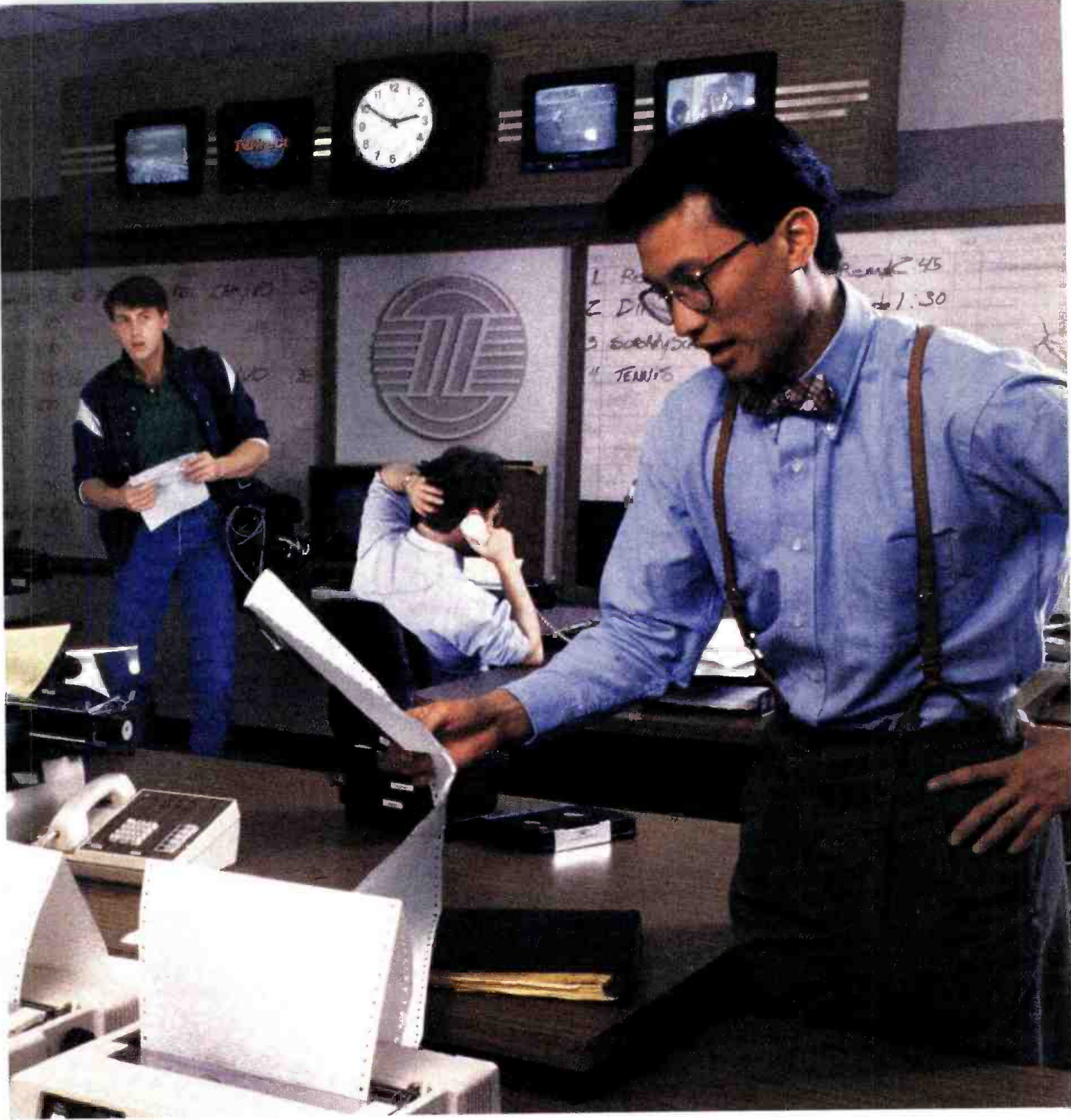
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Action for Children's Television, makes it clear the purpose is "to test" the commission's statement modifying its policy on character qualifications, a statement that the petitioners say is "incompatible with the Communications Act." The act, the petition says, requires the commission to consider "all information available to it in determining whether there are substantial and material questions of fact as to whether grant of a license is in the public interest." The new policy statement, the petitioners add, does not.

Andrew Schwartzman, of MAP, noted that MAP had initiated an appeal of the commission's new policy statement, but abandoned it after concluding the U.S. Court of Appeals in Washington was not sympathetic to appeals of policy statements. "So we decided to wait for an appropriate case to challenge before the commission," he said. And the proposed sale of 20 of Taft's 22 to stations to the TFBA limited partnership, which is 70% owned by AFC, was irresistible. In 1979, AFC and Lindner had entered a consent decree with the Securities and Exchange Commission, under which AFC and Lindner agreed to injunctions barring future securities law violations and Lindner agreed to pay AFC \$1.4 million. Schwartzman said there is no doubt that in 1979 the commission would have designated the transfer application for hearing.

The complaint, the petition said, detailed "pervasive self-dealing and favoritism in many different transactions involving AFC, Lindner and his associates." And the commission, a few weeks later, said in a letter to the Gannett Co., in which Lindner then owned a 5% interest, that it "viewed with concern the past pattern of behavior of Mr. Lindner and AFC as manifested by the consent decrees." It added that if AFC or Lindner held "a management position or controlling stock interest" in a commission licensee, "further action is warranted." The petition—which seeks a hearing on the proposed transfer—contends that the Communications Act requires the commission to "resolve whether the conduct underlying the SEC litigation precludes awarding a license to Lindner and AFC." But unless the commission modifies its current policy on character, the petition adds, "it will not designate a hearing for that purpose."

Under the commission's policy previously in effect, virtually any kind of wrongdoing could have been considered relevant to an applicant's or licensee's character qualifications. The new statement considerably narrows the bounds of what the commission will consider. It states that the commission "will be concerned with misconduct which violates the Communications Act or a commission rule or policy, and with certain specified non-FCC misconduct which demonstrates the proclivity of an applicant to comply with our rules and policies." The aim, the commission said, was "to focus on the likelihood that an applicant will deal truthfully with the commission and comply with the Communications Act and our rules and policies. . . ." It was also to leave to other agencies matters the commission felt they would be better equipped to handle.

The petition cites three specific areas that the policy statement says the commission will not explore in a hearing—non-FCC related misconduct in all but three categories, evidence of misconduct which is not finally adjudicated, and evidence of misconduct which is resolved by consent decree and injunction. The petition concedes that the matters covered by the SEC consent decree constitute "non-FCC behavior" which evidently is not "fraudulent misconduct before a government agency" as contemplated by the commission's new character policy. And the resolution of the SEC litigation does not constitute "adjudication" within the meaning of the commission's current policy. While that settlement may have satisfied the objectives of the SEC, the petition says, "the FCC has a different mandate. . . ."

The commission's policy statement specifies grounds for designating an application for hearing, but the petition dismisses them as meaningless. While guilt of presidential assassination would require an applicant to undergo a hearing, other homicide would not. "Thus," the petition says, "James Earl Ray would be able to become a station owner, since Martin Luther King was not an elected official, and prison break does not

involve fraudulent conduct. John Hinkley, who might actually have the financial resources to do so, could also become a licensee, since his crime was only *attempted* assassination, and in any event, he was not adjudicated guilty."

The petition says that the Communications Act requires only a hearing; every applicant, it adds, retains the right to establish at a hearing the grant of a license would serve the public interest. But the petition says, "The commission's ultimate legal wrong is its resolute desire to blind itself to the *possibility* and even the *probability* that a particular applicant may not be suitable for licensure. At the heart of the misperception is its failure to recognize that Section 309 of the Communications Act dictates that the commission must inquire into *any* application as to which there is substantial and material questions of fact." By establishing policies that make such an inquiry impossible, the petition says, "the commission has violated its own obligation to the American public."

Schwartzman said he does not expect the petitioners to prevail before the commission. "The purpose of the petition," he said, "is to go to court." □

CBS to sell magazine division

CBS decides to accept \$650-million offer for magazines; Paley says board has no commitment to keep record division

CBS will soon sell the remainder of what had been the company's third major "core" business—publishing. The CBS board approved, "nearly unanimously," according to one informed source, a proposed management-led buyout of its 21 magazines for \$650 million, significantly above some Wall Street estimates of what the division was worth.

The sale would leave CBS solely in broadcasting and records. Although the board had earlier rejected a \$1.2-billion offer for the latter division, the company's chairman and founder, William S. Paley, told BROADCASTING there is no standing commitment not to sell the record division. Asked if that implied CBS would be receptive to higher offers Paley said, "It would be presumptuous of me to say what the board would or would not do. You know what has happened so far."

The proposed buyers of the magazine division include the division's current management, led by its president, Peter Diamandis. Financing and majority ownership would come from PruCapital and Prudential-Bache Interfunding, both subsidiaries of the Prudential Insurance Co. of America. The purchase was approved by Prudential's board last Tuesday.

The sale price is above the recently estimated values for the magazine division made by some securities analysts. One report in April assessed the value at \$575 million, while another one month later estimat-

ed a \$520-million value. The two estimates, based on projected 1987 cash flow of \$55 million and \$52 million, respectively, used cash flow multiples of 10½ and 10, respectively, to arrive at the total value.

In fact, the price of the purchase, which is expected to close in several months, may be at a multiple closer to 13 times 1987 cash flow. In 1986, the magazine division had flat revenue of \$407.2 million and operating profit of \$13.9 million, up from previous year's \$4.6 million. Cash flow in 1986 was said to be roughly \$47 million.

Titles of the magazines being sold include *Woman's Day*, *Field & Stream*, *Road & Track*, *Stereo Review*, *Modern Bride* and *Car & Driver*, the last two among 12 consumer magazines that CBS bought two-and-a-half years ago from Ziff/Davis Publishing, for \$362.5 million. Some observers claim the company paid too much for those magazines, and CBS subsequently sued Ziff for allegedly misrepresenting the conditions of the purchased business. Some of the charges in that suit are still pending.

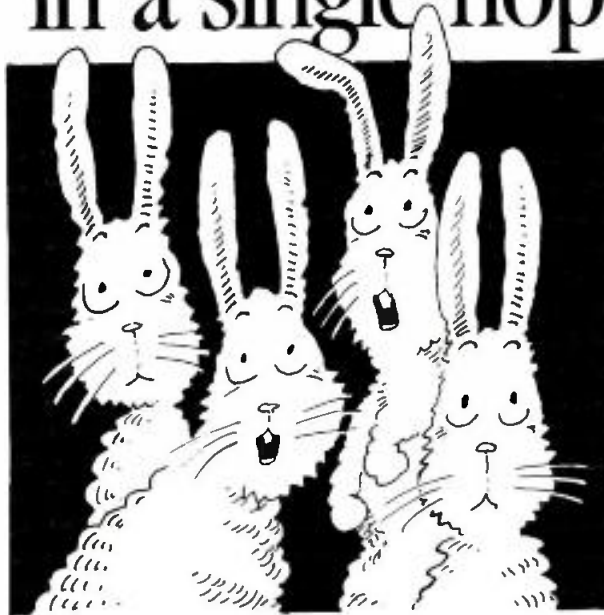
CBS would register a gain on the proposed \$650-million sale. A sale of the older record division would presumably represent a significantly greater capital gain and therefore.

Last year, CBS sold its book publishing operations for \$500 million and a music publishing business for \$125 million. With the addition of proceeds from the magazine division, CBS will have cash equivalents of \$1.5 billion, and long-term debt of roughly one billion dollars. Speculation on the use of the proceeds include the purchase of additional TV stations or the repurchase of shares. CBS stock rose 4½ last Tuesday, the day of the announcement, to 186, a new high. □

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Satellites!

It's been 25 years since AT&T launched Telstar I, an event that forever changed the face of worldwide communications. It took broadcasters a conspicuously long time to figure out how to implement this new technology, but once they began they haven't stopped. The satellite newsgathering van has been to the 80's what electronic newsgathering was to the 70's, redefining local journalism as stations exponentially expand their coverage areas. And there is the first glimmer of what may redefine journalism in the 1990's—remote satellite sensing. Today it is a novelty, laden with technical, financial and legal dilemmas. But the dramatic pictures that can be obtained from the technology are lighting a fire in many a newsman's eye. And while it once appeared that direct-to-home satellite broadcasting might threaten terrestrial broadcasting and cable, it now appears more likely to complement the older media. A look at these and other satellite issues appears on pages 33 through 61.

With good reason, cable operators and broadcasters have never been fully comfortable with the idea of broadcasting television programing directly to homes via communications satellites. Having invested billions of dollars on earth-bound television media, they understandably feared a medium that has the power to bypass them.

But cable operators and broadcasters are more comfortable than ever with satellite broadcasting because for the next decade, at least, the space-age medium (in any of its various manifestations) is unlikely to compete with broadcasters and cable for the eyes of America. If anything, it will complement cable and broadcasting, providing programing to homes in small towns and rural areas that are unserved or underserved by terrestrial media.

The only kind of satellite broadcasting that exists today in the U.S. comes from the low-power C-band. Some 1.7 million homes have installed C-band earth stations now costing a few thousand dollars each to receive all the varied programing that is transmitted over C-band satellites—everything from scores of cable services to the broadcasters' "backhaul" feeds of baseball and football games.

Between 1980 and 1985, when the home satellite industry experienced its most rapid growth, the dish owners could receive all the programing on the satellites for free. But in January 1986, the major cable programers started scrambling their satellite feeds, making programing off-limits except to those who were willing to pay for it. Buying a dish, even at prices of around \$2,000, was no longer the bargain it once was.

Today, with nine cable services scrambled and eight more with plans to scramble this year, the home satellite industry is in trouble. Although the scrambled cable programing is still available, it is apparently not at a price that consumers can justify on top of the \$2,000 or so they must pay for a dish and descrambler. According to

Satellite Times, sales of dishes that in late 1985 hit a rate of 45,000 a month have fallen off to a rate of about 12,000 a month. The number of manufacturers, distributors and retailers of dishes has fallen commensurately.

The home satellite industry blames the cable operators for the state of the marketplace. Without "a smoking gun" to prove it, they charge that operators have used their economic leverage with the programers to prevent the formation of packages priced low enough to keep dish sales brisk. They've been pressuring Congress for legislation that they feel will lead to such low-cost packages.

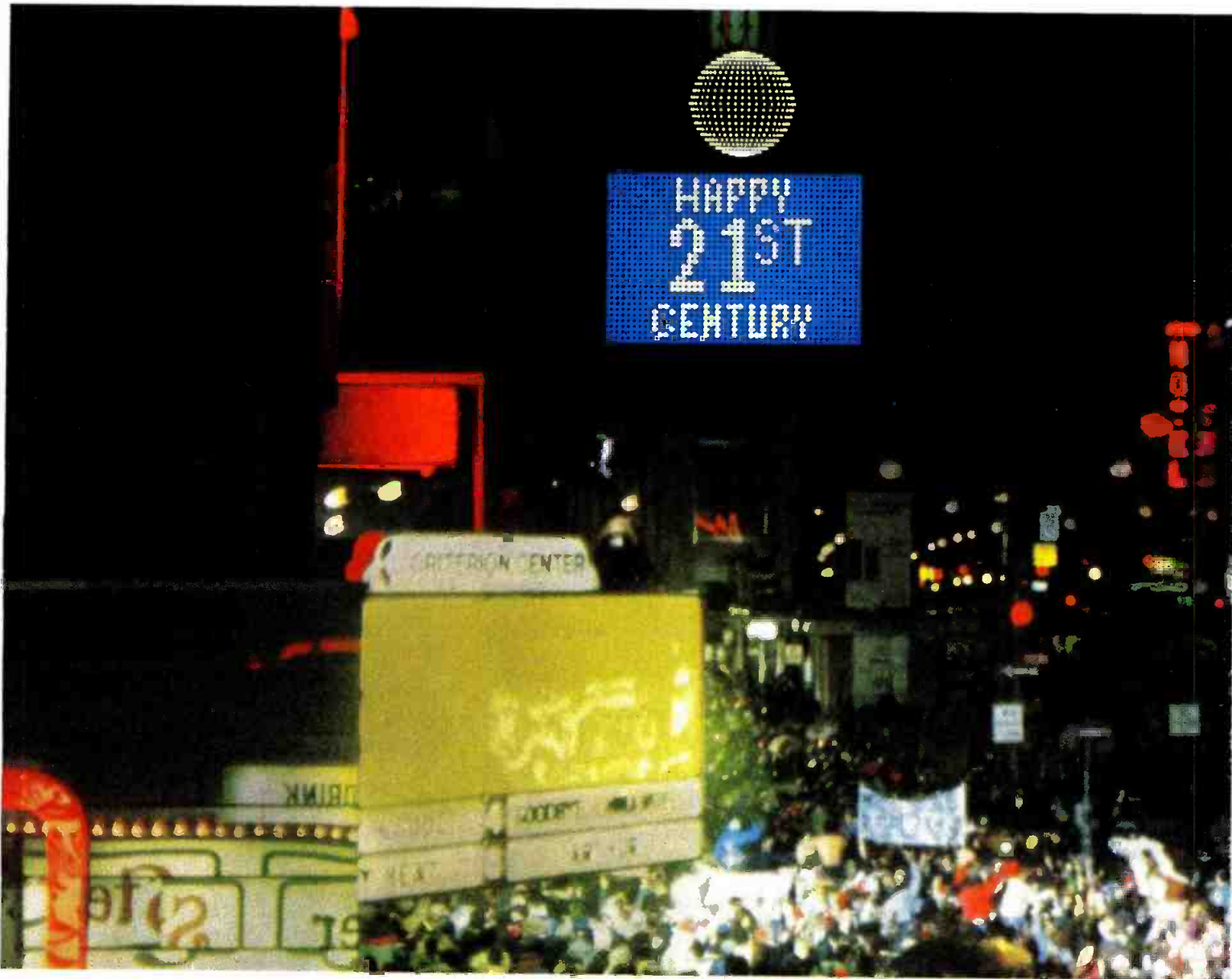
Another more powerful form of satellite broadcasting using medium-power Ku-band satellites may be in the offing. Because the satellites are more powerful than C-band satellites, the home reception equipment will be cheaper and the dishes will be smaller (around one meter). As a consequence, a Ku-band service could revitalize the home satellite market even if the retail price of the programing stays the same.

HBO and RCA Americom (soon to be GE Americom) have formed a joint venture to build and launch two satellites, Satcom K-3 and Satcom K-4, operating in the Ku-band with frequencies much higher than C-band. Crimson Satellite Associates, as the joint venture is known, hopes it can persuade cable programers to buy transponders on the birds and use them to send simultaneously programing to its cable affiliates and to the home.

Satcom K-3 and Satcom K-4 are in the early stages of construction and, even with full cable industry support, would not be ready for launch before 1989. However, GE Americom is giving programers a chance to make the jump to Ku-band almost immediately, offering leases of transponders on Satcom K-1, a satellite already on orbit, but slightly less powerful than Satcom K-3 and Satcom K-4.

Medium-power satellite broadcasting could provide real competi-

Our fleet will still be in orbit when the ball drops in Times Square.



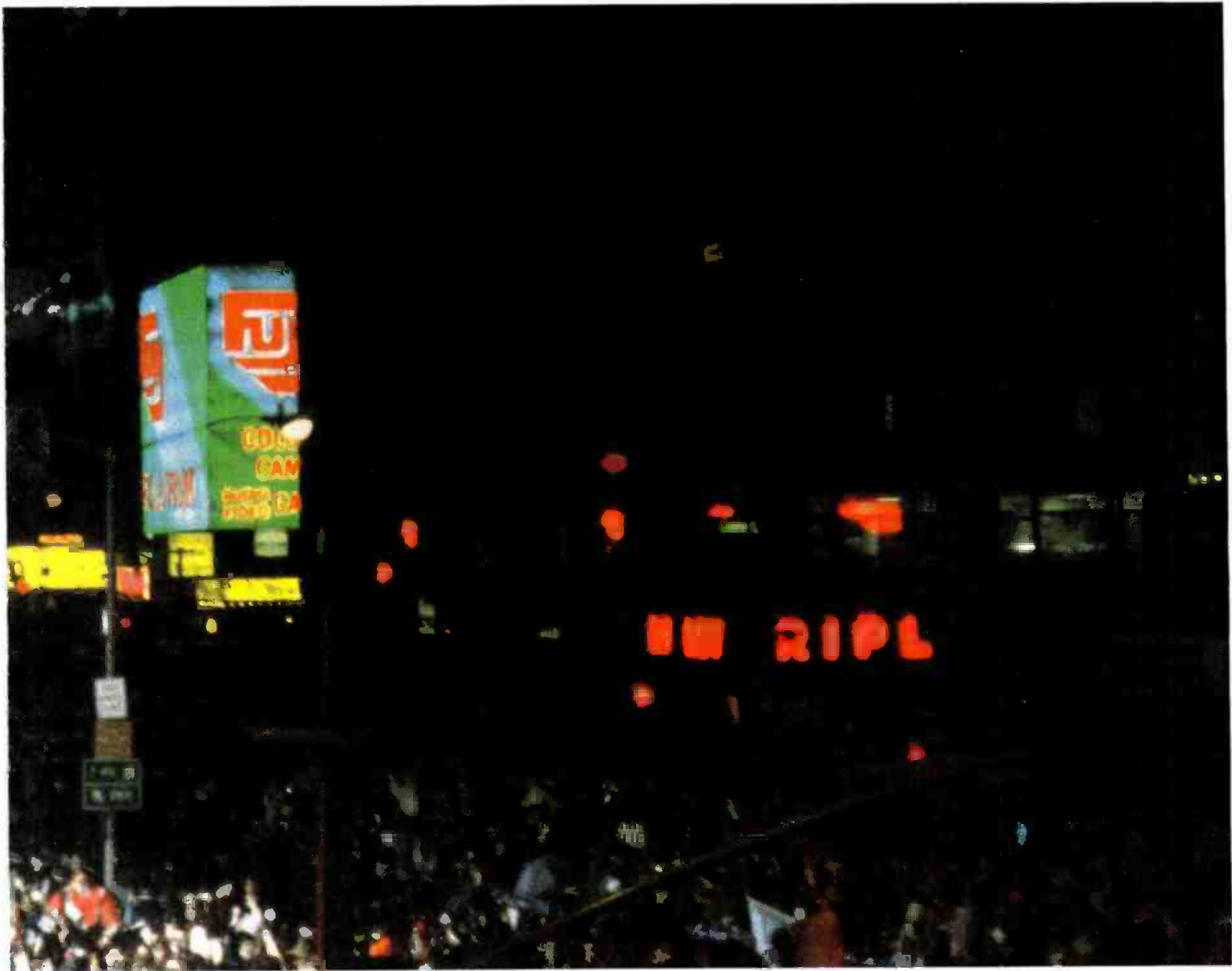
We can't predict what the cable TV business will be like when the twenty-first century rolls around. But we at Americom predict that we'll still be carrying your programs to the cable industry. We'd like to fill you in on our plans so that you can start making yours.

Americom currently has four cable birds in the sky. The flagships of our fleet, Satcom III-R and IV, are now fully booked. (No wonder. They reach about 40 million subscribers.) But as programmers move to our new Ku-band birds, transponders on III-R may become available. And customers on our other C-band satellites will be at the top of the waiting list.

Space is also available on our C-band Satcoms I-R and II-R. (But maybe not for long: Both are half sold out.) They round out a delivery system that includes the industry's best-watched birds. This year over 15,000 cable headend dishes will be aimed at our satellites.

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you have to make. New programmers can take advantage of our "grow-with" rates that allow them to pay less now and more later. And we're offering discounts on satellite "end-of-life" contracts for programmers who want to control their own destinies.

And now that we're a part of General Electric, there's even more reason to believe we'll continue as a strong contender in the cable business.

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tion to cable operators, but it's not going to happen. HBO is offering cable operators the exclusive home satellite distribution rights to the programming it puts on the satellites (HBO, Cinemax and Festival) within their franchise areas and it's expected any other programmers that go aboard the birds would do the same.

The key to Crimson's ambitions, however, may be Tele-Communications Inc. As the nation's largest cable operator and as a heavy investor in several cable programmers, including Turner Broadcasting System (superstation WTBS[TV] Atlanta, CNN and CNN Headline News), it can have either a direct or indirect impact on the decision of all of the cable programmers. TCI has been fingered as the chief culprit in the failure of C-band satellite broadcasting to develop as a competitor to cable and Crimson realizes that it has to sell TCI on its plans before it can sell any of the programmers.

The potential market outside cable franchises is not to be taken lightly. Even though the cable industry is continuing to wire the nation, most industry observers estimate that between 10 million and 20 million homes will never be served by cable. Those homes would be the exclusive market of the satellite broadcasters.

And, finally, there is high-power Ku-band satellite broadcasting using frequencies set aside especially for what the FCC and purists call the direct broadcast satellite service (DBS). With DBS, home dishes become even smaller, perhaps as small as two or two-and-a-



half feet. Many companies have flirted with DBS and Comsat nearly had a system in place before deciding that the risk and cost was too high and that it was better to write off the more than \$100 million it had sunk into the project than to go ahead with it. Only two companies are still seriously talking about DBS, Hughes Communications and Hubbard Broadcasting.

Hughes, which is planning a DBS system for launch in 1991, believes if programmers want to reach homes directly, DBS is the only way to go. Medium-power satellite broadcasting can't compete with DBS because the DBS dishes will be much cheaper. According to Hughes's analysis, DBS will drive any medium-power service from the market, given comparable programming.

Hubbard Broadcasting, a pioneer broadcasting company, believes DBS is to TV in the 1980's what TV was to radio in the 1940's. Hubbard President Stanley Hubbard preaches the gospel of DBS to fellow broadcasters, hoping they will join him in adopting and underwriting the new medium (see "At Large," page 62). So far, followers have failed to come forward.

The low power road

Hughes Communications and HBO first started thinking about low-power satellite broadcasting, or what they called C-band direct, in the summer of 1983 with the launch of Hughes's Galaxy I, which HBO and other major cable programmers had decided to make the primary cable satellite. The satellite was more powerful than any other C-band satellite, and HBO felt that if it could scramble its signals on the bird and persuade others to do the same, it could offer a C-band direct service to home owners and grab a big share of the noncabled market before Comsat or any of the other Ku-band satellite broadcasting venturers did.

HBO talked up the C-band scheme for more than a year, but it never attracted much enthusiasm from the other programmers. By the fall of 1984, it was still moving ahead with the scrambling of its services and selling them to dish owners, but it was no longer trying to take a leadership role.

But while HBO was becoming disenchanted by C-band direct, others were becoming fascinated with it. In early 1985, Canaan Communications, a start-up company headed by former cable executive Holmes Harden, stepped forward and offered to pay for the scrambling of cable services in exchange for the exclusive home satellite rights. It was no small offer. By Harden's own estimate, scrambling 15 or so cable services would have cost at least \$75 million.

Throughout the spring and summer of 1985, Showtime/The Movie Channel, MTV Networks, ESPN and Turner Broadcasting System talked among themselves about forming a joint venture to sell their services in a package in the rapidly expanding home dish market after the services were scrambled in 1986 or 1987. The Disney Channel and The Nashville Network were also reportedly interested in joining the programming consortium.

Early 1985 also marked a change in the attitude of cable operators toward the scrambling of satellite programming and the home satellite market. The operators, who had watched events unfold in the satellite broadcasting arena as little more than interested spectators, suddenly started demanding that all the major cable services scramble their feeds. They also sought to control the distribution of the scrambled programming to the dish owners.

The operators' interest in the home satellite industry grew out of their concern about the rapid proliferation of dishes, especially within their franchise areas. One study at the time concluded that one-third of the dishes being sold were going into cable areas. The operators were also concerned about the cable programmers either on their own or through a third party such as Canaan setting up a C-band direct service that would bypass operators.

The 1985 boom in dish sales is due, in part, to the Cable Communications Act of 1984, which went into effect in December 1984. Although the Act stiffened penalties for unauthorized reception of scrambled signals, it legitimized the reception of unscrambled signals. For the first time, consumers could buy a dish, tune in any unscrambled cable service—none were scrambled at the time—and feel comfortable that they weren't video "pirates."

A study commissioned by the National Cable Television Association for its annual convention in June 1985 concluded that the industry would derive enormous benefits from scrambling. Assuming at least 20 services were scrambled and a marketing infrastructure were in place within a year, it said, operators and programmers would realize \$400 million over the next five years. "The direct financial benefits come from the sale of scrambled programming to backyard dishes. . . inside and outside of cable franchises and from recovering cable subscribers who would have switched to TVRO if they could receive cable programming for free," it said.

In May 1985, TCI proposed a cable operator consortium to scramble the feeds of all major cable programmers and to market the signals to dish owners. Within weeks, the NCTA board adopted the proposal and began talking to lawyers about how they could implement it without running afoul of the antitrust laws.

None of the home satellite consortia talked about in 1985 came to fruition. Programmers and operators agreed that Canaan Communications was a "middleman" that nobody wanted or needed. The programmers' last hopes of working together were dashed in October when Turner Broadcasting Services announced it was no longer interested in playing along. And NCTA pulled out in November when it saw that its goals were being achieved without its direct involvement.

Setting the pace in program scrambling

When HBO scrambled full time in January 1986, it began selling subscriptions to dish owners through a toll-free number. Other major services followed HBO's lead—Showtime and TMC in May, superstation WWOR-TV New York in June and CNN and CNN Headline News Network in July. Since July 1986, several cable superstations (nationally distributed broadcast signals), Viewer's Choice, ESPN and USA Network have also scrambled.

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least one service. In congressional testimony earlier this month, HBO claimed to have sold 150,000 subscriptions and Showtime-TMC said it had 120,000. Last month, TBS said it had reached the 100,000 mark.

All the programmers opted for the same scrambling system as HBO—General Instrument's Videocipher II—making it the industry de facto standard. Having a standard was important so that dish owners could receive multiple services through a single descrambler.

A few cable operators, led by TCI, secured the distribution rights to the scrambled services for their franchise areas and, in some cases, adjacent counties and promised to offer discounted packages of cable programming. Meanwhile, three of the programmers—HBO, TBS and Showtime/TMC—began making licensing arrangements with other programmers so they could offer national packages to consumers. TBS dropped out of the market last month, but HBO and Showtime/TMC are still at it, carrying their competition in the cable market into the home satellite market.

Showtime/TMC, which has been more aggressive in packaging and marketing for the dish owners, offers a package of 12 basic services—although not all the services are scrambled—as well as Showtime and TMC in a variety of pricing options. For dish owners who are willing to take everything and pay a year in advance, the price comes to just \$21.50 a year.

At least three noncable companies, the National Rural Telecommunications Cooperative, Amway Corp. and Home Satellite Services have also tried to license the home satellite rights from the programmers to offer packages of their own. To date, only the NRTC has managed to sign up any cable programmers. Amway has the rights to the STV program service, SelecTV.

When the cable industry looks at the home satellite market today, it sees a thriving low-power satellite broadcasting business. When the home satellite industry—the manufacturers, distributors and retailers of home satellite dishes—looks at it, it sees a business on the verge of collapse, and it has statistics about declining dish sales and the closing of dish dealerships to prove it.

For help, the home satellite industry has turned to Congress as it has done with mixed success in the past. Among other things, it now wants Congress to require cable programmers to license noncable-affiliated packagers to spur competition in the market that will bring down retail prices. It laid out its case earlier this month before the House Telecommunications Subcommittee.

"Showtime/TMC does not sell to independent-of-cable third parties," said Fred Finn, a Washington attorney representing the Home Satellite Television Association. "Neither does HBO, Cinemax, Disney or ESPN. Unless these practices are changed, the home satellite industry will exist, if at all, as a poor stepchild of the cable television industry. The consumer will be denied the choice, which technology has provided."

David Wolford, president of Home Satellite Services, told the subcommittee that "programmers like HBO and Viacom derive the vast majority of their revenue from cable operators. Are they really going to undercut the prices of their primary customers?... The market is moving into a dangerous situation. If present conditions are allowed to continue, home satellite TV will be controlled by its natural competitor, cable TV."

The NRTC is the only so-called "third-party" to put together any kind of programming package for the dish owners. But NRTC Chief Executive Officer Bob Phillips complained to the subcommittee that NRTC has been unable to strike a deal with any of the pay programmers and ESPN and has been discriminated against by the basic programmers that it has made deals with in terms and pricing. "Some of the contracts we have entered into exceed the cable wholesale price by 500% to 700% or more," he said. "We see no justification for this tremendous price differential. In order to obtain contracts, in some instances, we have also been required to accept restrictions in the marketplace we serve and the administrative service we may provide," he said.

Speaking for the cable industry, NCTA President Jim Mooney told Congress that the home satellite industry demands for regulation of the marketplace are unwarranted. "Cable programming is readily available to home dish owners at prices less than those paid by the average cable subscriber for the same service," he said.

For the past two years or more, the trade press has reported numerous complaints from mostly unnamed cable programmers about

how cable operators have intruded on the programmers' scrambling and home satellite marketing planning. Publicly, the programmers acknowledged that they favor cable operators in setting up their C-band direct distribution schemes, but say there is nothing collusive or illegal about it. It doesn't make sense for cable programmers to compete with their established local distributors—the cable operators—any more than it does from General Motors to compete with the local Chevrolet dealer. Also, they say, vertically integrated companies like Time Inc. and Viacom are not going to jeopardize their valuable cable operations by aggressively promoting satellite broadcasting as a competitive medium.

One programmer involved in trying to set up the TBS-ESPN-MTV Networks consortium in 1985 said that effort failed not because of pressure from operators, as some press reports speculated, but because of the inability of the parties—cable marketplace competitors—to agree to terms on how to market the service and, more important, how to split the revenues. "Everyone thought his service was the most important one," he said.

A large part of the home satellite industry suffering today may have been self-inflicted, said Steve Shulte, executive vice president and general manager, Viacom Satellite Networks. The infrastructure of the industry grew up during a time when the "basic selling argument was erroneous"—that cable programming was available at no charge. When services started to scramble, he said, sales were no longer great enough to support the industry.

Those in the home satellite industry who thought the cable operators had too much of a role in shaping the C-band direct business were counting on the Justice Department, which opened an investigation into possible collusion between operators and programmers to prevent competition. But Charles Rule, acting assistant attorney general, antitrust division, told the House Telecommunications Subcommittee that its "investigation has not uncovered the existence of any illegal concerted activity among cable operators" to pressure programmers to scramble. He also indicated that although the Justice Department was keeping its parallel investigation into collusion in the marketing of the scrambled services open, it was going to allow the marketplace to evolve further before deciding whether to press the investigation.

In addition to help in establishing third-party distributors of cable programming to dish owners, the home satellite industry wants at least one more favor from Congress—passage of copyright legislation that would set up a copyright license for the distribution of local broadcast signals to dish owners. Whether broadcast signals can be distributed to dish owners under current copyright law is a question that is being hotly disputed. Indeed, Satellite Broadcast Networks, a New York-based start-up company, is being sued by the broadcast networks and their affiliates for distributing three network affiliated stations to dish owners.

The history of medium power DBS

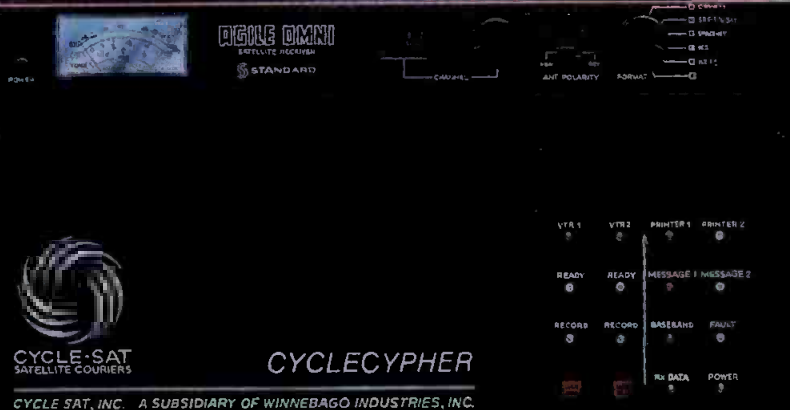
Medium-power Ku-band broadcasting is not a new concept. Several companies, including TCI, have seriously considered entering the business, and one actually did with dire consequences for its investors. In 1983, while HBO tried to bring cable programmers together to offer a C-band service, Comsat and two start-up companies, United Satellite Communications Inc. and Inter-American Satellite Television, planned medium-power Ku-band service. Of the three, only that of USCI ever came to fruition.

Backed by Prudential Insurance and, to a lesser extent, by General Instrument, USCI charged into the marketplace in November 1983, offering a five-channel service in the Northeast using Telesat Canada's Anik C-II satellite. The service was marketed in several cities, beginning with Indianapolis. The initial retail price for the service, which included proprietary movie and music video service along with ESPN, was \$39.95 on top of an installation fee of \$300.

Although the price of the service came down, USCI failed to attract enough subscribers and revenues to put a dent in its high overhead and convince potential investors that the service had a future. In 1984, Prudential failed to raise \$40 million through a private placement or find a partner to share the risk and costs. With about 10,000 subscribers, USCI went bankrupt in April 1985.

Comsat had planned to launch a medium-power service using SBS IV in late 1984 or early 1985 so that it could enter the satellite

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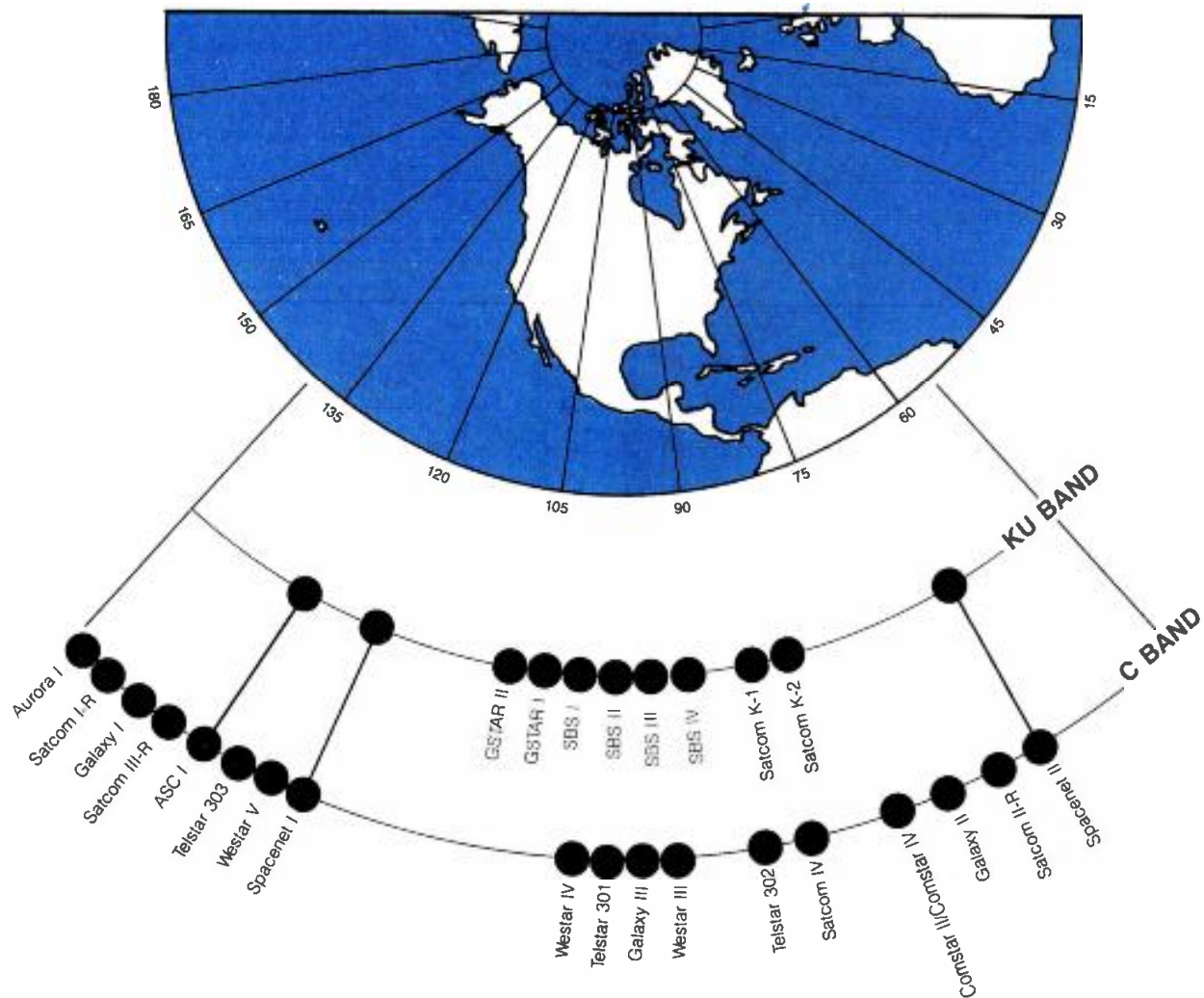
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Carrier	Satellite	# of Ku-band trans.	# of C-band trans.	Orbital slot	Launch date	Carrier	Satellite	# of Ku-band trans.	# of C-band trans.	Orbital slot	Launch date
American Satellite						RCA Americom					
1.	ASC I	6	18	128	Aug. 1985	15.	Satcom I-R	—	24	139	April 1983
AT&T						16.	Satcom II-R	—	24	72	Sept. 1983
2.	Telstar 301	—	24	96	July 1983	17.	Satcom III-R	—	24	131	Nov. 1981
3.	Telstar 302	—	24	86	Sept. 1984	18.	Satcom IV	—	24	83	Jan. 1982
4.	Telstar 303	—	24	125	June 1985	19.	Satcom V (Aurora I)**	—	24	143	Oct. 1982
Comsat						20.	Satcom K-1	16	—	85	Jan. 1986
5.	Comstar II*	—	24	76	July 1976	21.	Satcom K-2	16	—	81	Nov. 1985
6.	Comstar IV*	—	24	76	Feb. 1981	MCI Communications					
GTE Spacenet						22.	SBS I	10	—	99	Nov. 1980
7.	Spacenet I	6	18	120	May 1984	23.	SBS II	10	—	97	Sept. 1981
8.	Spacenet II	6	18	69	Nov. 1984	24.	SBS III	10	—	95	Nov. 1982
9.	GSTAR I	16	—	103	May 1985	Western Union					
10.	GSTAR II	16	—	105	March 1986	25.	Weststar III	—	24	91	Aug. 1979
Hughes						26.	Weststar IV	—	24	99	Feb. 1982
11.	Galaxy I	—	24	134	June 1983	27.	Weststar V	—	24	122.5	June 1982
12.	Galaxy II	—	24	74	Sept. 1983	*Comstar II and Comstar IV are co-located in same orbital slot. Although each satellite has 24 transponders, only 24 can be used at one time.					
13.	Galaxy III	—	24	93.5	Sept. 1984	**RCA operates Satcom V, but it has sold the capacity to Alascom, which renamed the satellite Aurora I.					
IBM											
14.	SBS IV	10	—	91	Aug. 1984						

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broadcasting before its high-power DBS birds were ready and avoid further erosion of the market to USCI and purveyors of C-band equipment. When Comsat finally bailed out of the satellite broadcasting business altogether in November 1984, it had an agreement in principal to join forces in the business with USCI.

After attracting the interest and backing of media mogul Rupert Murdoch, Inter-America Satellite Television became Skyband Inc. and began planning a five-channel medium-power service over Satellite Business System's SBS III for the spring of 1984. However, just as USCI was going to market in November 1983, Murdoch pulled the plug on the venture, citing the lack of low-cost reception equipment and programming and insufficient power of SBS III. To get out of its contract with SBS, Murdoch had to pay it \$12.7 million.

Although USCI was a marketplace flop, it proved the technology. As its subscribers will attest, USCI delivered good quality pictures to one-meter dishes. Some of those dishes can still be found on roof tops in Indianapolis and Washington and in other communities where the USCI marketed its service.

That USCI lasted as long as it did is due in part to TCI. Throughout March 1985, it poured a few hundred thousand dollars to keep the service afloat while it tried to decide whether it wanted to buy the operation and enter the satellite broadcasting business. At the time, TCI President John Malone said satellite broadcasting could be an "adjunct" to the cable business and that, with TCI's help, USCI could be a more attractive (less expensive) way for consumers to receive cable programming once it is scrambled.

HBO first became interested in medium-power satellite broadcasting some time in 1984. According to industry sources, HBO and Viacom International formed a joint venture in 1984 to acquire Ku-band capacity and offer their cable services (and possibly others) directly to the home.

The deal ultimately came apart because, the sources say, Time Inc. officials felt that Time-owned HBO had given up too much to Viacom, its arch foe in the pay television business. Some have tied Frank Biondi's ouster as chairman and chief executive officer of

HBO in the fall of 1984 to his preoccupation with satellite broadcasting in general and to the Viacom deal in particular.

In the spring of 1985, Viacom was one of many that looked closely at buying all or part of USCI before deciding to pass. Viacom officials said they were invited to join HBO and RCA in their Ku-band plans in the summer of 1986, but opted not to. Since then, Viacom has been pushing C-band for distributing programming to cable affiliates and homes.

HBO struck its initial Ku-band satellite deal with GE Americom in December 1985, but it wasn't until more than a year later that it publicly admitted that a selling point had been the Ku-band birds' satellite broadcasting capability. Last February, Robert Zitter, vice president, operations, HBO, told BROADCASTING that he had been urging the cable industry to embrace Ku-band before others did so. "Let's go grab the technology and use it so we cannot be leapfrogged by others who don't have an investment in our business and [who won't stop] at the franchise line," he said.

Because of the operators' concern about Ku-band signals, cable programmers looking at the Crimson transponders have to convince their cable affiliates that Ku-band satellite broadcasting is more of an opportunity than a threat. To that end, HBO has promised cable operators exclusive Ku-band distribution rights within their franchise areas and non-exclusive rights outside the franchise areas. HBO is now reportedly trying to formalize a marketing agreement with TCI and some of its other major affiliates. According to Ed Horowitz, senior vice president, technology and broadcast operations, HBO, every programmer who chooses to buy transponders from Crimson and enter the satellite broadcasting business will have to work out its own arrangements with its affiliates.

Even if the cable operators are appeased, Crimson may fail to attract a critical mass of cable programmers to justify the completion of construction and launch of Satcom K-3. First of all, programmers who have looked at the Crimson offering are suffering from sticker shock. Although Crimson is willing to negotiate price and financing, its asking price is \$29.5 million for one transponder (for 10 years of

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service) and \$28 million each for two or more. By comparison, in the early 1980's, cable operators purchased transponders on Galaxy I for at an average of about \$10 million each.

The other problem is Viacom International, HBO's principal competitor in the cable programming business, and Hughes Communications, one of GE Americom's principal competitors in the satellite business. While HBO and RCA are pushing the industry to move to Ku-band, Viacom and Hughes are encouraging it to stay with C band, which served the industry since it first adopted satellite technology for distributing programming in 1975.

In November 1986, Viacom tentatively leased 21 C-band transponders on AT&T's Telstar 303, a relatively new satellite promising users service into the mid-1990's, figuring on using half for its programming services and subleasing the balance to other programmers. Five months later, it reneged on the AT&T arrangement and struck a deal with MCI Communications for seven of its transponders on Hughes Communications' Galaxy III, another satellite capable of providing service into the middle of the next decade. The Weather Channel, C-SPAN and the new PPV Network being put together by a group of cable operators have also leased transponders on the satellite.

Andrew G. Setos, senior vice president, engineering and operations, Viacom Network Group, said Crimson's Ku-band technology is fine for satellite broadcasting, but for a number of reasons it's "dramatically inferior" to C-band for distribution of cable programming to cable affiliates. A switch to Ku-band technology would be an expensive move for programmers and operators and it would result in no improvement in signal quality being delivered to the cable head-ends, he said. In fact, he said, it could result in signal degradation because of the susceptibility of the Ku-band signals to rain—a phenomenon known as rain fade.

And, according to Setos, the ability to deliver signals to small dishes on homes and apartment buildings, as the Ku-band satellite can do, does not offset the negatives. "I think it is misadvised to jeopardize the cable business for an unknown market," he said.

Hughes is working hand-in-hand with Viacom, promising to build additional C-band satellites if the cable programmers commit to using in advance of their use. Hughes President John Koehler considers the decision of Viacom and other programmers to stay with C-band instead of going to Ku-band "of strategic significance in our competition with RCA."

Crimson, of course, believes it does make sense for programmers to step up to Ku-band gradually over several years. "It offers the freedom of choice for the future," said HBO's Horowitz. "Unlike C-band, where you are constrained where you can drop a dish because of the frequency interference problems, Ku-band allows you to go into the corners and get the smaller pocket of subscribers whether they are homes or a little hotel with 30 rooms because because [the reception equipment] is less expensive than it was before."

As for the cost, Horowitz acknowledged that Ku-band satellites will be slightly more expensive than C-band satellites, but, in the case of the Crimson satellites, the cost difference will become negligible when the Crimson intersatellite protection scheme is taken into account. Programmers of Satcom K-3 will be protected not only by an in-orbit shadow satellite, but also by a ground spare.

To help programmers cope with the high price of the Crimson capacity, Horowitz said, Crimson is offering programmers various financing options, such as stretched payment schedules. Also, he said, Crimson is willing to cut a special deal with a major cable programmer that want to step up and be the the satellite's second anchor. "We have a shopping mall. We have one anchor called HBO. We would like another anchor and for that other anchor we are willing to be very flexible," he said. "If you are not the other anchor, then you are not going to get the best deal."

While low-power and medium-power satellite operations are, in essence, alternative media for cable programming, DBS as envisioned by Hughes and Hubbard is a new source of programming that could be competitive with cable and broadcasting.

Hughes's Koehler said that Hughes is talking to "studios and broadcasters" as well as to cable programmers about using the capacity on its proposed 32-channel DBS system. If the system's users' programming is "appealing enough" they could find some subscribers in cabled areas. "In some areas," he said, "there could be overlap."

Hubbard also talks about broadcasters and studios as potential users of USSB's system. "If DBS distributes a movie [for a studio], there is no local cable company," Hubbard said. "Paramount gets 50 cents out of the dollar right off the top. A major Hollywood producer, one of the big three, told me last year: 'Stanley, you get those satellite launched, and you get just a million homes, and you can put a card table up on Sunset Boulevard, and everybody will be lined up to sign up.' And, he said, 'I'll be at the head of the line.'"

Koehler doesn't believe medium-power satellite broadcasting can preempt high-power DBS. Hughes market research strongly suggests that the home reception of DBS would be so much smaller and cheaper than that of medium-power satellite broadcasting, he said, that consumer would opt in droves for the high-power service. "It's a price-elastic market," he said.

One of the reasons Comsat's DBS venture flopped was the lack of low-cost home reception equipment. That's not likely to be a problem for any domestic DBS service in the future because government-subsidized DBS ventures in Europe and Japan will create a demand for reception equipment there that will help insure a good supply in the U.S. when the need for it arises (see story, page 60).

Satellite broadcasting is an awesome concept. A satellite's signal can reach most of the homes in the country, whether in the heart of a rust-belt city, a hollow of West Virginia or atop a mountain in Colorado. Even if satellite broadcasting doesn't compete head-to-head with cable, it has potential as a complementary service, delivering programming to all the homes beyond the reach of cable systems.

Low-power C-band satellite broadcasting seems to have run into trouble. Anticompetitive cable operators, poor inherent economics or some combination of the two have put its future in real jeopardy. Legislation may or may not be the solution.

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By Harry Jessell



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SNV's to play major role in 1988 campaign coverage

But there are concerns whether there will be enough room and transponder time available for those who show up at convention sites in Atlanta and New Orleans

As the nation's television stations begin gearing up for their 1988 political year coverage, those with satellite newsgathering vehicles are now deciding how far they plan to go to cover the news. Many may be deciding to go not far at all.

A major factor in how much SNV coverage those 92 or more stations might undertake for the primaries or the convention could be the potential crunch in satellite time, particularly at peak news periods. Physical space limits anticipated at the political party convention centers in Atlanta and New Orleans next summer could further force down the numbers.

As one satellite newsgathering veteran, Mel Martin, vice president and news director of WJXT(TV) Jacksonville, Fla., said last week: "There have never been as many stations doing news as there are right now. There have never been as many ad-hoc groups, between the networks, Conus, the Florida News Network. There has never been as much ability to originate live from the place of your choice. And all that makes for both profound opportunities and prob-

lems."

Agreed Brian Bracco, news director of KMBC-TV Kansas City, Mo.: "Parking and logistics could be a nightmare. . . This is the first time for hundreds of stations across the country to do this. There's going to be organized chaos," he said.

Mike McDonald, director of broadcast operations and news director for WDAF-TV Kansas City, Mo., recalled that in previous conventions "the fight for space has always been inside the structure. I would imagine there's going to be just as big a fight, if not a bigger fight, for space outside the convention site now," he said.

Philip Balboni, vice president of news for WCVB-TV Boston, also doesn't think there will be enough room for all the trucks. "I think there will be an unprecedented number of local television stations at the conventions. I don't know how successfully they can all be accommodated, but it will be a real test," he said.

Networks and news services are also anticipating difficulties for affiliate stations SNV's, as well as for some for their own. With some exceptions, most are recommending that stations carefully consider the disadvantages of bringing their own vehicles and contemplate the merits of cooperative action to purchase satellite time and the sharing of trucks on location.

Group W Newsfeed's Washington bureau chief, Louisa Hart, said there may be "no competitive advantage" for a station to take its trucks to the conventions. "It's almost a disadvantage to have a truck there." Added Terry O'Reilly, Newsfeed news director: "All resources [at the conventions] are going to be very limited. The one thing that will be plentiful is aggravation."

Advised Charles Hoff, of CNN's Newsbeam satellite newsgathering service: "Stations need to think about what's involved in moving their truck, getting permission to have it parked, getting power, getting expensive phone drops, paying for staffing, getting transponder time, and ask: 'Do I have the time available and is it worthwhile to bring my truck, or can I work with someone else.?' " Conus's Charles Dutcher added that although the events are still six months to a year away, stations should "get together and start planning now."

Both Atlanta's Omni Center and the New Orleans Superdome will probably only be able to accommodate 30 to 40 SNV's each, commented ABC's Tedy Newhall, director of news operations, News One. ABC alone expects to have on site at least 10 affiliate and owned SNV's, she added. NBC's George Mills, general manager of Skycom, said it is also his network's position to suggest stations work out of various consortiums to share trucks.

But not all the networks share these same concerns. CBS is suggesting that any affiliate with a truck who cares to bring it to the convention cities should do so. But John Frazee, of CBS, said stations might consider using it more off the convention center site,

for instance, at state delegates' hotels or to cover other news angles in the area.

"Because of satellite newsgathering," Frazee argued, "TV stations are less concerned about the imperative to make decisions far in advance on transmission, like 1984 when transmission facilities were very expensive and scarce. Four years ago CBS had four paths; we could easily have 10 times that many." He added, however: "Stations which just show up, I suspect, will be disappointed."

Frazee also said he believes it might be a "mistake" for stations to send their trucks to cover distant primaries. "There are so many trucks out there, it is unnecessary to send a station's truck. If the networks aren't capable of putting stations together to share trucks, we will not be doing our jobs."

Adding to the complexity, major satellite time suppliers, such as GTE Spacenet, which has transponder deals with ABC, CBS and CNN, note that because the events are relatively far into the future, they are not confirming any occasional use orders until 90 days before an event, only taking time-stamped inquiries.

Although most stations have not formalized election year plans yet, most agree with Robert Crawford, assistant news director of WXIA-TV Atlanta, that advanced planning is a necessity—both in booking satellite time and in finding a parking place. For the latter, he foresees few problems for those who plan ahead.

"It's amazing how many SNG trucks can be crammed into a very small space," he said, adding that "there may be some problems for those who do not plan well," those who don't get space reserved with the appropriate groups in advance. "I think the biggest problem is just going to be the distance one has to park away from those particular sites," he said, although that can be accomplished by microwave hops or cable runs.

In Atlanta, WXIA-TV doesn't plan to use its SNV at all for its own purposes, but will use it to assist its other Gannett stations to get their convention coverage out. The station also plans to have its SNV in New Orleans, doing shots for itself and the other Gannett stations.

According to WCVB-TV's Balboni, the Boston station used its then newly acquired satellite truck "rather briefly" in the 1984 elections but plans to use its truck "extensively" during the New Hampshire primaries and probably in other places as well. "We're so enthusiastic about satellite technology," he added, the station is buying a second satellite truck by next fall.

As for the availability of satellite time, Balboni said that "there are enough sources of satellite time now, especially in our case. WCVB-TV is affiliated with three different satellite cooperatives [Conus, ABC and CNN]. That's three separate sources of transponder time." Additionally, Balboni said, the station's group owner, Hearst Broadcasting, is negotiating for time "that would make sure that we would be able to do the things

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Other group broadcasters are using their extra fire power to insure adequate satellite time. Cox Enterprises Inc., for instance, has requests in for blanket satellite time for both C-band and Ku-band for each convention site for use by its eight television stations, according to Ken Bridgham, Cox Washington assistant bureau chief, who said that the company has hired a consultant to negotiate with "various people who have uplinks." John Swanson, vice president of engineering at Cox, added that the company plans to purchase two more SNV's, adding to the one it already has.

At Gannett News Service's television bureau in Washington, satellite operations producer William Papa confessed to have been "preaching doom about a pending critical shortage of satellite time," and said that to protect itself, Gannett in March 1986 placed an order with GTE Spacenet for 2,000 hours of Ku-band satellite time to be used between January 1987 and January 1989, mainly for

use in election year coverage.

Taft Broadcasting has also booked outside satellite capacity, both C-band and Ku-band, for its owned stations, as well as for resale to four other group broadcasters, according to Jack Morse, director of satellite communications for Taft. Morse said Taft has booked the majority of the time with Spacenet. The company will probably have two SNV's at the conventions, and "may bring in an outside truck, which would be feeding stories on our behalf for some of our customers," Morse said.

McDonald of Taft's WDAF-TV, said he is not sure yet how much his station will use its SNV for the national conventions. It will depend "on how much the Taft stations work together in a cooperative effort," as they have done in the past, he said.

As for stations finding enough satellite time, McDonald said if a station hasn't bought it by now, "I imagine [it is] going to be in trouble." However, he added, "there always seems to be some satellite time available. You can always find somebody who

has a 15-minute window, a 10-minute window or a five-minute window to sell you." WVUE(TV) New Orleans' managing editor, Kirk Melancon, also does not anticipate any difficulty in getting enough satellite time to file stories. There are "all kinds of ways" to get around any shortage of time during peak periods. Stations could, for instance, feed early and then go live later, he said.

Bracco doesn't seem worried about getting enough satellite time for KMBC-TV's coverage either. "In our case," he said, "we'll have at least two options, either going with the ABC satellite system (ABSAT) or the Conus system. There are a lot more avenues and a lot more satellites up there, and a lot more paths that we can get in or out of," he said, adding that "we're not going to have unlimited time; everything probably is going to be done in five-minute increments for local newscasts."

"With the proliferation of satellite trucks throughout the country and the cooperatives that have been established," said Bracco, "it makes it easier for us to get to an uplink site

The satellite newsgatherers

The 92 stations listed below are those U.S. broadcasters that have mobile Ku-band satellite newsgathering vehicles. The vast majority are top 100 market network affiliates, split between NBC affiliates, with 36, CBS, 28, and ABC, 27, and one independent. Another five NBC owned stations have the trucks, as do two ABC-owned stations. Others are members of Conus (the Hubbard Broadcasting-owned satellite news cooperative), Cable

News Network's satellite cooperative, and a regional satellite cooperative, Florida News Network.

The stations are listed alphabetically by state and include network affiliation and membership in any satellite news cooperative. Several stations, listed separately below, share the Ku-band mobile uplinks.

Arizona

KPNX-TV Mesa NBC
KTVK(TV) Phoenix ABC (Conus)
KTSP-TV Phoenix CBS

California

KNBC(TV) Los Angeles NBC O&O
KCRA-TV Sacramento NBC (CNN)
KTXL(TV) Sacramento Ind. (Conus)
KRON-TV San Francisco NBC (Conus)

Colorado

KCNC-TV Denver NBC (Conus)
KUSA-TV Denver ABC

Connecticut

WFSB(TV) Hartford CBS
WTNH-TV New Haven ABC (CNN)

Washington

WJLA-TV Washington ABC (Conus)
WRC-TV Washington NBC O&O
WUSA(TV) Washington CBS

Florida

WESH-TV Daytona Beach NBC (Conus)
WTVX(TV) Fort Pierce CBS (Conus)
WJKS-TV Jacksonville NBC (Conus)
WJXT(TV) Jacksonville CBS (Fla. N.N.)
WPLG(TV) Miami ABC (Fla. N.N.)
WSVN(TV) Miami NBC
WTVJ(TV) Miami CBS (CNN, Conus)
WCPX-TV Orlando CBS (CNN)
WFTV(TV) Orlando ABC (Fla. N.N.)
WTSP-TV Tampa ABC (Fla. N.N.)
WTVT(TV) Tampa CBS (Conus)
WXFL(TV) Tampa NBC
WPEC(TV) West Palm Beach ABC (CNN)

Georgia

WXIA-TV Atlanta NBC
WSA-TV Savannah NBC (Conus)

Illinois

WLS-TV Chicago ABC O&O
WMAQ-TV Chicago NBC O&O

Indiana

WRTV(TV) Indianapolis ABC (Conus)
WTHR(TV) Indianapolis NBC (CNN)
WNDU-TV South Bend NBC

Kansas

KAKE-TV Wichita ABC

Louisiana

WBRZ(TV) Baton Rouge ABC (Conus)
WVUE(TV) New Orleans ABC (Conus)
WWL-TV New Orleans CBS

Maryland

WBAL-TV Baltimore CBS (Conus)
WMAR-TV Baltimore NBC

Massachusetts

WBZ-TV Boston NBC
WCVB-TV Boston ABC (Conus)
WNEV-TV Boston CBS
WUFT(TV) Gainesville CBS

Michigan

WDIV(TV) Detroit NBC (CNN)
WXYZ-TV Detroit ABC (Conus)
WPBN-TV Traverse City NBC

Minnesota

KARE(TV) Minneapolis-St. Paul NBC
KSTP-TV Minneapolis-St. Paul ABC (Conus)
WCCO-TV Minneapolis-St. Paul CBS (CNN)

Mississippi

WJTV(TV) Jackson CBS (Conus)

Missouri

KCTV(TV) Kansas City CBS
KMBC-TV Kansas City ABC (Conus)
WDAF-TV Kansas City NBC

Nebraska

WOVT(TV) Omaha NBC (Conus)

Nevada

KVBC(TV) NBC (CNN)

New Mexico

KOB-TV Albuquerque NBC (Conus)

New York

WNBC-TV New York NBC O&O

North Carolina

WBTV(TV) Charlotte CBS (Conus)
WRAL-TV Raleigh CBS (Conus)

Ohio

WKRC-TV Cincinnati ABC

WKYC-TV Cleveland NBC O&O
WBNS-TV Columbus CBS (CNN)
WDTN(TV) Dayton CBS (Conus)

Oklahoma

KWTV(TV) Oklahoma City CBS (Conus)

Pennsylvania

WTAE-TV Pittsburgh ABC (Conus)
WYOU(TV) Scranton CBS

South Carolina

WCSC-TV Charleston CBS (Conus)
WSPA-TV Spartanburg CBS

South Dakota

KELO-TV Sioux Falls CBS (Conus)

Tennessee

WSMV(TV) Nashville NBC
WTVF(TV) Nashville CBS (Conus)

Texas

WFAA-TV Dallas ABC
KPRC-TV Houston NBC (Conus)
KTRK-TV Houston ABC O&O
KENS-TV San Antonio CBS
KSAT-TV San Antonio ABC (Conus)

Utah

KSL-TV Salt Lake City CBS (CNN)
KTVX(TV) Salt Lake City ABC
KUTV(TV) Salt Lake City NBC (Conus)

Virginia

WTKR-TV Norfolk CBS (CNN)

Washington

KOMO-TV Seattle ABC (Conus)

Wisconsin

WISN-TV Milwaukee ABC (Conus)
WTMJ-TV Milwaukee NBC (CNN)

Stations sharing vehicles

- KYW-TV Philadelphia NBC, KDKA-TV Pittsburgh CBS, and WJZ-TV Baltimore ABC
- KSNZ(TV) Topeka, Kan. NBC (Conus); KSNW(TV) Wichita, Kan. NBC (Conus), and KSNF(TV) Joplin, Mo. NBC (Conus)
- WXII(TV) Winston-Salem, N.C. NBC (Conus); WYFF-TV Greenville, S.C. NBC (Conus)

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10. SILVER SPOONS



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and have our reporter be some place hundreds of miles and beaming the local story of the local candidate back to the Kansas City market."

Additionally, with most of the cooperatives, there's a "You scratch my back, I'll scratch your back kind of mentality," Bracco said, adding that "there's a lot of trading."

WJXT's Martin agreed that stations will help one another. As more stations have trucks, "there are a lot of very informal 'networks' around the country, where 'we helped you, now you help us,'" he said. But Martin explained having one's own SNV equipment has made coverage of major events easier. There now are "a lot more uplinks. As a result, [stations] aren't waiting in line."

He added his station will be "very involved" in covering the primaries, and anticipates being "very busy" in Florida for Super Tuesday. WJXT will also rely on affiliations with other stations to get reports. "Now I may send crews, but I will certainly not send trucks. We won't send artillery, be-

cause our truck will be very busy covering Super Tuesday. It will be providing for stations outside Florida who will be interested in what's going on here."

Also, Martin said, as a Post-Newsweek station, WJXT will have additional resources and access to material from other Post-Newsweek stations, such as WFSB(TV) in Hartford, Conn., which also has a truck that "will likely be in New Hampshire." The difference between covering the 1988 political year and 1984, he said, is that "with all those extra uplinks, your chances of getting on your news when you want to are much greater than they were."

"Back at the conventions in 1984," he added, "we were all dealing with outside vendors. None of us were uplinking ourselves. Now, we all have the hardware... [but] without a lot of Ku transponder space, there isn't going to be a need for a lot of those trucks. In other words, it's self-limiting... Everybody who has a truck simply can't show up, because there's no path out."

Another Florida station, WTVJ(TV) Miami,

like many others, has not fully coordinated its coverage for the 1988 political year. Larry Henrichs, the station's acting news director, said last week that WTVJ will rely "pretty much on a 50-50 split" with the Conus affiliates and its own CBS network affiliates. "We're going to throw it all in a pool and work with a pool arrangement."

In Boston, WBZ-TV plans extensive coverage in New Hampshire beginning as early as this fall, according to its news director, Stan Hopkins, because there has been a "significant increase in the amount of campaigning on the part of the candidates," he said. The station is opening a bureau there, and rather than using microwave, as the station has done in the past, WBZ-TV will park its Ku-band truck at the bureau location and use it to edit and feed material throughout the campaign season.

For election coverage as a whole, the station does not plan to take its SNV out of the Boston area, but Hopkins said he will be "calling upon all of our friends and relatives around the country that have any capability at all in hoping to work with them." □

Remote possibilities for remote sensing

Although pictures from satellites with imaging capabilities have caused a mini-sensation, most see widespread use to be, at a minimum, years away, because of financial, legal and technical obstacles

Earlier this month, ABC's *Jennings/Koppel Report*, in a piece on what seems to be the approaching crisis in the Persian Gulf, used some stunning pictures from space to illuminate the story. The pictures showed the gulf both from a high-flying government weather satellite and a lower-level, remote-sensing landsat satellite, as well as three-dimensional pictures from yet another satellite, a French SPOT, of the sites on Qeshm Island, in the Straits of Hormuz, where the U.S. says Iran may install Silkworm missiles to threaten shipping in the gulf. The pictures grabbed and held the viewer's attention. Computer-enhanced, remote sensing imaging—as the technique is called—is, said Jeff Gralnick, executive producer in charge of ABC news specials, "a damned interesting

reporting tool."

Indeed it is. That has been evident since images of the nuclear plant disaster at Chernobyl, Russia, were picked up in April 1986 by the American EOSAT's (Earth Observation Satellite Co.'s) Landsat Vand then France's SPOT Image, remote sensing satellites that operate in 500-mile orbits. The pictures were published and shown on television. And although the analysts had some trouble determining exactly what the satellite's sensors had picked up—that was especially true of the Landsat pictures, which lack the definition of SPOT's and led at least one network to report two, rather than only one, "hot" spots at Chernobyl—satellite remote sensing had arrived as that "damned interesting reporting tool."

Even earlier, in April 1985, ABC News broadcast imagery of the Iran/Iraq border area. And since then, Landsat and SPOT have provided images of rocket sites in Libya and secret military installations in the Soviet Union—ABC, CBS and Cable News Network showed imagery of the Soviets' nu-

clear testing facility at Semipalatinsk, some 1,800 miles southeast of Moscow. In April, ABC's *World News Tonight* presented SPOT pictures of a massive radar installation deep inside the Soviet Union that, the report said, constitutes a violation of the Anti-Ballistic Missile Treaty. ABC has even used the technology for less cosmic purposes: A SPOT satellite focused on New York City harbor as a map reference during ABC News's Liberty Weekend coverage July 4, 1986.

For all of that, the interest of news media executives in investing in what some are calling a mediasat—a remote sensing satellite dedicated to the media's uses—seems tepid. Lawrence Grossman, president of NBC News, saw such an investment as a possibility "down the road." "We have people following it," he said. "But it's not a major project." David Burke, executive vice president of ABC News, which probably has used remote sensing more than any other network, saw the technology as making it possible to report on major events in areas where reporters are barred. "But," he said, "people shouldn't get overly excited about it at this point." Perhaps, he said, the technological advances he saw as necessary would be made "in the next decade." A CBS official said: "There hasn't been that much pressing need for such a service. Perhaps some time in the future." And Richard Tauber, director for satellites and circuits for Cable News Network, said: "I don't think it's a very good investment." He noted that when CNN wants particular pictures from space—like those of the Chernobyl disaster—they are available.

A large part of the problem—at a time when networks are paring instead of increasing expenses—is cost. A state-of-the-art, top-of-the-line, two-satellite mediasat, complete with ground system, would cost up to \$470 million. The four networks could, presumably, band together to build and operate

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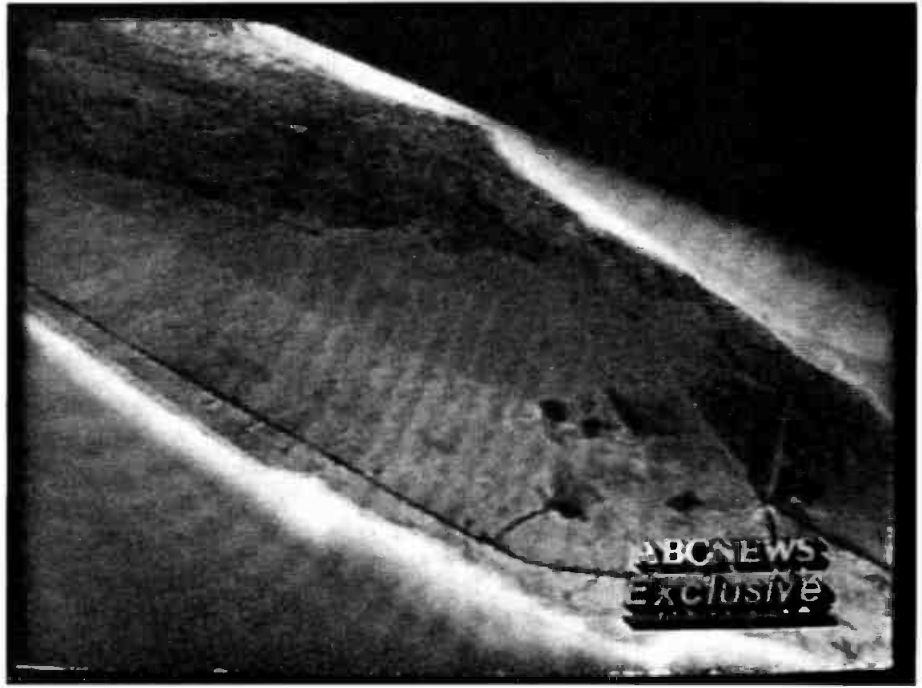
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such a system. But the U.S. Office of Technology Assessment has estimated that the total annual cost for networks over a five-year period would range between \$53 million and \$109 million (BROADCASTING, June 1). Piggybacking a media-dedicated sensor on a satellite would be much cheaper—between \$60 million and \$80 million for one that would provide five-meter resolution, that is, one sufficiently powerful to pick up objects as small as five meters across, the standard that media representatives say they would require. SPOT has a resolution of 10 meters and Landsat, 30, but the next-generation Landsat vehicle is to have a resolution of 15 meters. EOSAT officials indicate the company would build a five-meter-resolution sensor into the Landsat VII scheduled for launch in 1993 or 1994 if the media indicated an interest. That, obviously, remains a question.

But cost is not the only problem. The imaging provided by the remote-sensing satellites does not generate the kind of pictures familiar to viewers. The sensors measure the radiation and light that are reflected and emitted from earth in different bands or colors; the satellite returns the data, in digital bits, to ground receiving stations, where the data is interpreted by computers and converted into what passes for photographs. Still, as Tauber noted, they require interpretation for the viewer, a tricky discipline. And all of that takes time. The SPOT images shown on the *Jennings/Koppel Report* came from data ordered five days in advance of the satellite's pass over the gulf, on June 18, and the image processing required about six days. True, the processing produced a remarkable three-dimensional look for the video version: The camera seemed to be zooming in and around Qeshm, an effect TASC (The Analytical Science Corp.) of Boston created with the aid of a computer, into which a flight path had been programmed, and a terrain elevation map. The demands of journalism do not always allow for such a leisurely pace.

Then, too, there is the impediment media representatives see the government as having thrown up in the restrictions that the Commerce Department has imposed on the use of remote sensing satellites. Under the regulations, the department would deny or condition a license on the basis of findings



by the Defense or State Departments that the proposal would violate national security or interfere with the U.S.'s "international obligations." The media groups, led by the Radio-Television News Directors Association, argued in vain that such rules would violate the First Amendment (BROADCASTING, July 14). And they have expressed concern that such restrictions would discourage media interests from making the investment a mediasat would require. (Another possible problem is a directive reportedly issued by President Carter in 1978. It is said to limit civilian remote-sensing satellites to a 10-meter resolution. However, the directive presumably would be subject to challenge at the time of licensing.)

EOSAT—a joint venture of RCA Corp. and Hughes Aircraft—has not yet made a major effort to secure media investment in future Landsats and thus ease the burden of depending on government subsidies. (The government agreed to provide a \$250-million subsidy when it turned its Landsat system over to EOSAT in 1985, but the payments have been slow in coming—\$90

million initially and nothing more until Congress earlier this summer included \$62.5 million for EOSAT in a supplemental appropriations bill. However, even those funds will not be released until the Commerce Department provides an overall plan on implementing the privatization plan.) "We're in an educational environment," Matthew Willard, EOSAT's market planning director, said last week. "They [the media] aren't up to speed on requirements or what they'd do with the data we can provide." Willard has been doing his educating of media executives at various seminars and meetings on the new technology. "I'm going to start talking individually to the people at those meetings," he said. But he was not overly optimistic. "The media are interested in a mediasat," he said. "But no one is beating down our doors for one."

To Mark Brender, the ABC News assignment editor in Washington who has done as much as any one individual to publicize and promote remote sensing imagery as the essential next step for American journalism, the attitude of those in the networks in a position to influence policy is less than imaginative and bold. They require, he suggested, some of the drive of Gutenberg. "Gutenberg didn't have 500 people lined up outside his door when he invented the printing press," Brender said. "No one in the media is even doing a study, which I find unfortunate." He noted that Booz, Allen & Hamilton is preparing a marketing study for SPOT, while Hughes is preparing one for EOSAT.

Brender heads the RTNDA's Media in Space Committee, but his concern is the networks. At a time when their audiences are being siphoned off by competitors, like Conus, the satellite newsgathering consortium, and cable television services, he says, the networks are missing a beat by not grabbing on to the new technology of remote sensing. Indeed, he says, offering a market-

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ing tip, remote sensing provides "information," not only "news." To him, the distinction is that information is material that could be repackaged and sold. Who, he asked, would want pictures of an attack on an oil tanker? "Oil companies? Insurance companies? Iran?" So it is not just material for the evening news programs that the networks could gather through remote sensing, he says.

Adding to Brender's unease last week was the report that the Soviet Union was increasing efforts to sell photographs taken from satellites in space—and pictures that have better resolution than that available in the West. The Soviet publication *Izvestia* reported that a Soviet trade organization, Soyuzkarta, had sold photographs taken from a Soviet spacecraft to Syria and that parties in Australia, Kuwait, Angola, North Korea, Vietnam and East Germany had indicated an interest. The images are said to have a resolution of six meters, significantly sharper than SPOT's 10-meter resolution capability. Western experts are reported to believe that at least some of the Soviet photographs are being taken by the Mir manned space station, which orbits the earth every 90 minutes. The report, Brender noted, emerged less than a week after the U.S. Commerce Department issued its rules governing licensing of remote sensing satellites that the media contend will restrict their use of the new technology.

Perhaps the news media's lack of enthusiasm for a mediasat stems from the fact the

technology involved was not designed for such a purpose. The basic concept was developed by the National Aeronautical and Space Administration in the 1960's as a means of forecasting the weather, analyzing crops, even exploring for oil and other minerals. The government's need for intelligence gathering was also a factor in the development. And the legislation by which the government turned over the Landsat system, which had been established in 1972, to a private company authorized the Commerce Department to impose restrictions on the satellites' use.

But a small company in the Washington suburb of McLean, Va., Defense Systems Inc., which builds miniature communications for the military—the current generation of satellites are used for experimental purposes, but a follow-on generation would be used for communications—thinks it may have what broadcasters, not only the networks, need: a small satellite, weighing up to 250 pounds, that would circle the earth in a low (150-to-300-mile-high), polar orbit, taking pictures with a color television camera that could define objects as small as seven or eight meters across. The satellite would cost up to \$2 million, the launch, up to \$500,000—but as low as \$40,000 if packaged as "a get-away special" on a space shuttle. At least that was the description Defense Systems' director of space technology, Dr. Richard Fleeter, provided last week. One problem that the mini-bird would not escape, however, is Commerce Department li-

censing. J. Laurent Scharff, lawyer for RTNDA in its battle with Commerce over its proposed regulations, says those regulations provide for no exceptions.

Fleeter said Defense Systems has contacted eight broadcast groups, soliciting them as customers for the mini-mediasat. Although most showed no interest, "two or three" did, he said. But of those, he cited only one, NBC. He said David Baylor, vice president, production and broadcast operations, had asked for a detailed briefing. Baylor said he did not know enough about the proposal to determine whether it would be viable. But, he said, "we're interested in hearing more about it." Another of those who had been contacted was less impressed: "It didn't set us on fire."

Presumably, the executive was simply not persuaded by the initial presentation. But the attitude suggests a barrier that remote-sensing advocates like Brender see as their mission to overcome. For the moment, at least, picture taking from space, as a full-time, ongoing operation rather than merely "a damned interesting reporting tool," may be one of those ideas whose time has not yet come. □

Scrambling makes a comeback as Hill issue

Home satellite industry has renewed hope that Senate will take action to rectify what industry sees as unfair marketplace; copyright matters may also come under scrutiny

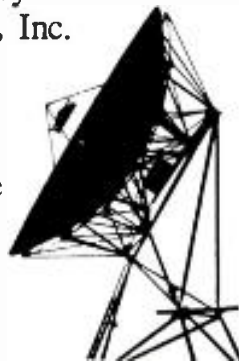
Congressional interest in the home satellite marketplace is intensifying. In January, much of the fervor associated with backyard dish owners' desire for access to scrambled satellite programming—cable and broadcast—at fair and reasonable rates seemed to have faded. There were signs that the marketplace was settling down and there were hopes that the cable and home satellite industries could prosper together. But a different picture is now emerging, and TVRO interests and cable may be headed for another congressional showdown.

"This issue is proving to have a longer shelf life than had been anticipated," said one cable industry source. And it's understood the National Cable Television Association is concerned there will be an effort to move the so-called scrambling legislation. Last year, after intensive lobbying by NCTA, the Senate voted 54 to 44 to kill a rider to a bill that dish owners felt would make the home satellite marketplace more competitive.

Scrambling bills were reintroduced this year by Representative Billy Tauzin (D-La.) and Senator Al Gore (D-Tenn.), both of whom led the charge last year. The bills (H.R. 1885 and S. 889) are identical. Under the bills, cable programmers would be re-

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quired to make their programming available to third parties on a nondiscriminatory basis. The measures also call on the FCC to set standards for encryption (a provision that even the TVRO industry disapproves) and require the agency to initiate a rulemaking to expand network programming into rural areas. And the Federal Trade Commission would be assigned to prepare an investigation of the TVRO marketplace to insure there is competition. If the agency concludes otherwise, it is "authorized to establish any remedies which it deems necessary to produce adequate competition for such programming."

Already the stage is being set for another confrontation. Two weeks ago at a House Telecommunications Subcommittee hearing (BROADCASTING, July 6), members expressed strong concern that the marketplace is not working. They seemed unconvinced by testimony that dish owners can purchase cable programming at comparable or even lower rates than cable subscribers. Furthermore, some congressmen believe the cable industry has a lock on distribution to dish owners and that other third-party distributors are being shut out. They feel the marketplace will never be competitive unless third-party packagers of satellite programming flourish. But cable argues that third-party packagers are not the answer. "I don't see that third parties can do anything today about the doldrums this industry is in," said Steve Effros, president of the Community Antenna Television Association.

Larry Irving, senior counsel to the subcommittee, thought the level of concern was greater than he anticipated, but he did not indicate there would be any immediate action on the issue. Moreover, it's believed the Senate will move first.

At least that's how the home satellite industry thinks it will play out. "There's a lot of sympathy in the Senate," said Christine Gliozzo, spokeswoman for the Satellite Broadcasting and Communications Association. Actually SBCA may be pinning all its hopes on the Senate. Gliozzo indicated the group was "discouraged" by the House hearing, which they felt was a "rehash of old issues."

A more accurate reading of what lies ahead in the Senate may be had when the Communications Subcommittee convenes a hearing July 31 on the TVRO marketplace. It's been said the Senate bill enjoys considerable support, enough to have generated reports that a markup could occur in September, but subcommittee staffers did not confirm that report. There also was a general reluctance on the part of staff to speculate what the Senate will do on the matter. "We'll have a better idea after the hearing where it's [the bill] going," said one Senate staffer.

The renewed interest in the issue has occurred despite findings by the FCC and National Telecommunications and Information Administration that the backyard dish industry is "developing in an effectively competitive way." The Justice Department has also tentatively cleared the cable industry from any antitrust violations in the home satellite marketplace. Apparently, the cancellation of the TVRO package proposed by Turner

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Broadcasting System, the growing ownership concentration within the cable industry and HBO's decision not to offer Festival, its new family-oriented pay cable service, to dish owners, have contributed to a review of the matter. (HBO has since said it is re-evaluating that decision.)

Because the debate remains a grass-roots issue, cable is facing a tough challenge. "This is not an issue of substance; it's politics," said one cable industry source. And as House subcommittee member Al Swift (D-Wash.) put it to cable witnesses during the hearing, "We're dealing with a public dissatisfaction. What the real problem is... you need to respond to it if you're going to keep us from going in and doing it for you."

On the copyright front, action is also expected on legislation that would encourage the satellite distribution of broadcast station signals to backyard dish owners. The bill, based on one the House Judiciary Committee adopted last year, would create a statutory copyright license covering the satellite distribution of network and independent broadcast signals to TVRO homes. The bill's author, House Copyright Subcommittee Chairman Robert Kastenmeier (D-Wis.), is expected to convene hearings in the fall, and prospects for the measure seem good. On the Senate side, the issue has yet to surface.

It enjoys the support of the cable, motion picture and TVRO industries, although last year each had expressed some reservations. Hollywood is a long-time opponent of cable's compulsory copyright license and was



Satellite deal. Announcing last month's details of the new arrangement between Netlink USA and NBC (l-r): Tom Rogers, NBC vice president for policy and planning and business development; Brain McCauley, executive vice president for Netlink; Bruce McGorill, vice chairman of NBC-TV's affiliate board; Robert Thompson, vice president for Tele-Communications Inc.; Representative Carlos Moorhead (R-Calif.), ranking minority member on the House Copyright Subcommittee, and at podium, Copyright Subcommittee Chairman Robert Kastenmeier (D-Wis.).

not anxious to see the concept applied to the dish marketplace. Cable, on the other hand, voiced concern that the bill eliminates the license after eight years. And the backyard dish industry was dissatisfied with last year's version because it excluded network signals.

The bill is expected to encounter opposition from broadcasters (independents and network affiliates). Last year broadcasters were able to keep the measure from a vote on the House floor, although Congress was set to adjourn and the bill's proponents say they simply ran out of time. But Hill sources say that shouldn't prevent the measure from making the same progress as it did before.

Some new variables have developed that could affect the outcome. Agreements like that between NBC and Netlink USA could "eliminate the need for the bill," said one broadcast lobbyist. Under this arrangement, Netlink, which is partly owned by cable

MSO Tele-Communications Inc., will distribute NBC's KCNC-TV Denver to TVRO owners unable to receive the network's programming. Netlink is attempting to fashion a similar deal with ABC. CBS has told Netlink it's not interested.

But others say Netlink will need the legislation because it could be classified as a common carrier.

Another element that may arise during the debate is the FCC's interest in a rulemaking to reimpose syndicated exclusivity rules. Cable interests say distant signals would disappear from cable if their syndicated programming were blacked out locally. "This will all be moot if syndex goes into place," said CATAs Effros. "They've [backyard dish owner] got access. They ought to worry more about the fact that there isn't going to be any signals up there if syndex goes in," said Effros. □

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From news to business to special events, the world is increasingly turning to satellite technology for distribution purposes

International trafficking of satellite video is on the rise, according to major overseas satellite service providers, and the growth is expected to continue, helped along by an increased interest around the world in news from abroad, a more relaxed international regulatory environment and improvements in satellite technology that have eased access to the international links and lowered costs.

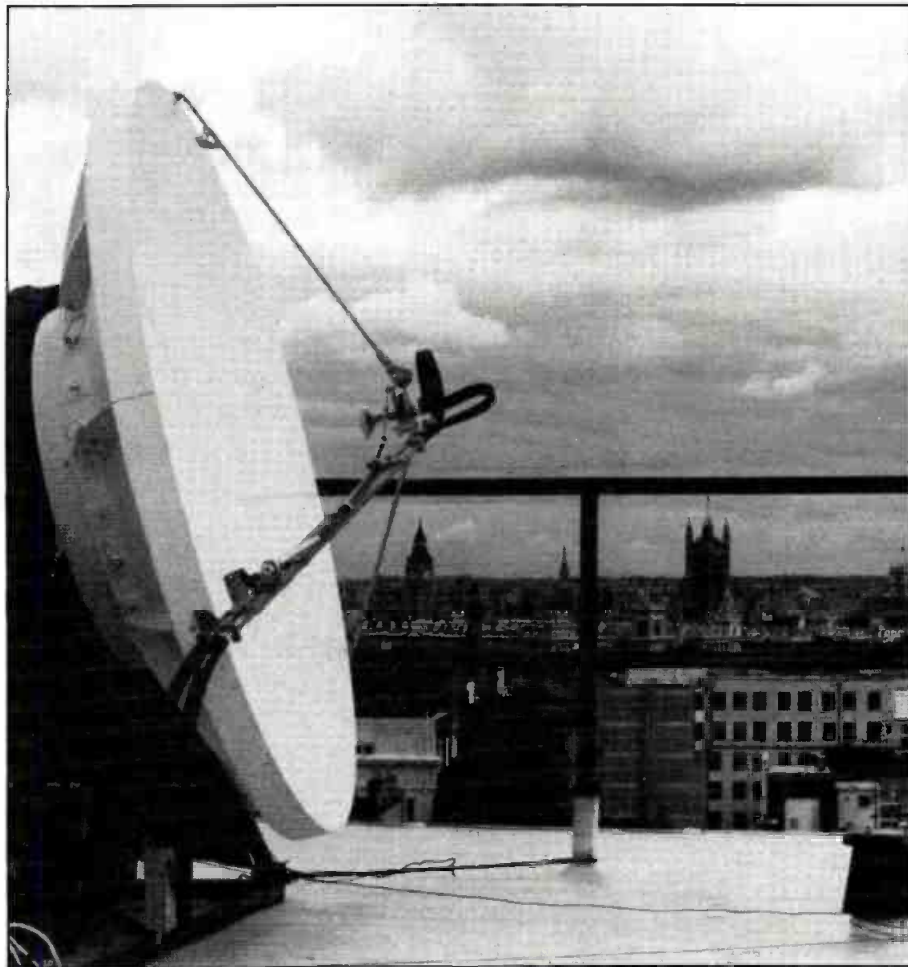
Broadcast television, although still a small business compared to voice and data volume, dominates the Intelsat satellite video transmissions that link Europe and the U.S., and the U.S. with the Far East. Although broadcasters and news services are expected to remain leading customers in the field, corporate video has the potential to become a far greater source of revenue. "Media events" such as the 1985 "Live Aid" concert could grow into a key business as well.

Limiting factors, however, still confront overseas video traffickers. It is sometimes

awkward to reach the large, out-of-the-way international satellite earth stations, entailing the use of expensive landlines or double-hops through domestic satellite systems. Also, international regulatory schemes that govern direct access to Intelsat satellites, although much looser than they were a year or two ago, are still relatively complex and can as such hinder new applications.

But satellite time brokers and gateway providers, like Brightstar, Comsat, RCA, IDB and Washington International Teletop, are projecting growth nonetheless, and several have plans or are already building new facilities to handle it. William Page, director of North American marketing for Brightstar Communications, one of the largest suppliers of international satellite video time, sees his company's video traffic growing from a current six hours a day of occasional use to as much as 14 to 15 hours a day with both occasional and full-time users by 1990.

At RCA Americom, which regularly supplies occasional satellite time to companies including the BBC, Italy's state broadcaster RAI and broadcasters from Japan, Australia and New Zealand, Director of Broadcast Services Andreas Georghiou projects a more



IDB's London "Fly Away"

conservative growth of 8% to 10% annually for broadcast video during the next several years.

Comsat also expects growth, according to Nancy Salvati of Comsat's World Systems Division, Intelsat Satellite Services. She said occasional use video will see the most new business, with full-period video leasing now peaking after some 50% growth in the last five years.

Jeff Sudikoff, president of IDB, expects a doubling of video traffic over the Atlantic in the next three to five years. And at the Washington International Teleport, President Bruce Kirschenbaum predicts that his current 80 to 100 hours per month of international news service traffic will grow to up to 200 hours by the November 1988 U.S. presidential elections.

And significant cost cuts may also be expected by customers using new, more centrally located, direct-access earth stations, and further cost reductions are also being felt in a preliminary way as a result of Intelsat's 13% rate reduction in international video tariffs.

Much of the growth, the companies predict, will come from the increasing trend toward international news coverage, both by U.S. and foreign broadcasters. Explained Georghiou: "There's an unmistakable tendency to have content in news that goes beyond national boundaries. Distant locations are not that distant any more. There are also now facilities in place to let this happen on a

routine basis, helping both to generate and to meet the demand."

But broadcast uses, primarily transmission of news and sporting events, may not be the only, or, in the future, even the main applications of satellite video technology. Corporate or business video applications will experience "tremendous" growth, in the belief of both Brightstar's Page and Ed Helfer of Visnews Ltd., co-owned with Brightstar. IDB's Sudikoff also sees non-broadcast video outpacing broadcast during the next several years.

RCA's Georghiou is less optimistic about business video, particularly over the Atlantic. "I'm not sure Europeans are set up very efficiently for that. The potential depends on the regulatory environment and whether businesses are allowed direct access to Intelsat."

And traffic over the Atlantic, for the time being, will probably remain far more plentiful than that over the Pacific, although expanding business ties with the Far East could easily change that. Because most of the biggest Far East users, such as Japan's national broadcaster NHK and Australian networks Channel 7 and Channel 9, have already signed on for full-time circuits, there is less room for growth in Pacific traffic, a number of observers believe.

But Sudikoff also blames light Pacific traffic on what he calls the "inadequacy" of the Comsat-run West Coast ground segment in Jamesburg, Calif., which he says requires

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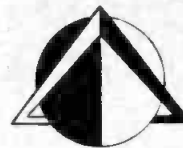


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DBS forges ahead in Europe and Japan

While high-power direct broadcasting by satellite is far from reality in the U.S., Europe is on the verge of launching its first DBS service this year and may have as many as five services by the early 1990s. In Japan, national broadcaster NHK is planning to place a high-power DBS system in action by 1990.

The launch of the European DBS industry depends, however, on the successful restarting of the French Arianespace rocket schedule, which was sidetracked by serious technical problems in early 1986. The first flight since then is tentatively set for late next month.

If all goes well with Arianespace, West Germany is expected to have the first DBS service up and running, with its Ariane launch currently scheduled in October. Programers on the four-channel TVSAT-1 satellite will include two private broadcasters, Luxembourg's RTL-Plus, and Sat1, a cable satellite channel run by a consortium of West German publishing companies. The two national German channels, ARD and ZDF, will occupy two other channels.

France's DBS system, also government-backed, is the four-channel TDF-1 satellite, scheduled for an Ariane launch in April 1988. Programers are now awaiting government action on bids made last month to occupy the satellite transponders. Among the bidders are private channel Canal Plus and the newly privatized national channel TF-1. The French cultural satellite channel La Sept has already been given a slot on the system.

Both the West German and French satellites, which share a co-located orbit so that viewers can adjust their dishes to receive both sets of channels, will each be joined by a second satellite—France's TDF-2 to be launched in the fall of 1989 and West Germany's TVSAT-2 to be launched in February of 1990—allowing each to ultimately have five channels of programming.

The British DBS project, privately run under a consortium headed by broadcaster Granada TV, media company Virgin Group and publisher Pearson, is expected to launch the first of two satellites in late 1989, with a second backup satellite to be launched in late 1990. Both satellites are to be built by Hughes, with launch responsibilities going to McDonnell Douglas.

The two full-time channels on the British satellite will air an entertainment service and a news service, while two part-time channels will broadcast a children's daytime service and a nightly pay film service.

Additional DBS projects also in planning include the Scandinavian Tele-X system, tentatively scheduled for launch in November 1988. The satellite, under joint development by Sweden, Norway and Finland, will carry two channels for television and two for data services. An Irish DBS project is also on the drawing boards in a joint venture with Hughes.

Medium-powered DBS, operating out of the lower half of the Ku-band now generally used for nonbroadcast services among broadcasters, cablecasters and other entities, is also emerging as a strong contender to reach homes in Europe.

Luxembourg's SES Astra project, with the launch of a 16-channel satellite scheduled on Ariane in fall 1988, will be marketed head-on against the West German, French and English services. While its lower power will require slightly larger dishes than the high-power DBS services (85 centimeter against 60 centimeter), it hopes to win continent-wide audiences by providing a mixture of single-language entertainment and pay theme channels in English, French, German and Scandinavian, along with up to five channels of pan-European, multilingual theme channels.

Astra is not alone in its medium-power DBS approach. Europe's Eutelsat, which already carries at least a dozen of Europe's largest satellite-to-cable programs at lower power, has plans to launch a new-generation, medium-power Ku-band bird with DBS possibilities in 1990.

Across the globe in Japan, national broadcaster NHK is also proceeding with plans to launch its multichannel high-power DBS service, with the first satellite going up in 1990 and the second in 1991. The DBS service is projected to include at least one channel in the Japanese-developed high-definition television system, Muse, and the country has already begun experiments with HDTV and regular DBS service using two DBS channels on experimental satellites first launched in 1984 and 1986.

a "hodge-podge" of multihop microwave interconnects for users to reach locations outside the earth station site. By contrast, Comsat's East Coast uplink sites at Etam, W. Va., and Andover, Me., both have RCA and Western Union earth stations co-located there to ease domestic distribution by use of a satellite double hop arrangement.

Another potential business area is what Visnew's Helfer refers to as "media events," large-scale interactive satellite broadcasts with multiple feeds merging in different international sites, such as the recent "prayer

for world peace" with Pope John Paul II, for which Visnews handled 30 transponders worldwide. "[Satellite] media events could double," he said. "In the past, satellites have been used for news events going out from one place to many others. Now what we're getting is world participation from 12 to 14 sites at a time, with feeds being injected from around the world."

Helping to open access to the Intelsat network are the lifting of regulatory roadblocks here and in Europe, which in the past might have stymied efforts to build the new busi-

ness. "International TV used to be an adventure. Now it's an everyday occurrence," according to Brightstar's Page. IDB's Sudikoff agreed: "International communications is still highly regulated, [but] the foreign side has become much easier to deal with. There are more competitive atmospheres in countries with more than one carrier and more pressure to see Intelsat work."

In the U.S., for example, customers previously had to uplink exclusively through Comsat earth stations to reach Intelsat, but now other gateways are allowed direct access to Intelsat and are competing for business, although Comsat still books all U.S. client time on the international links.

Comsat, itself, is now leaving the business of providing the gateways and is selling its international earth stations to AT&T. Salvati acknowledged that distribution domestically had been "poor" and said the company was encouraging others to build new, more centrally located international satellite access points. As many as 10 to 12 providers of international earth stations are expected to be in the business in 1987-88, Salvati added.

Among those taking advantage of this new flexibility are such satellite gateways as the Washington International Teleport, where Bruce Kirschenbaum expects to achieve cost reductions of up to 25% to 30% in reaching Intelsat, by eliminating the dou-

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ble-satellite-hop approach required for reaching Comsat's uplinks and replacing it with a direct-access earth station now under construction.

IDB, which is now constructing a new 15.2-meter earth station in Los Angeles with direct access to Pacific region Intelsat links and plans a similar C-band earth station in the New York area within eight months, also claims it will be able to sell services at well under the \$250-to-\$300-per-hour cost now charged to reach the international circuits by eliminating the double-hop requirement at its new Los Angeles earth station.

At Brightstar, which was the first to purchase for resale a full-time international transponder between New York and London, the company plans to expand its business with a move by year's end from its current 18 mhz C-band transponder, which allows it to transmit in only one direction at a time, to a 36 mhz C-band channel, allowing two-way transmission between U.S. and Europe, with plans for a direct-access earth station either in either Washington or New York, replacing current use of Comsat's Andover, Me., facility.

RCA Americom, which entered the business in late 1984 with co-located earth stations at Comsat uplink sites in Etam, W. Va., and Andover, Me., now plans to open up a direct-access Pacific video service later this year using existing business service antenna facilities in Point Reyes, Calif., with details to be announced in the next few weeks. Georgiou said the company will also cooperate with other direct-access facilities on the East Coast to distribute international traffic domestically, in addition to maintaining the co-located earth stations with Comsat.

Dishing out programming: peddling the satellite bicycle

Although most stations have satellite-receive capability, tape or combination of delivery modes still prevalent

Just about every commercial television station has a satellite earth station to receive programming, many of them two, three or even four. And with companies like the Robert Wold Co. leading the way, more syndicated programming is available on satellite than ever before. Yet, the old-fashioned method of distributing syndicated programming by duplicating and shipping tapes is still flourishing because it is still the most economical method for some stations and for some types of programming.

Despite all the talk about the satellite distribution revolution, few syndicated shows are distributed exclusively by satellite. Most are distributed by tape alone or by a combination of satellite and tape—the ratio of stations receiving by satellite to those by tape varying from show to show.

Programs such as Paramount's *Entertain-*

ment Tonight, which are produced the same day they are to air, demand all-satellite distribution. But how most other programs are distributed depends on how much money it will save the syndicator and the stations.

In general, syndicators of old films and off-network shows without barter are content to continue delivering their shows by tape because they don't have to make individual tapes for each station and ship them by express courier. Syndicators of time-sensitive, first-run programs and off-network shows with barter spots, however, want to reach as many stations by satellite as possible because their programming has to reach a lot of stations in a relatively brief time. The limiting factor in such cases is the stations. Some stations have the personnel and satellite and tape equipment to take the bulk of such programming by satellite. But, many others, mostly stations in medium-to-small markets, lack sufficient resources to receive and record satellite feeds and opt to receive the programs by tape. Said Don Buck, president of Videodub Inc., a New York-based tape-satellite distributor, "It's up to the station to decide how they receive a show. They're the ones calling the shots."

Robert Wold, president and chief executive officer of the Robert Wold Co., said between 30% and 40% of all stations continue to take programs available on satellite by tape because of "shortages in manpower and tape machines." "Some shows are fed at times when material and manpower are dedicated to other purposes," he said. The small- and medium-market station are less apt to take satellite feeds than are large-market stations that are "more generously staffed and have more equipment available," he said.

According to Wold, his station relations people are constantly trying to convince stations that don't already do so to receive programs by satellite. The more taking satellite feeds, the more cost efficient the whole distribution system is. "If we have to send a tape dupe to 35 of 100 stations that's an out-of-pocket cost that works against overall efficiency."

Gary Worth, president and CEO, WestWorld Television, which owns the Video Tape Co., a major satellite/tape distributor, said that VTC doesn't press stations to take satellite feeds in lieu of tape. VTC recognizes that not every station is going to take advantage of the satellite feeds and that many are going to insist on taking tapes because they are "spoiled" or because they simply don't have the in-house resources to handle the feeds, he said. "You are never going to get 100% satellite," he said. "That's utopia."

Worth said that the percentage of stations taking any particular show by satellite will continue to creep upward in the years ahead, but that, for the most part, the business has matured.

Robert Wold Co. owns satellite facilities only and subcontracts its tape distribution work to other companies. But some of its competitors such as VTC and Videodub/Atlantic own satellite and tape facilities. Wold said that such competitors have a "conflict of interest from a marketing standpoint." Instead of trying to encourage the more cost-

efficient satellite reception, he said, they may encourage some station to continue to receive programs on tape so that they keep their tape equipment working.

Videodub's Buck dismissed Wold's conflict-of-interest charge. Like other program distributors, he said, Videodub/Atlantic is interested in weaning as many stations from tape to satellite as possible. Videodub has plenty of other jobs for its tape machines, including making dubs of advertising spots for commercial distributors and industrial videos for corporations.

As the distributors say, most stations are limited on how much programming they can take from the satellites by either shortages of equipment or personnel. Jon Findley, program director at KDAF(TV) Dallas, said the limiting factor at the Fox affiliate is people. KDAF has the dishes and the tape machines, but it doesn't have the manpower to downlink and record all the satellite feeds it would like. The station tries to "maintain a balance and overload the technical staff with too much not downlinking," he said.

At KAKE-TV Wichita, Kan., the problem is not enough dishes. Program Director Darrell Ewalt said he "would love to have an additional C-band downlink. We aren't able to bring in as much syndicated product as we would like to by satellite."

According to Ewalt, receiving programming by satellite is "a tremendous labor-saving system." Although it requires technicians to record the satellite feeds, he said, it allows the station to do away with the jobs of logging in tapes, reviewing them and shipping them back out.

Jim Zerwekh, the program director at KMSP-TV Minneapolis, a Fox affiliate that takes about 30% of its syndicated programming from satellite, said that it isn't the lack of dishes and manpower that prevents the station from taking more from the birds but the scheduling conflicts for use of the tape machines. It doesn't make sense, he said, to use a tape machine for recording satellite feeds when it could be used for production for a client who is paying an hourly rate.

The satellite feeds, which come to KHTV(TV) Houston over one Ku-band and two C-band receiving dishes, have proved to be a "two-edged sword," said Program Director Clark. Although the transmissions tie up equipment and manpower, which Clark notes is more costly for KHTV than paying the shipping cost, the downloading gives the station greater control over the quality of programs since technicians can immediately detect glitches on tapes that are not evident when shows are shipped.

It's been several years now since Wold began putting syndicated programming on the satellite and turned the economics of distribution—at least from the syndicators' perspective—upside down. But, unless the economics of broadcast stations change radically, a significant number of stations will ignore many satellite feeds and ask for tapes instead. And there will continue to be some program directors like Lee Lareva of KTVQ(TV) Billings, Mont., who, when asked how much of their syndicated programming is satellite delivered, have a simple one-word answer: "None." □



Broadcast pioneer Stan Hubbard

Just a step ahead of the leading edge

They grow Fifth Estaters at Hubbard Broadcasting, whose chief executive officer, Stanley S., has not only a fondness but a passion for risktaking. Son of a first-generation entrepreneur and leader in conventional broadcasting (Stanley E., who founded the KSTP stations in St. Paul, et al), and in his own time a force in satellite news gathering (Conus), he and the family's third generation are now beating the drums and the bushes in behalf of direct broadcast satellites.

Is it too much to say that you represent a dying breed in broadcasting—the entrepreneur-owner-operator who traces his roots to the beginning of the medium and who lives the industry day and night, and whose concerns are often motivated as much by the public interest as the pursuit of money?

Am I a dying breed? Well, there are more in my family, so they're more farsighted than I ever was, and they're very energetic, and they work hard, and have great vision, so we're not a dying breed. But are there many of us? No. There aren't because broadcasting has turned out, to a very great extent, to be a corporation business—a business run by MBA's, who are looking at internal rates of return and who are not as excited as they used to be about getting into new things.

I remember that in early 1940's my dad, at the request of James Lawrence Fly, who was the chairman of the FCC, set up a meeting

with broadcasters from Iowa, Minnesota, Wisconsin and the Dakotas to pitch people that they ought to get into this crazy new thing called television. Those people didn't want to do it. They were comfortable; they were making money and many of them wanted just to leave well enough alone.

I remember seeing some of those same people years later who became bitter old men because they didn't get into television. We're seeing that again today. There are new opportunities, there are new things happening, and it's very comfortable to do nothing but look at the bottom line and say you're not going to upset that. But it has a way of catching up with you. Perhaps it *is* a dying breed.

Is that affecting the product on the air?

I think there is more and better programming than there ever has been

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because those MBAs also have to allow other people to do their things, people who produce programs and who run news departments. So I think there is more good programming and more choice.

So why should we miss this dying breed, or regret that it is dying off?

Because history changes, and opportunities change, and unless somebody takes us there, nothing new will happen.

I remember so well a story about the Wright Aircraft Co. Wright Aeronautical was the largest commercial builder of aircraft engines, and in 1952, 67% of all engines that were put on commercial aircraft in the world were Wright Aeronautical engines. And a group of the engineers went to the management and they said: "We want to break into the jet engine." And the management said: "No. General Electrical, the lightbulb maker, wants to monkey around with that." Now, there is no more Wright Aeronautical.

And I think that could be true of broadcasting. I'm sorry to say that, but I think DBS [direct broadcast satellite] is a good case in point, a very good case in point. If you don't do the new things, you can be left behind.

I think DBS is going to be an imminent issue. You know, the Japanese began their DBS last November. It works well technically. The Japanese electronic manufacturers are leading in the manufacturing of the so-called flat antenna. The Germans are going to launch their satellite in October. The French are going to launch their system in April. So I think the message to the world, and to the people who have money, is that technically it works. If it works technically elsewhere, why can't it work technically here?

There are a lot of people who, for misguided reasons as well as for very good reasons, don't want to see DBS happen. Cable doesn't want to see it happen. The networks, of course, and the Tribune Company and Fox, don't want to see it happen because they control the gateway. They're the gatekeepers as to what is on national television in this country because they have stations in the three great markets—New York, Chicago and Los Angeles. And DBS bypasses that. And the message that I'm giving to my friends in broadcasting now, and I think I'm correct (I've been wrong before) is that if we don't do it, somebody else is going to do it. Just like GE, the lightbulb maker, made that engine. And if that happens, then the game is over, and we're out.

Can you make a financial case to somebody to put up the \$200 million or \$300 million to do DBS?

I hope that we will; we're working on it. The time wasn't right in 1981, 1982, and 1983, and it may not be right today, but I think we're getting very close because we will be able to do things that broadcasters cannot do.

Things don't always happen the way people think they're going to happen. DBS is not going to come on the scene as a distributor of mass entertainment programming. But DBS *will* be a distributor of movies. For example, if HBO gets a movie from Paramount and then puts it on the cable system, for every million dollars of sales the local cable system takes 50% right off the top. There is something like \$1.45, or \$1.43, or \$1.30, or whatever it is, that is required by HBO to service their overhead, their promotion, and this, that and the other. That leaves about \$3.50 to split between Paramount and HBO.

If DBS distributes a movie, there is no local cable company. Paramount gets 50 cents out of the dollar right off the top. A major Hollywood producer, one of the big three, told me last year: "Stanley, you get those satellites launched, and you get just a million homes, and you put a card table up on Sunset Boulevard, and everybody will be lined up to sign up." And, he said, "I'll be at the head of the line."

DBS will do things that [terrestrial] broadcasting can't do. Broadcasting is broadcasting. Broadcasting is designed to serve the mass audience; it's designed in such a way that everything we do has to be geared for a local marketplace. Everything on DBS will *not* be good for the local marketplace; it will be geared to a specific specialized need, and it can aggregate a national audience without going through a local marketplace. So where the opera will not work on local television, the opera works just great on DBS. You get half a million people and you've got a big audience.

Have you redesigned your DBS plan? As I recall, you wanted a mix of localism and nationalism, tied in with a local affiliate.

People are paying \$200 million and \$300 million and even \$500 million for television stations. Tribune paid \$510 million for KTLA(TV) Los Angeles. How many people live in L.A.? Four million? For less than half that sum you can have an eight-channel system that will have the potential of reaching 85 million TV homes. Just think about that.

But when you buy a TV station for \$400 million, you're going to have revenue to pay the mortgage. How do you get over the hump in DBS?

You do it just the way Gannett is doing it with *USA Today*. You eat it for awhile. The FCC did a marvelous thing when it changed the rules and said these satellites can be used for something other than DBS. When we first talked to bankers on the first go-round, they asked: "If DBS doesn't work, what good are the satellites?" We can now say to the bankers that the satellite is good for something else. Among other things, it's good for data transmission from a nine-inch dish, and we're talking to some very interesting people about that.

I'm not going to tell you that Stanley Hubbard is going to be the one that does it, but I'm talking to broadcasters. I've had several meetings in the last few months and I'm saying: "Now is the time for us to band together and as broadcasters do this, and not sit back and watch somebody else do it, because somebody else will do it sure as I'm sitting here." And when they do it, and when they offer the opera, and when they offer the hockey game, and when they offer the symphony orchestra in compact disk quality, and when you buy that dish for \$300 and the serial number is your address, somebody is going to buy that, and it's going to start to sell dishes, maybe only a million the first year, maybe only 500,000.

Isn't the market in danger of being preempted by HBO with its Ku-band fixed satellite?

I'm glad you asked that question. RCA and HBO have a deal going, and the deal provides that they're going to try to offer DBS on a domestic satellite.

Remember this. A domestic satellite is in two degree orbital spacing, and there is no protection. The FCC put DBS in nine degree spacing because they wanted to give the public guaranteed, interference-free service. If I put up a 39-inch dish, a one-meter dish, I can watch K2, which will cover most of the U.S., with no problem at all. But when the day comes that another satellite is put on each side of that K2, all of a sudden, that three-foot dish won't work. Hughes will tell you that when that day comes, it's going to take a six-to-eight-foot dish. If you talk to Telesat of Canada, our technical advisers, they're going to tell you it will take a four-to-six-foot dish.

Our research indicates that if you go to a 24-inch dish, the willingness of people to have the dish doubles—as against the three-foot dish. So I think they're playing cute little games, and I think they know full well that in the long run it won't work.

How are you doing in your search for money for DBS?

We've had some very interesting conversations. I do not have all the money yet. I may never get all the money.

What do you now think it will cost?

I know exactly what it will cost—\$250 million. It costs less than it would have four years ago. Because the receiving equipment is a lot better; it doesn't require as much power. It doesn't require two satellites; you can do it with one and still get to the small dish. So the cost of satellites is cut in half.

Will DBS as it is presently designed have an HDTV component?

Absolutely. Broadcasters can move into HDTV immediately through DBS.

Are you bullish on that prospect?

HDTV is going to be important, but it is not going to change the broadcasting business overnight.

Would it be an advantage to selling the entire concept of DBS?

Sure.

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Let's put it another way: When we get DBS, will we get HDTV with it?

Yes, I think very shortly after DBS, you will start to see it.

Aside from getting a program around efficiently, what does DBS bring to the party?

Number one, DBS eliminates the middleman—the cable system. And to the degree that people watch it and not the local broadcast stations, it eliminates the local broadcaster.

How many channels of DBS can we have in one community?

Sixty-four—32 per orbital slot. DBS will be able to do efficiently and profitably things broadcasters can't do; that's what's going to get the dishes proliferating—things like opera and special educational programming. When you buy a DBS receiver, that serial number is your address. You spend \$300 or \$250 for a DBS dish, and I don't care whether you live in the middle of the Mojave Desert or Washington, D.C., or Florida, all of a sudden you don't have to worry about having audiences that are large enough to support advertising in the local marketplace.

Now, when you put the opera up once a week, you have 750,000 or a million homes watching it. And for an investment of \$200 million, if you can get a million homes watching your station, you've got a pretty good deal going. In addition to which you get a subscription fee.

You're not going to put up *Charlie's Angels* or *Dynasty*. That's going to be a long time off. But as the individual interests are addressed, and the number of dishes increases, then at some point it can become a mass medium. And when it does, we're in trouble unless we control it, are part of it, and make it work for us.

What about those 32 channels in your market? Are they going to go one to an entrepreneur, or is one entrepreneur going to get all 32?

One apiece.

So there's no ownership problem, no monopoly problem?

When it succeeds, it's going to be very interesting to see what the FCC says and what the government says, and that's why we have to broaden the base of ownership. You know, I don't see myself as David Sarnoff. I see myself as one of many broadcasters owning a system that will be profitable, will be public service oriented, and will be a wonderful system for the American people.

Let's say you're in the financial marketplace as a customer. You're trying to get money for financing various operations. If you were to get a windfall \$500 million, would you plow it into DBS today, or would you acquire stations, hopefully at a better price?

I'd put every nickel into DBS.

Assuming you got the bird up, where are you going to get all this programming to fill 32 channels?

We're not going to fill 32 channels.

Eight channels then.

You're not going to fill eight channels right off the bat. You're going to do data delivery that can only be done by DBS because of the very small dish. You're going to do the opera and the educational things that people are going to pay for. Once you get a million sets out there, you're going to start doing movies, and you're going to go slowly. You're not going to start out with a 7 a.m. to midnight sign-on—sign-off. You're going to start off serving specialized needs.

You really feel that there are entrepreneurs out there who would spend that kind of money and then watch the revenues trickle in for several years?

Yes. And remember, I said data, too.

Take a look at the specialized magazines. People who are interested in fishing read *Rod and Reel*. [Specialization] is what's going to get DBS going, not *Dynasty*.

But the point is you don't have to spend a billion dollars a year for programming during those years. You slowly build up your constituencies by offering specialized programs to specialized groups, and as those groups start overlapping, you start getting a lot more dishes.

Another thing DBS is not going to do is charge a monthly basic fee. You sign for the cable system and you sign a basic fee. There will be no basic fee for DBS. And there will be free programming as well as subscription programming.

Advertiser-supported programming?

I would hope so.

Is it possible that you're talking to the wrong people. Instead of talking to broadcasters, perhaps you should be talking to cable programmers. They have special appeal programming. If you can get eight of those guys to go along with you, you have eight channels. You have something to sell immediately.

We'd be delighted to talk to them, but you know, the promise of specialized programming on cable never came to pass because almost every cable program has to succeed in the local marketplace. The key to it is that cable has to deliver enough audience in the local marketplace to make a living. DBS does not have to succeed in any local marketplace. DBS does not have to deal with 6,000 cable systems. That's the whole key to it.

This would be a national service then?

It will start out as a national service. It can certainly very easily be regionalized. I can see a New York City newscast. I can see a Chicago newscast. I can see a Los Angeles newscast on the DBS channel. Minneapolis-St. Paul probably isn't big enough to support its own newscast. It's going to happen as sure as we're sitting here. I just hope that we can be there. We never have guaranteed that we're going to make it happen. We're just going to do our very best. Things are looking very bright, so we're optimists.

The way of the future, then, is the direct broadcast satellite.

Well, in a way, the future, I think, in terrestrial broadcasting is stations banding together and doing things for themselves that some central organization in New York did before.

Can DBS and terrestrial broadcasting coexist?

Absolutely.

But we understood you to say that if the local broadcaster doesn't get into DBS he's going to be wiped out.

I didn't mean to imply he'd be wiped out. He'll be left out of that marketplace, but there is now and always will be a place for local broadcasters. For example, at KSTP-TV Minneapolis, we're doing news every day that is more than an hour of local production. And we're doing two other local hours. There is a lot of room in the local marketplace, and they'll still be able to buy programming, and people will watch where the programming is.

But I would venture that, if you had a successful national DBS system going, that's where they'd watch. Just as the network station always beat the independent because the independent always had that local market to itself, nobody wanted to watch the local market. They'd watch *Dallas* and *Dynasty*.

Will DBS wipe out the local broadcaster? No. Will DBS cut into the local broadcasters' dominance in the marketplace? Yes. Just as cable has cut into his dominance in the market. What I'm saying is that if they don't become a part of it, they're going to sit and watch one more entity come in and chop up that marketplace and probably more severely than the cable probably did.

Might you have made a similar argument 20 or 30 years ago to the broadcaster: "Get into cable because they're going to cut into your marketplace and there's another one getting away from you if you don't get into cable."

Yes. Had cable been a business that lived on its own resources, not on the property of others. At the outset, my dad and I had a discussion with our board of directors and said, "We don't want to be in [cable] because we don't want to be riding on the back of other people's property." That's why we didn't get into cable and there is no question about that. We made a philosophical decision not to get into cable, not a business decision.

But I don't think anybody is going to give us programming. You know, there are no free rides for DBS. ■

RIDING GAIN

O N R A D I O

Battle for WNCN goes on

The six-and-a-half-year legal battle between Concert Radio Inc., a listener-backed media group headed by Charles Benton, chairman of Public Media Inc., Chicago, and GAF Corp., Wayne, N.J., over the future of GAF's classical-formatted WNCN New York may soon enter another stage of litigation.

Concert Radio, at a press briefing in New York last week, said it will seek a ruling from the New York State Court of Appeals—the highest court in New York—allowing it to acquire WNCN under the terms of a 1975 agreement with the GAF Corp. Concert Radio, however, must first secure judicial permission to launch such an appeal.

The fight to acquire WNCN originated in 1974 when Starr Broadcasting, chaired by William F. Buckley Jr., purchased the station and switched the format from classical to progressive rock under the call letters of WOIV, causing many loyal WNCN listeners in the New York City area to rally for a change

back to classical. Starr sold the station the following year to GAF for approximately \$2.2 million, shortly after a competing application was filed at the FCC by Concert Radio Inc., formed at the behest of the WNCN Listeners Guild (now known as the Listeners' Guild Inc.) and Classical Radio for Connecticut (CRC). GAF, which said it would restore the classical music format (the call letters and format were actually restored prior to GAF's takeover), signed an agreement that gave Concert Radio an option to purchase the station at the contract price (plus expenditures spent for improvement) if GAF decided to sell it within five years. That agreement took effect in June 1976 when the station was transferred to GAF. Concert Radio looked to exercise its option in early 1981 after GAF placed several of its businesses on the block and announced that WNCN was being "offered" for sale. (GAF's position was that although the station was offered for sale, no final decision was made to sell it.) The purchase price would have been ap-

proximately \$2.9 million to \$3 million. After several years of legal proceedings, the Appellate Division of the New York State Supreme Court in 1985 held that GAF had breached the contract, but said the remedy would be in the form of monetary damages. Both parties agreed to the sum of approximately \$4 million.

Concert Radio will now seek permission from either the New York State Appellate Court or the New York State Court of Appeals to appeal to the latter level the ruling that it should receive only monetary damages, arguing that it's entitled to "specific performance" (abiding by an agreement) and that GAF should sell the station to Concert Radio at the option price of nearly \$3 million. The \$4-million sum will be subject to the outcome of any appeal. This latest action by Concert Radio is also supported by the Listeners' Guild Inc., and by Classical Radio for Connecticut (CRC).

During last week's press briefing, Ting Pei, a member of the Listeners' Guild executive committee, addressed what he viewed as the "pressures" on classical music stations to sell their licenses at a high price to more "popular format-oriented operators." He said GAF would be subject to the same pressures to sell WNCN's license at the maximum price to an operator that would change it to a more profitable format. "The marketplace forces that are driving up FM license prices are making adherence to the classical-music format uneconomical," Pei said.

Added Benton: "If the station was sold to another operator, it would be hard to keep the classical music format because of the marketplace pressures." The argument here is that because Concert Radio would be acquiring WNCN at the original option price, it would not be under the financial pressures of the higher-priced commercial radio stations and it would be able to preserve the classical format.

"The Appellate Court said GAF is the proper owner of WNCN," said James Sherwin, vice chairman of GAF Corp. "They [Concert Radio, the Guild and CRC] don't have any right of appeal."

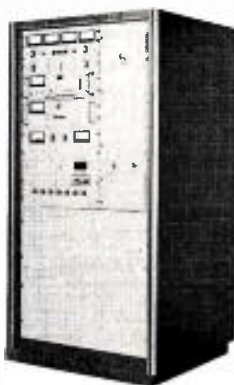
Said Sherwin: "Our basic position is that we have run the station magnificently well and it has prospered under our stewardship . . . And we have always held to the very highest standards in classical music programming." Sherwin also observed that it is "better to have a strong company such as GAF operating the station" than an entity with little resources.

WNCN today is estimated to be worth anywhere from seven to 10 times the original option price of \$2.9 million to \$3 million. "We have no plans whatsoever to sell the station," Sherwin said.

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Continental: For a Sound Investment

Hulsen steps down

After nearly one year at the helm, Al Hulsen, president of the five-and-a-half-year-old American Public Radio (APR) network, St. Paul, Minn., has notified APR Board Chairman Kenneth Dayton that he will resign Sept. 1. In a prepared statement, Hulsen said he is returning to Hawaii—Hulsen had been special projects director for Hawaii Public Radio, Honolulu, prior to joining APR—to "pursue a variety of personal, family and professional activities." Hulsen's announcement surprised everyone at APR, a network spokeswoman said. "This was entirely his decision," she said. Hulsen was unavailable for comment last week.

(APR, which was launched in early 1982, was initially designed to serve as a distribu-



Hulsen

tor of arts and performance programming which the established National Public Radio [NPR] was thought to be deemphasizing in favor of news at that time. But during the past year and a half, APR has been broadening its program base by adding a number of news and information shows to its daily schedule.)

Hulsen, 54, took over APR in August 1986 from Minnesota Public Radio President Bill Kling, who had been dividing his duties between APR and MPR. Hulsen became the network's first full-time president. During his first board meeting last fall, Hulsen outlined several aggressive objectives for the network, which included an around-the-clock "newscast" service. That proposal is still being considered.

During Hulsen's tenure at APR, the network premiered, among other things, *Business Update*, produced by CBS News (the first such venture between public radio and a commercial network), a 30-minute edited version of the Canadian Broadcasting Corp.'s *As It Happens* series and news and current affairs programming from the BBC World News Service. Over the past year, APR programming increased from 90 hours per week to 210 hours.

But the most important program move that affected APR during Hulsen's tenure was the loss last February of Garrison Keillor, host of the network's most popular show, *A Prairie Home Companion*. Keillor left the show on June 13, to return to writing and move to Denmark (BROADCASTING, Feb. 23). APR is airing taped repeats of the series while it readies a new weekly show, hosted by Noah Adams, former co-host for *All*

CD Hotline. The Digital Radio Network Inc. (DRN), Brooklyn, N.Y., is making its new "CD Hotline" service for radio available to stations in the top 100 radio markets. The service, which offers listeners information on the latest compact disk offerings in all musical categories except classical—category expected to be added in the near future—through a toll-free 800 number, is currently being employed by album-rocker WXRK-FM New York. DRN has struck a deal with MediaAmerica, the New York-based representation firm, to market the service to national advertisers. In return for using the "CD Hotline," radio stations will carry the national sponsors' advertisements within a special program segment such as the CD song or set of the day, according to officials of both companies.

Things Considered, to fill APHC's current Saturday 6-8 p.m. NYT time slot beginning in January ("Riding Gain," June 1).

"There is nothing formal in place yet in terms of a search committee [for a new APR president]," the spokeswoman said. Upon Hulsen's departure, Rhoda Marx, senior vice president, network operations, and Eric Friesen, senior vice president, programming, will share the day-to-day responsibilities on an interim basis.

The next APR scheduled board meeting is to be held Oct. 16 in Dallas, but it is anticipated that the meeting will be moved to an earlier date in view of Hulsen's departure.

Yesteryear

Adult contemporary WNBC(AM) New York has launched what it calls a "time machine" format for the bulk of its weekend schedule. According to station vice president and general manager, John Hayes, the format takes listeners back to the 1960's by "authentically recreating the sound of that era's

hit radio stations." The "time machine" concept, said Hayes, "began in our overnight period several months ago and was so successful that we decided to extend it to the weekend."

The specialized format airs every Saturday from 6 a.m. to 7 p.m. and Sunday from 8:30 a.m. to 7 p.m. "It is complete with the music, jingles, special effects and disk jockey presentation that capture the magic of the era," said Hayes.

'B' side

ABC is looking for another nighttime talk radio program to be packaged with *The Tom Snyder Show*. Snyder, who will join ABC Radio Sept. 14, will be on at 10 p.m.-1 a.m. NYT, Monday-Friday (BROADCASTING, June 29.) The new call-in program would precede Snyder from 7 to 10 p.m. NYT. Both shows would be offered to ABC affiliates separately from ABC's already-established Talkradio programming service.



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Signing On

Radio Today Entertainment, New York, a new unit formed by Radio Today, a New York-based radio program supplier in conjunction with LBS Communications, a major distributor of ad-supported television programming ("Riding Gain," Jan. 19), is preparing a new 10-minute, weekday series called *Soul Break* that will primarily focus on 1960's soul music such as the "Motown Sound."

Radio Today's first project with LBS is *Rock Stars*, a monthly, 90-minute series hosted by Timothy White, former senior editor of *Rolling Stone* magazine. That show's affiliation base averages about 150 stations.

Radio Today clears and distributes the programs while LBS markets the shows to national advertisers.

ABC Radio is launching a new service, dubbed *Instant Intros*,

for affiliates of its three youth-oriented networks, Contemporary, FM and Rock Radio, that will offer short comedy and music "openings" of 30 seconds or less to be used for introducing a station's feature segments. This service will include celebrity impersonators as well as other characters, an ABC Radio spokeswoman said. *Instant Intros* is being produced for ABC by ProMedia, a Bronx, N.Y.-based radio program producer.

Westwood One Radio Networks, Culver City, Calif., will present the third of four radio specials commemorating *Rolling Stone* magazine's 20th anniversary, during the week of Aug. 10. The two-hour music and interview show, *Rock On Record: The Best Albums of the Past 20 Years*, will be hosted by WNEW(FM) New York personality Scott Muni.

Advertising & Marketing

Florida ad tax held constitutional

State court rules tax valid, but matter is not considered settled

The Florida Supreme Court issued an advisory opinion last week holding that the state's new, and controversial, sales tax on services including advertising is valid under the state's constitution. However, no one, including the members of the court signing the opinion, regard it as the final word.

The opinion was issued in response to a request for advice from Governor Bob Martinez. He said he was in doubt as to whether, under his fiscal responsibilities, it would be necessary for him to submit an amended budget to the legislature which eliminates as a revenue source the revenues collected under the new sales tax.

Chief Justice Parker Lee McDonald, writing for himself and three other members of the seven-justice court, held that it would not—but but for one minor exception, the law "is facially constitutional." The term was picked to reflect the view that the majority was not indicating how the court might rule in a specific case. Any interested party, McDonald said,

is free to challenge the law and to argue that the advisory opinion has either been wrongly decided or that the act is unconstitutional as applied to a particular situation. McDonald also noted that the scope of its advisory authority prevents the court from considering federal constitutional questions.

Two members of the court—Justices Raymond Ehrlich and Rosemary Berkett—declined to offer an opinion on the validity of the law. They felt it would be inappropriate. And as Berkett said, "the true test of this statute will come, not in any nonbinding advisory opinion, but in the scores of fact-specific controversies already being brought to this state's courts and to the federal courts." The remaining justice, Stephen H. Grimes, concurred in part but dissented from the majority on the issue of the advertising tax. He said it "represents an unconstitutional restraint on free speech."

For its part, the majority of the supreme court—which included Justices Ben F. Overton, Leander J. Shaw Jr. and Gerald Kogen, along with McDonald—maintained that the tax on advertising is valid. It rejected the

argument that the act discriminates against the advertising industry as a whole by placing on it "a disproportionate tax burden." McDonald noted that the taxation of advertising is expected "to account for only 4.7% of all revenues derived from the new sales and use tax on services" and "only 1.4%" of the total revenues derived from the sales and use tax on goods and services during the 1987-88 fiscal year. "We cannot say that, on its face, this smacks of discrimination," McDonald wrote. And as for the argument that the act violates due process by failing to apportion fairly the tax for interstate advertisers and by attempting to tax advertisers who have "no significant nexus" to Florida, McDonald said, such questions "must await a specific 'as applied' challenge in an adversarial setting."

Opponents of the tax have also argued that it constitutes a direct tax on the exercise of the constitutional right of free speech. In rejecting that argument, McDonald said the tax is "one of general application and does not single out advertisers or the press for special taxation." Furthermore, he said, "the tax is levied upon those in the business of trafficking in First Amendment expression rather than upon the exercise of the right to free speech itself. It is beyond question that advertisers and the press are not immune from ordinary, nondiscriminatory taxes of general application."

Opponents' argument that the law discriminates among publications based on content was no more successful. That argument is based on the exemption of religious, scientific, educational and other nonprofit institutions from the sales tax.

The majority also noted that the general sales tax exemption for government, nonprofit institutions and religious institutions predates the new tax law, "which merely extends this exemption to cover the newly taxed services." What's more, McDonald said, unlike a tax law struck down by the Supreme Court in *Arkansas Writers' Project*

AdVantage

Billion-dollar contribution. Advertising Council reports that amount contributed by media in time and space for council campaigns reached all-time high of \$1 billion in 1986. Council Chairman Edward N. Ney said council's efforts were supported by more than 22,000 media outlets, including magazines and newspapers, business press, outdoor and transit, cable, and radio and television networks and stations. He noted that record high in media exposure reflects priority and importance of Ad Council campaign subjects, including drugs, youth alcoholism and AIDS. New media figures were announced at Ad Council's salute to volunteers luncheon in New York.

□

Sales position. According to survey by Television Bureau of Advertising, number of women and salespeople employed in television stations sales has increased steadily. TVB survey shows number of salespersons at average television station was 6.7 in 1987, up from 6.3 in 1985 and 31% greater than 5.1 average in 1978. TVB said women in 1987 represented 43% of total TV station salespeople, up from 40% two years ago and more than double 21% share in 1978. Survey reveals that among station national sales managers, women were in 24% of these positions, as against 14% in 1985 and 0.4% in 1978.

as discriminatory, "the instant law does not require an evaluation of a publication's content in order to determine its status for taxation purposes."

In arguing that the tax law violates the state constitution's guarantee of free speech, which parallels the First Amendment to the Constitution, Grimes said the fact that advertising involves commercial speech does not necessarily diminish the First Amendment interests involved. The question, he said, is whether the tax "represents a tax on the right to speak." And the law itself, he added, suggests an answer in defining advertising as "the service of conveying the advertisers' message," i.e., the dissemination of information itself. Payment of the tax, Grimes said, "is a condition of speaking to the Florida public through the media." And "the more one speaks, the more one pays to the state," he said. "This represents an impermissible burden on the right of free speech."

Grimes also took issue with the majority's view that the advertising-tax exemption granted religious and charitable organizations does not constitute unconstitutional discrimination. Although the state argues that the exemption stems from their status as exempt organizations not the content of their speech, Grimes said, "the unique character of such organizations necessarily involves the promulgation of particular messages." What's more, he said, "the First Amendment also prohibits the preference of one speaker over another."

Challenges to the law by various affected parties are a virtual certainty.

Robert L. Foss, executive vice president of the Florida Association of Broadcasters, for instance, said, "We have a case in the word processor ready to file in the state circuit court." Still to be determined are the parties to bring the suit. But the complaint, Foss said, will be based on federal issues—the First Amendment and the interstate commerce clause of the Constitution. "We have to go through the state courts first," Foss said. But, he added, the broadcasters are prepared to carry the fight to the U.S. Supreme Court. □

Saatchi puts together B&S and Ted Bates

New Backer Spielvogel Bates Worldwide has billings of \$2.7 billion

The long-discussed merger of Backer & Spielvogel Inc. and Ted Bates & Co. was completed last week, with the company boasting worldwide billings of \$2.7 billion. The impetus for the consolidation was said to have come from Saatchi & Saatchi Co. PLC, the British conglomerate which acquired both Backer and Bates in 1986.

The transaction results in a new agency, Backer Spielvogel Bates Worldwide Inc., with an international network of 104 offices in 46 countries. Another part of the company will be Kobe & Brady, one of the nation's largest direct response firms.

There are no immediate plans to reduce

staff because of duplication that may result from the alliance. A spokesman noted that no executive or operations committee has been formed that would assess resources and decide on the deployment of resources. The official said a decision is not expected to be made for several weeks.

The formal announcement said Carl Spielvogel, chairman and chief executive officer at B&S, will assume the same titles at BSBW. Donald E. Zuckert, president and chief operating officer at Bates will be president and chief operating officer of BSBW, and William H. Backer, president of B&S, has been named vice chairman and chief creative director of the combined agency.

The new worldwide parent company, BSBW, will consist of two operating com-

panies reporting to it—Backer Spielvogel Bates Inc. and, overseas, Ted Bates International.

The U.S. company, Backer Spielvogel Bates, will be led by G. Robert Holman, as chairman and chief executive officer, and Robert Lenz, president. Holmes had been executive vice president and chief operating officer of B&S and Lenz had been executive vice president and creative director of that agency.

Some of the top clients of both agencies are Philip Morris, Mars, Miller Brewing, Campbell Soup, Wendy's, Avis, Xerox, Carter-Wallace, Hyundai Motors and British Airways. A spokesperson said Ted Bates earlier had resigned Panasonic because of a possible client conflict. □

Business Briefly

TELEVISION

Latrobe Brewing Co. □ Promotion for Rolling Rock beer will be inaugurated in late August for two weeks in 21 markets, including Boston and Wilkes-Barre, Pa. Commercials will be placed in all dayparts. Target: adults, 18-34. Agency: Gumpertz/Bentley/Fried, Los Angeles.

Fells Windows □ Fall campaign will begin in September for eight weeks in markets including Colorado Springs; Peoria, Ill.; Madison, Wis., and Raleigh, N.C. Early and late fringe and sports periods will be used for commercials. Target: adults, 25-54. Agency: Kerker & Associates, Minneapolis.

National Pork Council □ Image campaign highlighting benefits of eating pork is scheduled to run for two weeks in 17 markets, starting in early August. Commercials will be carried in daytime and fringe slots. Target: women, 25-54. Agency: Bozell & Jacobs, Kenyon & Eckhardt, Omaha, Neb.

Riviana Foods □ Flights for Mahatma Rice and Carolina Rice will be conducted for 13 weeks each in 17 Southern markets, starting in early September. Commercials will be placed in all time periods. Target: women, 25-54. Agency: direct.

RADIO

Associated Milk Producers Inc. □ Dairy cooperative kicks off four-week campaign in 35 markets, including Southwest and Midwest, starting last week. Commercials have been ordered for all dayparts in areas including Austin, Tex., and Roswell, N.M. Target: women, 18-34. Agency: Crume & Associates, Irving, Tex.

Cathay Pacific Airways □ Fourth-quarter campaign is planned to start in

mid-September in major markets for four weeks. Commercials are scheduled for all time periods. Target: men, 25-54. Agency: Western International Media Corp., Atlanta.

London's Farm Dairy □ Four-week flight is set to run in three Michigan markets—Flint, Saginaw and Port Huron—effective last week. Commercials will be presented in all time segments. Target: adults, 18-34. Agency: Baker Abb Cunningham & Kleppinger, Birmingham, Mich.

Silo Inc. □ Various five-day sales are

Rep Report

WJZY-TV Charlotte, N.C.: To Seltel (no previous rep).

□

WPWO(FM) Miami; WFIR(AM)-WPVR(FM) Roanoke, Va., and WOKI(FM) Knoxville, Tenn.: To Hillier, Newmark, Wechsler & Howard (no previous rep).

□

WOFM-FM Milwaukee: To Eastman Radio from Select/Torbet.

□

XLTN-FM and XHKY-FM, both San Diego: To Katz Hispanic Radio Sales from Masla Radio.

□

KMYZ-AM-FM Tulsa, Okla.: To Eastman Radio from Republic Radio.

□

WZPR(AM)-WMGW(FM) Erie, Pa.: To Roslin Radio (no previous rep).

□

WHGB(AM) Harrisburg, Pa.: To Roslin Radio from McGavren Guild.

□

WNYR(AM)-WEZO(FM) Rochester, N.Y.: To Hillier, Newmark, Wechsler & Howard from Katz Radio.

being held this summer supporting the company's retail stores selling audio equipment. Commercials are placed in 15 markets in all time periods. Target: adults, 18-34. Agency: Lewis Gilman Kynett, Philadelphia.

RADIO & TV

Fair Lanes Bowling □ Bowling alley chain is launching campaign in August for two to three weeks in approximately 10 markets, including Denver, Houston and Orlando, Fla. Commercials will be

slotted in all dayparts. Target: adults, 18-49. Agency: Eisner & Associates, Baltimore.

Horizon Airlines □ In its first use of television, Horizon Airlines, which operates in Northwest, launches flight of six to eight weeks on radio and television, starting in early August. Markets to be used include Seattle, Portland, Ore., and Yakima, Wash. Commercials will be placed in all dayparts. Target: men, 25-54. Agency: Market Communications, Seattle.

group of four AM's and seven FM's principally owned by Robert Duffy. It is also selling WORZ(FM) Orlando, Fla. (see below). **Buyer** is management team headed by Marty Greenburg, president and CEO of Duffy. KRZN is on 1150 khz with 5 kw day and 1 kw night. KMJI is on 100.3 mhz with 100 kw and antenna 1,302 feet above average terrain. KSMJ is on 1380 khz full time with 5 kw. KSFM is on 102.5 mhz with 50 kw and antenna 500 feet above average terrain. KONO is on 860 khz with 5 kw day and 1 kw night. KITY is on 92.9 mhz with 100 kw and antenna 500 feet above average terrain. KBTS-FM is on 93.3 mhz with 100 kw and antenna 1,948 feet above average terrain. *Broker: Kidder Peabody & Co.*

Changing Hands

PROPOSED

KOPA(AM)-KSLX(FM) Scottsdale, Ariz.; **WZGC(FM)** Atlanta; **WUSN(FM)** Chicago; **WPGC(AM)-WCLY(FM)** Morningside Md., (Washington); **WZLX(FM)** Boston; **KFMK(FM)** Houston; **KFMY-AM-FM** Provo, Utah, and **KUBE(FM)** Seattle □ Sold by First Media Corp. to Cook Inlet Region Inc. for approximately \$175 million (see story, page 76). KOPA is daytimer on 1440 khz with 5 kw. KSLX is on 100.7 mhz with 100 kw and antenna 1,847 feet above average terrain. WZGC is on 92.9 mhz with 100 kw and antenna 919 feet above average terrain. WUSN is on 99.5 mhz with 6 kw and antenna 1,170 feet above average terrain. WPGC is daytimer on 1580 khz with 10 kw. WCLY is on

95.5 mhz with 50 kw and antenna 500 feet above average terrain. WZLX is on 100.7 mhz with 100 kw and antenna 500 feet above average terrain. KFMK is on 97.9 mhz with 100 kw and antenna 1,920 feet above average terrain. KFMY is on 96.0 khz with 5 kw day and 1 kw night. KFMY-FM is on 96.1 mhz with 55 kw and antenna 2,620 feet above average terrain. KUBE is on 93.3 mhz with 100 kw and antenna 300 feet above average terrain. *Broker: Wertheim Schroder & Co.*

KRZN(AM)-KMJI(FM) Denver; **KSMJ(AM)-KSFM(FM)** Sacramento, Calif.; **KONO(AM)-KITY(FM)** San Antonio and **KBTS-FM** Killeen, both Texas □ Sold by Duffy Broadcasting to Genesis Broadcasting for \$74 million ("In Brief," July 13). **Seller** is Dallas-based

WCSC-TV Charleston, S.C. □ Sold by WCSC Inc. to Crump Communications for \$60-\$65 million ("In Brief," July 13). **Seller** is owned by John Rivers and family. It recently sold co-located WCSC(AM)-WXTG(FM) to Ralph Guild ("Changing Hands," June 29) and now has no other broadcast interests. **Buyer** is owned by Harold Crump, former president of Houston-based broadcast division of H&C Communications, and Dave Allen, president of Petry Inc. WCSC-TV is CBS affiliate on channel 5 with 100 kw visual, 20 kw aural and antenna 1,000 feet above average terrain.

WASH(FM) Washington □ Sold by Metropolitan Broadcasting Corp. to Outlet Communications Inc. for \$29,250,000. **Seller** is New York-based group of three AM's and six FM's headed by Carl Brazell. It has intention to sell WIP(AM) Philadelphia. **Buyer** is Providence, R.I.-based group of one AM, three FM's and three TV's headed by Bruce Sundlun. It also owns co-located WTOP(AM)-WMMJ(FM) Washington, but will sell WMMJ(FM). WASH is on 97.1 mhz with 22.5 kw and antenna 690 feet above average terrain.

WCPT(AM)-WCXR-FM Washington □ Sold by Metroplex Communications to Legacy Broadcasting Co. for \$22,750,000 ("In Brief," July 13). **Seller** is Cleveland-based group of four AM's and six FM's owned by Norman Wain and Robert C. Weiss. **Buyer** is Los Angeles-based group of two AM's and five FM's owned by Carl Hirsch and Robert F.X. Sillerman. WCPT is daytimer on 730 khz with 5 kw. WCXR-FM is on 105.9 mhz with 50 kw and antenna 410 feet above average terrain. *Broker: Wertheim Schroder & Co.*

KFBK(AM)-KAER(FM) Sacramento, Calif. □ Sold by McClatchy Newspapers to Westinghouse Broadcasting Co. for \$19 million. **Seller** is Sacramento-based newspaper publisher owned by Eleanor McClatchy, her son, C.K. McClatchy, and family. It has no other broadcast interests. **Buyer**, subsidiary of Westinghouse Electric Corp., owns seven AM's, six FM's and five TV's. It is headed by Burt Stanier. KFBK is on 1530 khz full time with 50 kw. KAER is on 92.5 mhz with 50 kw and antenna 449 feet above average terrain. *Broker: Communications Equity Associates.*

KNDO(TV) Yakima and **KNDU(TV)** Tri-Cities, both Washington □ Sold by Columbia Em-

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pire Broadcasting Corp. to Adams Communications Corp. for \$14 million. **Seller** is owned by Hugh E. Davis, who has no other broadcast interests. **Buyer** is Wayzata, Minn.-based group of four AM's, five FM's and five TV's owned Stephen A. Adams. It is also selling KSTU(TV) Salt Lake City ("In Brief," June 29). KNDO is NBC affiliate on channel 23 with 500 kw visual, 61 kw aural and antenna 960 feet above average terrain. KNDU is NBC affiliate on channel 25 with 163 kw visual, 16.3 kw aural and antenna 1,271 feet above average terrain.

KKCY(FM) San Francisco □ Sold by Olympic Broadcasting Corp. to Pacific FM Inc. for \$11 million. **Seller** is publicly held, Seattle-based group of five AM's and seven FM's headed by Ivan Braiker. **Buyer** is owned by Jim Gabbert and Michael Lincoln. It also owns KOFY(AM) San Mateo, Calif., and KOFY-TV San Francisco. KKCY is on 98.9 mhz with 4.3 kw and antenna 1,450 feet above average terrain. *Broker: Kalil & Co.*

KBEQ-FM Kansas City, Mo. □ Sold by Capitol Broadcasting to Noble Broadcast Group for \$9,250,000. **Seller** is Raleigh, N.C.-based group of two AM's, seven FM's and one TV principally owned by James F. Goodmon. **Buyer** is San Diego-based group of three AM's and four FM's headed by John Lynch. It is also buying WMRE(AM) Boston (see below). KBEQ is on 104.3 mhz with 100 kw and antenna 986 feet above average terrain.

WORZ(FM) Daytona Beach, Fla. □ Sold by Duffy Broadcasting to Beasley Broadcast Group for \$9.2 million. **Seller** is divesting radio group (see above). **Buyer** is Goldsboro, N.C.-based group of nine AM's and 12 FM's principally owned by George Beasley. WORZ is on 101.9 mhz with 28 kw and antenna 1,650 feet above average terrain.

WDUR(AM)-WFXC(FM) Durham, N.C. □ Sold by Great American Media Ltd. to Pinnacle Broadcasting for \$6.5 million. **Seller** is principally owned by Donald W. Curtis. It also owns WTAB(AM)-WYNA(FM) Tabor City, N.C. Curtis, individually, owns WMBL(AM)-WRHT(FM) Morehead City, N.C. **Buyer** is owned by Phillip A. Marella, former owner of WMGC(TV) Binghamton, N.Y. WDUR is on 1490 khz full time with 1 kw. WFXC is on 107.1 mhz with 1.19 kw and antenna 505 feet above average terrain. *Broker: Richard A. Foreman Associates.*

WKRS(AM)-WXLC(FM) Waukegan, Ill. □ Sold by WKRS/WXLC Inc. to H&D Radio Ltd. Partnership for \$5.5 million. **Seller** is owned by Roger Kaplan and his wife, Patricia. It has no other broadcast interests. **Buyer** is Hartford, Conn.-based group of four AM's and four FM's owned by Joel Hartstone and Barry Dickstein. WKRS is daytimer on 1220 khz with 1 kw. WXLC is on 102.3 mhz with 3 kw and antenna 322 feet above average terrain. *Broker: American Radio Brokers.*

KTON(AM)-KTQN(FM) Killeen-Belton, Tex. □ Sold by Heart of Texas Communications Ltd. to Encore Communications for \$5.2 million. **Seller** is owned by Joe Abernathy, who has no other broadcast interests. **Buyer** is owned by George Duncan, former president of Metromedia Radio and Television.

KTON is daytimer on 940 khz with 1 kw. KTQN is on 106.3 mhz with 3 kw and antenna 490 feet above average terrain. *Broker: American Radio Brokers.*

WMRE(AM) Boston □ Sold by Mariner Communications Inc. to Noble Broadcast Group for \$3.7 million. **Seller** is headed by Jack Roberts. It has no other broadcast interests. **Buyer** is also buying KBEQ-FM Kansas City, Mo. (see above). WMRE is on 1510 khz full time with 50 kw. *Broker: Blackburn & Co.*

WRJM(FM) Troy, Ala. □ Sold by Shelley Broadcasting Co. to New South Communications Inc. for \$3 million. **Seller** is owned by H. Jack Mizell, who also owns WRJM-TV Troy, Ala. **Buyer** is Meridian, Miss.-based group of two AM's and three FM's owned by F.E. (Eddie) Holladay. It recently sold WVMJ(AM)-WQID(FM) Biloxi, Miss. ("Changing Hands," June 15). WRJM is on 105.7 mhz with 100 kw and antenna 1,847 feet above average terrain. *Broker: Chapman Associates.*

WKYD-AM-FM Andalusia, Ala. □ Sold by Triple H Broadcasting Inc. to John Robert E. Lee for \$1.1 million. **Seller** is owned by Charles G. Tomberlin, who has no other broadcast interests. **Buyer** is owner of Silver Star Communications, Tallahassee, Fla.-

based group of three AM's and four FM's. WKYD is on 920 khz with 5 kw day and 500 w night. WKYD-FM is on 98.1 mhz with 100 kw and antenna 981.3 feet above average terrain.

WGTN(AM)-WAZX(FM) Georgetown, S.C. □ Sold by Seacoast Broadcasting Corp. to Beach Broadcasting of South Carolina Inc. for \$1.1 million. **Seller** is owned by Richard T. Laughridge, Charles S. Morris and J. William Nichols. It has no other broadcast interests. **Buyer** is owned by Stewart Freeman and Robert Simpkins. It also owns WWBD(AM)-WWLT(FM) Bamberg-Denmark, S.C., and WPFR-AM-FM Terre Haute, Ind. WGTN is on 1400 khz full time with 1 kw. WAZX is on 106.3 mhz with 3 kw and antenna 360 feet above average terrain.

KCRT-AM-FM Trinidad, Colo. □ Sold by Colorado Broadcasting Corp. to Essex III Broadcasting Inc. for \$550,000. **Seller** is owned by Tony A. Cranford, who also owns KKBB(AM) Aurora, Neb. **Buyer** is owned by T. Charles Smith, announcer at WIMS(AM) Michigan City, Ind. KCRF is daytimer on 1240 khz with 250 w. KCRF-FM is on 92.7 mhz with 3 kw and antenna 150 feet above average terrain.

For other proposed and approved sales see "For the Record," page 78.

Give it back. KSTU(TV) Salt Lake City (ch. 20), which was recently sold by Adams Communications to MWT Ltd. Partnership ("In Brief," June 29), owner of a CP for a new TV on channel 13 in Salt Lake City, will return its license to the FCC when channel 13 becomes operational. MWT, which purchased the license, programming and facilities of the station will take over operation of channel 20 in the meantime. Price for the soon to be dark UHF was \$30 million.

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DGA strikes, settles

Walkout that could have crippled TV and movie industries lasts just five minutes in Los Angeles; 10% TV raise, new residual formula in agreement

If this were a movie, not one of the 8,420 members of the Directors Guild of America could have come up with a better Hollywood ending: Less than a half hour after picketing began in front of The Burbank Studios, where Columbia Pictures and Warner Bros. are headquartered, a driver passes by and hollers for about 100 strikers to put down their picket signs. Negotiators for the guild and producers had just agreed on a tentative three-year contract. Directors at first act surprised, then elated, at the news that the selective strike against the two studios and NBC-TV is over, as is the threat of a lockout by more than 200 other companies, CBS and

ABC.

In what may stand as the shortest strike in the history of the entertainment business, the DGA and Alliance of Motion Picture and Television Producers settled their differences last Tuesday (July 14) and struck a tentative agreement, averting a lengthy work stoppage that could have crippled the television and movie industries.

A mail-in ratification vote on the new pact—which provides a 10% raise in the existing minimum 15-day guaranteed wage of \$17,935 for preparatory work on hour action/adventure episodes, no residual roll-backs and the introduction of a new percentage-based residuals formula for the syndication market—was scheduled. But most guild members on the picket lines expressed confidence in their negotiating team and said they anticipated the contract would be approved.

The accord, reached at 6:05 a.m. PDT after an all-night 10-hour bargaining session with producers, followed by three-and-a-half hours a tentative agreement worked out by the guild in separate staff negotiations with NBC. The network, which would have been faced with filling vacant DGA posts in addition to the 2,800 left empty by the National Association of Broadcast Employees and Technicians strike, had broken away from CBS and ABC to engage in separate talks involving about 250 of its guild employees. CBS had threatened to lock out both freelance and staff directors in the event of a strike against NBC, while ABC officials said they would prohibit freelancers from working there.

While the DGA's network negotiating committee vote in favor of the new agreement was not unanimous, it was passed by a

NBC continues summer streak

NBC won the prime time week (ended July 12) with a 10.6 rating and a 22.4 share. CBS came in second with a 10.5/20.3. ABC finished the week with a 9.8/18.9. A year ago the finishing order was NBC 12.2/23, CBS 12.0/23 and ABC 10.1/19.

In the evening news race, NBC remained in the lead by closing out the week with a 10.4/23 over ABC's 9.5/20 and CBS's 9.1/20. Last year it was at tie between CBS and NBC with 10.0/22 each, and ABC 9.7/21.

NBC took only three nights for the week, Monday, Thursday and Saturday, while both ABC and CBS took two apiece. ABC took Tuesday and, uncustomarily, Friday. The Friday win for ABC came from the 12.5/26 (19th place) posted by the *ABC Friday Night Movie, Consenting Adults*, as well as the 9.3/21 for *Sledge Hammer*, from 8 to 8:30 p.m. and the 10.2/23 posted by *Mr. Belvedere* from 8:30 to 9 p.m. CBS took Wednesday and Sunday.

Rank	Show	Network	Rating/Share
1.	Family Ties	NBC	21.0/39
2.	Cosby Show	NBC	20.7/40
3.	Sunday Movie	CBS	17.1/31
4.	Murder She Wrote	CBS	16.9/33
5.	Growing Pains	ABC	16.8/30
6.	Cheers	NBC	16.4/31
7.	Monday Night Movies	NBC	16.3/28
8.	Who's the Boss	ABC	16.1/30
9.	60 Minutes	CBS	16.0/34
10.	Valerie	NBC	15.6/28
11.	Matlock	NBC	15.5/28
12.	Moonlighting	ABC	14.9/26
13.	Equalizer	CBS	14.8/28
13.	Golden Girls	NBC	14.8/32

Rank	Show	Network	Rating/Share
13.	ALF	NBC	14.8/28
16.	Designing Women	CBS	13.4/23
17.	Newhart	CBS	12.9/22
18.	Tuesday Movie	CBS	12.6/22
19.	Friday Movie	ABC	12.5/26
20.	20/20	ABC	12.3/22
21.	Amen	NBC	12.2/26
22.	L.A. Law	NBC	12.1/22
23.	Hunter	NBC	11.9/26
23.	Molly Dodd	CBS	11.9/22
25.	Night Court	ABC	11.6/22
26.	Tuesday Movie of the Week	NBC	11.3/20
26.	Sweet Surrender Special	NBC	11.3/21
28.	Head of the Class	ABC	11.2/22

Rank	Show	Network	Rating/Share
28.	Cagney & Lacey	CBS	11.2/20
30.	Good Morning, Miss Bliss	NBC	11.1/25
31.	Perfect Strangers	ABC	11.0/23
31.	Magnum P.I.	CBS	11.0/21
31.	Thursday Movie	CBS	11.0/20
34.	Kate & Allie	CBS	10.9/20
35.	St. Elsewhere	NBC	10.7/20
36.	My Sister Sam	CBS	10.5/19
37.	Mr. Belvedere	ABC	10.2/23
38.	Sunday Movie	ABC	10.1/19
39.	Highway to Heaven	NBC	9.7/20
40.	Sledge Hammer	ABC	9.3/21
40.	Mike Hammer	CBS	9.3/19
40.	Sunday Night Movie	NBC	9.3/17
43.	Jennings/Koppel Report	ABC	9.2/16
44.	Monday Night Baseball	ABC	9.0/16
45.	MacGyver	ABC	8.9/17
46.	Facts of Life	NBC	8.5/20
47.	Disney Sunday Movie	ABC	8.3/18
48.	Rags to Riches	NBC	8.1/16
49.	Summer Playhouse	CBS	7.9/18
50.	Hotel	ABC	7.5/14
51.	Saturday Night Movie	ABC	7.4/16
52.	Major League Baseball (Fri.)	NBC	7.3/16
53.	Scarecrow & Mrs. King	CBS	7.2/14
54.	Twilight Zone	CBS	6.5/13
55.	Baseball, pregame (Fri.)	NBC	6.4/16
56.	Starman	ABC	6.3/12
56.	Our House	NBC	6.3/13
58.	Wizard	CBS	6.2/11
59.	Our World	ABC	6.0/11
60.	Webster	ABC	5.9/14
61.	West 57th	CBS	5.8/13
62.	Dallas	CBS	5.5/12
63.	Saturday Movie	CBS	4.1/9

*indicates premiere episode

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committee vote in favor of the new agreement was not unanimous, it was passed by a larger margin than a previous tentative pact that was ultimately turned down by the union's membership. The group released a statement last week stating that NBC agreed to withdraw a proposal that would have adversely affected guild members when it came to editing, which the union termed "the greatest threat to network and local directors and associate directors." But the network won a partial victory in jurisdictional areas, with the guild losing jurisdiction for some remote, single-camera-directed segments. NBC, however, conceded on other jurisdictional points and, in the personnel area, it agreed to increase severance pay for employees who are laid off out of the line of seniority. NBC agreed to a "voluntary buyout" of DGA members' contracts before resorting to layoffs.

The statement said that the union's network staff negotiating committee would next meet with ABC "to continue negotiations over ABC contracts. When these are resolved, the committee will meet with CBS." Whether the DGA will succeed in its goal of separate bargaining sessions remained in doubt last week, however. A CBS spokesman said Wednesday (July 15) "there had been no decision one way or the other" about whether the two networks were willing to meet separately with the guild.

Other unions, such as the Writers Guild of America and Screen Actors Guild, had placed a great deal of importance on the outcome of the DGA negotiations since it could greatly influence their members' financial well-being in upcoming negotiations with producers. The WGA's contract comes up for renewal in February 1989, with talks slated to begin in December, while SAG's contract expires June 30, 1989.

Nicholas J. Counter, president of the producers' alliance, described the agreement as a "win-win situation" for both producers and directors. It came about after producers removed a proposal from the table 15 minutes before the guild's 6 a.m. strike deadline that would have cut pay-per-view residuals. Counter said it was "too soon" to argue over the pay-per-view market, which last year accounted for \$73 million in revenue but which is expected to amount to \$2 billion annually in 10 years.

Besides giving directors a 10% hike in their minimum guaranteed wages—5% retroactive to July 1 and 5% more in 18 months—the pact provides for a new formula for off-network hours in syndication that is based on how well a program sells. Under the existing formula, directors receive a fixed dollar amount for each episode that goes into syndication. The new agreement depends on the percentage of the take from license fees.

As a result of the new formula, directors will receive 2.6% of the first \$400,000 generated from licensing fees and 1.75% of everything over that amount. It will permit producers to save up to 50% in residuals if a program performs poorly and creates a ceiling that would permit directors to make up to 150% of what they now earn on a program that generates heavy sales. The new formula

makes the "upside equal to the downside" for directors, DGA President Gilbert Cates said.

Both producers and directors contend the new formula might prove to be the savior for hour programs that have been sitting on shelves. But Charles D. McGregor, president of worldwide TV distribution for Warner Bros., said that while the new formula "is a move in the right direction," the

producers will have to achieve the same objectives with the Writers Guild of America and Screen Actors Guild to start any real turnaround in the syndication market. "The directors alone doesn't mean a lot," he said.

Directors also agreed to a proposal that would give them 2.5% of the residuals from off network programs produced before 1984 that appear on cable, and 2% of the revenue from shows made after that year. □

Syndication Marketplace

Monitor Television International, the television arm of *The Christian Science Monitor*, reports that it has cleared *The Christian Science Monitor Reports*, a half-hour international newsmagazine, on 93 stations covering 68% of the country. Produced in Boston and co-distributed with INN, the series has featured interviews with Libyan leader Qaddafi, Philippine President Cory Aquino and Nicaraguan leader Daniel Ortega. Barter distribution of the series gives stations three minutes and Monitor three minutes. Recent clearances include WSAZ-TV Charleston, W. Va.; KDBC-TV El Paso; WINK-TV Fort Myers, Fla.; KRTV-TV Great Falls, Mont., and WWAT-TV Chillicothe, Ohio (Columbus).

Baruch Television Group reports that it has cleared two half-hour tennis specials that will air in August and September on over 50 stations. *U.S. Open Tennis: Made in America* is hosted by ESPN reporter Roger Twibell, and features Chris Evert and Jimmy Connors. The other special, *Champions of the Future: The Search for the Next American Tennis Superstar*, is hosted by Jim Simpson and Tracey Austin, and looks at the top up and coming tennis players in the country. Barter distribution of both shows gives stations four minutes and Baruch two-and-a-half. Clearances include CBS affiliates WCBS-TV New York, KCBS-TV Los Angeles, KPX(TV) San Francisco and WNEV-TV Boston.

MGM/UA Television reports it has now cleared *We've Got It Made*, the first-run half-hour sitcom that will be part of the NBC-owned station checkerboard this fall, on 77 stations. Recent clearances include WSB-TV Atlanta; WNUV-TV Baltimore; WLKY-TV Louisville, Ky.; KFI-TV Idaho Falls, and WWCP-TV Johnstown-Altoona, Pa. Cash-plus barter deals on the series gives stations five minutes and MGM/UA three-and-a-half.

RETLAW ENTERPRISES INC.

has acquired

KIMA-TV

Yakima, Washington

KEPR-TV

Pasco, Washington

KLEW-TV

Lewiston, Idaho

For \$17,000,000.00

The undersigned represented the buyer in this transaction



Kalil & Co., Inc.

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Turner board holds inaugural meeting

Next Goodwill Games are endorsed; five standing committees created

The first meeting of the reconstituted 15-member board of Turner Broadcasting took place last week, and during a five-hour session it established committees and endorsed Turner's plans to carry the 1990 Goodwill Games. The company said the endorsement called for the sporting event to be presented "cable-exclusive at a maximum cost of \$1 per subscriber."

In addition to Ted Turner, chairman and president, board members are Robert Wussler, TBS executive vice president, Terence McGuirk, vice president, special projects; William Bevins, vice president, finance; former Atlanta Brave Henry L. (Hank) Aaron, vice president, community relations; John Malone, president of Telecommunications Inc.; Stewart Blair, president and chief executive officer, United Artists Communications; Michael Fuchs, chairman and chief executive officer, HBO; Trygve E. Myhren, chairman and chief executive officer, American Television & Communications; Timothy Neher, executive

vice president and chief operating officer, Continental Cablevision; Gene Schneider, chairman and chief executive officer, United Cable Television; James Gray, president, Warner Cable Communications; Michael D. Brown, managing director, Drexel Burnham Lambert; Rubye Lucas, president of William D. Lucas Fund, and William C. Bartholomay, vice-chairman of Frank B. Hall & Co..

The 15 directors established five committees, at least two of which will consider major proposals facing the company. Bevins, Malone, Myhren and Neher constitute the finance committee, which will review ways to reduce or refinance TBS's sizable debt. Turner, Fuchs, Gray, McGuirk, Schneider and Wussler constitute the planning committee, which will consider TBS's programming options, including the conversion of WTBS from a superstation to a cable network, or the establishment of a separate movie channel on which to exhibit the MGM film library that TBS recently purchased. Other committees established were audit, compensation and executive.

It is possible some of the committees will make presentations at the next board meet-

ing, to be held concurrently with the Aug. 10 shareholders meeting. The proxy statement for that meeting was still under review at the Securities and Exchange Commission last week, said TBS spokesman, Arthur Sando. The board plans to meet normally on a quarterly basis, he said. □

Cook/Whitcom buys 11 First Media stations; Osborn takes stake in Fairfield stations

First Media Corp., a Washington-based station group begun in 1974 by Richard and J.W. Marriott, brothers, has sold its portfolio of 11 radio stations to a partnership of Cook Inlet Region Inc. and Whitcom Partners for a price estimated at \$175 million. Richard Marriott is the head of major hotel and food-service firm, Marriott Co. Cook Inlet and Whitcom entered broadcasting two years ago when they bought WTNH-TV New Haven, Conn., for \$170 million (BROADCASTING, July 29, 1985) as a spin-off from the Capcities' purchase of ABC.

Cook Inlet, based in Anchorage, was established in 1971 as a for-profit cooperative of 6,300 Aleuts, Eskimos and Athabaskan Indians by the Alaska Native Claims Settlement Act, which established several organizations to manage awards for illegally seized Eskimo lands. Whitcom Partners, a New York-based investment group owned by Whitney Communications, owns several cable systems in Maine and New Hampshire and several newspapers in Maryland and publishes the *International Herald Tribune* in partnership with the *Washington Post* and the *New York Times*.

Limey bags limelight rag. The proposed sale of *Variety* and *Daily Variety*, trade publications covering the entertainment industry, to Cahners Publishing Co. was announced last week. Cahners, a Newton, Mass.-based subsidiary of England-based Reed International P.L.C., publishes 52 trade and specialty journals, including *Publishers Weekly*, and also organizes trade shows. *Variety* was founded in 1905 by the late Sime Silverman, and *Daily Variety* was founded in 1933. Both publications are currently run by the founder's grandson, Syd, who is executive editor and publisher. The purchase price was estimated at \$50 million, which does not include the family's real estate, and may be tied to future operating performance.

\$82,000,000

Sconnix Broadcasting Co.

has sold

KVIL AM and FM

Dallas

to

Infinity Broadcasting Corp.

The undersigned initiated this transaction and acted as financial advisor to Sconnix Broadcasting Co.

WERTHEIM SCHRODER & CO.

Incorporated

July 1987

The price paid for the First Media radio group was not announced, but sources close to the transaction put it at \$175 million, scaled down from what they said was the market worth of the properties, perhaps \$220 million. The Marriotts will presumably realize the tax advantages of selling to buyers representing minorities. The First Media properties sold were KOPA(AM)-KSLX(FM) Scottsdale, Ariz.; WZGC(FM) Atlanta; WUSN(FM) Chicago; WPGC(AM)-WCLY(FM) Morningside, Md. (Washington); WZLX(FM) Boston; KFMK(FM) Houston; KFMY-AM-FM Provo, Utah, and KUBE(FM) Seattle (see "Changing Hands," page 72).

Last year, First Media made its first television acquisition when it bought WCPX-TV Orlando, Fla., for \$200 million ("Changing Hands," March 24, 1986). Ralph Hardy, a vice president and board member of First Media, said the company intends to keep WCPX-TV. He described the deal as a re-deployment of the company's assets and said the company will continue to invest in media properties. □

Osborn Communications and its president, Frank Osborn, have been engaged by creditors of the recently formed Fairfield Broadcasting to run the seven-station Fairfield group. Fairfield was created last May when former John Blair & Co. radio group president, Jim Hilliard, and former SFN Companies chairman, John Purcell, purchased 75% of seven stations owned by Price Communications for \$120 million. Price retained 25%. Frank Osborn will personally take over management of Fairfield, replacing Hilliard and Purcell, and will join Price, Citicorp and Prudential-Bache in ownership of Fairfield group. Citicorp and Prudential-Bache financed the Fairfield formation. Each of the three new Fairfield owners and Price will make equity payments of \$500,000.

"We intend to continue growing in major markets," said Osborn, "and to work to make our equity investment grow." Fairfield will pay Osborn a fee plus expenses for its management duties. Osborn Communications, based in New York, owns 12 radio stations and one TV. Fairfield owns KIOI-FM San Francisco; WMTG(AM)-WNIC-FM Dearborn, Mich.; WLAC-AM-FM Nashville, and KKO-AM-FM Albuquerque, N.M.

Hooray for Hollywood. The stock of Reeves Communications rose 2½ points, to 12%, Wednesday with the announcement of a 5.3% holding in the New York-based production company by Barris Industries. The latter company, a controlling interest in which was recently purchased by Hollywood producer and investor, Burt Sugarman, also said in a Securities and Exchange Commission filing that Barris had filed for an antitrust clearance to increase its Reeves holdings to 15%. The purpose of the stock purchase—made between \$9.25 and \$10—was said to be an "investment," but the filing indicated a possible attempt to buy a controlling interest in Reeves, through a tender offer, merger or proxy contest. Late on Thursday, Reeves stock was trading at 12% on heavy volume.

Bottom Line

Spanish stock. Telemundo Group, Spanish-language television group owner and program production and syndication company, built from station group of John Blair & Co., filed registration statement for public offering of two million shares of common stock—for estimated price of between \$11 and \$13 per share—and two issues of zero coupon senior notes. Stock offering, through Bear Stearns & Co. and Drexel Burnham Lambert, would place roughly 15% of Telemundo with public. Company said it would use estimated \$185 million in net proceeds—including sale of 5.1 million shares, at public offering price, to "existing equity security holders"—and \$252 million in proceeds from "... previously announced sales of certain assets, principally to repay debt, redeem its outstanding preferred stock and expand its Spanish-language television network operations."

Washington Watch

Authorization figures. House appropriations subcommittee with jurisdiction over public broadcasting, marked up Corporation for Public Broadcasting's FY 1990 appropriation last week (July 14), sending bill to parent Labor—Health and Human Services-Education Committee, but would not release figure decided upon. CPB had been asking for \$254 million (BROADCASTING, April 6). And House Commerce Committee adopted FTC 1988-90 authorization figures last week identical to those adopted by Senate in March (BROADCASTING, March 16). Both bills authorize FTC at \$69.85 million for FY '88, \$71.9 million in 1989 and \$72.9 million in 1990. Senate version calls for permanent prohibition against FTC regulating ad industry based on "unfairness" standard, controversial provision that is not included in House bill. □

FCC authorization. Senate Commerce Committee has approved FCC authorization measure (S. 1048) that would establish funding levels for agency's fiscal 1988 and '89 budgets. Under bill, agency could receive up to \$107.3 million for FY '88 and \$109.3 million for FY '89. Committee's action was routine, although three minor amendments were made: Agency's travel reimbursement program was extended for two more years; its annual management report requirement was eliminated, and date of enactment for inflation index for agency's fee schedule was delayed year from April 7, 1988, until April 1, 1989. □

Caldwell connection. FCC's award of construction permit for television station in Caldwell, Idaho, to TRC Communications Inc. has been affirmed by panel of U.S. Court of Appeals in Washington in summary judgment. Losing applicant in comparative hearing case, Cascade Broadcasting Group Ltd., had contended that commission had departed from its established policy in accepting TRC's claim that its management arrangement would constitute full-time ownership and management. TRC's owner, Donald Smullin, planned to commute by private plane between his home in Medford, Ore., and Caldwell at beginning and end of each week. Court panel, in unsigned opinion, noted that commission had explained that grant of integration credit for such commuting did not constitute break with precedent. Commission had cited cases in which it had considered five-day, 40-hour week as full-time involvement. It had also argued that it had approved automobile commuting arrangements involving trips requiring longer periods of time than 330-mile airplane commute involved in Caldwell case. □

Kasten libel case settled. Senator Robert Kasten Jr. (R-Wis.) admitted television commercial that attacked his Democratic opponent in election campaign last fall contained false information. Kasten, in statement filed in Dane county (Wis.) court to settle libel suit brought by Ed Garvey and his wife, Betty, expressed "regret" for "any misunderstanding that might have occurred." Commercial at issue claimed that \$750,000 in union money "disappeared" while Garvey was head of National Football League Players Association. □

Carriage comment. National Association of Broadcasters filed with FCC statement supporting Crowell & Moring's motion for declaratory ruling (BROADCASTING, June 29) on fees. Motion argued that commission's fee collection program should not apply to stations' petitions for significantly viewed status. "If a station meets the FCC's mileage and viewing standards, it automatically should qualify for carriage," said NAB Local Carriage Task Force chairman, Leslie G. Arries Jr., wvB-TV Buffalo, N.Y. "The commission... is charging stations to obtain a right [to cable carriage] already conferred on them in the FCC's rules."

HBO veterans show raises \$2 million

July 4 Welcome Home concert with all-star entertainment lineup brings in money for Vietnam veterans

Home Box Office Inc. said last week that more than \$2 million has been pledged in conjunction with HBO's July 4 telecast of the "Welcome Home" concert for Vietnam veterans ("Cablecastings," May 11, June 22). The funds will be distributed to veteran groups by Welcome Home Inc., a nonprofit group, which, with HBO, organized the concert.

According to Chris Albrecht, HBO Inc. senior vice president of programming, West Coast: "We're very pleased that \$2 million in pledges has been gained through just the first showing of the concert. We ran the concert on July 4 on a tape-delayed basis, and we'll be playing it six more times in two different 90-minute versions. Our 800-USA-1987 number will be in effect throughout the entire play period," he said.

The concert, which until late June was to be held at the 52,000-seat RFK stadium in Washington, was moved to the Capital Center in Landover, Md., which held about 16,000, an HBO spokeswoman said, to make the concert "a better television show." The Capital Center had better lighting and acoustics, and was air-conditioned, she said. Additionally, it was easier to fill that arena.

Among the more than 30 performers appearing during the four-and-a-half-hour event, which was both a tribute and a benefit for the Vietnam veterans, were Anita Baker, James Brown, Crosby, Stills and Nash, Neil Diamond, John Fogerty, Peter Fonda and Ricardo Montalban.

Also, some support services were provided to the veterans during the concert, including leaflets listing the addresses and phone numbers of Vietnam veteran centers nationwide, and an Alcoholics Anonymous "drop in" center. The last was set up with HBO providing the facility and coffee and doughnuts, and AA handling all staffing of the center. About 200 veterans visited it, HBO said.

Joey Talley, president of Welcome Home, said that "not only were we able to raise funds to help the veterans groups, but the

concert was a catalyst in bringing people closer together. It was a way of celebrating and paying tribute to Vietnam veterans on a national level, so that they could feel more appreciated after all these years."

In other news, HBO said it will present a "candid" one-hour special on AIDS, "to dispel misconceptions and unnecessary fears about the disease." *AIDS: Everything You and Your Family Need to Know... But Were Afraid to Ask*, which will be hosted by U.S. Surgeon General C. Everett Koop, is based upon concerns voiced in a focus group study of HBO subscribers, HBO said. Slated for October, the program will feature other health experts, HBO said, adding that all the information contained in the program will be reviewed for accuracy by the U.S. Public Health Service "and reflect the latest research." □



As compiled by BROADCASTING, July 8 through July 15, and based on filings, authorizations and other FCC actions.

Abbreviations: AFC—Antenna For Communications. ALJ—Administrative Law Judge. alt.—alternate. ann.—announced. ant.—antenna. aur.—aural. aux.—auxiliary. CH—critical hours. CP—construction permit. D—day.

DA—directional antenna. Doc—Docket. ERP—effective radiated power. HAAT—height above average terrain. khz—kilohertz. kw—kilowatts. m—meters. MEOC—maximum expected operation value. mhz—megahertz. mod.—modification. N—night. PSA—presunrise service authority. RCL—remote control location. S-A—Scientific-Atlanta. SH—specified hours. SL—studio location. TL—transmitter location. trans.—transmitter. TPO—transmitter power output. U—unlimited hours. vis.—visual. w—watts. *—noncommercial.

Wagontrain Broadcasting Corporation

William S. Sanders, President

has acquired

KRZY/KRST(FM)

Albuquerque, New Mexico

from

Burroughs Broadcasting Company

Herbert Marchman, President

for

\$5,250,000

Chapman Associates initiated the transaction and assisted both parties in negotiations.



Ownership Changes

Applications

- WKYD-AM-FM Andalusia, Ala. (920 khz; 5 kw-D; 500 w-N; FM: 98.1 mhz; 100 kw; HAAT: 981.3 ft.)—Seeks assignment of license from Triple H Broadcasting Inc. to John Robert E. Lee for \$1.1 million. Seller is owned by Charles G. Tomberlin, who has no other broadcast interests. Buyer is owner of Silver Star Communications, Tallahassee, Fla.-based group of three AM's and four FM's. Filed June 29.
- KNXN(FM) Quincy, Calif. (101.9 mhz; 1.4 kw; HAAT: 2,360 ft.)—Seeks assignment of license from Plumas Wireless Inc. to Olympic Broadcasters Inc. for \$250,000. Seller is owned by David E. Caldwell and Kenneth Barnard, who have no other broadcast interests. Buyer is owned by Douglas D. Kahle and William E. Boeing. Kahle also has interest in WBRI(AM) Indianapolis and WXIR(FM) Plainfield, both Indiana; WFIA(AM)-WXLN(FM) Louisville, Ky.; KFIA(AM) Carmichael, Calif., and WABS(AM) Arlington, Va. Filed June 24.
- KCRT-AM-FM Trinidad, Colo. (AM: 1240 khz; 250 w-D; FM: 92.7 mhz; 3 kw; HAAT: 150 ft.)—Seeks assignment of license from Colorado Broadcasting Corp. to Essex III Broadcasting Inc. for \$550,000. Seller is owned by Tony A. Cranford, who also owns KKBB(AM) Aurora, Neb. Buyer is owned by T. Charles Smith, announcer at WIMS(AM) Michigan City, Ind. Filed June 30.
- WKRS(AM)-WXLN(FM) Waukegan, Ill. (AM: 1220 khz; 1 kw-D; FM: 102.3 mhz; 3 kw; HAAT: 322 ft.)—Seeks assignment of license from WKRS/WXLN Inc. to H&D Radio Ltd. Partnership for \$5.5 million. Seller is owned by Roger E. Kaplan. It has no other broadcast interests. Buyer is Hartford, Conn.-based group of four AM's and four FM's owned by Joel Hartstone and Barry Dickstein. Filed July 2.
- KKCQ(AM) Fosston, Minn. (1480 khz; 5 kw-D; 2.5 kw-N)—Seeks transfer of control from Lawrence B. Mike to Curtis W. Quesnell for \$20,000. Seller and buyer have no other broadcast interests. Filed June 30.
- KXXL(AM) Bozeman, and KWYS(AM) West Yellow-

stone, both Montana (KXXL: 1450 khz; 1 kw-D; KWYS: 920 khz; 1 kw-D)—Seeks assignment of license from Serendipity Broadcasting Inc. to GNP Inc. for assumption of liabilities. Seller is principally owned by John Bronken and family, who have no other broadcast interests. Buyer is owned by Gary N. Petersen and Corrine Zickovich, who have no other broadcast interests. Filed June 30.

■ **KQSR(AM)** Williston, N.D. (660 khz; 5 kw-D)—Seeks assignment of license from Basin Broadcasters Inc. to Charles L. Scofield for \$71,918. Seller is headed by Duane Simpson and also owns co-located KDSR(FM). Buyer owns KEYZ(AM)-KYYZ(FM) Williston, and KLPZ(AM) Parker, Ariz. Filed June 30.

■ **WGTV(AM)-WAZX(FM)** Georgetown, S.C. (AM: 1400 khz; 1 kw-U; FM: 106.3 mhz; 3 kw; HAAT: 360 ft.)—Seeks assignment of license from Seacoast Broadcasting Corp. to Beach Broadcasting of South Carolina Inc. for \$1.1 million. Seller is owned by Richard T. Laughridge, Charles S. Morris and J. William Nichols. It has no other broadcast interests. Buyer is owned by Stewart Freeman and Robert Simpkins. It also owns WWBD(AM)-WWLT(FM) Bamberg-Denmark, S.C., and WPCR-AM-FM Terre Haute, Ind. Filed June 25.

■ **WSJC-AM-FM** Magee, S.C. (810 khz; 50 kw-D; 5 kw-N; FM: 107.5 mhz; 100 kw; HAAT: 490 ft.)—Seeks assignment of license from Southeast Mississippi Broadcasting Co. to CSB Communications Inc. for \$2.2 million. Seller is Magee, Miss.-based group of two AM and two FM's owned by Jeannette Mathis, her sons, Robin and Ralph, and J.B. Skelton. Buyer is owned by Craig Scott and Stephen Vunyard. Scott was general manager of WREC(AM)-WEGR(FM) Memphis. Vunyard is president of Clayton Webster Corp., St. Louis-based radio syndication firm. It has no other broadcast interests. Filed June 24.

Actions

■ **KZRQ(TV)** Pine Bluff, Ark. (CP)—Granted app. for assignment of license from KIKX Inc. to Agape Church Inc. for \$40,611. Seller is principally owned by Charles Ray Shinn, who also has interest in KIKX(FM) El Dorado, Ark. Buyer is owned by H.L. Caldwell; his wife, Jeanne, and Mary S. Keleman. It has no other broadcast interests. Action June 30.

■ **WGTH(FM)** Richlands, Va. (105.5 mhz; 450 w; HAAT: 800 ft.)—Granted transfer of control of High Knob Broadcasters Inc., debtor-in-possession, to The Brown Family Group for assumption of liabilities. Seller by has no other broadcast interests. Buyer is owned by Laurence R. Brown and family. It also owns WKGK(AM) Saltville, Va. Action July 6.

New Stations

Applications

AM's

■ **Fort Pierce, Fla.**—Linda Adams seeks 1030 khz; 5 kw-D; 1 kw-N. Address: 4358 Grenholme Dr., Sacramento, Calif. 95842. Principal has no other broadcast interests. Filed June 29.

■ **Oviedo, Fla.**—Marcelina Colina seeks 1030 khz; 25 kw-D; 500 w-N. Address: 7524 S.W. 179th Terrace, Miami 33157. Principal has no other broadcast interests. Filed June 29.

■ **Cloverdale, Va.**—Golden Rule Organization Workshop Inc. seeks 820 khz; 2.3 kw-D; 200 w-N. Address: 201 Progress St., Blacksburg, Va. 24060. Principal is nonprofit corporation headed by Virginia L. Baker. Baker owns WBZI(AM)-WLGW(FM) Xenia, Ohio, and WKGMI(AM) Smithfield, Va. Filed June 20.

■ **Dublin, Va.**—Edward A. Baker seeks 810 khz; 1.4 kw-D. Address: P.O. Box 889, Blacksburg, Va. 24060. Principal is son of principal in above application. Filed June 29.

FM's

■ **Camden, Ala.**—Camden Broadcast Associates seeks 102.3 mhz; 3 kw; HAAT: 328 ft. Address: 415 N. College St., Greenville, Ala. 36037. Principal is owned by Dr. LaBaron A. Foster, Norman Figures and Paul H. Reynolds. Reynolds owns WAJO(AM)-WJAM(FM) Marion, Ala. Filed July 8.

■ **Soldotna, Alaska**—Gold Nugget Broadcasting Inc. seeks 96.5 mhz; 10 kw; 265.7 ft. Address: 374 Lovers Lane, 99669. Principal is owned by Paul and Linda Barr and Michael and Janet Freeman. It also owns co-located KCSY(AM). Filed June 30.

■ **Phoenix**—Radio Alliance Phoenix seeks 89.5 mhz; 100 w; HAAT: 1,649.5 ft. Address: 2719 E. Corona, 85040. Principal is owned by Clara Smith, and four others. It has no other broadcast interests. Filed June 29.

■ **Eagar, Ariz.**—Rex K. Jensen seeks 92.5 mhz; 100 kw; HAAT: 984 ft. Address: Box 368, Kanab, Utah 84741. Principal owns KHIL(AM)-KWXC(FM) Willcox and KJCY-

AM-FM Mountain Home, Idaho. Filed June 30.

■ **Morgan Hill, Calif.**—Ethnic Radio of Los Banos Inc. seeks 96.1 mhz; 500 w; HAAT: 774.1 ft. Address: 1426 Shortridge Ave., San Jose, Calif. 95116. Principal is owned by Batista S. Viera and his wife, Delores. It also owns KLBS(AM) San Jose, Calif. Filed June 29.

■ **Silver Springs, Fla.**—Silver Springs-Ocala Broadcasting Inc. seeks 95.5 mhz; 3 kw; HAAT: 328 ft. Address: 1304 Northeast 33rd Ave., Apt. B, Ocala, Fla. 32670. Principal is owned by J.M. Robbins and his brother, Phillip. Phillip has interest WOSH(AM)-WMOV(FM) Oshkosh, Wis., and slight interest in six AM's and five FM's. Filed June 30.

■ **Silver Springs, Fla.**—Ocala Radio Inc. seeks 95.5 mhz; 3 kw; HAAT: 328 ft. Address: 1813 Oakley Ave., Fort Myers, Fla. 33901. Principal is owned by Michael P. Joyce, who has no other broadcast interests. Filed June 30.

■ **Silver Springs, Fla.**—A.P. Walter seeks 95.5 mhz; 3 kw; HAAT: 328 ft. Address: 235 Catalonia Ave., Coral Gables, Fla. 33134. Principal has no other broadcast interests. Filed June 30.

■ **Silver Springs, Fla.**—Silver Springs Communications seeks 95.5 mhz; 3 kw; HAAT: 328 ft. Address: P.O. Box 836, 32699. Principal is owned by Robert D. Stoehr and two others. Stoehr owns WQBQ(AM) Leesburg, Fla. Filed July 8.

■ **Silver Springs, Fla.**—Mark L. Wodlinger seeks 95.5 mhz; 3 kw; HAAT: 328 ft. Address: 4350 Shawnee Mission Parkway, Shawnee Mission, Kan. 66205. Principal owns Wodlinger Broadcasting Co., group of two AM's and one TV. Filed June 30.

■ **Silver Springs, Fla.**—Jim Johnson seeks 95.5 mhz; 3 kw; HAAT: 328 ft. Address: P.O. Box 1000, Bushnell, Fla. 33513. Principal has no other broadcast interests. Filed June 30.

■ **Silver Springs, Fla.**—Rosalia Bianco seeks 95.5 mhz; 3 kw; HAAT: 328 ft. Address: 153 Esther Dr., Cocoa Beach, Fla. 32931. Principal has no other broadcast interests. Filed June 29.

■ **Silver Springs, Fla.**—Sun Coast Communications Ltd. Partnership seeks 95.5 mhz; 3 kw; HAAT: 328 ft. Address: 1800 SE. 0475, Summerfield, Fla. 32691. Principal is owned by Sharon Gallagher Hall, and 25 others. Filed June 30.

■ **Silver Springs, Fla.**—Silver Radio Partners seeks 95.5 mhz; 3 kw; HAAT: 328 ft. Address: 1001 22nd St., Suite

Summary of broadcasting as of April 30, 1987

Service	On Air	CP's	Total *
Commercial AM	4,875	170	5,048
Commercial FM	3,868	418	4,377
Educational FM	1,265	173	1,438
Total Radio	10,102	761	10,863
FM translators	1,115	766	1,881
Commercial VHF TV	548	23	566
Commercial UHF TV	457	222	689
Educational VHF TV	113	3	116
Educational UHF TV	197	25	222
Total TV	1,320	273	1,593
VHF LPTV	247	74	321
UHF LPTV	162	136	298
Total LPTV	409	210	619
VHF translators	2,951	145	3,126
UHF translators	1,906	293	2,291
ITFS	250	114	364
Low-power auxiliary	824	0	824
TV translators	7,430	205	7,635
UHF translator boosters	6	0	6
Experimental TV	3	5	8
Remote pickup	12,338	53	12,391
Aural STL & intercity relay	2,836	168	3,002

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650, Washington, D.C. 20037. Principal is owned by Robert A. Bednarek, Michael J. Wilhelm and Phillip A. Rubin. It has no other broadcast interests. Bednarek has interest in new TV in Gainesville, Fla. Filed June 30.

■ Silver Springs, Fla.—Silver Springs Radio Communications Ltd. seeks 95.5 mhz; 3 kw; HAAT: 328 ft. Address: 3680 NE 41st St., Apt. A, Ocala, Fla. 32670. Principal is owned by Patricia A. Gaskin, who has no other broadcast interests. Filed June 30.

■ Silver Springs, Fla.—Silver Springs Broadcasting Inc. seeks 95.5 mhz; 3 kw; HAAT: 328 ft. Address: P.O. Box 2830, Ocala, Fla. 32678. Principal is owned by Major Bernard and four others, who have no other broadcast interests. Filed June 30.

■ Manchester, Ky.—Barker Broadcasting Co. seeks 105.7 mhz; 50 w; HAAT: 757.7 ft. Address: 106 Richmond Rd., 40962. Principal is owned by Larry A. Barker and his wife, Lynda. It also owns WKLB(AM). Filed July 6.

■ McKee, Ky.—Betty J. Rudder seeks 107.9 mhz; 2 kw; HAAT: 400.2 ft. Address: P.O. Box 176, McKee, Ky. 40447. Principal has no other broadcast interests. Filed July 2.

■ Louisburg, N.C.—Franklin Broadcasting Co. seeks 102.5 mhz; 3 kw; HAAT: 328 ft. Address: P.O. Box 463, 27549. Principal is owned by Mollie B. Evans and Euland C. McBride. It also owns co-located WYRN(AM). Filed July 2.

■ Lawton, Okla.—Cameron University seeks 101.7 mhz; 3 kw; HAAT: 328 ft. Address: 2800 West Gore, Lawton, Okla. 73505. Principal is educational institution headed by Edwin Ketchum. Filed July 6.

■ South Pittsburg, Tenn.—Eaton P. Govan seeks 97.3 mhz; 12.5 kw; HAAT: 984 ft. Address: Ash Ave., 37380.

Principal owns WEPG(AM) South Pittsburg. Filed June 30.

■ South Pittsburg, Tenn.—Tennessee Broadcast Group seeks 97.3 mhz; 50 kw; HAAT: 492 ft. Address: 116 Elm Ave., 37380. Principal is owned by Shellie Jordan and four others. It has no other broadcast interests. Filed June 30.

■ South Pittsburg, Tenn.—James V. Long seeks 97.3 mhz; 3 kw; HAAT: 328 ft. Address: Box 54A, Sweden Cove Rd., 37380. Principal has no other broadcast interests. Filed June 30.

■ Waco, Tex.—Chase Communications Inc. seeks 94.5 mhz; 3 kw; HAAT: 328 ft. Address: 126 Oriental, 76710. Principal is owned by James P. Chase and Thomas G. Chase. It has no other broadcast interests. Filed June 30.

■ Waco, Tex.—Excelsior Communications Inc. seeks 94.5 mhz; 3 kw; HAAT: 328 ft. Address: P.O. Box 21611, 76702. Principal is owned by Arthur T. King, Marilyn O. Marshall, Alvin L. Pollard and Eric H. Hooker. It has no other broadcast interests. Filed June 30.

■ Waco, Tex.—Richards Communications Inc. seeks 94.5 mhz; 3 kw; HAAT: 328 ft. Address: 41 Northwood Forest, Northport, Ala. 35476. Principal is owned by Susan M. Richards, who has no other broadcast interests. Filed June 30.

■ Franklin, Va.—Radio Franklin Ltd. Partnership seeks 101.7 mhz; 3 kw; HAAT: 328 ft. Address: 2506 Vineyard St., Durham, N.C. 27707. Principal is owned by Jeffrey E. Hester and 26 others. Filed June 30.

TV's

■ Tuskegee, Ala.—Tuskegee Communications Inc. seeks ch. 22; 5,000 kw; HAAT: 561.2 ft. Address: 108 East Commodore Circle, 36083. Principal is owned by Fred D. Gray,

Harry D. Norman and Johnny L. Ford. It has no other broadcast interests. Filed July 2.

■ Bryan, Tex.—Central Texas Broadcasting seeks ch. 28; 5,000 kw; 1,021.7 ft. Address: P.O. Box 3522, Waco, Tex. 76701. Principal is owned by Robert Mann, who also owns KXXV(TV) Waco, Tex. Filed June 30.

Actions

AM's

■ Falcon, Colo.—Granted app. of Louis Foreman Allen for 820 khz; 2.5 kw-D. Action June 25.

■ Danville, Va.—Granted app. of Danville Radio for 1180 khz; 4.5 kw-D. Action July 6.

■ Fieldale, Va.—Granted app. of Radio Eleven Sixty for 1160 khz; 5 kw-U. Action July 6.

■ Lynchburg, Va.—Granted app. of Seven Hills Media for 1170 khz; 3.5 kw-D. Action July 6.

FM's

■ Las Vegas—Returned app. of Toiyabe Broadcasting Corp. for 105.1 mhz; 50 kw; HAAT: 492 ft. Action June 22.

■ Pawhuska, Okla.—Granted app. of McKee Broadcasting for 104.9 mhz; 100 kw; HAAT: 328 ft. Action July 1.

■ Charlottesville, Va.—Returned app. of Virginia Tech Foundation Inc. for 89.3 mhz; 8.6 kw; HAAT: 1,106.6 ft. Action July 6.

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Applications

AM's

Tendered

■ WWRS (990 khz) Mayville, Wis.—Seeks MP to increase power to 500 w; change TL and make changes in ant. sys. Filed July 14.

Accepted

■ KTCO (1200 khz) Eureka, Calif.—Seeks MP to change TL and make changes in ant. sys. Filed July 14.

■ KQSR (660 khz) Williston, N.D.—Seeks MP to change TL and make changes in ant. sys. Filed July 14.

■ WOND (1400 khz) Pleasantville, N.J.—Seeks CP to reduce day power to 580 w; change TL and make changes in ant. sys. Filed July 14.

FM's

Tendered

■ KHHH (94.7 mhz) Boulder, Colo.—Seeks mod. of CP to make changes in ant. sys. Filed July 10.

■ WZVN (107.1 mhz) Lowell, Ind.—Seeks CP to change ERP to 1.1 kw. Filed July 10.

■ WTGV-FM (97.7 mhz) Sandusky, Mich.—Seeks CP to change HAAT to 326 ft. Filed July 10.

■ WCAL-FM (89.3 mhz) Northfield, Minn.—Seeks CP to change TL; change ERP to 97.6 kw; change HAAT to 1,009.3 ft. and make changes in ant. sys. Filed July 10.

■ WSJC-FM (107.5 mhz) Magee, Miss.—Seeks mod. of CP to change HAAT to 705.3 ft.; change TL and make changes in ant. sys. Filed July 10.

■ KLDZ (95.1 mhz) Lincoln, Neb.—Seeks CP to change freq. to 95.1 mhz; change ERP to 50 kw; change HAAT to 492 ft. and change TL. Filed July 10.

■ WCDO-FM (100.9 mhz) Sidney, N.Y.—Seeks CP to change ERP to 970 w. Filed July 10.

■ WSOC-FM (103.7 mhz) Charlotte, N.C.—Seeks mod. of CP to change ERP to 100 kw. Filed July 13.

■ KVRO (105.5 mhz) Stillwater, Okla.—Seeks mod. of CP to change TL and change HAAT to 160.2 ft. Filed July 10.

■ KRBM (90.9 mhz) Pendleton, Ore.—Seeks CP to change HAAT to 590.2 ft. Filed July 10.

■ WZZE (97.3 mhz) Glen Mills, Pa.—Seeks CP to change freq. to 97.1 mhz. Filed July 13.



■ WITQ (99.3 mhz) Block Island, R.I.—Seeks mod. of CP to change TL and make changes in ant. sys. Filed July 10.

■ WAPL-FM (105.7 mhz) Appleton, Wis.—Seeks mod. of CP to change TL and change HAAT to 1,102.6 ft. Filed July 10.

Accepted

■ KHIP (93.5 mhz) Hollister, Calif.—Seeks CP to change

Professional Cards

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TL; change ERP to 580 w and change HAAT to 2,119 ft. Filed July 10.

■ WHLP-FM (107.1 mhz) Virginia, Minn.—Seeks CP to change freq. to 99.9 mhz; change TL and change ERP to 100 kw. Filed July 10.

■ WVJP-FM (103.3 mhz) Caguas, P.R.—Seeks CP to change TL; change ERP to 28 kw and change HAAT to 1,789.4 ft. Filed July 10.

■ WTOI (105.5 mhz) Hilton Head Island, S.C.—Seeks mod. of CP to change TL; change ERP to 2.52 kw and change HAAT to 335.7 ft. Filed July 10.

TV's

Accepted

■ WTOG (ch. 44) St. Petersburg, Fla.—Seeks CP to change ERP vis. to 5,000 kw, aur. 474 kw. Filed July 14.

■ WGGF (ch. 55) Lebanon, Pa.—Seeks MP to change ERP vis. to 2890 kw, aur. 289 kw; change HAAT to 1,410.6 ft. and change TL. Filed July 10.

■ KABB (ch. 29) San Antonio, Tex.—Seeks MP to change ERP vis. to 3,160 kw, aur. 316 kw and change TL. Filed July 14.

■ WBNB-TV (ch. 10) Charlotte Amalie, V.I.—Seeks CP to change ERP vis. to 316 kw, aur. 31.6 kw; change HAAT to 1,869 ft. Filed July 14.

Actions

AM's

■ WULA (1240 khz) Eufaula, Ala.—Dismissed app. to change TL. Action July 8.

■ KELC (1530 khz) England, Ark.—Granted app. to change city of license; change TL; increase power to 500 w and make changes in ant. sys. Action July 6.

■ KNTA (1430 khz) Santa Clara, Calif.—Dismissed app. to change TL and make changes in ant. sys. Action July 6.

■ WADE (1210 khz) Wadesboro, N.C.—Granted app. to change hours of operation to unlimited by adding night service with 1 kw; change day power to 500 w; change freq. to 1340 khz and make changes in ant. sys. Action July 6.

■ WSEN (1050 khz) Baldwinsville, N.Y.—Granted app. to increase power to 7.5 kw; change freq. to 780 khz and make changes in ant. sys. Action July 6.

■ KAPS (1470 khz) Mount Vernon, Pa.—Granted app. to

change hours of operation to unlimited by adding night service with 1 kw; increase day power to 10 kw; change freq. to 660 khz and make changes in ant. sys. Action June 23.

TV's

■ WWFL-TV (ch. 56) Hazelton, Pa.—Granted app. to change ERP vis. to 1000 kw; change HAAT to 819.3 ft. Action June 12.

■ KACV-TV (ch. 2) Amarillo, Tex.—Granted app. to change ERP vis. to 100 kw; change HAAT to 1,404.6 ft. and change TL. Action June 30.

■ KABB (ch. 29) San Antonio, Tex.—Granted app. to change ERP vis. to 3160 kw, aur. 316 kw; change TL and change HAAT to 1,361.4 ft. Action June 30.

■ WLFG (ch. 68) Grundy, Va.—Granted app. to change ERP vis. to 1000 kw, aur. 100 kw; change HAAT to 1,381 ft. and change TL. Action June 30.

■ WVGI (ch. 17) Charlotte Amalie, V.I.—Granted app. to change ERP vis. to 48.8 kw, aur. 4.88 kw; change HAAT to 1,381 ft. Action June 30.

Call Letters

Applications

Call Sought by

New FM's

WIGL Altcom of Wisconsin Inc., Stevens Point, Wis.
WVLC Stonewall Broadcasting Co., Elkton, Va.

New TV

KGCO Golden Communications Inc., Mineola, Tex.

Existing AM's

WANM WTNT WANM Inc., Tallahassee, Fla.
WLOV WCZY Satellite Radio Network Inc., Detroit

Existing TV

WMHX WUSV Mohawk-Hudson Council on Educational Television Inc., Schenectady, N.Y.

Grants

Call Sought by

New AM's

KVFR Louis Foreman Allen, Falcon, Colo.
KULA Anita Levine, Maunawila, Hawaii

New FM's

KLCZ Radio Corcoran, Corcoran, Calif.
KRAB Rose Marie Ramirez, Green Acres, Calif.
WFXR Mary Jane Kelley, Harwichport, Hawaii
WIZY Gretchen E. Millich, East Jordan, Mich.
KSHW Sam Houston State University, Huntsville, Tex.
WSIG-FM Shenandoah County Broadcasting Corp., Mount Jackson, Va.

New TV's

KVES Coasta de Oro Television Inc., Ventura, Calif.
WIEB Islamadora Educators Broadcasting Inc., Islamadora, Fla.
WKEB Marathon Educators Broadcasting Inc., Marathon, Fla.
KAAS-TV Channel 24 Ltd., Salina, Kan.
KAWB Northern Minnesota Public Television Inc., Brainerd, Minn.

Existing AM's

KOFC KHOG Lonnie M. Horton, Fayetteville, Ark.
WPBG WIRK Atlantic Broadcasting Corp., West Palm Beach, Calif.
KXKL KBRQ Shamrock Broadcasting Inc., Denver
WIKX WKZY Southwest Florida Broadcasting Inc., North Fort Myers, Fla.
WMJZ WZXM Classic Radio Inc., Gaylord, Mich.
WMVN WUPY Taconite Broadcasting Inc., Ishpeming, Mich.
WMER WFEZ Charisma Communications Inc., Meridian, Miss.
KBSO KNFL Regency Communications Inc., Laurel, Mont.
KEZO KEDS Albimar Omaha Ltd. Partnership, Omaha
WFAN WHN Emmis Broadcasting Corp. of New York, New York
WAJA WLTM Mountain Broadcasting Co., Franklin, N.C.
WWCS WARO WARO Broadcasting Inc., Canonsburg, Pa.
WWAX WRGE Chance Communications Inc., Olyphant, Pa.
KJTT KISD Whidbey Broadcasting Service Inc., Oak Harbor, Wash.
WHRD WWHY Marshall University Foundation Inc., Huntington, W.Va.

Existing FM's

KXKL-FM KBRQ-FM Shamrock Broadcasting Inc., Denver
WIKX-FM WIKX Southwest Florida Broadcasting Inc., Immokalee Fla.
WZZR WRIT CRB of Florida Inc., Stuart, Fla.
WNUA WRXR Pyramid West Ltd. Partnership, Omaha
KMCD-FM KBCT Galesburg Broadcasting Co., Fairfield, Iowa
WNIC WNIC-FM Renaissance Communications Inc., Dearborn, Mich.
WMJZ-FM WZXM-FM Classic Radio Inc., Gaylord, Mich.
WAZZ WAKS-FM Mohr Engledow Broadcasting of North Carolina Inc., Fuquay-Varina, N.C.
WVBI WFOB-FM Northwest Radio Ltd., Fostoria, Ohio
WKSD WERT-FM WERT Radio Inc., Van Wert, Ohio

Existing TV's

WVLA WRBT Rush Broadcasting Corp., Baton Rouge, La.
WHST WGCG-TV Harry J. Pappas, Greenwood, S.C.

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Station manager: Central IL non-commercial contemporary Christian FM seeks SM. Must have 2 years in non-commercial radio; fundraising and management experience important. Send resume and air check: Director of Radio, Box 126, Carlinville, IL 62626. EOE.

General/sales manager. Highly desirable and beautiful city of 300,000 in Rocky Mountain area. Easy Listening, Class C FM, #1 rated. Salary plus profit plus equity for right executive. Send resume in complete confidence to Box W-24.

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Good market and excellent stations in central Texas have immediate opening for aggressive general manager. Only two managers in 15 years and we will seek a new one for early August. Must have excellent credentials and experience and be willing to accept growth challenges of a 24 hour AM and 24 hour FM in competitive medium market. EEO. Position is for manager of KTEM/KPLE, Temple, TX. Contact Clint Formby, The Formby Stations, 806—364-1860.

Promotion manager. Major market FM radio station in Sunbelt is seeking an experienced promotion manager. Must have the ability to manage all aspects of on/off air promotions and have experience in media placement. Send resume and salary requirements to Box W-43.

Local sales manager. KMJQ is now in the process of accepting resumes for the position of local sales manager. Duties will include the training and in-field leadership of KMJQ's local sales staff. Management experience helpful. Send resumes to Mary Ellen Merrigan, General Sales Manager, KMJQ, P.O. Box 22900, Houston, TX 77227. No phone calls, please. EOE/MF.

I'm the chief executive officer of a Class C FM 100,000 watt stereo radio station and a sparkling little 1,000 watt AM station in a good market...And better than that, one of the nicest places to live in the country. I am looking for someone to be my assistant. The person I am seeking must be a know-how broadcaster. The person will be able to write effective copy for any client, service all types of advertising accounts, go out and sell a promotion, take care of the internal operation of the station, pull an announcing shift in case regular announcer gets snakebit on his day off, schedule announcers, and be a program consultant to me. There may be other things I will think of in passing. This is opportunity if you hear it knocking, don't mess around! Get in touch with me with complete information now. We'll keep it confidential to protect your present situation. Box W-66.

Sales manager: Medium market AC/gold AM station in turn-around situation. Minimum 2 yrs. experience. Rush pertinent information to Greg Sciroto, WJBX, 1862-1902 State Street Ext., Bridgeport, CT 06605. EOE.

General manager: Need aggressive sales/profit minded manager for growing, profitable #1 medium in Northeast Texas small market. Negotiable base, performance bonus and equity option for candidate with proven, stable, successful record. Brenmac Properties, 16803 Dallas Parkway, Dallas, TX 75248.

General sales manager: #1 rated sunbelt major market AM/FM combo needs experienced general sales manager with proven track record. Minimum five years sales experience with at least two years in radio sales management in top 50 market. Send resume to Box W-71. EEO employer.

Sales oriented GM. Looking for a strong manager to develop a small Kentucky radio station. Must have proven track record, be able to develop people as well as sales. Excellent opportunity. Reply to Box W-68. EOE, M/F.

GM Minneapolis-St. Paul commercial religious full-time AM with established format needs experienced sales leader. If you know who Dobson, McGee, Carman and Grant are, and have a proven management track record, contact Dick Marsh, Ex. VP, Universal Broadcasting, 3844 East Foothill Blvd., Pasadena, CA 91107, 818—577-1224. EOE.

HELP WANTED SALES

Sales manager: For Texas border town. Excellent opportunity to join a growing aggressive broadcast group. Must be aggressive with minimum 4 years experience in broadcast sales. Compensation package includes salary + incentive plan. State present salary. Send resume. Box W-3.

Attention NE/NY small and medium market sales managers! WINNERADIO 1220 AM stereo seeks sales manager experienced in consultant oriented retail sales techniques with track record of billing success and growth. Move into highly competitive marketplace. WNNR, Greater New Haven's exclusive oldies outlet offers growth opportunity in professional turnaround situation, no cap on income. Rush resume detailing credentials and track record plus letter outlining why you want this job to Pete Salant, President/General Manager, WINNERADIO, 473 Denslow Hill, Hamden, CT 06514. EOE. No calls accepted.

Midwest AM-FM, established stations in market. Excellent opportunity for aggressive self-starter. Send resume outlining experience and salary requirements to: J. McCullough, WLPO/WAJK, PO Box 215, LaSalle, IL 61301.

Great company, great opportunity at new top-60 market station for a small-market, retail oriented salesperson looking to move up. Located in one of country's 10 fastest-growing counties, ratings are rising dramatically, doors are opening. Part of 10-station group, we offer immediate and future growth. All inquiries held in strictest confidence. EOE, affirmative action. Replies to Box W-29.

Southeastern Mich. AM/FM wants AM sales manager. Big potential. Send resume to WPAG, 106 E. Liberty, Ann Arbor, MI 48104. Attn: Tom Wight.

Established list available to experienced salesperson. CHR station in medium Midwest market. Base salary/commission. Resume to Sales Manager, WDBR-FM, P.O. Box 2759, Springfield, IL 62708.

GSM radio: Eastern 50kw needs aggressive trainer for large sales staff. You don't compete, you train, motivate and get the most from your staff. Last year was a record-setter...you can beat it this coming year. We have all the tools, if you're the right person. EOE. We will pay for performance. Resume/letter to Box W-55.

Norfolk, VA Beach area, 50,000 watt FM looking for aggressive sales manager. Must have 5 years radio sales experience including 2 years management. Call 703—989-4591.

Sales manager for AM/FM in small but fast growing market in beautiful area. Unique opportunity with excellent terms and many incentives. Resume to: General Manager, WDCR/WFRD, P.O. Box 957, Hanover, NH 03755.

Small market sales: Wisconsin. High yield list for ambitious, bright professional. Excellent sales organization. Great living area - Mid-Wisconsin. Complete sales training & on-going support. Hurry. Mr. Norman 608—847-6565.

20% Commission. Live on the beach and work in fast growing affluent metro of 200,000. Leading country FM in southeastern coastal resort area seeks experienced, aggressive professional. Resume to: Dan Carney, The Holt Corporation, Suite 205, Westgate Mall, Bethlehem, PA 18017. EOE, M/F.

HELP WANTED ANNOUNCERS

Announcer/operations. 100 kw FM radio station serving MN/ND seeks jazz announcer and operations director. Requires bachelor's degree or equivalent combination of education and experience. 1-2 years experience as on-air host. Experience in station operations and strong knowledge of jazz preferred. Salary \$15,288. Send application, resume, three letters of reference and audition tape including announcing and newscast to PO Box 5227, Fargo, ND 58105. AA/EOE employer.

Wanted: Morning personality for East Coast regional country. Experience and production ability required. Reply to Box W-46.

Leading East Texas combo wants reporter-anchor for morning AM shift. Only persons with extensive experience as communicators need apply. Send tape, resume, and salary requirements to: Rick Watson, KOOL/KEBE, P.O. Box 1648, Jacksonville, TX 75766.

Our staff is expanding and we need another topnotch classical announcer with experience in production. Duties will include on-air shift and local programming. Good quality of life in our community and our station is a great place to work. Salary competitive with excellent fringe benefits. Send tape, resume and salary history to: Joe Martin, WHIL-FM, Post Office Box 160326, Mobile, AL 36616. WHIL is an EOE/affirmative action employer. No phone calls.

HELP WANTED TECHNICAL

Several chiefs needed for expanding group of powerhouse radio stations. Must be organized, budget conscious, communicate well and possess strong maintenance skills. If this is you, come grow with us. No beginners please. Resume and salary history to: Kyle Magrill, The Daytona Group Inc., P.O. Box 631, Salem, OR 97308.

Chief engineer wanted for small group in the upper Mid-West. Automation and directional experience a must. Call 715—588-3852.

ATTENTION

BLIND BOX RESPONDENTS

Advertisers using Blind Box Numbers cannot request tapes or transcripts to be forwarded to BROADCASTING Blind Box Numbers.

Such materials are not forwardable and are returned to the sender.

Situations Wanted Programing, Production, Others Continued

Contemporary Jazz and New Age music programming, not one or the other. I've programmed both — as a synthesis — and won. Big. Twelve-year broadcast veteran with great credentials and a winning record will teach jocks and reach flocks. Relax. Call Gunnar Jensen: 608—837-0041.

TELEVISION

Help Wanted Management

Finance

BUSINESS MANAGER Advertising Sales

Viacom Cable, a leader in the fast growing Cable T.V. entertainment field, is seeking a Business Manager for our Advertising Sales Department located in our Nashville, Tennessee Cable System.

In this position you will report to the General Sales Manager and will have direct responsibility for preparing budget and forecasting, identifying and communicating trends/opportunities, developing tracking, interfacing and reporting systems and analyzing sales sources. You will also be responsible for month/year end accounting close and operational controls.

A successful candidate will have working knowledge of computer systems including IBM XT/AT and Lotus 1-2-3 and Symphony. A financial background in broadcasting is preferred.

Interested candidates should send resumes with salary history and requirements to: Viacom Cable, Employment Department #BMAS, P.O. Box 13, Pleasanton, CA 94566-08711. We are an Equal Opportunity Employer; Women and Minorities are encouraged to apply.

VIACOM CABLE

Research

MANAGER OF RESEARCH

Viacom Cable in Pleasanton, California is seeking an individual to develop and implement research sales tools to improve our advertising sales staff's productivity and professionalism. Responsibilities include the development of research standards and criteria for audience research, design/commission of independent audience research projects, and the development/implementation of audience research training programs.

We require an expert in the field of audience research with knowledge gained through your experience in broadcast sales.

Interested candidates should send resumes with salary history and requirements to: Viacom Cable, Employment Department #MGRAD, P.O. Box 13, Pleasanton, CA 94566-0811. We are an Equal Opportunity Employer; Women and Minorities are encouraged to apply.

VIACOM CABLE

Help Wanted Management Continued

Management

GENERAL MANAGER Advertising Sales Interconnect

Greater Milwaukee Interconnect (GMI), is currently seeking a general manager to manage this cable advertising sales organization located in Milwaukee, Wisconsin.

The successful candidate will be an aggressive, self-motivated individual with previous media sales, media sales management and general management experience.

Interested candidates should send resumes with salary history and requirements to: GMI, Employment Department #ASGM, P.O. Box 13, Pleasanton, CA 94566-0811. We are an Equal Opportunity Employer; Women and Minorities are encouraged to apply.

Help Wanted Technical

SATELLITE COMMUNICATIONS ENGINEER

Extensive travel with a transportable earth station for distribution of television signals nationwide. Experience: Broadcasting engineering (General Class License), truck driving; satellite communications. Will train. Send resume and photograph to: American Uplinks, Inc. P.O. Box 699, Idaho Springs, CO 80452.

Help Wanted Programing, Production, Others

Help Wanted News

PRODUCER Television News

NBC affiliate has an outstanding opportunity for 11:00PM Producer in top 15 market. Requires at least 5 years TV producing experience, with the ability to balance good news judgement with sense of news creativity. Candidate should currently be working within top 50 market. Send resume to:

WXFL-TV
Director of Personnel

P.O. Box 1410
Tampa, FL 33601



an equal opportunity employer m f

Senior Producer

Creative Services/On-Air Promotion

USA Network is one of the most watched cable networks in America. Our success will give you an opportunity to really prove what you can do. We seek a highly creative, experienced Senior Producer to supervise the writing, design, and production of all regular weekly on-air promotional spots and voiceovers. You will manage the monthly production schedule and supervise the work of two staff producers. You'll put your real talents to the test while assisting the Director of Creative Services in developing network imagery and producing special projects and campaigns.

The ideal candidate has at least five years' experience in the TV/Media industry, including three years in promotional writing and spot production. Experience in animation and live action is also desirable, and strong design and copywriting skills are essential. Previous supervisory experience is important.

Qualified candidates should send resume, along with salary history, to Lisa Fuhrman, USA Network, Dept. BR, 1230 Avenue of the Americas, New York, NY 10020. We are an equal opportunity employer.

USA[®]
NETWORK

Help Wanted Programing, Production, Others Continued



LYRIC WRITER

Media General Broadcast Services, Inc., subsidiary of a Fortune 500 Company, needs a lyric writer to create musical images for its clients. Learn advertising the right way, hands on experience. The successful applicant will have a solid music foundation and education. Must have exceptional listening and communication skills in order to understand a clients needs and to produce the music and lyrics package that will sell the product. Demo tape helpful.

RETAIL JINGLE SALES POSITION

Markets available now for a super self-starter seeking 8-figure income. Must be willing to travel extensively. Auto furnished high commissions, all expenses paid. Experience in syndication sales, radio and/or TV sales or sales management. Must have outstanding sales track record.

To apply in confidence, send resume or call 901-320-4301

Jack Adkins, Vice President Human Resources
Media General Broadcast Services, Inc.
2714 Union Avenue Extended, Memphis, TN 38112
EOE M/F

ART DIRECTOR

Top 25 ABC affiliate in the sunny southwest seeking Art Director. Must have excellent design skills, with emphasis on print, outdoor and computer graphics. Management experience and good organizational skills very important. Looking for someone who is ambitious, creative and a little bit crazy. 3-5 years experience required. Send reel, resume and print samples to Creative Services Manager, KTVK-TV, 3435 North 16th Street, Phoenix, AZ 85016. EOE

**Now Staffing
WNPL-TV
Naples, Florida, and
WUXA-TV
Portsmouth, Ohio**

Positions available at new independents serving these growth markets. We need operations and maintenance techs., traffic people, and experienced sales people. Come grow with us.

Call Bill Owens at 1-813-793-3500

Help Wanted Programing, Production, Others

It's really very simple

We need the hottest person around to head our production service sales department. Believe it or not there is an absolutely state-of-the-art (we know you've heard this before) production company in of all places, Columbus, Ohio, and we need somebody to sell it.

We've doubled our sales each year for the last 3 years and want to keep that record intact. Our company includes state-of-the-art production capability, 24 track digital audio studio facilities, a compact disc manufacturing plant and the kind of talent that's needed to make it all work. But before you whip out your resume and start writing, you'll need to consider a few things. We're real serious about our commitment to the production business. We will not limit our opportunities to just the production business. There are no limits to what we can do.

In short we're good, you need to be better so we can be better. If you want a chance to prove it, send your resume and anything else you think we should see to: **Discovery Systems, Human Resources, 7001 Discovery Blvd., Dublin, Ohio 43017.** We are a non-smoking company. Principals only. No phone calls please. Equal opportunity employer.



Discovery Systems

ALLIED FIELDS

Help Wanted Management

**GM/GSM
Los Angeles**

Spectacolor... the color, animated outdoor broadcast medium from NY's Times Square is coming to LA! In addition to NY, Spectacolor currently is in 15+ international markets including London, Milan, and Cairo. LA's launch will represent initiation of major West Coast expansion.

We seek a proven leader with heavy sales background and demonstrated administrative and organizational abilities. A strong, current active involvement in with the LA advertising world is an absolute. Manager would be responsible for complete staffing, sales & sales management.

Rewards include up to mid 5 figure salary, plus override & % of net profit & car & benes and the opportunity to manage the launch and expansion of a proven and successful formula broadcast business.

Send resume and full details to:

**Spectacolor, Inc.
1 Times Square
New York, NY 10036**

Employment Services

JOB HUNTING?

If you need a job, you need MediaLine. We give you job listings in news, weather, sports, production, programming, promotion, and engineering. For \$37.50 you get a daily report for 6 weeks **1-800-237-8073** (In Missouri, 314-442-3364). MediaLine, P.O. Box 10167, Columbia, MO 65205-4002.



Programing

**Lum and Abner
Are Back**
... piling up profits for Sponsors and Stations. 15-minute programs from the golden age of radio.

PROGRAM DISTRIBUTORS ■ P.O. Drawer 1737
Jonesboro, Arkansas 72403 ■ 501/972-5884

Consultants

NEED IT YESTERDAY?

Contact
BROADCAST MEDIA LEGAL SERVICES
a service of McCabe & Allen

FOR IMMEDIATE LEGAL ASSISTANCE CALL

1-800-433-2636

(In Virginia, call 703-361-6907)

QUALITY, FLAT FEE LEGAL SERVICES

AMEX MC VISA DISCOVER

Business Opportunities

**FM, LPTV, and TV
APPLICATIONS**

Call the "Advisors to the Communications Industry" D.B. Communications, Inc., 301-654-0777.

**BROADCAST
YOUR JOB OPENINGS!**

Pick up the Pilot show of
THE DOLLY DIMPLES HIT PARADE
a new weekly one hour show for children on Kayla Satellite
Broadcasting Network, Satcom F2R Transponder 23.6.2 Audio
August 4th (Tuesday) or August 6th (Thursday)
If you are interested in having your station become the KSBN
affiliate in your market for this show call Al Rubin (516) 781-7826.

EASTERN SEABOARD

Fulltime AM/FM combo - well rated. Owner wishes to retire, motivated to sell. Asking \$3 million on terms. Contact:

KEVIN COX
(617) 439-5310

CHAPMAN ASSOCIATES
nationwide media brokers

For Sale Stations

Will You Sell Your AM Station?

There are Buyers! Our firm is involved in the Nationwide Brokerage of AM stations - only. We invite your inquiry.

SNOWDEN Associates

(Eastern Time)
919-355-0327

NEW JERSEY

AM with long, successful history in community. First time ever for sale; owner retiring. Asking \$795 K terms; \$675 K cash.

RON HICKMAN
(201) 579-5232

CHAPMAN ASSOCIATES
nationwide media brokers

Medium Market Combos

in Tex, La, Miss, Mo, Ok, from \$1.1M to \$8M. Small markets for less. Two UHF TV's...sold.

Appraisals, Financing, Consultancy

John Mitchell or Joe Miot
MITCHELL & ASSOCIATES
Box 1065 Shreveport, LA 71163
318-868-5409 318-869-1301

SO. CALIFORNIA

Class A FM in fast-growing resort 90 min. north of L.A. Possibly upgradeable - lots of potential. Asking \$1,900,000.

ELLIOT EVERS
(415) 391-4877

CHAPMAN ASSOCIATES
nationwide media brokers

P.E. Meador & Assoc.

MEDIA BROKERS

AM-FM-TV APPRAISALS

P.O. BOX 36
LEXINGTON, MO 64067 KANSAS CITY, MO.
816-259-2544 816-455-0001

BROADCASTING'S CLASSIFIED RATES

All orders to place classified ads & all correspondence pertaining to this section should be sent to: BROADCASTING, Classified Department, 1705 DeSales St., N.W., Washington, DC 20036

Payable in advance. Check, or money order only. Full & correct payment **MUST** accompany **ALL** orders.

When placing an ad, indicate the **EXACT** category desired. Television, Radio, Cable or Allied Fields: Help Wanted or Situations Wanted; Management, Sales, News, etc. If this information is omitted, we will determine the appropriate category according to the copy. **NO** make goods will be run if all information is not included.

The publisher is not responsible for errors in printing due to illegible copy—all copy must be clearly typed or printed. Any and all errors must be reported to the classified advertising department within 7 days of publication date. No credits or make goods will be made on errors which do not materially affect the advertisement.

Deadline is Monday at noon Eastern Time for the following Monday's issue. Earlier deadlines apply for issues published during a week containing a legal holiday, & a special notice announcing the earlier deadline will be published above this ratecard. Orders, changes, and/or cancellations must be submitted in writing (**NO** telephone orders, changes, and/or cancellations will be accepted).

Replies to ads with Blind Box numbers should be addressed to: (Box number), c/o BROADCASTING, 1705 DeSales St., N.W., Washington, DC 20036.

Advertisers using Blind Box numbers cannot request audio tapes, video tapes, transcriptions, films, or VTR's to be forwarded to BROADCASTING Blind Box numbers. Audio tapes, video tapes, transcriptions, films & VTR's are not forwardable, & are returned to the sender.

Publisher reserves the right to alter classified copy to conform with the provisions of Title VII of the Civil Rights Act of 1964, as amended. Publisher reserves the right to abbreviate, alter, or reject any copy. No personal ads.

Rates: Classified listings (non-display). Per issue: Help Wanted \$1 00 per word, \$18 weekly minimum. Situations Wanted (personal ads): 60¢ per word, \$9.00 weekly minimum. All other classifications: \$1.10 per word, \$18 00 weekly minimum. Blind Box numbers: \$4.00 per issue.

Rates: Classified display (minimum 1 inch, upward in half inch increments), per issue: Help Wanted \$80 per inch. Situations Wanted (personal ads): \$50 per inch. All other classifications: \$100 per inch. For Sale Stations, Wanted To Buy Stations, Public Notice & Business Opportunities advertising require display space. Agency commission only on display space.

Word count: Count each abbreviation, initial, single figure or group of figures or letters as one word each. Symbols such as 35mm, COD, PD, etc., count as one word each. Phone number with area code or zip code counts as one word each.

STAN RAYMOND & ASSOCIATES, INC. BROADCAST CONSULTANTS & BROKERS

OFFERS:

**AM/FM COMBO'S
&
GREAT BUYS IN AM'S**

CALL or WRITE:

STAN RAYMOND & ASSOCIATES, INC.
1795 PEACHTREE RD., N.E.
SUITE 220
ATLANTA, GEORGIA 30309
(404) 897-1418

Stan Raymond

Nick Imbornone

Top 50 Southwest growth market Class C FM (start-up). Market revenues in excess of \$40 million - mean revenue per station over \$2 million. Station priced below market base value of \$7.5 million.

Full-time power AM. Excellent opportunity for religious, Hispanic, news/talk formats.

Contact Norman Fischer & Associates, Inc.,
POB 5308, Austin, TX 78763; 512-476-9457.

- Daytimer Northern Michigan resort area. Good real estate. \$110,000. Terms.
- Fulltimer in Nashville \$560,000.
- 100,000 watts. Southern Nebraska. Includes real estate. \$590,000. Terms

Business Broker Associates
615-756-7635, 24 hours.

PROFITABLE CLASS A FM

Central Illinois suburban metro area FM serving area with two state universities and a population of 200,000+. Asking \$300,000. Send inquiries to: P.O. Box 228, Eureka, IL 61530.

VIRGINIA FULLTIME AM

Prime market, excellent facility, good signal/dial position, incl. real estate. Exclusive mkt. format. Fine profit potential. Approx. 2X gross. Principals only. Box W-54.

5,000 watt AM and Class A FM for sale by original owner of 30 years. 15 acre site. Southwest. Cash only. Subject to owner's conditions of sale, prior sale, and FCC approval. Box W-52.

MUST SACRIFICE

Powerhouse fulltime AM. Major market 10,000 watt non-directional. Excellent plant. \$800,000.00 cash. Gene Guthrie 801-972-3449.

BUY ALL OR PART

Underdeveloped So. East single station market in college town. Ideal for sales oriented operator. FM & power upgrade possible. Must sell fast. Minimum \$35,000. Reply to Station, P.O. Box 458, Fanwood, NJ 07023.

Fates & Fortunes

Media

Bill Coffey, acting general manager, KUSA (AM)-KSD-FM St. Louis, named VP and general manager.

Jose Francisco Lamas, general sales manager, WSNS(TV) Chicago, named general manager.

Robert Abernathy, VP and general manager, Scannix Broadcasting Co.'s WBOS(FM) Brookline, Mass., adds duties as general manager, co-located WHDH(AM). **Roy Cooper**, general manager, WIBC(AM)-WEAG(FM) Indianapolis, recently acquired by Scannix from Telemundo Group, will continue with stations as VP and general manager.

Don Troutt, VP and general manager, KCMO(AM)-KCPW(FM) Kansas City, Mo., named president and general manager.

John R. Lego, general manager, KORK(AM)-KYRK-FM Las Vegas, joins KKS(AM)-KKL(FM) Portland, Ore., as VP and general manager.



Wood

F. Russell Wood, VP and general manager, marketing and development, KSL-AM-TV Salt Lake City, named VP and general manager, KSL(AM).

Gary V. Downs, general manager, WDOD-AM-FM Chatanooga, joins KESY-AM-FM Omaha in same capacity.

Martin J. Neeb, general manager, noncommercial KPLU-FM Tacoma, Wash., named president of parent, West Coast Public Radio.

Larry A. Dyer, from noncommercial KOZK(TV) Springfield, Mo., joins Blue Ridge Public Television, Roanoke, Va.-based owner of three noncommercial TV stations, as general manager, succeeding **E.V. Rexrode Jr.**, retired.



Jones

Paul B. Jones, VP, strategy and development, CBS Inc., publishing group, New York, joins Warner Cable Communications, Dublin, Ohio, as senior VP and general counsel. **Todd E. Watkins**, director, budgets and forecasts, national division, Warner Cable, named

senior director, financial planning. **Timothy D. Hanlon**, director, service quality, Citicorp Homeowners Inc., New York, joins Warner Cable as senior director, customer service.

Tom Lauher, VP, Winfield Advertising, St. Louis, joins KFUO-FM Clayton, Mo., as general manager.

Eugene B. Crim, general sales manager, WCSC(AM)-WXTG(FM) Charleston, S.C., named VP and general manager, succeeding **Philip Zachary**, who joins WVOT(AM)-WRDU(FM) Wilson, N.C., as VP and general manager.

Sharon MacWilliams, general sales manager, WBUD(AM)-WKXW(FM) Trenton, N.J., joins WMGZ-AM-FM Sharpsville, Pa., as general manager.

Irv Goldstein, private attorney, joins WLAD (AM)-WDAQ(FM) Danbury, Conn., as general manager.

Jayson R. Juraska, director, finance and administration, Cox Cable Communications, Atlanta, named VP and general manager, Cox's Hartford, Conn., system.

Mark F. Stucky, director, engineering, Times Mirror Cable, Irvine, Calif., named VP and general manager, Dimension Cable Services, Times Mirror's Phoenix cable system.

Steve Christian, from WFLY(FM) Troy, N.Y., joins WLOE(AM)-WKLM(FM) Eden, N.C., as station manager.

Jonathan F. Myers, senior counsel, corporate law department, American Television & Communications Corp., Englewood, Colo., named assistant general counsel. **Linda Weiler**, assistant counsel, law department, ATC, and **Gregory S. Drake**, from Hill, Farrer & Burrill, Los Angeles law firm, named associate counsels, ATC.

Marketing

Steven E. Morvay, executive VP and general manager, Saatchi & Saatchi DFS Direct, New York, named president.

Farrell Reynolds, senior VP, advertising sales, WTBS(TV) Atlanta, named president, Turner Broadcasting Sales Inc., New York.

Susan Chamberlin, **Ellen W. Oppenheim**, and **Elizabeth Rockwood Fulton**, VP's and group supervisors, and **Sandy Mitchell**, VP and administrative manager, consumer insights, Young & Rubicam, New York, named senior VP's. **Gary J. Schneider** and **David Marans**, group supervisors, communications information services, named VP's.

Peter de Vaux, senior VP, finance, Young & Rubicam, New York, joins Chiat/Day Inc., San Francisco, as senior VP and chief financial officer.

Catherine Farrell, senior VP, Western International Media Inc., New York, joins Ailes Communications Inc. there as president, Farrell Media Inc., new media buying subsidiary.

Appointments at N W Ayer Inc., New York: **George P. Zuckerman**, group creative director, and **Walter C. Lance**, treasurer and assistant secretary, to senior VP's; **Amanda B. Hahn** and **Alan M. Reisberg**, account supervisors, to VP's; **Robert A. Frydlewicz**, from

Young & Rubicam, New York, to media research supervisor; **Carl S. Turner**, finance manager, Pat Ryan & Associates, Chicago, to media research analyst; **Thomas J. Burke**, senior network negotiator, DFS Dorland, New York, to network television buyer; **Tracy Lynn Pyper**, assistant account executive/copywriter, Ted Thomas Associates Advertising, New York, to production buyer.

Appointments at FCB/Leber Katz Partners, New York: **John Blauner**, creative director, to senior VP, targeted media services; **Constance O'Brien**, VP and account director, to VP and management director; **Suzanne Schettino**, project director, to research supervisor; **Patricia Prugno**, account executive, to account director.



Blauner



Beach

Thomas E. Beach, VP and management representative, McCann-Erickson, New York, named senior VP. **David K. Greenwald**, **Linda Joselow** and **Joseph A. Tilli**, management representatives, and **Andrew J. Carra**, director, sales promotion, named VP's.

Jim Martz, VP and Western regional manager, domestic television, Paramount Television Distribution, Los Angeles, joins Corinthian Communications there, media-buying company, as VP, West Coast.

Jeanne O'Donnell, national accounts manager, *Chicago Magazine*, joins Creative Media Inc., New York, as VP, marketing and account services.

Appointments at Katz Communications Inc.: **Donna Fee**, research director, KHOU-TV Houston, to marketing manager, Katz Independent Television, New York; **Jack Walsh**, research analyst, Katz Independent, New York, to sales executive; **Nancy Todd**, broadcast buyer, Foote, Cone & Belding, Chicago, to sales executive, Katz Independent there; **Sandie Lanza**, media planner, Bozell, Jacobs, Kenyon & Eckhardt, Detroit, to sales executive, Katz Independent there; **Terry Akins**, former account executive, Western Union, San Francisco, to sales executive, Katz Television, Philadelphia; **Tracy Herbst**, account executive, WTKN(AM) Pittsburgh, to account executive, Katz Radio, Los Angeles; **Nancy Dundas**, manager, San Francisco office, Select Radio, to account executive, Katz's Republic Radio there.

Alan Minetree, local/regional sales manager, KSNW(TV) Wichita, Kan., joins TeleRep,

Houston, as sales manager. **Chip Carmody** and **Joan Lauro**, research analysts, TeleRep, New York, named account executives. **Bob Plato**, national sales manager, WDBB(TV) Tuscaloosa, Ala., joins TeleRep, Atlanta, as account executive.

Tom Unger, director, creative services, R.L. Meyer Advertising, Milwaukee, joins BBDO, Chicago, as senior writer. **Carlos Segura**, senior art director, Young & Rubicam, New York, and **Kim Richardson**, senior art director, Leo Burnett Co., Chicago, join BBDO, Chicago, as art directors.

Michael Ward, art director and group head, Karsh & Hagan, Denver, joins W.B. Doner & Co., Detroit, as group planning supervisor and art director. **Phillip E. Lassale**, account executive, Doner, Baltimore, named senior account executive.

Ted Kolota, senior account executive, N W Ayer, New York, joins Lewis, Gilman & Kynett Advertising, Philadelphia as account supervisor. **Laura Stelluto**, account executive, DDB Needham Worldwide Inc., New York, joins Lewis, Gilman & Kynett in same capacity.

Bob McCauley, assistant account executive, Harrington, Richter & Parsons Inc., New York, named account executive, Dallas.

Appointments at Independent Television Sales: **P.J. Lewis**, from WFSB(TV) Hartford, Conn., and **Kerry Morelli**, senior buyer, Media General, New York, to account executives, New York; **Dain Hale**, from Group 243, Atlanta, to account executive there; **Lonny Low**, former account executive, KRBE-FM Houston, to account executive, Dallas.

CeCe Hays, local sales manager, KSCH-TV Stockton, Calif., named general sales manager.

Bruce Barrett, general sales manager, KOOG-TV Ogden, Utah, joins KEZI(TV) Eugene, Ore., in same capacity.

Jeff Schatz, account representative, KKFM(FM) Colorado Springs, named general sales manager.

Jay McSorley, general sales manager, WPOP(AM)-WIOF(FM) Waterbury, Conn., joins WTWS(TV) New London, Conn., in same capacity.

Karen J. York, from WCII(AM)-WDJX(FM) Louisville, Ky., joins WLIT-FM Gastonia, N.C., as general sales manager.

Ray Carroll, general manager, CRN Media, Hamden, Conn., joins WLAD(AM)-WDAQ(FM) Danbury, Conn., as general sales manager.

Frank Willis, head of advertising and promotion, Teletrack, New Haven, Conn., joins WLAD-WDAQ as regional sales manager.

Rick Morein, account executive, WLUK-TV Green Bay, Wis., named local sales manager.

David McWhorter, account executive, WKIX(AM)-WYLT(FM) Raleigh, N.C., named local sales manager.

Randy Stone, regional sales manager, WZDX(TV) Huntsville, Ala., adds duties as local sales manager.

Susan B. Mazza, account executive, WZSH(FM) South Bristol Township, N.Y., named local sales manager. **Lawrence S. Dugan**, account executive, named national and regional sales manager.

Jeffrey H. Kazmark, president, advertising sales division, Access Syndication, Studio City, Calif., joins NBC Inc.'s KNBC-TV Los Angeles as sales manager. **Fran Viesti**, program research analyst, MMT Sales Inc., New York, joins KNBC-TV as research manager. **Ralph Sherman**, national sales manager, NBC's WKQX(FM) Chicago, adds duties as national sales manager, co-located WMAQ(AM).

Kathy Restanlo, research director, KTVU(TV) Oakland, Calif., joins WPGH-TV Pittsburgh as director, sales and programing research.

Rozanne McMillan, research manager, KCOP(TV) Los Angeles, joins KTLA(TV) there as director, research.

J.D. Huey, account executive, KTXA(TV) Fort Worth, named national sales manager.

Vasco Bramao, account executive, WMZQ-AM-FM Washington, named national sales manager.

Dorothe Riley-Green, account executive, WOMC(FM) Detroit, named retail sales manager. **Kimberly Russell-McCarthy**, from NBD Service Corp., Detroit, and **Mark Nicholson**, from Northcom Teleport, Detroit, join WOMC as account executives.

Programing

Martin C. Lafferty, VP, Turner Direct Broadcast Sales, joins Tempo Development Corp., new Atlanta-based subsidiary of Tempo Enterprises, Tulsa, Okla., as president.



Grayson

Marc Grayson, senior VP, marketing, and **Chris Rovtar**, sales executive, MCA TV Enterprises, New York, to relocate to Los Angeles office. **Tom Russo**, research manager, off-network sales, MCA TV, New York, named director, program analysis and development, Los Angeles.

Harry Usher, former commissioner, defunct United States Football League, joins Weintraub Entertainment Group, Los Angeles, syndication firm, as senior VP and president, Weintraub International Enterprises subsidiary.

Barbara Miller, VP talent, Lorimar Productions, Culver City, Calif., named senior VP, talent. **Alasdair Waddell**, director, Lorimar International and Lorimar Financial Services, named VP, international development, Lorimar International.

Christine Foster, VP, Group W Productions, New York, joins Walsh Communications Group Inc. there as president, motion picture and television division.

Christine Palinkas, director, research, Harmony Gold, Los Angeles, named VP, research. **Michael Rix**, national sales manager, WGBO-TV Joliet, Ill., joins Harmony Gold, New York, as Northeast regional sales manager.

Ken Raskoff, manager, motion pictures for television, NBC Entertainment, Burbank,

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Calif., named director, motion pictures for television.



Pennfield

Appointments at Lifetime Cabletelevision: **Linda Pennfield**, director, personnel, New York, to VP, human resources; **Sydney McQuoid**, senior sales executive, Dallas, to director, affiliate relations, central region; **Debi Rosenthal**, customer services representative,

Wells Fargo Bank, Los Angeles, to affiliate sales representative, Western region; **Nancy Hirsch**, from network production and operations department, Lifetime, New York, to scrambling coordinator; **Michelle Racik**, film/tape assistant, to film/tape coordinator.

William J. Hamm, program executive, Universal Television, Universal City, Calif., named director, current programs.

Susan Finesman, marketing executive, Tri-Star Pictures, New York, named creative affairs executive, East Coast, television division.

Don Laventhall, East Coast representative, Los Angeles-based Ahmanson Theater, Center Theater Group, joins Hart, Thomas & Berlin Productions Inc., New York, as director, development.

Sarah (Sally) Heldrich, production manager, Media General Cable, Fairfax, Va., named director, television production.

Monica Foster, from CBS-TV, New York, joins USA Network there as manager, program acquisitions.

Antonio Bolton, account manager, sales and marketing department, HBO Inc., Denver, joins Disney Channel, New York, as national accounts manager. **Benjamin Bellinson**, from Lifetime Cable Network, New York, joins Disney Channel, Burbank, Calif., as affiliate marketing representative.

Kathy Taylor, account executive, Satellite Music Network, Chicago, named sales manager, central sales division.

Robyn Borok, group media head, Wells, Rich, Greene, New York, joins sales staff, MCA Radio Network there.

Michael O'Malley, national research director, Metroplex Communications, Washington, joins WYNY(FM) New York as director, programming.

Bill Ellis, announcer, WSOC-FM Charlotte, N.C., joins WSSL-AM-FM Gray Court, N.C., as program director and morning announcer.

News and Public Affairs

Appointments at Cable News Network, business news department: **Bill Tucker**, producer, *Business Day*, New York, to producer, *Moneyline*; **Leslie Linton**, producer, *Your Money*, New York, to supervising producer, weekend programming, business news; **John Orlan**, producer, *Business Morning*, New York, to producer, *Business Day*; **Lisa Dietrich**, associate producer, *Business Morning*, New York, to producer, *Business Morning*; **Terry Keenan**,

producer, *Moneyline*, New York, to business producer, Washington bureau; **Sarah Kidwell**, associate producer, *Business Morning*, New York, to associate producer, *Your Money*; **Patty Davis**, business assignment desk editor, New York, to associate producer, business news, Washington; **Randy Prior**, associate producer, business news, Washington, to associate producer, business news, New York; **Debbie Miller**, associate producer, *Moneyline*, to associate producer, *Pinnacle*; **Kathryn Barrett**, associate producer, *Pinnacle*, to associate producer, *Business Morning*.



Erbsen

Claude E. Erbsen, chairman and CEO, Associated Press-Dow Jones Telerate and VP, AP-Dow Jones news service, named director of newly consolidated division consisting of AP World Services and AP-Dow Jones. Other appointments at Associated Press: **Ray Formanek Jr.**, from Chicago bureau, to correspondent, Morgantown, W. Va.; **Holden Lewis**, from Baltimore, to El Paso correspondent; **David S. Martin**, from Philadelphia, to State College, Pa., bureau; **Maryann Mrowca**, from Boston, to correspondent, Wausau, Wis.; **Bill Vogrin**, from Topeka, Kan., to correspondent, Peoria, Ill., bureau; **John K. Wiley**, from Yakima, Wash., to Spokane, Wash., correspondent.

Michael Singer, producer, KCBS-TV Los Angeles, named managing editor. **Yolanda Nava**, former anchor and reporter, *Latin Tempo*, syndicated news magazine series, joins KCBS-TV as host, *At Issue*, public affairs series.

Kathy Slaughter, Southwest regional feed director, ABC News, Dallas, joins KHOU-TV Houston as executive news producer.

Van Hackett, anchor and reporter, KTRK-TV Houston, joins WWOR-TV Secaucus, N.J., as anchor.

Charles Fishburne, news director and anchor, WTVR-TV Richmond, Va., named news consultant for parent, Park Broadcasting.

Andrew (Andy) E. Barton, news director, WFMV-TV Greensboro, N.C., joins WLKY-TV, Louisville, Ky. as news director.

Thomas Luft, news director, WBRL(AM) Berlin, N.H., joins WGME-TV Portland, Me., as assignment editor.

Scott K. Michaeloff, coordinator, network quality assurance, Showtime/The Movie Channel, New York, joins Worldwide Television News Corp. there as facilities sales director. **Mark J. Turits**, supervisor, network quality assurance, Showtime/TMC, joins WTN as production manager.

Edie House, reporter and weekend anchor, WBAL-TV Baltimore, named manager, public affairs.

Gail McHale, national sales manager, WOR(AM) New York, joins Shadow Traffic, New York, company that provides traffic reports to stations in New York, Connecticut, New Jersey, Pennsylvania and Delaware, as account manager. **Deborah Smith Kreisl**, account executive, KYW(AM) Philadelphia, joins Shadow Traffic there as account execu-

tive.

Mike Hennick, reporter and coordinating producer, public affairs and news, noncommercial KETC(TV) St. Louis, joins WISN-TV Milwaukee as weekend news producer.

Wendy Scott, general assignment reporter, WTTV(TV) Bloomington, Ind., named anchor.

Technology

Richard K. Wheeler, senior VP, professional video division, Sony Corp., New York, named senior VP, Sony Communications Product Co.



Wheeler



Kane

Scott H. Kane, divisional VP, Telemation Inc., Salt Lake, joins Optimus Inc., Chicago, post-production company, as president.

Gary Matz, executive VP, Spectra Image, Burbank, Calif., parent of Spectra Systems Inc., manufacturer of editing and post-production equipment, named president.

Larry Levin, assistant post-production supervisor, 20th Century Fox Television, Los Angeles, joins New World Television there as VP, post-production.

Jay Merkle, independent producer, joins Telecast Inc., Fraser, Mich., satellite master antenna company, as vice chairman and director.

Lance Belcher, accounts manager, Burnup & Sims Inc., Denver, joins Pioneer Communications of America Inc., Irving, Tex., as manager, national accounts.

Elizabeth Coleman, district sales manager, Augat Interconnection Components, Attleboro, Mass., named product manager, integrated circuit sockets.

Jon Teschner, VP, graphic arts, I.T.I. Graphic Systems, Santa Clara, Calif., joins Crawford Post Production Inc., Atlanta, as account executive.

Promotion and PR

Betsy Vorce, director, public relations, Viacom Enterprises, New York, joins King World there as VP, public relations.

Cliff Dektar, account supervisor, Lippin Group, Los Angeles, named VP.

Jeff Duclos, director, television division, Rogers & Cowan Inc., Los Angeles, named VP. **Kimberly Wells**, manager, television division, named director.

Kimberly Donolon, publicist, movies and mini-series, NBC Media Relations, and **Gillian Rees**, freelance publicist, named media

Presidential recognition. Six broadcasting-related organizations are among the 30 winners of Presidential Awards for Private Sector Initiatives. The White House office of Private Sector Initiatives has presented the awards annually since 1984 to organizations that have made contributions to their communities through volunteer programs. The awards will be presented on July 23 by President Reagan in the White House Rose Garden. The six broadcasting-related winners are:

- The National Association of Broadcasters, Washington, and its affiliated Broadcast Industry Council, for the "Work Resource and Retraining Initiative" (now being tested in nine metropolitan areas), an effort by broadcasters to help people out of work due to changing economic conditions to find opportunities for reemployment or retraining.

- American Women in Radio and Television, Washington, for "Soaring Spirits," a program to develop television programming for hospitalized children.

- WRC-TV Washington for its "Beautiful Babies" public service campaign to reduce child mortality in the Washington area through prenatal care.

- Noncommercial WHMM(TV) Washington for organizing the "Washington Metropolitan Area Committee on School Attendance," a committee of Washington-area school superintendents organized by the station to find ways to reduce truancy and drop-out rates.

- KRGV-TV Weslaco, Tex., for "Project Abuse," a public service campaign to fight child abuse.

- KING-TV Seattle for the "Getting to NO" campaign to educate the public on drug and alcohol abuse.

The White House will also award citations to another 70 organizations for their volunteer programs. The 13 broadcast organizations of that 70 are: Emporium Broadcasting Co., Emporium, Pa.; KGW-TV Portland, Ore.; KMOL-TV San Antonio, Tex.; KSWO-TV Lawton, Okla.; New Mexico Broadcasters Association, Albuquerque; WEIC-AM-FM Charleston, Ill.; Westinghouse Broadcasting, New York; WOBA-AM-FM Miami; WSBA-AM-FM York, Pa.; WSB-TV Atlanta; WSOC-TV Charlotte, N.C.; WUHQ-TV Battle Creek, Mich.; WVKI(FM) Kokomo, Ind.

Michael J. Hirrel, from Arent, Fox, Kintner, Plotkin & Kahn, Washington, joins Davis, Graham & Stubbs there as counsel specializing in communications law.

Deaths



Feeney

Harry J. Feeney, 69, retired director, press information, CBS Entertainment. New York, died July 11 at his home in Forest Hills, N.Y., of complications following heart surgery. Feeney retired after 42 years with CBS in January 1985. He had been reporter for *New York*

Post before joining CBS in 1942, and following year in U.S. Army in Europe he earned Bronze Star. In 1945, he became editor, *Stars & Stripes* magazine, Paris. Feeney returned to press information department of CBS Radio in 1946 as director. He headed that department until 1956 when he transferred to CBS-TV. In 1969, Feeney was named director, CBS Television Network Press Information and became director, press information, CBS Entertainment in 1977. Feeney is survived by his wife, Eileen, and two sons.

James W. Packer Jr., 56, founder and president, Mission Argyle Productions, Los Angeles, TV program distributor in late 1960's and 1970's, died June 18 of complications from diabetes at his Arcadia, Calif., home. He is survived by two sons.

Thomas George Kyle, 43, VP and co-founder, Video One, Los Angeles production company, died July 1 of cancer at Norris Cancer hospital, Los Angeles. Kyle served as technical director of *Alf* for NBC and *The Barbara Walters Specials* for ABC and West Coast technical director, NBC's *Friday Night Videos*. In 1970's he taught mass communications at Arizona State University, Tempe. Kyle began his career in 1960's at KTAR-TV (now KPNX-TV) Phoenix, where he was promotion director. He is survived by his wife, Sue, and two sons.

Francis (Frank) Farrell, 68, retired press representative, NBC-TV, Burbank, Calif., died June 26 of cancer at St. Joseph hospital, Burbank. Farrell was press representative for many prime time NBC shows from 1964 until his retirement in 1985. In 1950's and early 1960's he was reporter for *Los Angeles Herald Examiner*. He is survived by his wife, Lola, and two sons.

Roy Berke, 62, consultant, Worldwide Television News, New York, died July 12 of leukemia at New York hospital, New York. Before retiring from full-time duties at WTN in 1985, Berke had served as film and videotape photographer and editor there. He is survived by his wife, Miriam, son and two daughters.

Jim Harpring, 57, production director, WINZ (AM) Miami, died July 5 of heart attack at Highland Memorial hospital, Hollywood, Fla. He is survived by his wife, Eleanor, son and two daughters.

representatives, special programs, NBC Media Relations, Burbank, Calif.

Appointed at Lifetime Cabletelevision, New York: **Erin McGrath**, director, advertising and promotion, to director, creative services; **Sheila Matefy**, administrative assistant, to marketing coordinator; **Suzanne Maselli**, administrative analyst, to marketing coordinator; **Pat Paluszek**, manager, on-air promotion and scheduling, Lifetime's Life Medical Television division, to director, promotion and special projects; **Helen Johnson**, senior secretarial administrator, Life Medical, to supervisor, scheduling and special projects.

Cynthia Soderholm, writer, The Pillsbury Co., Minneapolis, joins Wyse Landau Public Relations, Cleveland, as publicist.

Lee Minard, VP, advertising and promotion, KUSA-TV Denver, joins WDIV(TV) Detroit as director, creative services.

Allied Fields

Donald Rose, system design engineer, Los Angeles Cellular Telephone Co., joins Lunayach Communications Consultants Inc., Washington, as VP, broadcast engineering.

Alvin M. King, executive director, Nevada Broadcasters Association, and former director, station relations, National Association of Broadcasters, Washington, retires.

Bert Kohn, director, market research, Foodmaker Inc., San Diego, joins R.H. Bruskin Associates, New Brunswick, N.J., market research firm, as VP and general manager, West Coast operations.

Officers elected to Southern Educational Communications Association, Columbia, S.C.: **W. Wayne Godwin**, WKNO-FM-TV Memphis, chairman; **Henry J. Cauthen**, South Carolina Educational Television, vice chairman; **Richard A. Lehner**, WUFT-FM-TV Gainesville, Fla., secretary; **Skip Hinton**, Alabama Public Television, treasurer. Officers elected

to radio division, SECA: **William Oellermann**, KETR(FM) Commerce, Tex., chairman; **Mike Morgan**, Public Radio of Mississippi, vice chairman; **Dick Ellis**, WETS(FM) Johnson City, Tenn., secretary; **Vianne Webb**, WHRO-FM Norfolk, Va., treasurer.

Gerry Boehme, VP and director, research, Katz Radio, New York, named to Arbitron Radio Advisory Council. **Beth Martin**, broadcast media buyer, Rich's, Atlanta department store, joins Arbitron Ratings there as client service representative, radio advertiser/agency sales, Southeast region. **Daniel K. Casey**, account executive, advertiser/agency television sales, Arbitron, Los Angeles, named Western division manager.

Officers elected by American Film Marketing Association, Los Angeles: **William A. Shields**, New World Pictures International, chairman; **Louis George**, Arista Films, VP; **Lorin Brennan**, Lorimar-Telepictures, secretary; **Terry Nicotra**, Skouras Pictures, chief financial officer.

Evelyn Q. Cassidy, broadcast editor, Associated Press, Richmond, Va., joins Colonial Williamsburg Foundation, Williamsburg, Va., as manager, radio and television services.

Clark Jones, from Transtar Radio Network, Los Angeles, joins Drake-Chenault, Albuquerque, N.M., as Southeast regional manager. **Len Roberts**, from KCUB(AM) Tucson, Ariz., joins Drake-Chenault, as country programming consultant.

Jill Abeshouse Stern, former partner, disbanded McKenna, Wilkinson & Kittner, Washington law firm, joins Miller, Young & Holbrooke there. She will specialize in satellite, broadcast and communications law.

Janice F. Hill, former counsel on telecommunications issues, Arter & Hadden, Washington, and **Stephanie Sommer**, from law firm of Goldberg & Spector, Washington, form Sommer & Hill P.C., Washington communications and entertainment law firm.

FCC's Joseph Marino: upholding the spirit of communications law

Joseph Marino is a lifelong civil servant with more sympathy for regulated private enterprise than the Washington bureaucracy commonly shows. Marino is also something of a traditionalist, a temperament that appears to have suited him well as chairman for the last six years of the FCC Review Board, the body that reviews the decisions of the commission's administrative law judges. And judging from his board's record—a single reversal in 36 cases reviewed by the U.S. Court of Appeals—others agree.

During Marino's 26-year career in the commission's ranks, he has had various assignment plums. He was chosen in 1978 to present the commission's oral argument before the U.S. Supreme Court in the Pacifica Foundation "seven dirty words" case, which the FCC won. He inherited in 1976 the Common Carrier Bureau's biggest investigation of AT&T since the 1930's.

But when asked of his own achievements in a recent interview, Marino cited something seemingly mundane—the acceleration of the FCC Review Board process by insistence on fixed deadlines for action. Marino doesn't think licensees ought to be left wandering indefinitely through the bureaucratic maze.

Similarly, he finds it "difficult" to apply the drastic sanction of denying license renewals, which he notes is traditionally likened to "capital punishment." He also has words of understanding for broadcasters who are "nonconformist, free souls who try and operate and march to their own drummers, but can get crunched in the wheels of bureaucracy." Norman Blumenthal, one of Marino's colleagues on the four-member review board, believes Marino "cares very much about people...He's a people person."

Marino's interest in the "underdog" is also exemplified by his selection of his political idols. One pair, honored with portraits on Marino's Washington law office wall, are two he refers to as "principled men" mistreated by history: President Herbert Hoover and Roger Brooke Taney, the 19th century Supreme Court chief justice best known for his authorship of the pro-slavery *Dred Scott* decision.

Marino's decidedly conservative political bent is also apparent in the naming of his other "heroes," who include Barry Goldwater, Richard Nixon and Daniel Manion, son of the John Birch Society founder who last year won a narrow, and highly political, battle for a seat on the U.S. Court of Appeals.

Colleagues say, however, that Marino's politics are nowhere visible in his case decisions or work as a public servant. But his traditionalism is: "The law is very conservative," he explained. "We're always looking



JOSEPH ANTHONY MARINO—Chairman, Review Board, FCC, Washington; b. May 2, 1935, Washington; BA, history, University of Notre Dame, South Bend, Ind., 1959; JD, Notre Dame, 1960; general attorney, Office of Opinions, FCC, 1960-62; trial attorney, Hearing Division, Broadcast Bureau, FCC, 1962-65; appellate lawyer, Office of General Counsel, FCC, 1965-68 and 1969-1972 (graduate student, administrative law, University of Chicago Law School, 1968-69); associate general counsel, Litigation Division, FCC, 1972-75; deputy chief, Common Carrier Bureau, FCC, 1975-77, managing counsel, compliance and litigation task force, Common Carrier Bureau, FCC, 1977-1980; chief, Enforcement Division, Common Carrier Bureau, FCC, 1980-1981; acting chief, Common Carrier Bureau, FCC, Feb. 1981; present position since July, 1981; m. Lucy Mack, June 27, 1971; children—Nicholas, 13.

backwards to apply old precedents, not make new."

A fascination with the past is what drew Marino to the law in the first place. After a childhood spent trapped in fascist Italy during World War II with his mother and younger brother (as American citizens they had to flee approaching Nazis by taking refuge in a local vineyard), Marino returned to the states to take up the study of history at the University of Notre Dame.

A "practical bent" led him, he says, to turn to the study of law toward the end of his undergraduate years, and then in 1960, to fulfill his "dreams of arguing First Amendment cases" he joined the FCC, where he felt some of the leading administrative case law of the day was being practiced.

Although he joined expecting to leave in three years to enter private practice, Marino found that he was learning more than he expected, and was being given the opportunity to try cases, and later round out his legal

skills with a position in the general counsel's office.

By 1968, however, Marino says that he "started getting bored with litigation," so he took a year's unpaid leave to do graduate work at the University of Chicago Law School. While there he spent most of his time absorbing lessons in the conservative school of economics from the institution's leading legal minds.

When he returned to the commission in mid-1969, he recalls, there was a growing emphasis on common carrier issues. After a stint as associate general counsel, Litigation Division, Marino shifted his personal emphasis to those issues, rising to the post of acting chief of the Common Carrier Bureau in 1981.

But Marino was weaned on broadcasting issues, and handled many throughout his various commission positions. Perhaps the best known broadcast case in which he was a key figure was the Supreme Court's 1978 Pacifica indecency ruling, for which he was selected to argue the case to the justices, even though he had moved to the Common Carrier Bureau at the time (he previously had argued and lost the case in the D.C. Circuit Court).

Marino recalled the details of the case and its circumstances vividly. "It was a real family affair," he says, because on Pacifica's side were two former FCC counsels, Pacifica lawyer Harry Plotkin and, filing an amicus brief, Henry Geller.

"I was about as nervous as I've ever been," he said. "I started my argument and the chief justice broke in right away." According to some reports, the justice was trying to make sure the "seven dirty words" were not uttered in the courtroom, as Marino says he had not intended to do. "[Then] they let me argue," he remembered. "It was one of few times where they let me argue a whole case. It actually bothered me, I wanted a give and take. I'm used to a lot of counter-punching."

Marino sees the commission's recent revival of the indecency issue as a return to the original Supreme Court ruling, broadening considerations of "indecency" beyond the original seven unbroadcastable words. "I was surprised at how united the commission was on it. That leads me to believe it was the correct decision."

Although Marino acknowledges he would have liked to be chief of the Common Carrier Bureau (the then-new Fowler administration selected Gary Epstein and asked Marino to move to his current review board post), he seems content with his current assignment. "I think I've been saved from myself by friends," he said, explaining the common carrier post was a "policy making position [and] my emphasis is on judicial side of the law. I look at the past. Policy is more forward looking. Maybe I'm better suited to the former."

FCC took steps to improve performance of AM, FM and TV stations last week. By unanimous votes at last Thursday's open meeting, FCC launched comprehensive review of AM technical rules to see what can be done to improve service, adopted new rules increasing power and eliminating rebroadcast restrictions of FM boosters and established new TV booster service. AM inquiry, precipitated by flagging fortunes of service, will examine rules relating to assignments and interference protection. As result of evaluation, FCC said, AM service could be enhanced in several ways. For instance, it said, transmission power could be increased to overcome natural and man-made noise, and adjacent-channel interference could be reduced, permitting receivers with greater frequency response. To reap benefits, FCC said, AM station may have to accept certain "trade-offs." If they don't, it said, they will "remain locked in with the current quality of service." In other actions, FCC adopted rules permitting FM stations to transmit signals from primary transmitter to boosters by whatever means they wish and increasing maximum effective radiated power (ERP) of boosters to 20% of maximum ERP of primary station. FCC also authorized full-service TV stations to operate boosters within their Grade B contours. Stations use boosters to reach areas within their predicted service areas that, for whatever reason, they can reach through their primary transmitter.

Turner Broadcasting System Inc. board of directors may vote on proposal to replace daytime weekday portion (9 a.m.-5 p.m.) of CNN Headline News with financial news service, at Aug. 10 meeting. However, according to TBS spokesman, planning committee, which consists of six board members which will meet before Aug. 10, "will be considering number of programing options" and it is "under no time constraints. There is no deadline for [it] to complete its work." Spokesman said replacing CNN Headline News with financial news is "one of the proposals" under consideration.

Ratings for broadcast of Major League Baseball's All-Star Game, Tuesday, July 14, on NBC-TV were **lowest in history,** at 18.2/33. Game lasted 13 innings from 8:34 p.m.-12:34 a.m. Ratings increased until 11 p.m.

Fox Broadcasting's first outing in three-network national rating totals for week ended July 12 turned up one surprise. **Werewolf**, which kicked off programing service's Saturday-night lineup July 11 with two-hour special, averaged 6.5 rating/15 share, scoring 54th out of 66 shows and **finished second in its time period behind NBC.** Program beat ABC, which averaged 6.3/14 with rerun of *Webster* and first 90 minutes of James Bond movie, "Thunderball," and CBS, which earned 4.1/9 with second part of movie titled "Space." Fox's Sunday-night programs finished 64th through 66th, with two-hour rerun of *21 Jump Street* averaging 4.0/8, *Tracey Ullman* generating 2.5/4 and *Mr. President* receiving 2.4/5. Fox stations cover about 85% of country.

Four-TV-station Post-Newsweek group said last week it would **carry all Iran-contra hearings,** regardless of network rotation, for "conceivable future," with **President Joel Chaseman** declaring stations were all "first or tied for first for news in their markets and that [approach to news coverage] is what got us there." Chaseman said he was **offended by network rotation plan,** saying it confirmed what critics said of them: that they went live only for glamorous witnesses and higher ratings. Only if hearings "descend into trivia" would P-N pull back, he said.

In wake of scandal surrounding former PTL Club's Jim and Tammy Bakker, House Ways and Means Oversight Subcommittee has begun "fact-gathering" inquiry into possible abuse of federal tax laws by **television ministries.** **Hearings** on subject are **under consideration** by Subcommittee Chairman J.J. Pickle (D-Tex.), former radio executive, who has written leading TV evangelists on their willingness to testify publicly. Subcommittee's concerns center on ministries' adherence to rules governing tax-exempt status, including how ministries insure charitable donations solicited during TV broadcasts are used for exempt purposes, protections against private use of ministry funds, overall qualifications for tax-exempt status, and public disclosure and accountability. Responding in support of hearings so far are evangelists Jerry Falwell, in Washington today (July 20) to meet with Pickle, and Robert Schuller. Billy Graham, however, said he did not expect to be available for hearings, while Pat Robertson indicated he would

Spring Arbitrons: changes in Chicago, Los Angeles, New York

After many years of dominating Chicago's airwaves, MOR/talk WGN(AM) lost its number-one, 12-plus share ranking in the spring Arbitron report, beaten by urban contemporary WGGI-FM. In both New York and Los Angeles, top 40 was the winning format with "dance-oriented" contemporary hit showing vast improvement in New York and new age/jazz beginning to make a move in southern California. The latest Arbitron reports for listening Monday through Sunday, 6 a.m. to midnight tracked local radio from April 2 through June 24.

Topping the New York market was contemporary hit WHTZ(FM) (licensed to Newark, N.J.), which moved from third in the winter report (5.1) to first with a 5.8, 12-plus share. There was a tie for second: contemporary hit WPLJ(FM) and easy listening WPAT-FM, the latter apparently securing some of the audience once tuning to WRFM(FM) (now soft rock WNSR). Both stations had a 4.8. And urban contemporary WBSL(FM) edged all-news WINS(AM) for the third slot, 4.6 to 4.5.

Falling from first in the winter sweeps to fifth was talk WOR(AM). The station slipped from 5.6 to 4.4 (WOR's primary competitor, WABC(AM), had a 2.9). Also finishing with a 4.4 overall metro share were urban contemporary WRKS(FM) and "dance-oriented" contemporary hit WOHT(FM), the latter climbing from 1.4 last summer, when it switched from rock, to 3.1 in the fall to 3.5 for the winter report.

Other top performers in the New York report included adult contemporary WLTW(FM), 4.1; oldies WCBS-FM, 3.7, and all-news WCBS(AM), 3.3. The market's long-time album-rocker, WNEW(FM), edged out its crosstown rival, WXRK(FM), home of controversial morning personality Howard Stern. WNEW posted a 3.5 to the

WXRK's 3.3. WXRK, however, was up from its 2.9 showing in the winter.

In Los Angeles, KIS-AM-FM held onto first place with a 7.4, followed by "dance-oriented" contemporary hit KPWR(FM), which jumped from 5.6 and third place in the winter report to second at 7.0.

Rounding out the top five were: talk KABC(AM), 5.2, down from 6.1 in the previous book; easy listening KJCI(FM), 4.9, up from 4.7 (its crosstown rival, KBIG(FM), pulled a 3.7); and soft rock KOST(FM), 4.3, down from 4.8.

In other Los Angeles ratings moves, the market's new age/jazz outlet, KTWV(FM) (formerly album-rocker KMET(FM) before it switched formats in February) improved in overall share, moving from 1.9 in the winter report to 2.5 in the new book. Also on the upswing were oldies (1950's and 60's rock hits) KRTH(AM), from 0.9 in the previous book to 1.6, and oldies (1950's through 1970's rock hits) KRTH(FM), from 3.6 to 3.8. Meanwhile, KNX-FM's soft rock format continued to lose ground, going from 1.4 in the fall to 1.1 last winter to 0.9 in the new report.

The big story out of the Windy City was the emergence of WGGI as the new number-one station, unseating WGN(AM), which had been the perennial market leader. WGGI went from 7.7 and second place in the winter market report to 8.6 and first as WGN dropped to second.

Although WGN dropped, the station stemmed its one-year decline in 12-plus share, moving from 8.1 in the last report to 8.4 in the new spring book. All-news WBBM(AM) was third at 5.7, followed by easy listening WLOQ(FM) with 5.3 and urban contemporary WBMX(FM) at 4.4.

send representative. Others contacted by subcommittee include Jimmy Swaggart, Oral Roberts, the Bakkers, Ernest Angley, John Ankerberg, Paul Crouch and D. James Kennedy. Letter suggested hearing could occur as early as this month, but decision on whether to hold hearings will now probably not come before September, according to Pickle press secretary Dave Mason.

MCA Chairman Lew Wasserman, 74, was released from Cedars-Sinai Medical Center last Wednesday, following surgery to remove polyps from his colon. Wasserman was said to be in good condition, but speculation that his health was declining was reported to be behind earlier **rise in price and trading volume of MCA stock**. Wasserman currently is largest MCA shareholder, controlling roughly 15% of outstanding shares. Price has risen from 52¼ on heavy volume on July 10 to 57 last Thursday and 60½ on Friday. One arbitrageur said rumors that might have fueled activity were that Marvin Davis might be preparing bid for company, or that some securities analysts were questioning recuperation of Wasserman. Company also announced last week implementation of "poison pill" shareholders rights plan. Rights would give MCA shareholders, under certain conditions, opportunity to buy shares in acquiring company at half price.

Bullish buying of King World stock threatened to spoil company's tender offer to buy up to 4.1 million shares of its stock at \$28 per share. Beginning Wednesday, price of shares (NYSE: KWP) rose above \$28 on heavier-than-usual volume and by late Friday was 28½. Tender offer, being handled through First Boston, was to close at midnight last Friday. Barry Kaplan, securities analyst for Goldman Sachs & Co., said stock was rising on fundamentals: "Their business is good and the market is moving up, so the stock moved up." One financial source suggested arbitrage activity may also have been trying to force tender price higher. Last Monday King World released third-quarter results showing revenue jumping 63%, to \$37.6 million, and net income doubling to \$4.3 million. Earnings-per-share for nine months were 71 cents.

Family-owned **McClatchy Newspapers**, which recently sold all its broadcast properties (see "Changing Hands," page 72, and July 13), said it will **probably sell some of its shares to public**. Company President C.K. McClatchy cited family squabbles in recent months as reason for sale. McClatchy Newspapers was reported to have 1986 revenue of \$310 million, up 13% from previous year. No value was placed on company, but C.K. McClatchy was reported in 1985 *Fortune* magazine to have personal worth of \$350 million. Company has been privately owned since its inception 130 years ago.

Storer Cable has sent notice to employees that 1.4-million subscriber company is **on block**. Storer official said company has been approached by several parties about sale and it plans to name broker in next few weeks.

FCC notified GTE Services Corp. last week that it would be taking closer look at telco-cable leaseback deal in Cerritos, Calif., to which GTE is party. FCC asked GTE for more information on deal. FCC had been urged to investigate more closely by California Cable Television Association and National Cable Television Association. Frank Lloyd, Washington attorney for CCTA, said deal violates FCC prohibitions against crossownership and cross-subsidies. If approved by FCC, he said, CCTA was concerned deal would "serve as model for overbuilds in the future." According to Lloyd, General Telephone, local telco serving Cerritos, wanted to build cable system and lease it to Apollo Cablevision, independent cable operator. Problem is that General Telephone has awarded construction contract to T.L. Robak, which owns Apollo, and has arrangement to lease half of system's capacity to GTE Services Corp., which wants to use capacity for side-to-side comparison of residential coaxial and fiber optics networks. GTE or affiliate is also putting in fiber optics network, Lloyd said. CCTA believes that construction contract with Robak violates crossownership

restrictions and that lease of half capacity to GTE Services is cross-subsidy of Apollo.

Cosat Corp. will sell all of its manufacturing businesses, dispose of its two direct broadcast satellites, and restructure its remaining operations. Chairman Irving Goldstein, in announcing those decisions, said those they will result in after-tax charges against second-quarter earnings of about \$90 million. "Additionally," he said, "we provided \$8 million after tax for anticipated losses until the discontinued operations are disposed of." He said actions better position Cosat for future. Cosat reported quarterly revenues of \$88.2 million, but net loss of \$83.8 million, reflecting provisions for restructuring, discontinued operations and other nonrecurring items. Without those provisions, Cosat said, net income for second quarter would have been \$14.5 million, or \$0.79 per share. Second-quarter 1986 revenues and earnings were \$77.4 million and \$14 million, respectively.

Lawyers representing **major news media groups** last week **successfully opposed U.S. district court order providing for private examination of prospective jurors in perjury trial of former top presidential assistant Michael Deaver.** Three-judge panel of U.S. Court of Appeals in Washington, several hours after hearing arguments in case on Wednesday, ordered Judge Thomas P. Jackson to conduct jury selection in public. But that led Jackson to dismiss 94 potential jurors, saying ruling had cost him credibility, and to postpone trial for at least three months to allow Deaver's attorneys to seek Supreme Court review of appeals court order. Timothy Dyk, who represented Capital Cities/ABC, CBS, NBC and Cable News Network in opposing Jackson's order, said it violated First Amendment and ran directly contrary to Supreme Court decisions. *New York Times* and *Washington Post* also opposed Jackson's order.

Board of National Public Radio, at its meeting last week in Washington, approved FY 1988 capital budget of \$1,475,490. It announced distribution/connection fee will increase to \$10,000 per station from current year's \$6,824, to provide funds for satellite replacement project. (Increase will provide \$670,000 toward \$12-16 million needed by 1991). Board passed series of objectives relating to creation of new service structure and discussed various approaches to issue of unbundling—offering programming a la carte. NPR membership reached 350-station mark.

'Journal' comeback. *National Association of Broadcasters has reacted to being called "among the worst" trade associations in lobbying clout by a recent article in the National Journal (BROADCASTING, July 6), with Joint Board Chairman Wallace Jorgenson saying that "criticizing a trade association is juicy press." Jorgenson, in an NAB executive committee press briefing last week, suggested the article was actually a compliment since it puts the NAB in the company of "some powerful associations"—American Bankers Association, American Medical Association, Chamber of Commerce of the United States, to name a few. "While we're criticized by one journal for giving up too much," said Jorgenson, "we get criticized by another for being too doctrinaire and for not giving up enough. Maybe we are where we ought to be."*

In the field, one TV director said, "No one on the board is blind. But I am not sure anyone has the wisdom to fix it." It's tough for NAB to compete with MPAA and cable because, the director said, "its constituency is so diverse and it's difficult to achieve a consensus. Until there is readiness to change the structure, there's not going to be any change in the image."

The Journal's suggestion that NAB's membership is an impediment to Capitol Hill effectiveness was disputed by one radio director who said NAB's staff has too much autonomy and its actions don't always "reflect the will of the board." As a result the association comes across as ineffective. The Journal article, the director added, could be saying to the board and lobbying staff: "Get your act together."

Editorials

Getting there

The FCC has wisely agreed to conduct a study of high-definition television development that could make new demands on spectrum space. While the study proceeds, new UHF television station growth has been frozen in 30 major markets. The reason for the freeze is to husband UHF channels in case they are needed for advanced television systems.

The FCC has been asked, but has not yet responded, to put off a proposed diversion of UHF spectrum space from television to land-mobile radio services. When the time comes to make that response, after reply comments in that proceeding have been filed and digested, consistency in FCC policy would seem to require a similar freeze on new UHF for land mobile. The reply comments are due at the end of this month.

This publication hopes that the National Association of Broadcasters president, Eddie Fritts, is right in assuming, as he did in a statement released after the FCC study was adopted, that the land-mobile diversion will go on ice along with UHF television development. At this point a diversion of television space to land mobile would be a low blow to high tech.

The Patrick FCC is now positioned to make the greatest mark on TV's technological history since the adoption of the NTSC color system in the 1950's. That's a generation back in geneological terms, and eons ago as media technology goes. It would be a crime against nature if this nation went into the 21st century bound by a 20th century TV system. The opportunity is there for all parties to make a signal contribution to the state of the art.

Hooray for our side

The Iran-contra hearings flood the mind with thoughts about the broadcast and cable media—when they're not boggling the mind with their revelations.

The first thought, this week, is: What would we do without the Fifth Estate? Where would we be? In the dark, primarily, about what's really going on in this country.

That thought leapt to the fore last week when counsel for Admiral Poindexter sought (unsuccessfully) to exclude cameras from the hearings, as it did when we heard someone remark that "we could never have won World War II if television had been around." To which, with respect, we responded: Had it been around, might WWII have been avoided? Might WWII?

Surely anyone alive and cognizant for the last 35 or so years (since television first made history with the Kefauver crime hearings in 1951) must by now acknowledge the indispensability of the broadcast media (and now the cable media as well) to the conduct of a democracy. One can no longer think of a major event in contemporary history without conjuring up its TV images. Army-McCarthy. Watergate. Olympics. The Vietnam war. The Kennedy assassination. The space race. Triumph or tragedy, political education or just plain news, the nation can no longer function without the cameras and the microphones of the electronic media, and the men and women who master them.

The second thought, all things considered, is how well the system is working. Take the Iran-contra hearings and the coverage thereof. First there has been CNN, serving as the infantry of television coverage, presenting every moment, every witness, live. Then there has been C-SPAN, the constant chronicler of the Congress, replaying every moment in prime time for its ever-expanding universe of cable homes—perhaps it can be likened to the artillery. Then there have come the networks, bringing in the

big audience on their nightly news and swooping in for the glory when the Oliver Norths and the Fawn Halls occupy the stage—they won't resist comparison to the Air Force, certainly. Backed up, of course, by all those stations and cable systems without which the message would never make it to Garcia.

One may not yet be able to rest easy over what's going on in the White House at a given moment, or even in the Congress or the courts, but the nation's odds for happy endings are lengthened mightily by the presence of an active, objective, ubiquitous Fifth Estate in and around all those centers of power. The lesson of Iran-contra is that survival depends on checks, balances and a free press, print and electronic.

Stacked deck?

The city of Springfield, Ore., has put itself, potentially, in the cable business, its citizens having voted—albeit narrowly—to allow a municipally owned electric and water utility to run a cable television system in competition with Tele-Communications Inc.'s system there. Having gotten the green light, it is now up to the utility board to decide whether it should move into the cable business.

Although this page encourages competition among and within all media, some cable suitors carry unsettling baggage. As this page pointed out recently, the common carrier status of telcos denies them editorial discretion and hence raises serious free speech concerns regarding their entry into the field. The move of local government into the cable business is also troubling for at least two reasons. First, we are on principle wary of government control of information outlets because in that arrangement are the seeds of government control of the message as well as the messenger. Second, government-subsidized competition with private industry seems inherently weighted against TCI, or any other private company, and hence a situation potentially anticompetitive rather than competitive.

The Springfield Utility Board feels it can provide its cable service at lower cost to subscribers. One way it has suggested it would finance the construction of the system is through tax-free municipal bonds; it could also, in theory, subsidize its cable operation with revenues from its utilities. Neither of those options is open to TCI. We suspect that were TCI also free to tap the tax-free bond market or the rolls of utility customers for its revenue, it could probably provide lower cost service as well. That it cannot, nor could any private company competing against the municipal, makes clear the disparity.

TCI claims no exclusive franchise and acknowledges the right of other cable companies to compete fairly with it. We're not sure the SUB system can qualify.



Drawn for BROADCASTING by Jack Schmidt
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