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WALB-TV HELPED BY COMPETITOR: Prospective black-owned UHF leads to conditional waiver of forced divestiture order. (P. 6)

5-YEAR TV LICENSE, POSSIBLY NO FEE: Jointly-produced communications legislation planned to emerge from Senate Communications Subcommittee shortly (Vol. 20:8 p5) would include, under proposal to senators from staffers, provisions for 5-year TV license, small or no spectrum fee, and radio deregulation. Staff-proposed legislation is result of several weeks of horse-trading between Republican & Democratic Subcommittee staffers, will next go before senators, who then will decide on what bill will look like.

But staff measure to be sent to them is expected to have significant impact, and, we're told by variety of sources, measure includes following: (1) 5-year license term for TV stations. (2) No spectrum fee, or at least fee that industry sources say is small enough that industry can "live with it." (3) Significant radio deregulation. (4) Little mention of cable issues, other than ownership restrictions. Syndicated exclusivity, other signal carriage and copyright issues may be "treated in mark-up," however, Sen. Schmitt (R-N.M.), one of bill's expected sponsors, told us. Schmitt told NAB state presidents conference last week that getting into copyright issues might "jeopardize other aspects" of bill.

Schmitt told broadcasters he hopes bill will be released in week or 2, said he hasn't been fully briefed on what staffers had worked out but indicated there may be provisions concerning the "overregulation" of fairness doctrine, public service time and radio formats.

Consumer Electronics

FEB. COLOR SALES set record following new high in Jan., with 2-month sales at 10.3-million annual rate. 2-month VCR sales up 69.8%. (P. 8)

BOOM IN VCR hardware & software buoys ITA seminar. Recorder pricing wild, to be aggravated by spring model changeover. ITA to see demonstrations of 4 new video systems. (P. 8)

SEARS INDICTMENT for customs fraud, Administration plan for sweeping shoe import quotas, seen upsetting importers making plea for end to color import quotas at ITC hearing this week. (P. 9)

FOTOMAT TO RENT DISNEY features & cartoons in 4 cities, beginning next week with 13 titles, 9 more to follow. Fox close to deal with ITC. (P. 11)

HONG KONG UNTHREATENED by Chinese electronics development, but could lose ground in world market if it doesn't keep up with technology, local official says. (P. 11)

VIDEODISC PROFITS of \$50 per player, \$6.50 per \$25 disc, seen in research report which forecasts sales of 4,000 players, 3,000 VCRs in 1985. (P. 12)

DECCA TALKING SALE of TV business to unnamed Japanese producer. French skittish about Japanese involvement in U.K. TV, turn down Thorn bid for TV rental firm. (P. 13)

Senator told us negotiations between staffers have resulted in compromises and proposed bill will not go as far on broadcast deregulation as S-622, bill he and Sen. Goldwater (R-Ariz.) proposed last year. Broadcasters widely backed that bill. He said he is "optimistic" about chances of Senate bill, stated he believes differences between House's broadcast-bare communications bill and Senate measure can be worked out. Sen. Hollings (D-S.C.), Communications Subcommittee chmn., told NCTA Board (see p. 4) in Sarasota: "I think the House would go along with a comprehensive bill."

TURNER SUES RCA OVER SATELLITE: Satellite loading dispute between Turner Bcstg. (TBS) and RCA Americom—caused by Dec. loss of Satcom III—shifted to Atlanta federal court last week, as Turner filed suit. At FCC, officials started to focus on public interest issues that may be at stake in entire issue of transponder assignments.

Basis of complaint: Turner's counsel tells us that when TBS sold its Atlanta earth station to RCA in 1976, TBS won contractual right to last 2 transponders on Satcom I. Turner now has asked federal court to enforce claimed agreement with RCA. Turner wants transponder for his Cable News Network, scheduled for June 1 start.

Turner-RCA contract also may become issue before FCC. SIN Pres. Rene Anselmo told us his lawyers believe that Turner-RCA contract may violate Communications Act. At FCC, Common Carrier Bureau Chief Philip Verveer said Commission will be looking more closely at whole area of transponder allocation. "Of course, we already have a couple of complaints before the Commission right now," he said, referring to earlier SIN and Eastern Microwave protests against RCA transponder policy.

RCA has offered up to 11 pre-emptible and unprotected transponders on AT&T's Comstar D-2 to video programmers. RCA won't switch 2 private line service voice & data transponders on Satcom I to video. RCA believes private circuits must stay on Satcom I to avoid disruption of crucial satellite voice channels leased to SPC, RCA Govt. Systems, MCI, many others. "There's more to this than cable TV," sighed RCA official.

Others believing themselves entitled to Satcom I assignments include HBO, Showtime and National Christian Network, but TBS asserts that its 1976 agreement with RCA is watertight, resting on clause giving TBS "first refusal option rights" to last 2 transponders on F-1.

"Our legal position for these transponders is a lot better than any of the other programmers contending," said Tench Coxe, TBS gen. counsel. He said of 30-pp. contract between RCA & TBS, nearly full page was devoted to transponder rights clause.

RCA spokesman declined to comment on lawsuit. "We're not going to say anything until we see something in writing," he said. At special meeting in N. Y. Feb. 26, angry RCA customers (including SIN, TBS, and Southern Satellite) aired grievances, sought to develop mutual strategy. Meeting, from which RCA was excluded, broke up without decision being announced.

SCHANZER TO HEAD NAB LOBBYING: Kenneth Schanzer, currently NBC Washington dir. of govt. relations who left NAB govt. affairs dept. in 1975, returns to Assn. March 17 as senior vp and head of govt. relations dept. At same time, it's been learned that Roy Elson, govt. relations vp and the Assn.'s principal Hill lobbyist, plans to resign, is expected to be retained by NAB as consultant.

Also last week, NAB Asst. Gen. Counsel Brenda Fox resigned to become gen. counsel of NCTA March 17. She made her first appearance before NCTA board at Sarasota meeting last week (see p. 4), has been in NAB legal dept. since Feb. 1973 and was in forefront in broadcasters' fight against FCC children's TV rulemaking. Before joining NAB, Fox was trial attorney for FTC's Bureau of Consumer Protection.

There had been some opposition among NAB board members to Pres. Wasilewski's selection of Schanzer to replace Donald Zeifang, now in private law practice in Washington (Vol. 19:52 p5). Many also felt that Wasilewski and Exec. Vp John Summers—who was especially strong for Schanzer—hadn't conducted a wide enough search for new top lobbyist. Only other person known to have received serious consideration was Elson. However, following several

days of intense lobbying on Schanzer's behalf, NAB Exec. Committee in effect told Wasilewski he had authority to hire anybody he wanted. Just prior to Exec. Committee meeting, Schanzer lunched with 3 of its members.

NAB TV dir. praised Schanzer for being "enthusiastic, a self starter, goal oriented and he has the right ideas about how the govt. relations dept. ought to function. . . He has great incentive and it'll be much better to have to rein him in once in awhile than have to get him started."

Schanzer, 34, left NAB in 1975 to manage campaign of Rep. Heinz (R-Pa.) for Senate. He left campaign after Heinz got Republican nomination and before senator's successful election, also worked in Sen. McGovern's (D-S.D.) 1974 Presidential campaign and for 3 Democratic members of Congress.

Elson, longtime top aide to former Sen. Hayden (D-Ariz.), joined NAB as consultant in 1970, went fulltime year later. He twice ran unsuccessfully for Senate from Ariz. "We fully hope to retain Elson's services and good will," Exec. Committee member told us. Three-4 other NAB staffers with titles also are known to be considering outside offers.

FCC WANTS ADDED FM STATIONS: In move Chmn. Ferris said would "make the radio marketplace more competitive," FCC last week asked for comments on proposed restructuring of FM rules to add unknown but "significant" number of FM stations. Comr. Brown called action "another step in expanding opportunities for new voices to enter the broadcast industry. The more competition is promoted. . . the more compelling will be the arguments for deregulation. . ."

Proposed rules change would add 2 new classes of intermediate power stations and would require many current stations to meet new operating minimums or be subject to reclassification. Class A local stations would be permitted to operate on frequencies hitherto reserved for Class B & C intermediate and larger market stations, if Class A channel isn't available. New separation table would be adopted. Class B stations would for first time be permitted in Zone II (now permitted only in Northeast & Cal.). FCC notice indicated more changes will be considered later—including directional antennas and reduced FM channel spacing as suggested by NTIA.

Abe Voron, NRBA exec. dir., said his initial reaction isn't positive. "Somebody's going to a lot of trouble to create stations that nobody needs, perhaps to the detriment of the public interest. This is an unwarranted obsession—there are a lot of other ways to get new people into broadcasting than creating new stations," he said.

Also on radio agenda: AM Regional Administrative Radio Conference, starting March 10, to consider U.S. proposal to cut hemispherical channel spacing from 10 kHz to 9 kHz. Comr. Washburn took occasion of routine FCC approval of U.S. proposals for conference to file unenthusiastic concurring statement, expressing doubts about wisdom of cutting channel width, suggesting possible negative impact on AM stereo development.

Tokyo Bcstg. System has purchased 7-hour block, 5 p.m.-midnight on WOR-TV N.Y. April 5, will present sampler of 11 typical Japanese programs, including live newscast via satellite. Commercials will include ads from Japanese TV for products familiar to Americans.

Cleaning up backlog of rulemaking petitions, FCC Best. Bureau last week announced actions in 7 cases and plan to ensure that all such cases in future come before FCC "for its consideration as soon as possible." Actions: (1) Denied National Producers Corp. request to require TV station to own & control their own earth stations—better left "to marketplace." (2) Denied suggestion to prohibit sales of programming by licensees to foreign stations with Grade A contour encompassing principal city of U.S. station—"no compelling public interest need." (3) Refused request of WDRK(FM) Greenville, Ohio to revoke FCC policy on minority ownership—"no basis on which to take the requested action." (4) Rejected request of MIT prof. Harvey Sopolsty wanting application of Sec. 315 in periods between elections—"inappropriate intrusion into the sensitive area of programming." (5) Denied request of Smith-Mattingly Productions to require non-commercial stations to disclose financial information. (6) Denied NAB request (supported by NRBA) to establish threshold screening of petitions to deny—"little to be gained." (7) Denied NRBA limit on petitions to deny—not in "public interest."

"Communications Law & Principles of Regulatory Reform," seminar March 24 at Marriot Key Bridge Hotel, Arlington, Va. sponsored by Federal Bar Assn., features keynoter Rep. Van Deerlin (D-Cal.), House Communications Subcommittee chmn. Speakers include FCC Chmn. Ferris; NTIA Chief Henry Geller; AT&T Chmn. Charles Brown; Sen. Schmitt (R-N.M.). On "Broadcasting Deregulation" panel: Nina Cornell, chief, FCC Office of Plans & Policy; Erwin Krasnow, NAB gen. counsel; Richard Wiley, ex-FCC chmn. Details: Conference Secy., FBA, 1815 H St. NW, Washington 20006. 202-638-0252.

Seeking "positive exposure" of record industry through TV specials, RIAA has formed committee under Robert Levinson, Levinson Assoc., to explore opportunities.

Local TV ad spending in top 20 categories increased 17% to \$1.73 billion last year, TvB reported. Top category still is restaurants, with banks and savings & loan in 2d.

HOLLINGS PLEASES NCTA: NCTA board applauded last week when Sen. Hollings (D-S.C.) said: "FCC should set franchise fee ceilings." He also pleased group, meeting in Sarasota, by stating that "cable should have equal access to REA funds." Turning to copyright, he said: "I respect the 1976 Copyright Act. We should work within it. The burden should be on the people seeking protection to show the need for greater royalties." He thus made it clear he still opposes retransmission consent. He also continues to favor an absolute prohibition against AT&T entering cable, would allow other phone companies in, but only in rural areas.

Criticizing FCC's RKO decision (Vol. 20:4 p1), Hollings said he told Chmn. Ferris "you're my Aya-tollah."

NCTA board elected Douglas Dittrick, Douglas Cable, chmn.; Al Gilliland, Gill Cable, vice chmn.; John Saeman, Daniels, treas.; Jerry Lindauer, Times-Mirror, secy. Sole contest was for vice chmn., in which Gilliland defeated Richard Loftus. Budget of \$2.4 million was approved as proposed.

Dittrick noted that staff would be beefed up, adding one person each in operator services, public affairs, science & technology. He said: "The scene is shifting somewhat in some issues, being transferred from the national scene. The board passed a resolution directing the staff to get involved with state PUC and regulatory issues. Our new general counsel, Brenda Fox [see p. 2], addressed the board, and we're very pleased that she's joining us. She provides an added dimension to our work."

Radio Moscow English language broadcasts were beamed at U.S. by Cuban transmitter for first time last week, FCC said. AM transmissions at 600 kHz, apparently from 150-kw Cuban station CMCA, began Feb. 26, lasted 18 hours; signal was strong enough to be picked up by ordinary radios throughout Fla. and caused 2 Fla. AM stations to complain to FCC. FCC Field Operations Bureau Chief James McKinney said it was first instance of English-language Soviet propaganda being transmitted to continental U.S. CMCA, located in Las Vegas, Cuba, had been transmitting Spanish-language programming until mid-Feb., when it switched to English-language "Voice of Cuba."

"Enormous damage" has been caused to news media by Supreme Court Gannett decision permitting judges to close pre-trial proceedings and some trials, according to Jack Landau, Newhouse Supreme Court reporter and exec. dir. of Reporters' Committee for Freedom of Press. Speaking to FCBA luncheon, he said there have been 185 attempts to close courts since Gannett, 60% successful, that 23 actual trials were closed to public & news media.

Financially-strapped BBC plans 13% spending cut, will trim 1,500 jobs and disband 5 of 11 symphonies to save equivalent of \$300 million over 2 years. Many staff cuts will be through attrition & early retirement. Pending wage negotiations could lead to more cutbacks.

Educational Ch. 12 KBDI-TV Broomfield, Colo. began operating Feb. 22 as nation's 1,015th station (736 commercial, 279 non-commercial).

D.C. SATELLITE SERVICE: TV news feeds from Washington should become much cheaper by mid-year, following announcement last week that full-service satellite uplinking station will be built by Communications Technology Management (CTN), group headed by ex-NCTA Pres. Robert Schmidt. "We will have the ability to go to all 3 satellite systems, both sequentially as well as simultaneously," he said of \$750,000 project, part of CTN's broader plan to offer new services for the cable industry.

Uplink will be in Springfield, Va.—adjacent to C-SPAN's Satcom I-pointing uplink. CTN will share C-SPAN's earth station when necessary. "We hope to be operational in June. We do not intend to be a common carrier," Schmidt said. "We will offer some joint user agreements." Earth station complex is at junction of Washington beltway with Interstate 395—about 10 miles west of Washington, and is already linked by terrestrial microwave to downtown Washington. Details: 6861 Elm St., McLean, Va. 22101, 703-734-2724.

Conferees for FTC authorization bill have been appointed by House & Senate. For Senate: Democrats Cannon (Nev.), Ford (Ky.), Magnuson (Wash.), Heflin (Ala.); Republicans Packwood (Ore.), Danforth (Mo.) & Warner (Va.). Sen. Schmitt (R-N.M.) will be allowed to debate merits of legislative veto in conference, won't have voting rights. Meanwhile, House instructed its conferees (by 257-115 vote) to stick to demand that legislative veto provision be added to bill. For House: Democrats Scheuer (N.Y.), Staggers (W.Va.), Preyer (N.C.), Ottinger (N.Y.), Satterfield (Va.), Luken (O.), Russo (Ill.); Republicans Broyhill (N.C.), Rinaldo (N.J.), Devine (O.). Conference date hasn't been set, could be within week.

Sen. Kennedy (D-Mass.) asked FCC to order TV networks to provide him with equal time to respond to statements President Carter made in Feb. 13 White House press conference (charging Kennedy statements on Iran & Afghanistan had been "damaging to our country"). Networks denied Kennedy's original request for reply time. Long shot Democratic Presidential candidate Lyndon LaRouche filed complaint at FCC accusing 3 major networks of fairness doctrine violation in failing to cover his candidacy. CBS has sold him 30 min. March 15.

Add **Brian Moir**, chief counsel of House Commerce Committee, as possible appointee to FCC seat now held by James Quello—whose term expires June 30 and who is running hard for another 7-year term (Vol. 20:7 p3). Commerce Committee Chmn. Staggers (D-W.Va.), Rep. Murphy (D-N.Y.) and at least one other Democratic congressman have signed letter to President urging appointment of Moir, veteran Commerce Committee staffer.

Mich. federal court dismissed \$300-million libel & slander suit against CBS, ruling that 1975 hunting documentary, "The Guns of Autumn," didn't single out members of particular sportsmen's group or imply that practices portrayed were condoned by group. Mich. hunter's group had filed suit charging film put them in bad light.

'RAYS' HALT N.Y. ANTENNAS: Latest chapter in 13-year saga of N.Y. TV stations' move to 110-story World Trade Center: Discovery of excessive microwave radiation from antennas will result in further postponement of broadcasting from new 10-channel site, perhaps until fall, perhaps longer, as stations and WTC owner Port Authority (PA) figure out what to do about it.

Unofficially established limit is 10,000 microwatts per sq. centimeter. Tests of Chs. 41 & 47 antennas at full power resulted in measurements of 200 microwatts and forecasts that observation deck and top 5 floors of adjacent south tower would be subjected to up to 360 microwatts when all antennas are operating. Tests were made by microwave expert Paul Tyler and consultants Silliman, Moffet & Kowalski for PA. "If there is any question of a health hazard," said WTC Dir. Guy Tozzoli, "there will be no broadcasting."

Several methods of shielding for microwave radiation have been proposed, including placing roof over observation tower or screening it in, and covering windows on top floors of south tower with transparent metalized plastic, as well as placing shield on 365-ft. RCA tower itself. Latter solution would block out reception in large area of Brooklyn, according to WPIX-TV's Otis Freeman of TV Bcstrs. All-Industry Committee (TBAIC).

Microwave radiation increasingly has been subject of public health concern, and sole standard currently is ANSI's suggestion that ambient microwaves be held to 10,000 microwatts. EPA & OHSI are seeking to develop official standard (Vol. 17:6 p4). In 1968, N.Y.C. proposed far stricter limit—50 microwatts (Vol. 18:31 p4). FCC also has been looking into situation, and TBAIC last Dec., in comments filed with FCC, called for federal regulation, urging Commission "to assume an active role to guard against unwarranted & publicly detrimental actions by local & federal agencies." In its filing, it noted that "the Port Authority... has seized upon this sensitive issue as yet another basis for not promptly fulfilling its public commitments to relocate area broadcasters to the World Trade Center."

Noting that TV stations signed contract to relocate to WTC in 1967, Freeman told us: "We were all children then. Some of our members have retired, others have died." He told us he didn't believe situation need result in delay till fall, but added: "This all started when N.Y.C. proposed a radiation standard. It's a bigger question than the World Trade Center because it affects all telecommunication."

More than \$20 million already has been spent on WTC broadcasting facility. In addition to Chs. 41 & 47, transmitters & antennas for Chs. 2 & 5 have been installed and testing is about to begin. Most recent target for shift of stations to WTC had been "early 1980."

Schurz Communications is buying WATU-TV Augusta, Ga. from Thomas Jones & Francis Robertson (no other broadcast interests) for \$5 million. Schurz owns WSBT-TV-AM-WWJY(FM) South Bend, WDBJ-TV Roanoke, newspapers & cable systems. Broker Sherman & Brown Assoc., Miami.

Jody Powell, Presidential press secy., last week was object of less than subtle broadcaster lobbying on behalf of reappointment of FCC Comr. Quello. Powell spoke to NAB state presidents conference, was asked by Thomas Cleary, Mich. Assn. of Bcstrs., to help support Quello reappointment. Powell declined to help, stating: "I always felt a press secretary might be well advised to stay away from the appointments process." He said, however: "I will certainly make sure your interests are conveyed to the right people." Powell answered questions mostly dealing with international & inflation problems, had this on media coverage: "I suppose we've been less critical of y'all than y'all been of us. I doubt if there has ever been a White House that felt the Administration has been treated fairly... Advice and criticism [to media] is almost always counterproductive."

MCA Pres. Sidney Sheinberg attacked cable copyright royalty situation in speech to Hollywood ATAS: "I do not understand the theory under which cable systems pay such an infinitesimal sum for the use of our property. Is our property less valuable to them than the hardware they use and for which they pay a fair market price?... In 1976, Congress authorized a system under the new Copyright Act which gives cable systems a so-called compulsory license for the retransmission of distant signals. The term 'compulsory license' is legal gobbledegook which makes as much sense as 'excused theft.'" Sheinberg protested FCC plan to drop distant signal import rule, also argued with "Betamax" decision on home video taping.

FCC CB radio amplifier ban was upheld by D.C. Court of Appeals. High-powered CB amplifiers were blamed for causing massive amount of TV interference before FCC banned them. American Radio Relay League challenged rule, claiming it prevents ham radio operators from engaging in their pasttime and is "unreasonable" regulation of radio devices. But court reluctantly disagreed: "Had we been the rulemakers in this case, we might have been more hesitant in encroaching on the domain of the innocent amateur operators... Nonetheless, we cannot say that the agency abused its discretion in adopting the rules that it did."

Public broadcasters shouldn't be encouraged to compete with commercial stations, Sen. Schmitt (R-N.M.) told CPB Pres. Robben Fleming, when Fleming appeared before Schmitt's Appropriations Subcommittee in hopes of getting \$220 million in 1983. Schmitt also told Fleming to encourage local programming over national, reflecting current unhappiness of PBS & NPR stations with CPB plans for distributing funds in 1983.

Anti-superstation campaign continues at FCC, with MPAA telling Commission that "resale carriers" delivering superstations to cable systems aren't really carriers, and ought to be subject to copyright liabilities (Vol. 20:8 p5).

ACT's 1980 budget is about \$450,000, according to Pres. Peggy Charren, with about half coming from foundations and corporations which don't advertise to children. Group has 15,000 members paying \$15 each.

WALB-TV HELPED BY COMPETITOR: Upcoming competition from prospective black-owned UHF station has turned into plus for WALB-TV Albany, Ga., which was granted limited waiver by FCC last week of forced divestiture under agency's "egregious" cross-ownership ruling. Gordon Communications is buying Ch. 31 cp and WALB-TV got waiver (3-2 vote) for year from date of grant, if any, to Gordon. Ferris & Brown dissented; Lee & Jones didn't participate.

Fogarty switched vote on waivers sought by WHMA-TV Anniston, Ala. and WOAP-AM-FM Owosso, Mich.—thus denying them continued cross-ownership with newspapers beyond June 1. In voting for WALB-TV, Fogarty said "the prospect of the first successful operation of a wholly minority owned TV station in the deep south [is of] particular significance." In dissenting, Brown (joined by Ferris) said: "I would not send a signal to the industry, as the Commission's action does, that the... cross-ownership rules can be easily overcome once a prospective minority owner enters the picture."

Commissioners got into heated procedural argument on votes, particularly since Lee (who was in Ft. Worth) had left letter saying he wanted to participate if his vote would be decisive. However, gen. counsel ruled that WHMA-TV & WOAP waivers would've lost on tie. In related vote, commissioners split 3-3 (Ferris, Brown Fogarty against; Quello, Washburn, Jones for) on whether to grant reconsideration of Dec. refusal of stay in "egregious" cases. In view of Lee's letter, even FCC is unsure whether vote will be taken again.

Science & Technology Office of FCC has been reorganized. Chief Scientist Stephen Lukasik says better planning & efficiency will result by delegating more authority to 2 new deputy chiefs of policy and technology. Office will have 3 divs.—Authorization & Standards, Spectrum Management, Research & Analysis; staff offices of Technical Planning, International, Policy & Management will report directly to Lukasik.

Arbitron has signed 10 major clients for "New Electronic Media" study, promised results in spring. Subscribers so far are ABC, CBS, Columbia Pictures, Cox, Dow Jones, NBC, Sears/Comsat, Southern Satellite Systems, Time Inc., UA-Columbia Satellite. Study looks at usage and impact on TV of all new technology.

Higher prices were approved by FCC for video transmissions on Westar satellite system. But FCC granted request of networks, other Westar users, to investigate legality of several issues raised by new WU tariff, including charges applied for customer-owned earth stations.

"**Equal time**" to answer Mobil's "Edward and Mrs. Simpson" ads was demanded by 2 energy groups in letters to 30 TV stations that carried series. Energy Action Foundation & Citizen-Labor Energy Coalition charged ads are "overtly political."

Cox Cable will offer home security system to subscribers in Norfolk, Va. Beach and Portsmouth; TOCOM is providing equipment.

Test of STV translators in 4 southern cities is sought by minority group which has applied for 1 kw stations—constructed and programmed by franchisees—in Washington, Richmond, New Orleans & Dallas. FCC applications were filed by HLD & M Communications, in partnership with Brown & Clark Inc., New Orleans. Early Monroe, ex-FCC Cable Bureau engineer, is among 4 Washington partners. Others, including Pres. James Hudson, are members of law firm Hudson, Leftwich & Davenport. Applicant wants to test translator STV competition with MDS & cable to individual homes and low income areas. Another group has filed for experimental translator network offering black programming in 10 southeastern cities (Vol. 20:7 p5).

CBS expects higher earnings this year from all 4 operating groups, Pres. John Backe told financial analysts last week. Broadcast profits will again be down in first quarter, he said "and we will again more than make up that deficit in the balance of the year." He said CBS expects broadcast industry growth to continue strong, with all-network billings rising 14%, national spot 9%, local TV advertising 12%. CBS will participate in viewdata experiments this year in U.S. & Canada, and its Publishing Group "is deeply involved in the development of information products that may soon be distributed through the new technologies." He saw videodisc business "perhaps approaching \$4-\$5 billion by 1990."

UHF reports released by FCC last week conclude: (1) Outdoor antenna is best, but of indoor antennas, 2-bay bowtie with screen is "much more effective than any other, including a much more costly antenna." (2) In UHF transmitters, many proposed solutions "are more or less speculative. With the cost of energy escalating, the relative advantage and economic desirability of these systems are sure to be affected."

"In the not too distant future—maybe as early as 1982, a tag line on a TV spot may say 'check Cable Channel X for the theater time in your area,'" said Gene Secunda, J. Walter Thompson senior vp, in speech to Oakland Ad Mart. Secunda said movie and theater promotion on cable TV is "virgin territory," with local cable systems having ability to deliver more targeted audiences than local spot TV markets.

TV station news staffs increased nearly 100% in last 7 years, while radio news staffs remained stable, according to RTNDA survey. Typical TV station now has 13 fulltime news staffers, while about 1/3 employ 20 or more. Radio stations average one fulltime, one parttime, news staffer. Results are based on returns from 473 TVs, 400 radios.

Non-response is biggest problem facing rating firms, BRC Exec. Dir. Hugh Beville told Radio/TV Research Council. Beville, who marks 50 years in broadcast research this week, said lack of cooperation is more a problem now that program options in home are increasing.

MDS applicants no longer will have to receive state certification or be capable of rendering interstate service before receiving FCC grant.

Personals

Ethel Winant promoted to vp-miniseries & novels, **Irv Wilson** to vp-motion pictures for TV, NBC Entertainment; **Richard Verne**, NBC Radio Network exec. vp, advanced to NBC Radio pres., post vacant since Sept. 1978... **Don Prijatel**, WDTN Dayton station mgr., also named vp; **Don Meineke** promoted to vp-sales, **Roger Berardinis** to vp-finance.

Lionel Monagas, ex-asst. to FCC Best. Bureau Chief **Richard Shiben**, appointed exec. vp-station mgr., WRBV Vineland, N. J. ... **Charles Harper**, Shamrock Best. vp-broadcast administration, also named asst. to Pres. **Bruce Johnson**; **Karen Merrell**, ex-KTTV L. A., joins Shamrock as dir.-broadcast standards... **James Ferguson**, WAGA-TV Atlanta program dir., retires, expects to remain active in communications.

Scott Lynch, ex-KDKA-TV Pittsburgh, appointed WJZ-TV Baltimore news dir., succeeding **Scott Goodfellow**, now asst. news dir., NBC Washington bureau; **Patrick Onley** joins WJZ-TV as editorial dir. ... **Jon Poston**, ex-WFBC-TV Greenville, S. C., appointed news dir., KGUN-TV Tucson... **F. L. Armstrong**, ex-WTVQ-TV Lexington, Ky., named promotion mgr., WDRB-TV Louisville... **Joseph Dorton**, pres. of Torbert Radio, named pres. of Gannett Radio Div., effective March 24.

Edward Kuhlmann, ex-Dept. of Labor, onetime Citizens Communications Center and gen. counsel of CTIC, rejoins FCC as law judge... **Steven Kelman**, ex-Harvard U. prof., appointed head of FTC Office of Management Planning, Bureau of Consumer Protection.

Bruce Wilson, ex-Viacom asst. controller, named dir. of finance, Time-Life Films... **Jerold Franks** promoted to talent & casting dir., Columbia Pictures TV... **Charles Kersch**, ex-Communications Corp. of America, joins Daniels & Assoc. as group controller... **Jay Campbell** appointed dir., Modern Satellite Cable Network of Modern Talking Picture Service... **Joseph Valerio**, ex-ABC, joins ESPN as dir.-program planning & development... **Patricia Nolan**, ex-D'Arcy, MacManus & Masius, appointed client relations dir.; **Annette Leiderman**, ex-CBS, named account exec... **Thomas Polls**, Comcast Cable Div. engineering dir., named SCTE member of year.

Edwin Armstrong, FM pioneer, inducted into National Inventors Hall of Fame... **Jeff Lovins**, ex-Grey Advertising, joins Petry TV as assoc. programming dir... **Marilyn Waldorf**, ex-Metro Media, appointed Air Time client services dir.; **Emily Murphy** advanced from media estimator to media supervisor... **Michael Glaring**, formerly Mennen Co. market research chief, joins R.H. Bruskin as research dir.

Scott Moger resigns as vp-gen. mgr., Columbia Pictures Pay TV, to open own pay-TV programming & marketing firm, retains Columbia as major account... **Mark Weinstein**, Warner Communications deputy gen. counsel, also elected vp... **Ivan Ladizinsky**, ex-CBS TV Hollywood, named dir.-creative services, new west coast office, Operation Prime

WEEKLY Television Digest

with
Consumer Electronics ...

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Stafford Hopwood joins Wometco Home Theatre as vp-gen. mgr., N.Y. metropolitan area; **Jay Kaplan** appointed WHT controller; **Alexander MacDonald**, ex-WNEW-TV N.Y., engineering dir... **Leo Brody**, ex-Allied Artists TV, appointed chief-domestic & foreign operations, D.L. Taffner Ltd., program distributor... **Todd Spoeri**, Storer Cable program dir., promoted to northeast area vp-gen. mgr... **George Babick** advanced to vp-sales mgr., Cable News Network, N.Y. hq... **Stanley Silverman**, ex-Diablo Systems, appointed dir.-market planning, Ampex, new post.

Warner Amex will tape speeches at weekly National Press Club meetings in D.C. for satellite transmission to CATV C-SPAN subscribers. Feeds normally will be made at 11 a.m. Tues. and 3 p.m. Fri. to avoid conflict with live coverage of House proceedings.

Bill banning surprise newsroom searches was approved by House Subcommittee on Constitution. Similar bill was passed by Senate Subcommittee in January.

Obituary

Harold Neal, 56, ex-pres. of ABC Radio, died Feb. 28 in Darien, Conn. of heart attack. He was announcer, narrator for *The Lone Ranger*, *Green Hornet*, Sgt. Preston while at WXYZ(AM) Detroit in 1940's, was named ABC Radio pres. in 1972, resigned last year. Wife, 3 children survive.

Lawrence Lowman, 80, retired administrative vp of CBS, died Feb. 22 in Stamford, Conn. hospital after short illness. He joined CBS in 1928, is credited with playing major role in opening industry jobs to minorities. Wife survives.

Consumer Electronics®

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Feb. 15 (7th week of 1980):

	Feb. 9-15	1979 week	% change	Feb. 2-8	1980 to date	1979 to date	% change
Total TV	230,533	251,245	-8.2	300,961	1,818,654	1,826,784	-0.5
color	151,229	153,737	-1.6	188,894	1,174,728*	1,143,260	+2.8
monochrome	79,304	97,508	-18.7	112,067	643,926	683,524	-5.8
Home VCR	12,445*	4,781	+160.3	15,937	81,267*	45,819	+77.4

Color TV 5-week moving average: 1980—192,407*; 1979—180,638 (up 6.5%).

Home VCR 5-week moving average: 1980—13,593*; 1979—7,563 (up 79.7%).

*Record for period.

COLOR'S 2 CONSECUTIVE RECORD MONTHS: Last month was best Feb. in history for color TV sales to dealers, following record Jan. Year's first 2 months ran at 10.3-million annual rate. As Feb. progressed, however, there was evidence that surprising early-1980 boom could be tapering off.

Color's Feb. record—sales of more than 726,000 sets, up 2.1% from previous high last year—was set on basis of outstanding business in first 2 weeks. Last 2 were down from 1979 comparable weeks, final week seeing sales of just under 188,000 sets, dip of 1.2% from year-earlier.

Home VCR continued to roar ahead, with nearly 55,000 sold in Feb., up 67.2% from 1979. First 2 months' sales, at more than 95,000, represented annual rate of 990,000, on basis of composite seasonal pattern of last 2 years. Feb.'s final week saw sales of 14,000, up 36.2% from year-earlier. B&w sales for Feb. totaled less than 398,000, down 14.5%, final week showing year's steepest drop—37.7% to 79,000.

VCR SALES BOOM BUOYS ITA: Virtually entire video industry—hardware & software—is represented in San Diego this week for ITA 10th annual seminar, and it couldn't come at better time. VCR sales ran 69.8% above last year in Jan.-Feb., at what could be close to million-a-year rate, with blank & recorded cassettes soaring, and videodisc being viewed as going product for next year.

VCR sales are going to continue to have their ups & downs, and, frankly, we expect them to fall far short of the million mark indicated through use of raw seasonal figures for last 2 years. High sales are being spurred by 3 factors: (1) Flexible pricing, which is creating havoc at retail. (2) New models with new features. (3) Increased publicity & exposure—more people are becoming familiar with product by seeing it in friends' homes, just as happened in early days of TV.

Pricing has gone absolutely wild. Some manufacturers have changed prices 3 or even more times so far this year. At Jan. CES, Consumer Electronics Vp-Gen. Mgr. Jack Sauter said RCA wouldn't hold umbrella over VCR industry, and he's been true to his word. Changes in promotional allowances and special reductions by RCA & others have contributed to pricing chaos in marketplace—but also to upswell in sales.

Too frequent model changes are major factor in price erosion. While 6-hour VHS recorders can be spotted retailing below \$700 in some major markets, 4-hour versions already can be found as low as \$595. As if that weren't enough, entire industry plans extensive model changes this spring.

Certainly contributing to boom is fact that Beta is back in race, thanks to new high-speed-scan models. Sony says its VCR sales in last 3 months were more than double those of same period last year. New VHS models this spring are almost certain to add scan, now only on Beta and Mitsubishi's VHS.

Hardware skyrocket has triggered surge in demand for blank videocassettes, turning last year's concern over glut to fears of short-term scarcities. Maxell's Gene LaBrie says company's sales grew sharply in this year's first 2 months, results apparently "tied to special events on TV" and to developing market demands for recognized brands. "There's a strong move by hi-fi dealers toward branded videocassettes." LaBrie saw signs of shortages appearing, "and I could use more merchandise"—but stopped short of long-term prediction. "We're not veterans of this business yet, and we're still filling pipelines. We don't know how strong the market really is. It will take us a year to find out."

Fuji's John Dale echoes LaBrie's views on branded tape sales & shortages, tempering optimism with note that price competition continues to be intense. "I can't imagine prices going down any lower, because our costs are going up." New majors in video software field have contributed to shortage, he says. "There's been a tremendous drain on our bulk supply." Pricing pressure is another factor—Japanese factories are diverting some product to Europe & Mideast, where demand is strong and competition less fierce. U.S. distributors, too, are siphoning supply by exporting to countries where they can get higher prices.

New software entities & titles are pouring onto market, and ITA is expected to hear announcement of Disney-Fotomat rental test, possibly 20th Century-Fox deal with ITC Entertainment (Lew Grade) for movies & off-network specials (see p. 11). ITA also will hear talk by ABC Video Enterprises Vp Herbert Granath, who last week said he was "appalled at the poor job" done by manufacturers to promote VCR and believes public is "puzzled" by different standards and product-line changes. There probably will be more of that at ITA—as there usually is. Remember, at ITA seminar as recently as last Oct., Fotomat's Steve Wilson drew sniffs & chuckles from hardware people when he asked for \$500 VCR. That's no longer funny.

Price erosion & market anarchy in hardware won't end soon—with capacity of Japan's VCR plants now above 3.5 million units and estimated to be at 5-million annual rate by year's end (see p. 12). Nor will it be helped by new systems. Dutch Philips presumably will kick off its public campaign to persuade U.S. to adopt 3rd "standard"—Video 2000—with first demonstration at show. (North American Philips spokesman said introduction of system here—presumably by Magnavox—is "under study & review.") Video 2000 is gaining adherents in Europe, latest being Siemens, roster now including majors Grundig, ITT, Korting, Loewe Opta, as well as Philips & satellites Pye & Schneider.

Attendees will get first glimpse of couple of other new video systems at seminar, too—through magic of videotape. Television Digest will show excerpts from its upcoming Video Edition, "Home Video for the 1980s," featuring demonstrations of JVC-Matsushita's new prototype VHD disc system using 10" disc (taped last week in Tokyo), Funai's tiny 7-1b. 1/4" portable VCR to be marketed in U.S. by Technicolor, and most detailed demonstration yet of Toshiba LVR.

SEARS INDICTMENT, SHOE QUOTA SHOCK IMPORTERS: TV importers preparing to argue against extension of color TV import quotas past scheduled July 1 expiration date got double shock last week: (1) L. A. grand jury handed down 13-count criminal conspiracy & fraud indictment against Sears relating to its TV imports from Japan. (2) White House said it planned to impose world-wide limit on shoe imports.

Shoe action is particularly bad news for TV importers. Present shoe quota, in form of Orderly Marketing Agreement, restricts exports only from Korea & Taiwan. Shoe OMAs negotiated after International Trade Commission found domestic producers were being import-injured, set pattern for color TV OMA worked out with Japan in 1978, later with Taiwan & Korea, after ITC ruled U. S. color producers were injured.

New shoe restrictions will cover imports from all countries. Administration said action was needed because non-OMA countries took advantage of market gap to step up shipments to

U. S. COMPACT, labor-industry group which filed original bid for color TV relief with ITC and is seeking extension, doesn't specifically call for broadened coverage in new petition, but does point out that color imports from uncovered countries increased sharply during OMA period.

Imports from Singapore of complete and quota-covered incomplete color were up in 1979 by factor of 18 over 1977, incompletes from Mexico were up 68.9%, and even with quota, imports from Taiwan doubled and those from Korea tripled, although both were below 1978 levels. While imports from Japan were down by 64%, all of chassis imports from Philippines, which became supplier in 1979, and most of those from Singapore went to Japanese color assembly plants in U. S. In addition, Japanese companies here are importing complete color from Canada & Singapore, as well as from Japan, Taiwan & Korea, and Matsushita-owned Quasar is building chassis plant in Mexico.

Big difference between shoe & color cases is domestic color industry's reliance on imports of color chassis from own plants in Mexico, Taiwan & Singapore. While President Carter has power to set all-countries quota, he couldn't do so without seriously affecting operations of traditional U. S. producers—particularly Sylvania, RCA & Zenith, and to lesser degree, Magnavox. Although worldwide quota may not be practical, shoe-case action shows White House wouldn't be adverse to extending present OMAs, selectively negotiating new ones with other source countries.

Domestic industry isn't supporting COMPACT's extension bid the way it backed up original import relief request. Wells-Gardner, only TV manufacturer that's COMPACT member, is signer of both petitions, but this time won't appear at hearing. Sylvania signed first petition, isn't involved now. Zenith, a non-signer, spoke in support of relief in 1977, won't show up this time. Hearing opens March 5, and COMPACT presentation will take full day. Import interests, representing Japan, Taiwan & Korea, go on March 6, and session could carry over to March 7.

Sears indictment isn't directly connected with quota issue, but it will help charge atmosphere at ITC hearing. Foundation of COMPACT case is contention that unfair & illegal acts by Japanese TV makers & importers damaged otherwise viable domestic industry, making import relief necessary. Charges of conspiracy & predatory practices are included in \$1-billion anti-trust suit by Zenith & NUE against most Japanese TV manufacturers, Motorola & Sears.

Indictment lists 12 separate TV import entry documents Sears filed with Customs, says all were "materially false & fraudulent" with respect to purchase price as they didn't show rebates to Sears by Japanese manufacturer. Conspiracy count says Sears & Japanese TV producers schemed to defraud U. S. govt. and circumvent Japanese export regulations from 1966 through July 1975 by concealing "kickbacks, rebates & credits privately arranged." Listed are 5 checks, one for each year 1968-72 totaling \$1.12 million, presumably rebates Sears received from Japanese suppliers.

Although no individuals are named as defendants, indictment lists 11 Sears officers, buyers & agents in U. S. and Japan as having been involved, doesn't specify which TV producers gave rebates. Sanyo & Toshiba, however, are traditional Sears suppliers. Set makers & Sears exchanged "memorandum of mutual intentions" covering conspiracy, indictment alleges.

Justice has been investigating Japan TV rebates for 2 years, has been presenting evidence to grand juries in at least 5 cities (Vol. 18:27 p8), and this is first indictment. In 1978 both Gamble's & Midland International acknowledged receiving kickbacks; Gamble's settled with Customs. Last year N. Y. discounter Alexander's pleaded guilty to single Customs TV fraud count, paid \$5,000 fine (Vol. 19:14 p11). If found guilty, Sears could be fined \$5,000 on each fraud count, \$10,000 on conspiracy charge.

While it's illegal to file false cost data with Customs, it's 1972 finding of Japanese TV dumping in U. S. that makes these rebates of interest to Justice. Assuming price paid for TVs by Sears was just above dumping level, by not declaring \$1.12 million in rebates it overpaid normal import duties by \$56,000, avoided \$1.12 million in dumping duties.

Criminal penalties are just tip, and least expensive part, of liability iceberg. If indictment charges are true, they represent minor portion of actual rebates Sears received & concealed.

In civil action, Commerce can seek 8 times sum of duties evaded, creating massive potential liability. This could be far from last indictment in this case. Virtually all major private-label TV imports are understood to be under investigation, including Montgomery Ward & J.C. Penney.

Sears says it will plead not guilty, that case appears to be based on misinterpretation of "process by which Sears negotiated its costs" with suppliers. Zenith said it was "heartening" to see govt. "at long last make some effort to enforce the Customs fraud & conspiracy laws in connection with importation of TV receivers from Japan." COMPACT said it expects more indictments against importers, calling Sears just first to be accused "in what Customs officials themselves described as widespread illegal rebates paid by Japanese manufacturers to bypass U.S. antidumping laws."

In related activity, Commerce seems to be having same problems processing TV dumping re-liquidation paperwork as Customs did when it was still responsible for enforcement. Justice & importers have asked courts for indefinite postponement of TV dumping collection suits brought last Sept. against importers which failed to make even partial payment on assessments levied in March 1978. Assessment amounts were changed by rulings on importer protests Customs handed out in Nov., and corrected figures were to have been supplied to courts Feb. 29. Deadline was missed, and no one seems certain when necessary information will be available. Also last week, Midland International agreed to pay \$18,000 to settle Federal Maritime Commission charges it accepted illegal rebates from ocean shippers. FMC has made similar settlements with other importers over last year.

DISNEY & FOTOMAT: Walt Disney Productions' long-expected entry into videocassette market becomes reality March 10, start of rental test at some 600 Fotomat stores in San Francisco, Houston, Chicago & Philadelphia. Formal announcement due at ITA includes 12 programs—9 live-action features, 3 cartoons in first phase—with 9 more held in reserve. Titles are those we noted earlier (Vol. 20:2 p9), plus others such as "The Prince & the Pauper," "The Apple Dumpling Gang," "On Vacation with Mickey Mouse & His Friends," "At Home with Donald Duck." Several titles already have been licensed to RCA for Selectavision disc catalog. Rental prices will differ among cities, \$7.95-\$9.95 for cartoons, \$7.95-\$13.95 for features, with U.S. Video and Bell & Howell handling duplication.

Second major ITA software development may be 20th Century-Fox deal for about 60 movies & TV specials from Great Britain's ITC Entertainment. Magnetic Video would be distributor of cassettes, possibly discs, would add such titles as "Muppet Movie," "The Eagle Has Landed" and network specials "All Quiet on the Western Front" & "Friendly Fire." Agreement, if consummated, gives home video industry significant package of off-network programs. Distribution side of business is far from easy, however. Electronic Data Systems has canceled Invision retail store plans, cut back on mail-order programming, closed duplication & packaging operation and released Group Vp Herbert Jones, Invision Pres. Lloyd Haldeman, 12 other employees. Invision was launched last fall (Vol. 19:36 p10) with glossy catalog and considerable fanfare.

PAL/SECAM VCR, whose tuner automatically switches systems depending on what's being received, has been developed by Toshiba for mideastern countries where both systems are used. Priced at about \$1,100 (270,000 yen), it also is programmable, has fast-search & freeze-frame. Mitsubishi last year introduced PAL/SECAM/NTSC VCR.

HONG KONG OUTLOOK: China represents no immediate threat to growth of Hong Kong's electronics industry, but Taiwan & Korea do, according to Allen Lee, HK Chamber of Commerce Electronics Committee chmn. In industrial overview for Journal of Commerce, Lee says it will take 10 years or more for China to turn into major international competitor, but Hong Kong could find itself in trouble if it doesn't start working soon on centrally coordinated effort to develop both electronics technology & technicians a la Taiwan & Korea.

HK's electronics industry has immediate need for 150 technologists, 850 technician-craftsmen, and no place to train them properly. There are signs, however, that local manufacturers now recognize problem, will support establishment of training center, Lee says. HK also needs type of govt.-supported research & standards programs found in other countries, Lee states, explaining that such problems as high wage rates and short labor supply could be solved through automation and shifting of some labor-intensive operations to contractors in China.

Sony was cleared of antitrust charges brought by Lavine Distributors in Providence Dist. Court and awarded \$21,000 on warranty-fraud counterclaim last week. After 23-day trial, jury found Sony not guilty of illegally terminating Lavine's distributorship in 1976. Sony claimed termination was result of warranty irregularities, pledged to continue to "vigorously defend ourselves on claims which are without merit."

Audio tape piracy indictment was brought against music retailer Sam Goody Inc., a subsidiary of American Can, last week. Goody is accused of counterfeiting \$1 million worth of cassettes, including soundtracks of "Grease" & "Saturday Night Fever." Charges against Goody Pres. George Levy and Vp Samuel Stolon were result of 2-year federal investigation.

VCR CAPACITY 5 MILLION? Annual capacity of Japan's 11 home VCR manufacturers is currently more than 3.5 million and could rise to 5 million by year's end, according to estimates in Japan's Nihon Keizai Shimbun (Japan Economic Journal). Capacity at end of 1979 was estimated at 3,528,000. Estimates include Beta, VHS & Funai CVC (Compact Video Cassette) formats. In addition, Philips is believed planning to make 200,000 Video 2000 VCRs in Vienna plant this year, with up to million planned for next year. Production plans of other Video 2000 group members aren't known. Philips has offered to sell them basic electromechanical component so they can make rest of device themselves.

Japanese VCR output totaled 280,000 in 1976, according to publication, rising to 760,000 in 1977 and 1,470,000 in 1978, reaching 2,120,000 last year. Some 74% of production was exported last year. Following table of production capacity is partially based on data from Nihon Keizai Shimbun, which is used by permission:

ANNUAL VCR PRODUCTION CAPACITY

(add 000)

Beta	End of '79	End of '80
NEC	N. A.	N. A.
Sanyo	240	600
Sony	840	900-1,000
Toshiba	240	240-300
Total Beta*	1,360	1,840-2,050
VHS		
Akai	N. A.	N. A.
JVC	720	960
Hitachi	300	360
Matsushita	840	1,080-1,140
Mitsubishi	24	84
Sharp	240	360
Total VHS*	2,168	2,050-3,054
CVC		
Funai	0	60
GRAND TOTAL* . . .	3,529	4,884-5,165

VIDEO 2000

Philips	N. A.	200
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*Totals do not add due to estimates of companies & increases not reported.

Here's tabulation of manufacturers of home VCRs and brandnames under which they are sold. Akai & Sharp are sold under own brands only.

INTERNATIONAL VCR ALLIANCES

VHS

Hitachi	U. S.: Hitachi, GE, RCA. U. K. Granada TV Rental.
JVC	U. S.: JVC. Europe: JVC, Nordmende, Saba, Telefunken, Thomson-Brandt, Thorn. Australia: Rank. Mexico: Alfa.
Matsushita . . .	U. S.: Quasar, Panasonic, GE, Magnavox, Curtis Mathes, Philco,

RCA, Sylvania. Europe: Blaupunkt, Panasonic.

Beta

Sanyo	U. S.: Sanyo, Sears. Europe: Sanyo, Fisher.
Sony	U. S.: Sony, Zenith. Europe: Sony, Wega.
Toshiba	U. S.: Toshiba. U. K.: Rank Radio.
NEC	Europe: Neckermann.

Compact Video Cassette (CVC)

Funai	U. S.: Probably Technicolor. Canada: Probably Bauer Camera.
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Video 2000

Philips*	Europe: Philips, Grundig, ITT, Korting, Loewe Opta, Metz, Pye, Salora, Schneider, Siemens.
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*Manufacturers basic component.

VIDEODISC PROFITS: RCA videodisc players will cost an estimated \$200 each to produce, carry \$250 factory price, while profit from \$25 disc could be about \$6.50, according to study by Theodore Anderson for Argus Research. Study sees sales of capacitance & optical players rising from 100,000 units in 1980 to 4 million in 1985, with disc sales approaching 65 million annually by 1985 for overall disc & player sales volume "comfortably" more than \$2 billion that year.

As to RCA, study says it "may be selling as many as 1 million videodisc players annually by 1985 and up to 15 million videodiscs. Operating profits on the players should be around \$50 each and at least \$1 per disc, yielding operating profits of about \$65 million, approximately 50% of the current Consumer Electronics Div.'s total." Report sees RCA & Philips/MCA systems coexisting, former more prominently in consumer market, latter especially for educational-institutional use.

For \$25 disc, Argus estimates wholesale price of \$12.50, including \$1 distributor markup. Of \$11.50 factory cost, \$2 is given for royalties, 10¢ for writeoffs, 15¢ union fees, \$1 manufacturing costs, 25¢ overhead, \$1.50 promotion, leaving \$6.50 profit. Argus sees VCRs outselling disc players until 1984, gives these estimates of sales & TV household penetration (add 000):

Year	VCR sales	Pene-tration	W-Disc sales	Pene-tration
1980	700	2.5%	100	0.1%
1981	950	3.7%	300	0.5%
1982	1,300	5.2%	700	1.4%
1983	2,000	7.5%	1,500	3.2%
1984	2,500	10.4%	2,700	6.4%
1985	3,000	13.7%	4,000	11.0%

Figures indicate 11,640,000 VCRs and 9,310,000 disc players in use by end of 1985. Company recommends stock of both RCA & MCA as major participants in disc boom. Asked to comment on Argus' cost & profit figures, RCA said it doesn't discuss such matters. "The Emerging Videodisc Market" report is available from Argus, 140 Broadway, N. Y. 10015.

ELECTROHOME NET UP: Electrohome, Canada's last independent TV manufacturer, reported 31.1% rise in sales, 190.2% jump in net, after \$1.56 million tax credit, for 1979 (see financial table). Company said all divisions showed improvement. Separately, Pres. John Pollock said consumer video sales were up last year, but major gain was made in commercial video area, which company is developing "to balance out the major swings in the consumer market." Electrohome now makes monitors, video displays for computers & coin-op video games, "and our growth last year was very significant," Pollock told us.

Midland & Western Auto combined had sharply higher losses in final quarter and full year in 1979, according to data derived from report of parent Beneficial's Merchandising Div. lost \$3.4 million in quarter, \$4.6 million for full year, against loss of \$1.7 million for both 1978 periods. Unit's sales rose 0.7% for year to \$750.1 million, were down 0.7% in quarter to \$181.5 million.

Motorola results for 1979 (Vol. 20:7 p14) include special charge of \$7.9 million to cover cost of dropping out of LCD, watch module & quartz crystal businesses.

Texas Instruments says cost & pricing problems in digital watches, home computer start-up costs, resulted in 6% decline in net for digital products business segment, a group which also includes calculators, other consumer products, minicomputers, terminals & scientific equipment. First-ever breakdown for TI results, included in prospectus for \$200-million bond issue, shows digital products sales (in millions) rose from \$396 in 1976 to \$559 in 1977, to \$735 in 1978 and to \$887 last year. Pre-tax profit (in millions) was \$30 in 1976, rising to \$54 in 1977, \$74 in 1978 and dropping to \$53 last year. TI said it spent \$134.3 million on R&D last year, up 21% from 1978.

Rockwell will weather expected 1980 recession much better than one in 1975 because "we aren't burdened by the consumer product lines [Admiral] that were so sensitive in 1975," and "we aren't a billion dollars in debt," Chmn. Robert Anderson said at annual meeting.

1979 TV IMPORTS: Color TV imports dropped 19.6% below 1978 level last year, as 50.7% decline in shipments of complete receivers more than offset 20.5% rise for chassis & kits. B&w imports were off slightly (Vol. 20:6 p9). Here are Commerce TV import results by country for Dec., with full year totals in parentheses:

Japan, total TV, 134,300, -18.9% (1.41 million, -54.3%); color, 74,700, -47% (799,500, -52%); b&w, 59,600, -7.8% (608,600, -57%). Taiwan, total TV, 316,100, -15.1% (4.41 million, -7.9%); color, 49,500, -64.9% (962,800, -35%); b&w, 266,600, +15.2% (3.44 million, +4.2%). Korea, total TV, 135,800, -31.3% (2.09 million, +31.5%); color, 10,800, -86.4% (316,100, -27.3%); b&w, 125,000, +5.6% (1.77 million, +53.7%). Canada, color, 7,300, -67.5% (102,600, -53%). Singapore, total, 58,700 (259,300); color, 53,100 (245,500); b&w,

5,500 (13,900). Singapore's 1978 figures are not comparable.

Imports of complete color: Japan, 31,400, -59% (513,400, -64.2%). Taiwan, 22,600, -61% (367,500, -41.4%). Singapore, 4,900, -38.1% (73,300, +19.5%). Canada, 3,100, -86.4% (90,900, -56.9%). Virtually all color imports from Korea were complete sets.

Imports of incomplete color: Japan, 43,300, +77.5% (286,100, +23.1%). Taiwan, 26,900, -67.6% (595,300, -30.5%). Mexico, 93,700, +87.8% (1.49 million, +42.3%). Canada, 4,200, +263.6% (11,700, +53.5%). Singapore at 48,300 (172,100) and Philippines at 5,500 (26,700), did not supply incomplete color in 1978.

DECCA SELLING TV: Although its acquisition by Racal has yet to be finalized (Vol. 20:7 p12), Decca already is moving to end involvement with consumer products, has opened negotiations to sell its TV-radio business to unnamed Japanese manufacturer. Decca last week completed sales of music operation to Polygram for \$32 million, and Racal, which won out in bidding war for Decca with GES, said it's interested only in retaining Decca's military-commercial business.

Speculation over identity of prospective purchaser of Decca's TV business, which moved estimated 120,000 color sets and lost about \$2.6 million last year, centers on Sanyo & Sharp, only Japanese majors without U.K. color production base. Matsushita, Mitsubishi & Sony have own color plants there, Hitachi (with GEC) & Toshiba (with Rank) have joint manufacturing ventures.

Turning of U.K. into Japanese color production base from which to feed rest of European market has manufacturers on Continent on edge, was cited as reason for French turndown of British investment in local TV industry. Govt. there approved acquisition of Locatel, France's biggest TV rental company with 180,000 customers and sales of \$55.8 million, by venture owned by Thomson-Brandt and Cie Generale d'Electricite. Move blocked agreement made last year to sell Locatel to Thorn. French sources indicated govt. feared that Thorn too might fall under Japanese control, give Japanese TV industry its first real foothold in French market.

Digital electronic products for consumers, along with related services, will be \$10.8-billion business by 1985, according to multi-client study, Consumer Entertainment & Information Systems, by Quantum Science (1114 Ave. of Americas, N.Y. 10036). QS expects rapid expansion of MPU technology in stand-alone & interconnected home devices in areas of: Entertainment & education, including VCRs, video-disc players & TVs; environment, security & appliance control; information processing & communications, including 2-way CATV, teletext & telephone; personal computers. Entertainment, education & information software suppliers will share in boom, QS says. Report says many products will be designed to work in combination, warns that companies which don't approach digital market from systems viewpoint or on specialized basis "will eventually be relegated to a secondary or peripheral product position in the lower growth, stand-alone product market."

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Cohu			
1979-year to Dec. 31	22,968,077	1,176,733 ^a	.70
1978-year to Dec. 31	19,024,989	520,081 ^a	.30
1979-qtr. to Dec. 31	6,102,384	264,443	.16
1978-qtr. to Dec. 31	4,992,039	158,230	.09
Dynascan			
1979-year to Dec. 31	56,055,000	535,000	.17 ^b
1978-year to Dec. 31	64,316,000	2,838,000	.88 ^b
1979-qtr. to Dec. 31	13,138,000	15,000	-.51
1978-qtr. to Dec. 31	14,279,000	425,000	.13 ^b
Electrohome^c			
1979-year to Dec. 31	128,695,000	4,928,000 ^a	--
1978-year to Dec. 31	98,224,000	1,698,000 ^a	--
Esquire Radio & Electronics			
1979-year to Dec. 31	37,445,959	1,145,447	2.37
1978-year to Dec. 31	48,736,992	1,808,934	3.14
1979-qtr. to Dec. 31	13,387,783	498,929	1.03
1978-qtr. to Dec. 31	17,832,928	797,751	1.65
Gray Communications Systems			
1979-6 mo. to Dec. 31	16,857,173	1,379,064	2.74
1978-6 mo. to Dec. 31	11,167,582	897,551	1.82
1979-qtr. to Dec. 31	8,665,912	698,410	1.38
1978-qtr. to Dec. 31	6,234,059	534,108	1.08
MCA			
1979-year to Dec. 31	1,266,140,000	178,688,000 ^a	7.65
1978-year to Dec. 31	1,120,644,000	128,379,000 ^a	5.52
1979-qtr. to Dec. 31	387,747,000	44,431,000	1.90
1978-qtr. to Dec. 31	332,786,000	33,017,000	1.42
Republic			
1980-6 mo. to Jan. 31	154,847,000	8,077,000	2.85
1979-6 mo. to Jan. 31 ^d	134,288,000	6,545,000	2.39 ^b
1980-qtr. to Jan. 31	75,734,000	3,830,000	1.35 ¹
1979-qtr. to Jan. 31 ^d	69,472,000	3,461,000	1.27 ^b
Sonderling Bcstg.			
1979-year to Dec. 31	42,051,000	3,603,000	3.21
1978-year to Dec. 31	40,159,000	3,462,000	3.10
1979-qtr. to Dec. 31	10,649,000	993,000	.88
1978-qtr. to Dec. 31	10,127,000	902,000	.81
Soundesign			
1979-year to Dec. 31	161,789,000	741,000	.30
1978-year to Dec. 31	143,380,000	1,002,000	.38
1979-qtr. to Dec. 31	43,172,000	(359,000)	--
1978-qtr. to Dec. 31	41,940,00	(1,243,000)	--
Texscan			
1980-9 mo. to Jan. 31	11,157,566	419,153	.40
1979-9 mo. to Jan. 31	7,596,110	232,845	.23 ^b
1980-qtr. to Jan. 31	4,366,247	208,203	.20 ¹
1979-qtr. to Jan. 31	2,660,580	92,367	.09 ^b
J. Walter Thompson			
1979-year to Dec. 31	265,227,000	13,637,000	4.51
1978-year to Dec. 31	229,662,000	13,287,000	4.43
1979-qtr. to Dec. 31	84,017,000	6,359,000	2.10
1978-qtr. to Dec. 31	69,878,000	5,542,000	1.85

Notes: ^aIncludes special credit. ^bAdjusted.

^cIn Canadian dollars. ^dRestated.

Consumer Electronics Personals

Lloyd Troeltzsch, 3M Magnetic Audio/Video Products Div., advanced from mfg. dir. to head of new Optical Recording Project, responsible for developing videodisc mastering & replication. 3M has agreement to provide discs to Thomson-CSF, said it eventually will be equipped to produce discs in all formats... **M. Mizuno** named pres., **Orville Neely** vp-plant mgr., of Melco Consumer Electronics, U.S. color TV manufacturing arm of Mitsubishi's Melco Sales... **Don Patrican**, ex-Detac & Memorex, appointed Maxell consumer video sales & mktg. supervisor... **Janet Bothe** named Sony Video Products northeast region sales coordinator; **Mark Heyer** appointed product communications capability specialist.

Eugene Sekulow promoted at RCA from corporate & international relations vp to corporate affairs exec. vp, succeeding **Kenneth Bilby**, slated for retirement next year... **Donald Hall** advanced at Magnavox from sales promotion mgr. to national dir. for PR & promotion... **G. Roland Splawn** promoted at Panasonic Finance Div. from national credit mgr. to asst. gen. mgr.

James Johnston resigns as Jensen Sound Home Audio Products Group vp-gen. mgr., plans unannounced... **Fred Muhl**, ex-RCA Records & GRT, joins Cetec Gauss as operations mgr.; **Robert Taylor**, ex-JBL, appointed loudspeaker products national sales mgr... **James Waring** appointed Shakespeare Antenna Group national accounts mgr.

Jim Smaha, National Semiconductor digital IC dir.; **Robert Swanson**, linear operations dir.; **Andrew Varadi**, MOS IC dir., named vps... **Don Mathis** promoted at Burns Magnetic Div. to mktg. dir... **Frank Cavalier** advanced at TRW Electronic Components Group to direct sales mgr.; **James Feijoo** appointed rep sales mgr.; **Dom DeLorenzis** named distribution mgr... **John Feder**, Cornell-Dubilier Taiwan pres., adds duties as vp-gen. mgr. of Sanford, N.C. capacitor plant, succeeding **Les Johnson**, retired.

Mergers & acquisitions: Ampex & Signal boards last week voted approval of stock-swap merger which will leave Signal as surviving company (Vol. 20:8 p14). In current issue, Business Week said quick approval of hastily arranged takeover stemmed from expectation of acquisition bid from British GEC, which recently lost out to Racal in attempt to acquire Decca.

Obituary

Daniel Noble, 78, retired Motorola vice-chmn., died in Scottsdale, Ariz. home Feb. 16. He was pioneer in FM 2-way communications, helped develop Walkie-Talkie in WWII, is generally credited with leading Motorola into semiconductor business, founded firm's Communications, Semiconductor & Govt. Electronics Divs. He was NTSC member, served on IEEE board. Wife, daughter, 3 sons survive.

Lowell Good, 69, retired RCA corporate engineering utilization dir., former microelectronics engineering mgr., died Feb. 22 at Elliot Hospital in Manchester, N.H. Wife, 2 daughters survive.

Magnavision player & MCA videodisc dealers in Buffalo, scheduled for March 14 debut: **Adam, Meldrum & Anderson** (3 stores), **A to Z TV**, **Martino's**, **Mr. TV**, **Grupp**, **Sounds Great**. Dealers for **Cleveland**, **Phoenix**, **Pittsburgh** & **Minneapolis-St. Paul** were reported last week (Vol. 20:8 p12).

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

EARLY & FERRIS CLASH ON RKO at House Appropriations hearing. Ferris contends 'licenses cost nothing...\$600 million is profits,' hits TV stations as 'master plumbers...turning on the spigots to make money.' (P. 1)

BROKEN FTC: Pertschuk pleads for legislation before money runs out March 15. Kid ad inquiry disintegrating under Hill pressure. (P. 2)

FCC ON DEBATES: Ferris complains to House & Senate that new FEC debate rules overlap Communications Act. (P. 3)

TURNER ON SATCOM: RCA gives news network 6 months on Satcom I. (P. 3)

INCUMBENTS WIN NAB VOTE: TV Chmn. King runaway winner in reelection to TV board; 8 other incumbents successful. Six NAB staffers get new stripes, no raises. (P. 4)

NETWORKS vs. COURTS: CBS appeals contempt ruling for not turning over tapes of '60 Minutes' segment on restaurant chain; ABC agrees to give up tapes & film of '20-20' program. (P. 4)

DISCLOSURE BILL ATTACKED: Mottl measure making TV-radio station figures public draws fire on Capitol Hill. (P. 5)

EARLY, FERRIS CLASH ON RKO: "How do you respond to the idea of imposing what amounts to a \$600-million fine on a company for breaking a law that doesn't even carry a criminal penalty?" This was question Rep. Early (D-Mass.) asked FCC Chmn. Ferris—at House Appropriations hearing last week—in sharply criticizing Commission's 4-3 ruling that RKO is unfit to be licensee (Vol. 20:4 p1). "You're a regulatory body and you can impose that type of fine on anybody?" Early asked.

Responded Ferris: "Licenses cost nothing...\$600 million is profits." He said FCC has failed to renew some 20 TV-radio licenses, so decision wasn't significant change in policy, it just seemed so because RKO stations are in major markets. "The Communications Act doesn't say we follow a different standard for small-market stations than we do for large-market stations," Ferris said. "The facts were very unusual in the RKO case...The Commission, in my opinion, had no other choice."

Ferris went on to complain that TV programming doesn't come from creative geniuses, it comes from the networks. "And, rather than master painters, stations are master plumbers...turning on the spigots to make money." Early told Ferris to compile amount of time & money

Consumer Electronics

BIG PRICE INCREASE in color by RCA, supplements last month's hike, averages 3.1% at factory, with suggested retails up \$10-\$40. (P. 7)

RCA DISC STANDARD for U.S.-controlled segment of industry, adoption expected by companies representing over half of color TV sales, 80% of dealers in wake of pact with Zenith. RCA seen supplying Zenith 50,000 players in '81. (P. 7)

TV DUMPING DUTY bill for Japanese sets imported before July 1973 cut from \$46 million to \$8 million in final assessments due this week. (P. 10)

VIDEO DATA OVERKILL evident at ITA seminar in San Diego (P. 10). Sale vs. rent problem for software marketers (P. 13). RCA, Magnavox, DVA on discs (P. 8).

PHILIPS VCR DELAY: NTSC version of Video 2000 postponed until late 1981. (P. 11)

MAGNAVOX SUPPORTS TV quota extension at ITC hearing, seeks broader coverage of parts, sub-assemblies. Other testimony follows expected path. (P. 12)

MATSUSHITA SETS RECORDS in sales & profits, anticipates \$10-million sales in 1980. Color TV, VCR lead gains. (P. 12)

FCC spent in prosecuting RKO case, supply figures to Subcommittee.

(Note: New England TV [NETV]—combine of 2 competing applicants in long renewal hearing for Boston Ch. 7, now held by RKO's WNAC-TV—last week asked for "immediate Commission... settlement and disposition of this protracted case." NETV has contracted to buy WNAC-TV for \$54 million, said consequences of continued delay "are enormous." Although FCC decision disqualifying RKO was reached 6 weeks ago, final order still hasn't been issued.)

Back to appropriations hearing. Rep. Andrews (R-N.D.) complained because FCC doesn't answer congressional mail. Andrews said he wrote Ferris Nov. 23 requesting information on a case, got no response until Feb. 7 which said only that "I would receive some answers shortly... I got no answer from you and nothing from your flunkie for 3 months."

Ferris said "I have no explanation or excuse for this... We've been deficient and we're working on it." (Andrews complaint brought immediate results: Day after hearing, chmn. ordered that all congressional inquiries now at Commission be answered by March 14.) There are more than 700 pending in Bcst. Bureau alone—most dealing with radio deregulation or religious programming.) Chimed in Early: "Maybe you've got too much money over there—too many luxuries and you just don't care."

On other subjects, Ferris: (1) Said 5 members of 12-member Network Task Force will be shifted to OPP to implement recommendations after Task Force completes work this summer. "We hopefully will act on it... not just put a ribbon on [study] as some agencies do." (2) Had exchange with Rep. Hightower (D-Tex.) on clear channels. Congressman wanted their protection continued. Ferris said that most "popular" proposal is to protect them only up to 750 miles and that proceeding should be finalized by end of year. (3) A major FCC problem is office space (Vol. 20:6 p3); some funds from \$750,000 appropriated for UHF comparability studies have been shifted to meet rising costs of rental space. (4) In "a very austere proposal," FCC is seeking \$77.1 million for fiscal 1981, up only \$950,000 after \$3.65 million in supplemental appropriations for 1980 are factored in.

BROKEN, BEATEN FTC? FTC Chmn. Michael Pertschuk, in bleakest statement yet on future of agency, told House & Senate Appropriations Subcommittees that agency is so anxious for authorizing legislation that it's "prepared to accept whatever the [House-Senate] conferees can work out and the President will sign." FTC's continuing resolution funding ends March 15; unless Congress passes special funding legislation, employees won't be paid. Pertschuk said even brief period of payment uncertainty could mean FTC would lose best employees.

Chances that authorizing legislation would pass both Houses by March 15 deadline grew dimmer last week as conferees (Vol. 20:9 p4) failed to meet to thrash out differences between House & Senate authorizing bills. Major stumbling block remains legislative veto: House insists on it, Senate is unsure.

House Appropriations Subcommittee questioning of Pertschuk centered on need for emergency funding beyond March 15 and effects on agency if FTC doesn't get it. Subcommittee, chaired by Rep. Slack (D-W. Va.), was less interested in substantive issues involving FTC, vivid contrast to Sept. when Subcommittee began current anti-FTC Hill onslaught by tacking on bans on specific rulemakings to continuing funds legislation (Vol. 19:38 p4).

Responding to questions from Rep. Early (D-Mass.) on what would happen if FTC shut down for lack of funds, Pertschuk said that cases going to trial would suffer most quickly and visibly, since FTC lawyers simply wouldn't appear. "We're not even certain if we are legally able to accept voluntary service from our personnel in a non-funded situation," he said. Speculating on prolonged agency shutdown, Pertschuk said he thought that in advertising—now monitored by FTC—"misrepresentations" would begin to creep in after about 6 months.

Asked whether he thought President Carter would veto FTC authorization legislation with legislative veto attached, Pertschuk said: "Yes, from my conversation with the White House staff, I believe he would." Slack pressed Pertschuk on public participation funds issue: "I understand that only 25% of your public participation money goes to industry representatives, the rest going to groups which support the FTC's position." FTC Chmn. replied that Commission

was "sensitive" to problem.

Pertschuk described children's advertising rulemaking—which everyone assumes is dead—as "in jeopardy" on Hill, said FTC wasn't able to allocate any public participation funds to rule-making because of its uncertain fate. Staff attorney Sara Holtz, assigned to inquiry, has left Bureau of Advertising Practices to take job in Bureau of Competition. Meanwhile, NAB is known to be seeking women FTC attorney to replace Brenda Fox, resigned to join NCTA (Vol. 20:9 p2). Of FTC kid ad staff, 3 of 5 lawyers are women.

FCC ON DEBATES: Concern over new FEC regulations covering political candidate debate sponsorship by news organizations was expressed last week in letter from FCC Chmn. Ferris to Senate Rules Committee Chmn. Pell (D-R.I.) and House Administration Committee Chmn. Thompson (D-III.). Ferris, who objected to earlier FEC formulation of sponsorship rules (Vol. 19:50 p4), said FCC approved of new rules, but was bothered that "interpretation by the FEC of its now pending regulations might undermine the improvements that facially appear to have been proposed therein."

FEC had changed rules to exempt "nonpartisan" sponsorship of debates by news and non-profit organizations from status of campaign "contribution." Event which disturbed FCC was FEC-threatened injunction in N. H. primary debate sponsored by Nashua Telegraph.

"It is our belief that the journalistic practices of the news industry coupled with the obligations imposed on broadcasters under Sec. 315 of the Communications Act, insure that no broadcaster-sponsored debate by federal candidates will constitute a 'contribution,'" Ferris wrote. "We are concerned about a potentially confusing overlay of FEC and FCC regulations which is both unnecessary and may stifle the valuable discussion of issues which candidate debates provide."

Controversy over 9kHz-proposal has risen among North American representatives to European Broadcasting Union (EBU). John Serafin, ABC, had drafted letter for other representatives (including other commercial networks, CBC, PBS, CPB & NPR) which opposed 9kHz. Philip Rubin of CPB took offense at position, wrote Serafin that it smacks "of self interest," noted that CPB & NPR back proposal. Meanwhile, switch to 9 kHz in western hemisphere is 10-1 probability, in view of some experienced industry engineers. Upcoming decision in Buenos Aires is "foregone conclusion" in opinion of one of industry's best-informed consultants.

FCC has granted \$45,000 for 2 UHF comparability projects—channel coverage maps and receiving antenna field study. Money comes from \$750,000 allocated by Congress for fiscal 1980, some of which has been reallocated to rent office space (see p. 1). Earlier grants in UHF comparability studies have gone for consumer survey, improved TV receiver and channel selection analysis.

A \$1.7 million order for 24 Ampex VRP-2 video-tape recorders & related equipment has been placed by Turner Bcstg. for WTBS-TV & CNN.

TURNER ON SATCOM: RCA Americom has agreed to make Satcom I transponder available for first 6 months of Turner's Cable News Network starting June 1. Turner in turn agreed to drop \$34.5 million damage claim from suit in Atlanta federal court.

Action reverses decision to put Turner's network on AT&T's Comstar, but Turner plans to go through with suit in hopes of retaining control of Satcom I transponder beyond 6-month term. He also plans to file FCC petition charging RCA is trying to protect subsidiary NBC from competition by preventing CNN's birth. Americom lawyer calls charges "absurd."

Meanwhile, National Christian Network also asked RCA for "Interim" use of Satcom I transponder, may consider taking case to FCC.

Satellite dishes are found at 57 commercial stations, according to Satellite Week survey. Figure compares with 33 six months ago. Of those equipped, 22 are network affiliates vs. 3 six months ago. Scientific-Atlanta has 60% of installations, including 26 ten-meter dishes, 8 five-meter. Westinghouse Bcstg. has ordered 3 S-A earth stations worth \$1.3 million for KDKA-TV Pittsburgh, KYW-TV Philadelphia & WJZ-TV Baltimore, expects to complete installation Sept. 1. Satellite transmit & receive system will connect 5 o-&-o's, D. C. news bureau & Group W Productions in L.A.

FCC refused to extend March 25 deadline for comments in radio deregulation rulemaking. United Church of Christ sought 90-day extension because FOI suit for FCC documents relating to proceeding still pending in N.Y. Dist. Court. FCC said deadline was extended once and it has released "wealth of material" on which UCC can respond. It added that if court orders release of more material, it will consider request for comment period on such documents. (Vol. 20:2 p3).

Overturning lower court rulings, Supreme Court last week said that Henry Kissinger's papers while Secy. of State aren't subject to public disclosure under FOI requests. Vote was 5-2. High court also affirmed Appeals Court ruling that Kissinger's papers while national security advisor should remain secret.

Whether changes in "unique" radio formats must be considered by FCC in approving sales—as mandated by en banc D.C. Appeals Court in 7-2 vote (Vol. 19:28 p3)—will be considered by Supreme Court. Lower court mandate had been appealed by FCC and several broadcast groups.

INCUMBENTS WIN NAB VOTE: Nine NAB board members—4 TV, 5 radio—were successful in bids for reelection last week in mail balloting which saw first black ever elected an NAB dir. William Dilday, WLBT Jackson, Miss., received 221 votes, making him successful in bid for TV board. There are 2 blacks on radio board, but they serve through network appointments.

TV Chmn. Robert King, Capital Cities, was runaway winner in TV race with 352 votes (of 446 cast). Also successful (vote count in parentheses): Walter Windsor (270), WFTV Orlando; TV Vice Chmn. Mark Smith (253), KLAS-TV Las Vegas; Reid Chapman (249), WANE-TV Ft. Wayne; Frank Harden (214), State Telecasting. King, Windsor, Smith & Harden are incumbents. Closest runners-up were Jerry Holley (202), Stauffer Communications; Paul Wischmeyer (179), KRON-TV San Francisco, and Michael McKinnon (177), KIII-TV Corpus Christi.

Radio dirs. reelected were Michael Lareau (Dist. 8), WOOD-AM-FM Grand Rapids; Roy Mapel (Dist. 14), KIML Gillette, Wyo.; Cullie Tarleton (Class A), WBT-WBCY Charlotte; Walter Rubens (Class C), KOBE-KOPE Las Cruces, N.M.; J.T. Whitlock (Class D), WLBN-WLSK Lebanon, Ky. Former radio dirs. elected were Robert Hilker (Dist. 4), WCGC Belmont, N.C., and Robert Thomas (Dist. 10), WJAG-KEXL Norfolk, Neb.

Other new radio dirs., who take office April 16 at end of NAB convention in Las Vegas: Martin Beck, (Dist. 2), WBLI Babylon, N.Y.; Charles Cooper (Dist. 6), WKOR Starkville, Miss.; Fred Conger (Dist. 12), KWBW-KHUT Hutchinson, Kan.; Cliff Gill (Dist. 16), KWVE San Clemente; Thom Smith (Class B), WDEN-AM-FM Macon, Ga. NAB bylaws limit board members to 2 consecutive 2-year terms, after which they aren't eligible again for 2 more years.

* * * *

NAB last week announced 6 "title elevations"—although no "merit increases" in pay were involved—as first step in carrying out recommendations of Evaluation Committee at Jan. board meeting (Vol. 20:4 p3). Named senior vps were Jerome Lansner, gen. mgr. of Code Authority, Shaun Sheehan, head of public affairs, and George Bartlett (who retires after convention), chief of engineering. Elevated to vps: Lawrence Tierney, membership; Dwight Ellis (NAB's first black vp), minority & special services; Ron Irion, station services.

Station Services Dept., under Senior Vp James Hulbert, was renamed Bcst. Dept. Pres. Wasilewski said other changes approved by board will be phased in over next few months.

Rep. Van Deerlin (D-Cal.), House Communications Subcommittee chmn., speaking at U. Of Mid-America symposium: "I think we could all agree that despite 20 years of classes, conferences and symposia—to say nothing of volumes published, the equipment purchased, and the programming produced—telecommunications has not fulfilled its promise [in education]. On some levels, it is a disappointment."

NETWORKS vs. COURTS: CBS has appealed contempt ruling for refusing to turn over tapes of "60 Minutes" segment on alleged fraud in restaurant chain, while ABC has agreed to provide some tape & film subpoenaed by grand jury investigating Hamilton Jordan's alleged cocaine use in N.Y. discotheque.

Newark federal court found CBS in contempt for refusing to turn over material subpoenaed by attorneys for Wild Bill's Family Restaurant Inc. but stayed \$1-a-day penalty pending appeal.

ABC said decision to provide material not used on "20-20" came after prosecutors agreed not to seek reporter's notes. Spokesman said witnesses quoted had waived rights to confidentiality. However, NBC News Pres. William Small expressed disagreement with ABC decision, said his network "will continue to fight every case where we are asked for outtakes..."

Meanwhile, CBS confirmed reports that it was under White House pressure to delay "60 Minutes" segment aired March 2 on U.S. involvement with deposed Shah of Iran.

Informal station poll, taken at NATPE meeting in San Francisco, shows results in favor of more local programming, 51.7%; syndicated program quality unchanged, 58.2%; preferred formats for next year, comedy, 54.8%, magazine shows, 74.2%; cessation of free time for political candidates, 65.7%; continuation of access rule, 54.6%; forbidding cable programmers membership, 56.1%; equal job opportunities, 74.2%; no change in sports programming, 56.6%.

WNET N. Y. has abandoned plan to share N. J. studios with Essex County College, instead will expand own Gateway facilities in Newark to satisfy FCC demand for "New Jersey presence." Gateway will be "appropriately staffed" and "fully equipped to produce and broadcast [WNET's] New Jersey-oriented programming," station told FCC. WNET's Ch. 13 actually is commercial allocation assigned to Newark; station was permitted to move to N. Y. several years ago.

Contributions to PBS stations for year ending June 30, 1979 totaled \$62.5 million, a \$7.2 million increase over preceding year. Number of contributors rose 14.3% to 2.4 million, while number of licensees reporting remained steady at 116. Consistently ranking high in individual membership and pledge percentage statistics was WNPE Watertown, N. Y. PBS estimated results for 17 stations which didn't report.

Denying waiver of cross-ownership rules, FCC dismissed Sugar Land (Tex.) Telephone Co. application to build system in its area. FCC ruled company's argument that it could provide lower-cost service wasn't sufficient cause for waiver.

TV enslavement of children is "overblown" says U. of Mass. study. Tests show young children are selective viewers, tuning out what doesn't interest them. TV is "given too much credit for being powerful," researcher concludes.

DISCLOSURE BILL ATTACKED: Broadcasters last week had chance to tell Congress their opinion of bill requiring FCC to make public station financial information, and their reaction was that of mongoose to cobra.

NAB, NRBA and others blasted proposal, as might be expected, and those organizations received significant backing from FCC staffer, irritating several members of House Communications Subcommittee.

While almost no one expects financial disclosure bill proposed by Rep. Mottl (D-O.) to go anywhere, measure did receive highly unusual element of support from one of House's most unabashed friends of business, Rep. Collins (D-Tex.), Subcommittee's ranking Republican. Said Collins: "The concept [of bill] is the opposite of my views—except in your case. You're the most guilty crowd I know [on financial disclosure]... What's the difference between you and [congressmen]?... I listen to a lot of network shows and I never heard them quote their profits... What reason do y'all have to discuss others' profits but not your own?"

NRBA Pres. Harriett Kaplan took strong exception to Collins' comments, shooting back: "I don't think you can compare public official's disclosure to that of business." Earlier, Kaplan had testified bill "would not serve the public interest but has the potential to do harm to that interest." And she said: "There's no question that disclosure would be a disaster."

NAB Chmn. Thomas Bolger said bill would "bring about employee discontent, pervert union negotiations, increase station programming and operating expenses, reduce revenues, affect credit standing and serve to damage the station image in the com-

munity."

FCC Bcst. Bureau Chief Richard Shiben told congressmen that result of disclosure "may be to shift some of the broadcaster's profits into the pockets of others without necessarily improving broadcast service." Despite Shiben's opposition, it's believed that 4 current commissioners (Ferris, Fogarty, Brown, Jones) favor financial disclosure and FCC will have opportunity to issue rulemaking when revised financial reporting form comes before Commission this spring.

Biggest proponent of bill among witnesses was Wilhelmina Reuben-Cooke, Citizens Communications Center staff attorney, who said open books would reveal how much station profit is being put back into local programming, among other things.

In introductory remarks, Mottl described measure as "a self-help bill for viewers and listeners. I want members of the public to have, for once, a tool that they can use, that they can understand, in assessing the performance of their local stations."

Broadcasters also took flak in separate congressional forum last week, this one before a House Small Business Subcommittee examining media conglomerates and their effect on small business. Subcommittee Chmn. LaFalce (D-N. Y.) on several occasions criticized "slice of life" presented on TV. He complained that Congress had allowed network system to evolve, said: "I would hope that new technologies would help to stop us from undoing the past."

Handful of financial analysts highlighted hearing. Their theme was same: Leave conglomerates alone. Said Ellen Sachar, Goldman, Sachs & Co.: "The competitive forces in the free marketplace have created greater diversity of choice for the consumer than any government-enacted policies."

Multimedia is buying independent WZTV Nashville from Reel Bcstg. for more than \$6 million; Reel Pres. Robert Zeele will remain as WZTV gen. mgr. under long-term contract. Broker was R.C. Crisler & Co. ... Karl Eller & John Bayliss, former Combined Communications and Gannett Bcstg. execs., are buying KIOI(FM) San Francisco from James Gabbert for \$12 million; sale is related to Gabbert's purchase of KEMO-TV San Francisco for \$9.85 million. Broker was Richter-Kalil, Tucson... Metro-media is selling KNEW(AM) San Francisco to Malrite of Ohio for \$5 million, buying KJR(AM) Seattle from Kaye-Smith Enterprises for \$10 million.

FCC, FTC and other independent regulatory agencies so far have escaped Administration order to cut federal spending by \$20 billion for fiscal 1981. OMB currently is dealing with Cabinet-level depts. (which could impact on NTIA, arm of Commerce Dept.), may ask smaller agencies for proposed spending cuts later.

Charging signal piracy, 2 Oak Industries subsidiaries filed \$1 million damage suit in L.A. federal court against 16 individuals & electronics firms. National Subscription TV & Oak Bcstg. Systems Inc. charge defendants marketed plans & parts for devices to intercept signals to subscribers.

Cable operators would have had to pay "hundreds of thousands" more in pole attachment fees had FCC not ruled Feb. 28 that cable must pay for only amount of space on poles it uses (one ft.) and no more. Telephone companies sought to have cable foot bill for more. Lawyer Jay Ricks, who represented cable in case, said FCC essentially backed up 1978 pole attachment legislation, which stipulated space assignment. He said FCC action was expected and cable systems would have had to pay "hundreds of thousands" extra if decision went other way.

Citing threat to FOI Act, media group is fighting Senate plan permitting FTC to withhold material subpoenaed from companies. In letters to congressmen, Reporters Committee for Freedom of the Press said plan would open "floodgate" for widespread exemptions by other govt. agencies. Business groups complain material reveals trade secrets.

With hotel rooms just about gone for NAB's April 13-16 Las Vegas convention, hotline has been established for broadcasters to make reservations direct: 800-634-6435.

NAB has increased meeting frequency of Goals Committee from quarterly to monthly, will intensify monitoring of ratings techniques during 1980.

Personals

Joel Thurm, ex-Paramount TV, appointed vp-talent, NBC Entertainment, succeeding Ethel Winant, now vp-miniseries & novels; Donald Wear, NBC Paris consultant, named vp for talent & program negotiations, NBC Sports, N.Y. hq; Paul King promoted to vp-drama programs, NBC Entertainment... Phyllis Glick, independent casting dir., joins ABC Entertainment as mgr.-comedy program development... Joseph Di Certo promoted to communications dir., CBS TV Stations Div.; Sheldon Perry, ex-Universal TV, appointed vp-administration and asst. to pres., CBS Entertainment.

Joseph Dealey elected chmn.-chief exec. officer, A. M. Belo Corp. (WFAA-TV Dallas & other stations, Dallas Morning News); James Moroney, exec. vp, succeeds Dealey as pres.-chief operating officer... Ann Shannon promoted to vp-marketing & research, Gannett Bcstg. & Outdoor Advertising, Phoenix hq... Mel Kampmann, WJLA-TV Washington news dir., resigns, replaced temporarily by Asst. News Dir. Howard Glasserth... Daniel Kain, ex-WGBY-TV Springfield, Mass., appointed editorial dir., WFSB-TV Hartford.

Thomas Giocco, pres.-gen. mgr. of WOTV Grand Rapids, moves to Time-Life Films as senior vp-TV distribution, succeeding William Miller, who will seek out new program distribution opportunities for Time-Life, effective April 1; Thayer Bigelow, now vp-gen. mgr., Time-Life Satellite Network, moves to senior vp-finance & corporate development, Time-Life Films, new post... Jack Hughes, ex-WNBC-TV N.Y., appointed engineering dir., WXTV Paterson, N.J... Robert Munoz appointed vp-marketing dir., Galavision, Spanish-language pay-TV services; Emilio Nicolas succeeds Munoz as gen. mgr., KDTV San Francisco.

Terry Banks, ex-FCC assoc. gen. counsel, appointed chief, Office of Opinions & Review, becoming Commission's highest ranking black staffer; James McKinney promoted to chief, Field Operations Bureau, succeeding C. Phyll Horne, retired; Thomas Cohen, Common Carrier Bureau, will be named asst. gen. counsel for legislation; Richard Vaughan, promoted to regional dir., FCC San Francisco office, succeeding Ney Landry, retired; Elliot Maxwell, special asst. to FCC Chmn. Charles Ferris, appointed deputy chief for policy, FCC Office of Science & Technology; Daniel Kelly, OPP senior economist, succeeds Maxwell; Barbara Glover promoted to confidential asst. to FCC Comr. Abbott Washburn, succeeding Catherine Toms, retired.

John Lundin advances to partner in A. D. Ring & Assoc. consulting engineers... Susan Kraus, ex-Ross Roy (Detroit ad agency) appointed asst. dir.-broadcast management, NAB; Michael Riley joins NAB as assoc. membership coordinator... Andrew Brilliant, ex-HBO, appointed vp-gen. counsel, ESPN... Arthur Dwyer, ex-GE, joins Cox Cable as dir.-corporate communications.

Frederick Pierce, ABC TV pres., speaks to Hollywood ATAS luncheon March 12, Century Plaza Hotel... Producer Garry Marshall receives HRTS

"Man of the Year Award" March 10, Century Plaza Hotel... Mardae Birchfield, KBTB Denver, and Philip McDonald, WCKY(AM) Cincinnati, receive 1980 "Abe Lincoln Awards" from Southern Baptist Radio-TV Commission; Wilson Wearn, Multimedia, given Commission's "Vincent T. Wasilewski Award."

Edith Herman, ex-Chicago Tribune reporter with 11 years experience, joins Television Digest Inc. as assoc. editor... Mary Bitterman, ex-exec. dir. of Hawaii Public Bcstg. Authority and vice chmn. of NAEB, confirmed by Senate as VOA dir... Mark Mullin, ex-Fotomat, appointed senior vp-national sales, RAB.

William Stalk, Nielsen Media Research Group new business development mgr., promoted to vp... Howard Rosenblum, ex-HR TV, appointed client service rep, Arbitron TV advertiser-agency sales; Meredith Mannl promoted to eastern account exec... David Brangan, Avery-Knodel Detroit mgr., promoted to vp... Robert Bramson advanced to pres., MCA TV International; Colin Davis to exec. vp & dir.-international sales.

Charlotte Hubbell promoted to chief counsel-operations, HBO; Richard Thomas to dir.-human resources, new post; Linda Davis to dir.-corporate PR; Jane Gibbons, ex-ABC, to dir.-PR, west coast... Edwin Hopper, ex-Wehco Cable TV Div., appointed vp-cable TV, Liberty Communications, new post... James Kanely, ex-Superior Cable, elected pres., Valtec... Paul Beneteau, ex-Telsat Canada, appointed vp, American Electronic Labs, and gen. mgr., CATV Communications Div... Rudy Roscher appointed vp-gen. mgr., American Data Corp. and Philips Bcst. Equipment... Mark Fehlig promoted to marketing mgr., Moseley Assoc... Don Kelly joins U.S. Tower Co. as marketing mgr... Robert Hoffman, ex-Warner Bros. syndication, named head of Tele-Mine west coast office, will be in charge of acquisition for pay-TV programming; Martin Nierman, ex-Edward Petry pres., appointed dir. of CATV sales.

David Carley, partner in Carley Capital Group, Madison, Wis., appointed pres., Assn. for Public Bcstg... Maxine Rockoff, CPB planning & research vp, resigns following reorganization which eliminated her position; Harvey Dickerson named controller, also part of reorganization... Virginia Fox, ex-Ky. ETV, named SECA pres.; Ed Wegener, ex-Auburn U., named Ala. Educational TV Network gen. mgr... Bill Jackson, ex-PBS dir. of development/underwriting, named gen. mgr., KLRN-TV & KLRU(FM) San Antonio-Austin... Vance Rogers elected Neb. ETV Commission chmn.

Exorbitant defamation insurance costs in 8 states are reported in NAB study. Defamation Insurance Project found broadcasters in S.C., Ala., Okla., Cal., Hawaii, Fla., Vt., N.H. pay 50-100% more for libel & slander insurance. Problem is result of anti-First Amendment climate leading to unfavorable verdicts and high court costs, NAB said.

WENS-TV (Ch. 44) & WCIU-TV (Ch. 26) have been granted STV authority by FCC. For details, see TV addenda.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA for week ended Feb. 22 (8th week of 1980):

	Feb. 18-22	1979 week	% change	Feb. 9-15	2 mo. 1980	2 mo. 1979	% change
Total TV	266,981	317,133	-15.8	230,533	2,085,635	2,143,917	-2.7
color	187,914	190,262	-1.2	151,229	1,362,642*	1,333,522	+2.2
monochrome....	79,067	126,871	-37.7	79,304	722,993	810,395	-10.8
Home VCR	14,153*	10,392	+36.2	12,445	95,420*	56,211	+69.8

Color TV 5-week moving average: 1980-189,510*; 1979-183,273 (up 3.4%).

Home VCR 5-week moving average: 1980-14,499*; 1979-8,193 (up 77.0%).

*Record for period.

RCA POSTS LARGE COLOR PRICE INCREASE: In daring move which could hold umbrella over industry prices, RCA told distributors late last week it's adding to price hikes announced Feb. 11 (Vol. 20:7 p12) by another 3.1% at factory on color, less than 1% on b&w. Entire color line is affected by suggested retail increases of \$10-\$40. Boosts are effective as of Feb. 13 orders, same time as previous increases, which generally were \$10 per set at retail. It was RCA's 3rd price increase in as many months.

Typical of increases in RCA line: Open-list 13" leader, up equivalent of \$10 at retail; 17" remote, increased \$10 last month, up another \$10 to \$530; 19" open-list leader, up at least \$10; 19" step-up, \$440 before Feb. increase, now \$460; top 19" Colortrak remote, raised \$10 last month, boosted another \$30 to \$650; 25" table, up \$40 to \$750; leader XL-100 console, open-list, up \$20-\$30, step-up up \$40 to \$680.

RCA's color TV sales increased 10% last year, according to annual report, with earnings from TV products (TV sets, VCRs) up 13%. Profit from consumer electronics products & services—including RCA Records as well as Service Co. consumer business—totaled \$97 million, down 33% from 1978, while sales were up 10%. Affecting net were operating loss for Records, expenditures on videodisc development.

RCA DISC SEEN CHOICE OF U.S. INDUSTRY: In wake of Zenith's adoption of RCA-developed grooved capacitance videodisc system, these were last week's developments & prospects: (1) It appeared likely that system would become "American" standard, at least for time being, embraced by all major U.S.-owned TV manufacturers. (2) At least one important Japanese TV maker was understood prepared to break ranks and produce RCA-compatible players for U.S. OEMs. (3) Universal Pioneer is developing stripped-down version of optical player with more features than RCA's, designed to compete directly next year at \$500-\$550. (4) RCA is believed to have promised Zenith about 50,000 players to get it started, but any others who sign RCA disc pacts will have to scrounge elsewhere for first supplies.

With Zenith & RCA agreeing on same system, companies representing more than 40% of U.S. color TV sales now have "standardized" on capacitance system. Odds are strong that the 2 remaining U.S.-owned major TV makers—GE with about 7% of market under own brand and GTE (Sylvania & Philco) with at least 5%—will adopt same system, bringing total to more than 50% of U.S. color market and at least 80% of dealers. J.C. Penney (1.5% of color market) is also expected to come along, leaving Sears (7.5-8%) as sole "American" brand still uncommitted.

Battle isn't over. In optical-system camp is Magnavox (7% of U.S. market), and non-TV

maker Pioneer is expected to announce nationwide marketing plans for optical system March 26. Optical has lead in terms of time, is expanding into new markets, will be in 8 by end of this week, and Magnavox says its players will be available nationwide in markets covering 65% of TV homes by year's end. Pioneer player will add to supply, and optical system could lead capacitance in players-in-use at least through 1981.

Having signed Zenith for hardware, CBS for software, RCA has recruited its 2 biggest corporate enemies—development so surprising as to be unthinkable one short year ago. Zenith-RCA announcement, released March 3 immediately after signing in Chicago, told of agreement on "exchange of videodisc technology [including] access by each company to the other's patented videodisc player developments." Pact covers past developments, extends into undisclosed future period. RCA declined to give any specific answers to questions, preferring to have them fielded by Zenith.

What was Zenith's price for agreement? It's understood most recent negotiations have centered on size of starter package of OEM players RCA could supply until it begins own production early in 1982. While RCA announced last Dec. that it would have 200,000 players in distribution in 1981 (Vol. 19:50 p8), it made clear that these would all carry RCA brand. As reported here, company is aiming at 250,000 first-year production, and it's believed to have promised the extra 50,000—plus any possible overruns—to Zenith.

Zenith's intensive videodisc development in early 1970s was concentrated first on mechanical system, then on optical, and it's believed it chose capacitance system over objections of some company engineering officials, who preferred optical. Exec. Vp Walter Fisher outlined rationale: "The capacitance system meets all requirements that we have in mind, and we believe it can be sold to the American consumer at prices that provide a much better opportunity to become a mass-market product. The optical is a very good system, but it's inherently much more expensive, and it will continue to exist, primarily in the educational and institutional field."

Zenith will introduce players nationwide in mid-1981 matching RCA's under-\$500 price, and Fisher thinks demand will outstrip supply into 1982 or '83. Zenith distributors & dealers will be in software business, too, presumably through agreements with producers CBS & RCA. Fisher said Zenith hasn't determined whether to underwrite any software, but "we do feel compelled to do anything we possibly can to make available software to our dealer & distributor organization. Anything which can be done to enhance availability of that end of the business—that's what we'll do. I think that's the main achievement of the RCA-Zenith move—it provides standardization to take the iffy-ness out of any investment the software manufacturer may want to make."

Sidney Sheinberg, pres. of MCA, optical system's co-developer and co-proprietor (along with Philips & IBM), commented that Zenith & RCA had decided to "go with something admittedly inferior solely because of price." He expressed faith that consumer would make optical system U.S. standard. Although Pioneer's introduction of consumer model this month will stress unique interactive features of system (at player price near \$1,000)—and Magnavox is expected to add step-up model in Pioneer's price range—Sheinberg said Pioneer was "ready, willing & able to sell a player which can very comfortably retail at \$500-\$550." This would be designed to compete directly with RCA, playing one-hour-per-side (constant linear velocity) discs only, but with stereo sound.

"Software is the name of the game," said Sheinberg, promising "more aggressive stance" by MCA on fresh releases, such as "Electric Horseman" & "Last Married Couple," now coming up, and would capitalize on Pioneer's access to hi-fi dealers with series of music discs utilizing both stereo-sound & random-access features, which RCA players won't have. These presumably will be announced at joint news conference by Pioneer & Discovision Assoc. (MCA-IBM).

Where does this leave System No. 3—incompatible JVC grooveless capacitance system, proposed by Matsushita as domestic-market & world standard? Silence from Japan was deafening, and we could get no reaction to Zenith move at presstime. It's understood Zenith had been in intensive talks with Matsushita, told it that it wouldn't sign up unless company first got another American licensee and gave proof that quality software would be available in ample quantity.

Zenith move, and expected choice by GE & GTE, are tempting enough for Japanese manufacturers to break relatively solid front and pick up some OEM (as well as possibly own-brand) business—and we know at least one Japanese TV major is seriously considering making RCA-type player for sale in U.S. only. EIA-J's standardization proceedings apply to Japanese domestic market only. Universal-Pioneer already is producing optical players in Japan for U.S. market before any Japanese standards have been developed.

Japanese, of course, pin large amount of hopes & plans on VCR—working hard to reduce cost of player & cassette and to develop high-speed duplication systems to bring down prices of pre-recorded cassettes. Matsushita's 3 American affiliates—JVC, Panasonic & Quasar—jointly control 8% of U.S. color TV market at most, and presumably plenty of study will be given to subject before they decide whether to introduce 3rd system here.

* * * *

RCA-Zenith agreement was termed "a major piece of news" by GTE Entertainment Products Senior Vp-Gen. Mgr. Thomas Shepherd—"not a surprise, but momentous nonetheless. Videodisc is a software-driven industry and this will enlarge the universe of available software and suitable players." Will Zenith's choice be factor in GTE's decision? "Yes." When will decision be announced? "Early 1980." GE had no comment. However, fact that all of RCA's surplus player production probably will be absorbed by Zenith would appear to make GE & GTE announcements less urgent—they'll have to wait until they can set up own production or get OEM suppliers before they can enter market. GE has close ties with Hitachi, which makes its VCRs and could be important part of videodisc player plans. Fly in videodisc ointment is that RCA has yet to give its licensees (including Hitachi) enough technical details to make players. (Immediately following RCA's "tell-a-little" technical session in Indianapolis [Vol. 20:8 p8], JVC sent vast amount of technical details on VHD system to Japanese manufacturers.)

With exception of handful of hardware manufacturers directly involved, general reaction of software-dominated ITA seminar audience to announcement of RCA-Zenith connection was non-concern. This was caused partly by lack of understanding of TV marketplace, partly by feeling of non-commitment to any single home video delivery system. Fotomat's Steve Wilson told us his company is ready to retail any & all disc formats, and his main concern is "getting enough players out there so we can get into the market."

Even competing hardware producers at ITA were reserved. MCA & DVA representatives said Zenith decision would have no effect on their plans, although one acknowledged "we would have loved to have Zenith go along with us." Magnavox Senior Vp Kenneth Ingram said company would "continue on our own course," confident that Magnavision would beat out Selectavision in "A-B comparison." Zenith-RCA introductions will help generate consumer interest in disc, he said, and "after the market pie is created, we'll start worrying about how to slice it up." (For first studies on videodisc ownership, see p. 11.)

North American Philips had similar comment. Optical system, it stressed, was only one now available. "When & if" capacitance system becomes available, it will give consumer "opportunity to evaluate competing systems," it said officially, and "the consumer will determine the standard." No formal comment could be obtained from officials of CBS, committed to producing discs for capacitance system, but those we talked with informally were quietly jubilant.

Wall St. expressed complete unconcern, even though analysts in recent weeks have been touting RCA and/or MCA as stocks at forefront of new videodisc era. On day of announcement, Zenith stock rose 7/8, RCA declined 1/8, and before week's end Zenith hit year's low and RCA dipped slightly in general market downtrend.

Initial reaction from Japanese was predictable. Matsushita & JVC said they would proceed with effort to line up support from domestic & foreign hardware & software companies. Pioneer said it would continue with optical disc production. Hitachi, Sony & Toshiba, all fence sitting, said they were studying 3 routes to videodisc market, hadn't reached decision.

TV DUMPING DUTY TAB CUT 83%: After 3 years of arguments, protests & haggling, what may at last be final revision of dumping duty assessments issued by Treasury in March 1978 (on Japanese TVs imported prior to June 1973), are going out to importers this week. Bottom line: Cumulative levy has been trimmed from original \$46 million to \$8 million. But even that may not satisfy Japanese.

Latest revision marks end to TV dumping involvement of old Customs Task Force, transfer of responsibility to Commerce. New levies result from application of policies set down in protest rulings issued by Customs last Oct. (Vol. 19:45 p8), will be used by Justice Dept. to revise amounts being sought in collection suits pending against some importers.

If Commerce elects to adopt same policies & procedures in effort to clear up backlog of unprocessed Japanese TV entries through June 1979, remaining potential dumping duty liability will be in \$50-\$100 million range, as opposed to \$400-\$600 million estimate offered up by General Accounting Office at congressional hearing in Sept. 1978 (Vol. 18:39 p9).

GAO estimate was always on high side as it was based on early period for which Japanese had inadequate documentation to support claims for downward assessment reduction, we were told by govt. official close to case. Some companies, such as NEC & JVC, found it almost impossible to substantiate claims for sets exported at that time, but not for later shipments. New revisions, we're told, ease dumping burden significantly for Sanyo, Sharp & Matsushita. Sears, which paid dumping bill in cash in Dec. 1977, "is going to get a good piece of its \$5.5 million back." By implication Toshiba, Sears' main TV supplier during period, also is substantially off hook.

Even \$8 million may turn out to be more than is actually collected, as new assessment doesn't reflect adjustments yet to be made on factual grounds—mathematical errors, incorrect matching of domestic & export model sets. For one Japanese manufacturer, claims of clerical error account for 80% of its dumping levy. Japanese have contended they'll pay, rather than fight, if they feel final dumping assessment policies & amounts are reasonable. Decision on that can't be expected until Commerce makes its position known.

ITA SEMINAR—HOME VIDEO OVERKILL: ITA Home Video Seminar in San Diego last week resembled modern color picture tube, with dots of glowing excitement surrounded by black matrix tedium. Roster of some 75 speakers (there were about dozen dropouts) crammed into 13 hours of sessions so overloaded attendees with repetitive data that March 5 meetings of 3-day event were shunned by all but handful of 450 attendees.

Among highlights: (1) Launch of videodisc market-supremacy battle between capacitance & optical format supporters. (2) Sale-vs.-rental split in software ranks. (3) U.S. preview of Philips' Video 2000 VCR, complete with market plans. (4) First public appearance by Discovision Assoc. Also on list of firsts were Fotomat report on tape rental, Time videodisc player buyer profile, ITA presentation of "Golden Videocassette Award," recognizing \$1-million sellers. (Details elsewhere in this issue.)

Software in general, disc in particular, dominated sessions, and disc hardware outlook was theme of luncheon speakers RCA Vp Jack Sauter and Magnavox Senior Vp Kenneth Ingram. Philips supplied only speaker concentrating on VCR product development. Blank videocassette market was all but ignored, creating general malaise among old-line association members concerned that show-biz interests were taking over. Said one: "They've forgotten that the T in ITA stands for tape."

It's not that attendees were unhappy with event itself. New information was there in plentiful supply for those able to sift it out. It may be reflection of video industry maturity that too many speakers were unwilling or unable to say much of significance. Situation was summed up by Bell & Howell's Robert Pfannkuch who told audience "how much you say" at meetings attended by competitors varies in inverse proportion "to how much your company has invested" in business being discussed.

VIDEODISCS AT ITA: Videodisc players, along with promise of billions in coming consumer hardware & software sales, was darling of ITA Home Video Seminar attendees, who seemed little concerned that market might be slow to develop and limited when it does.

That attempt at sobriety was offered up by Magnavox Senior Vp Kenneth Ingram, who by way of responding to pending introduction of RCA's lower-priced capacitance Selectavision system as competition to optical Magnavox Magnavision, said flatly "this is not a mass market" product. Magnavox research shows disc buyer is affluent, knowledgeable and "places high value of stereo [audio] capability"—a reference to RCA's plan to offer mono-only at first. Most optimistic projections put 4 million disc players in homes by 1984, or 10% of market, so "we are dealing with a relatively small segment," and "my own number is not that high," Ingram stated. Next 4-5 years "will be crucial to the development of videodisc systems" in U.S., and "we have a monumental exposure job on our hands."

Essentially same message of hard work ahead, but with somewhat brighter outlook, was delivered by RCA Vp Jack Sauter. He said he expected 30-50% market saturation over 10 years, with 10th year sales of 5-6 million players, 200-250 million discs, "but not without a comprehensive marketing program." He repeated previously stated contention that only one disc system will survive, warned consumer confusion over 2 or more systems could lead to failure or at least postpone market development. "Success will be determined by reliability, performance and price."

In survey of 400 Magnavision buyers, along with 400 Quasar VCR consumers, Time Inc. turned up essentially identical customer profiles among 62.1% responding, with disc buyer being slightly more affluent, slightly less dependent on CATV, pay-cable or STV. Of respondents, 61% had VCR, 22% disc, 17% both. Income of all was in \$35-\$40,000 range, 9 of 10 were male, average age 36, majority were multiple color TV owners, bought as result of demo by friend or in store. Average disc player owner bought 4.6 discs at initial purchase, total of 16 in first years; 64% said they would be interested in disc rental; 38% said they planned to buy VCR but only 5% of VCR owners expressed plan to buy disc player. Of dual owners, 11% plan to buy 2nd disc player, 7% seek another VCR. Just over a 3rd of disc owners said program music content was important, about same share said stereo sound was also important.

Discovision made first public appearance at seminar. Pres. John Reilly said DVA has about solved all optical disc production problems, and "we have not discounted the optical [system] in the consumer market." But, he added, DVA is taking a systems approach to consumer: "We think it's much more important to use this in an active way" rather than as a simple player of pre-recorded programs. Though he didn't mention it specifically, slides used in demonstration implied DVA would have own-brand hardware, as well as software on market. On disc production for others, he said DVA charges about \$4,000 for mastering, making

disc run of 1,000-3,000 practical. Average industrial user will pay \$18.20 per 2-sided disc for orders of 3,000-&-over. Thomson CSF had flexible disc player on display. Company has modified system so that disc is now housed in caddy for slot-load into player.

While Sony in Japan was still considering decision on adoption of consumer disc format, spokesman for Sony Video Products, U.S. commercial-industrial market arm, indicated a no-disc decision has been made for that market segment. Sony believes "disc is an offer industry probably can and will refuse," according to Robert Mueller, who said tape is still best answer to non-consumer video needs. For most companies, switching to disc "would be like building a 747 in your basement." Sony, he said, believes in disc, is committed to best possible format, but "we haven't done that yet... we haven't yet seen a system that can justify the dollars."

PHILIPS VCR PLANS: There's apparently been some delay in Philips' development of NTSC version of Video 2000 home VCR introduced in Berlin last Aug. (Vol. 19:36 p8). At ITA Home Video Seminar, Video Deputy Mgr. William den Tuinder said company hoped to have unit for sale in U.S. (presumably by subsidiary Magnavox) by end of 1981, instead of late 1980-early 1981, as originally believed.

Plans call for having range of models on European market this year at \$900-\$1,400. Portable, in works, will use full-sized cassette, den Tuinder stated, putting to rest rumor company planned portable using 1/4" tape—unit records on only half width of 1/2" tape at time, and cassette is flipped over for other half, much in same manner as audio cassette, so it would be possible to use 1/4" cassette in full-sized VCR.

Cassette changer providing 48-hour capacity was shown in Berlin as something of joking commentary on VHS-Beta playing time battle, but because of reaction "we're working on developing a real one." As for pre-recorded software, Philips is setting up duplication operation in Europe, will soon start selling equipment to others. Philips estimates worldwide VCR sales at 1.8 million last year, sees expansion to 6.4 million by 1984, with Europe providing largest share. Here's how it looks (units in 1,000's):

	1979	1980	1981	1982	1983	1984
Total . .	1,800	2,560	3,500	4,450	6,300	6,400
Europe . .	550	710	1,000	1,300	1,600	1,900
U.S. . .	475	700	950	1,200	1,400	1,700
Japan . .	475	700	950	1,150	1,300	1,600
Other . .	300	450	600	800	1,000	1,200

In related presentation, William Madden, 3M, put worldwide magnetic audio-video tape market at \$2 billion at factory level in 1979, up 500-600% from 1970, said it would double by 1985. He cautioned audience against expecting market growth to result in significant price reductions, pointed out that tape manufacturing costs have risen 32% in last 2 years. Efficiencies in videocassette production already have lowered consumer price below that of quality audio cassettes, 85¢ per sq. ft. against \$1, though video operating cost is somewhat higher, \$.75 per hour, to about \$4 for audio.

JAPAN'S EXPORT YEAR: VCR passed TV in value terms last year to become Japan's biggest consumer electronic export to U.S., Finance Ministry figures show. At current exchange rate (240 yen to dollar), value of Japan's VCR shipments last year jumped 32.6% to \$357.9 million, while color-plus-b&w export value fell 48.6% to \$209.9 million. Of course, since Dec. 1978, yen has dropped about 18% from 196-to-dollar. Adjusting for rate change trims actual dollar value increase for VCR to just 8.2%, increases TV decline to 54.9%.

Japan exported 72,300 VCRs (consumer & industrial) to U.S. in Dec., up 52.7%, for full-year total of 680,300, up 24.8%. TV was something of disaster area for Japanese exporters last year, as Dec. shipments fell 62% to 101,400, leaving year at 1.34 million, down 59.2%, and lowest since 1965. Dec. color shipments were down 27.6% to 64,000; 685,900 for year was worst since 1967 and down 55.4%. B&w was off 79% in Dec. to 37,300, down 75.8% to 435,700 for year, lowest since 1975 and 2nd lowest since 1963. In color, Japanese exported 32,100 complete sets in Dec., down 53.2%, 517,600 for year, down 61.4%; incompletes totaled 31,900 for month, up 61.5%, 168,300 for year, down 13.3%.

Change in exchange rate complicates average-price picture. Based on current rate, average export price of color TV last year was \$259.55, up from \$197.28; color chassis dropped to \$108.45 from \$142; b&w rose to \$87.44 from \$65.88; VCR jumped to \$526.05 from \$495.18. But based on Dec. 1978 rate, averages for that year were: Color TV \$241.57, color chassis \$173.87, b&w \$80.67, VCR \$606.33.

* * * *

Japan's 1979 export trends continued into 1980. Ministry reports Jan. VTR exports to U.S. jumped 132.1% to 74,200, while TV shipments leveled off at 67,800, up 1.8%. Total color exports dropped 23.5% to 33,100, as complete sets dropped 40.3% to 16,500, while incompletes edged up 6% to 16,600, marking first time completes accounted for less than half of monthly unit shipment total. B&w exports jumped 48.8% to 34,600.

ITA awards: Marking 10th anniversary, ITA named retired (now vp) Exec. Dir. Larry Finley "Man of Decade," as alternative to usual "Man of Year" award... Initial ITA Pioneer Award went to Fox's Steve Roberts, who made his company first film studio involved in videocassette marketing... retired Motorola Vp Oscar Kusisto received Appreciation Award for role as ITA founder... First "Gold Cassette Awards" for \$1 million sales (list) at retail went to Magnetic Video for "MASH," "Patton," "Sound of Music," "French Connection." MV's Al Eichler said "Tora! Tora! Tora!" had also just topped \$1 million mark.

Harman Kardon broke ground for new world hq in Crossways Industrial Park, Woodbury, N.Y. All of company's components will be manufactured in parent Shin Shirasuna's factories in Japan, Singapore, Taiwan & Malta (Vol. 20:1 p11), but designed in U.S.

TV QUOTA HEARING: Magnavox surprised industry by appearing at International Trade Commission's TV quota extension hearing last week to ask that quota be both continued and revised to close definition gap that permits "circumvention" of import-limiting agreements by foreign-owned color plants here.

Noting that at least one Japanese manufacturer in U.S. imports all components except tube & cabinet, Magnavox urged wording covering quota on incomplete sets "be amended to cover chassis alone," apparently intending restriction be applied regardless of whether individual parts are mounted on circuit boards or imported separately. Magnavox was sole traditional U.S. manufacturer to speak at hearing, though in written replies to ITC questionnaire RCA said it supported continued quotas on Taiwan & Korea but not Japan. Zenith stated it was in favor of general extension as stop-gap measure, pending enforcement of antidumping and other laws designed to halt unfair import competition.

COMPACT, which filed original petition resulting in current quota arrangements and current one asking for extension past slated July 1 expiration date, fleshed out arguments in extension petition filed last Dec. (Vol. 19:52 p10). Its witnesses argued industry has only had year of relief, as quotas on Taiwan & Korea weren't effective until Feb. 1979—Japan's quota started July 1977—said quotas have resulted in sharply increased investment in U.S. industry.

Importers and spokesmen for industries of Japan, Taiwan & Korea followed expected path, argued relative health of domestic industry, stable market pricing, makes quota protection no longer necessary. Hearing was essentially tame, without emotion displayed in first quota hearings in 1976-77. Final briefs are due March 17, and ITC is working on internal May 15 deadline for submission of recommendation to President.

MATSUSHITA SETS RECORDS: Matsushita's consolidated net income & sales for year ended Nov. 20 were up 10% to new records (see financial table) and company forecast fiscal 1980 sales would crack \$10-billion barrier, rising 10.1% to \$10.61 billion, earnings going to \$449 million, up 11.9%. Fourth-quarter sales & earnings also set records, up 14% & 16% respectively. Matsushita noted resurgence of demand in Japan, but said fluctuations in yen and import restrictions slowed export pace "until recovery set in the 2nd half of the year."

Leading sales gains were color TV, VCRs & audio equipment, company said. Exports totaled nearly \$2.5 billion last year, up 5% from less than \$2.4 billion in fiscal 1978, represented 25.6% of sales in 1979 vs. 27% in 1978. Consumer electronic equipment & component sales exceeded \$4.1 billion last year, up 9%, representing 43% of total vs. 43.3% in 1978. Appliances, at nearly \$2.9 billion, accounted for 29.7%, up 9% in dollars but down from 30.1% of total sales. Matsushita results include sales of 122 affiliated companies, including JVC.

RCA increased quarterly dividend to 45¢ from 40¢ per share, 4th increase in 4 consecutive years.

VIDEO SOFTWARE SPLIT: Rental vs. sale emerged as something of divisive issue at ITA Home Video Seminar last week, with problem revolving more around mechanics of putting consumer on pay-per-view basis rather than theory.

Rental of video cassette or disc, akin to selling ticket to movie goer, is concept dear to hearts of studios, with exception of Paramount which "believes a sale is final" and intends to continue practice of giving title to programs to distributors & retailers. Lawrence Hilford, one-time head of defunct Cartridge TV's Cartridge Rental Network and now Columbia senior vp, said nearly every video software retailer has some kind of rental scheme, and "problem is that Columbia is not participating in the rental revenue." As VCR gains popularity among lower income consumers there'll be more resistance to high software prices, greater interest in rental. "Your 5-millionth customer will have less disposable income than the millionth customer," Hilford said.

Walt Disney Studio's commitment to rental was underscored by Vp James Jimirro, who said 4-city rental market test with Fotomat, kicking off this week (Vol. 20:9 p11), could go national by Sept. Both 20th Century-Fox and Warner spokesmen said they were looking at rental, would consider it if way to solve obvious theft, handling, record-keeping & quality assurance problems could be developed. Hilford indicated answer might lie in charging dealer flat monthly per-copy fee.

From distributor side, Al Markin, Video Corp. of America, said \$50-\$60 price would keep pre-recorded tape from ever becoming mass market item and "we believe that ultimately rental will be the major method" of getting software into homes. VCA,

Coleco will settle SEC charges that it misstated 1977 & 1978 financial results, consenting to injunction barring it from violating anti-fraud & reporting provisions of security law, without admitting or denying charges, SEC said. Coleco's problems arose from late delivery of video games for 1976 Christmas season, according to SEC. Some \$3.9 million in games returned by retailers in first half 1977 weren't properly reflected in its financial reports, SEC charged, adding that company's accounting methods overstated earnings in same period and that its first quarter 1978 statement failed to reflect significant drop in value of game inventory. Coleco called settlement "unnecessary" because it had already voluntarily restated 1977 results.

Stereo-sound videocassettes will be introduced at CES by Media Home Entertainment. Seven musical releases will include audio cassettes to provide stereo soundtrack. Beep recorded on videocassette cues viewer to push play button on audio tape deck for synchronization of audio & video. Stereo cassette adds \$3-\$5 to price, bringing music video-audio tapes to \$40-\$44.

Electro '80, IEEE convention May 13-15 in Boston, will feature major sessions on personal computing, microprocessors & fiber optics, few papers specifically relating to consumer electronics.

now renting via mail, will start retail outlet rental test this fall, may offer hardware rental, with buy option, to members of its Vidamerica Club.

Impact of rental was spotlighted by Fotomat Vp Stephen Wilson, who told us firm's kiosks rent 4-5 tapes for each one sold, though ratio varies greatly with nature of material. With sci-fi films, rent-to-buy ratio averages 10-1; sexy (not "X") films 7-1; drama 6-1; musicals 5-1; action, adventure, family & children's 4-1; classics, comedies, love stories 3-1; famous fights 2-1. For some individual titles, rental wins by as much as 33-1, he said, adding that nothing in Fotomat's catalog sells more than it rents. Experiment with in-store stocking in Manhattan shows ratios hold up regardless of whether customer orders in advance by phone or picks up tape on impulse.

What to sell after market for blockbuster feature films has wound down is another major problem for which software industry has no answer. Several speakers pointed out that high production costs make home-only program creation a distant-future proposition and existing market is too fragmented for development of special-interest programming.

Robert Reed, National Video Clearinghouse, says his publishing firm now catalogs 30,000 video programs, has analyzed 15,000 of which 60% are in VHS or Beta format, 56% are available for home sale or rental. Some 43% are general interest-educational, 22% entertainment (95% movies), 16% health, 8% fine arts, 6% children, 3% how-to, 3% sports & recreation, 1% business & industry. (More comprehensive coverage of seminar software scene is featured in current issue of our sister publication Video Week. For complimentary copy, contact Circulation Mgr. Barbara Pratt in our Washington hq.)

Export incentives were urged by EIA as "high national priority" at GOP platform hearings. Pres. Peter McCloskey recommended development of "U.S. Trading Company" for world marketing, 10% tax credit for R&D, other tax benefits which would encourage R&D in U.S. instead of overseas. Goal must be better products, made in U.S., said McCloskey, "enabling us to win export sales in world markets and... to ward off the penetration of our home market by imports." EIA will make same appeal at Democratic platform hearings.

Joint ventures & mergers: Fuji & Siemens have established equally owned joint venture in Japan, capitalized initially at \$800,000, to market components made by both companies. Stockholders of Silo, 53-store TV-appliance dealer, approved merger into Cyclops Corp., Pittsburgh specialty steel manufacturer.

"Indoor TV Antenna Performance," report by FCC's UHF Comparability Task Force, is available from Publications Officer, NTIA/ITS, 325 Broadway, Boulder, Colo. 80302 or National Technical Information Service, 5258 Port Royal Rd., Springfield, Va. 22150 at \$5 (ask for PB 80-128598/AS).

Philips is adding \$2,370,000 film resistor plant to its wholly owned Korea facility, with annual capacity of 420 million units.

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Clarostat			
1979-year to Dec. 29	19,027,000	526,700	.95
1978-year to Dec. 30	15,924,000	857,000	1.55
Doyle Dane Bernbach			
1979-year to Dec. 31	104,475,000	9,009,000	3.40
1978-year to Dec. 31	88,907,000	7,618,000	2.87
1979-qtr. to Dec. 31	33,711,000	3,946,000	1.51
1978-qtr. to Dec. 31	29,364,000	3,683,000	1.39
Electronics Memories & Magnetics			
1979-year to Dec. 31	106,690,000 ^a	2,605,000	.29
1978-year to Dec. 31 ^b	92,906,000 ^a	5,799,000	.88
Matsushita Electric ^c			
1979-year to Nov. 20	9,380,000,000 ^d	390,400,000 ^d	3.34 ^e
1978-year to Nov. 20	8,520,000,000	354,200,000	3.05 ^e
MPO Videotronics			
1979-year to Oct. 31	22,838,239	470,539	.86
1978-year to Oct. 31 ^b	21,011,176	873,587 ^f	1.58

Notes: ^aFrom continuing operations. ^bRestated.
^cAt yen's current price. ^dRecord. ^ePer ADR.
^fIncludes special credit.

Consumer Electronics Personals

James Fiedler, former exec. vp, named pres. of MCA Discovision, succeeding John Findlater, who retires March 31... Tadasu Waki, exec. managing dir., elected Akai pres., replacing retired Minokichi Saito... Kozo Hirayama, chief exec. officer of NEC America, named chmn.; Ko Muroga, former exec. vp, succeeds Hirayama as pres.; ex-Chmn. Shinichi Uematsu continues as senior vp of parent Japanese company.

Robert Pierce, ex-Zenith, Admiral & Interstate Industries, named exec. vp of Marketing Concepts Inc., Gulf & Western-Madison Sq. Garden subsidiary which produces corporate sales meetings, films, etc., including GE, Quasar & Zenith among clients... James Crescente, ex-Pertec, joins Media Home Entertainment as controller... John Bailey, ex-Ries & Geltzer (Sony account), joins Burson Marsteller as exec. on JVC Professional Video account.

C.L. McCabe, ex-OEM sales mgr., named ADC national sales mgr., succeeding John Gennaro, resigned... William Millon, Motorola vp-CB radio business dir., adds same duties & titles for auto-sound, succeeding Acting Dir. Lawrence Jones, who will devote full time to duties as Automotive Products Div. mktg. & planning vp... William Bayer, ex-Control Data, named pres. of Memorex General Systems Group... Bernard Lerner resigns as Sansui dept. store sales mgr.

Marvin Perkel, QAR Industrial Electronics, Mt. Vernon, N. Y., elected NEDA pres., succeeding Skip Twietmeyer, United Radio Supply, Portland, Ore., who becomes chmn.; new NEDA vps: Consumer, Eldon Schoedel; industrial, Ernest Schilling; general-line, Jack Hinterscheid; MRO James Sawyer... Irving Roane promoted to Sola Electric national accts. mgr... Pat Bennett named Centralab distributor sales mgr., Robert Michaels Electronics Components Group sales mgr.

BSR is increasing production of record changers in England despite layoff of 1,200 in 4 plants, according to BSR (USA) Pres. John Hollands. He said all those dismissed were part-time workers and company now has increased its work week from 3 to 4 days with fewer employees. Sales are up compared with last year, although audio industry is still depressed, but "we're now operating on normal cycles with inventories at normal levels." Company has announced 7% increase in OEM prices.

Canon has entered pocket translator market with English-Japanese "dictionary," aimed at junior high school level. Device contains 1,116 English words, 126 phrases, conjugation of 78 irregular verbs, reads out in Japanese characters & western alphabet. It's priced at \$56 (13,800 yen).

Foreign technology licenses announced by Korea: Zenith licenses Gold Star to make FM stereo receivers in 3-1/2-year pact at 28¢-per-set royalty. Sansui assists Jungpoon Products in hi-fi components. Dolby licenses Taihan to make audio noise suppressors.

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Single-chip voice synthesizer has been developed by Matsushita. Replacing 3 chips, it can speak either in male or female voice, can synthesize up to 63 words in 20 sec. Company hopes to apply it to consumer products, including clocks, alarms, educational equipment & games. Mass production is scheduled for June, with price around \$12.25 (3,000 yen).

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

COPYRIGHT BREAKTHROUGH: Lawyers for major parties come to agreement on cable copyright. Programmers get lion's share. (P. 1)

NAB DIPLOMACY: Ferris, Van Deerlin, Lee angered at NAB letter urging Latin American govts. to reject U.S. proposal for 9-kHz AM. (P. 1)

COURT UPHOLDS FCC ON CARTER: Says TV networks were unreasonable in refusing to sell 30 min. for re-election announcement. Ferris elated, NAB unhappy, networks don't comment. (P. 2)

ASCERTAINMENT CHANGES OK'D: FCC says gays & handicapped must be included in ascertainment, if they are deemed 'significant' in community. (P. 3)

NAB's BIGGEST CONVENTION assured for Las Vegas April 13-16. Pre-registration tops 4,500; 393 exhibitors paid up. Ferris, Hollings, Van Deerlin, Thurston & entertainment featured. (P. 4)

TV GOOD & BAD—BROWN: Says medium is major unifying and educational force but it refuses to program sufficiently for minorities & children because of 'economic interests.' Bolger defends TV efforts for children. (P. 5)

COPYRIGHT ROYALTY BREAKTHROUGH: After months of high-powered haggling, lawyers for major parties in Copyright Royalty Tribunal proceeding have agreed on how to divide cable copyright pie. Here's agreement: Program syndicators would receive 66%; broadcasters 13%; sports interests 12%; music 5%; PBS 4%.

Lawyers came to agreement March 14, now must go to clients to get their approval. Tribunal from start has pressured parties to reach agreement on own. About \$12.7 million is involved, representing 1978's copyright collection, but precedent for future years is seen as more important.

NAB 'DIPLOMACY' ANGERS GOVT.: NAB's effort to turn Latin American countries against 9-kHz AM separations is drawing hostile responses from FCC & Congress. FCC Chmn. Ferris charged NAB used "extraordinarily poor judgment" when it sent letter to foreign govts., in effect urging them to spurn U.S. proposal to cut separations. Comr. Lee, leading U.S. delegation to conference now underway, urged delegates to dismiss NAB's arguments as "narrow self-interest." He said: "We love our broadcasters, but sometimes they love us less."

"This is really wild. It's terribly bad form to go down there and work against your own country's position," Rep. Van Deerlin (D-Cal.) told us. He said he has offered to send members of his Communications Subcommittee staff to Buenos Aires this week to assist Lee because, "by God, there's going to have to be some balance down there..."

"I don't know whether it violates any statutes or not. It flies in the face of all the pious

Consumer Electronics

COLOR PRICE HIKES—GE, GTE & Magnavox planning further increases in wake of RCA's boosts. Zenith plans announcement 'in near future.' (P. 7)

OPTICAL DISC PLAYER production expansion in Japan plus output in U.S. & Europe could provide over 500,000 units next year. New U.S. disc plants. MCA plans new Discovision catalog in next few weeks. (P. 7)

JAN. IMPORT TOTALS give first look at incoming shipments of videoplayers & b&w mini-combos. VCR imports start year with surge. TV continues slide. (P. 8)

INDUSTRY's HOTTEST COLOR product in 1979 was 13" set, according to EIA figures. (P. 9)

COLOR SALES FIZZLE in March ends record year-to-date performance. VCR sales down slightly in year's 10th week. Color inventories continue decline from year earlier. (P. 10)

RCA INCOME from consumer electronics patent royalties as high as \$80 million annually, revised figures in annual report indicate. (P. 11)

statements that usually flow from the citadel of the NAB about new opportunities for minority owners, encouraging diversity and all the rest. Faced with the choice of their own avarice versus the public good, we can usually count on the broadcast lobby to stand up and be counted for number one."

In Congressional Record insertion, Van Deerlin said: "This activity strains the limits of propriety. I am embarrassed to say that there are opponents within our own ranks... They cite unfounded and undocumented fears about the costs... and, incredibly, they have even sought to contact directly delegates to the conference from other countries to urge a position which is contrary to that being sought by the official U. S. delegation."

It's possible that NAB's action may have violated Logan Act, Ferris said. He said investigation would be up to Justice Dept., since enforcement of law (which bars non-govt. intrusion into diplomacy) "certainly is not within the province of the FCC."

But NAB Pres. Vincent Wasilewski defended action. "We think our government is wrong. We think [it] reached this conclusion [to propose 9-kHz separations] very rapidly, without sufficient study." Wasilewski said communication to foreign govts. didn't oppose 9 kHz per se, merely reiterated NAB board decision (Vol. 20:4 p3) criticizing U. S. position as being without "the benefit of adequate engineering and economic studies." Of possibility that Logan Act was violated, Wasilewski said: "We don't think we violated that."

Row over NAB letter mostly eclipsed events in Buenos Aires last week, where delegates agreed to postpone vote on 9 kHz until this week. Brazil & Mexico were reported supporting U. S. proposal, with Canada & Argentina opposing. Canadian observer suggested that since ITU works by consensus, and final agreement may not be feasible at this session, conference may agree to delay decision until regional AM planning session next year. "Nothing would be nicer than to have more time," Canadian said.

COURT UPHOLDS FCC ON CARTER: TV networks were unreasonable in turning down requests by Carter-Mondale Presidential Committee (CMPC) for 30 min. of time to announce President's re-election campaign, unanimous D. C. Appeals Court ruled March 14. Elated FCC Chmn. Ferris hailed Court's action as "an excellent, well-reasoned opinion" upholding agency's "sound policy and clear interpretation of the law."

Lawyer for CMPC called decision "very important," said it will have wide-ranging impact since it applies directly to networks. Commented NAB's Erwin Krasnow: "The public is the real loser because the Court has allowed a federal agency to second guess the journalistic decisions made by broadcasters." He told us that NAB, which was a party to last week's decision, will appeal. Networks all said they hadn't studied 53-page document, were reserving judgment.

Voting on straight party lines, Commission ruled last Nov. that networks had violated Sec. 312(a)(7)—which requires stations to provide access for federal candidates—by refusing to sell CMPC time (Vol. 19:48 p1). Court ruling last week said legislative history makes it clear that law is intended to apply to networks as well as stations: "The access right... would have been robbed of much of its intended significance if the candidate were forced to go from station to station around the country assembling his own network."

Decision, written by Senior Judge Bazelon (Tamm & Markey also participated), gives history of political campaigning from beginning of U. S., concludes that today it is "undisputed" that TV is necessity for candidates. And, he said, since Sec. 312(a)(7) is limited to candidates for federal office, it's clear that they "were being singled out for something beyond the amorphous right of access created by the public interest doctrine." Bazelon said FCC was justified in saying it had authority to decide when access rights begin. "This determination is an objective, non-editorial judgment for which the Commission is better suited than either broadcasters or candidates... The FCC says it preserves broadcaster discretion while seeking broadcaster accountability. We find that the agency has succeeded in its delicate task... Discretion remains with the broadcaster, but not discretion to act without reasonable regard to the standards."

Court said it wasn't prepared to say that a network counter-offer of 15 min.—as opposed to

30 min. sought by CMPC—also would have been unreasonable, but Court rejected out of hand networks' defense based on "disruption of schedule." Said Court: "The public's right to be informed is nowhere stronger than in the area of elections. And, no speech is more protected than political speech... Across the board denials [of access to candidates] will not be tolerated."

In concurring statement, Tamm expressed concern over "danger" that Commission decisions on political matters may not always be reached on non-political grounds, thus raising "grave First Amendment concerns." This fear is exacerbated by FCC's standards for access which emphasizes "the individual needs of the candidate," he said. "We cannot ignore the fact that members of the FCC may well have more than a passing interest in the outcome... of Presidential elections... Even if a commissioner makes every effort to remain impeccably neutral, it is nonetheless possible, especially in Presidential campaigns, that his partisan and political affiliations might subconsciously influence his decisionmaking... The Commission, through its implementation of Sec. 312(a)(7), has come perilously close to falling into the chasm of impermissible government action."

ASCERTAINMENT CHANGES OK'D: FCC last week agreed to require stations to ascertain needs of groups not listed in ascertainment check list only if groups contact station and latter decides they are "significant" to community. FCC action was short of that requested by homosexual and handicapped groups, who had asked Commission to include gays & handicapped in check list. Under FCC decision, once group has been determined "significant" by station, broadcaster is required to ascertain needs continually.

FCC Chmn. Ferris stressed decision "does not impose undue additional regulatory burdens on broadcasters. It simply clarifies the FCC's existing ascertainment primers..." Ferris noted action affects radio only on interim basis because of deregulation proceeding.

In related action, Commission acted on 136-page petition of National Black Media Coalition (Vol. 19:48 p1), referring some proposals for further study, rejecting others. Among rejected proposals: Rule that racially defamatory broadcasts are evidence that broadcaster is unqualified to keep license; issue inquiry into endangered black music formats; examine media conglomerates impact on minority ownership. Responding to proposal to install WATS line for incoming calls, Commission noted that's being considered.

ABC's plans to launch closed captioning with "Force 10 From Navarone" March 16 were up in the air at press time. HBO, whose suit to block airing was denied in N.Y. Federal Dist. Court, was trying to get last minute appeal March 14. HBO charged it had exclusive rights to film through 1980, also named distributor American International Pictures in suit. ABC was expecting to air film but had plans to caption other film if necessary and time permitted.

CBC proposed national pay-TV monopoly controlled by Canada's main 3 networks. Still lukewarm on pay TV, CBC said CRTC should "examine very carefully" arguments against its inevitability but if pay TV comes, "we must be ready for it." Most programs would come from U.S. but profits would go into producing Canadian programs.

ABC's late-night newscast (20-min.) premieres 11:30 p.m. EST March 24, Ted Koppel anchoring.

FTC funds ran out officially March 15, but agency will continue work this week. House Appropriations Committee approved measure for emergency funding through April 30, but not in time to get measure to House floor and Senate. Congress is expected to approve bill this week. Meanwhile, House-Senate conferees on FTC authorization met for first time in brief session to set agenda and name Rep. Staggers (D-W. Va.) chmn. Clash between House & Senate began immediately when Sen. Ford (D-Ky.) suggested that most controversial issue—legislative veto—be saved for last, after groundwork for agreement on other matters had been laid. Rep. Scheuer (D-N.Y.) countered that veto discussion should come first. Ford: "Well, we might as well quit if legislative veto comes first." Conferees decided to meet March 26, instructed staff to prepare compromise bill.

Carter Administration has asked U.S. companies not to ship to USSR sports equipment and other products planned for use in Olympic Games. Request didn't include NBC, but network's Olympic equipment is still under threat of "high-technology" embargo imposed by Administration after Afghanistan invasion. NBC spokesman says most of hardware already is in USSR, but many necessary items, including equipment leased from Ampex, haven't left U.S. yet. Meanwhile, U.S., Britain, Australia and other nations favoring Olympic boycott meet in Geneva this week to try to convince undecided nations to join boycott.

Name change is planned at 2 consulting engineering firms as result of reorganization. Silliman, Moffet & Kowalski becomes Silliman & Silliman, as John Moffet withdraws as partner and Thomas Silliman joins father Robert. Silliman, Moffet & Kowalski P.C. of Virginia will become Moffet, Ritch & Larson, P.C., Robert Silliman withdrawing.

Japan trip sponsored by International Press Institute is available to 10 broadcast & newspaper middle managers. April 30 is application deadline for Sept. 7-27 trip. Those recommended by IPI members get preference. Contact: Richard Leonard, editor, Milwaukee Journal, Box 661, Milwaukee 53201.

Network TV gained 71 new advertisers last year, 13 of them topping \$1-million mark, TvB reported.

NAB's BIGGEST ASSURED FOR LAS VEGAS: With more than 4,500 delegates pre-registered and 393 exhibitors paid in advance, NAB is guaranteed its largest and most profitable convention ever April 13-16 in Las Vegas. Pre-registration compares with 4,109 (4 weeks in advance) for Dallas last year, 3,654 for Las Vegas in 1978.

Exhibitors, who will utilize 198,000 sq. ft. in Las Vegas's huge Convention Center, are up from 330 (145,080 sq. ft.) in Dallas, 292 (122,345 sq. ft.) in 1978. NAB officials are concerned, saying their annual gathering has outgrown facilities of every U.S. city except Las Vegas & Chicago's McCormick Place—and NAB swore never to return to McCormick Place after labor troubles encountered there in 1976 (Vol. 16:13 p1). "We'll probably have to re-evaluate that decision—and soon," NAB official told us. NAB already has scheduled Las Vegas next year, and several other times in 1980s, probably will have to switch some of the other scheduled cities: Dallas 1982, Atlanta 1984, Kansas City 1986, Atlanta 1987.

Most of standard program elements are returning—several members of Congress, Administration officials, network brass, 5 FCC members and several key staffers, although latter contingent has been cut considerably from recent years because of a budget pinch. Singer Mac Davis will entertain at Sun. opening; comedian Bob Newhart at closing lunch Wed., following speech by FCC Chmn. Ferris. Ex-NAB Chmn. Donald Thurston receives Distinguished Service Award; Everett Erlick, ABC senior vp-gen. counsel, Grover Cobb Award.

Closing Wed. morning joint session features Rep. Van Deerlin (D-Cal.) answering questions and futures panel moderated by NBC's Bill Monroe.

PBS earth stations may be used by Western Union under FCC ruling that sharing won't make PBS into common carrier. Use, on cost-sharing basis, will be limited at first to Washington, New Orleans & Houston, but FCC noted that application is "prototype" for future requests to allowing sharing of many more PBS terminals. Public TV owns 148 downlinks & 5 uplinks. Approval came more than month after FCC delayed action on application—after Comrs. Fogarty & Brown expressed concern at legality of arrangement (Vol. 20:4 p7). FCC said it viewed arrangement as "lease of physical space, similar to arrangements commonly entered into by broadcast and other licensees whereby they lease space on their transmission towers to licensees in other services."

NAB has granted about \$85,000 contract to Market Opinion Research for separate studies of public attitudes toward broadcast contraceptive advertising and on personal product commercials (Vol. 20:4 p3). TV Code Board, which recommended contraceptive study, meets in Washington March 19-21; agenda includes alcoholic beverage advertising, town meetings, govt. relations, personal product & professional advertising, time standards.

Use of L. A. Ch. 9 for PTV was proposed to FCC by citizens group—Committee to Eliminate the UHF Handicap on PTV in L. A. Frequency now is used by RKO's KHJ-TV, facing non-renewal under FCC ruling that RKO parent General Tire isn't fit licensee (Vol. 20:4 p1).

Panelists will include NAACP Exec. Dir. Ben Hooks, Gulf Oil Chmn. Jerry McAfee, plus foreign affairs expert and economist.

Major hole to be filled is Mon. speaker for TV luncheon. Other TV sessions: "A conversation with with..." Sen. Hollings (D-S.C.), chmn. of Communications Subcommittee; panel on children's TV; "In the Box" debate on advocacy advertising (Gene Mater, CBS; Herbert Schmertz, Mobil Oil); "TV's Fragmented Future" (consultant Paul Bortz; Herbert Schlosser, RCA; Gustave Hauser, Warner Cable; John Reidy, Drexel, Burnham & Lambert); TvB.

Among TV workshops: "What's Going on in Washington"—Comrs. Brown, Quello, Jones, Lee; UHF developments; earth stations; political broadcasting; congressional panel; teletext & viewdata; Cable royalties; localism in programming; cameras in courtrooms; EEO.

Radio highlights include Tues. luncheon speech by columnist Jack Anderson; keynote speaker still to be named; radio deregulation panel (with Bcst. Bureau Chief Richard Shiben; Steve Simmons of White House Domestic Policy Staff; Richard Hirsch, U.S. Catholic Conference); "Radio Is Red Hot" presentation by RAB; broadcasters in Congress panel; "FCC's Crystal Ball" with same 4 commissioners listed above.

On engineering side, workshop is reserved for "FCC action, if any, on AM stereo prior to convention." (Commission is expected to authorize AM stereo week or 2 before convention.) Sen. Goldwater (R-Ariz.), ranking minority member of Communications Subcommittee, speaks at Mon. lunch; Comr. Lee on Tues.

Satellite TV symposium in Washington April 8 will be chaired by Robert La Blanc, Continental Telephone vice chmn., is open to public. Speakers include Henry Geller (NTIA), Richard Shrum (State Dept.), Bert Davis (Canadian Dept. of Communications), Elizabeth Young (PSSC), Winston Hinsworth (Salomon Bros.), N. J. Nicholas (HBO), Lloyd Ludwig (Hughes Aircraft), Peter Pifer (Microwave Assoc.), William Johnston (Fairchild Space & Electronics). Meeting is at National Academy of Sciences Auditorium, 2101 Constitution Ave. Details: 202-389-6858.

Chicago STV agreement reached by Oak Industries and Capital Cities Communications (CCC) creates joint venture to purchase 49% of WSNS-TV (Ch. 44) from owner Video 44 and operate subscription service. Video 44 retains 51% interest, will have 50% of STV operation with Oak/CCC sharing remaining 50% equally. Price wasn't disclosed. STV service starts "as early as Aug." if FCC approves, companies said.

Pittsburgh cable franchise award to Warner Cable was "sham," Three Rivers Cablevision says in suit filed against city seeking to void award. Suit says award "was made to carry out a predetermined and unlawful preference in favor of Warner." Warner spokesman called suit "sour grapes."

Minority-owned broadcast stations increased by 37 to 138 since March 1979, NAB survey shows. Blacks' gain included 3 TV stations, NAB said.

TV GOOD & BAD—BROWN: "Many of us tend to underestimate the positive role of TV as a unifier and educator," FCC Comr. Brown told Philadelphia AWRT chapter last week. And, after saying some more good things, he proceeded to criticize medium for refusing to program for specialized audiences because it "would cut directly against broadcasters' economic interests."

Brown sees problem being solved in 1980's though technology providing "new pathways to home-viewers [that] will create for the first time a melting pot in which a multiplicity of programs and programming concepts can compete for attention of the viewing public." One of these "new pathways," he predicted, will be direct satellite telecasts into home by 1985.

Commissioner said "unifying level [of TV], particularly at the national level, can be very impressive." He cited coverage of civil rights movements, Vietnam & Watergate. "And, as a member of the FCC, I must also recognize that an inherent tension exists between the economic interests of the networks and my agency's stated objectives for TV. That tension is illustrated in what our policies call for and what the networks provide in program services to minorities and to children."

* * * *

Speaking at National Workshop on TV & Youth in Arlington, Va. last week, NAB Chmn. Thomas Bolger said: "Those of you who criticize TV for not being an educational medium are dreamers rather than realists. . . But the competitive nature of the broadcast industry dictates that we strive for large audiences, which makes it very difficult for us to carry programs that will not achieve high ratings. . . and that is an unfortunate fact to have to face up to. The sensitivity to high ratings does not occur because commercial broadcasters are greedy or hard-nosed [but] we must recognize and live within the basic economic realities of our medium."

Bolger, as did FCC Comr. Washburn, stressed need for parents, teachers & broadcasters to work together to make TV a positive & educational force for children. Teaching children how to use TV "becomes even more urgent when we look at all the burgeoning new technologies," Washburn said.

American Red Cross has written FCC "to disassociate ourselves" from statement of National Health Council opposing radio deregulation. Council is umbrella organization of more than 80 health groups, recently filed comments opposing deregulation. Red Cross said that for Council "to take such action without consulting its membership is not within its prerogatives."

ABC-TV delayed telecast of President Carter's inflation news conference last week, citing desire to be fair to other candidates "4 days before an important primary in Illinois." CBS & NBC carried news conference live.

"Satellite 80" conference scheduled for Nice, France April 8-12 was canceled. Reasons weren't given. Paris organizers said they hope to reschedule later this year.

Skyvision—new Chicago-based satellite TV venture—is marketing Satcom programming to apartments, condominiums and unincorporated communities, offering 7 TV channels at \$15.95 monthly plus \$45 installation charge. Letter to building managers says: "We can show you how effective a system like Skyvision can be in selling and leasing your residential projects. In most cases, the cost to you is nothing." Skyvision package includes Warner-Amex Movie Channel, Nickelodeon, WTBS Atlanta, WOR-TV N.Y. & ESPN. Skyvision has one installation operating so far, says it expects to add 7 more soon. Pres. Larry Warshauer said cost of each installation starts at \$40,000. Details: Box 10017, Chicago, Ill. 60610, 312-951-7440.

Rep. Van Deerlin (D-Cal.), House Communications Subcommittee chmn., echoed recent sentiments of FCC Chmn. Ferris on FEC debate sponsorship regulations on house floor last week. Ferris, in letters to Rep. Thompson (D-Ill.) and Sen. Pell (D-Fla.), had questioned FEC interpretation of its own rules permitting news organizations to sponsor debates (Vol. 20:10 p3). Van Deerlin: "The Communications Act provides more than adequate safeguards against the abuses which these regulations strive to prevent. . . News industry concern that interpretations of FEC regulations would be more restrictive than interpretations of FCC regulations was intensified by the FEC's action in the Nashua Telegraph case."

"Frivolous" denial petitions "would cease to exist" if FCC quit delaying action on applications whenever such petitions are filed, said James Gabbert, pres. of KIOI(FM) San Francisco, in letter to Chmn. Ferris. Responding to planned FCC study of problem, Gabbert argued that speedy action not only would discourage "frivolous" filing but also weed out bad broadcasters more quickly, "leading to distressed sale to new minority owner."

HBO will launch \$6-million pay-TV ad campaign in April, first such national effort. Cornerstone of media plan, emphasizing movie programming, will be full-page, 4-color ads in every other issue of TV Guide, along with affiliate identifications in local listings, plus insertions in all Time Inc. magazines except Fortune, Panorama, Parade & Family Weekly Sun. supplements.

Mass. Cable Commission proposal to deregulate basic cable rates has been backed by NTIA, which filed comments recently in proceeding. "It is important that we act to reduce unnecessary regulation of cable TV services," NTIA head Henry Geller said. "Where cable TV systems face increasing competition from conventional TV as well as new technologies, continued regulation of basic subscriber rates doesn't make much sense."

On-air U.S. TV stations now total 1,017 (627 VHF, 390 UHF) with recent starts of WSFJ Newark, O. and KADN Lafayette, La. Non-profit WSFJ (Ch. 52) is owned by Christian TV, started March 9; Michael Riley is pres. Ch. 15 KADN is owned by Charles Chatelain (55%) & Bryan Welborn (45%).

Citing inflation, Ampex raised prices 8-10% on full line of professional audio & video equipment.

Personals

Michael Zinberg promoted to vp-comedy programs, NBC Entertainment; Doreen Baker to dir.-late night programs; Donald Zachary advanced to vp-law, west coast, NBC; John Rose to asst. gen. attorney, N.Y.; Theodore O'Karma to dir.-finance & administration, NBC TV Network.

Dow Carpenter, ex-group vp cable TV, Times Mirror, promoted to senior vp in charge of book & magazine publishing and information services; Phillip Williams to senior vp-newspapers & TV; John Flick to senior vp-gen. counsel & secy... Patrick Austin promoted to vp-treas., WPIX Inc., succeeding John Healy, resigned... Walt Elder advanced to public affairs mgr., WSB-TV Atlanta.

Karl Eller resigns as a dir. of Gannett Co. following his agreement to buy KIOI(FM) San Francisco (Vol. 20:10 p5)... Robert Kalstad promoted to program dir., KATU Portland, Ore., succeeding Chuck Gingold, now with WABC-TV N.Y.... James Duffy, ABC TV Network pres., keynotes BPA convention in Montreal June 11; Anne Coleman, WAVE-TV Louisville, elected BPA treas.; Ged Young, WTRF-TV Wheeling, & Judy Horan, WOWT Omaha, named to board.

Ann Walker, ex-WCMH-TV Columbus, O., joins White House staff as special asst. to dir., Office of Public Affairs, will serve as liaison with TV industry... Christopher Sterling, Temple U. assoc. prof. of communications, takes year leave to become special asst. to FCC Comr. Anne Jones... Gary Smith, consultant, appointed PTL TV Network exec. vp-gen. mgr., succeeding Edward Stoeckel, who remains as consultant.

Larry Michie, Variety TV editor and one-time Television Digest assoc. editor, resigns to freelance and write novels, has signed with Jonathan Dolger Agency... Anthony Lynn, ex-HBO, appointed vp-gen. mgr., Columbia Pictures Pay TV, succeeding Scott Moger, who formed own film firm... William Kunkel promoted to southern sales mgr., MGM TV, Atlanta hq... William Carpenter, ex-WTTG Washington vp-gen. mgr., joins Air Time International as sales exec.

Robert Wussler, head of Pyramid Enterprises, one-time pres. of CBS TV & Sports, joins Turner Bestg. System as exec. vp... Arnold Messer promoted to vp-business affairs, west coast, Viacom Enterprises... Joseph Howe advanced to C-COR vp-operations & treas... Robert Bilodeau promoted to vp-gen. mgr., Suburban Cablevision... Francis Carroll promoted to vp-finance, RCA Commercial Div.; Lawrence Codacovi elected exec. vp-international services, Francis DeRosa, exec. vp-gen. counsel, RCA Globcom.

NAB has asked FCC to reconsider more stringent EEO rules and to suspend April 1 effective date (Vol. 20:7 p1). Assn. also asked Commission to conduct rulemaking to assess "its entire EEO regulatory program."

Warner Cable ordered 100,000 units of CATV receiving equipment from Pioneer Electronics, at estimated \$21.7 million, for Houston cable system.

WEEKLY

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with

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Olympics cost too much, ex-NBC Chmn. Julian Goodman told Paducah, Ky. chamber of commerce. Goodman said "too much of the cost of escalating rights goes to build up the power of the International Olympic Committee" which "considers itself almost a sovereign state... not on a level of other sovereign states but above them." Solution to high cost of Olympics: Networks working as "single U.S. entity. The bidding for all the rights could be kept at a reasonable level."

Women comprise 26% of news employees at stations, and 94% of TV stations (up from 57% in 1972) have at least one woman on news staff, according to survey for RTNDA. Study also found that more than 30 commercial TV stations, nearly 500 radio, have woman news dir. Nearly half of radio stations now employ newswomen, up from 20% in 1972. Stations with minority news staffers went up from 60% in 1972 to 71% in 1976, haven't increased appreciably since then.

In unusual case, FCC ruled that McClatchy Newspapers remains exempt from cross-ownership rules though it underwent transfer of control, because controlling stockholder was found legally incompetent. When Eleanor McClatchy, 80, was found incompetent by Cal. court, nephew Charles was appointed conservator.

Cable security and fire warning system is being offered Qube subscribers in Columbus by Warner Amex Cable Communications. System costs \$10-\$12.50 per month, plus purchase of equipment (minimum of \$170 for fire, \$270 for police protection) and installation. Service offers several back-up systems.

Anticompetitive charge against KGO-TV San Francisco by KNTV San Jose has been dismissed by FCC, but agency deferred action on KGO-TV's renewal pending resolution of 2 other petitions to deny.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Feb. 29 (9th week of 1980):

	Feb. 23-29	1979 week	% change	Feb. 16-22	1980 to date	1979 to date	% change
Total TV	298,787	337,362	-11.4	266,981	2,384,422	2,481,279	-3.9
color	198,662	211,936	-6.3	187,914	1,561,304*	1,545,458	+1.0
monochrome	100,125	125,426	-20.2	79,067	823,118	935,821	-12.0
Home VCR	13,691*	8,481	+61.4	14,153	109,111*	64,692	+68.7

Color TV 5-week moving average: 1980—184,998*; 1979—184,669 (up 0.2%).

Home VCR 5-week moving average: 1980—13,734*; 1979—8,272 (up 66.0%).

*Record for period.

PRICE HIKES—GE, GTE, MAGNAVOX, ZENITH: Rest of domestic industry is following on heels of RCA's substantial color TV price increase (Vol. 20:10 p7), citing spiraling costs of materials, labor & credit.

Zenith hasn't actually boosted prices yet, but Sales Co. Pres. Walter Fisher indicated it would soon when he said: "We're studying the price situation and expect to make an announcement in the near future." At week's end, GE announced "selected color models" were raised \$7-\$10 at retail, monochrome retail hikes averaging 1%.

Magnavox Senior Vp Kenneth Ingram said company would "continue to increase prices selectively" as annual sale promotion ends this month. "We're looking at 2-3% at the factory through the next 3-5 months." He indicated Magnavox, as well as rest of industry, would institute hidden price increases through fewer & shallower promotional price cuts.

GTE this week will announce increases in Sylvania & Philco color TV prices "comparable to and more far-reaching than other increases announced recently," said Entertainment Products Senior Vp-Gen. Mgr. Thomas Shepherd. He declined to elaborate, but it's good guess GTE's increment will occur as series of increases—possibly one at end of March and more substantial boost at end of April, paving way for higher-priced new-line merchandise in May.

Color TV sales took pronounced downturn in March, wiping out sales record set in Jan. & Feb. and bringing 10-week year-to-date sales total below comparable 1979 figures (see p. 10). "The first week of March could be the turning point in the TV industry," suggested Shepherd, attributing downturn directly to high cost of money.

BIG OPTICAL DISC PLAYER EXPANSION: While attention has been focused on RCA-CBS-Zenith alliance for capacitance videodisc, optical system proponents have quietly been planning expansions which could result in production of well over 500,000 units next year.

Universal Pioneer (UP), joint venture of Pioneer Electronics (Japan) and Discovision Assoc. (MCA & IBM), is setting up new player plant which provides capacity for as many as 480,000 consumer & industrial players as soon as next year, in opinion of Japanese industry sources. Added to production of Philips in Europe and Magnavox in U.S., total supply could easily dwarf the 250,000-player supply expected next year from RCA, which probably won't be augmented by other manufacturers until late 1981 or early 1982.

UP has acquired former Sankyo plant in Nagano Prefecture, will spend some \$12 million to equip it for player production, also continuing to produce players at 10,000 monthly rate in cur-

rent facility near Tokyo. Neither UP nor DVA would comment on unit capacity of new plant—targeted for startup by this year's end—but Japanese sources place it at 30,000 monthly. At same time, UP plans to raise its capitalization to about \$20 million from current \$11 million, making it bigger than 50% partner Pioneer.

Pioneer, meanwhile, announced formation of videodisc div., in charge of both disc & player marketing. UP reportedly will install DVA pressing equipment in lab for test pressing of about 20,000 discs monthly. Although Japanese videodisc standards are yet to be established, Pioneer is already planning for introduction on Japan market next year. Pioneer itself is experienced in disc business, being partner with Warner in Japanese record company. First comes U.S. market introduction, however, and Pioneer, DVA & MCA plan to reveal details at N.Y. press conference March 26.

In U.S., DVA is planning to establish new disc-pressing plant in Cal., and is believed to be preparing to set up 2nd mastering facility there. Locations haven't been announced, but we've learned company has made preliminary application for building permit in Fullerton-Orange area of Orange County.

MCA Discovision plans to issue 2nd Discovision catalog in next 4-5 weeks, replacing one issued in Dec. 1978, and expects to offer "continual flow of product" during 1980, according to new Pres. James Fiedler. Catalog will include the 160 titles which actually have been issued from 202-title current book, plus 30-40 more listed there and another 12 or so fresh titles. Hour-per-side extended-play (EP) discs are finally being shipped in quantity, quality & production problems having been overcome, according to Fiedler. Disc production, taken over by DVA, has improved to point where Fiedler says new program acquisition announcements will start flowing soon.

Although current EP discs use variable speed to achieve longer playing time and therefore eliminate such optical-system features as stop, slow & fast motion, frame-by-frame advance and precise indexing, this may not be case in future. Two major IBM patents involve squeezing more material on disc without changing speed or disc size. First is method of placing tracks closer together to provide 25% more playing time. In further future is digital technique to reduce recorded information needed to produce picture by as much as 80%. Neither system is compatible with current players.

Pres. Kazuo Iwama confirmed our report that Sony is RCA videodisc system licensee (Vol. 20:8 p8), but said Sony hasn't decided yet on disc system. Sony is also licensee of Philips for optical system and Iwama emphasized it wants to be able to make & market any of the 3 contending systems.

JAN. VIDEO IMPORTS—A NEW LOOK: First look at developing import market for b&w tiny-vision, including combos, as well as tape & disc videoplayers is provided by statistical breakouts available for first time in Jan. import figures from Commerce.

Data show 708 non-magnetic videoplayers were imported in month, including 625 from Japan at average value of \$725.25, and presumed to be industrial optical models from Universal Pioneer. Remaining 83, averaging \$1,279.29, were listed as coming from Canada. Also imported were 309 magnetic videoplayers, all from Japan.

New breakouts from mini-b&w show total of 27,700 8"-&-under units entered in month, including 10,900 TV-only, 16,800 combinations. Combined total was well under 33,300 shown for 9-10" b&w.

Month's VCR imports jumped 68.4% to 75,600, 2nd-highest monthly total (to 92,700 last Nov.). TV camera imports dropped 27.4% to 11,700, as color slipped 3.9% to 7,600, b&w sank 49.7% to 4,200. Imports of videocassettes leaped 247.3% to 1.08 million.

Total Jan. imports of TV sets & chassis fell 22.6% to 686,400, color off 17.9% to 308,900, b&w down 26.1% to 44,400. In color, imports of complete receivers slid 68.8% to 58,000, while incompletes jumped 32% to 250,900.

There's error in color import totals, which may be revised slightly. In Commerce's com-

puter printouts, usual listing for 14-15" was missing, replaced by classification for projection TV. Officials at International Trade Commission, responsible for changes in statistical break-outs, say classification for projectors was to have been created for 1980, but plan was temporarily shelved because of interagency dispute over wording. Commerce says it was computer programming mistake, and it's being checked. Published data show 164 projectors were imported in month; 162 were logged from Japan at average \$2,203 price, which seems about right both in terms of units & value.

13" STARRED IN 1979 COLOR PICTURE: Industry's hottest color product, 13" portable, proved to be only significant gainer in 1979 color market at new-supply (production-plus-import) level, while electronic tuning & remote features set new penetration records, EIA figures show.

Number of electronically tuned color portable-table models rose 38.9% last year to 2.78 million, to account for 36% of supply, up from 25.3% in 1978. While unit supply of electronically tuned consoles dropped 4.1% to 1.87 million, share of that segment rose to 80.6% from 70.5%. Remotes were up across board, rising 31.2% in P-T to 1.56 million for 20.2% share, up from 14.8%, posting 19.2% gain in consoles to 594,600, for 25.7% share, up from 18.1%.

Electronic tuning hit new high in 4th quarter as total sets with feature rose 25% to 1.39 million, including 886,100 P-T (up 67%), 503,900 consoles (up 15.3%). As result, electronic tuners were in 44.7% of P-T (from 26.2%), 85% of consoles (from 81%), 54% of total (from 40.6%), all records. Remotes also showed strong improvement in final quarter, with total up 31.3% to 593,200, including 439,800 P-T (up 41.7%), 153,400 consoles (up 8.6%). Remote penetration of console supply was at record 26% in quarter (from 19.7%), but P-T level of 22.2% (from 15.3%), and total supply share of 23.1% (from 16.5%) were below respective 3rd-quarter marks of 24% & 24.3%.

Mini-color lost ground in market last year. Figures show total supply of 12"-&-under dropped 31.8% to 505,300, to account for 6.5% of P-T segment, down from 9.4%. Results for other screen sizes: 13", 1,305,900, up 18.5% for 16.9% share (from 13.9%); 14"-17", 771,900, up 5.9% for 10% (9.2%); 18"-19", 4,868,400, down 3.1% for 63% (63.5%); 20"-&-over, 275,200, down 13% for 3.6% (4%).

Comparable results for b&w: 10"-&-under AC-DC, 715,900, down 15.6% for 10.9% (12.6%); 10"-&-under AC-only, 58,400, down 76.7% for 0.9% (3.7%); 10"-&-under total, 774,300, down 29.5% for 11.8% (16.3%); 11"-12" AC-DC, 712,400, up 23.7% for 10.8% (8.6%); 11"-12" AC-only, 4,084,300, up 7.2% for 62.1% (56.6%); 11"-12" total, 4,796,700, up 9.4% for 72.9% (65.1%); 13"-17", 317,300, down 20% for 4.8% (5.9%); 18"-&-over, 670,700, down 18.7% for 10.2% (12.3%); consoles, 16,700, down 37.9% for 0.3% (0.4%). AC-DC portables at 1.43 million were up 0.3% for year, represented 21.7% of total b&w supply (up from 21.1%), 25.6% of 12"-&-under segment (down from 26%).

FULL YEAR COLOR TV PRODUCT MIX

Type	Units	1979		1978	
		% change	% of total	Units	% of total
Portable-table	7,726,785	-2.4	76.9	7,913,269	74.1
Console.	2,294,671	-16.2	22.8	2,738,768	25.7
Combination.	21,039	-3.0	0.2	21,685	0.2
TOTAL	10,042,495	-5.9	100.0	10,673,722	100.0
Remote control. . . .	2,157,218	+29.4	21.5	1,666,604	15.6
Electronic tuning . .	4,648,032	+17.7	46.2	3,949,199	37.0

TDK will spend \$32.4 million on initial construction of new videocassette plant in Japan. Plant will have 3-million-unit monthly capacity when operations start in June 1981, increasing TDK's capacity in Japan to 5 million monthly. TDK is building video-

cassette plant with 1-million monthly capacity in Ala. (Vol. 19:4 p9), production to start next year. TDK estimates worldwide unit videocassette sales of 30-31 million last year, sees growth to 64-65 million this year.

COLOR SALES FIZZLE: After records for Jan. & Feb. (Vol. 20:9 p8), color sales dipped in first week of EIA's statistical month of March (see State of the Industry) and plummeted in 2nd week. EIA's first week in March actually was week ended Feb. 29, so its 2nd week will be first real indicator of March business—and this is expected to total about 160,000, drop of 20.7% from same 1979 week.

This slow week toppled 1980-to-date from record column, bringing sales for year's first 10 weeks to about 1,721,000, some 1.5% below same 1979 period. For first 2 weeks of statistical March, sales were down 13.7%—about 358,300 vs. 415,429 in last year's period. Week ended March 7 was 4th in row to show decline in color compared with last year, but momentum of first 2 weeks was enough to carry Feb. to record.

Home VCR sales had first decline from 1979 week this year, hitting 10,400 in week ended March 7, down little over 1% from 10,552. B&W's decline for week—down 38% to 70,000—was 7th weekly dip of year vs. 3 advances, left year-to-date monochrome sales nearly 15% below last year.

Color sales ran at seasonally adjusted rate of 10.6 million in Feb., following 10.05-million pace in Jan. First 2 weeks of Feb. were above 1979's corresponding weeks while latter 2 were below, leading to speculation that boom may be cooling down. Conference Board's Jan. 1980 survey indicates that intentions to buy color sets in next 6 months were still above Jan. 1979 level—6.5% of families expressing that intention in 1980 vs. 5.7% a year earlier—although they were below Dec. level (7.2%). VCR sales to dealers were up 67.2% in Feb. after 73.4% increase in Jan.

Color TV inventories continued to be well below year-earlier at end of Feb., showed normal moderate seasonal increase during month. At factory plus distributor level, inventories were just below 2,050,000, decline of 10.4% from year earlier and rise of 1.1% from end of Jan. At factory, inventories were close to 1,060,000, down 24.4% from same 1979 date, up 0.4% during month. Distributor stocks at 992,000 were up 11.9% from year earlier and 1.8% from end of Jan.

Home VCR inventories, which had been building since Aug., showed downturn during Jan., but were well up over year ago. At end of Feb., factory plus distributor stocks totaled 127,000 units, up 26.7% in 12 months, down 16.3% during month. Factory inventories, nearly 78,000, were up 27.9% from year earlier, down 11.8% from end of Jan. Distributors held just over 59,000, increase of 88.6% in year, decline of 6.8% for month. Here are EIA TV & VCR sales-to-dealer figures:

Product	Feb. 1980	Feb. 1979	% change	Feb. 1978
Total TV	1,123,943	1,176,201	-4.4	1,102,359
color	726,326*	711,411	+2.1	702,513
monochrome	397,617	464,790	-14.5	399,846
Home VCR	54,977*	32,881	+67.2	14,954

*Record for month.

NEW LINE CALENDAR: TV industry will let world in on new-line details a little earlier this year. Our annual survey shows 6 will be holding sales meetings in April, against only 3 last year, first to show being MGA, which took rep force to plant in Irvine, Cal. in 1979, plans April 7 meeting in San Antonio this year.

JVC follows on MGA's heels, kicking off 3-week 3-city tour in L.A. April 8. Magnavox will hold first national sales meeting in many years May 27, following up with traditional region & zone meetings in 14 cities.

Only RCA & Zenith are sticking with Las Vegas for conventions. Former LV stalwart Sylvania has set up convention facilities at Batavia, N.Y. hq, bringing in first of several groups for week-long meetings April 28. Affiliate Philco takes over at same location starting May 20. Here's rundown of starting dates, locations:

Company	Date	Site
GE	May 19	multi-city
Hitachi . . .	Early May	Chi., N.Y., L.A., Atlanta
JVC	April 8	L.A., St. Louis, Miami
Magnavox . .	May 27	Marco Is., Fla.
MGA	April 7	San Antonio
Panasonic . .	April 21	Miami
Philco	May 20	Batavia
Quasar	May 18	Chicago
RCA	May 12	Las Vegas
Sanyo	April 21	Los Angeles
Sharp	May 11	Memphis
Sony	April 27	Scottsdale, Ariz.
Sylvania . . .	April 28	Batavia
Toshiba . . .	June 2	Chicago (tentative)
Zenith	May 21	Las Vegas

Videocassette changer for Betamax was introduced at week's end by Sony, increasing recording & playing time of older Beta-1 VCRs (LV-1901, SL-7200) to 4.5 hours, Beta-2 models (SL-8200, SL-8600) to 9 hours using L-750 cassettes. Changer will accommodate up to 3 cassettes, is priced at \$125. Changer for current Beta-3 models SL-5400 & SL-5600 will be available by year's end, bringing unattended recording time to 15 hours (with L-830 cassette). Sony has been sending earlier changer models to Beta-1 owners who specifically asked for them.

JVC is considered most likely purchaser of U.K. Decca's money-losing TV-audio manufacturing & distribution business. Decca recently announced it had opened negotiations to sell TV operation to unidentified Japanese manufacturer, and industry observers tagged Sanyo or Sharp, which have no U.K. production facilities, as most likely buyers (Vol. 20:9 p13). JVC is subsidiary of Matsushita, which has had color manufacturing plant in U.K. since 1974.

Clairol asked FCC to waive RF limits on new ultrasonic denture cleaner "to bring the benefits of modern cleaning technology to the 42 million denture wearers in the U.S. at a price that these people can afford."

WHOLESALE VIDEO: Video Wholesalers, Miami, may be forerunner of new breed of sell-everything video catalog houses. In addition to its wholesale business, which Pres. Marvin Friedman says could amount to \$25 million this year, company takes large color ads in virtually all video magazines, has big retail & export trade.

Feature of its ads & catalogs are Magnavision videodisc player & MCA discs. Even though Miami is not officially a videodisc market, VW just may be biggest Magnavision dealer. Friedman claims he has sold 1,600 players and sells more out of U.S. than in. "We ship 25-50 out of the country at a time," he told us. VW prices player at \$749, below official \$775 suggested list. Friedman won't say how he buys them, except that they come from "all over"—presumably meaning all current Magnavision markets.

New catalog is one of most complete & informative in video field. It shows photos of various brands, gives specs—but no prices, which it notes are "constantly subject to change, often in your favor," lists 800 number for price quotes. Listed are 40 VCRs, 24 color cameras, 15 projection TVs—all current models—under brands of Akai, Hitachi, JVC, MGA, Panasonic, Quasar, RCA, Sanyo, Sharp, Toshiba, Zenith, Advent, Kloss, PSI & Theatervision—as well as APF, Atari, Bally games. Software includes Discovision, Paramount, Warner, Magnetic Video, Columbia, Allied Artists, MEDA, VCX, Quality X.

VCR best-sellers are Panasonic, Quasar & RCA basic 6-hour recorders, which it currently sells at \$699. It occasionally makes special buys of outdated models, which it advertises locally (such as JVC's single-speed model at \$595, Quasar programmable at \$649). Business is booming, according to VW, with Feb. sales larger than those of last Dec.

One note of mystery in catalog: 6-hour VHS recorders are listed in tabulation as having maximum recording time of 9 hours. Footnote explains that this refers to T-180 cassette—currently non-existent except for experimental samples, and, so far as we can ascertain, not on anyone's near-future drawing-board. VW is at 39 N.E. 71st St., Miami 33138, phone 305-754-2131.

Another video catalog just out is 1980-81 edition from Comprehensive Video Supply (218 pages, \$5, 148 Veterans Dr., Northvale, N.J. 07647), crammed mainly with professional video accessories but including products designed for consumer, too, such as cases for portable home video equipment, home editing devices, cassette boxes stamped "Our Son's Bar Mitzvah," etc.

Lowest-cost personal computer yet has been introduced in U.K. by Science of Cambridge, launched last year by Clive Sinclair after he disposed of holdings in Sinclair Radionics. Unit features touchpad keyboard, built-in 1K-byte memory expandable to 4K, self-contained RF modulator, uses standard audio cassette recorder for program storage. ZX-80 computer is \$177 in kit form, \$220 assembled.

Acquisition of Capehart assets by Wakefield Industries has received tentative approval of bankruptcy court; Marvin Margolis owns both companies.

RCA 1979 REPORT: RCA TV & VCR sales topped billion-dollar mark for first time in 1979, but officially it was for 2nd year in row. Seeming contradiction results from re-statement of RCA sales in current annual report to eliminate revenue not directly related to product. Figures show TV-VCR volume (in millions) at \$1,040.7 in 1979, \$948.3 in 1978, \$812.7 in 1977, \$718 in 1976, \$600.5 in 1975.

Difference between comparable sales totals published in 1978 report (Vol. 19:11 p9) and lower current totals includes royalty income which RCA traditionally credits to its most directly related business segment. While other income items may also be included, difference does for first time give some picture of what RCA earns from TV & radio patents. Indicated totals (in millions): 1978, \$80.6; 1977, \$80.7; 1976, \$77.8; 1975, \$73.

RCA put total revenue from consumer electronics products & services business at \$1.76 billion, up 10%, but pre-tax net dropped 33.1% to \$97 million, attributed mainly to videodisc start-up costs, losses at RCA Records. RCA said color TV unit sales rose 10%, provided strong earnings rise. In color, console sales declined, but at rate less than that of industry. Promotional costs resulted in lower earnings from VCRs. In same business segment, RCA Service had higher sales, reduced net, from consumer operations, and softness in car stereo resulted in lower sales & net for Distributor & Special Products Div.

Color tube sales set unit & value records in 1979, but earnings were down on worldwide basis. Report says RCA has shipped 25% of color tube plant it's supplying to USSR, but further shipments are being held up by President's embargo on technological exports. Solid State Div. also had higher sales, lower profits, has entered into Brazilian joint manufacturing venture with Ford. In commercial area, RCA says color TV sales to hotels, institutions & schools rose 13%.

RCA says non-reimbursed R&D expenses rose to \$173.4 million in 1979, from \$140.5 million in 1978. Though report puts heavy emphasis on slated 1981 introduction of capacitance videodisc system, special R&D section spotlights RCA's work on optical disc development.

Federal grand jury subpoenaed several thousand audio tapes and financial records of Pickwick, largest audio recording distributor, in investigation of piracy & counterfeiting. Another American Can subsidiary, Sam Goody, is under indictment on piracy charges (Vol. 20:9 p11). Pickwick spokesman said investigation had no connection with resignation of Chmn. Charles Smith, which occurred after subpoena was received.

ITA-RIAA split grew a little wider with RIAA announcement it was setting up new Video Div. to deal with lobbying, tax, copyright, standards, engineering & electronic point-of-sale bar-coding needs of videodisc & cassette software companies. Also planned is sales recognition award program. One result of increasing functional overlap is resignation of Ernest Meyers as ITA gen. counsel. He retains same post with RIAA.

Consumer Electronics Personals

Ken Kurahashi, former Asia & Oceania Dept. gen. mgr. of Matsushita Overseas Operations Div., appointed Panasonic pres., effective April 1, succeeding **Taylor Mizutani**, who held post 4-1/2 years, returning to parent as OOD dir. . . **H. J. Tashgian**, former Rochester (Minn.) Labs dir. for IBM General Systems Div., joins IBM-MCA venture Discovision Assoc. as development vp. . . **Norman Schnell** leaves post as GE Distribution Sales Organization TV sales operations mgr. to operate out-of-industry wholesale business.

Gerald Orbach, formerly in audio mktg. posts with Philips, Sony, JVC & Fisher, most recently in rep field, joins Sharp as Audio Div. gen. mgr., new post, with responsibility for Sharp & Optonica brand audio lines; **John Bermingham** resigns as Sharp Optonica national sales & mdsg. mgr. to join Fuji Magnetic Tape Div. as national sales mgr. for consumer audio & video products. . . **Tony Hartin**, ex-Panasonic Technics, joins Sony Industries Audio Div. as sales training mgr.

Frederick Richards named Time-Life Video international mktg. dir.; **Ed McCarrick** succeeds him as Time magazine consumer electronics/appliances ad sales supervisor. . . **Roy Goldschmidt**, ex-BSR, appointed Akai Video Div. east sales mgr. . . **Patrick McEntee** joins Sony Video Products as video products producer, responsible for customer program production.

Edward Brennan advanced at Sears from exec. vp to pres., with primary responsibility for merchandising operations, succeeding **A. Dean Swift**, who retires April 8. . . **Francis Datello** promoted at CBS Specialty Stores Div. from exec. vp to pres. . . **Michael Kellman** joins Telarc Digital Records as mktg. dir. . . **Christopher Bowman** joins Radio Shack as NE Div. school mktg. rep responsible for computer sales.

Stewart Katz promoted at Yorx from national sales mgr. to sales & mktg. vp, succeeding **Robert Barnes**, resigned. . . **L. Dean Foster** named Alpine national sales mgr.; **Clark Jones**, ex-Craig, appointed east sales mgr.; **Mike Meyer**, ex-Pioneer, named for south; **David Black**, ex-Comm Industries, for midwest.

Robert Reid, ex-Bell & Howell, named Zenith Data Systems mktg. dir. . . **Wayne Anderson**, ex-Sylvania, joins Motorola Display Systems as regional sales mgr. . . **James Portlock** named General Instrument Microelectronics Europe sales mgr.; **Albert Shipton** appointed European commercial mgr., responsible for mktg.

Richard Frank, Paramount TV Distribution pres., adds duties as head of Paramount Home Video, replacing **Robert Peters**, now corporate senior vp. . . **Leslie Slote**, ex-Europe-Mideast-Africa staff vp-corporate relations, elected RCA vp-corporate communications, N.Y. hq.

Copper pricing continues to trail that of precious metals, last week sinking below 95¢ per lb., 36% below record \$1.46 hit last month.

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Advance Ross			
1979-year to Dec. 31	25,641,494	710,838	.20
1978-year to Dec. 31 ^a	19,374,147	(106,784)	--
Electro Audio Dynamics			
1980-26 wk. to Jan. 26	38,941,000	232,000 ^b	.12
1979-26 wk. to Jan. 27	35,578,000	1,278,000 ^b	.61
Gross Telecasting			
1979-year to Dec. 31	10,630,899	2,720,316 ^c	3.41
1978-year to Dec. 31	10,254,798	2,465,431	3.09
1979-qr. to Dec. 31	3,254,190	965,970	1.22
1978-qr. to Dec. 31	3,293,420	969,925	1.23
ITT			
1979-year to Dec. 31	17,197,423,000	380,685,000 ^d	2.65
1978-year to Dec. 31	15,261,178,000	661,807,000	4.66
Trans-Lux			
1979-year to Dec. 31	17,553,743	1,955,057 ^b	1.10
1978-year to Dec. 31	15,673,884	1,488,550	.80
Wells-Gardner Electronics			
1979-year to Dec. 31	20,432,000	762,000 ^b	1.84
1978-year to Dec. 31	14,016,000	(941,000)	--

Notes: ^aRestated. ^bIncludes special credit. ^cRecord. ^dAfter special charge.

Labor Dept. declared former workers producing console stereo at Zenith's Watsontown, Pa. plant eligible for import adjustment assistance. Agency said Zenith console sales were down, and imports of chassis for such equipment rose both in 1978 and in first 9 months last year. It rejected similar help for those who lost jobs turning out compact & component systems. Labor said Zenith production & sales of those systems increased in every quarter from 4th quarter 1978 through 3rd quarter 1979. Labor also approved aid for those who lost jobs producing console & component audio systems, audio equipment parts & video games at Magnavox plant in Jefferson City, Tenn., opened eligibility probe for displaced workers at Buckbee-Mears, St. Paul. Commerce is investigating corporate request for help filed by headphone maker Superex of Yonkers, N.Y. Receiving tube sales decline was due to "receding market," not imports, Labor Dept. said in denying import adjustment petition filed by current & former workers at GE's Clifton, N.J. sales office. Labor received petition for assistance by union representing Soundesign's Jersey City facility charging job loss due to audio equipment imports.

Mergers & acquisitions: Schlumberger will divest its minority interest in diode producer Unitrode within next 6 months under consent agreement settling FTC antitrust complaint. FTC action came in wake of Schlumberger's June 1979 acquisition of Fairchild Semiconductor, also a diode producer. . . **Levitz Furniture** board rejected as too low \$27-per-share offer made by Pritzker family of Chicago, currently holders of about 9% of Miami retail chain. Proposal called for Levitz family to own 25% of holding company to be formed by Pritzkers.

WEEKLY

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35
1945-1980

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MARCH 24, 1980

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

KAHN'S \$115 MILLION SALE of N.J. cable systems to N.Y. Times nearly final, less than 4 years after turning on first system in area. Kahn remains as consultant. Symons to be operating head. (P. 1)

COPYRIGHT PACT FIZZLES: Programmers reject copyright royalty percentage, killing plan worked out by major party lawyers. (P. 2)

FERRIS ON NPR: At public radio conference in Kansas City, FCC Chmn. signals approval of commercial use of NPR satellite system, end of 'narrow, moralistic' FCC attitude towards public broadcasting. (P. 2)

ACT KIDVID SEMINAR: Brown hits Congress's FTC actions. Discussions heated as Parker of United Church of Christ blasts NAB Code Board. (P. 4)

SUPER SATELLITES: Birds with double capacity of current units proposed by Southern Pacific, challenging RCA, Western Union & AT&T. (P. 5)

AM DECISION DELAY: Regional radio session fails to reach consensus on AM spacing, postponing decision for year. (P. 5)

NAB SEEKS ANSWERS on broadcasting issues from Presidential candidates. Code defense has cost \$200,000, deficit expected for year. (P. 6)

AT&T's ANTITRUST DEFEAT: S.D. cable system wins in Appeals Court which holds Sherman Act violated by refusal to grant pole attachment. (P. 6)

KAHN SELLS TO N.Y. TIMES—\$115 MILLION: A saga of American business climaxed last week when N.Y. Times plunged into cable, its board approving "agreement in principle" to purchase Irving Kahn's southern N.J. systems. Negotiations were first reported last Dec. (Vol. 19:51 p3). Price wasn't announced, but we estimate figure at \$115 million, plus or minus 5%. Deal must pass scrutiny of several govt. agencies—N.J. Cable Commission, Justice Dept., SEC, FCC—but no hitch is anticipated.

Sale reflects recovery of Kahn—from 20-month prison term for bribery in Johnstown, Pa. franchise case—building new cable empire and selling it to major media organization. He turned on first system, in Audubon, N.J., on April 17, 1976.

Properties comprise 27 operating systems, total of 55 franchises, 42,000 subscribers, 225,000 homes passed—all in Camden area. Subscribers are being added at 1,000 weekly, pace to be stepped up shortly. Kahn owns about 70% of systems, balance held by Thomas Troehler (from whom Kahn bought McGuire Air Force Base & Ft. Dix systems), Kahn associates Robert

Consumer Electronics

ZENITH BOOSTS PRICES \$10-\$20 across-board at suggested retail in 3rd increase since Dec. 1. GTE going up 3-5% at factory. Sony increases some 19" prices. (P. 8) RCA's new price list. (P. 11)

FLAT-PANEL TV display under development at RCA through cathodoluminescence, seen as 'most promising' approach. Commercialism possible in 5-10 years. Signal-processing seen best hope for TV set improvements. (P. 8)

AOC COLOR PLANT in U.S. now set to start 19" output in June. 25" line due in Nov. First complete color arriving from Mexico. (P. 10)

SONY EXPANSION continuing in San Diego, where mask assembly operation is being added to tube-making capability. Color output now at 700,000 annual rate. Magnavox spending \$19 million on production improvements. (P. 11)

JAN. TV IMPORT breakdown by country shows Singapore as 2nd biggest supplier of color sets & chassis, trailing only Mexico. (P. 12)

COUNTERFEIT CASSETTES from Taiwan, filled with computer tape, indicative of tight supply. European demand up. (P. 12)

NARDA RETAILERS showed 1979 unit sales gains in VCRs, color consoles, radios, declines in other major areas, bemoan shrinking VCR margins. (P. 12)

(Hank) Symons, Roger Wilson, firm's accountant Milton Hendler, Linda Brodsky, other staffers, plus a few outside investors.

Kahn started Teleprompter in 1950, sold out in early 70's for \$13 million. A few years ago, he began Times Fiber in joint venture with Times Wire, later sold interests to latter. He also started General Optronics & Electro-Optic Devices (lasers & associated hardware), still owns them, says they'll have "exciting developments" to report shortly.

Kahn remains consultant to N.Y. Times; Symons will be operating head of cable systems. Said Times Chmn. Arthur Ochs Sulzberger: "With this acquisition, we will have important properties in every major area of communications. Cable complements our existing positions... and will encourage interaction among them, particularly the development of new electronic services." Times has huge information data bank—probably largest in world—and is certain to press development of services such as viewdata & teletext.

Said Kahn: "The prestige, background and resources of the N.Y. Times, with this commitment to cable—representing a very substantial portion of the total equity of the company—shows that cable is for real. Cable is going to be many times greater than anyone anticipated. The economics of the agreement are light years ahead of anything else to date. The firm money on the line shows an awareness by a sophisticated organization. This will affect the repricing of cable more than anything that has occurred in the last 10 years."

Broker assisting Kahn in sale was Edwin Tornberg firm; systems were evaluated for Times by Malarkey, Taylor & Assoc.

COPYRIGHT PACT DOWN TUBE: Program syndicators last week rejected plan to give them 66% share of 1978 copyright royalty fund, scuttling agreement reached by lawyers for contesting parties week before (Vol. 20:11 p1).

All other major parties (except music organizations, which didn't participate in discussions) had agreed to accept lawyers' plan. But since no agreement was reached, burden now returns to Copyright Royalty Tribunal, which has begun setting new hearing dates.

Under agreement reached previous week, broadcasters were to get 13% of \$12.7 million pie. NAB Ad Hoc Committee on Copyright Royalties and Exec. Committee approved deal. NAB represents about 2/3 of stations which have made claims, plans to distribute funds "on the basis of program time on a cable system by cable system basis," said Asst. Gen. Counsel James Popham. Broadcast interests not represented by NAB include PBS (which agreed to 4%), NPR, CBC and WTBS Atlanta.

FERRIS ON NPR SATELLITE VENTURE: FCC won't object if National Public Radio wants to use its new satellite system, or other methods, to make money for financially strapped public radio system. This was message of FCC Chmn. Ferris at Public Radio Conference in Kansas City last week.

Ferris cited Commission decision approving use by PBS stations of their earth stations for private commercial video & message traffic (Vol. 20:11 p4), told conference: "I can see no reason why this precedent should not logically apply to NPR stations as well."

"This decision signals the beginning of the end of the FCC tradition of viewing public broadcasting in the most narrow, moralistic terms. Non-commercial broadcasting is, after all, not entirely non-commercial," Ferris added, pointing out public broadcasting auctions and other fund-raising efforts. He said FCC's traditional approach of stifling entrepreneurial efforts by public broadcasting is outmoded, ignores reality of non-profit broadcasting field. Besides sale of satellite time, he mentioned other areas which FCC might look upon favorably: (1) "Pay-as-you-go" subscription public TV & radio, using scramblers & decoders. (2) Public radio station subcarriers as delivery system for home information services (if FCC restrictions are lifted). (3) Sale of public TV & radio programming in cassette form.

Public radio community reacted enthusiastically to Ferris invitation to market. "I think this is the most positive signal we've had from the FCC recently," said NPR National Affairs

Vp Walda Roseman. Ferris said he believes that public broadcasting stations' federally mandated community advisory boards function more "efficiently" than FCC rules on ascertainment. NPR returned favor later in conference when board approved favorable comments on FCC's radio deregulation rulemaking.

Bad news came from White House telecommunications aide Richard Neustadt: Public radio system faces essentially static federal funding situation, with increases over next 5-10 years possibly not even large enough to cover inflation. But White House shares public radio's goal of eventually reaching more than 90% of U. S. population (NPR's 230 stations now reach 65%), and new sources of funds seem only answer. "We think you should take advantage of the fund-raising possibilities Charlie Ferris mentioned in his speech," Neustadt said.

But NPR won't be rushing headlong into moneymaking ventures with satellite. First priority is completion of system in April (220 receive-only stations and 17 uplinks with four 15-kHz audio channels on Western Union Westar satellite), then to learn system's traffic requirements. Study of legal and contractual problems, along with now-expected FCC approval for commercial use, are needed before satellite resale.

Public radio station managers expressed desire to maintain good relations with commercial stations. NRBA Pres. Harriet Kaplan told conference that cooperation on areas of mutual concern (mainly deregulation) is possible and that it will be necessary for public and commercial radio to present "united front" to FCC on many issues. And, at unveiling of new NPR "awareness" campaign featuring print ads stressing "commercial-lessness" of public radio programming, many NPR station managers rebelled, claiming campaign would alienate commercial stations in their markets.

Several press groups are piqued at NAB for refusing to join in what they consider major threat to FOI Act in FTC legislation now before congressional conference committee (Vol. 20:11 p3). Bill gives FTC "large exemptions" from FOI, according to 8 press groups, and represents "major mutilations." Groups had asked NAB to join in protest to conference committee (which meets again March 26). Responded NAB Pres. Wasilewski: "We are opposing financial disclosure at the FCC and we think action on the FTC matter would lead to certain confusion."

TV commercials for bladder incontinence must meet "stringent standards of good taste," NAB TV Code board decided last week. Board also changed language to prohibit use of separators within children's programs for "program promotion purposes." Presentations on behalf of Cruex (jock itch product) and Semi-Cid (female contraceptive) were made to board. TV Code now has record 504 commercial station subscribers.

Supreme Court's Kissinger decision may open "huge loophole" through which govt. agencies can avoid disclosure under FOIA, Legal Times of Washington reported. Court ruled that once Henry Kissinger sent notes of his phone conversations as Secy. of State to Library of Congress, they were outside reach of FOIA. Some lawyers fear other agencies & officials will be encouraged to take similar actions.

Operating TV stations total 1,018 (627 VHF, 391 UHF) with start of WCGV (Ch. 24) Milwaukee. STV station, owned by B & F Bcstg., started March 19. Pres.-Treas. Robert Block holds 45%.

NCTA named 55 nominees for 1980 ACE Awards for original programming. Winners will be announced May 20 at convention in Dallas.

Foreign cable ownership issue is scheduled for FCC consideration this week, and Commission is expected to decline to put limits on such holdings. Staff has recommended against restrictions, claiming foreign participation increases competition for franchises, forcing U.S. applicants to upgrade service. Comr. Washburn favors restrictions—such as Canada has on U.S. ownership there—but majority of commissioners are believed unlikely to join him.

"ATC passed the one-million-subscriber mark in Nov. and expects to become the largest system operator sometime in 1980," says Time Inc. annual report. (Television Digest's report on Top 50 operators showed ATC with 975,000, Teleprompter with 1,234,800, as of Oct. 1 [Vol. 19:48 p3].) Time's Video Group had 1979 revenues of \$299 million, operating profit of \$69 million. Only forest products (\$96 million) and magazines (\$70 million) showed higher operating profit.

In White House budget reduction move, FCC has been ordered to cut back 2% on \$77.1 million proposed expenditures for fiscal year beginning Oct. 1. Commission will be able to hire only one new employee for every 2 who leave, hopes to take care of situation through normal attrition. As of March 1, when restriction became effective, FCC had made 41 commitments to hire; since then, 45 employees have left.

Vidsat will carry 5-6 syndicated shows when satellite distribution network gets under way in Sept., according to Group W TV Syndication Center Vp George Sperry. Largest customer could be International Creative Management TV for 90-min. daily show, introduced at NATPE, called "Morning Affair." Also signed: "Star Tracks," "Agronsky & Company."

ACT KIDVID SEMINAR: Theme was kid TV & health, but ACT's Washington seminar last week took predictable turn as participants blasted Congress's FTC actions, argued over kidvid quality, took swipes at each other.

FCC Comr. Brown had harsh words for Congress's halt of FTC investigation of children's ads, which ACT and other groups are pushing Congress to reconsider. Stressing he wasn't taking stand on merits of proceeding, Brown warned that Congress's "unprecedented intervention" into on-going proceeding will make other agencies, FCC included, "even more likely... to avoid making tough decisions on hotly contested issues."

Sharing platform with NAB TV Code Chmn. Michael Kievman, Everett Parker of United Church of Christ hit board for "meaningless" role in preventing broadcasters from "exploiting children." Parker said FCC (which he also blasted, recommending it be forced into "rules with teeth" through court suits) should force NAB Code Board to deal with local programming and add public members. FCC also must require stations to consider children's needs in ascertainment, he said. Kievman said advertisers do "test" Code Board "but when we say 'no' they accept it."

Referring to network TV as "selling eyeballs to advertisers," NCTA Pres. Thomas Wheeler pushed cable diversity as kidvid solution. NBC Vice Chmn. Richard Salant used Project Peacock (planned NBC series of 20 prime time children's specials) as examples of network attempts, argued "diversity sounds good in theory but I hope to develop a kind of diversity parents don't have to pay for directly."

Emphasizing it was "personal opinion," ACT Pres. Peggy Charren said she doesn't support "making all programs at all times good for children or there won't be anything left for adults." Salant agreed: "I don't want to sanitize programs all night long just because some idiot parents allow their kids to stay up longer than they should."

During break, shouting match erupted between Salant and Karin English of Minority Children's TV over network attempts to improve children's programs. Said Salant later: "We come here so we can get hit over the head, get angry and then go back and do better."

"Communications foul-up" was blamed for Chief Justice Burger's attempt to bar press from listening to his speech to National Newspaper Assn. Burger said he thought press wanted to observe private session with college students. Reporters were admitted after situation was clarified.

"Good Sam" public service advertising awards program has been created by AAF. Entry deadline is June 15; contest is open to ad agencies, media, public service groups. Contact AAF, 1225 Connecticut Ave. NW, Washington 20036.

Spot TV investments rose 11% to \$2.9 billion last year, TvB reported. Record number of advertisers, 2,627, used spots for 10,854 brands.

First Amendment Congress reconvened in Williamsburg, Va. last week after Jan. meeting in Philadelphia (Vol. 20:3 p5). At 2-day meeting, working groups produced resolutions on number of First Amendment & press freedom topics on which group voted. Organization approved resolutions seeking: (1) Deregulation of activities involving First Amendment, particularly in broadcasting, and prevention of excessive regulation of emerging technologies such as cable TV, data, cassette. (2) Protection of right of commercial speech. (3) Study of closed information situations such as CIA and closed courts. (4) Ways of educating public about First Amendment. (5) Others on journalistic ethics, special interest groups & privacy vs. right to know. NAB was represented by Chmn. Thomas Bolger, Senior Vp & Gen. Counsel Erwin Krasnow, TV Board Chmn. Robert King.

"On some occasions, citizens' groups give the impression they are more interested in stirring a controversy and exploiting discontent than in correcting deficiencies or encouraging quality programming," according to FCC Comr. Quello. In speech prepared for delivery to predominantly black Capitol Press Club, he urged public interest groups to take "a positive, constructive approach" without "disruptive agitation" and "shouting phase" of earlier civil rights activities. Detailing efforts to encourage minority ownership by Commission, he said actions "are still too young to have produced major changes," maintained industry record in EEO "has not been perfect but it has been significantly better than in practically all other industries."

Pay TV & video technology growth was called potential "Tower of Babel" by ABC TV Network Pres. James Duffy in March 21 speech at Executives' Club of Chicago. Duffy pointed to audience of "more than 60 million" who watched ABC broadcast of Olympics Gold Medal hockey game, said event carried on pay TV would not have had "same shared experience. And we would have been divided into nation of those who can pay and those who can't." Network outbid company seeking 1984 Summer Olympic rights which "intended to charge admission, in theaters and through pay cable systems," Duffy noted. "What could happen in the case of the Olympics could also happen in the case of the World Series, the Super Bowl and other events."

White House counsel Lloyd Cutler said that sale of TV rights could finance "sports festival" now being organized by U.S., Britain & others as alternative to Olympics in Moscow. Cutler, speaking from Geneva conference set up to organize alternate games, claimed that all U.S. TV networks have expressed serious interest in buying rights, but network spokesman were skeptical, wouldn't confirm Cutler statements. Administration plans now focus on holding "clusters" of games in late summer in 5-6 participating countries.

Talk of possible strike of hotel workers in Las Vegas in April is causing some concern at NAB, where officials are hoping April 12-16 convention won't be affected.

SUPER SATELLITES PROPOSED: New domestic satellite system with double capacity of all currently-planned or operating spacecraft has been proposed to FCC by Southern Pacific Communications, which said it will "aggressively seek video distribution customers" as well as data, electronic mail and voice users. Three satellites will carry equivalent of 48 transponders each—double capacity of current birds. Service could start by 1982 if FCC approves plan by this summer.

In plain challenge to current satellite operators—AT&T, Western Union & RCA—SPC told Commission its satellites will make more efficient use of orbital slots. Application is bound to be controversial—presenting Commission with tough decision, since there are now many more applicants for satellite slots than positions available. AT&T, WU & RCA all are seeking to launch more satellites, and Hughes Communications is seeking to join them.

Said SPC: "We submit... that the proposed program is the most deserving of all new applications made to date, since it provides the highest capacity at the lowest unit cost with the most efficient use of the frequency spectrum and the orbital arc." Investment for system is about \$196 million. Contractor isn't selected. SPC said FCC must "now make the necessary adjustments to prevent 3 carriers from locking all new entrants out." SPC said its system would operate on both 4/6- & 11/14-GHz frequencies, offering "considerable advantages" to users.

House proceedings should continue to be broadcast, although TV cameras may be slowing process and making debate more partisan, Congressional survey found. Survey, based on questionnaires, sent to House members, found most members satisfied with C-SPAN coverage.

Nobel Prize winner Arno Penzias of Bell Labs will conduct April 21 tutorial in series sponsored by FCC's Office of Science & Technology, open to public. Videotapes are available. Penzias's topic is "Precipitation Effects on Terrestrial & Space Communications."

Lions Club will assist hearing impaired to buy "telecaption" units for reception of closed captions on ABC, NBC & PBS. White House held reception last week to promote telecaption system, where Sears announced that 5,000 units were shipped in week.

Home satellite trade group is being formed. Named Society for Private & Commercial Earth terminals (SPACE). Contact: Richard Brown, 1521 O St. NW, Washington 20005, 202-387-1856.

TV advertising's effect on children is topic of U. of Pa. seminar March 24, first in 7-part Communications Colloquium. WARC is topic March 31. Free sessions meet on Philadelphia campus.

TV advertising for professional personal services—by real estate agents, investment brokers for example—rose 43.8% to record \$83.2 million last year, TvB reported.

9-kHz DECISION POSTPONED: Regional radio conference on 9-kHz AM separations failed to reach consensus last week, so participants decided to delay decision until another conference in Nov. 1981. In interim, separation issue will be studied by IFRB in Geneva, which will prepare technical report. U.S. delegation said it expects IFRB study to confirm position of U.S. govt. that cutting separations is practical way to add new stations.

Majority of 22 nations at Buenos Aires session approved U.S.-backed plan to put western hemisphere on same separation plan as rest of world, but opponents, led by Canada & Argentina, made it clear they weren't prepared to drop their objections. U.S. then sought to pass resolution delaying definitive action but noting majority approval for reduced separations. Canada & Argentina objected strongly, and resolution failed.

Session continues this week, considering issues of power limitation & propagation—but State Dept. said meeting isn't "forum for definitive discussion," only technical review of issues to be debated more fully next year.

New video technologies catering to programming needs of specialized audiences and continued increase in demand from commercial TV make 1980 "decade that will have unprecedented opportunities for all of you in the creative community," ABC TV Pres. Frederick Pierce told L.A. TV Academy recently. He noted that ABC's use of original programming in prime time increased 20% in last decade, said demand should continue to grow "as long as you & we can bring spiraling costs under control." Pointing out that audience becomes "more selective & demanding with each year," Pierce warned that creative programmers must be prepared to face risk of failure in effort "to constantly improve the medium of TV."

More MDS is goal of FCC inquiry & rulemaking started last week, aimed at adding new frequencies, moving applications through bureaucracy quicker, exploring new ways of allocating frequencies (including auctions or lotteries). Under proposal, MDS would add 10 channels (between 2.5-2.69 GHz) now allocated to instructional fixed TV service. FCC asked for comments, specifically on possible impact of added MDS on direct satellite broadcasting in 2.5-GHz band.

Lightweight portable VCR for ENG, with magnesium alloy body, is being introduced by Sony, presumably will be shown at NAB. EVU 110 weighs 25 lb. including battery, cassette, shoulder belt, etc., is priced in Japan at under \$4,200. Sharp will show new \$20,000 color broadcast camera.

Cable Measurement Committee has been set up by cable and ad interests to measure local cable audiences, will report findings through AAAA, CTAM & NCTA.

Venevision of Venezuela bought almost \$5 million worth of equipment from RCA for network upgrading.

NAB SEEKS ANSWERS FROM CANDIDATES: In series of "if elected" questions, NAB will soon query Presidential candidates seeking their views on industry matters. Exec. Committee is expected to put final approval on language at meeting in Washington this week. Most questions will give backgrounds on industry positions and/or actions, seek views from candidates on:

How will deregulation, especially of radio, be pushed; how will candidate make certain govt. doesn't intrude into programming; will localism remain as prime goal of regulation; how would stability of licenses be increased and what is favored length of license; direct satellite-to-home broadcasting; govt. regulation of advertising; should performers be paid copyright royalties; and how about reimbursement for citizens' groups.

NAB now has spent nearly \$200,000 in legal fees defending TV Code against Justice Dept. antitrust suit, expects to have net operating deficit between \$200,000-\$300,000 for year ending March 31. According to Secy.-Treas. Michael Harwood this is due primarily to inflation, heavy legal expenses, extra board & committee meetings and staff increases.

At recent meeting, Exec. Committee held "lengthy discussion" of session between RAB & NRBA for avowed purpose of improving liaison & relationships. This concerned NAB—which works closely with RAB, tries to ignore newcomer NRBA—so Exec. Committee plans meeting of its own with RAB "to review the NAB relationship with the RAB."

Marco Beach Hotel (Fla.) has been picked over Doral Country Club in Miami for Jan. 1982 board meeting; favored site for 1983 is Del Webb's La Posada Resort, Scottsdale. Fall "town meetings" with public are set in Milwaukee Oct. 7, Tucson Oct. 20. Exec. Forum will be held Sept. 16-18 in Fredericksburg, Va. Exec. Committee also agreed to form 2 new NAB committees—Future Bcstg. Technology and Communications with the Membership.

Canadian MATV supplier All-View Interphase Systems, Mississauga, Ont., establishes Network One, to lease earth stations to homeowners, apartment complexes, for direct reception from Anik. Canadian observers say they expect most terminals also will be used for reception from Satcom & Westar, although this is considered illegal by Canadian Radio, TV & Telecommunications Commission.

Blasting networks for giving rival National Education Assn. sole power to screen & recommend educational value of programs, American Federation of Teachers urged members to write letters to networks, charged endorsement policy "perpetuates false assumption" that NEA represents all education community.

Children who watch TV ask parents for average of 13 advertised products each week, U. of Pa. Prof. Scott Ward reports in study based on one-month diary research of 289 Boston-area families. "Mothers usually agreed to buy certain food items but were reluctant to purchase expensive toys," he said.

AT&T's ANTITRUST DEFEAT: AT&T lost antitrust suit in 8th Circuit Appeals Court (St. Louis) last week, as unanimous Court held phone company restrained trade by refusing Aberdeen, S.D. cable system TV Signal Co. use of its poles. Counsel for cable firm, John Cole, of Cole, Raywid & Braverman, said that decision is first antitrust loss by parent AT&T and that decision "should aid cable generally in its continuing battle with AT&T." Reversing Dist. Court, Judges Lay, Heaney & Henley sent case back for sole purpose of determining damages—treble, plus attorneys fees, under Sec. 1 & 2 of Sherman Act.

Originally, Northwestern Bell had one-system-to-a-pole policy, refused to grant TV Signal attachment rights because another system was on poles. This forced TV Signal to go underground, at cost of \$5,000 a mile vs. \$3,650 when Bell later changed policy, allowed it on. It built 48 miles underground, 15 on poles.

Principal ground for reversal by Appeals Court: TV Signal, with its broadband capability, was both existing & potential competitor to phone company.

General Tire has proposed spinoff of RKO's WHBQ-TV Memphis & 12 radio stations into new corporation, also proposed facilitating sale of WNAC-TV Boston to New England TV by waiving 2 conditions if spinoff is approved. Sale had been conditioned on FCC finding RKO qualified for renewal and issuing tax certificate. General Tire said spinoff is attempt to "remove any clouds" on RKO stations not involved in FCC Jan. ruling (Vol. 20:4 p1). General Tire spokesman added firm still believes tax certificate is warranted, still seeks it.

Indiana is first target of NOW survey of employment opportunities in TV & radio. Group will rate every station in state on type of jobs held by women & minorities, also will investigate amount of public affairs programming offered. Study of 3 states (2 to be announced) is financed by \$25,000 grant from NOW's Legal Defense Fund. Group is seeking foundations' grants totalling \$150,000 to study all states. Group is particularly interested in small stations where women & minorities are apt to begin careers.

National Jewish Archives of Film & Bcstg. is being created in N. Y. by Jewish Museum under \$550,000 grant from Charles Revson Foundation. Commercial TV networks & PBS have agreed to provide selected programs for Archives for "individuals of all religious and cultural backgrounds to look at and listen to the records of Jewish experience."

Banning appearances by elected officials on public service spots would do more harm than good, FCC said in denying rule sought by an M.I.T. prof. Commission said officials gain "minimal" benefit from appearances which aid in attracting audience attention to service messages.

Use of added UHF channels by land mobile was rejected by FCC—citing "important need for TV use" of lower 7 channels sought for sharing by Land Mobile Communications Council.

Personals

Arnold Lerner, NAB radio chmn., has informed board members that he won't seek re-election; expected to vie for seat are Vice Chmn. **Edward Fritts** & **Cullie Tarleton**; TV Chmn. **Robert King** and Vice Chmn. **Mark Smith** are expected to seek re-election.

Doreen Baker promoted to dir.-late night programs, NBC Entertainment; **Thomas Tippets** to mgr.-program operations, west coast; **Raymond Gardella**, ex-Arbitron, joins NBC Radio as vp-affiliate relations... **James Underwood**, ex-WTWO Terre Haute, appointed vp-asst. gen. mgr., WRBL-TV Columbus, Ga.

Jay Feldman, ex-KNXT L.A., moves to WCAU-TV Philadelphia as vp-gen. mgr., succeeding **Daniel Gold**, who will be reassigned within CBS TV Stations Div.

James Carey appointed gen. sales mgr., KMPH Fresno; **Alfred Ruch**, ex-KOLO-TV Reno, named chief engineer... **Minnie Johnson**, ex-Dun & Bradstreet, appointed financial mgr., Corinthian Bcstg., succeeding **Colleen Roach**, now in same post at Corinthian subsidiary PGW... **William Vandermay** promoted to mgr. of engineering, KATU Portland, Ore.; **Donald Wilkinson** to chief engineer, succeeding **Vandermay**... **James Overbay**, ex-KMBC-TV Kansas City, appointed news dir., KCMO-TV Kansas City, succeeding **Mike Casserly**, now news dir. at KPRC-TV Houston.

Randolph May promoted to assoc. gen. counsel, FCC... **Barbara Mann**, ex-Post-Newsweek Stations, named policy development coordinator, NTIA minor-ity development program.

Donald Williams leaves Cox Cable as exec. vp, after 14 years with company, to become senior vp, Oak Communications, active in cable, STV, "other forms of consumer oriented telecommunications services": Box 28759, Rancho Bernardo, Cal. 92128... **Edward Addiss** appointed vp-development, Warner Amex Cable.

John Appleton, ex-Science Management Corp., named asst. dir. of operations, NCTA services staff... **Scott Kurnit** promoted to dir.-program & studio operations, Qube... **Donald Heller**, ex-Philadelphia Spectrum, appointed vp-finance & administration, Prism, new post... **Regina Dantas**, ex-Hanna-Barbera, joins Viacom Enterprises as vp-international sales, new post... **Stephen Scheffer**, ex-Time-Life Films, appointed vp-film programming, HBO.

Harris Katleman, ex-Bennett/Katleman Productions, appointed chmn., 20th Century-Fox TV... **James Harmeyer**, Jacksonville mgr., **Cathy DiVenere**, Chicago, and **Jeff Hufford**, Seattle mgr., promoted to Blair TV vps... **Fran Tivald** promoted to asst. sales mgr., TeleRep N.Y... **Jeff Nathan** moves from Metro TV Sales, Chicago, to mgr. of new Minneapolis sales office (441 Boone Ave. N. 55427)... **Patricia Van de Cater** advanced to vp, Century Media... **Kerry Fox** appointed pres. of Wescom, telecommunications supplier acquired in Feb. by Rockwell International.

James Johnson, ex-exec. vp-gen. mgr. of Neb.

TV Network, forms **Jim Johnson & Assoc.**, PR firm (Woodridge Plaza, Kearney, Neb. 68847)... **Norman Hecht** resigns from Arbitron to form consultancy; **A.J. Aurichio** succeeds **Hecht** as TV vp-gen. mgr.; **Marshall Snyder** promoted to vp-research & planning.

Frank Hayes promoted to pres., General Wire & Cable, succeeding **Richard White**, retired... **Henry Klerx** advanced to managing dir., RCA Jersey Ltd. (mfrs. of cameras & tape recorders for overseas market)... **Jack Arbuthnott** promoted to vp-CATV engineering, Times Wire & Cable; **James Morton** & **John Patterson** named national account mgrs. for MSO sales.

Mary Byrne advanced to vp in charge of Visualscope TV, subsidiary of Reeves Communications... **L.E. Stanley** promoted to marketing mgr., Hughes microwave products.

Less federal regulation of private radio—with substitution of "market" forces—was proposed by FCC Chmn. **Ferris** in speech to Land Mobile Communications Council. He said efficient use of spectrum should be encouraged, warned that digital radio may "wipe out much of the rationale for present service categories." On direct satellite broadcasting, **Ferris** said: "Such a service could be treated as a broadcast service, a common carrier service, a private radio service or some hybrid of each. Our decision as to which slot and label we use for DBS will have significant impact on the level of regulatory burdens imposed on this exciting new development."

Charging TV news with creating "nuclear phobia," a Washington psychiatrist says network news overemphasizes fear in coverage of atomic power plants. Dr. **Robert DuPont**, George Washington U. prof., reviewed study by Media Institute of coverage since 1968, says reporters stressed "what if instead of what is" and questions whether public is given enough information to "balance risks... against benefits." CBS official said study "sounds fairly esoteric." Institute is supported by business community but says DuPont received only "small honorarium" for review.

"Cautiously optimistic" PTA reported that fall survey shows TV programming may be improving. Overall ratings rose for first time since surveys began. Survey concludes that most violent TV viewing continues to be prime time network movies, citing NBC's "Last Ride of the Dalton Gang" as most violent program. CBS is first network to have no programs in "poorest quality" category.

Franchise fees will rise if FCC lifts ceiling on them, NCTA-ATC-commissioned study says. Study, by National Economic Research Assoc., was submitted to FCC, which is considering lifting ceiling. Other conclusions: (1) Raising ceiling isn't deregulation, because local regulators may add regulation. (2) Fees would rise most in urban areas. (3) Experimentation would decrease.

Fiber optic network costing \$56 million is planned by Saskatchewan Telecommunications. To be completed in 4 years, it will carry video, voice, data.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended March 7 (10th week of 1980):

	March 1-7	1979 week	% change	Feb. 23-29	1980 to date	1979 to date	% change
Total TV	229,640	314,281	-26.9	298,787	2,614,062	2,795,560	-6.5
color	159,681	201,493	-20.8	198,662	1,720,985	1,746,951	-1.5
monochrome	69,959	112,788	-38.0	100,125	893,077	1,048,609	-14.8
Home VCR	10,439	10,552	-1.1	13,691	119,550*	75,244	+58.9

Color TV 5-week moving average: 1980—177,276; 1979—187,280 (down 5.3%).

Home VCR 5-week moving average: 1980—13,333*; 1979—8,487 (up 57.1%).

*Record for period.

ZENITH INCREASES \$10-\$20 ACROSS-BOARD: Zenith will raise suggested list prices of all color sets April 1. Portables & table models will rise \$10-\$20, consoles \$20. It's Zenith's 3rd increase since Dec. 1, includes new 23" line introduced last month (Vol. 20:7 p12). "More modest increases" are planned for most b&w sets.

GTE is gradually increasing prices 3-5% at factory. Last week it announced early introduction of 5 portables in 1981 line, reflecting 3% hike in factory prices—two 13" leaders at \$330, step-up at \$350, leader 19" at \$420, step-up \$440. Selected 25" sets which will carry over into fall also were hiked 3% at factory, and company said May introduction of balance of Sylvania 1981 line would reflect boosts of 3-5% over existing prices.

Sony hiked 2 popular 19" models \$10 in suggested lists—standard set to \$640, remote to \$750—and raised radio prices selectively. New Sony line, scheduled for introduction May 27, presumably will reflect further increases. Planned boosts by Zenith, GE, GTE & Magnavox were reported here last week (Vol. 20:11 p7), following RCA's 3.1% hike (Vol. 20:10 p7, 20:11 p7). For rundown of RCA's new prices, see p. 11.

RCA ON TRACK OF FLAT-PANEL TV: After 35 years of chasing picture-on-wall TV rainbow, RCA now feels it's working on most promising approach yet, guardedly thinks it could have commercial product in "mid-to-late 1980s." We saw demonstration of results to date, along with other work on new frontiers of consumer electronics, last week on tour of RCA Labs in Princeton.

Tour was part of new openness at RCA on technology, part of a drive to stress R&D and direct relationship of work at Labs with upcoming new products, simultaneous with corporate ad drive geared to RCA's technology.

RCA's approach to flat screen is in field of cathodoluminescence, to which it has directed energies since 1973. Cathodoluminescence is same principle used in picture tube—and RCA is developing panel 4-5" thick with screen 50" in diagonal measurement containing entire TV set. What RCA is doing is to "collapse a picture tube into flat geometry." Panel is modular, contains conventional phosphor screen & shadow mask. Cathode—40" long—runs along bottom of screen. Screen itself is divided into 40 vertical "modules," each one 30" high and one inch wide, and each containing vertical electrode—in some respects the equivalent of 40 picture tubes mounted side-by-side. RCA calls it "modular guided-beam technology."

We saw developmental prototype of 5x10" segment of tube and b&w video tape of picture from

unit. Grey scale was good, resolution still low. Proposed glass-&-metal panel would use 10-kw power, about 1/3 that of conventional picture tube. Color is no problem, according to RCA engineers, since conventional color tube techniques would be used. "We want a display with the same quality as a high-fidelity picture tube," said RCA Research & Engineering Exec. Vp William Hittinger. "We think these goals are optimal in this system. We're very encouraged by the progress of the last year or 2. The basic question is whether it's manufacturable and at what price. It looks like the same tolerances would be required as for a shadow-mask tube, but over a larger size."

RCA has been issued basic patents on principle, which will be subject of paper at Society for Information Display meeting next month. All other approaches to flat screen have been rejected by RCA as wanting in terms of performance/cost/power-consumption equation. RCA is aiming at large screen—bigger than picture tube—from start, because that's where it sees value of flat screen. "We gave up on the LCD approach because it was best suited for small-screen black-&-white," said Hittinger, "and we saw no reason to do the work and hand it to the Japanese on a silver platter."

GTE also is working hard in cathodoluminescence, but it's using gas-discharge approach. GTE's work is being done with Lucitron Inc., composed of former Zenith display system researchers (Vol. 18:29 p8).

RCA is stressing commercial value of Labs' work, as well as teamwork between Labs and operating divisions. "The Colortrak concept was developed here in 1972, said Labs Vp William Webster, "reversing the trend of cutting performance to save dollars and compete with the Japanese." New trend in future TV sets? Buzzwords are "picture enhancement" and "signal processing"—techniques to create picture which looks better on home screen than it did in TV studio.

As example, RCA demonstrated Dynamic Detail Processing, CCD comb-filter circuit featured in high-end RCA sets (Vol. 19:21 p9). Such developments are being made practical by large-scale integration, and Webster forecast that in 3-5 years digital signal-storage techniques will be practical in home sets, making possible further picture enhancement and special effects such as freeze & multi-pictures.

Among other achievements in color sets is weight & size reduction plus improved reliability of new planar chassis, latest version of which was introduced last month by RCA (Vol. 20:7 p12). Used in 19" set, it weighs 7-1/2 lb. less than predecessor, has 76 fewer components. "We learned from the Japanese to go in the direction of a single chassis for reliability... We're not going to lie down and let the Japanese take over our business."

No visit to RCA would be complete without glimpse of videodisc—and we saw continuously operating disc test facility at Princeton. Although RCA still gives nominal 200 hours as life of stylus & disc, Labs officials indicated they're now going far beyond that. More than million discs have now been pressed for testing, engineers said. We asked Hittinger about repeated rumors that RCA was having problems with distribution of carbon particles in discs as well as in sources for type of carbon it uses, got flat denial of both.

RCA also showed latest version of optical videodisc recorder which it expects to replace VTR for broadcast use. System now uses solid-state infra-red laser, with disc spinning at 1,800 rpm capable of recording & storing 100,000 TV frames on one side of 12" record. Webster sees disc system as broadcast tool in 1986-7, not because it will take that long to perfect, but because industry currently is switching over from 2" to 1" videotape systems, and presumably will have to amortize new equipment before it goes to another generation of recording gear.

Also displayed by RCA was early developmental sample of single-chip consumer CCD color camera. Colors were excellent, but resolution was still relatively low. Hittinger & Webster both indicated Labs would be far more visible in future to stress RCA's commitment to technology. "We believe in the future of the company & the United States," said Webster. "The competition is able, but we're confident we can hack it"—citing as example videodiscs, improved TV products. "We can compete with the Japanese."

AOC PLANT ON TRACK, OFF SCHEDULE: Construction is continuing on U. S. color assembly plant of Taiwan's Admiral Overseas Corp., so start-up date has been pushed back about 5 months from Feb. 1 target. "We're putting in our assembly lines now and expect to begin making 19" in June," according to Exec. Vp-Gen. Mgr. John McCartin.

Aside from delay, plans for plant essentially are same as McCartin described to us last Nov. (Vol. 19:46 p9). It's located in free-trade zone housed in converted underground limestone quarry outside Kansas City. Initial assembly line will have capacity of 600 19" sets daily. Second line, slated for operation in Nov., is designed for 500 daily capacity of 25" consoles, could also be used to double 19" capacity.

AOC will import single-board chassis from parent, purchase tubes & cabinets in U.S. Because of recent influx of Japanese-owned color plants, lining up parts suppliers hasn't been snap. "The bonanza of coming to the States is pretty much dead" and vendors aren't standing around with arms open in welcome any more, McCartin said. AOC ran into "unforeseen problems in getting tooling for plastic cabinets," ended up dealing with Italian supplier when it couldn't make satisfactory arrangement in U. S., McCartin said.

There's also picture tube shortage. RCA has told AOC it hasn't capacity for orders from new customers. McCartin says company will source tubes, 100-degree hi-bi, from Zenith. There have been staffing difficulties as well. "It's hard to get people because of the high cost of moving," but McCartin added that most key slots have been filled.

AOC expects to be in Chicago "to make a splash" at June CES, although it may not be on exhibit floor. McCartin said sets will be competitive, but priced higher than expected last year. "I'd like to say we are so profitable we can absorb these horrendous cost increases, but I can't."

For production in Taiwan, AOC is buying 19" & 13" color tubes from Philips plant there, cutting down on number sourced from Japan. McCartin said Philips "has become a highly competitive producer." He indicated that even with 15% duty it might be practical to import tubes for U. S. plant from Philips, "but I'm not going to jeopardize that [free trade zone] position by buying tubes overseas."

Change just announced in Customs rules makes assembling in free-trade zone even more attractive. Assemblers bring imported parts into zones duty-free, paying tariff only when complete products are shipped to destinations in U. S. Duty paid is based on value of parts plus percentage of U. S. profit, labor & overhead costs equal to proportion of foreign parts in finished item. As way to encourage more foreign investment in U. S., Customs says only value of foreign content will be dutiable from now on.

TV action is heating up in Mexico, too. Commerce reported first imports of complete color TVs from Mexico in Jan. (see p. 12), understood to be 19" & 25" assembled there by Bohsei. Bohsei, which is sourcing chassis from AOC, tubes from RCA, announced plan for Mexican production at Jan. CES in Las Vegas (Vol. 20:2 p10). Also behind schedule, by about 3 months, but to go on stream in mid-April, is \$3-million color chassis plant of Matsushita Industrial Co. in Baja Cal. (Vol. 19:26 p10). Despite bad weather last 2 months, MIC essentially has completed installation of equipment, much of it gear acquired, but never used, when Matsushita purchased Quasar TV business from Motorola in 1974. It includes most of automatic component-insertion equipment Matsushita installed in Quasar's Franklin Park, Ill. plant. Pilot production already has started, it's understood.

Consumer Electronics Jubilee, local media saturation campaign designed to increase consumer awareness of industry products, kicks off in Boston May 16. Ten-day event, sponsored by EIA Consumer Electronics Group, includes newspaper supplement, industry-related interviews on local talk shows, showing of industry film in downtown theater. Manufacturers are being asked to lend support by conducting in-store product clinics, participating in programs planned at area colleges. Similar "jubilees" are planned for other major markets this year.

Color TV sales improved in week ended March 14, third March week in EIA's statistics, totaling 190,000, just 1.9% below same 1979 week. B&w sales at 110,000 were down 8.2%, while home VCR sales totaled 15,000 units, up 95% from year earlier.

FBI seized 300 illegal video tapes of hit movies such as "Superman," "10," "Norma Rae" in raid on N. Va. home. Tapes and duplicating machine were turned over to federal grand jury. Another raid in L. A. turned up 500 pirated tapes.

SONY SD STILL GROWING: Now completing 8th year of operation, Sony's San Diego plant is oldest Japanese-owned color TV factory in U.S., is only U.S. TV plant that turns out tubes as well as complete sets, and it's still growing.

First major expansion was 1974 addition of color tube assembly, followed in 1975 by addition of space for warehouse and more assembly lines. Last year, Sony began screening tube faceplates there, using equipment acquired from former Westinghouse plant in Horseheads, N.Y. On recent visit there, we saw start of new \$18-million expansion that will increase tube capacity, give plant in-house capability to turn out aperture-grille assemblies which are now imported from parent in Japan.

New facilities aren't expected to add to 1,600 workforce, but will provide replacement jobs for those lost in Sony's continuing shift toward automation. But hiring, not firing, is big employment problem in rapidly growing area. Labor turnover has become something of headache in all industrial park areas along coast from L.A. to Tijuana as new domestic & foreign manufacturers move in, offering higher wages for trained workers.

Recent storms caused even more serious, although temporary, difficulty for Sony. Tornado blew roof off clean room where face plates are screened, creating severe dust problem. Sony was forced to cover equipment with plastic sheeting to cut down on contamination. Even so, yields for past several weeks have been below acceptable level, and situation is only now returning to normal.

With all that, Sony is currently turning out 26", 19" & 17" color models at 700,000 annual rate. No 15" were being produced during our visit. Sony says output of 26" consoles is at just over 90,000 annual rate, and there's 20-day order backlog. Not all of production is destined for sale in U.S. Sony is also building color for sale in Canada and NTSC Latin American countries.

Sony isn't only U.S. color manufacturer with ambitious expansion program. At recent International Trade Commission hearing on color TV import quotas (Vol. 20:10 p12), Magnavox Gen. Counsel Thomas Hafner said company will spend \$19 million over next 2 years to improve & automate production facilities here. Magnavox also is spending \$8.5 million to build new hq in Knoxville, Tenn. Plant closings & consolidations last year resulted in annual saving of \$1.66 million, Hafner stated. As part of overall restructuring, he said, Magnavox is designing new color TV chassis that could trim product cost 10%.

Our report on ITC hearing omitted fact that Sylvania parent GTE, as well as Magnavox, was on stand to indicate traditional domestic industry's support for continuation of color import limits which now restrict shipment levels from Japan, Taiwan & Korea and are slated to expire June 30. In statement, GTE Consumer Electronics Pres. George Konkol said company has used period of relief from excessive import competition to improve production efficiency. But, he noted, industry continues to be highly competitive & price-sensitive, and more time is needed to complete modernization effort.

NEW RCA PRICES: RCA's color price increases of \$10-\$40 at retail on top of previously announced Feb. 13 hikes, and effective same date (Vol. 20:10 p7), actually represent boosts as high as \$60 and even \$200 on high-end heavy-furniture models from prices last Aug. There have been 3 general increases since then. Here's RCA's color line, as it stands now (changes from previously announced prices in parentheses):

Starting 13" color is open, step-up \$360, remote \$470 (both up \$10); 17" open & \$530 (up \$10); 19" open, \$460, \$510, remote \$570 (all up \$10); 19" Colortrak \$520, \$530, \$540, \$550, \$570, Autoprogrammer \$600 (all up \$10), remotes \$550 & \$650 (both up \$30). Colortrak 25" table model \$750 (up \$40), remote \$820 (up \$30); XL-100 consoles open, \$680 (up \$40), two at \$700 (up \$20), two at \$730 (up \$20); Colortrak consoles, 4 at \$800 (up \$20), 6 at \$840 (up \$30), 4 remotes at \$920 (up \$40), 5 Dual Dimension Sound remotes \$1,200 (up \$40); 2 VCR-ready consoles \$1,250, VCR-ready armoire \$1,400 (up \$50 & \$100 from last Aug.; intermediate increases not available).

Sony will increase Betamax production to 95,000 monthly (from 75,000) by end of Sept., Pres. Kazuo Iwama announced, bringing capacity to more than million units annually. Company is investing some \$42 million in new production equipment. Production plans for 1980 have been revised upwards by 20%. Of output, 70% is scheduled for export. Chmn. Akio Morita said production hasn't kept pace with orders from Europe, America, Mideast and 3rd-world countries. Cumulative Betamax production totaled 1.5 million at end Feb.; it's expected to reach 2 million in Sept.

First multicolor LED has been announced by Sanyo as possible step toward flat-screen TV. Made from phosphorized gallium, LED can emit colors from red through green, including those in between. Life is said to be "several tens of thousands of hours." Sanyo plans mass production in Sept., is working on 3-color LED which emits TV's primary colors—red, blue & green.

Midland isn't leaving TV business, industry rumors to contrary "are not true," and Midland is continuing to order sets from suppliers, ship to customers, according to spokesman for parent Beneficial. Speculation may have stemmed from restructuring under which Midland has lost operating autonomy, been returned to earlier status as unit of Western Auto.

Sony projection systems for passenger aircraft will be sold in U.S. by Trans Com Div. of Sundstrand Data Control, Costa Mesa, Cal. supplier of aircraft entertainment systems and other accessories. In Japan, Sony projectors are installed on All Nippon Airways.

Sears will add battery portable to VCR line this summer. Units are 2-piece single-speed Betas sourced from Toshiba. Sears has been buying home decks from Sanyo, cameras from Hitachi.

JAN. TV IMPORTS: Singapore emerged as No. 2 supplier of color TV sets & chassis in Jan., topping Japan, Taiwan & Korea, trailing only Mexico, which entered ranks of complete-set exporters-to-U.S. in month, Commerce figures show. Singapore & Mexico were only source countries to show significant increases in month, as overall imports of both color and b&w TV were down (Vol. 20:11 p8).

Here are results by country: Japan, total TV 67,900, -67.4%; color 23,500, -68%; b&w 44,400, -67.1%. Taiwan, total 322,100, -9.6%; color, 56,300, -49.3%; b&w 265,800, +8.4%. Korea, total 73,500, -61.9%; color 8,400, -86.9%; b&w 65,000, -49.3%. Singapore, total 62,600; color 61,500, +472.4%; b&w 1,200 (none in same 1979 month). Canada, color 8,500, -47%. Mexico, color 143,700 (no comparable imports in 1979.)

Imports of complete color: Japan, 14,300, -72.4%; Taiwan, 19,400, -54.9%; Singapore, 6,900, -35.7%; Canada, 7,200, -52.7%; Mexico, 580. All Korean color was complete. Incomplete color imports: Japan, 9,300, -57.8%; Taiwan, 36,800, -45.7%; Canada, 1,200, +86.8%; Mexico, 143,100, +53.8%. Also Singapore, 54,600; Philippines, 5,900; neither supplied incompletes in Jan. 1979.

Commerce has informed us that separate listing for imports of projection TV receivers in Jan. data was error caused by incorrect computer programming, and that 164 TVs shown under that heading were 14-15" color monitors. All other imports in those screen sizes were omitted from Jan. results, will be included with Feb. total.

COUNTERFEIT TAPES: Inevitable result of tight blank-tape supplies has been appearance of small quantities of counterfeit cassettes. Taiwan is considered major source of authentic-looking packages holding computer tape. Emphasis to date has been on phony Betamax boxes, some of which have already been identified & seized.

Another problem facing U.S. suppliers is fast-growing European demand, exceeding sales budgets prepared 6 months ago. DuPont said it gets 3-4 requests a week for overseas delivery of 50,000-100,000 blank cassettes, can't fill fraction of those orders. Some large tape retailers in N.Y. reportedly can, shipping batches of several thousand on regular basis. "Legally, we can't stop that," said TDK, which notes plants in U.K., Germany & elsewhere "didn't properly forecast" market, now must await next budget cycle to catch up.

Heightened competition in U.S. has kept lid on prices, will intensify when DuPont announced long-awaited VHS license, expected in time for June CES. Company has entered final stages of product qualification, awaits Matsushita approval. In effort to boost tape profitability, meanwhile, DuPont recently reassigned 4 salesmen, 2 tech service workers, saving \$50,000-\$60,000 a month, now plans to make greater use of reps.

Matsushita has introduced first Japan-made 2/3" CCD b&w cameras at about \$1,000 for standard model, \$2,300 for high-resolution version.

NARDA'S SALES YEAR: VCRs, color consoles & radios provided only exceptions to otherwise lower consumer electronics unit retail sales in 1979, according to NARDA compilation based on information supplied by dealers participating in association's data system program and other sources.

NARDA retail index for full 1979 shows VCR sales were up 10%, color consoles rose 1%, radios 6% compared with 1978. On down side were color combinations, 4%; color portables, 1%; b&w portables, 4%; audio recorders, 3%; audio components, 4%; stereo consoles, 1%. NARDA members tend to be traditional non-discounting TV-radio dealers, and their annual up-down sales swings don't necessarily mirror those of industry as whole. EIA 1979 sales-to-dealer totals put color TV down 3.8%, b&w up 3.1%, VCR up 18.3%, radios down 15.9% (Vol. 20:3 p8).

Shrinking margins made it difficult for dealers to "sustain enthusiasm" for VCRs last year, NARDA says. It reports average gross margin on sales in Dec. was just 19.1%, down from 22.8% in Dec. 1978. Next-lowest margin item in Dec. was color portables at 22%, down from 23.7%. As for 1980 outlook, "there's one thing certain: Retail competition will be fierce," Assn. says.

TV DATA RELEASE BLOCKED: U.S. Supreme Court last week blocked, at least temporarily, release by Consumer Product Safety Commission of confidential TV accident information supplied by manufacturers in 1974. Court ruled that one district court can't order release of documents if another court has issued injunction to stop release.

Effect of decision is to uphold temporary injunction won by industry in Del., preventing CPSC from turning material over to Consumers Union in response to FOI request. CU and Public Citizen's Health Research Group later asked D.C. Dist. Court to order CPSC to give up data.

Supreme Court restricted finding to court-vs.-court issue, said CPSC acted properly in obeying injunction. It also agreed to consider legality of permanent injunction issued later by Del. Court. Arguments on that aspect of case are expected to be heard next month, and decision could come in July.

In test case, CB linear amplifiers designated by manufacturer Brewer Labs as "CW Transmitters" have been declared illegal. Action by Okla. federal court followed seizure of 447 units after FCC investigation. "This is the first instance where a court has considered it to be illegal to market 'CW transmitters' which could easily be modified to be external radio frequency power amplifiers," FCC said.

EIA Spring Conference in Washington April 15-18 features Rep. James Lloyd (D-Cal.) & Deputy Commerce Secy. Luther Hodges as luncheon speakers during first 2 days. At April 17 Govt.-Industry Dinner, Sen. Barry Goldwater (R-Ariz.) presents EIA Medal of Honor to Collins Radio founder Arthur Collins. Newscaster Howard K. Smith keynotes dinner.

SONY RECORDS: Sony set records for sales as well as operating & net income in quarter to Jan. 31. Sales rose 47.6%, net jumped 342.6%, despite doubling of interest expenses & foreign-exchange losses to \$40.5 million (see financial table), while operating income rose 154.6% to \$157.9 million.

Sony reported sales in Japan up 18% to \$308.3 million, while overseas volume rose 69.9% to \$590.4 million. Product sales breakdown shows total TV up 42.7% to \$258.3 million, as color rose 45.6% to \$245.1 million, b&w edged up 3.9% to \$13.2 million; VCRs rose 81.4% to \$189.1 million; tape recorders & radio increased 40.4% to \$135.4 million; audio equipment was up 20.6% to \$99.2 million; other products, including accessories, professional video & magnetic tape, jumped 49.6% to \$216.7 million. Magnetic tape sales were at about \$90 million, with some \$54 million in video, \$36 million in audio.

Morse reported \$210,000 loss for 3rd quarter to Dec. 31, loss of \$843,000 for 9 months, against profits of \$19,000 & \$2.47 million in same year-earlier period. Sales were down 34.8% in quarter to \$19.9 million, were off 33.7% to \$51.8 million for full period. Loss for 9 months is after special \$6.7-million credit representing debt & interest forgiveness by creditors—however, agreement has not yet been formalized and may be altered as result of continuation of refinancing negotiations.

BSR (U. K.) reported loss of \$5.32 million in year to Jan. 5, against net of \$13.2 million in preceding fiscal year, as sales slipped 2.2% to \$349.1 million. Deficit was after \$12.7 million in special charges, mainly exchange losses, and including \$3.2 million for closing of facilities in U. K., Belgium & U. S. Company said record-changer sales were down last year, particularly in North America, added there has been pickup this year. Rising value of British pound, declining value of yen, kept BSR from raising prices high enough to cover increased costs, and pressures are expected to continue this year, company said.

Ad notes: Soundesign Acoustic Dynamics Div. is offering free \$19.95 headphone with purchase of promotional component system, extra pair of \$75 speakers with step-up system... **Sanyo** is among sponsors of Nelson Malloch stock car racing team. Panasonic sponsored "Indie 500" racing team last year, didn't renew... **Billboard** produces Sunday newspaper supplement, set for initial distribution in 6 markets starting this June, featuring stories & sales charts on music, pre-recorded video industries... **Fuji** will expand consumer ad efforts outside hi-fi publications for first time this year, is now offering 5% co-op to volume dealers. Theme for upcoming campaign: "One brand fits all. Better."... **JVC** kicks off 2-week 22-city TV spot ad campaign for 2-6 hour Vidstar VHS VCR... **Atari** launches \$1-million, 4-week, 19-city spot campaign for programmable video game. Campaign is first in series of seasonal promotions planned for this year.

Magnavox national sales meeting will be held in Marco Island, Fla., May 17. May 27 date in our recent calendar of new line showings (Vol. 20:11 p10) marks start of 14 divisional sales meetings.

ZENITH 1979 REPORT: Zenith retained sales leadership position in both color and b&w TV last year, company says in annual report. Zenith claims it increased color share, at sales-to-dealers level, in both 3rd & 4th quarters, finished year with record unit volume, and up 3% from 1978. For b&w, Zenith says sales for year were up 10%.

While Zenith may have come out ahead in TV unit sales, it still ranked no better than 2nd to RCA in consumer electronics dollar sales volume. Figures show Zenith sales in that area at \$985 million, up 7.3%, against just over \$1 billion reported by RCA (Vol. 20:11 p11). Zenith sales breakdown (in millions): Color TV \$781, up 5.3%; b&w TV & TV displays \$82, up 17.1%; audio & VCR \$122, up 15.1%. Zenith also had 45.2% gain to \$90 million in sales of other products, including results of Heath, acquired in Oct. 1979.

Report attributes \$13-million decline in pre-tax profits to \$59 million increase in payroll & material costs, a sum that couldn't be offset by combination of \$9 million improvement from high unit color sales, \$8 million from production efficiencies and \$33 million from higher selling prices. Report notes that price hike was first of significance since 1975, says Zenith will have higher prices on 1981 models.

Zenith says it expects new concepts & developments in projection TV in 1980s, also is working on TV picture display improvements, stereo sound for TV. For more immediate future, report notes Zenith plan to introduce RCA-type videodisc player in mid-1981, says it will offer this year wireless remote CATV converter plus STV decoder with multi-channel reception capability.

Mergers & acquisitions: Toshiba is acquiring Maruman IC, Sunnyvale, Cal. from Bansei Kogyo for about \$2.7 million, says it will invest \$20 million in production equipment, expects to turn out million ICs monthly there by end of this year, 2 million monthly next year. Deal is slated for April 1 completion, and company will be renamed Toshiba Semiconductor. TS will be 3rd major Japanese-owned IC operation in U. S. Nippon Electric owns former Electronic Arrays facility in Mountain View, Cal., Hitachi has test & assembly plant near Dallas. Fujitsu's \$10-million plant in San Diego is scheduled to be operational by year end... **Apple Computer** has acquired distributor-retailer Compushop, terminated 4 regional distributors. Move gives Apple full control of national distribution... **Nippon Kogaku** (Nikon) is considering acquiring 60% interest it doesn't now own in U. S. distributor Ehrenreich Photo.

"Marketing Warfare in Electronics Industry" is title of seminar on application of strategic military combat techniques to electronic product sales effort, set for April 29-30 in Palm Springs, Cal. by Advanced Management Research of N. Y. Among speakers: Magnavox Mdsgr. Vp Gerald Michaelson, Motorola Mktg. Vp Charles Thompson, Apple Sales Vp Gene Carter, Wang Mktg. Vp Carl Masi, Murata Mktg. & Sales Vp Jack Darcy, AVX Mktg. Vp John Makhijani, Admiral Elmo Zumwalt.

Consumer Electronics Personals

Alvin Barshop resigns as Panasonic Video Systems Div. gen. mgr., ending 14 years with company, plans unannounced... Bud O'Shea, ex-Infinity Records, joins MCA Discovision as mktg. vp, will also be responsible for acquisition, development & mktg. of video musical programming... Myron Hyman advanced at CBS from assoc. gen. counsel to Video Enterprises business & administration vp, succeeding Larry Harris, now business affairs vp, 20th Century-Fox Telecommunications Div... Tom Shearer appointed Sony Video Products Co. west region mktg. development mgr.

Moo Young Soh, former Gold Star export sales dir. for Europe, Africa & Asia, appointed Gold Star U.S. senior mktg. vp responsible for consumer electronics & appliances... Dave Davis joins Quasar as region mgr. for areas of Ind., O. & W. Va... Charles Fazio, Rockwell General Industries Div. pres., formerly responsible for Admiral, resigns to pursue unspecified private business venture... Richard Bennett, ITT exec. vp for engineered products, advanced to senior vp with added responsibility for consumer products & services unit formerly under Maurice Valente, now RCA pres.

Fred Hackendahl advanced at Jensen Home Audio Products Group from operations vp to vp-gen. mgr... Albert Roche promoted to Audiovox operations vp; Bernard Feldman advanced to purchasing vp... Hiro Saito appointed Nakamichi (U.S.) exec. vp-gen. mgr., succeeding Niro Nakamichi, now pres.; Walter Stagner named national sales mgr... Gary Schwartz, ex-Columbia Magnetronics & Le-Bo, joins N. Y. rep firm Steve Weil Sales.

Michelle Perry promoted at Panasonic to PR coordinator, succeeding Rich Adamonis, advanced to PR supervisor... Ken Silverbush, ex-Harman-Kardon & KLH, joins Barth Adv. as assoc. creative dir.

Dennis Burke, Cobra gen. mktg. mgr., adds responsibility as sales mgr., succeeding Tom Zink, resigned; Vince Martin appointed east region sales mgr., Thomas York named for west... Richard Anderson advanced at Electra to telephone products sales mgr.

Obituary

Ronald Friedlander, 49, Hitachi Sales (U.S.) senior vp, died suddenly March 20 (March 19 in U.S.) while visiting parent company in Japan. Friedlander left Ward's TV-appliance chain to join Hitachi as east region mgr. in 1975, was promoted to sales vp in 1977, became senior vp in 1978.

Karl Kurz, 56, RCA staff vp, international marketing, died March 16 at U. of Pa. Hospital. He served with RCA in various posts for 25 years. His wife and 2 daughters survive.

Toshiba moves U.S. hq from N. Y. this week to 150,000-sq.-ft. office, warehouse, service & showroom facility on 15-acre site at 82 Totowa Rd., Wayne, N.J. 07470.

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
AT&T			
1980-year to Feb. 29	46,243,532,000	5,706,150,000	8.02
1979-year to Feb. 28	41,716,787,000	5,347,414,000	7.81
1980-qtr. to Feb. 29	11,885,347,000	1,400,120,000	1.93
1979-qtr. to Feb. 28	10,678,185,000	1,307,215,000	1.89
National Semiconductor			
1980-40 wk. to March 2	679,396,000 ^a	35,947,000 ^a	1.77 ^b
1979-40 wk. to March 4	518,755,000	24,642,000	1.24 ^b
1980-12 wk. to March 2	230,049,000 ^a	12,393,000 ^a	.60 ^b
1979-12 wk. to March 4	165,709,000	7,809,000	.39 ^b
Philips NYC			
1979-year to Dec. 31	16,245,400,000	302,500,000	--
1978-year to Dec. 31	15,251,200,000	345,600,000	--
1979-qtr. to Dec. 31	5,088,000,000	76,700,000	--
1978-qtr. to Dec. 31	4,411,500,000	134,900,000	--
Sony ^d			
1980-qtr. to Jan. 31	889,900,000 ^a	78,300,000 ^a	.36 ^e
1979-qtr. to Jan. 31	602,700,000	17,700,000	.08

Notes: ^aRecord. ^bAdjusted. ^cAt guildler's current rate. ^dAt yen's current rate. ^ePer ADR.

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Curtis Mathes has modified TV ads featuring 4-year warranty program on color TV to emphasize that coverage is parts-only. BBB's National Ad Div. challenged previous ads on ground consumers might not understand that labor charges weren't included.

Microwave oven factory sales rose 36% in Feb. to 218,000, putting 2-month total at 461,400, up 35.1%, AHAM reports.

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Broadcast

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FERRIS REJECTS HILL ON CABLE: Balks at delaying cable deregulation, tells Kastenmeier that waiting for Tribunal won't help. (P. 2)

CARTER SLAMS OLYMPIC DOOR: Commerce Dept. to prevent NBC from shipping broadcasting equipment, making payments to Soviets. (P. 3)

NO CONSENSUS ON RADIO DEREGULATION: Comments show little agreement among agencies. COWPS and Justice Dept. support deregulation. White House units split. (P. 4)

RULEMAKING REFORM: Regulatory reform bill leaves House Judiciary Subcommittee as Carter places personal call to prevent legislative veto. (P. 4)

FOREIGN CABLE OK HERE: FCC refuses to limit alien ownership. (P. 5)

NAB 'UTTERLY PREDICTABLE,' Van Deerlin tells legal seminar, using harsh words in criticizing broadcasters' opposition to change. Ferris & Schmitt disagree on need for new Communications Act. (P. 5)

Consumer Electronics

PIONEER VIDEODISC PLAYER to be priced at \$749, full-function remote \$50, sales starting in 4 markets in June, national distribution in 1981. Sales this year seen 12,000-40,000, next year near 100,000. (P. 7)

AM STEREO & FM QUAD decisions expected from FCC next week. Broadcast Bureau will recommend no AM standards, would let marketplace decide system; opposed by set makers, broadcasters, FCC engineering office. (P. 8)

VIDEODISC MARKETING in Europe planned by RCA. New Matsushita-made VCRs unveiled in London, featuring visible scan, Dolby noise reduction. (P. 9)

SALE OF SABA and other European consumer electronics operations to Thomson-Brandt considered by GTE in move which would continue realignment of European industry. (P. 10)

WELLS-GARDNER 1979 sales gain due mostly to video terminal business, annual report shows. Zenith proxy statement indicates Nevin got \$1 million settlement on resignation. (P. 10)

QUASAR HIKES PRICES on color about 2% at factory, \$3-\$10 in suggested list. Magnavox boosts 1.5% at wholesale, \$5-\$15 retail. (P. 11)

FCC GETS REPORT ON SATELLITE TV: Regulatory climate for broadcast satellites is "more receptive... than was the case just a year or 2 ago," says report from FCC Network Inquiry special staff, which cited "recent decision to end mandatory licensing of receive-only earth stations" as appearing "to apply equally to earth stations designed to receive DBS [direct broadcast satellites]."

Report says Commission has 3 options for regulation: (1) Treat TV satellites as "broadcast" facilities, subject to broadcast provisions of Communications Act. (2) Apply common-carrier regulation under common-carrier provisions. (3) Use "hybrid" regulation combining elements of both. Study was done by David Rice, N. Y. Law School assoc. prof.

Problem of hybrid regulation: "Such an approach may be inconsistent, in some cases, with the Supreme Court's view of... the present Communications Act... and could increase the complexity and cost of regulation." Study discounts idea of using "private radio" approach, stating that this "would be subject to neither the public interest obligations of broadcasters nor the assurance of diverse access and reasonable rates which common carrier regulation affords."

"Local" service responsibility of broadcasters is "relevant to DBS in 2 ways. First, DBS opponents [will] argue that DBS may have an impact on the ability of terrestrial stations... to

provide the service to their local communities... Second... the issue is whether the concept of the 'community of license' can be carried over meaningfully to DBS. The blanket application of existing TV regulations and policies to DBS would thus be inappropriate."

"In most cases, regulations concerning terrestrial broadcast stations can be carried over to DBS operators, if the Commission chooses to do so. In any event, no problem is insurmountable, because congressional legislation may alter or abolish any particular regulatory feature that seems inappropriate."

Common-carrier regulation "would not only reduce or overcome legal barriers to wide access to DBS, but would also lower economic & technical costs of entry by programmers. The very large capital cost of constructing the system would be advanced by the carrier and recouped over the life of the system from payments by programmers pursuant to the carrier's tariff. Classification as a carrier also could resolve some doubts as to whether Comsat or AT&T could enter the DBS field. Under present law, the Commission seems fully empowered to classify DBS as a common-carrier service and to require that DBS operators assume usual common-carrier responsibilities. Such an approach might avoid or minimize many of the dangers of economic concentration that broadcast regulation risks.

"This technique would, however, severely constrict the Commission's authority to regulate program content—a result that some would welcome and others would fear. Finally, common-carrier regulation might diminish the rewards from—and consequently the incentive to enter and innovate in—DBS operation..."

Regulation of DBS receivers: "No readily identifiable benefits would arise from licensing of DBS receivers... The Commission might choose—as it has for subscription TV—to determine whether consumers will purchase or lease their antennas, receivers & decoders... to protect... subscribers from economic loss in the event of technological obsolescence.

* * * *

Attached to DBS study was separate report on video interconnection technology. It said: "It is clear that relaxed regulatory policies concerning satellite carriage of programs for cable TV and broadcast stations may be reconsidered soon." Resolution of "the satellite capacity issue could affect substantially the future structure of the video interconnection market..."

"Although satellites are not presently capable of fully supplanting the terrestrial microwave system... some significant relationships in the satellite video rate structures have already emerged. It is apparent that satellite delivery ultimately may result in a substantial reduction of interconnection costs to the video industry."

FERRIS REJECTS HILL ON CABLE DEREG: FCC Chmn. Ferris, facing requests from group of House members to delay cable deregulation proceeding, has made clear he has no intention of waiting.

Ferris rebuffed calls for delay in letter he sent last week to Rep. Kastenmeier (D-Wis.), Copyright Subcommittee chmn., who week earlier called on Ferris to wait until Copyright Royalty Tribunal completes study of royalty rates and how they should be increased.

Kastenmeier described, in letter to Ferris, effect deregulation would have on Tribunal & Congress: "Complete deregulation of the cable industry at this time would not only have the effect of placing enormous burdens on a Tribunal not fully prepared to meet them, but would also precipitate a panicked rush to Capitol Hill for remedial copyright legislation. At this point in time, I do not believe we are in a position to respond fully to such demands for legislation." Similar letters from Reps. Moorehead (R-Cal.), Danielson (D-Cal.) and 2-3 others have been or were to be sent to FCC or were in preparation last week.

Ferris told Kastenmeier: "It seems to me that delay may not improve the policy making process on this important issue. In the past, efforts to balance the 2 parts of the policy equation have led consistently to proposals for delay, resulting in neither the communications nor the copyright policy issues being resolved... It seems to me... that it would be extremely difficult for the Commission to justify the continuation of rules otherwise found to be contrary to the

public interest because of potential administrative difficulties this might pose for [Tribunal]."

NCTA Exec. Vp Robert Ross said he had no doubts about what has prompted congressional interest in slowing proceeding: "[MPAA Pres. Jack] Valenti has created an atmosphere of hysteria up there about the adverse impact of deregulation." Ross said it's "impossible to calculate" effect of House letters on proceeding.

Meanwhile, FCC has taken action to answer complaints from Congress that FCC isn't responding to congressional inquiries. Kastenmeier said in his letter that no one had responded to Nov. 26 letter on deregulation; Ferris answered that he understood response had been handled through discussion between staffs. Commission established expedited mail service to Capitol Hill.

NBC CLOSED OUT OF GAMES: President Carter slammed door on any surviving summer Olympic TV hopes of NBC last week when Administration announced that Commerce Dept. would deny export licenses for products, including broadcasting equipment, bound for Moscow Olympic Games. Administration specifically prohibited NBC from making further payments to Soviets for TV rights to Games. Carter took action after hearing complaints from several companies producing Olympic-related items that they couldn't break contractual relationships with Soviets without specific govt. ban.

Administration's statement left no room for speculation: "The President has today directed the Secy. of Commerce to take the following actions: (1) To deny all pending validated license applications for goods and technology to be used in support of or in connection with the Summer Olympic Games in Moscow. (2) To revoke all outstanding export licenses for Olympic-related exports that have not already been shipped. (3) To impose validated license controls on all exports not now requiring validated licenses to be used in support or in association with the Games in Moscow—no such licenses shall be granted. (4) To prohibit other transactions and payments associated with all Olympic-related exports."

Final ban was directed mainly at NBC, and Commerce Dept. officials cited Sec. 15 of Export Administration Act, which permits denials of licenses for reasons of "foreign policy," as precedent for order. At presstime, NBC had limited itself to terse response: "NBC has repeatedly said that it would be guided by the policies & regulations of the U. S. govt. in this matter. NBC will take appropriate action to comply with the President's order of March 28."

NBC has paid Soviets and International Olympic Committee \$61 million of total \$87 million price for TV rights to Summer Games. Fate of more than 40 tons of equipment already shipped to USSR is now uncertain.

Among equipment not shipped to USSR and included in Carter's embargo: 47 Ampex 1" VTRs, which NBC was leasing during Games for \$4 million, with option to buy at conclusion. Status of contract is now uncertain. Also uncertain is NBC's insurance position; earlier, NBC had said that action by U. S. Olympic Committee was necessary to trigger insurance policy with Lloyd's of London, but President's action may allow NBC to file claim immediately.

FTC won \$9.8 million in temporary funding (through April 30) from House & Senate last week, with House approval coming in narrow 216-201 vote. Money forestalled emergency plan to give FTC employees half-pay. Meanwhile, House-Senate conferees working on authorizing legislation met and approved several non-controversial items, including \$50,000 annual public participation funds ceiling for groups or individuals. Conferees ordered staff to work on compromise of controversial legislative veto proposal, which House supports and Senate doesn't.

NAB plans to seek no less than 25% of cable copyright pie when major claimants go before Copyright Royalty Tribunal to argue case this week. NAB witnesses: Robert Wagner of Bi Assoc.; Herschel Shostek, Herschel Shostek Assoc.

New HBO pay-TV service—"maxi"—will start marketing effort before National Cable TV Assn. convention in Dallas, May 18-21, Time Inc. Video Group Vp Gerald Levin told us. Service will use 2 of HBO's 4 Satcom I transponders—meaning that Time-Life Satellite Network will delay launch of "BBC in America" until later this year, on one of 2 Time transponders on AT&T's Comstar. Levin said content of maxi will be skewed towards feature films. Programming would bracket HBO, meaning Time will offer 24-hour programming between both services.

TV networks will ask D. C. Appeals Court to reconsider en banc decision of 3-judge panel which held networks were unreasonable in refusing to sell 30 min. to President Carter last Dec. (Vol. 20:11 p2). Networks have asked for 21-day extension to file briefs.

GOVT. DIFFERENCES ON DEREGULATION: Despite "coordinated effort" announced by White House, 4 Administration agencies did little more than agree to disagree in filing comments on radio deregulation.

Justice's Antitrust Div. and Council on Wage & Price Stability (COWPS) supported deregulation, although COWPS took no stand on non-entertainment rules. NTIA supported elimination of ascertainment and commercial time rules but urged FCC to retain non-entertainment percentages and to limit logging only to non-entertainment time, saying spot checks might replace such logging. White House Consumer Affairs Office was opposed to total deregulation in all areas, agreeing only that ascertainment can be made less complicated and logging can be limited to keeping track of non-entertainment and commercial rules.

Explaining stand, NTIA argued that FCC is legally bound to keep non-entertainment rules because they're used in comparative renewal processes required by law. NTIA added that non-entertainment percentages also could be used as less complicated means of enforcing part of fairness doctrine requiring broadcast of controversial issues in public interest. Consumer Affairs argued that without minimum rules, stations will abandon news and public service and "overall civic literacy of listening public could be expected to decline."

Total of 25,000 comments were filed—including more than 1,000 by broadcasters. NAB called for "zero-based regulatory approach," stating that rise in number of stations and resulting competition "made many regulations obsolete." Broadcasters will continue to survey needs of community "because it is plain good business to do so," NAB said.

While supporting deregulation concept, NRBA said elimination of non-entertainment percentages & ascertainment are "counter productive" as long as FCC is mandated to insure broadcasting in public interest. Recommending streamlined, more flexible rules, NRBA said total deregulation will lead to "a series of case-by-case adjudications, an extremely costly and inefficient method of developing guidelines."

United Church of Christ filed comments "under protest." UCC had asked for more time, plus documents from FCC. Church charged deregulation will "sweep away local self-expression," proposed stations contribute 5% of revenues to consortium of govt. and non-profit groups to use for community programming. Catholic Conference, which called proposals "abdication of FCC's regulatory responsibility," charged broadcasters with threatening to remove Catholic programming from schedules and with pressuring local Catholic bishops to intervene on broadcasters' behalf.

Loss of license for KHOF-TV San Bernardino is likely after FCC ALJ Edward Luton found station had evaded FCC questions about on-air fundraising practices. Appeal to full Commission is expected. KHOF-TV is licensed to Faith Center religious group headed by Eugene Scott, also holding licenses for WHCT-TV Hartford, KVOF-TV San Francisco, KHOF-FM Pasadena, which may be jeopardized if case against KHOF-TV is upheld.

REGULATORY REFORM: Phone call from President Carter to Rep. William Hughes (D-N. J.) prevented House Judiciary Subcommittee from including provision for one-house legislative veto covering all regulatory agencies in reform bill Administration is backing. Hughes was swing vote on 9-man Subcommittee, which went on to mark up bill. Reform legislation, if passed by Congress this summer, could have effect of tightening rulemaking process.

Phone call apparently impressed Hughes that Carter would veto any legislation containing provision for one-house legislative veto—position he's also taken on potential FTC legislation (see p. 3). House bill, and 2 similar works in Senate, would require regulatory agencies to produce cost-benefit analyses of all new rulemakings (similar to Carter Administration Executive Order 12044, commanding executive agencies to produce studies of potential effects of new rules before enacting them). Subcommittee also shot down, by 7-2 vote, so-called "Bumpers amendment" allowing greater judicial review of agency rulemakings and placing burden of proof on agencies in judicial hearings.

House bill will be taken up by full Judiciary Committee in 4-6 weeks. Senate bills, on similar timetables, are being considered by Governmental Affairs Committee.

In 1979 testimony to Senate subcommittees, FCC Chmn. Charles Ferris and Nina Cornell, Office of Plans & Policy dir., approved of general reform effort but opposed stricter rulemaking analysis and legislative veto provisions.

Simplified rules for applying for FM have been proposed. FCC said changes would eliminate or modify 18-year-old guidelines designed to assure participation in small communities but now unnecessary because of increased number of stations and competition. Proposals include eliminating population guidelines for channel assignments, deleting or modifying policy of basing class assignment on community size, reexamining preclusion standards, reviewing "Berwick" issue (arising when station is sought for smaller community but it appears real purpose is serving nearby larger area, which FCC says puts it in position of "second guessing"). Proposal also calls for streamlining application processing, revising priorities used to decide assignments in cases of conflicting proposals. Chmn. Ferris said proposals would save "needless litigation, paperwork... expense." Comment dates will be announced.

N. Y. Times TV editor Les Brown resigns to start industry magazine for consumer, with backing from Markle Foundation. Tentatively titled "Channels of Communication," Brown said it will seek "middle ground—not hostile to industry as are most newspapers and also not a captive as is the trade press... There's an important news story that's not being told." It'll be bi-monthly, starting in Nov.

Chmn. Thomas Bolger and other members of NAB Exec. Committee and staff plan April 1 meeting in N. Y. with executives of major groups; primary focus will be to get groups more active in supporting NAB govt. relations activities.

NRBA WANTS REFORMERS WATCHED: Loose coalition of business & trade groups has been formed by NRBA to monitor activities of "so-called public interest groups [that] crop up all over the country and set themselves up as watchdogs for just about everything," according to NRBA Exec. Dir. Abe Voron. "Who is looking over the shoulders of the public interest groups?" he asked.

Following meeting in Washington last week called by NRBA with non-broadcast groups (Chamber of Commerce, Business Roundtable, United Auto Workers, National Assn. of Home Builders, others), it was decided not to formalize organization to monitor activities of anti-business groups because of lack of "commonality of interest." However, contact will be maintained and activities coordinated through NRBA and "we'll work together where there are common interests," Voron said.

UAW attended meeting, said it didn't want to get involved further. Voron said another 15-20 groups not invited called to say they wanted to be included in future discussions. NAB wasn't invited, Voron said because "they don't invite us and I see no reason why we should invite them." (Note: NAB had its own meeting of broadcast trade assns. last week to coordinate activities, didn't invite NRBA.) Voron also said many public interest groups are legitimate—citing NCCB as one—and weren't targets of meeting but he refused to identify any that aren't.

NCCB Exec. Dir. Samuel Simon said he was "curious" about NRBA's role since so many of groups at meeting have nothing to do with broadcasting, is "worried" that coalition may launch attacks on other agencies similar to that launched against FTC.

FOREIGN OWNERSHIP OK: FCC last week unanimously refused to limit foreign ownership of cable systems in U.S., saying there's no evidence of harm to public and there's little foreign involvement anyway.

Commission acted on petition by Midwest Cable, Mt. Carmel, Ill., to impose limits because of Midwest's claim that Canadian companies, which have won franchises in large cities, are pre-empting U.S. investment opportunities.

Commission acknowledged there has been some increase in foreign ownership lately, but noted local communities review qualifications, including location of cable company, before awarding franchise. Commissioners also noted similar request for restrictions made in 1975 was rejected.

FCC Chmn. Ferris, during discussion of case, caused some eyebrows to rise when he said cable systems don't make editorial judgments on programming. Commission exercises EEO jurisdiction over cable, partially because of cable's control of program decisions.

NCTA Exec. Vp Robert Ross said Commission decided "what's theirs is theirs and what's ours is theirs too. There's a certain level of inequity."

Meanwhile, Canadian Cablesystems lost bid to get Minneapolis franchise when Minn. judge refused to hold up award to Storer. Canadian said City Council had already awarded system to it (Vol. 19:53 p3).

NAB 'UTTERLY PREDICTABLE': House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) had harsh words for NAB last week—using such adjectives as "coarseness," "self-serving," "greedy" and "utterly predictable." Speaking to Federal Bar Assn. seminar in Washington, his ire was raised both by NAB's opposition to Communications Act rewrite and reduction in AM spacing to 9 kHz (Vol. 20:11 p1). Said Van Deerlin:

"The broadcasters'... latest attempt [9 kHz opposition] to preserve the status quo was remarkable only by... its degree of audacity and the coarseness with which customary greed was expressed... Should Comsat announce an exciting new proposal for direct home to satellite broadcasting, we can count on the NAB to serve up some more of that left-over rhetoric about localism. Should the FCC launch an inquiry into children's TV, we can rely on the broadcasters for plenty of self-serving hype... Why, they'd even have us shed a tear for General Tire & Rubber... Broadcasters have become so predictable they are losing their credibility—and with it, their clout... As a member of Congress who has listened to a chorus of special interest hard sells each time change is proposed, I can tell you it is very, very tedious—and very unpersuasive."

Appearing together later at seminar, FCC Chmn. Ferris and Sen. Schmitt (R-N.M.) of Communications Subcommittee disagreed on whether major changes in telecommunications are coming with or without legislation. While Ferris said "a new act undeniably would be a useful tool," changes will come anyway through FCC actions. "Its march is irresistible—its path is even now clearly defined. And we at the FCC are committed to seeing it happen, through one route or another. With or without a legislative mandate, we are on our way."

Schmitt countered that legislation is "mandatory." Otherwise, he said, Commission, industries & courts will be locked in long battles which will delay major progress and FCC will continue to overregulate. He added: "If regulators can deregulate, then they also can reregulate."

Schmitt said Senate Subcommittee will come forth with bipartisan bill in "next few days" which will treat broadcasting as well as common carriers. "I'm optimistic" that bill will pass Senate this session, he said, while conceding there will be trouble in House on broadcast provisions. He said bill will provide for radio deregulation and will move toward TV deregulation—providing stability and 5-year licenses. Legislation also should cover copyright and require retransmission consent, he said, although he admitted "that may be jurisdictionally impossible."

Charter Co.—diversified petroleum company which claims to be 6th largest U.S. publisher and is owner of 6 radio stations—has joined with Karl Eller to form Charter Media in 50-50 deal. Eller, who left Gannett in Dec. and is buying KIOI(FM) San Francisco (Vol. 20:10 p5), said new company will expand into TV & cable.

CPB board member Michael Kelley and a partner have purchased WXCF(AM) Clifton Forge, Va. for \$175,000.

Personals

David Brinkley, NBC News, speaks at April 14 TV lunch at NAB convention in Las Vegas; add FCC Comr. Joseph Fogarty to participants at convention; delete Comr. Anne Jones, leaving 5 FCC members participating; columnist Carl Rowan and ex-Under Secy. of State George Ball have been added to April 16 convention session on "America's Future."

Stuart Sheslow promoted to vp-current comedy programs, NBC Entertainment; Duffy Sasser, ex-Spanish International Network, appointed vp-operations & engineering, NBC TV Stations Div.; Jeffrey Rosen advanced from NBC senior counsel to asst. gen. attorney... Cheryl Daly advanced to assoc. dir.-CBS internal communications.

John McCrory, KDFW-TV Dallas pres.-gen. mgr., promoted to pres. of parent Times Mirror Bcstg. (new post), which just received FCC approval to take over Newhouse Stations... Dixon Lovvorn, WDSU-TV New Orleans gen. mgr., also elected senior vp of parent Cosmos Bcstg.; Charles Whitehurst, WSFA-TV Montgomery gen. mgr., elected vp.

Marvin Chauvin promoted to vp-gen. mgr., WOTV Grand Rapids; Russell Vossen advanced to station mgr., succeeding Chauvin... Martin Brantley, KPTV Portland, Ore. station mgr., also named vp of parent Ore. TV Inc... Donald Bowen, ex-TeleRep, appointed sales mgr., KBHK-TV San Francisco... Francis Conway joins WANE-TV Ft. Wayne as sales mgr., succeeding Joseph Tonsing, now local sales mgr., WISH-TV Indianapolis.

David Kinley, ex-ATC, appointed senior vp-Viacom Communications; Sara Levinson, ex-Showtime, named assoc. dir.-marketing services... Larry Carlson, ex-HBO, moves to Time-Life Films as vp and gen. mgr. of Satellite Network... Stephen Scheffer, ex-Time-Life Films, appointed vp-film programming, HBO... Raymond Ross joins Wometco Home Theatre as human resources dir.

ABC revenues from broadcasting operations rose 15.8% to \$1.79 billion, pre-tax operating net edged up 3.4% to \$321.3 million, according to annual report. It notes ABC TV network had record sales and owned TV stations had record sales & profits, while ABC radio posted increased sales, lower earnings. In other ABC business segments, publishing revenue rose 130.6% to \$192.4 million, operating net rose 35.4% to \$15.2 million; income from leisure attractions and other activities dropped 76.4% to \$18.3 million and operating loss increased to \$1.97 million from \$1.63 million; sales from discontinued recorded music business were down 76.4% to \$26.9 million, operating loss was trimmed to \$2.6 million from \$32.7 million... RCA annual report shows NBC sales rose 12.8% last year to \$1.37 billion, but pre-tax net fell 13.5% to \$105.8 million. In commercial electronics, RCA said sales of broadcast equipment were up 21%. CATV equipment volume also rose. In communications area, RCA Globcom & Americom both turned in record performance, but because of sale of Alascom, overall sales for that segment declined 12.6% to \$282 million and operating net of \$68 million was up just 3.8%.

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Distress sale approvals last week: (1) Tex. stations KLBK-TV Lubbock, KMOM-TV Odessa-Monahans, KWAB-TV Big Spring & KTXS-TV Sweetwater-Abilene, sold by Grayson Enterprises/Texas Key to minority businesses for total of \$14.1 million—75% of appraised value. Biggest sale (KLBK-TV & KTXS-TV) was to black-controlled Prima Inc. for \$11.1 million; KMOM-TV and its satellite KWAB-TV were sold to Permian Basin TV, owned by 8 Hispanic-Americans, for \$3 million. (2) KBSA Guasti, Cal. sale from Bcstg. Service of America to Hispanic Bcstrs. for between \$1.5-\$2.2 million was conditionally approved at 49% of appraisal. Radio distress sales: (1) WVAM(AM) & WVAM-FM Altoona to black-controlled Phylidel Communications by Blair County Bcstrs. for \$913,800 (74.9% of appraisal). (2) WKYO(AM) & WIDL-FM Caro, Mich. to American Indian-controlled Sway Enterprises from Robert Benkelman for \$566,850 (appraisal not reported). (3) WUEZ(AM) Salem, Va. to black-controlled Blunt Bcstg. for \$200,000 (72.6% of appraisal), subject to renewal. (4) WIZR-AM-FM Johnstown, N.Y. from Street Bcstg. to P&L Bcstg. for \$519,750 (70% of appraisal) subject to Bcst. Bureau approval. (5) WTUP(AM) Tupelo, Miss. to WTUP Bcst. from Lee Bcstg., subject to agreement on price. FCC also established procedure last week for future distress sales, in which buyer & seller will each submit appraisal, with average used to determine fair value. If appraisal difference exceeds 5% of average, parties will jointly retain 3rd appraiser, and average of all 3 will be used. No sale will be approved in which purchase price exceeds 75% of fair value, Commission said.

Citizen's Communication Center has asked FCC to require all TV-radio stations to air PSAs (some in drive time) calling attention to Commission's Consumer Assistance Office.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended March 14 (11th week of 1980):

	March 8-14	1979 week	% change	March 1-7	1980 to date	1979 to date	% change
Total TV	299,983	313,688	-4.4	229,640	2,914,045	3,109,248	-6.3
color	190,101	193,832	-1.9	159,681	1,911,086	1,940,783	-1.5
monochrome	109,882	119,856	-8.3	69,959	1,002,959	1,168,465	-14.2
Home VCR	15,051*	7,714	+95.1	10,439	134,601*	82,958	+62.3

Color TV 5-week moving average: 1980-177,517; 1979-190,252 (down 6.7%).

Home VCR 5-week moving average: 1980-13,156*; 1979-8,384 (up 56.9%).

*Record for period.

PIONEER DISC PLAYER AT \$749 IN JUNE: Pioneer's deluxe optical videodisc player will be introduced in 4 U.S. markets in June at suggested retail price of \$749, distribution expanding gradually to cover entire nation in 1981. This was major announcement last week at N.Y. press conference jointly sponsored by Pioneer & Discovision Assoc. (DVA).

Big surprise is price, which in past has been given only as "under \$1,000." Pioneer's consumer player is one shown at Jan. CES (Vol. 20:2 p7), has all features of Magnavox player (with which it is compatible) plus digital random access via keypad. Full-function wireless remote-control unit will be optional accessory at \$50. Magnavox's Magnavision player is now on sale in 8 markets at \$775 list—and although Magnavox parent North American Philips said it foresaw no effect on Magnavision pricing, it's good guess that Magnavox unit's pricetag will be adjusted downward. RCA & Zenith have said their capacitance players will be "under \$500."

Pioneer player will compete directly with Magnavision from outset. Two of Pioneer's 4 premiere markets—Dallas-Ft. Worth & Minneapolis-St. Paul—are also Magnavision markets. Other 2 are smaller cities—Syracuse & Madison. U.S. Pioneer Pres. Ken Kai said company plans to add about 4 markets every 60-90 days and that, while sales figures "will depend on the consumer," he expects total to be in "very high 5-digit figures" or "they could be 6-digits" in 1981. At Tokyo press conference last week, Pioneer (Japan) Pres. Yozo Ishizuka said company would produce 2,000-3,000 monthly this year for U.S. sale, indicating planned shipments of 12,000-21,000 in 1980.

Player is being built in Japan by Universal-Pioneer (UP), which already has delivered more than 10,000 industrial players to GM and is owned equally by Pioneer Electronics & DVA. DVA, in turn, is 50-50 joint venture of MCA & IBM.

Major emphasis at press conference was on system's quality and on features which first RCA & Zenith players aren't scheduled to include—stereo sound, random access, indexing, slow-, fast-, backwards- & stop-motion. Kai said interviews with "tens of thousands" of consumers convinced Pioneer "they wanted the best technology...that will hold up for many years to come," that they wanted stereo sound and all features of optical system "and not just a low-priced player."

UP is perfectly capable of producing partial-featured lower-priced unit, Kai indicated to us, saying he "can't deny" our report quoting MCA Pres. Sidney Scheinberg as stating that \$500-\$550 stripped-down player is under development (Vol. 20:10 p8).

Press conference featured comments by John Reilly, pres. of DVA & UP, as well as unscheduled appearance of MCA Discovision Pres. James Fiedler. All 3 stressed introduction of

new musical programming with stereo sound which would interest Pioneer hi-fi dealers, although Kai said player would be available to any dealers in selected marketing areas "who can appreciate & demonstrate" unit's features. Kai announced formation of Pioneer Artists, new subsidiary which will "produce & acquire software... primarily in the category of stereophonic musical performances."

MCA Discovision "will stress a continuous supply of new programming at regular intervals," said Fiedler. He outlined upcoming group of musical discs with stereo sound (Vol. 20:10 p8) featuring Abba, Olivia Newton-John, Elton John, Loretta Lynn, promised how-to-records utilizing system's freeze-frame & access capabilities.

Reilly said DVA can produce "more than sufficient discs" to support both Pioneer & Magnavision player sales in 1980-81. DVA has delivered 165 of the 202 titles in MCA catalog, generally will make new movie titles available 90-120 days after theatrical release and before release to pay TV. He told us new pressing plant has been built at Garden Grove, Cal., will be in operation by year's end. He said DVA is negotiating with unspecified companies for licenses & knowhow to do own disc pressing. As reported here, UP is pressing prototype discs in Japan, probably will have commercial disc operation in 1981.

MCA & DVA are negotiating with several movie companies to distribute own discs, we've learned. In addition to Warner, reported here earlier, discussions are going on with Columbia & others. If agreements are reached, DVA would custom-press discs under movie company labels for distribution in videodisc markets through film companies' own video marketing channels. We've also learned that RCA plans to press capacitance videodiscs under Zenith label. It's believed these will include same titles released under Selectavision label.

UP is prepared to produce disc players in good quantities for other manufacturers, Reilly told us. He said no serious negotiations are now in progress. Reports from Japan indicate UP's player capacity could be as high as 40,000 monthly in 1981 (Vol. 20:11 p7).

Magnavox said it was "delighted" that another optical player would be on market, endorsed MCA's plans to introduce more musical software. North America Philips also welcomed Pioneer to fold, saying it would stimulate more choice in programming and "help to further standardize" optical videodisc system. RCA said its plans for nationwide introduction of capacitance system in first quarter 1981 remain on schedule and it believes "a mass market for videodisc players would be best served by a lower-cost player that is simple to operate & manufacture." (For additional videodisc news, see p. 9.)

AM STEREO, FM QUAD DECISIONS DUE: FCC is expected next week to approve AM stereo & FM quadraphonic broadcasting. Possibility that it will permit AM stereo on multiplicity of standards has radio manufacturers and organized broadcasters in tizzy.

Bcst. Bureau is expected to state that all 5 proposed AM stereo systems work and propose that Commission authorize broadcasting on any of them as well as any future systems which are qualified. All proposed systems are compatible with monophonic AM broadcasting, but none is compatible with any of the others. Bureau will recommend that "marketplace" rather than FCC determine winning system.

Office of Chief Scientist will oppose Bcst. Bureau recommendation, urge that Commission select specific standard system. It's understood that Office last week was still undecided as to which system among 2 or 3 front-runners it would propose. Odds now seem to favor selection of single system, but if Commission does welcome all comers, decision would be unprecedented in broadcast standards-setting.

Both EIA & NAB were lobbying actively with FCC members last week to persuade them to pick single standard; neither organization espouses any particular system. Their basic argument is that multiplicity of systems could kill AM stereo because neither broadcasters nor set makers would go stereo without single standard. NAB engineer Chris Payne surveyed manufacturers, said following went on record as favoring choice of one standard: Delco, Panasonic, Pioneer, Magnavox, Motorola, Ford, Sprague, National Semiconductor, Belar, Harris.

National AM Stereo Radio Committee tested 3 systems—Belar, Magnavox & Motorola—and

submitted results to FCC without recommendation. In addition, 2 other systems—Harris & Kahn—have been proposed & tested, but not under NAMSRC's aegis.

Idea for multi-standards was first proposed by Kahn in comments filed with Commission. He argued that multi-standard receiver would be relatively low in cost and would permit individual broadcasters to choose system they prefer, eventually result in selection of best system. He told us last week that leading semiconductor company has researched situation, found 2 small ICs would be needed, and that automatic switching system, keyed to pilot frequency transmitted by station, would add only \$4-\$6 to retail price of \$80 AM stereo receiver. Additional 5% added to cost of radio would be small price to pay for broadcasters' freedom to choose system they thought was best, he said.

Disagreeing sharply with Kahn's cost estimates is Al Kelsch, National Semiconductor radio mktg. mgr., who said IC chip to detect and automatically switch among 3 AM stereo systems would increase cost 8-10 times, raising price of AM-stereo add-on to radio from estimated \$4 to \$32-\$40—or more if more than 3 systems are authorized. Kahn & Kelsch agreed that it could take up to 9 months to design such automatic-switching chip.

Some in industry were concerned about precedent any "free-marketplace" AM-stereo decision would set—particularly on such upcoming deliberations as videotext and stereo sound for TV.

Commission is believed likely to approve multiple standards for FM quad broadcasting—but in this case the standards are compatible and relatively non-controversial. It's expected to select Lou Dorren's QSI 4-4-4 system along with RCA's 4-3-4 system—former suitable to stations not now broadcasting special multiplex services such as background music, latter suitable for stations using subcarriers for these services. It also is expected to specifically permit broadcasting using 4-2-4 matrix systems, which have been broadcast in past under current rules.

VIDEO IN EUROPE: Video format battleground shifted to London last week at Video '80 conference. That meeting and its satellite events saw at least 2 interesting disclosures: (1) First indication that RCA plans to enter European market itself with video-disc players and/or discs. (2) Preview of next generation of Matsushita-made VCRs, not yet shown in U. S. but scheduled for unveiling here this spring.

In RCA's first public pitch for acceptance of Selectavision disc system in Europe, Exec. Vp Herbert Schlosser pledged commitment to European market through both direct participation and licensing arrangements for discs & players, indicating RCA may be seeking to use disc to help become power in European consumer electronics. Except in phono records, RCA's presence in Europe has been felt in past only through patents. Schlosser didn't disclose specific European marketing plans.

In presentation by William Zeiss, delivered by J. Coppen, Philips projected 10% penetration of European market 6-8 years after introduction of optical disc system, meaning 2 million players and yearly sales of 500,000-700,000 units as well as 50 million discs and sales of 20 million annually for U. K. alone. Philips plans pilot production of discs in England this year, sales in first-half 1981, to be followed by German introduction in spring 1982.

On eve of conference, Sony & Matsushita demonstrated new-model VCRs—Sony showing its C7, first displayed at last summer's Berlin show and similar in features to SL-5600 programmable unit already on sale in U. S. VCR demonstrated by Matsushita

has 8-program 14-day programmability, half- & double-speed playback, still-frame & fast scanning as well as Dolby audio noise reduction. Similar unit is expected to be introduced here by members of VHS group this spring.

In Japan, meanwhile, Sony introduced its lowest-priced VCR, list-priced at about \$800 (194,000 yen) with 3-day one-program advance setting, still-frame, fast-motion & Betascan. Lowest-priced VCR on Japanese market still is Sharp's stripped-down model at about \$645.

Sharp will expand Tochigi factory to integrated center capable of producing VCRs, color TV & video-disc players. By end of May, VCR production will be increased to 25,000 monthly. Sharp will start production of portable VCR at end of April. Company says it won't decide on videodisc system production plans before next year.

Volkswagen & Toyota's mid-Atlantic distributor have bowed to CASA's demand to offer radio deletion option to new car buyers. Starting with 1981 models, customers will be able to exclude radios on all but limited-production VW, Porsche & Audi models. CASA reached agreement last year with Toyota's other distributors, as well as GM & Chrysler.

Safety standard for rooftop CB antennas will continue being developed by Consumer Products Safety Commission because staff feels it could be modified easily to apply to TV antennas and other consumer products which may come in contact with overhead power lines. CPSC was considering dropping project because of declining CB & antenna sales.

GTE PUTS SABA ON BLOCK: Severe color TV market competition in Europe and resulting losses from operations there have GTE considering sale of those units to Thomson-Brandt of France. If sale goes through, it will be one more in long series of consolidation moves among consumer electronics manufacturers on continent. T-B has been leader in movement aimed at strengthening Europe's industry and blocking direct involvement by Japanese.

GTE's consumer electronics interests in Europe are TV-audio manufacturer Saba, Saba color tube subsidiary in Belgium and Videon, French producer of TV components, all of which would be included in sale. GTE has had hard time in consumer electronics over last decade. For most of period, its U.S. operation was in red, Europe profitable. In 1978, company put it all together, and Consumer Electronics business segment showed \$18.3 million operating profit, as net income from U.S. picture tube and European units more than offset continued losses from U.S. TV business. Overall, U.S. consumer electronics operation (sets & tubes) was in black last year, but deficit in Europe left business segment \$9.27 million in red (Vol. 20:7 p13), and GTE apparently isn't interested in launching yet another large-scale rescue effort.

GTE spokesman said company isn't currently negotiating with T-B but is informing its nearly 5,000 European employees of offer. GTE said it believes merger into another European company would be "in best interests" of Saba & Videon.

Restructuring of European industry has hit fever pitch over last 18 months. Within that period, T-B entered into joint color TV R&D and color tube manufacturing ventures with Telefunken, acquired controlling interest in Germany's Nordmende, purchased French TV rental company to block bid by Thorn because of Thorn's ties with Japanese, is promoting 2nd-sourcing agreements among European IC makers to minimize competition from Japan & U.S. Separately, Philips acquired 24% interest in Grundig. European concern over Japan stems from situation in U.K. where Matsushita & Sony built own color plants, Mitsubishi bought former Tandberg plant, Hitachi & Toshiba have half interests in consumer electronics operations of GEC & Rank respectively, and JVC is negotiating to acquire Decca's TV & audio business.

John Nevin, who resigned as Zenith chmn. last Oct., received contingency payment of \$261,400, along with \$227,600 in salary and \$7,800 in other benefits from company last year, proxy statement for April 22 annual meeting shows. In settlement of retirement & other payments totaling more than \$1.1 million, he'll receive \$750,000, payable over 5 years, with \$500,000 of that coming under consulting agreement that bans his involvement with Zenith competitors. Nevin's board post is being eliminated, and number of directors trimmed to 12 from 13. W. Deming Lewis, ex-Bell Labs, now Lehigh U. pres., will replace retiring Edward Blettner as a dir.

Wabash Tape announced average 9% price increase on all magnetic media products, effective April 15.

WELLS-GARDNER REPORTS: All of Wells-Gardner's 46% gain in 1979 sales and half of improvement in operating net stemmed from video game monitor business, annual report shows. For year, W-G reported sales of \$20.4 million, profit of \$762,100 (against 1978 loss), after \$350,600 tax credit (Vol. 20:11 p12).

Report shows W-G TV sales dropped last year to \$10.5 million from \$10.9 million, but had operating profit of \$657,300, against loss of \$282,100 in 1978. Monitor volume jumped to \$8.2 million from \$2.1 million and showed \$796,400 profit, against \$23,700 loss. Intrusion-alarm sales nearly doubled to \$1.74 million from \$995,800, and loss was cut to \$17,700 from \$156,200. Overall, W-G had operating profit of \$762,100, against 1978 loss of \$941,300.

TV sales total includes \$1.7 million from assembly of Teknika receivers for General, using parts supplied by General, against \$1.12 million in 1978. Total sales to Teknika were about \$4.5 million, up from \$2.7 million, and W-G bought \$3.4 million worth of parts from General for non-Teknika work, up from \$1.16 million. W-G also had sales of \$4.9 million (down from \$5 million) to Western Auto under contract which may not be renewed this year. Report shows W-G makes TV display for coin-op Space Invaders, hottest arcade game in industry, and Pres. Albert Wells told us it will be shipping color monitors for unspecified new arcade game this summer.

Mergers & acquisitions: E. F. Johnson has agreed to sell former CB plant in Clear Lake, Ia. to Sperry-Univac, terms undisclosed. Sperry has been using plant under long-term lease for about 2 years. Johnson halted production there as part of restructuring after CB market collapsed. . . North American Philips completed previously announced acquisition of Globe-Union's Centralab Div. for about \$63 million in cash. Centralab produces capacitors, thick-film ceramic circuits, electro-mechanical components, has \$100 million annual sales. It will be operated as separate NAP subsidiary. . . Lloyd's reached final agreement to sell wholly owned Canadian subsidiary and its 50% interest in U.K.-based European distribution operation to Dissman-Green (Vol. 19:51 p13). Price is \$8 million, \$1.1 million more than indicated earlier, with \$5 million payable at closing set for May, rest due over 5 years. . . Last barrier to Racal's acquisition of U.K.'s Decca fell last week when Trade Secy. John Nott said proposal wouldn't be submitted to Monopolies & Mergers Commission for review. Merger is expected to be completed next month.

Inside look at China's export industries is provided by new monthly magazine, China Sources (Box 4436, Kowloon Central, Hong Kong). First issue includes no-frills peek at radio & calculator producers, notes existence of quality & supply problems. Other articles cover China's attempts to attract foreign investment in export-assembly, how to do business Chinese style, ways to make contact with manufacturers. Most ads are from Hong Kong agents of Chinese manufacturers, although some are from actual factories.

JAPAN'S FEB. EXPORTS: Japan's video equipment exports to U. S. followed now-familiar pattern in Feb. —VCRs at record high for month, TV dropping to near-term record lows, Finance Ministry said.

Japanese shipped 66,900 VCRs in month, up 93.5% from same 1979 month, bringing 2-month total to 141,100, up 112.6%. In TV, total shipments of 52,900 in Feb. were down 56.5%, as color dropped 57.8% to 30,100, b&w fell 54.6% to 22,800, all 5-year lows. For 2 months, total TV exports of 126,700 were down 32.7%, color off 44.8% to 63,300, b&w down 21.8% to 57,400. In color, month's exports of complete sets dropped 53.2% to 24,000, leaving cumulative total at 40,500, down 49.1%. Exports of chassis & kits dropped 69.4% in Feb. to 6,100, were off 36.3% for full period to 22,800.

At EIA-Japan sponsored seminar on Japanese quality control held in Washington last week, Richard Anderson, Hewlett-Packard Data Systems Div. gen. mgr., said Japan's IC producers "are using superior product quality to gain competitive advantages of enormous magnitude [in world markets]." While Japanese production costs are often higher than those of U. S. manufacturers, their prices tend to be lower because of reduced yield loss, scrap & customer return costs, he said. With strong govt. support, Japanese IC makers are "investing heavily" in IC & computer technology, and if similar govt.-industry policies are adopted here "U. S. computer & semiconductor dominance could go the way of hi-fi electronics, TVs, cameras, motorcycles, and maybe automobiles," he warned.

Separately, Senate approved formation of Court of International Trade to handle all types of litigation involving foreign-trade issues. Currently, trade-related disputes are brought in both Customs & federal district courts, and many have been stalled by jurisdictional confusion. Bill to create new court is now before House Judiciary Committee.

NBC Enterprises' business plan has received network approval, and new div. has begun hiring staff, will move to offices outside RCA N. Y. hq. Three-phase assessment of market includes preparing inventory of available NBC programs and decision whether or not to launch original productions. Consumer titles won't make appearance until year's end, at earliest. Among first efforts are conclusion of deals pending with RCA Selectavision for programming, in addition to several NBC-owned titles already licensed for disc release. Likeliest candidate is "Little House on the Prairie," network's most popular series, entering 7th year in fall. Enterprises wants to begin cassette distribution to Americans based overseas, akin to ABC Video Enterprises' "Touch of Home."

Homevideo Index (HVI) has been created by Nielsen to measure cable, cassette & disc usage, on par with company's 2 existing broadcast reporting services. First survey of 500 VCR households should be released soon, said HVI Mktg. Mgr. David Harkness, covering purchase of blank tapes & pre-recorded titles, number of programs taped off-air. Phone interviews were conducted in Nov., following pilot study of 50-75 households year ago.

VCR-DISC OUTLOOK: Sales of videodisc players (VDP) will exceed those of VCRs in 1983, which will also be first million-unit sales year for both, according to estimates in Gruntal & Co. research report on Zenith prepared by analyst Don Sinsabaugh.

He predicts VDP volume at 60,000 units this year, rising to 340,000 in 1981, 750,000 in 1982, 1.6 million in 1983, 2.8 million in 1984, 4.2 million in 1985. For VCRs, he sees 1980 volume at 575,000 with climb to 750,000 in 1981, 900,000 in 1982, 1.05 million in 1983, 1.15 million in 1984, 1.2 million in 1985.

Using Zenith's estimated results as guide, he sees factory value of Selectavision capacitance VDP at about \$333 next year, peaking at \$357 in 1981, falling to \$299 by 1985. Average factory selling price of Zenith Beta VCRs peaked last year at \$714, he estimates, predicts drop to \$666 this year, sees stable pricing at around \$600 in 1982-85 period.

In TV, Sinsabaugh is forecasting color sales decline from 9.8 million in 1979 to 9.3 million this year, recovery to 10 million in 1981, record 10.7 million in 1982. Similar pattern is forecast for b&w, with sales falling to 5.9 million this year from 6.3 million in 1979, edging up to 6 million in 1981, rising to 6.4 million in 1982.

QUASAR, MAGNAVOX HIKES: Quasar raised color prices about 2% at factory level, \$3-\$10 at suggested retail. VCR prices were also increased. Magnavox announced 1-1.5% increase in factory prices March 31, representing retail hike of \$5-\$15 on 13, 19 & 25" color sets.

Zenith's increases, effective April 1 (Vol. 20:12 p8), see 13" sets up \$20 in suggested retail prices, now ranging \$380-\$480. One 19" set is up \$20 to \$520, remainder up \$10. Newly introduced (Feb.) 23" series is up \$20, now running \$610-\$660. All 25" models—tables & consoles—are up \$20.

Outside research help in fight against home music taping is being sought by RIAA. Assn. says it will ask for proposals for technological ways to keep consumers from making own copies of recorded material, a practice it says cuts into sales by 14-29%. Only suitable alternative to anti-copy system would be tax on tape & recorders, with proceeds going to copyright holders, RIAA feels.

Distribution notes: RCA appoints Interstate Electric for Denver & Albuquerque, replacing Sidles Distributing. Interstate handles RCA in Shreveport, Dallas & San Antonio, has named James Whitson as Denver vp-gen. mgr., Thomas Stroup Albuquerque branch mgr., both ex-Sidles... Sharp names RMS consumer electronics sales rep for W. Va. & Western Pa.

Ad notes: RCA names Leo Burnett to handle Selectavision videodisc player, which will be subject of largest introduction campaign in RCA history. Same agency already handles RCA TV & VCR... Fuji Photo adopts new stylized identification logo, designed by Landor Assoc., San Francisco, intended to show company's involvement in new technologies.

Consumer Electronics Personals

Anthony Mirabelli advanced at Quasar from mgr. to dir., new products, adding responsibility for hand-held computers to previous VCR & audio product duties; **Jerome Hellman** promoted from mgr. to dir., TV mktg.; **Gil Ravelette** from mgr. to dir. of microwave oven mktg.; they assume responsibilities of **William Finnegan**, who resigned as mktg. dir., won't be replaced... **Eugene Lubchenko**, ex-Philips Canada, moves to affiliate Magnavox as engineering vp, succeeding **John Silvey**, who will handle special projects for rest of this year, become Magnavox consultant in 1981... **Rocco Laginestra** advanced at RCA from vp to senior vp, planning & mktg., responsibilities expanded to include international activities.

John Talbot promoted at U. S. Pioneer from regional audio sales mgr. to videodisc mktg. dir., new post... **Jerome Wexler**, ex-NBC Entertainment, appointed NBC Enterprises finance & admin. vp; **Robert Dinsmore**, ex-ABC Enterprises, joins as sales vp... **Dick Wheeler** advanced at Sony Video Products to SE region govt. sales mgr.

Denis Wratten promoted at KLH from exec. vp to pres.; **Brian O'Donohue**, finance vp, adds operations post... **Jerry Cohen**, ex-Tektronix, named Sharp Professional Products Dept. technical sales support mgr... **Charles Meyer** joins Audiotronics Audio Products Div. as mktg. dir.

William Ylvisaker, Gould chmn., adds post of pres., replacing **Daniel Carroll**, resigned... **Herbert Taber**, onetime RCA mktg. planning staff vp, named Alcan mktg. & sales vp.

Kenji Takahashi named pres. of Toshiba Semiconductor, U.S. subsidiary formed to operate Maruman IC plant in Sunnyvale, Cal. being acquired for \$2.7 million... **Robert Wall**, ex-Harris Semiconductor, joins Fujitsu Microelectronics as national sales dir... **A. James Hazle** named Fairchild Discrete Semiconductor vp-group gen. mgr., replacing **John Duffy**, reassigned to staff post.

Computers sold for home use last year totaled about 85,000, valued at just under \$85 million, and sales will rise to about 128,000, with value down to \$75 million in 1982, according to Creative Strategies. Personal computer sales for non-home use totaled about 143,000 at \$333 million in 1979, will increase to about 388,000 at \$1.5 billion in 1982, company estimates.

Color sales were down from 1979 for 6th consecutive week in March's 4th week, ended March 21. EIA is expected to report some 176,800 sets sold to dealers, down 7.7% from comparable 1979 week. B&W sales for week, at 156,600, were up big 44%, first increase in 6 weeks. Home VCR sales were slightly under 10,000, increase of 25.5%.

Pioneer develops rotating loop antenna and automatic control circuitry to reduce noise and multipath distortion in FM car radios. Still unpriced, system is to be available next spring.

Sony received \$15.9-million contract to supply West German armed forces with video equipment.

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Andrea Radio			
1979-year to Dec. 31	2,711,955	259,961	.51
1978-year to Dec. 31	2,297,945	150,580	.30
1979-qtr. to Dec. 31	666,256	76,895	.15
1978-qtr. to Dec. 31	647,312	70,954	.14
Cablecom-General			
1980-qtr. to Feb. 29	9,631,429	1,027,061	.39
1979-qtr. to Feb. 28	8,050,367	1,191,380 ^a	.46
Chris-Craft Industries			
1980-6 mo. to Feb. 29	53,811,000	3,088,000	.92
1979-6 mo. to Feb. 28	50,574,000	3,920,000	.91 ^b
1980-qtr. to Feb. 29	24,927,000	906,000	.24
1979-qtr. to Feb. 28	23,345,000	1,632,000	.40 ^b
Comcast			
1979-year to Dec. 31	21,810,532	2,168,277	.85 ^b
1978-year to Dec. 31	16,180,812	1,709,155	.69 ^b
Heritage Communications			
1979-year to Dec. 31 ^c	14,980,122	6,519,749 ^a	2.69
1978-year to Dec. 31	6,348,257	(274,729)	--
A.C. Nielsen			
1980-6 mo. to Feb. 29	230,320,000	12,502,000	1.14
1979-6 mo. to Feb. 28	187,544,000	12,451,000	1.13
1980-qtr. to Feb. 29	117,193,000	4,964,000	.45
1979-qtr. to Feb. 28	96,774,000	7,309,000	.67
Outlet Co.			
1980-year to Jan. 31	313,051,000	4,021,000	1.25
1979-year to Jan. 31	307,096,000	10,038,000	3.68
1980-qtr. to Jan. 31	108,235,000	3,768,000	1.39
1979-qtr. to Jan. 31	107,387,000	5,945,000	2.28

Notes: ^aIncludes adjustment. ^bAdjusted. ^cPreliminary.

DuMont brand is due to make 2nd market comeback this year on color TV line offered on East Coast by Larsam Inc., newly organized parent company of Ahr-Dan Enterprises & S. L. G., N. J.-based distributors headed by Sam Schwartzstein & William Goldberg. Rights to DuMont name are owned by National Union Electric, parent of now-defunct Emerson TV & Radio Corp. which acquired consumer electronics operation of DuMont Labs for \$6 million in 1958. Emerson & DuMont TV lines were marketed until 1973, when NUE quit field. Same year it licensed Emerson brand to Major Electronics (now Emerson Radio), DuMont to Capehart. Control of DuMont name reverted back to NUE when Capehart went bankrupt last year. Larsam, which has license to DuMont name with option to acquire full rights, has formed DuMont Consumer Products to handle marketing, is negotiating with potential TV supplier.

Aiwa will supply China with parts & knowhow for radio & radio-cassette recorder production under agreement that provides Aiwa with 3.5% royalty rate. Plan calls for output of 500,000 radios, pilot assembly of 1,500 radio-cassettes this year, all for sale in China. Depending on quality & pricing, Aiwa may buy some of output for sale in Japan & overseas. Also being considered is joint production venture for Chinese & export markets.