

WEEKLY

# Television Digest®

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**CARTER VISIT HIGHLIGHTS** NAB board meetings in Washington this week. No major issues surface beforehand. All candidates unopposed. NAB financial performance. (P. 1)

**FCC LIMITS AM CLEARS:** Compromising issue, FCC limits skywave protection to 750-mile radius; move is expected to create 125 new stations in 37 communities. (P. 2)

**FCC LOTTERY:** Seeking to ditch comparative hearing procedure, Commission intends lottery to determine Pa. FM licensee. (P. 3)

**FTC RESIGNATION:** Bureau of Competition chief resigns, charges FTC is "wary" in wake of pressure from Capitol Hill. Pres. Carter signs FTC legislation. (P. 4)

**DIRECT SATELLITE TV MOVES:** FCC plans 2 inquiries; Ebel says Sears didn't think Comsat proposal economical. (P. 5)

**GROSSMAN ON 'PRINCESS':** PBS pres. reveals his views on 'Princess', various new technologies and co-productions. (P. 6)

**PRESSURES ON 400 MHz:** Franchise promises induce applicants to push broader-band service faster than some engineers wish. (P. 6)

**CARTER VISIT NAB HIGHLIGHT:** White House briefing and reception with President Carter June 5 will highlight this week's NAB board meetings in Washington. Controversial issues aren't expected to surface and for first time in several years there are no contests for 5 leadership posts on boards.

Running unopposed for reelection are Joint Chmn. Thomas Bolger, TV Chmn. Robert King and TV Vice Chmn. Mark Smith, although ex-TV Chmn. Kathryn Broman tested the waters before deciding not to oppose Smith. Radio Vice Chmn. Edward Fritts has no announced opponent in seeking to replace Arnold Lerner as radio chmn., nor does Cullie Tarleton for vice chmn. These, along with past Chmn. Donald Thurston, NAB Pres. Vincent Wasilewski and a TV network representative, comprise NAB Exec. Committee.

Major reports will be given by By-Laws, Research and Future Conventions Committees. By-Laws will propose that number of at-large radio dirs. be reduced from 8 to 4 and that 4

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**MAY COLOR SALES** down 25%, at annual rate of 8 million. B&w sales down 14%, home VCR goes up 60.8%. (P. 8)

**PIONEER LASERDISC** marketing kicks off June 20, to be backed by \$10-million ad campaign in 1981 when nationwide sales start. (P. 8)

**U.S. COLOR OUTPUT** rose 24% in first quarter, says ITC survey, in apparent contradiction of EIA figures showing industry that production is flat, total supply down. (P. 9)

**APPEALS COURT REJECTS** Commerce request for lifting of injunction blocking completion of \$76-million TV dumping case settlement. Japan TV exports down in April. (P. 9)

**SAMPO TO BUILD** \$5 million color assembly plant in Atlanta. Facility to open next year with 12,000-set monthly capacity. (P. 10)

**NEW DUMONT TV LINE** to debut during CES in Chicago includes 13", 19" & 25" color. Larsam now licensee; dealerships to be limited to one per market trading area. (P. 10)

**GAINS IN RECESSION** being recorded by GE Housewares & Audio, which warns dealers not to get caught short of merchandise. (P. 11)



additional district directorships be created. Now, each market class (there are 4) elects 2 dirs. Research will seek \$50,000-\$100,000 to study economic impact of expansion of number of AM & FM stations (see below). Conventions will recommend that Site Committee be established for future annual sessions.

As always at NAB meetings, govt. regulation and/or deregulation will play major role in discussions, although no major new issues have come up since last board meeting in Jan. (Vol. 20:4 p3). TV board will get advance look at comments to be filed in FCC's children's TV inquiry, now due next week. Other major govt. issues will include radio deregulation, cable deregulation, reduction in AM channel spacing, FM allocations, direct broadcast satellites and disclosure of stations' annual financial reports.

NAB went in hole by \$306,612 for fiscal year ended March 31 — spending \$6.83 million, collecting \$6.52 million. Largest income producer was \$2.4 million from TV dues, followed by radio dues \$2.2 million, Las Vegas convention \$899,107, associate member dues \$367,872, interest \$204,378, rent \$189,902. By depts., general administrative spent \$2.46 million, broadcast \$1.5 million, TV Code \$690,015, govt. relations \$576,495, legal \$527,132, public affairs \$442,280, research \$298,408, engineering \$173,728, Radio Code \$158,077.

On plus side, NAB has a deferred net convention income of \$1.95 million, plus \$2.55 million in time deposits. Board meetings cost NAB \$156,379 (3 were held, while only 2 had been budgeted at \$105,269), and administrative div. spent \$83,644 for travel & entertainment, nearly double \$45,000 budgeted. Convention exhibit manager's fee was \$62,593, while \$58,202 was spent on entertainment, and shuttle buses cost \$53,078.

**FCC LIMITS AM CLEARS:** Compromising contentious clear-channel issue, FCC last week decided to limit protected service radius of Class I-A clear-channel AM stations but declined to break down clears altogether. FCC said its "middle course" would open way to up to 125 new unlimited-time stations in 37 cities, operating on current clear channels. FCC expects 2,000 applications for new stations.

"It's probably the best we could expect from the Commission considering the various pressures they were under. It's a decision that will completely please nobody and will also completely outrage nobody," said Abe Voron, exec. vp, NRBA.

"Maybe the most violent reaction I had to it was the fact that the new stations are going to be reserved for minority group members — that's the main priority. One of the things that troubles me about that is that the American public is going to have not necessarily the best qualified applicant, but the best qualified minority applicant. I think it's a new rule of the game and it's one that could very well lead to less than optimum performance in the public interest."

"We're very disappointed, but we have not yet decided our next step," said Leonard Hensel, WSM(AM) Nashville gen. mgr. He said options include seeking FCC reconsideration, court intercession or legislation. (FCC lawyers are concerned that legal action to overturn Commission move might prove successful.)

Said Rep. Gore (D-Tenn.), member of Communications Subcommittee and leading congressional supporter of clears: "The far better way to increase local radio service is to adopt 9-kHz spacing. The Commission apparently decided just to curtail the clear-channel stations, at the expense of their listeners, as a quick fix while waiting for progress on 9 kHz. The Commission made a mistake in taking this approach."

"Today's results are designed to be consistent with, and some are compelled by, the results of international negotiations," said FCC Chmn. Ferris. "If we had not acted to place additional stations on the clear frequencies, the U.S. might have lost rights to interference protection on these frequencies along our borders."



FCC said 25 clear-channel stations will still receive skywave interference protection for 750-mile radius, saying most listeners live within this distance of stations. Commission said priority for new stations will be given to applicants with 50% minority ownership and those planning to provide first or 2nd local nighttime service, needed noncommercial service or first nighttime primary service.

Other radio developments: (1) ABC asked FCC to consolidate all pending radio proceedings into single docket. FCC also ought to establish govt.-industry working group to assist in radio planning, ABC said. (2) NRBA asked FCC to start rulemaking to permit daytime stations to operate 24 hours, "as long as it would not create objectionable interference or prohibited overlap with other stations."

**FCC LICENSE LOTTERY:** Making long-awaited attempt to find less difficult way to handle comparative applications for broadcast licenses, FCC last week told staff to prepare lottery mechanism to decide between 2 "equally qualified" applicants for vacant FM channel in Media, Pa. FCC action signals most significant attempt to ditch tiresome comparative hearing approach, which routinely ties up licensing decisions for years.

Move — almost certain to provoke legal challenge — drew dissents from Comr. Washburn & Fogarty. Said Washburn: "To use a lottery in this case is premature. Before departing from long-standing precedent, the Commission should have conducted a rulemaking to develop all the relevant facts and policy considerations. It would also have been helpful to have additional discussion on the question of the Commission's statutory authority to hold a lottery."

Wrote Fogarty: "The majority's decision unnecessarily forces a tie... and constitutes an impermissible abdication of the Commission's statutory responsibilities and an improper denial of the hearing rights of the applicants. Whatever the merits of a lottery alternative in resolving genuinely deadlocked comparative cases, the Commission cannot evade its clear responsibility for making sophisticated public interest judgments where that more rational and less arbitrary mode of decision-making is plainly applicable."

Case involves 6-year contest between Greater Media Radio, Alexander Klein and Roberts Bestg. FCC found Greater Media and Klein equally fit, with Roberts "inferior" to other applicants. Commission ordered staff "to devise procedures to effectuate a lottery to select the licensee."

Taking dim view, NAB reacted: "We don't take a position on lotteries as an abstract proposition. But we took a position that in the Media case the FCC should not as a matter of law and policy select the winner by lottery. Basically, what you have is a proceeding where the parties have already invested a lot of time and money. The Commission has to make the statutory finding based on that record." Better idea, said NAB Gen. Counsel Erwin Krasnow: Decide Media case on traditional criteria; institute inquiry & rulemaking to explore entire lottery issue fully before seeking to implement random decision-making.

MPAA Pres Jack Valenti covered FCC last week, urging it not to lift restrictions on syndicated exclusivity and distant signals. He spoke to 5 commissioners, said he hopes he impressed them with "fragile" nature of syndication business. Said he: "If you destroy the system, you destroy the industry's lifeline. Creative people will be driven into pay. Then we'll soon have 2 nations — one pay and one free — and I don't think that's good public policy. Why not let Congress look at this? That's where it ought to be done. You're not deregulating cable when you remove exclusivity. I'm for complete deregulation of cable — and that means removing the compulsory license and let them bargain in the marketplace." Reportedly, Valenti has been urging commissioners to hold off on exclusivity action for at least 3 years. Cable Bureau will recommend that both distant signal and exclusivity protection be abolished. Compromise being talked up at FCC would rescind distant signal protection immediately, retain program exclusivity for 3 years. Agency hopes to act before Aug. recess.

**FCC activities this week:** Chmn. Ferris at Circuit Judicial Conference, Williamsburg, June 2; Comr. Quello speaks at Best. Pioneers Mike Award banquet, Hotel Pierre, N.Y., June 3; open & closed meetings June 4; Comr. Washburn speaks at ABA forum on communications law, Hyatt Regency O'Hare, Chicago, June 5; Nancy Carey, Washburn legal asst., speaks at AWRT convention in San Antonio June 6; Comr. Quello speaks to Mo. Bestrs. Assn. June 7.

Cable News Network was to have begun transmission June 1, with first-day programming including taped interview with President Carter by Daniel Schorr & George Watson, and debate between Erwin Krasnow, NAB gen. counsel, and Samuel Simon, of NCCB, on radio deregulation. Meanwhile, CNN is offering deal to major network affiliates in several cities: If stations will serve as news stringers, CNN will allow them to use any of its programming.

#### DIGEST VIA WORD PROCESSING

Television Digest is now being produced using Wang word processing equipment — to speed production, include more late-breaking news, prepare for electronic mail delivery.



**FTC RESIGNATION:** Charging that FTC is now holding back on trade regulation in response to months of congressional pressure, Bureau of Competition Dir. Alfred Dougherty resigned last week with blast at Commission's new "wary" stance. He's first FTC official to charge Commission has become more conservative in wake of Hill onslaught. Meanwhile, President Carter reluctantly signed compromise FTC authorization bill.

In letter to FTC Chmn. Michael Pertschuk, Dougherty, in charge of FTC's antitrust activities, said: "As the political climate has changed and an air of calculating caution has spread within the commission, I have become increasingly doubtful that the commission will be able or willing to undertake necessary actions." FTC Gen. Counsel Michael Sohn and Chief Economist William Commanor also are resigning at end of summer, but these resignations have been described as normal turnover, not directly related to FTC morale problems. Dougherty will be replaced by Perry Johnson, deputy bureau dir.; Sohn, who is returning to Arnold & Porter law firm, will be replaced by James Sneed, now asst. to Pertschuk.

Dougherty's pessimistic view of FTC was countered by Pertschuk and Albert Kramer, Bureau of Consumer Protection dir. Of Dougherty charges, Pertschuk said: "If he means that we're ducking cases, the answer is no." Kramer, speaking to FCBA luncheon, was sanguine: "The proposals made on Capitol Hill for alterations of the agency resulted in some reshaping but no drastic changes in the basic direction of the agency... The issue of children's advertising will not be dropped by the Commission." Kramer stressed that FTC is studying trade and competition problems posed by recent developments in electronic communications technology, and that morale at FTC would return to normal once staff gets back to work.

Carter signature on FTC authorization bill closes curtain on epic congressional struggle. Carter didn't mince words on his unhappiness with bill: "This [legislative veto] provision is both unwise and unconstitutional. I am signing this bill despite the congressional veto provision because the very existence of this agency is at stake. Under the bill, a suit to test the legislative veto provision can be expedited, and I look forward to such a court challenge."

China will host telecommunications show in Beijing Jan. 17-25 at Hall of Science & Technology. Show is limited to U.S. companies; organizer predicts 20,000-25,000 Chinese guests will attend. Eligible systems for show include audio, video, data, defense & business communications, with applications for banking, business, navigation, telephony, TV, telemetry, radio astronomy, national emergency, early warning, meteorology, space probes & avionics. Show will be follow-up to electronics show to be held in Guangzhou (Canton) Aug. 14-24. Details: Expoconsul, Clapp & Poliak Inc., Princeton-Windsor Office Park, Box 277, Princeton Junction, N.J. 08550, 609-448-3200.

WSB-TV Atlanta raised possibility last week that it may shift affiliation to ABC. Station reportedly is NBC's highest-rated affiliate, has been with same network since 1948, but has given NBC written notice of plan to drop affiliation (considered pro forma, since many stations do same thing) when current contract expires in Sept. NBC TV Pres. Robert Mulholland and other NBC execs. were in Atlanta May 30 meeting with Cox execs. on threatened switch. Jeff Davidson, pres.-gen. mgr. of ABC's Atlanta affiliate WXIA-TV, said he has "been assured by ABC that no deals have been made." WXIA-TV is owned by Gannett, which plans meeting with ABC officials very soon.

Angry letter to NAB Pres. Vincent Wasilewski from Oscar Cuellar, member of U.S. delegation to March regional radio conference, called NAB's letter to foreign administrations opposing U.S. govt. position on reducing channel spacing to 9 kHz (Vol. 20:11 pl) "prime example of despicable behavior." He said letter may mark "the end of the beginning of the downfall of your tenure as president of the NAB." Cuellar, Denver consulting engineer, said "harsh" tone of his letter "is still music to my ears in comparison to the villainy of your letter to the foreign administrations." Wasilewski doesn't plan to respond.

FCC reopened record in 1978 proceeding involving Gilbert Bestg. request for authority to run AM station replacing WNJR Newark. Commission had disqualified both 1430 Assoc., interim operators of station, and Gilbert, one of whose principals was employed as station announcer, after station permitted ministers to encourage listeners to engage in numbers racket. (Both had applied for permanent authority over station whose previous operator lost license in 1969.) FCC has reopened record because Gilbert submitted newly discovered document showing Gilbert principal had objected to broadcasts.

FCC extended deadline to Oct. 1 for comments on increasing available FM channel assignments, with replies due Dec. 1. It proposed to: (1) Allow Class A stations to operate on Class B-C channels if Class A channel isn't available. (2) Add 2 new classes — B1, intermediate class between A & B, and C1 between B & C. (3) Permit Classes B & B1 in Zone II. (4) Require all existing B and C stations to meet minimums for power and antenna height or be subject to reclassification to lower class. (5) Adopt new separation table to reflect updated propagation curves.

Top 15 NAB execs will attend management seminar July 31-Aug. 1 to increase their skills in "goals and objective setting," according to Exec. Vp-Gen. Mgr. John Summers. Seminar will be conducted by Brower Assoc. at Sterling Institute in Washington, is outgrowth of recommendations by NAB Evaluation Committee.

FCBA annual seminar will be at Playboy resort, Great Gorge, N.J., Oct. 2-5. FCBA also announced membership now exceeds 1,000.



**TV SATELLITE MANEUVERS:** FCC is preparing 2 notices of inquiry (NOI) on direct broadcast satellites (DBS). First, from Office of Science & Technology, will examine technical issues in preparation for 1983 Regional Administrative Radio Conference on DBS; 2nd, from Office of Plans & Policy, will explore economic & policy issues. OPP expects to have its NOI ready for release by Sept.-Oct. We understand OPP isn't too impressed with argument that broadcast satellites will hurt local stations, or that they fundamentally challenge localism policy.

Other DBS developments: (1) Comsat's satellite TV plan will be economic failure, KOLN-TV Lincoln Pres. James Ebel said last week in interview with our Station Week. Ebel said he has information that real reason Sears withdrew from DBS partnership with Comsat was economic — Sears' projections showing that expense of establishing system wouldn't be recouped by revenues. Ebel wouldn't disclose his source of information — only that he knows Sears doubts economic viability of DBS. (2) New group to handle DBS project will be announced by Comsat, probably this week.

(3) Preview of NAB study of DBS, disclosed in summary of research activities, indicates that danger to status quo broadcasters may not be as great as some industry spokesmen have suggested. Unreleased study is titled "A Model for DBS," its summary states: "DBS appears threatening at first glance. However, a closer look reveals that any DBS entity which proposed to market TV programming will not pose an immediate threat to commercial broadcasters. Estimates of the initial investment requirement for 3 orbiting satellites and a ground backup run as high as \$400 million. There will not be immediate returns on this investment as the 'start-up' time will be 3-4 years. Then, as MDS operators have found, it is not difficult to market pay programming, but TV owners are reluctant to pay for their receiving apparatus, which in the case of DBS dish would be in the \$300-\$400 range."

Contract in ill-fated Cox-GE merger expired May 31, but that didn't stop last-minute flurry of activity at FCC last week. In pro forma move, Cox asked for reconsideration, as did several public interest groups which had protested FCC's approval of merger (Vol. 20:17 pl). Meanwhile, Storer Bestg. Pres. Peter Storer denied that company now is negotiation merger with GE. "There has been no conversation between Storer and GE of any kind, period," he told us.

Full statistics on 2 top-50 cable groups arrived too late for inclusion in our Special NCTA Convention Supplement. They are: Continental Cablevision — 299,000 basics, 158,000 pay, 575,000 homes passed, 825,000 in franchised areas, 5,700 miles of plant, 1,800 miles planned for next 12 months; Palmer Bestg. — 61,201 basics, 10,060 pay, 72,000 homes passed, 75,000 in franchised areas, 1,002 miles of plant, 35 miles planned for next 12 months.

New satellite pay network for performing arts was proposed by Carnegie Commission (Vol. 20:18 p6). Called PACE (Performing Arts, Culture & Entertainment), network concept is outlined in study suggesting that public TV take lead in establishing service — "an extraordinary opportunity to extend the range of services they provide to the American public, while helping themselves to survive during difficult economic times." PACE would offer 210 hours of programming monthly, mix of original material, movies, foreign programs, co-productions with commercial suppliers. Carnegie report also recommends further exploration of prospects for direct broadcasting satellites, suggests that public TV "superstations" wouldn't be wise. Satellite hasn't been designated for PACE network, but hope is to get service onto Westar bird now carrying PBS programming, allowing PACE to realize "considerable cost savings." Study thinks piggyback arrangement "might well be cheaper and more readily available than the RCA Satcom system," leaves door open to other satellites as long as they're aimed at cable operators. Carnegie estimates annual distribution costs at \$1.5 million each for 2 transponders. PACE is to be capitalized at \$30 million — \$15 million in grants, \$15 million in loans — supposedly will break even with 750,000 subscribers paying \$9 monthly.

FCC ducked transponder allocation issue last week, delaying decision on complaints against RCA Americom filed by SIN, Eastern Microwave, National Christian Network & Turner's Cable News Network. Staff had already completed 40-page report, but objections by Gen. Counsel's office delayed presentation; Common Carrier Bureau officials told commissioners that issue is complex, especially in area of contracts. Comr. Washburn, commenting on delayed report, set out dominant FCC mood: "We should avoid getting involved in transponder assignments... We need a procedure to prevent us from getting into the box of having to decide who gets on the satellite and who doesn't." Meanwhile, FCC denied petition by SIN & Eastern Microwave to reconsider grant of microwave link between Cable News Network hq in Atlanta and RCA Americom uplink in Douglasville, Ga. — allowing CNN to begin transmission as scheduled on June 1.

Citing news staging, hoax broadcasts, and failure to exercise adequate control, FCC denied license renewal for KIKX(AM) Tucson. Commission said station, as part of promotional contest, erroneously reported for 4 days that KIKX disk jockey had been kidnapped, ignoring requests by police to stop broadcasts.

Golden West Bestrs. bought STV franchises in Chicago, Dallas, San Francisco and Providence from Subscription TV of America for undisclosed amount of cash and royalties. Operations will begin in San Francisco on KTSF-TV in June.

New report from federal Regulatory Council includes for first time directory on how citizen groups may obtain govt. money to participate in regulatory proceedings.



**PRESSURES ON 400 MHz:** Fierce big-city franchise competition has placed severe strains on many areas of cable industry — and technology & manufacturing aren't exempt.

Best illustration is controversy over 400 MHz. Extending bandwidth from current 300 MHz permits expansion from 36 to 54 channels, using single cable, with attendant savings. Many big-city applicants are specifying 400-MHz — but none has routine operating experience with it yet.

Many manufacturers at NCTA convention displayed 400-MHz gear, but engineers disagreed on whether equipment is fully ready for use. Furthermore, chip makers such as Texas Instruments & Motorola are still in no position to meet apparent demand. Some cable operators have chosen solution of building 300-MHz system now, but spacing amplifiers closer together (as required by 400 MHz), prepared to replace them with 400-MHz units when they're available. Here are comments from panel:

Colin O'Brien, Jerrold — 400 MHz costs 5% more per mile for 185-home density, 7.2% for 400-home. Jerrold has shipped 3,000 amplifiers, will have line extenders in June.

Alex Best, Scientific-Atlanta — "On a per-channel per-mile basis, 400 is the best buy" compared with 300. "The driving force is the franchising activity." He said he has confidence in the technology but "it leaves little room for error."

Douglas Jarvis, Barry Cablevision — "This is a horribly complex business now. There are some grossly irresponsible people in franchising. I was scared and angry before coming here. I've discovered, however, that technology is not being pushed that far."

Archer Taylor, Malarkey, Taylor — "I would tell people to go slow. It's still developmental." However, he noted, there will be "a lot of unused channels," so pressure on system won't be as great as it would be if all were used. "The 400 amps," he said, "will be better than 300."

From audience, a principal proponent of 400 MHz, Israel (Sruki) Switzer, Canadian consultant, said his clients have "\$80 million riding on 400" in construction planned, stressed confidence in system.

Consultant Hubert Schlafly urged industry to "take time to work it out... I believe we should devote engineering talent to improving what we have."

Moderator Kenneth Gunter, UA-Columbia, said that subscriber rates provided in new franchises are too low for costs of 400-MHz.

Illustrative of current channel demand is incident at another panel. Moderator asked for show of hands, how many in audience had 36-channel systems. Some 25-30 hands rose. He then asked how many were using all 36. Up went one hand.

**GROSSMAN ON 'PRINCESS':** PBS Pres. Lawrence Grossman believes controversy over airing of "Death of a Princess" was "threatening" to PTV system, but he says system handled controversy superbly and ratings show PTV can draw big audience.

Grossman outlined views in interview with sister publication, Public Broadcasting Report (Vols. 2:11 & 2:12). Grossman on other topics: Raising funds through new technologies — "Our viewers are the kind who are looking by definition for a self-selected book, who are looking for quality programs, who are most interested in quality television, who might be the best customers for video cassettes, for video discs, for tape machines." On Carnegie Commission's proposal for performing arts pay channel (PACE) — "I think in the abstract... that certainly an opportunity is there... and there's indeed a responsibility, I think, to do that."

On co-productions — "We are talking now about taking, for example, the \$500,000 the stations might contribute to a drama fund and going to CPB and saying, you match it with \$2 million... And now we go to an HBO or Showtime... and say, we have \$3 million we want to put in. You perhaps will get pay-cable rights. You join us with \$3 million.... And then we go to somebody, or ourselves... and say you'll get the cassette and disc rights if you put in \$1 million. And we go to a foreign distributor and say we'll give you the international rights if you put in \$3 million, and [we have] leveraged... it into a \$10 million or \$12 million or \$15 million drama series. And we are serving the public thereby..."

**Boycott of TV programs** July 7-13 is urged by National Federation of Decency to protest death of 4-year-old Texas girl, killed by her mother (who cut girl's heart out) after 2 watched Exorcist II. Group claims movie had violent scene which prompted mother's action. Group also urges boycotting CBS, which aired movie Feb. 13, during all of July.

**West German** federal court blocked attempt to start commercial TV in country. Ruling on technicality, court disallowed move by states of Lower Saxony and Schleswig-Holstein to break from govt.-run North German Radio and start private corporation.

**Sen. Goldwater** (R-Ariz.) keynotes NBEA convention June 24-27 at Mayflower Hotel, Washington. Other speakers: Sen. Jackson (D-Wash.), former Sen. Fulbright (D-Ark.), former U.K. Ambassador Peter Jay, FCC Comr. Brown.

**"Charlie's Angels"** producers Aaron Spelling and Leonard Goldberg denied they schemed to defraud Robert Wagner and Natalie Wood of part of profits (Vol. 20:18 p5), said "we have no reason to believe that there has been any impropriety ..."

**Mark-up of House Communications Subcommittee** rewrite of Communications Act is set for 9:30 a.m. June 11 at room to be announced.



## Personals

FCC Comr. Anne Jones addresses FCBA annual meeting June 11, Capital Hilton Hotel, Washington... Warren Spellman promoted to corporate vp-marketing communications dept., CBS, new post... Sen. Warren Magnuson (D-Wash.) this week will receive highest public broadcasting honor, Lowell Award.

Linda Cinciotta, Arent, Fox, Kintner, Plotkin & Kahn, elected FCBA pres., succeeding Edward Hummers, Fletcher, Heald & Hildreth; Earl Stanley, Dow, Lohnes & Albertson, named vp; Margot Humphrey, Koteen & Burt, secy.; Peter O'Connell, Pierson, Ball & Dowd, treas.

Mike Shapiro, Belo Bestg. pres., also named chief exec. officer, succeeding James Moroney, who remains chmn.; Ward Huey, exec. vp, succeeds Shapiro as chief operating officer; David Lane, vp, also named WFAA-TV Dallas gen. mgr., succeeding Huey; Phillip Keller promoted to WFAA-TV station mgr.; Terrence Ford to vp-gen. mgr., KFDM-TV Beaumont.

George Anderson, ex-WTLV Jacksonville, promoted to pres.-gen. mgr., KENS-TV San Antonio, succeeding William Moll, pres.-chief exec. officer of parent Harte-Hanks; James Kontoleon, ex-WGGB-TV Springfield, Mass., appointed vp-gen. mgr., WTLV... Thomas Meissner advanced to vp-controller, WDHO-TV Toledo.

Erwin Krasnow, NAB senior vp-gen. counsel, appointed chmn. of ABA Communication Committee; vice chmn. include Washington attorneys Gene Bechtel, Edward Hummers, Aloysius McCabe & Lois Schwartz... Bert Wasserman promoted to exec. vp-chief financial officer, Warner Communications; Geoffrey Holmes joins Warner as dir.-investor relations; Peter Graves promoted to dir.-corporate communications, new post.

Charles Good, Buena Vista Distribution vp-gen. sales mgr., promoted to pres. of Walt Disney Productions Subsidiary... Marvin Krantz resigns as Wometco vp-personnel to establish own consulting firm (Personnel & Labor Consultants, Box 1183, Ft. Lauderdale 33339, 305-565-8597) specializing in broadcasting & cable.

Ronald Bernard switches from Viacom to Showtime as vp-finance & administration; Richard Sullivan, ex-Hertz, named vp-sales planning & administration; Reva Melniker promoted to western regional dir... Arthur Reynolds, ex-Walt Disney Productions, joins Oak Communications as vp-marketing; Nyhl Henson, ex-Warner, elected vp-programming.

Michael David, ex-ESPN, joins Modern Satellite Network as programming & special projects mgr.; Tom Pry named operations & affiliate relations mgr.; Dee Michael, affiliate relations coordinator... Ronald Gunning named SelecTV pres., replacing James LeVitus, named chmn... A.B. Connal,

ex-senior vp-operations, becomes exec. vp-production & programming, ESPN; Evan Baker, ex-senior vp-marketing, selected exec. vp-advertising sales & affiliate marketing... Thomas Johnson, CTAM pres., named exec. vp-operations, Daniels & Assoc.

Viacom makes major executive changes, promotes Showtime Pres. Jeffrey Reiss to Entertainment Group exec. vp, hires former NBC Entertainment Pres. Mike Weinblatt as his replacement. Move of some sort was rumored during NCTA, lacked only Weinblatt's approval, which came May 29. Reiss reports to Entertainment Group Pres. Kenneth Gorman, will be charged with development of new basic & pay cable services, as well as home video programming. Among objectives are basic cable & additional pay-TV channels and cassette & disc versions of Showtime material, in addition to original programs such as Viacom Enterprises' dance & magic how-to tapes. Weinblatt, 20-year NBC veteran, considers cable "exciting & challenging... a growth area," said NBC Enterprises had no plans to produce for that medium, expects Showtime to pursue HBO more aggressively. Showtime now has 1.1 million subscribers, passes about 13 million homes.

Critical assessment of U.S. performance at last year's Geneva radio conference has been published by Nolan Bowie, Citizens Communications Center dir. and member of WARC delegation. He contested State Dept claim that U.S. was "95% successful" in achieving its objectives at WARC. "On the basis of a strictly mathematical count, this may be true, especially if one includes all the noncompeting technical proposals which the U.S. submitted. [But] the really critical and controversial issues, such as the future of space services and HF band use... were not decided. The danger inherent in claiming that the U.S. achieved a 95% victory is that the U.S. approach to WARC '79 may be interpreted as a winning game plan. We are deluding ourselves if we do not look beyond the numbers on which we base our claim of victory."

Katz Agency acquires national spot sales unit of Field Communications, forms new subsidiary, Independent TV Sales, to rep independent station clients, including WLVI-TV Boston, WFLD-TV Chicago, WKBD-TV Detroit, WKBS-TV Philadelphia & KBHK-TV San Francisco, all formerly with Field, plus current Katz-repped WUTV Buffalo, WCCB-TV Charlotte, WUAB-TV Cleveland & WVTM Milwaukee. Donald Robinson, ex-Field mktg. vp, joins Katz as senior vp and chief exec. of new subsidiary. Named Independent TV Sales pres.-chief operating officer is Robert Roganti, ex-Field Spot Sales pres. Acquisition terms weren't disclosed.

Comsat tariff for selling overseas TV direct to networks becomes effective June 10 as planned. FCC overruled objections by ITT World Communications, RCA Global and Western Union International; it determined costs won't be higher than those offered by international record carriers. Action, in line with new policy allowing direct usage of Comsat, ends carrier-of-the-week plan.



# Consumer Electronics®

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MANUFACTURING & SALES • TV • PHONOGRAPHS • TAPE PRODUCTS • RADIO • COMPONENTS • NEW PRODUCTS • FINANCE

## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended May 16 (20th week of 1980):

	May 10-16	1979 week	% change	May 3-9	1980 to date	1979 to date	% change
Total TV.....	189,328	228,669	-17.2	211,847	5,032,736	5,574,843	-9.7
color.....	126,813	133,631	-5.1	137,848	3,210,837	3,468,247	-7.4
monochrome..	62,515	95,038	-34.2	73,999	1,821,899	2,106,596	-13.5
Home VCR.....	7,964*	5,627	+41.5	11,723	219,265*	138,046	+58.8

Color TV 5-week moving average: 1980—133,492; 1979—161,926 (down 17.6%).

Home VCR 5-week moving average: 1980—9,021\*; 1979—5,491 (up 64.3%).

\*Record for period.

**MAY COLOR SALES DOWN 25% FROM 1979:** Color TV sales to dealers in May registered 25% decline from May 1979, at annual rate of slightly over 8 million units. Sales for first 5 months ran at pace of about 9,630,000. May color sales totaled 505,930 vs. 673,632 in May 1979.

Perhaps there were some silver linings — particularly in May's final 2 weeks. Color's decline moderated in 2nd half of month, down 5.1% in 3rd week, 15.1% in 4th, after drops of 23.7%, 28.7% & 16.3% in 3 preceding weeks. Final week of May saw sales of about 139,400. B&w sales in May's final week showed first increase from year earlier in 9 weeks — totaling 88,200, up 2.1% from 86,407 of 1979 week. B&w for month came in at just under 316,400, down 14% from 1979 month, lower percentage decline than monochrome showed in Feb. & April.

Last May week was 3rd best of year for home VCR, at 15,300, up 71.9% from same 1979 week. For month, VCR sales totaled some 45,000, up 60.8%. Annualized rate based on 2 preceding years works out to 727,000.

**PIONEER PLANS \$10 MILLION LASERDISC ADS:** Pioneer has christened its optical videodisc player Laserdisc, chosen first dealers and ad agency Altschiller, Reitzfeld, Jackson & Solin, which estimated campaign would be budgeted at \$10 million next year after marketing goes nationwide.

Marketing kickoff will be June 20 in Dallas, followed by Madison, Wis. June 24, Minneapolis-St. Paul June 27, Syracuse July 1. First retailers have been chosen — all of them Pioneer hi-fi dealers, who get first priority — and company spokesman says negotiations are underway with others in premiere markets. Although Dallas & Minneapolis are both Magnavision markets, none of dealers picked there so far handles other videodisc player, but Pioneer is known to be negotiating with one Magnavision dealer.

Dealers signed up for first markets: Dallas — CBS-owned Pacific Stereo (6 stores), Sound Climax (3), Thomson Sound (1). Madison — American TV (1). Minneapolis-St. Paul — Schaak Electronics (13).

In other videodisc developments: (1) VHD system is scheduled to get 2 demonstrations at



CES — private showing by Matsushita and public one at JVC booth. (2) Although Sanyo has signed optical videodisc license, company official told us it would "back whichever system promises to be the standard in any country," even if it means marketing 2 incompatible systems.

**U.S. COLOR OUTPUT UP 24% IN QTR. — ITC:** In direct contradiction to figures from EIA indicating domestic color production stagnated and total new supply dropped in first quarter this year (Vol. 20:21 p12), ITC's report for period shows output of U.S. plants jumped sharply, bringing total supply (production plus imports) up, not down.

ITC reports U.S. factories turned out 2.66 million color sets in opening quarter, a record for any quarter and up 24.2% from same 1979 period. Addition of 209,000 imports puts total supply at all-time quarterly record of 2.87 million, up 11.7%. EIA reported supply at 2.43 million, down 7.8%, with indicated production up 0.2% to 2.22 million.

That's difference of 439,000, or nearly 20%, about double usual spread between those 2 sets of industry figures, and leaves industry guessing whether output is at dangerous 11-million annual rate in expected 9.3-million sales year, instead of 10-million rate indicated by EIA total.

Bulk of difference comes in 19", where ITC shows domestic production up 37.1% to 1.48 million, EIA indicates 1.15 million, down 4.7%. One explanation could be that EIA is significantly underestimating output of Japanese-owned plants here which don't participate in its data collection program, but must by law respond to ITC's quota-related quarterly survey. Other possibility is double reporting to ITC of sets manufacturers may be assembling for each other, something EIA program is specifically designed to eliminate. Issue, we've learned, will be prime agenda topic when EIA Marketing Services Consumer Electronics Committee meets in Chicago during CES later this month.

ITC reports factory shipments rose 25.3% in quarter to 2.43 million, with total shipment value up 24.3% to \$823.6 million. Shipments of 18-19" rose 38.4% to 1.33 million, value rising 39.6% to \$404.1 million; 17"-&-under increased 25.9% to 474,400, with value up 31.2% to \$117.7 million; 20"-&-over edged up 4% to 626,200, with value up 6.4% to \$301.8 million.

Average factory selling prices in quarter for 13" & 16-17" models were highest since ITC started issuing reports — first was for Oct.-Dec. 1976 — 20"-&-over average was down from preceding quarter. Overall average price for 17"-&-under was record \$248.19 in opening quarter this year, up from \$238.11 in same 1979 period, and \$246.97 for all of last year. Table below shows ITC factory pricing average, for sets sold direct to dealers as well as to distributors, for last 5 reported quarters and all of 1978 & 1979:

#### U.S. AVERAGE FACTORY COLOR PRICES

	13"	16-17"	18-19"	20"-&-over	All sizes
Average 1978...	\$218.30	\$291.26	\$292.47	\$450.38	\$341.06
1st qtr. 1979....	218.28	283.92	300.43	470.55	341.09
2nd qtr. 1979....	228.32	302.95	305.41	467.77	343.26
3rd qtr. 1979....	225.97	311.18	304.81	471.28	345.62
4th qtr. 1979....	223.82	306.72	293.78	490.62	339.24
Average 1979...	224.02	300.88	300.67	475.51	342.22

**COURT UPHOLDS BAR TO TV DUMPING DEAL:** In terse, single sentence decision issued without opinion, D.C. Federal Appeals Court last week turned down Commerce Dept.'s motion that court rescind injunction it issued to block completion of \$76-million settlement of most outstanding dumping-related claims against Japanese TV importers.

Ruling, signed by same 3 judges who granted COMPACT's injunction request last month



(Vol. 20:19 p9), puts negotiated settlement on ice until court decides COMPACT's appeal of lower-court dismissal of suit aimed at forcing govt. to follow standard liquidation procedures in TV dumping case. Normally, earliest hearing date would be Oct.-Nov. But in view of injunction, Commerce may ask case be expedited. Other legal options open to Commerce include asking full-court review of injunction relief denial, appealing decision to Supreme Court.

Though case is now on hold, Sears took \$11-million special charge in fiscal first quarter to cover TV dumping duty liabilities on Japanese TV imports through March 1979 and in settlement of civil claims relating to allegations it falsified Customs invoices to avoid dumping duties, as presumably agreed in deal with Commerce and other govt. agencies. In Dec. 1978, Sears gave Treasury \$5.5 million for unadjusted dumping duty assessments on imports only through June 1973. It's understood Sears was to get most of that back as result of assessment protest rulings issued by Treasury at end of last year.

Also last week, Japan's Finance Ministry announced TV exports to U.S. in April dropped 27% to 71,200, as total color shipments fell 37.7% to 34,500, b&w slipped 9.9% to 33,800. Results put 4-month TV total at 248,100, down 13.2%, with color at 139,300, down 20.4%, b&w at 108,800, off 1.9%. In color, April exports of complete receivers dropped 25.2% to 37,200, for full-period total of just under 114,000. Exports of incomplete color sank 97.3% in month to just 276, leaving Jan.-April at 25,300, down 45.2%.

**DUMONT TV RE-DEBUT:** Newest go-round for DuMont TV brand officially starts in Chicago during June 15-18 Consumer Electronics Show when Larsam Inc. introduces 9-model color line in Drake Hotel suite. Larsam acquired license to DuMont brand last March (Vol. 20:12 p12).

Line starts with 2 mechanically tuned 13" portables; 19" models include 2 with mechanical tuners, version with one-knob varactor; 25" consoles start with mechanically tuned leader, move through 3 steps, with double-sided unit at high end, all with one-knob varactors. All models are open list, in keeping with company plan to provide franchised dealers with maximum pricing flexibility, although 13" should start in \$330-\$380 range, 19" at \$380-\$400, and 25" around \$550-\$600, Larsam co-founder William Goldberg told us. Dealerships will be restricted to one per market trading area, he said.

Sets are being produced by unidentified major U.S. manufacturer (which we understand to be Sylvania), and don't yet have distinctive furniture styling planned for models coming next year. "We didn't have enough time to do everything we wanted," Goldberg said, indicating that coming models will boast such deluxe features as tambour & folding doors, random-access remote tuning. Also coming next year will be b&w TVs, VCRs.

Personal computer market should get even more competitive this year, with low-priced consumer models, featuring full-color TV display capability, reportedly being readied by Commodore & Radio Shack. Tandy is slated to open 100,000-sq.-ft. plant in Ft. Worth next month to help meet demand for Radio Shack's \$500 TRS-80 computer. Also testing waters here are NEC & Casio. At June CES in Chicago, NEC will show computer it sells in Japan with 12" color monitor for about \$750, while Casio will demonstrate comparably priced model featuring built-in 4-1/2" monochrome display.

**SAMPO'S U.S. PLANT:** Sampo moved to become newest foreign-owned U.S. color TV assembler, 3rd from Taiwan, with purchase of \$1.5-million 23-acre site in Atlanta for \$5-million 100,000-sq.-ft. plant. Announcement of plant was made jointly in Taiwan by Sampo Chmn. M. P. Chen and visiting Ga. Gov. George Busbee.

When opened next year, plant will employ 300, have initial capacity for 12,000 sets monthly. Plant will turn out 19" at start, use subassemblies imported from parent, U.S.-made tubes. Sampo currently uses mainly Hitachi picture tubes in color sets produced in Taiwan, which appears to give GE, a Hitachi cross-licensee, inside track as U.S. tube supplier.

Probability that quota restricting Taiwan's color exports to U.S. will be extended beyond scheduled June 30 expiration date is, of course, moving force behind Sampo's U.S. plant decision. Company was allocated 22.6% of Taiwan's annual 373,000 complete set quota, or 84,500, but over past year was allowed to ship more than that because AOC, owner of former Admiral Taiwan color plant, didn't use all of its 145,600-set allotment. Sampo had about \$50 million in U.S. sales last year, claims 1.3% share of U.S. color market, 4.3% of b&w. Portion of Sampo's color sales here are to private-label customers.

First Taiwan manufacturer with U.S. color plant was Tatung, which launched pilot output in Compton, Cal. at end of 1979. AOC plant outside Kansas City is being readied for start-up this month. Japanese producers Hitachi, Matsushita, Mitsubishi, Sanyo, Sharp, Sony & Toshiba all have own color plants here.

Canon's talking calculator is printing desktop model which memorizes & reads back on command up to 128 12-digit entries, including totals & subtotals. List is \$399.



**HOT NEW VCRs:** New VCRs premiering at CES will continue to stress new features and/or lower prices. Akai will introduce first VCR in U.S. with dual soundtrack — 2- & 6-hour portable which can play stereo sound or bilingual commentary (using dubbing feature). Unit has Dolby sound, lock which restricts access to unit for unauthorized playback (for example, keeping kiddies from seeing X-rated movies).

New Akai unit, weighing less than 15 lb., has "instant program location search" (IPLS), fast-forward which stops at any point where there's no video. NiCad battery has 1-1/2-hour recharge time. Recorder lists at \$1,200, tuner-timer \$395.

Sharp will introduce what may be lowest priced full-feature recorder, 2-6-hour unit which probably will be list-priced at \$800-\$900. Unit is styled like audio receiver, has fully automatic front-load mechanism which closes door when cassette is inserted, automatically ejects after play. Solenoid-activated varactor-tuned VCR has automatic program locator, tape-remaining indicator. Programmable model, introduced last year at \$1,295, has been reduced to \$1,095.

Toshiba will introduce Beta programmable with "Superscan," button which provides 40-times visual fast forward when pushed, 15 times when released. Also from Toshiba will come world's first self-focusing video camera. Developed jointly with Canon (which will employ it in film cameras), system samples spectrum frequency in center of prospective picture, moves lens until jumble of color frequencies is separated into individual colors. Toshiba is expected to announce these developments at news conference this week, as well as providing definitive word on future of LVR.

Sanyo is continuing to sell its 3-hour Beta VCR at list of \$695 and is heavily back-ordered, according to Senior Vp William Byron. When price was reduced from \$895 at Winter Consumer Electronics Show, many assumed it was a closeout (Vol. 20:2 p7).

That 7-lb. Funai portable VCR which uses tiny 1/4-in. cassette (Vol. 19:53 p7) isn't expected to show up at CES, but it's still scheduled for marketing in U.S. by Technicolor. Ikegami, which says it developed the unit, displayed it at recent ITVA convention, but company says it has no U.S. plans for it — presumably because of Technicolor's exclusive contract.

Japan's April VCR exports to U.S. totaled 61,275 units, up 31.2% from 1979 month, while 4-month exports were 248,359, increase of 119.3% from year earlier.

Atari hiked prices on personal computers to \$630 & \$1,080. Original pricing, when units were introduced in early 1979, was \$500 & \$1,000. Programmable video game price has been boosted \$20 to \$199.

**GE's RECESSION GAINS:** GE's audio & housewares sales were both up 20% in year's first 4 months, its plants — expanded in 1979 — are "running flat out" and company is trying to persuade dealers to "capitalize on the opportunities in a year when others may be retrenching," according to Housewares & Audio Vp Walter Williams.

Products under \$100 present strong opportunities, he believes, because: (1) As consumers refrain from purchasing big-ticket items such as cars & housing, millions of dollars will be freed for purchase of smaller items. (2) "Our products don't generally depend on financing." (3) Smaller products are "inherent traffic-builders."

In interview, Williams said major-brand products such as GE traditionally fare better than others in recession, added "portfolio management" — choice of goods & brands to stock — is essential to retailer's success in these times. To combat recession atmosphere, GE is: (1) Increasing promotional expenditures 50% over last year. (2) Providing financing and Dec. 10 dating, so dealer can sell his products before having to pay for them. (3) Providing 80% co-op allowance to dealers who feature GE products on front or back covers of brochures. (4) Extending successful consumer rebate promotions.

GE will continue emphasis on upgrading product line, adding electronic controls to housewares where they increase value — such as MPU-controlled toaster oven and electronic scale. In electronics, GE's electronic-tuning clock radio has been success ("5 years ago, you couldn't sell a clock radio at \$100") and stereo & mono radio-cassette systems are "strong," capitalizing on new interest in good music reproduction. Williams says GE's decision to leave compact stereo was "correct," but fears that dealers might back off from ordering lower-priced tape instruments because higher-end audio business is off — and be caught without enough stock of fast-moving product. "It would be a shame for dealers to stop promoting a category which is doing so well."

Williams said national promotion program, "We Bring Good Things to Life," has increased GE brand preference by 21%, was reflected in higher orders at recent sales meeting in Las Vegas.

Quasar color production returns to Canada later this year when affiliate Panasonic of Canada is slated to start manufacturing 2 models (19" & 25" console) for sale by Quasar Canada. Rest of QC's line will continue to come from Franklin Park, Ill. plant of U.S. parent. Matsushita got Canadian color plant, as well as U.S. manufacturing facilities, when it acquired Quasar TV operation from Motorola in 1974. Canadian production was halted as part of corporate restructuring in late 1977. Panasonic Canada, which also produces 25" consoles for sale in U.S., is expected to get at least some of its chassis requirements from recently completed Tijuana plant of Matsushita Industrial Corp., which also runs Franklin Park factory.



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(Editorial & Business)Aske Dam  
Richard E. Varnerc/o Foreign Correspondents  
Club of Japan  
Denki Bldg., 20th Floor 1-7-1  
Yuraku-cho, Chiyoda-ku  
Tokyo 100, Japan  
Phone: 0466-27-6125 Telex: J24600**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
<b>AEL Industries</b>			
1980-53 wk. to Feb. 29	58,986,660	(177,144)	--
1979-52 wk. to Feb. 23	60,041,510	1,997,915	1.06a
1980-qtr. to Feb. 29	15,623,395	(646,152)	--
1979-qtr. to Feb. 23	16,568,455	551,243	.29a
<b>Gray Communications Systems</b>			
1980-9 mo. to March 31	26,082,554	1,940,179	3.84
1979-9 mo. to March 31	16,737,966	1,226,738	2.45
1980-qtr. to March 31	9,225,381	561,115	1.10
1979-qtr. to March 31	5,570,384	329,187	.63
<b>Republic</b>			
1980-9 mo. to April 30	229,487,000	10,212,000	3.60
1979-9 mo. to April 30 <sup>b</sup>	207,426,000	10,299,000	3.74a
1980-qtr. to April 30	74,640,000	2,135,000	.75
1979-qtr. to April 30 <sup>b</sup>	73,138,000	3,754,000	1.35a
<b>Tele-Communications</b>			
1980-qtr. to March 31	27,995,000	1,232,000	.10
1979-qtr. to March 31 <sup>b</sup>	20,684,000	17,764,000 <sup>c</sup>	1.63a

Notes: <sup>a</sup>Restated. <sup>b</sup>Includes special credit. <sup>c</sup>Adjusted.**Consumer Electronics Personals**

William Anderson retires for health reasons as Advent pres.-chief operating officer... Martin Katz resigns as SuperScope sales vp to enter rep business in N.Y... John Olney promoted at Audiovox to mktg. & ad vp... Noah Anglin advanced at Atari from engineering dir. to engineering & mfg. vp... Murray Waldman rejoins Topp Electronics as national sales & mktg. vp; Gordon Grossman advanced to national accounts sales vp; Selwyn Kent named sales admin. & ad vp.

Robert Bowen, recently resigned as Zenith mktg. & international vp (Vol. 20:21 p16), is now Firestone Tire dealers & store operations vp, on staff of ex-Zenith Chmn. John Nevin, now Firestone pres... Dale Frey, GE international finance operation staff exec., named corp. vp-treas., succeeding Russell Whitmyer, retiring Sept. 1.

Roger Cornett promoted at Belden Electronics Div. to electronic operations vp, succeeding Richard White, retired; Roland Miracle advanced from asst. gen. mgr. to vp-gen. mgr., replacing Cornett... Chao Mai advanced at Mostek from asst. vp to vp, R&D... Kenneth Johnson promoted at Motorola from financial analysis dir. to deputy controller, will move up to controller later this year upon retirement of Edward Harty.

Dong Nam's answer to potential demand for improved TV audio is combination 5" b&w with compact stereo, designed to retail for about \$300. Company says combo, which plays TV sound through stereo system, can also be used as VCR or CCTV monitor. Korean firm is exclusively private-brand supplier of b&w TVs, mid-fi audio, will have unit on display at CES.

**TV QUOTA SUPPORT:** Support for continuing quotas restricting color TV imports has come from Zenith Chmn. Joseph Wright, Sen. Kennedy (D-Mass.), group of 10 leaders of industry-related unions and, of course, from COMPACT.

**Commenting on International Trade**

Commission report urging retention of quotas on shipments from Taiwan & Korea (Vol. 20:20 p12), Wright told us: "I'm delighted they recommended keeping some kind of quota. I really don't like quotas. If they'd really get at the dumping thing they wouldn't need them." As for \$76 million Japan TV dumping case settlement, "it's the most outrageous thing I've seen. There were some things in the agreement I couldn't believe when I read them," Wright said.

Kennedy, in campaign appearance at IUE local in Evansville, Ind., urged President Carter to keep quota limit on Japan as well as Taiwan & Korea, saying domestic industry workers face uncertain future if restrictions are permitted to end on June 30 expiration date. Letter sent to Carter last week, and signed by heads of IBEW, IUE, CWA, as well as glass, steel & furniture unions, said that lifting lid on Japan's color shipments to U.S. would risk loss of "65,000 jobs left in the domestic color industry."

In also urging Japan be included in quota extension, COMPACT warned that ending restriction "will lessen any future incentive for the Japanese to continue their investment" in U.S. color assembly operations.

U.S. JVC will move hq from Queens, N.Y. to Elmwood Park, N.J. this summer, moves other facilities there later. Sony is considering moving some of its N.Y.C. offices to N.J.



WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**EEO & RENEWAL MOVES:** FCC moves to ease renewal chore with postcard plan, field audits of 5% of stations, but proposes tougher new rules on job bias. (P. 1)

**GOOD VIBES FOR NAB BOARD:** Divisive issues don't surface in Washington meetings, highlighted by White House visit. Radio concerned over proliferation of stations, TV by threatened cable deregulation. (P. 2)

**FCC AFFIRMS RKO DEATH SENTENCE:** Licensee found 'unqualified,' stripped of 3 most lucrative TV stations. Comments invited on what FCC should do about 13 other RKO stations. Appeal assured of 4-3 decision with Lee, Quello & Washburn dissents. (P. 3)

**CARTER VS. REAGAN** on broadcast issues. Candidates answer NAB questionnaire; both favor deregulation. (P. 5)

**PTV MEETS IN CAPITAL:** Technologies and funding are focus of PTV annual meeting; commercial competition possible in 'new' video areas. Oaks assumes chairmanship. (P. 6)

**MORE \$ FOR CNN:** Daniels & Assoc. sinks \$10 million into new 24-hour cable news net. First week earns mixed reviews as technical glitches plague telecasts. (P. 7)

**FCC TO TOUGHEN EEO, EASE RENEWAL:** Proposing to cut red tape and create more at same time, FCC last week set rulemakings creating much stricter EEO requirements, but simultaneously set easier station renewal chore. "Model" EEO program requires all licensees to report EEO performance, not just stations with more than 50 employees. Postcard renewal concept would require stations to file only minimal data, resulting in 2/3 reduction in time spent on renewal paperwork, FCC said. Details of FCC proposals:

**EEO:** (1) All stations with 5 or more employees must report employment by race, sex, job title & category. (2) Promotions must be reported similarly. (3) Reports required showing applicant flow & hiring activity, showing recruitment sources and disposition of each application.

(4) Revision of section on affirmative action programs, to encourage voluntary goals and timetables for compliance. (5) Exempting stations with minorities totalling more than 80% of

### Consumer Electronics

**VIDEODISC CONSORTIUM** owned by GE, Matsushita, JVC & Thorn EMI planned to make VHD players & discs in U.S., buy & develop programs. (P. 9)

**COLOR SALES UP** from last year in June's final week indicating dealer reorders after slow May. Factory-distributor inventories rise. (P. 10)

**BASF DROPS LVR** deck shown in Berlin last Aug., will work on mini LVR-camera combo. Cal. plant for sale. Toshiba's first LVR now an LDR for computer data, not video, use. (P. 11)

**ZENITH FILES SUIT** in Customs Court to overturn TV dumping settlement. Carter to get color quota recommendation this week. Color imports up in April, b&w off. (P. 12)

**ELECTROHOME RETURNING** to U.S. color market. Canadian producer to show color, b&w at CES; reporting substantial profit gains. Toshiba's new models & prices. (P. 13)

**PLANT VACATIONS** by U.S. color manufacturers start this week at Curtis Mathes, extend through mid-Aug. (P. 14)

**CATV WAS TOP** money-maker for GI last year. Fotomat showed loss on video. Coleco reports record order backlog. (P. 14)



their presence in local labor force from most record-keeping & reporting requirements. This provision would exempt practically all minority-owned stations.

FCC Chmn. Ferris said "involvement of the previously excluded in broadcasting... continues to be a centerpiece of American national policy that still requires regulatory attention." He said FCC's proposals would permit employers "to measure their own EEO progress — or lack thereof. The model EEO program provides a how-to set of guidelines with specifics that make these concerns more measurable."

But Comr. Washburn complained that proposal would "impose a great burden on stations." In concurring statement, he said: "It appears that the govt. is intruding too far into the day-to-day operations of broadcast stations. The proposed applicant flow information would put the Commission in the posture of looking over the shoulder of the licensee as he/she interviews applicants for employment. The inference is that we will be second guessing the broadcasters' decisions."

Postcard renewals: (1) "Vast majority" of stations would file only short form. (2) FCC will "supplement this review with random audits and field inspections that would allow an in-depth analysis of the operations of at least 5% of all licensees." (3) Requirement that stations maintain public files would be retained.

(4) FCC asked for comment on whether to retain annual programming report, and if it's retained, whether to require that it be filed at Commission, or simply placed in public file. (5) Comments were also sought on NBMC idea to expand renewal sanctions, NRBA plan to simplify rules on broadcast of notice to public that stations are operated in public interest.

"This proceeding offers a golden opportunity to think beyond the present triennial renewal review to a system I have been advocating ad nauseum," said Comr. Lee in separate statement. Chmn. Ferris said FCC has "maintained the fiction" that it could give "truly complete review" to each renewal application. Proposal "signals the end of the paper war between this Commission and its broadcast licensees." White House said last week it approves of FCC proposal.

Addenda: (1) FCC reported last week (8th annual survey of broadcast employment) that women in full-time broadcast work force in 1979 totalled 53,677 — 31.7% of total work force of 169,248, increase from 49,656 (30.1%) in 1978. Minority workers (blacks, Asians, Indians, Alaskan natives & Hispanics) totalled 24,960 (14.7%), up from 23,537 (14.3%) in 1978. (2) NAB set EEO compliance workshops in Denver (July 8, KMGH-TV); N.Y. (July 10, 30 Rockefeller Plaza) & New Orleans (July 15, Chamber of Commerce Bldg.).

**GOOD VIBES FOR NAB BOARD:** Divisive issues were non-existent — even in elections for leadership posts — at June 3-5 NAB board meetings in Washington. Highlight was 2-hour trip to White House; top issue was upcoming major expansion in number of radio stations, both AM & FM, through govt. actions.

Radio dirs. displayed "a good deal of shock" when staff spelled out expected increase of as many as 4,000 radio stations and how soon that expansion is expected to come, according to Exec. Vp-Gen. Mgr. John Summers. Added Senior Vp-Public Affairs Shaun Sheehan: "We feel ourselves getting shanghied from a PR standpoint" in an apparent NAB opposition to such expansion. Radio board adopted resolution stating that recent international action (future reduction of AM band to 9 kHz) and FCC moves (proposal to provide more FMs and recent breakdown of clear-channel protection) "make it clear that a potentially disruptive restructuring of the American system of broadcasting... may be imminent."

Board asked Congress to assure that FCC develop master plan for spectrum allocations before implementing any new proposals that would result in additional stations. Board also



repeated request for joint industry-govt. advisory committee to chart future spectrum course. NAB plans "immediate" activation of task force for "in-depth studies dealing with technical and economic realities of additional radio stations and their impact on service to the public." Senior Vp-Engineering George Bartlett will send written report to board, probably this week, discussing possible ramifications.

At White House briefing, new Radio Vice Chmn. Cullie Tarleton asked Secy. of State Edmund Muskie whether U.S. broadcasters would be protected from "destructive interference" which could be caused by decisions made at Region II conference in Buenos Aires (Vol. 20:14 p2). Muskie responded that he had no answer — even though he had been warned such a question would come up.

(Note: At FCC, we've learned order breaking down clear channels is being rewritten to forestall Supreme Court-type Bakke decision charging reverse discrimination. In press release announcing action, Commission stressed that minorities & women would be favored in applying for new AMs to be created [Vol. 20:22 p2]. Text of order hasn't been released yet.)

Carter spoke on domestic & international affairs for 18 min. to NAB board, didn't answer questions. He mentioned broadcasting only at very end, saying "with your help in the broadcasting industry," America can be made greater. Muskie said that U.S. media should be giving more coverage to dilemma Russia has created for itself in Afghanistan. Secy. of Treas. William Miller also got only one industry question: Radio Dir. Michael Lareau urged reappointment of Comr. Quello to FCC. Miller responded that "is outside my expertise, but I can certainly carry your message... I don't know what the President will do."

Of major concern to TV board was threatened removal of distant signal and syndicated exclusivity restrictions on cable by FCC (Vol. 20:22 p3). Board adopted resolution urging that such restrictions remain until "cable shoulders normal copyright liability or retransmission consent" — both possibilities considered many years in future, if either ever happens. TV board also protested increased interference to Ch. 6 TV stations caused by increased power authorized for non-commercial FM stations; directed that letter be sent to members of Congress on children's programming — subject that took up much time at meeting.

Board accepted report of committee to study future conventions which recommended: Appointment of Site Evaluation Committee; more extensive program for spouses; arrange sessions so that gen. mgrs. can visit exhibits with their engineers; begin convention programming on Sat. (instead of Sun.), starting in 1982; cancel Kansas City for 1986 convention, substitute Las Vegas. Proposal for separate TV & radio conventions, with perhaps joint day in middle, will receive further study. There's also considerable concern about 1982 convention in Dallas because of shortage of exhibit space, but current plans call for it to remain there.

Re-elected without opposition: Joint Chmn. Thomas Bolger; TV Chmn. Robert King; TV Vice Chmn. Mark Smith. Edward Fritts was named radio chmn., succeeding Arnold Lerner, and Tarleton succeeded Fritts as vice chmn., also without opposition. TV & radio boards met concurrently for first time, causing hardships for key NAB staffers who couldn't attend both sessions. Process saves extra day of attendance — thus money — but staff will ask Exec. Committee to go back to old format of meetings on separate days.

**FCC AFFIRMS RKO DEATH SENTENCE:** In 145-page majority decision, sharply divided FCC last week carried through with Jan. threat to strip RKO of its 3 most lucrative TV licenses — WNAC-TV Boston, WOR-TV N.Y. & KHJ-TV L.A. (Vol. 20:4 p8). In same order, majority asked for comments on what should be done about RKO's 13 other stations, said company has "engaged in a variety of misconduct which rendered it unfit" to remain licensee.

Vote was same as last Jan.: Ferris, Fogarty, Brown & Jones against RKO; Washburn, Lee & Quello dissenting, latter 2 with strongly worded statements. Independent lawyers, as well as



several we talked to at FCC, believe decision will be hard to sustain in court — where RKO inevitably is headed, unless Commission grants reconsideration on its own. RKO parent General Tire & Rubber — which was blamed for many of sins cited by FCC — called decision "the most unfair and discriminatory ever handed down by a government agency. [It] is punitive in the extreme... taken by the thinnest possible margin... RKO General will appeal and intends to use every resource available to reverse this unfair and unjustified decision."

Among reasons cited by majority for disqualifying RKO: (1) "Reciprocal trade program that was anticompetitive." (2) Knowingly filing false financial statements. (3) Not entirely honest and forthcoming in dealings with Commission. FCC concern was "heightened by the misconduct engaged in by RKO's parent [which] involved the broadcast operations in serious misconduct." Commission stressed decision wasn't "punishment for past wrongs," that its "sole and proper concern was with the prospective operation of WNAC-TV and other... stations affected by this decision... On the basis of reasonable inference from past misconduct," Commission said that there couldn't be any "assurance that in the future RKO would be a dependable and trustworthy trustee of the public airwaves."

Majority noted that decision might have substantial economic impact on General Tire shareholders — "most of whom are undoubtedly innocent of any personal misconduct." However, FCC said, Communications Act doesn't "envision one standard of justice for small-town, single-station licensees and a less demanding standard for big-city, multiple-station licensees."

Comments on other RKO stations are due in 30 days, replies in 15; Commission said no extensions would be granted. Also, renewal application deadline of 3 Cal. radio stations owned by RKO was extended from Aug. 1 to Oct. 1. Purpose: To forestall filing of competing applications; legality of such a move was questioned by several lawyers. TV stations were told to go dark July 4 — or 30 days after final court appeal is exhausted.

In his dissent — titled "Capital Punishment" — Lee laid groundwork for just such an appeal. He claimed majority deprived RKO of its procedural rights by not holding hearing on charges, thus violating Sec. 309(e) of Act. "RKO was entitled to know from the Commission, not from the pleadings of its adversaries, which issues were potentially of decisional significance," he said. Lee, Washburn & Quello also said majority "exaggerates a nexus" between RKO and its parent.

Quello called majority action "gross bureaucratic overkill [which] represents the most harsh and unwarranted punishment in the history of communications." He noted General Tire stock dropped 4-1/4 points (19%) day after decision was announced. Unlike majority, he found "wealth of material" in record indicating "good faith efforts [of RKO] and certainly no intent to file inaccurate or misleading financial information."

Washburn said majority took "an unprecedented and extreme action... I find it hard to see how the parent's wrong-doing overseas... has anything to do with the public service rendered by any of its 16 stations." He said "very good solution" would be to permit sale of WNAC-TV to "a fine group of local citizens" comprising New England TV — as RKO hopes to do.

NAB board was meeting in Washington last week when RKO order was finalized — just as was case in Jan. when staff instructions were issued. Possibility of making statement was discussed by dirs. but senior NAB staff members convinced them to hold off because it would be inappropriate at this time. "They want to be damn sure they know what they're dealing with before they jump on this one," we were told.

WETA-TV announced final details of teletext test beginning in Jan. Biggest test yet with 50 decoders (40 in homes and 10 in public sites), it will offer news from Washington Post and Washington Star plus numerous other services using Canadian Telidon system. Project to test consumer acceptance will

provide TVs to eliminate any consumer hesitancy about hooking decoders into private sets. Conducted jointly by WETA-TV and N. Y. U. Alternate Media Center, \$1-million 2-year test is funded by CPB, National Science Foundation, NTIA and U.S. Education Dept.



**CARTER Vs. REAGAN:** President Carter and former Gov. Reagan, expected to be Democratic and GOP Presidential nominees, have replied to NAB questionnaire on their broadcasting views (Sen. Kennedy [D-Mass.] hasn't). Here are highlights:

**On deregulation — Carter:** Favors "responsible deregulation, where the public interest would not be harmed." **Reagan:** Favors "substantial revisions" in FCC procedures, particularly pleadings; believes questions on application forms can be eliminated or streamlined; calls for elimination of ascertainment requirements for radio and possible reduction or elimination of them for TV; wants to eliminate "intolerable delays" at FCC.

**On govt. intrusion in programming — Carter:** "A major theme of the Administration in the broadcasting area is to ensure that First Amendment rights are protected." Carter has also supported insulating PTV from politics and has proposed legislation to counteract Stanford Daily decision. **Reagan:** Govt. "should not intrude in broadcast program decisions... I believe that the marketplace works well in broadcasting, and that it is the best and surest means of determining what a particular broadcaster's format should be."

**On encouraging locally oriented service — Carter:** Won't support change in Communications Act, because it encourages such service. **Reagan:** Supports present system and bill proposed by Sen. Goldwater (R-Ariz.) to "improve the certainty of the license renewal process. I support the lengthening of the term of broadcast licenses."

**DBS — Carter:** No policy yet, but "it is obviously... important... and the Administration is certain that it [Comsat proposal] will generate appropriate scrutiny..." **Reagan:** "In any evaluation, we would want to insure that the public is not deprived of quality programming obtained from over-the-air broadcast sources."

**Censorship — Carter:** Opposed except for national emergency and some "narrow exceptions such as obscenity." **Reagan:** Opposed except for national emergency or war.

**Advertising regulation — Carter:** No comment, because of present litigation at Justice Dept. **Reagan:** "There is no need to expand present federal law... With regard to advertisers, the media should not be regulated but rather the advertisers..."

**Federal funding of special interest groups to represent public in federal proceedings — Carter:** Supports it, but not for "purposes of harassment." **Reagan:** Opposed.

Carter's comments were brief and to point while Reagan's were extended. Other Reagan comments: "I sense an attitude of indifference on the part of some at the [FCC]. Several years ago, in response to complaints from broadcasters about the burden of FCC regulation, [FCC Chmn. Ferris]

was quoted as saying he saw no 'majesty' in the 'bottom line.' I could hardly disagree more... Meet the bottom line, and the broadcaster may provide income, even feast, for himself and his family; fail and he has only a bitter pill to swallow..." Results of questionnaire were distributed at NAB Board meeting (see p. 2).

**CBS Chmn. Paley,** sounding warning that new electronic information systems threaten to draw print media into same "regulatory web" as broadcasting, urged print to help broadcasters in fight to remove govt. intrusion. In speech to AP Bestrs. annual convention in Denver, Paley said that because information age is merging 2 media, they should work together to remove "inhibiting effects [of regulation] which are clearly inconsistent with the spirit of the First Amendment." He said "broadcasters and print people have been so busy improving and defending their own turf that it has escaped some of us how much we are being drawn together by the vast revolution in 'electronification' ... that is bringing the issue of govt. control for both of us into even sharper focus." Noting that FCC already has fairness and equal time powers over cable, which may be vehicle to bring print into homes, Paley said: "It would be foolish indeed for the print media not to be concerned... Before such a foothold is established, the print and broadcast media will have to unite and fight... beginning with the removal of the present regulatory restraints on broadcasting."

**Westar 3 transmission of Satellite Program Network-2** starts July 18, said Edward Turner, SSS pres. He said Westar 3 will also be used for Premiere pay-TV service of Getty Oil and Hollywood studios and CBS Cable feed, both starting early 1981. Turner said he will soon announce supplier of 100 10-ft. earth stations he'll furnish to cable systems for reception of Westar programming. Taylor indicated at NCTA convention that Scientific-Atlanta would be supplier. SPN-1 will continue on Satcom, he said.

**Comsat General** last week spun off new subsidiary — Satellite Television Corp. — "as its vehicle to pursue the development and offering of a satellite-to-home subscription TV service." Pres. is John Johnson, retaining post as chmn. & CEO of Comsat General. Judith Elnicki will be vp-public affairs; George Billings, vp-business development; Leo Keane, vp-engineering; Warren Zeger, vp & gen. counsel.

**Senate finally voted** FTC funds it needs for rest of fiscal 1980 — \$49.7 million. But delay caused 2-day shutdown of agency, 2nd shutdown within month. Meanwhile, letter from FTC Chmn. Pertschuk to President Carter revealed that it was personal phone call from Carter to House Commerce Committee member Whitten (D-Miss.) which ended first FTC shutdown (Vol. 20:18 p2).

**Gearing up to start earth station production:** Vitalink — subsidiary of Edutel, Palo Alto.



**PBS EYES TECHNOLOGIES AND FUNDING:** Amidst dire predictions on future of federal funding, PTV representatives at this week's annual PBS-APB meeting were urged to enter "new phase of development" combining stepped up marketing of existing fund-raising methods and new distribution techniques, many of which will compete with commercial forces.

"We must mine new sources of income," PBS Pres. Lawrence Grossman told some 500 attendees in calling for new phase. "We must earn our way. We must use our public funds as the nucleus of quality service. And we must leverage those funds through vigorous and imaginative marketing of our programs and our services in the private sector."

Grossman's call was echoed many times throughout meeting and was given added importance by David Carley, pres., National Assn. of Public TV Stations (which changed name from Assn. for Public Bestg.). Carley declared federal funding picture bleak. "We are in trouble," he said. "We face the [problem] of the survival of public TV as we know it."

Compounding problem of PTV moving into new funding areas is some opposition within own ranks, which surfaced at meeting. SECA, NAEB and others are calling for PBS to go slowly in looking into new areas, saying, in essence, don't count federal govt. out yet.

But don't look for that opposition to have much impact in long run. Producing stations have been gearing up for new methods, be it pay cable, STV, or video discs & cassettes, for some time. And PBS leadership, particularly new Chmn. Dallin Oaks — outgoing pres., Brigham Young U. (which takes no federal money) — who made clear his preference in maiden speech. "We are fortunate that the federal government is only a minority stockholder in public broadcasting... I like the idea that we have to earn our own way, that we depend on our own communities and on our own performance for the majority of our support."

PTV annual meeting was calmest in last 3 years. There was no complicated reorganization and accompanying politicking like last year, nor was there widespread panic over pending federal legislation like year before that. Main hallway topics were disputes with CPB, discussion of PACE (Carnegie Commission's proposed cultural pay cable network), views on "Death of a Princess" and Washington heat.

Reflecting that calm was assumption of chairmanship by Oaks, whose strengths are seen as management and organization, rather than the political craftsmanship and excitement of predecessor Newton Minow and advocacy of Minow's predecessor, Ralph Rogers. (Obvious contrast between Minow and Oaks is reflected by fact that when orator Minow took chair 2 years ago, he received prolonged standing ovation while Oaks

received calm applause.)

Here are other highlights of Oaks' maiden speech: (1) "Clearly, the programming monopoly we have enjoyed for so long through free over-the-air broadcasting has ended... Newspapers and movie theaters survived because they learned to adapt to the new technology. Public television must do the same." (2) "Our ultimate objective should be to strengthen the overall program production process... We must promote mutually beneficial relationships with program suppliers and with other program delivery systems." (3) Separatist philosophy on minorities, which calls for all-minority schedules or stations, is wrong.

In other actions: (1) PBS proposed establishing Video Club aimed at consumers, including disc & cassette catalog, PTV label and even discussed possibility of marketing VCRs and disc players. Serious rights questions could hamper things, but PBS is aiming at Feb. start-up. (2) PBS is talking to Group W, Blair TV and others about distributing syndicated programming and ads via PBS satellite system. (3) PBS survey found 31% of respondent stations have access to cable channels and up to 75% may by end of year — but only half with access use it. (4) CNN's Ted Turner in speech told group: "I don't watch public TV that much." Later, stopping in mid-sentence, he said: "It's not easy talking to y'all because I don't know exactly what it is you're trying to do."

Cox flagship WSB-TV Atlanta confirmed reports of switch from NBC to ABC last week (Vol 20:22 p4). Blow to NBC was serious, since Atlanta station was considered top NBC affiliate, had been with NBC since 1948, was first TV station in South. Of ABC, Frederick Barber, WSB-TV gen. mgr., said: "The network is aggressive... Its accomplishments and future plans make us quite proud of this new affiliation." Caught in squeeze was former ABC Atlanta affiliate WXIA-TV. Gannett-owned station quickly announced its shift to NBC. Exact date of switch depends on Gannett's release of ABC affiliation; their contract expires in Dec. WSB-TV contract with NBC ends in Sept.

In unusual request, NCCB asked FCC to publish and make "widely available" written summary of more than 25,000 comments filed in radio deregulation proceeding so that "all citizens have an opportunity to comment on the Commission's proposed plan to deregulate radio." NCCB also asked FCC to extend June 25 deadline for reply comments to date 90 days after releasing summary. Group said that without summary, citizens wouldn't be informed enough to file reply comments, and "Commission's rulemaking would run afoul of the Administrative Procedures Act." "I've never heard of such a thing," FCC official said, adding "staff time and cost" would be huge.

NCTA antitrust counsel has been picked — Richard Whitney, of Steptoe & Johnson, Washington.



**OUTSIDE \$ FOR CNN:** New Cable News Network, first 24-hour news service, got financial shot-in-the-arm when Daniels & Assoc. invested \$10 million in Turner Bestg. System, CNN's parent. Chmn. Ted Turner said all of new cash will be spent on CNN. Meanwhile, CNN experienced up-&-down first week on air, suffering several technical glitches and getting mixed reviews from video critics.

Daniels deal, reached day after CNN's debut, calls for issuance of 13% subordinated debentures payable in equal annual installments of \$2 million (beginning in 1983), and warrants to buy 667,000 shares of TBS common stock at \$15 per share. Bill Daniels personally subscribed for \$5 million — half of deal — while several cable system owners in his investor group will pick up rest of tab. Daniels, praising CNN as "cable TV's finest hour," said that "further financing will be available from the cable industry as needed." Daniels deal reportedly gives TBS leverage to borrow \$10 million more from local Atlanta bank. CNN's \$25-million-a-year budget gives it about 1/4 of what each major network news operation has to work with.

First week on air had definite high and low points. High point came in opening hours June 1 when CNN was able to switch from Nestea commercial to live, impromptu Presidential press conference at Ft. Wayne, site of shooting of black civil rights leader Vernon Jordan. But critics took note of local-news program texture and chaotic, back-&-forth switching between cities. Technical glitches included loss of audio, cutoffs and break-ins, and occasional bloopers: Story on Arlington, Va. efforts to outlaw outcall massage services featured interview with County Prosecutor Henry Hudson, inadvertently identified in on-screen title as "county prostitute."

Cuba-U.S. TV link via Intelsat — temporarily barred by State Dept. — is now open again, following protests by CBS News. Treasury Dept. told CBS that all news feeds from Cuba will be exempted from trade embargo prohibition against transactions with regime there. Feeds had been permitted routinely until May 22, when State Dept. decided that 2-min. report on economic troubles of Cuba didn't involve "specific event of immediate international importance" and couldn't be permitted. Decision raised First Amendment issues — since it involved U.S. govt. passing judgment on news value of TV feeds, something abhorrent to editors. Said Editor & Publisher magazine, comparing U.S. govt. news control to policies of Soviets: "Now, our own State Dept. has adopted a policy of managing the news and denying transmission of that, which in its own judgment, is not 'important.' It is a policy which the State Dept. should disavow quickly."

Trinity Bestg's TR-13 on Satcom 1 is sick. Said RCA Americom Pres. Andrew Inglis: "It is cutting out periodically. Whether it is a temperature effect or something else we're not sure." Trinity's service is pre-emptible — thus not subject to restoration if channel ceases working altogether.

FCC last week sent back to drawing board — at least temporarily — proposal of Best. Bureau Chief Richard Shiben to merge Complaints & Compliance Div. into Renewal & Transfers. Majority of commissioners argued against proposal as drafted. Major concern seemed to be that — with growing thrust toward deregulation — there would be little or no mechanism at FCC to ensure "compliance." Majority wanted Compliance Branch, headed by Patricia Russell who was slated to head Audit Branch under reorganization, isolated from Renewals & Transfers. "There would be no enforcement if violations were considered only at renewal," commissioner told us. Shiben said commissioners "raised some legitimate concerns," that item will be reworked and presented again within month. No opposition had been expressed to proposal prior to meeting and Bureau official said "we were quite surprised that it came out the way it did."

Broadcasters must get in "the game of national politics" because of increasing involvement of govt. in industry affairs, according to NAB Chmn. Thomas Bolger. Speaking to Kan. Assn. of Bests., he said that with "the increased awareness of the role government plays in the broadcasting business there has been a corresponding increase in the awareness [of govt. involvement] by each broadcaster... Our political strength is not only keeping pace but... we are acquiring muscles we never knew we had." He said 8-year-old TARPAC "has been highly successful... and can be much, much more so as the dollar inflow increases... There is nothing wrong with making perfectly legal contributions to your friends in Congress and supporting friends who seek to replace incumbents who are not your friends in Congress."

Blairsat subsidiary of John Blair & Co. will begin satellite distribution of TV commercials & traffic instructions Oct. 1 to stations in 31 markets. Transmissions are scheduled Mon., Wed. & Fri., 6 a.m.-10 a.m., on Hughes TV Network's Westar 3 channel. Rates range from \$15-\$18 per 30-sec. spot, depending on number of stations receiving delivery of tape, recorded & duplicated at receive-only sites. Only national advertiser thus far committed to Blairsat is Bristol-Myers, sending commercials to 10 markets. Blairsat Pres. John Bray wants to handle syndicated programs eventually, along lines of Group W-Western Union Vidsat & RCA SMARTS.

FCC Comr. Lee joined Comrs. Fogarty & Washburn in dissenting to Commission's decision to grant new AM in Media, Pa. through lottery (Vol. 20:22 p3); vote was 4-3.

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## Personals

Irwin Segelstein, ex-NBC TV stations/radio pres., appointed to new post as NBC TV pres., responsible for all operations except news... FCC Chmn. Ferris speaks at Sept. 24 IRTS newsmaker luncheon, Waldorf Astoria Hotel, N.Y., resuming annual appearance by chmn. which he declined last year... Ave Butensky, senior vp, Ed Libov Assoc., elected IRTS pres; CBS TV Network Pres. James Rosenfeld, first vp; Charles DeBare, pres. of ABC-owned radio stations, Walter Schwartz, Blair TV pres., and Arthur Watson, NBC Sports pres., vps.

Burt Harris, now pres., Harris Cable, named CEO, Premiere pay-TV venture of Getty Oil & Hollywood studios... Lawrence Gershman, ex-Viacom, named vp-worldwide syndication, MGM-TV... Bud Getzler, ex-Taft, joins Viacom as senior vp-entertainment group... Morton Broffman, ex-Combined Management Services, N.Y., becomes pres. & CEO, Public Media holding company, which owns Films Inc.; Gale Livengood, ex-Films Inc. pres., becomes vice chmn. of Public Media.

Albert Jerome, ex-station mgr., WMAQ-TV Chicago, named vp-gen. mgr., WNBC-TV N.Y., succeeding Robert Howard, now vp, TV Projects, NBC TV Stations Div... Phil Donahue received Silver Satellite Award from AWRT at June 6 annual convention... Kathleen Criner, NTIA program mgr., joins American Newspaper Publishers Assn. as dir., telecommunications affairs... Donald Norton, ex-Bell Aerospace Textron, named mgr., news & information, RCA Commercial Communications Systems, succeeding Edward Dudley, retired; James Gibbings, ex-RCA Selectavision, transfers to NBC engineering dept. as quality control dir... Virginia Karp, ex-Cincinnati city official, named dir., corporate communications, Taft Bestg... David Browning promoted to bureau mgr.-L.A., CBS News... Walter Schaar, ex-KSPS-TV Spokane, joins Cox Cable as dir., educational & information services... Cassie Travaini promoted to cable marketing supervisor, TV Guide.

Dow Jones viewdata test in Dallas suburb begins later in summer using data transmitted via Comstar from Princeton, N. J. computer. About 200 cable TV subscribers on Sammons system in Park Cities will get Dow Jones and Merrill Lynch business and financial information via satellite plus general news from Dallas Morning News. Merrill Lynch data from N.Y. will be transmitted via land lines to Princeton where it will be switched to Comstar along with Dow Jones information. Dow Jones also has been using satellite transmission for smaller viewdata test in Irving, Tex.

**Rep appointments:** WATE-TV Knoxville names Blair TV; KRDO-TV Colorado Springs and KJCT Grand Junction, Colo. appoint Avery-Knodel; Harrington, Righter & Parsons named rep for KXLY-TV Spokane, succeeding Peters, Griffin, Woodward, and for KTHI-TV Fargo, N. D., succeeding Avery-Knodel.

## WEEKLY Television Digest

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### EDITORIAL & BUSINESS HEADQUARTERS

1836 Jefferson Place, N.W., Washington, D. C. 20036

Phone: 202-872-9200

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c/o Foreign Correspondents  
Club of Japan  
Denki Bldg., 20th Floor 1-7-1  
Yuraku-cho, Chiyoda-ku  
Tokyo 100, Japan  
Phone: 0466-27-6125 Telex: J24600

**IRTS survey shows radio stations aren't sold on hiring communications majors shortly after completing college and have doubts about their qualifications. Of 136 answering job survey, 57% ranked recent communications graduates as either poorly qualified or unqualified to hold news jobs. Station executives urged more internships and other on-the-job training, more emphasis on business side in college curriculum. Many complained that recent graduates are not dedicated enough, expect to start at top, don't deal well with people, need better grounding in English.**

**TV-radio court coverage was recommended by advisory committee to N.Y. Appeals Court. Move would lift ban on broadcast coverage in Appeals Court and 6 lower appellate courts. Committee also recommended tests to determine feasibility of allowing TV & radio in civil courts but suggested delaying action in criminal courts until U.S. Supreme Court decides if coverage violates fair trial rights.**

**Sen. Kennedy (D-Mass.) was turned down by D.C. Appeals Court in bid for free air time to respond to remarks made by President Carter in national news conference. Court upheld FCC denial.**

### Obituary

**Arthur C. Nielsen, 83, founder and former head of A. C. Nielsen, died June 1 in Chicago's Northwestern Memorial Hospital after long illness. Nielsen organized firm in 1923, 5 years after graduating from U. of Wis. Engineering School, and financed it with \$45,000, raised mostly from former fraternity brothers. National radio rating service began in 1942, TV service in 1950. He was active in company until last year. Survivors include wife and 5 children, including company Chmn. Arthur C. Jr. and Vp Philip R.**



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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended May 23 (21st week of 1980):

	May 17-23	1979 week	% change	May 10-16	5 mo. 1980	5 mo. 1979	% change
Total TV.....	227,645	250,573	-9.2	189,328	5,260,381	5,825,416	-9.7
color.....	139,439	164,166	-15.1	126,813	3,350,276	3,632,413	-7.8
monochrome..	88,206	86,407	+2.1	62,515	1,910,105	2,193,003	-12.9
Home VCR.....	15,260*	8,898	+71.5	7,964	234,525*	146,944	+59.6

Color TV 5-week moving average: 1980—134,691; 1979—165,526 (down 18.6%).

Home VCR 5-week moving average: 1980—10,573\*; 1979—6,311 (up 67.5%).

\*Record for period.

**GE-MATSUSHITA-JVC-THORN V-DISC CONSORTIUM:** Presence of 3 incompatible videodisc systems on U.S. market seemed inevitable last week as JVC's VHD system headed for substantial entry through U.S.-Japanese-British consortium to acquire & produce programs and manufacture players & discs here.

Sparking formation of 4-way videodisc enterprise is GE, which last week confirmed that "discussions are being held" after reports leaked from Japan. Although GE announcement is couched in rather iffy legal language, agreement apparently is near, since joint press conference had been scheduled for this week featuring top officials of GE, JVC, Matsushita & Thorn EMI and cancelled only after GE was forced to issue statement.

Agreement would establish 4 separate joint ventures: (1) Hardware manufacturing company jointly owned by GE, Matsushita & JVC to make VHD players & related equipment in U.S. to supply U.S. manufacturers & marketers, including GE, JVC, Panasonic, Quasar & others. (2) "Software title & artistic production company" owned by same 3 plus Thorn EMI of England (Capitol Records) to acquire program rights and develop new disc programming. (3) Disc manufacturing company owned by same 4 companies to press discs in U.S. for all VHD software distributors.

Until U.S. plant is operating, hardware company would buy players from Matsushita & JVC for resale to U.S. marketers of VHD system. Group says it plans to introduce system in U.S. by late 1981. All plans are still subject to approval by U.S., Japanese & British govts. and boards of the 4 companies.

Consortium would give VHD grooveless capacitance system the entree to U.S. market it so desperately needs and provide vehicle for lining up software. It underscores JVC-Matsushita determination to make VHD a global system. At same time, presence of 3 mutually incompatible systems on U.S. market inevitably would cause public confusion, slow consumer acceptance of videodisc concept.

With GE now in revitalized VHD camp, here's boxscore of committed manufacturers: RCA grooved capacitance system — hardware, RCA & Zenith (representing about 43% of color TV market); discs, RCA & CBS. Philips/MCA optical system — hardware, Magnavox (7%) & Pioneer; discs, DVA & Philips. VHD grooveless capacitance — hardware, GE, JVC, Panasonic,



Quasar (15%); software, new consortium. Uncommitted — manufacturers & marketers representing 35% of market.

GTE, leading uncommitted U.S. manufacturer, probably will make choice within about a month, Senior Vp Thomas Shepherd told us last week. Week's development "means a definite force in the marketplace in behalf of the VHD system," he said, adding GTE was still "talking actively" to proponents of all 3 systems. In view of its commitment to introduce system with stereo sound (Vol. 20:20 p13) and its "objective" to be on market in 1981, where does that leave GTE? "Our choice," said Shepherd, "is to go to one of the 2 stereo systems [Philips/MCA or VHD] or to forego a 1981 introduction and come in with [stereo version of] the RCA system in 1982."

RCA had no comment on new development, but there was some feeling among manufacturers that it had virtually forced GE into VHD camp by its refusal to supply players until GE could set up own manufacturing facility. It's understood RCA-GE talks broke up because of this point. RCA is believed to have capacity for production of 250,000 players in 1981, plans to market 200,000 under own name, has pledged rest to Zenith. "RCA could have kept all American manufacturers in its camp by agreeing to supply players," said one industry insider. "Its policy of refusing to do this has cost it some supporters and resulted in 3 formats, which definitely will slow down development of the [videodisc] market."

VHD system, developed by JVC and later adopted by Matsushita & Thorn EMI, provides 2 hours of playing time on grooveless 10" record, allows many of same special features as optical system, including freeze-frame, fast & slow motion, stereo sound. Disc spins at 900 rpm vs. 1,800 for Philips/MCA optical system in 30-min.-per-side version (600-1,800 in variable-speed hour-per-side mode) and 450 for RCA system. As last demonstrated, VHD system had accessory box for random access. JVC has said player would be priced "competitively" with RCA's unit, which has under-\$500 retail target.

VHD system will be strongly in evidence at Chicago CES, which opens June 15 — as will the other 2 disc formats. Matsushita has scheduled invitational showings in McCormick Place, while JVC will have demonstrations at its exhibit. In addition, Thorn & Matsushita will jointly be wooing software owners in separate effort at show. Optical system will be demonstrated by Magnavox & Pioneer, while RCA — not a show exhibitor — will have regular demonstrations of its system in hotel suite.

Toshiba & RCA held top-level talks in N.Y. last week on videodisc, but it's understood no commitment was made, although Toshiba — long-time Selectavision licensee — is expected to go along with RCA system. Sanyo, also a licensee, seems ready to adopt RCA system for U.S. in hopes of supplying OEM market (presumably including Sears), while also planning to produce optical players for European and possibly Japanese markets (Vol. 20:22 p8).

MGM & CBS have formed joint venture to market videodiscs & cassettes, with initial cassette release planned late this year, Selectavision discs later. CBS Records group will handle physical distribution for new MGM/CBS Home Video, which will be able to call on MGM library of more than 1,600 films as well as future MGM productions and CBS recording stars & productions. MGM-CBS venture was first forecast in these pages last Feb. (CBS cancelled exhibit planned for CES, presumably because it doesn't have enough product to show yet.) Columbia Pictures, which plans to release optical videodiscs under its own label later this year, has licensed 42 features from Cinema 5, plans to announce first 15 releases at CES.

**COLOR SALES UP IN JUNE'S FIRST WEEK:** New-set season is starting on upbeat note — EIA will report 7.8% increase in color TV sales to dealers for its statistical first week in June — actually week ended May 30. It was first increase in color sales over last year in 15 weeks. For same week, b&w sales were up 11.6%, home VCR up 47.5%. Color sales for week totaled about 137,600, b&w nearly 92,000, VCR 8,400.



Our Early Warning Report, buttressed by comments from manufacturers & dealers, indicates that retailers have been depleting inventories fairly sharply this spring, and that sales to consumers have been at higher rate than sales to dealers. With introduction of new sets — and special closeout deals on old ones — reorders appear to be starting to come through.

Of course, single up week doesn't mean much in itself, particularly following a slow month such as May, but it's encouraging — especially in view of fact that factory plus distributor inventories at end of month were higher than year earlier for first time since start of 12-month inventory slide in June 1979.

May isn't good month to draw any conclusions — it's usually doldrumsville at retail, new-model sets have been shown but not yet delivered, and it's traditionally slowest month of year — so any relatively small movement in unit sales shows up as rather large variation in percentage from year ago. In this context, May sales to dealers weren't all that bad. Color TV sales were down 17.3% for month (not 25% as we erroneously estimated last month), about same percentage decline from year earlier as in April. May sales ran at annual rate of about 8,570,000, better than April's 8,150,000. For 1980's first 5 months (see State of the Industry), color sales were down 7.8% but still at annual rate of about 10.1 million sets.

Other products did better than color. Monochrome sales for month were down 15.5% and final May week saw 2.1% increase over year earlier, first June week making it 2 in row. Home VCR sales continued to zoom along, up 71.2% for month and 59.6% for Jan.-May. In May, VCR sales were at annual rate of about 727,000, well up from 568,000 in April. For first 5 months, rate is close to 800,000.

Color TV inventories at end of May totaled some 2,564,000 units at factory plus distributor levels, up 1.9% from year earlier, factory stocks at 1,465,000 down 4.1% and distributor inventories up 11.3% to 1,099,000. During month of May itself, inventories showed traditional buildup, total up 11.7%, factory up 15.2%, distributor up 7.4%. VCR inventories were up over year earlier (but not by as much as sales), while they declined during month. At month's end, factory plus distributor stocks totaled almost 128,000, up 28% in 12 months but down 6.6% in May. Factory inventories at 84,000 were up 13.7% in year, down 7.4% in month; distributors held fewer than 44,000 VCRs, 68.7% more than year earlier but 40.8% fewer than end of April. Here are EIA sales-to-dealer figures for 4-week month of May:

Product	May 1980	May 1979	% change	May 1978
Total TV.....	855,341	1,025,789	-16.6	1,041,606
color.....	538,969	651,462	-17.3	673,632
monochrome..	316,372	374,336	-15.5	367,974
Home VCR.....	44,975	26,270	+71.2	27,994

**LVR — SLIP-SLIDIN' AWAY:** BASF & Toshiba both pulled plug on home longitudinal-scan video recorder (LVR) projects last week, leaving field wide open for continued domination by helical-scan formats in foreseeable future, which in today's consumer electronics business is anything more than year. Report that neither system would make it to market this year appeared here last month (Vol. 20:20 p15).

In coincidentally timed announcements, BASF said it was scrubbing full-sized battery portable LVR demonstrated in prototype at Berlin Funkausstellung last Aug., and Toshiba stated its first units would be LDRs (longitudinal data recorders) for computer use, not LVRs. Both insist LVR development work is continuing.

Both companies blamed economic & market conditions for decision to hold off on LVRs. "The high inflation rate in the U.S., low rate in Japan, the devaluation of the dollar, all have had a tremendous impact on the viability of our project. All the basic assumptions we made [in 1978] have altered," we were told by BASF Systems Pres. Guenter Grochla. Also changed is



BASF's plan to produce LVRs in U.S. for worldwide distribution. "We are phasing out production" at recently completed Fountain Valley, Cal. plant, and facility is up for sale, he said. BASF hasn't given up on LVR concept, will continue work on miniature LVR-camera combination and LDRs, he stated.

Toshiba will show 3rd-generation consumer LVR at Consumer Electronics Show opening in Chicago this Sunday, but won't be discussing production schedule or sales plan. Continued decline in prices of basic Beta & VHS helical VCRs and pending national availability of videodisc players have made introduction of new consumer VCR format too risky a proposition, company spokesman indicated. Toshiba is continuing development effort, is now trying to extend play-record time from present 2 hours to 3 hours or more. Commercial shipments of LDRs are slated for next spring, although samples could be in customer hands by year's end, it was indicated.

BASF cancellation isn't exactly surprise. Since it first demonstrated deck, BASF has been vague in response to queries on production or marketing plans, and all subsequently scheduled showings were called off. At time it was shown, BASF LVR deck was, at 11 lb., lightest VCR, but by time production plans were set, some VHS portables had virtually caught up, and Funai portable, slated for U.S. market this year, weighs only 7 lb. Unit was even obsolete by BASF's own standards. At Berlin show, BASF was privately showing mockup of miniature 4-lb. version (Vol. 19:35 p6, 19:36 p8). Blaupunkt, working under BASF license, produced tiny LVR transport which could easily be held in palm of hand, but cancelled public demonstrations as result of legal threat from BASF — unit was incompatible with BASF's.

BASF's LVR was also plagued by momentary glitch as tape changed direction every 2-1/2 min. — the 1/10-sec. loss of picture wasn't particularly noticeable in AC operation, but when VCR was powered by battery, blackout was said to last 5-6 times longer, up to one sec.

Although Funai portable VCR isn't scheduled to be shown during CES, announcement of marketing plans by Technicolor could come some time during summer. Unit uses 1/2" tape cassette resembling standard audio cassette, which records 30 min., has freeze-frame & slow-motion. It's powered by AC, automobile battery or NiCad battery which can tape 80 min. per charge, be recharged in about hour. Unit is claimed to have 43-dB video signal-to-noise ratio, has been used experimentally in Japan as broadcast ENG recorder. Upcoming Television Digest videotape, "Home Video for the 1980s," due for release late this month, contains remarkable sequence made by Tokyo TV station using Funai portable, high-quality camera and time-base corrector.

**ZENITH SUES TO BLOCK TV DUMPING SETTLEMENT:** Zenith jumped back into TV trade war, bringing Customs Court suit to block negotiated \$76-million settlement of Japan TV dumping case and related issues (Vol. 20:18 p8). In notice of action, Zenith claims settlement is unlawful. Company has until end of month to file detailed specifications.

Though covering same ground, suit is unrelated to D. C. Appeals Court action where labor-industry group COMPACT won injunction to halt completion of settlement pending ruling on its right to sue over govt. TV dumping case procedures. Justice has opted to drop effort to have injunction overturned, is instead asking Appeals Court to expedite hearing on COMPACT case.

Unions, meanwhile, are putting on political pressure in effort to get quotas on color imports from Japan, Taiwan & Korea extended beyond scheduled June 30 expiration. International Trade Commission recommended quota be dropped for Japan, retained for others (Vol. 20:20 p12), and Office of U.S. Trade Representative is slated to make report to President Carter this week. Last week, representatives of industry-related unions visited Hill asking congressmen to send pro-quota messages to White House.

Best bet is that modified quota will be retained, with Taiwan & Korea getting increased



allocations. It's probable Carter will get list of alternative courses, discussion of economic impact of each. By law, extended quota can't be more restrictive than current one. New idea being considered is setting worldwide ceiling, apportioning quota among source countries, then making periodic adjustments in line with actual shipments. Main problem with that approach, however, is need to avoid interfering with U.S. manufacturers assembling most of their color chassis in now quota-free Mexican border zone. Decision by Carter will be out late next week at earliest, probably not until week of June 23.

Color TV imports bounced back in April, on strength of doubled shipments of incomplete receivers (chassis & kits). Commerce reported color up 45.1% for month to 388,700, while b&w dropped 25.3% to 449,100, for combined total of 837,900, down 3.6%. Through first 4 months, total TV imports of 3.36 million were up 9.7%, with color up 15.2% to 1.49 million, b&w up 5.7% to 1.88 million. In color, complete set imports fell 18% in April to 102,000, for cumulative total of 310,700, down 43.2%. Imports of incompletes were up 99.8% in month to 286,700, 58% for full period to 1.18 million.

In video equipment, VCR imports rose just 5.7% in April to 52,600, for cumulative total of 255,700, up 63%. Blank videocassette imports leaped 246.9% to 1.8 million, for 4-month total of 4.93 million, up 125.2%. Total imports of TV cameras increased 8% in month to just under 15,000, color up 20.2% to 9,100, b&w down 66% to 5,900. For full period, total cameras were down 22.8% to 48,800, color up 28.1% to 34,600, b&w off 51.1% to 14,200. Non-magnetic video players (videodisc units), being reported for first time this year, totaled 499 in month, 9,600 for 4 months. Cumulative total includes 7,800 from Japan, 841 from Netherlands, 280 from Belgium (probably Philips-made from Netherlands), 18 from France. Commerce also shows 329 from Canada. At our request, Customs checked entry documents, told us reporting error had been made, and no players actually came from Canada. Also imported in April were 874 magnetic videoplayers, putting 4-month total at 3,400.

**ELECTROHOME BACK TO U.S.:** After nearly decade away, Canada's last independent color TV producer, Electrohome, is putting toe back into U.S. marketing waters. Company will be showing as yet unpriced line of 19" & 25" color, 12" b&w TVs, plus appliances, to prospective reps & dealers in Conrad Hilton suite during Summer Consumer Electronics Show opening in Chicago June 15.

Return to U.S. market marks completion of full circle for Electrohome, which went from profitability in 1960s to near collapse in mid-1970s when nearly all other traditional Canadian TV makers folded, to govt.-aided recovery. Also helping Electrohome was pact under which JVC supplies it with technology, subassemblies, and purchases complete color TVs for sale under JVC brand in U.S. Electrohome posted substantial operating profit last year, reported 51.8% gain to \$853,000 in operating net for first quarter this year on 36.2% sales rise.

Toshiba added 4 new models to color lineup, including first color mini-combo — 5.4" TV with FM-AM-cassette, at \$550. Company returns to 15" with pair featuring 12-button electronic tuning at \$479 and, with remote, \$540. New 19" at \$660 has slim full-function random-access keypad tuner that removes from set to double as infrared remote control, LED channel display, CCD comb filter. Toshiba will post \$10-\$15 price increases on carryover models when it introduces complete 1981 model line at CES.

New VCR with 40-times Superscan visual fast

forward (Vol. 20:22 p11), 7-day single selection programmer, is \$1,245; 3.7-lb. low-light color camera with electronic viewer, 6-l zoom, is \$1,400 with color spectrum auto-focus system, \$1,045 without. In audio, Toshiba introduced remote control component system, with controller at \$330, amplifier at \$300, tuner at \$260, turntable at \$230. Controller handles on-off & volume for all components, tuner station frequency, turntable cueing & track selection.

**Dumping duty special charge of \$1.3 million** was taken by Beneficial in first quarter to cover negotiated settlement of liabilities on Japanese TVs imported by subsidiaries Western Auto & Midland through March 30, 1979. At congressional hearing in Sept. 1978, Midland said its unadjusted dumping duty bill for imports only through June 1973 was \$3.37 million (Vol. 18:39 p12).

**Canadian production of Quasar color TVs** will be in same plant that now turns out Panasonic sets for sale there and in U.S. Canadian plant Matsushita acquired when it purchased Quasar TV business from Motorola in 1974 was closed in 1977, later sold. Production location for Quasar output in Canada was unclear in our report last week (Vol. 20:22 p11).

**"Lightest & smallest"** portable VCR will be unveiled by JVC at CES. Weighing 11.4 lb., unit can be carried in backpack and operated by hand-held remote control. Price is expected to be \$1,200-\$1,250.

**Taiwan is protesting U.S. Customs ruling** requiring imports from there be marked "Made in Taiwan," and banning use of designation "Republic of China" or "ROC."



**GI REPORTS:** Although components & semiconductors were General Instrument's top volume business segments last year, CATV products emerged as biggest money earner, annual report shows.

GI said pre-tax net from CATV jumped 240.3% to \$32.7 million on 58.6% sales rise to \$150.5 million. Results for other segments (in \$ millions): Semiconductors net \$28.5, up 76.1%, sales \$202.6, up 15.6%; components net \$26.9, down 5.9%, sales \$214.9, up 5.7%; data net \$26, down 16.4%, sales \$150.1, up 21.7%. GI said component sales for consumer electronics fell 6.3%, but volume doubled in semiconductors, ICs & optoelectronics.

Fotomat had loss from home video last year, expects continued deficit in fiscal 1980, company says in annual report. Video accounted for 3%, or \$456,000, of firm's \$15.2 million sales increase in 1979, report states.

Coleco has record \$52 million order backlog, expects to show improved 2nd quarter results, company said at annual meeting. Separately, Pres. Arnold Greenberg said company's \$70 million volume made it 2nd biggest marketer of electronic action games last year, behind Mattel. Milton Bradley's \$117.1 million electronic toy business includes board games & vehicles, he pointed out, responding to our report on MB's industry position (Vol. 20:19 p14).

Pioneer consolidated sales breakdown by product segment for first half shows home audio rose 24.3% to \$403.2 million, car audio jumped 53% to \$189 million, other products were up 6.9% to \$33.1 million. Company said sales & net were highest for any 6-month period in its history (Vol. 20:20 p14).

**PLANT VACATIONS:** Summer vacation schedule for domestic factories follows traditional pattern this year. Curtis Mathes has earliest closing; 4 start at end of this month and all plants will be back in operation by mid-Aug. Many manufacturers use shutdown to change assembly lines for new models, take inventory. Most of those with vacations covering July 4 add extra day to compensate. Following are domestic plant closings:

Company	Start	Duration
Hitachi.....	July 25	1 week
GE.....	July 28	2 weeks
Magnavox.....	July 6	2 weeks
Curtis Mathes...	June 16	2 weeks
Matsushita Ind..	June 30	2 weeks
Mitsubishi.....	Aug. 4	2 weeks
RCA.....	July 28	2 weeks
Sanyo.....	June 30	2 weeks
Sharp.....	July 7	1 week
Sony.....	July 28	2 weeks
Sylvania.....	Aug. 4	2 weeks
Toshiba.....	June 30	1 week
Wells-Gardner...	June 30	2 weeks
Zenith.....	June 27	2 weeks

## Consumer Electronics Personals

George Korzeniewski, former Sampo international sales vp, joins Electrohome as U.S. sales mgr. (see p. 13)... Bernie Mitchell, Advent vice chmn.-chief exec., adds post of pres., succeeding William Anderson, retired. Anderson's title of chief operating officer is being discontinued... Theodore Andros, one-time Hy-Gain exec. vp, forms Technidyne, marketer of innovative consumer electronics, to debut at CES in Chicago June 15... Thomas DeVesto promoted from sales mgr. to sales & mktg. vp, Kloss Video.

James Jimirro promoted from Walt Disney Educational Media exec. vp to pres., Walt Disney Telecommunications; Mark Zoradi joins as home video coordinator... James Shaw shifts from ABC TV Div. vp to vp, ABC Video Enterprises, responsible for educational programming... Tom Kawaura, ex-Sony Japan, named Sony (U.S.) Video Products technical center mgr.

Paul Baba advanced at Ampex Magnetic Tape Div. from product & mkt. planning mgr. to mktg. mgr., succeeding Eric Jenstead, resigned... John Patterson promoted at Radio Shack from Tandy Systems design dir. to R&D vp, responsible for TRS-80 hardware & software development as well as development engineering for all U.S. manufacturing.

James Fisher, Texas Instruments worldwide semiconductor operations mgr., named exec. vp; Marvin Lane advanced to vp-treas.; Stewart Carrell to senior vp-principal financial officer. Lane & Carrell assume duties of John Walker, who continues as senior vp pending retirement later this year... Donald Bell resigns as American Microsystems senior vp-mktg... James Lawson appointed Sylvania Connector Products Operation engineering mgr., succeeding W. L. Griffin, resigned.

Computer delivery of daily newspaper will be offered next month by Columbus (Ohio) Dispatch through CompuServe, computer services subsidiary of H&R Block. At cost of 8.33¢ per min., subscribers will have access after 6 p.m. to stories in weekday afternoon paper. Hookup will be through phone line. Expansion to include Sun. paper, display & classified ads, is planned.

Car stereo ranks 4th on list of most popular options among new car buyers, according to survey of 596 dealers by Audiovox. Top option is air conditioning, followed by power steering and cruise control. Nearly half of dealers said they preferred to buy special accessories, such as stereo, from aftermarket vendors because of higher profit margins.

Video commercials in supermarkets will be tested for 12 weeks in 2 N.J. A&Ps, expand nationally to top 100 markets in first quarter 1981, according to On-Line Media Inc. Monitors & tape players are being supplied by Quasar. Players use 6-min. tape loop, play 3-, 5- & 10-sec. commercials.



WEEKLY

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IN THIS ISSUE: Television Digest's Annual TV Share-of-Market Survey (P. 9)

JUNE 16, 1980

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**FCC NETWORK INQUIRY STAFF** critical of prime-time-access rule, says larger benefits envisaged haven't been realized, but it's up to FCC whether to keep it. National spot found fully competitive. (P. 1)

**SENATE PRODUCES BILL:** Long-awaited revision of Communications Act introduced in Senate; 5-year licenses, lottery, radio deregulation, license fee study, cable deregulation included. Cable and radio winners while TV gets 'mixed bag.' (P. 2)

**CHILDREN'S TV IN D.C.:** Networks and NAB claim progress, hit restrictions proposed by FCC staff. ACT sees better kid shows still as major problem. NAB-NATPE to showcase best. (P. 4)

**SSS BUYS 100 DISHES:** Westar 3 reception for cable systems set, earth stations to be available to systems without cost for Satellite Program Network. (P. 5)

**JONES HITS FCC ON EEO:** Questions whether Commission should devote resources to problem better addressed by EEOC, says EEO guidelines are really quotas. (P. 5)

**GOLDENSON BUDGET WARNING:** ABC Chmn. tells film industry TV may have to go elsewhere if Hollywood doesn't curb rising costs, says broadcasters are partly to blame. (P. 6)

**NETWORK INQUIRY CRITICAL OF PTAR:** FCC's Network Inquiry Staff has some unkind words to say about agency's efforts to regulate most network practices — including prime-time-access rule (PTAR), syndication and financial interests — but stopped short of making any recommendations in 555-page report (with 292 pages of appendices) to be released at June 18 Commission meeting. "They stopped just short of saying the prime-time rule should be abolished," is way FCC official described report.

Inquiry staff said PTAR hasn't altered in any significant way network dealings with program suppliers but has resulted in more syndicators entering marketplace — but whether this "accomplishment outweighs the market dislocation caused" is for commissioners to decide. However, report, titled "Analysis of Program Production, Acquisition & Distribution," concludes: "In any event, it seems fair to say that the larger benefits the Commission envisaged by its action [in adopting PTAR] have not been conferred."

### Consumer Electronics

**RCA KEEPS LEAD** in color TV market share for 1980 model year by 1/2-point margin. Zenith leads easily in b&w with 16% share. GE moves from 5th to 3rd in color. (P. 9)

**EUROPEAN VIDEODISC** push by RCA cued to signing of major German software firm in joint venture. Survey shows new & old movies, sports, old TV shows wanted on discs. (P. 11)

**CONSOLE SHARE ROSE** in first quarter color market, at production-plus-import level, EIA figures show. Remote output jumped 22% in declining market. (P. 12)

**DISNEY & VIDAMERICA** will sell as well as rent cassettes. MCA doubles tape order, boosts dealer margin, adds new titles. (P. 13)

**COLOR TV QUOTA** extension deliberations drag, leaving Taiwanese & Korean CES exhibitors with uncertain sales picture. (P. 14)

**DUPONT & PHILIPS** discuss joint venture to make tape in Europe for video & audio. Agfa to build plant in Huntsville. (P. 14)

**CITEK TV LINE** for smaller dealers being introduced at CES by Teknika. New add-on TV remote adaptor with CATV capability. (P. 16)



Group W officials — prime movers in getting FCC to adopt PTAR in first place — were lobbying commissioners for its continuance last week. They reportedly visited all members except Chmn. Ferris, pointing to success of Group W's "PM Magazine," now on 95 stations. That program would go down drain if networks were permitted to program non-news shows 7:30-8 p.m., they argued.

Commission will release 2 other Network Inquiry documents this week: (1) Market for TV Advertising, 74 pages; (2) TV Station Profitability, 130 pages. In ad study, staff concludes that network-station competition for national spot is "fully competitive." There has been considerable speculation that major target of network inquiry would be networks' ownership of 5 VHF stations each — on grounds they no longer are needed to make networks viable — but study concludes: If FCC wants to reduce network ownership of stations it "must be justified on grounds other than the effects that network owned stations have in the national spot market." Conclusion is that network prices are competitive rather than monopolistic."

This week's FCC meeting will be for informational purposes only, and no actions are expected. Comments and replies will be sought on 3 reports to be released this week, and Network Inquiry Staff will make final report — presumably to include recommendations — in Oct.

SENATE PRODUCES REWRITE BILL: After months of delay and haggling, Senate Communications Subcommittee members last week jointly introduced bi-partisan bill to revise Communications Act. Cable and radio appear winners while TV gets mixed bag.

Highlights of TV-radio provisions, according to separate Democratic & Republican summaries (differences are noted): (1) 5-year TV & radio licenses. (2) Lottery selection process for award of new licenses. (3) Hearings not required for comparative renewal cases. (4) Equal-time provisions modified to exempt Presidential or Vice Presidential debates arranged by non-broadcasters. (5) FCC prohibited from regulation of distant signal retransmission, unless it's shown public interest is harmed. Democratic summary says provision covers all signals, not just distant signals. (6) AT&T barred from cable service, except possibly for some rural areas. (7) Co-located cable-telco cross-ownership generally prohibited, unless it's shown media diversity will result. (8) FCC required to report to Congress on possibility of "license fee" based on value of spectrum. Fee would be "in excess of the costs of regulation," according to Republican summary."

(9) FCC required to deregulate radio for news & public affairs, number and frequency of commercials, program log maintenance. Commission also barred from regulating radio formats, and "any ascertainment requirements which are now decisionally significant must be eliminated." Democratic summary says FCC is "encouraged" to deregulate radio. (10) FCC authorized to limit number of cable systems owned or controlled in combination with other media. (11) FCC and states barred from regulating program origination, restricting rates for channel time and regulating cable rates. Democratic summary says bill bars regulation of pay-cable rates and provides that municipalities which regulate basic service rates can't preclude cable systems from passing costs along. (12) FCC required to set franchise fee ceilings. (13) FCC authorized to establish minimum performance standards for TV sets to reduce interference.

While watchword of bill's progress in recent months has been delay — notably because Republicans & Democrats disagreed on common carrier and license fee issues — members moved quickly when they agreed on bill last week and set June 24 mark-up date. Bill was introduced by Sens. Cannon (D-Nev.), Commerce Committee chmn; Hollings (D-S.C.), Communications Subcommittee chmn.; Packwood (R-Ore.), ranking Republican on Commerce Committee; Goldwater (R-Ariz.), ranking Republican on Communications Subcommittee; Schmitt (R-N.M.) and Stevens (R-Alaska).

In introducing bill, Cannon said Communications Act has "served us well" but "we must



now enact legislation which reflects today's world." Hollings said: "We have entered an exciting and challenging time, requiring a firm and responsible congressional policy which accentuates competition and deemphasizes regulation."

Broadcaster reaction, hampered because copy of bill was generally not available (summaries were, however), included praise and criticism. Analysis by one broadcast lobbyist: "It's a real mixed bag. There's some good, some bad, some in-between. Some of the cable stuff is going to be a problem. It's fair to say we are a little disappointed the language relating to comparative renewal is still murky. I'm kind of disappointed they didn't tell the Commission to deregulate in some radio areas."

"They seem to be doing away with all signal carriage provisions unless the broadcaster can prove harm. That's an impossible burden. On top of that, it's not clear if this would get rid of the 'must-carry' rules. If that's their intent, then that's a substantial problem. They're also talking about something we would call a spectrum fee... The fact that they are doing anything to encourage deregulation is a plus. Their plan to do away with comparative hearings in some areas is a plus. The 5 years is a plus. A big plus is the format stuff. On 315, it doesn't give a lot we don't already have." Another broadcast lobbyist was most concerned about cable provisions, said regardless of what happens to bill, FCC has received clear cable deregulation signal from Capitol Hill. "We are pleased there's no spectrum fee, but we don't think they should establish a precedent that the spectrum has value. We are very concerned that they included no provisions for exclusivity. They seem to feel it's a copyright issue."

NCTA Vp Robert Ross described bill as "a fairly positive piece of legislation from the cable view. Most features look pretty good. I hope there's time in this Congress to get something out. We have been held down a long time. This shifts the burden of proof on signal restrictions to where it should have been." Told that broadcast lobbyists are very unhappy with cable provisions, Ross replied: "Then it's definitely a positive piece of legislation."

Big question which remains if Senate does pass bill — and staffers say this is very good possibility — is whether or not broadcast-cable provisions will remain if House passes its telecommunications bill and conference of both sides of Congress is scheduled to handle differences. House members have made clear they don't want broadcast provisions, claiming they will bog proceeding down. House Communications Subcommittee has scheduled vote on that bill for this week.

Decision on FCC appointment is expected to be made by White House staff within 2 weeks for possible action by President, according to Administration official. He said 2 decisions must be made: (1) Whether to recommend reappointment of James Quello, whose term expires June 30. (2) If not Quello, who? Among those known to be under consideration: House Commerce Committee Counsel Brian Moir; NPR Gen. Counsel Ernie Sanchez, NBC west coast PR Vp Jay Rodriguez, west coast lawyer Peter Lopez. There's still considerable pressure for White House to appoint Hispanic to succeed Quello. White House refused to say whether President would act before Democratic convention next month — or even before Nov. election.

Lloyd Cooney has resigned as pres. of KIRO-TV-AM Seattle to seek Republican nomination for U.S. Senate to oppose Sen. Magnuson (D-Wash.) in Nov. Cooney said he's "a Reagan Republican," has been with Bonneville Bcstg. 26 years, will face 2 others in primary. Magnuson is 75, has been in Senate 36 years. He was longtime chmn. of Commerce Committee, gave that up to become Appropriations Committee chmn.

New FCC data on TV channel use in U.S. shows applications pending for 72 new UHF stations in top 100 markets, with 86 UHF channels vacant, not applied for. In markets 101-200, applications are pending for 14 new UHF, 90 channels vacant, unapplied for. Of 61 vacant and unapplied for VHF channels, 6 are in markets 101-200, remainder outside 200 largest markets. Applications are pending for 10 new VHF commercial channels. Of 175 UHF non-commercial channels in top 100 markets, 75 are vacant, unapplied for; applications are pending for 5. In markets 101-200, 63 UHF channels are vacant, not applied for; applications are pending in 5 markets. There's one vacant VHF non-commercial channel in top 100 markets — Ogden-Salt Lake City. Report: Office of Public Affairs, FCC, 1919 M Street, NW, Washington 20554, 202-632-7260.

CBS lost petition for rehearing in U.S. Circuit Appeals Court in N.Y. of decision in long-running BMI-ASCAP music license case. CBS sought per-use license rather than per-program or blanket. Appeals Court had ruled in CBS favor, U.S. Supreme Court overturned decision, sending it back to Appeals Court which now has also dismissed it.



**CHILDREN'S TV IN D.C.:** TV networks and NAB claimed marked improvements in children's programming since FCC adopted kid TV policy statement in 1974 — contrary to findings of special staff in FCC rulemaking. These were expected conclusions in early comments which are due June 16. Broadcast groups claimed self-regulation is working fine, said proposed restrictions are unnecessary, unconstitutional and cause interference in market place.

On other hand, ACT said it "continues to find that commercial practices directed to children are a significant problem," asked FCC to adopt mandatory program rules requiring commercial stations to air age-specific educational programs on weekdays.

TV broadcasters will put their best foot forward with children's TV program conference June 25-27 in Arlington, Va., suburb of Washington. FCC Chmn. Ferris is scheduled to participate, along with Sen. Heinz (R-Pa.), Rep. Wirth (D-Colo.), Comr. Washburn, ACT Pres. Peggy Charren., along with many broadcasters. Conference is co-sponsored by NAB & NATPE, has attracted 201 registrants. Featured will be screenings of outstanding, locally produced children's shows.

On still another front, new AWRT Pres. Martha Stanville, WCCO-TV Minneapolis, has committed that group to children's TV through project that would "advance knowledge about, and opportunities for, better children's programming."

In annual ACT program awards, KRON-TV San Francisco and KING-TV Seattle were singled out for "extra special commitment to local programming for young audiences." Special award went to Agency for Instructional TV for "Think About," series directed toward 10-12 year-olds and used in classroom.

Criticizing cable operators for championing "free competitive enterprise when it suits them... but when it is not to their advantage, they reject it and demand subsidy," NBC TV Pres. Robert Mulholland told AAF meeting in Dallas that it's not fair to permit cable to transmit for free programming paid for by commercial networks. "I would expect that our regulators will come to recognize an important point, that operation of a free marketplace should not permit new technology to take somebody else's creation and resell it without reasonable payment," he said. Mulholland also predicted that because of "significant increase" in TV households and advertising expenditures, "even though the networks' share of the viewing pie will be smaller, the pie itself will be larger — with the result that the networks' total revenues will probably be substantially greater than they are now." He said he doubted whether alternative TV systems will have financial capabilities to broadcast quality programming, adding "technology is no substitute for creativity."

Correction: Edward Taylor, Southern Satellite pres., was incorrectly identified (Vol. 20:23 p5) as Edward Turner.

White House will "pursue vigorously" options for linking its cable TV system to Satcom 1 services. "We were concerned that the President did an interview for Cable News Network and it was not visible here in the White House. We're especially concerned that we can't get C-SPAN from the House of Representatives," said Steven Simmons, assoc. dir. —domestic policy staff with special responsibility for broadcasting & cable. He said options include: (1) Running coaxial cable from Artec head in Arlington, Va. through Metro rail tunnel under Potomac River. (2) Putting dish on White House grounds. White House is hesitant about accepting offer for free dish, since it might imply commercial endorsement. Simmons said White House & Executive Office Building already have coaxial plant capable of supporting cable TV, need only access to satellite.

ABC-TV Pres. James Duffy urged BPA to launch campaign to promote commercial TV, because "competition is growing and it could erode the free TV system before the public, which takes free TV for granted, fully realizes it." Offering use of ABC materials prepared for such promotion, Duffy told BPA convention in Montreal that broadcasters "must defend their system because [govt.] has very definitely tilted away from the free system toward promotion of pay cable and other alternatives... Before too long, pay systems may be able to outbid the networks for the major sports events and feature films." He said campaign should include "developing relationships with community opinion makers" and preparing on-air promotion ads.

FCC loosened ex parte rules, dropping requirement for written summary when discussions involve positions already presented to FCC. It retained reporting requirement on other ex parte presentations as well as ban on discussions involving "competing claims to a valuable privilege," such as FM and TV channel assignments. Comrs. Jones & Washburn dissented on grounds that policy still is too restrictive. Washburn said commissioners have become "less informed" under rules, adding: "This is discouraging contacts... Why are we being so timid?"

NBC pep talk in form of new booklet for employes and affiliates, "NBC and You," says there's "no need to apologize for the fact that entertainment dominates the schedule" because that's what public wants — but NBC "must aim high and strive for freshness and excellence." Booklet adds that "excellence of performance" also is expected from employes, "there can be no shortcuts ... NBC insists on integrity and the highest ethical standards."

New CBS Pres. Thomas Wyman (Vol. 20:21 p1) made first official visit to Washington last week, calling on FCC Chmn. Ferris and senior Republican Comr. Lee. He was accompanied by CBS Chmn. William Paley, Best. Group Pres. Gene Jankowski and Washington Vp William Lilley. Wyman also received briefing from Washington corporate staff, didn't visit any congressional offices.



**SSS BUYS 100 DISHES:** Southern Satellite last week ordered one hundred 3-m earth stations for installation at cable headends, thereby seeming to guarantee viability of 3rd cable network on Westar 3. Order came as Microwave Assoc. Communications unit of M/A-Com was starting work on order for up to 300 terminals for Satellite Communications Network, for use in cable reception of 2nd cable network on Comstar D2.

"Shipment to designated cable systems is to commence June 30 and to be completed by Aug. 1980. It is our aim to turn on 2-3 earth stations each working day through July and Aug.," SSS Pres. Edward Taylor said. He noted that 24-transponder Westar 4 is slated to replace Westar 3 in Jan 1982, giving cable programmers "ample time to saturate Westar 3 and then continue to grow on Westar 4."

Dishes SSS is furnishing will be placed in cable systems agreeing to carry Satellite Program Network 24 hours a day, providing they have subscriber levels exceeding 10,000, and if they publish SPN program schedules in a local TV program guide.

Prodelin will supply antennas, mount and harness, with Amplica supplying low-noise amplifiers. Cable systems will pay freight, insurance, and install unit. Cable systems will have free use of the earth station for SPN, however, other program suppliers using facilities must share cost with SSS. Cable systems can buy dish outright at any time from SSS at unamortized cost.

Big new orders for TV receive-only (TVRO) equipment spell end of RCA as single source for cable transponders, will make new cable programming available to millions of viewers. Orders begin to substantiate prediction of leading satellite hardware executive we questioned who told us: "I think by 1985 we could see 3 maybe 4 earth stations at every headend. Cable Net I, Cable Net II, conceivably a 3rd one at C-band. Fourth one could conceivably be at Ku-band."

Other results of moves: (1) SCN's deal to buy earth stations from MAC unit of M/A-Com is major boost for that manufacturer's effort to crack S-A/Microdyne domination in TVRO field. (2) Southern Satellite Westar feed of Satellite Program Network, starting July 18, may prove decisive factor in choice of satellite by CBS Cable and Premiere — both likely to be tempted by suitability of new Westar 3 for 3-m antennas.

**KAWA (Ch. 9 ETV)** Bemidji, Minn. went on air May 23, raising operating U.S. stations to 1,020 (627 VHF, 393 UHF; 741 commercial, 279 non-commercial). Ownership: Northern Minn. Public TV Inc.

Nickelodeon subscribers total 2,312,000, Movie Channel 357,000, Warner reports. Figures in Special NCTA Convention supplement are incorrect, were based on responses from system operators who misunderstood questionnaire.

**JONES DUBIOUS ON FCC EEO:** Theory that FCC emphasis on EEO will lead to more responsive programming for minorities and women "is largely a hope rather than a rational expectation," FCC Comr. Jones told FCBA lunch last week. Speech critical of Commission was delivered to audience including colleagues Ferris, Washburn & Brown. She continued:

"Despite scant evidence and questionable logic, the Commission presses forward with its EEO and minority ownership programs. I don't doubt that broadcasters have EEO responsibilities and that it is a proper function of govt. to hold them to those. I am not sure, however, that in addition to the work of the EEOC, the FCC should devote 9 full-time staff positions to work in this area.

"It seems to me that given the substantial delays which exist in some of the Commission's activities, these resources could well be employed in those areas to reduce backlogs which are both embarrassing to the Commission and contrary to the public interest.

"Again and again, broadcasters whose EEO efforts seem at least plausible are admonished that their failure to meet the guidelines indicates that their efforts are inadequate. With all deference, it seems to me that if failure to meet the guidelines demonstrates in itself the inadequacy of efforts to meet them, then the guidelines are, in effect, quotas. And if they are quotas, I believe we should call them by their right name and think hard about whether they are useful and proper."

In other remarks, Jones questioned FCC's interim ex parte contacts policy, stating: "In this matter... I truly believe the Commission is in danger of forgetting what it is doing." She said FCC is "free, and even obliged, to consider whether it is good policy. I believe it is not. I believe it is essential to wise rulemaking that agency decision makers be able to draw on all available sources of fact and opinion. The interim policy substantially hinders this process and I believe it should be revoked."

Predicting demise "of one of the 3 major networks in the not too distant future," JWT Senior Vp Gene Secunda told AAF convention that "with the advent of so much specialized cable and satellite programming, viewers' time and advertisers' money just can't be fragmented enough to allow everyone to survive." Without venturing guess as to which one, he said one network will eventually have to redirect programming entirely into cable. He added that advertising on cable and pay TV is "inevitable," and will be "ultimate rifle bullet approach," competing for specialized audiences. "Broadcast TV is the shotgun [approach]."

**CTAM Annual Meeting** Aug. 3-6 in San Francisco St. Francis hotel will feature session on distribution, tips from industry pacesetters, Q-&-A with program suppliers. Details: Suite 1103, 1725 K St. NW, Washington, D.C. 20006.



**GOLDENSON BUDGET WARNING** "Soaring budgets for almost everything produced in Hollywood" represent "clear and present danger" and could force TV to depend less on film industry as programming source, ABC Chmn. Leonard Goldenson told HRTS meeting in L.A.

Goldenson said broadcasters — forced by "intense" competition to spend "aggressively" for best available programming — also are to blame for "current budget escalation," but now "our emphasis must be on discipline." Increasing costs have been "bearable" only because of growth in demand for TV ads, he said. "We're now in the early stages of a recession and must control our costs."

Goldenson warned that "the time is not far away when pay TV usage will diminish the eventual network audience" for theatrical movies which "will certainly affect" price networks are willing to pay for movies and may lead to more use of made-for-TV movies or "to substitution of different programs in their place."

"Programs of high audience can indeed be found elsewhere," Goldenson said. "Our effort must be to find and to favor those sources of programs whose cost reliability, as well as quality, is greatest — whether they are in Hollywood or elsewhere. We will never select an inferior program because it is cheaper. But when we can choose between programs of comparable audience appeal, our confidence in their future cost levels will be a determining factor."

Goldenson also criticized "unprecedented number" of employees throughout entertainment and communications industry seeking contract raises, noting "growing lack of professionalism" and attitude "that there's no limit to the gold at the end of the network rainbow."

PBS may lose N.J. Public TV network as member — defection due to 4-station state system's financial crunch, feeling that \$71,000 annual dues don't provide sufficient benefits. Decision on withdrawal may be made at NJPTV board meeting this week. Leaving PBS has been recommended by NJPTV Exec. Dir. Gordon MacInnes, telling board that network ought to concentrate on producing N.J.-oriented programs, since most state residents can receive mainstream PBS stations in Philadelphia & N.Y. If NJPTV does withdraw, it will still have access to PBS programs, but would have to pay for them on as-used basis. Fees would also have to be paid to retain access to PBS satellite system. Withdrawal of NJPTV would be blow to PBS — only other public station not member is WNVN Goldvein, Va. (also operating translator W14AA Arlington).

Contract for \$295 million has been let by French & German govts. for building of direct TV broadcast satellites for the 2 countries. MBB leads group also including AEG-Telefunken, Aerospatiale & Thomson-CSF. First launch is likely in early 1984, atop Ariane vehicle.

FCC and FTC voluntarily complied with President Carter's order to strengthen consumer assistance programs. (Independent agencies weren't forced to comply.) FCC reported that it has had comprehensive program since 1976 but is considering other steps such as: (1) Simplifying comment and petition filing procedure. (2) Instituting notification procedure to acknowledge receipt of petitions and comments. (3) Installing 800 telephone line to offer consumer information. (4) Purchasing ad space in yellow pages to publicize consumer information services. FTC said it will produce more educational materials directed at special groups such as elderly and Spanish-speaking and will improve policy planning process with new program to solicit and take into account views from national and local consumer groups about subject areas of most concern to consumers.

Refuting charges in study by U. of Pa. Annenberg School that heavy TV viewing causes exaggerated idea of violence in world, Bert Briller, TIO creative services mgr., told AWRT that examination of study's figures shows non-viewers were more likely to have paranoid view than heavy users. "If TV is supposed to cause fear and alienation, why are non-viewers so fearful and alienated?" he asked. Briller also contested study's charges that women and minorities are portrayed as weak. He said another study shows that women are portrayed more realistically than men in soap operas, area not mentioned in Annenberg study which Briller called inconclusive because it also reported that 2 groups are shown as more "clearly successful" than they are likely to be in reality.

NATPE will move to exhibit hall format for annual conferences, has booked Moscone Convention Center in San Francisco for 7 straight years, starting in 1984. N.Y. Hilton will host March 12-17, 1981 conference where several syndicators will be clustered in exhibit hall for first time. Same format will be followed at Las Vegas Hilton in 1982-83. Cable programmers will be permitted to exhibit in N.Y. for first time on experimental basis while NATPE Futures Committee, headed by Lew Klein of Gateway Communications, decides what to do about cable programmers on permanent basis. Program executives of cable, satellite and home video companies now are permitted to join NATPE.

Urging Democratic Platform Committee to adopt plank protecting programmers' property rights and ending compulsory license, MPAA Pres. Jack Valenti said compulsory license "makes as much sense as excused theft," adding that cable's "free ride... has potential for destroying future and legitimate uses of our product," particularly if FCC ends exclusivity protection. Valenti urged Democrats "to provide the owners of TV programs with the same rights enjoyed in this country by other owners of private property."

BPA will publish textbook, "Broadcast Advertising and Promotion," in early 1981 for use in college broadcast promotion courses.



Satellite-delivered newspaper advertising is now only matter of time, said ANPA Pres. Katharine Graham, publisher of Washington Post, in remarks to ANPA Production Management Conference in Atlanta. She said main advantage of satellite ad delivery will be national standard ad sizes: "As you know, our industry has long made it something of a challenge for national advertisers to spend their dollars in newspapers by forcing them to make up ads to fit hundreds of varied formats and column sizes. Now, we are on the verge of proposing a schedule that would accommodate just about every newspaper page imaginable, but confront advertisers with fewer than 2 dozen sizes and shapes. It should result in more national advertising for all newspapers, large and small alike."

Cosmos Bestg. (4 TVs, 2 radios) is buying Orion Bestg. (4 TVs, 3 radios) for approximately \$110 million cash. To comply with FCC ownership rules, Cosmos will spin off WAVE(AM) Louisville, WMT-TV Cedar Rapids, WFRV-TV Green Bay and satellite WJMN-TV Escanaba, Mich. Orion stations to be retained: WAVE-TV, WFIE-TV Evansville, WMT-AM-FM. Orion will operate as Cosmos subsidiary, Louisville hq; Pres. T. Ballard Morton and other key execs. will continue under Cosmos. Meanwhile, high interest rates were cited for cancellation of purchase of KRCG Jefferson City, Mo. by WTVY Dothan, Ala. from Kansas City Southern Industries. Southern official said station "isn't for sale at the moment."

NBC TV affiliates' board has commended network "for the positive, dynamic and responsive posture it exhibited at its recently concluded affiliate convention" (Vol. 20:21 p3). Affiliates also praised network for "dedicating itself to programming for the free, over-the-air broadcast system. This policy will provide the greatest public good by making the fruits of NBC's efforts available to the entire TV audience — rich and poor, urban and renewal — at no cost to the viewer... NBC is changing before our very eyes and we like what we see."

NCCB's attempt "to make unnecessary work for the FCC and to slow down progress in [radio deregulation] will not enrich the contents of reply comments," NAB told Commission last week. NCCB had asked that agency prepare summary of some 25,000 comments and delay deadline for replies until 90 days after summary is made "widely available" to public (Vol. 20:23 p6). NAB noted that proceeding already has been delayed 60 days, that preparing FCC summary "would take a very long time... adding undue delay" and that groups like NCCB already have prepared and distributed own summaries.

ABC Casting Dept. is conducting national talent search this month, with Chicago visit June 26-29. Search is part of "aggressive attempt" to find new talent by bypassing "stifling" casting channels newcomers usually are forced to pursue, said Casting Dir. Tim Flack.

SEC subpoenaed documents involved in L.A. Dist. Attorney's investigation of alleged "Charlie's Angels" fraud (Vol. 20:18 p5), may enter probe. SEC wouldn't comment but L.A. Dist. Attorney's office said SEC representatives plan visit to L.A. this week to review case in which ex-ABC attorney charged ABC and Spelling-Goldberg Productions with scheming to defraud Natalie Wood and Robert Wagner of \$500,000 worth of profits.

White House press office sent June 9 background report on regulatory reform to news dirs., urged stations to call for talk-show appearances and phone interviews. "The spokespersons on regulatory reform are particularly articulate," Deputy Press Secy. Patricia Barrio wrote. "Spokespersons" weren't identified and Barrio's office didn't call us back with their names. Backgrounder contained nothing new.

NAB asked U.S. Supreme Court to overturn D.C. Appeals Court ruling requiring FCC to conduct hearing when unique radio format is changed. Joined by ABC, CBS, NBC, Metromedia, NRBA, WBNS TV Inc., and RadioOhio, NAB said appeals court is writing communications policy and ignoring "important statutory and constitutional restraints on govt. intrusion into broadcast programming."

N.J. Supreme Court, on 6-1 vote, has upheld state shield law which protects reporters' sources & notes. In Cal., voters favored by more than 3-1 Proposition 5 to make state's shield law part of Constitution. Proponents claimed shield law has been ineffective since it depended on privilege granted by legislature.

Burt Harris, chmn. of Premiere, new Getty-movie studio cable pay-TV venture (Vol. 20:21 p6), has 3-1/2 year contract to head joint venture, draws salary and gets percentage of profits. Combined value exceeds \$1 million, said Harris: "I'm a substantial participant in the success of the company."

Independent Network News started June 9 with affiliates in 27 markets, most carrying news at 10 p.m. "We will be in over 30 million homes, which is 10 times the number Turner's news [CNN] will be entering" through cable, according to WPIX N.Y. Pres. Leavitt Pope, who conceived service for independent stations.

Dallas police arrested Gary Annis, an accountant, stating he sought \$500,000 from Warner Amex, claiming he could supply documents that would enable company to secure cable franchise against 5 competitors. When approached by Annis, Warner notified police, who filmed & taped later discussions.

Pres. Carter said he's reconsidering refusal to debate John Anderson (R-Ill.) and might agree to debate candidates who are on ballot in enough states to have "at least a theoretical possibility of winning."



## Personals

Robert Wood, independent producer and pres. of CBS-TV 1969-76, named pres. of Metromedia Producers Corp, succeeding Lennart Rinkist, who resigned in Jan... Martha Stanville, WCCO-TV Minneapolis, elected AWRT pres., succeeding Timatha Pierce, NBC; Muriel Kennedy, MMK Assoc., Watertown, N.Y., named pres.-elect; Jeri Warrick-Crisman, NBC, secy.-treas.; Sallie Forman, NBC Washington, vp-govt./industry affairs, new post.

Patti Grace, ex-Mutual Black Network and one-time NAB, appointed chief of FCC Consumer Assistance Div., succeeding Belle O'Brien, who moved to White House consumer office last fall and last week was named chief of Dept of Health & Human Services consumer office.

Lennoe Quillnan promoted to dir of marketing, affiliate relations, CBS-TV, new post... Donna Sessa, ex-ABC, joins NBC Enterprises as marketing dir., new post... Kenneth Elkins, ex-KETV Omaha, appointed gen. mgr., KSDK St. Louis... Keith Lollis, ex-KING-AM Seattle, moves to KING-TV as program dir., succeeding Robert Guy, retired.

Mike Dorsey, ex-WDIV Detroit, appointed gen. sales mgr., WFSB-TV Hartford... Nancy Novelline named community services dir., WNAC-TV Boston... Steve Currie, KOIN-TV Portland, Ore., elevated to first vp of NATPE, succeeding John Goldhammer, now with Paramount TV... Allen Neuharth, Gannett pres., and Washington attorney Richard Schmidt receive First Amendment Awards from SPJ/SDX.

Robert Hoffman, head of Group W creative services, resigns to form Hoffman Unlimited (26 Greentree Circle, Westbury, N.Y. 11590. 516-333-0127), marketing & communications firm, July 1... A. J. Aurichio promoted to exec. vp-gen. mgr., Arbitron TV... Elio Betty promoted to gen. sales mgr., ABC TV Spot Sales... Ronald Jamison, ex-KBAB(AM) Indianola, Ia., joins Richard A. Shaheen Inc., broker, Chicago hq.

Michael Solomon, Telepictures pres., moves to chmn.-chief exec. officer; Michael Garin named pres.-chief operating officer... Peter Hughes, MCA TV Canada gen. mgr., promoted to vp-MCA TV International, Toronto hq... John Chickering, Warner Communications, moves to Warner Bros. TV as dir.-financial administration... Jon Gumpert appointed exec. vp, Time-Life Films Motion Picture Div.; Maggie Wilde, ex-Paramount, joins as vp; Nick Durrie promoted to vp-production planning; Jay Walkingshaw to vp-finance & administration, Time-Life Films.

Clarence McKee, of Washington law firm Law, Murphy & McKee, July 1 becomes of counsel to Smith & Pepper... Laurence Whalen & Edward Crosland become partners in Hamel, Park, McCabe & Saunders law firm; Howard Flack, ex-SEC, also joins... Jack Blume becomes of counsel to Fly, Shuebruk, Gaguine, Boros, Schulkind & Braun; Russell Balch (Washington)

WEEKLY

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with

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### EDITORIAL & BUSINESS HEADQUARTERS

1836 Jefferson Place, N.W., Washington, D. C. 20036

Phone: 202-872-9200

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#### JAPAN REPRESENTATIVES

(Editorial & Business)

Aske Dam  
Richard E. Varner

c/o Foreign Correspondents  
Club of Japan

Denki Bldg., 20th Floor 1-7-1

Yuraku-cho, Chiyoda-ku

Tokyo 100, Japan

Phone: 0466-27-6125 Telex: J24600

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& Zave Unger (N.Y.) join firm.

James Key promoted to vp-systems management & construction, TeleCable; Gordon Herring to vp-marketing & new services... Lloyd Komesar joins NCTA as asst. dir.-research; Janice Spector named asst. dir.-public affairs; Gail Dosik promoted to program services coordinator, new post... Russ Winsler advanced to marketing dir., Omega Video.

Christopher Derick, Viacom Communications, elected C-SPAN chmn., succeeding Robert Rosencrans, UA-Columbia; Brian Lamb reelected pres.-chief operating officer; Jana Dabrowski, secy.-treas.

Canada & U.S. have signed treaty — subject to ratification by Senate and Canadian Parliament — which: (1) Removes tax restrictions on U.S. conventions in Canada. (2) Retains regulation that Canadian companies may not take tax deduction for cost of advertising on American media. Border TV stations claim Canadian rule costs them \$20 million annually, had hoped to get restriction lifted in new treaty.

KTVU Oakland programming will leave Satcom 1 at end of year, result of Satellite Communications Services terminating operations. SCS, owned by Warner Amex Satellite Entertainment, asked FCC to end its service, which never gained much acceptance, counting satellite audience of only 700,000 subscribers. TR-1 will be used for Nickelodeon. Movie Channel will then be distributed on TR-5 (west) & TR-11 (east).



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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended May 30 (22nd week of 1980):

	May 17-23	1979 week	% change	May 10-16	5 mo. 1980	5 mo. 1979	% change
Total TV.....	229,343	209,840	+9.3	227,645	5,489,724	6,035,256	-9.0
color.....	137,568*	127,614	+7.8	139,439	3,487,844	3,760,273	-7.2
monochrome..	91,775	82,226	+11.6	88,206	2,001,880	2,275,229	-12.0
Home VCR.....	8,373*	5,677	+47.5	15,260	242,898*	152,691	+59.2

Color TV 5-week moving average: 1980—135,307; 1979—155,815 (down 13.2%).

Home VCR 5-week moving average: 1980—10,670\*; 1979—6,389 (up 67.0%).

\*Record for period.

**RCA RETAINS SLIM LEAD IN COLOR MARKET SHARE:** RCA clung to lead in color market share in 1980 model year by same gossamer 1/2 percentage point over Zenith it held for 1979 sets, according to our annual share-of-market survey. Zenith continued undisputed No. 1 in monochrome, although its lead was trimmed by 1/2 point. Survey shows little significant change in market shares of 19 TV marketers over year earlier (Vol. 19:23 p10).

RCA's lead in July 1979-June 1980 period came despite Zenith's claim to strong first place in first quarter (Vol. 20:21 p14), but our figures cover full 12 months. Survey results reflect expert opinion of manufacturers' top market analysts — each company is asked to estimate all competitors' market shares, leaving out own. Results are medians compiled from responses, this year's from 16 usable replies. Although RCA & Zenith were close in color market share, there's no questioning their ranking assigned by survey participants — 10 gave RCA first place, 3 picked Zenith, one called it a tie.

Market-share results tabulated below represent shares by brand, not manufacturer, therefore don't take into account private-label output by such major firms as RCA, GE, Sylvania, etc. In any accounting by manufacturer, other makes probably would show up — for example, Sampo, heavily into private label, claims 1.3% of color market, 3.4% of b&w. Increasing trend to private & minor brands is indicated by fact that "all others" increased market share — rising one percentage point in color, significant 3.3 points in b&w. In monochrome, non-listed brands apparently increased share at expense of many of bottom 8 brands which showed minor declines.

Among changes in rankings, GE pulled up to 3rd from 5th last year, increased market share 0.6 of percentage point — biggest increase of any brand. Sears dropped from 3rd to 4th, losing less than 1/2 point, while Magnavox went from 4th to 5th with miniscule 0.2-point dip in share. In only other significant change, Montgomery Ward dislodged Panasonic from 9th place, but market shares of both changed only by very minor fractions of a point. Although Admiral phased out TV manufacture in 1978-79, enough of its sets were still in marketplace during period covered for it to show up as No. 19 in color and No. 16 in b&w, with 0.5% share of both products.



In monochrome, there were even fewer changes in rankings & share than in color, biggest share change being Panasonic's 0.75-point decline, although it very handily retained 5th-place ranking; Quasar dropped 1/2 point, stayed in 7th place; no other brand gained or lost more than 0.35 of a point.

Survey respondents see calendar 1980 color sales at 9.2 million, b&w at 5,625,000, based on tally of medians. Interestingly, this represents no change in industry-consensus color forecast from our survey last Dec. (Vol. 19:53 p9). B&w forecast, however, is down from 5.9 million predicted in Dec. Individual forecasts ranged 8.8-9.5 million in color, 4.8-6 million monochrome.

Results of our 13th annual market-share survey, tabulated below, are based on medians. Where medians were same for 2 or more brands, averages were used to assign rankings. Brands indicated by dash in years before 1979 weren't included in earlier surveys which were devoted only to "leading brands."

### SHARE OF U.S. TV MARKET BY MODEL YEAR

#### COLOR

Rank	Brand	1980 % share	Range	1979 % share	1978 % share	1977 % share	1976 % share	1975 % share
1	RCA.....	21.0	19.5-22.3	21.0	20.0	20.0	20.0	19.0
2	Zenith.....	20.5	19.5-21.0	20.5	21.15	22.0	23.0	24.0
3	GE.....	7.5	6.8-8.0	6.9	6.5	6.0	5.5	6.2
4	Sears.....	7.5	7.0-9.5	7.9	8.55	9.0	9.0	8.7
5	Magnavox.....	7.0	6.0-7.5	7.2	7.0	7.0	6.5	6.6
6	Sony.....	6.5	4.0-7.5	6.5	6.9	7.5	7.0	5.8
7	Quasar.....	5.0	4.5-5.8	5.0	5.3	5.0	5.0	5.9
8	Sylvania.....	4.0	3.0-7.0	3.9	3.5	4.0	4.5	4.4
9	Montgomery Ward..	2.25	1.0-3.0	2.1	2.0	2.0	-	-
10	Panasonic.....	2.0	1.5-2.5	2.2	2.9	3.0	2.3	-
11	Sanyo.....	2.0	1.5-2.5	2.0	2.0	-	-	-
12	Hitachi.....	1.7	1.0-2.0	1.85	1.65	-	-	-
13	J.C. Penney.....	1.5	1.0-2.0	1.5	1.5	-	-	-
14	Sharp.....	1.5	1.3-2.0	1.5	2.0	2.0	-	-
15	Philco.....	1.2	0.8-2.5	1.2	1.45	1.5	1.5	1.0
16	MGA.....	1.0	0.8-1.5	1.0	-	-	-	-
17	Curtis Mathes..	1.0	0.2-1.5	1.0	-	-	-	-
18	Toshiba.....	1.0	0.9-1.5	1.0	1.0	-	-	-
19	Admiral.....	0.5	0.0-1.7	1.5	2.4	2.5	3.5	3.0
	All others.....	5.25	-	4.25	-	-	-	-

#### MONOCHROME

1	Zenith.....	16.0	14.0-17.3	16.05	17.4	17.0	18.0	17.0
2	RCA.....	14.85	12.5-15.5	14.5	14.0	14.0	14.0	13.2
3	GE.....	10.0	9.2-12.0	10.0	9.5	10.0	11.0	11.6
4	Sears.....	9.0	8.0-9.5	9.0	10.0	9.75	9.0	9.0
5	Panasonic.....	6.65	5.0-8.0	7.4	8.7	10.0	8.0	6.2
6	Sony.....	4.2	3.0-6.3	4.1	4.0	4.0	4.0	4.1
7	Quasar.....	3.5	3.0-4.0	4.0	5.5	5.0	5.0	5.95
8	Sanyo.....	3.2	2.9-5.5	2.9	2.3	-	-	-
9	Montgomery Ward....	2.5	2.0-3.2	2.5	2.5	3.0	-	-
10	Sylvania.....	2.0	2.0-2.5	2.1	2.0	2.5	3.0	3.5
11	Philco.....	2.0	1.4-2.5	2.2	2.4	2.75	3.0	3.5
12	J.C. Penney....	1.9	1.5-2.5	1.9	1.9	-	-	-



Rank	Brand	1980 % share	Range	1979 % share	1978 % share	1977 % share	1976 % share	1975 % share
13	Hitachi.....	1.75	1.5-2.5	2.0	2.45	-	-	-
14	Sharp.....	1.65	0.8-2.5	2.0	2.9	2.5	-	-
15	Magnavox.....	1.5	1.0-2.0	1.7	1.5	2.0	2.0	-
16	Admiral.....	0.8	0.0-2.4	2.5	3.4	4.25	5.7	4.0
17	Toshiba.....	0.5	0.3-1.0	0.5	0.6	-	-	-
18	MGA.....	0.5	0.3-1.0	0.45	-	-	-	-
	All others.....	17.5	-	14.2	-	-	-	-

**RCA IN MAJOR EUROPEAN VIDEODISC PUSH:** Buoyed by prime software package, RCA is now seeking to make its videodisc format European standard — task which won't be easy because of Philips' dominating presence there (as well as British TV maker & renter Thorn's espousal of JVC's VHD system).

RCA broke chicken-&-egg cycle by signing up big Beta & Taurus Film companies to joint-venture pact to acquire programs and market them in affluent German-speaking Europe. Beta-Taurus supplies TV programs to German market, has home video rights to several thousand movies, including U.S. hits & TV shows dubbed in German, which will be thrown into joint venture's pot. RCA presumably is negotiating with European hardware & record manufacturers to set up production plants. Among TV makers, its choice is somewhat limited by tremendous influence of Philips group (including Grundig, Pye, etc.).

Major TV makers which could be of interest to RCA include France-based Thomson group (now encompassing Germany's Nordmende & Saba), Telefunken, Bosch (Blaupunkt), ITT (Schaub-Lorenz & others) & Siemens. Both Thomson & Telefunken have own videodisc systems — Thomson the transmissive optical system which it is aiming at industrial market, and Telefunken the ill-fated short-playing TED mechanical system — so it's not known how they would respond to RCA overtures. In addition to German makers, other European manufacturers all have access to German market. Virtually all of Europe's TV makers are economically depressed — but German-speaking Europe remains hot color TV market.

News of proposed GE-JVC-Matsushita-Thorn EMI consortium to produce VHD disc system (Vol. 20:23 p9) was still making waves last week. Consensus was that group has only outside chance of making "late 1981" target in view of time required for organization, software negotiations, catalog selection, mastering, etc.

There's no shortage of videodisc activity at CES this week, and there could be some unexpected announcements which have been saved up for forum of industry show. As detailed last week, there'll be at least 5 separate demonstrations of the 3 contending systems, plus such behind-scenes activity as JVC-EMI lobbying to line up additional hardware & software adherents. RCA's production-version player, shown to distributors last month (Vol. 20:20 p13), will get first showing to industry at large (by invitation only) in hotel suite.

RCA is expected to reveal results of some of its market research, Exec. Vp Herbert Schlosser outlining outcome of 15,000 interviews which showed strong consumer interest in both recent & classic films, more interest than expected in sports and old TV shows. RCA is currently negotiating with NBC Video Enterprises for such off-network shows as Little House on the Prairie, last week announced signing of Dr. Spock baby care series made especially for home video (released also on Vidamerica cassettes).

In VCR software, meanwhile, last of the rental proponents — Disney Studios — gave up hard-line stand against sale and will premiere line of cassettes for retail at CES. (For CES software news, see p. 13.)



**CONSOLE SHARE UP IN FIRST-QUARTER COLOR:** Consoles' share of first-quarter color, on production plus import basis, rose to 22.43% from 20.66% year earlier, analysis of EIA figures shows. Reversal of increasing portable inroads has occurred only twice before — in 3rd quarter 1977 and full-year 1975 — both times, as this year, in periods of decline in TV sales. Console supply in quarter remained same as year earlier, while total supply of all color sets declined 0.2%. Other bright spot in mix was continuing rise in remote-control sets.

Total number of new remote color models rose 22.1% in quarter to 595,300. With total color market slipping 0.2%, remote accounted for 24.4% of new supply, up from 18.4% in same 1979 period. Number of models with electronic tuning edged up just 1.5% to 974,800, for 40.1% share, up from 36.4%. In portable-table models, remotes jumped 38.5% to 450,600, for 23.9% share, up from 15.5%, while electronic tuning rose only 6.3% to 579,700, for 30.8%, up from 26.1%. In consoles, remotes dropped 11.3% to 142,700, for 26.1% share, down from 29.3%, and electronic tuning slipped 4.8% to 395,100, for 72.3% share, down from 75.6%. Figures show record 60.9% of all electronic-tuned sets were remotes in quarter, up from 50.6% in same 1979 period, including 77.7% of portable-table models (up from 59.7%), 36.1% of consoles (up from 38.8%).

Industry's leading portable-table sizes, 13" & 19", both turned in lower numbers in period, although 13" improved market ranking, EIA figures show. Total output of 13" fell 5% to 320,500, though share of that market segment increased to 17% from 16.1%. For 18-19", output was down 12.1% to 1.22 million, with share down to 64.7% from 66.3%. Results for other portable-table sizes: 12"-&-under, 99,600, down 31.5% for 5.3% share (down from 6.9%); 14-17", 171,100, up 8.5% for 9.1% share (from 7.5%); 20"-&-over 74,900, up 15.3% for 4% share (from 3.1%).

EIA screen-size results for b&w: 10"-&-under 117,600, down 49.1% for 9.1% share (down from 14.4%); 11-12" 994,400, down 9.3% for 76.6% share (from 68.3%); 13-17" 69,700, down 38.6% for 5.4% share (from 7.1%); 18"-&-over portable-table 112,500, down 28.5% for 8.7% share (from 9.8%); consoles 4,400 down 32.3% for 0.3% share (from 0.4%). EIA b&w figures don't appear to include mini-combos, and show total AC-DC models at 217,600, down 43.1% for 16.8% share of market, down from 23.8%, and accounting for 19.6% of all 12"-&-under b&w, down from 28.8%. EIA put overall b&w supply for quarter at just under 1.3 million, down 19.1% (Vol. 20:21 p13).

### FIRST QUARTER COLOR TV PRODUCT MIX

Type	Units	1980	%	Units	1979
		change	of total		% of total
Portable-table...	1,884,937	-9.9	77.53	2,091,592	79.26
Console.....	545,278	0.0	22.43	545,318	20.66
Combination.....	927	-56.6	0.04	2,135	0.08
<b>TOTAL</b>	<b>2,431,142</b>	<b>-0.2</b>	<b>100.00</b>	<b>2,639,045</b>	<b>100.00</b>
Remote control....	593,319	+22.1	24.4	486,069	25.0
Electronic tuning.	974,760	+1.5	40.1	959,953	36.4

PBS might put own label on VCR & disc player, could launch video club as early as next Feb., said Development Dir. Eric Sass at affiliate meeting in Washington. Sass claimed 1/6 of VCR owners will be PTV members within year, maintained "time is now for public TV to launch a centrally operated videocassette club; a public TV videocassette & disc catalog; a public TV label." Stations could serve as

duplicators, generating \$1.5 million first year.

Japanese companies dominate June 18-19 IEEE Chicago Spring Conference on Consumer Electronics in Arlington Park, Ill., presenting 26 of the 56 papers on schedule. Among highlights: 3 half-day sessions on teletext, Toshiba paper on automatic ghost canceler, Sony paper on CCD digital color camera, Hitachi paper on speech synthesizer.



**VHS, RCA GAIN SHARE:** VHS format increased penetration among VCR owners in first quarter, rising to 67.4% from 59.9% in 2nd half 1979 and 57.2% one year earlier, according to latest Media Statistics survey. Based on 365 owners found among about 20,000 homes in 16 markets (representing nearly 2% penetration), survey showed RCA increased leadership in VCRs to 34.9% of total from 25.1% a year earlier. Others increasing share were Magnavox, Zenith, Quasar, JVC, Sears, GE & Curtis Mathes, mainly at expense of Sony, whose share declined sharply.

Top 3 continue to be RCA, Sony & Panasonic, accounting for nearly 64% of VCRs in use, with Magnavox threatening Panasonic for 3rd place. Results indicate VCR is no longer 3-horse race, 2nd tier now representing 36.1% of units in use vs. 27.9% in Aug.-Dec. 1979 and 32.1% in first quarter 1979. Next survey results, due in Sept., are scheduled to include more detailed analysis of VCR usage, based on diaries in 250 homes. Here are standings of leading VCR brands, based on VCRs-in-use data in last 3 quarterly surveys:

Brand	Jan.-Mar. 1980	Aug.-Dec. 1979	Jan.-Mar. 1979
RCA.....	34.9%	32.5%	25.1%
Sony.....	20.0	29.7	28.7
Panasonic....	9.0	10.2	14.1
Magnavox....	8.7	5.8	6.7
Zenith.....	7.4	5.0	8.9
Quasar.....	5.4	4.3	2.6
Sanyo.....	2.2	2.5	1.7
JVC.....	2.2	2.0	2.2
Sears.....	2.2	1.8	2.4
GE.....	2.1	0.7	3.3
Curtis Mathes.	1.4	0.9	0.7
Sharp.....	1.1	-	-
Philco.....	0.5	0.5	0.5
Sylvania.....	0.4	2.5	0.7
VHS.....	67.4%	59.9%	57.2%
Beta.....	32.6	40.1	42.8

**SOFTWARE AT CES:** Momentum of VCR & pre-recorded cassette sales has swept up Walt Disney and Video Corp. of America's Vidamerica subsidiary. Both were rental-only advocates, will use CES to explain why & how they plan to sell programming as well. Bottom line is seemingly insatiable demand that rental can't meet.

Disney Home Video (DHV) about-face is more dramatic because company decided to test 13 titles at 600 Fotomat stores in 4 cities only in Feb., told ITA San Diego seminar that rental was only way to go (Vol. 20:10 p13). Now, Disney Telecommunications Pres. James Jimirro says "demand is just exploding... we're not satisfying it" through Fotomat, doubts rentals will be force in marketplace for 4-5 years.

DHV still plans Sept. rollout for Fotomat offer, also expects 4,000-store chain to be largest sale outlet. Company has corner of Disneyland Records booth at CES to display first 13 titles, but no price

schedule, hopes to sign mix of reps & distributors to handle line, including Disney 8-mm veterans. Package offers features offered by Fotomat plus recent theatrical release Black Hole, also licensed to pay TV. Jimirro says off-air taping of pay-TV broadcasts is key factor in determining cassette releases.

Vidamerica comes to CES with 22 titles, composed of sports & variety shows, but excluding 20 United Artists titles licensed for rental only. VCA Pres. Alfred Markim says national organization will rep line, told us he expects to announce "controllable rental system" this summer.

Moves underscore quandary facing distributors. Rental quality control & paperwork is proving too expensive for all but Disney & Paramount to try. Sales promise fast turnover, but high prices foster rampant piracy and growth of swap & exchange clubs as well as retailer rental plans which violate sales agreements, almost impossible to enforce.

MCA Videocassette was hit with illegal rentals as soon as first cassettes came on market 6 weeks ago, has written dealers found ignoring contract terms, may be forced to cut off some. Nonetheless, MCA says stores have ordered 50,000-60,000 cassettes to date, prompting call for another 100,000 from duplicators Bell & Howell and Magnetic Video. Company is adding 6-8 titles at CES, including Coal Miner's Daughter & Frenzy, has decided to boost retailer margins from 25% to 30% June 23, doesn't think increase will affect illegal rentals because those dealers "will steal at any price."

Pickwick International is using CES to negotiate lower prices, more lenient inventory requirements. Objective is to improve profits for retailers taking part in PI Videoworks test, induce mass merchandisers to enter market. Record rack jobber thinks all parties "are looking for a middle ground," expects to announce next phase of expanded trial in Aug.

Other developments at show: (1) Sony Video Products is charter member of software-oriented RIAA/Video group, raising obvious questions about programming plans. (2) U.S. Pioneer subsidiary Pioneer Artists has hired outside consultant, Sy Fischer Co., N.Y., to help develop videodisc material. Fischer is theatrical management firm, representing number of writers & producers, has acquired first title for PA and is negotiating for 6-7 others. Original emphasis on music has been broadened to include other cultural & family entertainment programs.

One-week wonder: TV sales boom as reported by EIA for first June week, including record color sales for week (see State of the Industry), lasted just one week. Second week of month saw sales of 132,700 color sets, down 11% from year earlier, while b&w sales, at under 64,600, were down 13.2%. VCR sales continued high — 9,900 for week representing 82.5% increase.



**COLOR QUOTA HANGUP:** With deadline for extending quota limiting color exports to U.S. from Japan, Taiwan & Korea just 2 weeks off, U.S. trade officials were still mulling alternatives at last week's end, and final report to President Carter from Special Trade Representative's office was slated for delivery to White House June 13. President would normally take 7-10 days from receipt of STR report to rule on issue, leaving 10 days at most before quota runs out on June 30 to reach extension agreement with affected source countries.

Current situation is particularly bad for Taiwan & Korean exporters who, for 2nd time in as many years, are at CES without knowing how many color TVs they can offer customers. Last time was at 1979 Winter CES where they displayed knowing quota was being imposed, but with no idea of details.

Japanese, now relying mainly on their U.S.-based production for color supplies, are of course only moderately concerned with quota situation. For Taiwanese, it's now short-term problem as Tatung has plant in Cal., AOC is slated to go on stream at facility near Kansas City this month, and Sampo in Atlanta early next year. For Koreans, though, it's life-&-death proposition.

Koreans are arguing for 3-to-4-fold increase in their allocation if quota is indeed extended. They note current quota puts 2.98-million annual ceiling on color imports from 3 covered countries, including 2.14-million complete, 838,000 incomplete receivers. They point out that while Taiwan essentially used all its 373,000-set allocation of complete sets last year, Japan shipped less than 1/3 of allowable 1.56 million. Korea is demanding about half of Japan's shortfall, which would mean increase of 500,000 in its present 204,000 annual limit, as price for going along with extension.

One alternative course understood being considered by STR staff is to let present allocations stand while excluding 12"-&-under sets from coverage. Feeling is this would give Taiwan & Korea open access to small-screen & mini-combo color business while keeping protective umbrella over that market segment being served by domestic factories.

Sears sold 17,700 TV captioning decoders in 11 weeks through June 1, or average of 1,600 weekly, spokesman indicated. Decoders, which cause sets to display otherwise unseen captions broadcast along with some 25 shows weekly on ABC, NBC & PBS as service to hearing-impaired viewers, sell for \$250. They're being assembled for Sears by Sanyo using ICs supplied by Texas Instruments (Vol. 20:18 p12). Sears said weekly sales rate now matches 1,800 production capacity, and there's 4-week order backlog. Sanyo-made 19" color set with built-in decoder, capable of showing captions in color, will be featured in Sears' fall catalog at \$520.

Advance registration for Summer Consumer Electronics Show in Chicago June 15-18 has passed 20,000, new record for any CES.

**TV DATA SUIT:** Supreme Court effectively ended 6-year industry legal battle last week in ruling Consumer Product Safety Commission must use same fairness procedures when responding to Freedom of Information (FOI) requests as it's required to follow in cases of voluntary disclosure. CPSC was seeking to comply with FOI request from Consumers Union & Ralph Nader's Public Citizens' Health Research Group for TV-related accident data collected from set manufacturers in 1974.

TV makers argued release would be unfair because data was obsolete and largely unverified. They also claimed record was distorted because companies with captive service organizations had best consumer complaint files, and so accounted for disproportionately large number of incidents. In ruling, court said CPSC is bound in FOI cases to follow Consumer Product Safety Act requirements that agency make effort to assure information is reasonable and fair, and give manufacturers opportunity to comment, before it's released. CPSC had argued it didn't have manpower needed for that kind of processing since it receives some 8,000 FOI requests each year.

While court ruling leaves door still open for eventual release of TV data, industry observers feel agency will now drop matter. Also, they point out, TV makers would sue to challenge any CPSC fairness determination that would lead to release of TV data.

**PHILIPS-DuPONT TEAM:** DuPont & Dutch Philips are in home stretch of negotiations to establish equally owned video & audio tape manufacturing operation in Holland which would produce Beta & VHS as well as cassettes for Philips-Grundig Video 2000 system and audio tape. New venture would take over Philips' Magnetbandfabriek with ultramodern plant in Oosterhout, Holland, currently employing about 250.

"Negotiations have reached the stage where it is justifiable to expect that an agreement will be reached," Philips said in Holland. DuPont spokesman confirmed talks, but warned that there's been no final agreement. If new firm is formed, he said, its sales "won't necessarily be limited to the European market."

Home video plans of BBC Enterprises could include 3M U.K. as cassette duplicator & distributor in U.K., Europe, Canada, Far East. BBC hopes to introduce 100-title catalog this year, assuming settlement of musicians union contract. Also in negotiation is new agreement with Time-Life Films for U.S. rights; BBC gave 2-year notice on current contract recently. 3M would build duplication facility at tape manufacturing plant in Goreisnon, South Wales.

Sony will distribute CBS Mastersound audiophile recordings through its audio dealers. Mastersound series features classics, jazz & pop made from digital & half-speed masters on disc & cassette at \$14.95 each. Sony & CBS are partners in CBS/Sony Records in Japan.



**APRIL IMPORTS:** All 3 major source countries joined in decline in total TV imports in April, though surge in incomplete receivers put color TV ahead of same month last year, Commerce figures show (Vol. 20:23 p12). Here's April import breakdown by countries, with results for first 4 months in parentheses:

Japan, total TV 88,900, -13.6% (341,900, -35.6%); color 47,500, -25.2% (244,100, -6.1%); b&w 41,400, +5% (139,200, -48.5%). Taiwan, total TV 335,000, -10.1% (1.44 million, +12.1%); color 63,100, +15.1% (277,500, -9.1%); b&w 271,900, -14.4% (1.16 million, +21%). Korea, total 150,800, -46.4% (542,700, -24.4%); color 23,700, -40.4% (59,900, -68%); b&w 127,000, -47.3% (482,800, -9.1%). Singapore [no b&w in most of 1979] total 73,100 (261,700); color 66,600, +863.8% (246,800, +946.1%); b&w 6,500 (14,900). Canada, color only, 7,300, +113.2% (44,400, -20.2%). Mexico, color only, 169,400, +75.4% (561,800, +25.3%).

By-country imports of complete color: Japan 43,200, -24.7% (99,800, -47.2%). Taiwan 21,600, +33% (94,800, +1.7%). Singapore 3,990, -42.3% (18,300, -22.6%). Canada 6,800, +99.1% (27,700, -46.2%). Mexico 1 (2,900), against none last year. All color from Korea was complete.

Imports of incomplete color: Japan 4,300, -30.3% (144,300, +103.7%). Taiwan 41,500, +7.6% (182,700, -13.9%). Canada 560, +1600% (16,700, +294.6%). Mexico 169,400, +75.4% (558,900, +24.6%). Also, Singapore 62,600 (228,600) and Philippines 8,300 (29,700), against none in same 1979 periods.

**UL-industry drive to upgrade TV test performance requirements for UL listing, which succeeded in getting Consumer Product Safety Commission (CPSC) to drop 6-year push for mandatory federal TV safety standards, is detailed in report "A History of the Development of the Proposed Mandatory Standard for TV Receivers — A Voluntary Effort," by S. David Hoffman & Dennis Duda. Authors headed UL work on TV standards revision. Report traces project from 1973, when CPSC started probing TV safety issue, through 1979, when agency decided new UL requirements were adequate to protect public. Copies are \$9.95 from UL, Publications Stock, 333 Pfingstein Rd., Northbrook, Ill. 60062.**

**Agreement to settle 1975-76 stockholder suits arising from purchase of Magnavox (Vol. 16:17 p9) was announced by North American Philips. Upon approval by Wilmington court after July 31 hearing, stockholders will be paid 34¢, less legal expenses, for each Magnavox share held July 24, 1975, when merger was completed. Suits had charged conspiracy, fraud and misrepresentation to detriment of minority stockholders. NAP spokesman said settlement involves less than \$1 million.**

**Erupting Mt. St. Helens may have cost Wash. an \$80 million semiconductor plant, up to 4,000 jobs. National Semiconductor said it was deferring plan to build 200,000-sq.-ft. IC facility in Vancouver, would reconsider after conditions there stabilized.**

**Blank cassette prices should drop to \$2-\$3 "naked cost," half present level, as manufacturers conclude writeoff of R&D and tooling expenditures, said Magnetic Video Pres. Andre Blay. MV has concluded agreement with clearinghouse Harry Fox Agency, allowing MV to release pre-recorded cassettes first, negotiate with music publishers about royalty rates later. Blay wants to keep rate at no more than 3-1/2¢ per song now set as arbitrary figure if publishers and record companies can't come to terms. Deal permits distribution of six 20th Century-Fox titles, including Unmarried Woman & Rose, withheld until now. MV problem in recent months has been keeping pace with blockbuster releases of Paramount & Warner. Now underway are negotiations with American Federation of Musicians about payments for video rights to straight musical works.**

**That \$500 VCR seems to be in cards for this year — at least in Japan. Sharp announced front-loading MPU-controlled VHS model to retail at below \$660 (148,000 yen) on domestic market, with Sanyo expected to announce competitive Beta unit. Sharp's new model replaces existing one at \$700 list price, which has been discounted as low as \$533. New models appear to be susceptible to discounting to magic \$500 level. Sharp plans to produce 10,000 a month. Note: In U.S., Sony factory promotion through Aug. advertises reduced prices on Betamax. List prices of \$1,250 for SL-5400 and \$1,350 for programmable SL-5600 haven't changed, but bottom-priced N.Y. retailer Uncle Steve quoted \$800 & \$900, respectively, on the Sony recorders.**

**Tape topics: ITA launches blank audio tape sales statistical program. Group previously started collecting data on pre-recorded videocassette sales, says it plans to add blank videocassettes later... 3M starts 7-for-6 sale promotion for blank VHS & Beta videocassettes... BASF is investing \$171 million in worldwide expansion of magnetic media production facilities. Outlays (in millions) include: U.S. \$26, France \$19, Brazil \$16, Indonesia \$2, Germany \$108... Ampex introduces 2 new normal bias tape formulations, EDR for regular home & car stereo use, ELN for hi-fi, drops Grand Master II for high bias tapes in favor of GM II designation.**

**Sony reduced prices of 2 industrial video products — SLP-100 play-only unit, now being phased out, from \$850 to \$495, and recently introduced DXC-1640 camera from \$3,500 to \$2,995. Sony also introduced new sophisticated industrial TV equipment: Editing Betamax recorder, making possible production directly on 1/2" tape for first time; MPU-controlled camera with new SMF Trinicon tube, 3-Saticon professional camera, 400-line monitor and 30" monitor previously shown at NAB convention.**

**Polaroid enters consumer product battery business on OEM basis. Company is offering flat 6-volt batteries it developed for inclusion in instant film cartridges, says they're most suitable for applications where short high-energy pulses are required, such as remote control and instruments.**



## Consumer Electronics Personals

Marvin Lazansky promoted at U.S. Pioneer from Tex. & Cal. region vp to sales vp, assuming some former responsibilities of Ken Kai, who continues as exec. vp... Michael Cangialosi, BSR Consumer Products Group national field sales mgr., named asst. vp... Liam Drady, ex-Bose, named Jensen Sound national sales mgr... Diane Kissell joins Mattel Electronics as video products mktg. vp, new post; Tim Huber resigns as non-video products mktg. vp... Andrew Andros, not brother Theodore, heads new consumer electronics firm Technidyne; report here last week was incorrect.

Barry Shereck, U.S. Pioneer senior vp, adds post of pres. of Pioneer Artists, recently formed videodisc programming subsidiary... Ben Tenn, ex-Walt Disney Educational Media home entertainment dir., appointed Disney Telecommunications home video dir... Herbert Mendelsohn, ex-ABC Video Enterprises, named CBS Video Enterprises mktg. vp; Ronna Wallace, ex-Vidamerica programming dir., joins as programming dir... Jeffrey Baker, Pickwick International video product mgr., assumes duties of Robert Mitchell, who left post as Video Div. gen. mgr. last month (Vol. 20:20 p16)... Peter Caranicas resigns at Videography to become editor of Programmers View, new CATV programming monthly due in Sept.

Thomas Goslin, ex-Novatron, joins Lexicon as gen. mgr. of new Data Communications Div., formed to market modems and other new products... Joseph Robbins, ex-Bally, appointed co-pres., with Eugene Lipkin, of Atari's coin-op game sales unit... Richard Thomas named American Microsystems consumer & customer products vp; James Tainter appointed consumer products profit center mgr... George Valaoras promoted at Ill. Tool Works to corp. vp and pres. of new Electronic Group, responsible for electronic & electromechanical components.

New VCR from Sanyo will make debut at CES — 2-speed Beta (up to 5 hours per cassette) has mechanical tuning, 15-times forward or reverse scan, freeze-frame, frame advance, with most functions on 6-button wired remote control (\$1,195). JVC's new 11.4-lb. portable (Vol. 20:23 p13) is single-speed unit (2 hours) with 4 motors, MPU control, 1/6-1/30 slow motion, freeze, frame advance, 10-times forward & reverse scan, wired remote with 11 buttons & slide slow-fast control. Companion tuner-timer has electronic tuning, 10-day single-program timer, recharges recorder's NiCad battery in 90 min. AC power adaptor automatically recharges 2 batteries consecutively. Other VCR debuts at CES include Akai, Sharp (Vol. 20:22 p11) & Toshiba (Vol. 20:23 p13).

Widescreen video projector for theaters (Vol. 19:52 p9) will be demonstrated by Sony at CES. Unit provides picture with Cinemascope proportions, uses three 9" tubes. System is forerunner of new consumer projection system with conventional screen proportions.

## 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
<b>Amplex</b>			
1980-year to May 3	469,120,000	34,659,000 <sup>a</sup>	3.03
1979-year to April 28	379,870,000	27,351,000 <sup>a</sup>	2.41
1980-qtr. to May 3	134,241,000	6,664,000 <sup>a</sup>	.58
1979-qtr. to April 28	107,195,000	8,585,000 <sup>a</sup>	.76
<b>Electro Audio Dynamics</b>			
1980-39 wk. to April 26	60,804,000	442,000 <sup>a</sup>	.23
1979-39 wk. to April 28	53,724,000	1,353,000 <sup>a</sup>	.64
<b>Electrohome</b>			
1980-qtr. to March 28	40,372,000	1,526,000 <sup>a</sup>	.50
1979-qtr. to March 30 <sup>b</sup>	29,625,000	929,000 <sup>a</sup>	.30
<b>Fotomat</b>			
1980-qtr. to April 30	45,512,000	(2,782,000)	--
1979-qtr. to April 30	39,304,000	(2,735,000)	--

Notes: <sup>a</sup>Includes special credit. <sup>b</sup>Restated.

**CITEK BY TEKNIKA:** Push for smaller dealers is being launched at CES by Teknika Electronics, U.S. sales subsidiary of Japan's General. Being unveiled is new mid-priced Citek TV line aimed at retailers who aren't big enough, or don't want, to make large purchase commitments needed for Teknika-brand franchise. Citek is acronym combining Teknika with name of Japanese trading company C. Itoh.

Color line starts with 13" mechanically tuned pair, steps to version with 13-channel random-access remote; 19" trio all have electronic tuning, with remote at high end. Pair of standard consoles and 2 double-sided consoles have mechanical tuning; next step has electronic tuning, with remote at high end. B&w 12" AC & AC-DC sets round out line.

Line, to be sold through reps, carries no suggested lists, but in terms of leaders, 13" should sell at around \$300, 19" at about \$350, console near \$500, we were told by Teknika Mktg. Vp Mel Hunger. Wells-Gardner, which assembles most Teknika-brand color here on private label basis, also will be assembling 19" & 25" Citek color models, with 13" imported from Japan.

First Teknika brand product being made available to all dealers is new 12-channel wireless infrared remote control adaptor with mid-band CATV tuning capability, listing at \$150. Teknika will be showing line at Blackstone Hotel in Chicago during CES.

JVC will introduce 5" color monitor & receiver at CES. Designed for D cells, battery pack, car battery or AC, it weighs 9.7 lb., has video & audio input & output jacks, flat-faced 55-degree tube (\$450). Among 25 new JVC audio products are turntable with MPU control of tonearm setdown & return, anti-skating & tracking force adjustments (\$430) and cassette deck which automatically adjusts itself for flat frequency response to any type of tape (\$500).



WEEKLY

# Television Digest<sup>®</sup>

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35th YEAR OF PUBLICATION  
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The authoritative service for broadcasting, consumer electronics & allied fields

JUNE 23, 1980

## SUMMARY-INDEX OF WEEK'S NEWS

VOL. 20, NO. 25

### Broadcast

**BATTLE LINES FORM IN SENATE:** All parties like some parts of S-2827, but NAB leads heavy lobbying against cable deregulation. Ferris issues strong endorsement. (P. 1)

**NETWORKS ECSTATIC:** FCC Inquiry Staff more critical of govt. attempts at regulating TV networks than of networks. Final recommendations due in Oct. (P. 2)

**BROWN RESPONDS TO JONES,** schedules speech critical of colleague's views on FCC's EEO enforcement. (P. 3)

**JAPANESE DBS BIRD FAILS:** Direct-to-home satellite out of service after transmitter quits. (P. 4)

**COURT REJECTS PERTSCHUK BIAS:** Supreme Court refuses to hear bias suit against FTC chmn. Commissioners order staff options on kid ad rulemaking. (P. 4)

### Consumer Electronics

**CES SHOWS RECESSION** impact in form of lower attendance, slow sales. Video, other advanced products, draw crowds. Audio exhibitors hurt by small-dealer no-shows. (P. 6)

**BATTLE LINES FORM FOR SENATE MARK-UP:** Just about every interested party likes some things about Senate communications bill (S-2827) — and just about all of same parties, except cable industry and FCC Chmn. Ferris, dislike just about as many things as they like. Bill is bi-partisan, sponsored by leadership on both sides of Commerce Committee, and mark-up is scheduled June 24.

Listing several provisions it didn't like, NAB asked for "modest delay" in mark-up, which Committee rejected. NCTA has joined with coalition including telephone companies and labor unions to push for passage of telecommunications reform "at the earliest opportunity." Group plans news conference in Washington June 23.

Ringling endorsement to Senate effort was given by Ferris, who expressed "my enthusiastic and wholehearted support" for S-2827. He wrote senators that bill "is a carefully crafted, balanced and comprehensive blueprint for telecommunications policy and regulation for the 1980's and 1990's. It establishes clear congressional guidance for resolving major policy

**VIDEODISC CONFRONTATION** in Chicago sees 3 systems competing head-to-head for programs & markets. VHD shown by GE, JVC, Panasonic. (P. 7)

**TV DUMPING, QUOTA** issues bog down. Court rejects request for speed in COMPACT case. U.S. to move for temporary extension of current color quota agreements. (P. 8)

**MOTOROLA SELLS AUTOVOX** of Italy, severing direct ties with consumer market. Telefunken & Thomson-Brandt looking at TV venture. Racial negotiating. (P. 9)

**RCA FIRES VALENTE** after less than 6 months. Pres. post abolished, duties taken over by new Office of Chmn. (P. 10)

**CES 'VIDEO SHOW'** sees warnings to audio dealers. GE introduces 3-tube rear projector. First home satellite systems exhibited. (P. 10)

**UNAUTHORIZED RENTALS** major topic of concern at CES among movie studios otherwise delighted with pre-recorded cassette sales. Blank tape sales could reach 20 million. (P. 11)

**EIA CEG SAYS NO** to Energy Dept. request for TV energy data for competitive reasons at board meeting during CES. (P. 11)



questions." Ferris said S-2827 is "consistent with my own views and with the Commission's current initiatives." On broadcast matters, Ferris: (1) Supported 5-year licenses for both TV & radio. (2) Called for "early removal of unnecessary and outdated radio regulations." This, he said, would "significantly reduce impediments" through court challenges to deregulation initiated by FCC. (3) Said Senate should delineate specific options to comparative hearing process available to FCC.

In seeking delay, NAB Pres. Wasilewski wrote Committee Chmn. Cannon (D-Nev.) that legislation will have "a profound impact on the broadcasting industry and its ability to serve the public," that a postponement "would serve the process of enlightened decision-making." He said NAB is "extremely concerned" over proposed elimination of cable restrictions without removing "imbalance" caused by copyright law. "We must further point out that... cable systems operating in the same market as broadcasters may no longer have to carry the local broadcast signal. How such a result could be in the public interest is beyond our comprehension." NAB also objected to proposed fee based on value of spectrum and said section on comparative renewals is "quite unclear and vague." Assn. liked provisions on radio deregulation and those prohibiting FCC from considering radio formats.

NAB and network lobbyists were all over Senate side last week pushing their positions. They have some unusual allies in public interest groups — strongly opposed to deregulation. How much impact they made won't be known until mark-up is over, but very few observers expect Committee to get very far this week. In fact, most pundits doubt Senate will pass version with controversial broadcast and cable matters included — and if it does, bill's fate in House is even more dubious.

Not all broadcasters support NAB position, and several small radio stations are making their positions known. "Do not risk radio deregulation just to kill cable sections of the bill," wired J. M. Finch, WSTM-AM-FM Maysville, Ky. Added Robert Steele, WVJS(AM)-WSTO(FM) Owensboro, Ky., in wire to Wasilewski: "After over 30 years of membership in NAB, we are very upset that you are risking radio deregulation in S-2827 simply to satisfy NAB's anti-cable bias of TV networks." Also not very happy with NAB efforts — and making their feelings known to senators on Committee — have been several major companies in both TV & cable.

Coalition said that its members have "varying degrees of interest" in legislation, oppose each other in some areas, and that "no attempt to reconcile differing interests will be made. The principal purpose of the group is to demonstrate the need for reforming or remedial legislation at the earliest opportunity." Members: NCTA, CWA, Continental Telephone, Electronic Funds Transfer Assn., IBEW, Central Telephone & Utility, International Communications Assn., United Telecommunications and attorney John Eger, former head of OTP (now NTIA).

Meanwhile, on House side, Communications Subcommittee reported out its own amendments to Communications Act which steered clear of broadcast matters. House bill, approved by Subcommittee 10-2, prohibits AT&T from entering cable. Commerce Chmn. Staggers (D-W. Va.) promised mark-up by full Committee "promptly."

**NETWORKS ECSTATIC OVER INQUIRY FINDINGS:** "Just as clean a bill of health for the TV networks as one could get... They not only ruled in our favor, but they did so enthusiastically." That's evaluation of 3 reports by FCC Network Inquiry Staff, released last week (Vol. 20:24 p1), by network executive. Other network officials were just as pleased, pointing out that reports found them free of anti-competitive practices in advertising and program procurement.

In fact, Inquiry Staff was rougher on past govt. efforts to regulate networks than it was about networks themselves. Reports were critical of FCC attempts to restrict network program acquisition practices and of Justice Dept. antitrust suit. "The theory the government is pursuing in this litigation [is] difficult to comprehend... Neither the Commission nor the Justice Dept. has the divine wisdom to re-shape these [program] practices to make them



identical to those a competitive market would produce, nor the power to prevent a monopsonist from behaving like a monopsonist by altering some of the terms upon which it does business."

Problem, Staff concluded, is that Commission attempted to restrict program acquisition practices by dealing with effects of network system consisting of only 3 networks without dealing with fundamental cause of these effects — fact that there are only 3 networks. In future, Staff said, Commission should avoid attempts to regulate separate terms in program contracts and, instead, adopt measures designed to increase number of options available to viewers. Staff said JD suit (NBC & CBS have signed consent decrees and ABC still is in court) isn't likely to increase or alter choices available to viewers.

As we reported earlier (Vol. 20:24 p1), Staff found that prime time access rule hasn't worked as FCC intended, and that networks operate in totally competitive environment. Comments on Staff reports — 3 volumes totaling more than 1,000 pages — are due Sept. 16, replies Oct. 1. Inquiry Staff is due to make final report and recommendations to Commission by end of Oct. It will address policy questions confronting agency because of changes taking place in TV and other methods of program delivery.

**BROWN RESPONDS TO JONES:** Sharply critical appraisal of FCC Comr. Jones' comments on FCC excesses in EEO enforcement (Vol. 20:24 p5) is to be delivered to TV Critics Assn. June 23 by her colleague Comr. Brown. In prepared remarks, he says: "Comr. Jones is the first — out of a total of 21 commissioners [since start of EEO effort] — to publicly question those most basic policies.

"[She] simply ignored the facts... [She] also ignored how the Commission's EEO guidelines actually work. Similarly, I find untenable [her] suggestion that assignment of 9 staff people to work on EEO, out of an agency workforce of 2,200, represents a misallocation of a 'substantial portion' of Commission resources. Minority Americans have heard for years how 'desirable' the goal of full participation is, while at the same time being told nothing can be done.

"To its credit, the FCC has seen... the need aggressively to pursue program diversity through EEO and minority ownership. I hope that eventually Comr. Jones will enthusiastically join the rest of the Commission in that pursuit." More Brown views (supporting public interest representation before FCC but without govt. financial aid) will appear in NCCB's forthcoming "Access" newsletter, Brown stating: "Public funds to support advocacy of controversial communications issues would be very vulnerable indeed. The public interest effort should not depend significantly on this kind of support."

White House briefing, headed by Vice President Mondale and several Cabinet members, highlights June 24-27 NBEA conference in Washington. Theme will be on developments in the '80s — at home & abroad — with Sen. Jackson (D-Wash.) appearing on international affairs panel. Patricia Russell, chief of FCC Complaints Branch, will speak at lunch. James Madison Award will be presented to 1950's radio commentator John Henry Faulk for "upholding freedom and integrity in broadcast journalism."

"The media is so racist that it's hard to talk about progress," according to Benjamin Hooks, exec. dir. of NAACP. Speaking before Media Forum in L.A., ex-FCC commissioner called "the whole concept [of NBC's "Beulah Land"] 'horrific and sickening... In 1980, we will have black folk portrayed as loving slavery and being happy under those inhuman and debilitating conditions... We must speak with one voice about those injustices." He suggested that blacks set up system for monitoring objectionable TV programming and take complaints to FCC. He also criticized proposed deregulation of radio (supported by black Comr. Brown), saying it will affect minorities adversely. "I don't think much of permitting every station to do its own thing." On new technology: "I don't think that black people will miss the boat as completely as they've missed it in the past, because in the past they were completely locked out... I think we'll get some but not nearly what we should get."

Overruling objection of Taft Bestg., FCC has granted educational WUAL(FM) Tuscaloosa, Ala. power increase to 100 watts and shift in frequency to 91.5 MHz. Taft claimed change would cause interference to Ch. 6 WBRC-TV Birmingham. Commission countered that predictions of potential interference "were not sufficient to outweigh the public interest advantages" of change.

FCC Chmn. Ferris has written NAB that radio allocation problems already are under review by joint govt.-industry committee and that there's no need for new joint group as sought by Assn. Response came after NAB visit to Ferris June 16 seeking new committee. Ferris said he would welcome NAB views on "any issues you believe are not already being comprehensively addressed."

M/A-Com agreed to buy Valtec Corp., maker of coaxial cable, fiber optics and other products, for \$135 million. Deal calls for one-to-one exchange of M/A-Com stock for 4.6 million outstanding Valtec shares.



**DBS SATELLITE FAILS:** Japan's "Yuri" direct broadcasting satellite (DBS) was pulled out of service last week after premature failure of crucial component, Kyodo News Service reported. Japanese space agency (NASDA) said tests with Yuri satellite (built by GE & Toshiba) were suspended June 17 after last of 3 traveling wave tube amplifiers quit operating. Other 2 transmitters failed year ago.

Failure — year before end of satellite's projected life span — is blow to Japanese effort to take world leadership in DBS technology, raises questions about reliability of extremely high power spacecraft crucial to DBS success. Other DBS developments last week:

(1) Price projections for direct satellite broadcast (DBS) home receivers were deemed wildly optimistic, in opinion of London Economist, citing "glib assertions" that equipment can be brought to market for \$200-\$450. Economist said Philips expects its DBS receiver packages to cost \$700-\$800 by mid-1980s, plus \$200-\$400 installation. "Scientific-Atlanta reckons a really cheap system will not be available until the 1990s, if then."

(2) U.N. space committee will consider direct satellite broadcasting at annual session in N.Y. this week, with Soviets seeking rules barring cross-frontier transmissions, U.S. seeking free flow of information. No substantive progress is forecast on issue, which has been debated in committee for last 10 years.

(3) Swiss broadcast satellite has been proposed by new venture called Tel-Sat, consisting of 14 news media organizations — 7 daily editors, 5 publicity firms, 2 journalists' associations and British Thorn-EMI electronics concern. They say project would cost 233 million SF (\$140 million) for satellites, launches, TV studios.

(4) Anti-piracy bill to be introduced in House by Rep. Kildee (D-Mich.) sets criminal penalties for unauthorized reception of satellite transmissions; provisions will be submitted to full Commerce Committee for inclusion in rewrite of Communications Act. Bill prohibits knowing unauthorized reception from satellites, MDS or other microwave transmissions. Fine of \$25,000 is provided for violators seeking to avoid payment of fees, with one-year jail term for those commercially exploiting unauthorized reception. Bill is to be co-sponsored by Rep. Preyer (D-N.C.).

Jerrold announced \$1.5-million hardware sale to build nation's first complete 52-channel cable system to pass 40,000 potential subscribers in Waukegan, Park City and North Chicago, Ill. Purchaser is U.S. Cable Corp., Hackensack, N.J.

Ch. 5 KFSM-TV Ft. Smith, Ark. — only VHF in market — is switching affiliation from NBC to CBS. CBS had been affiliated with KFSM-TV until 1973, currently has Ch. 24 KLMN Ft. Smith.

Supreme Court refused to hear case against FTC Chmn. Michael Pertschuk for bias in children's advertising rulemaking, letting stand D.C. Appeals Court ruling (Vol. 19:53 p1) allowing Pertschuk to participate. Suit charging bias was brought originally by advertising groups and food companies who said internal FTC memos showed Pertschuk had closed mind on kid ad rulemaking. Federal judge agreed, but D.C. Appeals Court overturned his ruling. FTC chairman voluntarily disqualified himself after court victory, but legal observers have noted that no law prevents Pertschuk from re-entering rulemaking. Meanwhile, commissioners ordered staff to produce list of alternative ways to proceed on kid ad rulemaking, to be accompanied by texts of possible rules and summary of evidence for a rule based on "deception" — new standard for advertising set by Congress in recent overhaul of FTC powers. Staff report is due Oct. 15; FTC will call for public comment immediately afterward.

Senate impasse over bill banning surprise newsroom searches was resolved after White House intervention. Conflict involved whether protections (requiring police to get subpoenas) should be extended to all individuals, not only press, as in House version. Senate Judiciary Committee voted to accept amendment — worked out in White House meetings with Justice Dept. and groups including RTNDA — which limits bill to newsrooms if Justice includes protections for individuals in its internal guidelines. House version has been reported out of committee, and Senate bill is expected to be reported out any day, Administration sources said.

New investment tactic for those interested in broadcasting: Limited partnerships in commercials, in which each investor owns commercial with \$100,000 advertising budget, putting up \$38,000 and obtaining letter of credit for balance. Advantage for advertisers is that ad costs are removed from profit-&-loss statement. Claimed advantage for investors: Tax deferral. Details: Bruce Gordon, TV Media Corp., 11 Grace Ave., Great Neck, N.Y. 11021, 516-829-9600.

WNAC-TV Boston has new suitor, Atlantic TV Corp., group of Boston investors headed by Tufts U. Pres. Jean Mayer and Edmund Howe, ex-chmn. of President's Consumer Council. Group seeks license lost by RKO General, has put up \$100,000 toward initial \$500,000 funding goal, plans to ask FCC if it's eligible before filing petition.

Cable TV in Chicago is goal of Mayor Jane Byrne, naming committee of aldermen to draft franchising ordinance. Public hearing on ordinance is desirable as quickly as possible, Byrne said. Value of franchise to city could be \$126 million annually, Chicago Sun-Times estimated. Nearly 50 suburban communities have already granted cable franchises.

Industry panels to mediate radio station rating complaints have been formed by BRC in conjunction with NAB, NRBA, RAB, Arbitron.



## Personals

FCC Comr. Anne Jones speaks at June 26 children's TV program conference luncheon, Washington, sponsored by NAB & NATPE... Joel Chaseman, pres., Post-Newsweek Stations, elected NATAS chmn. for 2-year term, succeeding Robert Wussler, Turner Bestg.

Robert Sutton, ex-WALA-TV Mobile vp-gen. mgr., appointed NBC Entertainment vp in charge of children's programs, advertising & promotion, special projects and "Tomorrow" show; John Pike, ex-WKYC-TV Cleveland, named vp-program development, NBC TV Stations Div... Paolo Zaccarian, RAI, joins CBS TV Network Sept. 1 as dir.-engineering & development for Europe, Rome hq; Carolyn Ceslik promoted to dir.-children's programs, CBS Entertainment... James Wasilko advanced to mgr.-daytime sales, central div., ABC, new post.

Clint Formby, KPAN-AM-FM Hereford, Tex., appointed to BMI board... Alan Jacobs, Bozell & Jacobs, elected AAF chmn., succeeding Chester Green, Kraft Inc.; Patricia Martin, Warner-Lambert, named senior vice chmn... Margita White, ex-FCC comr., nominated a Taft Bestg. dir.

Joe Mazza, ex-WFSB-TV Hartford, appointed gen. sales mgr., WPTF-TV Raleigh... James Morgan, ex-KIRO-TV Seattle, named news dir., KXTV Sacramento... Emilio Nicolas, KWEX-TV San Antonio, elected chmn., National Assn. of Spanish Bestrs.

Erika Jones promoted to asst. to dir. of public affairs for policy & management, FCC; Oliver Long advanced to engineer-in-charge, FCC Kingsville, Tex. monitoring station.

John Appel, ex-CBS, named vp-gen. counsel, Western Union, succeeding Richard Hostetler, promoted to exec. vp... Colby May becomes assoc. of Gammon & Grange, Washington law firm... Richard Diamond of Steptoe & Johnson is new NCTA antitrust counsel, not Richard Whitney as reported (Vol. 20:23 p6).

Clarence McKee, Washington lawyer, elected pres., National Bestrs. Club (which plans name change, probably to National Telecommunications Club, for broader base and to take into account new technology); Richard Blackburn, Blackburn & Co., elected vp-treas.; Mark Johnson, CBS, vp-secy... Claire Kummer promoted to product mgr., Arbitron TV; Andrew Beshgetoor joins Arbitron as research mgr.

Irving Kolodny promoted to vp-research & technical services, General Cable... Patricia Straub, ex-Time-Life TV, appointed dir.-sales administration, Telepictures... Martyn Weinberg promoted to vp-gen. mgr., Hanna-Barbera Productions, succeeding Melvin Getzler, now senior vp-Entertainment Group, Viacom International... Jerry Horton, ex-Jerrold, appointed western sales rep, RCA Cablevision Systems.

DBS for U.S. can be authorized "within the present regulatory framework," suggests article in NAB's quarterly I.F. ("Info for your Future") bulletin. Article by Ben Fisher and Clifford Harrington says: (1) "Plenty of red ink seems inevitable" for first years of Comsat's proposed DBS system, but "if, by the end of [original satellite system's] life, it has developed a customer base of 5-10-million homes, it will have proved very successful." (2) Competition risks of DBS are significant, since advertiser-supported TV, cable, STV & home video are chasing same market. (3) Programming remains key to DBS success, with bright future for "thousands of writers, producers and packagers" needed to meet "insatiable demand." (4) Long-term outlook for DBS: Development of 2nd generation satellite systems, able to provide 10 channels per U.S. time zone. Copies: NAB, 1771 N St. NW, Washington 20036.

Cable should carry STV signals under FCC's cable signal carriage rules, D.C. Court of Appeals was told by WWHT, Wometco Home Theatre, Radio Bestg. Co., Blonder-Tongue Labs & Suburban Bestg., appealing FCC ruling. Court also got appeal of WBRE-TV Scranton of FCC decision upholding operating authority of Service Electric Cable TV and other cable systems owned by John Walson for operating in violation of Commission rules. FCC found cable systems carried signals illegally, failed to give program exclusivity, but ruled that allegations hadn't been established at hearing begun in 1974, thus cable operating authority wasn't withdrawn.

FCC has directed 2 Washington-area educational stations to file additional EEO information before licenses can be renewed. Ch. 53 WNV T Goldvein, Va. was asked to explain why it had only 2 minority employees of 33 fulltime and to explain its recruitment program. WAMU(FM), owned by American U., has no minorities among 12 employees, FCC said.

N.J. PTV will withdraw from PBS, board decided last week — first PBS member to withdraw. NJPTV will still buy programs from PBS on as-used basis. System will save \$58,508 over next year as result of decision.

Amendment to Communications Act — which would exempt actors who become candidates for political office from equal time law — has been introduced by Rep. Waxman (D-Cal.), member of House Commerce Committee.

## Obituary

Richard B. Hull, 65, retired dir. of Ohio State U. Communications Center, died June 15 of heart attack in Cal. In early 1950's, he was leader in getting FCC to reserve TV channels for non-commercial use while head of WOI(AM) Ames, Ia. He moved to Ohio State in 1956, where he also headed WOSU-TV-AM-FM Columbus. He was NAEB chmn. 1962-66, received that group's Distinguished Service Award. Sister survives.



# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended June 6 (23rd week of 1980):

	May 31- June 6	1979 week	% change	May 24-30	1980 to date	1979 to date	% change
Total TV.....	197,281	223,471	-11.7	229,343	5,687,005	6,258,727	-9.1
color.....	132,712	149,067	-11.0	137,568	3,620,556	3,909,094	-7.4
monochrome..	64,206	74,404	-13.2	91,775	2,066,449	2,349,633	-12.1
Home VCR.....	9,904*	5,424	+82.6	8,373	252,802*	158,045	+60.0

Color TV 5-week moving average: 1980—134,876; 1979—147,784 (down 8.7%).

Home VCR 5-week moving average: 1980—10,645\*; 1979—6,217 (up 71.2%).

\*Record for period.

**RECESSION DULLS GLITTER AT SUMMER CES:** This time even hoopla, media hype and bigger-than-ever exhibits weren't enough, and impact of recession on industry was clearly evident at Consumer Electronics Show in Chicago last week. With attendance obviously off, foot traffic relatively light, show had subdued air in marked contrast to upbeat atmosphere at winter event in Las Vegas last Jan. before sales slump hit.

In reality, show floor action wasn't that bad. Claimed attendance of 55,350 was off only 8% from last year. Shockingly small crowd at rainy Father's Day opening set tone of gloom that couldn't quite be dispelled despite registration pickup Mon. & Tues. Situation wasn't helped by consumer press which concentrated on interviewing unhappiest exhibitors & showgoers; N.Y. Times called event "somber."

Whether show was good or bad depended on individual interest. Video exhibitors with hardware, blank or pre-recorded software & accessories were mobbed, and throngs viewed industry's newest marvel — videodisc. Car stereo displays were packed, pointing up that sales sag in that area mainly affects new-car market. Programmable video games drew crowds, as did low-end computers and advanced calculators. Toys also were big, particularly video-like hand-held games, but simple LED games were ignored. (For CES product highlights, see reports elsewhere in this issue).

Home audio was where action wasn't, and because audio accounts for largest single group of exhibitors, that's what set tone. Even stereo radio-cassette portables, only audio growth area left, got little more than passing interest. But here, too, situation varied. Buyers from bigger retail stores were all on hand, so major mid-fi audio marketers were relatively happy. Smaller marketers and hi-fi companies which rely on show to attract new accounts were disappointed. Attendance was notably off at peripheral hi-fi exhibits at McCormick Inn & Pick-Congress.

Situation prompted unprecedented statement of explanation from show sponsor, EIA Consumer Electronics Group. It reported consensus "that some smaller dealers cancelled plans [to attend] at the last minute, and that some large retail organizations seen at the show had pared down the number of staff attending." It noted that major buyers were there and spent



more time than usual on show floor, pointed out show had record 946 exhibits, occupied 25% more space than ever before.

New conference format fell flat. It eliminated questions from audience and press in favor of unchallenged individual presentations. Speakers predictably avoided areas of controversy and concern of most interest to dealers. Audio session turned into fiasco when most of audience got up & walked out; video session was notably uninformative, with not a single manufacturer of videodisc or tape hardware or software on panel.

Slow business and soaring display costs led to expected grumblings. Several TV majors still in show were questioning need for future participation. "Why are we spending \$500,000 twice a year just to show our products to our competitors?" asked one. Another, pointing out June CES comes right on heels of his own national sales convention, said attendance at just one CES per year might be in cards. Also revived was talk of spinning off an audio-only show and of need to purify event by getting rid of non-entertainment displays. But all that usually gets forgotten when sales bounce back.

VIDEODISCS—CONFRONTATION IN CHICAGO: The 3 consumer videodisc systems converged on Chicago at CES last week in what promised to be first of many showdowns — this one primarily verbal, but nonetheless bitter. The 3 formats were demonstrated by proponents at 5 different locations in & around CES, creating almost the only excitement at an otherwise lackluster show (see p. 6). Waiting lines to see VHD demo at JVC booth were 2nd longest at show — eclipsed only by queues at Video King booth for autographed photos of Marilyn Chambers.

Newly finalized VHD system got first exposure on eve of show at press briefing held to unveil new 3-tube rear-screen projector by GE — which, with JVC, Panasonic & Thorn EMI, is forming joint ventures to make hardware & software and acquire programming for system (Vol. 20:23 p9). Matsushita sent player and staff to operate it as "courtesy move," while GE displayed own mockups of player, accessory programmer and digital audio attachment.

VHD system was also demonstrated by Panasonic at special room in McCormick Place and by JVC in viewing room at its booth. JVC demo was completely automated by programmer accessory, produced excellent pictures. Company officials reiterated player would be priced "competitively" with RCA's, estimated random-access programmer accessory would be \$150, digital audio adaptor \$500. Panasonic's showing revealed some picture jitter (attributed by one engineer to slight eccentricity in disc) and occasional dropouts. Although all VHD literature gives "freeze-frame" as one of features, Matsushita engineers, when questioned how single frame could be frozen in 2-frame-per revolution (900-rpm) system, conceded that demonstration discs were specially prepared to display the feature, which, in present design, isn't actually available on run-of-mill programs.

Pioneer, which started player marketing in Dallas June 20 — 2 days after show closed — let system speak for itself via 2-sided 28-min. demo disc at exhibit, while Magnavox centered its exhibit around essentially same disc demo it held at last Winter & Summer CES. Both demonstrations drew large & enthusiastic crowds and neither went out of way to take public swat at new rival VHD.

RCA did, though. In impromptu remarks at press dinner, Exec. Vp Roy Pollack said there were "more misconceptions, more ignorance, more nonsense and more irresponsibility" in videodisc than in any business "with the exception perhaps of nuclear energy." All this, he added, was "unhappy opening to some tragedies." He pointed to tremendous difficulties of editing & mastering videodiscs, said RCA had "paid its initiation fee" and will be "suffering the consequences of paying that large fee," but in end "we're going to win."

Pollack said RCA would have capacity for more than 500,000 players per year by end of



1981 — when VHD is scheduled to enter market — and introduced generic name of "CED" (capacitance electronic disc) for its system. RCA held series of private demonstrations of system for press & selected dealers in viewing room set up in hotel suite. Its irritation at introduction of upstart VHD system surfaced again when reporter questioned Consumer Electronics Vp-Gen. Mgr. Jack Sauter about effect of 3rd system on marketplace. "We're going to introduce as if there were no other system," he snapped. When reporter persisted about espousal of new system by competitors (GE, JVC, Panasonic, Quasar), he asked testily: "Those brandnames are going to impact the American public?"

Although soft-pedaling inter-format warfare in its public presentation, Magnavox obviously also resented introduction of new system. "What does the 3rd system bring to the party once you have the other 2?" Senior Vp Kenneth Ingram asked when we queried him about VHD. "At this stage," he added, "I would hate to gamble on [GE's] board justifying the expense... People don't realize what they've got to work through in a product to get it right. Success won't come overnight." Ingram reiterated his view that videodisc "isn't going to be as big as TV — it's just one of many different ways to enhance TV." Industry could sell 4 million players in 1985, he said. As for Magnavox, it will open no new videodisc markets until fall. "We're concentrating now on moving in depth into present markets." New 1981-model player — either the widely anticipated Mark II or substitute for it — will merely have "cosmetic changes," will be "functionally identical" to existing one, he told us.

New system's proponents took advantage of attendance of hardware & software topkicks to do some missionary work. Reception sponsored by JVC & EMI drew high officials of GTE, Columbia Pictures, Disney, Time-Life Video, videocassette duplicator U.S. Video and others, apparently gained some ground in capitalizing on resentment against RCA for refusing to make available OEM hardware or software (other than to Zenith). "We will have product available in any format where we can get custom pressing & duplication," Columbia Pictures Senior Vp Lawrence Hilford told us in typical comment, adding he wouldn't permit RCA to use Columbia pictures to enhance own distribution.

Are VHD proponents being realistic in trying to catch optical & CED proponents with their late entry? To this question, "father of VHD," JVC R&D Div. Managing Dir. Tom Inoue replied to us: "We have the capacity. Once we get into production, JVC & Matsushita will catch up very fast." As only Japanese-developed system, he forecast EIA-J (currently headed by Matsushita Pres. Toshihiko Yamashita) would adopt it as standard format there. VHD software plans are expected to be detailed in next 10 days in London press conference. Meanwhile, other set makers were slow in choosing sides. Sanyo indicated it would manufacture optical "and one contact system," and Sanyo's principal OEM customer Sears said it would offer players & discs but hadn't yet chosen system. Toshiba, long one of RCA system's most enthusiastic licensees, is understood to be vacillating between CED & VHD formats.

If CES 1980 had any major significance, it may go down in industry annals as starting point of bloody & expensive battle — not only for U.S. but for world market — and one which probably could have been avoided.

**TV DUMPING, QUOTA ISSUES PUT ON HOLD:** Efforts to resolve TV dumping and color TV import quota extension issues have bogged down, former because of new D. C. Appeals Court ruling, latter because action deadline is too close.

In dumping arena, Appeals Court last week denied without comment Justice Dept. request for expedited handling of COMPACT suit seeking court review of Treasury, Customs & Commerce management of Japan TV dumping case. Justice sought speedup because injunction blocking completion of \$76-million dumping settlement negotiated with Japanese TV importers stands until COMPACT case is resolved (Vol. 20:22 p9). Court's rejection came as surprise to both sides, particularly since COMPACT hadn't opposed request.



Court still hasn't set date for hearing of COMPACT suit, so it isn't likely to come up until fall. Govt. is getting anxious as delay increases possibility of deal falling apart. Zenith is seeking to have settlement declared illegal in Customs Court suit, is expected to submit brief next week (Vol. 20:23 p12), and there's growing possibility of congressional investigation into why Commerce thinks case is too complex to be handled under procedures specified in Antidumping Act.

Look for 3-to-6-month extension of current arrangement as next step in color TV quota muddle. Voluntary agreement restricting exports from Japan, Taiwan & Korea runs out June 30, and there may not be time to complete negotiations on new one. Complicating factor was President Carter's trip to summit meeting in Venice last week. He's due back June 26, just 4 days before deadline.

Only thing certain is that some form of import quota protection will continue to be afforded domestic producers for next 2-3 years. Trade officials will be in Far East next week to present latest package for new arrangement, get agreement on temporary extension if talks drag. Latest quota plan, we understand, gives increased allocations to Taiwan & Korea, follows International Trade Commission recommendation by dropping restrictions against shipments from Japan (Vol. 20:20 p12). Combined increase being offered Taiwan & Korea will be significantly less than 1.75-million annual limit on complete & incomplete color from Japan. Idea of substituting global quota for country-by-country limits has been discarded as unworkable; still under consideration is request, believed to be from RCA, that imports of 12"-&-under color sets be quota-free.

**MOTOROLA SELLS AUTOVOX:** Motorola sold its 95% in Italian TV, audio & car radio market Autovox to Genfinco of Switzerland, terms undisclosed. Autovox is Motorola car radio licensee. Motorola held minority interest for many years, acquired control in 1971 (Vol. 11:37 p12). Sale effectively severs Motorola's direct involvement in consumer electronics business. Company sold its TV business (now Quasar) to Matsushita in 1974, and earlier this year sold custom & replacement segments of its autousound business to Textstar subsidiary A.R.A. Mfg. (Vol. 20:18 p12).

Also in Europe, officials of Germany's Telefunken say they are talking with Thomson-Brandt as well as other companies about forming cooperative group for production of color TVs. Last year, Telefunken & T-B merged their color tube production activities into new venture called Europacolor (Vol. 19:35 p9).

Across Channel in U.K., Racal says it's holding negotiations with several unidentified prospective purchasers of Decca's TV-audio business. Thorn EMI says it granted 4-year color TV assembly license to unidentified Hong Kong manufacturer. Sets will be made first in existing Hong Kong plant, later in facility slated to be built in China. Output will be for local sale, not export.

ITC is reopening probe into whether dumping of Japanese tantalum capacitors has injured U.S. manufacturers. Move is in response to Customs Court ruling that ITC erred when it issued no-injury determination in 1976 (Vol. 16:45 p11), because it declined to consider possible impact of NEC's stated intention to boost production of capacitors for export to U.S.

FCC's AM stereo order probably won't be out until late July or early Aug., according to Wallace Johnson, chmn. of EIA-NAB National Radio Systems Committee. He told NRSC meeting in Chicago that engineers are rechecking technical data before issuing final order to back up FCC's April decision picking Magnavox system (Vol. 20:15 p8). At CES Audio Conference, Jerry LeBow of Frank Barth ad agency (Sansui) even suggested that Commission might reverse itself, pick another system or give okay for all systems. At hotel room in Chicago during CES, Magnavox demonstrated system, showing several receiver designs. Magnavox engineers freely conceded there are popping noises when transmitted signal reaches 95% negative modulation — even demonstrated it — but also demonstrated special IC to eliminate the noise. Several radio manufacturers showed prototype AM stereo receivers at CES.

"Channeltrak" cable TV converter, permitting TV or VCR to tune directly to special cable channels, is being offered dealers by RCA Distributor & Special Products. Unit is similar to the one being sold under Vidcor brand at \$89, but RCA dealers can sell it at far lower price — around \$60 or less. Unit converts mid- & super-band cable channels to UHF so they can be tuned by standard TV or VCR. It's made by CATV equipment maker Microcom Systems, Agincourt, Ont. — not by B. Cofsky & Assoc. as reported last month (Vol. 20:21 p13); at that time, Cofsky indicated to us his firm was making the units. Philips has exclusive marketing rights in Canada.

Dutch Philips is seeking China connection, according to sources in Hong Kong. Philips declined comment on report it's negotiating to supply China with audio technology & subassemblies, using Singapore plant as operations base.



**RCA FIRES VALENTE:** After less than 6 months in office, Maurice Valente resigned last week as RCA pres. at request of board. Chmn. Edgar Griffiths said bluntly that board had unanimously decided that his "performance... did not meet expectations in terms of the company's long-range needs & objectives." Position of pres. & chief exec. officer has been eliminated, and Office of the Chmn., headed by Griffiths, created.

Members of Office of Chmn.: George Fuchs, exec. vp, industrial relations; William Hittinger, exec. vp, research & engineering, who headed Consumer Electronics operation in 1972-76; Julius Koppelman, exec. vp responsible for Americom, Globeom, Distributor & Special Products, Picture Tube Div. & RCA Service; Frank Olson, Hertz pres., last week elected an RCA exec. vp & board member; Roy Pollack, exec. vp responsible for Consumer Electronics, Solid State, Videodisc and Govt. & Commercial Systems.

Rumors that Valente's departure was imminent had been circulating for several weeks before board acted in special meeting. Action is understood to have followed round of breakfast meetings between Griffiths and outside directors. Same outside directors had insisted last year on naming of pres. from outside company. Valente had been an exec. vp of ITT, chosen to be eventual successor to Griffiths, who is 59. Griffiths is quoted as saying that he had been seeking "a leader... a man with a great penchant for getting into details... a well-rounded businessman," whom presumably he didn't find in Valente.

RCA declined to give specifics on what it cost to terminate Valente. He was under 3-year contract calling for salary & incentives of at least \$600,000 a year, providing supplemental payment of \$400,000 if he left before contract expired.

**CES's VIDEO SHOW:** Video was the pervasive force at CES, and for first time it wasn't dismissed by audio entities as merely an extension of TV but accepted as future wave of consumer electronics business as whole.

Advent Chmn.-Pres. Bernie Mitchell sounded what could be keynote of video age at press conference when he delivered obituary for "component audio" market. "There is only one component market now, and it is the component home entertainment business," he said, forecasting that "even if we do everything right," audio market & dealers will shrink by 1/3. Pointing out that children of "baby boom" who made audio component business are now grown up & married, he said "heart of the hi-fi business of the '80s is a projection TV, soul is the videodisc player & VCR." He said audio dealers must bring back excitement through video or face extinction. "It's easier to sell a \$5,000 [video] hi-fi system in the 1980s than it was to sell a \$500 [audio] system in the '70s."

"We're not prepared to announce we're in the videodisc business, but we want to be and it will be

hard to keep us out," said former U.S. Pioneer pres. "We want very badly to be in the stereo-sound VCR business." Mitchell said 2-hour VCRs with Dolby and stereophonic sound — presumably such as unit introduced at CES by Akai (Vol. 20:22 p11) — "will make VCR sound tolerable." He forecast sales of 9 million videodisc players per year by 1990, 40 million in next decade. Pioneer player is "best value I've seen in my life," he added.

GE introduced widely anticipated 3-tube rear-screen projector at special press preview. New model is extremely bright & sharp (using new f1 plastic lenses), has very wide viewing angle, thanks in part to slightly concave 45" screen. Scheduled for Sept. marketing, it's targeted at \$3,500 (vs \$2,800 for current single-tube model with same screen size). Available as accessories will be matching cabinets to convert unit into home audio-video center.

Magnavox showed front-projection unit of similar size and also with matching cabinets, dubbing it "Performing Arts Center," but gave no plans for production.

Sony displayed mini-theater projector with screen of Cinemascope proportions (Vol. 19:52 p9), and officials indicated same trio of 9" tubes and f1.6 lenses would be used for upcoming consumer unit. In Japan, Sony's new consumer models are already on market at about \$3,500 for 50" and \$4,000 for 72".

Projection TV pioneer Henry Kloss said shipments of Kloss Video's 2-piece 6.5-ft. system at \$2,500 have now exceeded 2,000 and company is shipping 80 a week, "probably making us the largest single supplier" of 2-piece systems. Despite relatively low price, he said, company made profit in each of last 3 months. Plant is now at capacity of 20 projectors per day, and new tube facility which can produce 600 a day (3 are required for each set) is in works, but completion could depend on raising more capital or recruiting joint-venture partner. Kloss sees projection TV generally in slump, with total 1980 sales lower than last year.

Video Concepts showed 3-tube unit with rear projection, f1 lenses, 50" flat screen, priced at \$3,399, as well as line of one- & 3-tube front-projection models.

Most new VCRs at show had already been shown or announced. GE added deluxe scan recorder built by Hitachi, with remote control of all major features. Sanyo continued to display low-end single-speed unit (which lists at \$695 but is being sold as low as \$550), and company says it's back-ordered.

Although Toshiba has withdrawn LVR, at least temporarily, as consumer product, it fielded surprise new version which can record 2 programs at same time by using 2 tracks simultaneously, providing recording time of one hour per program. In hotel suite, Toshiba showed new LVR version providing 3 hours of recording.



**PROGRAMS—PROMISE, PROBLEMS:** Pre-recorded cassette business at CES lived up to expectations, with exhibits of Columbia, Warner, Paramount, MCA and smaller suppliers drawing crowds that most hardware stands seemed to lack. Blank cassette sales are booming, too, sales forecasts for year going as high as 20 million (including duplicators).

Programmers' booths were substantially larger than at Winter CES, as were expectations. Studios & distributors are pretty much in agreement about 2-million cassette year, at around \$150 million retail, figures considered out of reach by many 6 months ago. Magnetic Video expected show sales in excess of \$1 million, while Nostalgia Merchant hoped for \$250,000 — well ahead of Jan. mark.

Strong demand did much to soothe anxieties about unauthorized rentals, biggest topic of discussion as expected. Studios' hand-wringing resulted in little but sweaty palms, since retailers who rent violate nothing except sales agreements once they've purchased cassettes. Legality of agreements aside, only recourse at present is to send cease-&-desist Mailgrams, strike unrepentant renters from distribution lists, recall inventory — and hope stores don't restock elsewhere. MCA has taken action against 2 dealers. One agreed to stop renting, 2nd didn't, has been told to return stock. MCA acknowledges dealer agreement is tough "on purpose," says it wants to test retailers "to make sure it's a business."

Paramount will try to solve problem with new approach in fall. Studio plans to divide dealers into 2 categories — sellers & renters. Both would sign agreements before receiving cassettes, with purchase price major difference between them. Renters are expected to pay close to or above retail prices — up to \$100 per title — marketing at will without Paramount sharing in those revenues. Strategy wouldn't affect Fotomat arrangement, remains vulnerable to cheating. Paramount estimates its market share at 300,000-400,000 cassettes, 2nd to MV, had 3 titles — Saturday Night Fever and Godfather I & II — qualify for ITA \$1-million retail sales awards. Vp Richard Childs says they account for less than 1/3 of home video volume.

Fotomat is likely to be beneficiary of situation by default. Columbia Pictures Senior Vp Lawrence Hilford told us he's close to signing agreement but "I wanted to try my own rental first." Hilford broached plan several months ago, then dropped it for lack of industry support. Walt Disney now plans own rental & sales effort in addition to Fotomat rollout.

Studios' other concern is closing gap between theatrical and cassette & disc release. MCA says it will be no more than 60 days for Blues Brothers and Smokey & the Bandit II, nearly equivalent of day-&-date distribution, taking into account need for theatrical promotion. Move undoubtedly will force 20th Century-Fox to step up own schedule. At present, Fox expects to take another year to put day-&-date schedule suggested by Vice Chmn. Alan

Hirschfield at March ITA seminar into effect. Newest wrinkle at show was announcement of Warner Home Video-Time Life Video venture to market TLV cassette of concert of rock group The Kinks in conjunction with record album. Program is TLV's first retail effort; WHV may handle next batch, due in fall.

CES had porn aplenty, and X-rated dealers were sharing in general prosperity, but market hold has slipped from 50-60% year ago to 15-20% now, according to Paramount survey of its distributors. Numbers jibe with other estimates, don't take into account mail-order & theater lobby sales.

Blank cassette sales to dealers are unexpectedly high, and there's difference of opinion among suppliers as to whether shortage is at hand. TDK Vp Ken Kohda estimated consumer sales this year of 15-17 million cassettes, plus another 2-3 million to duplicators. "If there's a shortage," he told us, "it will be of quality brands, not necessarily all cassettes." He saw portable VCRs expanding cassette market, since consumers don't erase home movie tapes. He expects 50% growth in VCR sales, 60% in cassettes next year.

Maxell Consumer Video Sales Supervisor Donald Patrician said sales sights have been raised to 17-19 million cassettes, including duplicators, from 14 million at start of year. He said consumers unexpectedly are treating videocassettes in much the same way they do audio — keeping supply of new ones on hand and not re-recording over old ones. He said T-120 VHS cassettes outsell T-60s by 25 to one.

Fuji Vp-Gen. Mgr. John Dale reported shortages are already cropping up on spot basis, and Fuji has had to restrict size of duplicator orders. Major demand from Europe & Latin America is also continuing to siphon supplies from U.S. market, he added. Dale saw little hope of easing situation this year despite announced plant expansion plans.

**CEG DEFIES DOE:** Board of EIA's Consumer Electronics Group, meeting during CES, voted to reject request by Dept. of Energy to supply it with complete list of TV models by all manufacturers, energy consumption of each and how many of each have been produced. CEG will tell DOE that to do so would violate security of its production figures, which it can't legally do because of contracts with participating manufacturers.

Other board meeting highlights: (1) Merger with IHF resulted in 17 new members for Audio Div., after ineligible IHF members and duplicate memberships were weeded out, board was told. Some IHF members chose to resign rather than come under EIA umbrella. (2) Board heard report from Marketing Services Committee expressing disappointment with progress of retail sales statistical program being conducted jointly with Trendex. (3) First audio marketing statistics, covering first quarter 1980, have been distributed to participants, board was told. No specific plans have been made for public release.



WEEKLY

# Television Digest

with  
Consumer Electronics ...

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## EDITORIAL & BUSINESS HEADQUARTERS

1836 Jefferson Place, N.W., Washington, D. C. 20036

Phone: 202-872-9200

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510 Madison Ave., N.Y. 10022  
Phone: 212-355-5611

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Aske Dam  
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Denki Bldg., 20th Floor 1-7-1  
Yuraku-cho, Chiyoda-ku  
Tokyo 100, Japan  
Phone: 0466-27-6125 Telex: J24600

## 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
<b>AIR-T</b>			
1980-year to May 31	47,411,000,000	5,764,000,000	8.01
1979-year to May 31	42,775,000,000	5,466,000,000	7.93
1980-qtr. to May 31	12,363,000,000	1,461,000,000	1.99
1979-qtr. to May 31	11,195,000,000	1,403,000,000	2.01
<b>Cablecom-General</b>			
1980-6 mo. to May 31	22,018,012	3,508,729	1.35
1979-6 mo. to May 31	16,918,324	2,327,817 <sup>a</sup>	.91
1980-qtr. to May 31	12,386,583	2,481,668	.95
1979-qtr. to May 31	8,867,957	1,136,437	.45
<b>Chris-Craft Industries</b>			
1980-9 mo. to May 31	77,870,000	10,011,000	3.19
1979-9 mo. to May 31 <sup>b</sup>	79,669,000	8,172,000	1.95 <sup>c</sup>
1980-qtr. to May 31	24,059,000	4,747,000	1.54
1979-qtr. to May 31 <sup>b</sup>	29,095,000	3,348,000	.88 <sup>c</sup>
<b>Harvey Group</b>			
1980-13 wk. to May 3	21,131,000 <sup>d</sup>	411,000	.18
1979-13 wk. to May 5 <sup>b</sup>	14,795,000 <sup>d</sup>	510,000	.23
<b>Sonye</b>			
1980-6 mo. to April 30	2,022,600,000	161,700,000 <sup>f</sup>	.75 <sup>g</sup>
1979-6 mo. to April 30	1,364,900,000	36,500,000	.17 <sup>g</sup>
1980-qtr. to April 30	992,800,000	71,100,000 <sup>f</sup>	.33 <sup>g</sup>
1979-qtr. to April 30	667,400,000	16,100,000	.07 <sup>g</sup>

Notes: <sup>a</sup>Includes special credit. <sup>b</sup>Restated. <sup>c</sup>Adjusted.<sup>d</sup>From continuing operations. <sup>e</sup>At yen's current rate.<sup>f</sup>Record. <sup>g</sup>Per AIR.

## Consumer Electronics Personals

Alan Wallace, Hitachi sales dir., named vp... Philip Rauen advanced at Zenith Sales from distribution sales plans mgr. to sales plans vp... Allan Epstein joins Activision as operations vp; Clifton Crowder named national sales mgr... Patrick Butler, one-time speech writer in Ford White House, more recently aide to Senate Minority Leader Howard Baker (R-Tenn.), joins RCA as editorial services staff vp.

Alvin Barshop, former Panasonic Video Div. vp-gen. mgr., named pres. of N.Y. distributor Video Unlimited... Robert Knight, ex-IBM, joins affiliate Discovision Assoc. as mktg. vp... Paul Eisele appointed Warner Home Video mktg. vp... Nathan Sambul resigns as Video Corp. of America vp to become consultant... Jerry Wood, ex-Bohsei, joins Total Video Supply as mktg. vp; Terry Campbell named national sales mgr.

Cy Leslie, CBS Video Enterprises, named RIAA Video Div. chmn.; Andre Blay, Magnetic Video, and Bruce Barnet, Time-Life Video, named div. reps on RIAA board... Jamie Legon, ex-Video Gems, joins Media Home Entertainment as west region sales mgr... William McGorry, ex-sales dir., appointed Mart Magazine publisher, succeeding William Adams, now vp of Pittsfield, Mass. operations of parent Morgan Grampian.

Allen Dawson resigns as Corning exec. vp to become chmn.-chief exec. of 2 affiliates, Superior Cable & Siecor Optical; Forrest Behm, Corning senior vp, named gen. mgr. of new Electrical & Electronic Products Div. in restructuring; Leroy Wilson, current electronics vp, named Corning Europe

pres., replacing Richard Dulude, who returns to U.S. as dir. of new Mktg. & Business Development Div.; Pres. Thomas MacAvoy adds responsibility for European, Latin American & Asia-Pacific operations with additional title of chmn.-pres. of Corning International; James Houghton shifts from vice chmn. to exec. committee chmn... Bernie Yasunaga advanced at Fuji Photo (U.S.) from corporate planning vp to exec. vp, succeeding Fred Nakamura, who returns to parent in Japan as Domestic Mktg. Div. gen. mgr., replacing Minoru Ohnishi, now pres.; Kusuo Hirata promoted from pres. to chmn.; Ichiro Karikome named exec. vp.

William Finnegan ex-Quasar, joins Shure as mktg. vp; Robert Layton named international sales mgr... William Yanke promoted at Sharp Audio Div. from region mgr. to national sales & mdsg. mgr. for Optonica line... Jane LeFevre, ex-Stereo Review, joins Nakamichi as mktg. mgr., succeeding Ted Nakamichi, reassigned to post in Japanese parent's International Mktg. Div... Paul Ackel named Panasonic Professional Audio Div. sales engineering coordinator... Robert Fontana named Nikko Audio national service mgr.; Jim Knabbe appointed sales training mgr.

David Cuyler advanced at Bell & Howell from consumer video services mgr. to national consumer sales dir... Sandy Cohen, ex-TDK, joins BASF Systems as West region sales mgr... P. J. Chen promoted at Intermagnetics Taiwan from gen. mgr. to pres.



WEEKLY

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with  
consumer  
electronics®

35th YEAR OF PUBLICATION  
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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**LOPEZ NOMINATION SEEN:** L.A. lawyer recommended by White House staffers to President Carter as Quello replacement. Entertainment, labor his specialties in prominent L.A. firm. Quello backers still pushing. (P. 1)

**RCA WINS ON SATCOM:** FCC denies all pending transponder-assignment complaints, affirms use of lottery to allocate scarce resource. (P. 2)

**REWRITE BILL SNAGGED:** Senate ditches plans to mark up before July recess. Administration opposition, delay and stepped up lobbying cast doubts on future of broadcast provisions. (P. 3)

**FCC PONDERES SIN COMPLAINT:** Spanish broadcast group charged with alien ownership. (P. 3)

**CHOOSE RESPONSIBILITY,** Ferris urges telecasters at children's TV conference. Says networks should program for kids in access time. (P. 4)

**TIERED STV STARTS:** Milwaukee gets 2 movie choices on new STV station. (P. 4)

**FCC PLANS CABLE-TV** split of cross-ownership in 25 markets. (P. 5)

**CBS FUTURE BRIGHT:** Pres. Wyman tells analysts broadcast outlook is 'excellent.' (P. 5)

**LOPEZ NOMINATION EXPECTED:** Peter Lopez, 31-year-old L.A. Chicano entertainment lawyer, is expected to be nominated to replace FCC Comr. Quello, it has been learned. Lopez, who would become first Hispanic and youngest commissioner ever, has been recommended by White House staffers to President Carter for nomination, and Carter is seen likely to approve it.

Lopez is lawyer with prominent L.A. firm of Mitchell, Silberberg and Knupp, which represents production companies and actors. Lopez has worked on entertainment matters and management side in labor issues.

Recommendation of Lopez does serious damage to large-scale lobbying effort by broadcaster-backed Quello to win reappointment, although his supporters last week questioned whether game is over. Said one: "The fact that Lopez's name is on the President's desk doesn't make an appointment. There's still a very active fight." Quello backer Robert Strauss, head of Carter campaign committee, is said to have begun late push for Quello. Some Quello supporters

### Consumer Electronics

**SANYO TO PRODUCE RCA-type** videodisc players for U.S. market, optical for Europe, starting next year. Sony in pact for Philips audio Compact Digital Disc. (P. 7)

**AM STEREO** decision to be reconsidered by FCC Aug. 1, as protests mount. Commission reported determined to pick 'single system.' (P. 8)

**JAPAN'S STRATEGY** for worldwide color TV expansion could freeze local manufacturers out of own home markets, according to newly-released study. (P. 8)

**SONY SETS RECORDS** for sales & earnings in 2nd quarter, half. VCR sales up 66.9%, color up 54%, for full period. (P. 9)

**NEW TV LINES** unveiled at CES show higher prices for Tatung, Toshiba. Gold Star pledges to hold price line. (P. 10)

**MINI PERSONAL COMPUTERS** drew interest at CES, but software key to consumer market still missing. Video games hot, new watch wave includes solars, multi-function, ultra-thin. (P. 11)

**JAPAN'S VCR EXPORTS** to U.S. jumped 88% in May, while TV shipments continued downward slide, Finance Ministry reports. (P. 12)



insist that Carter has nothing to gain politically, everything to lose, by nominating someone before election.

It's not known when President is likely to act on Lopez nomination, although there's much speculation that he'll wait at least until after Democratic convention Aug. 11-14 in N.Y. Several Washington observers, including Senate Democrats, also predict that Senate won't act on confirmation — at least until after election.

Lopez, first generation Mexican-American, is described by L.A. attorney who knows him as "a careful and bright lawyer who would start with no biases but would be sympathetic to Hispanics." Lawyer said Lopez has been active in Mexican-American legal organizations and is establishment type who has practiced no public interest law. Lawyer said Lopez is "very attractive. He comes across well. One TV station out here [KNXT L.A.] was considering him as a possible news announcer."

Lopez, contacted late last week, said he has never practiced before FCC but has been "very active in following the communications area as a result of studying communications law in law school [UCLA]. I've kept up with it." He described himself as "clearly an industry attorney." He said he has been supporter of President Carter, has worked in fund raising for him, although he isn't heavily involved.

Holding UCLA undergraduate electrical engineering degree (with emphasis on computer science), Lopez worked with old Office of Telecommunications Policy as research asst. one summer while attending law school. He also worked as legal intern at IBM another summer, turning down internship with Washington communications law firm in order to use his engineering background. He's being backed by several members of Congress from Cal., including Sen. Cranston (D) (who at one time wanted to hire him), Reps. Danielson (D) & Roybal (D).

Other developments: (1) NCCB sent strongly worded letter to Carter, asking that Quello not be reappointed, saying Quello is "industry mouthpiece," among other things. Quello dismissed letter as "diatribe." (2) Spanish Radio Bestrs. of America sent telegram backing Quello.

**FCC RECOILS FROM SATELLITE DISPUTE:** Reaffirming its resolve not to interfere in satellite-transponder quarrels, FCC last week: (1) Rejected complaint of HBO that RCA's forthcoming transponder lottery was discriminatory on its face. (2) Denied allegations of SIN and Eastern Microwave of improper conduct by RCA in assignments of transponders on Satcom 1.

(3) Told Cable News Network to look for relief in Atlanta federal court, saying it will reconsider its no-action stance if CNN wins there. (4) Informed National Christian Network that its lease of space on Satcom 3 could not be transferred into transponder assignment elsewhere following loss of that satellite in Dec.

Comrs. Washburn & Fogarty issued statement: "We agree that in the particular context of the loss of Satcom 3... the proposed use of a lottery type procedure... is not inconsistent with... the Communications Act. However, this holding is strictly limited to the unique and special facts and circumstances presented and should not be construed as a general approval of lottery-type procedures by carriers — or by this Commission — where more rational and less arbitrary methods... are practical and reasonably available."

"This Commission is committed to use of lotteries to determine allocation of scarce resources. We could hardly deny RCA the right to use the same technique," we were informed at FCC. Said RCA Americom Pres. Andrew Inglis: "We are pleased that the FCC has found that we assigned transponders on a non-discriminatory basis and only regret that we were unable to accommodate good customers."



Legal wrangling is bound to continue, but with more smoke than substance, because FCC decision comes at time when 2 new cable satellite birds have potential to break RCA deadlock on video, rendering moot entire issue of who is on Satcom and who is not. Satellite Syndicated Systems last week announced 30 cable systems with more than 10,000 subscribers each are being shipped 3-m earth stations to receive programming on Westar 3. Microwave Assoc. Communications unit of M/A-Com has started producing 300 earth stations to be supplied to cable systems by Satellite Communications Network for receiving programming from Comstar D2, being leased to RCA by AT&T.

**REWRITE BILL SNAGGED:** With Senate ditching plans to mark up communications bill before July recess, and Administration staunchly opposed to including broadcast in bill, future of broadcast provisions has become more doubtful. More delay means more time for opponents to mount lobbying effort; proposed amendments to "clarify language" of some provisions haven't changed mind of principal opponent, NAB.

Administration is open about not wanting broadcast included, but so far hasn't pressured Committee. "Common carrier is difficult enough without including broadcast," Administration official said. "We're going to stay out of it for now, but maybe that will change on the floor." Common-carrier problems were responsible for mark-up delay. Commerce Committee Chmn. Cannon (D-Nev.) has threatened to delay mark-up until AT&T quits lobbying against bill.

Neither NAB nor NCTA is happy with amendments offered so far. Committee is talking about language guaranteeing continuation of network non-duplication and must-carry rules for cable — which NCTA doesn't like. "For some cable systems, the must-carry issue is very important; there are enough local stations in some areas such as the Bay area in California to fill up 12 channels," said NCTA Pres. Thomas Wheeler. NAB says cable amendments — plus amendment easing comparative renewal language in respect to integration of ownership and management — weren't enough to halt concerns about other provisions.

"Critical issues" for NAB are lack of syndicated exclusivity protection and newly voiced concern over allocation of radio spectrum. Language encouraging "multiplicity" of broadcast services "endorses pell-mell rush to add new stations without adequate study," and none of earlier bills contained such language without requiring study, said NAB Senior Vp Kenneth Schanzer. He said that after outlining radio allocation problem to 2 Ky. radio broadcasters (both also involved in cable), who last week sent wires disagreeing with NAB opposition, they "registered some reservations."

Meanwhile, NRBA sent telegrams to all committee members urging deletion of radio provisions and drafting of separate radio-only bill because "radio and TV are so different as to require separate legislation." When asked by Charleston newspaper if he has received any feedback from broadcast and telephone interests in S.C., Sen. Hollings (D-S.C.) replied that broadcasters "don't like

competition of cable but I think it's here and we have to accept it." He added that Washington lawyers, especially those representing common-carrier side, "are like Chicken Little saying the sky is falling, the bill is going to ruin you."

**FCC PONDERES SIN COMPLAINT:** In case with touchy political overtones, FCC has been asked to strip Spanish International Communications Corp. (SICC) of its licenses for TV stations carrying Spanish International Network, on ground that SICC is alien controlled. SICC is licensee of WXTV Paterson, KWEX-TV San Antonio, KMEX-TV L.A., KFTV Hanford, Cal. & WLTV, Miami. SIN, which holds no licenses, is 75% owned by Televisa, subsidiary of Telesistema Mexicano, Mexican corp.

"SICC is in reality owned, and controlled by an alien and his foreign corporation in violation of Sec. 310(b)," charged Spanish Radio Bcstrs. of America (SRBA) in legal brief filed with Broadcast Bureau. SRBA claims SICC "is controlled by SIN, [which] is controlled by its majority stockholder, Televisa, a foreign corp. Specifically, SIN controls SICC in the following manner: (1) Predominant supplier of programming. (2) Exclusive national sales representative. (3) Debtor-creditor relationship. (4) Comingling of assets and employees. (5) Business relationships of principals."

Attached to SRBA pleading are exhibits including chart showing alleged corporate & personal ties between principals in SIN, SICC, Televisa and Telesistema Mexicano (holding company owning Televisa).

**U.S. TV in China** is goal of White House effort (with PBS, ICA & NAB) to organize American programming festival in China next year. Effort stems from recent China trip of NTIA delegation, during which PBS sampler tape was screened at Central Chinese TV hq. Audience of Chinese TV officials reportedly was enthralled by PBS fare. Steven Simmons, assoc. dir., White House domestic policy staff, said concept for festival includes week of U.S.-supplied programs on Chinese network, plus visits to Beijing by U.S. programmers. Other proposal sent to Chinese last week by White House would set exchange visits between U.S. & Chinese TV personnel.

**Fairness complaint** against TV networks, lodged by Media Access Project because of airing of United Way spots, has been denied by FCC. Agency said PSAs weren't misleading, didn't address controversial issues.



**CHOOSE RESPONSIBILITY—FERRIS:** "It's a choice between responsibility to children... or maximizing profits," FCC Chmn. Ferris told programmers and TV execs. at NAB-NATPE children's TV conference in Washington. Comment came after he suggested networks use access time to program for children (since such programming is exempt from PTAR) and after programmer suggested that access time "is a real money maker."

Asked about tax incentives for stations which produce unprofitable children's shows, Ferris responded: "I don't see in the present environment any justification for tax relief at all... It's simply a matter of your responsibility."

Ferris was keynote speaker for conference which also featured popular screenings of best children's shows produced by stations. Chmn. took microphone in somewhat of a pique because of opening comments by NAB Children's TV Committee Chmn. Leonard Swanson — who was critical of FCC rulemaking on kid programming (Vol. 20:24 p4). "The threat of government intervention is frightening to all of us," Swanson said. "The adoption of mandatory quantitative programming rules would very likely work at cross purposes with the Commission's goals [and] may well undercut the quality of children's programs... To sacrifice quality for sheer numbers of minutes makes no regulatory sense."

Following Swanson, Ferris quipped he should tear up prepared text — which included many laudatory statements — and talk tougher. Ferris defended idea of mandatory minimums for children's shows, noted "continued paucity" of network programs on weekdays & evenings. He said FCC hopes that with additional TV stations, plus "new video delivery systems," will someday provide "a full children's programming schedule... any time of day."

ACT Pres. Peggy Charren also delivered some praise, but charged: "Every day, commercial TV violated the first principle of medicine, to 'first do no harm.'" While broadcasters aren't being asked to bring up America's children, "at least they can stop making the rearing of a healthy child so difficult for parents and physicians... The actions of the broadcasting and advertising industries over the past 10 years prove that self-regulation alone will not correct abuses... That is why ACT has turned to the federal government for action."

NAB Exec. Committee has changed dates of Jan. board meeting in Scottsdale, Ariz. to Jan. 24-29 so that board members may attend Presidential inauguration in Washington Jan. 20. Committee also heard status report on study of public attitudes toward contraceptive advertising. Field work will be done in Nov.; final report is due by 2nd quarter 1981.

FCC has denied NCCB request that agency distribute extensive summary of more than 25,000 comments in radio deregulation rulemaking and extend deadline for replies (due last week) until 90 days after summary is in hands of public.

STV operations of Oak Industries should enlist 402,000 subscribers this year and 625,000 in 1981, according to Montgomery Securities analysis. Revenues will grow from \$74.4 million to \$121.8 million, operating profits from \$900,000 to \$6.2 million, study said. L.A. remains biggest of 5 systems, with estimated 365,000 homes next year (up 50,000), sales of \$81.6 million and \$8 million net. Next is Ft. Lauderdale (100,000 subs, \$1 million net), followed by Phoenix (70,000, break-even), Chicago (50,000, \$1.5 million loss) & Dallas (40,000, \$1.3 million loss). Ft. Lauderdale investment is \$12.2 million, including \$3 million for startup, \$4.2 million for purchase of station, \$5 million for converters.

Tiered STV in Milwaukee began June 28, on WCGV (Ch. 24). Unique tiering offers 2 levels of STV service: \$19.95 per month — basic Prime Time Theatre; \$5 extra — adult-oriented (R-rated) "Night Owl Theatre." Program is SelectTV, owned by American TV of Wis., leasing 56 1/2 hours weekly from B&F Bestg. System uses Clarion encoding & decoding equipment. SelectTV has "about 2,200 subscribers on books," hopes for 100,000 by mid-1983. SelectTV charges \$49.95 for installation, provides yagi antenna cut for Ch. 24.

NBC Olympic coverage will be "incidental," according to network spokesman: "We'll give it whatever standard coverage it deserves, on the nightly news or weekend sports shows. But I don't think too many people are interested in an Eastern Bloc track meet." NBC will have about 50 people at games. Meanwhile, U.S. officials are concerned that Soviets plan to raise flags of all Olympic nations at games — including nations boycotting; Soviets have ignored requests of Japan & Turkey to return flags.

"Right on, Comr. Jones," said NRBA of FCC member's criticism of agency's EEO policies (Vol. 20:24 p5). Comr. Brown, in turn, criticized Jones's position (Vol. 20:25 p3), but in June 26 speech to NAB-NATPE children's TV programming conference Jones made no reference to Brown's criticism of her.

General Cable expanded, splitting Communications Products Operations into 2 divisions — Exchange Cable, headed by Vp & Gen. Mgr. Richard Asdourian, and Station Products led by Vp & Gen. Mgr. Glen Williamson.

Heftel Bestg. — owned by Rep. Heftel (D-Hawaii) — is selling KGQY(FM) San Diego to Group W for \$7.25 million, is buying WFTM(FM) N.Y. from Friendly Frost for \$8.7 million.

RKO General has appealed — to D.C. Appeals Court — FCC decision finding RKO unqualified to be licensee of WNAC-TV Boston, WOR-TV N.Y. and KHJ-TV L.A. (Vol. 20:23 p3).

M.A.I. Cablevision changed name to US Cable Corp., and announced purchase of first 52-channel cable equipment from General Instrument Jerrold Div. to serve Waukegan, N. Chicago & Park City, Ill.



**FCC PLANS CABLE-TV SPLIT:** Citing "an inherent conflict... that would lessen competition in the economic and ideological marketplaces," FCC last week proposed to require 32 TV stations in 25 markets which own CATV systems within their Grade B contours to divest. In 5-2 vote (Lee & Washburn dissenting), majority said rulemaking reflects "its determination to enhance competition and program diversity."

In 1970, Commission ordered divestiture within Grade B contours and 8 of stations affected still have waiver petitions pending upon which no action has been taken. Comr. Jones said she concurred in last week's action only because she expected "a liberal waiver policy." Commission lists 8 factors to be considered in waiver requests, including area served, size of market, total audience of station and subscribers to cable, other media in market, available "non-broadcast programming" and economic hardship. Comments are due Oct. 6, replies Nov. 5.

In dissenting, Comr. Washburn objected to consideration of "non-broadcast" programming in granting waivers, said divestiture should be required only in "egregious" cases. TV stations covered under proposal:

KRON-TV San Francisco, WINK-TV Ft. Myers, KID-TV Idaho Falls, WHBF-TV Rock Island, Ill., KLOE-TV Goodland, Kan., KARD-TV Wichita, WKYH-TV Hazard, Ky., WKZO-TV Kalamazoo, WOTV Grand Rapids, WCCO-TV Minneapolis, WXGN-TV Glendive, Mont., KNOP-TV N. Platte, Neb., WKTU Utica, KFYR Bismarck, KTEN Ada, Okla.

Also, KSWO-TV Lawton, Okla., KEZI Eugene, KOB Medford, KOTI Klamath Falls & KPIC Roseburg, all Ore., WSBA-TV York, Pa., KOTA-TV Rapid City, KHSD-TV Lead, KELO-TV Sioux Falls, KDLO-TV Florence and KPLO-TV Reliance, all S.D., KVII-TV Amarillo, KTAL-TV Texarkana, KMID-TV Midland, Tex., KSL-TV, KUTV & KSL-TV Salt Lake City.

**Broadcast border dispute** between U.S. and Canada is subject of July 9 hearings by Office of U.S. Trade Representative's Sec. 301 Committee. U.S. border stations filed petition asking President "to impose duties or other import restrictions on certain products or services of Canada until the discriminatory taxing situation is satisfactorily resolved," according to spokesman. New Canada-U.S. treaty (Vol. 20:24 p8) retains Canadian rule that Canadian companies can't take tax deduction for cost of advertising on U.S. media. Stations are in Wash., N.Y., Mich., Me., Pa., N.D., Mont., Vt.

**Leonard-Duran pay-TV** gross was \$17 million, counting audience of 2 million in homes, theatres, arenas. Qube and ON-TV charged \$10-per-home on their pay-per-view systems. Madison Sq. Garden was filled to capacity (19,000) by fans paying \$20-\$30 (card also included 4 live bouts). Not everyone paid: Tavern in Reno used microwave dish to intercept feed, provided fight free to patrons.

**Minority Women's Commercial Broadcasting and Technology Conference**, for women "who have prepared themselves to assume ownership and executive responsibility in this industry in the next 2 or 3 years," will be held July 9 in White House Indian Treaty Room. Sponsored by President's Minority Telecommunications Development Program, part of NTIA, conference will offer "opportunity for the potential entrepreneur to meet and exchange ideas with her peers and with leaders in the telecommunications field," according to conference planners. Speakers include NTIA head Henry Geller; CNN Pres. Reese Schonfeld; Steve Simmons, White House assoc. dir. of Domestic Policy staff; ex-FCC Chmn. Richard Wiley, and Sarah Weddington, special asst. to President. Conference will discuss starting and managing stations, technology and legal issues.

**CBS future is bright** "once current recession is behind us," CBS Pres. Thomas Wyman said in informal remarks at reception for security analysts. Acknowledging that "current economic conditions... will have a negative impact on earnings in the 2nd quarter and will probably cause earnings for the year to be below the \$7.50 to \$7.75 per share range being forecast by most Wall St. firms," he said "our optimism is not dampened... Our major businesses are sound, broadly based and have plenty of room to grow." New technologies "offer us promising options," he added, and although "recession is being felt by some of CBS's consumer products, publishing and recorded music businesses, CBS broadcast operations are expected to produce excellent results... I have absolute confidence in CBS's future."

**Saying single proceeding** couldn't "fruitfully deal" with so many issues, FCC denied broad-ranging rulemaking sought by R. P. Haviland of Daytona Beach. He had sought inquiry into geographical distribution of frequencies, local service, economics of program production, diversity, advertising "abuses," among others. FCC also said that many of subjects were beyond its authority and that Haviland offered "few, if any, specific recommendations for action."

**CBS will win fall network race** with 19.4 rating, 31.8 share, predicts TelCom Assoc. Pres. Herb Jacobs, but he says "the perch will be precarious because the race will be tight all the way, with no one dominating." He predicted ABC will have 18.9 rating, 30.8 share; NBC 17.7 & 28.9. Jacobs said ABC would have won last season but network "got mugged — by itself" by shifting too many top shows to new time periods in Sept. 1979.

**Public Broadcasting Report**, sister publication of Television Digest, has been awarded highest journalistic honor in newsletters — Newsletter Assn. of America Journalism Award. Public Broadcasting Report won first place for investigative reporting for series of articles exposing Nixon Administration's attempts to take control of CPB and eliminate alleged liberal bias in PTV.



## Broadcast

Lawrence Patrick promoted to senior vp-research, NAB; Donald Curran, Field Communications, succeeds Leonard Swanson, WIICTV Pittsburgh, as chmn., NAB Children's TV Program Committee.

Carla Singer, ex-Group W Productions, joins CBS Entertainment as dir.-dramatic program development; Virginia Weber promoted to dir.-merchandising & special events, CBS TV network sales... Peter Calabrese appointed dir.-specials and late night programs, NBC Entertainment... Josephine Maggio promoted to dir.-regional sales, ABC TV; Robert Sedlachek to dir.-sales proposals & development, Central Div.

Kenneth Hatch, KIRO Inc. exec. vp and gen. mgr. of KIRO-TV Seattle, named chief exec. officer, succeeding Lloyd Cooney, who resigned as KIRO Inc. pres. to run for U.S. Senate (Vol. 20:24 p3)... Peter Leone promoted to news dir., WNAC-TV Boston... Robert Kraus, ex-WBZ-TV Boston, appointed sales mgr., WLVI-TV Boston... Frank Gregg, ex-WNAC-TV, named gen. sales mgr., KHOU-TV Houston.

June Clarke-Doar joins Group W as dir.-employee relations and personnel development... Jerry Bredouw, ex-Universal, appointed dir.-advertising & promotion, KTLA L.A., succeeding Jerry Birdwell, now vp-gen. mgr., KFHC-TV Oklahoma City, due to start as STV in late summer... Ed Sorensen, ex-KTSB Topeka, appointed sports dir., KGUN-TV Tucson... Jill Katz advanced to promotion mgr., WCVB-TV Boston.

Joseph Reilly appointed first full-time exec. dir., N.Y. State Bestrs. Assn... Russell Arkin, ex-Schwartz & Woods, joins Washington law firm Shrinsky, Weitzman & Eisen... Thomas Donahue nominated to Comsat board for seat of late AFL-CIO Pres. George Meany.

Michael Haislip promoted to Cox Cable controller; Geoffrey Gates named dir.-software technology; Michael Ellis dir.-advanced technology... Rosa Gatti, ex-Brown U., appointed dir.-communications, ESPN... Angela Schapiro appointed vp-programming, HBO's Cinemax; other Cinemax appointments: Lee DeBoer, dir.-programming; Fran Peragine, dir.-program acquisition; Richard Behrs, dir.-sales; Matthew Blank, dir.-marketing.

Peter Grad, ex-Columbia Pictures TV, appointed vp-development, 20th Century-Fox TV... Thomas Alt promoted to div. vp, Katz TV, Chicago; Wanda Tucker to div. vp, Dallas; Maury Wind to div. vp, N.Y... Willard Wilmot promoted to dir.-sales & marketing, Belden Corp. Electronic Div.; William Donahoe to gen. sales mgr... Howard Lilley advanced to national sales mgr., Ampex Audio-Video Systems Div.

## Television Digest

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### EDITORIAL & BUSINESS HEADQUARTERS

1836 Jefferson Place, N.W., Washington, D. C. 20036

Phone: 202-872-9200

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##### c/o Foreign Correspondents

Club of Japan

Denki Bldg., 20th Floor 1-7-1

Yuraku-cho, Chiyoda-ku

Tokyo 100, Japan

Phone: 0466-27-6125 Telex: J24600

In TV court coverage case, Ohio Supreme Court ruled cameras should be permitted in state courts until U.S. Supreme Court rules otherwise. Court overruled decision by Montgomery County judge in Dayton who said that because effect of TV coverage on court proceedings is unknown, it should be assumed to have adverse psychological effect on participants until proved otherwise. Supreme Court ruled that because there is no evidence either way, it can't be presumed that broadcast coverage "is inconsistent with a fair and impartial trial... until there is a pronouncement on the federal constitutional issues." Case involved request for permission to cover 2 criminal trials by Grinnell Communications and Miami Valley Corp. and was based on state law allowing electronic coverage unless judge decides it would interfere with fair trial or hearing.

Cable advertising bureau is in works following meeting of steering committee in N.Y. last week. Representatives of group system owners and cable networks showed willingness to contribute toward \$250,000 annual budget. Plan is to have system operators hold more than 50% of non-profit organization. Intention is to firm up plans by time of Aug. convention of CTAM, which is spearheading formation. Among participants at last week's meeting: CNN, USA Network, SSS, ESPN, Cinemerica, Las Vegas Entertainment, ATC, TCI, Teleprompter, Daniels, Metrovision, Newhouse.

Proposed swap of Landmark's WTAR-TV Norfolk for Scripps-Howard's WMC-TV Memphis — plus \$4.25 million to Scripps (Vol. 20:14 p4) — has been called off. Landmark, which owns 2 Norfolk newspapers and AM-FM, is under commitment to FCC to dispose of TV station to reduce media concentration in market.



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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended June 13 (24th week of 1980):

	June 7-13	1979 Week	% change	May 31- June 6	1980 to date	1979 to date	% change
Total TV.....	275,366	294,484	-6.5	197,281	5,962,371	6,553,211	-9.0
color.....	177,962	192,917	-7.8	132,712	3,798,518	4,102,011	-7.4
monochrome..	97,404	101,567	-4.1	64,206	2,163,853	2,451,200	-11.7
Home VCR.....	10,607*	5,969	+77.7	9,904	263,409*	164,014	+60.6

Color TV 5-week moving average: 1980—142,899; 1979—153,479 (down 6.9%).

Home VCR 5-week moving average: 1980—10,422; 1979—6,329 (up 64.9%).

\*Record for period.

**SANYO CHOOSES RCA & PHILIPS-MCA SYSTEMS:** Sanyo last week became first Japanese company to announce it would produce RCA's CED videodisc player. Pres. Kaoru Iue said in Japan that company would make CED system for U.S. market, optical type for Europe.

Production of CED system will begin next April in Sanyo's Osaka audio plant and of optical players June 1 in Gifu TV plant, Iue said. As for JVC-Matsushita VHD system, prime candidate for Japanese home-market standard, Iue said Sanyo had concerns about its possible infringement on patents of other systems.

RCA thus gets needed foothold among Japanese manufacturers. It's highly possible that Sanyo conferred with its major OEM customer — Sears — before deciding. Sears is largest color TV brand still uncommitted in videodiscs.

Japanese videodisc standards committee is understood to be progressing toward adoption of VHD system as national standard, with some Japanese companies reported ready to tool for hardware as soon as announcement is made. Meanwhile, Philips announced licensing of Korea's Gold Star to manufacture & sell optical videodisc players.

RCA also made progress on European front with announcement its U.K. subsidiary would merge with Britain's Precision Records & Tapes (PRT), formerly Pye Records, into new audio/video disc-tape firm with RCA holding 51%. New British firm is RCA Records/PRT, combining 2 ailing record companies. It will be 49% owned by PRT parent Associated Communications Corp. (ACC), prolific movie-TV production firm headed by Lord Lew Grade, which will throw its feature film & video catalog into pot as foundation for company's entry into U.K. videocassette, and eventually videodisc market, the 2 companies announced. Grade's products are already available in U.S. on cassette from Magnetic Video, and some have been signed for RCA videodiscs. Two weeks earlier, RCA announced software deal with Germany's Beta/Taurus (Vol. 20:24 p11), still has no deal for Europe-produced hardware.

In audio, CBS/Sony Records of Japan has committed to Philips Digital Compact Disc system, with some indication CBS in U.S. will come along. Philips announced in Eindhoven that work with Sony had resulted in improvements in its 4.7" hour-per-side optical digital audio Compact Disc system (Vol. 19:23 p13), that CBS/Sony & CBS discs would be released in the



format in Japan and "CBS Inc. ... will work closely with Sony & Philips" on system.

Japanese Digital Audio Disc Standardization Committee, it's understood, has become hopelessly deadlocked and presumably will recommend more than one "standard." Like Philips, Matsushita is working on miniature digital disc — but one using capacitance (AHD) system, which presumably could be played on VHD videodisc player (with digital audio adaptor) as well as equipment designed for audio only, including portable systems.

Major video news could come this week from Sony, which has scheduled press conferences Tues. (July 1), with Chmn. Akio Morita officiating in N.Y., Pres. Kazuo Iwama in Tokyo, for "unveiling of an exciting new technology." Speculation centers on Sony's known development work in small-cassette portable VCR.

**FCC RECONSIDERING AM STEREO DECISION:** Bombarded by criticism for its choice of Magnavox system as AM stereo standard (Vol. 20:15 p8), FCC is scheduled to meet Aug. 1 to decide whether to open up entire matter to reconsideration. Although Broadcast Bureau originally had recommended approval of all 5 proposed systems to let "marketplace" choose, Deputy Chief Frank Washington told us last week: "The Commission was, and still is, primarily concerned with selecting a single system."

Will that one be Magnavox — or Belar, Harris, Motorola or Kahn? Impossible to say, in view of intense lobbying by rejected system proponents. Unofficial story from industry observers is that scientists in Office of Science & Technology — who originally pressed for Magnavox system — had some 2nd thoughts as result of criticism by engineers. At FCC labs recently, they listened to tapes of AM stations now experimenting with Magnavox system, heard "popping" which plagues system when transmitted signal reaches 95% negative modulation.

Since decision favoring Magnavox was 5-2, switch of 2 votes could push another system over the top. Some engineers have been concerned about "matrix" of criteria FCC scientists used to choose winner, and Freedom of Information request to release it was denied by FCC. However, Commission said if it goes ahead with further rulemaking it will make criteria public.

Magnavox demonstrated system in Chicago hotel room during CES, showing several receiver designs. Its engineers freely conceded there were popping noises — even demonstrated them — but also showed how special IC eliminates them. Whatever Commission decides, you can be certain there will be further legal maneuvers, and that long delays not only are possible but probable.

**REPORT CITES 'GLOBAL REACH' OF JAPAN TV:** Japan's color industry has adopted worldwide approach to production, while keeping high technology capabilities at home, now has international efficiency which could make domestic manufacturers, including those in U.S., non-competitive in their own home markets

That's ominous picture developed from study, "Sources of Japan's International Competitiveness in the Consumer Electronics Industry," by Developing World Industry & Technology for U.S. Office of Technology Assessment. Report, 172 pages, is something of follow-up to earlier study, critical of inadequate response to foreign competition by U.S. TV manufacturers, which DWIT prepared 2 years ago for Labor Dept. (Vol. 19:2 p8).

Japanese have adopted strategy of extending "global reach" in color TV through internationalization of production, which helps open foreign markets, provides local market flexibility, tends to blunt criticism of Japan's export expansion. Program is accomplished in different ways, including wholly-owned plants as in U.S., ventures with existing manufacturers as in U.K., and through plant exports to countries where ventures are set up with local partners, particularly in less developed countries. This last is under new govt.-sponsored program being run by MITI, study states.



Retention of technology base in Japan serves several functions. In addition to obvious one of keeping it out of hands of foreign competitors, it results in higher efficiency at Japanese plants where ICs and more sophisticated components & sub-assemblies are produced, insures high quality of finished products. Where U.S. manufacturers chose offshore plants as answer to problem of rising labor costs & declining quality, Japanese moving in here looked to automation & better product design. Typical result, report says, is that within 2 years of their 1974 takeovers, Matsushita cut annual warranty claim costs at Quasar to \$4 million from \$22 million, and Sanyo lowered home failure rate of TVs made at former Warwick plant to 2% from 10%.

Japanese outspend their U.S. counterparts on R&D, averaging 3.5% of sales to 2.3% for American companies, but work mainly on upgrading & commercializing basic technology sourced from overseas. Report points out that Japanese TV makers get substantial R&D help from govt.-supported work at universities and institutions such as NHK, as well as from component suppliers, says early work on ICs for consumer electronics gave Japanese semiconductor makers edge that makes them worldwide competitors today.

Future isn't very bright either for Japan's foreign competition. Policies of horizontal product expansion, vertical integration with help of cooperative parts makers, and end product oriented research have positioned Japanese for "future leadership" in developing markets for direct to home satellite TV, stereo TV audio and home computer & information systems, study says. Report copies are \$45 from DWIT, 915 15th St. NW, Washington, D. C. 20005.

**SONY RECORDS:** Sony reported record consolidated results for 2nd quarter and half to April 30, with four-fold increase in net on sales rise of more than 48% for both periods (Vol. 20:25 p12). Operating income rose 50.4% to \$134.1 million in quarter, was up 96.6% to \$314.6 million for half.

Foreign exchange losses, which impacted Sony results last year, were down 71.5% in full period to \$17.3 million, after gain of \$1.5 million in quarter. However, interest expense for half jumped 149% to \$63.5 million. For full period, Sony reported sales in Japan were up 17.9% to \$691.6 million, while overseas volume climbed 71.1% to \$1.33 billion.

Sony full-period sales by product line: Total TV \$569 million, up 52.7%; color TV \$534.2 million, up 54%; b&w TV \$34.7 million, up 35.8%; VTR \$424.6 million, up 66.9%; audio recorders & radios \$307.9 million, up 40.6%; hi-fi \$204 million, up 22%; other products, including magnetic tape, \$512.8 million, up 47%.

Neglect of technology & innovation is one of main reasons that growth of American productivity has fallen so far behind that of Europe & Japan, according to article in July-Aug. Harvard Business Review. Authors Robert Hayes & William Abernathy, in "The Mismanagement of Production," argue that American managers are responsible for "competitive listlessness," showing "preference for serving existing markets rather than creating new ones; for imitation rather than innovation; for short-run returns and acquiring companies in existing businesses rather than concentrating on making a superior product." Harvard Business School also announced upcoming book, "Technological Rivalry: the Home Videoplayer & the Process of Innovation," based on study started in 1975 by Richard Rosenbloom, David Sarnoff professor of Business Administration, co-authored by Margaret Graham.

Import impact aid has been approved by Labor Dept. for workers formerly producing BIC & Tenva record changers at St. Joseph, Mich. plant of Avnet subsidiary IPM Development. Agency says BIC has been importing increasing percentage of changer requirements since Sept. 1978, when it opened assembly plant in Mexico. IPM plant started production in 1977. Labor Dept. also revised earlier ruling, declared former workers at Delco auto audio & electronics plant in Kokomo, Ind. eligible for assistance. Though previously turned down because all their production was for GM, which does not use imported electronics in its new cars, workers can now get help because GM is being injured in general by automobile imports, agency ruled.

Cassettes & discs and teletext have secondary role in Performing Arts, Culture & Entertainment network outlined by Carnegie Corp. (Vol. 20:22 p5). PACE pay-TV PTV service would be springboard for creation of home video programming "label," even Public TV Video Club, using PBS Video Program Service as starting point. Carnegie report sees market "several years behind pay TV in development and fraught with many more risks for an unknown response," thinks retail marketing & distribution aren't PTV strengths. PBS Pres. Lawrence Grossman said "our viewers... might be the best customers" for home video programs & hardware, indicated cassette & disc rights may be included in PTV broadcast & aftermarket deals.

Higher quality and improved yields for semiconductors is claimed result of new silicon crystal growing process developed by Sony. Crystals are grown in intense magnetic field which creates simulated zero-gravity environment. This, Sony says, results in more uniform crystals with less warpage, reduced internal stress. Crystals grown using new method can increase semiconductor production yields by 75%, Sony claims.



**CES TV LINES:** With major marketers having unveiled 1981-model lines, TV action at CES centered on smaller importers from Taiwan & Korea, although their freedom to sign up new accounts was severely limited by uncertainties over how color import quota extension issue would be resolved.

Two of them already have started assembling sets in U.S. Tatung is turning out 25" consoles at 50-75 daily rate at Long Beach, Cal. plant, may start 19" line later this year. Bohsei is having 25" consoles assembled by contractor in Tijuana, is considering 19", and is negotiating with Wakefield Industries (owner of former Capehart plant) for assembly on East Coast.

Sampo recently announced plan to build \$5-million color plant near Atlanta, but that won't be open until next spring (Vol. 20:22 p10). Samsung may be first Korean producer with U.S. plant.

Frank DiLeo, pres. of U.S. sales arm, said company has narrowed location to 2 possible sites. All that's holding things up is definite word on new quota and how it will be allocated among TV manufacturers by Korean Govt.

Tatung prices are up sharply from Jan. on much of TV line, although color line starts with 9" AC-DC unchanged at \$370. In 13", mechanically tuned leaders are \$380 & \$410, both up \$10, while electronic ladder tuner version and remote step are unchanged at \$430 & \$530. Electronic tuner 15" leader at \$490 & remote step at \$560 are both up \$20. Up \$30 are mechanically tuned 19" at \$530 & \$560, remote is up \$100 to \$660. Consoles, both remote, are \$1,060 & \$1,165, each up \$60. In b&w, 5" multi-band radio-cassette combo at \$265 is up \$15, 9" AC-DC is up \$7 to \$124; 12" leader at \$106 up \$6, with AC-DC step up \$9 to \$170; 19" is unchanged at \$190. All color TVs now include Audiocolor sound frequency splitter that feeds TV sound to stereo system. It formerly was \$11 option.

Bohsei, a promotional line, is all open-list. Approximate prices are our estimates. Color opens with mechanically tuned 13" at \$285, remote step \$350; 19" with mechanical tuning is \$340, remote \$400; consoles are \$525 & \$590 with mechanical tuning, remote \$650. In b&w, 5" AC-DC is \$100, radio combo is \$135, version with radio-cassette \$185. In 12", leader is \$85, with AC-DC at \$90.

Gold Star, which is promising not to raise TV prices this year, starts color with mechanically tuned 13" at \$355, electronic ladder tuner step at \$430, remote at \$477; 19" with mechanical tuning are \$430 & \$435, ladder electronic is \$492, with remote at \$566. High end with 16-entry programmable remote tuning, LED time-channel display, is \$636. In b&w, 5" vertical battery-portable leader is \$176, version with FM-AM is \$192, horizontal step with FM-AM-cassette is \$286. AC-DC 9" is \$120, AC-only 12" is \$109, with AC-DC steps at \$112 & \$114; sole 19" is \$186.

Sampo opens color line with 5" radio-cassette combo at \$470; 9" AC-DC is \$360. Mechanically tuned 13" is \$340, with remote step at \$420. In 19", sets with mechanical tuning are \$410 & \$430, remote is \$520. Now-available remote tri-screen — 19" color set with two 5" b&w displays — is \$995. In b&w, 4.5" radio-cassette is \$210, 5" with clock is \$220; 12" are \$100, \$102, \$110, and AC-DC at \$120; sole 19" is \$170.

Samsung color starts with mechanically tuned 12" leader at \$270; 13" with mechanical tuning is \$300, with remote step at \$400. In 19", leader with mechanical tuning is \$440, remote \$530. B&w starts with 3" at \$130, with 5" at \$140, 5" radio combo at \$179, 5" radio-cassette at \$280. AC-DC 9" is \$110. Leader is \$90 with AC-DC step at \$120; 13" is \$120, 19" are \$140 and \$170.

Toshiba announced pricing on carryover models at CES, showed general \$10-\$20 boosts. Missing from color line are 5" & 21" console with programmable tuner, only color models company had been importing from Japan. All others are made in Lebanon, Tenn. plant. Line has only 3 sets with mechanical tuning — 9" AC-DC at \$400, 13" at \$370, both up \$10, and 19" at \$450, up \$20. All up \$20 are remaining 13" at \$410, remotes at \$490, \$500, and swivel-base model at \$510 — new optional swivel base with built-in LCD alarm clock is \$55. New 15" is \$470, with remote at \$540. Electronically tuned 19" starts at \$500, up \$10, step with light sensor is unchanged at \$520. Remote 19" starts at \$560, with step at \$600, both up \$10, new model with removable on-set keypad tuner that doubles as remote is \$660, programable (6 settings) remote with LED time-channel display, is \$800, up \$10. In b&w, 5" radio-cassette combo is \$270, 9" AC-DC & 12" AC-only are each \$110.

Sanyo added 5" color minicombo with AM-FM & cassette at \$700.

DuMont TV line will move into areas west of Mississippi about 18 months ahead of schedule if distributor Larsam can make arrangements with domestic supplier for increased production. Company said it ran into unexpectedly strong demand from western retailers and sub-distributors at introduction in Chicago during CES (Vol. 20:22 p10). Plans are for shipments to western accounts in Oct.-Nov., about month after line is slated to show up on shelves of dealers in East.

Winegard Industries, TV antenna and CATV equipment manufacturer, is planning to enter earth station business. Winegard recently ordered test antennas from Prodelin, eventually wants to sell complete earth station package. "We've already received calls from people wanting to place orders," said Robert Fleming, Winegard mktg. vp., "but it's a little early for that. We'll have all the details by Oct."

Computer interference measurement standards & procedures to avoid TV-radio interference (Vol. 20:14 p11) have been issued as proposal by FCC (Docket 80-284). Comments are due July 30, replies Aug. 15.



**CES COMPUTERS, GAMES, WATCHES:** Computers continued being business in search of market at Summer CES in Chicago, with manufacturers obviously still searching for software key needed to unlock consumer interest.

Judging by crowds at booths, semi-pro & hobbyist hardware market is healthy, though when it came to hands-on exhibits, we found those computers programmed to play games were in constant use while those set up for data or graphics drew substantially less action. Announced at show were host of new software and phone data-access arrangements, although last, providing ties to full-sized computers for some \$5 per hour, have long way to go before they're competitive with newspapers, radio & TV as news & consumer information sources.

Sluggish sales of \$1,200-&-up systems is leading to big discounts, with \$200-\$400 cuts common among computer specialty dealers and mail-order marketers. At show, Commodore was offering 12-month interest-free inventory financing to dealers. Texas Instruments launched Cal. test offering of free \$200 software package to buyers of its \$1,400-list computer-color monitor combo.

Computer interest was centered on smaller sizes, lower prices. Star was Matsushita (Panasonic & Quasar) hand-held system, which features basic translator-like model with keyboard, LCD display, and accepts solid-state plug-in program modules, has accessories for TV display, printing, audio cassette input & output, acoustic telephone coupling. Basic computer is expected to retail for about \$400, with \$2,000 tag on complete system. Similar units were promised by Sharp, Nixdorf.

Nearly pocketable computer from U.K.'s Sinclair Research was demonstrated at show, promised for July-Aug. availability at \$200 (Vol. 20:5 p11). Company said it has FCC approval for basic unit, is still working on clearance for memory expansion module. It will be offered first through mail order, go into retail distribution next year. Low-cost disc memory & printer are under development.

Mattel's computer keyboard converter for Intellivision programmable video game, due last year, then last May, most recently slated for July, has now been postponed until next Jan., but company said test marketing is slated for fall. Keyboard is being made by Technicolor.

Programmable video games were hot as pistols, and there were waiting lines for demonstrators at Atari, APF, Magnavox & Mattel booths. Other electronic games & toys also drew throngs, though there was general lack of interest in LED chase type hand-helds. Retailers interested in video-like action games from such toy majors as Milton-Bradley, Mego & Parker Bros. were disappointed to learn that virtually all new models were sold out by IC chip-short industry at N.Y. Toy fair last Feb. (Vol.

20:7 p3). While dedicated video games are generally dead issue, U.K.'s Waddington Videomaster demonstrated "Space Chess." Regulation-like chessmen in on-screen game can shoot at each other, go into warp drive, as well as make more normal moves. It's expected to retail for about \$300.

Interest in electronic packaged chess, checkers & backgammon games seems to have waned, probably because of off-brand knock-offs starting to arrive from Far East. Applied Concepts, which replaced Chafitz as U.S. distributor for Boris game line, displayed new "Droid" version with built-in robot arm which actually moves pieces on board. Unit, which couldn't be made to work at show, lists at \$1,099, with add-on modules to increase skill level at \$100 each.

Solars are out, thin is in, in electronic watch field. Next wave for wristwatches will be ultra-thin multi-function models selling, initially of course, at premium prices. New lithium battery with 4-year life and relatively low replacement cost, is sounding deathknell for solar watches which contain hard to replace and expensive 5-year rechargeable batteries.

Home satellite earth stations were in evidence for first time at CES in Chicago, giving it aura of NAB or NCTA show. Three home systems were displayed, new unit by American Value Inc., Rolling Meadows, Ill. at dealer cost of \$2,995 for 10.5-ft. dish & electronics, designed to retail for under \$5,000 plus installation. Also seeking dealers was Third Wave Communications, Ann Arbor, Mich., with under-\$10,000 system. Channel One installed home earth station at McCormick Place to feed satellite programming to Advent exhibit via fiber optics installed by Times Fiber.

Videocassette survey conducted among 450 owners is available from Inovision, Dallas, for \$2,300. Report was considered proprietary until company decided to end program production & retail distribution efforts (Vol. 20:9 p11). Highlight of telephone survey results are pre-recorded rental & purchase trends and indications that both will more than triple among current VCR households in 1980, according to Inovision Vp Fred Mirick. Top 5 program categories of 20 or so included in study are early TV, how-to, music, theater & non-X movies.

Fotomat expands video involvement Aug. 1 with launch of film-to-tape transfer service for industrial & educational audio-visual market. Company said it will offer broadcast quality transfer of movies, slides & filmstrips. Fotomat has been transferring movies & slides to videocassettes for consumers since June 1978.

EIA Consumer Electronics Group Marketing Services Committee expressed dissatisfaction to CEG board over progress of \$75,000 audio sales study by Market Facts Inc., not TV retail sales program conducted jointly with Trendex, as reported here last week. We regret the error.



## Consumer Electronics Personals

Joseph Tushinsky, Superscope chmn.-chief exec., re-assumes title of pres.-chief operating officer, following resignation of David Climan, who held post 13 months. Climan will continue as consultant... Eugene Beyer, RCA gen. counsel, promoted from senior vp to exec. vp... Ray Brooks, ex-Magic Chef, joins Quasar as national dealer development mgr.; George Rissmann appointed mktg. statistics mgr.

John Semenuk advanced at GTE from Precision Materials Parts Div. materials mgr. to Entertainment Products Group Mfg. Div. materials dir., succeeding Fred Fanella, resigned... Dave Daniels leaves post as Sanyo auto sound national sales mgr. to head sales of Inkel, newly formed U.S. mktg. arm of Korean audio producer Dong Won... Jack van Leeuwen, ex-Philips, joins ITA Aug. 1 as exec. vp responsible for new Eindhoven, Netherlands office.

Anthony Hamilton, Avnet Electronic Mktg. Group pres., advanced from corp. vice chmn. to chmn., succeeding late Simon Sheib; Edwin Kanner promoted from vp to exec. vp-chief operating officer; Sheib's posts of pres. & chief exec. remain vacant... John Katada appointed Panasonic Industrial Sales Div. asst. gen. mgr... David Burdick advanced at Radio Shack from mktg. mgr. to computer center mdsg. dir., new post.

Robert Hostetler, CTS treas.-chief administrative officer, adds post of pres., succeeding Clinton Hartman, who continues as chmn.-chief exec.; Joseph DiGirolamo, vp-chief operating officer, named vice chmn... Carm Santoro, ex-American Microsystems, joins RCA Solid State Div. as IC vp.

Willard Wilmot promoted at Belden Electronic Div. from mktg. mgr. to sales & mktg. dir.; William Donahoe, national sales mgr., adds responsibility for sales-service function... Gary Tooker advanced at Motorola Semiconductor to International Div. vp-gen. mgr., succeeding Pasquale Pistorio, now pres. of Italian semiconductor producer SGS-Ates... Howard Raphael resigns as National Semiconductor MPU group dir. to become pres. of Cermetek, producer of hybrid ICs.

## Obituary

Tokuji Hayakawa, 87, Sharp founder & chmn., died in Japan June 25. He launched firm in 1912 as metal working company, in 1915 invented mechanical Ever-Ready Sharp Pencil, from which company brandname emerged. First electronic product was crystal radio in 1925; company produced Japan's first AC tube radio 4 years later. Corporate name was changed from Hayakawa Electric to Sharp Corp. in 1970.

ITA's first European home video seminar is slated for June 21-23, 1981 in Amsterdam.

## 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
Corning Glass Works			
1980-24 wk. to June 15	700,103,000	61,623,000 <sup>a</sup>	3.50
1979-24 wk. to June 17	669,349,000	74,008,000 <sup>a</sup>	4.17
1980-12 wk. to June 15	344,559,000	35,318,000 <sup>a</sup>	2.01
1979-12 wk. to June 17	339,225,000	40,010,000 <sup>a</sup>	2.25
General Instrument			
1980-13 wk. to June 1	205,009,728	15,025,144	1.69
1979-13 wk. to May 27	150,481,083	10,407,491	1.27
MPO Videotronics			
1980-6 mo. to April 30	10,721,023	(408,065)	--
1979-6 mo. to April 30	11,162,991	194,843	.35
National Semiconductor			
1980-year to May 31	980,363,000	52,339,000	2.58
1979-year to May 31	719,740,000	34,262,000	1.72 <sup>b</sup>
1980-qtr. to May 31	300,967,000	16,392,000	.80
1979-qtr. to May 31	200,985,000	9,620,000	.48 <sup>b</sup>
A.C. Nielsen			
1980-9 mo. to May 31	356,681,000	21,101,000	1.92
1979-9 mo. to May 31	289,722,000	18,774,000	1.71
1980-qtr. to May 31	126,361,000	8,599,000	.78
1979-qtr. to May 31	102,178,000	6,323,000	.57

Notes: <sup>a</sup>Includes special credit. <sup>b</sup>Adjusted.

**JAPAN'S MAY EXPORTS:** Japanese VCR exports to U.S. in May rose 87.6% from same month last year to 65,500, 2nd highest monthly total of this year, according to Finance Ministry figures. Through first 5 months, VCR exports were up 59.5% to 313,800.

TV shipments continued sluggish, with May total down 34% to 66,100, as color fell 44.2% to 27,500, b&w dropped 24.2% to 38,600. For full period, total exports were down 36% to 314,100, with color off 43.4% to 166,800, b&w off 24.8% to 147,400. In color, exports of complete sets were off 47.1% in May to 25,000, and down 41% for 5 months to 139,000. Incomplete color exports were up 24.3% in month to 2,500, but were down 53.1% to 27,800 for full period.

RCA has paid \$12,500 in consent settlement of complaint, brought by Office of Export Administration, alleging its Picture Tube Div. exported test equipment to Poland without required licenses. Gear was shipped in 1976 as part of RCA contract to build color tube plant there. In announcing settlement, OEA said RCA cooperated fully by launching own investigation, recovering equipment under question and substituting acceptable equipment shipped in compliance with regulations.

FTC is challenging co-op ad contracts which deny funds to retailers who advertise discount prices. FTC said it obtained consent orders against Totes & Tingley Rubber barring them from putting price requirements in co-op agreements. FTC acknowledges its position is contrary to 1978 New Orleans Federal Appeals Court ruling that such contract stipulations aren't necessarily anticompetitive.