

WEEKLY

# Television Digest®

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**MASSIVE NETWORK ELECTION EFFORT:** NBC & ABC fight to see who can attract most print journalists to work out of special network newsrooms. Big ratings and technical foul-ups mark debate in Cleveland. (P. 1)

**NEW SATELLITES** for 1981 launch to expand cable and broadcast transponder availability, permit 48 TV feeds per satellite; Blair transmits Carter ads; RCA sees big future for DBS. (P. 3)

**CRT PAYMENTS DELAYED:** Copyright Tribunal agrees to NAB request for stay of royalty distribution, pending Appeals Court ruling. NAB says distribution now would make it impossible to get money back if Court rules against CRT. (P. 4)

**WARNER AMEX WINS DALLAS:** Deluxe cable system to offer Qube, 100-plus channels, 5 pay services, home security. (P. 4)

**MINORITIES ON ACCESS:** Blacks, Asians, American Indians, say they have none. Marshall sees need for selective boycotts of advertisers. (P. 5)

**PTV FUNDING LIMITED:** Reagan and Carter spokesmen tell NAEB that public stations' federal funding won't keep pace with inflation, urge public broadcasters to make money with commercial ventures. (P. 6)

**NETWORKS PLAN ELECTION NIGHT:** Massive effort is planned for election night with each network trying to outdo others in offering special coverage. NBC & ABC are fighting to see who can attract most print journalists to work out of special network newsrooms.

NBC plans expansion of service to affiliates by using NBC Newswire to feed projections & analysis beginning at 5:30 p.m., 90 min. before coverage starts. NBC will use John Chancellor & David Brinkley to cover Presidential race, Tom Brokaw to cover Senate races, and Jessica Savitch to report on House and gubernatorial races. NBC plans to project winners in all races except individual House contests, but will project overall composition of newly elected House. NBC & AP plan to analyze election based on poll of 15,000-20,000 voters as they leave voting booths. Author Theodore White will offer commentary.

ABC coverage will feature Frank Reynolds & Ted Koppel, with interviews by Barbara Walters and reports on state races from Max Robinson. Analysis will be provided by Robert

### Consumer Electronics

**VHD IN BUSINESS**, plans Sept. '81 U.S. debut through 3 interlocking companies. JVC official indicates up to 500,000 players could be produced first year. (P. 8)

**RECORD OCT. SALES** in color, all-time high in VCR, aggravate shortages in both products. Color price hikes seen in Jan. (P. 9)

**JAPAN'S VCR EXPORTS** to U.S. topped 100,000 level for first time in Sept. Complete color shipments up, b&w off. (P. 10)

**CES FORMAT** changed to increase interest in conferences. Some exhibitors urge dropping of winter show, but move is seen unlikely. (P. 11)

**MATSUSHITA SET RECORDS** for sales & net in 3rd quarter & 9 months, says VCRs pace gains. Audio marketers post 3rd quarter profits. (P. 12)

**MONTGOMERY WARD** to introduce own-brand VCR in Jan. Zenith sticking exclusively with Beta. JVC expands plant to equal Sony's. (P. 13)

**RANK-TOSHIBA DISSOLUTION** calls for Toshiba to take over U.K. color TV plant. (P. 13)

**TV IMPORT BREAKDOWN** for Aug. shows all gain except Taiwan. (P. 13)

MacNeil, of MacNeil/Lehrer Report, and columnists Tom Wicker & George Will. ABC also plans its first nationwide exit poll, interviewing 6,000 voters at 300 locations. ABC plans to project winners in all major races, and affiliates can obtain network's computerized data through phone call to Affiliate Election Desk.

ABC is planning to give NBC competition in providing facilities for print journalists. ABC expects about 37 reporters from 22 news organizations to work out of ABC election hq in N.Y. NBC, which has offered service for several elections, expects reporters from about 12 news organizations to work from NBC election hq. Both are offering reporters detailed projection and exit poll data. Several print organizations — such as Boston Globe, L.A. Times, Newsweek, Newsday, Reuters, St. Louis Post Dispatch & Washington Post — plan to have reporters at both networks.

Large audience, innovative efforts and technical foul-ups highlighted TV coverage of Presidential debate in Cleveland. Some early polls gave Reagan slight edge, but most indicated there was no clear winner in 90-min. meeting between Carter & Reagan.

Some 105-120 million watched at least part of debate, compared with 90 million for highest-rated Carter-Ford debate in 1976. Houses using TV were estimated at 72% in N.Y., 75% in L.A., up from usual HUT of 65%-67% for this time of year. ABC scored largest shares in 3-city overnights, with 33% in N.Y., 46% in Chicago, 27% in L.A. CBS was 2nd in N.Y. & Chicago, NBC placed 2nd in L.A. ABC led into debate with season's premiere of hit show "3's Company."

Independent John Anderson joined debate on cable through innovative hook-up offered by CNN, which spliced Anderson's comments into tape of main debate. CNN debate was carried into more than 3 million homes through cable, also was carried by some PBS stations & several independents. No numbers were available on total viewers who watched CNN show. Anderson ran political ads before & after debate, although NBC said it lost Anderson ad which was suppose to run at end of "Lucy" special just before debate. Viewers in eastern & central time zones saw blank screen or "Please stand by" message for almost 5 min. NBC quickly sold Anderson 5 min. following debate, which he bought, but he rejected NBC offers of time Oct. 31 or additional time during his planned 15-min. commercial on election eve. Anderson was furious with NBC, at one point demanded that NBC crew leave CNN's debate location at Washington's Constitution Hall.

ABC tried call-in poll experiment with new AT&T telephone service called DIAL-IT, but large response overwhelmed equipment. Nearly 700,000 paid 50¢ to phone company to call one of two 900 numbers to cast vote for Carter or Reagan. Result was 469,412 votes for Reagan (67%) and 227,017 votes for Carter (33%), but poll was attacked as "irresponsible" by Americans for Democratic Action & many pollsters. Many callers got busy signals, or tape recording telling them they called wrong candidate. DIAL-IT system was designed to handle up to 5,000 calls per min., would accept 2 calls at once from each of 2,000 local Bell offices. But lines in urban areas became jammed, preventing many calls from ever getting through. ABC expected about 150,000 every 30 min., received about 200,000.

NBC also was "very critical" of ABC poll, said it had turned down same facilities offered by AT&T. ABC announced phone number on 7 p.m. news, giving campaigns time to organize callers, according to NBC, which also was critical because there was no way to indicate a draw and that 50¢ charge discouraged calls from poor.

Reagan agreed to debate because Carter's attacks had been "vicious... and win, lose or draw, we pick up votes," said Reagan Research Dir. Richard Beal at SDX meeting in Washington on night of debate. Anderson spokesman predicted large sympathy vote for independent candidate because of exclusion from debate. Carter spokesman declined invitation.

ABC has distributed educational guide called "The Vote '80" to 122,000 high school teachers & librarians, to encourage discussion of political process, issues & candidates.



**NEW SATELLITES SET FOR 1981:** Heavy launch schedule will see domestic satellite capacity greatly expand next year — opening transponders for new uses by broadcasters and cable networks, our Satellite Week reports. RCA Americom will be particularly active — intending to launch 48 transponders of new capacity in next 12 months. RCA plans to dedicate both new Satcoms to cable, open transponders on current satellites for use by broadcasters.

Upgraded RCA Satcom spacecraft will make it vastly cheaper to convert cable heads to multiplexed TV — 2 channels on single transponder. Putting 2 TV channels on single transponder is possible now, but ground equipment is cumbersome and costly, RCA says. But with more power in upgraded satellites being built by RCA, problems on ground are minimized. Other satellite developments:

FCC published its notice of inquiry on DBS, including large list of questions to be answered by those filing comments. FCC said: "We think the public interest requires that we pursue 3 goals — efficient use of the spectrum, opening new channels to allow an opportunity for diversity of voices... and satisfaction of consumers' preferences for programming." Comments are due Nov. 28, replies Dec. 15.

Campaign commercials were transmitted by Blairsat Oct. 23 — first use of new system for political advertising. Carter ad was sent in 14 localized versions to 50 earth station locations, then distributed to 138 TV stations. In some cases, commercial aired same day it was transmitted.

RCA interest in DBS will be further confirmed in speech prepared by RCA Americom Pres. Andrew Inglis for delivery to Royal TV Society in London Nov. 6. Inglis, outlining use of satellites in U.S. communications, says that RCA estimates DBS market is 15-20 million homes, that "I cannot recall any technical development that has stimulated more interest both within the industry and with the general public. There is something exciting about the concept of a tiny antenna located perhaps in one's attic, picking up programs from a satellite more than 22,000 miles in space." Major issue is economic, he says, suggesting that DBS will be viable wherever cable TV cannot be installed for less than \$500 per home.

Broadcasting isn't doomed, CBS Best. Group Pres. Gene Jankowski told Adweek/CBS Seminar in N.Y. Oct. 28, citing reports that "cable, pay cable, STV, satellites, superstations, videodiscs and the home recording studio are sounding the death knell for TV." Reasons for optimism: (1) "The vocal minority notwithstanding, the public is basically pleased and satisfied with TV; viewing constantly increases." (2) Viewers are interested in programming — not in how it gets to home TV sets. He concluded: "By the end of this decade, we expect that about 40 million homes will be on cable, with about 1/2 that number buying pay cable. But we do not expect that cable, pay cable and all other new technology will cut into network and affiliate viewing by more than 10%."

Cable deregulation order repealing distant-signal and syndicated exclusivity rules will take effect Nov. 28, FCC ruled, reversing previous decision not to extend Nov. 14 date (Vol. 20:43 p4). Commission acted to permit 2nd Circuit Appeals Court (N.Y.) to hold oral argument Nov. 18 on request for stay. Court is expected to act immediately after argument.

Cable advertising revenues will rise to \$350 million by 1985, NCTA Senior Vp Kathryn Creech told AAAA, noting Procter & Gamble and other major advertisers are moving towards CATV.

Mass. judge asked FCC to investigate whether WCVB-TV Boston violated license when it refused to cancel news series at judge's request (Vol. 20:40 p4). Superior Court Judge Vincent Brogna, in letter to FCC Chmn. Ferris, asked FCC to consider imposing "sanctions," and to "remember [station's] conduct" during license renewal. Another judge had issued injunction against station's 5-part series "Witnesses For Hire," wanted to delay it until jury was seated in murder trial. Station appealed decision, which was overturned, and ran series. Judge delayed trial indefinitely. Judge Brogna said station showed "a failure and lack of responsibility in its obligation to act in the public interest."

C-SPAN has been airing series of phone-in shows while House hasn't been in session, thought it would be good idea to have Ralph Nader come on to talk consumer issues. According to C-SPAN official, Nader demanded to be paid, plus limousine to pick him up in Washington, deposit him in Arlington, Va. Nader was disinvited. During talk shows, C-SPAN has received calls from 48 states, 225 cities.

NAB, CAB and Mexican Assn. of Bcstrs. exec. committees meet jointly Dec. 1-2 in Williamsburg, Va. Major items: 9 kHz, satellite allocations and UNESCO McBride report (Vol. 20:43 p6). Following joint sessions, NAB committee meets on fiscal 1981 budget.



**TRIBUNAL DELAYS PAYOUT:** Copyright Royalty Tribunal has delayed distribution of 1978 cable royalties until D.C. Appeals Court rules on CRT decision divying up pot. CRT action came at request of NAB, which, along with 4 other groups, is appealing CRT's distribution percentages.

CRT move means that funds will be delayed up to an estimated 18 months, average time lawyers say it takes D.C. Appeals Court to act on cases. Total of \$14.7 million sits in 1978 pot, still collecting interest, which also will be distributed.

NAB, ASCAP, Canadian broadcasters, sports claimants and NPR have filed appeal in D.C. Appeals Court. NAB, officials there say, received far too little in CRT decision which gave broadcasters 3.25% of pie. NAB request that CRT delay distribution of funds states that if CRT didn't delay "monies [would] be scattered across the country and totally unrecoverable" if court reallocated distribution. MPAA had opposed CRT delay, called for partial distribution.

Meanwhile, CRT is gearing up to begin whole allocation process for 1979 monies (\$16.1 million), asking participants to declare by Nov. 15 if "controversy" exists. Controversy exists if participants can't agree among themselves how to distribute funds. There's strong doubt they will agree, and CRT then again will decide on distribution.

CRT also may come under scrutiny in next Congress, according to Rep Gudger (D-N.C.), member of Copyright Subcommittee. He told NAB TV Conference that he wants Govt. Accounting Office to examine CRT, noted he introduced legislation last year to accomplish that.

**Move of FCC hq to suburban Va.** (Vol. 20:39 p5) "will decrease access to the Commission, inhibit beneficial interaction and dialog and result in an undesirable isolation of the Commission and its staff from the general public and the many groups and persons interested in the Commission's processes," according to objection filed last week by FCBA. In 5-page letter to Chmn. Ferris, FCBA Pres. Linda Cincinnati listed 9 objections to move, again called for meeting with Ferris to discuss issue.

#### Western Cable Show Supplement

Major new features of our annual Western Cable Show Supplement, distributed in conjunction with meeting in Anaheim Dec. 10-13, include special projections of pay-cable and satellite growth for next 10 years, complete transponder guide, etc. Continuing features include the authoritative tabulation of top-50 system operators and Exhibitors' Showcase providing details of all exhibitors. Show has expanded tremendously — registration up 33%, exhibitor booths up from 290 to 450. Advertising deadline for Supplement is mid-Nov. For details: Ed Sellers, 202-872-9200.

**WARNER-AMEX WINS DALLAS:** "Biggest & best cable system ever." That's how Warner Amex Cable described 15-year franchise award last week from Dallas, for multi-tiered, 100-plus channel, 2-way system to cost \$100 million and to take more than 4 years to construct. System will use new Qube 3 subscriber box, include optional home security, pay-per-view, up to 80 basic channels, 5 pay channels, videotext, plus 52-channel institutional loop for Dallas schools & govt.

Warner Amex said franchise will be its largest system, is largest single municipal cable TV award to date. Dallas has 400,000 homes, will require 2,360 miles of plant. Construction starts at once, with first service in 12 months. Major service tiers are 24 channels for \$2.95, 48 channels at \$7.50, 80 channels at \$9.95. HBO, Showtime, Movie Channel, Galavision and a mini-pay service are extra.

Dallas council cast 6 votes for Warner Amex, 3 for Sammons, one for Vista Cablevision unit of ATC. Council then affirmed decision on another vote — 8 yes, 2 no. Warner's Gus Hauser: "This will be the most advanced cable communications system available anywhere today."

Qube 3 system will use new BT 1300 subscriber terminal made by Pioneer. Unit can accommodate 110 program channels, has capacity to provide any home service, data information retrieval or video entertainment programming. "We are seriously considering the broadband applications for business telecommunications," said Warner Amex spokesman, noting that system is adaptable for business services. System will have 2 earth stations, single major headend with 4 sub-heads in different parts of Dallas.

**ABC TV affiliates' board** has formed special committee "concerned with communicating the advantages of free TV system to the public." Meeting in La Costa, Cal. last week, Affiliates' Chmn. Terry Shockley, WKOW-TV Madison, said industry should "use our own TV medium" to get message across. John Behnke, KOMO-TV Seattle, heads committee called VIEW (Viewer Information & Education Work). ABC News Pres. Boone Arledge told affiliates that "Nightline" will be expanded from 20 to 30 min. Jan. 5 and that late night news shows will go to 5 nights weekly in April. Upcoming: CBS TV affiliates' board, Nov. 9-13, La Quinta Country Club, Palm Springs; NBC TV affiliates' board, Nov. 16-18, Maui, Hawaii.

Melba Beals, former TV reporter now a freelance writer and consultant, has been named to CPB board, replacing Lucius Gregg, former vice chmn., who is black. Beals, who is also black, worked at KQED San Francisco. Appointment by President Carter was expected (Vol. 20:31 p8).

Reduction of AM band width to 9 kHz could cost broadcasters up to \$19.8 million, according to study by consulting engineers Moffet, Ritch & Larsen. Individual station costs could range from \$1,600 to \$60,000.



**MINORITIES ON ACCESS:** "Access for Asian-Americans in broadcasting is almost non-existent." "To us [American Indians], there is no access." "Minority faces are disappearing from broadcasting... The gains we have made have been neutralized."

These were among typical comments at L. A. conference on access sponsored by Madison, Wis. based American Council for Better Broadcasts in which Comr. Jones participated. NBMC Chmn. Pluria Marshall said that "the whole issue of access can be resolved if we put more energy into employment... The real black experience has not even been considered by the [network] decision makers, all of whom are white."

Marshall said access should be required as "statutory responsibility," said another solution lies with convincing advertisers. "If the advertiser knows he will invite a campaign of selective buying, he will not advertise on certain programs... We must begin to analyze the product support of programs that are offensive to us." Jones said that govt. surely doesn't have all the answers to access problems.

**FCC denied unusual complaint against** CBS-owned WCAU-TV Philadelphia — brought by candidate opposing Rep. Myers (D-Pa.), claiming that airing of Abscam videotape (showing Myers accepting bribe) entitled him to equal time. Opponent Robert Burke said KYW-TV Philadelphia & WHYY-TV Wilmington did provide equal time. FCC said CBS was right in deeming Abscam tape as news. CBS said broadcasts weren't "intended to favor Rep. Myers' political candidacy." FCC also rejected request, by Libertarian Presidential candidate Ed Clark, that PBS be ordered to include some of his supporters on The Advocates. Commission said there's no evidence to show PBS acted unreasonably in deciding Clark isn't major candidate.

**FCC has denied** (5-2, Lee, Washburn dissenting) WATR-TV Waterbury, Conn. non-duplication protection from cable systems carrying WNBC-TV N.Y. — a "significantly viewed" off-air signal in WATR-TV's coverage area. WATR-TV claimed it would lose 20% of its prime time audience without protection from imported NBC programs. That's not criterion for granting waiver, FCC countered, saying WATR-TV hadn't shown there'd be net loss of TV service to public.

**TV as homework** is assigned less frequently to black and low-income children, TIO reports. Study found that 59% of high-income, 48% of total population, reported that their children had been assigned to watch specific programs; only 34% of low-income families reported such assignments.

**FCC report on TV channel utilization** as of June 30 is available, shows applications pending for 13 new commercial VHF channels, 59 VHF's vacant and not applied for, including 3 in 101-200 markets. Copies: Office of Public Affairs, Room 207, 1919 M St. NW, Washington, D.C. 20554.

**Futile objections** were raised by U.S. delegation as controversial UNESCO resolutions on communications & news distribution gained final approval. U.S. joined in "consensus" endorsement, but Robin Chandler, chmn. of U.S. group, issued objections to language giving media responsibility for implementing social & economic policies, defining "responsible" reporting. Said Chandler: "It is a... deeply rooted conviction of the American people, deriving from... our Constitution, that the independent media, even to achieve desirable ends, may not be directed to perform certain tasks or be restrained from doing others." Elie Abel, member of delegation, blamed lack of U.S. power on failure to "pay attention" to changes occurring in U.N. "The relationship between the U.S. and UNESCO is one that ought to be carefully reconsidered, but without threats."

**FCC reaffirmed landmark telephone deregulation** & restructuring decision allowing AT&T to enter computer field by offering "enhanced" communications services through separate subsidiary. Decision would lift requirements of 1956 consent decree banning AT&T from entering unregulated businesses. During 5-hour meeting to reconsider April 7 order in Computer Inquiry 2, FCC backed down on some deadlines and procedural requirements, freed GTE from separate subsidiary requirement, ordered staff to prepare final order deregulating telephone equipment market. Order would accomplish many goals included in legislation to rewrite Communications Act, which apparently has died in Congress for this year. Commission's decision has been challenged in D.C. Appeals Court by CCIA and 30 other groups, mostly from computer industry.

**NRBA Pres. Harriet Kaplan**, responding to call of NAB Metro Market Radio Committee for unified voice (Vol. 20:43 p3): "1,500 radio broadcasters support NRBA precisely for the reason that NRBA is a voice that speaks solely for radio. Stifling that voice purely in the interest of 'unity' would betray the sacrifices our members have made in order to establish a radio voice. [But] we are open to any appropriate suggestions that would be beneficial to our industry."

**"Regretting error"** in Abscam report, NBC agreed to air retraction on Nightly News Nov. 1 to settle \$10 million lawsuit filed by Rep. Murphy (D-N.Y.) over Feb. 3 news report that he introduced bill on behalf of phony sheik. No money was involved in out-of-court settlement.

**"Programming: Competition & Innovation"** is theme of Nov. 6-8 BEA seminar at NAB Washington hq. CBS Bst. Group Pres. Gene Jankowski, ABC Children's Programs Vp Squire Rushnell and Nielsen Exec. Vp Dwight Cosner are featured speakers.

**Rep appointments:** KTXS-TV Abilene, Tex., WPDE-TV Florence, S.C. and WOAY-TV Oak Hill, W. Va. name Meeker; KOUS-TV Hardin, Mont. chooses Spot Time.



**EXTRA FACTBOOK COPIES:** Many Television Digest subscribers have received the annual Television Factbook as part of their total service — but for those who receive the Digest-only, copies may be ordered separately with enclosed order card.

Factbook No. 49 has risen to 2,438 pages — industry's basic reference work for 35th consecutive year.

Factbook comprises 125-plus directories, includes full page for each commercial U.S. TV station, with map displaying Grade A & B contours (the only document providing such contours), county-by-county Arbitron data, personnel, ownership, technical facilities, representatives (legal, engineering, sales), address, phone, TWX, digest of rate card, etc., as well as listing of all operating U.S. public-educational TV stations and instructional TV stations. In addition, all TV stations of the world are listed — with data obtained directly from each country — including top personnel, addresses, phone, hours of operation, color and b&w standards and number of receivers, sales reps, technical facilities, etc.

Cable directory in Factbook (issued continuously for 27 years) is most extensive ever published, covers 749 pages. Directory includes details of operating systems, franchises, applications for franchises. Data cover number of basic and pay-cable subscribers, potential, miles of plant, miles planned, homes in front of plant, stations carried (via satellite, microwave or off-air) with affiliation, origination facilities, subscriber rates, city fee, manager, ownership, population, counties, communities involved, brands of equipment, channel capacity, channel utilization, date of start, etc.

Among other features of Factbook: Complete tabulation of station & receiver growth since start of TV; official FCC reports on financial performance of TV stations market-by-market, year-by-year; station-by-station tabulation of studio equipment (cameras, video recorders, etc.); details of all TV station sales since 1949; directory of CPs & pending applications; directory of communications attorneys, engineers, management consultants, sales reps, brokers; for each network, directories of executives, affiliates & affiliate boards; trade associations; publications; equipment manufacturers; ad agencies; TV channel allocations; translators; group station & cable system owners; multi-point distribution services licensees, permittees & applicants, etc.

Responding to "numerous requests," FCC has extended deadline for comments to Nov. 12 in 3 rulemakings: ITFS, MDS, fixed microwaves.

**PUBLIC TV TOLD TO MAKE MONEY:** Spokesmen for President Carter and ex-Gov. Reagan last week told public broadcasters to make money through commercial ventures to substitute for federal funds. They told stations not to count on govt. to maintain funding against ravages of inflation. Representative of John Anderson said independent candidate favors more federal help for public stations.

At NAB conference in Las Vegas, Carter aide Richard Neustadt and Reagan lawyer John Eger, OTP chief in Ford Administration, said public stations must continue to pursue commercial ventures for supplemental income. Eger: "I don't think public broadcasting has to be ashamed of doing anything to raise money... Universities are not for profit. They sell magazines, take tuition."

Neustadt predicted battle in next Congress over public stations moving into commercial areas (such as alliance with Blaisat). He said legislation might permit commercial ventures by PTV as long as moves are "incidental" to primary PTV-radio purposes. However, legislation could bar public stations from setting up separate for-profit companies to move into commercial areas, he said. NTIA is studying proposal to give commercial stations longer licenses and free them from public trustee responsibility in return for funding of PTV and radio.

NBC plans to carry Dec. 20 Miami Dolphins-N.Y. Jets football game without play-by-play announcer or color commentator. Exec. Sports Producer Don Ohlmeyer said that if NFL Comr. Pete Rozelle agrees, viewers will hear "the crunch of bodies, the pads clashing, the public address... I'm not saying it's going to work, but it's worth trying." He said another plan under consideration is to have announcers in first & 3rd quarters only.

Media access groups are being formed across country by NCCB. Organizer Sandy Livingston in Boston last week, will be in Philadelphia this week. Local groups will be independent of NCCB, according to Exec. Dir. Samuel Simon. Organizing work is being financed by NCCB Chmn. Ralph Nader, who resigned last week as head of Public Citizen Inc. — umbrella group that is center of Nader lobbying efforts.

STV Assn. holds first industry conference Nov. 18-20 at Beverly Hilton, Beverly Hills, will cover programming, technology & regulation, operations and financing. Speakers include Premiere Chmn. Burt Harris; Issac Blonder, Blonder-Tongue; Andrew Wald, National Subscription TV; Paul Kagan, publisher.

FCBA activities in N.Y. are being expanded, with first luncheon Nov. 25, to be addressed by MPAA Pres. Jack Valenti (also speaking at Washington lunch Dec. 4). Zave Unger (212-247-3040) is coordinating FCBA's N.Y. activities.

More time for teletext replies has been granted by FCC, at request of CBS. New date: Nov. 14.



## Personals

ABC News Pres. Roone Arledge, CBS News Pres. William Leonard and NBC News Pres. William Small have been added to Nov. 3-5 RTNDA convention, Hollywood, Fla., to discuss coverage of American hostages and Iraqi-Iranian war... Douglas McCorkindale, Gannett senior vp, also named pres. of Diversified Media Div.; John Quinn, pres. of Gannett News Service, also assumes responsibility for broadcast news; Madelyn Jennings promoted to senior vp-personnel & administration and becomes member of Office of Chief Exec.

James Lynagh, WDIV Detroit, and William Faber, WFLA-TV Tampa, elected BMI dirs... Terrance Ford, ex-KFDM-TV Beaumont, named vp-gen. mgr., WTVG Chattanooga, succeeding Jane Grams, who becomes consultant to parent Belo Bestg.; Ronald Bergamo, WFAA-TV Dallas, succeeds Ford as KFDM-TV vp-gen. mgr.

Joan Barnett promoted to vp-casting, miniseries & TV movies, NBC Entertainment... Richard Lobo, ex-WMAQ-TV Chicago, appointed station mgr., WNBC-TV N.Y... Donald DeCarlo, WGN(AM) gen. sales mgr., also elected vp, WGN Continental Bestg.

Dolores Morris promoted to children's program mgr., ABC Entertainment... Aaron Shelden, ex-WABC-TV N.Y., appointed dir. of communications, CBS TV Stations Div... Alfred Dougherty, head of FTC Bureau of Competition, will join Washington office of Seattle law firm Perkins, Coie, Stone, Olsen & Williams in Jan.

Edward Burakowski, ex-Future Business Leaders of America, appointed NCTA vp of operator services; Jadz Janucik promoted to dir. of operator services; Diana Muger, ex-asst. to Pres. Thomas Wheeler, named asst. dir.; Char Beales, ex-WRC-TV Washington, advanced to NCTA vp and head of new media services & research dept.; Bernard Carver, ex-PBS, appointed research dir.; Michelle Minarcin joins as asst. research dir.; Gail Dosik promoted to asst. media services dir.; Phyllis Eagle, ex-Trade Assoc., appointed office administration dir.

Larry Pfister, ex-Station Business Systems, appointed cable mktg. mgr., Arbitron, succeeding Thomas Delaney, now research & mktg. services dir., CBS Cable... Sheldon Halpern joins Viacom International as vp-gen. counsel; Carol Osborne promoted to mgr.-business affairs administration, Viacom Enterprises... Martin Lafferty promoted to programming services dir., Cox Cable, new post; Bruce Sanderson to vp-business development, Cox Cable's INDAX (2-way cable services).

Ira Tumpowsky promoted to cable vp, Young & Rubicam, succeeding William Donnelly, now dir. of resource management... James Miller advanced to program planning & administration vp, Showtime, new post... Seth Kittay promoted to regional dir., newly created HBO mid-east one region; Peter Ryus

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## Television Digest

with Consumer Electronics ...

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to regional dir. for L.A. and southwest; Robert Maxwell to HBO research dir... Jack Shearer, ex-Alpha Video, appointed engineering dir., Action TV.

Edward Rutter joins Smith, Cooper Assoc. as vp-financial services... Royce Gienger, ex-Mountain States Video, appointed dir. of construction, Daniels & Assoc., new post... Steve King, ex-Lear Siegler, named mktg. pres. of Cal. Microwave Telecommunications Div... Patrick O'Connor, ex-HBO, appointed assoc. editor for cable, TV Guide.

Luis Nogales promoted to pres., Golden West Entertainment... Carl Menk, ex-Group W Productions, appointed pres., Post-Newsweek Distribution... Charles Calman joins Warner Bros. TV as east coast planning & development mgr., new post; Eric Frankel named advertising & publicity supervisor... Richard Reisberg promoted to pres., Viacom Productions, new arm to consolidate Viacom's prime time TV program production... Joseph Tirinato, head of MGM TV syndication, promoted to senior vp, domestic sales.

Stan Sands advanced to southwest sales rep, Scientific-Atlanta Cable Communications Div.; Robert Bird for Rocky Mountain states... Richard Sims promoted to vp-industrial relations, Audiotronics.

FCC Chmn. Ferris was among outside participants in recent CBS Adcom meeting on new technology. Some 25 top CBS execs. — including Chmn. Paley and Pres. Wyman — attended to "stretch our minds," according to network official. This is first time anybody from FCC has been invited to Adcom sessions, which are periodic meetings of CBS officials.



# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

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 Oct. 17 (42nd week of 1980):

	Oct. 11-17	1979 week	% change	Oct. 4-10	1980 to date	1979 to date	% change
Total TV.....	375,850	364,144	+3.2	347,141	12,013,068	12,388,549	-3.0
color.....	216,681	229,563	-5.6	214,749	7,565,542	7,682,469	-1.5
monochrome..	159,169	134,581	+18.3	132,392	4,447,526	4,706,080	-5.5
Home VCR.....	20,868*	13,886	+50.3	22,419	550,798**	335,301	+64.3

Color TV 5-week moving average: 1980—250,010\*; 1979—225,226 (up 11.0%).

Home VCR 5-week moving average: 1980—21,664\*; 1979—13,704 (up 58.1%).

\*Record for period. \*\*All-time record.

**VHD IN BUSINESS, PLANS SEPT. '81 DEBUT:** Formal agreements to establish 3 joint ventures to manufacture players & discs and acquire, produce & distribute programs for U.S. market were signed Oct. 28 by GE, Matsushita Electric Industrial (MEI), JVC & Thorn EML. Announcement released next day was almost exactly as we forecast last week (Vol. 20:43 p9). It went no further, left most specifics up in air, listed no software titles.

VHD group is planning for Sept. U.S. debut, we've learned, although release leaves latitude for slippage by simply mentioning "late 1981." Since specific programming hasn't yet been lined up and features of player models apparently still are up in air, VHD group has massive job ahead if it's to meet marketing deadline with product.

These ventures will be set up: (1) VHD Programs Inc., owned by all 4 partners, to acquire, produce & distribute software. (2) VHD Disc Mfg. Co., with same owners but separate boards of directors, to master & press discs on custom basis and for VHD Programs. First plant will be in existing building in L.A. area — probably in Irvine, Cal., where property is already under consideration — to be followed by 2nd plant, expected to be in Midwest. Cal. plant should be open early next year, 2nd in 1982, we've learned. (3) VHD Electronics Inc., owned by GE, JVC & MEI, to make players in U.S. At first, this company will exist principally on paper, with JVC & MEI supplying players from Japanese plant to GE, JVC, Panasonic, Quasar and any other OEMs which go along with VHD system.

Pres. & CEO of both VHD Programs & VHD Disc Mfg. will be Gary Dartnall, ex-pres. of EMI Videograms and longtime EMI film & TV executive. He said negotiations are underway for VHD Disc Mfg. to custom-press for 20th Century-Fox, Warner, Columbia, MGM/CBS & others for their own distribution. In addition, VHD Programs is talking with Disney, Filmways, Time-Life Films & others to license & distribute their programs. Dartnall expects starting VHD library to include about 200 titles, of which at least 160 will be movies, remainder other products with heavy emphasis on stereo music.

First disc production will stress custom-pressing contracts from movie producers. Thorn EMI Mkt. Planning Vp William Burkhalter, who is expected to occupy key post, acknowledges that "we're subsidizing our own competition" to launch VHD, but indicates that considerable number of EMI titles eventually will be distributed by VHD Programs. Latter company could have major role in supplying hardware outlets which don't want to bother with software salesmen from multitude of companies distributing own product on discs.



Time is now of essence if VHD is to come anywhere near Sept. debut date. It's estimated that gestation period to get program onto pressed disc is 9 months, which would require immediate startup. "I like their approach — it's clean," said one studio executive who plans to conclude VHD deal. EMI Videograms quoted him finished price of under \$5 per disc for production of 2,000-3,000 VHD copies, figures considered low by other disc experts we contacted. Same source doubts there will be more than 30,000 VHD players on market next year, said there must be at least 200,000 in 1982 and "a couple of million" 2-3 years later to support programming.

JVC & Matsushita apparently are confident they can swing into action quickly. Toshiya Inoue, senior managing dir. of JVC's R&D Div. and key man in disc program, in N.Y. for Audio Engineering Society (AES) convention, indicated in answer to our question that production of 300,000-500,000 players for U.S. & Japanese markets would be reasonable estimate for first 12 months.

VHD group has hurry-up job ahead on players as well as programs. JVC hasn't yet decided what features to include in basic player, or indeed how many models to introduce at first, Inoue indicated. Demonstrated in JVC suite at AES meeting was VHD player containing pushbutton panel to control variable playback speed — but same features were duplicated in separate random-access accessory attached to player. Inoue said player would be priced "between Philips & RCA, but closer to RCA," final prices presumably to be strongly influenced by which features are contained in basic player and which in special add-on accessories.

Main reason for presence of VHD player at AES was to demonstrate JVC's unique AHD digital audio disc system, which it has proposed as international standard. Although VHD partner Matsushita said last April that its preference was for audio disc player separate from video unit, JVC's is add-on to VHD system. Performance of unit is striking — one hour of 3-channel stereo with digital still color pictures is contained on same type 10.2" disc as used for VHD system (Vol. 20:17 p9). Inoue explained system has built-in compatibility for use in various modes — it will be offered as 2- or 3-channel system either with or without still-picture feature, and models can be upgraded after purchase with 3rd channel and/or picture component.

As demonstrated, color TV screen showed album covers, pictures of performer, "mood" illustrations, with lyrics to vocal selections displayed at bottom of picture in sync with audio. Color was excellent and pictures were rock-steady. Inoue said system can change pictures every 3 sec. and VLSI chips will be available within 2 years. In addition to being first digital video product proposed for consumer market, AHD with optional picture must be considered remarkable — almost revolutionary — step in audio, if it can be made & sold at consumer price.

**RECORD OCT. SALES, PRICE HIKES, SHORTAGES:** With color & VCR setting sales records in Oct., tight supply situation in both products is giving way to actual shortages. And with big boost coming in picture tube prices (Vol. 20:43 p8), industry consensus is that color TV prices will go up in Jan., followed by incremental increases through year if business stays good.

Color TV sales pushed over 300,000 for first time in any final Oct. week, bringing month's sales to new record for Oct. of about 956,000, up 8.3% from Oct. 1979 and passing Oct. 1978 record by 2.1%. For year's first 10 months, color TV sales were less than 1% behind 1979, will pull ahead in Nov. if hot pace continues. B&w registered torrid 212,000 sales in last Oct. week, up nearly 24% from year earlier, with month's sales at 630,000 up 12.5% from Oct. 1979. Home VCR registered best week (33,400, up 61.4%) & month (97,000, up 59%) in history.

With color TV business so much better than anticipated, spot shortages are showing up all over. RCA Consumer Electronics Vp-Gen. Mgr. Jack Sauter says his company is experiencing shortage of remote models as result of just-ended promotion, forecasts scarcity of certain 25" consoles, "particularly in better featured product," as well as 13" — latter aggravated by heavy transshipment to Latin America. Sony Consumer Products Pres. Joseph Lagore also sees shortages of remote models, says consoles have been short ever since spring 1979 introduction.



He says higher-priced sets are selling even better than new under-\$600 leaders in 19". "We're shipping as fast as we can make them. There definitely will be an expansion in production facilities at our San Diego plant — we're working out details now."

"We've had product shortages since May," says Quasar Pres. Alex Stone. "We went into the year on a conservative basis because of the recession. Now we have shortages across the board, particularly in better sets & remotes." Sharp TV-VTR Gen. Mgr. Robert Whitehouse says he's sold out to year's end. "Our production is being taxed. I am staring at extreme backorders. Our task is to distribute as equitably as we can." He sees shortage being reversed next year with continual industry overexpansion, higher prices. "Shortages have a tendency to correct themselves" into surpluses, he adds.

"There's no question that TV prices will have to increase, quite likely in Jan.," says RCA's Sauter, noting that hikes could be disguised by normal Jan. promotions — but these will be from higher base than last year. "Prices definitely will be up throughout 1981 as manufacturers try to overcome all aspects of inflation," he adds. Sony has made no decision on price hikes, notes Lagore, but "we're under the same pressures as everyone, and there will be an increase." Lagore sees 1981 business at least as good as 1980, with shortages continuing.

Quasar is forecasting general price increase Jan. 1. "We thought so before the tube increase," says Stone. "Sheer economics dictated a 1-2% rise, but now we're looking at 4% or better" with tube hike, vs. estimated 3% increase in color prices in 1980. Stone sees small increase in Jan., possibly followed by larger one at Feb. sales meetings.

If there are spot shortages in color TV, there's more serious across-board scarcity of VCR, and far fewer bargains are advertised as dealers take advantage of video's popularity to realize better margins. "We're allocating" VCRs, Whitehouse says. He notes steady increase in advertised retail prices, points to latest NARDA survey indicating dealer margins have increased to 23% from low of 12%. Lagore notes Sony is "backordered on every VCR model" and that "we're hearing a lot fewer complaints about price erosion now. Dealers are now getting \$100-\$150 markup. Six months ago they were taking \$25."

"I wish the industry had been as optimistic as the consumer," says Stone. "While the industry was saying nobody would buy a \$1,000 machine in a recession, the consumer was jumping in." In VCR, "the high end is the name of the game, portable sales are excellent. There's no question that dealers are firming up prices because of the shortage. Bear in mind that 1980's VCR sales will be the [dollar] equivalent of 2 million color sets." He sees good business and firming margins inducing more dealers to take on VCRs. "Next year will be the crucial one for dealers. They must get into VCRs, discs & computers or see the specialists take over as they did in audio."

"There's a definite shortage of VCRs," notes Sauter. "The high end is continuing very strong. The business has turned predictable and we're no longer being caught short with model imbalance." He says mix has been about same for last 18 months, "the ratio fairly well stabilized at just about 50-50 high & low end, not counting portables. If you include portables in the high end, it's about 58-42. Next year, portables will be a far more substantial category." There's no doubt about retail prices firming, Sauter says, but he sees it influenced more by cleanout of old models than high demand. He foresees boom "giving us the chance to broaden the dealer base, as dealers see good sales and get less nervous about obsolescence."

**JAPAN SET VCR EXPORT RECORD IN SEPT.:** Japan set all-time monthly record for VCR exports to U.S. in Sept., cracking through 100,000 for first time, Finance Ministry figures show. Month was also 2nd of year to show increase in exports of complete color TVs.

Japan shipped 107,800 VCRs to U.S. in month, up 44.3% from same month last year, and 14.6% above previous monthly high of 94,000 set last Oct. In year's first 9 months, VCR export total stood at 672,700, up 53.7%. Monthly 1979 totals get harder to top as year goes on, and in 3rd quarter increase was just 47.2% to 282,700.



If Japanese can maintain 3rd quarter growth rate through Dec., year's exports will be just under a million. But that would require monthly export average of 120,000 in 4th quarter, unlikely prospect considering how Japanese factories strained to maintain 75,000 monthly average in first 9 months. Last year, Japanese VCR exports to U.S. averaged 48,600 VCRs monthly through Sept., jumped to 81,000 average in each of last 3 months, but then U.S. was accounting for nearly 40% of overseas sales. In first 9 months this year, U.S. export share is down to 30%.

Month's total TV exports to U.S. were down 34.2% to 104,100. Color shipments dropped 5.4% to 51,900, as 77.2% drop in chassis & kits to 3,200 offset effect of 19.5% increase in complete receivers to 48,700. Sept. b&w exports of 52,200 were down 49.5%. In first 9 months, total TV exports were down 27.6% to 740,600, with color down 28.7% to 380,500, b&w down 26.4% to 360,100. In color, complete set exports of 331,600 were down 22.3%, incompletes at 48,900 down 54.1%.

**CES FORMAT CHANGES:** New format for conferences at Winter Consumer Electronics Show Jan. 8-11 in Las Vegas will address specific issues facing various segments of industry, each featuring 2 trade press editors and 3 manufacturing executives, with audience participation. Two-hour conferences will discuss issues in video (Jan. 9), audio (10), car audio (8), personal electronics (11) & personal communications (11) industries. There will also be Retail Merchandising Workshop Jan. 9 and retail store management session Jan. 10.

Each succeeding CES is biggest ever, and winter 1981 event will have more than 750 exhibitors in more than 500,000 net sq. ft., with attendance expected to exceed 50,000 from 35-40 countries. Exhibits will be at Convention Center, Hilton & Jockey Club. Some 300 manufacturers have scheduled sales meetings in Las Vegas just before show, according to sponsor EIA. Ad & promotion showcase, featuring "largest collection of consumer electronics advertising & merchandising aids ever assembled," will be special exhibit.

EIA Consumer Electronics Group, meanwhile, premiered its new career guidance film, "Electronics... Your Bridge to Tomorrow," last week in N.Y. Documentary aimed at high school students goes into distribution in Jan. on free-loan basis, some 300 film prints and 100-200 videocassettes made available.

CEG's promotional film, "The Link Between Us... Electronics," has now been seen by nearly 3 million people in theater & auditorium showings, on cable & TV and on videocassette, according to Senior Vp Jack Wayman. It was awarded 2nd grand prize at Copenhagen International Film Festival.

Chicago Consumer Electronics Jubilee Nov. 14-23 in Chicago, 2nd such regional event sponsored by CEG, will feature more than 580 in-store events, Wayman said.

\* \* \* \*

Single CES in late spring as substitute for current Jan. & June shows, is again industry mini-issue, as it was 5 years ago. At meeting with group of exhibitors in N.Y. last week, Wayman agreed to bring subject before CEG board. Expense of

participation is major sore point with single-show proponents, particularly those which hold own national or regional sales meetings, exhibit at CES primarily for prestige. Some dissidents at meeting indicated willingness to pay substantially more for CES exhibit space, to minimize CEG revenue loss, if there were only one show per year.

In late 1975, following similar plea from exhibitor group, board voted to drop 1977 Winter CES, but rescinded that when overflow crowds turned up for Jan. 1976 CES in Chicago, and 65% of dealers & buyers polled there said they preferred 2-show arrangement. Main outcome of dispute was decision to move WCES to Las Vegas in 1978, making it more accessible to west coast retailers. There's waiting list for exhibition space at upcoming WCES, and as long as such strong interest is there it's likely board will vote against change, leaving unhappy exhibitors to follow Pioneer's lead and discontinue involvement in one show or other (Vol. 20:42 p14).

Justice Dept. launched Phase One of probe into antitrust implications of Magnavox parent North American Philips' planned acquisition of GTE's consumer electronics operation (Vol. 20:40 p9) by sending inquiry letters to other industry manufacturers & marketers. Data being sought is substantially less detailed than was requested when Justice investigated same aspects of joint U.S. TV manufacturing venture proposed by GE & Hitachi in 1977. Justice letters ask only for general business information, don't include request for opinions on impact transaction might have. Case has been assigned to essentially same team that looked into, and rejected, GE-Hitachi venture.

**Re-inventions:** Updated versions of 2 products which have repeatedly been announced but never marketed in past years are under development in Japan. Sanyo is developing beam-indexing color tube, using single electron beam and no shadow mask, showed 6" prototype. First tube to be announced using principle was Philco's "Apple," developed in 1950s. Toshiba is working on system to record 300 still color pictures on C90 audio cassette using digital principles. Other companies, principally in Japan, have demonstrated similar systems in past.



**MATSUSHITA RECORDS:** Matsushita reported record consolidated results for fiscal 3rd quarter & 9 months (see financial table), said performance was hindered by sluggish consumer market in Japan. It said consumer electronic equipment & component sales were up 42.2% in quarter to \$1.57 billion, rose 34.2% for full period to \$4.34 billion. Overseas volume was up 56.2% to \$1.35 billion for quarter, up 52.6% to \$3.61 billion for 9 months, while domestic sales were up only 2.2% to \$1.88 billion & 8.8% to \$5.74 billion in same respective periods.

Separately, Matsushita Pres. Toshihiko Yamashita said for full year to Nov. 20 company expects to report 22% rise in consolidated profit to \$564.6 million on 21% sales gain to \$13.4 billion.

Yamashita credited VCR sales in domestic & export markets for much of improvement, said company sold about 600,000 in 1979, should move million this year, has capacity to produce about 1.7 million. Figures indicate Matsushita will account for about 25% of Japan's VCR output this year, down from 27% in 1979, will provide 28% in 1981, based on predicted total Japanese production of 6 million.

Wells-Gardner had \$19.9 million order backlog at end of Sept., up from \$12.7 million at same time last year, company says in report to holders on 9-month results (Vol. 20:42 p12). W-G says it has added capacity to produce cabinets for co-op video games to Chicago plant, plans to add new home security device to product line.

Emerson & Soundesign returned to profitability in 3rd quarter. Soundesign showed lower sales, was in red for 9 months. Last Sept., executives of both companies told us audio business had picked up in quarter, predicted they would show profits for period (Vol. 20:37 p11).

Texas Instruments said improved 3rd quarter results (see financial table) came in face of intense competition in consumer calculator market, higher costs associated with marketing of home computer system.

Heavy coverage of electronics is featured in Nov. issue of Consumer Reports. In tests of FM-AM clock radios, Zenith models earned 2 of top-10 ratings, one check-rated as best buy. Panasonic had 3 of top 10, GE 2. Magnavox, Realistic (Radio Shack) & Sony one each. Separate listing of best gift buys included b&w portables from RCA (2) & Panasonic; portable cassette recorders from GE, Sears & Sony; FM-AM-cassettes from Sanyo (stereo) & JVC. There's also use report on TV cameras, although only color model checked out was RCA's. B&w cameras tested were from Panasonic, Sony & Zenith. Handheld & table-top non-video electronic toys & games get extensive report. CR test panel of adults & children found most were acceptable, though some were considered boring, others merely high priced electronic versions of existing inexpensive board games. Some were criticized for high power consumption.

**VCR AWARENESS:** VCR message has gotten through to consumers, according to Arbitron-Video Probe Index New Electronic Media study. About 90% of 9,100 respondents said they had heard about VCRs, against just 37% expressing awareness of videodisc. Study was conducted earlier in year, and some preliminary results issued in Aug. (Vol. 20:34 p10).

Study says 3% of 8,190 who knew of VCR also own one, compared with 2% registered in latest Media Statistics survey. Reason for discrepancy may be that Arbitron-VPI sample was confined to top 25 markets, where VCR sales have been strongest. Respondent VCR ownership by brand: RCA 28.4%, Panasonic 14%, Sony 13.3%, Zenith 11.5%, Quasar 8.6%, JVC 4%, GE 2.9%, Sylvania 1.8%, other 10%; 16.9% didn't know or didn't say. Of non-owners, 5.7% said they were very interested in purchase, 22.3% somewhat interested, 25% not too interested & 45.2% disinterested. Answers were based on VCR price of \$600-\$1,100.

Interest in disc was comparable for those familiar with concept, with 5.3% very interested, 23.4% somewhat, 28.3% not too, 41.7% not at all. Player was pegged at \$400-\$700, feature film discs at \$20-\$30, how-to programs at \$8-\$10. Video projectors also were included in NEM survey. At price of \$2,000-\$3,000, only 7.8% expressed any interest, 90.4% were uninterested.

Asked to rate frequency of various VCR uses on 1-to-4 scale, respondents placed recording one show while watching another on top at 2.83, followed by taping movies (2.78), while away or asleep (2.76), entertainment specials (2.48). Purchase of movies pulled 2.11, rental 2.19.

Electronic news payment and editorial handling question issue was resolved, temporarily at least, in new contract worked out with Minneapolis newspapers by Newspaper Guild. Re-publication payments to journalists for stories provided to computer owners subscribing to electronic news delivery service, and assignment of final editing responsibility for such stories, were among key issues that led to 27-day strike (Vol. 20:41 p12). Under settlement terms, Guild members won editorial jurisdiction, but lost out on residual payments. Journalists will continue to get 25% of profits papers get for resale of stories to non-electronic media.

Matsushita will invest \$10 million in speaker & electrolytic capacitor plant being built on 20-acre site in Knoxville. It starts production in early 1982, eventually will employ about 200. Plant will be run by Matsushita Electronics Components Co., newly formed 5th operating division of Matsushita Electric Corp. of America. Others are Matsushita Industrial (TV plants), Tenn. Fan Co. (electric fan manufacturer) and sales organizations Panasonic & Quasar.

IEEE boosted basic membership dues \$8 to \$43 for 1981. Similar increases were posted for student & foreign members.



**NEW VCR ALLIANCES:** Montgomery Ward will introduce own-brand VCR in Jan., becoming 20th brand name on recorders offered in U.S. Company received FCC type approval for Model 10507A, manufacturer undisclosed. Asked for details, MW official said: "At this point, we're reluctant to give out information for competitive reasons."

Mail order & retail chain in past has offered Panasonic-brand VCRs, its current catalog featuring single basic 3-speed unit. It's known that MW has been shopping among various VHS manufacturers for supply.

Zenith has decided to stick exclusively with Beta system, we've learned, after talking with several VHS manufacturers, with major focus said to be supply of portable VCRs. We understand Zenith saw new Sony portable, due next spring, was convinced to wait.

In Japan, JVC disclosed it would expand VCR production capability to 150,000 monthly next spring, bringing it to same 1.8-million annual capacity as Sony announced (Vol. 20:42 p15).

For industrial market, meanwhile, Panasonic Video Systems introduced new list of products: (1) Programmable (8 shows, 14 days) 2-4-6-hour VHS recorder. (2) Two low-cost electronic viewfinder color cameras, one with 3-1 zoom, other with 6-1 power zoom, weighing 3.9 & 6.2 lb. (3) Programmable auto-search controller for solenoid-operated VHS & 3/4" VCRs, featuring 64-segment memory, programmable playback of up to 15 segments automatically. (4) Tuner-timer adaptor for VHS & 1/4" VCRs. (5) Multi-battery charger for simultaneous charging of up to 5 VCR battery packs.

**RANK-TOSHIBA DIVORCE:** Rank & Toshiba have agreed to dissolve 3 year-old U.K. consumer electronics manufacturing venture under terms that will protect some jobs at Rank-Toshiba's main plant. Companies announced last Sept. that venture wasn't working out, and Rank said it planned to quit TV & audio field (Vol. 20:40 p13).

Under tentative agreement, Rank will buy, "for nominal sum," Toshiba's 30% interest in \$19.2 million venture, with Toshiba getting Plymouth color factory, where it will employ several hundred of Rank-Toshiba's work force of 2,700. Plant will continue under venture control, with Toshiba taking over in March if deal becomes final.

Hard times in consumer electronics are being felt in Italy too, where Zanussi announced it will lay off 2,000 production workers for 42 days next year to help trim color TV inventories. Company said 2,500 have been idled for 48 days so far this year.

**Electronics from Spain '81,** annual publication covering industry there, is available free from: SECARTYS, Gran Via de les Corts Catalanes, 456, Barcelona-15, Spain.

**AUG. TV IMPORTS:** With exception of Taiwan, all major source countries participated in overall increase in Aug. TV imports (Vol. 20:42 p14). Here's breakdown for month by countries, with 8-month results in parentheses, from Commerce figures:

Japan, total TV 121,800, +21.9% (623,800, -32.5%); color 50,000, -32.7% (300,000, -42.9%); b&w 71,700, +190.3% (324,100, -18.7%). Taiwan total 280,500, -15.9% (2.91 million, +3.5%); color 31,100, -40.6% (498,500, -22.7%); b&w 249,400, -11.2% (2.41 million, +11.4%). Korea total 178,400, +13.1% (1.29 million, -2%); color 25,500, +74.8% (168,900, -28.1%); b&w 152,900, +6.8% (1.12 million, +3.6%). Singapore total 58,900 (495,700); color 55,200, +485.2% (462,200, +715.5%); b&w 3,700 (33,500), against none last year. Canada color 10,000, +166.8 (57,000, -20.4%). Also color only, Mexico 109,600 (1.12 million); Philippines 4,400 (62,288), with no comparable 1979 totals.

Complete color imports: Japan 46,600, +16.2% (243,500, -35%); Taiwan 22,200, -29.6% (208,300, -16.5%); Singapore 987, -86.7% (33,600, -27.9%); Canada 9,600, +162.5% (54,200, -19.5%); Mexico 63 (6,000), none in 1979. Philippines had no complete sets for month, 1,200 for 8 months, against none last year. All color from Korea was complete.

Incomplete color: Japan 3,400, -90% (56,200, -62.4%); Taiwan 8,900, -57.3% (290,200, -26.6%); Singapore 54,200, +2609.8% (428,600, +4152.3%); Mexico 109,500, -2.6% (1.11 million, +14.4%); Canada 400, against none in Aug. 1979 (2,900, -34.6%); Philippines 4,400, +114.7% (61,100, +1130.4%).

**Mergers & acquisitions:** Textron plans to enter semiconductor field through acquisition of privately held materials producer Basic Microelectronics. Terms weren't disclosed... Dynamics Corp. of America acquired additional 2.1% interest in CTS, increasing holdings to 10%. DCA said purchase was made before it received official notice of temporary ban on increasing holdings issued by Ill. securities commission (Vol. 20:43 p10)... Crouse-Hinds reports stock swap offer to acquire 49% interest in Belden is oversubscribed. C-H says it will accept on pro-rata basis 98% of Belden shares tendered, proceed with planned merger... RCA has agreed to sell Mobile Communications Div. to Hampshire Capital, terms undisclosed... Hitachi says foreign investors now hold 20.7% of its outstanding shares, up from 13% in March.

First color plant in China went on stream last month, govt. news agency reports. Plant, located in Tianjin, has capacity to produce 150,000 13" & 21" sets annually. It's first of 8 color plants Chinese are building with equipment & technical help from Japan.

New speaker brands are due on hi-fi market next year from BES, which is returning to own-brand field after 18-month stint as OEM-only supplier, and United Audio, import-marketer of German-made Dual record changers & turntables.



## 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>Avnet</b>			
1980-qtr. to Sept. 26	321,856,000	18,340,000	1.16
1979-qtr. to Sept. 28	288,142,000	16,074,000	1.03
<b>John Blair</b>			
1980-9 mo. to Sept. 30	161,854,000	7,521,000	2.02
1979-9 mo. to Sept. 30	141,591,000	8,867,000	2.39
1980-qtr. to Sept. 30	54,770,000	2,201,000	.59
1979-qtr. to Sept. 30	53,050,000	3,289,000	.89
<b>Cowles Communications</b>			
1980-9 mo. to Sept. 30	12,486,000	4,371,000	1.10
1979-9 mo. to Sept. 30	11,532,000	3,916,000	.99
<b>Emerson Radio</b>			
1980-6 mo. to Sept. 30	43,634,000	476,000	.19a
1979-6 mo. to Sept. 30	38,353,000	1,217,000	.55a
1980-qtr. to Sept. 30	31,032,000	762,000	.30a
1979-qtr. to Sept. 30	26,247,000	1,072,000	.49a
<b>Esquire Radio &amp; Electronics</b>			
1980-9 mo. to Sept. 30	33,680,739	850,392	1.76
1979-9 mo. to Sept. 30	24,058,176	646,518	1.34
1980-qtr. to Sept. 30	14,820,134	493,594	1.02
1979-qtr. to Sept. 30	11,839,270	342,937	.71
<b>Heritage Communications</b>			
1980-9 mo. to Sept. 30	18,282,947	1,646,676	.50
1979-9 mo. to Sept. 30	10,433,769	6,434,246	2.93b
1980-qtr. to Sept. 30	6,567,334	632,888	.18
1979-qtr. to Sept. 30	3,942,225	1,194,611	.50b
<b>Interpublic Group</b>			
1980-9 mo. to Sept. 30	304,480,000	12,603,000	2.82
1979-9 mo. to Sept. 30	261,805,000	14,600,000	3.31
1980-qtr. to Sept. 30	101,731,000	2,230,000	.50
1979-qtr. to Sept. 30	90,631,000	4,638,000	1.05
<b>Masco</b>			
1980-9 mo. to Sept. 30	584,860,000	58,350,000	2.29
1979-9 mo. to Sept. 30	553,490,000	56,600,000	2.15
1980-qtr. to Sept. 30	190,840,000	19,130,000	.75
1979-qtr. to Sept. 30	186,970,000	18,750,000	.71
<b>Matsushita Electric</b>			
1980-9 mo. to Aug. 20	9,346,036,000	399,237,000	3.39d
1979-9 mo. to Aug. 20	7,638,397,000	313,754,000	2.69d
1980-qtr. to Aug. 20	3,229,179,000	140,170,000	1.19d
1979-qtr. to Aug. 20	2,704,241,000	117,192,000	1.00d
<b>Oak Industries</b>			
1980-9 mo. to Sept. 30	272,112,000	13,223,000	2.47
1979-9 mo. to Sept. 30	202,181,000	7,649,000	2.00
1980-qtr. to Sept. 30	92,424,000	3,744,000	.69
1979-qtr. to Sept. 30	68,723,000	3,149,000	.82
<b>Ogilvy &amp; Mather</b>			
1980-9 mo. to Sept. 30	188,087,000	8,919,000	2.14
1979-9 mo. to Sept. 30	153,973,000	7,708,000	1.89
1980-qtr. to Sept. 30	63,566,000	2,071,000	.49
1979-qtr. to Sept. 30	53,756,000	2,423,000	.59
<b>Soundesign</b>			
1980-9 mo. to Sept. 30	90,885,000	(1,163,000)	--
1979-9 mo. to Sept. 30	118,617,000	1,100,000	.44
1980-qtr. to Sept. 30	41,623,000	1,193,000	.52
1979-qtr. to Sept. 30	50,460,000	1,011,000	.42
<b>Texas Instruments</b>			
1980-9 mo. to Sept. 30	2,988,119,000	158,342,000	6.90
1979-9 mo. to Sept. 30	2,318,043,000	126,368,000	5.55
1980-qtr. to Sept. 30	1,024,442,000	52,862,000	2.30
1979-qtr. to Sept. 30	813,022,000	43,584,000	1.92

**Harris will spend \$120 million in next 3-4 years on buildings & equipment to double semiconductor production capacity in Fla.**

<b>Walt Disney Productions</b>			
1980-year to Sept. 30	914,505,000	135,186,000	4.16
1979-year to Sept. 30	796,773,000	113,788,000	3.51
1980-qtr. to Sept. 30	265,504,000	40,624,000	1.25
1979-qtr. to Sept. 30	243,567,000	39,937,000	1.23
<b>Washington Post</b>			
1980-39 wk. to Sept. 28	474,212,000	18,938,000	1.35
1979-39 wk. to Sept. 30	420,027,000	14,777,000	.93
1980-13 wk. to Sept. 28	152,510,000	2,509,000	.18
1979-13 wk. to Sept. 30	137,457,000	6,179,000	.40

Notes: aFully diluted. bIncludes special credit. c224 yen=\$1. dPer ADR.

## Consumer Electronics Personals

**Charles King**, Sharp TV mktg. services mgr., adds responsibility for VCR... **William Krein**, ex-GE, joins Zenith as controller... **Mathew Ceterski** appointed west zone mgr. for Sony Video Products Co. Video Communications Div.; **George Currie** named for midwest, **Phil Hart** for NE.

**Gary Dartnall** moves from pres. of EMI Videograms to pres. & chief exec. officer of newly formed VHD Programs Inc. & VHD Disc Mfg. Co., U.S. videodisc ventures of Matsushita, Thorn EMI & GE.. **Joshua Balgley**, ex-HBO, joins GE TV Div. as video software development specialist, primarily responsible for VHD videodisc program... **William Donnelly** assigned new post of dir. of resource management, Young & Rubicam, specializing in new technologies... **Henry Brief** advanced at ITA from exec. dir. to exec. vp.

**Norman Skolnik**, ex-Superscope, appointed Concord international mktg. dir... **Cari Masi** named Audiovox NE & mid-Atlantic Dist. vp... **Douglas Hudson** advanced at Fidelitone from exec. vp to pres., succeeding **Charles Smith**, now exec. committee chmn... **James Long** named Electro-Voice strategic planning & product development dir.

**Frank Sterling** promoted to General Instrument strategic planning vp... **William Starkey** named GTE regulatory affairs vp, succeeding **Herbert Meyer**, retired... **Chris Kline** appointed Radio Shack R&D Dept. engineering development dir.; **Frank Clark** appointed technical computer publications mgr... **Jack Kilby**, consultant to Texas Instruments, to receive 1980 Consumer Electronics Award at IEEE Chicago Fall Conference, Nov. 10-11, for invention of handheld calculator, IC development work.

**Motorola** will build \$22 million semiconductor assembly & testing plant in Sri Lanka. When in full production, plant will employ 2,600. Announcement was Motorola's 2nd in month involving overseas expansion. Earlier, it said it had agreed to acquire 50% of IC manufacturing subsidiary of Japan's Toko

## Obituary

**Alexander Poniatoff**, 88, who founded Ampex in 1944, died Oct. 24 at Stanford (Cal.) Medical Center. As Ampex head, he was responsible for development of first commercial audio tape recorder in 1947 and for practical VTR in 1956. Wife survives.



WEEKLY

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NOVEMBER 10, 1980

VOL. 20, NO. 45

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**RADICAL CHANGES UNLIKELY** in new Administration, as Republicans & Democrats alike stress deregulation, while there's political clout on opposing sides in many issues. (P. 1)

**NAB TO ASK LOW-POWER FREEZE:** Halt will be asked to FCC effort to grant waivers putting new stations on air before rulemaking is completed. (P. 2)

**NETWORKS—PRAISE & BRICKBATS** for election night coverage. Early projection of Reagan win causes prospective voters to go home. (P. 2)

**FCC SPECULATION PREMATURE**, politicians & broadcasters say just before their predictions. Only sure thing is that there will be new chairman come Jan. 21 (P. 3)

**MAJOR CHANGES ON HILL:** Republicans control Senate; House gets new communications leaders. Big surprise was Van Deerlin defeat. (P. 4)

**PTV CONCERNED:** Congress, more than new Administration, seen menacing to public broadcasting. Commercial ventures expected to come under scrutiny. (P. 5)

**GELLER LEAVING:** NTIA chief says he'll probably return to think tank work. Prospects under Reagan in other agencies. (P. 5)

**REAGAN ADMINISTRATION—AND COMMUNICATIONS:** We don't see massive changes in communications under Reagan Administration. After all, Republicans as well as Democrats love deregulation. At FCC, in fact, it was a GOP-controlled Commission under Chmn. Wiley that really started deregulation ball rolling.

However, concepts with relatively little political clout will be slowed or stopped. It's much easier to stop or delay things than to complete them. Many pending FCC proposals are likely to be put on hold while new chairman and new top policy staffers mull them over. You can expect many past 4-3 decisions to be reconsidered — if they haven't gone too far to be called back. As FCC Comr. Brown put it: "It's a complete communications shakeout — all the lead players are out."

It should be remembered, too, that there's some pretty strong big-business clout among backers of new technologies intruding on the old. How about IBM & Aetna in satellites? American Express in cable & telephone?

**SUPREME COURT BUSY**, hears oral arguments in unique radio format case, will tackle Carter-Mondale campaign controversy, maybe music licensing. (P. 6)

### Consumer Electronics

**CED PLAYERS & DISCS** to be marketed by Radio Shack, with Ward & Hitachi next prospects. CBS earmarks \$22 million for disc output. (P. 9)

**10 MILLION COLOR** set sales probable in 1980. Oct. set new record for month in color, all-time high for any month in VCR. (P. 10)

**SEPT. VCR IMPORTS** hit monthly high for year, push 9-month total over full-1979 mark. Color set imports up, chassis, b&w down. (P. 11)

**PROJECTION TV** to be marketed by Sears on test basis in 600-800 stores this month, featuring 50" U.S.-made Sanyo set. (P. 12)

**VCA HOME VIDEO** sales tripled in fiscal 1980, duplicator says in prospectus for secondary offering. Wells-Gardner declares stock split, dividend. (P. 12)

**DOMESTIC & IMPORT TV** interests to clash again at ITC dumping injury hearing this week. (P. 13)

**NEW INCENTIVES** from Taiwan to attract more foreign investment, modernization includes high-technology trade zone, better tax breaks. (P. 13)



There's going to be a tremendous amount of churning at White House, Capitol Hill, FCC, Justice Dept., etc., before any real trend is evident. And behind it all is the enormous inertia of govt. — something terribly difficult to change. To quote NAB Pres. Vincent Wasilewski: "The election should not lead to complacency among broadcasters... The election represents a great opportunity." (NAB's TARPAC contributed to 99 candidates for Congress; 81 won.)

We've talked to vast number of people in positions of power in new Administration and old, and present in following pages the prospects and informed speculation for your consideration.

**BROADCASTERS SEEK FREEZE ON LOW POWER TV:** NAB intends to ask FCC to freeze applications for new low-power TV service, calling FCC's proposed licensing procedures arbitrary, claiming that FCC's intent to grant operating authority via waivers won't stand up in court. NAB objection will probably be filed next week.

NAB lawyer said complaint will attack "arbitrary as hell" guidelines "whereby Sears can apply for 109 stations and networks can't apply for any; local radio stations can't apply for any in their local area; minorities get a preference even though they're proposing operation even in communities where there are no minorities; and there's a lottery concept which is questionable. It's a nightmare that won't hold up in the courts."

NAB position "doesn't mean we're against low power. All we're against is the processing guidelines. Once you allow interim authorizations, it's very, very hard to command that they simply go off the air. From the point of view of our members who want to get into low power, it doesn't mean that we're going to oppose low power in the rulemaking."

"We thought they had pretty much run up the white flag on low power," said FCC official, speculating that "maybe [NAB] has a feeling somehow they can try to block it, given the election." Official called NAB objection unnecessary because few applications are likely to be granted on waiver in any event.

**NETWORKS—PRAISE & BRICKBATS:** As always is case in major nationwide news events, TV networks were both praised and condemned for their election night coverage. Loudest criticism was leveled at NBC for projecting Reagan the winner at 8:15 p.m. EST, hours before polls closed in West.

Many instances were cited of potential voters actually being in line at polls, then leaving without voting when they heard winner had been declared. Same thing happened again less than 2 hours later when Carter went on TV to concede shortly before 10 p.m. Dozens of Democratic senators & congressmen who lost — including House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) — were particularly bitter that President conceded while polls in many states still were open (see p. 4).

NBC based its projection on highly accurate "exit" polls — questioning of voters after they had voted. ABC & CBS played it much more conservatively, hadn't formally projected Reagan winner before Carter conceded — although their commentators had as much as said same thing over air several times.

CBS & NBC missed only one call all night — both projecting that Sen. Talmadge (D-Ga.) would be

reelected. ABC missed that one, too, plus Senate race in N.C., gubernatorial contest in Ark. and Mass. & Md. Presidential races — both states taken by Carter. According to N.Y. Times, there "was some unusual sniping among [network] executives and some questions about the methods used by the networks."

High resolution TV experiments will be part of Comsat's DBS system but Comsat considers it "unlikely" that high resolution transmissions will be compatible with TV receivers already in use, or possible using currently available over-the-air transmission bandwidths. In reply comments on FCC inquiry to plan U.S. position at 1983 Region 2 Administrative Radio Conference on western hemisphere DBS service, Comsat said high resolution systems will "have an inherently wider bandwidth than conventional TV transmissions." On CBS suggestion that DBS be dedicated to high-resolution service, Comsat asserted: "It is inconceivable at present that any commercial entity, exercising prudent business judgment, would dedicate its [DBS] service to that kind of offering alone."

Cable programming show called Program Marketplace Expo is planned by NCTA. First show, set for next Oct. in New Orleans, is seen as blow to NATPE, which wanted to bring cable in.



**FCC SPECULATION 'PREMATURE':** Many Republican — and Democratic — politicians & bureaucrats were saying last week that it would be much too early to speculate what FCC will be like under Reagan Administration. And, after saying that, nearly all of them did just that — speculate.

Most agreed that Commission's style will be very different and more palatable to most businessmen. Speculation immediately centered on successor to Chmn. Ferris, and spate of familiar names cropped up: Antonio Scalia, first OTP gen. counsel and now Northwestern U. law prof.; ex-FCC Comr. Robert Wells, pres. of radio station chain; Washington lawyer Mark Fowler, Reagan communications advisor; Washington lawyer John Pettit, FCC gen. counsel under Chmn. Richard Wiley & Dean Burch; Washington lawyer John Eger, ex-aide to Burch at FCC and acting dir. of OTP; Senate GOP communications counsel Ward White; Washington attorney David Barrett and N.C. attorney Wade Hargrove — both of whom made run at FCC appointments several years ago.

Hargrove reportedly has said he isn't interested. Eger: "I don't see anything on the horizon that would bring me back." Pettit & Wells have been contacted, expressed interest.

Ferris is keeping his own counsel but most of his close associates expect him to resign by time Reagan takes office. His term runs through June 1984. Most agree that Ferris resignation would greatly enhance chances of Democrat Quello to secure reappointment he has sought for year. Quello term expired June 30, but Communications Act authorizes him to continue to sit until successor is qualified.

There also is speculation that Comr. Brown, another Democrat, will resign, but he, too, isn't saying. In any case, Brown isn't expected to leave until well after Ferris unless exceptional offer comes along. Fogarty, 4th Democrat on FCC, has no intention of resigning.

Another guessing game centers around interim chmn. of Commission, beginning Jan. 21, as practicality dictates that it'll be impossible for Reagan to get his own man through Senate by then. Lee would like assignment to top off his 28 years as FCC commissioner. His term expires June 30, and he said he wouldn't accept reappointment since he'll be 69. What Lee would really like is to be Ambassador to Ireland, where his father was born.

Lee also is being criticized for allegedly "playing footsie with Ferris... sometimes when it wasn't necessary... Abbott [Washburn] on the other hand has been the leader of the loyal opposition to Ferris policies the broadcasters don't like." Washburn refused to comment, said it's much too early for such speculation. Third Republican, Anne Jones, currently isn't being given much consideration.

Those who will be playing key role in helping set Reagan communications policies — and in

recommending appointments to carry out those policies — include Burch, Wiley, Fowler, Pettit and Washington attorneys Vincent Pepper and Clarence McKee. Most were active in Reagan's campaign. Added knowledgeable source: "The only one of the above that really counts is Dean Burch."

Ferris isn't expected to slow down rapid rate of pushing major issues out of Commission that he has pressed in recent months. Due for Dec. consideration, for instance, are children's TV and radio deregulation, latter under stewardship of Brown. However, several other major Commission actions opposed by most broadcasters — such as VHF drop-ins and low power TV (see p. 2) are expected to be slowed considerably.

Another major case a Republican-controlled FCC would like to have back is 4-3 decision stripping RKO of 3 TV licenses. That won't be simple, however, since case now is in court — which could remand case or Commission could ask that it be sent back.

Then there's that proposed controversial FCC move to Rosslyn, Va. — pushed by Ferris without consulting other commissioners. "You can now forget it, at least for years," we were told by both Hill and Commission sources. Move is opposed by just about every group that does business with FCC.

Several major bureau chiefs and other key staffers who are Schedule C employees will be leaving, of course, when Ferris gives up chairmanship. Jobs up for grabs at Commission include those of Chief Scientist Stephen Lukasik, Office of Plans & Policy Chief Nina Cornell, Gen. Counsel Robert Bruce and Public Affairs Dir. Robert Mann. Heads of other bureaus are in career positions with Civil Service protection, but many may leave anyway. Also in jeopardy are some positions on Ferris' staff. If Ferris remains on Commission, he loses 2 of 4 legal assistants. If he leaves, staff is out.

Cornell said: "I would doubt if I would leave here before the end of the year. But it's a good opportunity to look around. I do not expect to be chief of OPP when the next chairman is named. But it doesn't mean I will leave government. I am a professional economist and I started my career in the Ford White House." She said OPP will not speed up work to finish projects before she leaves. Bruce said he'd be leaving, has "no specific plans. I came from private practice and I will probably go back."

National survey shows public favors govt. regulation of newspapers to guarantee fairness in coverage of political candidates and controversial issues. Survey was conducted by Public Agenda Foundation of N.Y. and funded by Markle Foundation. About 82% favor law requiring newspapers to give equal coverage to major party candidates; 73% favor law requiring equal coverage of opponents and proponents of controversial issues; 63% favor law requiring coverage of major 3rd parties.



**NEW NAMES ON HILL:** Major revamp of Capitol Hill will have significant effect on communications, broadcasters probably benefiting most. Republicans will control Senate for first time in 26 years. House has brand new roster of communications leaders because of surprise defeat of Subcommittee Chmn. Van Deerlin (D-Cal.) and retirement of Commerce Committee Chmn. Staggers (D-W. Va.) — but is still controlled by Democrats.

GOP Senate will be more favorable to broadcasters, perhaps more sympathetic to industry's pleas for protection from cable, though probably less friendly on First Amendment issues. This may be session when broadcasters finally win 5-year renewals. Plus for broadcasters is long-time broadcast supporter Goldwater (R-Ariz.) as probable head of Communications Subcommittee (Schmitt [R-N.M.] would take Science, Technology & Space Subcommittee). Goldwater undoubtedly will have strong voice, was mentor to Reagan on communications issues. Reagan months ago accepted Goldwater's offer to "feel free to consult me on communications issues." Only election casualty (though big one) on Commerce Committee was Magnuson (D-Wash.).

Senate, rather than House, probably will be main initiator of Communications Act rewrite this time. Climate has improved for passage in Senate Commerce Committee, with Hollings (D-S.C.) out, and rewrite supporter Packwood (R-Ore.), who replaces Cannon (D-Nev.), as chairman. William Diefenderfer, who will become Commerce Committee staff dir., said Committee plans to make communications top priority.

Ward White, who will for first time become majority counsel to Communications Subcommittee after holding title for minority, told us high priority is broadcast legislation: "Broadcasters are going to be prime candidates for deregulation. The Republicans have been more supportive of deregulation and that will be intensified in the next Congress. In some ways, this is not inconsistent with what the Commission has been doing, but the senators may want statutory deregulation, and that is what we'll recommend."

Stance of new House leadership is less clear. New Commerce Committee Chmn. Dingell (D-Mich.) has anti-broadcast reputation, but industry spokesman says Dingell has become more willing to talk, more moderate. Wirth (D-Colo.), possible chmn. of Communications Subcommittee, has pro-cable leanings, though some in broadcast industry say they can "work with him." NAB's TARPAC contributed to campaign of Wirth (in past it supported his opponents).

Wirth aide David Aylward, in line for Subcommittee staff dir. under Wirth, hedged when asked if his boss is interested in post, said it depends on openings on other committees such as Budget, added communications post is "attractive possibility." Dingell could try to block Wirth election — no love between them.

Other possibility for post is Scheuer (D-N.Y.), who reportedly isn't one of Dingell's favorites either, but is somewhat interested in job. Also mentioned: Ottinger (D-N.Y.). Much is up in air because Dingell is considering revamping subcommittee structures, adding to Communications Subcommittee duties some tasks now handled by Consumer Protection Subcommittee.

Body count on House Commerce Committee was enormous with 6 of top ranking 7 Democrats out: Van Deerlin, Abscam figure Murphy (N.Y.), Eckhardt (Tex.), Preyer (N.C.) defeated; Satterfield (Va.) retiring along with Staggers. Also defeated: Reps. Maguire (D-N.J.), Devine (R-O.). With Van Deerlin goes all of Subcommittee staff, including newly-appointed Chief Counsel Bernard Wunder. (Defeat of Murphy & Van Deerlin at same time was ironic; Murphy was Van Deerlin's long-time nemesis.)

House rewrite efforts suffered setback in defeat of Van Deerlin, who was almost fanatically dedicated to getting bill passed. Rewrite was a factor in Van Deerlin defeat, could make next Subcommittee chairman leery. Voters are said to have felt Van Deerlin spent too much time on rewrite at expense of local needs, perceived him as ineffective because rewrite efforts failed. Opponent's last-minute mailing to voters, suggesting phone bills would increase five-fold under Van Deerlin bill, didn't help.

Van Deerlin, who received high rating by Consumer Federation of America, reportedly was extremely hurt by allegations he was anti-consumer. Well-financed opponent, lawyer Duncan Hunter, had 53.2% of vote to Van Deerlin's 46.7%. Hunter also hit Van Deerlin's record on defense issues. Other factor, according to Van Deerlin, was Carter's conceding before polls closed in Cal.

Public broadcasters could be in trouble in Senate controlled by Republicans, not known for being supportive of public stations. PTV financing probably will be first communications issue tackled by Republican forces.

Copyright reform bill still is possibility, at least in House where Judiciary Subcommittee that oversees copyright — and has indicated plans to work on reform bill — came through election almost intact. Chmn. Kastenmeier (D-Wis.) was reelected; only 2 lower-ranking Democrats, Gudger (N.C.) & Harris (Va.), lost seats. Senate Judiciary Committee lost main proponent of copyright reform, Bayh (D-Ind.); new Republican leadership under Thurmond (S.C.), might not take as much interest in issue. Also defeated on Senate Judiciary: Culver (D-Ia.).

Defeat of Rep. Maguire (D-N.J.) hurt campaign to give N.J. VHF station — target was RKO's WOR-TV N.Y. (see p. 7). Maguire planned to reintroduce bill next session. STV industry lost ally in defeat of Rep. Preyer (D-N.C.), anti-piracy bill sponsor.

House, which gained more conservative



members, might take more conservative stance overall as reflection of changing climate in country, move which according to broadcast industry spokesman, would mean "more sympathetic attitude toward the private sector." One factor to bear in mind before rejoicing at Republican victories, said ex-FCC Comr. Nicholas Johnson, now head of NCCB: Republicans have different ways of defining private enterprise, could mean favoring protection of big corporations — or it could mean favoring opening up areas for more competition from little guys.

Democrats will lose 3-4 seats to Republicans on House Commerce Committee; 12-seat Democratic majority will shrink to 4 or 5.

Congress as seen by telecommunications camp: Wirth few years ago was "hell on wheels against telcos," now has become more of a compromiser, said telephone industry spokesman. Goldwater is considered friendly to telephone industry. Opponents of latest telecommunications rewrite, such as MCI, see Van Deerlin's departure as plus, say Wirth isn't staunch ally but is fair, will "play down the middle." Packwood is viewed as "pretty reasonable guy." AT&T spokesman said Van Deerlin's defeat was "regrettable," sees Packwood as plus because of his "great interest in the need for communications legislation."

Lame duck session could be shortest and lamest ever. Congress may do little more than pass continuing resolutions; Senate Republicans will want to postpone things until they're in power.

At least one more member of broadcast industry takes seat in House, freshman Claudine Schneider (R-R.L.), on-air personality with commercial and ETV background. Rep. Quayle (R-Ind.), who ousted Bayh for Ind. Senate seat, comes from Indianapolis Star newspaper family.

**PTV-RADIO UPTIGHT:** Public broadcasters are not as concerned with Reagan Administration's public broadcasting policy as they are with new conservative slant on Capitol Hill.

Public broadcasters have been sorely disappointed with President Carter, both for not pushing for more federal funding and failing to back them in several Capitol Hill fights. "It can't be much worse under Reagan," high PBS official told us.

Federal funding in recent years has leveled off, failing to keep pace with inflation, sending public broadcasters scurrying to find other funds — notably in more commercial areas, such as satellite teleconferencing, pay TV and other ventures.

This is where a new conservative Congress is likely to put its foot down. As Peter Fannon, gen. mgr. of PBS lobbying arm, National Assn. of Public TV Stations, puts it: "These new ventures are very easy to politicize." And politicized they will be. Congressional opposition to "Dial" magazine earlier this year now clearly has considerable support in both

houses of Congress. Broadcasters and programmers who complain of unfair competition from PTV probably will be speaking to very receptive legislators.

Fannon, however, cautions public broadcasters not to begin packing their bags. "I wouldn't take for granted the new Congress or the new Administration will be less favorably disposed to continuing support. The nature of our business in public broadcasting hasn't changed and we expect to be telling the new people the same story."

Elections did result in defeat of several major PTV supporters, notably Sen. Magnuson (D-Wash.), Appropriations Committee chmn., who probably has been PTV's best friend in Washington. Van Deerlin also helped out PTV on many occasions. Magnuson was instrumental in establishment of whole PTV system. Said Fannon: "He has certainly been an extremely active and able supporter. We have always appreciated his guidance and support. We're sorry he won't be back."

**GELLER TO LEAVE:** NTIA head Henry Geller, who says he's "leopard who can't change his spots," says he'll leave NTIA and probably return to think-tank communications work.

"My plans are to go out when the new Administration comes in. It's only appropriate to leave." He leaves with great reluctance. "I liked government," he said, "I'm sorry to be leaving, but that's the nature of the game, and I am sad. I had intended to continue serving." Geller, asked to review his accomplishments, said: "I think we changed the environment, particularly in common carrier, even if we didn't get legislation."

Geller said he expects to see deregulation and open market philosophy continue at Commission and NTIA. "There isn't a difference in policy on this between Democrats and Republicans." And he said: "So much of govt. is men and not laws. We have to wait and see who the men are." Also likely to be replaced at NTIA: Deputy Administrator Ed Zimmerman, William Garrison, dir. of congressional and public affairs, 2 of Geller's personal assistants.

A Reagan communications advisor told us that new Administration will take close look at need for NTIA and what it has or can accomplish. "I never thought it did a damned thing," he added.

Reagan transition team moves into 7 floors of federal office space in Washington this week. Desks, tables and banks of phones (202-634-1981) were installed for staff, which may grow to 250 under Edwin Meese, Reagan's chief of staff. Chief talent scout will be E. Pendleton James, ex-Nixon Administration personnel official who now runs L.A. executive recruiting firm. Reagan can fill 2,700 top-level positions under President's control, all named in "Plum Book," put out by Office of Personnel Management. Several jobs are at FCC, FTC, & NTIA, but it's unclear how quickly many will be filled.



**BUSY HIGH COURT AGENDA:** Supreme Court heard oral arguments in unique radio format case, also announced it will tackle several other communications issues, including Carter-Mondale campaign case, maybe long-running CBS-BMI-ASCAP music license controversy.

Court is expected to reach decision on radio format question (Vol. 20:24 p7) before term ends in July. Controversy is over D.C. Appeals Court ruling that FCC has to make inquiry into format changes where there is "sufficient public grumbling." Asking high court to overturn ruling, FCC Deputy Gen. Counsel David Saylor said lower court improperly usurped FCC authority to set own policy, argued that nothing in law requires FCC inquiry on format issues. Communications lawyer Timothy Dyk, representing broadcasters, went further, said law bars Commission from intervening. Attorney for WNCN Listeners Guild argued Communications Act requires FCC to determine whether broadcasters are acting in public interest, and format decision would fall in that area.

Said Saylor: "The court must determine whether regulators in Washington must intrude into the workings of the broadcast marketplace... The Commission doubts whether it has the capacity to ascertain what [format] is in the public interest."

Supreme Court agreed to review D.C. Appeals Court decision on Carter-Mondale case (Vol. 20:33 p5). At issue is FCC ruling, upheld by Appeals Court, that networks were unreasonable in refusing to sell Carter-Mondale Committee prime time last Dec. to announce reelection candidacy. Networks said Presidential contest hadn't started yet.

In other actions court: (1) Asked Justice Dept. for views on legality of blanket licensing in order to decide if it wants to hear arguments by CBS on BMI-ASCAP case (Vol. 20:24 p3). CBS wants per-use licensing, says blanket approach is antitrust violation. (2) Left intact Appeals Court ruling that cable operators aren't immune from antitrust lawsuits, clearing way for trial in suit by defunct Midland, Tex. UHF licensee charging Community Cablevision, Odessa, Tex., with illegal competitive practices for refusing to carry signal.

Petitions to deny renewals of KTVU San Francisco-Oakland and KABC-TV L.A. have been filed by National Black Media Coalition, which charged discrimination in employment & programming. Similar petition against KGO-TV San Francisco, filed by Community Coalition for Media Change, was denied by FCC last week.

Nielsen will add Philadelphia (Oct. 1981) and Detroit (Oct. 1982) to cities with overnight metered ratings. Currently, such ratings are offered in N.Y., L.A., Chicago & San Francisco.

New Orleans' cable consultant has narrowed choice of franchise applicants to 3: American Cablevision, Cox and Storer.

**CABLE CAUTIOUS:** Cable TV, which for years was held under by conservative forces under the Nixon Administration, is casting cautious glance at Reagan Administration.

Concerned about broadcasters' presumed clout with Reagan, cable men & women are hoping that deregulatory moves of last 4 years, coupled with leaps in technology, should be enough to keep industry growing for visible future. One prominent cable lawyer believes FCC's moves on distant signals and syndicated exclusivity, etc., have gone too far to be stopped, even if new Administration were inclined to block them.

NCTA Pres. Thomas Wheeler says he takes "Reagan at his word when he says he intends to have less govt. involvement." Asked if he believes cable deregulation has gone too far to stop, he replied: "I hope so. It seems to me it is in the hands of the court, and the court will resolve the issue once and for all."

Perhaps more unsettling to cable interests are prospects on Capitol Hill. Republicans on Communications Subcommittee are committed to deregulation, and probably aren't about to pull reins on cable. However, deregulation is 2-way street, and there is concern among cable interests that cable ownership rules for broadcasters and networks might be dropped.

Wheeler hesitated to make any predictions on Congress, even failing to cheerlead for Rep. Wirth (D-Colo.), pro-cable Communications Subcommittee member, who stands to become chmn. or possibly ranking Democrat. "He has been both sensitive to some of our concerns and also equally important. He is not the least bit hesitant to step in and tell us where he disagrees." Asked about election loss of Chmn. Van Deerlin (D-Cal.), Wheeler said: "This is a loss to everybody who has been involved in communications. We may not have agreed with him but he was always open, always available. You always walked away with the feeling he was attempting to be fair."

Malarkey Taylor & Assoc. has won \$250,000 contract to become cable consultants to City of Chicago, now studying franchising. Malarkey proposal suggests that city be divided into 4 franchises, sees need for 5,000-9,000 miles of cable, expects 2-3 large firms to bid while 3-4 smaller firms submit joint bids. Meanwhile, Warner-Amex received its first franchise in Chicago area, Palatine, Ill., with 10,000 homes. Community is one of 21 in Northwestern Municipal Conference; W-A has bid for all.

Concerned that minorities and non-profit applicants will be frozen out of low-power TV (LPTV) — even though FCC guidelines give both a preference (Vol. 20:42 p5), NCCB plans seminar Nov. 19. Conference will outline technical & legal information needed to file applications, explore programming possibilities.



**JACOBS vs. SHIBEN:** After being accused by his boss of "insubordination" and "gross negligence," Jerold Jacobs, chief of Best. Facilities Div. of FCC Best. Bureau, has come up with much better job — member of Review Board. Jacobs' problems with Bureau Chief Richard Shiben started when Jacobs wanted to transfer engineer Larry Olsen, chief of AM Branch, out of Facilities Div.

Shiben said fine, but Jacobs must tell Olsen that transfer (to Policy & Rules Div.) was because Olsen was an ineffective administrator. Shibén didn't like way Jacobs carried out his instructions, called both Jacobs & Olsen on carpet. Jacobs was told he was being transferred to Complaints & Compliance and to look for job outside Best. Bureau.

Following Jacobs' protest, Shibén agreed to let Jacobs remain as chief of Facilities Div. but told him to find another job by Jan. 28. When word leaked out, Washington lawyers launched massive protest since they give Jacobs credit for greatly reducing applications backlog in Div. Lawyers also were unhappy because an economist, Larry Eads, was to be named acting chief of Div. However, some within FCC maintain that while backlog has been reduced, it wasn't through Jacobs' initiative but because of prodding from his superiors.

Happy ending came Nov. 7 when commissioners approved promotion of Jacobs to Review Board. Also promoted to Board was Joseph Marino, chief of Common Carrier Bureau Enforcement Div. They will replace Leonidas Emerson & Sylvia Kessler, both retired. Note: Six weeks earlier, Jacobs had been recommended for \$7,000 bonus by Shibén for outstanding achievement; we're told he will get the bonus.

New study of WARC '79 being conducted by Office of Telecommunications Assessment will be first "objective" study of U.S. efforts in Geneva last year. "This is the first study where the people involved don't have to cover themselves," said Capitol Hill source who has been skeptical of official declaration of WARC victory by U.S. delegation leader Glen Robinson. OTA is spending \$300,000 on its WARC study. Advisory panel chaired by Thomas Nelson, former dir. of International Telecommunications Policy office at State Dept., convenes Nov. 14; final report is due in June 1981.

"Wired city" is planned for Biarritz, France, at cost of \$100 million. Societe Anonyme de Telecommunications (SAT) won contract for design & implementation of fiber optics project, including picturephone, data transmission, 30 TV channels. SAT & General Optonics in U.S. have formed joint venture called Europtronique to manufacture laser diodes, transmitters, receivers, fiber optic systems for Common Market countries.

NRBA has won battle of meeting dates with NAB (Vol. 20:42 p6). NAB Exec. Committee voted to reschedule programming conference, moving it to Aug. 16-19.

**FTC & JUSTICE SET FOR CHANGE:** At FTC, where aggressive policies have offended business interests, it may take several months for Republicans to consolidate hold on agency; at Justice Dept., Republican takeover will be watched for its effect on pending antitrust cases.

Controversial FTC Chmn. Michael Pertschuk said he'll stay on commission; Reagan will name one of 2 Republicans, Patricia Bailey or David Clanton, as chmn. Democrat Paul Dixon's term expires in Sept., vacancy allowing Reagan to create Republican majority. Most top FTC staff positions have Civil Service protection, but some will be filled by Reagan's people. If Reagan replaces Dixon with a Republican, then Pertschuk can resign knowing he'll be replaced by a Democrat (since FTC must have minimum of 2 commissioners from minority party).

Few would speculate on impact of changes at Justice Dept., or effect new staff would have on antitrust cases against Premiere and AT&T. Official of independent telco expressed concern "about the personal relationship between Reagan and AT&T. When Reagan was governor, AT&T pretty much had their way with the public utilities commission out there." AT&T official pointed out that pending antitrust case against Bell System "was filed against us by a Republican."

CBS, WGBH-TV Boston and KCET L.A. plan news conference Nov. 13, and speculation is that announcement will center on use of teletext and closed captioning for deaf. CBS is pushing Antiope system, which PBS station KCET has tested. WGBH-TV has captioning operation. Plans for closed captioning would probably mollify ill feelings deaf community has for CBS as result of CBS decision not to go along with other networks in using National Captioning Institute system. Meanwhile, deaf educators are predicting large-scale improvement in reading & writing skills of deaf as result of closed captioning.

FCC did the expected last week by asking comments on proposed shift of Ch. 9 N.Y. to N.J. (Vol. 20:43 p1). Vote was 5-2; Lee & Washburn arguing strongly, but unsuccessfully, at meeting, issued bitter dissents. Majority stressed proposal won't be finalized until unappealable order by courts on FCC ruling that current occupant RKO (WOR-TV) isn't qualified to be licensee. Even with shift to N.J., Ch. 9 transmitter would remain atop World Trade Center in N.Y.

Local cable regulators have formed new group, National Assn. of Telecommunications Officers & Advisors. Some 47 cities have signed for group, which will be affiliated initially with National League of Cities. Seattle cable regulator Frank Greif was named head of steering committee.

Western Cable Show entertainment: Premiere has Dolly Parton. HBO has Red Skelton while Showtime has Tanya Tucker. CBS Cable plans party on Queen Mary.



## Personals

David Fuchs, ex-vp & asst. to pres., CBS-TV, named vp-communications, CBS Best. group; George Schweitzer, ex-dir. of communications, Best. Group, becomes vp-communications, CBS Sports; Gary Barton, formerly assoc. dir., talent & casting, CBS Entertainment, named casting dir., pictures for TV... Stuart Samuels, ex-program exec., selected vp-motion pictures for TV, ABC Entertainment; Peter Diamond rejoins ABC Sports from NBC Sports as dir. of Olympic planning; Robert Scripps promoted to financial planning dir., ABC owned stations... Colleen Maloney moves at NBC to employment mgr., West Coast.

Robert Bennett, WCVB-TV Boston pres. & gen. mgr., keynotes NATPE annual conference in N.Y. March 16... Herbert Schlosser, exec. vp for Selectavision videodisc program at RCA, addresses ATAS Forum luncheon at Century Plaza Nov. 19... Norman Isaacs, National News Council chmn., speaks to Media Institute Nov. 12 at University Club, Washington.

James Dowdle, ex-WTOG-TV Tampa gen. mgr., named pres., Tribune Co. Bestg... Robert Smith promoted to vp & chief engineer, Wometco Communications; Louis Wolfson III becomes vp & cable TV construction coordinator; Marla Dorrel promoted to vp & dir., govt. relations; Richard Dorsey, ex-Air Force, joins as business mgr... Grady Ivy, ex-Price Waterhouse, named vp, administration, Buford TV... Casey Beachell promoted at KATU Portland to program operations mgr... Robert George, ex-program mgr., named station mgr., KPXS San Francisco... R.C. Bartlett moves at WYEA Columbus, Ga. to operations mgr... James Warwick, ex-RCA Alascom, named engineering asst. to FCC Comr. Washburn.

New CRTC commissioners: John Grace, ex-Ottawa Journal editor; James Robson, former press secy. to Nova Scotia premier; Richard DeStefano, communications lecturer at Cambrian College in Sudbury, Ont... George Duncan, Metromedia radio pres., succeeds Elmo Ellis, WSB(AM) Atlanta, as RAB board chmn.; George Armstrong, Storz Bestg., elected exec. committee chmn.; Richard Chapin, Stuart Bestg., named finance committee chmn.

William Schulte, asst. mgr., TV Code, named asst. to gen. mgr., succeeded by Kittie Davenport... Gary Holterhaus, former account mgr., elected vp & account mgr., A.C. Nielsen; David Harkness, mktg. mgr., Nielsen Home Video Index, elected vp of company's Media Research Group; Nanette Smith, ex-account exec., elected a vp... Jack Willis, former independent, joins CBS cable as vp-programming & production; Regina Dantas, ex-Viacom, becomes managing dir., international... Robert Genua, ex-Xerox Learning Systems, appointed vp, human resources planning, Warner Amex Cable; Tom Courtney, ex-Hoover, named sales mgr... Jay Dugan, ex-Combanks Corp., joins Daniels & Assoc. as vp, investment services div.

## WEEKLY Television Digest

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Busy speech week for FCC commissioners: Chmn. Ferris speaks at Intelcom 80 in L.A. Nov. 10 while Comr. Quello addresses Detroit Chapter of NATAS same day. Comr. Jones speaks to Miami Chapter of NATAS Nov. 11 while Comr. Brown gives speech same day to NARUC meeting in Houston. Brown speaks Nov. 13 to Urban League of Columbia, S.C. Comr. Lee speaks to UNDA-USA in Washington Nov. 14.

CBS bid whopping \$7.25 million for TV rights to 1983 Rose Bowl. NBC currently has 3-year contract through 1982 game at just over \$3 million per game. NBC also has first right of refusal on new contract, has until Nov. 13 to match CBS bid. ABC also submitted bid, amount not disclosed.

Field Communications enters cable with purchase of 3 Cal. systems (Riverside & San Bernardino Counties and city of Redlands) from Televents, price not announced. Systems have 7,600 basic subscribers, 5,800 pay.

FCC Consumer Assistance Office has scheduled public workshops in Atlanta Jan. 27, San Antonio March 12, Chicago April 23 and possibly Norfolk (no date). A commissioner will participate in each workshop.

American TV has arrived in Moscow, but Russian citizens can't watch U.S. programs. Only U.S. Embassy residents can watch 4 hours nightly of network programs on closed-circuit videotape system run by Defense Dept.

Network TV billings were up 14.6% to \$348 million in Aug., according to TvB-BAR. For Jan.-Aug., billings totaled \$3.2 billion.



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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Oct. 24 (43rd week of 1980):

	Oct. 18-24	1979 week	% change	Oct. 11-17	10-mo. 1980	10-mo. 1979	% change
Total TV.....	513,597	428,211	+19.9	375,850	12,526,665	12,816,760	-2.3
color.....	301,580*	256,763	+17.5	216,681	7,867,122	7,939,232	-0.9
monochrome..	212,017	171,448	+23.7	159,169	4,659,543	4,877,528	-4.5
Home VCR.....	33,364**	20,731	+60.9	20,868	584,162**	356,032	+64.1

Color TV 5-week moving average: 1980—260,886\*\*; 1979—233,037 (up 12.0%).

Home VCR 5-week moving average: 1980—24,980\*\*; 1979—15,644 (up 59.7%).

\*Record for period. \*\*All-time record.

**CED—RADIO SHACK, WARD, CBS's \$22 MILLION:** Nov. looks like banner month for RCA's CED videodisc system. Last week saw its adoption by big, successful Radio Shack chain. Montgomery Ward is leaning strongly, and Hitachi almost certainly will add its brand name. On software side, Pres. Thomas Wyman told us CBS board this week will earmark \$22 million to equip big Carrollton, Ga. record plant for videodisc production.

With newest additions to lineup, CED will be featured by all major retail chains which sell consumer electronics under own brand names — Sears, Ward, Penney & Radio Shack. Although contract hasn't been signed yet, RS is expected to buy its players from Hitachi, which also is believed to have inside track for Ward's pact and presumably will sell under own brand as well.

Radio Shack's commitment will be substantial — in both hardware & software — and company hopes to feature discs under own label, either through custom-pressing or joint venture with programmer. We reported RS's strong interest in players & discs last Sept. (Vol. 20:39 p14), and Senior Vp Bernard Appel told us last week that players & discs will be in catalog next summer, featured in all 4,000 RS stores and available to its 2,000 dealers & franchisees.

Quantities will be "considerable," said Appel, first shipment enough for one demo model and one backup in each store — "if all 6,000 buy we won't be out of stock." In Sept., RS Exec. Vp John Roach told us he felt stereo sound was must for videodisc, and Appel said last week company's disc players will be "stereo compatible," with jack for stereo adapter including 2nd amplifier. RS chose CED because of "software quality & availability" as well as "good value." RS price will be "under \$500," comparable with RCA's.

Non-movie material — particularly music — could make up bulk of RS-label programming. Appel believes RS distribution will be attractive to programmers because company's size will make possible "opening orders of 15,000-25,000 discs." Chain won't go into VCR, he said, because "the market's a disaster — you can't make a dime, it's totally eroded." Besides, he added, VCR isn't music medium while disc is. RS is now selling TV sets, RCA-made 13" color at \$399, 19" at \$499, remote version \$579, b&w mini-combo, but these are principally for "our own display and convenience of customers," doesn't expect to go heavily into TV.

Agreements with RS and probable deal with Ward make Hitachi first Japanese manufacturer known to have OEM deals here for CED system. It will produce players in TV



plant, expects to have large capacity. Along with Sanyo & Toshiba, Hitachi has actively been seeking OEM business for CED player.

CBS this week will back up its commitment to CED system — which so far amounts only to perhaps \$5-\$6 million in market research & engineering — with plan for substantial production in 650,000-sq.-ft. Carrollton factory, believed to be world's largest record plant. In Television Digest interview, Wyman disagreed with forecast by RCA Chmn. Edgar Griffiths that videodisc would become bigger industry than broadcasting in 10 years, but called CBS's action "intelligent risk."

"We're positioning ourselves to be the No. 2 participant in the disc area," he said. "We see a considerable opportunity in pressing for others, which RCA will not have the capacity to do for a long time." CBS may also replicate videocassettes in Carrollton, which houses integrated audio cassette plant. Although "we're very serious" about videodisc, Wyman said, "we're still to learn the level of interest in owning program libraries. The tradeoff of the versatility of tape vs. the single-purpose disc is to be explored. How often will they play? How often will they buy? The very serious escalation in the cost of movies — what's that going to do to the economics of this business? The real future may be in non-movie material such as music. All these things can be tested only when there's product available."

CBS plans first experimental disc production by year's end in Milford, Conn., hopes to begin actual output in Carrollton around midyear, according to company officials. Until plant gets going, RCA will custom-press for CBS.

GE prepared for multi-product video business by establishing wholly owned subsidiary GE Video Inc. as sales company to market all video products, including TV, disc players & VCR, reporting to TV Div. Gen. Mgr. Fred Wellner. GEV Pres. is William Webber, who has held various posts in GE consumer products, most recently was official of its major appliance operation. Gen. mktg. mgr. is Ludwig Huck, who held same post in TV Div. Thomas Tucker is VHD product development mgr., and John Davies, from GE Consumer Products & Services staff, becomes VHD programming mgr., responsible for liaison with GE-JVC-Matsushita-Thorn joint ventures VHD Programs & VHD Disc Mfg. (Vol. 20:44 p8).

**10 MILLION COLOR SALES PROBABLE FOR '80:** Second 10-million year in history for color set sales to dealers is now strong prospect, after record-breaking Oct. If sales run 5% above comparable year-earlier figures for the 10 weeks of Nov.-Dec., that magic number — reached (& passed) only in 1978 — will be achieved.

Sales for last reported 5 weeks (5-week moving average) were 12% ahead of 1979 period. And Nov.-Dec. 1979 should be relatively easy months to beat — 11th month last year was 4th best Nov. and 12th was only 5th best Dec. in history. Also helping will be bonus week in Dec. this year — 1980 in EIA's statistical calendar has 53 weeks vs. 52 in 1979. For year's first 10 months, color sales still trailed 1979 by 1.9% (see State of the Industry), but barring unexpected downturn, cumulative 1980 sales should pass 1979 by end of this month.

Last month saw highest color sales for any Oct. and was 3rd month this year to set record (others were Jan. & Feb.). Previous Oct. record was set in 1977. Month's big final week, combined with all-time record week at end of Sept., pushed 5-week moving average to highest point in history, besting previous record set in Nov. 1978 by 3.7%.

Home VCR broke all records in Oct., sales of 96,895 being best of any month so far — 2nd best was 93,747 in Sept. — and month's final week was also best in history. Monochrome sales in Oct. were up 12.4% from same 1979 month after 15.5% gain in Sept., but still trailed 1979 by 4.5% in year's first 10 months.



Color TV sales to dealers in Oct. were at 9.9 million annual rate; for year's first 10 months, rate was 9.93 million. Based on limited seasonal data, VCR sales registered 719,000 rate in Oct., 782,000 in Jan.-Oct.

Widespread reports of VCR shortages (Vol. 20:44 p9) are confirmed by inventory figures, which indicate just over 5-week supply at factory plus distributor levels. At end of Oct., total was less than 117,000, down 6.9% from year earlier. Factories held slightly more than 63,000, down 29%, and distributor stocks of 53,500 were up 47.4%. During month, inventories at factory, distributor & combined levels all declined by about 20%.

Color TV inventories are tight, statistically just about enough to last one week into 1981. After 10 months of 1980, factory plus distributor stocks stood at about 2,388,500 sets, up 6.9% from year earlier and 0.5% from end of Sept.; factory inventories of 1.28 million were up 13.8% in year and 6.4% in month; at distributors, 1.11 million level was unchanged from year earlier and down 5.5% from end of Sept. Here are EIA's figures on sales to dealers in Oct.:

Product	Oct. 1980	Oct. 1979	% change	Oct. 1978
Total TV.....	1,585,741	1,443,131	+ 9.9	1,474,949
color.....	955,909*	882,758	+ 8.3	913,348
monochrome..	629,832	560,373	+12.4	561,601
Home VCR.....	96,895**	61,389	+57.8	56,545

\*Record for Oct. \*\*All-time record for any month.

**SEPT. VCR, COLOR SET IMPORTS UP:** Importers turned Sept. into year's peak month for VCR & color TV, and while total color imports were down from last year, complete sets hit 19-month high, Commerce figures show. It was 2nd straight up month for imports of complete color, and pickup undoubtedly will be noted this week at International Trade Commission hearing on request it shelve 1972 ruling that domestic TV industry is being injured by dumping of sets from Japan (see p. 13).

VCR imports leaped 80.9% in Sept. to 85,600, highest monthly total since record 92,700 of last Nov., raising 9-month figure to 606,100, up 57.9% from same 1979 period, and 6,800 higher than total for all of 1979. Imports for 3rd quarter, 234,400, were highest for any quarter and up 70.1% from last year. VCR totals include both home & industrial models. Month's total TV camera imports of 19,700 were up 30.8%, as color rose 50.6% to 15,600, b&w slipped 12% to 4,200. For 9 months, camera imports were up 27% to 142,700, with color rising 83.4% to 108,500, b&w dropping 35.8% to 34,200. Magnetic videoplayer imports were 474 for month, 7,400 for 9 months; imports of non-magnetic (disc) players were 2,300 in month, 20,500 for 9 months. Player imports weren't reported separately in 1979.

Total imports of complete & incomplete TVs dropped 10.6% in month to 928,900, as color fell 23% to 346,300, b&w slipped 1.2% to 582,600. For quarter, total imports were off 1.6% to 2.63 million, with color down 8.6% to 979,300, b&w up 3% to 1.66 million. Total TV imports in first 9 months were up 5.6% to 7.66 million, as color rose 2.3% to just over 3 million, b&w increased 7.8% to 4.62 million. In color, imports of complete sets were up 28% in Sept. to 127,200, but were down 18.9% for full period to 874,100. Imports of chassis & kits were down 37.4% in month to 219,100, up 14.3% for 9 months to 2.17 million. Complete color imports were up 10.3% in quarter to 357,100, highest since Jan.-March 1979 and first such increase since final quarter of 1978. Increase was primarily due to small-screen sets from Korea & Singapore, 19" & 25" from Canada. Quarter's imports of incomplete color were down 16.7% to 622,200.

**Biggest & smallest color screen sizes** showed increases for full period both in units and share of import mix. Here's color import breakdown by size, with percent change from last year, share of import mix (1979 share in parentheses): 10"-&-under 132,000, up 45.2% for 15.1%



share (up from 8.4%); 11-12" 83,700, down 41% for 9.6% (13.2%); 13" 258,900, down 12.7% for 29.6% (27.5%); 14-15" 49,000, down 53.4% for 5.6% (9.8%); 16-17" 10,800, down 24% for 1.2% (1.3%); 18-19" 260,200, down 33.6% for 29.8% (36.3%); 20"-&-over 75,200, up 97.1% for 8.6% (3.5%). Also imported were 4,300 color combinations, good for 0.5% share. Combination imports weren't reported last year.

Imports of complete b&w TVs rose 5.3% in Jan.-Sept. to 4.48 million, tinyvision accounting for entire increase. Breakdown: 10"-&-under 892,400, up 64.7% for 19.9% share (up from 12.7%); 11-12" 3.14 million, down 1.1% for 70% (74.7%); 13-17" 86,600, down 42% for 1.9% (3.5%); 18"-&-over 367,200, down 4.9% for 8.2% (9.1%). Included in 10"-&-under are 409,000 combinations, which accounted for 9.1% of import total this year, and weren't reported in 1979. Without combos, tinyvision would have been down 10.8% to 483,400, with share trimmed to 10.8% from 12.7%.

**SEARS' PROJECTION TV:** Sears will be next major brand to enter projection TV, testing market through 600-800 major outlets starting by Thanksgiving. Each store will receive one unit. There are no plans to list system in catalog, and it's understood test could run 2 years before final decision is made on projection.

Set to be offered is single piece unit assembled in U.S. by Sanyo Mfg., has 50" screen, 3 projection tubes, fold-out front projection assembly. It features keypad remote, LED time-channel display, inputs for VCR, video games, etc., two 5-watt audio amplifiers, outputs for stereo speakers.

Although Sears' set is quite conventional, Sanyo has been experimenting with rear-projection systems, showed 50" highboy unit somewhat resembling gas pump at last year's Berlin Funkausstellung (Vol. 19:37 p9). At recent Japan Electronics Show it demonstrated low 40" rear projector with pop-out screen.

Scheduled for spring are projection debuts by 2 more TV brands — unique system from Zenith and original-design rear projector from Sylvania.

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**Playcable market test** has been moved by Mattel-General Instrument venture from CATV system in Rochester, Minn. to one in Santa Clara, Cal. to take advantage of Mattel promotion of Intellivision programmable video game-computer. PC offers programs via cable to subscribers who own or lease games (Vol. 19:21 p3). Rochester game owners were given library of 12 game cartridges when test was halted there. PC Vp-Gen. Mgr. Gary Stein said game has been sellout in 2 of 3 established test markets, noted Toronto test has been postponed until next year. He said decision on whether to go national with project will be made in next few months, indicated Mattel expects first year game sales of 175,000. First Intellivision games trickled onto market last spring.

**MOS camera** developed by Hitachi and scheduled for 1981 marketing (Vol. 20:38 p10) will be demonstrated at IEEE Chicago Fall Conference on Consumer Electronics Nov. 10-11 at Ramada O'Hare, where Hitachi will present paper on it. Also at meeting, TI will describe system to convert text to speech.

**VCA HOME SALES BOOM:** Video Corp. of America's home video business tripled in year to June 30, bulk of increase generated by own videocassette duplication & sales operations, according to preliminary prospectus for 601,700-share offering filed with SEC.

At current \$13.50 stock price, offering would raise \$8.1 million, with \$5.4 million going to VCA for 400,000 treasury shares, \$2.7 million to holders who are selling rest. VCA says it will use proceeds to expand consumer recorded videocassette business, including new duplicating plant to be built in L.A. next year, and to reduce bank borrowings.

Prospectus says VCA revenues from home video business jumped 273.6% in fiscal 1980 to \$3.39 million from \$908,000, most of gain stemming from increased volume at Chicago contract duplicating plant, higher sales by VidAmerica, company's recorded videocassette mail order & retail distribution arm.

Excluded from 1980 total was \$3.8 million representing blank videocassettes billed at cost to duplication customers. That makes it appear VCA turned out about 400,000 recorded videocassettes for others last year, and data in prospectus indicate about half were duplicated by 50%-owned venture (with Sony) S/T Videocassette Duplicating. Customer list includes CBS/MGM, Time-Life Video, Warner Home Video, Walt Disney Telecommunications.

VCA revenue from broadcast TV production & post-production services rose 3.3% last year to \$6.36 million, while volume from industrial video services increased 9.5% to \$7.28 million. Revenue results include those of S/T Videocassette, which had sales gain of 8% last year to just under \$5.1 million, while net rose 1.5% to \$342,000.

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**Wells-Gardner** celebrated comeback from near-insolvency to near-prosperity by declaring 2-for-1 stock split, 2.5¢ quarterly, 2.5¢ special dividends Dec. 17 for holders of Dec. 1. Quarterly payout, company's first since 1974, is expected to be maintained, W-G said. W-G shares, which had sunk to historic \$2 low in 1978, are currently bid at \$26 in over-the-counter market.



**ITC TV DUMPING HEARING:** Domestic & import TV interests clash face to face again at Nov. 12 International Trade Commission hearing on Japanese petition asking ITC to nullify its 1972 determination that dumped Japanese TVs injured U.S. manufacturers (Vol. 20:38 p12).

Factual aspects of arguments from both sides are outlined in preliminary staff report prepared for recent pre-hearing conference. Staff notes traditional U.S.-based color manufacturers have increased both production & market share, despite Admiral's departure from field in early 1979. Other side of coin is continued drop in profits from manufacturing & marketing operations — results of set-maker owned color tube plants aren't included in results. Japan's sharply reduced role as supplier of both color & b&w TVs is also pinpointed.

Decision probably hangs not so much on facts, which aren't in dispute, as on legal & financial issues. Underscoring that situation was Chmn. Bill Alberger's order at pre-hearing meeting that oral testimony at hearing be restricted to arguments relating to opposition briefs, not include industry history, facts & figures with which Commission & staff are already familiar.

Those opposed to change in dumping case status are expected to state that lack of definitive data from Commerce on fairness of current Japan TV export pricing makes it impossible for ITC to make informed decision. They'll also urge that no action be taken until suits challenging Treasury & Commerce handling of dumping case are resolved. Importers are likely to argue that low level of shipments from Japan make any current injury to domestic producers improbable, and that investment in U.S. plants by Japanese manufacturers precludes any significant rise in imports. They'll also complain of high cost of complying with administrative aspects of Antidumping Act.

Preliminary witness list shows only union-industry group COMPACT & Zenith slated to argue against status change. Those appearing in support include EIA-Japan, Hitachi, General, Matsushita, Mitsubishi & Sanyo. At present, 7-1/2 hours have been allotted for testimony, which, if used, will cause hearing to run 2 days.

\* \* \* \*

Presidential election outcome should mean little change in foreign trade policy, as both Reagan & Carter adopted "free but fair trade" stance. New Administration probably will continue regulatory reform, possibly combine Commerce's international trade function with Office of Special Trade Representative, create agency with centralized control of all aspects of import & export policy.

Reagan is likely to get chance to fill vacancy on ITC. Substitute nominee for empty seat sent to Senate Finance Committee by President Carter is running into same trouble first one did. Up for consideration this time is economist and former GATT member Gardner Patterson. Unions, however,

consider his views on foreign trade too liberal at time they're fighting on several fronts for relief from import competition. Similar objections raised earlier this year against economist Robert Baldwin forced Carter to withdraw his nomination to post vacated 2 years ago by Italo Ablondi.

**TAIWAN LOOKS AHEAD:** Taiwan's push to attract more foreign investment in sophisticated industries is evidenced by establishment of foreign trade processing zone reserved for high technology manufacturing, revisions in investment incentive rules to encourage plant modernization, increased productivity.

Foreign-owned companies qualifying for inclusion in Science-Based Industrial Park now under construction will be allowed to sell some output on domestic market, can get up to 5-year deferment of start of standard 5-year tax holiday, are eligible for special low-interest loans, may get capital assistance by selling up to 49% interest to local agencies. Park is flanked by 2 technical universities, which will adjust courses to meet labor requirements, and govt. sponsored research institute is being located there. Wang Labs & Texas Instruments are among companies which have already applied for admission.

To encourage continued expansion of existing foreign trade zones, Taiwan is allowing factories updating their equipment to sell used machines on local market, and because of labor shortage in zones, is permitting manufacturers to subcontract processing work to non-zone plants. Proposed are rules to permit increased investment deductions against taxes when business falls off, increased tax credits for R&D outlays.

Toshiba will build U.S. plant to manufacture small electric motors, start production by mid-1981, when it will stop exporting them. Announcement was made by Commerce Dept. following its tentative determination that Japanese were exporting motors to U.S. at less than fair value (dumping) prices. Toshiba, agency said, is major Japanese supplier of small motors, and as result of U.S. plant decision, any penalty duties levied will be restricted to motors of 150-500 horsepower. Commerce has asked International Trade Commission to investigate whether imports of low-priced larger motors are injuring domestic manufacturers.

Optical videodisc system capable of recording up to 1,500 still frames on 8" disc has been developed experimentally by Matsushita for office use. System uses one-sided discs, provides random access, can't erase.

Taiwan topped Japan as b&w supplier to Europe last year, according to Taiwan Area Electric Appliance Mfrs. Assn. Trade group says Taiwan sold 45.8 million b&w TVs to EEC customers in 1979, against 39 million for Japan. Japan retained position as biggest foreign color supplier. Taiwan replaced Japan as biggest supplier of b&w TVs to U.S. in 1972.



## Consumer Electronics Personals

Willam Webber, ex-Major Appliance Business Group, becomes pres. of new GE Video Inc., responsible for marketing of all video products, including TV, VCR & videodisc players; Ludwig Huck, former TV Div. mktg. mgr., named GEV gen. mktg. mgr.; Thomas Tucker appointed VHD product development mgr.; John Davies VHD programming mgr., responsible for liaison with GE's program acquisition & disc manufacturing affiliates (Vol. 20:44 p8)... Michael Messerla advanced at JVC Professional Video Div. to national mkt. development mgr... Tom Saylor promoted to Pickwick Retail Div. electronics mdsg. mgr... Thayer Bigelow, Time Life Films exec. vp, adds responsibility for Time Life Video, succeeding Bruce Barnet, now with Time Life Books.

Roland Martin, Sony Consumer Products senior vp, named audio gen. mgr., responsible for hi-fi, compact & car systems, radios, recorders... Frank Leonardi, ex-Sony, joins U.S. Pioneer (hi-fi) as sales vp, succeeding Marvin Lazansky, resigned; Ken Kai, exec. vp, adds responsibility for Videodisc Div. in restructuring; Lee Pollock named vp-gen. mgr., Phil Welch mktg. dir., of Syscom Div. (packaged components); Bruce Twickler vp-gen. mgr., Joe Griffin mktg. mgr., Audio Components Div.; John Wood OEM Div. gen. mgr.; Steve Kurita corporate mktg. dir., Scott Slater ad mgr., William Polich product planning mgr.; Leslie Neff dept. store sales mgr. and Steve Elgort, ad vp, have left company.

William Smith advanced at GE Audio Electronics Products Dept. to mktg. mgr., succeeding Thomas McAuliffe, resigned; James Hogan promoted to radio mktg. mgr., replacing Smith... Hisao Yamauchi advanced from asst. gen. mgr. to acting gen. mgr., Panasonic Auto Products Div... Jerry Mandelstam, ex-Pioneer, named Maxell S. region consumer products sales mgr... Nate Apfelbaum named W. region sales mgr., Jensen Home Audio; Peter Konold appointed for central region, Jack Smith for east... Richard Coe joins Alpine Electronics as technical rep... George Petetin named U.S. mktg. dir. for Belgium-based audio producer KM Labs.

Joe Shotoku named Panasonic Corporate Planning Div. asst. gen. mgr... Dennis Koza, ex-GTE, appointed mgr. of new Quasar Information Systems Dept... Bruce Bengtson advanced at North American Philips to asst. controller.

**Mergers & acquisitions:** General Semiconductor has agreed to be acquired by Square D in \$45 million stock swap... Electronics merger announcements bucked general trend in 3rd quarter, rising 11% to 20 cases, from 18 cases in same 1979 period, while total U.S. industry mergers slipped 2% to 498 from 506, according to merger consultant W. T. Grimm & Co. Through first 9 months, electronics mergers were off 21% to 67 from 53, excluding those which were cancelled, while total industrial mergers were down 17% to 445 from 537.

## 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>Chyron</b>			
1980-qtr. to Sept. 30	1,989,000	294,000	.23
1979-qtr. to Sept. 30	1,509,000	157,000	.13a
<b>Columbia Pictures Industries</b>			
1980-qtr. to Sept. 27	186,170,000	16,728,000	1.64
1979-qtr. to Sept. 30b	132,687,000	10,763,000	1.09
<b>Dynascan</b>			
1980-9 mo. to Sept. 30	36,291,000	1,114,000	.33
1979-9 mo. to Sept. 30	42,917,000	520,000	.16a
1980-qtr. to Sept. 30	13,017,000	536,000	.16
1979-qtr. to Sept. 30	14,890,000	169,000	.05a
<b>Foote, Cone &amp; Belding</b>			
1980-9 mo. to Sept. 30	117,580,000	7,164,000	2.65
1979-9 mo. to Sept. 30	96,507,000	6,675,000	2.56c
1980-qtr. to Sept. 30	39,459,000	1,664,000	.61
1979-qtr. to Sept. 30	32,952,000	2,906,000	1.11c
<b>Johnson Controls</b>			
1980-year to Sept. 30	964,854,000d	33,693,000	2.41
1979-year to Sept. 30	921,349,000d	49,920,000	3.58
1980-qtr. to Sept. 30	270,494,000	11,157,000	.80
1979-qtr. to Sept. 30	242,758,000d	13,574,000	.97
<b>MCA</b>			
1980-9 mo. to Sept. 30	959,624,000	110,739,000	4.70c
1979-9 mo. to Sept. 30	878,393,000	134,257,000	5.75c
1980-qtr. to Sept. 30	332,387,000	43,234,000	1.83
1979-qtr. to Sept. 30	322,459,000	40,975,000	1.75
<b>MGM Film</b>			
1980-year to Aug. 31	181,177,000	16,457,000	.51
1979-year to Aug. 31	192,968,000	29,422,000	.91a
1980-qtr. to Aug. 31	50,288,000	6,265,000	.19
1979-qtr. to Aug. 31	38,373,000	5,092,000	.16a
<b>A.C. Nielsen</b>			
1980-year to Aug. 31e	493,116,000	28,885,000	2.57
1979-year to Aug. 31	398,106,000	26,131,000	2.38
1980-qtr. to Aug. 31	133,483,000	7,779,000	.69
1979-qtr. to Aug. 31	108,384,000	7,357,000	.67
<b>Reeves Communications</b>			
1980-qtr. to Sept. 30	12,582,000	578,000	.15
1979-qtr. to Sept. 30	6,997,000	303,000	.09
<b>Teleprompter</b>			
1980-9 mo. to Sept. 30	143,024,000	18,233,000	1.07
1979-9 mo. to Sept. 30b	123,382,000	8,590,000	.50
1980-qtr. to Sept. 30	51,713,000	5,970,000	.35
1979-qtr. to Sept. 30b	44,111,000	6,566,000	.39
<b>Times Mirror</b>			
1980-40 wk. to Oct. 5	1,370,000,000	96,900,000	2.84
1979-40 wk. to Oct. 7	1,200,000,000	109,400,000	3.22
1980-12 wk. to Oct. 5	452,900,000	36,700,000	1.08
1979-12 wk. to Oct. 7	410,800,000	42,500,000	1.25
<b>Tocom</b>			
1980-qtr. to Sept. 30	2,195,257	(615,027)	--
1979-qtr. to Sept. 30	1,964,709	7,985	--
<b>20th Century-Fox</b>			
1980-9 mo. to Sept. 27	643,985,000	45,981,000	4.14
1979-9 mo. to Sept. 29	496,254,000	46,535,000	4.23
1980-qtr. to Sept. 27	241,528,000	7,948,000	.69
1979-qtr. to Sept. 29	189,556,000	19,671,000	1.79

Notes: aAdjusted. bRestated. cIncludes special credit. dFrom continuing operations. eRecord.

**GTE expanded telephone line with industry's lowest priced electronic phones, answer-only model at \$18, version with touch button dialing at \$35.**



WEEKLY

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NOVEMBER 17, 1980

VOL. 20, NO. 46

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**CBS's WYMAN SPEAKS OUT:** Will strive to enhance CBS Washington image, equalize First Amendment protections, end ban on cable ownership. High praise for Stanton. (P. 1)

**TRANSITION TEAM STUDIES FCC:** GOP names task force steering committee; will be run by energy lawyer Michael Gardner. Wiley to advise. Group to prepare briefing book on FCC. (P. 3)

**SLOWDOWN IN STATION PROFITS:** TV station income rises modest 3% in 1979, FCC reports. Revenues rise 11%, expenses 15%. (P. 4)

**TVB—NO GLOOM IN VEGAS:** Near euphoria dominates sessions in Las Vegas, despite industry softness. Reagan seen good for industry. (P. 5)

**IF REAGAN ASKS:** Comr. Lee gives his qualifications for new chmn., wants to head FCC on interim basis, hasn't had contact with transition team. (P. 5)

**TVB GETS SATELLITE REPORT:** SRA Pres. Masini says DBS may be most important regulatory issue of decade for broadcasters. (P. 6)

**MORAL MAJORITY VS. TV:** Religious lobbying group gathers war chest to fight "sexual immorality" on programs, plans Jan. boycott. (P. 6)

**CBS's WYMAN SPEAKS OUT:** "It's very clear that 10 years from now 2 First Amendment standards [more for print, less for broadcasting] will not be acceptable. That kind of a subject interests me a lot." Speaker was CBS Pres. Thomas Wyman in answer to our question about issues CBS intends to pursue on Washington scene. During recent interview in N.Y., Wyman said "yes, clearly" when asked if he would be the one involved, seeking to raise CBS's prestige and influence in Washington — subject he addressed at CBS Radio convention (Vol. 20:42 p7).

Wyman said "a number of things are going on" to help CBS enhance its Washington image and "I certainly don't limit that to the FCC," although new Commission under Reagan Presidency will get lot of attention. Wyman stressed that industry "can't start with the assumption that the government is trying to screw you. There's nothing mysterious about it. First, you've got to decide what it is you're trying to be statesmanlike about and where your thoughtful positions are, both in provincial needs and in terms of broader industry questions... Washington is the place and here is the place."

### Consumer Electronics

**RCA GOES PROJECTION TV,** to introduce one-piece system next month at \$2,500-\$3,000, making industry adoption unanimous. (P. 9)

**U.S. COLOR OUTPUT** set new 3rd quarter high, but was down from 2nd quarter, analysis of EIA & Commerce figures shows. (P. 10)

**VHD STRATEGY** — bargains for programmers with loss-leader custom pressing. GE sees 275,000 player sales next year, VHD winning in '83. (P. 11)

**GE FORECASTS** continued growth in color, sizeable price increases next year. TV earnings 'positive' in 1980. (P. 13)

**AOC SHELVES PLAN** to assemble color TVs in U.S., signs agreement giving importer Bohsei 3-year U.S. marketing exclusive. (P. 13)

**ITC TV DUMPING** hearing follows expected lines, with Japanese insisting they won't close U.S. TV plants if agency revokes 1972 injury finding. (P. 14)

**HITACHI CELEBRATES** 70th birthday with future products — flat-screen TV, digital audio, new VCRs & cameras, speech typewriter. (P. 15)

**FINNS SHUTTING** color tube plant, started as \$52 million venture with Hitachi. (P. 16)



Wyman again had high praise for former CBS Pres. Frank Stanton, said they have conferred, and Stanton "has made it very clear that he is available" to help. "Stanton was never elected spokesman for the industry. He was just so conspicuously the person others turned to — including very much [the people] within the industry. Everybody became so comfortable knowing that he was there... I've started to show up a little bit [in Washington]. It's not a question of having a program... It's more a state of mind and a sense of priority [but] I'm not going to try to invent reasons to go there."

Wyman said there's no way to evaluate change that will take place at new FCC "until you know who the successor [to Chmn. Ferris] is and see the successor in action. There are some appealing things about the way Charlie Ferris operates... whether you agree or disagree. He's really very clear. He's very articulate. He's very committed and he was a terrific addition [to CBS Adcom meeting] for that reason" (Vol. 20:44 p7).

Among issues CBS will be working on in Washington, according to Wyman: (1) FCC ban of network ownership of cable. "We will be working very definitely to change that." (2) Ban against low-power TV station ownership "falls in the same category... It's equally interesting as a matter of principle. It's less interesting as a matter of the dynamics of the industry. Cable's real and big." He said that CBS is "a little ahead" of ABC & NBC in accepting new technology. (3) Applying First Amendment guarantees to viewdata & teletext and how they relate to print. "That kind of a subject interests me a lot."

(4) Satellite broadcasting and DBS. CBS doesn't see DBS as "economically interesting... We don't see that being the evolution of broadcasting... If you're asking if DBS is competitive to cable or competitive to [TV] transmission as we now know it, I don't see it as a major threat to our affiliates down the road." However, he predicted DBS will be very important and "frighteningly powerful" in Third World and developing countries which don't have mature TV systems.

Asked if CBS plans to provide earth stations for affiliates, Wyman said: "We have some really serious negotiations underway trying to decide which way to go." Negotiations are with outside companies who have expertise. "We don't foresee putting up satellites of our own... There seem to be a number of people [who] could do something better than we could and at a lower cost... So, we're in discussions with all the obvious people who either have them up there now or have publicly stated they're going to send some more up... Although the numbers seem brutally expensive, not to get your place in a queue to cover a variety of possibilities is probably a short-term saving which may be regretted later."

Extension of William Leonard's contract as CBS News pres. after he reaches 65 next spring "was my decision," Wyman said. "I approved the extension. It was Gene's [Best. Group Pres. Jankowski] recommendation and request. [CBS Chmn. William] Paley was supportive. But it certainly didn't start there [with Paley], for sure." Leonard was extended, he said, because there was nobody in place at CBS to succeed him. "There were a couple of other things that we could have done, but there was no reason to do them."

CBS pres. sees great future for teletext, noted network soon will start test at KNXT L.A. (see p. 7), said it will be in all CBS-owned stations in 2-3 years. As for affiliates, there's no prediction, and CBS expects them to come "one at a time." Wyman is "absolutely persuaded" that teletext is perfect solution for captioning — a change in position from when he came to CBS last June, Wyman told us.

As for when teletext will become economically viable, CBS has no projections. "We're going out with a relatively small number of systems," he said. "We can measure advertiser... or subscription interest. My guess is that we'll probably start and read the results optimistically. There are some very large questions. How do you make the case convincingly that [you should have] this service on commercial TV? How does it intrude on the normal advertising equation? What does the ad manager at GM think about the idea of having a facility [where the public] can get the weather and a whole bunch of stuff and information that may be more interesting to viewers than commercial TV?"



"High visibility" is a major difference Wyman sees in broadcasting and other businesses he's been in — Polaroid, Nestle, Green Giant, Pillsbury. "And you get your grades so often [overnight ratings]... and there is so much written about what you're doing. To be up to date, you have to read about 4 or 5 publications every day... You have to keep one part of your brain and a chunk of your time engaged in the process of staying current and once in a while either correcting misstatements or reacting to statements."

Another difference: "I've always answered my own phone, because I think it's good manners and I think it's interesting and I've always placed my own calls. It gets a little harder to do these days." Hobbies: "I play tennis. I play golf. I read a lot. I used to read a little bit more than I read now, or I'm reading differently." He likes biographies & history. At Amherst, Wyman was captain of golf team, played varsity soccer.

**TRANSITION TEAM TO STUDY FCC:** Transition team of 20-23 persons — to be headed by Washington energy lawyer Michael Gardner — will begin preparing briefing book this week on agency & communications issues for Reagan Administration. Steering committee for team was established late last week, will consist of Mark Fowler, Reagan communications advisor; Stephen Sharp, ex-legal asst. to former Comr. White, now with Philadelphia firm's Washington office; Lawrence Secrest of Kirkland & Ellis; Gardner of Bracewell & Patterson; ex-FCC Chmn. Richard Wiley will act as advisor. Team may not be welcomed with open arms by present staff, is having trouble getting office space at 1919 M St.

"They may have forgotten that we are an independent congressional agency, not an administrative agency," said one Commission staffer. "They don't have the authority here that they do in executive agencies. We don't expect them to move in here." Carter Administration got FCC briefing through OTP, and FCC staff expects Reagan to get information through NTIA. Gardner said team's work "will go on whether we have space or not but I hope we could get cooperation." He said he hadn't heard of any problem getting FCC space.

Current FCC Chmn. Ferris hasn't named anyone yet to work as liaison with Republicans, according to Ferris aide Frank Lloyd, even though Carter's Press Secy. Jody Powell has asked each agency head to appoint a senior executive as transition liaison.

But GOP's FCC transition team plans to move fast and Republicans believe space problems can be resolved. "I'm sure the matter can be worked out. I do not see it as a big problem," said Fowler, co-dir. of Legal & Administrative Agencies Group. FCC transition team will study FCC's budget, programs, personnel & legislative needs of agency and will prepare series of reports for Administration.

FCC deregulation effort is "commendable," Fowler said, "but falls short of what can be done. It is expected that we will promote for stronger deregulation. Also, legislation similar to Barry Goldwater's recent bill insuring life expectancy for incumbent broadcasters to make them immune from comparative hearings if they have followed the rules and have served the public." He also said reduced AM spacing needs "a lot more investigation."

Fowler told us: "The FCC team will have ... attorneys, economists, some people who are very knowledgeable about the FCC and some without FCC experience. We expect to be working very extensively in the agency and have office space there." He said a similar team will be appointed for FTC.

Another person who is expected to be on team is Mark Smith, vp and gen. mgr. of KLAS-TV Las Vegas and a close friend of Sen. Laxalt (R-Nev.), Reagan's campaign mgr. House Communications Subcommittee Counsel Bernard Wunder, who is being pushed by GOP Senate staffers, is also being considered. Wunder is planning to return as minority counsel on Communications Subcommittee after transition and work with Rep. Broyhill (R-N.C.). Gardner said team will be "talking to key people on the Hill and their input is much desired."



FCC fight on personnel actions will take place this week. GOP commissioners plan to ask Ferris to withhold appointments of top 3 graders until new chmn. is named. They are unhappy over appointment of Common Carrier Enforcement Div. Chief Joseph Marino & Best. Facilities Div. Chief Jerold Jacobs to Review Board (Vol. 20:45 p7). Marino was named chmn., but several want to give veteran Daniel Ohlbaum a chance, expressed unhappiness at way item was circulated, charged Ferris with carefully lining up 4 votes in advance. Issue will be taken up Nov. 18 — at insistence of Comr. Fogarty, who will participate by telephone from Scottsdale, Ariz.

Another personnel matter due up Nov. 18 — which probably will be delayed — is recommended cash incentive awards to 8 staff executives, including Best. Bureau Chief Richard Shiben, Deputy Chief Frank Washington, and William Ginsberg and Thomas Casey of Common Carrier Bureau. All were put in jobs under Ferris administration. It's understood Comr. Washburn will seek to have vote on awards postponed.

GOPers claim they will pick up at least 2 Democratic votes to withhold high-level personnel appointments. "After all, Wiley agreed to do the same thing," said one Democratic commissioner. Speculation on new FCC chmn. continues: New names being discussed are Ronald Coleman, former minority counsel to House Communications Subcommittee and Rep. Devine (R-Ohio), defeated for re-election. Also, N.C. attorney Wade Hargrove is now interested, and Broyhill said: "I am his campaign manager." (Another candidate, Antonio Scalia, first OTP chief, is law prof. at U. of Chicago, not Northwestern U., as we reported.)

At NTIA, Reagan's people already have made contact, but haven't had face-to-face briefings yet. Said Gen. Counsel Gregg Skall: "We've gotten plenty of requests for information from them, and we've sent them histories of the organization, description of programs, our statutory authority, etc. We're told the reorganization team will be in place by next week." Raymond Strassburger, Senate Commerce Committee minority staff counsel, is expected to be involved in new Administration's study of NTIA. Ex-FTC Chmn. Calvin Collier heads Dept. of Commerce (of which NTIA is a part) transition team.

Election fallout: Several congressmen introduced legislation to deal with election concessions before polls have closed on West Coast. Sen. McClure (R-Ida.) introduced bill to prohibit broadcasting presidential election returns until all polls have closed. Rep. Williams (D-Mont.) introduced bill to either establish simultaneous closing times for all polling places or to seal all ballot boxes in East until polls have closed across country.

Meanwhile, Reagan made first appointments, named Edwin Meese, transition head, counselor to President while Reagan aide James Baker was named chief of staff. Reagan's Press Secy. Lyn Nofziger said he will step down Nov. 30. He said he hasn't been offered post of White House press secy. and will return to being political consultant if he doesn't get an Administration post. Fowler, 39, was FCC communications counsel for Reagan campaign, is partner in Washington law firm Fowler & Meyers. Educated at U. of Fla., he worked in radio broadcasting from 1959-69. Also, Lee Hanna is late addition to agenda of RTNDA convention (Dec. 3-5, Hollywood, Fla.), will discuss presidential debates.

**SLOWDOWN IN STATION PROFIT GROWTH:** Total TV station income rose modest 3% to \$1.32 billion in 1979, compared to 1978 increase of more than 25%. FCC market data report shows revenue increase for stations of 11% (to \$4.42 billion), but 15% rise in expenses (\$3.1 billion).

Stations' total gross advertising revenue was \$5.15 billion, 11% increase over 1978. Of that, \$344 million was network, up 9.5% from year before; \$2.56 billion was national & regional, up 10%; \$2.25 billion was local, up 13%.

FCC released only station data; said complete 1979 financial information will be available at later date. Present report, with 3 tables, lists market-by-market totals for time sales, total revenue, expenses & income, value of trade outs & barter transactions. Report can be obtained in limited quantities from FCC Public Affairs Office, 1919 M St. N.W., Washington, D.C. 20554.



**TvB—NO GLOOM IN LAS VEGAS:** Despite some softness in advertising, particularly local sales, there was no concern evident at TvB's annual meeting in Las Vegas last week. In fact, opposite mood — almost euphoria — dominated sessions. Almost to last broadcast executive on hand, there was feeling that Reagan election will be huge plus for industry.

While Chmn. Thomas Cookerly, Allbritton Communications, noted that "1980 has failed to live up to our predictions," Pres. Roger Rice had this assessment: "Even with the economy, no summer Olympics, politics, inflation and the SAG/AFTRA strike, TvB expects to see 1980 end with national spot TV up 15%, local spot TV up 10% and network TV up 14%." For 1981, Rice predicted national & local spot revenues will increase 10-12%, network up 11-13%.

Rice was very critical of fact FCC hadn't released TV financial figures for 1979 (note: FCC released figures 4 days later, see p. 6), promised TvB would compile its own figures next year with cooperation of stations. He asked that Form 324 (financial report to FCC) be sent to independent accounting firm, along with 1980 percentage changes and predictions for first quarter 1981. TvB market-by-market report for markets with 3 or more stations should be released by mid-Feb., he said.

There was considerable talk about new technology — by Rice and in well-received presentation "Selling in the 1980's" — and little fear expressed about future. In video tape presentation, host Alexander Scourby said upcoming changes such as teletext, DBS, cable, videocassettes & discs, etc., "will make TV still stronger." It's print media and radio that should worry, he said. "Nothing, or almost nothing, will happen to TV's ability to reach the American public."

However, BBDO Exec. Vp Larry Light saw 1980's as "an age of confusion, a time of uncertainty, a decade of dissatisfaction, a decade of danger. The long-term challenge for most marketers will not be how to do it cheaper, but how to do it best. Good won't be good enough."

Keynoter John Naisbitt of Yankelovich, Skelly & White said TV is likely to have more viewers in future, but he predicted alternatives to TV will continue to grow. "What's happening to TV is not happening in a vacuum. It's happening amid the extraordinary change that's going on in society as we restructure, decentralize and particularly as we move away from an industrial society to an information society."

Innovation at TvB was separate meetings of network affiliates and independents, put on program by Cookerly. NBC had bar at its session, others didn't; NBC closed meeting to press, others didn't.

TvB has record 572 members, budget of almost \$5 million, attracted 1,146 to Las Vegas last week, including 956 who registered. Attendance was up from 736 in Atlanta year ago.

**IF REAGAN ASKS:** Personal qualifications & indoctrination. Those are 2 most important prerequisites for next FCC chairman, according to veteran Comr. Robert Lee, who will wind up 28 years as FCC member June 30 (longer than any member has served on any regulatory agency).

Departing from prepared text in Nov. 14 speech before Catholic broadcasters (UNDA USA), Lee said if Reagan asks he will give this advice:

(1) New person should be young and "as a practical matter, completely separated from the communications industry." Exception — FCC should always have one engineering commissioner "who may from necessity have to come from the industry." (FCC traditionally had engineering seat until 1963, when T.A.M. Craven's 2nd term expired, hasn't had engineer as commissioner since.)

(2) Legal training — as opposed to recent trend toward economists — should dominate Commission staff and thinking, "but not necessarily exclusively."

(3) New chairman should be "an open, friendly type willing to discuss current issues where appropriate with members of the industry and the public... He should be a good public speaker who interfaces with the public on current issues."

(4) "Some ethnic balance is desirable on the FCC consistent with the qualities listed above."

(5) Before taking office, chmn.-designate should conduct interviews at Justice Dept. relative to conflicts of interest, sunshine and privacy laws. Fully disclose portfolio of financial interests. Seek guidance from State Dept. on international responsibilities.

(6) After taking office, first order of business should be "interviews in depth" individually with each commissioner and all bureau chiefs.

Lee repeated that he would be receptive to offer of interim chairmanship, would stay through calendar year 1981 if necessary, wouldn't accept regular chairmanship or reappointment. He said he hasn't been approached by anyone from transition team, added: "I've been through transitions since FDR... They don't bother me any." Lee said he would really like to be Ambassador to Ireland, where his father was born.

"The prospect of more broadcast stations is a mixed blessing... I don't believe that increasing the number of channels is an end in itself. Balances must be made between quantity and quality, between the number of stations and the amount of interference we will accept... Even if [VHF drop-ins] work, there cannot be as many new stations in the VHF band as there could be in the UHF band... Additional [VHF] stations will be inferior... They may be a real disappointment to applicants and to the public alike" — FCC Comr. Lee, speaking in Washington Nov. 14 to Catholic broadcasters.



**TvB GETS SATELLITE REPORT:** "It is time for all broadcasters to master the technology, economics and regulation of satellites, not in some vague, futuristic way, but in hard, practical terms." This was message to TvB annual meeting in Las Vegas last week from Al Masini, pres. of SRA, introducing new study, "Satellites & Broadcast Stations," prepared by Washington attorney Victor Ferrall. Masini's highlights of report:

**DBS:** "May prove to be the most important regulatory question for free TV in the 1980s... Broadcasters must... look to Congress for assistance in assuring that regulatory treatment of DBS is fair to free broadcasting. This may well require a substantial educational effort on the part of broadcasters." Earth stations: "Even the smallest TV operator should now be carefully evaluating the acquisition of a receive-only station. At least for larger station owners, this also appears to be an appropriate time to begin evaluating the economic advantages of a transmit earth station."

**Occasional video:** "One practical course for meeting the occasional use problem for broadcasters is to become a satellite resale carrier or a shared user of full-time transponder channel services. Few broadcasters have given much thought to these potential strategies. They should." **Alliances:** "Satellites may create significant changes in traditional broadcast industry alliances and oppositions. Cable, MDS & STV, for example, stand to be at least as adversely affected by DBS as is free TV. Broadcasters should take care to insure that ancient antagonisms do not obscure beneficial new alliances."

**FCC MOVE BLOCKED:** As expected, Senate squelched controversial FCC plans to move to Va. (Vol. 20:41 p5) by approving amendment to appropriations bill, offered by Sen. Baucus (D-Mont.), opponent of move. Amendment, co-sponsored by Sen. Moynihan (D-N.Y.), deleted rider allowing Commission to move outside Washington and abolished new FCC authority to seek own rental space.

Issue isn't quite dead. Senate action will be considered by joint House-Senate conference (because Senate bill now differs from House version), but move's chances are slim. Most doubtful is restoration of FCC's separate leasing power, main issue in Senate. Without that power, FCC can't go through with deal to lease space in Twin Towers building in Rosslyn, Va. Joint Conference hasn't been scheduled yet, won't meet until late this week at earliest, might be delayed until after Nov. 25 Thanksgiving recess.

**Maryland courtrooms will allow cameras and tape recorders inside for 18-month test starting Jan. 1.** Md. Appeals Court voted 4-3 to permit test, which allows defendants to veto use of cameras, permits crime victim to stop electronic coverage at any point during his testimony. Judges reserved right to change rules if experiment fails.

**MORAL MAJORITY VS. TV:** Moving against TV's so-called "excessive portrayal" of pre- & extra-marital sex and homosexuality on TV, religious lobbying group Moral Majority — fresh from election victories — has gathered \$500,000 war chest to reduce "sexual immorality" on programs.

One-day boycott, national surveys, then program & product boycotts are planned, said spokesman Cal Thomas, ex-NBC newsmen. One-day boycott of TV will be in Jan. and will be promoted by substantial advertising, we are told. Date will be selected to avoid major events like Superbowl, State of Union address, etc. Thomas: "We don't expect the Nielsens to be affected in a spectacular way. It's mostly a symbolic thing."

Thomas added: "We want to talk to broadcasters, to advertisers, to the producers of those 3 or 4 programs which we will identify. We don't want to censor anybody, but we are seeking balance. We're not saying they shouldn't show these kinds of shows, although that would be great. All we're asking for is a couple more 'Little Houses' and 'The Waltons.'"

CBS said a threatened boycott, "no matter how you couch it, and no matter how well intentioned it is, that's censorship." NBC & ABC had no comment. Moral Majority claims a mailing list of 480,000 members, including 72,000 clergy members.

Vice President-elect George Bush, meanwhile, said he won't be "intimidated" by groups like Moral Majority: "I don't need any advice from those people. Those people don't scare me."

**New libel insurance plan offered by NAB** covers cost of defending against libel, slander, invasion of privacy, infringement of copyright, trespassing, piracy suits, on & off the air remarks, errors and omissions in ads or promotional copy. "First Amendment option" covers cost of opposing subpoenas, resisting search warrants, protecting reporters' privileges and fighting court closings. Premium is based on ad rates, with minimum cost of \$200 for radio stations, \$350 for TV stations. Coverage in Cal., S.C., & Okla. will cost more because of many court rulings against broadcast interests in those states.

**Broadcast awards for programs dealing with working women** will be presented by National Commission on Working Women Nov. 19 at National Press Club. Group will give special awards to ABC CBS and performers Linda Lavin ("Alice"), Valerie Harper ("Rhoda"), Esther Rolle ("Good Times").

**Ex-Rep. Carney was indicted by federal grand jury in Washington on charge of illegally accepting use of credit card furnished by oil company while in Congress.** Carney (D-O.) was on Communications Subcommittee.

**UHF translator channel search service is offered by Compucon, plus interference analysis and preparation of technical requirements.**



CBS teletext testing project will begin in April in L.A., eventually include teletext systems installed in 100 businesses and homes (Vol. 20:45 p7). Project in nut shell: (1) Teletext sets will be put in public areas in April. (2) In-home use will follow with CBS's KNXT exploring commercial uses and captioning for deaf while PBS station KCET examines PTV uses, including ITV and interactive applications. (3) KNXT teletext may include local & national news, weather, financial information, consumer tips, classified ads and other services. Captioning Center of WGBH-TV Boston will caption CBS programming for deaf. (4) Telediffusion de France is lending \$1 million worth of Antiope equipment for test. (5) David Percelay, ex-KNXT, was promoted to project dir.

NTIA has asked to have U.S. Appeals Court in N.Y. remand FCC cable deregulation to FCC (Vol. 20:43p4), infuriating NCTA. NTIA asked Justice Dept. for remand late last week, saying FCC had not adequately explained deregulation decision. Robert Ross, NCTA senior vp for law & govt. relations, said NCTA is "outraged that they would send a letter while the case is on appeal... This is grandstanding by a lame duck bureaucrat [NTIA head Henry Geller], who is pushing a bankrupt idea [retransmission consent]."

George Brown, retired RCA exec. vp, receives annual David Sarnoff Award presented by U. of Ariz. and Ariz. Bestrs. Assn. "for outstanding achievement in radio & TV." Last year's recipient was CBS Chmn. William Paley. Among developments in which Brown had leading role were standards for NTSC color system, designs for TV & radio transmitting antennas, vestigial sideband filter, RF drying of penicillin in World War II which allowed mass production. Presentation will be made in Phoenix Nov. 21.

"Irresponsible trash," was ABC News Pres. Roone Arledge's response to Fortune article suggesting his desire for career advancement was behind ABC News report in Aug. on govt. probe into corporate Pres. Elton Rule's financial affairs. Rule labeled report "absurd." At issue, and already source of embarrassment to ABC, is SEC probe into whether Rule should have reported to ABC stockholders, personal real estate partnerships with ABC program suppliers Aaron Spelling & Leonard Goldberg (who are under separate "Charlie's Angels" probe).

New stations on air: PBS-affiliate WHMM, Washington, D.C. UHF station, was to start Nov. 17. Station, owned by Howard U., planned ceremonies to be attended by top communications and political leaders, including FCC Chmn. Ferris. Former PBS UHF affiliate in Tacoma, Wash., now commercial KCPQ owned by Kelly Bestg., began Nov. 4. WXVT Greenville, Miss. UHF station owned by Big River Bestg. began broadcasting Nov. 7. Station total: 1,034 — 752 commercial and 282 non-commercial.

Jersey City, N.J. cable franchise has been won by Controlled Cable Corp., 80% owned by subsidiary of Toronto's Maclean-Hunter.

Verbal assaults on prime time & Sat. morning TV shows each week total more than 1,000, according to new book "Life on TV: Content Analyses of U.S. TV Drama," by Michigan State U. Communications Dept. Chmn. Bradley Greenberg. Other findings: (1) Hispanics make up less than 1.5% of TV characters. (2) Only one in 8 TV characters has relatives seen on camera. (3) Typical TV character is white male in late 30s or 40s "in the midst of very pretty, soft women." (4) Blacks make up 10% of all fictionalized characters on TV, with about half on all-black shows. (5) Sex on TV is usually between unmarried couples and "it is portrayed as a fun thing to do with no negative aspects."

NBC has pool for recording Abscam tapes in Federal Dist. Court trial in N.Y. Under network agreement, CBS would handle Philadelphia trial, with ABC recording Washington trial if networks win appeal of court rulings denying access to tapes in 2 trials. In elaborate operation, NBC records tapes as they are being shown in court. Wire connects screen with recording equipment in adjoining room. Tapes are rushed by courier to tower atop nearby Brooklyn hotel, transmitted by microwave to receiver on Empire State Building. Networks share costs.

Women won TV license for first time. Bridgeways Communications Corp., made up of 10 women, plans to put Ch. 43 Bridgeport, Conn. on air in 6-18 months, will emphasize community events, women's issues, children's programming, programs aimed at Spanish speaking residents of area. Corporation is owned 25% by 10 women board members, 50% by other female investors, 25% by male investors.

Premiere hearing will begin Nov. 20 in N.Y. federal court, barring last-minute change to next day. Judge Gerard Goettel has allotted 9 days (excluding Thanksgiving) for testimony from Justice Dept., movie studios & Premiere witnesses, will hear closing arguments by mid-Dec., expects to hand down decision between Christmas & New Year's. Pay service starts Jan. 2 unless JD wins injunction. Premiere will fold if appeal is lost.

Add speakers at seminar of USC & CML at USC Dec. 7-9: Rep. Wirth (D-Colo.), FCC Chmn. Ferris, NCTA Pres. Wheeler. Sessions include advertising, new services, satellites, interactive systems, govt. impact on competition.

Radio stations subscribing to NAB Code total 4,026, 52% of commercial stations, NAB says, noting 98% of hours tabulated by these include ad time within code guidelines.

Oak Industries has agreed in principle to buy Oxnard (Cal.) Cablevision, first move into CATV system operation. Price wasn't disclosed.

NBC has won rights to 1983 Rose Bowl — price undisclosed — beating \$7.25 million bid of CBS (Vol. 20:45 p8).



## Personals

FCC Comr. Robert Lee will receive Abe Lincoln Award from Southern Baptist Radio & TV Commission at annual Feb. banquet in Ft. Worth.

Donald Mercer, 30 years as NBC TV affiliate relations exec., promoted to senior vp; M. J. Corwin advanced to vp, program production operations, West Coast; John Frishette to dir. of broadcast operations & technical services; Clair McCoy to dir., special projects... Scott Michaels promoted to vp, station services in affiliate relations, succeeding Tony Malara, now vp, affiliate relations.

Norman Cash, TvB vice chmn. and onetime pres., retires at end of year; he has been with TvB since it was launched in 1955; David Henderson, Outlet Co., elected TvB secy., putting him in line to succeed Thomas Cookerly, Allbritton Communications, as chmn.; David John, ABC Owned Stations Div., reelected treas.; elected to TvB board: John Behnke, Fisher Bestg.; William Moll, Harte-Hanks; Douglas Smith, WFBC-TV Greenville, S.C.

Thomas Fisher promoted to vp-gen. counsel, Meredith Corp... John von Soosten advanced to vp-program dir., WNEW-TV N.Y... James Jones, ex-N.Y. Jets football player, joins Gannett as affirmative action dir... Martin Appel, ex-Office of Baseball Comr. Bowie Kuhn, appointed PR dir., WPIX Inc., N.Y., succeeding Robert Blake, retiring at end of year... Vivian Hunt, ex-KMGH-TV Denver, appointed promotion dir., WTBS Atlanta... Luis Nogales resigns as pres., Golden West Entertainment (formerly STV Div.); Brett North appointed vp-gen. mgr... Fred Steurer promoted to chief engineer, KSDK St. Louis.

James Beloyianis, Katz American TV, elected vp of parent Katz Agency... Judith Ford advanced to dir. of FTC San Francisco regional office... John Sandy, ex-EPA, appointed chief, Accounting & Audits Div., FCC Common Carrier Bureau; H. Walker Feaster promoted to assoc. bureau chief for operations, Private Radio Bureau.

William Walker, partner in Larson/Walker media brokers, buys out partner G. Bennett Larson, changes company name to Walker Media & Management Inc., 1730 Rhode Island Ave. NW, Washington 20036; Larson will maintain consulting office in L.A... Wayne Francis & A. Wray Fitch become associated with Gammon & Grange, Washington law firm.

John Lockton, ex-Dun & Bradstreet senior vp, named pres. & chief operating officer, Warner Amex; J. Leonard Reinsch withdraws as co-chmn.; Gustave Hauser remains as chmn. & CEO... Richard Holcomb, ex-public TV, appointed public affairs vp, ATC... Vincent King moves from Cox Cable to operations vp of subsidiary Matrix.

Thomas Battista, ex-vp & gen. mgr., KYW-TV Philadelphia, appointed pres., Sandy Frank Film Syndication... Madelyn Goldberg, ex-Time Life TV,

named exec. vp, Post-Newsweek Distribution... John Topol, ex-Star Video, named head of Lexington Best. Services Cable Div... Jack Garrison, ex-Time Life TV, returns to Metromedia Producers as vp-sales mgr. for midwest region... Susan Swimer promoted to dir. of creative marketing MGM TV, new post... Thomas Duncan, ex-Grey Advertising, appointed marketing dir., BBI Communications.

Barry Cunningham, ex-Cable News Network, named Washington senior correspondent, Independent TV News Assn... Mary Clunis promoted to AP broadcast exec. for Ore. & Wash., succeeding Mike White, now broadcast exec. for Southern Cal. & Nev... John Bayliss advances to pres., Charter Best. Group.

**WARNER TAKES CINCINNATI:** Warner Amex won another big one last week — receiving cable franchise for Cincinnati. It garnered 6 city council votes against ATC's 3. Warner already holds franchises in 42 suburban communities with 190,000 homes. Cincinnati has 161,000. According to Chmn. Gustave Hauser, this is first metropolitan area in which single company holds all franchises, permitting easy interconnection.

Warner now has franchises covering about 3 million homes — gaining 1 million of them this year — including Pittsburgh, Dallas & Cincinnati. In Pittsburgh, where ATC is challenging grant in court, judge has dismissed most charges. As of Oct. 1, Warner had 725,000 basic subscribers, 450,000 pay.

Cincinnati system will have 80 channels, dual cable, interactive — construction starting "immediately."

Warner also picked new pres. — John Lockton, Dun & Bradstreet senior vp. Hauser continues as chmn. & CEO, relinquishing presidency to Lockton. J. Leonard Reinsch has withdrawn as co-chmn., will remain on board.

Pay TV in Britain was approved by govt. for 2-year experimental period. Home Secy. William Whitelaw told House of Commons last week he will license "about 12 pilot schemes," said they may show only films granted approval by British Board of Film Censors, may not seek exclusive rights to sporting & entertainment events "of national importance," may not screen X-rated material before 10 p.m., may not carry ads. Program schedules will have to be submitted to Home Office in advance. Only operators of existing cable TV systems will be permitted to offer service, although they may associate with program companies. There are about 2.5 million cable homes in Britain. Details: Bestg. Dept., Home Office, Room 610, 50 Queen Anne's Gate, London SW1H 9AT. Application deadline is Dec. 31.

FCC reduced from 10 to 5 number of copies (original plus 4 duplicates) required when filing documents in all but rulemaking & hearing cases. (Commission in 1976 took similar action for rulemaking cases.)



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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Oct. 31 (44th week of 1980):

	Oct. 25-31	1979 week	% change	Oct. 18-24	1980 to date	1979 to date	% change
Total TV.....	511,115	433,020	+18.0	513,597	13,037,780	13,249,780	-1.6
color.....	290,483*	258,923	+12.2	301,580	8,157,605	8,198,155	-0.5
monochrome..	220,632	174,097	+26.7	212,017	4,880,175	5,051,625	-3.4
Home VCR.....	23,089*	12,267	+88.2	33,364	607,251**	368,299	+64.9

Color TV 5-week moving average: 1980—249,278\*; 1979—228,336 (up 9.2%).

Home VCR 5-week moving average: 1980—23,997\*; 1979—14,731 (up 62.9%).

\*Record for period. \*\*All-time record

**RCA TO ADD PROJECTION TV NEXT MONTH:** RCA will make it unanimous when it introduces its first home color projection TV system at Dec. 5 distributor meeting in Dallas. Long the major holdout among U.S. TV makers, RCA's entry should give big boost to concept of projection.

RCA obviously is testing market rather than making heavy commitment, since it's buying system on OEM basis from Hitachi. Set is relatively conventional single-piece 3-tube unit with pullout drawer, 50" screen, will be assembled at Hitachi's Compton, Cal. plant. It's indicated that price will be in \$2,500-\$3,000 range, very lowest area of 3-tube projection, thereby competing with Sony, Kloss & new Advent models as well as with recently advertised prices on GE rear-projection system (Vol. 20:42 p16).

As is customary with inquiries about products scheduled for introduction, RCA didn't confirm or deny that it would have projector, official merely stating that "we are watching the growth of projection TV." RCA's attitude toward projection has gradually softened in last year or so — last major comment from Consumer Electronics Vp-Gen. Mgr. Jack Sauter in May was that projection would be "viable business with significant volume for us when quality levels in the \$3,500-\$4,000 category can be achieved in a \$2,500 unit" (Vol. 20:20 p11). It's believed RCA system will be similar to projection TV displayed at last month's Japan Electronics Show by Hitachi, which used super-bright U.S.-made plastic f1 lenses.

Impending introduction of videodisc undoubtedly influenced RCA's decision to enter projection now. Giant-screen is ideal way to display disc's picture, and it could be embarrassing to RCA for its dealers to demonstrate disc using competitive projector. It's good bet that RCA will encourage dealers to demonstrate disc player with projection, even to point of offering introductory package featuring projection TV along with disc players.

With RCA's entry, virtually all major U.S. TV brands are committed to some form of projection TV. Already on market are rear-screen unit from GE, with Sears to offer Sanyo-built single-piece front-projection set this month (Vol. 20:45 p12), Sony now offering new 2-piece systems as well as holdover single-piece, Quasar & Panasonic selling rear projectors. Zenith is expected to offer projector this spring, and Sylvania is scheduled to come aboard about same time with rear projector. Biggest-selling projection TV still is believed to be MGA,



moving at rate of 1,000 monthly, although it may be challenged by Sony, which has target of 16,000 in 12 months to next Sept. (Vol. 20:35 p8), and could be well on way to this rate, judging from first reports of its success.

Magnavox has long been projection enthusiast, but now is last to commit. It showed prototype at last June's CES, to unenthusiastic group of dealers — not due to any fault of system but largely to manner in which it was displayed. Pioneer, the other seller of optical videodisc players, will enter TV receiver market next year with own projection TV, as we indicated last July (Vol. 20:31 p11). Company is still looking at 2 different systems (both made by others), could decide in time for Jan. introduction. J.C. Penney tested projection market in some western stores earlier this year, decided to stay out of field for time being.

EIA figures indicate production of quality projection TV systems totaled some 30,000 units in this year's first 9 months — running ahead of the 28,000 it reported sold to dealers for all of 1979. GE TV Div. Gen. Mgr. Fred Wellner last week forecast this year's sales should nearly double last year's figure to 50,000, rising another 50% in 1981 to 75,000 units. GE's own projector, he said, is sold out for rest of year.

**U.S. COLOR OUTPUT AT RECORD IN 3RD QTR.:** New 3rd quarter high for color production was set by industry this year, but result was good for only 7th place on list of all-time quarterly records, and total new supply (production plus imports) was 2nd best for period, our analysis of EIA & Commerce figures indicates.

Domestic factory production of 2.17 million color sets in quarter was up 10.9% from same 1979 period, and up 4.3% from previous 3rd quarter record of 2.08 million set in 1973. All-time quarterly high was 2.34 million, in 2nd quarter this year. While up 10.9% from last year, total new color supply in quarter was 6.8% below 2.72 million record set in 1978. Color production of 6.74 million set 9-month record, topping 1978 mark of 6.39 million by 5.3%, but while total new color supply was up 1.8% from last year, it was 4.1% shy of 7.93 million record, also set in 1978.

Rise in 3rd quarter color imports left foreign-made sets with 14.1% share of total color market for period, against 14.2% in same 1979 period, and extending string of consecutive quarterly color market-share gains for domestic factories to 7. For full 9 months, domestic factories accounted for 88.5% of new color supply, up from 85.6%. But Commerce figures indicate that for full period, enough color TV kits & essentially finished chassis were imported to account for 32.2% of U.S. production, up from 29.7% last year. Including these with complete-set imports would give imports 39.9% color market share, up from 39.8%.

Apparent surge in domestic b&w production in quarter is, we feel, statistical aberration, and may be caused by EIA correction for underestimating b&w supply in first half. In our TV new supply breakdowns for first & 2nd quarters (Vol. 20:21 p12, 20:33 p10), we excluded imports of b&w mini-combos, because including them would have resulted in indicated negative domestic production. Though left out of table below, we believe EIA has begun factoring them in more accurately — b&w mini-combo imports totaled 170,000 in 3rd quarter, 409,000 for 9 months.

#### 9-MONTH U.S. TOTAL TV SUPPLY

	U.S. Produced	% change	Imports*	% change	Total New Supply	% change
Total TV 1980.....	7,442,000	+ 6.2	4,948,000	- 7.3	1,390,000	+ 3.8
1979.....	7,006,000		5,337,000		12,343,000	
Color TV 1980.....	6,736,000	+ 5.4	874,000	-18.9	7,610,000	+ 1.8
1979.....	6,392,000		1,078,000		7,470,000	
B&w TV 1980.....	706,000	+15.0	4,074,000	- 4.3	4,780,000	- 1.9
1979.....	614,000		4,259,000		4,873,000	



## 3RD QUARTER

Total TV	1980.....	2,652,000	+ 26.1	1,802,000	-5.9	4,454,000	+10.8
	1979.....	2,103,000		1,916,000		4,019,000	
Color TV	1980.....	2,174,000	+ 10.9	357,000	+10.2	2,531,000	+10.9
	1979.....	1,959,000		324,000		2,283,000	
B&w TV	1980.....	477,000	+231.3	1,446,000	-9.2	1,923,000	+10.7
	1979.....	144,000		1,592,000		1,736,000	

\*U.S. production includes sets assembled from imported chassis & kits, imports are complete sets only. B&w imports exclude combinations.

**VHD STRATEGY—BARGAINS FOR PROGRAMMERS:** The program's the thing in videodiscs, and VHD system's come-from-behind strategy is to offer movie studios and other program distributors such loss-leader prices on custom pressing as to be well-nigh-irresistable.

"We have the capability of producing the strongest library in the industry," said Pres. William Webber of new GE Video (GEV) last week. "Our software will make the critical difference, give us a sizeable advantage because of relationships now being cemented with the studios." Although no contracts have been inked, he talked of programmers' "incentive" to sign with VHD Disc Mfg. Co., the GE-JVC-Matsushita-Thorn EMI custom-pressing venture. Major incentive apparently is what VHD Disc Pres. Gary Dartnall readily concedes are unprofitable pump-priming charges for making discs — \$5.50 per 2-hour disc in lots of 2,000-3,000.

DVA's custom-pressing rate card indicates mastering & duplicating conventional one-hour 2-sided consumer optical disc costs \$11.50-\$12.50 for same size run, excluding labeling & jacket. We've been unable to get estimate on custom-pressing for CED discs, but it's believed they'll be somewhere in between VHD & optical quotes. CBS will be first to offer CED custom pressing, RCA's plant being tied up with own label output for some time. VHD initially will have capacity to press discs at less than million-a-year rate in Japan & Irvine, Cal. plants; this is scheduled to rise to as many as 20 million on activation of midwest pressing plant. Lease has been signed for 25,000-sq.-ft. former pharmaceutical plant in Irvine, scheduled to be producing in first quarter.

"It won't be easy to overcome RCA's momentum," conceded GE TV Div. Gen. Mgr. Fred Wellner in trade press briefing last week, "but support of the disc depends on the library. VHD is far superior technically. First come doesn't necessarily mean first served — look at the difficulties the optical system is experiencing." VHD system is scheduled to come on market about 6 months after March debut of CED. Wellner implied battle was between VHD & CED, saw optical system becoming institutional rather than consumer product.

Wellner forecast 1981 sales of videodisc players of all types at 275,000, climbing to about million in 1982, and "it must be in the million range to continue." He envisioned 1983 as year when disc player sales pass those of VCRs and when VHD emerges as clear winner, 1984 seeing 500,000 more players than VCRs sold. He said he was less concerned about acceptance of VHD system than about competition between disc & tape. He put 1980 VCR sales at 775,000 units, forecast increase only to 850,000 next year, limit imposed by prices and consumer uncertainty between disc & tape concepts, but noted that disc player plus VCR sales would total million.

GE hasn't finalized design of player, Wellner citing "agonizing task" of deciding whether consumer will prefer features or price. How can system be brought to market so quickly? "We have great respect for JVC's technical skills."

GE will "come on strong" in advertising & promotion for disc, said GEV Mktg. Gen. Mgr. Ludwig Huck. "We'll tell the VHD story rather than knock the competition." GE will distribute discs as well as players to its dealers through GEV, which also will be company's representative



on the 3 VHD joint ventures — player manufacturing, disc manufacturing, program production & procurement.

J.C. Penney will offer RCA-brand videodisc players & discs through 300-400 retail stores starting in April or May, we were told by Home Electronics Mdse. Mgr. Henry Goldsmith. Decision on catalog offering hasn't been made, according to Senior TV Buyer Art Glenn. Both think disc player will be hot product, help reinforce demand for VCR as well.

Reports from Japan, meanwhile, state that U.S. Pioneer plans to sell 100,000 optical videodisc players in year ending Sept. 1981, tenfold increase over preceding fiscal year, geared to introduction of lower priced model with fewer features than current unit. Same reports put value of about \$38 million (8 billion yen) on current fiscal year's sales, about \$4.65 million on last year's, which works out to \$380 per player this fiscal year, \$465 last year. U.S. Pioneer representative said figures didn't sound familiar and he thought 100,000 estimate too low.

First Korea-made videodisc player will be demonstrated at CES by Gold Star, Philips licensee, which will show optical unit.

Note: Some contention has arisen over RCA Chmn. Edgar Griffiths' reported forecasts last Dec. on future of videodisc industry. Reference we used last week (Vol. 20:45 p9) doesn't exactly represent proper context of his remarks. He said videodisc & players probably would represent \$7.5-billion industry in 10 years — "bigger than all of the networks put together, bigger by a factor of 2 or more times than the record industry today."

**PICKWICK-SEARS VIDEO:** After nearly 2 years of market testing, big record rack jobber Pickwick International is building national network for distribution of recorded videocassettes, with Sears as cornerstone. Pickwick expects to have Videoworks in 400 retail outlets by Christmas, about half of them Sears stores.

Sears has made biggest commitment, although other mass merchandisers will participate. Pickwick will supply stores with about 50 best-selling cassette titles from various distributors, will offer one-week delivery of another 100 it keeps in stock. Stores also will get special-order catalog with titles from Magnetic Video, Columbia, Paramount, Warner, MGM/CBS. Stock replacement plan, adapted by Pickwick from record business, effectively bars rental. Half of ticket on each cassette is returned to Pickwick after sale, automatically triggering shipment of fresh copy. Participating retailers thus have no alternative to outright sale, presumably would have to pay Paramount's rental surcharge without enjoying benefits.

Sears participation is part of marketing modernization program, under which retailer will put more emphasis on promoting upscale products. Another aspect is current negotiation with Atari to develop special home computer for sale under Sears brand, as well as previously reported plans to offer CED players & discs, projection TV.

Distributor sales of electronic parts rose 16.3% last year to \$4.8 billion, according to National Credit Office. Largest increase was in sales to industrial & govt. customers, up 17.5% to \$3.1 billion. Sales to dealers & servicers were up 13.5% to \$1.2 billion. Other customers accounted for \$467 million, up 16.2%.

**Mergers & acquisitions:** Alps acquires 10% interest in hi-fi maker Lux. Best known as parts maker, Alps is expanding involvement in finished consumer electronics products area. Financial tie won't affect operations of Japanese firms' U.S. sales subsidiaries ... General Instrument & Racal have agreed to cooperative manufacturing arrangement for speech synthesizer MPUs in U.K. GI will produce chips at plant in Scotland, ship then to Racal for final assembly in Reading, England... Murata & Bourns have agreed to dissolve Murata Bourns, joint potentiometer manufacturing & distribution venture formed in Japan 15 years ago. MB is exclusive Far East distributor for Bourns. When MB is closed next June, partners will sever connections, compete against each other... Belden may get 2nd new parent right after it gets first. InterNorth has given up trying to block acquisition of Belden by Crouse-Hinds (Vol. 20:40 p14), is now offering to acquire C-H whether or not Belden takeover is completed.

Electronic news payment and editorial handling question issue was resolved, temporarily at least, in new contract worked out with Minneapolis newspapers by Newspaper Guild. Re-publication payments to journalists for stories provided to computer owners subscribing to electronic news delivery service, and assignment of final editing responsibility for such stories, were among key issues that led to 27-day strike (Vol. 20:41 p12). Under settlement terms, Guild members won editorial jurisdiction, but lost out on residual payments. Journalists will continue to get 25% of profits papers get for resale of stories to non-electronic media.

Labor Dept. rejected import adjustment assistance for laid-off workers at now-closed Magnavox Jefferson City, Tenn. TV cabinet plant. Agency said there's been no increase in imports of cabinets or TVs.



**GE's OUTLOOK:** GE has almost doubled color TV sales in last 5 years, has enjoyed industry's biggest market-share increase, is still gaining share. "and we have no intention of slackening our pace" as result of diversions caused by videodisc, VCR and other "peripherals." So said TV Div. Gen. Mgr. Fred Wellner last week in outlining progress & prospects for TV business to trade press.

U.S. color TV sales this year will total 10.3 million, including all exports, surpassing 10.2 million of 1979, said Wellner. A major factor has been exports, through normal channels and unrecorded, mainly to South America, which Wellner estimated will total about 750,000 sets this year. Without these shipments, color sales would have been only 2% below 1979. For 1981, he predicted same sales pace but with exports subsiding to 400,000 and some 9.8 million sets sold to dealers. He forecast b&w sales this year at 6.2 million, next year 6.1 million.

Largest challenge is inflation, as Wellner sees it, and he forecast color TV price increases in 1981 "well above those experienced this year." Despite rising costs, GE's TV earnings will be "positive" this year, equaling last year's results.

Discussing competitive situation, he said it was "far too early" to predict consequences of proposed sale of Sylvania to Philips, but noted: "You do not buy market share by buying a company, because the dealer is free to buy where he wishes." Asked about new competition from Japanese-owned plants in U.S., he replied: "It will make itself felt — it's already starting to appear in terms of pricing."

Although GE doesn't now offer portable VCR, GE Video Gen. Mktg. Mgr. Ludwig Huck said that product and associated color cameras are "seeing very significant growth and we'll enter [field] as soon as it makes economic sense." For other aspects of GE's stance on VCR & videodisc, see p 11; projection TV, p. 9.

As for wide range of video products — computers, games, teletext decoders, etc. — Wellner said "nobody can make them all. They must choose among peripherals." He made it clear that GE "will not forget what is still the largest segment of the consumer electronics industry — our bread & butter product — color TV."

Word building, speech-generating MPU developed by Texas Instruments, has theoretically unlimited vocabulary. In addition to storing limited numbers of whole words, as other speech synthesizers do, new allophonic circuit contains word sounds which can be combined to produce complete words & sentences. TI said circuit could be hooked to home computer for oral readout of messages punched in by keyboard or fed in from outside sources. Marketing plans & pricing weren't announced.

Korea's quota for b&w TV exports to U.K. for 1981 was set at 109,000, up 20% from 91,000 limit for this year.

**BOHSEI TIES UP AOC:** It appears now that Chinese-owned underground color TV assembly plant in Kansas City may never go into production. Taiwan-based AOC (formerly Admiral Overseas Corp.) has suspended plans to turn out sets here in converted limestone quarry (Vol. 19:46 p9) in wake of contracting to give importer Bohsei 3-year U.S. marketing exclusive for its entire color line.

Expanded color offerings in 13" & 19", including remotes, will be shown by Bohsei, along with 25" color consoles, at Winter CES in Las Vegas. Spokesman said line will continue to be promotionally priced.

Bohsei has been major AOC customer since group of Far East businessmen acquired former Admiral Taiwan TV plant from Rockwell International in 1978 (Vol. 18:49 p7), and uses AOC-made chassis in consoles it's assembling in Mexico & Conn. AOC acquired U.S. plant site late last year, was to start production by Feb. but experienced many problems.

One major difficulty was lining up color tube supplier. AOC thought it had agreement with RCA until RCA cancelled out, later contracted to buy from Zenith. It's likely that current U.S. color tube shortage and pending tube price hike (Vol. 20:43 p8), as well as high cost of setting up U.S. sales & service organization at time when import quotas are still in effect, were significant considerations in AOC's decision to shelve U.S. production plan. It's understood plant will be used as warehouse.

While Bohsei has general U.S. market exclusive, AOC does get to retain one private label customer (believed to be Midland), according to Mktg. Vp Larry Simpson. In addition, he said, AOC has rights to sell in Canada & Latin America and is investigating U.S. market potential of products made by other companies owned by AOC's principals. John McCartin, last holdover from AOC's Admiral days, has resigned as vp-gen. mgr. to take post with Litton Industries, where he joins another Admiral veteran, Microwave Cooking Products Div. Pres. Wayne Bledsoe, as mfg. engineer mgr. of plant in Sioux Falls, S. D.

"We were wiped out" on VCRs this year, J.C. Penney Mdse. Mgr. Henry Goldsmith told us, huge demand coming as surprise — as it did to almost everyone else. Company will concentrate on 4-6 VCR models, emphasize portable, which Goldsmith thinks will represent 50% of sales next year. Current line, all Matsushita-made, has basic VCR at \$699, programmable with scan & remote channel change at \$995, portable with tuner/timer \$995, with programmable tuner/timer \$1,095, electric viewfinder power zoom camera \$899, telecine accessory \$130, will add through-lens viewfinder camera. Penney adds to extensive stereo line new NEC-made mini-component ensemble (digital-readout tuner, 30-watt amp, cassette deck, speakers) at \$595, Surround Sound pocket stereo cassette player from Taiwan, \$90.



**ITC TV HEARING:** There were no surprises in testimony presented at International Trade Commission hearing on TV importers' request for revocation of agency's 1972 ruling that dumping of Japanese TVs here had injured U.S. industry, and witnesses stuck to expected scripts (Vol. 20:45 p13).

Importers emphasized depth of commitment Japanese now have to U.S. color TV assembly operations as way of assuring ITC that shelving of injury ruling and compliance with administrative provisions of Antidumping Act would result in no significant increase in TV imports from Japan. In cross-questioning, domestic interests (COMPACT & Zenith) got grudging acknowledgement that biggest decline in imports coincided with late 1976 start of Treasury effort to clean up dumping case through heavy extra duty levies, but importers insisted quotas & rising value of yen, not dumping duties, were prime causes.

Possibility of Japanese TV export revival was on mind of commission as well, and questions to importers centered on ease with which Japanese TV plants here could be converted to produce VCRs, microwave ovens or other products. Only unanticipated issue was raised by Vice Chmn. Michael Calhoun, who asked attorneys for both sides for opinion on whether ITC could legally rule that imports from some Japanese companies posed no threat of injury, leaving others on dumping hook. Excusing some companies in countrywide dumping case is frequent practice, but that decision has always been based on finding by Customs that specific companies haven't been dumping, or have agreed not to do so.

At hearing, it was revealed that ITC hopes to have updated dumping margin data by company from Commerce by year end. COMPACT & Zenith have argued that lack of such data, which show actual dollar amounts of unfairly low priced imports, would make it impossible for ITC to reach informed opinion on extent of injury being suffered by U.S. industry. Also noted was Commerce investigation into whether TVs assembled in Taiwan & Korea from Japanese parts have so much Japanese value that they should be covered by dumping finding. Hitachi said it has already received notice that color it imports from Taiwan affiliate is considered to be Taiwan made, not Japanese.

Where past dumping hearings have drawn top executives from both domestic industry & importer ranks, this one was attended only by attorneys — all outside counsel. Shift in cast probably reflects belief that regardless of how ITC votes on case Jan. 13, decision will be appealed to Court of International Trade, recently created by restructuring of Customs Court.

Apple Computer asked FCC for more time to bring computers & peripherals into compliance with FCC Class B limits. Apple, calling task "monumental," asked deadline extended from Jan. 1 to April 1.

**TAPE OVER DISC IN EEC:** VCRs have assured future in West European consumer market, but same can't be said for videodisc players, according to study by U.K. research firm.

Study, stemming from interviews with dealers & consumers in France, Germany & U.K., supplemented by questions included in regular survey of 500 upper-income U.K. households, concludes that videodisc has general lack of consumer appeal. It says disc market will be smaller than expected, and companies entering field "stand not simply to damage their reputations but to lose vast sums of money."

As for VCRs, it predicts that 28% of European homes will have them by end of decade, while penetration in U.K. rises from current 2% to 16% in 1985, 40% by 1990. It forecasts VHS format will continue to hold 60% share of European VCR market despite competition from Betamax and new Philips V-2000 systems. Also forecast is sharp jump in demand for prerecorded videocassettes.

Report is hardly flattering to Video 2000 format, says it was "all but killed by its own arrogance," took too long from announcement to introduction, lacks desired special effects features. In addition, there's compatibility problem (lip synch) between Philips & Grundig machines, which can't be corrected before year's end. Details on 100-page study: Acumen Marketing Group Ltd., 217 Tottenham Court Road, London W1P 9AF.

Time survey of European VCR owners shows most are educated, upper-income, over 35, use equipment more than 6 hours weekly. They own average of 12.8 blank cassettes; 40% buy prerecorded tape, own 3.8 each, would like to join rental club. Some 10% now own camera, and more than 50% plan to buy one.

Average U.S. owner of VCR shopped only one store, bought on basis of price, according to profile developed from consumer survey in current Merchandising. Largest share of respondents bought one or 2 cassettes with VCR (42%), but equal amount monthly (47%), own no prerecorded tapes (34%). Of non-owners (90% of panel), most are interested in buying, but feel price is too high. Some 12% said they expected to purchase VCR in next 6 months. Queried on videodisc players, 63% were unfamiliar with product, 6% indicated strong buying interest.

Zenith adds 4 new 19" models to hotel color line, high end featuring FM-AM, LED digital alarm clock with battery backup. Others include wired remote with CATV-ready 105-channel MPU tuner & on-set scan tuning control, sets with single-knob tuning, with & without FM-AM.

Price increases of 2-3% across board starting in Dec. are forecast industrywide for color TV by Sampo Sales & Mktg. Vp Joseph DiFiglio. He sees 1980 color sales totaling about 9.5 million units, b&w 6 million.



**Consumer Electronics Personals**

William Campbell promoted at Magnavox Consumer Electronics from Great Plains Div. gen. mgr. to vp-national sales mgr... Joseph McHugh, ex-RCA Records, named exec. vp of GE-Matsushita-JVC-Thorn EMI videodisc producing venture VHD Disc Mfg. Co... Marguerite Olsen, ex-Universal Studios ad coordinator, appointed MCA Videocassette ad & promotion dir... Frank O'Connell, ex-Continental Grain, joins Mattel as senior mktg. & sales vp.

Jack Dodgson, BSR engineering dir., named vp, adds responsibility for new Loudspeaker Div... Rick Gibson, ex-Fisher, joins KLH as national sales mgr... Douglas Booth, ex-Damark Industries, appointed TDK western dist. professional sales mgr.

James Lara appointed Pickwick senior vp & rack mdsg. mgr. with responsibility for Videoworks wholesale operation... Don Ellis, ex-Motown, named RCA Records U.K. managing dir... Dick Wheeler advanced at Sony Video Products to SE region mgr., succeeding Phil Hart, now east zone mgr.

Robert Owens appointed Radio Shack support operations vp, succeeding Charles Phillips, now senior vp responsible for all U.S. operations; H. Carroll Reeves, ex-Recognition Equipment, joins as computer equipment OEM sales dir... Philip Wolf named GTE Precision Materials vp-controller.

H. A. Ketchum, Thomas Electronics, elected EIA Tube Div. chmn.; Paul Burns, Clinton Electronics, named vice chmn.; Richard Falk, GE, appointed vp & representative to EIA board. At Parts Div., Wayne Peterson (Superior Electric) named chmn., Douglas Dobson (Stackpole) & Clifford Tuttle (Aerovox) vice chmn., Max Orr (Alliance Mfg.) vp & board rep. Distributor Products Div. elected Frank Vendely (Mallory) chmn., Edward Kason (Amphenol) & Robert Negele (Kulka Electric) vice chmn., Bernard Schnoll (Industrial Devices), vp-board rep.

**Audio notes:** Dolby C is latest improvement in audio noise reduction technology from Dolby Labs. Type C circuitry is improved version of, and replacement for, B system now used in most high-end audio cassette decks, is being made available to all Dolby licensees. Details and first public demonstration will be given at upcoming Winter CES in Las Vegas Jan. 8-11... Maxell adds new cobalt-ferrite formulation at high end of audio cassette line at \$5.10 for C-60, \$6.99 for C-90.

**Electronic watch circuits & components** are electronic parts, not watch movements, U.S. Customs Court ruled in suit brought by TI against Customs classification decision. Court said watch modules are semiconductors, dutiable at 5.8%, not watch movements subject to 20.8% duty. It also found LED & LCD displays are electrical indicator devices, not watch dials, therefore are dutiable at 3.8% rather than 20.8%.

**HITACHI CELEBRATES:** Hitachi lifted curtain on future last week with huge technical exhibition celebrating 70th anniversary, showing large group of work-in-progress products. Among them:

(1) Flat-screen b&w LCD portable TV with 3" picture, scheduled to sell for \$350-\$375 in 1981 or 1982. It was 3rd LCD TV to be announced in Japan, and these are comparisons of Hitachi's system with those developed by Matsushita & Toshiba: Picture size, 1.5x1.9 (vs. 1.4x1.9 & 1.2x1.6); picture elements, 120x160 (240x240 & 240x220); response speed, not announced (55 millise. & 30 millise.); contrast ratio, not announced (1:14 & less than 1:20); external dimensions, 5.7x3.7x1.2" (4.6x4.3x1.1" & 6.7x3.1x6.6"); weight, 16.9 oz. (18.3 & 10.6 oz.).

(2) Digital audio disc measuring 5" and playing for 16 min., using solid-state laser pickup, with 9.6-dB dynamic range. (3) Home information system capable of receiving super high frequency (SHF) transmission via satellite, including character & pattern recognition for multiplex broadcasting. (4) Viewdata system using phone lines, capable of including digital sound data via FM. (5) Portable VHS recorder weighing 11 lb., with all special effects (no marketing date given).

(6) Super-high-resolution saticon camera tube, providing 1,023-line picture. Home camera with hydrogenated amorphous silicon pickup tube, claimed to provide improved sensitivity & resistance to burning. "Next generation" of MOS camera pickups, amorphous solid-state device, with up to double the resolution, 500x600-800 picture elements vs. 400x500 in MOS camera to be marketed next year.

(7) "Calcogenide" optical videodisc with recording capability. (8) Metal videotape in 1/2" & 1/4" open-reel versions. (9) "Speech typewriter" which converts speech into text. (10) Optical beam VHF transmission, capable of carrying 7 TV channels simultaneously. (11) Semiconductor laser diode for videodisc & other uses. (12) Magnetic bubble memories capable of storing 256 kilobits.

**Film-based videodisc system** and its developer Ardev Co. are up for sale by parent Atlantic Richfield, divesting itself of most non-energy activities. ARCO reportedly has 2 candidates for acquisition — likely prospects might be Exxon & U.S. Video. Ardev's developments are extremely similar to those of now defunct I/O Metrics, and some former I/O staff members are involved. System is designed for industrial & institutional applications. Ardev Vp Peter Wohlmuth formerly headed I/O. George Hrbek, ex-R&D dir., has returned to Zenith where he's involved with CED videodisc program. He's been replaced by William Watson. Stephen Poe is mktg. dir.

**Japan's VCR production** will total 4.3-4.4 million this year, 870,000-880,000 units sold on domestic market, rising to 6 million in 1981, when Japanese will buy 1-1.2 million, according to JVC Pres. Ichiro Shinji.



## 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>Action</b>			
1980-9 mo. to Sept. 30	93,017,000	3,559,000	1.18
1979-9 mo. to Sept. 30 <sup>a</sup>	100,108,000	2,939,000	1.01 <sup>b</sup>
1980-qtr. to Sept. 30	30,676,000	1,824,000	.60
1979-qtr. to Sept. 30 <sup>a</sup>	47,528,000	1,419,000	.48 <sup>b</sup>
<b>APF Electronics</b>			
1980-9 mo. to Sept. 30	15,470,961	(323,082)	--
1979-9 mo. to Sept. 30	15,413,187	(216,291)	--
<b>Audiotronics</b>			
1980-qtr. to Sept. 30	5,222,000	108,000	.11
1979-qtr. to Sept. 30	5,208,000	186,000	.20
<b>Comcast</b>			
1980-9 mo. to Sept. 30	18,639,000	1,687,000	.66
1979-9 mo. to Sept. 30	15,654,000	1,267,000	.49 <sup>b</sup>
1980-qtr. to Sept. 30	6,579,000	675,000	.26
1979-qtr. to Sept. 30	5,563,000	501,000	.19 <sup>b</sup>
<b>Doyle Dane Bernbach</b>			
1980-9 mo. to Sept. 30	102,961,000	6,500,000	2.47
1979-9 mo. to Sept. 30	70,764,000	5,063,000	1.90
1980-qtr. to Sept. 30	31,366,000	656,000	.25
1979-qtr. to Sept. 30	21,451,000	465,000	.17
<b>Electrohomec</b>			
1980-39 wk. to Sept. 26	131,905,000	9,151,000	2.95 <sup>d</sup>
1979-39 wk. to Sept. 28 <sup>a</sup>	90,036,000	2,204,000	.71 <sup>d</sup>
<b>Grey Advertising</b>			
1980-9 mo. to Sept. 30	69,670,000	3,899,000	6.41
1979-9 mo. to Sept. 30	63,206,000	3,973,000	6.39
1980-qtr. to Sept. 30	23,166,000	1,101,000	1.82
1979-qtr. to Sept. 30	21,722,000	1,393,000	2.24
<b>ITT</b>			
1980-9 mo. to Sept. 30	13,122,462,000	608,954,000	4.17
1979-9 mo. to Sept. 30	12,010,991,000	232,140,000	1.60
1980-qtr. to Sept. 30	4,291,659,000	197,932,000	1.35
1979-qtr. to Sept. 30	4,019,335,000	(136,390,000)	--
<b>JWT Group</b>			
1980-9 mo. to Sept. 30	231,989,000	9,176,000	1.92
1979-9 mo. to Sept. 30	172,719,000	7,278,000	1.61
1980-qtr. to Sept. 30	81,946,000	2,018,000	.39
1979-qtr. to Sept. 30	58,580,000	1,516,000	.33
<b>Kansas State Network</b>			
1980-year to Aug. 31	13,360,000	6,289,000	3.33
1979-year to Aug. 31 <sup>a</sup>	12,607,000	2,226,000	1.22
<b>Movielab</b>			
1980-39 wk. to Sept. 27	28,883,504	1,536,886	.95
1979-39 wk. to Sept. 29	25,010,745	1,398,018	.86 <sup>b</sup>
1980-13 wk. to Sept. 27	8,803,504	361,783	.22
1979-13 wk. to Sept. 29	8,964,483	511,025	.31 <sup>b</sup>
<b>Rockwell International</b>			
1980-year to Sept. 30	6,906,500,000	280,200,000	3.77
1979-year to Sept. 30	6,176,400,000	261,100,000	3.66
1980-qtr. to Sept. 30	1,812,200,000	58,200,000	.77
1979-qtr. to Sept. 30	1,609,700,000	62,100,000	.86
<b>Tele-Communications</b>			
1980-qtr. to Sept. 30	31,765,000	2,965,000	.12
1979-qtr. to Sept. 30	23,779,000	8,478,000	.38
<b>Trans-Lux</b>			
1980-9 mo. to Sept. 30	14,745,908	1,816,894	.99
1979-9 mo. to Sept. 30	13,119,599	1,515,822	.82
1980-qtr. to Sept. 30	5,224,158	769,070	.41
1979-qtr. to Sept. 30	4,772,061	495,470	.27

Notes: <sup>a</sup>Restated. <sup>b</sup>Adjusted. <sup>c</sup>In Canadian dollars.  
<sup>d</sup>Includes special credit.

## WEEKLY Television Digest

with  
Consumer Electronics ...

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**TUBE PLANT CLOSING:** Finland's color tube plant will be shut down at year's end after having run up estimated \$130 million in operating losses since 1977 startup.

Launched in 1976 as \$52 million venture of local TV maker Salora Oy (60%), govt. (20%) & Hitachi (20%), plant had original production capacity for 300,000 tubes annually, expandable to 4 million. Aim was to supply local set makers while developing substantial export market. But export business didn't materialize and annual output never hit 200,000, about 50% of what would have been necessary for profitable production. Govt. took over Salora's interest last year, and more recently Hitachi dropped out.

Plant went on stream at time West European color market was softening, manufacturers beginning to consolidate operations. Start of RCA-Corning supplied integrated color tube plant in Poland has essentially shut Finns out of East Europe. Apparent crushing blow, however, was U.K. refusal, on grounds of excess competition, to provide incentive financing for color TV plant Hitachi wanted to build there (Vol. 17:50 p10). That plant was to have imported most of its tube requirements from Finland. Following govt. turnaround, Hitachi formed joint production venture with U.K.'s GEC. That venture uses mainly U.K.-made tubes.

Electronic mail messages approached 750 million last year, will top billion in 1981, pass 2 billion in 1983, while cost of sending message will drop 50% from \$1 average in 1979 over same period. Those estimates are in Report on Electronic Mail by Yankee Group (Box 43, Cambridge, Mass. 02138), covering variety of data transmission technologies.



WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**HOLLINGS PLANS LICENSE ACTION:** Lame duck chmn. of Senate Communications Subcommittee plans effort to pass Swift bill with extended license terms attached. Incoming Chmn. Packwood plans major deregulation push, may split broadcast & common carrier into 2 bills. (P. 1)

**TRANSITION TEAM BEGINS:** Still only speculation on new FCC chmn. Transition team starts work, will be advised by 3 ex-members. (P. 2)

**NBC AFFILIATES GET NEW DEAL:** Network will pick up music royalty costs, sweetening financial deal for stations. New committee to explore business potential of teletext. (P. 4)

**PRESS FREEDOMS DOMINATE SPJ/SDX:** First Amendment & FOI problems at Columbus convention. Graham, ABA head disagree on whether media have gained in last few years. Schonfeld bullish on CNN. Faulk starts uproar with Heritage Foundation. (P. 5)

**NBC SATELLITE PLANS:** Network switching from RCA bird to AT&T, planning earth stations in Chicago & Houston, with more later. (P. 6)

**FCC CABLE DEREGULATION STAYED:** Judge halts FCC order scrapping syndicated exclusivity & distant signal import rules. (P. 6)

**HOLLINGS WANTS 5-YEAR LICENSE:** Senate Communications Committee Chmn. Hollings (D-S.C.) has launched late-hour attempt to pass 5-year broadcast license legislation, sought to have it tacked onto Swift bill (already passed by House) this week. In letter to Sen. Cannon (D-Nev.), Commerce Committee chmn., Hollings also asked to add provision allowing FCC to differentiate between initial licensing hearings and renewal hearings. Hollings hoped to poll Committee members and send amended bill to full Senate this week, aiming at Senate vote in early Dec.

Hollings said Swift bill (Vol. 20:40 p3) "affords us an excellent opportunity to make 2 desirable improvements in the 1934 Act that will grant a just measure of deregulatory relief to all broadcasters. First, we should add a 5-year license term and 2nd we should overturn the Citizens Communications Center case and allow the Commission to use different procedures in renewal proceedings from those in initial licenses." Hollings' actions on bill are expected to be

### Consumer Electronics

**VCR PRICE BOOSTS** of \$45-\$50 by RCA seen heralding firming trend in view of shortages, keeping 2-1 differential over disc. (P. 8)

**CED PLAYER PRODUCTION** by Hitachi to start in April at 10,000 monthly rate. Ward seeking players from Toshiba. Optical system group forms Laservision Assn. (P. 8)

**COLOR TV PRICES** of domestic factories set 4-year average highs in 3rd quarter, ITC report shows. Production record set for period. (P. 9)

**PROJECTION TV** ranks to be joined by Magnavox, Pioneer, Curtis Mathes, for complete sweep of industry by giant screen. (P. 11)

**COURT UPHOLDS EIA** over FCC on UHF noise requirement. (P. 11)

**O'NEIL JOINS HITACHI** as senior vp-mktg., rejoining industry 20 months after departure from Sylvania. Liberty USA is new color importer. (P. 12)

**FINAL ACCORD REACHED** on GTE sale of consumer electronics business to NAP. Firms to meet with Justice next week. (P. 13)

**ADVENT POSTS LOSSES** for quarter, half. Lloyd's in black, Superscope in red. (P. 13)



last he will make as communications chmn., as Republicans take Senate over in Jan. Those Republicans last week made it clear they'll take lead in pushing for communications reform.

Sen. Packwood (R-Ore.), incoming Commerce Committee chmn., last week announced plans for major rewrite push next session. Bills will be introduced as early as possible, and goal is passage in 5-6 months, he said. Broadcast & telecommunications probably will be handled in separate bills; 3rd bill may be drafted for international communications reform.

Almost sure bet for bill is 5-year license renewal for broadcasters. Packwood also favors repealing fairness doctrine, according to Senate aide. Cable deregulation is definitely in cards. Packwood said cable would be addressed "to extent we can... some issues are in the copyright area." Said he in press conference: "I prefer to move toward less rather than more regulation... There is much more room for deregulation, especially in the broadcast industry... This is not 1934. Competition is certainly ample among radio & TV stations... In fact, I have rarely seen a more competitive industry... We are prepared to introduce bills at the beginning of the session but we will talk to the Administration first. My hunch is that they are not opposed to deregulation."

Indication of GOP commitment to rewrite: Republicans planned to offer new rewrite bill, including common carrier and possibly some broadcast provisions, in lame duck session, not in hopes of passage but to forward minority Republican views and give subcommittee members time to "look over language in relaxed fashion," said Senate aide. Republicans hoped bill more to their liking then would be reintroduced in next session, when subcommittee, no longer headed by Sen. Hollings (D-S.C.), might be more receptive to passing measures.

On telecommunications issues, Packwood said he'd "like to settle [Justice Dept. vs. AT&T] antitrust suit through legislation... We ought to get that suit behind us." Said Packwood on deregulation in general: "My view is that govt. shouldn't interfere with capitalistic acts of consenting adults."

Packwood also spoke to closed NAB legislative liaison conference, told attendees he's optimistic about broadcast deregulation, particularly radio. He said he's concerned about concept of cable taking programming off air and re-selling it, although he's unsure what to do about it. As for pay cable for major sports events such as World Series, he said he didn't think public would stand for it, according to attendee.

Meanwhile, there's still strong possibility that Sen. Goldwater (R-Ariz.) will be chmn. of communications subcommittee, despite speculation that he might be too busy to assume post. Prospect of Sen. Tower (R-Tex.) becoming Defense Secy. had raised possibility that Goldwater could become Armed Services Committee chmn., replacing Tower, along with chmn. of Select Intelligence Committee. Tower reportedly no longer is in running for cabinet post, probably will retain Armed Services. No appointments will be certain until Republican Conference begins meeting Dec. 2.

Meanwhile, members of Reagan Administration transition team studying FCC have expressed concern over some \$500,000 in pending FCC budget earmarked for public participation, spoke to Capitol Hill staffers about it last week.

On House side, nothing is expected on communications issues until new subcommittee chmn. & staff are settled in early next year. Rumors continue over new chmn. "Talk's cheap and it's running rampant up here," said staffer. Best bet remains Rep. Wirth (D-Colo.).

**FCC TRANSITION TEAM STARTS:** As names are added to FCC transition team, interest & speculation are still focused on makeup of new Commission. Chmn. Ferris has been urged by Democrats not to resign his seat, although he has to step down as chmn. If he remains, Reagan would have only one vacancy to fill, virtually killing Comr. Quello's chances of 2nd term.



Comr. Lee is still a bet to be named interim chmn., which he would like to cap off his 28-year career as FCC member. Ex-FCC Chmn. Richard Wiley is pushing Washington lawyer John Pettit for Quello's seat. According to Dean Burch, former FCC chmn. and now a powerhouse in Reagan Administration, everything about chairmanship remains "speculative," with no one finally slated for the slot. Ferris is rumored to have received several jobs offers, some with 6-figure salary. "He has even been urged to become chairman of the Democratic National Committee," said one aide.

Problem over office space for transition team was resolved after meetings last week between Ferris, FCC staff and transition team leader Michael (Mickey) Gardner. Decision was that team will get no space at FCC. Gardner & team will work through Ferris aide Frank Lloyd, who was named as transition liaison. Meetings were described by both sides as cordial & cooperative.

"They are sensitive to the fact that we're an independent agency," said Lloyd. Gardner said: "We fully appreciate that the FCC is independent. I assured the chairman that we in no way would interfere with their work. We gathered that people at the FCC had some concerns about our operation. I attempted to allay any concerns. We weren't offered an office and I think having space there is irrelevant to what we are going to do."

Gardner told us 20-member transition team will "function in a rather unusual way. We are not going to be visiting the FCC, with the exception of myself and one or 2 other members. That size of a team would not function well, it would not be a very efficient way of using them." Lloyd said FCC will prepare transition books for team "using only public data, such as our advance 6-month regulatory calendar."

Senior advisors to transition team will be 3 ex-FCC commissioners: Wiley, Margita White & Burch. Gardner described them as "a great crowd and a great resource. We plan to utilize them fully as a resource." Core group working on FCC report day-to-day will be 4 lawyers we named last week: Gardner, Mark Fowler, Stephen Sharp & Lawrence Secrest. Gardner said: "Mark, Larry, Steve and I will be meeting daily and actually compiling the report for the President-elect. We think we can bring into sharp focus the issues facing the FCC and outline the options the Commission can pursue in the next few years. It would be improper to go into details because it could chill those options."

Gardner, who plans to return to private practice of energy law after transition, said large team was needed "in view of the complexity of the agency and the issues they address. But our people should be able to perform their tasks without disrupting the activities of the agency." He told us present Commission will have to deal with pending issues "without guidance from us"; transition team will study personnel "from top to bottom as part of our budget overview and when we look at programs & policies, we're going to have to look at the personnel running them. We are certainly going to point out the strong points and weak points and that includes the present Commission."

NTIA is likely to be changed substantially. Burch asked: "Is it the optimum structure?" He suggested possibility that its policy-advocating function might be transferred to someone in Domestic Council at White House — "not a telecommunications adviser, but just someone wise in telecommunications matters."

Conservative activist Fran Griffin this week was named to head 5-6 person transition team preparing briefing book on CPB for Reagan Administration. Media dir. for American Conservative Union from May 1977 to Nov. 1980, she is founder & pres. of Washington PR firm Griffin Communications, was producer & talk-show host on radio station WYCA-AM-FM Chicago 1973-75, was an unsuccessful Ill. state senate candidate in 1974. Griffin didn't want to talk issues, although she said she was familiar with most of them. She didn't know whether her report would include personnel, program & budget recommendations, said scope of team study hasn't been determined.



Likely candidate for new FTC head is Patricia Bailey. FTC Chmn. Pertschuk has said he won't step down from commission, so Reagan has choice of 2 Republicans: Bailey & David Clanton. Bailey is believed to have backing of Sen. Baker (R-Tenn.) Head of FTC transition team is James Miller, economist, co-director & resident scholar at Center for Study of Govt. Regulation of American Enterprise Institute for Public Policy Study, ex-Asst. Dir. of Council of Wage and Price Stability and senior staff economist on President Ford's Council of Economic Advisors. He has described FTC "as an agency with enormous potential for good or harm." Miller has criticized FTC in past, said recently "some of the antitrust cases don't seem justified; the agency should confess its error and say they were all a big mistake." Miller is also member of Reagan's 11-member Regulatory Reform Task Force, headed by Washington U. Prof. Murray Weidenbaum.

At International Trade Commission, transition team leader is Michael Samuels, ex-ambassador to Sierra Leone & now Exec. Dir. for Third World Studies at Georgetown U's Center for Strategic & International Studies.

**NBC AFFILIATES GET NEW DEAL:** Renegotiated affiliate agreement at NBC represents sweetened deal for stations, with network to pick up music copyright fees for network programs hitherto shared with affiliates. Cost to network will be "substantial" we're told. "It's a lot of money but I don't have figures," NBC-TV Exec. Vp Ray Timothy told us.

New agreement was said by NBC to be "precedent setting" and best deal offered by any network to its affiliates in terms of money. NBC also stressed importance of changes in general terms of affiliate agreement, "cleaning up archaic language" of previous deal. NBC official acknowledged that network's sweetening of financial deal for affiliates reflects concern at NBC over recent defections of its stations to ABC & CBS.

New agreement also includes: (1) "Simplified formula" for calculating affiliate compensation. (2) Establishment of network-affiliate committee to explore use of vertical interval (for teletext, etc.). Committee is to determine whether use of interval is viable, "how to make money" on teletext. Also to be discussed: Who will program text services on interval, how will proceeds be divided between network and stations.

NBC says new calculation "matrix" for determination of affiliate compensation will result in similar compensation to that provided for under old agreement, but will be easier to use. "It was our intention to produce a forward-looking document that addresses the current realities of the business and be a model for the 1980s and beyond," said Robert Mulholland, NBC-TV Pres. Fred Paxton, affiliates board chmn., said agreement reflects "NBC's continuing sensitivity to the desires and needs of its affiliates and strengthens the bonds that exist between stations and the network."

Offering advice to cable on copyright issue, Sen. Baucus (D-Mont.) told NCTA meeting for state cable assn. officials that industry should get busy and mount "offensive" campaign to sell position. Senate "hasn't given a thought to copyright in last 2 years," he said. "It behooves you to find people who understand your viewpoint... I suggest you come up with a good, solid proposal and follow up on it... Congressmen are busy and some issues get put on the front burner, some on the back burner. Your issue only gets put on the front burner if you put it there. If I don't hear from you again, you get pushed to the back."

DBS plan will be filed by Comsat's Satellite TV Corp. as early as last week in Nov., no later than year-end. FCC documentation runs 500-1,000 pages, we're told.

NAB asked FCC for 90-day freeze on processing low-power TV & translator applications, and to reconsider interim processing policy (Vol. 20:45 p2). NAB said processing procedure violates Administrative Procedure Act, and freeze is needed because more than 450 applications have been filed and "at least several hundred more are being prepared." NAB said it has no "desire to oppose or delay" low power.

Copyright Royalty Tribunal next week is expected to declare controversy exists over 1979 cable royalty funds, first step in CRT's process in dividing pot. Opposing are PBS and NCAA, which say no controversy should be declared until D.C. Appeals Court rules on appeal of 1978 distribution (Vol. 20:44 p4). CRT also will discuss MPAA's request for partial distribution of 1978 pot.



**FREEDOMS DOMINATE SPJ/SDX:** First amendment questions and FOI problems were far & away dominate issues at SPJ/SDX convention in Columbus, O. last week — and speech makers & panelists didn't always agree. Washington Post Chmn. Katharine Graham, for instance, cited "an alarming number of court and government actions [which] have sharply undermined the right of the news media to collect and publish the news." On other hand, ABA Pres.-elect David Brink maintained that "media rights have been enhanced, rather than eroded, by recent decisions."

Both cited many of same cases -- Richmond, Stanford Daily, Gannett, etc., to buttress positions. Both also cited surveys & polls which showed that public confidence and trust in news media is on decline.

Of 16 resolutions due for consideration at Nov. 22 closing session, 12 dealt with First Amendment and/or FOI issues, including: (1) Calling for repeal of Fairness Doctrine and personal attack rules and support for "the concept of full First Amendment rights for broadcasters." (2) Change in SDX bylaws to prohibit any chapter or national organization from "taking any position on or participating in any action on pending legislation except that directly affecting First Amendment issues." This is outgrowth of opposition (led by woman member) to resolution adopted 2 years ago endorsing ERA.

Graham said "a rather bleak picture has been developing" for press freedoms since mid-1970s, charged many courts have gone "far beyond Gannett" to allow pre-trial closings for such things as "embarrassment to witnesses or even lawyers... The actions of the Carter Administration and prosecutors over the past 4 years provide additional cause for concern." Also, she said, in last year there's been a "major push underway to cripple" FOI laws, citing 30 bills in current Congress. And, she said, "our problems with this Administration are not limited to its efforts to keep journalists from obtaining information. Even more distressing are its efforts to obtain information from us..."

"Past efforts at regulating press have not succeeded, but they may be backed next time by consumerism rather than Agnewism," warned Brink. He said best way for press to avoid govt. encroachments is "voluntarily to police yourselves" — something he said press groups aren't doing adequately now. He also called for "meaningful legal education" for journalists through mandatory seminars, etc.

Brink saw many similarities between legal and journalism professions, predicted there always will be "legitimate tensions in which each profession... will be drawn into an adversary process with the other." He said lawyers are most concerned over emphasis placed on the news, hit "disproportionate emphasis" of press on press-related issues. He suggested that "the fairness standards of the news media, particularly newspapers, are not high enough." He took no position on cameras in courtrooms.

Keynoter John Henry Faulk stirred hornet's nest when he attacked recent report to President-elect Reagan from Heritage Foundation. Faulk, who was blacklisted in 1955 for alleged communist leanings while a CBS commentator, criticized Foundation for concluding that "the threat to the international security is greater today than at any time since World War II," and urged Presidential "emphasis on the nature of the threat." Heritage Pres. Edwin Feulner immediately wired SDX Pres. Jean Otto, saying he was "terribly offended." Washington chapter immediately set up Jan. 15 meeting between Faulk and Heritage spokesman.

CNN Pres. Reese Schonfeld gave glowing report on future of CNN, said advertising is well above projections while subscriber level has been disappointing. He said CNN started June 1 with 1.7 million subscribers, hoped to have 3 million. Cable news service now has 3.6 million, and advertisers have been promised 4 million by end of year, he said. CNN expects 10 million by June 1982, and breakeven point is projected as between 8-10 million subscribers. He said audience figures (3 ratings in several markets) "are so good you just don't believe them."

Warner Amex's Qube was very prominent at convention, taping and airing prominent speakers, featured panelists.

Meanwhile, SPJ/SDX, through its Freedom of Information Committee, will sponsor national FOI Day March 16 — birthdate of James Madison, who drafted Bill of Rights.

**STV notes:** (1) Executive shuffle at Golden West Entertainment, formerly Golden West STV, is sign of dampening of over-the-air ambitions. According to industry sources, company bit off more than it could chew, decided to wriggle free of STV commitment in Chicago and Atlanta when management discovered company was about to spend "8 or 10 times" what had been anticipated. Golden West reportedly has agreed to pay \$1 million to Focus Bestg. in Chicago and similar amount to several ex-partners in Atlanta, in addition to absorbing \$2 million loss up front. Focus, which will operate Chicago UHF station, has until Dec. 10 to find substitute for Golden West to handle STV or else lose further guarantee of line of credit. (2) ON-TV and SelecTV should finish this year on stronger note than last, push number of STV subscribers in L.A. to well over 400,000. Rematch of boxers Roberto Duran & Ray Leonard is expected to add 10,000-15,000 new customers to ON's approximately 330,000, nearly as many to smaller SelecTV, flagship of proposed American Subscription TV network. (3) Those attending first meeting of Subscription TV Assn. in L.A. last week heard almost nothing but good news about state of their industry. Systems operating in 7 of top 10 U.S. markets are within reach of 24 million homes, 4 million more than are available to pay cable, according to STVA Pres. Rinaldo Brutoco.

Western Union asked FCC for permission to share all PBS earth stations in contiguous 48 states.



All cable & radio rules would be dropped (except technical requirements), under recommendations to Reagan by conservative think tank, Heritage Foundation. Report on FCC, prepared by Raymond Strassburger, minority staff counsel on Senate Commerce Committee, also suggested "reduction of most regulations over TV, including elimination of fairness & equal time requirements altogether and easing of license renewal." Report "applauded" FCC for steps so far, but said "much more needs to be done." Foundation said new commissioners should have "working knowledge" of telecommunications and be in favor of deregulation, but "should not be knee-jerk deregulators in the sense that they view deregulation as an end in itself." Huge 20-volume report on all areas of govt. wasn't commissioned by Reagan but reflects thinking of conservative Republicans. On FTC, foundation urged divesting it of antitrust functions, "thus narrowing its rulemaking authority," also recommended replacing "unfairness" with "false" or "fraudulent" as basis for FTC advertising rulemaking.

NBC-TV program feeds are moving from part-time transponder on RCA Satcom system to 24-hour service on AT&T's Comstar. Upgraded satellite service includes additional earth stations to be located in Chicago & Houston, with possibility of other earth stations in Dallas & Denver. NBC doesn't yet plan direct satellite feeds to affiliates, but move is significant because it confirms AT&T commitment to retain dominant position as supplier of transmission services to networks, its willingness to provide hybrid satellite/land line links customized to user specifications. AT&T will file special tariff to cover satellite service, to be provided at first on 3-year trial basis.

FCC Review Board acting chmn. is Daniel Ohlbaum, Jerold Jacobs acting member, as Commission moved on earlier proposals (Vol. 20:45 p7). For present, it held off naming Joseph Marino to Board. Meanwhile, Commission decided to hold off other major staff appointments unless there's full discussion by all commissioners; Ferris, Brown & Jones dissented.

Cable home security is focus of new move by Jerrold, which announced sale of hardware, software and support services for systems. Jerrold Cable Security system allows up to 16,000 subscribers to use 11 different types of alarms, has options including opinion polling and energy management and allows for upgrading to banking.

Network advertising revenue is up 13.5% in first 9 months of 1980, reaching \$3.6 billion, from \$3.2 billion in same period last year, TvB announced. Biggest increase was in weekday daytime, up 17.7% to \$855.3 million, followed by nighttime, up 13.3% to \$2.4 billion, and weekend daytime, up 5.8% to \$382.1 million.

Leonard-Duran fight will be carried on Qube, Columbus, at \$12, with viewers able to rate bout round-by-round, compare with judges' votes.

FCC's cable deregulation actions, which were to take effect Nov. 28, have been delayed by U.S. Appeals Court in N.Y. until it rules on suit challenging FCC action (Vol. 20:34 p4). Court ruled immediately after argument, judge stating that rules have been in effect many years; that eliminating them now would be disruptive and no harm would be done if there's slight delay pending decision on merits. Week of Jan. 12 was set for oral argument. Lawyers estimate that final decision should be out by spring. NAB Pres. Vincent Wasilewski praised decision, said it "appears there is a likelihood of success on the merits of the case." However, lawyer representing some other anti-cable forces said court action disagreed: "They're simply maintaining the status quo [until court rules]. This is no judgment at all on the merits."

Premiere injunction hearing began Nov. 20 with surprise filing of briefs from attorneys general in 31 states supporting Justice Dept. antitrust suit. Recent meeting of National Assn. of Attorneys General voted to support Justice suit, which seeks an injunction to prevent Jan. 2 start-up of Premiere, joint venture by Getty Oil, MCA, Columbia Pictures, Twentieth Century-Fox & Paramount Pictures. Hearing before N.Y. Federal Judge Gerald Goettel is expected to last 9 days. Premiere spokesman said: "It is our understanding that the briefs were solicited by HBO and only 2 states contacted us with respect to the case... In essence, this brief represents a continuing effort by HBO to use public relations ploys to try the case in the media rather than in the courtroom."

Robert Daly leaves post as pres. of CBS Entertainment to become chmn. of Warner Bros., amid expressions of goodwill from all sides -- CBS sorry to lose him, Hollywood glad to get him. Daly succeeds Ted Ashley, retiring. Daly will be chmn. and co-CEO, along with Frank Wells, Warner pres. Donald (Bud) Grant takes Daly's place, is succeeded by Harvey Shephard, who will be vp-programs. Alan Levin, vp-business affairs, becomes vp-business affairs & administration.

FCC may move to Va. after all. In surprise move, joint House-Senate conference cleared way for FCC move to Rosslyn, Va. by restoring provisions in appropriations bill vetoed earlier by Senate. Provisions permit Commission to lease own office space (bypassing GSA) and to move out of Washington. Main issue in Senate was FCC leasing power. Conference report already has been approved by House, will go to Senate Dec. 1.

Knight-Ridder plans "major commitment" to enter cable ownership next year, said Pres. Alvah Chapman -- didn't identify prospects. Rumors that targets include systems owned by Douglas Dittrick proved unfounded -- though Dittrick is in negotiations to sell.

New station on air WPDE-TV (Ch. 15) Florence, S.C. went on air Nov. 12. New station totals: 1035 -- 753 commercial, 282 non-commercial.



## Personals

Anthony Cervini, former affiliate relations vp, NBC-TV, named vp, planning & affiliate services; Diane Healey, ex-network planning vp, becomes vp, affiliate relations operations; William Kelley promoted from regional dir. to vp, affiliate relations operations... Richard Marangelo, ex-U.S. Industries, elected an asst. treas., CBS Inc... Pat Polillo, Group W's KPIX San Francisco gen. mgr., named vp & gen. mgr., KYW-TV Philadelphia; Art Kern, vp & gen. mgr., WJZ-TV Baltimore, becomes KPIX vp & gen. mgr.; Paul Yates, WBZ-TV Boston gen. mgr., appointed WJZ-TV Baltimore vp & gen. mgr.; Diane Judt, ex-A.C. Nielsen, joins Group W Products as mkt. research analyst.

James Babb, WBTV Charlotte, elected CBS TV affiliates' chmn., succeeding Robert Schmidt, KAYS-TV Hays, Kan.; Guy Main, WCIA Champaign, Ill., succeeds Babb as secy.-treas... Larry Harris moves at KFVS-TV Cape Girardeau, Mo. from gen. sales mgr. to vp & gen. mgr... Tom Parrington, KTVY Oklahoma City station & sales mgr., retires... Jeannie Lum, former radio exec., named public affairs dir., KTZO San Francisco... Robert Watson, former ABC Radio vp & midwest sales mgr., becomes eastern sales mgr.; Dennis Glynn, another midwest sales mgr., adds vp duties... Carl Russell, MCA TV northeast vp, promoted to senior vp & sales mgr., domestic div.

Nancy Dockery, ex-MCA, named vp-network TV, Time-Life Films... Neil Russell moves at MGM TV from midwest sales mgr. to similar post in western div... Robert Lloyd resigns at Gold Key Entertainment to open his own TV distribution company... Karen Brooks, ex-Gold Key, named dir., media services, Metromedia Producers Corp.

Dirk Freeman moves at RCA Best. Systems to western region sales mgr... Gene Sarra appointed chief engineer, Microtime... Richard Sirinsky returns from overseas assignment to become mktg. mgr., Ampex's Audio-Visual Systems Div... Harold Matthews appointed midwest sales mgr., Scientific-Atlanta cable communications div.; John Bacon moves to Phoenix as gen. mgr. of Systems Communications Cable unit... Adam Norwood becomes staff vp, administration, Cal. Microwave; Robert Scrafford, ex-Future Systems, named vp, satellite systems... Dudley Mathers moves at General Cable to area mgr. for station products div.

Benjamin Hooks, NAACP exec. dir., Leeda Marting, John Hay Whitney Foundation dir., Lloyd Richards, Yale U. drama & theater dir., named to PBS board; Eric Smith, assoc. gen. counsel, Eric Sass, development dir., elected vps; Chloe Aaron, senior vp, programming, resigns to form independent production company... Dana Redman, ex-NBC, nmed research & promotion dir., ESPN... Jeannene Cozad, Continental Cablevision of Ohio southern regional mgr., appointed acting pres., OCTA, replacing Bruce Massey, resigning to take new post with Houston Cable TV unit of Warner-Amex... Richard Ross,

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ex-CBS, joins USA Network as best. administration dir.; Brent McKinley promoted to mktg. coordinator... Linda Leggiere, ex-Kresser, Mazner & Robbins, named advertising coordinator, Premiere.

Howard Graves, AP bureau chief in Portland, Ore., elected SPJ/SDX pres., succeeding Jean Otto, Milwaukee Journal; Charles Novitz, Independent TV News Assn., named pres.-elect; Philip Record, Ft. Worth Star, succeeds Novitz as treas... Mary Jo Manning resigns as counsel, Senate Communications Subcommittee, plans uncertain... Richard Pack, ex-Westinghouse, named editor, TV Quarterly, succeeding Harriet Van Horne, who becomes a contributing editor... William Fleischman, dir. of operations, elected exec. vp, Nielsen Mktg. Research... Mike Gratz appointed div. vp, Katz TV Continental's St. Louis office; Tom Barrett, becomes div. vp in Atlanta office; Swan Burns named div. vp, Memphis; Herb King selected div. vp, Jacksonville.

Norman Samnick promoted to senior vp for personnel & labor relations, Warner Communications... HBO elevates 7 to vp: Seth Abraham, sports programming; Stuart Rekant, programming business affairs; Dominic Serio, studio gen. mgr; Matthew Blank, Cinemax & multi-pay mktg.; Robert Caird, mktg.; William Grumbles, central region gen. mgr.; Stanley Thomas, national accounts; William Hooks named HBO vp, mktg. administration & communications, succeeded as eastern region vp-gen. mgr. by Dennis Garcher, who formerly held same post for central region... Isaac Blonder, chmn. of Blonder-Tongue Labs, won first Subscription TV Assn. Louis Wolfson award, named for deceased Wometco executive.



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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Nov. 7 (45th week of 1980):

	Nov. 1-7	1979 week	% change	Oct. 25-31	1980 to date	1979. to date	% change
Total TV .....	369,215	325,415	+13.5	511,115	13,406,995	13,575,195	-1.2
color.....	201,972	198,650	+1.7	290,483	8,359,577	8,396,805	-0.4
monochrome..	167,243	126,765	+31.9	220,632	5,047,418	5,178,390	-2.5
Home VCR.....	22,580*	12,561	+79.8	23,089	629,831**	380,860	+65.4

Color TV 5-week moving average: 1980—245,093\*; 1979—228,603 (up 7.2%).

Home VCR 5-week moving average: 1980—24,462\*; 1979—14,656 (up 66.9%).

\*Record for period. \*\*All-time record.

**HERE COME THE VCR PRICE INCREASES—RCA FIRST:** It was inevitable — with shortages developing and costs rising — that VCR prices should begin to climb. Pace-setting RCA, easily No. 1 in U.S. VCR sales, has increased suggested list prices on its 2 non-portable models by \$45-\$50. Some, but not all, others are expected to follow.

RCA's basic model (VET-250) is now \$1,045, up from \$995, while deluxe programmable (VET-650) went to \$1,395 from \$1,350. Its portable, which is due to be replaced next spring by smaller model, isn't affected. RCA has other special variant models not listed in regular line and generally carrying no suggested list.

RCA non-portable recorders are made by Matsushita, and although cosmetics and some features are different, same basic machine is carried by other manufacturers, with list prices already varying from RCA's former price to above its new price. Machine similar to VET-250 is featured by Magnavox, Philco & Sylvania at \$995, by Panasonic at \$1,095 and by Curtis Mathes & Quasar at \$1,100. High-end unit similar to VET-650 is in Magnavox line at \$1,350, Curtis Mathes at \$1,400, Panasonic at \$1,440 and Quasar at \$1,500.

Inflation is making it more & more difficult to produce that cheap VCR which will compete directly with announced price of RCA videodisc player. Latest move by RCA, in advance of disc player introduction, increases list-price spread between standard multi-speed VCR models and disc player to 2-to-1 — that is, if RCA actually brings in player at its goal of "under \$500 in 1981 dollars."

**HITACHI PLANS 10,000 DISC PLAYERS MONTHLY:** Hitachi will formally announce adoption of RCA-developed CED videodisc system for U.S. market at Jan. CES and outline plans for entry under own brand name. However, its own effort will be eclipsed by Radio Shack, which is scheduled to get 80% of that output. Hitachi plans to start producing 10,000 players monthly in TV plant next April.

Montgomery Ward is still in "probable" column for CED system, but is believed to have ended negotiations with Hitachi as supplier (possibly because all of Hitachi's first output is committed) and is now talking with Toshiba. Latter claims it will be first Japanese company to



have CED players on U.S. market. Advent, meanwhile, is definitely committed to marketing optical disc player made in Japan by Universal Pioneer, is expected to make formal announcement when details are ironed out.

Laservision Assn. — trade organization to promote Philips/MCA optical disc system — officially came into existence last week, unveiling official "LV" logo which will appear on all compatible phonos & discs. Charter members are DVA, MCA Discovision, Magnavox & U.S. Pioneer, to be joined soon by 3M, Columbia Pictures, N.V. Philips, North American Philips, Pioneer (Japan), Universal Pioneer and presumably Advent. Chmn. is DVA Pres. Jack Reilly. LVA will be headquartered in N.Y.

Extended-play hour-per-side (CLV) optical discs are now in mass production, according to MCA Discovision Pres. James Fiedler, who said first title, Cheech & Chong's Next Movie, is being shipped, and all new feature film discs will be in new format, as well as reissues of existing movies when current supplies are exhausted. This should help relieve disc shortage by cutting number of discs required for feature movies by nearly 50%.

Pioneer Laserdisc, now in 600 stores in 54 markets, and Magnavox Magnavision, in 30 markets, have been hampered by shortage of discs. Some N.Y. stores we visited last week had only 4-5 titles. U.S. Pioneer Exec. Vp Ken Kai said Laserdisc distribution expansion has been suspended for 2-3 months while player inventory is being replenished, claimed sales so far in "low 5 digits."

Columbia Pictures probably will be first movie studio to release discs under own label, has signed contract for custom pressing of 10 titles with DVA, hopes to have them on market in first quarter. Fiedler foresaw no major near term reduction in disc prices, but said movie prices would drop \$5 to \$24.95 after cable TV exposure, about 6-9 months after disc release. Commenting on VHD's proposed custom pressing charge of \$5.50 per disc (Vol. 20:46 p11), he said: "I wish I could do it at that price."

U.S. Pioneer subsidiary Pioneer Artists plans to issue first disc — Liza Minelli concert — in Feb., with some 5-6 performers signed to date for music discs. Optical Programming Assoc. demonstrated first interactive consumer disc, How to Watch Pro Football, said it would be on market Dec. 15.

**COLOR PRICES AT RECORD IN 3RD QUARTER:** Color TV average prices hit 4-year record highs in 3rd quarter, according to International Trade Commission report which shows new peaks for 13", 18-19", 20"-&-over shipped by domestic factories. Average for all sets shipped was also at highest level since 4th quarter 1976, which was first period covered by ITC industry report.

ITC surveys domestic color manufacturers on quarterly basis to monitor effect on industry health of quotas limiting color imports. Report for 3rd quarter this year is first issued since quota on imports from Japan were dropped and those for Taiwan & Korea enlarged.

Overall average color factory price was up whopping \$12 from 2nd quarter, reflecting combination of higher actual prices and shift in mix -- console shipments jumped 29.4% to 717,000, while 18-19" rose 14.3% to 1.28 million, 17"-&-under slipped 0.2% to 490,600. On screen-size basis, largest rise was \$6.67 for 18-19", while larger sizes rose \$1.90, 13" edged up \$1.23. Screen size group that formerly covered 16-17" now includes 14-15" as well, so there's no yardstick to show whether pricing rose or fell.

Domestic factories shipped 2.49 million color sets in quarter (excluding exports), up 9.7% from same year-earlier period, worth \$889 million, up 13.3%, ITC says. Shipments for 9 months were up 13.3% to 7.09 million, with value up 14.4% to \$2.46 billion.



Production for quarter was up 18% from year earlier to 2.49 million, a record for period, but down 8.8% from 2nd quarter. Output for 9 months was up 21.8% to 7.87 million, 18-19" providing biggest increase, rising 33.3% to 4.25 million. Production of 17"-&-under rose 31.8% to 1.63 million, 20"-&-over was off 2.2% to just under 2 million. There continues to be sizable gap between ITC's production figures and those derived from EIA's market totals. For 3rd quarter, ITC is 312,000 higher, and for 9 months ITC domestic production-only total is 261,000 sets higher than EIA's 7.61 million total market figure, which supposedly includes 874,000 imports (Vol. 20:46 p10). Both sets of figures supposedly come from same basic sources, cover essentially same time periods. EIA Mktg. Services Dept. is looking into problem, is understood to believe answer may lie at least partly in color monitors incorrectly included in ITC totals.

U.S. factory color inventories of 721,700 at end of quarter were down 27% from start of period, but up 10.3% from same time last year, ITC report shows. It puts average production worker employment for quarter at 21,800, down from 22,000 average for 2nd quarter, and well below 23,100 average for 3rd quarter 1979. Production hours worked were also off sharply, 10.8 million in 3rd quarter, against 11.5 million in 2nd quarter, 11.6 million at same time last year. ITC attributes general work cutback to increased use of imported chassis & subassemblies as well as ICs, which reduce amount of labor needed to assemble complete receiver. Here's rundown on factory pricing:

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

		13"	16-17"	18-19"	20"-&-over	All Sizes
3rd quarter	1979.....	\$225.97	\$311.18	\$304.81	\$471.28	\$345.62
4th quarter	1979.....	223.82	306.72	293.78	490.52	339.24
1st quarter	1980.....	230.38	308.51	303.15	481.88	338.43
2nd quarter	1980.....	235.70	319.23	310.81	501.33	344.79
3rd quarter	1980.....	236.97	301.17 <sup>a</sup>	317.48	503.23	356.82
9-months	1979.....	\$244.06 <sup>b</sup>		303.67	469.95	343.44
9-months	1980.....	246.65 <sup>b</sup>		310.37	495.62	346.83

<sup>a</sup>Includes 14-15" for third quarter 1980 only. <sup>b</sup>9-month price average for all sets 17"-&-under.

\* \* \* \*

ITC reports on color TV exports by U.S. factories for first time in 3rd quarter study, shows 245,600 shipped in period, valued at \$79.1 million. Color export figures are lower than those reported by Commerce, which says unit shipments, including combinations, jumped 287.6% to 313,600, with value jumping 250.5% to \$105.1 million. Difference probably is due to fact that Commerce counts exports from date they leave country, ITC from date they leave factory. ITC totals indicate foreign markets tend to pay higher than average prices for portable-table model color, lower prices for consoles. ITC puts average export price of 17"-&-under portable at \$254.58 (against \$245.80 for domestic shipment average for period), 18-19" at \$324.14, 20"-&-over at \$469.33, for overall average price of \$322.30. Commerce's color export average for period was \$356.82.

Commerce reported total TV exports in quarter of 352,000, up 195%, value rising 227.2% to \$108.9 million. That put 9-month TV total at 692,700, up 77.9%, worth \$218.7 million, up 105.2%. Full-period color exports jumped 121.9% in units to 585,900, 120.8% in value to \$205.2 million. B&w exports were flat in quarter at 38,400, although value rose 33.7% to 5.7 million. For 9 months, b&w shipments were down 14.9% to 125,400, with value off 1.5% to \$13.5 million. Both ITC & Commerce include only official commerce exports, including re-exports, exclude what many believe are at least equal numbers of sets purchased by tourists and foreign businessmen for personal use or resale, primarily in Latin America.



**PROJECTION TV—MAGNA VOX, PIONEER, MATHES:** Blanks in the projection TV picture will all be filled in by May as entire industry adopts giant screen, creating major new video category. In wake of our report last week on RCA's planned Dec. 5 introduction (Vol. 20:46 p9), check of remaining "uncommitteds" reveals they're also coming along.

Magnavox will introduce own system to dealers at May meeting in Knoxville. Although similar in appearance to 50" front-projection set shown at summer CES, it uses new tubes, is said to provide better picture. It's one-piece unit with f1 lens.

Pioneer will show prototype of its entry into projection TV in its hotel suite in Las Vegas during winter CES, will introduce it officially at summer CES in Chicago. Front-projection unit is Pioneer's first TV set, is expected to be made for it on OEM basis.

Curtis Mathes will introduce in next few weeks a 60" one-piece front-projection system with pull-out 3-tube projector. Made by NEC, it will be assembled at Mathes factory in Texas.

To sum up, here's current status of almost everybody else: Zenith, new-concept set, probably rear-screen with unique projection tubes, expected in May. GE, 3-tube rear-projection 50", on market. Sears, 50" front-projection unit made in U.S. by Sanyo, in 600-800 stores this month. Sony, 2-piece models in 2 sizes now on market. Quasar, 50" rear-projection unit on market. Sylvania, rear-projection unit due in May. Panasonic, 50" rear-projection unit on market. Hitachi, expected to have 50" one-piece front-projection in spring. MGA, one-piece & 2-piece units on market. Toshiba, expected to announce one-piece front-projection unit next year as factory capacity permits. Sanyo, probable next year, either front or rear projection. Advent, one-piece & 2-piece front-projection units on market. Kloss Video, 2-piece unit on market.

RCA's Hitachi-made projector is said to have very bright, extremely good picture -- "rivaling the very best," according to one observer — using innovative compact chassis especially designed for projection.

**ALL-CHANNEL PRECEDENT:** EIA's interpretation of UHF comparability, as opposed to FCC's, was accepted last week by Appeals Court in Washington in turning down request for reconsideration of Sept. decision overturning Commission's mandate for maximum TV set noise limit of 12 dB (Vol. 20:38 p13). Court at that time said 12 dB "is not attainable at present."

EIA officials hailed court's reiteration of decision as upholding its view of All-Channel Law over FCC's, in effect stating that law doesn't require 100% VHF-UHF comparability where such is impractical or impossible to achieve. Commission could appeal to Supreme Court, but that's considered unlikely, and in event of appeal, EIA lawyers feel that there's not sufficient Constitutional issue involved to warrant hearing.

**Fatal fire** that closed MGM Grand in Las Vegas last week is causing frantic reshuffling effort by Consumer Electronics Show staff, exhibitors and those planning to attend. Hotel was to have housed hospitality suites for dozen or more manufacturers for Winter CES, Jan. 8-11, had block of rooms set aside for showgoers. Meanwhile, list of name audio exhibitors cancelling out of event continues to grow. Joining earlier pullouts Pioneer & Sony are Dual, Garrard, KLH, Marantz, Yamaha.

**Halt to tariff cutting** on electronics parts & components was urged by Herbert Rowe, vp of EIA Tube & Parts Divs., at recent hearing of Trade Policy Staff Committee. Committee is considering various products for inclusion in next round of international duty rate reduction negotiations. Rowe said no further cuts in electronics should be considered until effect on industry of last round has been determined, and there are signs that other nations are complying with their agreements. He said Divs. are opposed to any such negotiations "which would postpone ad infinitum the day when foreign-owned TV assembly plants in the U.S.A. could find it economical to procure electronics components of U.S. origin."

**Germany's Telefunken** has agreed to license Chinese Peking TV Industries to produce color TVs. Production is slated to start next year at 5,000 monthly rate, mainly using parts & subassemblies imported from Germany, gradually increasing as domestic parts become available. Telefunken will train Chinese technicians in Germany, assist in developing export market. Expansion into audio cassette recorder production is also included in 7-year agreement.

**Microwave oven shipments** by domestic factories & importers rose 13.7% in Oct. to 445,500, putting 10-month total at 2.83 million, up 31%, AHAM reports. Figures include both countertop ovens and oven-range combinations.



**O'NEIL JOINS HITACHI:** Pair of TV market veterans bounced back into industry last week, former Sylvania marketing head Robert O'Neil joining Hitachi as senior mktg. vp, and Jerry Wood, one-time Bohsei exec. vp, becoming vp of Liberty USA, newly importer of Taiwan-made mini TV.

O'Neil's return to TV wars ends 29-month stint as consultant, which started in mid-1978 when he resigned as GTE Consumer Electronics Co. pres. (Vol. 18:22 p10). That was his 2nd crack at consulting. First started when he left Sylvania in 1975, ended when he rejoined following year.

Hiring of O'Neil marks 2nd time Hitachi has moved outside for U.S. market pro. First was in 1975, when it appointed Robert Warren exec. vp — Warren resigned vp post at Quasar shortly after its acquisition from Motorola by Matsushita. Warren left Hitachi at end of 1976. His sales responsibilities were assumed by Ronald Friedlander, who moved up to senior vp before his sudden death earlier this year on trip to Japan. Sales vp role is filled by Alan Wallace, who now reports to O'Neil.

Although new appointment would appear to signal start of renewed market push by Hitachi, O'Neil told us not to expect any quick, dramatic move. "Hitachi has a steady plan for growth" which will continue to be followed, he said. He called company "a sleeping giant with a lot going for it. I don't think they've been getting the credit they deserve for their innovation, quality & product."

O'Neil said he views his first job as "getting Hitachi out of the pack" of secondary brand marketers. To help do that, company will be involved in all new market areas, including VCRs, videodisc players, projection TV, he said. O'Neil told us he's leaving soon for familiarization visit with parent in Japan, said he wouldn't have specific comments on product or marketing plans until he has had more time on job.

Liberty is affiliate of Total Video Supply, San Diego-based marketer of VCR accessories. It has no financial tie with Taiwan's Liberty Electronics, which will supply product line. First offerings are 5" b&w battery portables at \$130 for TV only, \$160 for radio combo, \$200 for radio-cassette, plus play-only stereo cassette portable at \$120.

Due for introduction at Winter CES in Las Vegas Jan. 8-11 are 5" color versions of b&w line, with 9" color models scheduled for April availability, Wood said. Wood became TVC vp earlier this year. In setting up Liberty USA, Wood has apparently pulled product rug out from under former employer. At last Winter CES, Bohsei announced it had contracted to purchase virtually all of Liberty's 1980 Taiwan TV production, and recent discussion with Bohsei spokesman left impression importer had planned to maintain that position next year.

**Sharp has signed contract to provide technology & design for color TV sets for Britain's Rediffusion.**

**VIDEODISC BOXSCORE:** Here's current lineup of videodisc system preferences among marketers, including those committed and those probable. It gives RCA-developed CED system marketers representing estimated 57.5% of color TV market plus formidable Radio Shack, VHD system 15%, Laservision optical (LV) system 12.5%, including Sylvania & Philco as probables — depending on completion of sale to North American Philips. In number of adherents, CED currently has 2 more than LV, which has 2 more than VHD. Brands representing only 15% of color TV market are still publicly uncommitted (identified in table below by "U").

Rank	Brand	Share	Disc System	VCR
1.	RCA.....	21.0%	CED	VHS
2.	Zenith.....	20.5%	CED	Beta
3.	GE.....	7.5%	VHD	VHS
4.	Sears.....	7.5%	CED	VHS
5.	Magnavox...	7.0	LV	VHS
6.	Sony.....	6.5%	U	Beta
7.	Quasar.....	5.0%	VHD	VHS
8.	Sylvania.....	4.0%	LV*	VHS
9.	Mont. Ward.	2.25%	CED*	VHS
10.	Panasonic...	2.0%	VHD	VHS
11.	Sanyo.....	2.0%	CED	Beta
12.	Hitachi.....	1.7%	CED	VHS
13.	Penney.....	1.5%	CED**	VHS
14.	Sharp.....	1.5%	U	VHS
15.	Philco.....	1.2%	LV*	VHS
16.	GA.....	1.0%	U	VHS
17.	C. Mathes..	1.0%	U	VHS
18.	Toshiba.....	1.0%	CED	Beta
19.	JVC.....	N.A.	VHD	VHS
20.	Gold Star..	N.A.	LV	VHS
21.	Advent.....	N.A.	LV*	—
22.	Pioneer.....	0	LV	—
23.	Radio Shack	0	CED	—

  

System	No. Brands	Color Mkt. %
CED	8	57.5
LV	6	12.5
VHD	4	15.0
unknown	—	15.0

\*Probable. \*\*Will sell RCA brand.

Further easing of quotas on exports to U.S. of color TV, textiles & footwear are being sought by Korea. While Korea got 88.7% hike in quota for current year to July 1, gets additional 49.4% next year, it says limits should be removed, or at least raised even more to help country overcome unfavorable trade balance with U.S. that totaled \$224 million in first 8 months of this year.

Orders worth \$25.8 million were placed at Taiwan Electronics Show last month, and follow-up orders totaled \$40.6 million, External Trade Development Council reports. Group noted that Taiwan's worldwide electronics exports approached \$1.9 billion in first 8 months this year, up 33.7% from same year-earlier period.



**SYLVANIA SALE PACT:** GTE & North American Philips have agreed to final terms for latter's proposed acquisition of GTE's consumer electronics business (Sylvania & Philco). Terms weren't disclosed. Companies will meet with Justice Dept. investigators next week in hope of clearing up any antitrust-related objections agency may have. NAP is, of course, parent of Magnavox, and acquisition would sharply increase its share of color TV market (Vol. 20:40 p9), although it plans to continue marketing both Sylvania & Philco sets in addition to own brand.

When GTE & NAP announced plan for deal last Oct. they said they expected to complete it in Dec. As they didn't ask Justice for business review of transaction, they're legally free to carry it through unless they receive advance notice of objection from Justice. Agency, of course, has right to challenge sale any time after completion.

Whatever happens with Justice, GTE will pull out of consumer electronics business, and that decision was made 2 years ago, we were told last week by George Konkol, corporate veteran who will leave post as GTE Consumer Electronics pres. at end of year. His departure from GTE is by mutual agreement, he said. "This seemed to be the time to go and start a new career." He said he has made no employment plans.

Formerly Sylvania Components senior vp, Konkol moved to Sylvania Entertainment Products senior vp in 1974, was involved in GTE's acquisition that year of Philco's TV business, moved to present post in 1976 with worldwide responsibility for GTE consumer electronics activities. An industry activist, Konkol gained broad recognition in late 1960's as leader of EIA Tube Div.'s successful fight to have Treasury find that Japanese were dumping TVs in U.S. market. He appeared at many anti-import hearings, and it was under his direction that GTE brought unfair import competition complaint that was resolved in 1978 when group of Japanese TV marketers signed consent-order settlements (Vol. 17:25 p8)

**Software notes:** Disney may start competing with its video software retailers. Company is testing direct mail sales approach to VCR owners, offers recorded cassettes at list, plus \$1 for handling, provides 800 number for ordering... Video Society signs 500 Nationwide TV & Appliance Assoc. dealers for video software rental plan. VS now claims to have 2,000 retailers participating, including Federated Group in L.A., Pay Less in NW, Trader Horn in East... Magnetic Video drops videocassette rental experiment in U.K., says it wasn't success... United Artists is negotiating sale of 2nd package of films to RCA Selectavision for release on CED discs.

**Digital Audio Disc Standards Committee**, based in Tokyo, apparently is on verge of specifying Philips Compact Audio Disc as an approved standard. Committee announced system would be on market in 1982. Philips is asking royalty of 2% of factory price. Japanese manufacturers are offering 1.5%.

**ADVENT POSTS LOSS:** Advent reported sizable loss in fiscal 2nd quarter on 27% sales decline, had double year-earlier deficit for half, with sales off 15.9% (see financial table).

Pres. Bernie Mitchell attributed results to company's "past failure to develop new video products" to replace those at end of life cycle. Advent, he said, has "high overhead facilities with too little product to build to cover the overhead burden or to meet sales goals." Introduction of new video projector in Oct. shows progress is being made, and final quarters of fiscal year should show operating improvement, he said, adding that "by June 1981 the full impact of our long-term corporate business plan should be evident."

**Lloyd's** followed other mid-fi audio marketers in return to profitability in 3rd quarter. Results are restated to reflect sale of foreign operations.

**Superscope** reported lower operating loss in 3rd quarter, 9 months, on reduced sales. Results for 1979 include \$1.41 million gain on sale of property.

**Ampex** operating income was up 3.4% for 2nd fiscal quarter, 10.1% for half. Net for same respective periods included tax credits of \$3.18 million & \$5.83 million.

**Craig** said it expects to report after-tax loss of \$1.8 million for 2nd quarter to Dec. 31, said most of that will represent valuation writedown on hand-held electronic translator inventory. Craig translators, which originally carried \$200 list, are now being retailed in N.Y. area at \$60.

**Honeywell** is quitting highly competitive home smoke detector market at year's end, says market is 65% saturated, business has become unprofitable. Company will continue to make & sell home security systems for professional installation. Most detectors list in \$20-\$30 range, but are sold with discounts & rebates that drop actual consumer cost to \$9-\$15. First major to abandon field, Honeywell held estimated 11% market share, about same as Sears.

**Tape topics:** 3M is joining EIA as first new member of Magnetic Tape Subdiv. formed by Consumer Electronics Group last month... DuPont & Loranger Mfg. are slated to enter own-brand audio cassette market at Winter CES in Las Vegas Jan. 8-11. DuPont now only markets videocassettes, sells audio tape on OEM basis. Loranger is major manufacturer of cassette & 8-track housings, loads cassettes & cartridges for sale to duplicators.

**Japan video notes:** Matsushita has developed thin-film magnetic head for VCRs & computers which it says it will introduce in new-model VCR in near future. Matsushita also announced sample sales of high performance semiconductor laser for optical videodisc players will start in Dec., mass production to begin next spring... JVC will build \$4-million VCR component plant, scheduled for completion next summer.



## 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>Advent</b>			
1980-26 wk. to Sept. 27	12,164,000	(1,690,000)	--
1979-26 wk. to Sept. 29	14,463,000	(727,000)	--
1980-13 wk. to Sept. 27	6,066,000	(797,000)	--
1979-13 wk. to Sept. 29	8,347,000	75,000	.03
<b>Ampex</b>			
1980-26 wk. to Nov. 1	248,828,000	12,708,000	1.10
1979-26 wk. to Oct. 27	216,006,000	17,368,000	1.52 <sup>a</sup>
1980-13 wk. to Nov. 1	129,192,000	7,283,000	.63
1979-13 wk. to Oct. 27	110,867,000	10,202,000	.89 <sup>a</sup>
<b>Bowmar Instrument</b>			
1980-year to Sept. 30	38,857,000	926,000	.12
1979-year to Sept. 30	29,409,000	983,000	.12
1980-qtr. to Sept. 30	11,064,000	624,000	.08
1979-qtr. to Sept. 30	7,599,000	58,000	--
<b>Gray Communications Systems</b>			
1980-qtr. to Sept. 30	9,141,518	610,464	1.20
1979-qtr. to Sept. 30	8,191,261	680,654	1.36
<b>Lloyd's Electronics</b>			
1980-6 mo. to Sept. 30	31,041,000	(1,631,000)	--
1979-6 mo. to Sept. 30 <sup>b</sup>	30,591,000	(443,000)	--
1980-qtr. to Sept. 30	19,503,000	133,000	.07
1979-qtr. to Sept. 30 <sup>b</sup>	18,869,000	709,000	.37
<b>Philips NVC</b>			
1980-9 mo. to Sept. 30	12,410,000,000	138,700,000	--
1979-9 mo. to Sept. 30	11,070,000,000	224,100,000	--
1980-qtr. to Sept. 30	4,260,000,000	25,200,000	--
1979-qtr. to Sept. 30	3,800,000,000	67,400,000	--
<b>Seaport</b>			
1980-9 mo. to Sept. 30	17,765,000	4,000	--
1979-9 mo. to Sept. 30	18,700,000	(16,000)	--
1980-qtr. to Sept. 30	6,151,000	45,000	.02
1979-qtr. to Sept. 30	6,353,000	26,000	--
<b>Superscope</b>			
1980-9 mo. to Sept. 30	113,825,000	(13,073,000)	--
1979-9 mo. to Sept. 30	141,322,000	(14,319,000)	--
1980-qtr. to Sept. 30	42,568,000	(3,817,000)	--
1979-qtr. to Sept. 30	42,997,000	(5,320,000)	--
<b>UA-Columbia Cablevision</b>			
1980-year to Sept. 30	54,930,000	4,790,000	1.45
1979-year to Sept. 30	40,045,000	4,175,000	1.27
1980-qtr. to Sept. 30	15,445,000	1,204,000	.36
1979-qtr. to Sept. 30	11,168,000	1,053,000	.32
<b>Video Corp. of America</b>			
1980-qtr. to Sept. 30	3,372,000	208,000	.17
1979-qtr. to Sept. 30 <sup>b</sup>	2,407,000	19,000	.02

Notes: <sup>a</sup>Includes special credit. <sup>b</sup>Restated. <sup>c</sup>At guilders current rate.

**Video dominated exhibits at first National Home Entertainment show, which opened at N.Y. Coliseum under sponsorship of Home Video magazine. Of estimated 150 displays, about 65% were video related, and while most key industry products & brands were represented, only handful of national hardware & software marketers had booths, rest represented by retailers & distributors. Among exceptions on hand: Ampex, APF, MCA 8mm Films (not MCA Discovision), Magnavox, J.C. Penney, Projection Systems, RCA Records (audio only), RMS Electronics, Technicolor, TDK. Event for consumers, not trade, ran Nov. 21-23, so no attendance figures were available at presstime.**

## Consumer Electronics Personals

**Revone Kluckman**, Zenith pres. & chief operating officer, adds duties of chief exec., succeeding **Joseph Wright**, who continues as chmn.; **William Johnson** promoted at Zenith subsidiary **Heath** from exec. vp to pres., replacing **David Nurse**, who retires at year's end... **Robert O'Neil**, one-time **Sylvania**, joins **Hitachi** as senior mktg. vp, new post... **Ronald Giese** advanced at **Magnavox** to **Great Plains Sales Div. gen. mgr.**, succeeding **William Campbell**, now national sales vp; **Frederick Hibben** replaces **Giese** as **Great Plains sales mgr.**

**Jack Shea** promoted at **Sharp** from **Home Appliances Dept. project mgr.** to corporate product planning dir... **Jerry Orenstein** advanced at **U.S. Pioneer** from mkt. research mgr. to mktg. communications & research dir. with responsibility for ad & sales promotion... **Robert Maddocks** named **RCA** corporate organization & management resources vp; **Francis McClure** appointed personnel operations vp.

**Jock McLean**, ex-CBS Records, named **CBS Video Enterprises** musical programming dir., responsible for music-oriented videocassettes & discs... **Bruce Blackwell**, ex-Gannett TV columnist, hired as asst. to chmn. of **Video Corp. of America**, new post... **Leo Mahan** appointed **Sony Video Products** govt. mgr.; **Robert King**, ex-Hitachi, rejoins as **Chicago region mgr.**

**Dieter Marenbach** named **Memorex** corporate strategic planning mgr., succeeding **John Navas**, now OEM mktg. mgr... **Jack Kuehler** appointed pres. of restructured **IBM General Technology Div.**, responsible for all U.S. semiconductor operations... **Christopher Conlin** joins **Murata** as ceramic capacitor product mktg. mgr... **Richard Damon**, **Applied Physics Labs**, elected **IEEE** pres.; **Robert Lucky**, **Bell Labs**, named exec. vp; both were unopposed.

**U.K. VCR market growth rate is faster than that in U.S., according to BREMA, which reports 3rd quarter shipments to retailers of 85,000, up 112.5% from same 1979 period, for 9-month total of 215,000, up 104.8%. Color market revived in quarter, shipments rising 3.1% to 495,000, putting 9-month total at 1.3 million, same as last year. For full period, shipments of domestic color were up 2.3% to 1 million, imports down 7.9% to 305,000. Entire domestic increase came in 16"-&-under (mainly 13"), which jumped 120% to 110,000, while imports rose 10.2% to 215,000, for market total of 325,000, up 27.5%. In larger color, U.K.-made shipments dropped 2.7% to 890,000, imports were down 33.3% to 90,000, market slipped 6.7% to 980,000. Change mainly reflects increased output of Japanese owned & affiliated factories there. In b&w, total 9-month deliveries rose 11.8% to 1.04 million, with imports up 64.1% to 640,000, domestic shipments down 25.9% to 400,000. As result, imports increased share of full-period b&w market to 61.5% from 41.9%, slipped in color to 23.3% from 25.2%.**