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HBO IN BOX: Premiere puts HBO Chief Nicholas through grilling as antitrust hearing starts in N.Y.; Nicholas insists Premiere would be fatal, calls view of his own staff 'myopic.' (P. 3)

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COPYRIGHT WRANGLING: Copyright Royalty Tribunal votes in principle to distribute cable money, but actual distribution stays in limbo. Valenti attacks cable. (P. 4)

SEX ON SATELLITE: 'Private Screenings,' featuring 'hard R' sex & violence movies, becomes available Dec. 6 on Westar 3. No cable systems signed yet. Service now available via cassette. (P. 5)

CHANCES SLIM FOR 5-YEAR LICENSE: Rocky week is ahead for license renewal legislation proposed by Senate Communications Subcommittee Chmn. Hollings (D-S.C.). Proposal faces behind-the-scenes opposition in both House & Senate. Also, measure will be offered as amendment when Senate considers cross-ownership bill sponsored by Rep. Swift (D-Wash.), but in repeat of bill's beleaguered journey through House, bill is being viewed as vehicle for everything but kitchen sink. Attempts to add more broadcast amendments could kill whole bill.

Hollings proposal has raised hackles of many on Capitol Hill. Rewrite supporters in House & Senate want to hold onto 5-year licenses as bargaining tool when major rewrite is introduced next session. Measure would sweeten pot, lessen broadcast opposition to cable deregulation measures in rewrite. Many are questioning Hollings' motives, accusing him of grandstanding and attempting to steal Republicans' thunder.

Consumer Electronics

1980 IS 2ND BEST year, color sales passing 1979 figures in 46th week. Year's sales seen exceeding 10 million. (P. 7)

ZENITH RAISES color prices 1-1.5%, RCA boost seen this week. Magnavox, Panasonic going up. Industrywide VCR hikes seen. (P. 7)

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FISHER IN VIDEO, to show projection & direct-view TV, VCR & videodisc player at CES. Zenith adds VCR, camera. (P. 9)

SALE OF KLH & Infinity Systems to Kyoto Ceramics-EAD venture planned. Other acquisition & merger activity. (P. 10)

ELECTRONIC TOY MARKET growth slowdown signaled by drop in Mattel net, production consolidation at Milton Bradley. (P. 10)

1/4" CASSETTE PROGRAMS for Technicolor system being recorded by Home Theatre. (P. 10)

House is sure to fight any Senate amendments in conference. Said Swift: "We can't go along. Turning this bill into a Christmas tree would be unacceptable... because of a commitment we made to other members [reportedly Reps. Markey (D-Mass.) & Wirth (D-Colo.)] that this bill would not become part of a larger piece of broadcasting legislation." Also needling Swift: Hollings amendment makes basic change to Swift bill by eliminating codification of present FCC cross-ownership rules. In letter to Commerce Committee Chmn. Cannon (D-Nev.), Hollings said codifying rules "so that they could be only modified on a case by case basis... would be unduly inflexible... with the rapid changes in technologies and services."

"There is a likelihood we will end up with nothing," said frustrated broadcast lobbyist. Senate Commerce Committee scheduled Dec. 2 markup to consider Hollings proposals and others. Plan by Sen. Bradley (D-N.J.) to introduce amendment seeking VHF station for N.J. could lead to NAB opposition as similar move did in House. (NAB supports 5-year licenses, of course, but would be happy just to get Swift bill). Said House staff member: "We're back to the same old problem. It's been so long since there has been any broadcast legislation that even a minor bill like this attracts an insane amount of attention."

Other amendments under consideration: Sen. Inouye (D-Hawaii) wants measure making Hawaii domestic point for telecommunications purposes, clearing way for service by Western Union Telegraph and cheaper rates; cable industry seeks sponsor for measure codifying FCC telephone-cable cross-ownership ban (which FCC is in process of relaxing). Also, Hollings amendment includes provision permitting FCC to use different procedures in renewal & initial licensing hearings. Move is supported by broadcast industry because it clears way for giving added weight in renewals to existing stations' performance.

Interesting problem with Swift bill occasioned proposed amendment by Sen. Ford (D-Ky.): Wording of bill inadvertently singles out Paducah TV-newspaper owner (NBC affiliates' Chmn. Fred Paxton, head of WPSD-TV & Paducah Sun-Democrat) for divestiture. Bill eliminates FCC practice of permitting co-ownership of community's sole TV & newspaper if properties were owned before 1975, monopoly didn't exist at time, but occurred as result of competitor closing down afterward. Swift reportedly supports Ford amendment, didn't intend bill to penalize present owners, didn't know about Paducah situation.

More news from Capitol Hill: Senate passed bill repealing outdated Lea Act, which forbade strikes or collective bargaining by studio musicians. Some broadcast lobbyists had seen repeal of Lea Act as trade-off for passage of Swift bill, now are in tough position of seeing Lea Act passed while Swift bill looks in trouble because of amendments being added.

CATHOLICS HIT NAB CONTRACEPTIVE STUDY: "What manifestly is behind the maneuver [to study acceptability of contraceptive spots on TV] is a desire for the dollar. The industry wants to open up a new and promising market. A number of pharmaceutical firms are ready and eager to sell their wares on TV." This is opinion of editorial published in Knights of Columbus Columbia magazine and reprinted in Nov. 13 Arlington (Va.) Catholic Herald.

Editorial has caused flood of protest from Catholics to NAB — 1,200 letters at last count. It's directed toward study, approved by NAB board last Jan., to determine public acceptance of contraceptive ads on TV. Study also will seek public attitudes toward personal product commercials, and final form of questionnaires still is being worked out. Field work now isn't expected to start until next spring. Columbia charged that "careful plans being laid by the TV industry to bring contraceptive ads into the home in living color... can be billed as a home-study course for teenagers and pre-teens on 'how to sin with safety.'"

In responding to complaints about contraceptive study, NAB Pres. Vincent Wasilewski refers to 1976 poll of 210 national organizations on contraceptive ads, work of select committee established in 1977 to obtain information & opinions. He said self-regulatory machinery has taken "serious deliberative approach," claimed "there is full recognition of the sensitive, controversial and diverse nature of the issue."

Market Opinion Research of Detroit will do studies for NAB, and several drafts of questionnaires have been gone through, none accepted yet. Surveys will seek information on how often TV is watched in household, how many hours per day, magazines read regularly, TV ad recall — with emphasis on personal products (tampons, sanitary napkins, douches, pregnancy tests, etc.). Questionnaire asks if such ads are acceptable (for broadcast as well as print) and during which time periods. Other questions deal with when such ads would be inappropriate (such as watching with strangers, young children, teenagers, etc.) and whether it would be appropriate for well-known celebrities to appear in such commercials.

Contraceptive questionnaire will ask whether children under 12 & teenagers should learn about human sexuality, birth control, venereal diseases, sex among unmarried, unwanted pregnancies. Also, respondents will be asked if such shows as "Laverne & Shirley" and "Three's Company" are appropriate for informing teenagers about sexuality and birth control. Bottom line question will ask whether spots for contraceptive foams & jellies and condoms are acceptable for TV & radio. Follow up questions deal with convenience of use, information about where to buy, cost, scents, how to use, visual demonstrations, etc.

HBO CHIEF INSISTS PREMIERE WOULD BE FATAL: Premiere lawyers sought to put HBO on trial last week as hearing got underway in N.Y. Federal Court on Justice Dept.'s antitrust action against Getty Oil & studios' pay-TV joint venture. Target of Premiere lawyer: HBO Chmn. Nick Nicholas, subjected to heated cross examination designed to show: (1) That HBO had internally concluded it could survive Premiere. (2) That HBO itself withheld programming product from other pay-TV operators.

Nicholas told N.Y. Federal Court last week that it's not true that HBO programmers had plan to substitute for movies withheld by Premiere partners 20th Century-Fox, Paramount, Universal & Columbia. Nicholas said his staff's contingency plans were "myopic" and "hypothetical musings" that didn't alter basic fact that HBO would fold, possibly in matter of months, if Premiere were launched.

Nicholas was adamant that "we had no contingency plan," said he spent "no more than 5 minutes" reviewing brochure prepared by members of programming staff for May NCTA meeting in Dallas. Brochure included section entitled "What Effect Does Getcom [Premiere] Have On the 1981 Schedule?" It suggested that 38 missing movies be "replaced by titles from other majors, independent producers & pre-buys," projected savings of \$21 million in licensing fees. Nicholas' comments: Nothing's gained "if your revenues go down" and pre-buys only work "at the low-quality end of the schedule."

Other points of interest during cross-examination: (1) Nicholas said HBO would sell to Showtime if latter met terms, but "we don't want to compete against ourselves." Judge Goettel later stated that he understood HBO withheld product from other pay distributors. (2) HBO had about 25% operating margin in 1979. (3) HBO lawyers drummed up support for JD litigation among state attorneys general, also approached 2 senators for support.

Newsman aren't in business of "sitting on news," NBC News Pres. William Small said, reacting to bills aimed at halting broadcast of election results before polls close. "When it's over we ought to say so," Small told SPJ/SDX convention, adding there's no clear cut evidence that projections have impact on voters. He said NBC is "comfortable" with use of exit polls, predicted threat of legislation will "fade away," as it did after previous landslides of 1964 & 1972.

Moving fast, NAB has acquired additional space in Dunes, Caesar's Palace & Aladdin Hotels in Las Vegas to house TV delegates and hospitality suites during April 12-15 convention. Move became necessary following fire at MGM Grand which killed

several dozen people. NAB Secy.-Treas. Michael Harwood was trapped for 2 hours during fire at Grand, collapsed after being led to safety by firemen. He is ok now, returned to Washington 3 days after fire. Harwood was in Las Vegas for meeting with convention exhibitors.

FCC Comrs. Brown & Jones, along with Williard Demery and Michael Cummings of Common Carrier Bureau, will be attending international facilities conferences Dec. 5-17 in Australia & Japan. Sessions are called "exploratory" conferences "to let them know what we are doing," according to Demery. FCC Chmn. Ferris originally planned to head delegation, now doesn't plan to go.

TRANSITION TEAM UPDATE: Reagan's FCC transition team is wasting no time, has started to gather tons of data from Commission, held meeting with staff on FCC budget. FCC staff fears sizable budget cut will come with GOP takeover, but team is exploring alternatives to hiring freeze promised by President-elect.

Scope of materials requested is vast. Transition team is seeking FCC's mission statements, budget submissions, organization manuals, quarterly status reports on all rulemakings, list of all bills FCC testified on during last Congress, positions on legislation, list of all outstanding contracts, general counsel's status of litigation reports, regulatory agendas, general data on budgets, personnel, litigation & legislation. Team also has asked for information on planned Commission move to new building in Rosslyn, which transition team opposes (see p. 5).

Most exchange of information has been handled by team leader Michael Gardner and Ferris aide Frank Lloyd, since team could get no space at FCC. But one group did visit FCC and met with staff on budget issues. Jim Hobson, ex-chief Cable Bureau, Morgan O'Brien, ex-chief Private Radio Bureau, and Pete Fanin, who was in charge of FCC matters at OMB, met with Exec. Dir. Richard Lichtwardt, Assoc. Exec. Dir. Tom Campbell and Lloyd. Gardner and other transition team members also have met individually with commissioners.

Names of team members have not been released to limit lobbying, job seekers and reporters. We've compiled list of names, which includes: Raymond Strassburger, minority staff counsel on Senate Commerce Committee, and Bernie Wunder, counsel for House Communications Subcommittee, as legislative coordinators for transition team.

Other names: Roderick Porter, ex-FCC staff, now applicant for low power stations; Ashton Hardy, ex-FCC gen. counsel, now New Orleans lawyer; John Pettit, ex-FCC gen. counsel and among leading candidates for new FCC chmn.; James Cooke, Va. lawyer; Wallace Johnson, ex-Best. Bureau chief; Harold Kassens, ex-Best. Bureau deputy chief; Hobson; Walter Hinchman, ex-Common Carrier Bureau chief, ex-OTP; Mark Smith, vp & gen. mgr. KLAS-TV Las Vegas & vice chmn. NAB TV board.

Many Washington lawyers also are on team: Vincent Pepper; Ronald Coleman, ex-Hill staff; Jay Baraff; Thomas Carroccia; Werner Hartenberger, ex-FCC general counsel; John Cole; Michael Senkowski, ex-FCC staff; L.R. Raish; Linda Cinciotta, FCBA pres.; Eric Bernthal; O'Brien, plus engineer Robert Luff, ex-FCC, ex-NCTA. Reports prepared by team will be kept secret, team members said. Interim briefing book on FCC is due soon, final report due at end of Dec.

Blair TV begins repping 3 RKO stations early next year — WNAC-TV Boston, WOR-TV N.Y. & KHJ-TV L.A.

COPYRIGHT DISTRIBUTION IN LIMBO: Copyright Royalty Tribunal last week voted to allow distribution of 1978 cable copyright funds (Vol. 20:44 p4), but it balked at one proposal to distribute 50% of fund, and distribution is left in limbo at least for awhile.

CRT member Thomas Brennan explained that CRT could technically begin distribution since stay was lifted, but NAB and sports interests have stated they would seek court-ordered stay if CRT did distribute. Said Brennan: "Obviously, being aware of the NAB position, we would not be disposed to put the checks in the mail before we gave the NAB a chance to get a court order." He said he expects additional pleadings from parties, and CRT could act again on distribution after that. CRT also found "controversy" exists in distribution of 1979 cable pot, but won't officially declare it until March. CRT procedures call for declaration of controversy before it begins one-year period to determine how to divide money.

Meanwhile, MPAA Pres. Jack Valenti castigated cable industry — again — at FCBA luncheon in N.Y. last week. Focus was compulsory copyright license — "on the average about 1% of... gross subscriber revenues... Some 70% [of systems] pay more for the postage stamps they use to send out monthly invoices... than they do for copyright licenses." Valenti said "it may be another year or 2" before 1978 copyright kitty "is ever distributed to the owners of the programs," contrasted that amount to growth of cable from \$1.5 billion industry now to \$8.5 billion in 1985. On NCTA position:

"The president of the NCTA refused to come before you today to debate this issue with me. I can understand why. Scarcely a word of what he says is true." Valenti suggested "time has now come for Congress to deregulate the basic cable industry," wants revised Copyright Act to state that all program distributors, including broadcast TV, "must bargain openly & competitively for programs they choose to offer their customers." Congress didn't intend "to inflict a terrorizing inequity on creators & owners of copyrighted programs," didn't know "a tilted, non-competitive marketplace would be the result of its good intentions."

"Dallas" set record for viewership with 53.3% rating, 76% share. "Who Shot J.R." episode beat last episode of "The Fugitive" in regular series audience (45.9% rating, 72% share) set in 1967, also "Roots" 1977 record (51.1% rating) for all-time entertainment program viewing. Program was watched by about 83 million.

SMPTE TV Conference is Feb. 6-7 at San Francisco St. Francis hotel; topics include new camera technology, digital recording. Details: 862 Scarsdale Ave., Scarsdale, N.Y. 10583.

Satellite uplink is being installed at Dover AFB, Del., by Western Tele-Communications, for ABC News — for use if hostages are returned from Iran.

SATELLITE SEX FILMS SET: Western Union's Westar 3, TR-5 will begin carriage of "hard R" films Dec. 6. Distributor is Satori Productions, leasing bird time from Wold Communications. Service, called "Private Screenings," was announced at NCTA convention earlier this year, has been available on videocassette, but has won only small audience, apparently due to reluctance of cable systems to program hard sex and violent drive-in type films. Satori says it hasn't any cable affiliates yet for its satellite feed, costing \$1.29 per subscriber per month as separate tier, 97¢ as add-on to existing service.

Service is currently carried (via cassette) on one cable system (Bayshore Cable, East Keansburg, N.J.), one STV station (USTV's Starcase system in Boston) and one MDS service (USTV's Starcase system in Albuquerque). While service won't carry X-rated product, its emphasis on R-rated movies does extend frontiers.

Jeffrey Sass, Satori's dir. of acquisitions, said service is "basically an R-rated service in that the films will be R-rated by MPAA or if unrated, films that we believe would receive an R rating. This service has been around since May and no one has questioned it yet. We've not had one complaint. It's hard to say where you draw the line. They are exploitation films, but there's no penetration, no oral-genital contact. I don't really see the difference the satellite makes. There are cable systems that are showing X-rated films."

Robert Wold: "To suggest that it's a problem for us would be like saying that Federal Express should take a look at every program they ship down their delivery system. They don't do that. We're very aware of the so-called Moral Majority. I don't think we need to be concerned at this time. We have nothing to do with the exhibition. All we are in is electronic freight forwarding. Naturally, we're always concerned with what's going to be transmitted but we're not in a position to exercise editorial judgment. When you have purchased as much satellite time as we have, much of it on speculation, we have to market it to as many customers as we can."

"Change is our business" said CBS-TV Network Pres. James Rosenfeld last week to Greater Hartford Advertising Club, rejecting notion that new electronic media will end network importance as ad vehicle. "Commercial broadcasting's structural position will endure. It will be, as it is now, the matrix around which the other media evolve," he said. "By 1990, we expect the combined effects of cable, cassettes, discs and any other viewing alternatives... to bring about a 10% erosion in the networks' share. This will be more than offset by growth in the homes base, so that our actual audience will be as large or larger than it is today."

Correction: FCC vote to withhold major staff appointments and promotions until after new chmn. is sworn in was unanimous, not 4-3 as reported (Vol. 20:47 p6). Commissioners originally had voted 4-3 on making Daniel Ohlbaum Review Board chief, over Joseph Marino, later made that vote unanimous, too.

"We won" signs bloomed at FCC after joint conference committee restored authorization to appropriations bill for Commission to lease space outside Washington. Senators withdrew opposition of move to Rosslyn, Va. because of adamant support from some House conferees. National Treasury Employees Union conducted last minute lobbying blitz by request, visited every member of conference committee. NTEU's William Samuel said: "It looked like our last chance. With lots of FCC leases expiring in the next few years, we would be faced with fighting moves to Gaithersburg or Bethesda." Senate wants to adjourn Dec. 5, will vote on conference report Dec. 1 or 2. Congressional approval doesn't mean move is definite: (1) FCC transition team is opposed to move. (2) Appropriations bill contains anti-busing rider which President Carter repeatedly has threatened to veto.

Addition of 450,000 homes to its Satcom 1 network will put N.Y.-based Modern Satellite Network in front rank of basic cable services, bringing total subscriber count to 3.2 million. Gains are at expense of Satellite Program Network unit of Satellite Syndicated Systems, moving its service from Satcom 1 to Westar 3 at end of year. Jay Campbell, MSN dir., said MSOs are "reluctant to convert to Westar." He said new subscribers for MSN come from Telecommunications Inc., cable MSO currently programming SPN, but unwilling to add 2nd earth stations to continue receiving service. SSS, meanwhile, says it expects to have 2 million subscribers to SPN when switch to Westar is completed.

WIGO(AM) Atlanta won't lose license after all for promoting illegal numbers game. Reversing law judge, agency told staff to fine station \$10,000 instead of revoking license. WIGO is programmed for blacks; vote was 5-1, Brown dissenting. In 2 other cases, Commission stripped licenses from WWLE(AM) Cornwall-on-Hudson, N.Y. and WMVI(AM) Mechanicville, N.Y. — WWLE for misrepresentation and hidden ownership; WMVI for misleading or deceptive promotions & announcements.

CBS is seeking FCC declaratory ruling on programming rights of non-broadcast media after Commission's network study suggested financial interest rule could apply to cable, disc and cassettes. Commission, saying it agrees with CBS that prompt ruling is important, set Dec. 22 deadline for comment.

Cable News Network won 6-month extension of its rights to transponder on Satcom 1. FCC refused to grant 3-year extension, told CNN to settle its litigation with RCA Americom concerning its right to permanent transponder assignment on main cable TV satellite.

"Demand for new minority-owned radio stations" has been served on FCC by National Black Media Coalition, which identified 1,197 specific assignments it said could be made in 345 markets. Copies of study are available from Coalition for \$50 (corporate) and \$5 (citizen groups).

Personals

Rep. Lionel Van Deerlin (D-Cal.), outgoing chmn. of House Communications Subcommittee, will be honored at Dec. 18 reception by National Bests. Club... Lloyd Cutler, counsel to President, returns to Washington law firm Wilmer, Cutler & Pickering, will continue as unpaid legal consultant to Carter until President's term ends Jan. 20... FTC Comr. Robert Pitofsky appointed to 10-member council of Administrative Conference of the U.S.

Sheldon Cooper, WGN-TV Chicago, elected INTV chmn.; other officers (who comprise Exec. Committee): Vice Chmn. Joseph Loughlin, WV TV Milwaukee; Secy. Harold Protter, KPLR-TV St. Louis; Treas. James Dowdle, WTOG St. Petersburg... Anna Hill, ex-IBM, appointed mgr. for news & special program sales, NBC TV; Barbara Meltzer promoted to mgr., talent coordinators.

Saidie Adwon promoted to vp-gen. mgr., KTUL-TV Tulsa, succeeding Thomas Goodgame, who opens syndication & consulting firm in Tulsa... Howard Meagle advanced to station mgr., KFVS-TV Cape Girardeau, Mo... William Price named corporate projects dir., Taft Bestg., new post... Leo Armatis joins Meredith Corp. as vp-PR dir., succeeding Roy Erickson, resigned.

Paul Warren advanced to assoc. publisher & senior editor, Television Digest Inc.; Janet Koehler-Dueweke to asst. sales dir... Merritt Rose, ex-Cox Bestg., moves to Cox Cable as advertising sales dir... Pamela Wilson, ex-Cox Cable, appointed dir. of sales planning & administration, Rainbow; Lila Reinhard joins Rainbow as PR mgr.; Sandy McGovern, ex-Xerox, named regional sales mgr. for 21 eastern states; Lynn McNelly, ex-L.A. Visitors & Convention Bureau, appointed sales mgr. for 19 western states.

Ed Macauley, former all-NBA player, appointed sports dir., Oak Communications, new post... Richard Robertson promoted to senior vp for sales & marketing, Teletpictures... Robert Horen, ex-Paramount TV, appointed midwestern sales mgr., MGM TV; Jean Goldberg, ex-Viacom, named marketing research dir... Peter Fulton promoted to asst. sales mgr., Blair TV L.A. NBC sales team... Harry Stecker, ex-Arbatron, appointed research dir., Petry TV.

"There's every indication that I will" be candidate for NAB joint board chmn. next spring, current Radio Chmn. Edward Fritts told us last week. Fritts, who owns 8 radio stations in small southern markets, isn't expected to draw opposition. He would replace Thomas Bolger, Forward Communications.

Newspaper Guild has recommended that all locals push for "substantial" share of income newspapers or wire services receive from sale of news to cable systems or "electronic newspapers."

Canadian TV is endangered by reception of U.S. programs via satellite, Communications Minister Francis Fox said in speech to Best. Executives Society in Toronto. "Allowing the unlimited importation of the 25 or more channels of U.S. satellite TV into major Canadian markets would seriously undermine the financial foundation of the Canadian broadcasting system, lead to the bankruptcy of Canadian TV stations and networks, and destroy the Canadian broadcasting system. This activity will not be tolerated. Enforcement measures will include the seizing of unlicensed equipment and the laying of charges by the Department of Justice," he said

NBC is most violent network in prime time, CBS is most violent during Sat. mornings, said National Coalition on TV Violence study based on 3 months of monitoring. Study said: Buck Rogers is worst prime-time offender with 26 acts of violence per hour, Dukes of Hazzard placed 2nd with 17 acts. Sat. morning programs average 24 violent acts per hour, led by Bugs Bunny/Roadrunner show with 50 acts per hour. American Cyanamid is "most violent prime-time sponsor" with 63% of ads on high violence programs, General Mills "sponsors the most violence" Sat. mornings with 78% of ads on high violence programs. Details: Sally Streenland, 202-462-2520.

Group W could acquire full ownership in Home Theater Network by 1986 under joint venture agreement recently announced. HTN, owned by Diversified Communications, Portland, Me., serves 140 cable systems with G & PG movies, is available on Satcom 1 at 8 p.m. EST. Founder Peter Kendrick will continue as HTN president with long term contract. Terms were not revealed. Group W said expansion plans will be announced "in the near future."

Chicago White Sox are going pay cable during home games — first major sports franchise to choose pay TV over regular. Cablevision Systems, which has franchises in suburbs covering only 1,200 homes (expected to be 3,500 in March), beat out WFLD-TV for games. Cablevision Pres. Charles Dolan wants to buy team, reportedly sought pay-TV rights to bolster bid. WGN-TV will continue to air away games.

First commercial short wave station has been granted by FCC, going to Joseph Costello in New Orleans; Costello now owns 5 La. radios. Agency also granted short wave permit in Hawaii to Billy Graham Evangelistic Assn.

Weekly series on press performance, anchored by Hodding Carter, former State Dept. spokesman, received \$300,000 from CPB program fund. Spring distribution is planned for weekly half-hour series, "Inside Story."

FCC has released 9-page list of outstanding proceedings (excluding common carrier matters, which will be compiled later) which are subject to ex parte rules. For copy, contact Public Affairs Office.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Nov. 14 (46th week of 1980):

	Nov. 8-14	1979 week	% change	Nov. 1-7	1980 to date	1979. to date	% change
Total TV.....	435,212	385,672	+12.8	369,215	13,842,207	13,960,867	-0.9
color.....	252,835*	210,839	+19.9	201,972	8,612,412	8,607,644	+0.1
monochrome..	182,377	174,833	+4.3	167,243	5,229,795	5,353,223	-2.3
Home VCR.....	22,262*	14,583	+52.7	22,580	652,093**	395,443	+64.9

Color TV 5-week moving average: 1980—252,710*; 1979—230,948 (up 9.4%).

Home VCR 5-week moving average: 1980—24,431*; 1979—14,806 (up 65.0%).

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

1980 NOW 2ND BEST COLOR SALES YEAR: Color TV sales for year to date pulled ahead of 1979 in year's 46th week (ended Nov. 14) and, with 7 weeks still to go, 1980 became 2nd best year in history (see State of the Industry, above).

Prospects now are for 1980 to become 2nd 10 million color set year, ending less than 2% behind record 1978, which saw sales of 10,236,319 sets. Ten-million figure will be reached — with aid of 53rd week EIA has annexed to 1980 for statistical purposes — if sales continue to run 9.4% ahead of 1979, as they have for last 5 weeks. Week ended Nov. 14 was particularly hot, sales setting record for week and running nearly 20% above same 1979 week. First 3 weeks of Nov. were 4.9% above those of 1978's record month. For year's first 46 weeks, color sales to dealers were only 2% behind those of record year, but even with extra 53rd week, it's unlikely 1980 will beat 1978 — that would require 23% increase over 1979 for next 6 weeks.

Home VCR sales, 65% ahead of last year so far, should wind up at just about 785,000 (vs. 475,396) if enough ships come in to fill demand, which currently exceeds supply.

ZENITH PRICES UP, RCA DUE THIS WEEK: Zenith announced across-board 1-1.5% factory color TV price increase last week and strongly hinted it would be followed by another in Feb. RCA is expected to adopt larger boost at its distributor meeting this week, and most of rest of industry probably will start inching prices upwards around Jan. 1. Most manufacturers are planning bigger hikes on VCRs.

Zenith told distributor meeting Nov. 27 increase reflected boost in glass prices only, and Sales Co. Pres. Walter Fisher said it was "not unreasonable to expect additional price increases in 1981." Suggested list prices are unchanged, another indication that new price structure can be expected at Feb. distributor meeting.

Most manufacturers expressed surprise -- not at fact of increase, but at how small it was. Zenith's move is aligned with reality of TV price situation as it has unfolded in last few years: Multiple minor increases spaced throughout year generally have stuck, while one-gulp big hikes in past have come unhinged. (Percentage price increases often don't tell whole story; price is actually determined by complex schedules of promotional allowances, etc., as well as dollars-&-cents figures.)

GTE actually was first to institute this fall's round of boosts, having raised Sylvania & Philco lines by 1.3% at factory, also without increasing suggested lists (Vol. 20:39 p9). Panasonic will adjust prices July 1, with increases in new models over predecessors resulting in overall 2-2.5% raise in full line, Exec. Vp Raymond Gates told us. GE will increase color prices on staggered basis from Jan. 1 through first quarter, averaging out to 2.5% throughout line, says GE Video Gen. Mktg. Mgr. Ludwig Huck. Magnavox expects its prices to be up around 2.5% by new year, according to Sales Vp James Egan. So it goes.

VCR prices will go up far more noticeably, but hikes aren't expected to affect sales in market which already is experiencing severe shortages and hasn't shown itself to be particularly price sensitive (despite some bargain basement quotes from retailers). RCA's \$45-\$50 boosts were first (Vol. 20:47 p8), but Magnavox also has increased 2 low-end models -- leader up \$46 from \$749 to \$795, first step-up (scan) model up \$80 to \$1,075. Panasonic will raise VCR prices 4-5% by Jan. 1 and drop open-list leader, substituting higher priced model. GTE is keeping old list prices, but dropping some promotional allowances. GE plans first-quarter price increases.

JAPAN VCR EXPORTS HIT HIGH IN OCT.: Japan's 107,800 all-time monthly high for VCR exports to U.S. set in Sept. stood only 30 days, and was shattered by 111,700 shipped in Oct., Finance Ministry totals show. Month's shipments were up 18.7% from Oct. 1979, put 10-month total at 784,400, up 47.6% from same year-earlier period, and 104,000 more than were exported all last year. If shipment growth rate is maintained in closing months, total 1980 VCR exports to U.S. will fall just short of million mark.

That growth will continue not just this year, but well into 1982 at least, is expectation of Matsushita. Company, which hiked production capacity to 100,000 monthly from 70,000 last summer, and recently increased to 140,000, says it will expand to 200,000 by next fall. That's a 2.4 million annual rate, against current 1.68 million. Capacity increase will be part of \$50 million VCR production modernization & expansion capital spending program set for fiscal year which started Nov. 21. Matsushita subsidiary JVC, also on growth path, has earmarked \$5 million for new VCR components plant scheduled to be operational this summer.

Matsushita says its VCR output hit million unit mark in just-ended fiscal year, accounted for about \$800 million in sales, up 60% and 2nd in size only to color TV. It estimates total Japanese VCR industry production at about 4 million for 1980, has raised prediction for 1981 to about 6.6 million. If Japanese manufacturers follow VCR production plans announced to date, industry will be producing at about 7.2 million annual rate by start of 1982.

Japanese also had pickup in TV exports in Oct. Overall export total of 114,500 was monthly high for year, and up 2% from same month last year. Increase came in color, which climbed 69.2% to 72,500, as b&w dropped 39.5% to 42,000. For 10 months, total exports of 855,200 were down 24.7%, with color off 21.4% at 453,000, b&w down 28% at 402,100. In color, complete set exports jumped 112.6% to 61,300, for full-period total of 392,900, down 13.8%. Exports of color chassis & kits dropped 20% for month to 11,200, were down 50.2% for 10 months to 60,100.

STANDARDS GROUP BACKS PHILIPS DIGITAL AUDIO: Philips Compact Disc has been backed by majority of 47-company Tokyo-based Digital Audio Disc Standardization Conference (DAD), which is expected to recommend it as international standard — but not necessarily the only standard.

Clincher for recommendation came when Matsushita endorsed Compact Disc (CD) over AHD system developed by its own affiliate JVC as outgrowth of VHD videodisc system. Matsushita has been prime mover in DAD, which was formed in 1978 at request of company's founder Konosuke Matsushita; conference is headed by Matsushita official. Represented on conference are U.S. companies, including RCA, MCA Discovision & VHD Disc Mfg. Co., Europeans such as Philips, Thomson-CSF, Telefunken, EMI, Polydor, as well as Japanese firms.

Philips CD was first demonstrated in U.S. in June 1979 (Vol. 19:23 p13). Measuring about 4.5" in diameter, it played for 60 min. (but now is said to have 90-min. capability), is promised for 1982. Last spring, Sony joined Philips in proprietorship of system, adding some of own developments.

In view of composition of DAD, it's highly unlikely that CD will be only system recommended. In original announcement of its duties, DAD included possible "interchangeability with videodisc systems." Although Philips system is laser-read optical type, its size and speed of revolution make it incompatible with all video systems. DAD was also charged on its formation in Oct. 1978 with recommending standards within 2 years to Japan's Ministry of International Trade & Industry (MITI) & International Electrotechnical Commission (IEC). DAD approval of CD was foreshadowed when it announced that system would be on market in 1982 (Vol. 20:47 p13). Philips is asking 2% of factory price of player as royalty.

FISHER IN VIDEO: New entry in video is Fisher, which will show line of high-end products at CES, including projection TV, 25" color, optical videodisc player & VCR.

Showpiece of line will be high-end combination console, including stereo components, optical (LV) videodisc player, Beta VCR, to be available next fall. Pres. Howard Ladd said unit hasn't been priced, but estimated it could be around \$5,000. "We've done very well at the high end," he said, citing \$2,000-\$3,000 audio systems.

Also in line will be new rear-projection TV and 25" consoles. All of products will be made by Fisher parent Sanyo. Sanyo, incidentally, has been first company to announce it will manufacture all 3 videodisc systems -- VHD for Japan, CED for U.S. and LV for Europe. With debut of Fisher unit -- presumably about same time as Sanyo-brand CED -- it probably will be only manufacturer to offer 2 different disc systems in U.S. For several years, Fisher has offered color TV & VCRs in Europe.

Zenith introduced new Beta VCR, camera & radios to distributors last week. High-end VCR is based on Sony's new SL-5800 but not identical (and, at list price of \$1,350, \$100 cheaper). It has 4-event 14-day program, features interference-free frame advance, still & variable slow motion, fixed 10-times-speed advance, triple speed, auto rewind at end of tape. Zenith Sales Co. Pres. Walter Fisher said Beta format "provides a picture demonstrably superior to pictures provided by VHS."

Zenith's new camera also is \$100 less than Sony version from which it is derived. At \$1,150, electronic viewfinder unit features 6:1 power zoom, macro focus, 3-position color filter, eyepiece adjustable for waist, eye or tripod level.

Three new radios feature "Storm Alert" system which automatically turns them on or overrides regular AM or FM reception when govt. severe weather warnings are broadcast utilizing emergency tone signal. Feature is contained in table radio at \$75, dual-alarm clock radio at \$80 and stereo portable with cassette recorder at \$130.

Sharp will add its first remote set which tunes to

cable TV channels at CES, featuring 18-channel electronic tuner which can be preset to combination of VHF, UHF & CATV channels.

Canon adds pair of blister-packed calculators for sale through supermarkets & drug stores, at \$9.50 & \$10, metric conversion calculators at \$20, \$35 & \$60, last 2 featuring separate readouts in blue & green, one for metric numbers, other for English. Also new: 10-digit scientific & statistical at \$35, printers at \$65, \$110 & \$130.

* * * *

Preview of new RCA portable VCR, scheduled for spring introduction, was provided unintentionally in Tokyo at Hitachi's 70th anniversary exhibition (Vol. 20:46 p15). New unit, which RCA has contracted to buy, possibly with some modifications, is about 20% smaller than current model, 30% lighter (bringing weight to under 11 lb.), uses 40% less power, thanks to switching regulator control IC, can use smaller battery. It uses "microcomputer-controlled electromechanism," according to Hitachi's description, along with "thin direct-drive cylinder & direct-drive capstan" for compactness and increased reliability. Head & tape performance have been boosted for better performance at slow speeds. Unit boasts "fine editing function which almost completely eliminates picture noise" with use of recording pause control. Unit is said to incorporate all special effects. Similar VCR will appear under Hitachi brand after RCA's introduction.

National Home Entertainment show drew 32,000 paid & freebie visitors during Nov. 21-23 run, N.Y. Coliseum record for new event, show sponsor reports (Vol. 20:46 p14). Show was aimed at consumers, also attracted local retailers checking on home video sales opportunities. While not direct comparison because it was for trade only, first 4-day Consumer Electronics Show, at N.Y. Hilton & Americana Hotels June 25-28, 1967, attracted 19,876 registrants.

Taiwan's 2nd source for color picture tubes, Tating affiliate Chungwa, has started production. Other is Dutch Philips' glass & tube plant. Chungwa, formerly a monochrome tube maker, now is turning out 13" & 19" color tubes, plans expansion to 15" & 25". Bulbs are sourced from Corning's Taiwan subsidiary Pacific Glass.

EAD SELLS HI-FI UNITS: Electro Audio Dynamics has agreed to sell its hi-fi units, KLH and Infinity Systems, to joint venture it plans to form with Japan's Kyoto Ceramics. Kyoto will pay EAD \$7 million for transfer of units and certain proprietary & distribution rights to venture, to be called IKC International. Siegfried Susskind, EAD pres., will serve as IKC chmn.

EAD, formerly Eastern Air Devices, acquired KLH from Singer for about \$6 million in 1972, purchased controlling interest in Infinity Systems for undisclosed sum 2 years later. In economy move earlier this year, KLH shut down its Cambridge, Mass. hq and moved to Cal., where it shares administrative operations with Infinity, though both have own sales and R&D operations.

Move is latest in series of acquisitions which have put heart of U.S. hi-fi industry under foreign control. Harman-Kardon, Fisher & Phase Linear are Japanese owned, Sherwood is Korean, H.H. Scott Belgian; Superscope's Marantz, while U.S.-owned, is totally dependent for product on Marantz Japan, now a subsidiary of Dutch Philips (Vol. 20:39 p13).

Also in audio area, Wards, Va. retail chain, has advanced bankrupt Lafayette \$2.1 million to buy merchandise for Christmas season for sale through remaining 8 outlets. Wards said Bankruptcy Court approved its plan to acquire Lafayette for about \$6.5 million in cash & shares (Vol. 20:52 p16), says it has already paid \$2.85 million for Lafayette's merchandise & debt settlement, will clear up all remaining secured debt for \$750,000. In latest financial statement, Lafayette reported \$20 million operating loss for year to June 28. Wards says it plans to use Lafayette's stores as base for expansion into NE retail market.

In other industry merger activity: Western Electric, AT&T's manufacturing arm, has agreed to acquire 44% of Korea's Gold Star Semiconductor. GSS will be WE's first overseas venture investment, and will serve as base for filling recently awarded contract to supply Korea with technology & equipment for national electronic telecommunications network... M/A/Com has agreed to acquire personal computer maker Ohio Scientific, terms undisclosed... Westinghouse acquired 7.2% interest in IC maker Siliconix for about \$4.1 million, increasing its holdings to 21%. Westinghouse said it may acquire controlling interest or seek merger... RCA has reached agreements to sell manufacturers All-Steel (office furniture), Raco (electrical equipment) & Picker (medical equipment), terms undisclosed. Units are subsidiaries of CIT Financial, acquired by RCA earlier this year... Bendix decided not to exercise option to acquire 20% interest in semiconductor maker Nitron for \$6 million.

Casio sales of electronic watches jumped 130% to 6.5 million, calculator volume rose 44% to 14.2 million in half to Sept. 30, with exports accounting for most of rise, company said.

TOY BUSINESS WOES: That bust in electronic toy & game market forecast here last Feb. (Vol. 20:7 p13) has apparently started. Industry's 2 biggest marketers Mattel & Milton Bradley, say that while sales are increasing, growth pace has dropped off sharply.

Problem, of course, is too many marketers of too-similar products, along with intense price competition, shrinking demand for basic LED chase-type games that launched industry 4 years ago. Only thing plentiful is game ICs, and semiconductor manufacturers are suffering from inventory buildup as new orders fall off. "I can get all the chips I want this year," one game maker told us, "but they're for last year's games." Chips for newer games with video-like displays are still hard to get.

Mattel said it expects to report reduced earnings in fiscal 3rd quarter, cited lower than expected electronic game reorder rate from retailers. Mattel declined comment on report it will take extensive electronic game inventory writedown this year.

Milton Bradley, nation's 2nd biggest toy marketer after Mattel, says it's shutting Caribbean plant opened just 15 months ago, laying off 200. Company said its electronic toy sales didn't increase at expected rate, so it's consolidating production at plants in U.S. MB expects its electronics sales to be up 50% this year, which would put them at about \$176 million. It reported 141.4% increase in electronic toy sales in 1979 (Vol. 20:19 p14).

1/4" CASSETTE PROGRAMS: Recorded software for Technicolor's 1/4" VCR is scheduled for marketing in 4-6 weeks by Home Theatre (HT), L.A., which will draw from library of 200-300 children's shows, 1,000 how-tos and some 300 music selections, according to Pres. Alfred Landau.

Technicolor's Compact Video Cassette (CVC) currently has capacity of 30 min., but hour version is scheduled for early 1981. Landau says HT will distribute programs to as many as 1,000 outlets, with opening catalog of about 25 titles at \$25 suggested list. HT affiliate Video Assoc. will duplicate from 1" masters to 20-40 Technicolor slave units; 10 have been installed so far.

Lackluster phone market at retail is behind GTE's decision to shut down Salt Lake City manufacturing plant after only 6 months of operation. About 155 workers will be idled. Plant was built primarily to make telephones for sale to consumers through retailers & independent telephone companies. GTE said demand from its customers was so "far below projections" that plant was uneconomical to operate. Production is being shifted to Huntsville, Ala., where GTE has launched \$5 million cost-reduction program. While phone producers have always held high expectations for consumer market, repeated surveys have shown consumers much prefer stealing extensions from phone companies to buying them at retail.

SEPT. TV IMPORTS: Canada, Singapore & Korea were main contributors to rise in imports of complete color TVs in Sept., while shipments from Japan held about even with same 1979 month and Taiwan's declined, Commerce Dept. figures show (Vol. 20:45 p11).

Here's breakdown by country of complete & incomplete TVs for Sept., with 9-month results in parentheses: Japan, total TV 117,600, -9.8% (741,800, -29.5%); color 54,400, -33.4% (354,500, -41.5%); b&w 63,100, +30.2% (387,300, -13%). Taiwan, total 354,800, -26% (3.26 million, -0.5%); color 42,400, -68.1% (541,000, -30.4%); b&w 312,400, -9.8% (2.72 million, +8.8%). Korea, total 223,200, +7.7% (1.52 million, -0.7%); 30,700, +113.6% (199,600, -19.9%); b&w 192,500, -0.1% (1.32 million, +3%). Singapore, total 61,800, -19.9% (557,500, +3161%); color 55,700, -27.6% (517,800, +287.6%); b&w 6,100, +2877.6% (39,600, +10942.3%). Canada, color 16,700, +141.8% (77,600). Mexico, color 136,600 (1.14 million), no comparable 1979 figures.

Month & 9-month imports of complete color TVs: Japan, 42,700 +0.1% (286,500, -31.4%); Taiwan, 21,600, -22.2% (230,000, -17%); Korea, 30,000, +108.8% (198,900, -20.1%); Singapore, 15,100, +83.7% (48,700, -38.1%); Canada, 14,800, +157.2% (72,800, -0.2%); Mexico 64 (6,200), none last year.

Imports of incomplete color (chassis & kits): Japan, 11,800, -69.9% (68,000, -64%); Taiwan, 20,800, -80.2% (311,000, -37.9%); Singapore, 40,500, -26.4% (469,100, +495.6%); Canada, 1,900, +65.2% (4,800, -13.7%); Mexico, 136,500, +6% (1.14 million, +3.5%); Korea, 700, none in Sept. 1979 (700, +1300%); Philippines, 6,800, -5.8% (68,000, +455.6%).

Winter CES staff has come up with 1,800 new hotel rooms for Jan. 8-11 event in Las Vegas, to replace block of 1,500 that had been set aside for showgoers at burned out MGM Grand (Vol. 20:47 p11). Space had been reserved for use by travel agents and gambling junketers. Problem of finding replacement hospitality suites is still being worked on. In related statement, show sponsor EIA Consumer Electronics Group said that of list of companies reportedly dropping out of show, one Dual, shifted from Convention Center to Jockey Club, where high-end hi-fi producers exhibit, and that while Superscope-Marantz won't attend, it will have Jockey Club display for Esotec audio line. Several others listed as dropouts never were scheduled to exhibit.

Radio Shack opened 4,000th company-owned store in Salem, Ore., raising total number of owned & franchised outlets worldwide to 7,800. Company said sales in fiscal first quarter to Sept. 30 were up 15% to \$334.9 million.

MGM Grand Hotel in Las Vegas has been scratched as site for Zenith's May distributor convention for obvious reasons, locale expected to be shifted to Fontainebleau in Miami.

PRESSURE ON JAPAN: Pressure on Japan to ease up on exports worldwide, further open its home market to imports, continues to build, and with it comes renewed threats of protectionist action.

Congress is considering resolution giving President authority to negotiate restrictions on imports even though International Trade Commission finds they're not needed to protect domestic industry. While move is aimed at cancelling out ITC rejection of quotas for auto imports, it would set precedent for all future requests, erode position of ITC and give Congress new clout in area. Should resolution be approved, action on it will be left up to incoming Reagan Administration, Carter spokesman told Congress last week.

Also being left for GOP leadership is change in import adjustment assistance rules for injured workers & industry. Bill to ease eligibility standard, broaden benefits, approve extra funding, has been shelved by current Congress. Meanwhile, aid requests continue to pile up, most recent coming from displaced color TV components workers at RCA in Indianapolis and Sylvania in Batavia, N.Y.

Japanese are nearing Dec. 31 deadline U.S. has set for them to agree to open domestic telecommunications equipment market to foreign bidders. Failure to reach agreement would result in Japan's being barred from bidding on U.S. govt. contracts, which could effectively shut Japanese products out of rapidly growing segment of audio-visual equipment business here. Ban could be made to extend to local govt. purchases made with federal funds.

Japan's grip on European VCR market is being threatened in Austria, where Philips has major production facility, produces some 300,000 VCRs annually for sale throughout EEC. Though direct VCR exports from Japan to Austria are minimal, market is being flooded with Japanese-made units shipped in from other European countries. Austria is trying to find legal way to limit Japanese VCRs to 33% of estimated 25,000 annual domestic market.

Cassette changer for current Sony Betamax SL-5600 & SL-5800 models is now on market, providing up to 20 hours unattended recording or playback. Programmable attachment, which accommodates 4 cassettes automatically, can be set for continuous recording or for one program per cassette. Open-listed, it's being sold at \$180-\$200.

Aged workers will be employed at specially designed telephone mouthpiece plant being built in Texas by Japan's Primo, world's largest manufacturer of microphones. Production will be totally automated, with elderly black & Mexican workers handling certain assembly & packaging functions.

Price hikes of 10-12% for paper & aluminum capacitors, increase of 4-6% for other types, were announced for Jan. 3 by Aerovox.

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
Armstrong International			
1980-year to Sept. 30	28,484,000	2,413,000	.98 ^a
1979-year to Sept. 30	25,297,000	(2,143,000)	--
1980-qtr. to Sept. 30	5,433,000	352,000	.14 ^a
1979-qtr. to Sept. 30	4,607,000	(2,132,000)	--
Fotomat			
1980-9 mo. to Oct. 31	178,685,000	2,525,000	.29
1979-9 mo. to Oct. 31	153,560,000	(9,000)	--
1980-qtr. to Oct. 31	63,900,000	1,610,000	.19
1979-qtr. to Oct. 31	56,556,000	(276,000)	--
Lee Enterprises			
1980-year to Sept. 30	136,958,000	20,050,000	2.79 ^a
1979-year to Sept. 30	115,805,000	15,393,000	2.13
1980-qtr. to Sept. 30	33,652,000	4,087,000	.57
1979-qtr. to Sept. 30	28,710,000	4,399,000	.61
Republic			
1980-qtr. to Oct. 31	76,081,000	2,407,000	.83
1979-qtr. to Oct. 31 ^b	77,618,000	4,247,000	1.50
Technical Operations			
1980-year to Sept. 30	30,020,000	1,868,000	1.57
1979-year to Sept. 30 ^b	22,793,000	1,858,000	1.32
1980-qtr. to Sept. 30	7,566,000	796,000	.78
1979-qtr. to Sept. 30 ^b	5,611,000	586,000	.41

Notes: ^aIncludes special credit. ^bRestated.

Ad notes: Texas Instruments names McCann-Erickson for consolidated \$20 million account, including consumer products, replacing about 20 separate agencies. TI has launched its first rebate offer, giving \$4-\$20 back to purchasers of selected calculators, translators & learning aids... Commodore shifts \$5 million home & personal computer account to Levine, Huntley, Schmidt, Plapler & Beaver from Al Paul Lefton... ABC Video Enterprises chooses Hecht, Higgins & Petterson, N.Y., and west coast affiliate Hecht/Dyer as ad agency... Panasonic & GTE are closed-captioning their TV commercials. An aid for deaf, captions are visible only to owners of decoding adaptors or special sets marketed by Sears... Apple signs Dick Cavett as spokesman in radio & newspaper ads aimed at small business computer users... NEC Telephones appoints Korf & Isaacson for \$300,000 account... ITT Consumer Products begins TV & newspaper campaign for one-piece \$70 electronic telephone... Electra will promote cordless extension phone in campaign including major market TV, CATV exposure on Cable News Network and Entertainment & Sports Programming Network, consumer magazines, starting in Nov... Ampex sets promotion offering 4 extended range audio cassettes for price of 3, plus storage case, at \$11.95. Additionally, it will offer discounts on 3-packs of standard cassettes.

Next color manufacturer in Korea may be b&w TV & audio producer Chunilsa, which signed 3-year contract to acquire technology and other assistance from Japan's NEC. NEC will get \$30,000 up front, royalty equal to 3% of Chunilsa color sales.

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with Consumer Electronics ...

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Consumer Electronics Personals

T. Takayama, former Sanyo Australia pres., named to same post at Sanyo U.S., succeeding Y. Takemoto, now responsible for all Sanyo North American operations... Seth Waller appointed gen. counsel & secy., Matsushita Electric Corp. of America; Robert Marin promoted to Panasonic gen. counsel, succeeding Waller... Bernard Appel promoted at Radio Shack from senior mdsg. & ad vp to mktg. exec vp; Robert Keto, former senior vp for U.S. stores, appointed operations exec. vp.

James Poyner, United Media Enterprises vp, named head of new TV Div... Patricia Leible appointed gen. mgr. of Teletronics Southwest duplication plant; William Hellyer named accounting mgr., Teletronics Video Services, Des Plaines, Ill... Murray Nass rejoins APF as sales vp.

Howard Reymers promoted at UL to vp in charge of Melville, N.Y. testing facility, replacing Al Lutgens, retired; Donald Mader advanced to Melville managing engineer, succeeding Reymers... Prem Rishi, Panasonic, named N.Y. Chapter vp, Society of Consumer Affairs Professionals in Business.

Walter Clements, Littelfuse pres., adds post as vp of parent Tracor's Components Group, succeeding Jack Hughes, retiring... Brian Elliott promoted at NEC Electron to discrete semiconductor product group mgr... Masato Nebashi, former head of Japanese MITI VLSI Technology Institute, joins IBM Japan as asst. to pres., responsible for liaison with govt. & industry.

NARDA annual convention is set for March 23-25 at New Orleans Marriott Hotel.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

PAY-CABLE SUBSCRIBERS up 57.5% among top 50 operators. All other categories also show substantial increases over year ago. (P. 1)

ELECTION, IMAGE CONCERN RTNDA: News dirs. to study "problem" of network projections of winners while polls still are open. Public disdain and mistrust of media major topic at RTNDA convention. (P. 2)

PREMIERE ON OFFENSIVE: Studio chiefs continue to catalog alleged misdeeds of HBO; Justice Dept. witness asserts Premiere is 'cartel.' (P. 4)

ABC SETS CABLE NETWORK: Alpha service will hit cultural market, be transmitted on Warner Amex transponder on Satcom 1. (P. 4)

BROADCAST BILL FALTERS: Cross-ownership bill, including 5-year license amendment, faces tough road through Senate, gets last chance this week. (P. 5)

FCC MOVE DOUBTFUL: Congress pressures FCC to delay action until after Jan. 20; At least 4 Comrs. agree; will vote Dec. 18. (P. 5)

FERRIS TO STAY AWHILE: FCC Chmn. says he isn't leaving Jan. 20, won't say how long he'll stay. (P. 6)

MINORITIES SEEK LOW POWER TV: CPB backed minority group seeks 100 stations. (P. 6)

TOP 50 PAY-CABLE TOTAL UP 57.5%: Most striking figure in our traditional survey of top 50 cable operators, included in Special Supplement for Western Cable Show, is 57.5% increase in pay-cable subscribers to 5,836,104 as of Oct. 1. Last year, figure was up 32.3% over 1978.

All other figures showed strong increases: Basic subscribers, up 20.1% to 12,796,287; homes passed, up 22% to 23,004,316; homes in franchised areas, up 27.6% to 30,613,454; miles of plant in use, up 16.7% to 229,880; miles planned for next 12 months, up 23.3% to 52,579.

With total of all basic cable subscribers in U.S. running just about 17,000,000, top 50 have 75% of them. Figure has been running 65-70% in recent years. Top 50 have achieved increase through internal growth and acquisitions.

Consumer Electronics

RCA VIDEODISC to debut nationwide on single 'opening day' in March at \$499.95, starting with 100 discs at \$14.98-\$27.98. (P. 8)

OPTICAL VIDEODISC'S main replication base shifts to Japan in big expansion of Universal Pioneer for 5 million discs a year. (P. 9)

COLOR-VCR BOOM accelerated in Nov., which broke records in both categories. B&w sales in near-record performance. (P. 10)

REMOTE CONTROL set new color penetration records at production level in 3rd quarter, EIA total market figures show. (P. 10)

FOTOMAT NOW RENTING Magnetic Video titles without any authorization. Retailers are quickly jumping on the rental bandwagon. Other software notes. (P. 12)

PIONEER NET AT RECORD in fiscal 1980 despite indicated 12% 4th quarter decline. Morse loss increased. BASF terms video & audio cassette sales disappointing. (P. 12)

ULTIMATE HI FI seen as video-audio wedding by high-end sound firms. Fisher, Superscope, Kenwood, Aiwa look in the direction of disc, VCR and also projection. (P. 13)

Here's how top 10 run: Teleprompter, 1,337,515 basics, 444,813 pay; ATC, 1,220,000 & 783,000; TCL, 1,034,000 & 419,000; Cox, 883,585 & 464,024; Warner, 725,000 & 450,000; Times Mirror, 545,361 & 248,357; Storer, 534,100 & 272,200; Viacom, 467,000 & 203,000; Sammons, 398,386 & 157,137; UA-Columbia, 380,000 & 252,000. Note: Time Inc. announced plans last week to purchase Capitol Cable of Austin, Tex., which has 90,000 subscribers, but Teleprompter would still be number one in subscribers over Time and its subsidiary, ATC, if deal goes through. Price tag of purchase from Home Theatres Inc. (half owned by Midwest Video subsidiary and LBJ Co.) was about \$55 million. (For complete figures in all categories for all 50, see Special Supplement.)

PROJECTIONS, PUBLIC CONCERN RTNDA: With very little opposition, RTNDA members last week directed their board to "study the problem" of networks predicting election results before all polls are closed. Resolution, introduced by William Swing, KPTV Portland, Ore. news dir., didn't offer proposed solution but did direct board to come up with recommendations by 1981 convention.

Burgeoning growth of RTNDA is about to lead to another major step -- expansion of Washington hq and addition of full-time pres. In questionnaires circulated at last week's convention in Hollywood, Fla. majority of new dirs. are expected to favor full-time pres. Outgoing Pres. Curtis Beckmann, WCCO(AM) Minneapolis, said he would recommend such a move to board and members are expected to vote by mail. RTNDA now has 2,400 members -- double membership in 1976 when Washington office was opened, now headed by Exec. Dir. Leonard Allen. Attendance at last week's convention was 1,567. In addition, record 78 exhibitors taxed facilities of Diplomat Hotel, with many exhibits placed on hallways because there was no other room in the inn.

Other major issues centered around continued govt., court and public attacks on First Amendment, public's seemingly low regard for news media, particularly TV. Many speakers addressed themselves to both issues; all agreed public disdain for media is continuing to grow. Pauline Frederick, accepting prestigious Paul White Award at closing RTNDA banquet, commented: "Is broadcasting exercising statesmanship by offering details of rape, pillage, destruction, drugs, incest, life beyond the pill, teenage suicide, child molesting, battered parents, the degradation of people... and how to beat the system? These sound like some of the titles for X-rated movies around Times Square. As a matter of fact, they were the subject matter of recent local and national news programs, designed to snare listeners and viewers from the competition."

Panel of network news executives followed business session, which adopted resolution on election projections -- which were subject of many questions. "I am less concerned about the hullabaloo... When a politician loses, he always blames the press," according to NBC News Pres. William Small. "You get a lot of cries from the west coast, particularly when there is a landslide." ABC Vp Jeff Gralnick conceded that "there is not unanimity among the networks about what ought to be done."

Questioners were very critical of widespread use of polls by networks and Small agreed that "I am skeptical." However, Gralnick and CBS Vp Burton Benjamin said they are useful tools. "I would not want to give up polling because of the experience this year," Benjamin added. All three network executives said they are ready, willing and able to lengthen evening news, but affiliate opposition keeps this from happening. Small saw "a ray of hope because that crap that goes on the air from 7:30-8 p.m. is getting more and more expensive" and expectation that FCC will exempt network news from prime time access rule.

Benjamin said CBS "very much wants an hour of news... we are ready to do it." Gralnick: "We would have loved to have gone to 45 minutes or an hour of news yesterday." He called gavel-to-gavel convention coverage a dying dinosaur. Benjamin said he is "terribly troubled" by ABC's allocation of 4 minutes in news to Kaiser Aluminum -- without any right to edit because "it sets a terrible precedent."

One of most praised sessions -- but worst attended -- featured Lee Hanna, dir. of Presidential debates for League of Women Voters. Peppered with questions, Hanna said "from the beginning, we grossly underestimated the difficulties and the frustrations... campaign strategists made the debates a political football." He said Carter and Reagan "really did not want to debate at all... In the final moments of the campaign, right before the last debate it became crystal clear to us that the President did not want to debate at all and was really looking for a way to get out of it." He said Cleveland and Baltimore debates cost League \$800,000, expenses of host cities brought total cost of debates to \$1.2 million.

League Board meets in Washington this week, and Hanna said he will propose that it form coalition of several national organizations to establish a "National Commission on Debates." Future debates "must be free of political influence" and single organization like the League isn't strong enough to withstand the pressures while coalition of several could.

Keynoter Reuven Frank, NBC news exec. vp, decried uses of new technology simply as gimmicks ("I believe we were better off when technology was not so advanced,") use of consultants ("for every dollar spent on consultants to improve their ratings, there has been a nickel spent on consultants to improve the news") and fact that TV reporters often become as important as the news they are covering: "The reporters on the scene, some real, some so-called, have become too important... There are times one feels that the most important editorial decision made at a news location is which of the reporter's shoulders is turned toward the camera. Luckily, there are only two possible answers."

CBS Correspondent Daniel Rather, who is slated to succeed Walter Cronkite on evening news in spring, decried fact that "network farm system" (daily newspapers) to train broadcast reporters is drying up. He also plumped for hour news, hit "happy news" and complained that college students aren't being properly trained and joined Frank in hitting excessive use of new technology: "I wonder if we're not sacrificing too much in our pellmell plunge toward technology. I wonder if we're not becoming the slaves of these advances, not their masters."

Rather also complained about court attacks on press freedoms, said "It is no overstatement to say that the Supreme Court has been in the process of repealing the First Amendment. Most of the public does not know that. Many who do, frankly do not give a damn or... applaud what the Court is doing." He urged RTNDA to join with SDX and other groups to seek "opportunities to explain [to public] what it is we do, how we try to do it, and what our standards and values are."

Cable News Executive Daniel Schorr, followed much same theme as Rather. He said news media are criticized constantly "by minorities and majorities of all kinds, from the Nixon Silent to the Reagan Moral... The attack has mounted to a growing chorus of public acclaim... We could endure the slings and arrows of the mighty as we defend the public weal, if only the public supported us. But more and more, they seem to take sides against the news media... What's happened? Why don't they love us anymore? Didn't we make them the best-informed nation in the world?"

NCTA is pushing amendment to maritime bill to prohibit phone companies from providing cable service in their service areas, except where home density is under 30 homes per mile. Move has House support, but opposition in Senate (which would have to add amendment because bill has passed House) is expected to kill it.

Adult movies on cable will be discussed by NCTA board at meeting this week in Anaheim (at Western Cable Show). NCTA Pres. Thomas Wheeler said X-rated films are already barred by NCTA code, but announcement of satellite-transmitted R-rated "sexploitation" programming has made it necessary to examine topic again (Vol. 20:48 p5).

Ted Turner charged 3 networks with destroying American values by loading schedules with sex, crime & materialism. Turner told National League of Cities meeting: "Television has been used to destroy us. If the networks had been run by our most powerful enemies, they couldn't have done a better job of breaking us down."

Japan's viewdata system, Captain, starts full commercial operation in 1983, according to announcement by postal ministry & Nippon Telephone & Telegraph. Extended testing will be conducted in 1981 & 1982, subscribers increasing from 1,000 to 2,000 and number of pages doubled to 100,000 during test period.

STUDIO CHIEFS ATTACK HBO: Catalog of complaints about HBO's allegedly anti-competitive tactics was recited from witness stand at N.Y. federal court last week. Premiere partners continued to try to shift emphasis from alleged antitrust violations by Premiere, turning focus onto behavior of HBO. Not revealed: Likely outcome of Justice Dept request for preliminary injunction to stop Premiere from starting Jan. 2. Judge Goettel was playing it right down middle, court watchers agreed.

Paramount Pictures Pres. Richard Frank testified HBO in 1977 demanded rights to show movies on any new service offered by HBO (such as Cinemax), also wanted exclusive 3-month window, STV rights, right to sell movies to unlimited number of motels without additional cost to HBO, substantial increase in number of free previews, Canadian & Mexican rights and right to show movie after its run on commercial TV without additional cost. "They wouldn't even talk price until we agreed to those demands."

Columbia Pictures Senior Vp Lawrence Hilford said his company had considered buying cable systems to avoid having to deal with HBO, but that it would have cost them more than \$2 billion to acquire enough subscribers to make it worthwhile and "we couldn't afford that."

Stephen Roberts, 20th Century-Fox Telecommunications Div. pres., said his company decided to join Premiere because HBO threatened to boycott all of Fox's programs and movies after Fox sold the movie "Breaking Away" to commercial TV, bypassing pay-TV. But after formal announcement of Premiere, they were able to negotiate some license deals with HBO, he said. He also said Fox was negotiating with Holiday Inn about providing programming to its hotels when HBO reduced its rates to Holiday Inn, below rate offered to MSOs, killing Fox deal.

Bruce Owen, dir. of JD's economic policy dept., labeled Premiere a cartel which could use embargo to drive up licensing fees at will. Owen contrasted Premiere with highly competitive cable market, but acknowledged under cross-examination that operators control franchises and can say "no" to any service offered them. Competition from MDS & STV amounts to no more than 1% of subscriber universe, he said. Owen also agreed that backward integration of MSOs into programming — steps taken by Viacom, Teleprompter, Warner & Time -- could be "anti-competitive," but labeled that "an incipient problem."

National daily newspaper transmitted by satellite is planned by Gannett Co., our Satellite Week reports. Paper will be beamed by satellite to regional printing plants, feature business & sports news. Gannett plans press conference next week, refused to comment on Satellite Week report. Gannett officials involved in project were forced to sign secrecy contract.

ABC SETS SATELLITE NETWORK: ABC Video Enterprises (VE) will launch "Alpha" cable service April 5 on Satcom 1 transponder carrying Warner Amex Satellite Entertainment's Nickelodeon. Alpha will feature 2-1/2 to 3-1/2 hours of performing & visual arts nightly, starting at 9 p.m. eastern time, repeated around midnight for West Coast. Nickelodeon reaches estimated 3.5 million cable subscribers on 700 systems now, is expected to pass 6 million by end of next year. VE has responsibility for production, WASE for marketing, while both handle promotion & advertising.

VE Vp Herbert Granath said ABC is going it alone for now, although VE "very well may have" partners in several specialty programming ventures planned for cable. Second is scheduled for introduction late next year, may or may not be on WASE transponder. WASE has several to spare, thus is prime candidate, regardless. Granath wouldn't identify subject area, but said it's one of 4-5 that VE market research has identified.

While pay TV is possibility, bulk of effort will be devoted to basic services. Granath told us they'll be free to CATV operators, with corporate underwriters and ancillary home video markets sole sources of revenues. Research shows operator profit margins "are shrinking... He's caught in a squeeze," Granath said. "He won't be able to pay for these services eventually." Rainbow Programming Service's Bravo package of cultural events is being marketed as pay-only. CBS Cable, other network rival, hasn't decided whether or not to charge operators for basic service.

Signal piracy of pay TV can be dealt with only through "clear, unambiguous congressional language," MPAA Pres. Jack Valenti told FCBA in Washington. He said signal scrambling "is not a credible solution. It is costly, often produces fuzzy pictures, and most important of all, can be deciphered and broken." He also noted that piracy is something that producers and cable operators can agree on.

"Dial" magazine can continue to be promoted on air by WETA-TV Washington, FCC ruled last week. Washingtonian magazine publisher had asked Commission to stop station from promoting ad-carrying magazine, saying no broadcasters are allowed to promote own commercial ventures.

FCC voted to hire GS-15 employees, one each, for Best. Bureau, Chief Scientist, Common Carrier Bureau, after long hassle last week — majority concluding jobs aren't political and additions are essential. Lee, Washburn & Quello dissented.

Tele-Communications Inc. has agreed to buy from institutional investor 83% of the stock of Horizon Communications Corp., which has cable systems in 9 states. Tele-Communications already owned 3%.

NAB's proposed budget for 1981 will be \$7.95 million, up from \$7 million for current fiscal year.

BROADCAST BILL FALTERS: Cross-ownership bill, which includes 5-year license proposal, faces murky future. Congress' decision to continue working this week, postponing scheduled Friday adjournment, gave new life to bill, but chances for passage remain slim.

Senate Commerce Committee earlier in week unanimously approved House-sponsored cross-ownership bill, turning it into more general broadcast measure by tacking on 6 amendments including 5-year license measure, sponsored by Communications Subcommittee Chmn. Hollings (D-S.C.). Bill immediately encountered opposition from Senate floor; appeared to be dead because controversial measures can't be considered by unanimous consent — meaning time would run out before bill could come to vote. With session extended, bill could come to vote in Senate early in week.

However, chances remain slim. Sen. Metzenbaum (D-O.), chmn. of Judiciary Antitrust & Monopoly Subcommittee, opposes basic cross-ownership measures, is concerned about bill's effect on public interest by legislating ban on considering cross ownership in renewal. Other stumbling block in Senate is controversial amendment sponsored by Sen. Goldwater (R-Ariz.) to permit Western Union Telegraph to engage in international communications. Move occasioned fierce lobbying effort by international record carriers, with whom Western Union would compete.

Even if Senate passes bill, it faces hurdle in House. Commerce Committee Chmn. Staggers (D-W. Va.) opposes 5-year license measure (many in House want to hold off on issue until major broadcast rewrite next session), and Rep. Swift (D-Wash.), bill sponsor, opposes any amendments. Also, little time remains for working out differences between House-Senate versions. Other amendments added by Senate Committee include: Measure, requested by Sen. Inouye (D-Hawaii), making Hawaii domestic point for telecommunications purposes; Hollings provision permitting FCC to use different procedures in renewal & initial license hearings; Amendment clearing up language problem in Swift bill which inadvertently singled out Paducah TV-newspaper owner (NBC affiliates' Chmn. Fred Paxton) for divestiture.

Amendment, sponsored by Hollings to clear up other concern about Swift language, created wording problem of its own. Measure permits FCC to consider cross-ownership in renewal if, for some reason, general cross-ownership rules no longer existed; was seen as way of closing loophole in case rules are abandoned someday. Wording, however, led to concerns in House and broadcast industry that it would permit FCC to consider, in comparative renewal, ownership interests in any non-regulated area, such as video discs.

Willingness of Senate Republicans to go along with large number of amendments was surprise. Republicans would like to take credit next year for measures such as 5-year license, but apparently took

chance, figured bill wouldn't pass, and thus could vote for popular measures, while still having opportunity to sponsor them again next session.

FCC MOVE DOUBTFUL: As of last week, 4 of 7 FCC members — Washburn, Fogarty, Quello, Jones — were prepared to vote to defer action on planned FCC move to Va. until after new administration takes over, action which could kill move. Reagan transition team reportedly opposes it.

Vote on move, scheduled for regular FCC meeting last week, was postponed at last minute by Chmn. Ferris until Dec. 18. Action came after Commissioners received sharply worded letter from House Commerce Committee, carrying signature of soon-to-be Committee Chmn. Dingell (D-Mich.), "strongly urging" delaying move.

Said letter, also signed by Reps. Van Deerlin (D-Cal.), Broyhill (R-N.C.), and Collins (R-Tex.): "Your legislative efforts... to make such a move have completely circumvented the Committee... By taking your case directly to the Appropriations Committee without the slightest consultation with our Committee you have put us in a position of not being able to evaluate... consequences... No member nor any member of our staff was consulted... We have never been briefed... though we have complete jurisdiction over the Communications Act."

House action had strong support from Republicans on Senate Commerce Committee; "We share the sentiments expressed in that letter," said key aide. Legislation permitting move cleared Senate, but future still is in doubt. Measures are attached to appropriations bill which also includes controversial anti-busing amendment, which President Carter has threatened to veto.

Meanwhile, Chmn. Ferris snubbed nose at pressure from GOP Congressmen to defer all major action until new administration takes over. Answering letters from Sen. Packwood (R-Ore.), new Commerce Committee Chmn., and Reps. Broyhill & Collins, Ferris said FCC is required "to conduct business as that business is presented to it." He added that Pres. Carter's statement urging deferral on major issues "was directed at all Executive branch agencies... as you know, we are an agency independent of the Executive and must exercise our own judgment." Ferris noted that children's TV issue has been deferred because staff is still working on it, but radio deregulation proceeding will continue as scheduled.

"Charlie's Angels" case was dismissed by L.A. County Dist. Attorney, who said dealings between ABC and producers were "questionable," but not warranting criminal prosecution. ABC praised decision. SEC still is investigating case.

NAB is buying insurance for next convention, at \$20,000, covering fires, strikes, etc. Chmn. Thomas Bolger said proposal was in works before MGM Grand fire in Las Vegas but "that accelerated it."

FERRIS TO STAY AWHILE: Chmn. Ferris has announced plans to remain at FCC beyond Jan. 20, but how long he plans to be there is still unknown. According to key aide, his "intention is to stay around until at least Feb. or March and see what happens."

Ferris went on record about plans in letter to Reps. Broyhill (R-N.C.) & Collins (R-Tex.), written in reply to their request that he hold off on major policy issues because of administration change. Said Ferris: "I would like to correct an apparent misapprehension [sic] on your part. I have not, in fact, announced my intention to resign on Jan. 20, or on any other date. Indeed, my current plans are to stay at the Commission beyond that date irrespective of any decision President-elect Reagan may make."

Meanwhile, FCC transition team plans to present interim report, including recommendation for interim FCC chmn., to Reagan staff next week (Comr. Lee, considered in running for interim post, reportedly hasn't been approached yet). Team leader Michael Gardner said report won't be made public, will survey issues and suggest options." Gardner said team also met with Congressional leaders, was struck by strong feeling there about lack of cooperation from FCC. "They were very specific about it. There was a sense that this FCC under Ferris, as opposed to other FCCs, is not looking to Congressional intent when they act."

SATELLITES TO QUADRUPLE: FCC action last week authorizing launch of 20 new satellites, approving construction of 5 more, will ease transponder shortage for broadcasters, cable, represents \$2 billion investment in new capacity. Action could lead to more than 600 transponders being available in mid-1985, up from only 160 today. Fitting all satellites into geostationary orbit will require adoption of 3-degree separations -- issue to be addressed in proceeding early next year.

Commission approved orbital slot plan amid concerns expressed by Comrs. Jones & Brown that action sends undesirable signal to other countries -- that U.S. is hogging orbital spots. "It really sounds like American imperialism returning. It reads badly," complained Jones. Said Brown: "I'm not really clear about what we're telling the international community."

Under FCC plan, RCA Americom and Western Union Telegraph were granted 4 orbital slots each, were told they could ask for more if traffic needs can be demonstrated. Satellite Business Systems, GTE Satellite Corp. and Hughes Communications were granted 2 slots each. Comsat won approval to launch another Comstar early next year, while AT&T was granted 2 slots for its forthcoming Telstar satellite system.

Some internal FCC documents in TV allocations proceeding have been placed in public file on Freedom of Information Petition of AMST -- and Commission extended deadline for comments to April 15, replies June 15, in Doc. 80-499.

MINORITIES SEEK LOW POWER TV: CPB backed minority group plans to apply for low-power TV stations in top 100 markets, hopes to use PBS or NPR station towers. Community Telecommunications Development Foundation, which CPB helped to set up to make low-power applications, consists of members of boards of 10 minority groups, including Booker T. Washington Foundation, National Puerto Rican Coalition & National Congress of American Indians. Foundation is to receive \$25,000 grant from CPB, CPB will handle engineering.

First priority for new stations would be local programming; later affiliation with PBS or creation of new low-power minority network may follow. CPB has asked NPR & PBS to use their towers for new low-power antennas. CPB said NPR has been very cooperative on request, however, some resistance can be expected from some PTV stations. Low-power stations clearly would be competing for some of same audience -- and for contributions, grants and underwriting. And with money becoming more and more difficult for PBS stations to come up with, prospect of competition isn't too exciting.

Meanwhile, PBS board killed late-hour proposal to set up separate corporation to seek low-power licenses for PTV. Board members, among other things, were concerned about appearing to be opposed to minority low-power stations. Instead, board voted to urge FCC to reserve some low-power stations for non-commercial use, later will oppose dupoly provisions which bar PTV stations from seeking low-power licenses within same market.

DBS notes: (1) Concern is growing in Europe mixed with anticipation over possible market for earth and space systems valued at \$40 billion. International conference on new communications technology held in Liege, Belgium, Nov. 25-28, culminated in warning from West Germany against proposed Luxsat system of Radio-Tele Luxembourg and Anglo-Swiss Tel-Sat project -- envisioned as broadcasting commercial programs across international frontiers. German warning was sounded by Albrecht Muller, of plans office of Chancellor Helmut Schmidt, lecturing conferees on dangers of Luxembourg's plans, suggesting use of jamming to prevent foreign satellite telecasts. Also expressing concern was Chris Smeeke, Dutch radio-TV system, citing danger of invasion of commercials on Luxembourg and Swiss DBS systems. (2) Extending life of satellite broadcasting project, Canadian Communications Minister Francis Fox said: "We are nearing the point when commercial direct broadcasting satellite services will be a reality." Fox said use of Anik B to provide DBS services to 75 British Columbia & Ontario communities will be permitted to continue for additional 19 months. Govt. has 33 applications to start DBS service to remote areas.

Avery-Knodel named rep for 2 Ga. ABC affiliates -- WJBF Augusta & WTVM Columbus; WZTV Nashville will be repped by Independent TV Sales.

Personals

Jack Hogan, WZZM-TV Grand Rapids, moves up to RTNDA pres., succeeding Curtis Beckmann, WCCO(AM) Minneapolis; Wayne Godsey, WTMJ-TV Milwaukee, defeated Peter Williams, KTWD-TV-AM Casper, Wyo., for pres.-elect; Robert Cain, WGBS(AM) Miami and Robert Gilmartin, KIII-TV Corpus Christi, elected to board.

Robert McAuliffe, exec. dir., BFMA, elected chmn., new Best. Inter-Assn. Council; Nate Boyer, exec. dir., National Assn. of Black Owned Bstns., vice-chmn.; Philip Balboni, WCVB-TV Boston, secy.-treas.; Tom Dawson, BPA pres., and Wally Johnson, exec. dir., Assn. of Best. Engineering Standards, were elected to exec. committee.

Nolan Quam moves at Cowles Bestg. to gen. mgr., KCCI-TV Des Moines and vp of parent... Denis Curley moves at Field Communications to dir., business affairs... David Simon, WTTG Washington program dir., named a vp... James Stabile, former assistant gen. counsel, Metromedia, named assoc. gen. counsel... Ray Sullivan moves from national to local sales mgr., KFVS-TV Cape Girardeau... Janice Webster, ex-graphic designer, selected promotion mgr., WTRF-TV Wheeling.

Lawrence Grossman, PBS pres., addresses FCBA, Washington, Jan. 13; Thomas Wheeler, NCTA pres., speaks Feb. 10... Larry Eads moves at FCC from assistant chief, Policy & Rules Div., to acting chief, Best. Facilities Div... Eric Veale moves from dir.-operations, to vp-operations at Viacom... John Swords, ex-Worldvision, joins Trident TV Assoc. as dir., syndicated sales, eastern region... Fred Petrosino, ex-New England TV Corp., named vp & gen. mgr., ITVS... Richard Moran, ex-Viacom, named vp & sales mgr., northeast, Metromedia Producers Corp.

Nancy Widmann, former CBS Radio Div. vp., joins WCBS-FM as vp & gen. sales mgr; James McQuade moves from WCBS-FM to WCBS-AM as vp & gen. mgr; Michael Ewing moves at CBS Radio to vp & gen. mgr., spot sales... Ellyn Ambrose, former regional affiliate relations mgr., selected vp, sales, NBC's The Source.

Seth Abraham, former dir. of sports programs, named vp-sports, HBO; Stuart Rekant, ex-dir. of business affairs, film programming, selected vp-programming business affairs; Dominic Serio, former studio productions gen. mgr., named vp & studio gen. mgr; Matthew Blank, ex-mktg. mgr., becomes vp-Cinemax & multi-pay mktg.; Robert Caird moves from dir., mktg., to vp, mktg.; William Grumbles, former Kansas City & Dallas regional mgr., named vp & gen. mgr., central region; Stanley Thomas promoted from dir. to vp, national accounts.

William Butler, ex-WDVM Washington, joins Premiere as regional mgr... Sandy McGovern, ex-Xerox, becomes Rainbow Programming Services central region sales mgr.; Pam Wilson, ex-Cox Cable,

selected dir. of sales planning & administration; Lila Reinhard, ex-Revlon, appointed public relations mgr... David Wheaton moves at United Video to corp. treasurer.

NEW SENATE LINEUP: As expected, Sen. Goldwater (R-Ariz.), has been named to chair Communications Subcommittee. Subcommittee lineup hasn't been decided, but full Commerce Committee will include 9 Republicans, 8 Democrats (composition now is 10 Democrats, 7 Republicans). New Republicans are Stevens (Alaska), and 2 freshmen, Robert Kasten (Wis.) & Slade Gorton (Wash.). Rest of Republican membership is same, minus Warner (Va.). Democratic faces remain same, except for Magnuson (D-Wash.) who was defeated (by Gorton) & Stevenson (D-Ill.) who retired.

Kasten, 38, who defeated Sen. Nelson (D-Wis.), is described as strong conservative. He served 2 terms in Congress, leaving in 1978 for unsuccessful bid for Wis. governor, then became investment counselor in Milwaukee. Gorton, 52, calls himself "moderate conservative," served for 12 years as state attorney general. He was appointed by President Ford to National Consumer Advisory Council in 1975.

Meanwhile, Sen. Thurmond (R-S.C.), new Judiciary Committee Chmn., announced he has eliminated Antitrust Subcommittee; also formed new Regulatory Reform Subcommittee, chaired by Sen. Laxalt (R-Nev.), and Agency Administration Subcommittee, chaired by Sen.-Elect Charles Grassley (R-Ia.).

Low-power TV update: (1) Low-power & translator cut-off date was announced by FCC for 226 UHF & VHF applicants; petitions to deny must be filed by Jan. 16. (2) SEN Pres. Rene Anselmo wrote FCC asking for freeze on low-power stations until minority and community groups have chance to file. He urged limit on number of stations any group could be granted, preference for local applicants, preference for "free" service over pay-TV service, bar to frequency "squatting," with loss of grant to applicants not on air within 12 months. (3) ABC plans to file at FCC in support of NAB request to freeze low-power grants (Vol. 20:47 p4).

Easing ban on TV in courts, N.Y. Appeals Court opened appellate court proceedings to TV & radio coverage as of Jan. 1. Defendants don't appear in proceedings; court upheld ban on live coverage of criminal trials.

Sen. Dole (R-Kan.) will present 5-day-a-week radio commentary on agribusiness for 70 stations. Upcoming Senate Finance Committee Chmn. signed 5-year contract with O'Connor Creative Services for undisclosed amount.

Obituary

William McDaniel, 62, former NBC Radio Network exec. vp, died of cancer Nov. 26, at Vero Beach, Fla. home. Wife, 2 daughters, stepson, survive.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Nov. 21 (47th week of 1980):

	Nov. 15-21	1979 week	% change	Nov. 8-14	11-mo. 1980	11-mo. 1979	% change
Total TV.....	546,879	418,215	+30.8	435,212	14,389,086	14,379,082	+0.1
color.....	332,708*	220,414	+50.9	252,835	8,945,120	8,828,058	+1.3
monochrome..	214,171	197,801	+8.3	182,377	5,443,966	5,551,024	-1.9
Home VCR.....	29,590*	17,360	+70.4	22,262	681,683**	412,803	+65.1

Color TV 5-week moving average: 1980—275,916**; 1979—229,118 (up 20.4%).

Home VCR 5-week moving average: 1980—26,177**; 1979—15,500 (up 68.9%).

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

RCA PLAYER TO DEBUT AT \$499.95 IN MARCH: In campaign as carefully planned as a military operation, RCA will open nationwide sales of Selectavision CED discs & players at 5,000 dealers on single day next March, accompanied by push on network TV, right after giant-scale ad campaign starts in March 22 magazines. Suggested list price will be \$499.95, with discs \$14.98-\$27.95, "most of them under \$20." So RCA told enthusiastic distributors at Dallas meeting last week.

In major departure from existing practice, RCA will publicize "under \$500" price in ads, which will rely heavily on network TV after first magazine burst, in biggest ad campaign for any single product in its history. Distributors were told media tests showed importance of giving price, because consumers all thought it was much higher.

Introductory catalog will feature 100 discs, with 25 more titles shipped in May for July introduction, 25 more to be introduced in Sept., at least 10 monthly thereafter, RCA still presumably aiming at about 300 by end of first year of sales.

RCA indicated players are now in production, promised to ship one to each distributor this month for familiarization & training and display at open houses. Players will be warehoused regionally for rollout, and company promised dealers they'd have good initial quantities to sell on debut date. As to stereo, RCA officials conceded it may be important, but pointed out VCR was successful in mono mode, that "you can't be all things to all people," once again promised to have stereo version later.

As if to underscore that it won't neglect VCR for disc, RCA said it's scheduling its largest magazine ad campaign in Jan.-Feb., along with 3 major retail promotions: (1) Giveaway of \$100 worth of blank tape with programmable recorder. (2) 7-day home trial of high-end camera. (3) Fotomat film-to-tape transfer coupons worth \$50 with purchase of color camera. Consumer Electronics Vp-Gen. Mgr. Jack Sauter forecast VCR sales would "break the one-million mark" in 1981.

At same meeting, RCA announced average 1% factory price rise in color, 2.5% in b&w. Suggested list prices of 28 "selected" color sets in current line were raised \$10-\$20. As

forecast here last month (Vol. 20:46 p9), RCA also announced its Feb. entry into color projection TV business, but didn't disclose price or product details.

RCA confirmed that projector would have 50" screen, Planning & Design Vp David Daly forecasting that VCRs, discs & video games, along with projection, would develop "videophile" market. He noted that RCA introduced its first projection TV -- b&w with 300-sq.-in. picture -- in 1947 at \$1200. As we've reported, RCA's color projector will be made by Hitachi and probably will be priced in \$2,500-\$3,000 area.

RCA's color price increase covers only about 65% of its 43-model line; presumably many of others will be replaced in Feb. Monochrome price hikes apply to 11 models, or about 60% of line. Sauter forecast 1981 sales of 10 million color, 6 million monochrome sets. Two 25" color sets and one 12" b&w were introduced, all open-listed.

Although RCA will sell Sears & J.C. Penney their starter sets of CED videodisc players, both are shopping for additional players in Japan, with Hitachi seen as at least one supplier to Sears, although Sanyo & Toshiba are also seeking OEM customers. One Japanese source says Sears is about to sign contract with Hitachi. Hitachi has contracted to supply players to Radio Shack (Vol. 20:45 p9). Montgomery Ward is also believed to be talking with Japanese suppliers about CED players.

Even before RCA's distributor meeting, J.C. Penney was outlining sales & training program for CED players & discs to its district managers at N.Y. meeting last week. Company explained why it chose CED system -- mainly program availability (Vol. 20:46 p12) -- forecast "phenomenal" 5-year growth pattern for both disc & VCR. It also told dealers that it was temporarily out of VCRs due to unexpected demand.

MAIN OPTICAL DISC BASE SHIFTS TO JAPAN: Bulk of consumer optical disc duplication will come from Japan starting next year as result of big expansion of Universal Pioneer into large-scale production, with capacity scheduled to reach 5 million albums annually in 1982. DVA's existing Costa Mesa, Cal. plant will continue to produce both consumer & industrial discs, but its current capacity is dwarfed by new 200,000-sq.-ft. facility in Kofu.

To accomplish large expansion, capitalization of Universal Pioneer (UP) is being more than doubled to nearly \$27.5 million from \$12.5 million, costs shared equally by UP's two 50% owners, Pioneer & DVA (latter owned 50-50 by IBM & MCA). Both MCA Pres. Sidney Sheinberg & U.S. Pioneer Exec. Vp Ken Kai characterized as "too low" Japanese reports that plant would begin shipping 30,000 discs monthly to U.S. next spring. DVA Pres. Jack Reilly called 5-million annual capacity "reasonable estimate" starting in 1982.

DVA will handle plant's output in U.S., Pioneer in Japan. First production is expected to concentrate on hour-per-side CLV discs -- that format, which precludes most of optical (LV) system's special effects, will be used for all movies in future. Sheinberg told us output will be "more advanced 2nd-generation disc." As to DVA's current Cal. output, he said: "We have really crossed some major bridges. I'm more positive about the future of the optical system than I have been for some time." He added that production reached record level in Nov.

Shortage of discs, nevertheless, is still holding up sales of players. Asked about Pioneer's decision to suspend expansion of Laserdisc player marketing (Vol. 20:47 p9), Kai told us discs, not players, constituted principal hangup. "We're holding back because of software," he said. Pioneer players now are in 650 stores in 54-55 markets, and "we'll supply them to any new dealers who request them," but Pioneer won't initiate expansion. He indicated dealers are blaming Pioneer for software problems, and "we're being cautious not to overdo it -- we don't want to antagonize people."

N.Y. is best disc player market, Kai said, principally on basis of large population and number of stores. Nov. was best player sales month to date, he said, adding most dealers have

less than one month's inventory and are reordering. Software problem — which has plagued LV format from start — became most critical early last month — "and we moved back."

COLOR-VCR BOOM ACCELERATED IN NOV.: Color TV & VCR picked up more momentum in Nov., according to EIA sales to dealer figures, setting all kinds of new records. Consider these:

Color — It was first time more than million sets were sold in any Nov., up 21.3% from last year and 8.9% over previous Nov. record, set in 1978. Three of Nov.'s 4 weeks set records for those weeks, and final week was 2nd best week in history (after this year's final Sept. week), up 50.9% over same week last year. Average weekly color sales in Nov. were 12.8% above those of Oct., 12.4% above Sept. Annual sales rate in Nov. was 10.98 million, highest of year, bringing 11-month rate above 10 million. Color's 5-week moving average was at all-time high at month's end.

Home VCR — It was biggest month in history for VCR sales, 71.8% ahead of Nov. 1979, with 5-week moving average also at all-time high. Average weekly sales were 30% higher than in Sept. and more than 2-1/2 times higher than in calendar 1979. Based on available seasonal data, Nov. VCR sales were at annual rate of 801,000 and 11-month sales ran at 785,000 rate.

Inventory statistics indicate new color TV supply is coming into market to stave off serious shortages, factory plus distributor stocks at end of Nov. totaling more than 2,360,000, up 9.7% from year earlier. Factory inventories at over 1.3 million were up 18.8%, while distributors held some 1,056,000 sets, up just 0.2%. During Nov., total inventories declined 1.2%, factories increasing their stocks by 1.9%, distributor inventories falling 4.7%.

VCR inventories were dangerously low, not enough to last through Dec. at current sales rate — 106,500 in factory plus distributor hands, down 14.3% from year earlier; factory inventories were down 29.3% to just over 66,000, with distributors holding some 44,000, up 22%. During month, total VCR inventories declined 8.7%, factory 1.4%, distributor 17.2%.

Nov. was 2nd best month for monochrome sales since 1973 — best was last Sept., a 5-week month. Here are EIA's figures on sales to dealers for Nov.:

Product	Nov. 1980	Nov. 1979	% change	Nov. 1978
Total TV.....	1,862,421*	1,562,322	+19.2	1,611,684
color.....	1,077,998	888,826	+21.3	990,331
monochrome.....	784,423	673,496	+16.5	621,353
Home VCR.....	97,521**	56,771	+71.8	49,980

*Record for Nov. **All-time record for any month.

COLOR REMOTES SURGED IN 3RD QTR.: Color industry pulled out stops in 3rd quarter when it came to remote control, according to EIA total market (production plus imports) figures. They show that while total new supply rose just 10.8% in quarter from same 1979 period (Vol. 20:46 p10), number of sets with remote jumped 38.9% to 772,700, for 30.5% market share, record for any quarter.

Remote penetration set records for both portable-table & console models in quarter, rising 25.9% in portables to 509,600 for 27.1% share, jumping 73.6% to 263,100 in consoles for 40.3% share. Electronic tuners also set all-time quarterly penetration high at 54.4%, with 20.2% increase to 1.38 million. Remotes are included in electronic tuner total.

In 1980's first 9 months, number of color models with remote rose 31.4% to 2.06 million, for 27% market share, up from 20.9% in same 1979 period, with remote portables up 26.9% to 1.43 million, accounting for 24.4% of that segment. In consoles, remotes climbed 43% to 631,000, for 25.6% share. Output of color with electronic tuning rose 14.3% to 3.72 million, for 48.9% share, up from 43.6%. In portables, electronic-tuned models jumped 23.2% to 1.76 million, for 39.9% share, up from 33%. Less dramatic was 1.9% rise to 1.39 million for electronic-tuned consoles, an area where feature has been included in most step-up models for last 2 years. Electronic tuning was found in 78.8% of consoles for full period, down from 79%.

Color industry's output mix by type & size held essentially to 1979 pattern through first 9 months, with portable-table models accounting for 76.8% of new supply, down from 76.9%, while consoles & combinations edged up to 23.2% from 23.1%. Within portables, only significant mix change was for 14-17", which fell to 7.9% of that segment from 10%, as output dropped 19.8% to 459,200. Results for other portable-table screen sizes: 12"-&-under, 375,900, up 4.8% for 6.4% share (up from 6.2%); 13", 1.06 million, up 6.4% for 18.1% share (up from 17.4%); 18-19", 3.74 million, up 2.9% for 64% share (up from 63.3%); 20" & over, 209,300, up 15% for 3.6% share (up from 3.2%). Also produced or imported, but not included in color set totals, were 30,000 projection systems.

In b&w, new tinyvision breakouts show 8"-&-under at 408,800 for 8.5% share of new supply, 9-10" at 209,800, for 4.4% share, putting total 10" & under at 618,600, up 12.9% for 12.9% share (up from 11.2% in same year-earlier period). For other sizes: 11-12", 3.58 million, up 2.4% for 74.9% share (up from 71.7%); 13-17", 180,300, down 35.2% for 3.8% share (down from 5.7%); 18 & over portable-table, 389,300, down 27.4% for 8.1% share (down from 11%); consoles, 13,600, down 4.1% for unchanged 0.3% share.

EIA puts total AC-DC b&w supply at 991,000, down 3.5%, accounting for 20.7% of market, down from 21.1%. Decline came in 11-12", where AC-DC dropped 25.4% to 397,600, while in 10"-&-under number of AC-DC models rose 8.3% to 593,400.

9-MONTH COLOR TV PRODUCT MIX

Type	Units	1980		1979	
		% change	% of total	Units	% of total
Portable-table.....	5,847,724	+ 1.8	76.8	5,745,757	76.9
Console.....	1,755,414	+ 2.8	23.1	1,707,820	22.9
Combination.....	6,914	-59.1	0.1	16,903	0.2
TOTAL.....	7,610,052	+ 1.9	100.0	7,470,480	100.0
Projection TV*....	29,976	—	0.4	—	—
Remote control....	2,056,339	+31.4	27.0	1,563,993	20.9
Electronic tuning..	3,723,948	+14.3	48.9	3,257,961	43.6

*Not included in totals.

Hong Kong exports of consumer electronics to U.S. in first 7 months this year were valued at \$305.8 million, up 37% from same 1979 period, Trade Development Council reports. Watches & clocks represented largest export category, rising 64% to \$110.9 million, with portable radios distant 2nd at \$53.5 million, up 37%. Other key products: Clock radios \$42.1 million, up 105%; portable radio-recorders \$29.5 million, up 63%; pocket calculators \$25.5 million, up 37%; portable cassette recorders \$14.1 million, up 28%. Hong Kong's worldwide consumer electronics exports rose 46% in period to \$953 million. Totals exclude shipments of non-video electronic toys & games.

ITA adopts seminar registration policy giving preference to representatives of member companies, starting with 11th Annual Audio-Video Seminar March 15-18 in Hollywood, Fla. Only member registrations will be processed through Jan. 25, after which requests from non-members will be handled on date-received basis. ITA puts ceiling on number of attendees, and reservation requests have exceeded capacity in past. As result, ITA says, it has had to turn away members.

China bought 300,000 b&w TVs, 130,000 radio-cassette recorders, 400,000 wristwatches, from Japan in first 6 months this year, according to Japan-China trade promotion group.

RENTAL REBELLION: Fotomat is renting 4 Magnetic Video cassette titles in face of MV's adamant opposition to anything but customer purchase. Comment from 20th Century-Fox Telecommunications Pres. Stephen Roberts: "I'll have to consult with my attorneys on that. We have not sold them the product [directly]. It is unauthorized, especially the rental part."

Fox subsidiary can't stop shipments of these or other titles to Fotomat because chain never signed anti-rental clause, thus has had to buy MV cassettes "at retail," says Video Operations Vp Stephen Wilson. "We believe that for the industry & Fotomat to flourish all of the product now available for general distribution has to be made available on a rental & sale basis." Fotomat is copying nationally what retailers have been doing locally. Copyright lawyer says that aside from "a lot of bluster, there's nothing Magnetic Video can do about it" once ownership changes hands.

Fotomat has negotiated rental deals only with Paramount & Disney among major studios, now expects to add others next year whether or not they agree. In related move, franchiser Video Station has told 200 affiliates that way to bypass Disney dual-inventory plan is to purchase cassettes from independent sources "and rent away to your heart's content."

Other recorded cassette developments: Retailer profile, developed by Video Consultants in 214 interviews, shows average recorded cassette dealer does \$24,000-\$27,000 monthly, with 10-30% in X-rated programs, has 300-400 cassette inventory, including duplicates. Nearly 75% of respondents have membership tape rental programs, charge average \$50 first-year membership fee, \$5 per rental, against \$10 for non-members. Dealers indicated 70-90% of their business was in VHS format. For details on 1980 National Video Research Survey contact: VC, 414 S.E. 13th St., Troutdale, Ore. 97060.

In-store duplication rights to master tapes of 50 movies is offered by Cable Films in Kansas City, Mo. Dealers pay CF for 3/4" master videocassette, can then make unlimited number of Beta or VHS copies at no extra charge. CF says recorded cassettes can be sold for \$15-\$50, or retailers can use them as promotion, recording movies free for purchasers of blanks.

Fotomat has temporarily withdrawn 11 Columbia titles from 1981 catalog until studio's duplicator adds signal used to inspect tapes at high-speed. Movies include Fun With Dick & Jane, Breakout, Shamus, 6 from Cinema 5 collection.

ABC Video Enterprises is about to license 8-9 titles for CBS disc catalog, due soon after RCA CED launch in March. VE expects programming crossover from cultural cable service (p. 4) to disc & cassette, will let cable underwriters use both for promotional purposes, is particularly interested in business & education markets. Rollout of Schooldisc project

with National Education Assn. probably will be delayed from Sept. 1981 to Jan. 1982, however. Scholastic will publish first issue of new video-oriented education magazine in Sept. NFL Films expects to sell 500,000 recorded cassettes by Jan., 6 months after start-up. Video Assoc., new L.A. duplicator, plans 1981 capacity of 500,000 cassettes.

PIONEER RESULTS: Pioneer consolidated net fell indicated 12% to \$22.4 million in fiscal 4th quarter to Sept. 30, was up 28.2% for year (see financial table). Sales for quarter were up indicated 20.8% to \$454.7 million, rose 25.3% for year. Full year totals were records.

Company said strengthening of yen against dollar in closing months of year adversely affected profitability of foreign operations. Report shows Pioneer's overseas sales jumped 30% to \$890 million in fiscal 1980, accounted for 65.2% of volume, up from 62.8% in 1979. Sales in Japan were up 17.2% to \$475.8 million. Company said bulk of foreign sales gain came in Europe. Sales in North America were up only slightly because of "depressed audio market conditions."

Automotive audio was Pioneer's fastest growing segment in 1980, sales rising 36.8% to \$467.7 million, while home audio continued as largest business, as volume increased 20.5% to \$821.2 million. Sales of other products, including videodisc players, CATV equipment, increased 14.9% to \$76.9 million.

Morse reported \$967,000 loss in quarter to Sept. 30, against \$939,000 deficit in same year earlier period, on 20.1% sales decline to \$17.6 million. Net loss for fiscal first half was \$2.66 million, against \$633,000 loss last year, as sales dropped 23.4% to \$24.4 million. Full period loss was after special \$2.73 million credit stemming from debt restructuring.

BASF sales of blank video & audio cassettes "failed to meet expectations" in 3rd quarter, although magnetic media for computer & data processing markets did well, company said.

Redundant 64K RAM being offered to OEM by Intel actually has 67,000-bit memory. It costs more to make than standard 64K RAM but, Intel says, that's balanced by higher yields. When defective elements show up in chips, Intel is able to short them out, re-direct current flow. As result, actual discard rate is low. While IBM & Bell Labs have been producing redundant ICs, Intel is first to make them commercially available.

Sears' projection TV (Vol. 20:45 p12) has been priced at magic \$2,995 figure in retail stores after "re-evaluation" of originally planned \$3,200. It assumes status of regular product, rather than market test, will be featured in spring-summer catalog at \$2,950. It's made in U.S. by Sanyo Mfg. Co. At CES, Mitsubishi will introduce new-model one-piece projection system claimed to have double the brightness of existing model, at 120 ft.-lamberts.

VIDEO—ULTIMATE HI FI? High-end audio manufacturers are talking increasingly of "wedding of audio & video" producing offspring which is "ultimate in high fidelity," and some blessed events will be celebrated at Jan. CES.

Favorite areas for hi-fi brands are projection TV & optical videodisc players, and some are also going to VCR. Trail was blazed by Advent, which originated home projection TV and could announce commitment to optical (LV) videodisc system (with player made by Universal Pioneer) at CES, enter later into VCR marketing (Vol. 20:47 p8). Pioneer, of course, is pushing LV disc system, will preview its projection TV in Las Vegas hotel suite during CES (Vol. 20:47 p11). Fisher will go all-out, with high-end projection, direct-view color TV, LV disc, Beta VCR at CES (Vol. 20:48 p9).

"Superscope is going into video," will probably offer VCR as first product in 1982, according to Chmn. Joseph Tushinsky. "We're now looking at the whole video industry, including videodisc players & projection systems." Video products will be offered under Marantz brand. "That name is still magic," and attracts consumers looking for high-end products, Tushinsky said. He told us company bounced video entry idea off dealers at 2 recent conventions, "and they are very much behind us."

Tushinsky said he hasn't yet settled on format for either VCR or disc, acknowledged link with Philips in both areas is distinct possibility. Superscope just completed sale of most of its overseas assets to Philips for \$34 million, will be buying audio products from Dutch company and its affiliates. Tushinsky told us he liked Philips' Video 2000 VCR, but said Superscope wouldn't offer it in U.S. unless some other major companies did too. "We're not in a position to pioneer a new tape format." He pointed out that Superscope has close ties to several Japanese manufacturers of VCRs & videodisc players, so variety of supplier & format options are open.

Kenwood says it's "studying" possible entry into video in U.S., isn't committed to any system, but parent Trio showed own LV optical videodisc player at recent All-Japan Audio Fair, and reportedly will manufacture LV system for export to European market.

Aiwa, independent subsidiary of Sony, is Beta licensee in Japan, and company officials here say it probably will enter U.S. video market in "year or so." Sansui will show own semiconductor laser pickup for LV system at CES, but says it currently has no consumer video plans. Yamaha is understood to be VHD licensee, but company currently says its main interest in system is AHD audio version.

VCR sounds certain to get more attention from audio manufacturers. Akai's recorder, for example, features Dolby noise reduction and provision for stereo soundtrack. New KLH Burwin Dynamic Noise Filter at \$379 is designed to reduce tape hiss when VCR sound is played through hi-fi system.

SUPERSCOPE EYES PROFITS: With reorganization & debt restructuring finished, Superscope will return to profitability in year. That's prediction of Chmn. Joseph Tushinsky last week following completion of \$34 million sale of most overseas assets, foreign rights to Marantz brand name to Dutch Philips (Vol. 20:39 p13).

Virtual elimination of debt load is major factor in recovery plan, according to Tushinsky. Superscope gave banks \$30 million in return for cancellation of \$8.9 million in accrued interest owed, conversion of remaining debt into \$9.9 million loan. Loan agreements excuse Superscope from repaying principal for 3 years if net profit doesn't exceed \$2 million, gears amount of interest payment to profitability.

Sale terms call for Superscope to buy specific percentage of product requirements from Philips under 15-year agreement, extendable to 25 years. "That really obligates Philips more than it does us," Tushinsky said, explaining company remains free to deal with other suppliers, requires that Philips be competitive. He said Superscope will continue buying from Japanese & Taiwan plants sold to Philips — "we have a long-standing relationship with them" — added Superscope will also have access to Marantz-brand products that Philips plans to make in Europe. Superscope will continue producing speaker line in U.S.

Superscope retains North American distribution rights for Marantz & Superscope products, Latin American distribution for Superscope. Philips will market Superscope line in Europe for next 3-1/2 years, "after which we expect to take that back," Tushinsky said. While putting audio house back in order has first priority, Superscope has started laying groundwork for expansion into video, could have first products in 1982, he told us.

Computer notes: Radio Shack is phasing out TRS-80 Model I \$500 personal computer, leaving \$699 Model III as lowest priced offering. Company indicated it would have cost too much for modifications for Model I to comply with tougher FCC interference standards going into effect Jan. 1... IBM is following Xerox into retail business, plans to open chain of stores to sell personal & small business computers, dictation equipment, lower priced copiers, typewriters, other office gear, provide service on walk-in basis... Texas Instruments cut \$300 from price of home computer console, putting it at \$650. That's about what purchasers were actually paying during TI's recent \$200 rebate promotion. TI said some employees will be required to take extended vacations during Christmas-New Year holiday because of sluggish computer sales, slowdown in demand for certain MOS ICs... Radio Shack & Compuserve have started information & banking service in Knoxville with local United American Bank.

Samsung is Korea's first color tube exporter. Company says it has started shipping to Canada's Electrohome, will supply 5,000 tubes by year's end, also has order for 1,300 from Japanese trading company.

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
Canadian Cablesystems ^a			
1980-year to Aug. 31	70,030,000	12,025,000	.69
1979-year to Aug. 31 ^b	39,715,000	9,830,000	.60
Pioneer Electronic ^c			
1980-year to Sept. 30	1,388,216,000	90,643,000	--
1979-year to Sept. 30	1,102,380,000	70,704,000	--
Texscan			
1980-6 mo. to Oct. 31	12,167,023	660,313	.45
1979-6 mo. to Oct. 31	6,791,319	210,950	.17 ^d
1980-qtr. to Oct. 31	6,856,942	443,643	.30
1979-qtr. to Oct. 31	3,652,989	138,098	.11 ^d

Notes: ^aIn Canadian dollars. ^bRestated. ^cAt yen's current rate. ^dAdjusted.

TOSHIBA MW OVEN DUMPING: Japan-made countertop microwave ovens are being sold at dumping (less than fair value) prices in U.S. and Toshiba is chief offender, Commerce Dept. said in issuing final determination in case opened last year on complaint from AHAM (Vol 19:31 p9). Case now goes to International Trade Commission for ruling on whether dumping has injured domestic producers. ITC issued preliminary positive injury determinations in Sept. 1979 and again last Feb. (Vol 20:6 p11).

Commerce said it conducted detailed analysis of home market vs. export pricing of Matsushita, Sanyo, Sharp & Toshiba, which together account for 98% of U.S. oven imports from Japan, found only Toshiba was dumping, so excluded ovens made by other 3 from finding. Agency said it found average 1.1% dumping margin on all imports from Japan. Margins ranging from 0.2% to 57%, and averaging 13.1%, were found on 73% of Toshiba-made ovens. As result, Toshiba is being required to post dumping bonds equal to 13.1% of value on future imports, others, including Hitachi, Mitsubishi & Riccar, will post 1.1% bonds.

Draft safety standard for CB antennas from Consumer Product Safety Commission staff, designed to prevent electrocution of installers if antennas contact overhead power lines, would require protection from lines carrying up to 14,500 volts. Standard would leave choice of insulation or isolation to manufacturer, require producers to test antennas, certify compliance. CPSC still hasn't decided whether to issue mandatory standard or accept industry proposal for voluntary safety program.

AM stereo deadline for comments has been extended by FCC to Jan. 9, reply comments Feb. 13, at request of Motorola & Magnavox. It also turned down petitions of Kahn & Hazeltine for consideration of marketplace issues before submission of technical data.

Correction: Video Society retail plan does not include rentals (Vol 20:47 p13).

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Consumer Electronics Personals

Trevor Jones promoted at Wells-Gardner from chief electrical engineer to engineering vp, succeeding **Chad Pierce**, retired... **Richard Sirinsky** appointed Ampex Audio-Video Systems Div. mktg. mgr... **Bernard Franklin** named chmn. of Video Assoc., new L.A. duplicator; **Donald Andrews** becomes sales vp.

Sandra Lipson promoted at APF from import-export mgr. to administration vp... **Donald Sawyer** joins Mattel as vp of Mattel Communications, newly formed to explore growth opportunities in electronics... **Laurie Steinberg** advanced at CBS Records to press & public affairs dir.

Marvin Paris resigns as pres. of Garrard's U.S. marketing unit... **George DeRado** named to head U.S. sales subsidiary of Japan's Crown... **Sam Bauman**, ex-B&R Adv., joins Koss as mktg. vp... **Stan Peters**, Infinity Systems international operations dir., named vp.

Warning labels will be required by FCC on certain home computers granted waivers of recently adopted computer interference rules. Apple Computer & Heath Co. received extensions of time to comply with rules provided that home computers shipped in interim carry labels warning that operation in residential areas may cause "objectionable" interference. "If interference occurs, the user will be required to take all steps necessary to correct the interference," label must state. FCC also authorized Tandy Corp. to manufacture 30,000 peripheral interfaces to keep its promise to customers to supply such units. Tandy's waiver expires Dec. 1981; Tandy must correct interference caused by products or refund price to customers.

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

WESTERN CABLE SHOW reflects growth and worries about deregulation, franchise promises, copyright, censorship, & demand, despite headlong rush to build. (P. 1)

GOLDWATER AIRS PLANS: New subcommittee chmn. wants 10-year TV licenses, unlimited radio licenses, end to fairness doctrine, smaller FCC. (P. 2)

SEX AT CTAM: Adult movies were big issue at cable programming seminar. Some interest in establishing program code. (P. 3)

FINAL NETWORK INQUIRY recommendations contain no surprises, include repeal of PTAR and removing ban against networks owning cable. (P. 4)

CBS SEEKS CABLE SYSTEMS, asks FCC to give waiver to obtain systems with up to 90,000 subscribers for technological laboratories & programming innovation. (P. 5)

OLD COPYRIGHT WOUNDS opened in classic exchange at Western Show. Valenti & Kahn trade insults. (P. 5)

DEREGULATION vs. COMPETITION: Panelists at CIM-USC conference see deregulation continuing in new Administration but worry whether it will increase or decrease competition. (P. 6)

WESTERN CABLE SHOW—GROWTH & WORRIES: Western Cable Convention is often preview or dress rehearsal for NCTA convention in spring, and salient features of meeting in Anaheim last week included: (1) Agreement that deregulation will accelerate — but no agreement as to who should be deregulated and who should be controlled. (2) Concern over excessive promises in franchise fights, leading to excessive public expectations. (3) Mass of new or expanded program sources. (4) Unease over increased offerings of "adult" material. (5) Constant improvement in equipment. (6) Gradual growth in real experience with auxiliary services — advertising, security, data, etc.

Several of foregoing were reflected by panels of congressmen. Examples: Rep. Rose (D-N.C.) predicted Senate will join House in opening proceedings to C-SPAN. Rep. Kastenmeier (D-Wis.) said copyright bill will be reexamined but said: "The best answer is for compromise among the parties." Rep. Danielson (D-Cal.) agreed that copyright compromise would be "the

Consumer Electronics

RCA'S 'MAGIC' is \$20-\$30 million ad campaign for disc, stressing programs, simplicity, under-\$500 price, with March 22 kickoff. (P. 9)

ZENITH WINS BAR to TV dumping case settlement from Court of International Trade. ITC issues indefinite postponement of dumping injury reconsideration. (P. 10)

OCT. VCR IMPORTS were up just 1.5% from last year, down 10.4% from Sept. Both color & b&w TV post gains for month, 10-months. (P. 11)

GE VHD COMMITMENT relatively modest, according to Exec. Vp Van Orden, who notes TV, VCR & projection sales are strong this year. (P. 12)

JAPANESE OFF HOOK as AHAM withdraws microwave oven dumping complaint. Assn. says proposed penalties are too low. (P. 12)

RENTAL DAM BURSTING as MVC & MCA prepare plans for rental of recorded videocassettes. (P. 12)

PANASONIC JOINING exclusive \$1 billion sales club this year, though total includes appliances, industrial products, along with consumer electronics. (P. 12)

TOY MARKET WOES mount, with Mego expecting to report 3rd quarter loss. (P. 13)

perfect answer." He also ventured that when DBS starts it "will curl everyone's hair." Rep. Luken (D-O.) said FCC and Congress will have to maintain "continued oversight" of cable because, for example, cities would be imposing much higher franchise fees if it weren't for FCC ceiling.

House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) noted that cable "must face squarely" increased competition, asked how industry will respond. "Will you imitate those who tried to keep you out... Or, will you support open entry, open competition for those contemplating... services similar to those you would like to offer?... I would urge you to follow the latter course... Don't fight them in Washington, in the regulatory arena. Fight them in the marketplace."

Rep. Moorhead (R-Cal.) stated: "I don't like censorship, but the quality of broadcasting has deteriorated... If your industry doesn't see improvement, you will see the PTAs, special groups and religious groups call for censorship." He also said that program producers are getting "too few dollars" from copyright and "something has to be done." Rep. Swift (D-Wash.) ventured that Communications Subcommittee "will remain fairly liberal," more so than House as a whole. He noted that Sen Goldwater (R-Ariz.) wants "less active FCC" (see below) but said he suspects senator wants a "very active FCC, but conservative."

Franchising was on everyone's minds. Raymond Joslin, pres. of Cal. Cable TV Assn., delivered serious speech, well received, calling attention to: (1) Though vast numbers of channels are technically possible, it doesn't mean demand for them exists. (2) Few major market systems are true success stories. (3) Industry may be making promises it can't keep. (4) In Cal., 400 franchises will expire in next 5 years. "Where does the 12-channel operator stand in the renewal process, when 130-140 channels are being proposed in maiden voyages in the L.A. area?" (5) In regulatory process, "cable TV is no longer the communications underdog." In light of such facts, Joslin said, "activism by industry is the answer." Van Deerlin warned that "the industry, with or without outside help, will have to deal openly with the problem of competition for franchises — both new ones and renewals."

Veteran broadcaster and cable operator J. Leonard Reinsch told us he's really worried about franchise situation "in about 4 more years" because of excessive promises. Incidentally, he said he finds it ironic that major broadcasters are entering cable now — such as CBS & ABC — while he was pariah years ago when he put Cox into cable. "Why, I even lost friends," he said. In following pages, we offer additional reports from convention, plus coverage of major conferences presented in L.A. by CTM-USC and CTAM.

GOLDWATER PLANS MASSIVE CHANGE: Admitting measures face tough road to passage, Sen. Goldwater (D-Ariz.), new Senate Communications Subcommittee chmn., said he wants 10-year TV licenses, unlimited radio licenses, end to fairness doctrine, smaller FCC. Extended license renewal periods will be "first order of business," he said, because broadcasters need "more freedom — and that's what I want to give them."

Expanding on interview he gave Washington Star, he told Television Digest: "I have to admit [unlimited radio licenses] won't be easy to come by, but if I had my way, I'd go further, let anyone have any frequency and let the best man win. It's a hell of an idea and would never meet popular acceptance but it's just my way of thinking. I believe in free competition."

Added Goldwater: "No fee. I oppose the spectrum fee. You apply a fee to one part of the spectrum and you have to do it for all. You could devise a fee based on power, but we tried to work something out on that and couldn't come up with anything workable."

Common carrier takes back seat to broadcast, under Goldwater blueprint, except for measure permitting Western Union Telegraph to engage in international communications. Goldwater submitted amendment to failed Swift Bill on same issue. He was vague on cable deregulation, said "it's one of the biggest headaches. There is no consensus." Hearings on

cable, including cable-telco cross-ownership, will be held early in session, he said, adding he has been "personally assured" that AT&T doesn't want to originate programming, "but it's an issue that should be settled."

In apparent disagreement with statement by Commerce Committee Chmn. Packwood (R-Ore.), Goldwater said he wants to hold off on deregulation of AT&T until outcome of Justice Dept. antitrust suit against Bell (Packwood said he wants to "settle" suit through legislation). Said Goldwater: "I don't think you can do that. Sen. Packwood is not as close to communications as I am. You would immediately run into problems." (Key Republican aide said later that conflicting statements are "question of semantics... We hope we can work around it... I don't think it will prove to be a significant issue.")

Pet project will be possible legislation on use of satellite signals by private individuals. Goldwater is building dish at Scottsdale, Ariz. home, wants to pick up satellite TV signals, but has been warned by some attorneys that action could be illegal. "I have strong doubts that we'll come to consensus this year, but we want to. My own instinct is that once you send that rascal up to a satellite it belongs to anyone."

Fairness doctrine will be tough to get rid of because "a lot of congressmen like the idea; in many cases it's the only way they can get on TV." On DBS: "It's an area where we don't really have any law, nor do we know anything about it." He said he wants to reduce FCC size because "they're doing too much looking under the sheets of every radio and TV station in this country." Added Goldwater: "I want to get rid of Ferris within a half hour after the President is sworn in. I don't think he's a good commissioner."

GOP lineup on Communications Subcommittee has been announced by Packwood: Sens. Stevens (Alaska), Schmitt (N.M.), Pressler, (S.D.), along with Goldwater. Subcommittee has shrunk from 12 to 7; 3 Democrats haven't been named yet.

Meanwhile, cross-ownership bill, sponsored by Rep. Swift (D-Wash.), was on death bed in Senate at press time. Sen. Metzenbaum (D-O.) withdrew opposition to measure, but parliamentary maneuvering by Sen. Bradley (D-N.J.), who wanted amendment added to give VHF stations to N.J. & Del., placed bill in limbo. Bradley reportedly told NAB & Ad Hoc Newspaper Broadcast Committee (who planned to oppose bill if amendment was added) that he wouldn't introduce it if 2 gave written pledges in support of his FCC petition seeking N.J. station. Both refused.

On House side, Rep. Dingell (D-Mich.) was named Commerce Committee chmn., as expected. Committee membership won't be determined until mid or late Jan., but ratio will follow that of entire House, meaning 42-member committee would have 24 Democrats, 18 Republicans (Committee ratio now is 27-15, but 7 Democrats & one Republican won't be returning).

SEX & COMPENSATION AT CTAM: Biggest issues raised at CTAM's first Cable Operators' Programming Seminar (COPS), day before opening of Anaheim show, were sex & compensation. Availability of R-rated movies from Escapade & Private Screenings pay-TV services even raised spectre of operator's code. Panelist Mark Van Loucks of United Cable asked if there's need for code, drew "no" vote from most of large audience, but one attendee expressed surprise at number who wanted controls. NCTA ducked issue, deferring proposed discussion of sexploitation programming (Vol. 20:49 p3).

Rainbow Programming Services Pres. Gerald Maglio defended Escapade package, calling it "truth in labeling... unlike the foundation services," said surveys indicate about 80% of subscribers want late-night adult fare. Escapade is 90% R-rated and 10% PG, has promotional pitch which tells viewers to "send the kids to bed."

Satori executive Gary Connor told audience to "watch your 2nd-set installations grow as subscribers take TV sets into the bedroom with them." Connor said Private Screenings stops at

R-rated titles — for now. "There will come a time" when service carries X-rated movies, he said. Satori was exception among pay distributors represented on COPS panel. HBO said X titles "were not appropriate," Showtime thought it had to exercise "certain degree of taste," Warner Amex worried about adding maybe "5%" to subscriber base and losing "50% who'll cancel."

Matter of compensation relates to basic cable services. Operators repeatedly expressed concern about monthly fees they must pay program suppliers for services essentially given away to subscribers. Problem is especially acute in older systems, which have high penetration, often want to regroup basic & pay services into new tiers at separate rates. "Compensation issue is not a light one," warned ATC Vp Larry Howe, who asked when operators would be treated like broadcast network affiliates. Responses varied from ESPN, which said it was moving in that direction, to CNN, doubtful that rates could be reduced soon.

Distributors offer inducements of lower fees, more promotional help if services remain part of basic package. CBS Cable, for example, charges 15¢ per month for tier, waives fee if 90% of subscribers take package, charges nothing if service is free. Lack of channel capacity is another concern, directed particularly at religious programmers, each of whom requests own space. Operator commented: "You're going to have to [combine] on one channel possibly... and pay [us] something."

COPS drew about 500 to all-day session, prompted scheduling of 2nd seminar & exhibition, called COPS/EXPO, in New Orleans Oct. 4. It will be prepared in conjunction with NCTA.

FINAL NETWORK INQUIRY PROPOSALS: No surprises were included in recommendations to FCC by Network Inquiry Staff. Commissioners had asked for proposals after staff made final report in Oct. (Vol. 20:42 p2). Major recommendations:

(1) Re-examine TV allocations to determine whether modifications can be made to "increase the extent and quality of the coverage of additional networks." Staff said "substantial inefficiencies" could be eliminated. (2) Approve VHF drop-ins and low-power TVs. (3) Repeal ban against network ownership of cable (see p.8) and prohibition against owning more than one network.

(4) Reconsider decision preempting state & local rate regulation of pay cable. (5) Repeal "most rules" that restrict network contracts with affiliates. Staff said restrictions "impose unnecessary costs" and adversely "affect future affiliation patterns and do not further the public interest." (6) Repeal all rules on program ownership and network relationships with program suppliers.

And staff also told FCC it should repeal prime-time access rule.

FCC has denied NAB request that it suspend rulemaking to impose stiffer EEO requirements. At same time, agency granted extension — sought by Citizens Communications Center — to Dec. 8 for replies on proposal to adopt post card size renewal forms. Citizens is opposed to plan.

Group W starts daily hour-long satellite news feed to its owned TV stations starting Jan. 12. Origination will be from Philadelphia. Anita Klever, former public affairs program producer at KYW-TV Philadelphia, will be exec. producer.

Minor flap is brewing within NAB board over efforts of some to reimburse board chmn. up to \$50,000 per year. Controversy arose when Radio Chmn. Edward Fritts, owner of 8 radios in small southern markets, said he would be candidate to succeed Thomas Bolger as joint chmn. (Vol. 20:48 p6). While NAB pays chairman's expenses, plus those of spouse, many feel this won't be enough for Fritts and that he should be compensated for time away from his business. Immediate past Chmn. Donald Thurston owns 3 small stations in Mass., said he lost money as NAB chmn. but he is opposed to concept of paying chmn. for time lost from work. NAB started paying chmn. \$50,000 in 1965 (from which he paid own expenses), stopped more than 10 years ago.

More "oversight & investigations" of communications industries can be expected in next Congress; Rep. Dingell (D-Mich.) will become chmn. of both House Commerce Committee and Oversight & Investigations Subcommittee. Under previous chairmanships of Reps. Harris (D-Ark.) & Moss (D-Cal.), Subcommittee had been very active in broadcast matters, has been relatively quiet last 2 years under Rep. Eckhardt (D-Tex.).

Israel plans cable TV pilot operations in 2 Tel Aviv suburbs plus Elat & Tiberius. It has asked for bids by Feb. If satisfied with experiment, govt. will open country to cable, divided into 120 franchise areas. Operators must be controlled by Israelis. Several U.S. consultants are working on bids.

"The leading and only" candidate for press secy. under Reagan reportedly is James Brady, 40, who switched from Connolly to Reagan campaign when former withdrew from Presidential race, sources said. Brady also has been at HUD, Defense and worked for Sen. Roth (R-Del.).

CBS SEEKS CABLE ENTRY: CBS has asked FCC to grant waiver for network to purchase cable systems to be used as "advanced technology laboratory." Network wants waiver allowing it systems whose total subscribers are no more than one-half percent of all cable subscribers or 90,000 — whichever is larger. FCC Chmn. Ferris said he favors network cable ownership, although he wants networks to obtain only new franchises (p. 6).

CBS official said network doesn't plan to become "a MSO," is looking for small southern and small northern system to test demographics. "We are putting our eggs in programming where we think the big bucks will be," he told us. "The 90,000 limit [in FCC filing] is meant as a clear signal that this is the extent of our appetite."

Says filing: "CBS desires to apply effectively its technical expertise and record of innovation in the cable business. In order to do so, however, CBS must be permitted at least a limited entry into cable system ownership." It states cable ownership will also "encourage its further experimentation and development of cable programming as well."

Network stresses cable ownership now is "highly decentrated," which means "entry into cable system ownership by CBS would have no adverse effect on competition; indeed, the addition of a further rival would enhance efficiency, lower prices and increase the quality of cable service to advertisers and viewers." And, filing says waiver "will promote this Commission's policies favoring communications products and services, competition and diversity."

Network notes it is not seeking waiver for rule barring broadcast-cable ownership in same market. CBS owned cable systems until June 1971 when FCC barred networks from cable ownership.

Waiver application comes as no surprise. Last month, CBS Pres. Thomas Wyman told Television Digest network planned to seek change of ban on network cable ownership (Vol. 20:46 p1).

NCTA board meeting last week resulted in: (1) Approval of \$3.77 million budget, with deficit of \$230,000 to come from reserves of \$1.7 million. (2) Deferral of discussion of hard-R movies, apparently because some members want them. It will be on agenda at Feb. meeting at Key Biscayne, Fla. (3) Decision not to take a position on Ted Turner's petition to FCC to delete must-carry rule. (4) Action to support low-power rule proposal, making carriage optional and requiring station to protect systems against interference.

FCC denied request from Burbank Bestg. to disqualify Donald Ward law firm from representing AWARE Communications in bid to build new FM station in Burbank-Pasadena area. Burbank complained that ex-Chief Administrative Law Judge Chester Naumowicz, who presided over parts of case, now works for Ward firm.

OLD COPYRIGHT WOUNDS: Copyright panel discussion at Western Cable Convention was most delightful of all — featuring several distinguished wordsmiths (and revealing little new). Participants were MPAA's Jack Valenti, Broadband's Irving Kahn, NCTA's Thomas Wheeler, attorney Sol Schildhouse, FCC's Gregory Ballard. After each made his presentation, session evolved into slugfest between Valenti and Kahn.

Issue is ancient. Valenti wants to get rid of compulsory license, require cable operators to negotiate directly with producers. "The future," he said, "lies in pay cable, in advertiser-supported original programming." Kahn berated Valenti for agreeing to compulsory license bill in first place, now seeking to abandon it. Valenti argued that he had no other choice, was lucky to get what he did then.

Schildhouse argued that compulsory license for distant signals is "peanuts," that real action is in pay TV — and movie industry is getting plenty out of it. Valenti conceded that pay TV is the true focus, but argued that cable industry shouldn't, therefore, haggle over "pittance" paid for distant signals.

Debate got a little hairy after Wheeler attacked movie industry for Spelling-Goldberg type of deals. Valenti then cited franchise activity, asked Wheeler if he'd like to "trade corruption for corruption" and "porous morality" in franchising. Valenti ventured that Congress will amend Copyright Act properly this session; Kahn said he doubted it. "I don't want to go back to the days of L.B. Mayer," said Valenti. "How about the days of LBJ?" asked Kahn.

It went on like that for hour and half. Crowd loved it. Said one Washington attorney: "A classic confrontation."

FCC move provisions passed Senate as part of continuing spending resolution; final version still was pending in joint House-Senate conference at press time. FCC commissioners are scheduled to vote Dec. 16 on whether to authorize Chmn. Ferris to negotiate lease, may opt to postpone decision until after new chmn. takes over, action favored by FCC transition team. Lease still needs final approval next session from House & Senate Public Works Committees, which have authority on govt. leases for more than \$500,000. Next step would be gaining approval in 1982 budget for funds to finance move & new leases. Amendment permitting FCC to lease own office space & move out of Washington originally was attached to State, Justice & Commerce Depts. appropriations bill, which President Carter vetoed because of anti-busing amendment.

NCTA is seeking papers for annual convention in L.A. May 29-June 1. Contact Christopher Weaver, NCTA, 918 16th St. NW, Washington, D.C. 20006. 202-457-6772

M/A-COM and Communications Technology Mgmt. have reached preliminary agreement for CTM to help design interactive soft- and hardware.

DEREGULATION—AND COMPETITION: Just about all panelists at L.A. conference last week agreed that watchword in Washington will continue to be "deregulation" — but many were concerned that more competition won't necessarily follow.

Conference at USC, sponsored by Communications Technology Management (CTM) and USC's Annenberg School of Communications, featured addresses by Rep. Wirth (D-Colo.) and FCC Chmn. Ferris, several panels. Wirth (in speech delivered for him by legislative aide David Aylward), expected to become chmn. of Communications Subcommittee, said: "Like the trucking industry, much of the established communications industry has favored deregulation — but not for market entry, not for its competition. Business seems generally far happier with government as protector of the status quo than as an opener of new competitive doors. We must learn the sorry lessons of protectionism — not repeat them..."

"The plethora of delivery systems the market place is now giving us holds the great promise of many presses, many routes for conflicting ideas to get to the public. This engineering diversity will mean little without diversity of ownership, however. Last year, in the Commerce Committee, we scratched the surface of this question; it demands far more attention."

Ferris called for entry into cable ownership by new entities — including TV networks. However, he said: "Such growth should be accomplished by letting the networks make innovative bids for new franchises, not by gobbling up existing cable systems." He thus adopts recommendations of Commission staff — which apparently favors Westinghouse's purchase of Teleprompter but objects to network buys of systems. It remains to be seen whether an FCC controlled by GOP will agree with Ferris. And cable operators aren't likely to acclaim Ferris' position; they'd certainly rather have networks as potential buyers than as potential franchise competitors.

Frank Lloyd, asst. to Ferris, said Commission will still have to regulate, whether it wants to or not, because of "the rows of businessmen and women, believers in free enterprise all, who come before us in an unbroken stream petitioning for a marketplace advantage or marketplace protection."

Former FCC Chmn. Wiley foresaw: (1) Even more deregulation under Reagan, "especially in TV." (2) DBS not threatening broadcasting or cable — because it will have too few channels. (3) Possibility of troublesome interference from "equivalent protection" VHF drop-ins — but not from low-power stations. (4) Fewer restrictions on cross-ownership. (5) FCC "friendlier to broadcasters." (6) Cable should get a "fair shake," but there's possibility of trouble at state & local levels. (7) Concern about AT&T getting into unregulated businesses — "separations may not be enough." (8) Senate more active than House in communications. (9) New legislation which should

give FCC authority to eliminate comparative hearings in which "only lawyers win." (10) "I don't see FCC turning back the clock on cable deregulation. I believe the answer is a fair copyright bill — maybe raising rates." (11) An interim chairman at FCC — "Washburn or Lee... I believe Quello will be reappointed, and I expect Brown to leave." (12) A reduced role for NTIA, "but the President needs an expert advisor."

George Billings, Comsat, said that DBS application will be filed by end of year; that 7 million subscribers are needed; that system will be operational 3-4 years after approval; that optional services will be offered (stereo sound, 2nd language, experimental high definition); that DBS won't hurt cable or broadcasting; that Comsat is still looking for a partner.

Robert Reuss, Central Telephone, stated: "We want to compete in this exciting new marketplace." James Jimirro, Disney, said company "will sell to everyone... will continue to control our distribution." Disney will announce, at Jan. Consumer Electronics Show, its plans to support its VCR rental program, he said, and "we will eventually produce for the new media." Andrew Wald, ON-TV, urged STV operators to "move fast" and to "ally yourself with a major retailer." He expects 5 million STV subscribers in U.S. by 1985. Ted Turner, CNN, again attacked TV networks for "irresponsible" news — including emphasis on violence and "sordid sex."

Chester Simmons, ESPN, said basic cable programming should be free to operators and that company hopes to "turn around and compensate" affiliates when ad revenues become significant. Kay Koplovitz, USA Network, argued that "more than ad revenues are going to be needed for support," with subscriber income accounting for 75% of total. She called "modest" 10¢ monthly fee charged systems, also noted that A&B counties account for 69% of USA audience, making network more attractive to advertisers.

Michael Trager, D'Arcy MacManus Masius, said "everybody's numbers are different" but thought cable homes would be 60-65% of TV households by 1989. He warned cable operators not to "take on the networks... you may be fighting a future partner." Ned Gelband, Case & McGrath, said programmers will succeed only with conventional forms — movies, news & sports — suspects "somebody's going to take a bath" with speciality services, said agency still hopes to get women's soap opera channel "off the ground," possibly with MacMillan as partner.

Gustave Hauser, Warner Amex Cable, saw pay-per-view systems such as Qube leading to "flowering of literary and artistic properties" and major changes in movie distribution, with cable release preceeding theatrical. Prospect of 1-2 million pay-per-view homes "is before us," Hauser said, but warned that cable operators can't be expected to "develop all these new services by ourselves."

COMSAT DBS FILING THIS WEEK: Satellite TV Corp. unit of Comsat plans this week to apply for FCC approval to launch 3-channel, direct-to-home satellite subscription broadcasting service to start in 1985. Comsat will apply for authority to launch "experimental" system, will likely ask for approval to construct first of up to 6 satellites to serve areas roughly corresponding to U.S. time zones.

Comsat will give FCC results of "national ascertainment" survey intended to demonstrate that there's substantial demand, especially in areas unserved by cable, for satellite pay TV. Also to be filed: (1) Description of "intelligent tap" to be used on customer terminals to handle descrambling of signals. (2) Outline of comprehensive programming plans, detailing both entertainment and public service-oriented programming (including continuing professional education).

Vehement opposition to Comsat's proposed interim DBS system was registered at FCC — even before Comsat put its official application into Commission hopper. Broadcast groups and individual stations not only opposed interim DBS — but also any type of DBS. Broadcasters claimed interim systems would prejudice U.S. position at RARC '83, that operators of interim systems would have edge when permanent DBS systems were considered, that Congress should speak on DBS question before any system is authorized, that public hearings should be held on regulations to govern DBS.

Support for interim DBS came from NTIA, Society for Private & Commercial Earth Stations (SPACE) and Comsat's Satellite TV Corp. They said interim authorizations are needed now so implementation of DBS is not delayed, that interim systems can be designed to accommodate results of RARC, that useful marketplace information can be obtained by accepting DBS applications now.

Satellite TV Corp. noted that DBS can't start before 1983 RARC because of time needed for construction, said expeditious handling of DBS applications will "actually strengthen the U.S. position at RARC '83." If applications aren't accepted until after RARC, STC said DBS couldn't be operational in U.S. until end of decade.

STC said: "We will demonstrate in our application [that] STC's system is fully consistent with the technical characteristics and intersystem protection requirements adopted at the 1977 WARC-BS and extended at the WARC-79 for Region 2 DBS operations. In addition, STC has incorporated a large measure of technical flexibility in its DBS construction plans, with the result that our proposed satellites can be accommodated to any reasonable foreseeable frequency and orbital allotments made to the U.S. at RARC-83. It will be necessary only to assign 3 channels in the 12-GHz band for downlink transmissions and 3 channels in 17-GHz band for uplink transmissions."

NAB said interim DBS is "premature, prejudicial

in the extreme to permanent policy-making and nothing short of imprudent rulemaking... The new technology and high investment nature of DBS, not to mention the sophisticated operational and marketing planning necessary, demand a more thorough and longer look at the policy issues raised by DBS than consideration of interim authorization would involve."

FCC members will face conflicting recommendations from staff when they meet Dec. 16 on renewal application of KGGM-TV Albuquerque — case pending for 10 years. Office of Opinion & Reviews would back law judge and grant renewal; Office of Gen. Counsel, on other hand, recommends denial on grounds station has not served program needs of Mexican-Americans in coverage area. In early discussion, commissioners tentatively voted 4-3 for renewal (Ferris, Fogarty, Brown dissenting) and same line-up is expected to prevail this week.

Solicitation of funds will begin "immediately" for Nielsen research into methodology to be used in rating cable audiences. Nielsen was selected for study by Ad Hoc Cable Measurement Committee, which said "cable is potentially a viable advertising medium. However, on the local level, it needs a standardized and acceptable type of audience research." Nielsen was among 8 research firms in final selection, is expected to finish study in 60 days. Committee recommended that CTAM & NCTA coordinate work.

No CATV acquisitions are planned by GE at present price levels for available properties, but company plans to expand own systems, Vice Chmn. John Welch told security analysts' meeting in N.Y. "We very much wanted the Cox property," he said, but although GE made "significant increase in our bid," Cox asking price went up even more. "The market has supported their assessment rather than ours," he conceded. He said GE's cable systems now have more than 250,000 subscribers.

New search and copying fees in complying with FOI requests have been announced by FCC, including advance payment if cost will be more than \$100 or if more than 16 hours of search time will be required. FCC issued rulemaking on proposal Oct. 1979, didn't receive single comment.

FCC rejected request by WECA-TV Tallahassee, to black out ABC's programs from distant stations carried on 2 cable systems. Station lost \$475,000 in 1977, said cable systems have 19,500 subscribers, representing 19% of TV homes in Tallahassee area.

TV Guide Publisher Walter Annenberg has urged City of Philadelphia to base franchise fee on total gross revenues rather than on just gross of basic fees. City is examining 10 applications for 4 franchises.

Jerrold enters security field, claiming much lower cost, improved performance, will field test at Cablevision system in Woodbury, N.J.

Personals

Sam Cook Digges, who retires in Jan. as CBS Radio pres., will receive IRTS Gold Medal Award for 1981... William Schwartz, pres. of Cox Bestg. Div., and Robert Wright, pres. of Cox Cable, also named exec. vps of parent Cox Bestg... Vicki Rosenberg promoted to west coast casting mgr., NBC Entertainment; Domenic DeGaetano to dir., staff finance & administration, NBC.

Lucille Salhany, NATPE pres. and programming vp for Taft, appointed vp-gen. mgr., WJAR-TV Providence; she will resign as NATPE pres. March 1, be succeeded by Pres.-elect Stephen Currie, KOIN-TV Portland, Ore... Charles Velona advanced to vp-gen. mgr., KHJ-TV L.A., succeeding Lionel Schaen, now vp-chief operating officer, SelecTV.

Glenn Wright promoted to vp-station mgr., KIRO-TV Seattle; Al Mladenich to senior vp for operations, KIRO Inc... David Simon, WTTG Washington program dir., also named vp... Jeffrey Williams, ex-KCST-TV San Diego, appointed asst. gen. mgr., WDSU-TV New Orleans.

Daniel Wexler (son of White House aide Anne Wexler) joins NAB govt. relations dept. as broadcast liaison mgr... Jeffrey Southmayd, ex-Fisher, Wayland, Southmayd & Cooper, joins Washington law firm Baker & Hostetler... Douglass Crombie promoted to NTIA chief scientist, is succeeded as assoc. administrator by William Utlaut... Jay Witkin promoted to chief, Tariff Div., FCC Common Carrier Bureau.

H. John von Rohr & Carl Beisser advanced to vps, Nielsen Marketing Research Group... Kenneth Wollenberg promoted to vp, Arbitron advertiser & agency TV sales... Daniel Giordano, ex-WBT Charlotte, heads new TeleRep office in Charlotte

Juciest rumor of recent weeks is Time Inc. purchase of some or all of Cable News Network. According to one report, Time Inc. offered to buy 10%, has decided to hold off further negotiations until Premiere case is settled. Time Exec. Vp Richard Munro told us: "I don't know how those rumors get started... We really don't have any interest in acquiring any interest in Cable News Network." It's known CNN's Robert Wussler did approach Time Inc. Video Group Exec. Vp Gerald Levin. CNN Pres. Ted Turner's comment: "I wish I'd never talked to those guys." Another Time Inc. source told us that company had asked HBO to look into 24-hour news at time HBO announced News Plus service few years ago, determined neither would be profitable. Second strike against deal, he said, was Time Inc.'s lack of editorial control unless it raised ante to majority interest. CNN said it carried \$1 million in ads last month, could start making money late next year.

National Bcstrs. Club reception honoring Rep. Van Deerlin (D-Cal.), chmn. of House Commerce Committee who was defeated for reelection, has been postponed from Dec. 18 (Vol. 20:48 p6) to Jan. 8.

WEAK YEAR FOR TV PROFITS: TV industry profits rose only 2.2% (to \$1.7 billion) last year, compared to 17.6% rise in 1978, according to final FCC financial data. As Commission reported earlier, TV networks were hardest hit, with 0.9% drop in profits to \$370.2 million. FCC doesn't list individual network figures, but Television Digest reported in July that ABC TV Network had pre-tax profit of \$186 million in 1979, down \$1 million; NBC had 23.5% profit decline to \$39 million; CBS had only increase with earnings of \$145 million, up 6.6% (Vol. 20:30 p1).

Despite networks' profit dip, their performance was better than 1978 when earnings dropped 8%. Network-owned stations showed 10.1% profit rise (24.8% in 1978) to \$205.1 million; all other stations had 2% increase in profit (28.6% year before) to \$1.11 billion.

Industry expenses actually grew at slower rate in 1979, rising 16.8% to \$6.18 billion, compared to 18% rise in 1978, but net revenue increased only 13.3% (to \$7.88 billion), compared to 17.4% in 1978. Of net revenues, \$3.45 billion was networks, up 16.5% (14.8% in 1978); \$638 million was network-owned stations, up 9.1% (16.1% in 1978); \$3.78 billion was all other stations, up 12% (20% year before). Networks and network-owned stations accounted for 52% of industry revenues; 34% of profits. Networks spent \$324 million on news & public affairs, compared to \$265 million in 1978.

Total gross ad revenues were up 13.3% (17.8% in 1978) to \$9.18 billion. Of gross, \$4.31 billion was network, up 15.5% (14.9% in 1978); \$2.57 billion national & regional, up 9.8% (16.8%); \$2.3 billion was local, up 12.7% (24.5%).

Station profit & loss figures show 1979 was topsy-turvy year. More VHF stations (10 compared to 7 in 1978) had profits in excess of \$15 million, and 18 (compared with 16 previous year) reported gains in \$10-\$15 million range. However, more stations (47 compared with 36) reported losses, with 13 (7 year before) losing more than \$400,000. UHF's: 2 independents reported earnings in \$5-\$10 million range (one in 1978), but more (62 vs. 47) reported losses; 24 lost in excess of \$400,000 (11 in 1978) and fewer reported profits (66.3% last year; 74.2% in 1978).

COPYRIGHT HEARING PLANNED: Joint hearing on copyright is planned next congressional session by House Communications Subcommittee and Judiciary Committee Copyright Subcommittee. Congressional leaders say copyright is important issue, and subject will be given considerable attention.

In related action, Copyright Royalty Tribunal has ruled cable systems must pay approximately 18% more in copyright fees because of inflation. In 3-2 vote, CRT agreed to increase payments and to only increase them again in 5 years. MPAA had asked that rate be adjusted for inflation every 6 months.

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

STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Nov. 28 (48th week of 1980):

	Nov. 22-28	1979 week	% change	Nov. 15-21	1980 to date	1979 to date	% change
Total TV	439,478	428,738	+2.5	546,879	14,828,564	14,807,820	+0.1
color	255,433	259,642	-1.6	332,708	9,200,553	9,087,700	+1.2
monochrome..	184,045	169,096	+8.8	214,171	5,628,011	5,720,120	-1.6
Home VCR.....	21,119*	10,715	+97.1	29,590	702,802**	423,518	+65.9

Color TV 5-week moving average: 1980—266,686*; 1979—229,694 (up 16.1%).

Home VCR 5-week moving average: 1980—23,728*; 1979—13,497 (up 75.8%).

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

CAN RCA BRING THE MAGIC HOME? Videodisc will be launched as major mass-market product with multi-million-dollar RCA ad blitz promoting March 22-29 National Demonstration Week, when Selectavision players will appear simultaneously in 5,000 retail outlets — "an avalanche that will envelop the country with awareness unprecedented in any consumer product," as Consumer Electronics Vp-Gen. Mgr. Jack Sauter modestly put it.

In news conferences in N.Y. & L.A. last week, RCA spread same word it gave distributors in Dallas the week before, as already reported here (Vol. 20:49 p8) — Selectavision CED player at \$499.95, discs at \$14.98-\$27.98, most under \$20, introductory catalog of 100 titles building up during first year with 25 more released in May, 25 in Sept., 10 monthly thereafter.

Seeking to avoid what it considers optical (LV) system's elitist approach to market, RCA's ads will stress simplicity of machine, wide variety of software and low price. They'll start March 16 with teaser countdown to D-Day local ads, network TV saturation drive Sun. March 22, opening day for sales officially March 23. RCA says it will spend 3 times as much as it did for VCR opening ad volley — \$20-\$30 million is probably good estimate of all ad spending, including local co-op.

Logistics of opening week are complex. RCA currently is stockpiling players & discs, will have 10-day opening "window" for shipments to distributors, first to those furthest away, dealers receiving inventories shortly before opening week. Retailers will be offered basic "turnkey" packages, smallest consisting of 3 players, 40-50 discs; it's good guess that some 30,000 players will be shipped prior to opening day.

Some slippage of plans is evident in disc availability announcement. If RCA meets goals announced last week, some 220 titles will be available in first 12 months of sales — short of previous forecasts of 150-title introductory catalog, 300 titles after year. RCA officials concede disc production start was slower than anticipated, said they chose path of having plenty of copies of fewer titles rather than announcing many titles without enough backup.

In first year, disc sales will be limited to hardware dealers, Sauter told us, because universe of players will be too low to appeal to record stores & other non-hardware outlets. Dealers will be permitted to stock as many or as few titles as they choose, to be supplemented by Quick

Delivery System (QDS). Each dealer will have looseleaf catalog of all titles; customer can order from dealer for delivery in few days to home or store, paying dealer, who phones order to distributor, takes profit on sale; distributor calls 800 number of Central Inventory Center in Indianapolis, which ships disc, bills distributor. Disc price points will be \$14.98, \$19.98, \$22.98, \$24.98 & \$27.98, highest price category being albums with 2 or more discs. There will be movies in all price brackets.

Videodisc Exec. Vp Herbert Schlosser anticipated questions about paucity of recent films in previously reported programming by announcing deal with Paramount to release *Airplane*, *Ordinary People*, *Urban Cowboy* & *Elephant Man* in 2nd half of 1981. *Airplane* will be in May 25 package (with *Pink Panther*, *One Flew Over the Cuckoo's Nest*, *Great Escape*), *Ordinary People* in Aug. Schlosser forecast regular disc release of features 6 months after theatrical openings.

"Biggest market test ever conducted for a product" preceded launch, according to Planning Vp David Daly. He said studies showed consumer will "readily accept" videodisc under these conditions: (1) Affordable — solid value vs. competing media (VCR, pay TV, etc.). (2) Broadest, most interesting programs. (3) "Straightforward, no-nonsense, play-it-&-forget-it device. It can't be complex & intimidating — that would restrict appeal." Issue of competition with VCR is mooted by buyer profiles, said Daly. VCR buyers are 90% male, predominantly single professionals with high income, while surveys showed potential disc player buyers were divided equally by sex, family-oriented and from all income classes. He said research showed 7% of TV owners — or 4.5 million — ready to buy.

Implicitly explaining difference between CED & LV marketing approaches, Sauter said: "We can't assume the public is waiting with anxious anticipation or... that it will sell itself. In 10 years of surveys, our data is specific — our target clearly is the average American family, the same target that built the TV industry. Not Park Ave. or Beverly Hills, but Levittown. Anyone from 8 to 80 can play it right out of the shipping carton... We have to appeal to the customer who buys 10 million color sets a year. The average viewer will make it succeed — not the audiophile or videophile. We won't neglect them, but that's not the place to start to make it a mass market." In disc, RCA hopes to "eliminate the narrow band of support" VCR has gotten, Sauter added. "Under 30% of TV-oriented dealers are actively supporting VCR."

Ad campaign will be geared to new slogan — "Bring the Magic Home with RCA" — and will feature excerpts from programs as well as demonstration of disc being inserted into player. Some catchlines in TV & print campaigns: "It's going to change the way you watch TV." "Extraordinary record player that lets you watch the records you play on your TV." "Remarkably simple machine plays simply remarkable records." Ads will prominently feature "under \$500" tag, Ad Dir. James DeVoe stressing message that "it's priced right because it's not overburdened with specialty-use features." All dealers will receive demo disc for continuous showing, featuring 6-min. message recorded 10 times on each side. It shows how player operates, contains excerpts from 26 discs, including *Casablanca*, *Muppet Movie*, *Rocky*, *Hamlet*, Rolling Stones concert, ballet, *Godfather*, *Saturday Night Fever*, *Charlie Brown*, *Heaven Can Wait*, etc.

RCA said it had invested over \$150 million in disc, repeated that it will produce over 200,000 RCA-branded players (in addition to those it makes for Zenith & Sears), well over 2 million discs, will have capacity for 500,000 players & 5 million discs at end of first year. Distributors will get 30 day sales training before introduction and 1,000 service centers will be fully trained before launch. Dealers get first exposure at nationwide presentation to regional sales meetings via satellite TV Feb. 25. No other product will be introduced at meetings, but dealers will watch on new RCA projection TV sets (Vol. 20:46 p9).

ZENITH WINS TV DUMPING SETTLEMENT BAR: Zenith won major victory in fight challenging govt. handling of Japan TV dumping case last week when Court of International Trade (CIT) issued injunction to block consummation of \$76 million settlement worked out with Japanese by Treasury, Commerce & Customs (Vol. 20:18 p8). In 2nd blow to Japanese,

International Trade Commission postponed indefinitely its consideration of Japanese request that it rescind 1972 finding that TV dumping is injuring domestic industry.

There's already one injunction against deal's completion, issued at request of labor-industry group COMPACT by D.C. Appeals Court. That was procedural, to give Court chance to hear COMPACT's appeal of lower court's refusal on jurisdictional grounds to consider dumping case at all. In last week's order, issued to give Zenith time to present its case against settlement in CIT, Court said there are grounds to believe govt. acted incorrectly.

Zenith presented "substantial case on the merits" that govt. officials negotiating settlement "acted arbitrarily and in bad faith," Judge Herbert Maletz said in issuing injunction. He dismissed govt. contention that deal, covering dumping and other penalties on imports through March 31, 1979, was most practical way to close case. To refuse judicial review of "government's alleged failure" to handle case properly would be against public interest, which "lies in the faithful execution by the Executive Branch of the laws enacted by Congress," Maletz said. He didn't comment on Zenith argument that such settlements in dumping cases aren't permitted by trade law.

ITC blamed lack of response to fact-finding questionnaire by importers and their customers for injury case postponement. "Information considered essential to the conduct of this investigation is being withheld," with delay in response traceable to pressures of Christmas selling season, ITC said. It's understood that those failing to answer ITC queries are primarily Taiwanese & Korean importers and major retailers. Further complication is emergency heart surgery performed last week on William Fletcher, ITC staff analyst in charge of investigating case.

In related development, major irritant in U.S.-Japan trade relations appears to be solved by Japanese agreement to open bidding on govt. telecommunications equipment and R&D contracts to foreign manufacturers. Terms of agreement still must be approved by U.S. govt. Arrangement with U.S. may take some pressure off Japanese in similar negotiations with European countries. EEC officials are pressing Japan to further open its home market to imports while cutting back on its export drive. There was concern that restrictions on Japanese imports by U.S. would result in increased Japanese exports to EEC.

VCR IMPORTS HELD LEVEL IN OCT: It gets harder to beat 1979 monthly VCR import totals as year enters final quarter, and Commerce figures for Oct. show VCR shipments only razor's edge above last year. TV imports fared substantially better in month, with both color & b&w up significantly.

Month's VCR imports of 76,700 were up just 1.5% from same month last year, and down 10.4% from Sept. For 10 months, shipments were up 48.5% to 682,700. Next comparison will be with all-time monthly record of 92,700 set in Nov. 1979, although Dec. record of 52,200, hit in 1978, should be topped. Oct. imports were considerably below the 96,895 VCRs sold to U.S. dealers in same month, but 10-month total was well above 584,162 sold here during same period.

In other video equipment imports, TV cameras doubled in Oct. to 21,300, as color leaped 205.3% to 17,800, while b&w dropped 25.5% to 3,600. For full period, camera imports of 164,100 were up 33.3%, with color up 94.3% to 126,300, b&w down 34.9% to 37,800. Imports of non-magnetic video (disc) players were 3,600 for month, 24,100 for 10 months; imports of projection TVs were 2,600 in Oct., 6,500 for 4 months. Videoplayer imports were first reported in 1979, and data on projectors first became available last July.

In TV, total Oct. imports of 921,300 were up 8.2%, as color rose 10.1% to year's monthly high of 365,600 and b&w was up 7% to 555,700. For 10 months, total TV shipments were 8.59 million, up 5.8%, with color up 3% to 3.41 million, b&w up 7.7% to 5.18 million. In color, imports of complete receivers jumped 23% to 131,300, major increases shown by shipments from Japan, Korea, Singapore & Canada. Although up for month, full-period total of just over 1

million was off 15.2%. Imports of color chassis & kits were up 4% for month to 234,300, up 13.2% for 10 months to 2.4 million. B&w total includes 38,700 mini-combinations for month, 447,700 for 10 months. Mini-combos weren't reported last year, and excluding them this year would have left b&w down 11.2% for Oct., but up 2.3% for full period.

GE'S VHD COMMITMENT: GE's financial commitment to VHD home videodisc system is relatively modest, "in keeping with our view of that market's current state," we were told last week by Consumer Products & Services Exec. Vp Paul Van Orden, following annual meeting in N.Y. with security analysts.

He said GE opted to go along with VHD format "because we honestly felt it was the best system," but acknowledged important, though secondary, consideration was opportunity to participate in software end of business through joint ventures with Matsushita and its U.S. subsidiaries, as well as U.K.'s Thorn EMI. He noted GE's TV operation continues profitable, said unit was enjoying better-than-expected VCR & projection video sales.

At meeting, Chmn. Reginald Jones said consumer sector will show same profit as last year. In response to query from floor, Vice Chmn. John Welch said GE is participating to "limited degree" in home videotape & disc markets, added "the disc is going to have to do an awful lot of things" to compete successfully against VCRs. Added Jones: "We have to play all the horses in the video race."

For 1981, Jones said corporate economists were predicting business downturn in first quarter, recovery in 2nd half. "Personally, I have never felt more unsure of the economic outlook." He said GE was putting heavy emphasis on advanced technology products, particularly those aimed at increasing productivity. Among areas mentioned were microelectronics, interactive graphic, computer controls, robotics and he added GE would use its own factories as testing ground for products & services it plans to offer others.

Korean govt. approved Gold Star's purchase of optical videodisc player license from Dutch Philips. Terms call for \$100,000 payment, 1.5-3% sales royalty. Also cleared: Samsung & Gold Star license of magnetic head technology from Sony at 3¢ per head payment; Samsung purchase of VCR technology from Japan's F. T. Giken for \$28,000. Giken is R&D firm connected with Funai, developer of 1/4-inch portable VCR marketed here by Technicolor; Lotte Pioneer, audio equipment license from Pioneer at 3% royalty; 50-50 communications equipment manufacturing venture of Il Shin Tongyang with Japan's Toyo Communications.

Ad notes: BSR appoints Della Femina, Travisano & Partners for \$2-million System X-10 home security products, names Kalmar Ad/Mktg. for audio components. Grey Adv. had handled entire BSR account... Magnetic Video plans \$500,000 magazine campaign for recorded videocassettes, claimed to be largest in industry history, will back effort with in-store promotional material.

MW DUMPING CASE DROPPED: Japan microwave oven dumping case is being dropped by Commerce Dept. and International Trade Commission, following withdrawal of 1979 complaint by AHAM.

Official of U.S. appliance producers' assn. said it pulled complaint because proposed penalties would have afforded no "significant remedy" for dealing with low-priced import competition. In issuing recent positive dumping determination, Commerce said Toshiba was only company investigated which had significant dumping margins, and that ovens produced in Japan by Matsushita, Sanyo & Sharp were excluded from finding (Vol. 20:49 p14). Agency said it would require 13.1% dumping bond on future entries from Toshiba, 1.1% bonds on other producers.

Based on average FOB value of oven imports from Japan last year, Toshiba penalty amounted to about \$26 per unit, while others would be just over \$2. In original complaint, AHAM had estimated that 10 Japanese manufacturers were selling ovens here at prices \$45-\$320 below fair value.

MVC, MCA IN RENTALS: Recorded videocassette rental dam is bursting, holdouts Magnetic Video & MCA (Vol. 20:49 p12) preparing to introduce authorized rental plans early next year. Stephen Roberts, pres. of MVC parent 20th Century-Fox Telecommunications, describes plan as more elaborate than Disney dual-inventory technique; it's believed to involve addition of electronic signal to tape. Fotomat, which decided to rent MV titles without agreement, won't participate in scheme — "we'll never deal with them... as long as I have anything to do with it," said Roberts.

MCA will begin renting 20-25 titles Feb. 1, said MCA Videocassette Pres. Gene Giaquinto, others to be added as they're released. "We need a legitimate licensee" (presumably Fotomat), he said. MCA sales to dealers, he added, are approaching 300,000. MCA will introduce Prom Night, Xanadu and Smokey & the Bandit II at Winter CES.

PANASONIC AT \$1 BILLION: Panasonic will join industry's exclusive \$1 billion sales club this year, according to congratulatory memo sent to employees. Sales total includes professional products as well as consumer electronics & appliances.

Other club members are RCA Consumer Electronics Div., which last year became first and only company ever to have had \$1 billion sales of consumer electronics, and Zenith. GE is member of club if housewares & small appliances are included. Zenith hit mark twice, first in 1973, again last year. Zenith's 1979 total included OEM picture tubes, some CATV equipment & results of Heath. In 1973, Zenith was still in watch & hearing aid business.

TOY WOES MOUNT: As Christmas sales season nears end, electronic toy marketers continue issuing statements of distress.

Latest is from Mego, which says it expects to report loss for last 2 fiscal quarters, ending Nov. 30 & Feb. 28, including major writedown of slow-moving inventory of electronic games. Mego announced lenders extended repayment of \$26 million debt 3 months to March 31, said it hopes to solve cash flow problems by sale of notes or minority interest in business. Some Mego TV-type LCD games are being liquidated in N.Y. at prices under \$10.

Milton Bradley said it expects 4th quarter and possible full-year earnings to be below 1979 periods, said 4th quarter sales are about even with last year. Last month, MB said it was closing Caribbean electronic toy assembly plant because of lower than expected sales.

Mattel reported \$2.6 million drop in earnings on slightly higher sales in 3rd quarter, 1.2% decline in net on 18.2% sales gain. Company said it expects to take electronic game inventory writedown in final quarter.

Problems aren't universal. Both Atari & Magnavox say sales of programmable video games & cartridges are up, and Coleco, in reassuring note to holders, claims 4th quarter electronic game sales were at expected levels and that retail sales were good.

Letter says company expects to introduce wide variety of new games at Feb. Toy Fair in N.Y., adds Coleco is "leading name in advanced generation electronic sports games." Separately, Pres. Arnold Greenberg told us company is sold out of games, noted shipment levels for some items were triple those of 1979. He acknowledged that some companies were having rough time.

"There's going to be a lot of blood on the counters this Christmas" as inventories are unloaded at distress prices, Greenberg said. He agreed Coleco's LED games don't have dramatic displays of some others that use LCDs & fluorescent tubes, "but quality of game play is more important than visual dynamics." He said Coleco has been told it will get patents next year on 2-player & action features of its hand-held games.

Color TV sales to dealers passed 9 million in year's 48th week, ended Nov. 28. With 5 weeks left to go in 1980, total of 9.2 million exceeds number sold in any full year before 1978. Week saw sales decline of 1.6% from same 1979 week, only 2nd dip in 18 weeks. Same week, home VCR sales passed 700,000 mark (see State of the Industry).

Labor Dept. again rejected import adjustment assistance for receiving tube workers at GE's Owensboro, Ky. plant. Agency said both industry & company imports of tubes & mounts are declining, not increasing, as required for eligibility.

HITACHI RESULTS: Hitachi reported 15.1% gain in first half net on 5.6% sales rise (see financial table). Consumer product sales were up just 5.9% to \$1.62 billion. It noted overseas sales jumped 39.7% to \$1.84 billion, while home market volume increased 9.2% to just over \$6 billion. Hitachi said high technology products, particularly VCRs, ICs & computers, were major contributors to profit improvement.

Soundesign expects to show enough profit in 4th quarter to erase 9-month \$1.17 million deficit, company says in 3rd quarter report to holders. Soundesign followed opening & 2nd quarter losses with 3rd quarter profit of \$1.19 million (Vol. 20:43 p14).

Advent sales decline in fiscal 2nd quarter to Sept. 27 (Vol. 20:46 p14) stemmed totally from projection TV. Video product sales fell 56.1% from same year-earlier period to \$1.81 million, while audio products edged up 0.9% to \$4.25 million, according to letter to holders. For half, video was off 33.5% to \$4.97 million, audio volume rose 2.9% to \$7.2 million.

Milton Bradley said it expects 4th quarter and possible full-year earnings to be below 1979 periods, said 4th quarter sales are about even with last year. Last month MB said it was closing Caribbean electronic toy assembly plant because of lower than expected sales.

GEC of U.K. reported first half net rose 22% to \$444.7 million, but income from consumer products fell 72% to \$7.03 million, as sales slipped slightly to \$325.8 million. Income from associated companies dropped 90% to \$234,000 with sales up 16.5% to \$142 million. Associate results include share of GEC-Hitachi color TV manufacturing venture there.

Technicolor will show 2 new video products at CES: (1) Low-cost TV tuner to enable company's mini-VCR to record off air. (2) "Video Showcase," all-in-one VCR & 7" color monitor. Company also has added adaptor cable which permits VCR to be used with any of 20 standard color cameras.

Home taping from albums & off air is costing music industry \$700 million annually, CBS says in follow-up to earlier report. Study shows 50% of blank tape buyers are under 25, although largest purchasers are in 26-40 group, which buys 100 million cassettes yearly. Half of tapers use recordings away from home in auto or portable players.

Automotive market for electronic control & sensing devices will hit \$411 million this year, grow at average 31% annual rate through 1985 to \$1.59 billion, increase at 8% rate through 1990 to \$2.32 billion, according to study by International Resource Development.

Zenith distributor convention, originally scheduled for MGM Grand Hotel in Las Vegas early in June, has been switched to May 27-28, Las Vegas Hilton, not Miami as reported (Vol. 20:48 p11).

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
Hitachi Ltd. ^a			
1980-6 mo. to Sept. 30	7,810,400,000	285,500,000	--
1979-6 mo. to Sept. 30	6,782,000,000	262,100,000	--
Tektronix			
1980-24 wk. to Nov. 15	481,215,000	34,654,000	1.88
1979-25 wk. to Nov. 17	429,401,000	39,817,000	2.19
1980-12 wk. to Nov. 15	248,714,000	17,738,000	.96
1979-12 wk. to Nov. 17	221,933,000	21,329,000	1.17

Note: ^aAt yen's current rate.

Consumer Electronics Personals

C. Bailey Neal, ex-Sylvania senior staff consultant & EIA Best. TV Standards Committee chmn., joins RCA as principal member, videodisc engineering staff in Indianapolis... **Toshio Iizuka** advanced at Panasonic from asst. gen. mgr. to gen. mgr., Video Systems Div... **Philip LaPierre**, ex-Carib Brands, joins Inflight Services as R&D dir... **Jerry Ostrowsky**, ex-Bell & Howell, appointed Teletronics SW technical services mgr.

Franklin Rawson, former GTE Consumer Electronics human resources vp, promoted to same post at corporate level... **Arthur Evans** advanced at RCA from dir. to staff vp, employment planning & practices; other new staff vps: **Patrick Farboro**, industrial relations policy; **John Mastran**, organizational planning; **William Swartz**, compensation & benefits... **David Bunker** promoted at Ampex to controller, succeeding **Robert McAdams**, now finance vp & chief financial officer... **David Pulatie** named Motorola personnel vp for Europe, Mid-East & Africa; **Julie Sackett** appointed compensation vp.

James Dykes, ex-Harris Semiconductor, joins GE as head of microelectronics R&D center being built in N.C... **Louis Haire** named Solid State Technology pres., succeeding **John Biondo**, who continues as chmn... **George Beylouny**, Murata vp-gen. mgr., adds duties as JFD gen. mgr., succeeding **Hank Breen**, now in corporate staff post; **Jack Driscoll**, Murata sales & mktg. vp, adds JFD sales & mktg. duties.

Airline projection TV system developed by Barco of Belgium will be sold by Inflight Services, demonstrations to begin after Jan. 1 in U.S. & Brussels. System uses compact 3-tube projector, 30x40" screen, accommodates NTSC, PAL or SECAM color. VCR at central station on plane feeds all projectors simultaneously. System brightness is 300 lumens, 90 ft.-lamberts with 2.5-gain screen, 180 with 5-gain, with 500 lines horizontal & vertical resolution. With move from film to video, Inflight is exploring programming supported or underwritten by advertisers.

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Pocket translator apparently is first fatality in new wave of gee-whiz MPU controlled consumer electronics. Panasonic, which entered business last year when parent Matsushita acquired worldwide production rights to model developed by Friends/Amis (Vol. 19:22 p13), has liquidated inventory. Unit, which had original \$200 list, is being offered at retail for \$50. As reported earlier, identical model from Craig is being closed out at about same price (Vol. 20:47 p13). Nixdorf, which purchased translator rights from Lexicon last year, says it's quit business, but will continue making plug-in language modules available. Both Matsushita & Nixdorf will be offering portable computers instead. Departures leave Texas Instruments' \$250 voice synthesiser model alone in field. TI says it promotes units as learning devices, not translators, expects to continue marketing. First pocket translators hit market 2 years ago, drew immediate fire from trade & consumer press reviewers who found them too hard to use, inadequately programmed, less helpful than printed translation guides selling for \$5.

"Build Your Own Pay-TV Decoder" is feature of Jan. Radio-Electronics magazine. Article states that decoder will work with one of 3 pay-TV systems now in use, doesn't say which one. Parts kit for project costs \$69. Disclaimer with article says use of privately owned decoders is subject of litigation and adds: "This article merely explains how such decoding devices are built & used, and you should obtain independent advice as to the propriety of its use depending on your individual circumstances."

Magnavision videodisc players are being offered in N.Y. at \$549 by Wall St. Camera and \$595 by 47th St. Photo. Stores have players only, no discs. Suggested list price is \$775.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

COMSAT FILES DBS PLAN: 3-channel program service keynotes massive FCC filing; 'ad hoc' approval asked. Service could start in 1985 if FCC approves. Cost to start near \$700 million. WASE's Schneider sees no big deal; NAB readies for Hill hearing. FCC extends comments on interim systems. (P. 1)

SILVERMAN WOES AT NBC: Many predict he's on way out as network woes increase, affiliate support slips. Network financial picture grim. Wall St. Journal story casts doubt on his ability to revive network's fortunes. (P. 3)

FERRIS LOSES ON ROSSLYN, instead Lee & Jones will study proposed move to Va., report back Feb. 1. Observers consider plan to leave D.C. is dead. (P. 5)

CABLE REGULATION PROSPECTS explored at Western Cable Convention by Nichols, Lloyd, Shooshan. (P. 6)

RADIO STATION PROFITS DIP: Total station income drops 24% to \$224.3 million, FCC financial data shows. (P. 6)

NAB BLASTS SPECTRUM POLICIES: Wasilewski demands deferral of spectrum policy shifts that haven't been properly considered, says 9-kHz move could 'obsolete' half billion in AM receivers. (P. 6)

PROGRAMMING KEYNOTE OF COMSAT DBS FILING: Ambitious 3-channel program service is centerpiece of Comsat's long aborning application to FCC to start satellite-to-home TV broadcasting. At FCC, officials in Office of Plans & Policy said they've not decided how to handle Comsat application, but will reopen comment period in existing inquiry into interim DBS systems (Vol. 20:40 p1) to permit comment on Comsat's proposal. "I can't say how it will be treated," said FCC official. "That will be a decision that may involve the commissioners. No decision has been made on that at all."

Comsat applied to serve eastern time zone, said service could start 36 months after FCC gives approval, costing subscribers about \$25 monthly (including decoder lease). Satellite TV Corp., Comsat's DBS unit, said subscribers would have to purchase their own disc antenna -- 0.75-m unit costing about \$100. Target audience, Comsat said: 35 million U.S. homes expected to be without access to cable by middle of decade.

Consumer Electronics

TV BUSINESS prospects turn cloudy with renewed inflation, recession forecasts. 'Informal export' sales, about 450,000 sets in '80, seen drying up. (P. 9)

VHD, LV DISC formats step up activities. Sansui chooses VHD, which will flex programming muscle at CES. Major ad campaigns set for LV players. (P. 10)

ZENITH'S 'PERIPHERALS' — pay TV, computer terminals, teletext, seen by Kluckman as natural outgrowth of 'our basic business, color TV.' (P. 10)

SONY REPORTS RECORD results for year, 70% rise in VCR unit sales, 14% gain for color. Word processors introduced. (P. 11)

COLOR TV IMPORT increase in Oct. traceable to color from Canada, Korea, Singapore. Japan, Korea & Singapore posted gains in b&w. (P. 11)

COMPUTER PRICE WAR to heat up at Winter CES. APF to trim \$200 from list of game-computer, Commodore will show \$300 console. (P. 12).

NEW TVs, VCR being unveiled at Winter CES by Panasonic. Low-end remote from Sharp. Magnavox, Sanyo, GE, GBC additions. (P. 13).

CHINA CONTINUES EXPANSION with 2nd order to Hitachi for color TV plant, talks with JVC. (P. 13)

Cost to Comsat for 2-satellite system for eastern zone is projected around \$400 million, with added operating cost for first year of \$300 million more. After eastern service starts, service could be extended, with launch of 4 more satellites, to cover entire country within 9 months. Comsat expects to make profit on DBS by end of decade, believes regulatory approval can be obtained within one year. "I'm very optimistic about this. There's no reason to think the incoming Administration will be any less receptive," said STC Chmn. John Johnson at packed Washington press conference. He said Comsat's critics don't understand what Comsat wants to do, insisted that DBS wouldn't hurt broadcasters.

In massive 1,000-plus page filing, Comsat said program schedule will offer general and family entertainment, including movies, plays, concerts, nightclub acts, opera, dance, public affairs and special interest educational programming. Comsat said it would "comport with all statutory requirements, including the fairness doctrine and political broadcasting obligations." Service was described this way:

Channel A
"Superstar"

Major movies
Pop concerts
Theatre specials
Family entertainment

Channel B
"Spectrum"

Classic films
Children's TV
Variety
Arts & culture
Public affairs

Channel C
"Viewer's Choice"

Adult education
Sports
Sports instruction
Pay-per-view sports
Special interest

Nearly all programs will be obtained from outside producers during first years of service, with Comsat emphasizing productions of its own when DBS is better established. Comsat said it intends to broadcast about 387 hours of programming each week. Approximately 67% of the total schedule will be general entertainment, 20% educational and instructional, 7% devoted to children, 6% public affairs. Included in Comsat filing: Letters from CPB, 20th Century-Fox, Paramount Pictures, United Artists, MGM, Avco Embassy, other producers, pledging cooperation with Comsat, though insisting that definite agreements would depend on acceptable terms.

Comsat's legal argument: Because proposed service involves communications intended to be received by the public, it's "plainly 'broadcasting' in nature." Comsat added that "to the extent, if any, that the instant application is not consistent with the Commission's rules, the applicant hereby requests a waiver of any such conflicting provision." Comsat asked for ad hoc approval of an experimental service before completion of rulemaking procedures, said such authorization "will generate the data and experience necessary to conduct comprehensive and meaningful rulemaking proceedings looking toward the development of long-term policies."

No international bar exists to authorization of DBS before completion of 1983 Regional Administrative Radio Conference, Comsat asserted, pointing out that frequencies already have been allocated, and that proposed system "can be modified to accommodate any reasonable outcome of RARC." Comsat said U.S. will be at disadvantage at RARC if it doesn't permit DBS. "Clearly, this country should act vigorously to solidify its claim to the spectrum and orbital resources that are required to fulfill national needs, both now and in the future."

On localism, Comsat stated that FCC has authority to license broadcast facilities serving non-local areas (such as clear channel radio stations). DBS will be in public interest, said Comsat, because such service will "provide TV service to persons now without access to it, and will increase the choices offered to viewers in markets occupied by other broadcasters... Approximately 1.2 million homes remain without access to even a single TV signal and over 4 million more receive only one or 2 channels. Moreover, tens of millions of Americans do not have access to pay TV, a service which the Commission has found to be a valuable supplement to conventional TV, and it is reasonable to assume that many residents of rural areas will never receive pay-TV services by any technology other than DBS."

No adverse economic impact on conventional TV is foreseen by Comsat, which told FCC that "analytical and economic studies clearly demonstrate" that DBS won't cause "significant loss in revenue" for broadcasters, and to extent that revenue loss does occur, it "will be more than offset by gains in advertising revenue which are anticipated in the TV industry..."

Comsat said financial viability of its DBS plan depends on FCC permitting Comsat to program multiple channels, since "no prudent business organization would [otherwise] assume the significant costs and risks." Comsat said multi-channel operations by single operator are in public interest, because if channels were controlled by different entities, each might program channels similarly, reducing service to public, increasing risk that consumers won't support DBS.

Comsat told FCC it had surveyed more than 1,300 community leaders and members of public to ascertain needs and concerns, found 38% willing to pay "reasonable price" for programs without commercials not offered on other TV stations. But 36% said no, 16% didn't know, and 10% said they already have access to such services. Comsat said DBS can be used "to assemble an audience for programs that would not be economically viable undertakings for conventional TV broadcasters. Direct broadcasting service will supplement conventional television programming and enable viewers to choose from a wider range of programs geared to the specific interests of the diverse individuals and groups that comprise the service area."

DBS could quickly have 7 million households as subscribers, depending on competing services offered, amount of differentiation from existing pay-TV services, cost of service, according to Arthur D. Little study filed with Comsat's application. Little said DBS service will capture only small numbers of TV households from pay cable. Impact on existing TV stations will be small, said study. If DBS reached high penetration of 16% in any given TV market, study said DBS would only divert 3% of stations' audience share; even if DBS reached 25% penetration, only 4% of audience would be diverted from existing stations.

DBS pay-TV service is stronger than STV & MDS, because of number of channels available, study said. Study said in typical market with 5% penetration by STV & MDS, offering DBS service at same cost would result in 7% penetration for DBS, 3% for STV & MDS if programming was substantially different. If programming is similar, STV & MDS would penetrate only 1% of TV homes.

Reaction to Comsat filing was predictable. FCC Comr. Lee: "Without a doubt, Congress will be actively involved." Network official said he was "surprised by the lackluster nature of the programming... I thought they'd propose something new and different." Network official said Comsat's offering is "exactly the same" as HBO, et al, at higher cost. Jack Schneider, Warner Amex Satellite Entertainment pres.: "Good heavens, who would get worked up over this?" He said service could "well be" complementary with existing pay cable, said DBS must be considered in context of 36-channel systems, "and you don't have to put a dish on your roof." Congressional Republican source: "The general inclination of our members seems to be not to discourage new technologies, but to see that any new competition is fair. The marketplace should determine whether they succeed. Not a regulatory agency or the Congress. I just don't see our members saying that this kind of technology should not be allowed. Obviously, it raises issues, and I think they'll be thoroughly investigated."

John Summers, exec. vp & gen. mgr., NAB: "It's hard to react to the instant application because our position is that the Commission shouldn't be entertaining such applications before they've got some clear guidance from the Congress. We think the Commission's putting the cart before the horse in even entertaining applications at this point." Summers said it's "hard to say" whether new Administration will be more or less receptive to DBS, pointed out that NAB still has to take formal position pro or con DBS. DBS is on agenda of NAB board for late Jan., at which time there will be effort to arrive at "sharper definition of our position," he said.

SILVERMAN WOES AT NBC MULTIPLY: "There's going to be one clear result. [NBC Pres. Fred] Silverman leaves. How soon? Who knows... maybe sooner than later." This was comment to us by veteran in broadcast industry who is close to NBC situation — highlighted last week by

story in Wall St. Journal casting doubt on Silverman's ability to revive fortunes of 3rd place network.

Silverman and RCA Chmn. Edgar Griffiths couldn't be reached for comment, but NBC spokesman "adamantly" denied that Silverman is on way out. On other hand, several NBC officials confirmed privately that much of Journal story is accurate — except that employees dismissed are fewer than 200 reported, and that \$140 million profit was RCA goal for NBC this year, not 1981, as Journal reported. Actual firings, we're told, total about 60 in NBC Entertainment; slated for reductions soon is engineering div. In addition, NBC has had hiring freeze on for more than month. Bottom line of problem, of course, is ratings — daytime & primetime — where network is in worse shape than when Silverman took over in June 1978.

It's now expected that NBC's profit for 1980 will be something less than \$70 million, which will mean that TV network stands to lose money for first time since early '60's, according to security analyst familiar with performances of other NBC divisions. In 1979, NBC TV network had \$39 million profit (down 23.5%) — vs. ABC's \$186 million and CBS's \$145 million. "It leaves a damned thin line for the TV network," said one NBC exec. Countered another: "The TV network will not lose money in 1980."

Adding to Silverman woes is fact affiliate support is beginning to erode. Last summer, when his contract was extended through 1982, large majority of TV affiliates openly approved (Vol. 20:36 p5). That enthusiasm has diminished considerably since NBC's rapid drop following early fall ratings jump with Shogun and World Series. And, NBC official noted: "We still don't have any idea what we'll do with January changes... They're still messing around." However, we understand Jan. program changes will be decided tomorrow (Dec. 23).

In Silverman's defense, several pointed out that "Freddie has had some damned [many used stronger language] bad breaks" — citing as foremost the loss of summer Olympics. In non-programming areas, however, these same defenders become his critics, charge he pays little or no attention to such matters at NBC.

Budget cutting is becoming severe, we're told, with news facing \$20-million slash — albeit much of this is due to absence of political conventions, campaigns & election coverage in 1981. NBC isn't alone in this, however, as ABC & CBS are going through same budget-cutting process, since 4th quarter and first few months of 1981 are well below expectations at all 3 networks.

Satellite Information Network announced by Gannett will explore cable programming, national newspaper and other information services. Confirmation of plan to start national daily, first reported by our Satellite Week in extra edition Dec. 5, came in speech last week by Gannett Chmn. Alan Neuharth, announcing 1981 start of prototype newspaper titled USA Today. He said "in-depth explorations" are underway for various uses of satellite network for print or electronic products, including news & ad supplements for group's 81 dailies, 7 TV stations, 13 radio stations, 38,000 billboards. "In addition, we are looking at some new information services and products that might supplement Gannett's existing operations," he said.

Cable TV in D.C., discussed for at least 10 years, is drawing more interest from Washington city govt. City administrator has asked for "overview" report of issue within 30 days, mayor plans to make cable franchising high priority because of city's financial troubles, and council is expected to reintroduce legislation which died in committee in 1979. "We hope to finally get the whole issue out of hibernation and moving," said city spokesman.

FBI in Conn. is looking into resale of cable franchises for large profits. FBI agent visited State Dept. of Public Utility Control, gathered data on ownership of state's 21 franchises and which ones had changed hands. FBI said it isn't conducting investigation and has no evidence of crimes, but is merely trying "to become better educated" about franchising. "Great profits have been made on the turnover, but we can't jump to any conclusions," said FBI agent. Conn., like many areas, gave some preference to local ownership in awarding franchises, only to see many sold to national cable operators.

Financing agreement to build new STV station in Washington, D.C. was announced by Theodore Ledbetter, who received CP in June and estimates construction costs at \$3 million. Overall, \$30 million may be needed for decoders and staff. Financing will come from Subscription TV of Greater Washington, partnership between Subscription TV of America, which is controlled by Tex. oilman Clint Murchison, and Field Communications, subsidiary of Field Enterprises. UHF station will offer free local programming during day, and movies, concerts & sports at night for \$20 per month.

FERRIS LOSES ROSSLYN PLOY: Determined FCC last week beat back efforts of Chmn. Ferris to force immediate vote authorizing signing of lease for move to Rosslyn, Va. Suburban site was presented by Ferris and staffer Thomas Campbell as only alternative — and both constantly claimed that if Commission didn't act that day, it would cost govt. \$9 million.

Other commissioners didn't accept that argument, and Ferris was only dissent to Lee motion to appoint committee of 2 commissioners (Lee & Jones) to study situation, report back by Feb. 1 (when Ferris no longer will be chmn.). Quello & Jones were absent, but both opposed Ferris. Commissioners were very upset that they learned about proposed move in press (Vol. 20:39 p5) — and only after negotiations were well advanced.

Washburn was most outspoken against Ferris (and 2 got into several acrimonious exchanges) because he contended no effort had been made to find new hq in Washington which would house all FCC divs. & bureaus under one roof. He presented alternative site at Federal Center Plaza (500 C St. SW), surprising Ferris, and it's known that Senate Public Works Committee — which must approve signing of lease — has other sites in mind.

Move to Va. now is virtually dead, most Commission watchers believe. Several members of Congress have written in opposing move. Incoming Senate Communications Subcommittee Chmn. Goldwater (R-Ariz.) hit "inept handling of this matter," primarily keeping other commissioners in dark, said chmn. "converted what normally should have been a routine business management judgment into a controversial issue."

Lawyers, public interest firms, lobbyist & trade assns. will breath sigh of relief. All had strongly opposed FCC move outside Washington.

New rules letting small phone companies into cable were proposed by FCC last week. Rules would eliminate requirement for telcos to receive waiver of cross-ownership rules when seeking to provide cable service to communities with population under 15,000, or with fewer than 30 homes per mile, or outside top 200 TV markets. Recently, such waivers have been granted routinely.

Playing hardball, Warner Amex withdrew from contention for Tucson, Ariz. cable franchise, telling city that its terms "make it impossible" for operator to make acceptable profit during life of franchise. Warner was especially critical of Tucson's franchising ordinance, giving city right to buy out operator for "book value." Only "viable" standard for buy-outs is fair market value, said Warner Amex, asserting that Tucson's approach will result in city getting 2nd rate cable system.

KGGM-TV Albuquerque received year renewal from FCC on 4-3 vote (Ferris, Fogarty, Brown dissenting, as expected [Vol. 20:50 p7]).

Low-power TV notes: (1) NBC asked FCC to reconsider its approach, calling interim authorizations intended by Commission "ill-advised, unfair... may seriously inhibit the Commission's options in establishing rules for permanent low-power TV service." (2) FCC refused to stay decision extending cut-off dates for translator applicants. Case involves claim of several applicants that they were denied due process because FCC changed procedures when it issued proposed rulemaking setting extended cut-off date for new low-power service. (3) Answering NAB petition for reconsideration of LPTV, NTIA said revision is needed in FCC's interim processing procedures "to remove any cloud." NTIA said Commission should grant interim applications, not permit construction or operation before final report & order. "While we may ultimately urge the Commission to apply local cross-ownership and duopoly rules to low power... we believe that the Commission should change its processing rules to avoid prejudgment on the ownership issue."

In ruling affecting FCC and other agencies, Supreme Court said companies can't appeal FTC actions to courts until agency proceedings are finished. Decision involved antitrust case against oil industry. Federal regulators had feared that contrary ruling would have undermined future cases by providing use of court proceeding as tool to delay investigations or rulemakings. In last 3 years, FCC faced 5-6 cases in which parties sought court intervention before final rulemaking, all thrown out by courts, said FCC Litigation Chief Daniel Armstrong. Supreme Court ruling offered "nice, concise language restating what we've been arguing for some time," he said.

Selkirk Communications of Toronto has purchased H/R TV, merged it into Meeker TV, which Selkirk already owned. Combined firms — renamed Seltel Inc. — will represent 85 TV stations, have offices in 15 cities. Meeker Pres. Arthur Stringer becomes pres.-CEO of Seltel; Selkirk Vp Peter Sisam will be chmn.; H/R Pres. becomes exec. vp-chief operating officer; H/R Chmn. Harry Wise named vice chmn.; Phil Corper vp-gen. sales mgr.

President Carter has signed paperwork reduction act which requires FCC and other agencies to clear forms, questionnaires, etc., with OMB before sending them to licensees. Law also creates Office of Regulatory Information & Policy within OMB to oversee govt. communications and information activities. New office will handle many of duties formerly residing in defunct OTP. Bill was last major project of Richard Neustadt, telecommunications advisor to White House.

Viewer recall of commercials is same on independent TV stations as affiliates, according to \$350,000 Burke study to be unveiled at INTV convention Jan. 18-21, Century Plaza Hotel, L.A. Sessions will feature live satellite feed Jan. 19 (day before Reagan inauguration) with ex-FCC Chmn. Dean Burch and members of transition team.

CABLE REGULATION PROSPECTS: Late panel at Western Cable Convention featured:

Randolph Nichols, FCC Cable Bureau chief: "I don't think there's a chance" courts will reverse FCC on distant signals & exclusivity. "It's a dead issue." "I expect more time will be spent in the next few months and years on ownership." Also: "There's a scarcity of auxiliary facilities in cable but plenty in broadcasting."

Frank Lloyd, asst. to FCC chmn.: Foresees more action at state level than at Commission. One issue still at FCC is franchise fees, "and there's some legal doubt about FCC's authority there." There will be more & more activity on antitrust and common carrier issues, and there's "spector of censorship on the horizon... Try to get a strong First Amendment decision — and don't let someone else pick the ground." In newspaper ownership of cable, "I predict the Justice Dept., FCC & Congress will get interested if ownership spreads" — and he noted that Conn. prohibits such ownership.

Harry Shooshan, former counsel, House Communications Subcommittee: Cable can make "common ground" with broadcasters in First Amendment, may also do same with MPAA on copyright.

"Rational way" to handle proposed changes in hemispherical radio allocations, primarily shift to 9-kHz spacing between stations in AM band, is to defer decisions until "adequate preparation" has been completed, NAB says. NAB Pres. Vincent Wasilewski, in statement last week, called deferral of action "fundamental demand," said studies by govt.-industry Advisory Committee on Radio Broadcasting indicate that expanding number of stations is economically not feasible, will create "severe" engineering problems, will "obsolete" half billion dollars worth of AM radios now used by consumers. He said broadcast economy isn't sufficiently profitable to absorb large numbers of new stations. In related matter, NAB Sr. Vp-Gen. Counsel Erwin Krasnow told Chmn. Ferris in letter: "We regret to say that we are very disappointed with the level of commitment made by the FCC... It appears that the Commission's current unpreparedness is primarily the result of the agency's failure to assign a sufficiently high priority to international radio allocation matters." Krasnow said FCC promised report by mid-Dec. on cost of 9-kHz maximum shift plan, now won't have plan ready until April. "Also, we believe that the staff has not made those studies on service losses and gains which are essential to any FCC decision," he added.

FCC ended rulemaking, started in 1970, on including coded program identification signals in TV transmissions at nearly sub-audible levels.

Obituary

Henry Rhea, 67, consultant and retired chief engineer of broadcast div., Triangle Publications, died of cancer Dec. 13. Widow, 2 sons, survive.

CABLE & STATION COVERAGE ATLAS

Latest edition of Television Digest's "Cable & Station Coverage Atlas," one of most valuable reference tools for cable & broadcasting industries, is now off the presses, immediately available. Atlas includes station coverage maps indispensable for applying FCC cable rules.

Publication is industry's only reference work showing relationship between TV station contours, 35-mile & 55-mile zones and locations of all cable systems. Grade B contours of all TV stations — including ETV — are displayed on state maps, along with identification of each community with a cable system.

All maps reflect new Grade B contours drawn to conform to FCC's new formula for computing them. Noteworthy too is tremendous increase in size of satellite directory — from 38 pages last year to 66.

Here are a few features of Atlas: (1) 55-mile zone maps (also includes 35-mile zones) showing communities with cable systems underscored in color. (2) Microwave section, including list of CARS & business service microwaves along with map of common carrier microwaves serving cable systems. (3) Directories of NCTA, CATA, regional and state associations. (4) Directory of FCC Cable Bureau staff. (5) Up-to-date quick reference directory of all TV station call letters. (6) Full text of FCC cable rules, including complete list of significantly viewed stations. (7) Directory of Copyright Office. (8) Copyright rules & regulations pertaining to cable.

Copies are available from Television Digest, 1836 Jefferson Pl. NW, Washington, D.C., 20036. Use enclosed order card for prompt delivery.

RADIO STATION PROFITS DIP: Total radio station profits dropped 24% (from \$295.5 million to \$224.3 million) in 1979, according to new FCC financial data. Figures show reverse of 1978 trend in which profits rose 34%.

Station revenues increased 7% (from \$2.54 billion to \$2.71 billion) but expenses rose 10% (from \$2.24 billion to \$2.48 billion). Total time sales were \$2.97 billion, up 7% from 1978. Of that, \$22.8 million was network (up 11%); \$620.1 million, national & regional (up 6%); \$2.33 billion, local (up 6%).

FCC released only partial station data (table 15 — financial data by SMSA and by communities with 3 or more stations), will provide complete report, including industry-wide profit and loss figures, in Jan.

Personals

Thomas Werner promoted to senior vp, prime time series, ABC Entertainment; Russell Roney, ex-McCaffrey & McCall, joins ABC as ad mgr. for TV network... Daniel Walters, ex-RCA Labs, appointed vp for engineering & technical services, NBC, new post; Frank Rafalko promoted to financial planning dir.; Carole Coates-West, ex-Mark Carliner Productions, appointed mgr., drama development, NBC Entertainment... David Meyer, ex-Viacom, named assoc. dir. of business affairs, CBS Entertainment, N.Y.; Vivienne Vare promoted to dir., market planning, CBS TV Network sales; Hal Gessner to mgr., audio/visual communications.

Francis Martin III, KRON-TV San Francisco vp-station mgr., elected pres.-CEO of parent Chronicle Bstg., succeeding Paul Wischmeyer, named corporate vp with responsibility for syndicated programming; James Smith, WOWT Omaha pres.-gen. mgr., succeeds Martin; Edward Zachary promoted from WOWT station mgr to succeed Smith... David Beddow promoted to vp for TV operations & technical services, Group W; Charles Magee to technical services dir., in restructuring to provide for growth & development.

Robert Eolin, ex-WBNG-TV Binghamton, N.Y., appointed gen. mgr. of WLYH-TV Lancaster-Lebanon, PA., both Gateway Communications stations... George Miles advanced to station mgr., WCPQ-TV Charlotte... John Sander, WTOL-TV Toledo gen. mgr., also named vp of parent Cosmos Bstg.

Larry Miller named vp, financial analysis, & controller, Gannett; James Thomas vp, financial services, & treas.; Larry Gasho dir., business analysis & planning; Paul Kessinger, mktg. services dir... August Ruiz, ex-KMEX-TV L.A., appointed gen. mgr., SIN's KFTV Fresno... Lamont Pinker promoted to gen. sales mgr., WBNG-TV Binghamton... John Lyons, ex-WPTF-TV Raleigh-Durham, appointed promotion mgr., WDTN Dayton.

Max Friedersdorf, chmn. of Federal Elections Commission, appointed chief White House lobbyist in Reagan Administration; Michael Deaver, deputy dir. of transition team, to deputy chief of White House staff... Benjamin Sharp promoted to deputy dir., FTC Bureau of Competition; Susan Cyphert moves from Justice Dept. Antitrust Div. to legal asst. to Comr. David Clanton; Edith Hart, asst. to Chmn. Michael Pertschuk, joins Washington law firm Van Ness, Feldman & Sutcliffe.

June Travis, ATC, elected pres., Women in Cable... Robert Johnson, Black Entertainment Network, named NCTA alternate assoc. dir... William Mitchell, ex-co-owner of KERB(AM) Kermit, Tex., appointed NAB regional mgr. for Rocky Mountains, succeeding Lynn Renne, retired; Marilyn O'Connor promoted to dir. of media relations, succeeding Candace Greene, now head of PR-govt. relations firm Greene Inc. (1725 K St. NW, Washington 20006, 202-887-1920); Rory Wilcox, ex-White House aide, succeeds O'Connor as special projects dir. for NAB.

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Tim Steele, ex-Osmond TV, appointed program development, west coast, Viacom Enterprises... Raphael Etkes, pres.-chief exec. officer, and Jeffrey Young, senior vp in charge of production, resign at Filmways... Jack Allen, ex-gen. mgr., WWJ-TV Detroit, joins MCA TV as media sales dir., new post.

Dana Redman, ex-NBC, appointed research & promotions dir., ESPN... Jack Heim, ex-American Express, named vp for sales & affiliate management, Showtime... Jack Estes joins Daniels & Assoc. as vp, investment services... Earl Haydt promoted to community relations dir., ATC, new post... Geoff Woffindin advanced to gen. mgr., camera products, Ampex Audio-Video Systems Div.

David Tabin, dir. of media services, Robert Perlstein, head of network program concepts, and Joseph Gerard, treas., all promoted to senior vps, SFM Media; Gerard also becomes exec. asst. to Pres. Stanley Moger... Arthur Warshaw, ex-Tandem Productions, named pres., Time-Life Films TV Div... Day Patterson promoted to gen. counsel, Cablevision Systems Development.

Peter Yaman, ex-Group W Productions, appointed vp for first run sales, Viacom... Michael Ritter, ex-Liberty Communications, joins Continental Cablevision as vp-gen. mgr. of Mich. operations... Linda Rubin promoted to senior editor for trade press, Warner Amex.

Mark Voorhis promoted to administration vp, Datatron; Frank Blaha to operations vp... Janet Rogers, ex-Hollywood Home Theatre, appointed program acquisition dir., Wometco Home Theatre... Robert Lloyd resigns as vp & national sales mgr. of Gold Key Entertainment to form Lloyd Enterprises program distribution firm.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Dec. 5 (49th week of 1980):

	Nov.29- Dec. 5	1979 week	% change	Nov. 22-28	1980 to date	1979 to date	% change
Total TV.....	334,705	364,846	-8.3	439,478	15,163,269	15,172,666	-0.1
color.....	201,346	198,954	+1.2	255,433	9,401,899	9,286,654	+1.2
monochrome..	133,359	165,892	-19.6	184,045	5,761,370	5,886,012	-0.1
Home VCR.....	19,767*	14,915	+32.5	21,119	722,569**	438,433	+64.8

Color TV 5-week moving average: 1980—248,859*; 1979—217,770 (up 14.3%).

Home VCR 5-week moving average: 1980—23,046*; 1979—14,027 (up 64.3%).

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

TV BUSINESS PROSPECTS TURN CLOUDY: Soaring interest rates, along with forecasts of new recession, are bringing almost sudden aura of uncertainty to consumer electronics sales outlook for 1981. In color TV, headed for its 2nd 10-million-set year in next couple of weeks, manufacturers & marketers are wondering whether pace can be sustained.

Although 1980 will be banner year in retail as well as wholesale color sales, there's some evidence of slight softening of boom. While our Early Warning Report shows retail color sales running slightly ahead of last year in 4th quarter, other industry surveys indicate quarter's store sales are trailing those of 1979 period by similar small percentages (under 5%). This certainly is no cause for alarm, since retail sales in 4th quarter 1979 were far higher than data on sales to dealers would indicate, may actually have been highest in history. During last year's 4th quarter, dealers were trimming inventory in anticipation of color TV recession which never occurred, while consumers were buying as if there were no tomorrow. When first-quarter recession showed no signs of coming, dealers started restocking, and Jan. & Feb. broke records at wholesale.

Manufacturers are mindful of dreadful days of last April & May when sales to dealers simply dried up because of high interest rates, credit turndowns and credit restrictions. They fear that this could happen again early next year, although it may not be so bad because many states have removed interest-rate ceilings on consumer installment purchases.

Another factor which could cut color sales in 1981 could be coming collapse of export market to Latin America, which this year distorted apparent domestic sales. Boom started just about this time last year, when several important South American countries began colorcasting, colliding head-on with shortage of sets. Some of them lifted long-standing import restrictions to help satisfy consumer demand. Although there have been higher estimates, one which seems most logical is that EIA domestic sales figures have been inflated by about 450,000 sets this year, perhaps somewhat less, by sets sold through domestic distributors & dealers which actually were exported.

As might be expected, vacuum in set availability was filled rapidly in Latin America by Japanese, Koreans & Taiwanese, as well as by stepped-up domestic production. Reportedly, some 40 TV set brands are now available in Argentina, while price structure is beginning to

deteriorate in some of the other hot color TV countries, such as Venezuela, Chile & Brazil. Some analysts see signs that this market already has dried up; others see it evaporating early next year.

Estimate of 450,000 "unofficial" exports is derived by subtracting EIA figure on sets officially exported by manufacturers in Jan.-Oct. (and therefore not included in domestic sales figures) — about 350,000 — from official Commerce Dept. color TV export number of 600,000 for same period, which includes all legally declared exports. Difference comes to 250,000, presumed to represent declared exports by distributors & dealers. To this figure is added estimate of "baggage trade" exports — sets taken as personal baggage, smuggled to Mexico, etc. — believed to come to 100,000 or so for 10 months. Result is 350,000 sets which actually left country but which have been counted by EIA as domestic sales to dealers, representing about 4.4% of domestic sales. Applied to full-year 1980 sales of 10 million — if exports continued at same rate in Nov. & Dec. — figure would indicate uncounted exports of 440,000 this year. This would put true 1980 domestic sales at 9,560,000, slightly under the 9,846,000 of 1979 (assuming no uncounted exports in 1979).

These are among factors which are causing TV manufacturers to take new look at 1981 in waning days of 1980.

VHD, LV DISC FORMATS STEP UP ACTIVITIES: In wake of RCA's formal announcement of plans for CED videodisc system introduction, competing formats are accelerating their exposure to public & press. VHD system picked up new adherent last week in Sansui, and was paving way for big splash at CES, geared to programming capabilities, while both LV player manufacturers were embarking on their first major nationwide ad campaigns.

Sansui became first non-TV audio manufacturer to adopt VHD, made announcement at N.Y. press conference, where Sales & Mktg. Vp Tom Yoda said company would have player of its own design on exhibit at Winter CES in Las Vegas Jan. 8-11. He said unit will be on market "sometime after September," indicated price in \$500-\$550 range. At same time, he refused to rule out company's later introduction of CED player. He said Sansui isn't without experience in opening new markets. "We had our QS 4-channel stereo system. We learned from that, but paid a lot of tuition."

VHD player marks Sansui's first venture outside pure audio, and is only start of expansion in video business, we were told by Exec. Vp Hitoshi Omikawa. He said company believes video will be entertainment, informational & educational center of home, and Sansui is working on all phases of video technology. As for adoption of VHD, he said choice was between that and CED, with VHD winning on performance capabilities, including digital audio playback option. As for optical, he said Sansui favors that for commercial videodisc market, but feels it's too expensive for consumer. He noted that Sansui has optical technology, recently announced development of laser diode playback assembly for optical video & audio disc players.

At CES, VHD proponents plan to answer skeptics who question system's programming capabilities. VHD Programs Inc. won't be visible but is active behind scenes in lining up major studio movies to convert to demonstration discs. MCA Discovision, co-proprietor of LV format, and Columbia have contributed films so far, latter making available Close Encounters of the 3rd Kind. Paramount & 20th Century-Fox are logical participants, but Disney & UA said they had declined.

Programs shown haven't been signed for VHD system — no one has yet taken custom-pressing contract, but VHD Programs Pres. Gary Dartnall says deals are imminent. Columbia Senior Vp Larry Hilford emphasized loan of Close Encounters was designed to promote "our movie" rather than VHD system, but added that Columbia hopes to sign with VHD in 60-90 days. EMI Videograms, headed by Dartnall, is being folded into VHD Programs, officials of new firm coming from Columbia Pictures, Magnavox, RCA Records, and, of course, EMI (see Consumer Electronics Personals).

DVA is gradually licking LV disc problems, stepping up shipments sharply, according to both Magnavox & Pioneer, and both companies are starting extensive magazine campaigns to promote system and familiarize consumers with what it does. Magnavision Sales & Mktg. Dir. Robert Eastwood called Nov. disc supply "excellent" and said Dec. will see "80-90% more than Nov." Magnavox is encouraged enough to plan to extend player sales to all U.S. markets in first quarter.

Using theme of "Gourmet Video," Magnavox plans 1-, 2- & 3-page color spreads starting in Jan. in 17-18 publications, including Playboy, New Yorker, Time, Newsweek, Sports Illustrated as well as video magazines, continuing through year. Pioneer is already using most of same lineup — about 15 magazines, also including hi-fi publications — for 2-page color spreads, may add TV commercials in 1981. Pioneer says its player sales in Oct. were 20% above planned quota, on target in Nov., slightly above plans in Dec.

Player owners are latching onto large numbers of discs when they're available, both companies report. Pioneer says customers usually buy 5-7 discs with purchase of player, one a month thereafter. Magnavox says purchase of 10 discs at a time isn't unusual. Neither company will introduce new player model at WCES, but both are developing them. Pioneer says there's possibility of new player (presumably lower priced unit designed to compete with RCA's CED) in late spring. Magnavox is sticking with current single model for foreseeable future.

WCES will see plenty of hoo-hah over CED system, of course. Disc will completely dominate RCA exhibit, and others may use show to demonstrate their own models. Hitachi is expected to show its CED player, probably will add stereo sound to show it can be done.

ZENITH'S 'PERIPHERALS': Zenith is actively exploring & exploiting new areas of video and related fields, but Pres. Revone Kluckman emphasizes that "our basic business is color TV."

Company is participating in growth of subscription TV — one area to which Zenith was oriented almost since start of TV — now supplying decoders to Southern Satellite, ATC & Golden West. It's supplying CRT computer terminals through its Heath Co. subsidiary and through Zenith Data Systems, which is making small-business computing equipment. It's preparing to participate in teletext & viewdata equipment markets, is going into manufacture of projection TV tubes for its own upcoming system and is prepared to sell them to OEMs as well.

"We're delighted to have new businesses related to things we do well in," Kluckman told us. "This provides us with new opportunities and lets us build on what we have. We belong in these businesses where we already have real capabilities in design, manufacturing & marketing." He indicated, however, that Zenith isn't contemplating going far afield into new & unrelated electronics businesses.

With regard to videodisc, Kluckman signaled cautious approach, stating that Zenith is starting to "facilitate" planned production program, would set up production line in existing plant toward end of 1981, output beginning early in 1982. Zenith's first supply of CED players will come from RCA, and fact that company isn't rushing to set up production now indicates it prefers to get feel of market before making major commitment.

Zenith is active in design of teletext encoders & decoders, but must await FCC standard, which Senior

Vp Robert Hansen expects in "year or 2." Hansen says Zenith has no prejudice for or against any specific system, but notes that CBS-backed Antiope technique will make for more expensive receiver than British Ceefax-Oracle. "All the information isn't in yet." Whether it becomes consumer success depends to great extent on price, Hansen believes. "At \$50, it's a viable feature; at \$250, it's dead."

Zenith is going slow in proclaiming birth of home computer age, Kluckman carefully differentiating between "personal" & "home" computers. Zenith obviously hopes to be in home computer business when it arrives, but won't be in vanguard of trying to create this market. Kluckman indicated arrival date of home computer as viable product is still hazy.

Company is looking at all new TV peripheral products in combination with Heath, now headed by ex-Zenith Treas. Edward Roberts. Kluckman & Roberts said Zenith could become involved in various home response & 2-way cable developments, but won't become major CATV supplier under own name, preferring to work with other equipment manufacturers & vendors.

Toshiba is first Japanese IC maker to start production of MPUs in U.S. Output at Toshiba Semiconductor, Cal.-based operation acquired from Maruman last spring, is currently limited, but will be at 20,000 monthly rate by March. By then, Toshiba will have completed \$24 million expansion designed to double production there to 2 million ICs monthly.

National Semiconductor won \$1.4 million contract to provide basic N/MOS IC technology to French govt. R&D agency. French spokesman said NS was only offeror willing to guarantee technology would produce acceptable yield level.

SONY'S RECORD YEAR: Sony reported record consolidated results for year to Oct. 31, with sales up 38.7%, net leaping 287.5% (see financial table). In final quarter, net soared 350% to \$83 million on 28.5% sales gain to \$1.15 billion.

Sony attributed gains to increased sales levels of higher priced products, including color TV, VCR, stereo cassette player, cost reductions, favorable foreign exchange rates. It reported overseas sales up 54.7% to \$2.89 billion, while sales in Japan rose 13.4% to \$1.34 billion.

Sony said worldwide VCR units sales jumped 70% in 1980 to 850,000 from 500,000 in 1979, predicted 65% increase in 1981 to 1.4 million. In color TV, it said unit sales rose 14% in 1980 from 2.1 million to 2.4 million, are expected to increase 13% in 1981 to 2.7 million.

Sony sales volume breakdown by product: Total TV \$1.17 billion, +34.3%; color TV \$1.12 billion, +36.8%; b&w TV \$63 million, +3.3%; VCR \$959 million, +63.6%; audio recorders & radios \$650 million, +35.4%; hi-fi \$380 million, +11.2%; other products, including magnetic tape, professional equipment, \$1.07 billion, +39.2%.

* * * *

Sony announced major expansion in office equipment field, introducing world's first battery-portable paperless electronic typewriter — Typecorder — and System 35 electronic word processor. Typecorder, to sell next year at about \$1,400, has surface area of standard sheet of paper (8-1/2x11"), just 3" thick, weighs 3 lb. It features MPU control, half-line (40-character) LCD display, single-page (3,300-character) electronic memory, built-in microcassette recorder with 140-page storage capacity.

Though noiseless in operation, Typecorder has switchable key-activated sound generator to provide clacking or beeping noise when desired, is programmed to double as steno model, and has built-in microphone so tape deck can be used for dictation. Accessories include non-impact portable printer at about \$800, converter for direct output to IBM typewriter at about \$600, output converters for teletype tape puncher and telephone link to computers and word processors.

Complete word processing system, including keyboard with two 3.5" floppy disc drives, LCD half-line display, printer, will list at about \$9,000; version with 12" full-page TV display will be available. Sony said it also plans to offer 3.5" disc drives, which use own high density storage techniques, to computer and word processor OEMs. Sony, which is already in dictation field, said it expects sales of new equipment to hit \$50 million in first year, grow quickly after that. At press briefing in N.Y., Chmn. Akio Morita said Sony still has no current plan to expand into home computers.

OCT. TV IMPORTS: Canada, Korea & Singapore combined to produce increase in total color TV imports in Oct., while Japan, Korea & Singapore accounted for the rise in b&w, Commerce figures show (Vol. 20:50 p11).

Here are TV import results by country for Oct., with 10-month totals in parentheses: Japan, total TV 123,100, +1.7% (864,800, -26.2%); color 566,00, -13% (411,100, -38.8%); b&w 66,500, +18.8% (453,800, -9.4%). Taiwan, total 307,400, -19.9% (3.57 million, -2.6%); color 27,000, -56.9% (568,000, -32.4%); b&w 280,400, -12.7% (3 million, +6.3%). Korea, total 287,500, +80.9% (1.8 million, +7%); color 33,000, +49.4% (232,600, -14.3%); 254,500, +85.9% (1.57 million, +11.1%). Singapore, total 92,900, +186.3% (650,400, +290.6%); color, 88,600, +196.7% (606,400, +271%); b&w 4,300, +66.7% (44,000, +1327.3%). Canada, color 19,300, +116.3% (97,000, +10.8%).

Imports of complete color TVs: Japan 51,300, +35% (337,800, -25.9%); Taiwan 14,800, -50.5% (244,700, -20.3%); Singapore 12,000, +34.5% (60,800, -4.7%); Canada 19,000, +170.8% (91,800, +14.7%); Mexico, none for month (6,200, none last year). All color from Korea was complete in Oct., 10-month total was 231,900, -14.5%.

Imports of color chassis & kits: Japan 5,300, -80.3% (73,300, -66%); Taiwan 12,300, -62.7% (323,300, -39.4%); Korea none (700, +1,300%); Singapore 76,600, +266.1% (545,600, +447.5%); Canada 373, -80.7% (5,100, -31.1%); Mexico 128,600, -7.4% (1.27 million, +2.3%); Philippines 8,500, +273.5% (76,500, +398.6%).

Bolivia is 6th Andean bloc country to adopt NTSC color system. Switchover of govt.-owned station from b&w to U.S. color standard marks another success for U.S. industry-govt. South American effort which started in 1965, coordinated by Commerce Dept.'s E. MacDonald Nyhen. Ampex & Zenith were particularly active in Bolivian effort. Other Andean countries adopting NTSC in last year or 2 were Chile, Colombia, Ecuador, Peru & Venezuela.

Continuing survey of worldwide consumer electronics industry is being launched by International Competitive Assessments & Chase Econometrics. First offering, due in March, is comprehensive Structural Shifts in International Competitive Framework. Study will be available separately, or as part of service which includes quarterly forecasts & reports on strategic industry issues. For details: ICA, 23 E. 74th St., N.Y. 10021, 212-570-6204.

Trade pact opening Japan's telecommunication equipment & other govt. markets to competitive bidding by foreign suppliers was finalized last week by U.S. & Japanese trade officials. Japanese were facing Jan. 1 deadline to either sign or see its manufacturers lose right to bid on U.S. govt. procurement contracts.

COMPUTER PRICE WAR: If 1981 doesn't turn into year of home computer, it won't be because of high prices. Following TI's \$300 cut on computer console to \$650 (available from discounters at \$500) and Radio Shack's introduction of \$400 console, APF will slash \$200 from list of Imagination Machine, combination programmable video game-computer, and Commodore is unveiling \$300 entry.

APF unit, to be priced at \$399 Jan. 1, includes programmable game console, add-on computer with keyboard, 14K user memory, built-in cassette recorder. Full range of accessories is available. Price cut, it's understood, is prelude to introduction later next year of one-piece model with similar capabilities.

Commodore will feature new personal computer at Winter CES exhibit. Computer uses external RF modulator, will display 23 lines of 22 characters each on TV screen, has built-in keyboard. It has 5K bytes of memory, expandable to 32K, connections for most accessories.

Mattel, meanwhile, is continuing to fumble its way into computer market. At WCES, it will at last formally introduce Intellivision video game keyboard computer converter, priced to retail at about \$700, or more than 3 times price envisioned when system was first shown in 1979. Since list on game is now \$280, complete system will be in \$1,000 class, well above offerings of all competitors. Programs for computer system: French, stock analysis, physical fitness, astrology, family finances, with football & Spanish on drawingboard. New Intellivision cartridges: Chess, Dungeons & Dragons, bowling, Motorcross, submarine battle.

New hand-held games to be shown by Mattel include Invisible Alien Neutralizer at \$25 with "sensory feedback;" basketball, baseball & football for younger children at \$20, unpriced step-ups with fluorescent action displays. Also unpriced is MPU-controlled game series, including Dungeons & Dragons, Ticker Tape Fever, backgammon & chess.

New video books: Second edition of Video Source Book lists 30,000 programs with short description of each, plus all pertinent information, as well as 400 subject categories in its 1,278 pages. It's \$64.95 in hard cover, \$59.95 softcover, from National Video Clearinghouse, 100 Lafayette Dr., Syosset, N.Y. 11791 (516-364-3686)... New edition of Video Register lists 335 video-using firms, 430 publishers-distributors, nearly 400 dealers, 607 production services, 150 video consultants. In softcover, \$34.95, from Knowledge Industry Publications, 2 Corporate Park Dr., White Plains, N.Y. 10604 (914-694-8686).

Sanyo VCR production will reach 100,000 monthly by end of 1981, according to company plan. Current output is 60,000. Other firms which have announced major boosts in output for 1981 are Matsushita (200,000 monthly), JVC (150,000) & Sony (100,000).

WELCH NEW GE HEAD: Next GE chmn.-chief exec. will be consumer products veteran John Welch, who becomes chmn.-elect Jan. 1, and on April 1 succeeds Chmn. Reginald Jones who retires at age 63 after 41 years with company. At 45, Welch will be youngest top leader in GE history.

Welch was Consumer Products & Services Sector exec. vp in 1970-78, moving up to vice chmn. in 1979. Paul Van Orden was named to replace him. Welch's current overall responsibility for consumer products will be shifted to Vice Chmn. Edward Hood, whose earlier GE posts involved international, technical & materials and power generating operations.

At press briefing, Jones said he informed board of retirement plan last month. Agreement on Welch as replacement was reached at that time, subject to formal board ratification, which came Dec. 18 at last scheduled meeting of year. Jones pointed out that he is older than his predecessors were when they retired. He said he would have left sooner, but felt he should put in at least year after 1979 reorganization to help with transition to new management structure.

DVA price for mastering "straightforward" optical videodisc (no special programming) is about \$1,500 per side, with minimum replication order of 50 sides per master at \$5 per side, DVA Pres. Jack Reilly said in interview in Dec. Videography magazine. Among Reilly's observations: "We expect significant [industrial player] competition from Sony... I think there might be 2 technologies long-term" in consumer market. Laser replacement cost for consumer player will be about \$135. Economics of videodisc which will record as well as play "just aren't there in view in this decade. There's a question as to whether they will be there in the next decade, when talking about the consumer market."

Japan's color TV exports to EEC will exceed those to the U.S. this year for first time in any full year. Based on shipments for first 10 months, Japan will export 700,000 color sets to Europe in 1980, up 40% from 500,000 of 1979, and up 30% from record 540,000 of 1978. In contrast, shipments to U.S. will be down about 20% to 540,000 from 686,000 last year, marking lowest total since 324,000 of 1967. Peak year for color exports to U.S. was 1976 with 2.96 million.

Ad notes: Tronics 2000, TV service franchising organizations, appoints Meldrum & Fewsmith, Cleveland, with ad budget of about \$400,000... Bell & Howell appoints Cunningham & Walsh for \$2 million Education Group account.

Microwave oven factory shipments are expected to rise 13% next year to 3.84 million from estimated 3.4 million 1980 total, AHAM predicts. It reported Nov. shipments of 381,800, up 21.5%, putting 11 months at 3.21 million, up 29.8%.

CES PRODUCT PREVIEW: Panasonic & Sharp will be joining the growing ranks of color marketers offering models with built-in CATV tuning capability at Winter Consumer Electronics Show Jan. 8-11. Additionally, Sharp will be looking at new market tier for remote color with low-priced, stripped-down model.

Panasonic color TVs due for drop-in include 19" table model with 105-channel CATV-ready electronic keypad tuner, LED channel indicator & light sensor at \$550, 5" AC-DC portable with video & audio input jacks for use with portable VCRs, continuous electronic tuner, at \$420. New b&ws start with 1.5" battery portable with varactor tuner at \$200; 7" battery portable with varactor is \$165. In AC-only, 9" with digital clock, varactor, is \$130; 12" are \$110 & \$115.

In VCRs, new 4-head model with 14-day programmable tuner, full set of visual forward & reverse features, auto rewind at tape end, is \$1,495. New leader model will carry \$895 list, and will sell to dealers for less than discontinued open-list predecessor. In report on Panasonic's planned 4-5% VCR price increases at year's end, we incorrectly indicated leader price was going up (Vol. 20:48 p8). Some Panasonic TVs also will be going up in price, boosts staggered over next few months. General price increase is expected when 1982 models are unveiled in spring.

Also being added are 5 tape recorders, \$47-\$150; 8 radios, \$37-\$260; LCD travel alarm, \$22; 3 calculators, \$50-\$140, high end being desktop model with voice synthesizer that reads out entries & totals. Technics hi-fi introductions will include 12-volt portable hi-fi system featuring 30-watt per channel amp, tuner with digital readout, cassette player, speakers at \$800, room acoustics controller at \$400, as well as receivers, turntables, tape decks & speakers.

Sharp expects to open new market for remotes with still unpriced model it says can be retailed for at least \$50 less than remote leader offerings of other name brand manufacturers. AFT will be only step-up feature aside from electronic tuner. Remote, ultrasonic instead of infrared, will be basic 2-function — on-off & channel change. Also in color, Sharp will feature 19" with ladder tuner settable to any 18 of 105 broadcast or CATV channels, currently unpriced. In audio, Sharp is adding stereo radio-cassette portables at \$330 & \$540, mono units at \$70 & \$80.

Magnavox will show 3 new products for Feb. introduction: Microcassette recorder at \$100, 2-speed version \$120, slim portable cassette recorder at \$70.

GE adds stereo headphone cassette player at \$130, high-end portable stereo radio-cassette with Dolby & LED meters at \$290, smaller version with LED display at \$160, mono radio-cassette \$130, slim portable cassette recorders at \$90 & \$100. New

radios include FM-AM digital clock leader at \$39, LED display model with keypad time & alarm setting, Grad-U-Wake feature which slowly boosts radio volume when alarm goes off at \$80, lower-priced version of programmable clock-radio at \$134; FM-AM-weather-TV sound portable at \$50, FM-AM portable leader at \$26.

GBC adds \$400 "Pool Minder" CCTV system to home video security line. System includes b&w camera in weatherproof housing with wall mount bracket, 12" b&w TV with top-mounted broadcast TV-CCTV switch, 50-ft. connecting cable.

CHINA EXPANSION: Although China has been cancelling or postponing contracts to buy equipment & materials factories & technology from foreigners, mainly Japanese, its stated problems with foreign exchange and internal support industries haven't slowed down nation's expansion into production of TVs and other consumer electronics.

Hitachi last week announced establishment of TV manufacturing venture in Fujian Province. Chinese will supply 50% of \$2.4 million capital, Hitachi 48%, Japanese trading company Toe Shoko 2%. Slated to start limited production next March, Fujian-Hitachi TV will have capacity to produce 200,000 color, 180,000 b&w TVs, annually by 1984. Employment is expected to reach 600.

In addition to supplying capital, technology & equipment, Hitachi has agreed to help develop local sources for components. As with most such deals, Hitachi will handle export sales, accept product in lieu of cash profit, while Chinese sell on local market. Deal is Hitachi's 3rd in China involving color TV. It's currently building color TV plant in Shanghai, color tube plant in Shanxi Province. Chinese already have color plant, with 150,000 annual capacity operating in Tianjin, are working with Telefunken to have one operating at 60,000 annual rate in Peking next year.

In audio, Chinese have made number of deals involving assembly of radios, portable recorders & phono systems with Hong Kong manufacturers, and Telefunken contract includes audio cassette recorder technology. Hi-fi is now being eyed. JVC is negotiating to supply stereo manufacturing technology to China. Company says it has received inquiries from officials in several local areas, but believes market there could support only one facility.

Tape topics: TDK is starting operations at \$50 million videocassette assembly plant in Peachtree City, Ga. Plant has million per month capacity, will provide videocassettes necessary for firm to reach 40% sales increase goal next year. TDK predicts industry videocassette sales will rise at least 35% to 23 million in 1981, 10% increase for audio cassettes. TDK says its total tape sales are up more than 50% this year... Sony sets first quarter Beta videocassette promotion, will offer heavy discounts to dealers plus 10 free 5-cassette storage cases with every 50 videocassettes ordered.

Consumer Electronics Personals

Brown Williams advanced at RCA Labs to staff vp for for display & energy systems research, in charge of TV display tubes & photovoltaic solar cells... **Robert Hasche**, ex-Advent national sales mgr., joins Kloss video as credit mgr., with responsibility for dealer development program.

Ram Reddy, ex-RCA Records, joins VHD Disc Mfg. as Irvine, Cal. plant mgr.; **Kenneth Lanberger**, ex-Columbia Pictures, appointed VHD Programs business affairs dir.; **Richard Cameron**, ex-Magnavox, named industrial relations & personnel dir.; **John Sigley**, Thorn EMI, named chmn. of both VHD Programs & VHD Disc Mfg... **William Ambrose** appointed Time-Life Video vp-gen. mgr., succeeding **Bruce Barnett**, now with T-L Books... **Jason Farrow** promoted at Sony to Video Products ad gen. mgr.

Reed Mellroy advanced from IMA western sales vp to national field sales mgr. for parent Craig... **James Maynard** joins Hitachi as audio components mktg. dir... **William Cawfield** named Crown Radio mktg. vp... **Donald Schroeder**, ex-Jensen, appointed Shure speaker mktg. mgr... **Barry Klaidman** appointed BES national sales mgr.

Sal Nuzzo, Hazeltine pres., adds post of chmn., succeeding **David Westerman**, resigned but continuing as a dir... **Gail Lieberman** promoted at RCA to financial reporting & capital planning staff vp.

Terry Jones, ex-Advanced Micro Devices, named pres. of Telecomputer Technology, new Nitron subsidiary formed to handle worldwide sales... **John Meyer**, ex-National Semiconductor Timepiece Products Dir., joins Signetics as MPU Div. vp-gen. mgr... **Reinhard Rist**, ex-RCA Semiconductor, appointed Stackpole Components international sales & mktg. dir... **John McNamara** named Dialight national sales mgr... **John Gannon** appointed Monsanto Electronics Div. mktg. & products dir.

CB legalization has been declared in France, where there are estimated 100,000 illegal operators. Govt. opened 22 channels in 27-MHz band, declared 2-watt power limit. Other standards & specifications have been set to favor models produced in Far East by European-owned factories, make selling tougher for other Asian manufacturers. First sales are running 2,500 monthly, are expected to double early next year.

VCR-to-computer interface that permits standard home VCR to be used as backup for disc memories is being offered by Corvus for \$790. Corvus sells interface only; customer must buy VCR & cassettes on own.

Obituary

George Camp, 55, Panasonic Service Group vp, one-time Sylvania national parts mgr., died in Easton, Pa. Dec. 16 after long illness. Wife, 4 children survive.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
AT&T			
1980-year to Nov. 30	50,233,000,000	6,043,000,000	8.18
1979-year to Nov. 30	45,021,000,000	5,613,000,000	7.98
1980-qtr. to Nov. 30	13,145,000,000	1,596,000,000	2.12
1979-qtr. to Nov. 30	11,670,000,000	1,436,000,000	2.01
Electro Audio Dynamics			
1980-qtr. to Nov. 1	19,724,000	(177,000)	--
1979-qtr. to Oct. 27	19,053,000	(464,000)	--
Harvey Group			
1980-39 wk. to Nov. 1	61,074,000 ^a	1,130,000	.50
1979-39 wk. to Nov. 3	46,857,000 ^a	1,383,000	.63
1980-13 wk. to Nov. 1	19,611,000 ^a	248,000	.11
1979-13 wk. to Nov. 3	16,426,000 ^a	343,000	.16
Outlet Co.			
1980-9 mo. to Oct. 31	91,851,000	(37,022,000)	--
1979-9 mo. to Oct. 31 ^b	80,230,000 ^c	253,000	1.03
1980-qtr. to Oct. 31	32,782,000	(33,722,000)	--
1979-qtr. to Oct. 31 ^b	28,514,000 ^c	710,000	.20
Sony^d			
1980-year to Oct. 31	4,270,000,000	328,400,000	1.52 ^e
1979-year to Oct. 31	3,080,000,000	84,800,000	.39 ^e
1980-qtr. to Oct. 31	1,160,000,000	83,700,000	.39 ^e
1979-qtr. to Oct. 31	899,900,000	18,600,000	.09 ^e

Notes: ^aIncludes special credit. ^bRestated. ^cFrom continuing operations. ^dAt yen's current rate. ^ePer ADR.

NEW RCA PRICES: RCA's entire Colortrak line has been increased \$10-\$20 in list price, but XL-100 suggested retail prices remain unchanged in latest boosts, which RCA says average 1% at factory (Vol. 20:49 p8).

Major starting price points in RCA line — all X-100 models — remain unchanged. Colortrak 19" sets, 5 models, rose \$10 each, so that size now ranges \$540-\$690. All 23 consoles are up \$20, now ranging \$830-\$1,520. B&w sets with changed list prices are 5" minicombs, now \$170 & \$210, and 19", now \$190 & \$200, all up \$10. RCA said b&w factory prices were up 2.5%.

Import duty credit for companies which re-export finished product imports will be permitted for first time if President approves measure passed by Congress and now sitting on his desk. Now, such credits are given only manufacturers who use imported parts in products they assemble for export. Change would provide paperwork & financial relief for many importers who now maintain dual inventories, one for products they intend to market in U.S., while items which may be re-exported are kept in bonded warehouses.

Advent will lay off workers on Portsmouth, N.H. speaker line for 2 weeks at year end to balance inventory. Video projection output isn't affected... **TI will put** about 15,000 of its 90,000 worldwide workforce on short hours in first quarter 1981 to trim inventories of IC memories & computer products.

WEEKLY

Television Digest®

with
consumer
electronics®

35th YEAR OF PUBLICATION
1945-1980

The authoritative service for broadcasting, consumer electronics & allied fields

DECEMBER 29, 1980

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

DEREG—FERRIS'S LAST HURRAH: Brown & staff proposals to be considered Jan. 14. Nonentertainment & commercial guidelines, ascertainment, renewal primer & mandatory program logs on way out. (P. 1)

CBS FACES FIGHT ON RULES: Requested change to allow networks to buy non-broadcast rights to programs faces tough opposition on many fronts. CBS responds. (P. 2)

FTC ON UNFAIRNESS: Agency issues policy statement on unfairness rule, sets stage for oversight hearings into issue by Senate Consumer Subcommittee. (P. 4)

FCC's 'STUPID CABLE RULES' hit by Van Deerlin in N.Y. valedictory speech. Says they couldn't have been 'planned any better to kill any industry'. (P. 4)

FORGET SPECULATION about interim FCC chmn.; it's said to be Lee. Transition team submits 2nd report covering regulation & paperwork reduction, interim operation. (P. 4)

TPT-WESTINGHOUSE DEAL HIT: 3 groups file objections at FCC to Westinghouse acquisition of Teleprompter, cite alleged anticompetitive nature of merger. (P. 5)

RADIO DEREG—FERRIS'S LAST HURRAH: Radio deregulation is last major item remaining on agenda of lame-duck FCC Chmn. Ferris, and he just might be successful — despite opposition of largest public interest groups — in pushing that item through Commission before he is replaced as chairman Jan. 20, or soon thereafter. He has support of black Comr. Brown, who rewrote long staff item, to be considered at special meeting Jan. 14, to suit his (Brown's) specifications.

Essentially, staff & Brown are recommending: (1) Eliminate nonentertainment program guideline, while retaining "a generalized obligation to offer programming responsive to community issues." Nonentertainment programming will remain issue, however, in petitions to deny and in comparative hearings, although in markets with several stations licensee may "focus upon issues of particular concern" to its own listeners, rather than being required to serve needs of entire community. In such cases, station would be required to show that decision to "primarily be responsive to only certain segments of the community was reasonable" and that

Consumer Electronics

ESSENTIALLY FLAT 1981 predicted by industry respondents to our annual year-end survey. They see color up, b&w down, good year for VCR, so-so results for videodisc. (P. 7)

JUSTICE POSTPONES decision on clearance of GTE's planned sale of Sylvania to N. American Philips until mid-Jan. (P. 9)

RECORD VCR EXPORTS to U.S. in Nov. reported by Japan's Finance Ministry. Color shipments up, b&w down. (P. 9)

DU PONT-PHILIPS venture to produce video & audio cassettes for world markets. Du Pont phasing out U.S. production, to continue distribution. (P. 10)

TELEPUNKEN PUSHING capacitance version of TeD as alternative to optical digital audio disc, says system can be made compatible with RCA CED videodisc player. (P. 10)

GOLD STAR STRESSING technology capabilities in upcoming products. First national ad campaign planned. (P. 11)

SEMINARS AT WINTER CES to take on new look, with panelists queried first by trade press, then by audience. (P. 11)

there were other stations in market providing other required needs.

(2) Eliminated would be 1971 ascertainment primer and renewal primer obligations. Instead of ascertainment, renewal applicants would be required simply to file annual proposed programming statement, with FCC feeling "market forces can be relied upon to assure that the applicant's programming will be responsive to its community." Station would be required to place in public file annually a list of not more than 10 issues of public importance to which its programming was directed. In case of renewal challenge, Commission consideration would focus on that list.

(3) Commercial guidelines (maximum minutes per hour, currently 18 in normal situations) would be eliminated and "leave it to the working of marketplace forces to determine the appropriate amounts of commercial time." FCC would continue to regulate such things as sponsorship identification.

(4) Mandatory program logs would be eliminated, but stations would be required to continue other logging requirements — political broadcasting, maintenance, operational, etc.

Staff believes that several other deregulatory options should be considered, especially with respect to nonentertainment programming and ascertainment, stating: "The Commission may wish to consider abandoning all nonentertainment programming regulation except that required by statute" — obscenity, equal time, fairness doctrine, lottery, etc. Disadvantage to such approach, staff believes, could be elimination of coverage of local issues that don't rise to level of controversial issues.

Note: At same Jan. 14 meeting, FCC will consider planned purchase of Teleprompter by Group W (see p. 5).

CBS FACES OPPOSITION ON RULE CHANGE: CBS received little support in comments on network's request for declaratory ruling interpreting financial interest rule to allow networks to buy non-broadcast rights to programs, as long as negotiations for rights were conducted separately from broadcast negotiations. Several parties also attacked reported ex parte contacts between network and Commission, filed FOI requests for details of such meetings.

CBS petition for declaratory ruling was backed by ABC & NBC, opposed by Teleprompter, Viacom, HBO, several movie companies and program suppliers, NAITPD and NTIA. Most said declaratory judgment was wrong procedure for rule change, urged Commission to start rulemaking on issue.

Viacom said CBS is not asking for interpretation of rule but for an "effective repeal of the rule." If rule is changed, Viacom said, networks would still be barred from syndication and it would be in CBS's interest "to defer the date program went into syndication so that it could first exploit the program in other forms of distribution in which, if its petition is granted, it will be able to participate. In consequence, not only could serious injury be done to the syndication market, but CBS would be in a position to inflict serious economic harm on the producers and individual broadcast stations dependent upon that market."

Viacom said news reports of ex parte contacts between FCC and CBS requires rulemaking procedure, cited Dec. 10 Variety story which said CBS "confirmed" discussing proposal with commissioners and staff members before filing. Viacom and others filed FOI requests for all memoranda and other documents submitted by CBS, filed motion to "create record of ex parte contacts."

Only support came from other 2 networks. NBC said: "As to syndication rights, these, of course are unaffected by the acquisition of non-broadcast rights... Finally, as to conditioning, whatever merit there may have been in the concern that networks might improperly 'condition' their purchases of network rights on obtaining these non-broadcast interests (and we do not

believe there is any merit to this concern), the acquisition of non-broadcast rights in completely separate transactions from the purchase of network exhibition rights cannot, by definition, raise even the most remote threat of conditioning."

NBC said rule prevents networks from entering new fields: "Accordingly, the Commission should promptly grant the CBS petition to confirm that the new technologies are not burdened by such artificial regulatory constraints."

ABC raised 3 major points: (1) Intent of rule was to prevent networks from buying syndication rights while licensing programs for airing, not to foreclose purchase of subsidiary rights for programs not aired on that network or obtained in separate negotiations. (2) Justice Dept. consent decrees with networks "contain an explicit exemption for the acquisition of non-broadcast rights where such rights are not acquired, directly or indirectly, in connection with the negotiation for, or acquisition of, rights for network exhibition." (3) Network inquiry report recommends "repeal or at least clarification" of financial interest rule.

Justice Dept. took no formal position on request from CBS, said it was "inappropriate" for FCC to rely on consent decrees in making decision, suggested that issue "might more appropriately be considered in the context of a more formal procedure."

NTIA's comments were mixed, agreeing with CBS that regulation "is drawn too broadly and raises uncertainties that should be clarified in the interest of fostering competition and equity." But, NTIA said, declaratory ruling "is inappropriate to change policy," urged Commission to issue notice of proposed rulemaking with "tight deadlines; and that it expeditiously resolve this important issue."

Teleprompter said it "welcomes" CBS's entry into cable TV programming, but that CBS's request for declaratory ruling would "subvert the purpose of the financial interest rule." Teleprompter attacked talk of "separate" negotiations for non-broadcast rights, said "CBS proffers no mechanism by which such 'independence' may be policed, tested and preserved," urged rulemaking and rule revision "to allow CBS and the other networks to develop TV programming for non-broadcast distribution so long as such programming is not also exhibited on their networks."

NAITPD said CBS was seeking "categorical exemption" to rule, opposed move: "Whether it be called interpretation, clarification or waiver, therefore, what CBS seeks is a partial repeal of the financial interest rule."

Comments filed by 11 program suppliers also opposed CBS request, said it was in direct contradiction with rule, and was "completely devoid of merit and must be denied." Program suppliers also filed FOI request; they include Columbia Pictures, Walt Disney Productions, Filmways Pictures, MCA, MTM Enterprises, MTM Productions, Tandem Productions, T.A.T. Communications, Twentieth Century-Fox and United Artists.

CBS said in reply comments that objections fall into 2 categories: (1) Interpretation requested by CBS is not in accordance with purposes of rule. (2) Request should not be granted without formal rulemaking. CBS said: "We believe that neither position is well taken... Granting the CBS petition would not undercut any of the legitimate objectives of the Commission's financial interest rule or the syndication rule, nor would it conflict with the Commission's prior interpretation of the financial interest rule." CBS also said rulemaking is not required "where the interpretation concerns a matter of public importance and wide-ranging application," and "there are no ex parte requirements applicable to requests for declaratory rulings."

Dan Rather will take over March 16 — national FOI Day — as CBS evening news anchor, succeeding Walter Cronkite. Latter will immediately take off for Russia to prepare first episode of 5-part CBS series on American security to be aired next fall.

In effort to reduce processing times of AM applications, FCC has asked for comments (due March 9, replies April 8) on plan to automate analysis & use of engineering data. Time-consuming analysis now is done manually, takes up to 6 months.

FTC ON UNFAIRNESS: FTC "policy statement," aimed at clearing up controversy about unfairness doctrine, instead has generated more debate in legal community about outcome of kidvid proceeding, possibility of Congress taking unfairness powers away from agency.

FTC statement, defining its powers under unfairness rule, was sent to Senate Consumer Subcommittee which plans oversight hearings into unfairness jurisdiction (House reportedly also is considering similar hearings). Of interest to kidvid followers: Agency sets specific limits on use of unfairness — "The presence of unjustified consumer injury... is essential to a determination that particular conduct is unfair" — leading some lawyers to argue that statement is final nail in kidvid coffin, proves proceeding never should have been undertaken, and "strong grounds" exist for dropping it.

"They [FTC] never showed any substantial injury to consumers," said Timothy Hardy, who represented Chocolate Mfrs. Assn. in kidvid. "If this is what they say unfairness is, one must question how they thought children's TV advertising was unfair. This confirms what we've been saying since last summer, that this proceeding should be terminated." Congress last spring mandated that FTC can't use unfairness as criteria for targeting ads (kidvid proceeding originally was based in part on unfairness doctrine), must have finding of deception (Vol. 20:18 p2). Agency staff is scheduled to make recommendation by Feb. 15 on how to proceed on kidvid in light of move by Congress.

However, ACT Pres. Peggy Charren argued that ACT's case against advertisers was based on both unfairness & deception and case still could proceed. "A substantial part of our case rests on deception, the difficulty of a young child to make decisions. I think this whole issue shows an irresponsibility on the part of major corporations. No one worried about unfairness when it was applied to competition, but when it is applied to consumers they scream."

While not commenting on kidvid, FTC, in strong plea for retaining unfairness rule, said deceptive standard isn't enough in many cases: "There are many ways in which consumer decisions may be distorted or coerced without resort to clear, outright deception... Sole reliance on a deception standard... would at best create ambiguity about the status of such practices and at worst permit significant abuses that the law now clearly prevents."

On how FTC statement will affect broader issue — whether Congress will act to kill unfairness doctrine completely — legal community is divided. Some say FTC, in trying to allay fears that its authority is too broad, defined its powers so narrowly (by limiting use of unfairness to cases where substantial consumer harm can be proved) that Congress will deem rule useless.

Rep appointment: WHBQ-TV Memphis names Harrington, Righter & Parsons, effective Jan. 29.

Valedictory of Rep. Van Deerlin (D-Cal.) at press luncheon in N.Y. last week included remark that FCC's "stupid cable rules of 1972... couldn't have been planned any better if [Commission] wanted to kill any industry," but that tide of developments "is not going to be held back." Van Deerlin said it was "purely coincidental" that broadcasters' clout at FCC "declined... during my term." Presence of 18-20 pressure groups means "it simply isn't possible for broadcasters... to get what they could get 15 years ago." He said cable lobby has become "just as sophisticated as the NAB itself," thought it possible for cable to compete equally with networks for national advertisers, wondered whether operators would join with broadcasters to fight DBS, which "totally bypasses local TV... Here is a new test of whether we mean it about diversity." As for next Congress, he doubted new committee chairmen would agree on much, including longer station licenses.

"You can forget all that speculation about who will be interim FCC chairman... It's going to be Bob Lee," we were told by source close to transition team. Also, it's known that Lee is in process of preparing list of non-protected FCC execs. brought in by Ferris who will be first to go. Some of those protected under civil service will have their jobs changed to less sensitive positions, we're told. There has been strong speculation that Comr. Washburn would get interim chairmanship because he has led "loyal opposition" and that Lee had been too close to Ferris. Meanwhile, transition team has submitted 2nd report, primarily covering ways to reduce regulation & paperwork, what should be done until fulltime chmn. is on board.

"Psychologically, we won't be the free-wheeling, independent entity we have been," commented Citizens Communications Center attorney Geoffrey Olsen on upcoming Citizens merger into Institute for Public Representation (IPR) of Georgetown U. Law School. Merger was mandatory when Ford Foundation — which for years has provided most of Citizens funding — made its last grant conditioned upon public interest law firm finding acceptable merger. Olsen and attorney Wilhelmina Cooke will continue with merged operation; current Citizens Dir. Nolan Bowie will be consultant for 2 months during transition.

Tribune Co. has purchased controlling interest in Douglas Communications, which has 35,000 cable subscribers. Douglas Ditttrick, Douglas founder, will head new cable subsidiary of Tribune, Tribune Company Cable. Tribune's existing cable subsidiary, WGN Electronic Systems, which has 40,000 subscribers, will become part of new subsidiary. Financial terms were undisclosed.

Addenda Hiatus

For full-service Television Digest subscribers, weekly TV, Cable & AM-FM Addenda are not included this week. Next week, double issues of each will be published.

TPT-WESTINGHOUSE DEAL HIT: 3 groups have filed objections at FCC to proposed \$646 million acquisition of Teleprompter by Westinghouse (Vol. 20:42 pl), all citing alleged anticompetitive nature of merger.

NCCB, asking for denial of transfer of CARS licenses essential for completion of merger, criticized FCC for not permitting sufficient time for opponents to rally legal arguments, said its primary objection concerns vertical integration between TPT's cable systems and Westinghouse's programming power. "The size of the whole damn merger bothers us," said NCCB Exec. Dir. Sam Simon.

NBMC said "no affirmative public interest showing at all" has been made to justify merger. NBMC said 43% of TPT's operations are violating Commission's EEO guidelines.

Society for Private & Commercial Earth Stations (SPACE) asked for denial because Showtime, 50% owned by TPT, refuses to license its programs to private earth station owners, thereby denying service to public. "This conduct should not be FCC-sanctioned by allowing [TPT] to merge with Westinghouse," said SPACE Pres. Taylor Howard.

FCC tentatively plans to consider Group W merger with Teleprompter at special meeting Jan. 14.

NTIA wants inquiry leading to overall approach in implementing reasonable access law passed by Congress. Law allows FCC to revoke license for "willful or repeated failure" to give federal candidates air time and use of station facilities. NTIA said in petition it wants FCC to consider station's overall performance during renewal or revocation hearings, instead of on case-by-case basis. "If the Commission proceeds to determine in each case whether the licensee's action in refusing a request is 'reasonable,' it is deep in a quagmire."

All 3 networks rejected rights to Presidential inaugural "gala" for 2-hour show Jan. 19, featuring Johnny Carson as emcee, produced by Frank Sinatra. One problem was that Capital Centre, where gala will be held, has events scheduled for preceding 2 nights. CBS spokesman said network "wanted to do the show and we were ready to deal. We simply couldn't get in there to set up in order to do the caliber of show we wanted to be proud of. We agonized over the decision, but technically it was too risky."

Odds-on favorite to win 1981 DSA award is Bonneville International Pres. Arch Madsen, runner-up year ago to ex-NAB Chmn. Donald Thurston. "We're getting a lot of mail supporting Arch," nothing on any other nominees, according to NAB Convention Committee member. Committee will pick winner Jan. 25, at start of winter board meetings in Scottsdale, Ariz.

Franklin Mint has been bought by Warner Communications for \$204 million.

Wall Street is gloomy about future of broadcast revenues and stock prices. Broadcasting companies, used to 20% compounded revenue growth, will have to adjust to lower rate, possibly less than 15%, analysts told Wall St. Journal, adding that prices may plunge sharply and continue downward trend for next several years. Among predictions: ABC & CBS could drop in price by about 30% and one analyst says NBC is "in worse shape"; recent weakness in market was only "tip" of major decline, because industry underestimated recession's impact; slowdown in growth of TV advertising is expected, with national spot rising only 8.5%, compared with 14% this year. One analyst doesn't recommend any broadcast stocks, even for trading purposes.

"It is a bit premature for a responsible organization... to sing songs of despair and fear without bothering first to examine dispassionately the way the national elections touched the communications industry," said Pluria Marshall, chmn. of National Black Media Coalition. "NBMC will remain vigilant, no matter who occupies the Oval Office at the White House... We fully intend to push the legitimate interests of black America no matter what the ideological makeup of the FCC... Black America must always be included in, never excluded from, competition for an equitable share of the total spectrum of communications."

NAB has agreed to underwrite Reagan inaugural to tune of \$10,000, is expected to get money back since previous inaugurals generally have been "self-liquidating." This is first time such groups as NAB have been asked to underwrite Presidential inaugural. NAB Exec. Committee also has approved \$20,000 convention cancellation insurance policy, covering losses to Assn. up to \$3 million. "We felt it might be a good investment," according to Radio Chmn. Edward Fritts, in light of MGM Grand fire and threatened March or April strike of airline controllers.

League of Women Voters plans hearings throughout country during next 2 years into ways debates can be improved. Dates and places for hearings haven't been decided. In early spring, League will begin consulting public interest groups, local LWV leaders, business & labor groups, and candidates on how to plan hearings to make sure all views are heard. Among issues to be addressed at hearings: Treatment of minor party candidates, number of debates, format.

FCC rescinded July 31 order permitting Miami STV Inc. to build new UHF station in Miami, wants to review firm's financial resources to make sure it has money to build station. However, Commission denied request by Coral TV Corp. to reconsider earlier dismissal of Coral's application for same channel.

KOUS-TV Hardin, Mont. now is on air on Ch. 4, bringing U.S. operating TV totals to 1,036 — 754 commercial, 282 non-commercial. Pres. Charles Vick and Vp.-Treas. David Rivenes own 26% each, also have interests in KYUS-TV Miles City, Mont.

Personals

Wallace Johnson, exec. dir. of Assn. for Best. Engineering Standards and retired chief of FCC Best. Bureau, will receive NAB Engineering Achievement Award April 14 during NAB convention in Las Vegas... William Diefenderfer, Senate Commerce Committee minority staff dir., will become Committee's gen. counsel when Republican majority takes over in Jan.; Robert Witeck, press secy. to incoming Commerce Committee Chmn. Robert Packwood (R-Ore.), will assume same post with Committee.

Philip Verveer, FCC Common Carrier Bureau chief and former head of Best. Bureau (for one month) and Cable Bureau, joins Washington law firm Pierson, Ball & Dowd in early Jan.

Mary Ann Zimmer promoted to dir. of business affairs and music operations, CBS Entertainment... Kym King joins Field Communications as dir. of children's programs... Thomas Perryman, ex-WJLA-TV Washington, appointed special projects dir., KPLR-TV St. Louis; Harold Pontious, ex-WPHL-TV Philadelphia, named asst. program dir... Sandra Bell named personnel administration mgr., WGN Continental, new post.

Trygve Myhren, ATC exec. vp, advanced to pres., succeeding Monroe Rifkin, who remains chmn.-CEO; Joseph Collins promoted to senior exec. vp, responsible for all existing business operations; Michael McCrudden advanced to exec. vp-corporate development; Thomas Binning to senior vp for plant & facilities; James Doolittle, senior vp for cable operations; Chip Morlisa, senior vp, pay-TV operations.

Joseph Zaleski promoted to vp-gen. sales mgr., Viacom Enterprises... Gordon Hastings named senior vp, Katz Agency... William Rock and Joseph Kelly appointed vps, Insilco Best. Group.

James Heyworth, HBO pres., elected vp of parent Time Inc... Daniel Finnane appointed exec. vp in charge of operations, Total TV; Robert Loos to vp in charge of new facilities; Par Peterson, ex-GTE Sylvania, joins Total TV as engineering dir... Robin Rosen, ex-RCA Records, named vp, Group One TV.

C. Joseph Gavin, TvB sales mktg. exec. for New England, promoted to membership dir., succeeding Norman Cash, retired... Mary Jean Parson, Blair dir. of administration, also named vp; Charles Niles, ex-SAMI Div. of Time Inc., joins Blair TV as mktg. mgr., new post; Peter Carnes promoted to sales mgr., Atlanta office... William Thomas, ex-WLVI-TV Boston, appointed mktg. mgr., Independent TV sales.

Sen. Ernest Hollings (D-S.C.), outgoing chmn. of Senate Communications Subcommittee, will be featured speaker at Ga. Assn. of Bestrs. Radio-TV Institute Jan. 27-29; other speakers: Keith Jackson, ABC Sports; Marlene Sanders, CBS News; Richard Shiben, FCC Best. Bureau; Richard Wycoff, NAB.

John Johnson, chmn. of Satellite TV Corp. unit of Comsat, in interview with our Satellite Week on DBS application to FCC: "I don't really want to speculate on the emotions of the broadcasters and I doubt very much that there is a uniform reaction in any event. I would hope that as the broadcasting industry becomes fully aware of the nature of our proposal, rather than basing their reactions on a lot of speculation, they will see a little more clearly that this doesn't really present any threat to them. The Kalba-Bowen study that was commissioned by the NAB itself came precisely to the conclusion that this program does not provide a significant adverse threat of any kind to the broadcasting industry."

Several TV stations, up for Arbitron renewals, reportedly are balking at huge rate increase proposed over next 3 years. Major market station said Arbitron is seeking 29% increase in 1981, 27% in 1982, 25% in 1983. Smaller station said its increases are 30%, 29%, 27%. Arbitron is said to be negotiating new contracts with about 100 stations in 58 markets. Starting in Jan., Arbitron interviewers will ask potential survey participants whether they, or any member of family, work in broadcasting. In past, Arbitron has relied on voluntary disclosure.

Station can't be sued for refusing to carry "hypnotic" political ad, U.S. Appeals Court in New Orleans ruled, acting in suit filed against Turner Communications by 1978 candidate for Ga. governor, Nick Belluso. WTCG Atlanta (now WTBS) refused to carry ad featuring hypnotist urging voters to choose Belluso. Appeals Court upheld lower court dismissal of suit.

New books: (1) "Broadcast Programming — Strategies for Winning TV & Radio Audiences" — by Susan Eastman, Sydney Head & Lewis Klein, Temple U. (Wadsworth Publishing, Belmont, Cal.) (2) "Cable/Broadband Communications Book, Vol. 2," edited by Mary Louise Holowell. Communications Press (\$19.50), Washington.

Must carry rules should not be tossed out, NAB says in filing with FCC, responding to request from Ted Turner. NAB said request "is solely motivated by the best interests of one private entrepreneur." MST said in opposition that elimination would injure local stations, "thereby reducing both the quantity and quality of broadcast service..."

Obituary

Robert Kintner, 71, ex-pres. of ABC and NBC, died of heart attack Dec. 22 at Washington, D.C. home. Staunch advocate of news programming, he pushed for expanded news budgets in early TV broadcasting, ordering full live coverage of Army-McCarthy hearings at ABC in 1954, and originating Huntley-Brinkley anchor team at NBC. Because Kintner insisted on live coverage when Lee Oswald was removed from Dallas jail, NBC was present when Oswald was shot. Kintner was ABC pres. from 1950-56, headed NBC 1957-66, later served as White House advisor under President Johnson. Survivors include 3 children.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Dec. 12 (50th week of 1980):

	Dec. 6-12	1979 week	% change	Nov. 29- Dec. 5	1980 to date	1979 to date	% change
Total TV.....	379,311	336,053	+12.9	334,705	15,542,580	15,508,719	+0.2
color.....	233,229	206,728	+12.8	201,346	9,635,128	9,493,382	+1.5
monochrome..	146,082	129,325	+13.0	133,359	5,907,452	6,015,337	-1.8
Home VCR.....	28,503*	15,516	+83.7	19,767	751,072**	453,949	+65.5

Color TV 5-week moving average: 1980—255,110*; 1979—214,713 (up 18.8%).

Home VCR 5-week moving average: 1980—24,230*; 1979—14,618 (up 65.8%).

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

TV MAKERS HOPEFULLY EYE FLAT 1981: Domestic manufacturers & importers of video equipment are optimistically expecting that 1981 consumer demand for both color & b&w TVs will hold close to 1980 levels, with VCR sales continuing to climb and quality projection systems making minor but noticeable progress on way to becoming mass market item. That, in nutshell, is consensus view of coming year as derived from our annual survey of leading industry marketers. This year, 16 submitted usable responses, up from 14 last year. Here are median predictions for 1981, with estimated final results for 1980:

Product	1981 (forecast)	1980 (est.)	1981 vs. 1980	1979	1980 vs. 1979
Total TV.....	15,900,000	16,000,000	-0.6	16,101,088	-0.6
color.....	10,000,000	9,900,000	+1.0	9,846,487	+0.5
monochrome....	5,900,000	6,100,000	-3.2	6,254,601	-2.4
Home VCR.....	1,000,000	790,000	+26.6	475,396	+66.3
Projection TV....	75,000	50,000	+50.0	n/a	n/a

Timing is one important thing to consider when evaluating these industry forecasts. Our survey questionnaire went out in mid-Nov., and most responses were received by 2nd Dec. week. Industry had just gotten final figures for Nov., which saw strongest sales-to-dealers surge of year, with color sales up 21.3%, b&w up 16.5%, and VCR leaping 71.8% (Vol. 20:49 p10). While money was tight, current predictions of 23%-25% prime interest rates weren't even being thought of, and reports of sluggish Christmas action at retail hadn't started coming in. Or, as top exec. at major U.S. manufacturer said to us last week: "If I were sending in that forecast now, my numbers would be a bit lower."

Roster of respondents provides across-board sample of industry, and includes: Curtis Mathes, GE, Hitachi, JVC, Magnavox, Mitsubishi, Panasonic, Quasar, RCA, Samsung, Sanyo, Sharp, Sony, Sylvania, Tatung & Zenith.

Discarding high & low extremes, forecasts for color and b&w TV, industry's mainstay products, stayed in remarkably tight grouping. In color, where median expectation is that 1981 will be industry's 2nd 10-million set year (unless 1980 just squeezes through), range was from

low of 9.7 million to high of only 10.2 million. In b&w, where forecast, for 2nd straight year, is for drop below 6 million (it has been above that level in last 3 years), predictions ran from 5 million to 6.3 million.

Color factory prices are going up again. That's universal opinion. Here, however, swing in expected size of percentage increase was substantial, ranging from low of 2% to high of 7.5%. Marketers were asked to discount any expected shift in mix that would in itself change average sales prices. Industry expects foreign competition in color to continue at 1980 level, with complete-set imports retaining 15% market share. Considering substantially higher quotas assigned to Taiwan & Korea, possibility of expanded shipments from Singapore, it would seem industry believes imports from Japan will stay on sharp downward slide. View of imports wasn't universal, with 1/3 of respondents believing import share will rise to 17%-20% range. Equal number predicted decline.

B&w mini-combo market is still a hazy area for industry. Based on import figures, we estimated those small-screen battery-portable multi-function units accounted for 10% of 1980 market. Median industry expectation was for increase in share to 12%, which, considering expected decline in overall b&w sales, would translate into unit increase of 15%, or 100,000 sets. Three manufacturers said they expected mini's to provide as much as 15% of market next year, with that optimistic outlook offset by 4 who saw drop to 6-8%.

View that 1981 would be first 1 million home VCR year was strong prediction by our survey panel. As in color TV, range swing of forecasts was relatively modest, running from low of 850,000 up to 1.2 million. Most all manufacturers predicted higher VCR average prices for next year, ranging from 3% to 10%; however, 2 saw no change, one forecast decline, resulting in 3% increase as median forecast. Individual company outlook for portable VCRs appears keyed to 1980 sales experience. Based on color camera imports from Japan and talks with various marketers, it appears portables accounted for 15-20% of VCR volume in 1980. Median industry prediction is for jump to 30% next year. But here there was wide difference of opinion, with swing running from 8% at worst to 40% at best.

In projection TV forecast, industry appears to be on shaky ground again. Median unit sales prediction of 75,000 was sandwiched in between low of 50,000-60,000 and high (by 3 companies) of 100,000. Last year, industry predicted sales of 60,000 for 1980, but indications are that figure wasn't reached. Marketers are firm believers that average projector prices will come down sharply in 1981. With \$3,500 estimated as average retail price in 1980, median outlook for 1981 is \$3,000, with 4 companies expecting drop to \$2,800 or less.

For videodisc player sales, there was overwhelming lack of optimism in industry's forecast. Median prediction was for sale of 225,000 units in 1981, derived from low estimate of just 40,000 to high of 400,000. Considering that RCA says it will produce 200,000 CED players for own-brand sale next year, and is expected to turn out 100,000 for re-sale by Zenith, that leaves, at the very maximum, just 100,000 for the marketers of LV optical disc player. And that's with no allowance for shipments of any CED players to U.S. by Japanese manufacturers, or scheduled late-fall market entry of players by supporters of VHD format.

That videodisc player will coexist in market with VCR is idea that has broad acceptance in industry. Several marketers believe that disc introduction will actually help spur VCR sales, but few feel it will work other way around. Recording ability will insure survival of VCR in battle for consumer video dollar, industry pundits predict. They see different markets for VCR & disc, with latter appealing to lower income customers.

Industry can look forward to flat profit picture in 1981, and will have tough time even achieving that, was majority panel opinion, with only 4 companies looking for modest increase (1-5%), while 3 saw profits shrinking. Strongest industry wide position is for expectation of somewhat higher sales totals, with median estimate for 7% overall increase. Increase range was from 2-30%, but with half in 5%-7% area. For those with substantially higher estimates,

there may be difference in definition of what constitutes consumer electronics industry. Only one company predicted flat sales, no one was looking for decline.

Inflation, credit crunch, need to achieve reasonable return on investment, building consumer awareness & acceptance of new high-technology products — these all are critical problems that will have to be faced up to in 1981, our panel believes. Of all those, profitability comes across as biggest headache, and one, responses to our questions indicate, that industry hopes to cure with improved productivity in all phases of production & distribution, from factory parts inventory control right through retail selling floor & after-market service.

JUSTICE DELAYS RULING ON SYLVANIA SALE: Wait 'til next year, that familiar lament of baseball fans, now applies as well to GTE & North American Philips. Justice Dept., we've learned, now isn't expected to decide until mid-Jan. whether it will oppose on antitrust grounds GTE's planned sale of most of its Sylvania & Philco consumer electronics operations to NAP, where it will become unit of Magnavox (Vol. 20:40 p9).

For last several weeks, Justice spokesmen had been saying issuance of ruling was day-to-day proposition. Tune was changed last week with estimation that nothing would come out until after start of new year. Spokesman at NAP said company understanding was that Jan. 15 was new target date. Any significant delay past then would shift responsibility for decision to Justice appointees of new Reagan Administration, a move some industry attorneys think would increase chance of approval.

When they announced sales agreement last Oct., GTE & NAP said they intended to close deal around end of this year. Justice wasn't asked for pre-sale business review, and early indications were that companies planned to go ahead with closing on schedule if agency opinion wasn't issued by then. Word now is they'll wait. Officials of both companies have told Justice that neither of their color TV producing subsidiaries can survive with present market shares, and stated publicly that they will have to sell or shut them down if agency turns deal down.

JAPAN SET NEW VCR EXPORT HIGH IN NOV.: In Nov., for 3rd month in row, Japanese exporters set new monthly high for VCR exports to U.S., according to Finance Ministry figures, which also show 2nd straight monthly increase for U.S.-bound exports of complete color TVs.

Japanese shipped 122,100 VCRs to U.S. in month, up 58.7% from same month last year, and up 9.4% from record set in preceding month. In last 3 reported months, Sept.-Nov., Japanese exported 340,000 VCRs to U.S., or exactly half of total shipped in all of 1979. For first 11 months, VCR exports stood at 906,500, up 49%.

Month's total TV exports of 88,000 were down 44.3%, though color shipments were up 9.2% to 50,000, with b&w down 35% to 38,200. For full period, total TV exports were off 23.9% to 943,200, with color down 19.1% to 502,900, b&w down 28.7% to 440,300. In color, Nov. complete set exports jumped 39.2% to 41,500, for 11-month total of 434,400, down 10.5%. Exports of color chassis & kits were off 47.1% in month to 8,400, 49.8% for full period to 68,500.

In Tokyo, EIA-Japan predicted VCR production would rise 38% in 1981 to 6.15 million, said it expected continued strong growth in both home & export markets.

Sharp denies Japanese press report it's decided to adopt RCA CED videodisc player format for sales in U.S. Spokesman said story was "totally false," noted that no source was specified in report, added Sharp is still unsure of which videodisc camp to join. To underline point, he said Sharp will be showing VHD player at upcoming Winter Consumer Electronics Show in Las Vegas, though probably in hotel suite rather than on show floor.

Korean venture to produce silicon wafers for IC manufacturers is being set up by Monsanto & Samchock Industrial. Venture, called Korsil, is slated to start production in 1982 with capacity to produce 30 million sq. in. of wafers annually.

TV captioning decoders purchased so hard of hearing viewers can enjoy programs are tax deductible as medical expense, IRS ruled.

DU PONT-PHILIPS VENTURE: Joining of giants is how competition is looking at PD Magnetics, worldwide magnetic tape & cassette manufacturing venture being formed Jan. 1 by Du Pont & Dutch Philips. Companies will hold equal shares in PDM, providing capital, technology & personnel. First major move will be PDM's purchase of plant in Oosterhouts, Netherlands, from Philips. Size of venture wasn't disclosed.

Du Pont & Philips said PDM "would combine the skills & expertise of each company into an organization that can become a leading supplier of audio & video products" to worldwide market that could reach \$4-\$5 billion annually by 1985. Named managing dir. of PDM was Ruud Tensen, formerly mgr. of Oosterhouts plant.

Venture will result in 3rd quarter 1981 phase out of Du Pont's videocassette manufacturing operation in U.S., but no other noticeable change here for some time. E. Richard Buckley, who heads Du Pont videocassette operation, said Du Pont has contracted to act as U.S. distributor for PDM, will buy videocassettes and continue selling under Du Pont's Prime Time label through existing rep organizations. "We have already assigned some of our R&D and manufacturing people" to PDM, Buckley told us. Du Pont currently markets only Beta format cassettes but expects to add VHS to line next year.

PDM's long range marketing and production plans are still up in air. "I would assume that a U.S. assembly plant is under consideration," as well as the setup of an owned distribution organization, but nothing's been settled yet, Buckley said.

FCC postponed from Jan. 1 to Oct. 1 effective date of rule requiring coin-op video games to meet same Class B RF radiation standards as home video devices. Delay is to give agency time to consider petitions asking that coin-ops be covered by less-stringent Class A standards set for industrial computers intended for use outside homes. Petitions came from Atari, Sega & Stern Electronics, which say their units will be used in commercial locations, not homes, and so pose no significant threat to home broadcast reception. Atari, which has filed suit challenging Class B classification for coin-ops, said it would have to spend \$300,000 to bring its models into compliance. Stay petitions received support from Bally & Williams. In its comment, TI expressed no position on coin-op issue, but said it was concerned FCC might decide to postpone general implementation of Class B rules.

Japan's Murata is negotiating to supply ceramic parts & components production technology to 2 major European manufacturers. One, it said, is Thomson-Brandt of France; other, unidentified, is believed to be either Telefunken or Siemens of Germany. If deals go through, they will be first such for Murata with West European companies. Murata has supplied Russia with equipment and related technology for 7 electronic parts plants.

DIGITAL AUDIO DISC: Telefunken is back in U.S. seeking support for TeD system, but this time as a digital audio, rather than video, disc. MD (Micro Disc) audio disc is offshoot of mechanical videodisc system developed by Telefunken-Decca venture in 1969. No practical mass-market player was ever produced, and Decca later dropped out of venture.

With MD, Telefunken has switched from mechanical to capacitance signal sensing. Company says 2nd generation RCA CED videodisc player with stereo audio could be modified to play MD discs, claims discs can easily be pressed in plants capable of turning out CED discs. Prototype system being shown U.S. record companies uses 5-in. hour per side & 3-in. 10-min. per side discs, which come housed in protective loading caddy, similar to that used for CED and Matsushita's VHD videodiscs. Stereo output could be either 2 or 4 channel.

Compact player, about size of home 8-track cartridge deck, features keypad random-access band selection, LED alphanumeric display that provides crawl readout of textual information that can be recorded on discs in addition to music. Telefunken says text could be made to appear on TV screen.

MD format is being studied by Japan's Digital Audio Disc Standardization Conference. DAD recently adopted Philips' standard for optical digital audio disc (Vol. 20:48 p8), but is open to consideration of other systems. Telefunken says it could match or beat Philips' late-1982 marketing timetable for audio disc introduction, but won't attempt to do so unless it gets backing from major record manufacturers.

Korea is getting 2 new color TV manufacturers, both of which now restrict output to b&w. Already in pilot production is Washing, 19% owned by Sony. Company has completed plant with 100,000 annual capacity, is concentrating on 13" models, has plans to add 12", 17" & 19" next year. Slated to start output next Feb. is Dongnam. Company's new plant will have 600,000 annual capacity, start with 12" & 13" models. While both are seeking export customers, they plan to sell in Korea's now-opening domestic color market. Though Korea started permitting home market sales of color TVs earlier this year, demand isn't expected to hit stride until next summer, by which time local TV stations will be equipped for colorecasting.

VHD name change may be in works as way of improving consumer recognition and understanding of JVC-developed videodisc system. Current institutional ads being run in national magazines by JVC's parent refer to it as "the Matsushita Video Home Disc," rather than original Video High Density. Company spokesman said switch isn't official, and old designation will be used at demonstrations during Winter Consumer Electronics Show opening next week in Las Vegas. However, possibility of formal adoption of new name wasn't ruled out.

NEW GOLD STAR PUSH: Korea's Gold Star feels it has established basic foothold in U.S. consumer electronics market, is now working to develop image as technology oriented company, according to Exec. Vp Y. A. Ro.

Important first step will be display of LV optical videodisc player at upcoming Winter CES, plus 13" & 19" color with both on-set & remote keypad tuners. Tuners, Ro said, were internally developed, not sourced from U.S. or Japanese companies. Effort will be supported with first national consumer ad campaign this spring.

GS's U.S. plans for videodisc player are uncertain — "we're looking for reaction from our customers at the show." But company does expect to have one on market in Korea by next year's end, is looking at various options for acquiring discs, including own mastering & replication operation, Ro told us. GS opted for optical system "because our lab thinks it's better" than capacitance approach "and we get better co-operation from Philips" than from RCA.

In color, GS plans major expansion here in 1981, thanks to increase in quota on exports to U.S. Combination of export increase and opening of Korea's domestic color market has enabled company to begin color tube production, project that had been shelved for several years. Ro said GS is backing away from private label color business in U.S., plans to concentrate on becoming more important supplier to its present network of 1,000 dealers, adding new accounts.

Soft audio market stopped GS's planned expansion in compact & component systems this year, although it continues to do well in private label compacts & car stereos. Major audio growth came in cassette combinations, and company is adding full-size stereo model with LCD clock, expanding smaller offerings. Also to be expanded in 1981 is b&w mini-combo line.

Mandated Korean govt. changes in way major companies there must do business will have little effect on GS, Ro said. Stress is on developing advanced technologies, "and this is what we are doing. So the new measures fit in with our plans."

Assn. notes: ITA keynoter at March 15-18 Audio/Video Update seminar in Hollywood, Fla. will be NBC newscaster John Chancellor... NARM is opening membership to specialty video dealers, plans video merchandising conference next Sept. NARM says it plans to start video statistical program, enter anti-piracy fight, provide video dealers with variety of services... British Videogram Assn. has been formed by U.K. software marketers, with Donald MacLean, Thorn EMI Video Programs, as chmn.; Maurice Oberstein, CBS Records, vice chmn.

Computer technology development program supported by Korean govt. is aimed at boosting nation's exports of software, technical services & knowhow from \$105 million to \$1 billion by 1986.

CES SEMINARS: New format for product conferences at Winter CES in Las Vegas Jan. 8-11 calls for sessions to start with keynote speech, followed by panel of industry members answering questions from trade press & audience. Conferences & workshops start at 8:30 a.m. & 2 p.m. Here's schedule:

Jan. 8, morning — Car audio, Phil Christopher, Audiovox, keynote. Panel: Ed Anchel, Sparkomatic; Jerry Henricks, Jensen; Miky Hyde, Mitsubishi; Tom Westover, Kenwood. Afternoon — Personal communications, John Sodolski, EIA Communications Div., keynote. Panel: Mike Feldman, Avanti R&D; Ed Herald, Midland; Dick Murphy, Electra; Dick Hillman, Phone-Mate; Tom Massey, GTE; Jerry Skene, Northern Telecom.

Jan. 9, morning — Video, Dick O'Brien, JVC, keynote. Panel: Andre Blay, Magnetic Video; Bill Campbell, Magnavox; Jack Sauter, RCA; Robert Whitehouse, Sharp. Afternoon — Retail adv. & promotion, Ray Hall, ERA; Joe Sugarman, JS&A; Richard Schram, Pacific Stereo.

Jan. 10, morning — Audio, Roland Martin, Sony, keynote. Panel: Peter Dyke, Toshiba; Ron Fone, Acoustic Research; Paul Foschino, Technics; David Karron, Fisher. Afternoon — Retail management, Jules Steinberg, NARDA; Hugh Pates, U. of Cal.

Jan. 11, morning — Personal electronics, Bill Sick, Texas Instruments, keynote. Panel: Bernie Appel, Radio Shack; Joshua Denham, Mattel; Michael Katz, Coleco; John McDonald, Casio.

U.S. IC makers are stepping up home-ground challenge to Japanese counterparts. Latest to enter Japanese market is Materials Research, which is setting up joint marketing & production venture with Midoriya Electric, a trading company. MRC Japan, to be 80%-owned by U.S. partner, will begin as distributor of U.S.-made semiconductors & materials with starting capitalization of about \$600,000. Manufacturing operations are slated for 1983. IBM & Texas Instruments already are producing semiconductors in Japan, and Motorola recently acquired half interest in existing operation there, Aizu-Toko (Vol. 20:41 p12).

Export opportunities is theme of Power Conversion Products Council meeting set for Jan. 9 at Frontier Hotel in Las Vegas, coinciding with Winter CES. Speakers: Frank McGuinn, 3M, on reasons why his company sells to foreign markets; Richard Garnitz, International Trade Administration, on Commerce Dept. export services; Joseph Jeremy, ITA, on ways to apply for export sales assistance... EIA board gets inside look at Reagan Administration policies at Jan. 14-17 special meeting in Phoenix. Among speakers are Dean Burch, former FCC chmn., now Reagan senior advisor; Stanton Anderson, Economic Affairs Transition Group dir.; Senate Armed Services Committee Chmn. Tower (R-Tex.).

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
Chris-Craft Industries			
1980-qtr. to Nov. 30	17,129,000	2,356,000	.69
1979-qtr. to Nov. 30 ^a	15,108,000	4,284,000	1.34 ^b
General Instrument			
1980-39 wk. to Nov. 30	618,628,000	49,271,000	5.52
1979-39 wk. to Nov. 25	513,604,000	36,660,000	4.26
1980-13 wk. to Nov. 30	210,902,000	17,704,000	1.97
1979-13 wk. to Nov. 25	196,231,000	14,245,000	1.61
Gray Communications			
1980-qtr. to Sept. 30	9,141,518	610,465	1.20
1979-qtr. to Sept. 30	8,191,261	680,654	1.36

Notes: ^aRestated. ^bAdjusted.

Consumer Electronics Personals

Ray Gates, Panasonic exec. vp, Adam Yokoi, product planning & engineering vp, Stan Hametz, Consumer Video Group gen. mgr., named to corporate executive team responsible for directing company entry into videodisc, coordination with other supporters of VHD format.

Scott Davis, Electro Audio Dynamics vp, named pres. of IKC International, EAD-Koyto Ceramics venture formed to acquire & operate former EAD subsidiaries KLH & Infinity Systems; Arnie Nudell, Infinity pres., named IKC exec. vp & chief operating officer... Ronald Tveter, ex-Casio, joins Phone-Mate as eastern sales vp; B. Paul Worsham, ex-TEAC, named mktg. services mgr... Samuel Leftwich promoted at K mart from senior vp to pres., succeeding Ervin Wardlow, now vice chmn. responsible for international operations & domestic merchandising subsidiaries.

Ennio Fatuzzo advanced at 3M to Audio/Video Products Div. technical dir.; Lockwood Carlson named Home Entertainment Products Dept. lab mgr... Michael Wertman promoted at Gusdorf from vp to senior vp, sales & mktg... Donald Prewett resigns as Phase Linear pres., duties assumed by John Hall, PL chmn. & senior vp of parent, Pioneer.

John Sprague, Sprague pres. & chief operating officer, adds post of chief exec., Jan. 1, replacing Neal Welch, who continues as chmn... Francesco Boscu named GTE Sylvania Precision Materials European mktg. mgr... William Heye resigns as Mostek operations vp in charge of assembly & test operations.

Japan's Tabuchi is adding new production line at Jackson, Tenn. color TV & microwave oven transformer plant, will boost output 30% to 80,000 monthly, increase employment from 120 to 140. Company cites growing demand from U.S. plants of other Japanese manufacturers.

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SPEED VIEWING: Rapid viewing & listening may become VCR feature in next year or 2. VSC Corp. is talking with Japanese VCR makers about including its variable speech control circuits in new models, permitting viewers to speed up tapes by as much as double (or slow them down by half) without loss of speech comprehension. Feature is already included in JVC's HR-6700U VCR. Formerly on 3 chips, circuit is now on single IC, and VCR Pres. Marvin Flaks says system adds about \$10-\$12 to manufacturing cost, sharp reduction from \$100 premium with former 3-chip system.

Flaks says he's talking with all VCR makers now, and "in the next couple of years all Japanese video manufacturers will offer variable-speed audio" to go with their special video effects.

VSC will be feature of some consumer audio tape decks and phone-answers next year, Flaks forecasts. He says licensees include Akai, GE, JVC, Matsushita & Sony.

MCA has halted distribution of videocassette 3D versions of Creature from the Black Lagoon & It Came from Outer Space because of technical problem, plans to re-release them but hasn't specified date. Problem is that several scenes start with widely spaced dual image — one red, other blue. Images come together to produce 3D effect after second or so. MCA is accepting returns, but noted there have been few complaints from consumers.

Taiwan's Tatung is building 2nd TV plant in Singapore. Tatung has acquired 30-acre site for plant which is expected to be used mainly for color. Tatung will hold 70% interest in new venture, Japan's Mitsubishi 20%, local interests 10%.