

WEEKLY

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IN THIS ISSUE: Television Digest's 16th Annual TV Market-Share Survey (P. 10)

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

HDTV IS MOUNTAIN STAR at record Montreux Symposium, amidst question of practicality. RCA chip camera is hit. (P. 1) World cable outlook. (P. 5)

WACC'S RED INK: Lewis tells us profits at least 2 years off. Big loss upcoming. Says worst cuts are behind restructured company. (P. 2)

STATE'S TELECOM AMBASSADOR: New international policy coordinator outlines plans, puts Orion in context. (P. 3)

CRT FUND SETTLEMENT ADVANCES with NAB & Canadians agreeing to first year of 2-year distribution plan proposed by MPAA, sports claimants. 'Devotional' obstacle. (P. 4)

TRADE DEPT. TO SWALLOW NTIA says White House. (P. 4)

CBS PLAYS CHINA CARD with deal for Mandarin network. (P. 4) Rather stars on CNN. (P. 7)

CATA DOUBLES IN NCTA SHADOW: Effros reports surge in membership, tells why there's need for 2 cable organizations. (P. 6)

HDTV STARS AT ALPINE TV SYMPOSIUM: Facilities of Montreux, Switzerland, and nearby towns were taxed to limits last week as 13th International TV Symposium attracted 9,500 international broadcasters, 225 exhibitors and 220 reporters from 60 countries. "Certainly, by far, it is the most successful ever," said one veteran attendee. "Why? Because it comes at a time when broadcasters outside the U.S. are expanding and must keep up with new technology... This is the only place where they can come where the equipment meets their needs. At the NAB convention, they just see the American NTSC standard. Everything here is tailored to international needs."

Montreux Symposium doesn't attempt to explore policy, economics -- focuses almost entirely on hardware, practical & exotic. Highlighting show were demonstrations (by invitation only) of high-definition TV put together by 6 countries under aegis of CBS's Joseph Flaherty. Six demonstrations one day were SRO and even Rep. Collins (D-Ill.), member of House Telecom Subcommittee, and only U.S. govt. representative on hand, couldn't get in. In addition to joint demonstrations of HDTV (using totally Japanese technology), several manufacturers, including

Consumer Electronics

COMPUTER CIRCUS AT CES in Chicago will distract attention from phones, other new products. New models from Atari, Coleco. (Pp. 9 & 13).

PANASONIC BIGGEST GAINER in 1983 color TV market share, Gold Star up 50% in b&w, RCA and Zenith are 1 & 2 in both, Digest survey shows. (P. 10)

COLOR-VCR PRICE HIKES seen mainly wishful thinking. Manufacturers conservative in TV, planning for 12.4 million color sets. (P. 11)

EEC VCR ASSEMBLERS, led by J2T, seeking special quota allowance for Japan's kit exports. Move would ease Japan's allocation problem. (P. 13)

DYNASCAN'S 1982 RISE in sales & profits tied to phone equipment boom, prospectus shows. (P. 14)

GHOST-KILLER by Toshiba, using CCD canceling circuit, arrives on market in Japan in \$530 remote tuner. Export planned. (P. 14)

IMPORTS OF COLOR TUBES rose 30.4% in first quarter, including those shipped with chassis, accounted for 11.3% of OEM use. (P. 15)

Sony, Panasonic, Thomson-CSF, had their own on exhibit floor. RCA, other U.S. manufacturers, were on floor selling PAL standard equipment.

Widely praised and exquisite pictures presented gave HDTV magnificent demonstration of what can be done when money & bandwidth are no object. But privately, European TV authorities — including those who presented the HDTV pictures — agreed there was no place for HDTV in immediate future of broadcasting, because of great bandwidth and high costs. ABC's Julius Barnathan dubbed HDTV as today's "Picturephone," recalling AT&T's doomed videophone service of 2 decades ago; European broadcaster referred to it as "the Concorde of TV." Flaherty agreed there was no immediate prospect of HDTV broadcasting, but maintained world standard must be developed, and that program production should come first, home delivery later.

Several European manufacturers were unhappy with heavy Japanese presence and dominance of HDTV and its Japanese imprint. "Since we're meeting in Europe, why shouldn't our products be featured?" was kind of question heard more than once on exhibit floor.

If HDTV was spectacular hit of show, several sleepers actually were far more important to immediate future of broadcasting. Most sensational was RCA's first public demonstration of solid-state CCD color camera, shown privately during NAB (Vol. 23:16 p5). All observers we asked -- including Flaherty, Barnathan, European broadcasters — agreed it was technical breakthrough, indicated they could hardly wait to get hands on it. Pictures were clean, crisp, with good contrast, adequate resolution — and no evidence of lag or smear whatsoever. Signal-to-noise ratio, even in relatively low light, was called "incredible" by one engineer, is given as at least 65 dB.

RCA gave few details -- as to availability, "sooner, rather than later" was somewhat cryptic, but "price in the range of today's ENG equipment" was encouraging. Commented a leading video engineer: "This will affect the camera business... There's a cold wind blowing in the camera departments of Ikegami and Sony." In another major camera development, Bosch & Philips signed agreement to agree on standards for 1/4" camcorder and expressed hope that Hitachi and Ikegami would come along. At NAB, 1/4" equipment stole spotlight from 1/2" formats using VHS or Beta cassettes.

Sony displayed developmental 1" digital VCR which could record in either NTSC or PAL, play back in either or both via built-in standards converter. Philips demonstrated its Hi-Fi Zero compatible high-resolution receiver system, said it had CCD field store priced low enough for home receiver, will demonstrate it at Berlin Audio-Video Fair in Sept. Three different versions of MAC analog-digital HDTV system were displayed at equipment exhibit, including new one by Thomson.

WARNER AMEX CABLE LOSSES WILL GROW, SAYS LEWIS: It will be 2 years at least before Warner Amex Cable Communications (WACC) turns profit, according to Chmn. Drew Lewis, former Reagan Transportation Secy. who joined WACC in Feb. as replacement for Gustave Hauser. Without naming exact figure, Lewis said he thinks this year's red ink may even exceed 1982's \$30-\$40 million splash. "I would rather lose \$60 million and do what's in the long term interests of this company," Lewis told us during interview. WACC is set apart from other MSOs, he said, "because we have the largest commitment to metropolitan areas of anybody — we went in there with our eyes open and we promised too much, underestimated our construction costs, and our rates were too low." Breakeven point in Milwaukee, for example, is \$11 per subscriber, while franchise commitment for next 30 months is \$4.95. "It was a costly decision to lose \$6 a subscriber, but that's the way you do business."

Lewis also is unruffled by fate of proposed Showtime-Movie Channel joint venture, subject of discussions with Justice Dept. Meeting with economists, attorneys and DoJ is occurring this week, Lewis said. "I wouldn't be unhappy [with decision] either way," he said. "I think the Movie Channel still has potential — it was in a breakeven kind of situation — it wasn't profitable and it wasn't unprofitable." Warner Amex Satellite Entertainment (WASE) won't fold Movie Channel if DoJ disapproves merger, Lewis said. Meanwhile, "we're experimenting, we're looking at the possibility of another kind of channel, we don't know what kind of channel it will be yet but we're thinking about some ideas." Games and country music are among possibilities.

"We're not a troubled company," Lewis insisted. "It always gets me when the press refers to us as a troubled company. We're a developmental, start-up company — we're not any more troubled than anything that Time has sponsored. It's not a troubled business when you're consciously going into something knowing it's a long term commitment."

"I could have cut last year's loss in half just by dragging out construction, not starting Milwaukee, delaying the N.Y. Queens contract," Lewis added. Aside from former Metro. Div. — including 2-way systems built or under construction in Columbus, Cincinnati, Pittsburgh, Dallas, Houston, greater Chicago, St. Louis, Milwaukee — Lewis said remaining 140 WACC systems are profitable. He's interested in selling properties to "cluster" systems in areas where WACC isn't dominant — "we could make some profit." Limited partners are also being actively pursued through 3 brokerage houses for construction of remaining Qube cities. Milwaukee partners should be announced by end of summer.

Remaining cuts at WACC will be made in next few weeks as McKinsey & Co., N.Y. consulting firm, completes study of engineering, operations, finance. But upcoming trimming won't be "anywhere near the magnitude of last month's." Study of WASE, due by late summer, is "going to be a totally different kind of an overhaul," Lewis said. "Here I was clearly trying to eliminate the overlap, the duplication of efforts — WASE doesn't have that problem."

"Tremendous overlap of overhead" in N.Y. corporate hq was "very fundamental problem," prompting recent publicized dismissal of more than 100 employees since departure of Hauser last year. Emphasis is on decentralization, Lewis said, since "these metros are big businesses in their own right — Houston could be a \$200 million business." Metro Div. should be run on site, Lewis contended. "We shouldn't sit here in N.Y. on the 8th floor of Rockefeller Plaza and think that we know more about how to handle a problem in Houston than the president of the Houston company does."

"We gave people responsibility out in the field, but we never really gave them the authority," Lewis explained, "the bottom line of which is we created a lot of dissension within the organization, a lot of antagonisms." Streamlining left corporate N.Y. with "a kind of marketing overseer kind of situation," but "we don't want to re-invent the wheel." Lewis said he plans to function as pres. for at least one year, not naming successor to John Lockton until then because he wants to be "in the middle of things."

DOUGAN'S WORLD VIEW: Diana Dougan, State Dept.'s newly named ambassador for International Communication & Information Policy, told our Communications Daily last week that "the legislative initiatives that are floating around now calling for a single, permanent head for U.S. delegations to international conferences, are patently unrealistic." She said better approach is to seek continuity in "home team" while assigning specialists to actual negotiations.

Asked about challenge to Intelsat's monopoly in international satellite services, Dougan remarked: "That has more land mines than a battlefield." Calling Orion application "inevitable," she said "it's one of the areas that I believe will force us to focus our attention on the question of international satellite communication overall. The Orion issue isn't [going to be] seen as a simplistic version of Orion vs. Intelsat. It goes well beyond that. We're not focusing our attention specifically on the filing before the FCC. The Commission has responsibility for the P's and Q's and T's and I's of the Orion application. We're looking into how this fits into the larger scene."

Preregistration for NCTA convention has reached 10,000, 25% ahead of last year, Assn. Pres. Thomas Wheeler said. He said most dramatic increase in preregistration is by reporters — about 200 had preregistered by this time last year, 310 so far this year. Including "walk-in" attendees, Assn. is projecting total attendance around 16,500. Wheeler said 200,000 sq. ft. of exhibit space has been leased at Houston's Astrodome, same as last year, to 400 exhibitors — 10 fewer than last year. But NCTA should make less money this year because costs are higher in Houston, he said. Panel sessions will be more informal this year, Wheeler said, generally following TV talk-show format. He also said about \$250,000 has been raised so far to fund Consortium for Cable Information group led by Daniel Ritchie, Group W.

Democrats pruned rosy fund raising estimates of May 28-29 17-hour telethon, now claim "an unanticipated number of hoax calls and jamming calls" inflated actual number of pledges received. Democrats claimed tens of thousands of Republicans made calls to show, jamming telephone lines.

New TV station: Educational WNVG (Ch. 56) Fairfax, Va. has gone on air, raising number of total operating TV stations to 1,124 (636 VHF, 488 UHF).

Financial News Network will expand daily program hours from 7 to 12 beginning July 18. Programming will run 7 a.m.-7 p.m.

CRT CABLE PLAN ADVANCES: Distribution of \$31 million 1981 cable copyright fund has moved step closer with decision by NAB & Canadians to join -- with reservations -- coalition of most other copyright owners who have proposed way of dividing fund without proceedings before Copyright Royalty Tribunal and court appeals. Coalition, led by MPAA and sports claimants, has proposed dividing 1981 & 1982 funds according to formula used in 1979 & 1980 proceedings.

NAB & Canadians agreed to plan only as it relates to distribution of 1981 fund, reserving rights to break from coalition and seek greater shares of 1982 fund. NAB has disagreed with distribution formula because CRT has never allocated share to commercial radio, matter NAB has appealed to court. NAB official said: "Our position is that for 1981 only, and solely for the purpose of avoiding expenses of litigation, we are willing to settle our radio & TV claims at the levels awarded by the CRT for 1979 & 1980." That means commercial TV would receive 4.5% of fund as in previous 2 years, that commercial radio again will get nothing from fund.

Coalition will accept NAB, Canadian proposal to consider distribution of 1981 fund separately from 1982, spokesman for group said, and will convey that acceptance in private talks today. "I'm hopeful that we're all going to get our money by this summer," spokesman said. Coalition members, and percentages of 1979 & 1980 funds they received, are: MPAA 70%, sports claimants 15%, public broadcasting 5.25%, music performing rights societies 4.25%, NAB 4.5%, Canadians 0.75%, National Public Radio 0.25%.

Still opposed to settlement are religious broadcasters, known as devotional claimants. Group has never received share of fund and again argued for portion at June 2 pre-distribution hearing before CRT. Arguing against settlement were representatives of Old Time Gospel Hour, Christian Best. Network, PTL Club. Because devotional claimants never have received share of fund, their objections to settlement aren't viewed as major factor holding up distribution, officials said.

CRT is ready to accept settlement, Comr. Brennan said, because it basically extends formula first developed by Tribunal in 1979. "If there is no controversy [among claimants receiving shares], then we have no function to perform," Brennan said. "What they're agreeing to accept is our numbers, so there's no reason this agreement should cause us any difficulty."

Issue NAB will raise about distribution of 1982 fund of about \$35 million is entitlement of commercial radio to share of royalties, and extent to which TV broadcasters are entitled to portion of award to sports programmers. Assn. pointed out that court decision resulting from NAB's appeal of 1978 distribution had language indicating that NAB had argued successfully that TV stations hold some copyright interest in sports programs they air.

Some coalition members were upset NAB chose to "negotiate in public" at CRT rather than in private as coalition members have done. "There are those

that still feel rather strongly among us in the settling parties that we ought not allow NAB to try to bully us that way," spokesman for group said. NAB said it was pressured by sports claimants to accept distribution formula for 1981 and 1982. If Assn. didn't accept coalition terms wholly, it was argued privately, then other copyright owners might propose reducing commercial TV's share of 1982 fund.

NTIA is scheduled to become part of proposed Dept. of International Trade & Industry along with several other Commerce Dept. trade-related agencies. Proposed structure of new department was outlined by White House, signals resolution of long internal debate on makeup of new department. Proposed structure follows closely plan outlined last month by Commerce Secy. Baldrige. Commerce's International Trade Administration, Office of Undersecretary For Economic Affairs, Patent & Trademark Office, Travel & Tourism Office, as well as NTIA, would be combined with U.S. Trade Representative's office to create unified body with staff of 7,500 assisting U.S. businesses in selling products overseas and to defend them from unfair trading practices of other countries. NTIA feels it will be more visible in new department. "I think to a certain extent we will play a more important role in the new department" than at Commerce, spokesman said, although he added it isn't anticipated that NTIA budget or staff will increase. "But if you put us in closer contact with other parts of Commerce that work in the [communications] area, we can piggyback on their resources," spokesman said.

CBS will provide Chinese TV with 64 hours of programming and ads yearly in first regular scheduling in People's Republic of China of U.S. commercial TV programs. All programs will be dubbed in Mandarin Chinese. Beginning in Oct., CBS shows will be shown on Fri. evenings and alternate Sundays. Chinese are said to be most interested in educational shows, documentaries and basketball. CBS will sell 8 min. of ads for each hour, selling time mainly to American firms operating in China. Ads will run 3-5 min. each. Deal is expected to generate about \$3 million in revenue divided equally between CBS and China. Spokesmen said CBS and national network China Central TV will cooperate on broadcast technologies and possible production of shows in China for outside markets. There are about 16 million TV sets in China.

FCC Chmn. Fowler has withdrawn as co-sponsor and speaker at June 9 conference focusing on "liberal bias in the media" organized by National Conservative Foundation, tax-exempt research arm of National Conservative Political Action Committee. Fowler said he had accepted invitation to give speech on media power, canceled when he learned thrust of conference was attack on liberals because "I have to be seen as an impartial public figure."

FTC, in reply comments to FCC, repeated position favoring repeal of financial interest & syndication rule, but added that modifications rather than outright repeal would be "an improvement."

CABLE ADVANCES VARY WORLDWIDE: Japanese spokesman gave most optimistic report, English most pessimistic, during several panels on cable TV development around world at Montreux TV Symposium, Montreux, Switzerland. There also was much discussion of fiber optics -- with most agreeing most efficient system will be hybrid with coaxial cable. However, Jurgen Janzow of W. German Bundespost described fiber optics experiment there, called Bigfon, with long-term aim of fiber optic systems in which all existing and future telecommunications services will participate.

Tsuneyoshi Narahara of Sony in Tokyo said cable is reaching only 10% of Japanese households through 31,000 systems with 3.3 million subscribers -- most systems have under 500 subscribers because authority of Ministry of Postal Services (which Narahara said has tough regulations) is required if subscriber count goes over that. Subscriber growth has averaged 10% annually for last 10 years, although it was up 17.9% in 1981. He expects rapid growth in next few years "because the major enterprises have begun active participation... and complex service with CATV became feasible due to the development of new [services] such as direct broadcast satellite, teletext and videotex."

Japan will launch its first broadcast satellite (BS-2A) next Feb., BS-2B in 1985. Japanese Captain videotex is expected to go commercial in Nov. 1984.

British Telecom's W.K. Ritchie warned that "a complex socio-technological situation makes investment decisions in [cable in U.K.] particularly difficult." He said number of subscribers to existing pay systems offering premium movies at 10 pounds per month "has been generally disappointing." Ritchie also cited drop in overall viewing of cable in England which "appears to indicate some viewer saturation effect." Another deterrent to investors, he said, is that market studies indicate "a substantial discrepancy" in costs of building new systems and monthly charge subscribers are willing to pay.

Ritchie said it seems unlikely that cable TV services that are successful in U.S. "will transplant readily to Britain" and that long-term profitability of cable in England "probably lies with pay-per-view." Janzow said Bigfon (Broadband Integrated Optical Fiber Local Telecommunications Network) is targeted to start in late 1983 in several German cities, is co-sponsored by 6 German firms and Deutsche Bundespost. Experimental projects are under way in several cities, he said. Bigfon will provide all new technologies as well as FM, TV & telephony.

NCTA told FCC it opposes Miami's bid for waiver of 3% cap on cable franchise fees, claiming fees proposed by city amount to 10% of gross. Included in package of fees city proposes charging new franchisee Miami Cablevision is \$200,000 annual levy to support local drug enforcement efforts and 3% of revenues to support system's access services. "The Miami ordinance exemplifies the burdensome layers of fees and obligations that cable operators are required to offer or accede to in order to win the right to serve a city," NCTA said.

Figgie Communications sold WILX-TV Lansing to Adams TV, company led by Stephen Adams, who owns TV stations in N.M. & Colo. Figgie bought station in 1978. Official said terms of sale, which had been expected for some months, couldn't now be disclosed because of complex tax considerations.

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June 22, 1983*

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COMMUNICATIONS DAILY**

CATA DOUBLES, NOT FIGHTING NCTA: Cable systems serving 6 million subscribers are now represented by Community Antenna TV Assn., double level of about year ago, but Exec. Dir. Stephen Effros said that Assn. serves function different from NCTA's, isn't competing with big-sister trade association. CATA's growth isn't "at the expense of the NCTA. It reflects a recognition of some very large MSOs... that the NCTA and CATA serve 2 different purposes, so they are joining both," he said.

Effros said industry needs 2 trade organizations because "we aren't one unified industry in terms of the type of people we serve, the type of services we offer. There is a huge distinction between cable TV and broadband urban communications."

"I'm not willing to divulge our budget figures," Effros said, "but I can say that [MPAA Pres.] Jack Valenti still makes more than the entire Washington budget."

Effros said cable industry is better off today than year ago in suburbs and small towns, but "the operators in the major urban centers are in bad shape, and it's getting worse." Unrealistic expectations at renewal time are biggest problem facing cable industry today, Effros said. "They are having a great deal of trouble explaining to the smaller communities around the country that 108-channel, 2-way interactive, bells-&-whistles systems not only don't fit into a smaller community but may not even fit in a big community."

Must-carry rules will soon be eliminated, either by court or by FCC, Effros predicted. "From a political standpoint, they will probably be reinstituted by Congress in some form, but certainly not what they are today."

Mandatory leased access probably will be attached to cable deregulation bill (S-66) in House by Rep. Wirth (D-Colo.), Effros said. "I think [leased access] is going to be in the bill. I think the cable industry will accept the price that Mr. Wirth is exacting. The question is how is it going to be designed."

If S-66 fails to come out of this Congress, industry faces chaos in next few years because so many franchises will be expiring, he said. Although some 37% of homes receive cable, industry hasn't fully matured, he said. "We are no longer an infant with regard to the delivery of video programming to the public. We're not a mature industry. After all, in the last year, 2 of the most publicized video services that we were offering to the public went down, because they were not economically viable. However, the perception of cable is that we're competing not only in the video marketplace but also in the broadband marketplace, in the data marketplace... in those areas we're not even an infant yet. We haven't been born."

Effros predicted that one or more other cable services may fold within the next year. "There are indications that the American public has a very limited interest in narrowcast programming. They're interested in news. They're interested in sports.

They're interested in movies... And other than that we've got problems. I think the Weather Channel is a real gamble. I would like to see it work but I don't know from an economic bottom line whether it makes sense."

FCC has told WSEZ(FM) Winston-Salem that it's apparently liable for \$20,000 fine for multiple and repeated violations of rules after erecting taller tower and increasing power from 34 to 100 kw. FCC said station failed to file license application before beginning equipment and program tests, failed to comply with CP by operating with increased power without submitting antenna impedance tests for co-owned WAIR(AM) Winston-Salem, repeatedly and willfully operating WSEZ(FM) after program test authority was terminated. Commission deferred renewal of station's license for 60 days pending receipt of filings.

Spending for national and regional spot TV increased 10.4% in first quarter to about \$766 million, TvB estimated. Large increases were posted by Procter & Gamble, up 41% to about \$21 million; Pepsico, up 49% to about \$12 million; Nissan Motors, up 27% to about \$12 million; Lever Bros., up 15% to about \$12 million. Best. Advertiser Reports data indicate largest percentage gains for spot TV advertisers in first quarter were posted by Reynolds Metals, Texas Instruments & Ralston Purina. Advertising in early evening hours accounted for 36.8% of total.

Sunbelt Cable has purchased Palm Beach County, Fla. cable properties of Jones Intercable, said Jones Pres. Robert Lewis. Sunbelt is private limited partnership headed by Leonard Reinsch, who retired in 1979 as Cox Bestg. chmn., and Edward Addiss, who recently resigned as vp-development at Warner Amex Cable. Palm Beach system has 10,500 basic subscribers, covers unincorporated areas of county plus 4 small cities. Terms weren't disclosed.

Situation at Oak is serious but not desperate, Chmn. Everitt Carter told annual meeting at Rancho Bernardo, Cal. hq. He laid out problems — "loss of market share in the cable TV equipment market, a severe decline in the number of subscribers to ON TV... and the cumulative & continuing effect of the recession." As result, company declared \$24.3 million loss in first quarter, red ink in 2nd, will lose money for year.

Fired station gen. mgr. took over transmitter of WUWU(FM) Wethersfield, N.Y. recently, disconnected studio and broadcast 45-min. tirade against station management for altering format from hard to soft rock. Robert Allen, fired as gen. mgr. week before, and ex-engineer John Burkfeldt, who allegedly assisted in transmitter takeover, were charged with trespassing.

Satori Productions has changed name to Satori Entertainment to reflect expansion into range of business areas within entertainment industry, said Pres. Ernest Sauer.

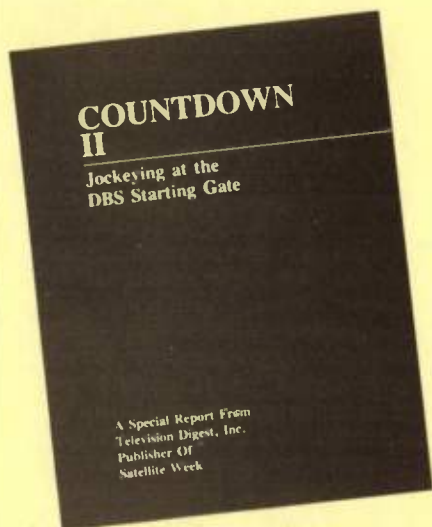
Jury last week began deliberations in \$30 million slander suit against CBS, 60 Minutes producers and news anchor Dan Rather. Suit, being heard in L.A. County District Court, was brought by L.A. Dr. Carl Galloway alleging damage to his reputation in Dec. 1979 "60 Minutes" segment that linked him to insurance fraud. In 3 days on stand, Rather maintained show was "accurate, fair and balanced," claimed Galloway had signed report. Cal. Superior Court Judge Jack Swink has already ruled that whatever jury's decision, CBS won't have to pay punitive damages because Galloway failed to prove that network showed "actual hatred or ill will" toward him. Jury still could rule in favor of Galloway and award him compensatory damages for loss of potential income. CBS News Pres. Van Gordon Sauter criticized some news coverage of suit. "I am frustrated that the coverage has been sporadic. There has not been continuity," he said when Rather's testimony drew widespread coverage, including 16 hours by CNN.

Line-up of witnesses for June 8 House Telecom Subcommittee cable industry hearing includes: Robert Johnson, pres. of Black Entertainment Network; William Singer of Kirkland & Ellis, Chicago; Howard Marlowe, assoc. dir. for legislation, AFL-CIO; Stanley Besen, Rand Corp.; Samuel Simon, exec. dir., Telecommunications Research & Action Center; Henry Geller, dir. of Washington Center for Public Policy Research; Robert Blanz, pres., Mountain Bell; Eugene Eidenberg, MCI; Paul Waring, pres., Cox Cable; Barbara Curran, N.J. Public Utility Commission. Groups are organized into 2 panels with first addressing access questions, 2nd telephone issues. Hearing is 10 a.m., Rm. 2123 Rayburn House Office Bldg.

Viacom Cable has formed new cable advertising department and plans to increase sales staffs at its larger systems. Virginia Westphal, former director at ABC Rock Radio in N.Y., has been named director of new department.

COUNTDOWN II

Jockeying at the DBS Starting Gate



Suddenly, the DBS game got a lot more complicated. "Early entry" DBS systems using conventional satellites are poised to begin service this year, possibly to erode the market for high-power systems set to start in 1986. With hundreds of millions being invested, there already have been some notable corporate casualties and drop-outs.

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Personals

Mark Fowler, FCC chmn., speaks at IRTS luncheon Sept. 21, Waldorf-Astoria, N.Y... **Elton Rule**, ABC vice chmn., will speak at luncheon of HRTS June 14, Beverly Wilshire Hotel... **Warren Lavey** named legal asst. to Chief of FCC Common Carrier Bureau **Gary Epstein**... **Steve Nevas**, NAB's First Amendment gen. counsel, resigns to become chief law correspondent, Cable News Network..

Seymour (Sy) Yanoff, for last 10 years gen. mgr. of WBZ-TV Boston, named exec. vp & gen. mgr., WNEV-TV Boston, replacing **Winthrop Baker**, who retains title of pres. and becomes consultant to station for creative projects, program development... **Norris Reichel**, ex-WPGH-TV Pittsburgh, appointed vp-gen. mgr., WOFL Orlando... **Jerry Policoff**, ex-Arbitron, named gen. sales mgr., WKFT Fayetteville, N.C... **Walter Harvey** advanced at Gannett Bestg. Group to vp-national sales dir... **John Corporon** named pres., Independent Network News... **Jake Tauber**, ex-Goodson-Todman, named to new post of vp-game programs, NBC Entertainment.

Ronald Najman resigns as dir.-news & information, NBC News N.Y... **Howard Steele**, managing dir. of Sony Best. Ltd., receives Gold Medal of Royal TV Society "for outstanding services to TV over more than a quarter of a century."

Paul Corbin, ex-KQED San Francisco, named program dir., Nashville Network... **Daniel Danser** advanced to asst. gen. counsel, ATC... **James Ruybal** promoted to vp-human resources, Daniels & Assoc.; **Betsy Seeley**, ex-Capital Cities Cable, named group mktg. mgr... **John Evans**, Arlington Telecommunications Corp., named pres., Va. Cable TV Assn... **Joseph Terrell** joins American Cable Connection as pres... **Richard Baxter** joins Schiff-Jones as mktg. services dir.

James O'Neill advanced to new post of chmn., John Blair & Co.'s Quantiplex broadcast & marketing research div... **Robert French** promoted to new post of N.J. sales mgr., WOR-TV N.Y... Promotions at WKJG-TV Ft. Wayne: **William Nichols**, asst. mgr.; **Larry Bower**, promotion & operations dir.; **Calo Mahlock** retires as asst. gen. mgr.-programming & promotion... **Ryo Takagashi**, NHK, received Montreux TV Symposium achievement gold medal for work on HDTV.

Elected to exec. committee, Southern Educational Communications Assn. (SECA): **Lee Morris**, Miss. ETV, chmn.; **Robert Allen**, Okla. ETV, vice chmn.; **Terrel Cass**, KEDT Corpus Christi, secy.; **James Bauer**, KUHT Houston, treas.; **Richard Ottinger**, Ga. PVT; **Leonard Press**, Ky. ETV; **Gary Shivers**, WUNC(FM) Chapel Hill, N.C., Radio Div. chmn.; **Fred Frey**, La. Public Bestg.

Jerry Flavin advanced to HBO south central region dir... **Norris Reichel**, ex-WPGH-TV Pittsburgh, named vp-gen. mgr., WOFL Orlando; **William Saltzgiver** advanced to vp-gen. mgr., WPGH-TV... **Larry Michael** promoted to Mutual Bestg. mgr.-sports operations.

WEEKLY

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TBS expects nearly \$2 million profit from cable services in 1983, said Vp-Finance **William Bevins**, and profit of \$25 million (\$1.25 a share) from all operations. Last year, Turner's cable services lost \$3.4 million. Bevins said that most profits will come during 2nd half of year, that 1983 is year of consolidation as opposed to expansion in prior years. He said TBS is planning to restructure its \$82 million debt in next few months.

FCC has affirmed action by Best. Bureau last year denying complaint by Decency in Bestg. against WFBQ(FM) Indianapolis. Group had alleged WFBQ aired indecent and obscene language in slogan and music. Commission said Communications Act and recent Supreme Court decisions limited its powers over program content, ruled such language is protected by First Amendment.

Insurers expect to be asked to pay RCA Americom up to \$20 million for loss April 30 of bank of 12 transponders on 7-year-old Satcom 2 domestic satellite, it was reported by our sister publication, Satellite Week.

Obituary

John A. (Jack) Moffet, 67, pres. of Washington consulting engineers Moffet, Larson & Johnson, died suddenly of pneumonia June 1 at Georgetown U. Hospital, Washington. Native of Philadelphia, 1937 graduate of Swarthmore College, he served in Signal Corps & Air Force during World War II, began practice in Washington in 1946. Surviving are wife, daughter, 2 sons.

Consumer Electronics®

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STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended May 20 (20th week of 1983):

	MAY 14-20	1982 WEEK	% CHANGE	MAY 7-13	20 WEEKS 1983	20 WEEKS 1982	% CHANGE
TOTAL TV#.....	263,999	323,646	-18.4	236,973	6,432,456	5,961,788	+ 7.9
COLOR#.....	196,674*	185,148	+ 6.2	167,364*	4,548,733*	3,941,086	+15.4
MONOCHROME....	67,325	138,498	-51.4	69,609	1,883,723	2,020,703	- 6.8
PROJECTION TV...	2,016	1,451	+38.9	2,164	45,535*	29,570	+54.0
HOME VCR.....	66,674*	26,051	+155.9	54,766*	1,156,319*	566,772	+104.0
COLOR CAMERAS...	5,703*	5,532	+ 3.1	5,003*	116,107*	95,371	+21.7

Color TV 5-week moving average: 1983--214,900*; 1982--194,654 (up 10.4%).

Home VCR 5-week moving average: 1983--67,192*; 1982--28,083 (up 139.3%).

Excludes projection TV. * Record for period.

SUMMER CES—COMPUTER CIRCUS: Every couple of years, one product emerges to steal spotlight at Consumer Electronics Show. Following in historic footsteps of Cartrivision, calculators, watches, CBs, electronic games and videogames, attention center at CES in Chicago this week will be home computers, which will be taking up nearly 20% of show's 735,000 sq. ft. exhibit space. Most computer hardware & software exhibits will be housed in new McCormick West, which -- to relief of majority of retailers at show to do business -- will draw throngs of security analysts, press, other gawkers and specialty dealers from main event at McCormick Place.

Computer hoopla will distract attention from what would otherwise have been hit product area, telephone equipment. Judging by number of companies involved, telephones are industry's most popular gadget since 6-transistor radio. Though majority of exhibitors will be handling cheap, mass-market models, wireless units will get heavy play — Commerce reports first quarter imports of wireless phones were up 828% to 1.08 million, equal to more than half of shipments for all of 1982. Superabundance of suppliers and product in computers, software & telephones is guarantee pricing will keep falling and that marketer shakeout is on way.

Show will mark unveiling of new computers from Coleco, Atari, possibly TI, be first selling event for host of others, including Mattel's Aquarius, Panasonic, Spectravision, Tomy (details on new models elsewhere in this issue). Throng of independent marketers of peripheral & accessory devices will be on hand, as well as new software entrants.

With game software market softening, computer software is place to be for innovative programmers. Activision, Avalon Hill, CBS, Disney, Imagic, Milton Bradley, Parker Bros., to name just a few of newcomers, will be on hand, along with such traditional suppliers as Broderbund, Datasoft & Epyx. Companies such as Avalon Hill, which have been marketing by mail order or through specialists, will be at show for first time, and expansion into other formats will be made at CES by Atari & Odyssey.

With literally thousands of computer programs available, dealers will have cherry-picking quandary. One approach to problem is CBS's new policy of return guarantee on new orders, return allowance on reorders. Dealer programmable cartridges is solution to be offered by Romex, which will display countertop terminal franchised dealers can use to erase EPROM (erasable programmable read-only memory) in Romex cartridges, reprogram them. Consumers can have idle cartridges reloaded for \$10, or buy blanks at \$15-\$25 depending on capacity. Dealer can change programs in slow-moving cartridges. Romex gets paid per load, handles payment of royalties to copyright owners.

At McCormick Place, audio once again will move into prominence, with help of video. Focal point for hi-fi retailers will be displays of digital audio Compact Disc, product they hope will revitalize consumer interest in high-priced audio equipment. In video, audio interest will be in new Beta and VHS Hi-Fi stereo demonstrations. Exhibitors will be looking carefully at dealer reaction to high priced color monitors and video component systems for sign that that market segment will be taking off. Hit products of yesteryear, video and videogame software, are now market staples, will draw lots of buyers, but generate little in way of excitement.

1983 TV SHARES—PANASONIC BIGGEST GAINER: Only brand to show as much as one percentage point change in color TV market share for 1983 model year was Panasonic, which, though remaining in 9th place, boosted its color TV market share to all-time high of 3.56%, some 42% over its 1982 share of 2.5%. In monochrome, Gold Star was leading gainer, vaulting from 11th to 8th place, increasing its share by 50% to 3%, leading general gains by Korean & Taiwanese brands.

These are among trends shown in our 16th annual survey of TV market shares, in which we ask manufacturers & importers to estimate all of their competitors' brand shares for model year just ending (1983 model year, for sake of our rankings, runs July 1982-June 1983).

Results for 1983 model year showed no sharp changes from preceding year. RCA continued to lead in both color & monochrome. In color, it held on to same 20% of market it had in 1982, while Zenith dropped by 0.9 of a percentage point — biggest decline shown by any brand — to 18.5%. In monochrome, RCA lost 0.5, Zenith 0.8, ending up at 16% & 15% of market.

In color share rankings, Sharp & Sanyo changed places, Sharp jumping from 15th to 12th, Sanyo falling from 12th to 15th, Sharp gaining half point of share, Sanyo holding steady. Quasar lost nearly half (0.5 point) of sister Panasonic's gain, yielding 7th place to Sylvania, which gained half point (while its affiliate Magnavox lost same amount).

Gold Star led way in monochrome, where Korea's Samsung rose half point and jumped 3 places in rank to 13th, with similar gain by Taiwan's Sampo (up half point and 2 places to 16th), and Taiwan's Portland was up slightly. Taiwan & Korean brands together increased monochrome share in one year to 8.2% from 6%. Only other brand to gain as much as half point was Magnavox, which rose from 14th to 12th in b&w.

Rankings and shares are by brand, not manufacturer — Korean & Taiwanese would rank much higher on basis of manufacture, but private label and OEM deals aren't included in tabulation. Combining brands of single manufacturer would result in North American Philips (Magnavox, Philco, Sylvania) ranking 3rd after Zenith in color, with 11.5% (unchanged from last year), 6th in b&w, with 5.83% (up half point). Matsushita (Panasonic, Quasar) would be just over 8% in color, ranking 4th, and about 9.25% in monochrome, ranking 3rd. In table below, market shares are median estimates — where medians resulted in ties, we decided ranking on basis of averages. "Range" indicates lowest & highest estimates.

SHARE OF U.S. MARKET BY MODEL YEAR

COLOR

Rank	Brand	1983 % share	Range	1982 % share	1981 % share	1980 % share	1979 % share	1978 % share
1	RCA.....	20.0	19.0-21.0	20.0	20.0	21.0	21.0	20.0
2	Zenith.....	18.5	17.5-19.5	19.4	20.5	20.5	20.5	21.15
3	GE.....	8.1	7.5-8.5	8.0	7.7	7.5	6.9	6.5
4	Sears.....	7.1	6.4-9.0	7.25	7.2	7.5	7.9	8.55
5	Sony.....	7.0	6.0-7.5	7.0	7.0	6.5	6.5	6.9
6	Magnavox.....	6.0	4.5-6.5	6.5	6.9	7.0	7.2	7.0
7	Sylvania.....	4.5	3.25-5.0	4.0	4.0	4.0	3.9	3.5
8	Quasar.....	4.5	3.4-5.2	5.0	4.9	5.0	5.0	5.3
9	Panasonic.....	3.56	2.0-4.0	2.5	2.1	2.0	2.2	2.9
10	Hitachi.....	2.5	1.5-3.0	2.25	2.0	1.7	1.85	1.65

Rank	Brand	1983 % share	Range	1982 % share	1981 % share	1980 % share	1979 % share	1978 % share
11	Montgomery Ward	2.25	2.0-2.5	2.5	2.7	2.25	2.1	2.0
12	Sharp.....	2.0	1.4-2.5	1.5	1.5	1.5	1.5	2.0
13	Mitsubishi.....	1.7	0.8-2.0	1.5	1.2	1.0	1.0	--
14	J.C. Penney....	1.5	1.0-2.5	1.5	1.5	1.5	1.5	1.5
15	Sanyo.....	1.5	1.2-2.0	1.5	2.0	2.0	2.0	2.0
16	Toshiba.....	1.3	1.1-2.0	1.4	1.1	1.0	1.0	1.0
17	Curtis Mathes..	1.2	0.8-2.0	1.2	1.0	1.0	1.0	--
18	Philco.....	1.0	0.8-1.5	1.0	1.2	1.2	1.2	1.45
19	Gold Star.....	0.8	0.5-1.1	0.75	0.8	--	--	--
20	Samsung.....	0.6	0.2-1.0	0.45	0.4	--	--	--
21	Sampo.....	0.55	0.3-1.0	0.5	0.5	--	--	--
22	Teknika.....	0.5	0.2-0.8	0.5	--	--	--	--
23	Portland.....	0.38	0.2-0.75	0.35	--	--	--	--
24	Tatung.....	0.3	0.1-0.5	0.3	--	--	--	--

MONOCHROME

1	RCA.....	16.0	15.0-17.0	16.5	16.0	14.85	14.5	14.0
2	Zenith.....	15.0	13.0-17.0	15.8	16.0	16.0	16.05	17.4
3	Sears.....	9.1	6.0-10.2	9.12	9.0	9.0	9.4	10.0
4	GE.....	8.7	6.5-9.5	9.0	9.0	10.0	10.0	9.5
5	Panasonic.....	6.6	5.6-7.5	6.5	7.0	6.65	7.4	8.7
6	Sony.....	4.0	3.0-5.0	4.3	4.2	4.2	4.1	4.0
7	Sanyo.....	3.35	3.0-4.0	3.5	3.7	3.2	2.9	2.3
8	Gold Star.....	3.0	2.0-5.0	2.0	1.5	--	--	--
9	Quasar.....	2.67	1.7-3.1	3.0	3.5	3.5	4.0	5.5
10	J.C. Penney....	2.5	1.5-5.6	2.85	2.8	1.9	1.9	1.9
11	Montgomery Ward	2.5	2.0-3.2	2.5	2.5	2.5	2.5	2.5
12	Magnavox.....	2.0	1.0-5.5	1.5	1.5	1.5	1.7	1.5
13	Samsung.....	2.0	1.25-2.7	1.5	0.5	--	--	--
14	Sylvania.....	1.95	1.5-2.5	2.0	2.0	2.0	2.1	2.0
15	Philco.....	1.88	1.0-3.0	1.85	2.0	2.0	2.2	2.4
16	Sampo.....	1.5	0.55-3.0	1.0	1.1	--	--	--
17	Sharp.....	1.3	1.0-1.9	1.1	1.4	1.65	2.0	2.9
18	Hitachi.....	1.13	0.7-1.8	1.5	1.6	1.75	2.0	2.45
19	Portland.....	1.2	0.2-2.0	1.0	--	--	--	--
20	Mitsubishi.....	1.0	0.2-1.6	1.0	1.0	0.5	0.45	--
21	Curtis Mathes..	0.8	0-1.2	0.8	--	--	--	--
22	Toshiba.....	0.5	0.3-1.5	0.5	0.7	0.5	0.5	0.6
23	Tatung.....	0.5	0.1-1.0	0.5	--	--	--	--
24	Teknika.....	0.5	0.2-1.0	0.3	--	--	--	--

COLOR/VCR PRICE HIKES—WISHFUL THINKING: Despite the feeble feelers... despite talk of shortages... despite strong consumer market in TV & VCR — it seems certain that once again this year there will be no meaningful price increases in either product. Main hope of industry is to prevent further erosion, keep leader prices where they are and enjoy whatever incremental profits come from higher production & sales.

With color sales running more than 15% ahead of last year in 1983's first 5 months -- at annual rate of more than 13.2 million -- manufacturers & importers clearly are playing it very conservatively in terms of production planning for rest of year. Our survey shows they've raised their sights by 7.8% since last Dec. from 11.5 million (Vol. 22:52 p6) to median 12.4 million unit sales to dealers. This would represent increase of 9% from last year's record 11,366,000 sets.

It's true that several manufacturers are on verge of raising forecasts again toward 13 million -- but die seems to be cast for rest of year at planning for 12.5 million or so sets. First

quarter performance — which saw domestic production actually decline (Vol. 23:22 p11) — bears out industry's conservatism.

In view of declining inventories and forecasts of shortages, it's obvious that domestic manufacturers would rather see color scarcity than surplus — far cry from TV's earlier era when overproduction wiped out literally scores of pioneer TV makers. In some products, shortages mean panic buying and soaring prices. But TV sets aren't potatoes, and in TV context "shortage" means that if consumer can't get leader RCA or Zenith 19" he'll buy a GE or a Sylvania or a Gold Star — hardly conducive to memorializing as "the Great TV Panic of 1983."

Although manufacturers talk hopefully of higher prices, and some have raised a few step-up models to test waters, there's almost universal recognition that it's not going to happen in 1983. In 1982 as in 1981, almost exactly 50% of color TV sales were less than \$500 at retail and only 16% were over \$700, with average consumer price under \$530 for both periods, despite increasing percentages of step-up features such as electronic tuning, remote control, cable channels, etc. With record sales, prices crumbled disastrously in 1982 model year.

Main chance for profits seems to be in incremental increase -- as unit sales go up, profit per set should rise. Study of past TV industry trends indicates new color TV plateau may be at hand. Traditionally, industry reaches plateau, stays there a few years, then moves up. In 1967-70, sales plateaued at about 5 million, moving to 7-8 million in 1972-76, then to 9-10 million in 1977-79 and 11 million in 1981-82. This could be year for transition to 13 million plateau.

Although black-&-white seems on way to becoming novelty & specialty market, industry has readjusted forecast upward in that area as well -- now predicting sales at median 5.5 million, up nearly 5% from Dec. forecast of 5.25 million, but down almost same percentage from 1982 sales of 5,765,000.

VCR is enjoying genuine boom, geared at least partly to lower prices. We have frequently remarked on analogy with color TV, pointing out that VCR unit sales to dealers in 1976-82 closely paralleled those of color TV in 1959-1965, but noting that obviously 1983 wouldn't follow trend of 1966 — the year color caught fire and sales totaled 4.7 million (Vol. 23:5 p13). Such a number still would be farfetched, but VCR sales this year are running at astounding annual rate of more than 4 million vs. industry forecast of 2.5 million last Dec.

During informal meeting at Panasonic convention in Las Vegas, Matsushita Chmn. Masaharu Matsushita said he felt U.S. VCR market had long way to go from 1982 sales before leveling off, and that first quarter sales takeoff was not temporary phenomenon. He pointed out that in Europe one VCR is sold for every 2 color TVs, while ratio in U.S. was 5.5 color sets for each VCR. He said that while market differences make it unlikely U.S. VCR sales ratio would ever match that of Europe, it seemed to him that 4:1 or even 3:1 would be reasonable expectation.

Those looking for price stability in VCR have found it, for time being at least. There seems to be little chance prices will go down in next 3-4 months — but even less chance of real increase. With Japan's almost limitless production capacity — and imports already resuming climb after brief inventory adjusting drop — there's even strong chance of further small price declines (perhaps around 5% at wholesale) in late fall selling season.

Sony introduced own-brand VHS T-120 cassette in U.S. last week, as expected, also announced it would offer V2000 cassettes in Europe. With VHS holding 3-1 lead in U.S. VCR market Sony was "frozen out" of many retail accounts, Sony Tape Pres. John Hollands said at N.Y. news conference. Suggested retail of \$24.95 for new cassette "is not too relevant... We will be competitive," Hollands said. Sony will import tape for VHS from Japan, assemble & package cassette at Dothan, Ala. plant, on same production lines turning out T-120s for duplicators. Hollands wouldn't comment on capacity, claimed: "I'll have no problems selling everything I can make in the next several months." He said he expected Dothan plant would be supplying VHS, as well as Beta, tape later this year. WBH

Correction: Incorrect dates were listed in the 1983 first quarter total TV supply table that appeared last week. In table itself, years were shown as 1982 compared with 1981, and should have been 1983 vs. 1982. Omitted was footnote indicating that imports were complete sets only, and that U.S. production figure includes sets assembled from imported chassis & kits.

Ad notes: Spectravideo appoints Kornhauser & Calene for \$8 million home computer account... Juliette Electronics appoints Sharp Adv... Consumer electronics and musical instrument ad spending on national & regional TV spots jumped 49% in first quarter to \$17.5 million, TvB reports.

EEC VCR QUOTA BID: European VHS manufacturers' displeasure with kit shipment limitations in Japan's agreement to restrict VCR exports to EEC (Vol. 23:21 p17) broke into open in Berlin last week where partners in J2T Holdings called for changes to promote production & jobs in Europe, promised to take case to EC Ministry. Japanese are hoping that complaints will help them solve quota allocation problem.

J2T is European video manufacturing venture launched last year by Japan's JVC, Thorn EMI of U.K. and Germany's Telefunken. Thomson-Brandt of France became partner this year through acquisition of 75% interest in Telefunken's consumer electronics business. Company and German govt. officials were in Berlin to open formally VHS assembly plant that has been operating there for nearly year.

Quota, which is to run for 3 years, limits Japan's 1983 shipments to 4.55 million, about same as 1982, and provides for inclusion of about 600,000 kits. Spokesmen indicated J2T plans to turn out 400,000 VCRs in Berlin and U.K. plants this year, boost that to 700,000 in 1983. It was warned that with 9 other companies in or slated to start assembly of Beta & VHS VCRs in Europe, modification of quota terms is needed or J2T will have to scale back its expansion program.

One possible revision request would be for separate, extra quota for European-invested VCR production ventures. Another would be to reduce local percentage content requirement needed for VCRs to be considered European-made and therefore quota exempt. Thomson-Brandt, under JVC license, is slated to start VHS parts production in France next year, enabling J2T to cut Japanese value of its VCRs to about 65%.

Whole issue should be top issue at meeting between Japanese & EEC officials set for end of this month. Japanese would like to see some kind of quota add-on, which would go long way toward solving Ministry of International Trade & Industry's difficult internal allocation problem. As this year's shipments will be essentially level with those of 1982, easy solution would be to base allocations on last year's by-company export totals. But that would freeze newcomers, particularly audio and camera makers, out of Europe.

In past quota arrangements, MITI has always reserved equitable share for new manufacturers. But in those agreements, quota nearly always was designed to limit growth of exports, not freeze them, so room for additional competition was built in. MITI hasn't finalized allocation allotments for 1983 yet, and it knows it will hear screams if it takes VCRs from haves to give to have-nots, and equal volume of complaints if it doesn't. Additional allowance for kits would enable MITI to trim complete VCR export allocations to manufacturers with European plants and reassign them to new marketers.

Please note new address and phone number of our N.Y. editorial office (consumer electronics, video): 475 Fifth Avenue, N.Y. 10017. Phone 212-686-5410.

COMPUTERS BOWING AT CES: With several new computers, major group of software entrants and uncountable number of new programs slated to debut at CES in Chicago this week, center stage at McCormick West is expected to be occupied by Adam computer system from Coleco, which stole show last summer with Colecovision game console.

In games, Coleco managed to disassociate itself from pack with superior graphics. Strategy in computers is packaged stand-alone system — computer console, high-speed tape drive, daisy wheel printer — offered together for \$600. While price is out of sight compared with competition, those \$80-\$400 prices are for consoles only, and peripherals to achieve Adam performance would add \$600 or more. Adam system designed to plug into Colecovision game console will run about \$400. Coleco plans to sell 500,000 Adams in 1983, about equal to Colecovision console sales last year. Adam will come with 80K memory, store 256K on tape. Additional drives will go for about \$125.

Atari is slated to unveil 4 members of its XL computer family. New 600 with 16K memory and 800 with 64K are expected to list at \$150 & \$300 respectively, replace current 400 & 800 models. Model 1400, at about \$500, will have speech capability, built-in modem, while similar stepup 1450 at \$800 will include built-in disc drive. Also coming are newly designed peripherals, including low-profile disc drive and printer.

Texas Instruments is taking its "no licensing" policy step further. Last month, TI cautioned independent software marketers against trying to copy patented ROM circuit design needed to make cartridge programs run on newer versions of its home computer (Vol. 23:21 p17). It's now warning against copying design of interface connector needed to hook accessories into home & portable computers. TI says it will enforce its patents against unauthorized use. TI is understood to have 2 new home computers on way, upgraded version of 99/A plus advanced step-up model, though last isn't expected to be on view at show. It also will be showing \$100 modem, \$20 word processor cartridge.

Philips will show compatible high resolution TV receiver at Internationale Funkausstellung (Audio-Video Show) in Berlin Sept. 2-11, company officials said last week at International TV Symposium in Montreux, Switzerland. Its "Hi Fi Zero" system (Vol. 22:39 p15) is based on CCD field store which Philips said is cheap enough to be built into home receivers. By repeating fields, system eliminates traditional 50-field flicker of European TV, includes other picture-improving circuits. As demonstrated last year at International Bestg. Convention in England, system doubled number of fields to 100 per sec. using 3-field storage device.

U.K.'s Sinclair has earmarked \$3.2 million for construction of R&D center to be named Metalab. Facility will be in addition to existing computer & TV research operations, is expected to help company's planned expansion into communications products.

COBRA PHONE BOOM: Dynascan earnings from consumer electronics operations jumped 80.3% to \$8.32 million last year on 47.7% rise in related sales to \$60.9 million, with all increase coming its Cobra line of telephone equipment, company indicates in prospectus for \$21.1 million, 1.15 million secondary stock offering.

Of funds being raised, only \$4.33 million will go into Dynascan's coffers. Bulk of rest represents sale of most holdings by Chicago area retailer Sol Polk and Polk Bros. Polk is member of Dynascan board.

Dynascan was on ropes along with rest of CB marketers in last 1970's when that personal communications bubble burst, but is now coming on strong again in phone products. Sales in that area jumped 4-fold last year to \$39 million. That's more than triple volume of another major independent, Webcor, which reported phone gear sales of \$10.5 million in 9 months to Dec. 31 (Vol. 23:13 p14). Prospectus shows Dynascan's sales of CBs were down 23% to \$19.6 million, while other volume in other consumer products -- primarily security business sold off in Aug. -- was off 58% to \$2.2 million.

Dynascan says its unit sales of telecommunications equipment jumped 312% last year, paced by 288% jump in cordless phones to 342,000, while CB sales dropped 13%. Company estimates it has 17% share of U.S. cordless phone market, says it prime supplier, Japan's Uniden, is believed to have larger share under its own brand, notes Radio Shack as yet another significant competitor. It credits itself with 10% share of market for answerers, which Dynascan entered last spring, 20%-25% share in CBs -- with Radio Shack and GE indicated as major competition.

Unidentified Korean manufacturer supplied just under half its cordless phones last year, and it will replace Uniden as biggest supplier this year, Dynascan says. It also states it has found 3rd supplier, which, while Japanese based, will produce phones for company in Taiwan and Singapore. Corded phones and answers are noted as being sourced in Taiwan and Hong Kong.

Dynascan spent \$2.3 million on ads last year, up only 12.8% from 1981. Outlay will rise substantially in 1982, company says, because of national TV spot campaign for cordless phones that starts this spring.

World's smallest color TV with picture tube, as opposed to some prototype LCDs, is Matsushita's claim for 1.5" battery portable it plans to market in Japan this fall at about \$390. It weighs 1.34 lb., measures 1.5x4.3x7.1", has on-screen tuning indicator, video input for use as monitor, draws 2.9 watts. Matsushita says it will produce 3,000 monthly. Export plans weren't announced.

Betamax Case alert: EIA Consumer Electronics Group, in Chicago at summer CES, and MPAA in D.C., announced intention to call special news conferences this week in event Supreme Court hands down decision on Sony's appeal of lower court ruling that home videotaping infringes rights of program copyright holders.

GHOST-KILLER ARRIVES: That long heralded electronic ghost eliminator has finally arrived on Japanese market and is headed this way. It's part of Toshiba's new "Ghost Clean" add-on home remote TV tuner which became available last week at about \$530.

Tuner is designed for attachment to TV sets through antenna terminals or video input jack (or to VCR), has wireless remote control, multichannel sound (stereo) circuit. Ghost eliminator, developed jointly by Toshiba and NHK, is based on detector circuit which senses time lag and intensity of ghosts, cues programmable CCD transversal filter to eliminate redundant element by emitting signals with time lag response of 0.6-12.3 microseconds. System can cover area varying from 1/5" to 4" between images on 19" screen.

Toshiba said it will export ghost killing tuners after study & tests in overseas markets "to evaluate customer requirements and cost performance."

Cable-ready TV set identification proposed by EIA-NCTA committee which drafted preliminary channel standards (Vol. 23:22 p13) would indicate number of cable channels receivable by set, followed by channel numbers receivable. Examples: "52 (2-51, 98, 99)," "52 (2-53)," "55 (1-55)." GE and Zenith dissented from committee's proposal to locate Ch. 95-97 in FM band (committee recommended that these channels be used for transmitting information other than pictures), pointing out that FM rejection traps are included in most manufacturers' TV tuners. Under new channel numbering plan, Ch. 2-13 are same as VHF TV channels, Ch. 1 is now designated as 4+ or A-8, Ch. 14-64 are those now identified as Ch. A-BBB (super & hyper band), Ch. 69-94 occupy UHF band up through broadcast Ch. 42, Ch. 95-99 are current Ch. A-1 through A-5, in reverse order.

Matsushita denied charges that technology used in its erasable optical videodisc is covered by patents on non-crystalline amorphous materials issued in 1970 to Energy Conversion Devices, but said it would have to make complete study of matter. ECD filed infringement suit against Matsushita earlier this month (Vol. 23:20 p16). Shunkichi Kisaka, Matsushita exec. vp and research head, said that disc material and record system are different from those patented by ECD, but that the differences weren't made clear when product announcement was made in April.

Complaint to FTC alleging that RCA refused to honor agreement to repair its out-of-warranty sets has been filed by Video Aid Corp., nationwide service policy company. VAC says RCA Service Co. agreed to service VAC contract holders, but has failed to do so. No RCA Service Co. officials could be reached for comment last week.

Mitsubishi's activities in picture tube phosphors -- USR Optonix, MCI Optonix, Kasei Optonix -- are through Mitsubishi Chemical Industries, not through Mitsubishi Electric, as might have been inferred from reading our report last week (Vol. 23:22 p11). Although both are part of Mitsubishi Group, they're considered independent companies.

PICTURE TUBE IMPORTS: Color TV picture tube imports were down, or up, depending on how you look at it. Imports of monochrome tubes dropped sharply, reflection of GE's 2nd quarter winddown of b&w production in U.S.

On direct, tube-only basis, color tube imports fell 5.5% in quarter to 174,400, with value of incoming shipments down 16.7% to \$9.31 million. But quarter also saw steep increase in imports of tube-inclusive color TV chassis & kits, particularly from Mexico. With those added, tube imports were up 30.4% to 258,100. That indicates color tube imports in quarter were equal to about 11.3% of consumption by U.S. set makers, up from 8.5% in same 1982 period. Japan was source country for bulk of imports.

Average import pricing held steady in small color tubes, slipped to \$55.20 from \$56.68 in 12"-&-under, dropping to \$41.94 from \$48.66 in 13", edging up to \$49.19 from \$48.66 in 14-15". But it was down sharply in larger sizes, falling to \$59.65 from \$80.65 in 19", to \$64.78 from \$85.48 in 20"-&-over.

In b&w, total imports fell 71.4% to 53,200, with value down 80.2% to \$946,700. Average pricing dropped to \$17.09 from \$13.62 on 11-16" tubes, sank to \$17.88 from \$39.10 for all other sizes. Drastic value decline could have been caused by slowdown in high-resolution tubes for arcade and data display terminals. Production of both is down in U.S. this year, former because of market slump, latter as result of shift to off-shore manufacturing.

New breakout this year is for projection TV tubes, formerly lumped in with monochrome direct view tubes. Import total, we understand, includes only tubes imported individually. Those that enter mounted on frames with drive & focus circuitry are classified under TV parts.

U.S. FIRST QUARTER PICTURE TUBE IMPORTS

Type	Units	%chg.	\$ Value	%chg.
Color				
12" & under	18,012	-69.8	994,399	-70.6
13".....	60,108	- 0.2	2,521,221	-14.9
14-15".....	16,356	+12.8	804,613	+14.1
16-17".....	2,081	-31.8	234,880	-10.7
18-19".....	56,241	+70.2	3,355,223	+25.9
20" & over.	21,606	+53.7	1,399,649	+16.5
w/TV kits..	83,658	+530.1	n.a.	--
Monochrome				
12-16"...	6,170	-93.8	105,426	-92.2
Other....	47,048	-46.3	841,287	-75.4
For projection TV				
	10,002	n.a.	492,714	n.a.

Korea's first color tube shadow mask producer, Korea Miconix, has been launched as \$13 million venture with Japanese interests. Korea's Gold Star is majority holder, Dai Nippon Screen is 15% partner, Kanematsu Goshu has 5%. Company has capacity to turn out 5 million masks annually.

Future of CX noise reduction system for audio products is up in air. CBS Records said it was in process of deciding whether to continue pushing it for phono records. While most record makers have endorsed system, few have joined CBS in putting out encoded discs in any significant quantities, and none has announced plan for extensive CX releases this fall. Hardware licensees have held off putting decoders in their equipment because of software shortage, and CBS is now understood to be making last-ditch product appeal to record companies. CBS is recommending use of CX by FM stations for broadcasting from digital audio discs. If that catches on, it could re-spark interest in hardware & software ranks, make deemphasis only temporary. Whatever happens on audio front, it's not expected to affect continued use of CX as audio quality improver on optical & CED videodiscs. On VCR front, Dolby Labs is pitching Japanese VHS manufacturers, trying to get them to use C-type noise reduction on new hi-fi machines. Matsushita is committed, at present, to dbx technique. Sony developed proprietary method that's used on all Beta Hi-Fi VCRs.

Home satellite systems on market now could become "video dinosaurs" if makers can't come up with solutions to problems posed by signal scrambling and coming low-cost competition from smaller DBS systems, according to study by Venture Development. It says dealer survey shows customers are becoming increasingly concerned about scrambling plans of HBO and other premium services, indicates need for some form of accommodation that would let individuals subscribe legally. Study says price is single most important buying factor and that while consumers are willing to pay more for big system because of variety of programming available, that edge could be neutralized by sharp discounts on DBS systems. Other important buying factors, in order of relative importance: Number of channels available, lack of monthly viewing fee, dish size, product availability. Details: VD, One Wash. St., Wellesley, Mass. 02181.

Korean electronics expansion program developed by govt. puts stress on investment to improve productivity, acquisition of new technologies, and may be broadened to permit formation of 100% foreign owned companies in certain areas. Aim is 22% increase in output value by 1986, additional 17% rise by 1991. Govt. intends to provide funding, other assistance, in such fields as color TV, VCRs, digital ICs, medium-scale computers, wired communications, medical & industrial products. For longer range, emphasis will be on industrial electronics. Consumer products now account for about 86% of Korea's electronics exports, and govt. wants to see that drop.

First color LCD TV set was shown in prototype by Seiko in Japan, in addition to b&w version. Company says 2" pocket set could be on market within year at less than \$500. Unlike b&w LCD set, which uses reflective display, color model's display is transmissive (providing its own light), backlit by small fluorescent lamp. Resolution is 138x138. Set measures about 6.3x3x1", weighs 1.1 lb., will operate 4 hours from 5 alkaline AA cells.

Consumer Electronics Personals

Donald Johnstone, ex-Litton Microwave mktg. vp, one-time GE TV Dept. gen. mgr., joins NAP Consumer Electronics as senior mktg. vp June 27, replacing Myrddin Jones, who resigned in Feb. to join Commodore as sales & mktg. vp... **Bill Jasper** promoted at Dolby Labs from exec. vp to pres.-CEO, succeeding founder Ray Dolby, who continues as chmn.-chief exec... **Ira Perlman**, Panasonic vp, promoted to corp. operations administration vp of parent, Matsushita Electric Corp. of America, with responsibility for facility planning, construction & leasing; **David Kurpit** advanced from Matsushita Electric Service gen. planning mgr. to Panasonic Personnel Div. gen. mgr., succeeding Perlman... **Charles King**, ex-Sharp, rejoins Panasonic as Northeast Group VHS mgr.

John Cavalier, former Atari Computer Div. pres., named pres. of Atari Products, with responsibility for computer & videogame product development in restructuring that eliminates former Computer & Consumer Electronics (videogames) Divs. **Donald Kingsborough**, who recently joined as CED sales & mktg. exec. vp, named pres. of new Atari Sales & Distribution Co.; **Paul Mallow**, former operations senior vp, named to head Atari Mfg. All report to Chmn. **Raymond Kassar**; **Michael Moore**, ex-CED pres., is responsible for new business development; **Thomas Bayha**, ex-Sterling Drug, appointed Atari Hong Kong managing dir., succeeding **John Constantine**, who moves to international mktg. staff in U.S.; **Massimo Ruosi**, ex-Procter & Gamble, named gen. mgr. of new Italian mktg. subsidiary.

Penny Otto named southeast sales rep, 3M Optical Recording Project... **Stewart Schlosberg** joins duplicator Tapette as national sales mgr. for new Computer (disc) Duplication Div... **Philip Ritti** promoted to video tape products business mgr., Ampex Magnetic Tape Div... **Stewart Bloom**, ex-Tandy, joins Datasoft as product development dir.; **Gary Furr**, ex-Atari, named gen. mgr. of new Milpitas, Cal. program development office... **Alan Walter**, ex-Dresser Industries, named Wico mktg. & sales vp... **James Barry** promoted at Bartex Publishing from exec. editor to assoc. publisher & editorial dir. for Dealerscope and Home Entertainment Marketing magazines.

Leonard Grossi, ex-operations & finance chief of Paramount TV & Video Distribution Div., named Sound/Video Unlimited CEO; **Noel Gimbel** continues as pres... **Steve Vincent** advanced to pres., King of Video... **Jack Kanne**, ex-Sound/Video Unlimited, joins Commtron as national video sales mgr., new post... **David Betteridge** advanced at RCA Records to U.K. managing dir.

Mattel has folded its PPP (People Protection Products) security device marketing unit. Company said 11-product line unveiled last year (Vol. 22:19 p19) failed in market tests. Offerings included portable smoke detector, automatic emergency phone dialer alarm, auto alarm, retailed in \$10-\$80 range. Mattel said shutdown of security products venture resulted in \$6.3 million operating loss.

Mergers & acquisitions: GE agrees to acquire 3M's technical ceramics operation, including plants in Tenn. & S.C., terms undisclosed. Unit produces ceramic IC packages, and acquisition would increase GE's vertical integration in semiconductors. GE said it expects rising use of IC's in high-tech products to boost demand for ceramic devices 16% annually through 1988... RCA Records completes acquisition of Arista Records, terms undisclosed... **Lionel** agrees to sell its 82% interest in profitable electronics parts maker Dale to Acme-Cleveland for \$43 million. Sales would leave Lionel, now in Chapter 11, exclusively in retail toy business... AVX plans to acquire thick film circuit producer Integrated Networks, terms undisclosed. Acquisition is part of overall corporate expansion program that includes construction of ceramic capacitor plants in Mexico & France. Company also is looking at plant sites in Western U.S... Technicolor asset disposal by new parent is continuing -- MacAndrews & Forbes said it has agreed to sell Technicolor's 43 retail photo finishing outlets. M&F shut down Technicolor's Audio-Video Div., including 1/4" VCR marketing operation, last year.

Sylvania color prices are up about 1.5% from those of first quarter, according to company. New introductions: Three 25" color sets at \$760, with random-access 112-channel versions at \$860, same prices as predecessors. Mini-25" table models are \$730, remote \$830 (down \$20 from year ago). New leader VCR has 2-week one-event timer, electronic tape counter, wired remote, is open listed. Front-load stepup has electronic function display, auto rewind, at \$780. High end has Dolby stereo, audio balance, index search, edit jack, wireless remote, at \$1,200. Newvicon camera with 10-lux sensitivity with 8 programmable memories, title & date generator, 2-speed 6:1 zoom, weighs 3 lb., is \$1,000. High-end camera has variable 8:1 zoom, stopwatch, adjustable viewfinder, at \$1,300.

Fire alarm phone alert system coming from American Bell automatically dials pre-selected number when remote sensor detects smoke, has speech synthesizer to deliver message. Dialer lists at \$200, sensors at \$30 each. Last month, Gulf & Western unit unveiled similar \$250 device that reacts to up to 6 emergency situations, will call 3 different numbers until it gets response.

Obituary

Curtis Mathes Jr., 54, chmn. of Curtis Mathes Mfg. Co. and of Morse Electro Products, was one of 23 passengers who died June 2 in fire aboard Air Canada DC-9 headed from Dallas-Ft. Worth to Toronto. A graduate engineer, in 1948 he became salesman for company founded by his father, rose to various engineering & manufacturing posts, becoming electronics vp in 1959 when company entered TV production. He became pres. in 1962, left company in 1965, returned in 1972 as chmn. of exec. committee, was named board chmn. in 1975. Mathes Mfg. Co. interests bought control of Morse 1981. Wife, 7 children, survive. Top-ranking official of CM is Pres. Ludwig Huck.

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

MARKETING, DEREGULATION, AT NCTA: But Houston convention to be overshadowed by Senate action on cable bill. Major study on consumer perceptions to be unveiled. (P. 1)

TOP 50 CABLE OPERATORS increase basics 11.4%, pay units 19%, in 7 months since last survey. (P. 3)

CAMPAIGNS HEATED FOR NAB joint board chmn., radio vice chmn. Deregulation, relationship with NRBA, TV audience trends study, major issues of board meetings. (P. 4)

NCTA IS 'NECK & NECK' WITH AT&T on important telecommunications section of cable deregulation bill, which seems likely to pass. Fight now centers on controversial Abdnor amendment. (P. 6)

MDS PROGRAMMING SHOULD ATTRACT all segments of population, battle cable in central urban areas, convention told. Rivera criticizes ITFS decision process. (P. 7)

'CAUCUS'—MAJOR MARKET TV LOBBY formed for 'protection of over-air TV.' Says it won't undermine NAB. (P. 14)

JUSTICE WILL SUE TO BLOCK Movie Channel & Showtime merger, also reveals it's reviewing Tristar proposal. (P. 14)

MARKETING & DEREGULATION TO DOMINATE CABLE CONVENTION: Plethora of topics will be discussed during 3 general sessions and 45 panels at 4-day NCTA convention in Houston that opened Sun., but most on minds of some 16,500 convention goers will be better marketing techniques, new technology and chance of deregulation legislation in Congress, according to industry executives and Assn. officials. Closely watched, they said, will be Assn.-commissioned market segmentation study to be unveiled Tues., and speeches by several Washington figures updating industry on regulatory scene.

Tues. luncheon speech by Sen. Goldwater (R-Ariz.) on cable legislation will be especially timely. As Senate prepares to vote on his deregulation bill (S-66), Goldwater will address convention live from Washington, using C-SPAN studio and uplink, Wold transponder time and Pico downlink, all donated. Goldwater will summarize history of S-66, talk about mounting opposition to measure by telephone industry. Basic theme of his speech, aide said, is that S-66 is necessary if cable is to develop full potential. (For latest report on S-66, see p. 6.)

Consumer Electronics

VCR SALES AT 4,750,000 annual rate in May, color TV near record 13 million. Projection TV up again. B&w, cameras down. (P. 16)

EXUBERANT CES celebrates sales surge with record 83,000 attendance. (P. 16) Computers & games. (P. 20) Celebrations & forecasts. (P. 22) Movies fading. (P. 23)

KOREA, TAIWAN DUMPING of color TVs would injure U.S. industry, ITC says. Report shows U.S. plants still operating in red. (P. 17)

8MM VIDEO WAR rages in shadows at CES, with disagreements on timing, standards. Anything could happen—back to drawing-board, 2 formats. (P. 18)

MATTEL POSTED LOSS of \$20.4 million in quarter, with electronics main cause. Milton Bradley expects loss. Activision offering. (P. 21)

UPBEAT INDUSTRY FORECAST compiled by EIA sees current sales boom continuing in 1984. (P. 21)

FLAT PANEL COLOR TV display from Mitsubishi uses LCD squares for 7-18-ft. pictures. (P. 22)

COTY-29 COLOR TUBE scoring sweep in U.S. industry, according to GE, RCA. Toshiba FST is hit, GE eyes square-corner standard tube. (P. 23)

Speech by Rep. Wirth (D-Colo.) at Mon. luncheon will center on mandatory leased access, which he insists be included in any cable bill. Aide said Wirth will criticize NCTA position that only unused channels be available for leased access. He will outline his stance that access should always be available by setting aside percentage of channel capacity. Cablecasters also will hear Wirth criticize telephone industry for lobbying against S-66, say AT&T's position that cable data transmission should be regulated isn't reasonable.

NCTA Pres. Thomas Wheeler also will blast AT&T in address during Mon. opening session, saying that "cable industry never before has been in a political fight of this magnitude. We are up against the world's largest corporation and local government political machines... Ma Bell is at it again -- she's out to 'reach out and touch someone' and, as usual, that someone is us and what she's reaching for is our throat." He will urge operators to lobby senators for deregulation (cards will be on every seat giving Washington numbers to call, along with Western Union form), because "we are the freedom fighters." He will discuss plans for Cable Consortium for Information (CCI), say donations so far total about half of needed \$750,000 start-up budget.

Opening session also will feature Convention Committee Chmn. Monroe (Monty) Rifkin, outgoing Assn. Chmn. John Saeman and Rep. Leland (D-Tex.). Rifkin, who will succeed Saeman as NCTA chmn., will welcome attendees, saying: "For most of us, we know very well where we've been -- on a cliff, climbing straight up." Saeman will review his year at helm, say successes have outnumbered setbacks. Leland will chide industry for its EEO record: "As I look about across the telecommunications marketplace, the view I get of minority involvement is disturbing... My approach to telecommunications policy is, as a result, questioning and cautious and highly sensitive to this measure of inequity in the marketplace."

Group W Bestg. & Cable Chmn. Daniel Ritchie will announce launch of CCI to improve industry's image (Daily, May 4) during Wed. noon briefing. Joining Ritchie will be several industry executives who have volunteered to assist group, people who probably will be named to Consortium board. Major announcement will concern Consortium's ad campaign, expected to be along lines of American Egg Board's "incredible edible egg" campaign.

Presentation of Opinion Research Corp. study of cable subscribers will highlight Tues. session. Study of 4,200 subscribers in 14 markets costing \$200,000 will instruct operators in methods of expanding universe by marketing to specific segments of population. Presented during 2:30 p.m. session entitled "Marketing Magic: Cable's Consumer Power Expands" chaired by ATC Chmn. Trygve Myhren, study will disclose that many people aren't aware of cable offerings, will recommend that operators be more astute marketers by touting certain offerings to certain viewers, not taking scatter-gun approach.

Address by FCC Chmn. Fowler will precede presentation of study. In speech entitled "Of Cities, Sonnets and Software," Fowler will criticize new rate regulation by cities & states in areas that Commission is moving to deregulate. That's "repeating the overregulation mistakes of the past," Fowler will say, now that there's need "to allow cable to be competitive in an increasingly congested video marketplace." He also will tell operators they should be more concerned about their image.

Third general session will be "Programming: Sources and Revenue" on Wed., will feature heads of 5 major groups: Gill Cable's Allen Gilliland, ESPN's William Grimes, Group W Cable's Burt Staniar, HBO's Frank Biondi, ABC Video Enterprises' Herbert Granath. Discussion will center on who pays for cable programming, who provides it and who should control product.

NCTA reception honoring Saeman, scheduled for 6:30 p.m. today at Houston City Club, has been canceled because many Assn. executives will be in Washington lobbying for S-66. Wheeler, Saeman & Rifkin and other leaders will fly back to D.C. Mon. afternoon, return after Senate vote. Wheeler denied persistent rumors Assn. has chartered jet to fly leaders back & forth: "We will probably be the biggest customers of the airlines Monday and Tuesday." But he added that "if we have to make transportation arrangements to bring them back, that will be done."

NCTA will elect 6 at-large board members and 2 associate members on Wed., final day of convention. Nominating committee has recommended 10 whose names will be on printed ballots: Suburban Cablevision Vp Robert Bilodeau, Group W Cable CEO William Bresnan, Tribune Cable CEO Douglas Dittrick, Gilliland, Warner Amex Chmn. Drew Lewis, TCI Pres.

John Malone, Newhouse Bcstg. Exec. Vp Robert Miron, United Cable Chmn. Gene Schneider, Sammons Communications Vp William Strange, Cox Cable Pres. David Van Valkenburg. Further nominations may be made from floor during 4 p.m. membership meeting. They will join James Cownie, Heritage Communications, new dist. dir. succeeding Harry Greenberg of Cable Communications of Ia., Edward Allen of Western Communications, and Midcoast Cable TV's Clive Runnells — all elected by mail ballot in April.

Assn. associate members scheduled membership meeting for Sun., with main business considering nominees to board. Associates nominating committee has recommended Scientific-Atlanta Vp Jay Levergood to fill junior associate director's seat and TBS Vp Terence McGuirk to fill junior alternate associate director's seat. Last year, Ted Turner tried to get on NCTA board through nomination from associates, but full membership turned back bid. McGuirk "won't have those problems," official said.

Composer Burt Bacharach and lyricist-singer Carole Bayer Sager will entertain during dinner-dance concluding convention at which NCTA's National Awards will be presented. Dinner will be held in Astroville Hotel's Grand Ballroom beginning at 8 p.m. Wed.

Parties and hospitality suites hosted by manufacturers & suppliers are hallmark of NCTA conventions, but this year's schedule surpasses all others. About 200 hospitality suites and parties are scheduled, prompting Assn. executive to remark that "there are more after-hour events this year than ever before. I just hope everybody can wake up the next day for the convention activities." Two of larger parties are by Showtime, which has rented famous nightclub Gilley's for Tues. bash, and Hearst/ABC, which treated hundreds to party at Confetti's nightclub Sun.

Public policy issues dominate panel sessions. There will be 3 sessions on enhanced services, 5 on marketing and advertising, 8 on management and operations, 5 on programming, 10 on public policy. Technical sessions will cover issues ranging from signal leakage to videotex & teletext, but most popular of 14 such sessions probably will be one on addressability.

TOP 50 INCREASE BASICS 11.4%, PAY 19%, IN 7 MONTHS: Our latest survey of top 50 cable operators shows they increased subscribers 11.4% to 21,444,264 as of April 1, in the 7 months since our last such survey Sept. 1 (as reported in our Nov. 1982 Cable Business Magazine). At same time, top 50 increased pay-TV units even faster — rising 19% to 18,262,563.

Extrapolating April figures to June 1, we estimate top 50 had 22,073,370 subscribers on that date, about 75% of total 29,175,000 cable subscribers in U.S. (Note: We figure 34.6% of nation's 84,281,818 TV homes had cable, as of June 1. Estimates are based on continuous mailing of questionnaires to every cable system in U.S.)

Among other statistics for top 50, as of April 1: They had subscribers in 25.5% of all TV homes, passed 44.8% of all homes, have 51.8% of all homes in their franchised areas. They own 390,840 miles of plant, plan to add 44,086 in next 12 months.

Note: System reports vary. Some operators report pay-cable subscribers, while others report pay units, counting each pay service individually. We report pay units, except where noted. Most report rebuild plans in "plant planned" category. When using totals, note that some figures for some categories are not available (NA) from some operators. Herewith is complete tabulation:

Rank First 25	System Operator	Number of Subscribers	Pay Units	Homes Passed by Cable	Total Homes in Franchised Areas	Miles of Plant	Miles Planned in Next Year
1.	American TV & Communications	2,198,200	1,981,175 ^a	4,288,275	4,766,668	38,372	4,750
2.	Tele-Communications Inc.	2,197,100	1,592,200	3,838,500	NA	33,254	NA
3.	Group W Cable Inc.	1,904,581	1,354,112	3,497,000	4,300,000	34,950 ^b	NA
4.	Cox Cable Communications Inc.	1,348,281 ^c	1,352,128 ^a	2,334,623	2,334,623	24,358	4,000
5.	Warner Amex Cable Communications Inc. ..	1,260,000	1,150,000	2,680,800	3,053,000	21,770 ^d	5,125 ^d
6.	Storer Cable Communications	1,229,000	1,300,000	2,319,000	3,373,000	31,933	5,000
7.	Times Mirror Cable TV	817,946	575,222	1,611,262	1,964,000 ^e	10,293 ^f	3,112 ^b
8.	Newhouse Bcstg.	702,240	656,061 ^g	1,062,744	1,197,000 ^b	14,367	3,746

Rank First 25	System Operator	Number of Subscribers	Pay Units	Homes Passed by Cable	Total Homes in Franchised Areas	Miles of Plant	Miles Planned in Next Year
9.	Continental Cablevision Inc.	653,000	721,000	1,300,000	1,475,000	13,200	1,800
10.	Viacom Communications	640,083	495,454 ^a	1,292,927 ^b	1,630,457	11,251	1,368
11.	Rogers UA Cablesystems Inc.	618,000	633,000	1,077,000	1,235,000	11,775	250
12.	United Cable TV Corp.	559,774	473,687 ^a	1,011,472	1,130,000	NA	NA
13.	Sammons Communications Inc.	538,543	354,418	806,320	960,000	9,239	800
14.	TeleCable Corp.	370,000	335,000	629,000	656,100	7,475	940
15.	Capital Cities Cable Inc.	331,724	222,706	501,976	517,648	6,375	100
16.	General Electric Cablevision	313,000	206,500	506,000	506,000	4,500	75
17.	Cablevision Systems Development	302,000	826,000	69,000	2,558,000	6,815	1,800
18.	Comcast Corp.	298,000	281,300	544,665	605,300	5,840	850 ^c
19.	Daniels & Assoc. Inc.	292,414	254,919	587,118	2,048,639	6,873	699
20.	Heritage Communications Inc.	288,699	206,630	552,346	584,461	6,729	45
21.	Liberty Communications Inc.	259,325	145,600	512,000	561,000	5,800	400
22.	Jones Intercable Inc.	244,410	150,904	399,883	571,010	5,881	NA
23.	Wometco Cable TV Inc.	240,000	205,000	434,000	600,000	6,200	800
24.	Multimedia Cablevision Inc.	235,450	250,400	365,500	425,500	4,550	250
25.	Tele-Media Corp.	232,500 ⁱ	118,600 ⁱ	313,100 ⁱ	446,000	4,506	500
Total—Top 25		18,074,270	15,842,016	32,534,511	37,498,406	326,306	36,410

Rank Second 25	System Operator	Number of Subscribers	Pay Units	Homes Passed by Cable	Total Homes in Franchised Areas	Miles of Plant	Miles Planned in Next Year
26.	TCA Cable TV Inc.	215,803	59,731	305,145	380,000	4,223	130 ^b
27.	Service Electric Cable TV	210,000	50,000	280,000	330,000	8,200	100
28.	Maclean Hunter Cable TV Ltd.	199,844	262,401	411,835	535,800	3,810	434
29.	Century Communications Corp.	192,000	151,000	325,000	350,000	2,100	150
30.	Colony Communications Inc.	170,000	162,000	300,000	385,000	2,725	500
31.	Communications Services Inc.	165,000	99,500	242,500	250,000	3,200	200
32.	Centel Cable Television Co.	156,981	107,539	254,484	340,578	3,936	779
33.	Western Communications Inc.	154,100	58,600	188,000	200,000	1,782	110
34.	Prime Cable Corp.	145,705	119,728	265,695	300,000	2,165	200
35.	Harris Cable Corp. ^j	144,859	114,401	274,521	460,000	2,674	480
36.	Harron Cable TV	143,629	89,941	200,000	250,000	2,000	480
37.	Tribune Cable Communications	134,293	116,757 ^a	292,645	552,000	3,278	1,000
38.	Sutton Capital Assoc.	120,514	132,604	217,365	NA	2,375 ^b	275 ^b
39.	Midwest Video Corp. ^b	117,832	29,824	196,000	200,000	1,936	50
40.	Rollins Inc.	114,762	67,326	183,624	196,705	2,003	266.5
41.	Cablevision Industries Inc. ^b	114,634	82,800	165,000	200,000	2,550	800
42.	NYT Cable TV (Audubon, N.J.)	102,545	107,711	213,306	220,000	2,600	NA
43.	Adams-Russell Co. Inc.	102,000	100,000	190,861	299,835	2,250	500
44.	McCaw Communications Co. Inc.	101,904	54,972	161,957	243,000 ^b	1,772	60
45.	Midcontinent Bstg. Co.	101,492	47,592 ^a	171,707	171,707	534 ^f	12 ^f
46.	American Cablesystems Corp. ^k	98,000	97,300	156,250	218,000	1,936	900
47.	Gill Cable TV	97,000	147,000	195,000	235,000	1,600	30
48.	Communications Systems Inc.	92,400	74,120	156,886	159,000	1,530 ^f	70 ^f
49.	Armstrong Utilities	88,375	59,000	127,713	150,000	1,708	50
50.	Cableentertainment Inc.	86,322	28,700	121,708	NA	1,647	100
Total—Second 25		3,369,994	2,420,547	5,597,202	6,626,625	64,534	7,676.5
GRAND TOTAL—Top 50		21,444,264	18,262,563	38,131,713	44,125,031	390,840	44,086.5

^aPay subscribers. ^bAs of Sept. 1, 1982. ^cIncludes 35,000 Danish subscribers. ^dAs of Aug. 31, 1982. ^eAs of Oct. 1, 1981. ^fAs of March 22, 1982. ^gIncludes 255,000 pay subscribers. ^hAs of Dec. 31, 1982. ⁱIncludes pending acquisitions. ^jTotals exclude Valley Cable & HS Cables. ^kExcludes pending acquisitions.

POLITICKING FIERCE FOR NAB SEATS: Some issues are more than routine for 5 days of NAB board & committee meetings in Washington this week — not least of which are hotly contested election for joint chmn. and 3-way race for radio vice chmn. Other major issues will be deregulation, deteriorating relations with NRBA and airing of very controversial TV trends study first reported at April convention in Las Vegas.

NAB also is relying heavily on outside speakers, including 4 members of Congress involved in attempted end run around House Telecom Subcommittee to get a deregulation bill passed by Congress: Reps. Luken (D-O.), Tauke (R-Ia.), Tauzin (D-La.) & Swift (D-Wash.). FCC Chmn. Fowler speaks & answers questions before radio board June 15 (TV dirs. also invited), and Diana Dougan, State Dept. coordinator for international communications & information policy, speaks at June 14 lunch to joint board. Board also will go to Capitol Hill for briefings and appearance by Vice President Bush.

It's been years since NAB had contest down to wire for joint chmn., although there have been several times when potential candidate pulled out before actual voting. Vying this year are outgoing TV Chmn. Gert Schmidt, Harte-Hanks vp, and outgoing TV Dir. Kathryn Broman, Springfield TV pres. (Broman is former TV chmn.). Something of issue in election is being made of joint suite at Las Vegas Hilton hosted by Schmidt and Radio Chmn. Martin Beck (who is unopposed for reelection) to which all dirs. were invited. Critics say suite was seldom open and are upset that Schmidt's company held meeting in suite during convention. TV Dir. Peter Kenney of NBC said "there was widespread impression" that Schmidt "had managed to create a good promotion gimmick for his campaign."

In June 3 letter to NAB dirs., Broman said: "For the NAB to enjoy respect, a change must be made and made now. My opponent cannot provide the focus and forcefulness needed by our diverse organization. The NAB will not survive if we suffer from internal dissension and defections... This critical position cannot be an honorary one awarded to someone on the basis of friendship or as an automatic step up the ladder." Citing her past leadership posts, Broman said "at this critical juncture, the contrast between my opponent and me could not be clearer... My opponent does not have this same record or anything remotely comparable." She also said "I want no compensation nor will I take it." In controversial move 2 years ago (when current Pres. Edward Fritts was elected chmn.), board authorized compensation of \$50,000 annually to chmn.'s company.

"I do not want in any way to comment on Kitty's letter," Schmidt told us, adding that he is confident of winning June 17 election. TV Vice Chmn. Jerry Holley, Stauffer Communications, is unopposed as successor to Schmidt, and William Turner, KCAU-TV Sioux City, hasn't drawn opponent for TV vice chmn.

Considered key spot this year is election as radio vice chmn. — since, if ladder holds, that person will be in line for joint chmn. in 2 years. Seeking spot are Walter May (former radio chmn.), WPKE(AM)-WDHR(FM) Pikeville, Ky., Ted Snider, KARN(AM)-KKYK(FM) Little Rock, and Charles Jones (a former NAB radio vp), WSRZ(AM) Sarasota, Fla. — elected to board in Feb. Snider said: "I have enough commitments to win on the first ballot but I realize people change their minds... I'm not counting my chickens before they hatch." May said race is closer than he expected but that he expects to win on 2nd ballot. Board term of current Radio Vice Chmn. Robert Pricer expired this spring; he isn't eligible for reelection.

Another major issue was defused last week when major market TV stations decided to form their own Caucus for Washington lobbying outside NAB while at same time working closely with NAB (see separate story). There had been threat of major TV defections from NAB but leaders of Caucus say that won't happen. Another simmering issue could be who will fill past chmn.'s seat on Exec. Committee. Forward Communications Pres. Thomas Bolger has filled it last 2 years, could be expected to remain in that spot since current Chmn. William Stakelin becomes pres. of RAB in July. Saying "past practice has legal ramifications that carry precedent," Bylaws Chmn. Bohi ruled that seat should go to Bolger. However, Beck said he would oppose Bolger continuing on Exec. Committee on 2 grounds: (1) With TV chmn., seat should go to someone in radio exclusively (Bolger's company owns several radio stations) or be left vacant. (2) As TV vice chmn., Turner will become member of Committee and his station is owned by Forward. NAB bylaws prohibit 2 persons from same company from being on board at same time. However, Bohi and others contend Bolger & Turner being on Committee wouldn't be violation, since ex-chmn. isn't on board, doesn't have vote on Exec. Committee.

Eastman CableRep will be exclusive national sales rep for ATC cable systems in Albany, Austin, Birmingham, Champaign, Ill., Columbus, O. & Honolulu. Systems serve about 250,000 subscribers.

MCI will exhibit Cablephone concept at NCTA convention in Houston June 12-15, will let attendees place calls over mini-cable system linked with MCI's long distance network.

NCTA 'NECK & NECK' WITH AT&T: Although battered and somewhat weakened, cable deregulation bill S-66 seems close to winning passage in Senate June 14 because NCTA appears to have overcome opposition by big city mayors and lobbied telephone industry to a draw. NCTA is confident annual convention in Houston won't be marred by defeat of centerpiece legislative initiative, mainly because Assn. feels it's dead even with AT&T in lobbying and has neutralized key opponent Sen. Lautenberg (D-N.J.) by accepting some of his qualifying amendments. Although fight still looms on data transmission section of bill, NCTA executive's prediction was "The bill is going to pass."

"We're neck and neck on the telephone issue," said Assn. Pres. Thomas Wheeler, who described himself as "cautiously optimistic" that bill will clear Senate largely intact because "that kind of [close] race is favorable to the committee chairman always. My experience has always been that in a tight situation, the leadership always wins. You've got to have a lead of 10 or 15 votes before you're safe going against the floor leader of a bill, and I know AT&T doesn't have that."

AT&T lobbyists and NCTA Exec. Vp James Mooney met June 10 with Sen. Abdnor (R-S.D.) to discuss his proposed amendment to change definition of basic telephone service in bill so that all telephone-like offerings by cable, including data transmission, would be regulated. Abdnor said he has 6 co-sponsors, that movement is gaining steam. However, meeting called by Abdnor was unfruitful: "There was no agreement, it wasn't even close," said Mooney. AT&T was "totally inflexible. Their idea of compromise was for us to agree to the Abdnor amendment." Abdnor's co-sponsors are Sens. Burdick (D-S.D.), Exon (D-Neb.), Melcher (D-Mont.), Helms (R-N.C.), East (R-N.C.) & Andrews (D-N.D.), his staff said. NCTA apparently didn't feel compelled to compromise with Abdnor because earlier in week Assn. had won over Lautenberg.

Lautenberg, one of only 2 votes against bill during Senate Commerce Committee markup, now has pledged to support S-66, Mooney said, and his amendments will be included in previously accepted package of amendments advanced by Commerce Committee Chmn. Packwood. Important to NCTA is that Lautenberg "will help us [lobby] against the telephone companies." Spokesmen for Lautenberg said "the consensus he's gotten so far looks good [for cable bill's passage] and he is encouraged by what's happened [with NCTA compromises]."

Changes demanded by Lautenberg that NCTA accepted: (1) In rate deregulation area requiring that market be served by Grade B signals of at least 4 commercial TV stations. Operator who has achieved 80% penetration of homes passed now will have to show by field tests that area actually receives 4 such signals. (2) Instead of automatic rate increases of 5% or rise in regional Consumer Price Index (CPI), whichever is greater, operator now will be able to increase rates only by rise in CPI. CPI still can accumulate for 3 years. (3) Operator denied franchise renewal still can get de novo court review of decision

except in states with statutes calling for review of such action by administrative hearing officer. Then, any court appeal would be based on record established in administrative hearing. NCTA said it knew of only 4 states that have such statutes, including N.J.

(4) Cities can stipulate public, educational & governmental access in RFP. Bill originally stated that operator could offer such access in RFP but city couldn't require it. But, NCTA drew line on commercial leased access and mandatory percentage set-aside of channel capacity for access. NCTA also refused to give ground to Lautenberg in 2 other key areas: (1) "Changed circumstances" language allowing operator to pass on to subscribers unanticipated increase in cost of services or equipment. (2) Common carrier status.

National Governors' Assn. is lobbying against cable deregulation legislation (S-66), saying bill by Sen. Goldwater (R-Ariz.) would "prevent states from insuring universal telephone service at reasonable cost and preempt state authority to guarantee moderately priced high quality cable television service." Governors made position known in letter last week to Sen. Packwood (R-Ore.), chmn. of Senate Commerce Committee that reported out bill. Meanwhile, American Council for Competitive Telecommunications (ACCT) has come out in support of bill. ACCT dismissed AT&T argument that bill will cause increased local service rates, saying AT&T's "true purpose" is "to prevent the development of any competition" although it now holds 98.5% of data transmission market. "The scare tactics being used by AT&T are the same ones they used in 1976... when they tried to beguile the Congress" with reform bill that failed although it had nearly 200 co-sponsors in House. ACCT made views known in long letter to Majority Leader Baker (R-Tenn.), also sent to each senator.

Strict cable privacy laws are needed to protect subscribers against distribution of information supplied to operators, Conn. Attorney Gen. Joseph Lieberman wrote in May 31 N.Y. Times article. He said critics have termed privacy legislation premature and accuse advocates of unnecessarily frightening people.

Rural Entertainment TV, joint venture of Combined Cable and MultiChannel Video, has filed FCC petition for developmental authority to offer cable-like video fare by ITFS frequencies in rural Ill. and over CARS bands to southwest Wis. Neither area is served by cable, spokesman said.

STAFF AT NCTA CONVENTION

Television Digest Inc. Exhibit Booth is No. 2012. Staff members attending: Janet Dueweke, Seth Goldstein, Jeannette Noyes, Barbara Pratt, Julie Talen, Steven Tuttle, Albert Warren. Their hotel is Holiday Inn -- Medical Center, 6701 S. Main St., phone 797-1110.

CBS, HBO, STUDIOS, ENTER U.K.: Columbia Pictures, HBO, CBS & 20th Century Fox announced agreement to join with Goldcrest Films & TV to provide U.K. cable operators with programming. Main goal is development of pay movie channel similar to HBO, with first-run features and original entertainment. Ad-supported services may follow. Transponder on Intelsat 5 leased from Mercury Communications is expected to be used.

Agreement stipulates 51% ownership by Goldcrest with remainder divided equally among 4 American partners. Amount of investment wasn't disclosed. "The investment required is not so much in the initial outlay as it is in the working investment capital over the long run," Goldcrest Chmn. James Lee told us. "We will lose money for the first 3 years, maybe even the first 4. We're looking to a breakeven point in the 5th year." Losses would be justified, Lee said, by position of "pioneer."

"We recognize from the American experience that getting in first is very important," Lee added. "You have to spend money to get into a position of strength." Goldcrest, independent film company involved in such recent successes as *Gandhi* and *Chariots of Fire*, has current joint production venture for HBO mini-series *The Far Pavilion*, has worked with Columbia Pictures in distribution of its films and also with CBS. Move brings 20th Century Fox into potential pay-TV distributors' fold for first time, leaving MGM-UA only major American studio without proposed pay cable service involvement.

Launch will require 200,000-300,000 subscribers willing to spend up to \$15 monthly for premium service, which partners said will debut in early 1984. Lee projected 600,000 subscribers by 2nd quarter 1984, 1.2 million by year's end. First customers will come from upgraded 4-channel cable systems already in place. Talks have begun with existing and prospective cable operators, Lee said. Transponder has 24-hour, 2-channel capacity, but parameters of channel haven't been decided yet. "We expect the basic format will not be dissimilar to the basic format in the U.S. — like HBO," he said.

Expansion of British movie audience is prime motivation in setting up pay service. "One of the problems is that the home market is so tiny here," Lee explained. With 1.5 million pay-TV customers, he calculated, "effective demand" of movie audience in Britain will be doubled. *Gandhi* will be one of first offerings next year, Lee said.

Videotaping criminal confessions has overtaken stenography in N.Y., saving time for court system, ending defense arguments of coercion. Videotaping began 8 years ago in Bronx under \$95,000 federal grant using one camera and b&w tape. Unit has videotaped 2,600 confessions, expanded to 4 color cameras, 6 technicians, \$130,000 budget. Prosecutors in 4 other N.Y. boroughs use it; all say it increased conviction rate, cut time of court hearings held to determine if confession was voluntary from 3 days to 5 min., prosecutor said. In addition to confessions, taping is made of crime scenes, testimony of elderly witnesses too ill to get to court, police lineups.

MDS AIMS TO WIN IN INNER CITY: Multichannel MDS can successfully compete with cable in inner city markets by reducing prices and packaging programs to attract low income elderly & minorities before cable & DBS "can get their acts together," said Charles Oliver, CBS dir.-legislative & regulatory policy, during Microwave Communications Assn. convention in Washington last week. Way to accomplish this is to cut prices to achieve high volume, creating customers less likely to turn to other media when they become available, Oliver said.

Higher income customers are more likely to switch if programming doesn't meet their needs, he said: "Thus, the sophisticated [multichannel] MDS marketer will need to maintain a constant state of flexible watchfulness over the customer base."

Time must be spent learning community needs, Oliver said, but result will be message that pay TV is no longer a medium "just for the young, white and affluent; it must serve the needs of everyone." MDS's lower cost will allow industry to move into areas bypassed by cable and direct broadcast satellite service, he said. He noted average cost to connect new cable subscribers is \$800, and DBS earth stations cost \$500 each, while multichannel MDS reception equipment will cost about \$200.

For those MDS firms worried about sufficient programming, Stanley Lapin, senior vp, Contemporary Communications Corp., said 107 programming channels now exist on satellites, vertical blanking interval, subcarrier, etc. In addition, there are local programming and one-way or 2-way videotex capabilities, he said.

Elected as new MCA pres. was Richard Vega, Vega Assoc., Pasadena, Md.; Vincent Petti, treas.; Elena Selin reelected secy. Elected dirs.: Nick Nichols, ISA Communications, Atlanta; Michael Stevenson, NEC America, Fairfax, Va. Reelected were Howard Klotz, Contemporary Communications Corp., New Rochelle, N.Y.; Carl Hilliard, Via/Net, San Diego; Vega; James Voiers, Tel-Master, Deming, N.M.; Stephen Koppelman, Communications Microwave, Mountaintop, Pa.

About \$3.5 million has been spent by 8 cable companies seeking 4 area franchises in Philadelphia, according to disclosure forms submitted to city cable administrator. Comcast Cablevision has spent most, \$842,681 since last Aug., in its bid for 2 franchise areas. Cablevision Systems, bidding for one franchise, spent \$760,527, according to forms. Philadelphia Inner City Cable Systems, group of mostly local minority businessmen, spent least, \$208,296.

Bexar County Cablevision, San Antonio, has filed \$10 million antitrust suit in federal District Court against UA Columbia Cablevision of Tex. Dispute involves overbuild by UA in Bexar County areas served by smaller cable company.

Cox Cable moves to new hq building June 20: 1400 Lake Hearn Dr., Atlanta, Ga. 30319, 404-843-5000.

MST INVADERS WASHINGTON: In what most member stations see as major change in policy for MST, group sponsored conference in Washington June 15-16 which featured heavy lobbying of Congress. Speaking to MST group of more than 100 at 4 Seasons Hotel were Sens. Dole (R-Kan.), Packwood (R-Ore.), chmn. of Commerce Committee, Reps. Wirth (D-Colo.), chmn. of Telecom Subcommittee, and Swift (D-Wash.) and FCC members.

While meetings were closed, we're told that Wirth let loose "vitriolic" attack on NAB for Assn.'s attempt to end-run his committee to get deregulation bill on House floor (Vol. 23:21 pl). He accused NAB of going back on its word. Packwood said greatest problems in getting deregulation through Congress will come from both far right and far left. He advised broadcasters that if they can get part of loaf on deregulation to take it and go back for more next year.

Comr. Rivera told MST that "spiraling demands" will require new approaches to spectrum management. "We can no longer afford the luxury of absolutes — absolute avoidance of interference, for example. The process of reaching reasonable accommodation among competing users will be the guiding principle of future FCC spectrum management endeavors... by necessity, not by choice." MST long has advocated interference-free spectrum assignments.

MST Chmn. George Koehler and Conference Chmn. Dudley Taft outlined 3 major Washington issues: Short-spaced VHF drop-ins; threat to frequencies assigned to ENG and other broadcast auxiliary services; teletext must-carry. Said

Koehler: "Congressmen and Commission personnel hear... far too little about the really crucial issue of maintaining and enhancing the public's existing TV service against the threats of devastating interference. A principal purpose of this conference and our follow-up to it is to begin to redress this imbalance."

MST Pres. Thomas Paro added: "For some time now, we have wanted to get key station people together here in Washington to talk informally about the important technological and allocations issues facing the industry... Without a good interference-free signal to provide their viewers, TV broadcasters are out of business and the public is out of luck. It's time broadcasters reassert these truths so that neither the Congress nor the FCC will unwittingly compromise the service that the public currently relies on."

And, at close of MST sessions, about half of blue-ribbon list of broadcasters stuck around for ad hoc meeting — not sponsored by MST, Assn. stressed — at which "Caucus" was formed to lobby in Washington for goals of major market TV stations (see separate story).

Semi-annual tour of TV critics to West Coast is under way, with PBS serving as first host June 6 in Phoenix. NAB was scheduled to make its first formal appearance to critics June 12 at Century Plaza in L.A. with brunch and presentations by Senior Vps Shaun Sheehan (public affairs), Erwin Krasnow (legal) and Steven Stockmeyer (govt.). PBS Pres. Lawrence Grossman told critics that predictions cable will "bury" public TV proved to be false. He said that 90 million people watch public stations weekly, that its audience is 15-30% higher in cable homes than non-cable homes. "We are in the best financial shape we've been in," he said. "We're lean and hungry." CBS hosted critics June 8-11, after which they go to L.A. for NAB session, followed by ABC June 13-16, NBC June 17-20, Women in Cable June 21 (featuring speech by NCTA Pres. Thomas Wheeler).

Times Mirror Co. told shareholders it expects "sizeable losses" from affiliated cable systems. Separately, company said it signed agreement with Washington Post for videotext service in Washington area, making newspaper 7th to join group exploring 2-way interactive information service with Videotex America, new partnership between Times Mirror and Infomart of Canada. Quarterly dividend of 50¢ per share is payable Sept. 10 to shareholders of record Aug. 26.

Falcon Communications has ordered \$12 million worth of Series 8500 addressable set-top terminals from Scientific-Atlanta. Falcon operates cable systems in 41 Cal. communities, has 12 new 54-channel systems under construction in L.A. area which will pass about 210,000 homes.

General Instrument made equity investment in Cybernetic Data Products Inc. CDP has developed low-cost technology applicable to teletext decoders, local area networks, data modems.

CABLE BUSINESStm MOVES TO PROTECT TRADEMARK

Albert Warren, pres. of Television Digest Inc., publisher of Cable Businesstm, Television Digest with Consumer Electronics, Communications Daily, Satellite Week, Video Week, Television & Cable Factbook, Cable & Station Coverage Atlas and other publications, issued the following statement:

"In May 1982, we began publishing Cable Businesstm magazine. On June 10, 1982, we filed the customary trademark papers with the U.S. Patent & Trademark Office. An organization called Cardiff Publishing has begun distributing a magazine called 'Cable Television Business,' announcing that it was the new name of a magazine previously known as 'TVC.'

"This has caused great confusion among our Cable Businesstm readers and advertisers. We have filed suit to protect our trademark. Meanwhile, we will do whatever we can to try to reduce this unfortunate confusion. For further details, write or call us at 1836 Jefferson Pl. NW, Washington, D.C. 20036, phone 202-872-9200."

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RADIO MARTI BILLS CLEARED: In 13-4 vote, Senate Foreign Relations Committee June 8 approved S-602 allowing \$9.6 million for Board for International Bestg. to beam radio programs to Cuba, and providing \$5 million to AM broadcasters affected by radio interference from Cuban stations. Day later, House Foreign Affairs Committee cleared almost identical HR-2453 on voice vote.

As approved, bills would permit govt. to set up station at Marathon, Fla., sharing 1180 kHz AM band already being used by VOA for broadcasts to Latin America. New station also could use shortwave, would be prohibited from using any other AM frequencies except where leased from commercial or non-commercial stations.

Language had to be added to bills in both houses to create compensatory funds. In Senate, fund was added, 10-4, in amendment by bill's author, Sen. Hawkins (R-Fla.), which was offered in Committee by panel's chmn., Sen. Percy (R-Ill.). Same amendment was offered in House by Rep. Fascell (D-Fla.), chmn. of International Operations Subcommittee, won approval, 19-7. It would create \$5 million one-time fund to help AM broadcasters affected by interference from Cuban radio signals to pay for FCC approved facility upgrades to counter interference. Money would be distributed by BIB with authority for funding to expire 4 years after first Marti broadcast is aired. Southern Fla. Bestrs. counsel, Matthew Leibowitz, said afterward that votes were "victory" for Fla. broadcasters, who have already spent \$2.6 million to upgrade stations and are expected to spend up to \$5 million.

Approval of fund proposal in Senate came after Committee rejected, 7-7, amendment by Sen. Biden (D-Del.) to have govt. compensate TV, AM & FM broadcasters for all losses suffered from Cuban signal interference. Carol Randles, NAB vp for govt. affairs, put potential economic losses at \$50-\$60 million for estimated 200 U.S. AM radio stations facing possible interference if Cuba attempts to retaliate to Radio Marti.

Also rejected by both both committees was amendment, offered in Senate by Sen. Zorinsky (D-Neb.), and in House by Rep. Kostmayer (D-Pa.), to kill Marti proposal, replacing it with expanded VOA broadcasts to Cuba.

Randles said that while NAB welcomed amendments providing limited compensation for broadcasters but said money was only first step, bills still don't go far enough in combating interference problem or providing compensation for economic losses.

Meanwhile, Clint Formby of KPAN(AM) Hereford, Tex. is among 14 AP board members (other 13 are publishers) who will be in Cuba June 13-16. They have been promised session with Cuban Premier Castro and Formby told us: "I frankly would like to bring up the interference thing with Castro directly... but I won't make a big issue of it."

Disney Channel has added 88 systems, bringing total 2 months after launch to 627, according to Pres James Jimirro.

FCC ASKS DBS STANDARD ADVICE: After resolving reservations by some commissioners and industry, FCC will send to GSA a proposal to establish Industry Advisory Committee on DBS Technical Standards.

Commission declined to set standards for DBS transmitting or receiving equipment last year before awarding DBS licenses, citing both lack of technical information and industry's greater resources to deal with system design. Since then, many in industry have met informally to explore formation of DBS trade association, which might set own technical parameters. Some "early-entry" systems are being launched in fixed-service satellite band, but eventual parking spaces for DBS systems will be co-located, meaning that consumer could receive channels of different systems with same equipment if technical standards are compatible.

Explaining reasons for recommendation, FCC said it wouldn't be inconsistent to provide opportunity for industry to advise it further on desirability of technical standards. Committee's basic objectives would be to: (1) Advise FCC on facts, circumstances & considerations for or against imposition of standardized technical requirements, in addition to those to be established at RARC, now meeting in Geneva. (2) Develop & submit recommendations on specific, desirable standards. "This can't be taken as a decision to set standards, just to examine what they might be if they're deemed necessary," Commission source said. If GSA approves committee, meeting times & places will be announced.

Top White House aide James Baker reportedly has put indefinite hold on appointment of replacement for Anne Jones as member of FCC -- meaning agency will drop to 4 members in little over 2 weeks with June 30 expirations of terms of Comrs. Fogarty & Sharp. And, effective July 1, Congress has cut back members of FCC from 7 to 5. "It's kinda drifting... It's kinda up in the air," Administration source said of possible Jones successor. We're told FCC Chmn. Fowler has talked to White House several times about situation, has been assured that any new commissioner would share Administration's point of view on broadcast regulation -- meaning Fowler's views. This would be good news for Fowler, who at times has had trouble getting 4th vote on 7-member Commission. If there's frontrunner for post, several sources say it's Dennis Patrick of White House personnel office. However, as late as June 10, Administration was known to be looking for qualified woman to succeed Jones; several have put their names forth, but we're told none is viable candidate. White House communications aide Karna Small has said she doesn't want job.

COMMUNICATIONS DAILY AT NCTA

Copies of Tues. & Wed. Communications Daily will be available each day at Television Digest Inc. Exhibit Booth 2012 and at publication bins, during NCTA convention.

Typical TV station gen. mgr. earned \$78,000 in 1982, up 26% from \$62,000 in 1979, according to survey by NAB Bcst. Management Dept. Typical gen. mgr. has been at current job 6 years; 87% are provided cars and more than half country club and business/professional memberships. NAB got responses from 401 stations. On radio side, typical gen. mgr. earned \$44,700 last year, up from \$27,000 in 1979. NAB attributed "steep rise" of 65% to large response to latest survey from large-market stations; total of 1,695 radio gen. mgrs. responded. Separate survey by NAB Minority & Special Services Dept. shows that 70% of radio stations responding expect "no change" in general management and administrative staffs through 1989. However, most stations plan to increase staff in programming, sales & engineering. Of TV stations responding, 46% predicted increase in administrative staffs, 41% expected no change, 13% decrease.

TCA Cable will offer 700,000 common shares at \$12.15 each instead of 900,000 shares it declared earlier in SEC filing. About half will be sold by TCA, rest by shareholders. Tyler, Tex. MSO said it would use proceeds to retire debt from recent acquisitions of cable systems.

Cal. state court, after 3-week trial and 10 hours of deliberation, last week cleared CBS News, Dan Rather and program 60 Min. of charges they acted "in reckless regard for the truth" in Dec. 1979 segment accusing L.A. Dr. Carl Galloway of participating in insurance fraud. Trial attracted wide publicity — mainly because CBS Evening News anchor Rather (who was correspondent for 60 Minutes program) was on stand 3 days. Galloway sued for libel, gained access through Court to outtakes from CBS program. Jury voted 10-2 in favor of CBS. "We're just very pleased," said CBS lawyer William Vaughn, who called decision "a moment that strikes a blow for the First Amendment." Galloway said that during trial he felt "like David up against Goliath. I don't have my own network." His lawyer said no decision has been made whether to appeal.

Cash prize of \$5,000 went along with NAB's Grover C. Cobb Award presented to Jack Rosenthal, Harriscopco Stations, at April NAB convention. Rosenthal, first chmn. of NAB's political action committee, gave \$2,500 to RTNDA, \$2,500 to his alma mater, U. of Wyo. Award is given annually for outstanding work in improving relations between broadcasting industry & govt.

Announcing a Meeting of Leaders in Cable Business

THE 1983 CABLE TV SUMMIT CONFERENCE

Sponsored by Television Digest

Television Digest Inc. announces The 1983 Cable TV Summit, an intensive one-day executive conference on the future of Cable TV.

Purpose of The Cable TV Summit is to explore the strategic business, regulatory and service issues that confront cable as it evolves from a feisty pioneer to a mature industry.

Attendance is recommended for those with direct responsibility for directing cable industry business planning, representation and development.

The 1983 Cable TV Summit will be held at the Four Seasons Hotel in Washington on Oct. 27, 1983, and will feature presentations & analyses by leading cable industry strategists along with ample opportunity for delegates to meet their colleagues informally.

Among speakers scheduled or pending are Lawrence DeGeorge, chmn., Times Wire; Irving Kahn, pres., BroadBand Communications; J. Richard Munro, pres., Time Inc.; Daniel Ritchie, chmn., Group W; Charles Royer, chmn., National League of Cities; John Saeman, vice chmn., Daniels & Assoc.; Thomas Wheeler, pres., NCTA; Timothy Wirth, chmn., House Telecom Subcommittee.

For complete details on this important industry event, contact Barbara Pratt, 1836 Jefferson Pl. NW, Washington, D.C. 20036, phone 202-872-9200, telex 467268.

CABLE HEALTH-HEARST/ABC MERGER?: Vying for top-ranked event at NCTA meeting in Houston this week is merger of Cable Health Network and Hearst/ABC Video Services, with chief beneficiary HAVS' Daytime channel. Negotiations were being conducted down to wire this week, with most of attention focused on fate of CHN Vice Chmn. Jeffrey Reiss and his minority ownership of service.

According to one scenario, ABC Video Enterprises (AVE) was trying to work out purchase of Reiss's stock. Question was raised at N.Y. TV Academy lunch last week where Reiss gave speech. His response: "I still have equity... I have not sold my share." Viacom, which holds minor equity interest in CHN, maintains "significant participation" in management and right to purchase majority control "upon the occurrence of certain future events," according to annual report. HAVS deal could be exactly what statement has in mind.

Viacom has confirmed discussions. "We're talking to several groups about several different possibilities," said Pres. Terrence Elkes. Deal has to be resolved one way or other to end confusion at NCTA. Services "won't be able to do a nickel's worth of business" without formal announcement, said one source.

It's no secret that Daytime and CHN have complementary programming, end up dividing same audience, thus cut into potential advertising. Likeliest candidate to run combined operation would be CHN Pres. Bruce Johnson, filling spot vacated by HAVS Pres. James Perkins, who resigned several months ago. Johnson, also at Academy lunch, told attendees that CHN production will be moving from L.A. to N.Y., home of HAVS.

Now on back burner at AVE is yet another deal, this one to bring whatever Entertainment Channel programs are assignable to HAVS' ARTS channel. Also overshadowed by preoccupation with CHN is announcement of AVE-Cox Cable results of pay-per-view experiment and start of 2nd phase.

Extended hours for daytime AM stations would be provided under bill approved by acclamation by Senate Commerce Committee June 10. Bill, authored by Sen. Pressler (R-S.D.), would extend hours of daytime stations to 2 hours before sunrise and 2 hours after sunset wherever clear channel stations would suffer no "objectionable" interference.

BMI last week withdrew antitrust suit filed June 3 against NBC and its 5 owned TV stations after reaching "mutually satisfactory" interim agreement, terms not announced. BMI Pres. Edward Cramer said agreement is retroactive and "there is no longer a period during which the owned stations were unlicensed."

Some 92 U.S. newspapers each spent average \$49,076 to start electronic news service via cable TV as of May 1, according to research report due this month from Pacific Satellite Corp. Daily newspapers, 65% of such distributors, spent average \$58,750 to launch service, PS said.

Robert Hynes, who has been in NBC Washington govt. relations office since 1972, will replace Peter Kenney as NBC Washington vp and head of office Oct. 1. Kenney, dean of Washington network lobbyists, will be 62 in Sept., has opted for early retirement, will remain consultant to NBC. He has headed NBC lobbying efforts since 1962. Slated to join NBC Washington are Thomas Sawyer (exec. dir. of O. Assn. of Bestrs., former minority counsel to House Commerce Committee) as vp-Washington operations and No. 2 man in office, and Terry Mahony, onetime NAB lobbyist, currently FCC staffer in Legislative Div. of FCC Gen. Counsel's Office, as vp-govt. relations. Sallie Forman, veteran in NBC Washington office, also has been promoted to vp-govt. operations. NBC Exec. Vp-Gen. Counsel Corydon Dunham, to whom Washington office reports, told us Sawyer (who was active candidate for NAB presidency year ago) and Mahony will go to work "some time this summer... I told them to take long vacations." In another change, Daniel Tate, vp-communications development in Washington, will report directly to Dunham in N.Y., concentrate on new technology and corporate planning. Before joining NBC, Hynes was minority counsel to House Rules Committee. He took leaves from network in 1972, '76 & '80 to work on Republican National Convention, also in fall 1973 to serve as counsel to Gerry Ford in Ford's Senate confirmation as Vice President. (Note: Active candidate to succeed Kenney was ex-NPR Pres. Frank Mankowitz.)

Latest salvo — and last, according to NAB — in name calling between NRBA and NAB over deregulation bill in House was fired last week by NRBA. In letter to its membership signed by 8 members of Exec. Committee (earlier NAB letter attacking NRBA statements & positions had been signed by 6 members of NAB radio board), NRBA said: (1) "The only divisiveness for which the NRBA is responsible is the ability to divide or separate the vital interests of radio from those of TV where appropriate." (2) NRBA "does not advocate quantification of the public interest standard, any more than NAB advocated fees when it aggressively supported deregulation bills that included fees... The NRBA does not advocate or favor anything but total deregulation of radio." (3) NRBA doesn't advocate spectrum fees. "We expressed the willingness to explore the possibility of long-term 50-60-year contract proposals [licenses] that would have included a consideration [fee] but that would also have given radio broadcasters full deregulation." (4) "Radio's best hopes for true deregulation have always rested with radio-only legislation. As long as radio is included in what will inevitably be seen as a TV bill, we will be tarred by a common brush... It is toward that end that the NRBA will continue its efforts and we urge the NAB and its members to join us." NAB said it would have no response to latest NRBA letter.

GE may be first U.S. color TV maker to offer set with built-in teletext decoder. TV Div. Vp-Gen. Mgr. Jacques Robinson said company plans to test sales of teletext-ready models in several selected markets next year.

MAJOR-MARKET TV LOBBY: "Caucus" is working name for group of large-market TV stations which formally decided at Washington meeting June 9 to create new broadcast lobbying organization in Washington. Interim Chmn. David Henderson, Outlet Co., said that in no way was group against NAB, that he had been directed to call NAB Pres. Edward Fritts immediately to say that "our efforts will be complementary of NAB but being independent we will have an opportunity to go another mile" on many major issues in which NAB can't take stand because of diverse membership.

Henderson said "fundamental purpose" of new group is "protection of over-air TV," that Caucus must get major group owners into Washington on regular basis. He said that "a lobbyist can just go so far... The jobs we have to do in Washington we have to do ourselves. We can't subcontract that." Caucus will be loosely structured at least at start as group rejected 2 other proposals: (1) Structured organization. (2) Put Caucus directly under NAB umbrella.

Steering Committee -- which Henderson said will meet as soon as day can be cleared -- is composed of Joel Chaseman, Post-Newsweek Stations; Joseph Dougherty, Capital Cities; Terry Lee, Storer; William Schwartz, Cox; William Baker, Group W; Dudley Taft, Taft Bestg.; Henderson. Committee has been charged with creation of organizational structure and to "prioritize" issues on Capitol Hill and devise plan to address those issues. Caucus didn't discuss dues or Washington representation -- although both will be established later.

Leaders in formation of Caucus had questioned whether NAB can effectively serve their interests because of its diverse membership -- from smallest radio stations to TV networks (Vol. 23:20 p2). In apparently successful attempt to defuse situation, Fritts addressed MST conference day before Caucus was formed (see separate story). We were told Fritts "handled himself very well... He got only friendly questions." No longer contemplated, according to Henderson, is withdrawal from NAB by several major market TVs. Caucus was formed by 42 broadcasters at Washington meeting representing all major groups, well over 100 stations.

CBS has rejected request by National Council of Churches that network agree to arbitration to determine whether Jan. 60 Minutes segment on "The Gospel According to Whom?" violated CBS News' own standards for fairness & accuracy. During program, correspondent Morley Safer suggested that National Council and World Council of Churches supported leftist political organizations. In Feb., Council asked CBS for time to respond to 60 Minutes allegations; network denied request on grounds it believed segment to be "in all respects fair and accurate."

Satellite News Channel has wired White House. SNC officials said their service has become only cable-delivered news service available to President Reagan and executive offices. Access is extension of service's availability to "official" Washington through George Mason U.'s Capitol Connection.

NO HOUSE FIGHT ON DOUGAN OFFICE: House last week headed off battle with White House, NTIA, Commerce Dept. and others by scrapping language in State Dept. budget authorization that would have strengthened role of new Office of Coordinator for International Communications & Information Policy headed by Diana Dougan. Language ran counter to White House's Trade Dept. reorganization plan, also Senate's ideas, was stripped from bill on voice vote of full House.

House then approved bill (HR-2915), which includes funding for Board for International Bestg., USIA, VOA. It sets \$701 million cap on budget for USIA in FY '84, \$861 million for FY '85 when funding will triple to cover construction costs for new radio facilities abroad to \$179 million. BIB funding would be capped at \$115 million for FY '84, \$121 million in FY '85, including \$104 million for Radio Free Europe & Radio Liberty in FY '84, \$110 million in FY '85.

In dispute was language Rep. Fascell (D-Fla.) had inserted into bill 3 weeks ago as it was being reported out of House Foreign Affairs Committee. Language, described by Fascell aide as meant to "codify" intent of Executive Order creating Dougan's office, said her duties are supposed to include liaison work with State Dept. offices, other Executive Branch agencies, private sector & Congress, chairing and supervising activities of interagency committee, and that she would hold rank of ambassador in order to deal directly with foreign govts.

Role bill defined for Dougan matched her perception of job (Vol. 23:23 p3). But State Dept.'s own job description was different, doesn't mention ambassadorial role, says she is to work under undersecy providing "support" for interagency group, rather than "coordinate" or "supervise" its activities, nor provide any liaison to Congress. Fascell agreed to strip language from bill under pressure from members of House Commerce Committee, also White House and Commerce Dept.

MOVIE CHANNEL-SHOWTIME MERGER BLOCKED: In surprise announcement, Justice Dept. late last week revealed plans to file civil antitrust suit blocking proposed merger of Movie Channel & Showtime, nation's 2nd & 3rd largest pay cable TV services. Move would put on ice plans by American Express, Paramount Pictures, Universal City Studios, Viacom International, Warner Bros. and Warner Communications, which were putting together deal.

Aim of merger was to give movie companies involved chance to participate more directly in pay cable business they now serve as movie suppliers. Paramount, Universal and Warner Bros. are major distributors of theatrical movies to pay cable programming services, while Movie Channel is owned by American Express and Warner Communications. Showtime belongs to Viacom.

DoJ gave no immediate explanation of grounds on which it plans civil suit, or when filing would be made. But DoJ's Antitrust Div. revealed it also is reviewing proposal by CBS Inc., Columbia Pictures (owned by Coca Cola) and HBO to start own movie studio called Tristar.

Personals

Ralph Baruch, Viacom International, elected pres., International Radio-TV Society, succeeding **Ave Butensky**, Ed Libov Assoc.; **Edward Bleier**, Warner Bros. TV, named first vp; **Eleanor Applewhaite** of CBS, **Mark Cohen** of ABC and **James Greenwald** of Katz elected vps... Upcoming industry speakers at National Press Club lunches, Washington: June 16 — **Kenneth Tomlinson**, VOA dir.; June 23 — **Joseph Charyk**, Comsat chmn.; June 30 — **Ted Turner**, pres. of Turner Bestg. System.

Elected to CBS TV affiliates' board: **Mark Smith**, KLAS-TV Las Vegas; **Harry Marby**, WHMA-TV Anniston, Ala.; **Ben Tucker**, KMST Monterey, Cal.; **Mal Kasanoff**, KGBT-TV Harlingen, Tex.; **Jay Lloyd**, KSL-TV Salt Lake City.

Walter Liss, WPLG Miami vp-gen. mgr., will join Cox Communications July 5 as pres. of Best. Div.; **Michael Kievman** promoted to exec. vp-TV; **Alan Perris**, pres. of Post-Newsweek Video, also becomes vp-gen. mgr. of WPLG, succeeding Liss... **Lyle Banks**, ex-John Blair & Co., appointed national sales mgr., KXAS-TV Ft. Worth-Dallas... **Herbert Jellinek** promoted to vp in charge of production, ABC Entertainment & Motion Pictures, new post; **Ellen Franklin** to dir.-current comedy programs; **Thomas Farrell** to controller, TeleFirst Entertainment, ABC Video Enterprises... **Valerie Schulte** advanced to assoc. gen. counsel, NAB.

FCC Comr. **Joseph Fogarty** addresses New England Conference of Public Utility Comrs. June 14 in Hartford, speaks June 15 to R.I. Bestrs. Assn. in Providence; Comr. **Mimi Dawson** speaks June 17 at breakfast meeting of Ind. Assn. of Bestrs., Washington; Comr. **Henry Rivera** participates in June 18 panel at Md.-D.C.-Del. Bestrs. Assn. convention, Ocean City, Md.

Gary Epstein will resign as chief of FCC Common Carrier Bureau July 6; his replacement is expected to be **Jack Smith**, deputy bureau chief. In letter to Chmn. Fowler, Epstein said he will join L.A.-based law firm of Latham, Watkins & Hills, which has 30-attorney Washington office.

Raymond Watson resigns as gen. mgr., KMGH-TV Denver and vp of parent McGraw-Hill Bestg.; he's succeeded on interim basis by **Robert Flanders**, McGraw-Hill vp-dir. of engineering... **Lance Taylor** promoted to dir.-comedy series development, ABC Entertainment... **Linda Saunders** appointed exec. dir., Okla. Assn. of Bestrs., succeeding **Donna Hill**, who last week married **William Bengston**, vp-gen. mgr., KOAM-TV Pittsburg, Kan.

Leslie Lillien, ex-PR consultant, appointed creative services dir., Tribune Entertainment Co., new post... **Richard Boehing**, Walt Disney Communications educational media dir., also adds responsibilities for marketing, product development and sales administration of educational businesses; **Frank Stanek**, ex-Tokyo Disneyland, appointed vp-corporate planning, Walt Disney Productions, new post... **Paul Audet**, ex-WMDT Salisbury, Md.,

appointed chief operating officer of Viscom International... **Rene Aiu** advanced to vp-marketing, SelecTV.

Daniel Redmond, ex-Dow Lohnes & Albertson, elected partner in Washington law firm Fletcher, Heald & Hildreth; **Robert DePont** & **Kathryn Dole** become assocs... **Lawrence Marmon** named vp-controller, Home Sports Entertainment... **Herbert Cahan**, ex-Group W, appointed vp-gen. mgr., Metrosports; **Marcia Cherner** promoted to vp; **Steven Saferin** to vp-business affairs.

William Ellinghaus, AT&T pres., also will become chmn. of WNET N.Y. next year; **John Crowley**, a WNET dir., will serve as interim chmn., succeeding **George Piercy**, ex-Exxon Corp., who remains a dir.; elected WNET dirs.: **Simon Bessie**, publisher; **Richard Shinn**, ex-Metropolitan Life Insurance chmn.; **Anthony Marshall**, diplomat-philanthropist... **Renee Missel**, ex-independent producer, joins ABC Motion Pictures as vp-west coast production... **Robert Brickman**, ex-MMT, appointed dist. supervisor-affiliate relations, CBS TV, covering Conn., Me., Md., Mass., N.Y., Pa., R.I., Vt. & D.C... **Mark Dillon**, ex-KOTV Tulsa, named business mgr., WTHR-TV Indianapolis.

Appointments at United Satellite Communications: **Jane Rogers**, ex-Wometco Home Theatres, dir.-program acquisition; **Robert Bernstock**, dir.-marketing & advertising; **Kevin Morrison**, ex-O-N-TV, Dallas, dir.-direct sales; **Ron Scherma**, dir.-management & information systems; **William Shideleff**, dir.-customer services & system planning; **Martha Gollup-Polin**, ex-MGM-UA, dir.-Program Guide.

James Thomason joins Fairchild Communications & Electronics as vp-mktg... **Charles Firestone**, dir.-UCLA Communications Law Program, also becomes of counsel, L.A. law firm Mitchell, Silberberg & Knupp... **Richard Green**, ex-CBS Best. Group, named exec. dir., Advanced TV Systems Committee sponsored by NAB and other industry groups... **William Ramsey**, ex-GTE Sylvania, appointed M/A-Com Video Satellite Inc. south central sales mgr... **Leandro Blanco** promoted to vp-exec. producer, SIN TV Network... **William Kunkel** promoted to gen. sales mgr.-domestic syndication, MGM-UA TV... **Virgle Smith** joins United Video as mgr.-sales administration, new post; **John Roberts** promoted to service development mgr.

Fred Botwinik added to Katz Communications board... **Ray Harding**, ex-RCA, named Sony Best. Products market development mgr.; **Holmes Ives**, ex-Magnasync/Movieola, named MCI/Sony western region mgr... **Bahnon Stanley** becomes Landmark Communications Bestg. & Video Enterprises Div. business development dir... **Lloyd Segan** named NBC Enterprises program development mgr.

Richard Frank, head of Paramount TV syndication, advanced to pres. of Paramount TV, succeeding **Gary Nardino**, resigned... **Thomas Russell**, Ga. School of Journalism & Mass Communications prof. since 1967, promoted to dean, succeeding **Scott Cutlip**, who will remain on faculty.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended May 27 (21st week of 1983):

	MAY 21-27	1982 WEEK	% CHANGE	MAY 14-20	5 MONTHS 1983	5 MONTHS 1982	% CHANGE
TOTAL TV#.....	329,946	356,636	- 7.5	263,999	6,762,402	6,318,424	+ 7.0
COLOR#.....	230,105*	226,365	+ 1.7	196,674*	4,778,838*	4,167,450	+14.7
MONOCHROME....	99,841	130,271	-23.4	67,325	1,983,564	2,150,974	- 7.8
PROJECTION TV...	2,168	1,521	+42.5	2,016	47,703*	31,091	+53.4
HOME VCR.....	73,685*	33,379	+120.8	66,674*	1,230,004*	600,151	+104.9
COLOR CAMERAS...	6,808	9,393	-27.5	5,703*	122,915*	104,764	+17.3

Color TV 5-week moving average: 1983--218,029*; 1982--195,844 (up 11.3%).

Home VCR 5-week moving average: 1983--72,750**; 1982--29,248 (up 148.7%).

Excludes projection TV. * Record for period. ** Highest figure in history.

VCR SALES AT 4,750,000 PACE IN MAY: Normally one of slowest sales months of year, May was 2nd best in history for VCR sales, which ran at annual rate of 4,750,000, bringing 5-month annual sales rate above 4 million level for first time. Month set another record for color TV sales, at just below 13 million level for month, just above it for year to date.

May VCR sales were 149.3% ahead of year earlier, largest percentage gain recorded for any month since video became major product. VCR 5-week moving average, barometer of going sales rate, soared to all-time high of 72,750, up 148.7% (see State of the Industry). Sales of 272,104 in 4-week May were just 18% below the 331,673 of 5-week Dec. 1982, highest month on record.

Color sales, though booming, apparently are beginning to come down closer to earth after record 14.1 million rate for April. Still, May sales rate was higher than that of either Jan. or Feb., trailed March annual rate by just 26,000 sets.

There are some minuses in statistical report from EIA. Dip in monochrome TV sales -- 27.7% -- was steepest since Dec. 1981 and dragged total TV sales down below those of May 1982 by 0.7%. Color camera sales were off 3% for month -- first monthly decline since EIA started releasing data on them.

But projection TV registered another record month -- up 63.4% from May 1982 and 30% from previous May record, established in 1981. Here are EIA's data on sales to dealers for month, with earlier comparisons:

Product	May 1983	May 1982	% change	May 1981
Total TV.....	1,136,646	1,144,424	- 0.7	1,182,318
color.....	830,230*	720,614	+15.2	747,609
monochrome..	306,416	423,810	-27.7	434,709
Projection TV..	8,292*	5,074	+63.4	6,384
Home VCR.....	272,104*	109,148	+149.3	87,013
Color cameras..	25,043	25,822*	- 3.0	10,198

*Record for any May

EXUBERANT CES CELEBRATES SURGE IN SALES: Mood overshadowed product at 1983 Summer Consumer Electronics Show in Chicago last week, where 83,311 attendees swarmed

through 1,200-plus exhibits in what at times looked like tribal dance in celebration of surging sales and anticipation of what seemed to be almost limitless future.

Fact that attendance was 15% above previous record 72,472 at last year's summer show and 7% ahead of the 78,126 at Winter CES in Las Vegas was major sign of expansive feeling pervading industry. Separate building, McCormick West, for burgeoning computer & game displays was complete success, providing excellent setting to observe increasing sophistication of products and listen to crumbling of prices.

Seeing enthusiastic crowds and hearing exhibitors' spirited accounts of record orders almost completely overshadowed knowledge that industry is in turmoil & distress -- pervading philosophy was that "we'll make up in volume what we lose on each sale." In keynote address, RCA's William Boss, appearing as EIA Consumer Electronics Group Vp, noted consumer electronics is now nearly \$20 billion industry at factory level, and "the overall trend... is up, up, up!" He put finger on industry mood when he said: "You can feel the excitement out there."

Video & TV were riding high, and new products reflected evolutionary preparation for TV set's metamorphosis into video terminal. High-tech look -- complete with video & audio input & output jacks -- moved down into under-\$500 category in some import lines.

Telephones were 2nd only to computers when it came to floor action and dealer interest. CES directory had 144 companies listed under "telephones," total surpassed only by some audio catch-all classifications. Including duplication, 125 were logged under "telecommunications" and "telephone accessories." Largest seminar crowd was at session on phones, where future of cordless models was main concern -- particularly in view of one panelist's remark that in some crowded markets, 30% are returned by unhappy customers.

There was strong sign of revived interest in audio, sparked by digital Compact Disc that has brought consumers back to retail stores. First automobile CD player (not yet for sale) was shown by Mitsubishi. What audio action there was at CES centered on most popular one-brand rack systems. Traffic was slow around esoteric, compact and portable audio displays.

Although CES was definitely future-oriented in terms of anticipated business growth, unlike some past shows its product exhibits were heavily here-&-now, with very few "products of the future" to distract media & buyer attention from wonders of the present -- which were plenty. Highlights are elsewhere in this issue, with details on individual lines to come next week.

Opening of McCormick West produced massive traffic on foot and in open trams back & forth across bridge, attracted group of high-class street peddlers who accepted credit cards from those without cash. Capitalizing on shortage of digital discs at some CD exhibits, strolling sandwichwoman advertised "over 100 titles" at local record store.

ITC SAYS INDUSTRY PRONE TO DUMPING INJURY: In 3-0 vote last week, International Trade Commission, as expected, issued preliminary determination that there's reasonable likelihood of injury to domestic industry from color TVs dumped in U.S. by Korean & Taiwanese manufacturers. Vote clears way for ITC to launch fullscale injury investigation and for International Trade Commission to look into charges that sets are indeed being sold here at less than fair value.

Positive finding was considered foregone conclusion ever since dumping complaint was filed by labor-industry group COMPACT last May. COMPACT and its manufacturing members Corning, Owens-Illinois and Wells-Gardner all dropped out, leaving unions as only official complainants, with GE and Zenith as active supporters. Industry was declared injured by Japanese TV dumping in 1972. ITC reaffirmed fragility in June 1981 when, at request of Japanese, it took another look at domestic industry health, and nothing has changed much in TV makers' financial picture since then.

Any importer hopes that current color TV sales boom might sway ITC this time were quickly shot down during pre-vote staff briefing. Figures presented showed imports with increased market share, domestic producers with reduced employment, though higher productivity. Ironically, report says Korean-owned plant in U.S. (read Gold Star) is industry's most productive. It is, of course, one of newest built here. Even though color TV unit sales to

dealers were up 15.4% in first quarter, surge provided no benefit for U.S. factories. Staff said value of U.S. factory shipments -- including foreign-owned factories -- was \$700 million, or about equal to results in same 1982 period. Industry showed loss of \$8 million in quarter, up from \$800,000 deficit last year. U.S.-owned plants were more profitable than those run by Japanese in quarter, reverse of situation for all of 1982. Flat-to-down results were attributed by staff to sales lost to imports, particularly resulting from supply shifts by private label customers and major buying groups, discounting by U.S. producers in effort to meet pricing of foreign competition.

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U.S. govt. wants COMPACT to post \$2 million bond if it intends to go to Supreme Court to block settlement of bulk of outstanding Japan TV dumping case claims. In brief filed with U.S. Court of Appeals, govt. says COMPACT should be required to post bond to cover interest that will be lost on \$76 million Japanese have agreed to pay, but won't be able to until after high court rules. Appeals Court dismissed COMPACT's case, but continued settlement injunction to give it time to file request for review. Earliest Supreme Court could decide whether to accept case is Oct., and if it does, final ruling might take year. Settlement was agreed upon in April 1979, so govt. has already lost at least \$40 million in interest, or more than half total value of settlement.

8mm VIDEO WAR—NOW vs. LATER (vs. NEVER): Harmony that marked development of 8mm new-generation VCR standard has degenerated into discord, intrigue and infighting among manufacturers. Although main point in dispute appears on surface to be timing for introduction, there's strong push to go back to drawing board and develop new, more advanced standard — which brings up definite danger that 2nd generation VCR will also be 2-format situation, with some mutually incompatible 8mm recorders on market.

These undercurrents emerged from back rooms last week at CES, where at least 3 manufacturers brought prototypes, but 2 kept them carefully under cover. Powerful forces seem to be behind move to postpone introduction until end of 1984 or later -- including Matsushita, JVC, Sony, Toshiba and France's Thomson-Brandt. Pushing for full speed ahead are Philips and Grundig in Europe, Mitsubishi and NEC among Japanese, with Hitachi apparently sitting on fence. In U.S., RCA could well hold key — if it decides to add 8mm at end of this year or early next, dike could break and almost everyone would have to jump in.

So much for agreement by Japanese manufacturers to present common front, introduce product at same time. Major arguments by those wanting to hold off for couple years: (1) Current format is selling so well, 8mm would only confuse public. (2) Let's wait & see how Betamovie fares. (3) Small portables are already adequate for market. (4) There's huge library of 1/2" software, nothing in 8mm. (5) Japan has annual capacity of more than 17 million 1/2" VCRs to protect. (6) Heads and metal tape for 8mm need further development.

One major faction wants to go back into committee and develop another standard along lines proposed by Thomson -- baseband "timeplex" system, which would achieve compatibility for recordings in PAL & SECAM, perhaps NTSC as well (Vol. 23:14 p10). At least one manufacturer is arguing that industry should wait for development of timeplex, even look into further improvements such as perpendicular recording and digital TV before moving to another format.

Toshiba brought 8mm prototype to CES, decided not to show it there or in hotel suite. Hitachi had one in back room, didn't even show it to dealers but is believed to have displayed it in depth to its OEM customers (meaning RCA). Hitachi's unit weighs 4-5 lb., including built-in MOS camera, fits onto base which contains battery charger and RF modulator for playing through TV. NEC showed 2 mockups in suite — one record-only combination with CCD camera, weighing about 4 lb., configured like Polaroid camera, with fixed-focus lens, only one control (record button). Other one was home unit measuring about 10" high, 6" deep, 5" wide, about size & shape of early Kodak Brownie camera, containing complete record-playback system including tuner-timer.

In Europe, it seems almost certain that Philips and Grundig will display prototypes at Sept. Funkausstellung in Berlin. In U.S., NEC was talking about introducing its 8mm at Jan. CES.

Mitsubishi, too, seems ready to push ahead — "we don't have a portable in our line now," said Chmn. Super Yamaguchi of Mitsubishi Electric America.

Among negatives: Sony Video Senior Vp Dick Komiyama — "Business is so good in 1/2" I don't think any company will introduce 8mm. There are duplication problems, head problems, political problems [in Europe]. Not before the end of 1984." Telefunken Product Management Dir. Rolf Schiering — "It makes sense to wait and have one standard for NTSC, PAL & SECAM... Every year it is further off." Toshiba Senior Vp Paul Michie, at CES video seminar — "The timetable is a little hypothetical... It's further down the pike than we tend to believe... The 1/2" format is here to stay." GE TV Div. Vp-Gen. Mgr. Jacques Robinson — "I don't think it's being actively pushed back, but we want to be prepared when it comes out. None of us have yet done much market research. We don't have a timetable" for introduction. RCA officials declined to go on record.

Photography firms are believed to be pushing to get into new format as soon as possible — which brings up question of Eastman Kodak. Which direction is it going? Kodak usually doesn't follow other people's formats — will it attempt to set pace for U.S. portable market with new format?

Issue of future VCR format pervaded CES despite lack of any visual evidence that it existed, best summarized in paraphrase of Gracie Allen poetic effort: The other day at Wayman's fair/One VCR just wasn't there./It wasn't there again today,/So then why won't it go away?

* * * *

Another, less vitriolic, controversy is raging over VHS answer to Beta Hi-Fi. Although Matsushita is already marketing its "Hi-Fi VHS" in Japan, it's understood to have requested that no manufacturers demonstrate system at CES. Matsushita and Hitachi both had prototypes in private rooms, but neither publicized this or let press see them. However, JVC ran series of demonstrations of "VHS Hi-Fi" at McCormick Inn for press & others. Although most parameters of the various VHS Hi-Fi approaches are similar, 3 different noise reduction systems have been used — Dolby C, dbx and new PNR compression-expansion system.

VHS Hi-Fi isn't scheduled for U.S. introduction until early next year. By that time, proponents say, differences will have been ironed out and all systems made compatible. It's understood that Matsushita is talking with duplicators about selling slave units and offering to duplicate programs in hi fi for them until they're equipped.

Beta Hi-Fi duplication program is gathering speed, according to Komiyama, who told us Bell & Howell already has more than 450 slave units and VCA is now installing large number. Sony plans to stop duplicating in Dothan, Ala. when duplicators have enough machines.

VHS group could add 2 major brands which now sell Beta. Persistent reports indicate Zenith may add JVC-made VHS model to its current all-Beta line at distributor meeting next month. Sales Vp Dan Dougherty responded to our question by saying Zenith now has full line of Beta VCRs, is "happy" with it and is in Beta camp. Sanyo Exec. Vp Jeff Berkowitz, asked at CES news conference whether his company would add VHS since Sanyo companies make both formats, replied: "I'd like to be in both the 80% market and the 20% market. I'll have those discussions in Japan." In 1980, Zenith talked with several VHS suppliers, decided to stick exclusively with Beta. Currently, Sears is only brand name which appears on both formats.

Microwave oven shipments by U.S. factories and importers rose 20.4% in March to 356,500, putting first quarter at 959.1 million, up 8.1%, AHAM reports. Totals are for both free-standing ovens and those included in ranges.

Talking VCR will be marketed by Sony in Japan later this month at just over \$700. Voice synthesis Betamax, in feminine voice, reminds user to insert cassette or tells him recording prevention tab has been removed, summarizes date & time for which timer is programmed, warns him of goofs such as scheduling 2 overlapping programs for recording. Voice also tells user when he has done everything correctly.

Home computer market shares in 1982, in units, as estimated by Yankee Group's Clive Smith at CES: Timex/Sinclair 28%, Commodore 23%, TI 19%, Atari 17%, Tandy 8%, Apple 3%, IBM 2%. Smith put 1982 home market at 2,465,000 units.

Modular videocassette duplicating system and other products of Dwight Cavendish Co. of U.K. will be distributed in U.S. by Video Systems Inc., 2117 Chestnut Ave., Wilmette, Ill. 60091; phone (312) 256-0937.

CES COMPUTER-GAME SCENE: Pick a facet, any facet, of video computer-game business at CES in Chicago last week, and you'd have found war raging, complete with blistering salvos on pricing, promotion and even personality front.

Signs computer market might be showing some stability were flashed at June 6 morning computer-game seminar, and marketers represented on panel were in general agreement that future savings for consumers would come in form of enhanced capability instead of price cuts. Opposite view was voiced by Radio Shack's Bernie Appel, who said that with Atari & Commodore "aiming at self-destruction," dealers should get "some price guarantees or stay out of the business." Appel turned out to be more right than others. Stability lasted only until about lunchtime, and by day's end prices were on way down again.

Most dramatic move was Commodore's across-board pricing slash on model 64 and accessories. Dealer cost on console has been cut by about 25% to about \$200, reducing expected actual retail to \$250; such peripherals as disc drives and printers by up to \$100; most existing software by up to 50%. New speech module was added, priced at under \$100. More than 70 new software packages were introduced, including Magic Desk at under \$100, which provides on-screen graphic function displays for selection with joystick. Timex lowered list on basic model Z81 computer to \$50.

Coleco won't be alone in market with packaged system concept adopted for its new Adam computer line (Vol. 23:23 p13). Atari will combine new model 600 computer, 80-column letter quality printer and word processor in \$600 range, for saving of \$50; Mattel is offering 13" Samsung color TV for \$99 to consumers who buy 4-piece Aquarius computer package (console, expansion module, data recorder, printer) for \$400, making it \$500 total. Other packages will be on way as marketers find time to react.

Computer clout in financial world was shown by \$20 jump in Coleco stock following its Adam introduction. Price peaked at \$65 last week before easing back to mid-\$50 range. Coleco will back Adam market launch with \$20 million ad budget. Timex, moving into higher priced home computers, has \$12 million earmarked for fall campaign.

With adoption of high speed tape drive using standard audio cassette, Coleco has dropped plans to use 1/16" tape Microwafer cartridge system shown at Toy Fair last Feb. That shift may have put crimp in plans of Unitronics which displayed \$400, 80K Sonic computer with built-in wafer drive. Lack of support from Coleco could mean software supply problems. Tomy introduced 16K starter computer at \$150 as expected; Jupiter Ace 16K console was introduced by Data-Asette; Spectravideo added step-up 80K console at \$599; added by Video Technology was Laser series, with model 2001 with 80K at under \$300, Apple-compatible 3000 with 64K at \$700.

There's strong trend to software compatibility. Atari, Coleco, Mattel, Unitronics and others all

introduced adaptors to allow programs for other formats to be run on their computers, with many offering CP/M compatibility. Texas Instruments continues to go it alone on software front, refusing to license its circuitry to other program or peripheral equipment marketers. Reactions varied widely. Imagic said it would license its programs for duplication & marketing by TI. Activision took firm stance in opposition, said TI will have to change its mind or face loss of customers because it won't have many hit titles. Major challenge was posed by Romox, which said it would market \$40 plug-in module that bypasses game rejection circuits in TI computer, lets console run any suitable cartridge.

Lower cost peripherals & accessories abounded at show. Monitors at under \$100, printers starting at less than \$250, low-cost modems were featured by computer brand and independent marketers. Atari moved to save all its computer owners about \$220 by introducing peripherals that hook together in series, eliminating need for interface module formerly required to connect more than one device at a time.

"Sincerity" will be dominating ad theme this year. Additions to spokesperson ranks: Alan Alda for Atari, Sara Purcell for Tomy, Roger Moore for Spectravideo, Bruce Jenner for Activision. They'll be joining such current notables as TI's Bill Cosby, Commodore's William Shattner.

Virtually every entrant in game software ranks is now member of computer program marketing army. But game software was far from ignored, and host of new titles for Atari 2600, Intellivision and Colecovision were announced, though total of new issues wasn't at level of last summer.

Emerson's Arcadia programmable game console is no more. Remaining hardware & software was acquired by liquidator which set up shop at CES under Kandy Man Sales logo, was also selling off inventory of folded Data Age and U.S. Games. Rights to some former U.S. Games cartridges were acquired by venture of Tiger Electronics and Europe's Carrere Video Games. With folding of USG, its home video rights to Pink Panther reverted to MGM/UA, were snapped up by NAP Consumer Electronics, which will feature creature in multi-format game & computer programs.

NAP's Odyssey console isn't dead, but insiders indicate it has uncertain future. Emphasis now at NAP is on software development and plans for 1984 computer introduction on worldwide basis in cooperation with N.V. Philips. Perhaps last hope for game lies in success of upcoming rebate offer of \$30 on console, \$20 on voice synthesizer module, for final package price of less than \$100. Imagic, which last year announced it would market Odyssey software, has put project on hold. Cartridges are ready, we're told, but distribution is problem. Regular Imagic distributors apparently don't want to handle them, and Imagic is talking deal with NAP. Computer software marketer Epyx moved into arcade arena with licenses from Exidy & Bally Midway, went international, licensing foreign distribution rights to CBS International. CBS moved into overseas distribution

in similar deal with Coleco last year. Michael Katz, Epyx pres., is former Coleco officer.

Most innovative addition on game front was 3D full color adaptor from Milton Bradley for Vectrex game which has built-in monochrome X-Y monitor. Slated for introduction at about \$50, it includes special cartridge plus viewing mask. Mask contains spinning color wheel that produces field sequential color, alternately blacks out view from one eye, then other, in time with flashing of left-right pictures on screen. Result is flicker-free 3D outlines in sharp color, but with no apparent tone shading. MB, we understand, was showing it as much for reaction as anything else. Product was developed by outsider, and company hasn't yet finalized rights buy.

MATTEL POSTS LOSS: Mattel racked up \$20.4 million net loss in opening fiscal quarter to April 30, against \$17.1 million profit in same year-earlier period, as sales fell 32% (see financial table). Period covers what is generally slowest season for toy industry, and in statement Mattel said results don't necessarily indicate what should be expected for full year.

For Mattel Electronics, quarter was near disaster, ending with loss of \$34.4 million, against profit of \$25.3 million, sales drop of 82% to \$119.4 million. Company said that while U.S. consumer purchases of Intellivision products rose in quarter, distributors & dealers were cutting inventories, so factory shipments were down. Export sales, however, were up. Company said it was too early to tell how well new line of computer products was selling.

Milton Bradley said it expects to report 2nd consecutive quarterly loss in period to June 30 because of price cut on Vectrex videogame marketed by subsidiary General Consumer Electronics, reduced sales of non-electronic games, cutbacks in European operations. Company said need for Vectrex price reduction hadn't been anticipated. While sales are expected to rise in 2nd half, MB said, earnings results are uncertain because of inability to estimate size of loss that will be posted by GCE, predict revenue from sales of Vectrex products or amount & profitability of peripheral equipment sales to Atari and TI.

Activision went public last week with 4 million share offering at \$12 per share. Price was \$3-\$5 less than anticipated when underwriters issued preliminary prospectus last month, and number of shares offered was cut by 500,000 (Vol. 23:19 p16).

Unilateral elimination of U.S. import duties on semiconductors was urged at House Trade Subcommittee by SIA. SIA said move to create totally free trade in semiconductors here could induce Japan to follow suit. Japan has indicated willingness to go along if EEC cuts its current 17% rate, but Europeans have refused to open negotiations. U.S. duty on most semiconductors is now just 4.2%, and SIA said that's so low that elimination would have no significant market effect and wouldn't be factor in U.S. manufacturers' consideration whether to build new facility here or overseas.

EIA'S UPBEAT POLL: This year will be bigger & better than ever for consumer electronics, will set factory sales value record that will stand only until next year, when things will be even bigger & better, according to industry consensus collected by EIA.

Outlook is for sales of video, audio, computer-game & telephone products to jump 21.7% this year to \$18.5 billion, from \$15.2 billion of 1982, and to soar again in 1983, with volume jumping 24.3% to \$23 billion.

Survey details, released at last week's Consumer Electronics Show in Chicago, shows how jump in industry sales in early months of this year has changed thinking of sales planners. In comparison with 1983 estimates compiled for Winter CES in Las Vegas last Jan. (Vol. 23:3 p17), significant upward revisions are shown for color TVs, VCRs, videodisc players, blank & recorded cassettes, videodiscs, videogame cartridges, portable audio recorders, home radios and audio cassettes. Downward estimate changes were made for videogame consoles, audio compact & component systems.

Table below, which also includes consensus sales forecasts for 1984, was compiled by EIA, but has no official endorsement, as EIA itself has policy against predicting:

INDUSTRY SALES ESTIMATES (in millions)

Product	1983		1984	
	Units	\$ Value	Units	\$ Value
VIDEO				
Color TV*.....	12.7	--	13.0	--
B&W TV*.....	5.5	--	5.5	--
Projection TV*..	0.145	--	0.165	--
VCR*.....	3.5	--	4.3	--
Color Cameras*..	0.4	--	0.5	--
Disc Players*...	0.35	--	0.5	--
Blank Cassettes*	50.0	--	70.0	--
Recorded Cass.*.	8.0	--	10.0	--
Videodiscs*.....	9.0	--	13.0	--
Game Consoles...	7.0	800	5.0	450
Game Cartridges.	75.0	1,400	85.0	1,500
Computers.....	5.0	2,200	7.0	2,800
Computer Software	--	800	--	2,100
AUDIO				
Systems.....	2.5	550	2.4	520
Components.....	--	1,250	--	1,300
Port. Recorders.	22.0	1,000	23.0	1,050
Home Radios.....	33.5	550	33.7	580
Auto Radios.....	13.0	1,100	13.5	1,200
Blank Cassettes	215.0	235	225.0	250
TELEPHONE				
Corded.....	11.0	400	14.0	470
Cordless.....	4.5	385	7.0	470
Answerers.....	1.2	100	1.6	130

*Estimates for sales to dealers, all others are factory sales. All figures include both domestic production and imports.

Sign of the times: High Fidelity Trade News changes name to Personal Electronics.

CES CELEBRATIONS: Positive was accentuated by video manufacturers in CES news conferences, seminars & interviews. Examples:

RCA Group Vp Jack Sauter forecast video retail sales this year would exceed the \$13 billion originally forecast for 1985. In TV, he noted greater trend to high end products, sparked by 68% increase in sales of large-screen table models this year, with RCA claiming 226% increase. "High performance TV is undoubtedly the most favorable industry development in recent years," he noted, with more than 1/3 of color retail sales dollars to be generated by high-end sets this year. No RCA CES event would be complete without a videodisc statistic, and Sauter threw one in — company will produce its 10 millionth disc this month.

GE has surpassed its color TV sales goals, particularly in its new high-end lines this year, TV Div. Vp-Gen. Mgr. Jacques Robinson told us. "Overall, we are doing a lot better than we promised ourselves we would." With tightest supply conditions in years, Robinson expressed dismay that prices weren't firming. "At the same time we see Zenith and RCA talking about price increases... I still meet aggressive price leadership in the marketplace from those 2 guys." While business is up, he added, "nothing has changed from 1982 to 1982 except that there's a lot more volume — the structure of the industry has not gotten better."

After sending team to Germany to help develop circuits, "we are a lot more confident about our timetable" for delivery of chips for digital TV late this year, Robinson said.

Sanyo Electric (Japan) Chmn. Pres. K. Iue attended news conference to mark company's new image here. Sanyo (U.S.) Pres. T. Takayama said Sanyo companies had \$1 billion sales in U.S. last year, "close to Panasonic and Sony," achieving 13% share of Beta VCR market.

Sanyo's newly appointed Consumer Electronics Div. Exec. Vp Jeff Berkowitz gave preview of new Sanyo. Conceding company's "strength is in price and it can turn out tonnage," he said his goal is to change public's conception of company, "to establish the brand name" and exploit company's abilities "so the consumer sees Sanyo as a leader in technology."

He foreshadowed major change in company's marketing approach: "We can no longer sell to [only] one level of distribution. [We] must sell & understand all levels." He said Sanyo will appoint regional managers, building in next 6 months into "a true national company, a true marketing company, a company that communicates."

Chairing video seminar, North American Philips Consumer Electronics Pres. Frank Lann exulted: "Color is becoming profitable again. Alert retailers are becoming less concerned with tonnage [and] more with profits." In VCR, "we have cleaned out the overstock without price wars," and basic popular price points are now at both ends of spectrum — \$500 & \$1,500.

At Hitachi, Exec. Vp Robert O'Neil said 1983 was company's "biggest year in sales and market share..."

Through April, every month in 1983 beat every month before it."

Sharp has had overall 40% sales increase in year's first 4 months, according to Exec. Vp Charles Daigneault, and is "comfortably ahead of the industry." Sharp Video Div. Gen. Mgr. John Callahan said production of company's 3 new VCRs is sold out for balance of year.

MITSUBISHI LCD COLOR: Flat panel color TV display isn't 10 years away any more — it's not even year away, according to Mitsubishi Electric, which used last week's CES for first public demonstration of Crystal Color (CC) LCD expandable panel designed as indoor equivalent of its multi-CRT Diamond Vision display now featured in major ballparks.

CC panel is matrix of LCDs, each about 2" square and containing 8x8 array of individually addressable red, green & blue elements. Depending on number of LCD squares used, panel diagonal size can range from 5.3 to 17.6 ft., could be made even larger, according to developer Nobuo Kubota, mgr. of ME's Integrated Systems Dept. and man also responsible for Diamond Vision. Panel is about 1.3" thick to accommodate special fluorescent tubes that provide backlighting. Minimum viewing distance for quality picture is about 12 ft. Picture is coarse, currently unsuited for close-up viewing.

Surface brightness is about 120 ft.-lamberts, or about same as direct-view picture tube, but well under Diamond Vision's 600-700 fti, Kubota told us. Marketing focus will be hotels, air & rail terminals, stores, other locations where public gathers and big-screen color TV or information displays are desirable. ME, he said, plans to start selling CC late this year, with prices beginning at around \$100,000, including computer control system. Home version is under development, Kubota said, but he declined to estimate possible introduction date.

Average CED owner uses player 8.5 hours a week, is nearly 4 times as likely to own VCR as general population (23% vs. 6%), more than 3 times as likely to have home computer (14% vs. 4%), more than twice as likely to have videogame (48% vs. 20%), according to RCA Videodiscs April survey of 1,272 homes. Weekly usage among VCR households is 7.9 hours, jumps to 8.8 hours among HBO subscribers and 10.3 hours among families with children. RCA claims cable isn't competitive problem, with 79% of owners having subscribed to service before CED purchase. Latest findings indicate repeat viewings: Owners who bought On Golden Pond watched it average of 6.3 times in first 5 months, and 35% who had title saw it 15 times in year. Best-selling title to date has been Muppet Movie, at 68,000 copies. Six titles have sold more than 60,000, 13 more than 50,000, 22 more than 40,000 and 41 more than 30,000.

Jensen announced support for Harris AM stereo system at CES, while Magnavox said it would follow Sansui & Sony in offering radios with universal decoders.

MOVIES FADING AT CES: Consumer Electronics Show is about finished as video software showcase for major studios & independents. At least one of remaining Hollywood majors doesn't expect to return, and Embassy Home Entertainment Vp Robert Cook thinks EHE will drop out as well. Overall, CES was throwback to time when X-rated exhibitors dominated video programming displays. Of 40-odd displays listed in show guide, about half were either offering porn or were only indirectly involved in programming. On disc side, there wasn't sign of either Laservision or CED associations. Pioneer Video had impressive LV exhibit, but emphasis was on retail display and selling methods, not product itself.

Software fadeout was so obvious it even drew comment from EIA Senior Vp Jack Wayman. In remarks to seminar audience, Wayman said CES serves some industries as introductory showcase and loses its importance to some companies when product reaches commodity status. There are always new products coming along to take up slack and provide excitement, he said. Studios apparently are going to put more emphasis on exhibiting at shows that draw more specific attendance. Video Software Dealers Assn. says it has verbal commitments from 17 companies to exhibit at San Francisco show Aug. 28-31, and that it expects to draw more, including computer & videogame software marketers.

There were signs at CES that move to \$40 cassette pricing has peaked. Newest budget releases from majors apparently aren't performing as expected, and that top price of \$80 has firmed. RCA/Columbia, MGM/UA and CBS/Fox Video say they won't offer \$40 movies, MCA Home Video is fence sitting, Disney & Embassy are restricting involvement, so Paramount and Warner are only ones pushing, and Warner may be dropping out.

Paramount seems willing to go it alone if necessary. It has 250,000 copies of Star Trek 2 and Officer & A Gentleman and estimated 50,000 of Airplane 2 in circulation. However, numbers for 2 most recent \$39.95 titles may be tailing off. Studio won't reveal data on latest releases, but Senior Vp Robert Klingensmith noted some of overall results at CES news conference, voiced plenty of confidence about future. He said studio had shipped million tapes in last year, 50% ahead of preceding 12 months, claimed Paramount's growth was ahead of VCR sales pace, said 5 under-\$40 titles account for half of more than 100,000 cassettes delivered monthly. His predictions for 1984: One unspecified Paramount title will be first to sell 250,000 copies, worth \$10 million at retail; VCR at 3% penetration or 7.5-8 million homes.

X-rated exhibit area continued to draw traditional crowd of gawkers, and adult fare is beginning to edge into cassette & disc mainstream. Vestron Video announced distribution deal with Penthouse, and optical disc releases promised at show by others indicate Pioneer Video has eased stringent guidelines for what it will accept for custom pressing at Carson, Cal. plant.

COTY-29 SWEEP SEEN: COTY-29 color TV tube, developed as next generation standard, has beaten off challenge by CFF tube from North American Philips (Vol. 23:12 p10) and will be most popular new tube in sets next year, according to RCA Group Vp Jack Sauter.

During presentation at CES meeting in Chicago last week, Sauter said that "counting recent [tube purchase] agreements with foreign brands who produce sets in the U.S., we estimate that right now more than 65% of the color TV market is planning to use COTY-29 beginning next year." RCA and its 2 allies in COTY-29 tube production, GE & Zenith, account for more than 50% of color set market on own and private-brand basis. About 21% is out of COTY-29's reach. Sony & Mitsubishi, with combined 9%, use own tubes, while NAP accounts for 12%, excluding private label. Only one major available Japanese plant in U.S. hasn't jumped on COTY-29 bandwagon, "but we expect them to," Sauter told us.

Assessment was supported by GE TV Div. Vp-Gen. Mgr. Jacques Robinson. "It's my view that the battle" for tube supremacy "is more or less over," he said. The bulk of GE's tube customers "are on programs to switch to COTY-29." Only set assemblers here with minor volume are staying non-COTY, and none of demand is for mini-neck tubes, Robinson told us.

Robinson and Sauter do, however, differ, when it comes to next generation, flat square faced tubes (FST), Sauter telling us he felt it would become important format, while Robinson said GE was looking in somewhat different direction. RCA is expected to have new tube early in 1985. At CES, Toshiba was beaming with satisfaction over success of its launch of 14" & 20" FST sets (Vol. 23:17 13), and had them right up front in display. Hitachi was showing pair it plans to ship this fall, but Mitsubishi, which announced adoption of format in Japan last year, had none at show and said there was no current introduction schedule.

As for GE, it plans to go half way, adopt square corner approach while retaining spherical shape of faceplate. Tube is essentially standard except for squarer corners, which means it costs less, weighs less and can provide higher resolution than that obtainable from FSTs, Robinson said. First use will be in new 13" monitors GE will introduce next year to cash in on demand for sets for use with home computers and other video gadgets. Front selector buttons will give user choice of RF, composite video, split video or RGB inputs. Robinson said GE expects retail premium to be \$25-\$30 over comparable standard 13", and will offer step-up with medium resolution tube for about \$75 premium. He said GE considered moving up to high resolution tube, but felt performance benefit would be negligible for home computer owners.

Sony settled bait-&-switch suit against Howard's Appliance when Massapequa, N.Y. retailer consented to court injunction barring it from engaging in deceptive sales practices (Vol. 23:16 p14).

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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
AM Cable TV Industries			
1983-year to March 31	32,764,000	1,072,000	.30
1982-year to March 31	17,942,000	(11,000)	--
1983-qtr. to March 31	8,679,000	271,000	.08
1982-qtr. to March 31	5,180,000	406,000	.13
Lloyd's Electronics			
1983-year to March 31	39,439,400	901,400	.40
1982-year to March 31	40,457,800	(290,500)	--
1983-qtr. to March 31	5,790,000	(831,100)	--
1982-qtr. to March 31	7,282,800	(729,500)	--
Mattel			
1983-13 wk. to April 30	197,634,000	(20,421,000)	--
1982-13 wk. to April 30	290,388,000	17,140,000	.76

William Gallagher, now worldwide mktg. vp... Vallery Kountze appointed mktg. dir., RCA/Columbia Pictures Home Video; Jody Katz named accounts mgr., succeeding Mitchell Wallis, now senior accounts mgr... Ronald Eisenberg, East Texas Periodicals, named secy., National Assn. of Video Distributors.

Yas Yamazaki promoted at Nakamachi (U.S.) from exec. vp-gen. mgr. to pres... Randall Tobias, former American Bell Consumer Product Div. pres., named to head Consumer Products Group at Western Electric, in shift of consumer phone selling activity at AT&T... Tim Holl, former Acoustic Research vp-gen. mgr. for overseas operations, advanced to vp-technical dir.; Rick Sands, mktg. & sales dir., named vp... Diana Dandan promoted at Pioneer Electronics to national accounts & sales administration vp; Sharyl Juhlin advanced to mktg. communications vp... John Chass, ex-Royce, joins Midland as Consumer Products Div. mktg. vp... Jack Dews, ex-U.S. Games & Hitachi, launches Toroyo, new phone equipment marketer.

Consumer Electronics Personals

William Beres promoted at RCA Sales Corp. from national ad mgr. to ad vp, succeeding James DeVoe, resigned to join Goodyear... Yong Nam advanced at Gold Star to operations vp; K.S. Cho appointed L.A. region office vp, succeeding Nam; T.J. Lee named sales vp... Roel Buis, former N.V. Philips European hi-fi mktg. mgr., joins Philips-DuPont tape venture PD Magnetics as pres., succeeding Rudd Tensen, rejoining Philips as gen. mgr. of Singapore subsidiary; Michael Coghlan and Michael Craft join PDM as regional sales mgrs.

Ramon Fuentevilla advanced at Mattel Electronics from field sales regional accounts vp to sales vp, succeeding Richard Hoag, resigned; Jeffrey Rochlis, one-time ME pres. and founder of IXO, rejoins as pres. of Mattel Technology Enterprises, new business development unit... Steven Weinstein, ex-TI, joins Spectravideo as mktg. dir.; Timothy Yandell, ex-Software Distribution Services, appointed national sales mgr.; Joseph Link, ex-Source Finance, named vp-controller.

Terry Bochanty, ex-VHD Programs national sales mgr., joins Disney Telecommunications as personal computer software mktg. mgr.; Rich Boehning, educational media dir., adds responsibility for mktg., development & sales administration for all educational products... Thomas Measday, ex-Yardley, appointed Broderbund sales & mktg. vp... Jim Connelley, an Epyx founder, named to head firm's new independent software development group.

Saul Melnick advanced at MGM/UA Home Video from national sales mgr. to sales vp, replacing

Consumer Electronics underestimates its future, RCA Exec. Vp Roy Pollack told IEEE's International Conference on Consumer Electronics in Des Plaines, Ill. last week in featured address. Free world market for consumer electronic products has grown in 10 years to \$50 million from \$10 million, he said, and industry's future "is more exciting than at any time in its 60-year life." Free world sales last year included 45 million TV sets at factory value of \$14 billion, plus \$10 billion in audio equipment, \$7 billion in records and audio cassettes, 10 million VCRs at \$6 billion, 250,000 videodisc players, more than 5 million videodiscs, 6.5 million videogames, 61 million game cartridges, nearly 2 million home computers and \$1.5 billion in software. "I believe we are now on the verge of another major step forward in TV picture quality," he said, with "perhaps significant improvement" within current 525-line standard. As for random access videodisc, "we have barely begun to understand this remarkable device." In 10 years, he added, "people will be accepting as commonplace what we have not invented today."

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JUNE 20, 1983

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

NCTA CONVENTION CELEBRATES Senate passage of cable deregulation bill, launches 'full-court press' for House passage. (P. 1)

CABLE BILL WINS BIG IN SENATE, 87-9, but cable industry's fight with telcos will continue when measure goes to House. (P. 3)

SCHMIDT WINS NAB CHAIRMANSHIP: Major issues include deregulation, quantification, 7-7-7 ownership restriction, relations with NRBA. (P. 4)

MAJORS BACK CABLE CONSORTIUM as Kathryn Creech takes helm of image-improvement campaign for industry. (P. 7)

NEW NCTA BOARD ELECTED, resolutions adopted to involve NCTA in copyright royalty dispute and SMATV proceeding. (P. 7)

NPR DEFICIT AT \$6.5 MILLION: Future in doubt as network failed to make income tax, FICA & unemployment payments. (P. 8)

SENATE TV & RADIO COVERAGE BILL passes Senate Rules Committee, moves to floor where tough fight is expected. (P. 8)

FOWLER LISTS FCC'S GAINS and plans for rest of year at luncheon with reporters. (P. 10)

DEREGULATION ACTION BOOSTS NCTA: Senate passage of cable deregulation bill S-66 was hailed as major step forward for industry and provided cable's 32nd annual gathering in Houston last week with powerful lift that emotionally sustained what was otherwise routine gathering. Lopsided Senate vote came just as attendees had become restless with city's far-flung hotels and aging convention facilities, provided emotional peak to 4-day gathering. Attention otherwise centered on Daytime-Cable Health Network merger, launch of Cable Consortium for Information and fiery remarks by long lineup of speakers. (See story elsewhere in this issue on S-66 vote.)

Big audience at opening session June 13 was pleased with fighting words from outgoing Chmn. John Saeman and Pres. Thomas Wheeler; latter likened cable industry to "freedom fighters" who are winning battle for viewers even as crucial fight looms in Congress over deregulation. Saying that "the only hope for competitive wire communication is cable," Wheeler said telephone monopoly "must not be permitted to eliminate cable as an effective competitor." At lunch, House Telecom Subcommittee Chmn. Wirth (D-Colo.) was applauded as he commended

Consumer Electronics

JAPAN VCR OUTPUT sights raised to 16-17 million from 14.2 million, says JVC video chief. Europe quota change seen. (P. 14)

VCR EXPORTS TO U.S. from Japan topped 400,000 for first time in April, Finance Ministry reports. TV shipments declined. (P. 14)

FIRST DIGITAL TVs due for fall sale by ITT in Europe, after VLSI production begins in Sept.; Philips' low-priced picture memory. (P. 15)

ARCADE VIDEOGAME SLUMP continuation to trim Wells-Gardner 2nd quarter net by 97%. Williams earnings down, Destron in Chapter 11. (P. 16)

NEC & ZILOG LOCKED in MPU patent & trade disputes, seek to have each other's exports barred from their home markets. (P. 16)

MSX COMPUTER STANDARD agreement for software, interfacing, seen opening market to more intense competition from Far East. (P. 17)

FUTURE TECH at ICCE: 3-channel TV sound, ghost eliminators, 4-standard TV sets, digital micro audio recorder, home control systems. (P. 17)

NEW MODELS GALORE at CES: Color TV. (P. 18). Projection. (P. 19). VCRs & cameras. (P. 19)

industry for welcoming competition and offering array of program choices. His harsh comments about phone company lobbying and proposed rates hikes were loudly applauded. He was discouraging, however, about prospects for House passage of S-66, just approved by Senate.

Saeman used address to ask for unity, saying "there are some evident tensions" developing that must be resolved." He said major MSOs and small independent operators perceive themselves at odds, with each thinking it has "some kind of turf... to protect." Small operators feel threatened because "there is a valid concern that local regulators will insist on major new investments to upgrade small systems so that they duplicate the technological wonders of the new urban systems." Both sides should encourage NCTA to continue efforts at technological innovation "while working legislatively to ensure that standards for cable industry operations reflect the economic needs of the smaller operator."

NCTA was "guardedly excited as hell" that S-66 would pass Senate after "smashing victories" earlier in day June 14 over AT&T and renegade cities, Saeman said at luncheon. In what was convention's emotional peak, Wheeler and Exec. Vp James Mooney then gave satellite-fed live big-screen report from Washington on "historic day for us in the cable industry." Defeat of telephone company amendment by Sen. Abdnor (R-S.D.) and of franchise grandfathering proposal by Sen. Bentsen (D-Tex.) became "one of the most bitter fights in Senate history. AT&T has never before been beaten in the Senate," Mooney said. AT&T and others disputed claims. NCTA threw everything it had into defeating Bentsen proposal, Mooney said, using about 25 people to cover Senate offices, "including every secretary we had in the building." He said "the entirety of the NCTA staff has been under extreme pressure the last month."

In videotaped remarks, Sen. Goldwater (R-Ariz.) criticized telephone industry. "In 30 years here, I have never seen a piece of legislation in which every dirty trick was used." Goldwater also had unkind words for N.Y. Mayor Edward Koch, whose protests caused delay in Senate consideration of bill for 3 weeks. "If the mayor of New York runs his city the way he ran over this bill, it's no wonder New York is in such godawful trouble." He said AT&T's opposition is "laughable and ludicrous." He reiterated that he and Commerce Committee Chmn. Packwood (R-Ore.) will hold hearing "after July 4" on telephone industry concerns with bill and that "after what I've seen of them, they won't like that bill either."

Early federal regulation of cable industry "rested on assumptions that never materialized and about a public interest that was more imagined than real," FCC Chmn. Fowler said in his speech to convention. He said cities probably are repeating those past FCC mistakes by overregulating cable now: "If the last 20 years in public utility law has demonstrated anything, it's that rate regulation is a Pandora's box..."

Insertion of 3rd party access in S-66 means "that we are crossing the threshold of common carrier status," said Thomas Ryan, aide to House Energy & Commerce Committee, during popular panel session on deregulation. "The industry has to take account of the fact that this has happened," he said. Ryan said Senate action inserting 3rd party access goes long way toward making bill acceptable to House, but he and other panel members said cable legislation doesn't have high priority in lower body. Later, Wheeler took issue with Ryan, saying "in all the discussions we have had with Wirth and his staff they have bent over backwards to say 3rd party access isn't common carrier." Wheeler downplayed opposition by Wirth to some provisions now in S-66, said "our positions aren't that far apart." Reacting to Wheeler statement, spokesman for Wirth said: "Wheeler is right in the sense that we were poles apart and now we are somewhat closer."

Mooney said NCTA would begin "full-court press" of House members today. Wheeler said his assessment is that odds are "75-25" that House will approve bill similar to S-66. NCTA allowed itself little time to gloat over Senate victory. Convention was flooded early next day with lapel buttons reading: "NOW THE HOUSE."

Panel on mandatory leased access found little support for concept. Two Senate Commerce Committee members and 4 House Telecom Subcommittee members on panel all said they generally oppose it. Sens. Tribble (R-Va.) & Stevens (R-Alaska) both said they believe there are adequate competitors to cable to ensure that marketplace will respond to provide access to

public. Rep. Fields (R-Tex.) based his opposition on grounds that channel capacity is a property right. Taking channels away from operator "takes the 'free' out of free enterprise," he said. Only Rep. Collins (D-Ill.) painted scenario in which she said leased access should be mandated — when minorities are being shut out of marketplace.

As cable increases its presence in big cities, it must learn to deal with 5 separate segments of population and have different sales strategy for each group, according to Opinion Research study released at convention. Industry has good chance of successfully marketing to 3 of younger, more affluent groups, but 2 others, mainly older families that tend to have more women, are reluctant to buy cable services, study found. City dwellers are more educated, more sophisticated, and want to see quality programming. It will be harder to sell cable services to them because they have dimmer view of TV and fewer off-air reception problems, study said.

Major developments elsewhere drew attention away from convention. Justice Dept. suit against proposed Showtime-Movie Channel merger caused some hurried meetings by studio executives in Hollywood, and Daytime-Cable Health Network merger announced in Houston drew attention to N.Y. where lawyers were working out deal.

Attendance at 32nd annual cable gathering was off about 1,000 from last year, to 15,637. Officials laid declining attendance to recession. Convention was sometimes marred by Astrohall phones that went dead and by undependable electricity that had some exhibitors pulling their hair. Typical was remark by one cable operator: "I had a 30 minute bus ride here from my hotel, a panel session I wanted to go to on copyright was canceled because everyone stayed in Washington, then I came on the floor to see some things and the guy here says he can't demonstrate the thing because the power at his booth has been flicking on and off all morning." Looking about floor, he added: "I think this Astrohall is a disaster hall."

On exhibit floor, most were happy with traffic and business, but quite a few weren't. NCTA had tried to arrange floor to increase traffic through exhibits, which several exhibitors said helped. Loudest complaints were from exhibitors placed in separate building from Astrohall but connected by carpet across parking lot. Brushing flies from her face (cattle show recently had been held in that building), shapely model for Pleasure Channel said: "It's quiet as a tomb here."

CABLE BILL ROLLS THROUGH SENATE: Cable industry scored smashing 87-9 win in Senate last week, winning passage of cable deregulation (S-66) by overwhelming margin only hours after situation seemed more grim. "It was touch and go all the way," said NCTA Pres. Thomas Wheeler, adding that first sure sign industry believed it had of potential for big victory came late in 9-hour debate. AT&T and local telcos -- losers in hard fought battle against bill's language that would allow cable industry into their business — already are making plans to continue fight in House. Cities which have been fighting bill also plan to redouble their efforts to kill bill in House.

Win by wide margin was made possible when key disagreements between bill's drafters on Senate Commerce Committee and critics, who were representing rebel cities, consumer interests and telcos, were settled. Sign that disagreements finally were being soothed came when Senate downed by unexpectedly wide margin of 79-19 critical amendment by Sen. Bentsen (D-Tex.) to grandfather existing franchises.

Bentsen proposal was last minute entry in debate, was response to pressure from dissident Tex. cities opposing bill, including Dallas & Ft. Worth which had made it no secret they wanted to keep control of cable companies close to home. Amendment was bitterly opposed by cable industry whose allies argued during debate that proposal would "gut" bill. Proposal was derailed with last minute "grass roots" lobbying effort by cable operators, who were in Houston for NCTA's annual convention where they were tapped to send telegrams and make telephone calls to senators. (See story elsewhere in this issue.)

Wheeler admitted: "Up until then we weren't sure we could win." Vote on Bentsen proposal made it clear support for S-66 had solidified, was signal that remaining amendments opposed by

industry had little chance of passing. Senate subsequently defeated, 72-26, proposal by Sen. Dixon (D-Ill.) to strip bill of language allowing automatic rate increases in line with Consumer Price Index of cable operator's service area. Earlier, Senate agreed to remove 5% cap on rate hikes that had been part of original bill.

Biggest fight for cable industry was, of course, its do-or-die battle with AT&T and local telcos over amendment by Sen. Abdnor (R-S.D.) that would have made cable companies subject to same regulatory constraints as phone companies when they offered competing services. Reagan Administration and 41 state PUCs were among proposal's supporters, but in final analysis, real power was in cable operators' last minute lobbying effort, which targeted both Abdnor & Bentsen amendments for defeat. Joining them in final press were bill's 2 principal drafters, Sens. Goldwater (R-Ariz.), chmn. of Senate Communications Subcommittee, and Packwood (R-Ore.), chmn. of parent Commerce panel, who lobbied senators reluctant to vote for S-66.

Abdnor and other rural senators, including Sen. Exon (D-Neb.), put up spirited fight, said afterward number of votes they managed to win and hours of debate spent on their amendments were in themselves victories. Much of first day's debate turned on Abdnor's amendment and question of costs for residential telephone service that it raised. Abdnor argued allowing cable companies to provide data transmission services on unregulated basis leaves telcos at disadvantage, with resulting loss of revenues to phone companies likely to cause local rates to rise.

Goldwater & Packwood promised to address that problem in separate bill, announced they were planning to offer legislation directing FCC to reinstate long distance subsidies for local phone service. Abdnor countered by arguing that Senate shouldn't "replace the ghost around the image on the TV screen with the ghost of what was the world's finest telephone service." In angry response, Packwood called Abdnor's proposal "AT&T's amendment... designed to deflect criticisms" being leveled against telcos because of rising local service rates, said it's "simply not true" that telcos will have to raise rates to compensate for lost data transmission revenues since such income accounts for only about 1% of their gross. "Everyone is looking around to find someone else to blame," Packwood snapped.

Senate subsequently downed amendment, 55-44, with rural state members voting en bloc with Abdnor. But Abdnor scored one with 2nd proposal stating it's intent of Congress to ensure universal telephone service. Also passed were changes by Sen. Specter (R-Pa.) grandfathering requests for proposals issued before Sept. 30, 1982 — aimed mainly at Philadelphia franchising process — and 2 by Sen. Wilson (R-Cal.) to exempt Cal. from rate deregulation provisions while state's own such law exists, and to allow cable operators to file for franchise renewal as early as 36 months before agreement is due to expire.

As expected, compromise worked out by Packwood as price for support of lone dissenting Committee member, Sen. Lautenberg (R-N.J.), was accepted as part of bill. It would: (1) Place burden of proof on cable operator to show rate deregulation is warranted by requiring field tests as proof that market is served by at least 4 Grade B signals. (2) Tie annual automatic rate hikes to Consumer Price Index of cable operator's service area. (3) Allow operator to appeal loss of franchise through de novo court review except in states that require hearing by administrative law judge. (4) Let cities require public & educational access, as well as governmental, as part of franchise agreement.

Opponents are regrouping for fight in House where bill has been referred to Telecom Subcommittee chaired by Rep. Wirth (D-Colo.). AT&T and telcos are already gearing up for fight, having learned from mistakes of Senate battle. Dissident cities, who broke from National League of Cities which helped draft S-66 with NCTA, also are preparing for renewed fight. Municipal leagues in Cal., Minn., Neb., Tenn. & Wyo., National Assn. of Counties and U.S. Conference of Mayors have gone on record opposing bill and will join attempt to quash it in House, sources said.

SCHMIDT NEW NAB CHMN: In hotly contested election, outgoing NAB TV Chmn. Gert Schmidt, senior vp, Harte-Hanks Communications, was elected NAB joint board chmn. over former TV Chmn. Kathryn Broman, pres. of Springfield TV. Vote was 22-19 — "and there were 4

board members who didn't vote and all were Kitty supporters," said dir. who voted for Broman. Schmidt succeeds William Stakelin, who becomes pres. of RAB next month and who was elevated to chmn. last Aug. when then-Chmn. Edward Fritts was elected NAB pres. This was first time in memory contest for top NAB post has gone to wire.

Question of who will occupy ex-chmn.'s seat on Exec. Committee was injected into Schmidt-Broman campaign, and that issue still is to be decided. Block of TV dirs. committed to Schmidt had threatened to bolt unless Forward Communications Pres. Thomas Bolger retains seat. This is opposed by Radio Chmn. Martin Beck on grounds Bolger & Schmidt come from TV board and because Bolger and newly elected TV Vice Chmn. William Turner come from Forward Communications. Schmidt said issue will be decided at July 13-14 Exec. Committee meeting, which Bolger will attend. Schmidt said that Harte-Hanks won't accept \$50,000 annual stipend NAB board authorized 18 months ago for its chmn.'s company; Fritts' & Stakelin's companies accepted payments.

In other contested election, Ted Snider, KARN(AM)-KKYK(FM) Little Rock, defeated Walter May, WPKE(AM)-WDHR(FM) Pikeville, Ky., for radio vice chmn. 17-14. Charles Jones, WSRZ(AM) Sarasota, Fla., also campaigned for spot, withdrew before nominations. Post is considered important because Snider will be in line to become NAB joint board chmn. in June 1985 if succession ladder holds. However, radio board has referred to Bylaws Committee proposal to have special board committee nominate candidates for chmn. This, according to backers of proposal, would effectively get rid of ladder. Beck was reelected radio chmn. without opposition. On TV side, Jerry Holley, Stauffer Communications, was unopposed as he succeeded Gert Schmidt as chmn.; likewise, Turner drew no opposition as Holley's successor as vice chmn.

Radio & TV boards heard from their supporters of deregulation in Congress, adopted slightly different resolutions on subject. TV board said that "while... concept of quantification of the public interest standard is contrary to First Amendment principles, the board expressed its desire to work with Congress to achieve broadcast deregulation legislation acceptable to the industry." Radio board said that quantification "is contrary to First Amendment principles and is, therefore, unacceptable for radio. It expresses its desire to work with Congress to achieve broadcast deregulation legislation in the best interests of the American public and the broadcasting industry."

June 16, while board meetings were under way, NAB Pres. Edward Fritts and Senior Vp-Govt. Affairs Steven Stockmeyer had what they considered very favorable meeting on deregulation with Rep. Dingell (D-Mich.), chmn. of House Energy & Commerce Committee, and 2 of his staffers. Dingell's support is vital if broadcaster-supported bill is to be approved by House. Bill recently was referred back to TeleCom Subcommittee, whose Chmn. Wirth (D-Colo.) opposes broadcasters on major deregulatory issues, with instructions to send it back to full Committee in Oct.

As expected, TV board had thorough discussion of TV trends study first reported on at April convention. However, no action was taken since final study hasn't been submitted. NAB plans meetings with McHugh-Hoffman on final draft next week and Fritts said it will be decided what to do after it's received in final form. However, it's no secret that NAB officials are very unhappy about some of methodology used, conclusions reached.

Major issue for radio board was deteriorating NAB relations with National Radio Bstrs. Assn. Beck said that no committee was set up to negotiate with NRBA and no formal action was taken. "There's continued interest to put some oil on these troubled waters," he said. Radio board also showed major concern over FCC proposal to deregulate assignment of call letters because of fear low-rated stations would pick something as close to high-rated stations as possible. "We can't let the Commission stay out of that," Beck told us.

Radio board unanimously adopted resolution endorsing Commission relaxation of rule which limits licensee to 7 AMs, 7 TVs, 7 FMs. Ted Snider, newly elected radio vice chmn., formerly had opposed relaxation but changed his position. TV board voted for change 8-4, with CBS abstaining.

Among other actions, TV board: (1) Established task force to look into possible expansion of TV board by 3 to 18 members (as authorized in bylaws) and whether 3 TV dirs. should be elected by districts (as recommended by Bylaws Committee). Task force also will investigate ways to make sure there's minority & women representation on board and recommend criteria for membership of low-power TV and subscription TV stations. (2) Approved fall conference on children's TV, tentatively Oct. 11-13 at Hyatt Regency Hotel in Washington. NAB expects to host annual kid TV conference in future.

Radio board: (1) Asked staff to investigate methods of promoting radio year around with emphasis on month of May. (2) Encouraged new TV Caucus of major-market stations to work "in concert with NAB for the good of the industry with the support of radio." (3) Referred to Bylaws Committee proposal that committee be named to nominate candidates for joint chmn. (4) Changed bylaws to require that for person to be eligible for seat on board, all TV-radio stations of his company must belong to NAB. (5) Adopted resolution urging govt. to "take steps to assist National Public Radio in this period of [financial] difficulty for the assurance of continued public radio service".

Winning awards at NCTA convention: John Malone, TCI pres., Larry Boggs Award, most prestigious of NCTA's national honors; Kathryn Creech, pres., Cable Consortium for Information, Idell Kaitz award; James Heyworth, deputy group vp, video, Time Inc., Jerry Greene award; Andrew Inglis, ex-RCA Americom vice chmn., Robert Beisswenger memorial award; Victor Tarbutton, vp, Century 3 Electronics International, 1983 engineering award for development of circuit that reduces noise levels in trunk amplifiers; James Chiddix, vp-engineering, ATC Oceanic Cablevision, Honolulu, engineering award for operations for design & construction of Hawaii's first earth station; Bryan Blow, pres., Ajo TV Service Co., outstanding committee chmn. award for leadership of independent operators board; Orlando Brillante, ATC vp-div. affairs, Walter Kaitz award for outstanding contribution through state or regional association for his leadership in Fla. Cable TV Assn. Winning 1983 President's Awards: Martin Lafferty, vp-programming, Group W Cable, ATC Chmn. Trygve Myhren, TBS Exec. Vp Robert Wussler, ATC Senior Vp-Cable June Travis.

Enhanced partnership between TV networks & programmers — based on understanding & cooperation — "can make the years to come a true golden age of TV," ABC Vice Chmn. Elton Rule told HRTS luncheon last week. He said "real progress has been made in establishing close and effective working relationships" between groups, added such relationships will become "ever more vital" in future when "new areas will become significant adjuncts to the core business of broadcasting... With each passing year, lackluster programming will find it harder to attract an audience. But superior programming will still appeal to very large audiences."

General Instrument has signed agreement in principle to purchase Century 3 Electronics International. Terms of agreement weren't disclosed. Century 3 manufactures feedforward equipment which lowers amplification needs for cable systems. Company will become part of GI's Jerrold Div. and continue to operate from its west coast facilities. Acquisition is expected to be completed in next few months.

Communications Workers of America, International Brotherhood of Electrical Workers and Teamsters are targeting cable industry for unionization and operators should be prepared, according to speakers at convention panel session at NCTA. Less than 10% of industry is unionized, according to William Shaw, Turner Bestg. vp-personnel. Washington consultant William Oldaker gave operators list of "don'ts" when union organizing begins: (1) Don't make promises to raise wages if employees reject union. (2) Don't spy on union movement leaders. (3) Don't withhold benefits to punish workers who vote for union. Henry Magers, general mgr. of UA-Columbia Cablevision system in Oakland, N.J., said there are 2 unions representing his workers. He cautioned audience not to treat union employees differently from non-union workers. His list of "dos" included: (1) Have plan ready on how to deal with union activity before organizer shows up. (2) Negotiate best contract possible by scrutinizing every word of document. (3) Once union is voted in, treat members with respect. (4) Progressive discipline must be used in dealing with all employees.

Sandusky Newspapers has pulled its 8 radio stations out of NRBA because of "bickering" with NAB in efforts to get radio deregulation bill through Congress. Sandusky Pres. Toney Brooks wrote: "We support NAB's stance and oppose NRBA's... It is unfortunate that a common goal of NRBA & NAB — radio deregulation — has led to damaging divisiveness between the organizations. Equally unfortunate is that many radio broadcasters now find alignment with both organizations difficult, if not impossible. The chasm resulting from this association bickering will no doubt be exploited in Congress by non-supporters of deregulation."

Satellite Syndicated Systems has filed to make initial public offering of 2 million shares of common stock in range of \$14-\$16 per share. Of total, one million shares will be sold by company and rest by unidentified shareholder, company confirmed. After sale, company will have around 6 million outstanding. Proceeds will go toward repayment of debt, expansion of services, working capital and other corporate purposes.

MAJORS BACK CATV CONSORTIUM: Twenty-four industry majors have contributed about \$500,000 toward launching Cable Consortium for Information and they are likely to be represented on CCI board, Group W Bestg. & Cable CEO Daniel Ritchie said at NCTA convention. Ritchie introduced Hearst/ABC Vp-Affiliate Relations Kathryn Creech as CCI pres., said she brings "exactly the right background to the job" because of her industry experience and work at NCTA.

"I am deeply gratified and proud to be part of such a vital organization," said Creech, who formerly was NCTA vp for industry affairs. "I believe the commitment and support of the industry for this effort reflects the dynamic potential of the medium."

Ritchie confirmed that "those who pay the bills" will form CCI board and provide initial leadership. They are: ATC, C-SPAN, Cable Health Network, Centel, Cinemax, Colony, Cox, Daniels, ESPN, Group W, HBO, Multichannel News, Nashville Network, Playboy, Rogers-UA, Sammons, Satellite News Channel, Showtime, Storer, TCI, Times-Mirror, USA Cable Network, United Cable, Viacom.

Notably absent is Ted Turner. Asked if Group W's court fight with TBS is keeping Turner out of camp, Ritchie said "we hope and expect that Ted will be a member." Notably present on list is Playboy Channel, because initial thrust of CCI is to dispel cable's image as smut peddler. "We all have different opinions on what should be on TV," Ritchie said. "I respect that others have different views than my own."

Ritchie & Creech said no firm plans have been made about advertising campaign, although Ritchie added that "radio allows you to target your audience and we've learned that we do have to sell to specific market segments" — reference to Opinion Research study released at convention. He said CCI will be based in N.Y. because Creech lives there and because of presence of advertising community. He said "if we do the job right," CCI's work could result in 5-10% increase in nationwide penetration.

Immediate task for CCI is "to close the information gap" consumers have about cable, Creech said. Creech, who will leave Hearst/ABC at end of month, and Ritchie stressed industry acceptance of CCI has been good, pointed out that Storer is backer even though it's not NCTA member. MSO backers are contributing according to formula based on number of homes passed; program providers are giving according to number of subscribers. It was understood that largest contributors are HBO & ATC.

Entertainment Channel closes its doors June 30 — after futile effort to convert pay-TV service to basic cable operation. EC staffers received 90-days' severance and benefits. Partners Rockefeller Center and RCA must share costs of EC productions still under way with BBC. ABC Video Enterprises reportedly is close to deal to acquire rights for some BBC material for Hearst/ABC's ARTS service. Corp. for Entertainment & Learning, however, hasn't found home yet for its 2 series.

NCTA ELECTS BOARD MEMBERS: By secret ballot, 6 new at-large NCTA board members and 2 associate members were elected. Also, Assn. approved resolution to enter Cablevision System Development Co.'s suit in Federal Dist. Court, D.C., seeking declaratory judgment of copyright laws involving controversial distant signal royalty payments. Board also authorized NCTA to oppose petition before FCC that asks Commission to preempt SMATV operators from state & local rules.

At-large members elected to board: Group W Cable Chmn. William Bresnan; Warner Amex Cable Chmn. Drew Lewis; TCI Pres. John Malone; Newhouse Bestg. Exec. Vp. Robert Miron; Sammons Communications Vp William Strange; Cox Cable Pres. David Van Valkenburg. New associate members are Jay Levergood, vp-Scientific-Atlanta, and Terrence McGuirk, vp-Turner Bestg. Change in Assn. bylaws was approved that would give full voting status to members from D.C., Guam, Puerto Rico & Virgin Islands. Dirs. also endorsed establishment of pilot project linking 12 black U.S. colleges & universities in closed circuit satellite programming system. Project is being sponsored by Black Entertainment TV, is called "Communications Bridge."

Following Justice Dept. decision to protest 3-studio acquisition of Showtime and Movie Channel, top-ranking executives involved in merger have met to decide on next move. Showtime Pres. Michael Weinblatt had been slated to be head of new entity if merger had gone through. Since DoJ noted vertical rather than horizontal concentration was difficulty, restructured merger between 2 that avoids such extensive studio involvement may be possible. Neither Viacom Chmn. Ralph Baruch nor Weinblatt would comment on what scenario might be, however. "Of course, we're disappointed," Weinblatt told us. Terse one-paragraph release from Baruch termed action "regrettable."

Lionel Van Deerlin has sued columnist Jack Anderson, seeking \$2.25 million for alleged libel in recent column linking former congressman to purported Capitol Hill drug ring. Attorney Michael Aguirre, who represents Cal. Democrat, former chmn. of House Communications Subcommittee, in suit in U.S. Dist. Court, San Diego, told us judge has ordered Anderson to give deposition.

ACT and Public Advocates Inc. have asked FCC to require TV stations and cable systems "to insert an audible electronic signal at the beginning and end of all commercial advertising directed to children." Such a signal would "pave the way" for development of reactive devices which parents could use to block out such commercials, ACT Pres. Peggy Charren said.

Times Fiber will supply Storer with \$18 million in Mini-Hub fiber optic distribution equipment. Deal covers enough equipment to serve 100,000 homes, will be installed in several Storer franchises, including N. Miami, where Storer tested Mini-Hub last year. Storer said it will install equipment in its most dense franchises.

NPR DEFICIT AT \$6.5 MILLION: National Public Radio "may be unable to continue in existence" because of \$6.5 million deficit, \$4.5 million loss during 7 months of fiscal 1983, stated Coopers & Lybrand auditing report made public last week at Washington news conference. Deficit includes large part of \$850,000 owed in payroll taxes.

Rep. Dingell (D-Mich.), chmn. of House Energy & Commerce Committee with jurisdiction, said audit "clearly establishes that NPR officials and the NPR board have been guilty of financial mismanagement." He said officials responsible for "debacle" should be held accountable. Some have resigned, others haven't, Dingell said. He noted General Accounting Office, watchdog agency of Congress, is already examining NPR's books. Depending on outcome of C&L audit, Dingell may call for more complete GAO review, also hold hearings by his Oversight Subcommittee.

Distressed Ward Chamberlin, pres., WETA-FM Washington, said: "The financial management at NPR as disclosed [June 15] has been disgraceful..." All public radio officials contacted said NPR must be saved. Stations overwhelmingly voted to transfer \$1.6 million in Community Service Grants to help pay debt. NPR Chmn. Myron Jones said NPR needs backing of CPB, needs to show financial institutions that NPR has sound, secure systems. Jones discounted doubts about NPR's survival: "We are wounded but not mortally wounded." NPR hopes to pay off deficit within 5 years, meanwhile owes money to all vendors.

Gerald Strong, C&L partner who did part of \$110,000 audit, said NPR must pay penalties & interest on unpaid taxes. Authorities could place liens on property of NPR & NPR Ventures, personal property of individual officers & directors. Jones said decision not to pay taxes was made in Financial Dept., and board didn't find out until May 24.

Auditors found that NPR's management systems, financial systems were poor. Report said that sporadic interdepartmental communications caused poor follow-up on unpaid accounts. Problems were found with travel & entertainment expenses, with use of American Express cards. Purchasing deficiencies allowed duplicate ordering, overpayment. Audit criticized lack of detailed property records. Some changes have been made, including turning in of all American Express cards. NPR has slashed 30% of staff, reduced budget 34%.

Robert Wold Co. has announced it will merge subsidiaries Wold Communications and Wold Entertainment to become Wold Communications. Videoconference marketing, production services & ad hoc network station clearance, services under entertainment unit, will continue under new subsidiary, company said.

Closed-circuit telecasts of open FCC meetings will be transmitted live via satellite beginning June 23. Wold Communications is providing satellite uplink and transponder time on Westar 4 TR 9x; feeds are available to TV stations & cable systems.

SENATE TV & RADIO BILL: Senate Rules Committee last week approved, 5-3, controversial resolution (SR-66) that would allow gavel-to-gavel TV & radio broadcasts of Senate floor proceedings. Resolution is strongly opposed by panel's ranking minority member, Sen. Ford (D-Ky.), who couldn't attend markup because of conflicting committee session, was unable then to muster opponents or propose alternative radio-only measure he's planning. Ford plans fight on floor.

As approved, measure authorizes expenditure of up to \$3.5 million for construction of control room, installation of 6 cameras, and renovation of Senate chamber's sound & lighting systems to permit live audio & color video broadcasts. Senate staff would operate cameras by remote control with picture & sound provided free to news organizations.

Cameras wouldn't pan chamber or show reactions of senators to what is being said at podium. Bill forbids use of tapes from broadcasts for political or commercial purposes. Short test period for system also is provided in bill.

Rules Committee Chmn. Mathias (R-Md.) refused to delay markup until another day when Ford could be present, move that angered Democrats on Committee, including Senate Minority Leader Byrd (D-W.Va.), who chastised Mathias, voted against bill. Sens. Hatfield (R-Ore.) & Warner (R-Va.) also expressed reservations about holding vote, but joined Mathias after he promised to give Ford opportunity to offer amendment on Senate floor.

Federal spending on arts & humanities would increase 15% in new fiscal year under bill unanimously approved by House Appropriations Interior Subcommittee. By voice vote, Committee approved spending \$165 million on National Endowment for the Arts programs in FY '84, which begins Oct. 1, up from current \$143.9 million. It also voted \$150 million for National Endowment for Humanities, vs. current \$130 million. Bill includes \$9.55 million in NEA spending for media programs, many of them aired by public broadcasting stations, and \$10.1 million in similar NEH spending. President Reagan wanted budgets slashed 13% to \$125 million for NEA and \$112 million for NEH. Full Committee is scheduled to vote June 21 on proposal, part of \$8.07 billion money bill for Interior Dept. & related agencies.

NBC filed suit in Tex. last week against Corpus Christi cable system charging company with illegally intercepting & transmitting network's broadcast of last Super Bowl football game. Network had filed suit against Athena Cablevision in May charging that Athena and 2 other cable systems (United Video of St. Louis and Cox Cable of N.Y.) also illegally intercepted Super Bowl. Affiliate KRIS Corpus Christi joined NBC in suit.

C-COR Electronics is acquiring CableBus Labs in exchange of stock, price not announced. CableBus develops & engineers RF and digital equipment for broadband cable communications systems.

Warner Amex Cable Communications of Cincinnati was indicted June 13 in Hamilton County, O., on charges of "pandering obscenity" on its cable system by airing movies on Playboy Channel that grand jury found "obscene." Indictment, charging first-degree misdemeanor, cited as obscene 2 movies "Maraschino Cherry" and "The Opening of Misty Beethoven" — both of which Playboy said it cut from theater versions to conform to its own programming standards. Warner-Amex officials said: "Under our Constitution, the government does not have the right to dictate what American citizens can see, read or think in the privacy of their own homes." Playboy Enterprises said: "Neither Playboy magazine nor The Playboy Channel has ever been judged by any court to be in violation of local community standards anywhere in the country, and we are confident that this will continue to be the case."

KTVL Medford, Ore. switches primary affiliation from NBC to CBS June 20.

Rogers Cablesystems has sole rights to completing & operating cable in Minneapolis now that it has bought franchise obligations from Storer Communications subsidiary, Northern Cablevision. Storer and Northern are to be reimbursed only for out-of-pocket expenses in developing franchise. Storer in 1982 received franchise for northern part of city containing 100,000 households. Rogers' subsidiary Minneapolis Cablesystems received franchise for southern part, which includes about 80,000 homes. Systems were to be constructed in parallel and technically compatible. Transaction must be approved by Minneapolis City Council, Minn. Cable Communications Board.

House Telecom Subcommittee's cable industry hearing has been rescheduled for June 22, 9:30 a.m., Rayburn House Office Bldg., room to be announced. Hearing will feature most of witnesses originally slated to appear from cable & telephone industries, also consumer groups and state regulators.

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FOWLER LISTS FCC ACCOMPLISHMENTS: "For those who were dubious, we have shown that we can do more with less." So said FCC Chmn. Fowler as he outlined accomplishments of FCC during his 2nd year. Even though Commission has experienced substantial increase in policy & rulemaking issues and in service authorization requests, Fowler told group of reporters that FCC showed 17% increase in productivity from 1980-81 to 1982-83.

Fowler said FCC has reduced paperwork on industry by more than 80%, from 49.8 million hours in 1981 to 8 million in 1983. He said FCC has reviewed about 1,750 of Commission's 5,000 rules and 10% are slated for elimination, 45% are scheduled for modification or simplification and rest will be retained. Fowler defended reduction in paperwork: "The marketplace forces still police and check the players."

Fowler said he doubted move to 5-member Commission will make much difference, that he doesn't expect replacement for Comr. Jones (who resigned at end of May) to be selected by July 1. He said White House still has long list of candidates and that he hasn't made any recommendations. He said he isn't "slowrolling the agenda" to avoid losing issues or to avoid 2-2 vote, said problem hasn't come up yet. Between now and traditional Aug. break, Fowler said, he hopes Commission will issue order on broadcast ownership attribution, rulemakings on TV deregulation, 7-7-7 rule and "underbrush" proceeding involving station management rules. He said financial interest and syndicated exclusivity question should come before Commission by end of year.

Repeating his strong opposition to broadcast quantification, Fowler called it "a step back to the blue book of the 1940s." He said broadcasters are "selling out their First Amendment rights in return for some license protection." Fowler also said computer to process 12,000 low-power TV applications should be running in week or 2, will soon be processing 250-350 applications per month. On 900-MHz paging, he said Commission will grant about 1,000 of 3,000 applications in next 2 months. On cellular radio, he said FCC will have granted CPs or designated for comparative hearings all applications in top 30 markets within next 2 weeks.

On resignations & rumors, Fowler said Mass Media Bureau Chief Laurence Harris hasn't given him any indication that there is truth to rumors that he's planning to resign soon. As for rumors about his own resignation, Fowler said: "I have every intention to continue serving." Fowler wouldn't commit himself to serving to end of his term, but said he didn't have any plans to leave soon.

Later in week, in answering questions of NAB board, Fowler said Commission will go forward with TV deregulation along same lines of radio deregulation despite opposition of Reps. Dingell (D-Mich.) & Wirth (D-Colo.). He said issue will be before commissioners late this month or early in July. He defended FCC action in opening up spectrum to more FM stations but said studies show it will be impossible to add new stations in

Washington-Boston corridor. Most will come in South, Midwest & Far West, he said. Fowler told NAB that Turner Bestg. petition to abolish must-carry doesn't have "top priority." He added that quantification is "fraught with danger... a recipe for mischief," advised broadcasters to keep pressing Congress for statutory relief from regulation.

CBS News has indefinitely suspended George Crile, producer of controversial 1982 documentary "The Uncounted Enemy: A Vietnam Deception," network said. During production of documentary in 1981, Crile taped telephone interviews with former Defense Secy. Robert McNamara and others without their knowledge, CBS said. Network apologized to those who were taped, said all were provided with written transcripts of taped interviews. Tapes were sought by Dan Burt, attorney for Gen. William Westmoreland, during pre-trial proceedings in \$120 million libel action Westmoreland filed against CBS. Crile, who will receive full pay during suspension, said that he didn't know taping telephone conversations was against CBS policy, that he knew taping wasn't illegal under N.Y. law and considered it equivalent of taking notes. Conversations weren't used in documentary but as off-the-record background, Crile said.

National Black Media Coalition has asked FCC to open rulemaking looking toward applying lottery to selection of single AM stereo system. Coalition said that since FCC left decision to marketplace more than year ago, "none of these [5 AM stereo] systems has caught hold in the marketplace. None of these systems is compatible... Therefore, unless consumers are to be forced to purchase up to 5 different types of AM radios, only one can prevail... The systems themselves are of essentially indistinguishable value to consumers and broadcasters, so no weighting needs to be factored into a lottery."

U.S. cable penetration for May was 37.9% or 31,766,550 households, Nielsen reported. Top 10 designated market areas by cable penetration and number of cable households are: (1) N.Y., 31.9%, 2,064,970 households; (2) L.A.-Palm Springs, 27.4%, 1,177,050; (3) Chicago, 14.1%, 420,580; (4) Philadelphia, 38.3%, 929,070; (5) S.F.-Oakland, 45.7%, 919,380; (6) Boston-Manchester-Worcester, 32.1%, 626,680; (7) Detroit, 18.6%, 311,170; (8) Washington, 17.9%, 267,310; (9) Cleveland-Akron, 33.7%, 477,440; (10) Dallas-Ft. Worth, 31.7%, 443,990.

Heritage Communications has acquired Ind. Cablevision, serving 62,000 basic, 30,000 pay subscribers, in South Bend, price not announced. Daniels & Assoc. was broker. Heritage said purchase will move it to 15th among MSOs with 340,000 subscribers.

NCTA Pres. Thomas Wheeler won't be leaving his post anytime soon, he told us during NCTA convention. "I've got a long summer ahead of me. No, I'm not going anywhere yet. I haven't had time to think about those things lately," he said.

NAB LOBBYING SPLIT PROPOSED: Drawing on 22 consecutive years on NAB board, retiring NBC Washington Vp Peter Kenney told board members that "NAB's effectiveness is hampered... by an outdated organizational structure" in its attempts to lobby Congress for both TV & radio. He said this is major change in position for him, that in past "I have been one of the industry's strongest supporters of a single, integrated system organization..."

"I now believe NAB must have separate operating divisions [for radio & TV], each responsible for doing a full-service job for its members and its branch of the industry. Basic changes in our industry itself demand this... The TV world has its own complexities and many of its problems are far outside the interests and concerns of radio broadcasters. And the reverse is equally true. There are some common elements... and all broadcasters are concerned with undue government interference... Yet, the means of developing these 2 media and of dealing with these issues are sharply different and in some ways conflicting. Certainly, a strong umbrella organization is appropriate, but radio and TV should have their own operating divisions to tailor-make positions and services to the needs of each... with separate and distinct lobbying efforts."

Kenney recommended that NAB establish task force to bring reorganization plan before board by Jan. Hopefully, he said, changes could be put in place "no later than 1986." He also said: "I want to set to rest an ancient myth that the [TV] networks have a dominant influence within the NAB... There is no one in the room [at board meeting] who can point to any single group today that has undue influence within the NAB. But, unfortunately, the old refrain of the 'damn networks' is still heard in the land... for no reason whatsoever." Kenney retires from NBC in fall, will remain consultant.

Cable equipment displays at NCTA held no major surprises, but sales activity was strong, according to reports from floor. "I was pleasantly surprised at the amount our guys booked," Jerrold Div. Sales Vp Jack Forde told us. He said company sold 200,000 Starcom 5 baseband 160-channel addressable converters, on display for first time at convention, to United Cable TV in \$42 million deal. Addressable equipment in general sold well, according to observers. "We didn't do this much business last year," said Forde. "I think people are coming to shows to close deals again."

President Reagan will make taped promotional fund-raising message for PTV aimed at businesses. PBS official said system was looking for someone to urge increased business underwriting at meeting with business backers June 23 in Washington — and asked Reagan. He agreed, provided PBS pays for taping, PBS official said.

National Ad Div. of Better Business Bureaus settled 9 complaints against advertising in May — 6 after NAD agreed advertisers had substantiated claims, 3 when ads were withdrawn or modified. Of 9 challenges, 5 were result of NAD monitoring, 3 were lodged by competitors, one originated with BBB.

Another cable service will disappear with announcement that Hearst/ABC Video Services and Viacom have agreed in principle to merge 8-hour daily Daytime and 24-hour Cable Health Network. Composition of surviving entry — and every other aspect of merger — is subject of continuing negotiations. It's likely Viacom will significantly increase its minority ownership of CHN. New venture will be called Hearst/ABC-Viacom Entertainment Services (HAVES), with each of principals having equity interest. Details of merger will be ironed out by transition team consisting of Granath, Hearst Cable Communications Div. Pres. Raymond Joslin and Viacom Vp Jules Haimovitz. Bruce Johnson, CHN pres., remains obvious candidate to head up HAVES, said he hasn't been offered post, but "of course" would be interested in "assuming the helm." HAVES will combine Daytime and CHN on single Satcom 3R transponder, is scheduled to reach 16 million homes by year's end. Number indicates degree of audience overlap that brought 2 services together: Daytime by itself goes to 10 million homes, CHN 11.5 million.

Group W Satellite Communications hopes to make its pay-TV sports service reality in time for start of 1984 baseball season next April. At news conference during NCTA convention in Houston, GWSC Senior Sales & Mktg. Vp Lloyd Werner said venture named The Sports Network already has signed professional teams in 5 regions: Pacific Northwest, Chicago, Wis., Mich. and so-called Capital market, consisting of Md., Del., Va. & N.C. Sixth, probably San Francisco, should be added shortly, with as many as 18 markets involved when TSN gets under way on 4 Hughes Galaxy transponders. We're told operational costs could exceed \$20 million a year. Service will be on air 16 hours daily Mon.-Fri., 20 hours on weekends, offering mix of live games during prime time, taped shows, late night reruns and continuous wraparound of sports information, interviews and scoreboard from GWSC hq in Stamford, Conn.

New TV stations: Educational WNVN (Ch. 56) Fairfax, Va., KFCB (Ch. 42) Concord, Cal., and WWSB-TV (Ch. 27) West Point, Miss. have gone on air, latter as ABC affiliate. David Hopper is pres.-gen. mgr., 20% owner of WWSB-TV; Vp John Dyer owns 50%; Lewis Hopper is national sales mgr. Ronald Haus is pres. of independent KFCB, Lloyd Miller gen. mgr. Meanwhile, non-commercial WCAE (Ch. 50) St. John, Ind. has received FCC permission to go dark until Oct. 31. Changes raise operating U.S. TV stations to 1,123 — 829 commercial, 294 non-commercial.

Weather Channel will be in black by 4th quarter 1984 — "possibly as early as Oct.," vowed Pres. John Coleman. Landmark Communications subsidiary said it had 9.2 million subscribers and expected 14.5 million by end of this year, allowing it to go on Nielsen meter. Audience research conducted by Nielsen in April found viewing of channel had increased overall by 62%, Coleman said. Procter & Gamble, "bellwether of acceptance and success," according to Coleman, will soon be advertising on TWC.

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MPAA COUNTERSUES FOR COPYRIGHT FEES:

MPAA and 8 movie studios filed countersuit against Charles Dolan's Cablevision Systems Development, claiming its cable systems in Nassau & Suffolk Counties, N.Y., have significantly underreported amount of copyright payments they owed each of last 5 years. Cablevision "failed to file a true and complete statement of account" for every semiannual period from 1978-82, copyright owners alleged, by making payments to Copyright Royalty Tribunal only on gross revenues from its basic service and not on those of tier that also includes over-air TV stations.

Besides MPAA, plaintiffs are Columbia Pictures, Embassy Communications, MGM/UA, Orion Pictures, Paramount, 20th Century-Fox, Universal Pictures and Warner Bros. Countersuit to Cablevision's June 9 pleading in U.S. Dist. Court, D.C., seeks statutory damages and injunctive relief for each of dozens of alleged copyright infringements.

British Telecom expects to install combination fiber optics-coaxial system in U.K. that will give subscribers access to library of recorded videocassettes, online interactive material from discs, pay-per-view, satellite-delivered channels and 4 existing U.K. TV networks. Switched star configuration will cost 20% more than tree-&-branch, bargain considering extent of services, BT Research Lab's John Powter told NCTA technical session on fiber optics. Powter said system "follows very much the function of a telephony network."

Study group at Region 2 Administrative Radio Conference, charged with deciding where to divide spectrum between fixed satellite service and DBS, selected 12.2 GHz as dividing line, position U.S. supported. However, in move that may cause dissension later, decision has been conditioned on whether every country represented at RARC is awarded at least 4 channels in orbit. "That's not likely to happen," said one FCC insider, but "it's in the realm of possibility. What it means is that after all the orbital space is awarded, the decision [to divide arc at 12.2] will be revisited." Conference, which is awarding DBS orbital slots for Americas, started June 13, will continue to meet in Geneva until July 15.

Most TV-radio news departments are "attracting enough advertising" to pay their own way, according to survey for RTNDA. Of 450 TV stations responding, 83% said their news operations are in black, up from 74% in 1976; on radio side, 66% of 350 respondents said news was making money, vs. 61% in 1976. Ad revenues from news are up from last year at 75% of TV stations and same percentage said news expenditures are up. RTNDA said TV stations "appeared to be putting" ad dollars back into news operations while most radios stations "appeared to be pocketing ad profits brought in by news."

Nippon Satellite Information (N-SAT) and Japan Satellite Bestg. (J-SAT) plan to offer first DBS services in Japan, according to Japanese Economic Journal. Companies applied with Japanese PTT to use BS-3 satellite to be launched by Japanese govt. in 1989.

Federal Judge Albert Bryan has ordered ABC News to disclose name of informant who told network reporters they had been secretly taped in Aug. 1980 meeting with U.S. marshals in northern Va. Bryan also ordered govt. to turn over to ABC 3 original recordings for testing by electronics expert. Rulings are latest round in \$10 million defamation suit over 20/20 report on federal witness protection program, filed by Howard Safir, who was in charge of program.

Viewtron videotex service of Knight-Ridder Newspapers may be available in Denver, Pittsburgh & Memphis as result of agreement announced with Scripps-Howard, which publishes newspapers in each city. Joint venture could follow if Viewtron test scheduled for this fall in south Fla. is positive, KRN official said.

Request by Provo, Utah for waiver of FCC rules so it can collect 5% franchise fee from Community TV of Utah has been denied. Commission said city failed to show franchise fee greater than 3% was necessary to cover regulatory costs.

FCC has lengthened to 10 years, from 5, maximum term of common carrier and fixed satellite licenses, as authorized by 1982 amendments to Communications Act and proposed in April 13 rulemaking.

Disney Channel begins production early this summer of its first made-for-pay movie, with budget industry observers estimate at \$2 million.

Personals

FCC Comr. Mimi Dawson elected secy.-gen., Young Political Leaders, at organization's biennial assembly, June 3-6, Albufeira, Portugal, first woman to hold post... Rick Ludwin promoted to vp-specials, NBC Entertainment... Donn O'Brien moves at CBS Sports to vp-finance & business planning; James McKenna to vp-gen. mgr... Robert Edwards promoted to pres. of TeleCommunications Div. of Metromedia and vp of parent company... Abe Mandell will retire as pres. of ITC Entertainment Aug. 1; he has been with ITC 25 years, last 18 as pres.

Thomas Goodgame, vp-gen. mgr. of KDKA-TV Pittsburgh, moves to same post at WBZ-TV Boston, both stations owned by Group W... Norris Reichel, ex-WPGH-TV Pittsburgh, moves to co-owned (Meredith Bestg.) WLOF Orlando as vp-gen. mgr.; William Saltzgiver, WPGH-TV program mgr., succeeds Reichel as vp-gen. mgr... James Thompson, ex-KGGM-TV Albuquerque, appointed exec. vp-gen. mgr., KLDH Topeka... Daniel Viles, ex-WSMW-TV Worcester, moves to WVAH-TV Charleston, W.Va. as local sales mgr... John Fitzgerald promoted to dir.-investor relations, ABC... Velma Cato advanced to news dir., NBC Radio Network... Jeff Rosser, ex-WBZ-TV Boston, appointed vp-news, WNEV-TV Boston... Raul Perlicz, ex-WPIX N.Y., named business mgr., Independent News Network.

James Conley promoted to senior vp, Meredith Corp.; William McReynolds, exec. vp of Bestg. Group, succeeds him as pres... Matt Kreiner, ex-Corinthian TV Sales, appointed national sales mgr., KHOU-TV Houston; Dave Bunnell joins as regional sales mgr... Eric Block, ex-WTCN-TV Minneapolis, named creative services dir., WFLD-TV Chicago... Jean Muir joins King Bestg., Seattle, as personnel dir.

Phillip Hogue appointed exec. vp-investment banking, Daniels & Assoc... I.T. Saldi has joined C-COR Electronics as pres.-CEO, new post; James Palmer is chmn... In major reorganization, Seltel names Joseph Eisberg senior vp-gen. mgr., Affiliate Group; Alan Elkin, ex-Katz TV, senior vp-gen. mgr., Independent Group... Karen Schmidtke promoted to vp-L.A. office mgr., MMT Sales; Mike Brooks to mgr.-Dallas office.

Donna Kasmer promoted to dir.-broadcast production, SelecTV; Scott Moore to sales dir., SelecTV of Cal... Barry Stigers, ex-Alda Group, appointed vp-operations, Cablentertainment; Alex Ethier, ex-Warner Communications, named engineering dir.; Margaret Goss, also ex-Warner, dir. of business operations... Justin Reyneri joins Hellman Assoc. as vp-engineering; Alex Laymon, ex-Deneclor, named vp-mktg.

Steven Bornstein promoted to vp-programming, ESPN... Richard Moran, ex-WPIX N.Y., appointed vp-east coast, Tribune Entertainment... Jeanne Spinner advanced to asst. vp-corporate affairs, Times Mirror Cable... Marcia Malone promoted to management dir., ATC; Marcia Simmons & Linda Lee promoted to group mgrs... Lois Hinkle advanced to vp-promotions, Taft TV, new post... Richard McKay

promoted to national sales mgr., WOTV Grand Rapids; Judy McDonald, ex-WAVY-TV Norfolk, named promotion mgr.

Frank Mankiewicz, ex-pres. of NPR, joins Washington PR firm Gray & Co. July 5 as exec. vp... Belva Brissett promoted to vp-regulatory affairs, NAB... Mitchell Brecher & James McGee, both ex-Wilkinson, Cragun & Barker, named senior attorneys, Southern Pacific Communications; Deborah DuPont, ex-National Assn. of Regulatory Utility Commissioners, joins Southern Pacific law dept... Bryan Hutton promoted to sales mgr.-telecommunications, Valtec... John Chanin, ex-Mutual, appointed senior vp, Meadowlands Communications.

John Clark, ex-Warner Amex Qube, Dallas, appointed vp-home mktg., HVC Corp. for videotex services; James Lewis joins HVC as vp-corporate finance... Cj Sartor advanced to affiliate relations dir., Weather Channel... Phil Smith promoted to national sales mgr.-barter syndication, MGM/UA TV... William Jackson advanced to vp-eastern mktg., N.Y., Robert Wold Co.; Robert E. Wold (nephew of founder) to vp-western mktg., L.A... Wayne Hudson, Plough Bestg., appointed chmn. of newly formed RAB Retail & Co-op Committee... Janet Long promoted to Mountain States regional dir., HBO.

Louis Valencia of Mexico elected chmn. of Region 2 Administrative Radio Conference (RARC) now under way in Geneva; Abbott Washburn, U.S., vice chmn.; Steering Committee will be made up of chmn. & vice chmn. of all committees; Credentials Committee Chmn. D. Paredes, Ecuador; Budget Committee Chmn. P.R.H. Balduino, Brazil; Technical Committee Chmn. S.E. Aguerrevere, Venezuela; Planning Committee Chmn. P.D. Cross, Jamaica; Procedures Committee Chmn. J.A. Zavattiero Cordoves, Uruguay; Editorial Committee Chmn. D. Sauvet-Goichon, France.

Daniel French, ex-Price Waterhouse, appointed controller, Southern Pacific Satellite Co... James Bucholtz, ex-Sony Corp. of America, joins United Satellite Communications as vp-corporate development & planning.

FCC appearances this week: Gen. Counsel Bruce Fein speaks June 21 on govt. regulation of TV, American Model Conference, Barcelona, Spain; Comr. Mimi Dawson speaks at Telephone Summit June 22 sponsored by TV Digest Inc., Four Seasons Hotel, Washington, and to Consumer Affairs Council June 24, Washington; Comr. Stephen Sharp participates in conference on FCC June 22, Brookings Institution, Washington; Peter Pitsch, chief of Office of Plans & Policy, speaks June 24 on "Resellers: Common Carrier Regulations' Cutting Edge," Hyatt Regency Hotel, Crystal City, Va.

Freedoms Foundation, Valley Forge, Pa., will sponsor July 31-Aug. 5 seminar "to analyze the status of freedom and individuality in the midst of the world-wide communications revolution." Cost is \$425. Details: Programs Office, Freedoms Foundation, Valley Forge, Pa. 19481, 215-933-8825.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended June 3 (22nd week of 1983):

	MAY 28- JUNE 3	1982 WEEK	% CHANGE	MAY 21-27	22 WEEKS 1983	22 WEEKS 1982	% CHANGE
TOTAL TV#.....	343,307	234,437	+46.4	329,946	7,105,709	6,552,861	+ 8.4
COLOR#.....	209,753*	226,365	+37.7	230,105*	4,988,591*	4,319,776	+15.5
MONOCHROME....	133,554	82,111	+62.7	99,841	2,117,118	2,233,085	- 5.2
PROJECTION TV...	1,891	1,206	+56.8	2,168	49,594*	32,297	+53.6
HOME VCR.....	59,192*	19,551	+202.8	73,685*	1,289,196*	619,702	+108.0
COLOR CAMERAS...	6,551*	4,304	+52.2	6,808*	129,466*	109,068	+18.7

Color TV 5-week moving average: 1983--207,997*; 1982--174,588 (up 19.1%).

Home VCR 5-week moving average: 1983--66,259*; 1982--25,740 (up 157.4%).

Excludes projection TV. * Record for period.

JAPAN CRANKING UP TO 16-17 MILLION VCRs: "At the end of last year we assumed there would be demand for about 14.2 million [VCRs] this year. But with U.S. sales now running double last year's rate and Japan up 60%, we now think we must make 16-17 million this year to meet the demand." So we were told by JVC Video Products Managing Dir. Shizuo Takano, considered "father of VHS."

Japan produced 13,122,000 VCRs last year. April production registered all-time high of 1,446,000 units, with Matsushita, JVC, Sony, Hitachi and others raising output. Japanese shipments to U.S. set new record in April (see report elsewhere).

We heard talk for first time at CES about possibility of U.S. assembly of VCRs. Japanese manufacturers are beginning to show concern about possible criticism of VCR's effect on trade balance with Japan, as sales here soar. It's believed that several major Japanese manufacturers are developing standby plans for eventual assembly here, with approach of 5-million-a-year import rate seen as potential trigger. There were forecasts of new minor round of price-cutting next fall as manufacturers simplify design, introduce new highly integrated models designed for large-scale assembly anywhere.

As for quotas on VCR kit exports to Europe (Vol. 23:23 p13), JVC's Takano said neither European nor Japanese manufacturers are happy with situation. EEC & Japan have agreed to hold review meeting on quota every 3 months, and subject of kits probably will be brought up at first meeting, which could be in late June or July. "I think something will be done," he said.

Asked about 8mm video format, Takano indicated it was not imminent and probably would be introduced in Japan & Europe first, U.S. last, because U.S. manufacturers didn't participate in standards activities or evidence much interest, but just "watched with cool eye." As controversy over timing & standard for 8mm raged (Vol. 23:24 p18), meanwhile, we asked spokesman for office of Hitachi's pres. where company stands and were told: "We are now at the stage of putting the standard into actual production. The product will come out some time next year."

JAPAN VCR EXPORTS SOARED IN APRIL: Cries of VCR supply shortages in market here will soon die out if Japanese maintain shipment pace they set in April. Finance Ministry figures show month's U.S.-bound exports broke through 400,000 level for first time. Growth, however, didn't rub off on TV and receiver shipments were down.

Japanese poured 418,600 VCRs through export gates in April, setting new all-time monthly

record. It was only 3rd time in history Japanese have shipped more than 300,000 to U.S. in single month. Total shattered record of 309,600 set in Oct. 1981, was slightly more than double shipments of same month last year. While April exports were in line with size of increases being reported by EIA for sales to U.S. retailers this year, Japanese still have way to go to catch up on cumulative growth basis. In 4 months, Japanese have shipped 1.12 million, up 43.1%.

In TV, total April exports of 109,500 were down 27.2%, with color off 22.8% to 88,000, b&w off 40.9% to 21,500. For 5 months, total TV exports were down 30.3% to 347,200, as color dropped 28% to 266,100, b&w 37.1% to 81,100. In color, April exports of complete sets were down 44.3% to 41,000, for 4-month total of 129,100, down 49.7%. Chassis & kit shipments were up 16.4% to 47,000 for month, and up 21.6% to 137,000 for full period.

FIRST DIGITAL TVs DUE FOR FALL SALE: Although behind schedule, ITT hopes to take orders for color TV sets with VLSI digital signal processing at Internationale Funkausstellung in Berlin Sept. 2-11, deliver before end of Sept. In related (and competitive) development, Philips plans to show consumer-priced TV set incorporating digital picture memory at Berlin show.

"Digivision" digital sets, to be sold by ITT's Standard Elektrik Lorenz (SEL) under ITT and Graetz brand names, will be competitive in price with conventional receivers containing same high-end features (including PAL-SECAM reception, stereo sound, teletext decoder), we were told by SEL Technical Dir. Charles Schepers, who presented paper on new set at IEE's International Conference on Consumer Electronics (ICCE) in Des Plaines, Ill. (see story elsewhere).

In U.S., GE and Zenith are licensees of ITT Semiconductors for digital circuits, and both are hoping to have digital sets next year. Other licensees are understood to include Sony, Sharp and Sanyo. Actual production of 5 basic VLSI chips and peripheral chips will begin in Sept., according to Lubo Micic, managing dir. of ITT Semiconductors Worldwide, hq in Freiburg, Germany, with enough production to turn out about 30,000 sets before end of 1983. In 1984, he said, quantities will support more than million sets.

ITT has made some changes in its plans by customizing chips for specific customers. Although standard chip set has single chip for PAL & NTSC, it was indicated that special NTSC-only chip will include comb filter for luminance & chrominance, as well as cheaper audio chip without stereo.

Basic price of chip set initially is \$30, could drop to \$20 as production increases. "Being digital is not our sole target," said Micic. "We also want to be cheaper." One way to be cheaper, he indicated, is to completely eliminate factory & service adjustments. "Our aim is zero internal adjustments," he added. ITT says chips eliminate some 300 components, can perform functions of 300,000 transistors.

ITT demonstrated new digital tool which it calls "service computer," designed to "repair" digital sets by programming. Looking like a large calculator with LCD readout, computer (to sell for about \$150) hooks into bus connection on set, making servicing possible without removing back. It can make such corrections as picture height, positioning, keystoning, vertical linearity, color drive, contrast.

Although digital TV's advantages in terms of friendliness to new features are well known (Vol. 22:14 p10 et seq.), immediate benefits without adding peripherals, ITT said, include high noise immunity and elimination of effects of component aging and temperature drift. For example, circuits continually monitor picture tube, automatically compensate for deterioration. Peripheral additions cited by ITT are teletext chip (due this year), SECAM add-on, "interlace-free" IC (for adding computer-generated lines to produce appearance of more detailed picture), flicker eliminator for PAL & SECAM, VIR, automatic picture control (brightness, contrast, fleshtone, color correction), picture-in-picture, ghost killer, pay-TV decoding system.

Taking note of competitors' criticisms of ITT's grouping of circuit stages in VLSIs, Micic forecast that number of chips would be reduced to 3 by end of 1984, and that by late 1987

company would have TV set on single chip. "When we get to one chip, [complaints about] functional partitioning will be academic," he said.

Philips' TV field memory, reported here earlier, was subject of 3 ICCE papers. Among possibilities it raises: Improved reception through noise and cross-color reduction; ability of viewer to hold still picture on screen; background memory for quick page-flipping of teletext; zoom, or picture enlargement; multi-picture-in-picture. In countries with 50-cycle standard, most significant benefit is seen in reduction of flicker by doubling number of fields.

ARCADE GAME SLUMP: Arcade videogame market continues in slump, and coin-op producers & marketers are suffering. Wells-Gardner, manufacturer of game monitors, said it has been forced to cut prices to meet discount competition in that industry and as result will show 2nd quarter net of about \$68,000, down 97% from same 1982 period, indicating first half income will be off 91% to about \$314,000. W-G said results are being aided by increased sales of color TVs [produced for Teknika] and data display monitors.

Williams Electronics said in report to holders that revenue from arcade game sales in 2nd quarter to March 31 were down 55% from same 1982 period and 65% lower than those in opening quarter of current year. But, it noted, decline in profit was matched by rise in earnings from licensing of game rights to home videogame, computer & electronic game makers.

Game marketer Destron, which lost \$800,000 last year on sales of \$3 million, filed Chapter 11 bankruptcy petition in Chicago, listing \$3 million in debts. Triggering action was bank demand for repayment of \$1.4 million loan.

What's in a name? Law suit. Claiming prior and continuous use, Logical Business Machines, Sunnyvale, Cal, has asked San Jose federal court to enjoin Coleco's use of name Adam on stand-alone and Colecovision add-on computers introduced at recent Consumer Electronics Show in Chicago (Vol. 23:23 p13). LBM says Adam has been trademark on its \$20,000 office computer system since 1975, and adoption by Coleco has confused customers. Suit also asks for unspecified damages LBM says it will use in ad campaign to counteract that confusion. Coleco, which says it bought rights to name from unidentified company, contends there should be no marketplace problem as its Adam is strictly for home use. LBM had brand registration application in works but, according to Coleco, abandoned it last Jan.

Tatung retained slot as Taiwan's 2nd largest private corporation last year, though sales slipped 2.8% to \$482.5 million, according to survey by Economic Daily News there. Leader was plastics producer Nan Ya at \$597.5 million. Dropped from top 10 ranking this year was Matsushita Taiwan. MT placed 10th in 1981, but failed to reach \$231.3 million sales needed for placement in 1982.

New foreign investment in Taiwan's electronics and electrical appliance industry totaled \$13.3 million in first quarter this year, accounting for 33.6% of incoming capital, govt. reports.

NEC-ZILOG CLASH: Japan's NEC and Exxon's IC manufacturing subsidiary are locked in tri-level, 2-continent clash over patent rights to microprocessor ICs.

Zilog started litigation wave last March when it filed patent infringement action in San Francisco federal court against NEC and 2 U.S. subsidiaries, NEC Electronics, which produces ICs here, and NEC Home Electronics. In that action, Zilog charges NEC's PD780 MPUs violate patent, trademark & copyright it holds for popular Z-80, and that NEC product is essentially Z-80 copy. Zilog is asking court to enjoin further sale of NEC's MPU and damages of up to \$30 million. NEC responded earlier this month with countersuit.

Zilog's reaction came last week when it filed unfair MPU import competition complaint against same NEC units with International Trade Commission. Petition, which also claims patent infringement, asks that allegedly offending IC imports be banned. Not to be outdone by latest twist, NEC says it will bring suit in Tokyo district court in effort to have Zilog MPU's barred from Japan.

RCA stock is back in news after hiatus of several months following Allied's acquisition of Bendix and disposal of 5.5 million RCA shares Bendix had bought in possible takeover attempt. This time it's counterfeit stock certificates. N.Y. Stock Exchange is warning members to look before they buy, following seizure by Customs earlier this month of bogus certificates, which entered through N.Y.'s Kennedy Airport from London. Separately, Berkshire Hathaway said it and Chmn. Warren Buffett had acquired 565,000 RCA Series D preference shares, or 5.3% of that issue, for investment.

Korea's Daewoo, giant conglomerate which expanded into consumer electronics and appliances earlier this year through acquisition of businesses from Taihan Electric Wire, is wasting no time in flexing its international muscles. New subsidiary Daewoo Electronics said it has contracted to build color TV and refrigerator plants this year in Indonesia, Malaysia & Sudan. Company said it also will provide local owners of those facilities with technology & parts.

Sony's new Watchman, shown privately during CES, is 20% smaller than current version, has 2" flat tube mounted on slant to provide shadowbox effect, improving contrast. It has contrast control, better speaker than current \$300 version, is expected to sell later this year for around \$200 without radio, \$270 with stereo FM-AM.

SOFTWARE STANDARD: Formal adoption of Microsoft Super Extended Basic (MSX) as standard language for home computers, with agreement on standard interfaces for peripherals & accessories by 14 Japanese manufacturers, along with several U.S. software firms plus marketer Spectravideo, could open market here to hardware & software import flood, increase already intense competition.

Standardization pact was announced last week in Tokyo and at N.Y. news briefing by Spectravideo. SV Pres. Harry Fox said his model 318 computer served as prototype for development of MSX, and that SV has given Microsoft design license it needs to finalize programming effort. First MSX computers & programs are slated for 4th quarter introduction. Launch of program to come up with standards for Japanese market was announced last March (Vol. 23:13 p15).

Japanese home computer makers going along include Canon, Fujitsu, General, Hitachi, JVC, Cybernet parent Kyocera, Matsushita, Mitsubishi, NEC, Pioneer, Sanyo, Sony, Toshiba & Yamaha; Sharp is understood to have been last minute dropout. Of group, only Matsushita, through Panasonic, is now active in U.S. low-end home computer field. U.S. programmers Sierra On-Line and Spinnaker announced they'd join Microsoft in providing software. Others can be expected to adopt MSX if format shows signs of catching on. Standard calls for use of Zilog Z-80 microprocessor, graphics processor chip from TI, sound processor IC from General Instrument. Compatible ICs from other manufacturers can, of course, be substituted.

Spectravideo said it would have MSX adaptor module for its computers on market late this year for about \$75. Similar modules could be used to adapt Atari, Coleco, Commodore and some Radio Shack models.

It has only been desire to avoid having to distribute programming that has kept most major Japanese computer makers out of U.S. market. Same situation also has hindered effort of dozens of large & small companies in Hong Kong, Korea & Taiwan, most of which look for OEM customers here. Program standard would solve that, throw market here wide open.

Even more critical is threat to continued profitability of software & peripherals in U.S., market segments on which many hardware makers have been counting to restore black ink to their books. As all MSX accessories will fit and work with all MSX computers, consumers will have no concern over building single brand system. Instead, they'll be able to assemble multi-brand packages, basing buying decisions on features, price or retail pressure selling, just as they now do with hi-fi components. As for software, there are literally hundreds of programs floating around Far East looking for exactly kind of market MSX could provide here.

Computer price deals announced at recent CES in Chicago have already hit street. Commodore 64 was advertised last week at \$200, Timex \$50, Panasonic \$269.

FUTURE TECHNOLOGY: Much of future of consumer electronics was laid out June 8-10 in Des Plaines, Ill. at IEEE's annual International Conference on Consumer Electronics (ICCE). In addition to papers on digital TV (see report elsewhere), these were among highlights:

GE gave technical specifications of its Homenet home control system, which lets consumer control electrical & communications devices in home through keypad and video screen, and asked for standardization of computer communication rules & codes for compatibility of such local control networks.

In TV, both Toshiba and Hitachi described different CCD-based approaches to ghost elimination. Toshiba already is marketing its system in Japan (Vol. 23:23 p14). CBS proposed 3-channel "triphonic" sound system for DBS which it said was compatible with mono and with the 3 proposed TV multichannel sound systems. One discussion session treated industry committee work on standardized TV-CATV interface (Vol. 23:22 p13), and paper by RCA outlined approach to standard CATV port in TV sets.

Philips gave details of single-chip multistandard TV decoder which can demodulate signals of 4 different color standards (PAL, SECAM, NTSC, NTSC 4.4 MHz), seen as outgrowth of work on single standard chassis for all Philips companies (Vol. 23:17 p12).

Presumably in keeping with low profile being adopted toward new VCR standards in Japan (Vol. 23:24 p18), there were no papers on 8mm video. However, Sony gave paper on Betamovie, noting that "as this system is adaptable to not only the Beta format but to all formats, it will open the road to a variety of new, wide-use type products in the future."

Another Sony paper described tiny digital helical-scan audio recorder using 0.15" tape in package only 25% the size of standard audio cassette, with 1/4 the tape consumption, 3 hours recording time, rewind & fast-forward at 200 times normal speed.

Mandatory teletext decoders in new color TV models will be recommended in teletext regulation reconsideration request slated for filing with FCC June 20 by Center for Public Policy & Research, as represented by Henry Geller, ex-FCC, and Philip Rubin, ex-CPB. Rubin told us he intends to submit figures showing built-in decoder would cost set makers no more than \$35 per set, said it's possible petition would suggest exemption for sets retailing for less than \$300.

Atari founder Nolan Bushnell is expanding his hi-tech horizons to TV programming. Currently running Pizza Time Theaters (food & game), home robot maker Androbot and arcade videogame developer Sente, Bushnell now will function as exec. producer of Videogame Previews, weekly half hour of videogame reviews, playing tips and technology updates being syndicated to independent stations for next season by Golden West Bestg. VP is expected to fill Sat. morning time slot.

COLOR TV AT CES: Upcoming flat square tubes (FST), hi-tech look and monitor-receivers with antenna switching for remote access to pay cable, VCR, etc., many with front mounted video & audio inputs, highlighted color TV introductions at CES.

Toshiba made most of FST at its booth, displaying 14" at \$780 and 20" at \$800, \$900 & \$950, described here in April (Vol. 23:17 p12). Hitachi showed own version of FST in 20" monitor receivers, unpriced, for availability later in year. Introductions from Hitachi: 13" random access 106-channel table model with on-screen time-channel display at \$400, remote version at \$450; 19" counterparts are \$520 & \$589; 19" with 139-channel dockable remote, video-audio jacks is \$650, step with stereo audio is \$740.

Sanyo debuted new 19" version of its Proponent monitor series at \$650, with 400-line RGB input. Sanyo's new color prices: 5" minicombo with AM-FM, cassette, \$600; 12" AC \$250; 13" AC \$280, step-up \$300, keypad version \$350, keypad remote \$400, monitor styled unit \$330, keypad remote version \$380; leader 19" is \$300, step-ups \$350 & \$370, keypad \$430, scan remote \$450, keypad remote \$500, VIR remote with audio output jack, tone controls, \$550, deluxe 105-channel keypad remote \$600; 25" table model \$530, 112-channel keypad remote \$700. Holdover monitors are 19" at \$600 and 25" at \$800. Monochrome sets run \$75-\$300.

Sharp introduced new color line, starting with 19" at \$340, AC-DC step-up with video & audio jacks to come in Oct. at \$390; leader 13" portables are \$330 & \$340, ladder remote \$450, 136-channel keypad remote \$550; 15" hi-tech unit with dockable remote \$600; 19" leader is \$400, ladder tuned 136-channel with on-screen channel number \$500, remote \$560, hi-tech unit with on-screen mode display \$720. New 25" models (prices unavailable): 142-channel scan remote table; keypad consoles (one direct, one remote) with input jacks, color-coded on-screen display of channel, time, sleep timer, viewing time remaining; 2 high-end versions with RGB input, "Channel Restrictor" to let parents block certain channels.

Mitsubishi features 139-channel on-set keypad tuning on all standard color sets, on-screen time-channel display, remote switchable dual antenna inputs on step-up 19" and all bigger-screen remotes, video-audio jacks as well as multiplex jacks, plus stereo FM radio reception capability on all stereo models. Table 13" is \$390, remote \$510; 15" remote is \$560; 19" starts at \$500, remote \$650, slim-line monitor-look remote with jacks and switchable antenna inputs \$670, high-end stereo is \$790. Leader console is 21" stereo remote at \$890; 25" starts with remote at \$900, stereo models at \$1,200 & \$1,300. Color monitors in 13" with built-in tuner and component 19" feature medium resolution tubes at \$600 & about \$900, component 25" with standard tube \$1,250, while 139-channel remote tuner is \$550.

NEC color monitor & monitor receiver line now has 8 models -- 12" monitor at \$350; monitor receivers in 13" (\$500), 19" (\$700), 25" (\$850) sizes; consumer monitors in 19" (\$550) & 25" (\$700) sizes;

professional monitors at \$850 for 19" and \$1,100 for 25".

JVC showed new monitor receiver series with remote antenna, CATV & video switching, with 3 input jacks, including one at front of set, in 19" & 25" sizes.

Emerson had expanded TV line on display, most with suggested retails designed to provide margins some 20 points or more above average. Color sets are sourced from Korea's Gold Star. Leader 13" with mechanical tuning lists at \$400, step with 105-channel remote is \$550. In 19", mechanically tuned leader is \$450, step with 12-station ladder electronic tuner is \$500, with remote version at \$550; random access keypad 105-channel remote is \$650, top-end monitor-look 105-channel remote with sleep timer, audio output jacks is \$700. In b&w AC-DC, 4.5" with stereo FM-cassette is \$300; 5" starts with basic portable at \$150, step with 4-band radio is \$200, stereo FM-cassette with detachable speakers is \$400. Sole AC-only is basic 12" at \$130.

Gold Star added color trio -- 13" with 14-station ladder tuner and random access remote at \$330; 19" mechanically tuned leader at \$330, 14-station random access remote step up at \$460. In CES exhibit, Gold Star also showed prototypes of 13" and 19" slim-line remote monitor-look models for later introduction.

Proton introduced its first 25" monitor at \$1,050 with built-in stereo amplifier, added unpriced 127-channel 19" remote with video-audio jacks, horizontal resolution in excess of 370 lines.

Samsung had long color line, all 13" & 19", dropping former 12" pricing leader. In 13", line starts with mechanically tuned trio at \$300 & \$305, steps to pair of 14-channel remotes at \$405. In 19", mechanically tuned pair are \$370 & \$385, remotes with 14-channel tuners are \$450 & \$465, with keypad 105-channel remote step-up at \$550. B&w 5" AC-DC are \$115 & \$128, last with FM-AM; 12" AC-only models are \$80 & \$84, with AC-DC at \$95; 19" is \$300.

Tatung was among companies demonstrating high-tech look color monitors at CES for later delivery, but for here & now, line opens with 13" mechanically tuned models at \$300 & \$305, with 12-channel remote at \$360, step-up with 117-channel random access remote tuning at \$400. In 19", mechanically tuned models are \$350 & \$370, 12-channel remote is \$430, 117-channel step-up is \$470; 25" double sided console with matrix stereo, 117-channel remote is \$1,000. Tatung's Audicolor, simulated stereo output for feeding to outside amplifier, is featured only on 25" and 13" & 19" mechanically tuned step-up models. In AC-DC, 5" color FM-AM-cassette combo is \$420, 9" color is \$320, 9" b&w is \$100, 12" pair are \$90 & \$100. VHS VCR 4-head deck with wired remote is \$700.

Earth station at \$2,495 retail, including 8-ft. dish, 24-channel receiver with pushbutton tuning, LED channel display, is being offered by Channel Master. Vp Don Berg said 8-ft. disc delivers "perfect picture in most areas of the country."

PROJECTION REVIVAL: New interest in projection TV, stemming from 1983's sales revival, was evident in CES introductions.

Kloss Video expanded line with 2 new units based on Model 2 portable monitor: (1) 2-piece system with optics designed for curved screen, priced at \$2,600 including screen. (2) Ceiling mount version, designed to project on wall or flat screen, at \$2,700. Kloss also introduced its first product under Videobeam name, acquired by Advent — 2-piece high-resolution monitor with 6.5-ft. screen for professional applications, with RGB input, capable of displaying alphanumeric and computer graphic material — to be available within 9 months at less than \$10,000.

Panasonic showed completely new compact 37" rear projection console due later this year, measuring 37" high, 33" wide, 24" deep, with new mirror, new tubes, improved screen, claimed 200 ft.-lambert brightness. In future products display, GE showed 40" version of similar Matsushita-made set. Quasar also is expected to bring out 40" model.

Mitsubishi introduced new 40" rear projection TV at \$2,500; two 45" rear projectors with built-in FM stereo tuners were unpriced; 50" front-screen model is \$3,000, with doors \$3,900.

NEC continued to build projection line, with Video Products Div. Gen. Mgr. Gerald Tangney saying that company plans to have industry's largest line. Company joined trend to compact models with 40" rear projection unit only 22" deep, using new combination fresnel & lenticular screen, new tubes, with claimed 120-degree viewing angle, at \$2,800. Other models in line are 45" rear projection at \$2,800 & \$3,200, one-piece 60" front projector at \$3,800, RGB version \$4,700; 100" projector without screen at \$7,520.

NEW VCR MODELS: CES was time for filling in VCR & camera lines, with variety of new products shown. Sole new brand name entry — or re-entry, depending on definition — was Kenwood, which demonstrated 2 home units made by JVC. Both have 4 heads, 5 motors, one-touch recording in 30-min. increments, special effects, wireless remote. Lower priced model has 14-day one-event timer. High end has 8-event timer, Dolby stereo, 105 channels, 16-channel memory.

JVC introduced 2 front-load models similar to Kenwood's, but with different cosmetics. In hotel suite, JVC demonstrated new type of autofocus camera, first to use Honeywell Visitrone system which uses split image for rapid, accurate focus, incorporating 24 micro-lenses, 48 CCD sensors, interface IC and MPU, but still weighing only 3.1 lb., for delivery later this year, no price given. JVC also showed tiny character generator camera accessory for introduction of titles during playback, which creates characters in 4 sizes, can zoom, scroll in either direction and can be stored in memory for about year. Other new JVC cameras include 2 low-light Newvicon units with 10 lux sensitivity, both with titling capability — \$995 without and \$1,295 with IR autofocus.

Sharp introduced all-new line of home VCRs, starting with 7-day one-event leader with 8-function remote at \$600. Four-head step-up has 14-day 4-event timer, 105 channels, 10-function remote, due in Sept. Top unit, scheduled for Oct., has Dolby stereo, keypad remote, 142 channels, 14-day 8-event timer. Unique feature is fluorescent display depicting tape and 2 reels with moving lights indicating direction & speed (fast forward, rewind) of tape. Remote control unit and secondary controls are located in motorized slide-out drawer.

Hitachi's new portable stereo VCR has 5 heads, tunes 133 channels, with keypad wireless remote; VCR & tuner-timer connect with single cable; price is \$1,495. New MOS camera has 1.5" beam-indexing color viewfinder (similar to RCA's), 8:1 zoom, f.2 lens, autofocus, at \$1,995. Lower priced camera, at \$1,125, has 1/2" Saticon, CCD autofocus, f1.4 lens, fade, 6:1 zoom, character generator with storage.

Mitsubishi's leader VCR deck with wired remote is open listed, 4-head step with 105-channel tuner, limited function remote is \$700, stereo deck with 29-function keypad remote is open, as is vertical portable.

Sanyo added high-end 4-head home unit with 14-day, 8-event timer, 105 channels, full-function wireless remote at \$650.

NEC premiered 2 front-load 4-head Beta recorders, one with 14-function wired remote, 2-week 8-event timer. Other is Beta Hi-Fi, has 134 channels, full wireless remote, LED peak level indicators, 2-week 8-event timer. Prices are \$699 & \$1,200. In fall NEC will have Betamovie at \$1,500, as well as CCD color camera with f1.4 lens, 6:1 power zoom at about \$2,000.

Canon exhibited new 4-head Dolby stereo portable at \$825, companion tuner-timer at \$475 and 5.5-lb. Saticon camera with variable zoom at \$860. Olympus showed IR autofocus camera with 8:1 zoom and built-in stereo microphone and 4-head Dolby stereo portable VCR.

Dismissal of charges against Mitsubishi and employees relating to theft of IBM trade secrets is being sought by company attorneys. In filing with San Jose, Cal. federal court, they say Mitsubishi was subject of "outrageous government misconduct," and was targeted for involvement because of anti-Japanese bias. Hitachi & Mitsubishi, along with some company employees and related outsider, were indicted for stealing IBM data. Case against Hitachi was closed with \$10,000 fine when company pleaded guilty to conspiracy (Vol. 23:7 p15).

Sony's exports now include advice. Sony Management Game is theme for series of 3-day seminars being staged in N.Y. during which participants get 5 years of simulated experience running all phases of business in Japanese manner. Sony says its seminars in Japan have drawn 140,000 from more than 2,300 companies. Fee is \$500. Details from Sony Management Systems, 9 W. 57th St., N.Y. 10019.

POCKET PAGERS DUMPED: Japanese pocket pager manufacturers are indeed selling their products in U.S. at less than fair value, Commerce Dept.'s International Trade Administration said last week, issuing final determination and releasing figures showing dumping margins are substantially higher than originally thought. While ruling upholds complaint brought by Motorola last Aug., other twists in case indicate that any sense of victory company may feel will be short lived.

In determination, which covers only receivers designed for use with high capacity systems — over 3,000 receivers on single frequency — ITA said it found all imports from Japan's major suppliers, Matsushita & NEC, were being dumped. Margins on Matsushita-made tone pagers ranged 85-120%, with weighted average of 109.06%. For NEC tone pager, margins ran 43-110%, averaged 70.35%, but were negligible on alphanumeric display pagers. For all other Japanese producers, average margins were 41.8%.

Last Jan., in tentative determinations, ITA found average margins of 88.07% for Matsushita, 11.72% for NEC, 88.07% for all others. Average margins determine size of dumping duty bonds importers must post with customs on incoming shipments. Sharp escalation is something of surprise as companies are generally able to have tentative margins lowered by providing ITA with information showing that lower prices on exports to U.S., as opposed to those at home or for shipments to other countries, are justified by reduced selling costs. Hike indicates NEC and Matsushita were unable to support even original claims.

Case is now in hands of ITC for finding on whether low priced imports have injured domestic industry. ITC has set June 21 for public hearing, is slated to issue finding by Aug. 1.

Edge was taken off thrill of victory for Motorola by Customs, which issued ruling that company's pagers are considered to be essentially foreign made, and must be marked to show country of origin. Ruling was in response to request by distributor of NEC pagers. According to agency, Motorola's U.S. assembly operation consists of assembling & testing "substantially complete" receiver chassis imported from its plant in Malaysia, adding coding, crystal & case. As all "crucial aspects of manufacturing" are done overseas and process in U.S. "does not substantially transform the article," pagers must have origin marking on outside of case, Customs said.

Motorola, only major domestic producer of pagers in U.S., is essentially domestic industry. Whether Customs finding that its pagers are imported will have any influence on ITC look at health of domestic industry is uncertain. NEC has asked both ITA & ITC to dismiss dumping case on grounds that as Motorola is importer it has no standing as domestic industry complainant.

Whatever outcome of dumping case may be, it's likely to provide little competitive relief for

Motorola. ITC pre-hearing staff report indicates Matsushita has started assembling pagers in Puerto Rico, while NEC is equipping new 53,000-sq.-ft. plant in Hawthorne, Cal. for pager production, is slated to start output in Aug. As dumping finding would cover only complete pagers, their import of subassemblies would be unaffected.

On top of that, new import competitor is emerging in ITT's U.K. subsidiary Standard Telephone & Cable. STC, which has plant in Belfast, has landed pager supply contract from Tandy, which will sell them through its Radio Shack stores. Buyers will be required to subscribe to service from local operators under agreements worked out by Tandy.

SONY NET DOWN: Sony cited continued pricing pressures, quota limit on VCR exports to EEC, high R&D and new product introduction costs, decline in Latin American market sales among factors contributing to steep drop in consolidated earnings on slightly lower sales in quarter & half to April 30 (see financial table)

Net was off 56.6% on 3.6% sales decline in quarter, was down 66.2% on 1.9% sales slip for full period. Sony sales improved in Japan, rising 9.3% to \$331.6 million in quarter and 7.9% to \$657.6 million for half. But gains weren't enough fully to offset sag overseas, where revenues fell 8.4% to \$750.8 million for 3 months, 5.5% to \$1.55 billion for 6 months.

Sales breakdown by segment for quarter (with first half results in parentheses): Video equipment, including VCRs, \$451 million, down 9.3% (\$917.5 million, down 3.7%); TV \$248.5 million, up 2% (\$514 million, down 0.5%); audio \$239.8 million, down 6.7% (\$501.7 million, down 6%); other, including office equipment, \$143.1 million, up 14.6% (\$271.4 million, up 11.7%). Results for TV: Color \$226.5 million, up 4.3% (\$467.8 million, up 0.8%); b&w \$3.91 million, down 13.9% (\$9.13 million, up 23.4%); projection \$7.76 million, down 18.9% (\$16.8 million, down 26.3%); other, including components, \$10.4 million, down 15.8% (\$20.3 million, down 8.2%).

Sony said it improved financial situation in quarter by lowering inventories 8.4% to \$1.15 billion and reducing need for short term borrowing. It said outlook is for pickup in U.S., but sales prospects in developing countries are unclear.

Hitachi posted higher consolidated sales & earnings in year to March 30. It said consumer product sales were flat at \$3.48 billion, reported that effect of rising VCR unit sales was partly offset by lower prices while sales of other consumer electronics held about level. Largest growth came in information, communication systems & electronic devices segment, with 14.3% sales increase to \$3.79 billion, making it Hitachi's biggest individual sector, replacing consumer products. At news conference in N.Y., spokesman told us Hitachi produced about 1.4 million VCRs in last fiscal year, intends to turn out "a little over 1.8 million" in 1983. This year, Hitachi replaced Matsushita as supplier of VHS home decks to RCA. He said company expects only "slight increase" in color TV output over 1.25 million it made last year.

Computer magazines for ages 10-16 are due in Oct. from Atari parent Warner and Children's TV Workshop. Microkids, from Warner Software, will be semi-monthly priced at \$2.95, have first printing of 150,000 copies. CTW will offer Enter, with \$1.50 cover price, 200,000 guaranteed circulation... Home Computer Review is slated for Dec. debut by Viare Publishing (Video Review, Electronic). It's expected to have \$2.50 cover price, 75,000 startup circulation... Newsweek will include Personal Computer Guide supplement, developed by Digital Retailing magazine, in Oct. 31 issue.

Japan's top 9 IC makers expect to boost sales in current fiscal year to April 1 by 19.5% to \$6 billion, will spend \$1.2 billion on new plants & equipment, up 26.4%. About 70% of sales will be in home market, though significant percentage of that will end up being exported in finished products. Industry credits growth to continued rising demand for ICs from computer and consumer product makers.

Videocassette price hike of 10% was announced in Japan by TDK, and other major makers there said they would go along. Worldwide VCR sales boom has stimulated demand for cassettes, brought end to overcapacity & inventory problems there. But competition in overseas markets from U.S., European and other Asian producers probably means prices won't be going up here.

Digital 1/2" VCR which records on metal tape has been developed by Hitachi. Company says unit, which it claims provides twice picture quality of present 1/2" VCR models, is for broadcast & industrial use, and that version priced for consumers is still years away.

Modular videocassette duplicating system and other products of Dwight Cavendish Co. of U.K. will be distributed in U.S. by Video Systems Inc., 2117 Chestnut Ave., Wilmette, Ill. 60091; phone (312) 256-0937.

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TI, ACTIVISION WOES: Texas Instruments stunned Wall St. last week with statement that depressed home computer business could result in loss of up to \$100 million in 2nd quarter, indicating \$93 million deficit for first half. That would mean net downswing of \$157 million from first half 1982.

TI said it experienced "sudden & unanticipated" decline in dealer orders for software because of excess inventory at retail, was increasing reserves for consumer rebates, had cut its planned 1983 production and that it no longer expects to earn profit from consumer electronics operations this year.

News sparked stock selling wave that sent price down more than \$50 per share, or about 38%, before it bounced back somewhat. At one point, loss in value of TI shares outstanding approached \$1.2 billion. It also triggered less severe selloff of shares in other home computer companies, including Coleco & Tandy.

This hasn't been banner year in computers for TI. In first quarter, it discovered safety defect in power transformer, took \$50 million charge to cover cost of recall & replacement. Prospect of continued losses in face of intense competition has led some analysts to believe TI may be considering dropping out of home end of computer business.

Move wouldn't be without precedent. TI entered, dominated, then quit watch business, has shifted emphasis in calculators to full-featured semi-pro models. Fueling speculation was TI's failure to have step-up 99/8 computer at CES exhibit, last minute cancellation by computer head William Turner of scheduled appearance as keynoter at show's computer-game seminar.

Activision presumably wasn't surprised by TI's report of excessive field software stockpile. Just week earlier, it issued revised final prospectus for 4 million share offering in which it said it "recently experienced a slower rate of orders" from retail & wholesale customers. It attributed slowdown to "customer concern over inventory levels in general" and said it felt dealers were holding off on games because of need to add computer software lines.

As result, Activision said, it now expects lower sales, only modest profit in opening fiscal quarter to July 3. While first half sales should be about even with last year, income will be "significantly lower." Preliminary prospectus called for sale of 4.5 million shares (Vol. 23:19 p16), and updated filing shows reduction came through trimming to million shares offering by insiders and other current holders. They retain 87.8% interest instead of planned 86.2%. Intention was to price shares in \$15-\$17 range, but they hit street at \$12.

Saunders Assoc. presumably believes there's still money to be made in videogame business. Owner of basic videogame patent to which North American Philips has sublicense rights said it received \$1.8 million in quarter to April 29 as its share of Mattel's payment to NAP in settlement of patent infringement suit. Agreement reached in Feb. is understood to have included lump sum payment of \$10-\$20 million to cover back royalties on Mattel's Intellivision products (Vol. 23:8 p14).

Consumer Electronics Personals

Henry Kindig ex-operating vp, named to new post of vp-plant mechanization in major realignment of Philips ECG, picture tube manufacturing arm of North American Philips under Pres. John Torre. Other reassignments: David Mackey takes new post of dir. of mfg., based in Ottawa, O., succeeded as Seneca Falls plant mgr. by John Musolino; Richard Wilde, ex-materials dir., becomes dir. of CRT quality assurance. All sales & marketing activities are centralized under Vp Joseph Dorcy; Harvey Forest, ex-Zenith, named mgr. of process & mfg. engineering, new post; Hans van der Ven, ex-data display tubes mgr., takes new post of new business planning mgr.

Charles Mitchell advanced at RCA Selectavision Videodiscs from special programs dir. to east coast programs vp; Richard Klinger, west coast programs dir., named vp; both add former responsibilities of Seth Willenson, who resigned as programs & business affairs vp last March to join United Satellite Communications as program development & planning vp... Deborah Call leaves post as mktg. dir., Embassy Home Entertainment; Robert Cook promoted to vp-sales & mktg... Len Grossi, ex-Paramount, joins Sound Video Unlimited as chief operating officer in restructuring; Herb Fisher, ex-ABC Records and Major Video Concepts, named sales & mktg. vp; Stan Meyers appointed Records & Video Divs. vp; Robert Jacobs named Computer Div. and operations vp; Dave Bixler appointed Video Div. dir.

Daniel Weadock advanced at ITT Europe from exec. vp to pres., succeeding John Guilfoyle, now ITT Telecommunications pres... James Springgate named pres. of new Monsanto Electronics Materials units; Haskell Waddel named mktg. vp, John Luke sales vp... Patrick Brennan, National Semiconductor treas., and Controller Phillip Russell, named vps.

Trade agency realignment of U.S. domestic & international trade policies being proposed by White House has drawn bipartisan opposition from House Ways & Means Committee leadership. Chmn. Rostenkowski (D-Ill.) and ranking Republican Conable (N.Y.) were among 6 members signing letter to House Govt. Operations Committee expressing "serious concern" that change would weaken U.S. trade efforts. Proposal calls for consolidating Commerce and Presidential Office of Special Trade Representative into new cabinet level International Trade & Industry Dept. Commerce's non-trade functions, including weather & standards units, Census and Economic Development Administration would become independent or assigned to other agencies. International Trade Commission would be unaffected.

Pioneer won substantial reduction in trade restraint fines imposed against it and 3 distributors in Dec. 1979 by France. European Court of Justice upheld charge that companies attempted to restrict distribution of hi-fi products, but ordered penalty to \$1.8 million from \$3 million. Pioneer said it wasn't satisfied with verdict, but would comply to bring case to conclusion.

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JUNE 27, 1983

VOL. 23, NO. 26

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

OPINIONS VARY ON 5-MEMBER FCC: Some see small impact, little difference. Rivera sees 'substantial impact.' (P. 1)

BELO BUYING 6 CORINTHIAN TVs for \$606 million cash in largest group station buy ever; 3 Belo stations will be put on market. (P. 2)

NPR COULD 'COLLAPSE' within 2 weeks. NPR Board said it needs \$6-\$10 million to keep running in face of \$9.1 million deficit. (P. 3)

CABLE'S IMPACT ON LOCAL PHONE rates debated at House Telecom hearing. Telephone executive criticizes cream-skimming. (P. 4)

JUSTICE DEPT. CLOSE TO AGREEMENT with networks too allow them to produce more of their own programming. (P. 4)

FCC's LPTV COMPUTER UP: Long stalled applications now being processed. (P. 6)

PACE LAGS AT RARC TALKS: Countries wrangle over politics, nearly double their requests for orbit slots. (P. 6)

THIRD TELCO BEGINS FIGHT with cable over data transmission. Mountain Bell vs. Albuquerque cable system. (P. 7)

Consumer Electronics

VCR PRICES DROPPED by 1/3 in 5 years, import data show. Dip of 22% to \$356 seen this year. (P. 9)

COMPACT, ITA AWAITING word on whether Supreme Court will block finalization of Japan color TV dumping settlement. (P. 9)

VCR, COLOR IMPORTS jumped in April. Color sets from Korea, Singapore, Taiwan double last year. VCR inventories at only 4-week supply. (P. 10)

EXTENDED WARRANTIES are spreading, and with them NATSEA's 'alarm' at trend involving major manufacturers. (P. 11)

PHILIPS' VIDEO WOES delineated in report which questions viability of V2000, calls LV failure. European VCR growth 'phenomenal.' (P. 12)

SEC LOOKING AT TI stock trades by insiders just before company revealed computer market woes. Skittish market overreacts on Coleco. (P. 13)

TELETEXT CONFLICT—Taft, Zenith launch Cincinnati system, incompatible with '84 decoders by Sony, GE, Panasonic, Quasar. (P. 14)

ATARI PAYING OUT up to \$50 million to buy back inventory from dismissed distributors. Exclusivity policy being reviewed. (P. 14)

TO OUR NEWS SOURCES: Please make certain your mailing and messenger departments are using the new address of our N.Y. editorial office — 475 Fifth Ave., New York, N.Y. 10017. Mail sent to our former address is delayed up to a week. New phone number is 212-686-5410.

OPINIONS VARY ON HOW FCC WILL DO WITH 5 MEMBERS: By congressional mandate, FCC will have maximum of 5 commissioners starting Fri. — although actually there will be only 4 for several weeks since terms of Comrs. Fogarty & Sharp expire Thurs. and vacancy created by resignation of Jones hasn't been filled. "I don't think [5 members] will change anything about the way we operate," Chmn. Fowler told us, and most others we talked to generally agreed. However, Comr. Rivera said it will have "substantial impact" and be "tremendously significant."

Many speculated that having only 4 others to contend with will make it easier for chmn. to

get 2 more votes on most issues and give him more control of agency. "I've heard that, but I don't think it will be any easier or any harder," Fowler said. "We'll continue to have agreements and disagreements... What's important is that the remaining 4 [Fowler, Quello, Dawson, Rivera] all get along personally." He did see difficulties if Commission remains with only 4 members for extended period. He said it "wouldn't be the essence of good government" to have series of 2-2 split votes and that will be avoided. However, he said, he didn't expect agency to become "paralyzed." As to whether controversial items will be held up until 5th person is on board, he said: "I'll have to wait and see what the item is and what the split is."

An ex-commissioner said "long-term difference won't be very significant... I never thought 7 was a magic number." However, he said reason for reducing Commission to 5 members last fall -- Senate opposition to Sharp -- is "a real shame... Now, Sharp could easily win confirmation [for 2 years remaining on ex-Comr. Jones's term] but the chairman doesn't want him." Also, it's pointed out, Sharp has said he doesn't want reappointment. Ex-member said Fowler will have "a big management problem" if agency remains at 4 members well into fall. "Nothing is likely to happen unless Fowler checks around and makes sure he has 2 votes."

Rivera said it will be much easier for a member to challenge chmn. with just 5 members, said power of each member will rise significantly. It also will be easier for chmn. to consult in advance with others, seek input on policy decisions and proposed orders. "That doesn't happen around here very often now," Rivera told us. Changes also will occur in management of FCC because each commissioner will become more important and more involved -- "the power of all of us will be enhanced."

NAB Senior Vp-Gen. Counsel Erwin Krasnow said he agreed with Rivera that individual members will have more power to either pass or block an item. For that reason, he said, Jones successor will be "very important to broadcasters." He predicted many major items will be delayed while there are only 4 sitting. Ex-Comr. Tyrone Brown said it would be harder for chmn. to control other commissioners and make each member's vote that much more valuable.

Speaking of only 4 members, liberal Democrat Fogarty said Fowler is "going to have more trouble without me than with me because of the strong wills of the other 3." And, he said, same likely will be true when 5th member comes aboard.

Thurs. will be Sharp's last meeting (Fogarty recused himself from participating in mid-May) and he plans to participate. Commission has heavy agenda -- 20 items in open meeting (including proposed rulemaking deregulating TV on much same lines as those for radio; it's expected to be released for comments on 5-0 vote), and 8 in closed meeting. July meetings (with only 4 members) are 14th & 28th; single meeting will be held in Aug. as required by law. Officially, it hasn't been decided what to do with most of extra space on 8th floor of FCC hq with drop to 5 comrs. However, Rivera is expected to move into corner suite being vacated by Fogarty; Dawson said she'll stay put, won't move to corner suite now occupied by Sharp, may get extra space now assigned to Rivera. In addition, Commission's tentative plan is to add conference room on 8th floor (it now has none).

White House is said to be "focusing" on successor for Jones after search had been put on hold. Administration official said he didn't know how soon appointment would be made or who it would be. Another official said primary reason no one has been appointed is because of network financial interest rulemaking -- and dispute among close 2 friends of President. Under this scenario, USIA Dir. Charles Wick is pushing for someone who is against network ownership of syndicated programming while influential Washington PR exec. Robert Gray favors networks.

BELO BUYING CORINTHIAN TVs: In largest group station purchase ever, Dallas-based A.H. Belo has "definitive contract" to buy Corinthian's 6 TV stations from Dun & Bradstreet for \$606 million cash. Purchase will give Belo 9 TV stations (8 Vs, one U), 2 over FCC limit and 3 over limit of 5 Vs, and Belo said it will sell 3 VHF's -- didn't specify which. Announcement also didn't disclose value assigned to each Corinthian station: VHF's KHOU-TV Houston, KOTV Tulsa, WVEC-TV Norfolk, WISH-TV Indianapolis, KXTV Sacramento, UHF WANE-TV Ft. Wayne.

Belo owns WFAA-TV-AM-KZEW(FM) Dallas, WTVC Chattanooga, KFDM-TV Beaumont,

Dallas Morning News and 7 community newspapers in Dallas-Ft. Worth area, Tenn. cable system, and is awaiting FCC approval of purchase of KOA(AM)-KOAQ(FM) Denver from GE. Belo has been very expansion-minded in TV, recently losing out to Allbritton in bid to buy KATV Little Rock & KTUL-TV Tulsa from James Leake. Belo also recently backed out of deal to purchase WVUE New Orleans for \$60 million from Gaylord Bestg.

Dun & Bradstreet had announced May 9 that it would sell all its TV stations except KHOU-TV, and several groups were negotiating for one or more. There also were strong rumors in Houston and N.Y. that CBS hoped to buy KHOU-TV for price in \$285 million range. That report, in turn, had CBS selling KMOX-TV St. Louis, its smallest market.

James Moroney, Belo pres., and D&B Chmn. Harrington Drake said jointly "rarely does a major transaction so closely achieve the strategic objectives of both companies [as] this one does." Added Moroney: "We have previously stated that A.H. Belo's growth over the next 5 years would be closely tied to broadcasting. This transaction is extremely attractive to Belo because it enables us to accelerate our growth objectives at least 3 to 5 years." Belo's gross revenues in 1982 were \$203.4 million with net income of \$23.1 million (\$2.47 per share). Revenue for first quarter 1983 was \$52.2 million, net income \$5.6 million (60¢). Corinthian stations had been listed with Goldman Sachs. InterFirst Bank of Dallas will take lead in arranging Belo financing for purchase.

NPR COULD 'COLLAPSE' WITHIN 2 WEEKS: Reeling from series of resignations June 21, National Public Radio's board said it needs \$6-\$10 million in short term to avoid collapse because of \$9.1 million working capital deficit forecast for Sept. 30, loss of \$7.6 million, overall deficit \$5.5 million. Board forced Chmn. Myron Jones to resign, accepted resignation of Arthur Roberts, chief financial officer & asst. treas. Interim Chmn. Donald Mullally late in week said he wants all board committee chmn. to resign.

Late in week, Mullally said NPR is "not more than 10 days, 20 at outside" from collapse because of more than \$4 million in unpaid bills. Creditors include telco, Western Union, landlord.

NPR went to CPB for aid on June 22. CPB officials, providing little detail, pledged June 23 to act as NPR's "banker" to save public radio programs like All Things Considered, Morning Edition, and to preserve station interconnection. CPB wants control of NPR to be in hands of member stations to avoid recurrence of crisis. It also wants significant commitment from public radio licensees beyond already approved \$1.6 million transfer to bail out NPR.

Mullally told stations serious consideration has been given various financing alternatives for system, including bankruptcy under Chapters 7 & 11. CPB is most probable financing alternative. Pfister said it would be "naive" to think NPR situation does not have serious impact on supplemental funding proposal in Congress, said CPB will make full accounting to Congress about why no action was taken previously on NPR situation.

Bornstein went to Congress during week to explain situation to Housing Appropriations Labor Subcommittee, had hour long private talk with Rep. Wirth (D-Colo.). Rep. Dingell (D-Mich.) is being urged to hold hearings on NPR's troubles in Oversight Subcommittee that he heads.

NPR must also deal with unauthorized national fund-raising campaign begun by former Sen. Clark (D-Ia.) which spent more than \$36,500 to place ads in Washington Post and N.Y. Times June 19. Station officials opposed ad saying it would harm their local fund-raising efforts.

Cosat Chmn. Joseph Charyk, speaking before National Press Club luncheon last week, branded Orion planners as "several opportunistic rather than imaginative or creative entrepreneurs." Proposed "private" international satellite system over Atlantic "would not add any new dimension to the capabilities already available through Intelsat, but would instead propose to serve a limited category of customers in a limited geographic area, at the expense of all other customers."

"TV network executives relying on bravado apparently are fooling themselves into believing that the unstoppable trend toward cable is only a myth," NCTA Pres. Thomas Wheeler said at Women in Cable/TV Critics Assn. Cable Day at L.A.'s Beverly Hilton Hotel.

FCC has fined Cablevision of Chicago \$15,000 for knowingly violating Commission rules against unauthorized use of aeronautical frequencies.

CABLE BYPASS SCORED: House Telecom Subcommittee heard differing views last week on emerging cable telecommunications business in its 2nd hearing on cable legislation. Mountain Bell Pres. Robert Blanz said cable systems potentially could erode 25% of total telco revenues, but MCI executive testified that alternative communications "potentially remove the last remaining bottleneck of the Information Age — the local distribution market."

As Chmn. Wirth (D-Colo.) listened, Blanz painted bleak picture of telephone industry's future unless cable and telcos offer telecommunications under same regulations. He said Cox Cable CommLine data transmission service in Omaha could siphon as much as \$40 million annually from Northwestern Bell. He said Northwestern estimates revenues of about \$18.5 million annually from its 140 largest customers. "We think that 70-80% of that revenue could be lost to unregulated competitors unless the phone companies are permitted to compete on an equal basis." That translates to more than \$7 monthly per customer in Omaha, he said.

Congress should encourage alternative technologies for local distribution of telecommunications services, MCI Senior Vp-Regulation & Public Policy Eugene Eidenberg said. He said MCI's experiment with such technology with Cox in Omaha isn't intended "to connect one customer with another within a locality." It's existence of such alternative communications "that will produce the incentives for telephone companies to provide innovative, efficient services at prices based on cost." Eidenberg said telephone plant is outdated and that only competition from cable and others will provide adequate incentive for modernization. Terminal equipment and transmission services routinely operate at speeds of 1.544 million bits per sec. while twisted pairs are generally incapable of transmission speeds above 96,000 bits per sec. -- 160 times slower, he said.

Black Entertainment TV Vp Edward Maddox echoed theme of Wirth's opening statement in which Wirth said diversity should be goal of federal legislation "to assure that the electronic marketplace of ideas has not only many voices but many tongues as well." That's commendable, Maddox said, but is unrealistic for minority programmers because of FCC's must-carry rules: "I ask you why should a television station that merely relays network or syndicated mass appeal programming have federally guaranteed access to a scarce cable channel when I have none?" He said must carry rules "are anti-competitive, discriminatory and designed to kill off diversity in its infancy."

Taft Bestg. and Zenith last week launched 100-page "Electra" British-standard teletext service over Taft's WKRC-TV Cincinnati. Zenith Senior Vp Robert Hansen announced that company's new Z-TEXT decoders, selling for around \$300, should be in retailers' hands by mid-July, shipped by distributor Tracy-Wells. System thus will beat to market incompatible services of CBS and NBC. (For details, see Consumer Electronics section.)

Justice Dept., following through on statement last Jan., is said to be close to agreement with TV networks to permit them to produce more of their own programming than maximums prescribed in consent decrees. Decrees resulted from antitrust suits filed by DoJ against networks in 1972, were signed 1977-80, limit networks to producing 2-1/2 hours per week prime time, 11 hours fringe time, 8 hours daytime. It's these restrictions DoJ proposes to agree to relax, subject to approval of U.S. Dist. Court in L.A. Justice telegraphed intent last Jan. in comments on FCC financial interest rulemaking when it said it planned to review consent decrees because restrictions had become outmoded in more competitive programming marketplace that has developed.

Citing "acute financial crisis," National Communications Club, Washington, closed its doors after serving lunch June 23. Club had \$2,000 in bank, \$18,000 debt. In attempt to remain open, Club recently set quarterly spending minimum, assessed members \$200. Only 97 (including 34 non-resident) of 341 members paid assessment, another 54 canceled memberships, rest haven't been heard from. Club official expressed hope other members would pay \$200 so bills can be paid. Club was formed in late 1950s as Bestrs. Club, closed for more than year once before because of financial difficulties.

Top management was announced for newly merged service of Cable Health Network with Hearst/ABC Video Services (HAVS) Daytime under proposed new parent Hearst/ABC-Viacom Entertainment Services (HAVES). CHN Pres. Bruce Johnson is HAVES pres., while HAVS Programming Vp Mary Alice Dwyer-Dobbin takes same title at HAVES. CHN, moving production facilities to N.Y. from Cal., is likely candidate to take over affiliate and ad sales representation for as-yet-unnamed channel.

U.S. State Dept. has agreed to meet with Cuba to iron out differences over Cuban interference. Spokesman for NAB All Industry Cuban Interference Task Force said group met last week with State officials, including Miles Frechette, former dir. of Cuban affairs, and his replacement Robert Ryan. Two reportedly told task force that talks have been proceeding that could lead to bilateral meetings with Cuban govt., possibly as early as Aug.

New officers of FCBA: Pres. Edward O'Neill of Bryan, Cave, McPheeters & McRoberts, succeeding Herbert Forrest, Steptoe & Johnson; Vp Jonathan Blake, Covington & Burling; Secy. Richard Zaragoza, Fletcher, Heald & Hildreth; Asst. Secy. Raul Rodriguez, NTIA; Treas. Marianne McDermott, Washington PR firm Hill & Knowlton; Delegate to American Bar Assn. Richard Wiley, Wiley, Johnson & Rein.

NAB has launched bi-monthly Telemedia magazine for TV members. It will go monthly in Jan., start selling ads, as will other NAB publications such as RadioActive.

As a Special Bonus,
Conference Delegates Will Receive
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DBS LIFTOFF



September 19, 1983
Vista Hotel, Washington, D.C.

An Examination of the New Chaos on the DBS Launch Pad —A Conference for Leaders in Satellite Broadcasting

Pressing nuts & bolts issues of DBS implementation now present themselves. This international conference, sponsored by Television Digest and Satellite Week, the authoritative DBS and satellite communication newsletter, will address the crucial agenda items and provide strategic planners with an opportunity to hear and question the executives with direct responsibility for DBS development.

As an added benefit, delegates to the DBS Summit will receive, absolutely free, a copy of **Countdown II: Jockeying at the DBS Starting Gate**, the new DBS source book published by Satellite Week, a \$95 value.

The DBS Summit is particularly timely, coming as DBS matures from the proposal stage to the actual introduction of DBS services in the marketplace. Subject matter to be emphasized at the DBS Summit includes . . .

- . . . The competition between low- & medium-power satellites and high-power birds.
- . . . The \$25 billion opportunity in home earth stations.
- . . . DBS and the program connection.
- . . . How DBS will work globally — and how what happens in other countries will affect how the game is played in the U.S.

Faculty at the DBS Summit represent the world leaders in DBS and include U.S. DBS Ambassador **Abbott Washburn** with legal asst. **Leslie Taylor** . . . RCA Astro-Electronics Pres. **Charles Schmidt** . . . Satellite TV Corp. Pres. **Richard Bodman** . . . Alcoa-NEC Exec. Vp **Dennis Fraser** . . . United Satellite Communications Pres. **Nathaniel Kwit** . . . M/ACom Vice-Chmn. **Frank Drendel** . . . DBS Corp. Pres. **Wilbur Pritchard** . . . consultant and former RCA Americom Pres. **Andrew Inglis** . . . U.S. Satellite Bcstg. Pres. **Stanley Hubbard** . . . Asst. Vp Satellite Planning, Western Union Telegraph Co. **A. William Brook** . . . attorney **Richard Wiley** . . . DBS specialist, Philips, France, **Henry Aujard** . . . Inter-American Satellite TV Pres. **William Kommers** . . . BBC Dir. of DBS Development **Christopher Irwin** . . . and others.

*Invited

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FCC LPTV COMPUTER ON LINE: After months of testing and writing program, FCC said last week that its computer system for dealing with thousands of LPTV applications is operational. System uses Digital Electronic System hardware, program mainly written by staffer John Boursy. System has been working for couple of weeks but FCC wanted to keep it under wraps until it was sure all bugs had been worked out, which Boursy said proved to be case.

"This is the first deadline for low power that the FCC has ever met," said American LPTV Pres. Richard Hutcheson. "We are very pleased the computer is working, but what we will now see is how fast the lotteries [to pick from mutually exclusive applications] will begin." According to industry executives, first lottery tentatively has been planned for Sept.: "That's what [Low Power Branch Chief Barbara Kreisman] told us" recently, Hutcheson said. But he had praise for FCC: "They do deserve credit for getting the computer on line in the timeframe they promised."

Still slowing down process is lack of complete information on many applicants, Boursy said. Before current rules were adopted, applicants weren't required to submit extensive information FCC now requires. "So we're spending a lot of time sending out inquiries," Boursy said. But now with computer operating "we're actually processing many existing applications and hope to increase the processing speed quite a bit by making determinations of the mutually exclusive applications." Also causing concern, according to some at FCC, is lack of adequate support staff. Said one: "The computer is fast and can digest amazing amounts of data, but if you don't have enough people here to type letters to applicants or open letters, the overall process isn't that much faster."

Meanwhile, Coalition for LPTV in 83, industry-wide group launched at NAB convention in April, will take its first major step in next couple of weeks. Several people with low-power interests will be coming to Washington to meet with congressmen. "It'll be our first lobbying effort," Hutcheson said.

U.S. Supreme Court decision killing legislative veto right of Congress shouldn't have much impact on FCC, which has never been subjected to such action. But Court decision should considerably strengthen FTC, which has been hit with legislative vetoes several times in recent years. FCC Gen. Counsel Bruce Fein said he "didn't know of any" legislative vetoes involving FCC actions, said ruling "strengthens our independence from Congress. It charts a demarcation point between proper legislative powers and the proper powers of an independent agency."

Broadcasters came under fire from political consultant Robert Squier last week at hearing on campaign finance reform by House Administration Committee's elections task force. Squier charged broadcasters with "extract[ing] a heavy ransom" for political ads, said "broadcasters are [being] allowed to charge us for what is already ours. That is like having to rent the air you breathe."

Pace of work at RARC in Geneva has entered "almost predictable lull," according to official cable from delegation. With time on their hands, delegates have had opportunity to air political disputes, and, more significantly, submit amended requests for orbital slots that nearly double number of channels originally requested. Argentina and U.K. are still arguing about slot relating to Falklands. Guyana notes that unnamed country has filed requirement that would result in "substantial spillover" into Guyana — matter that is under negotiation with 2 countries. Colombia and Ecuador have "called attention to their claims over the geostationary arc above national territory," Ecuador, expressing hope that other administrations "wishing to register orbital positions within the Ecuadoran geostationary arc, will apply to Ecuador for prior and explicit authorization." U.S. delegation is finding that extended debate in one working group can gum up whole works, delaying work of other committees.

Elections for 8 seats on board of NRBA resulted in tie votes in New England, southeast & Cal.-Hawaii districts, requiring runoffs. Elected were Larry Keene, WWOE(FM) Avalon, N.J.; Jack Hobbs, WIRE(AM)-WXTZ(FM) Indianapolis; Pat Walsh, KLRA(AM) Little Rock; Kent Braverman, KCJJ(AM) Iowa City; Gary Grossman, KRKT(AM) Albany, Ore. Ballots in runoff elections will be mailed June 30, are due back at NRBA July 18. Candidates: Scott Knight, Knight Quality Stations, Boston, and Donald Nutting, WJIB(FM) Boston; Vic Aderhold, WFYV(AM) Jacksonville, and Augustine Cavallaro, WOSO(AM) San Juan; William Clark, KABL(FM) San Francisco, and Peter Pappas, KRTB(AM)-KHOP(FM) Modesto, Cal.

HBO has signed agreement with Metromedia giving broadcaster "4th network" and syndication rights to 8 made-for-pay movies. It's first such over-the-air deal for HBO — "they've never done anything like this before," said Metromedia Senior Vp Robert Bennett. Bennett told us company is taking major financial stake in many of 24 productions he said HBO plans for 1984, wants to use them plus theatrical acquisitions to fill out Metromedia Movie Network schedule of one movie per month. Average budget for HBO title is \$3.5 million.

N.Y. City officials reached tentative agreement with 6 cable companies to wire 4 N.Y. boroughs at Board of Estimate public hearing last week. WAC will wire part of Queens and half of Brooklyn; Cablevision will construct Bronx and rest of Brooklyn; ACT and Queens Inner Unity Cable will construct remainder of Queens; Staten Island will be divided between Cox Cable and Vision Cable. Construction could begin as early as this fall, will continue for 8 years.

KLDH (Ch. 49) Topeka went on air June 20 as ABC affiliate, raising operating U.S. TV stations to 1,124 — 830 commercial, 294 non-commercial. Larry Hudson is pres.-43% owner, Cale Hudson 21%, James Thompson gen. mgr. Principals are applicant for Ch. 15 Omaha; Hudsons are multiple cable system owners.

Key House leaders have expressed "vigorous opposition" to FCC rulemaking to repeal personal attack and political editorial rules. In letter to Chmn. Fowler, Energy & Commerce Committee Chmn. Dingell (D-Mich.) and Telecom Subcommittee Chmn. Wirth (D-Colo.) said repealing rules "will severely compromise the broadcast media as a forum for assuring maximum public access to the diversity of views that is the lifeblood of the political process." Dingell & Wirth also issued broadside attack on Fowler's "deregulatory crusade," said: "These proposals represent yet another disturbing step in the Commission's pattern of systematic retreat from the principles of public service" that are cornerstone of 1934 Communications Act. Leaders said they "are deeply troubled by the ideological crusade being waged" by Fowler, which is "being conducted with such unrelenting ideological fervor that it threatens to compromise the integrity of the Commission as an independent regulatory agency."

"Mark Fowler has been an outstanding FCC chairman," according to NAB Senior Vp-Gen. Counsel Erwin Krasnow. Speaking to Ore. Assn. of Bcstrs., he said Fowler Commission "has overturned several wrong-headed [ex-FCC Chmn. Charles] Ferris initiatives," citing proposals to: (1) Reduce AM spacing from 10 to 9 kHz; (2) breakup AM-FM combinations in same market; (3) make public financial reports which stations formerly were required to file annually. However, Krasnow said, there are "at least 4 areas" where present Commission "is in danger of being viewed as... marketplace hedonists" and where govt. involvement still is necessary: (1) Comparative renewal standards; (2) "the counterfeit cable marketplace"; (3) frequency allocations; (4) engineering standards.

Ex-FCC Comr. Jones left for Geneva last week to join U.S. RARC delegation. She originally planned to go as commissioner but resigned from FCC, effective May 31. She will pay own way, become official member of delegation, headed by ex-Comr. Washburn. Jones said she expects to join Washington law firm, will announce plans after return from Geneva in mid-July.

Figuring broadcast networks can't afford all rights, HBO and ESPN are making separate pitches to S. Korean govt. for portions of 1988 Summer Olympics in Seoul. Koreans are asking \$1 billion for permission to cover games, more than 3 times what ABC paid for 1984 event. ESPN, basic cable service, would offer some events as pay-per-view service.

Obscenity charges against Warner Amex in Cincinnati have been dropped as result of negotiations with city in which cable franchisee agreed not to show X-rated films. Dispute stems from Warner's carriage of Playboy Channel.

"A 1984 Orwellian prediction come true." That's NAB's view of request by ACT that FCC start rulemaking requiring TV stations and cable systems to emit warning tones before & after commercials in children's programming.

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FCC has issued new policy limiting time for follow up of fairness doctrine complaints. In past, party had unlimited amount of time to correct and refile fairness doctrine complaint which had been rejected on procedural or technical reasons for not establishing prima facie fairness case. Those complainants now have "reasonable time (ordinarily within 30 days) after the date of the Commission's denial of the initial complaint" to refile complaint. Last week, Commission unanimously rejected complaints filed against ABC & NBC News.

Mountain Bell has filed complaint with N.M. Corp. Commission asking it to rule that data transmission service being tested by Albuquerque Cable TV is actually common carrier service requiring certificate of public convenience & necessity. Mountain Bell becomes 3rd telco to attack cable data service in recent weeks.

CBS International will begin providing network's early morning news on more than 100 American Airlines flights daily starting July 11. Advertising will be sold. CBS will use satellites to distribute program to Chicago, Houston, L.A. & San Francisco.

Razzle Dazzle, half-hour adult game show featuring female nudity from waist up, has been sold to 80 cable systems with potential audience of 500,000 homes, according to Larry O'Daly, pres. of distributor American TV Syndication.

Commonwealth Cable Systems will buy \$6 million worth of Scientific-Atlanta CATV equipment to build 4 headends for systems in N.J. & N.Y.

Personals

Anthony Thomopoulos, pres. of ABC Entertainment, advanced to pres., ABC Best. Group, in charge of all TV-radio operations, new post; **Lewis Erlicht**, ABC Entertainment senior vp, succeeds Thomopoulos; **Everett Erlich** promoted from ABC senior vp-gen. counsel to exec. vp-gen. counsel; **Michael Mallardi** to exec. vp-chief financial officer; **Joanna Bistany**, aide to White House Communications Dir. **David Gergen**, joins ABC News as public information dir.; **Mark Cohen** promoted to ABC senior vp, coordinating operations, new post; **Robert Ellin** promoted to vp-TV, ABC Best. Operations & Engineering; **Milton Carney** advanced to vp-event planning & exec. services, ABC, new post... **Warren Littlefield** advanced to vp-comedy programs, NBC Entertainment.

Kenneth Schanzer promoted to exec. vp, NBC Sports; **Bertram Zeldin** succeeds Schanzer as vp-negotiations, NBC Sports... **Thom Carroll**, gen. mgr. of Blair TV ABC/Green sales team, also named vp... **Helen Britton**, ex-Group W Cable, appointed dir.-program acquisitions, ABC's Telefirst Entertainment... **David Nace & Pamela Gist**, both ex-Nace & Duffy law firm, join Dempsey & Koplovitz.

William Cameron, ex-Needham, Harper & Steers, named Golden West TV's vp-program development... **Thomas Hargreaves** elected Nielsen vp... **James Kohler** appointed mgr.-international contracts, RCA International Field Operations. **Richard Smith** named General Instrument asst. treas., dir.-taxes... **Robert Buenzie** named gen. counsel, Finley, Kumble, Wagner, Heine, Underberg, Manley & Casey; named partners were former Rep. **Louis Frey & Ronald Coleman**, both ex-Pepper, Hamilton & Scheetz... **Robert Edwards** appointed vp-Metromedia and chmn.-CEO, Metromedia Telecommunications Div.

Jack Kelly resigns as exec. vp and a dir. of Scientific-Atlanta, will join Atlanta venture capital firm... **Claude Wild**, Denver attorney, joins FTC as dir. of Denver regional office, succeeding **Kelly Smith**; **Linda Tedeschi**, Cal. deputy attorney gen., named dir., San Francisco office... **James Atwater**, Time magazine senior editor, appointed dean of U. of Mo. School of Journalism, succeeding **Elmer Lower**, in post for year on interim basis... **William Kinnard**, ex-Verner, Liipfert, Bernhard & McPherson, returns to NAB as asst. gen. counsel for First Amendment, replacing **Stephen Nevas**, now legal reporter for Cable News Network.

Robert Groll, ex-PTM Assoc., appointed pres. of Cabletex Corp., subsidiary of Cable Applications Inc.; **Harold Adkins** joins Cabletex as senior vp-engineering... **Mark Stephens** appointed Eastman CableRep western sales mgr., L.A... **James Pidcock**, ex-Primetime Radio, appointed mgr. of Taft Bestg. sales office in Cleveland... **Mike Crispino**, ex-free lancer, named sports dir., WVIT Hartford... **Karl Eller**, entrepreneur who has held several top posts in communications, named chmn., Circle K Corp., western chain of 1,220 convenience food stores... **Barbara Adago** appointed vp-client services, R.H. Bruskin Assoc.; **Michael Brooks & Irwin Korman** join

as senior project dirs... FCC Chmn. **Mark Fowler** receives Gold Medal Award of Fla. Assn. of Bestrs., will address group's convention in Boca Raton June 27 via satellite; NAB Exec. Vp-Gen. Mgr. **John Summers** also speaks.

Stacey Valenza promoted to mgr. of contract services and asst. to Senior Vp **Joseph Tirinato**, MGM/UA TV, new post... **Albert Kramer**, Cohn & Marks, July 1 becomes partner in Washington office of Houston-based law firm Wood, Lucksinger & Epstein, will take along North American Telephone Assn. as major client... **Thomas Casey** moves from assoc. to partner, law firm Mintz, Levin, Cohn, Ferris & Popeo... **George Logan**, WIBW-TV Topeka gen. mgr., elected pres., Kan. Assn. of Bestrs.

Robert Seguin, Teleglobe Canada, elected chmn. of Intelsat, succeeding **Pierre Godiniaux** board member for France/Monaco; **Carlos Herrera de La Rosa**, Compania Telefonica Nacional de Espana, Spain, vice chmn... **George Milne**, ex-Comsat, joins Ford Aerospace Satellite Services as vp-entertainment operations... **Scott Hulst**, ex-Warner Amex Satellite Entertainment, appointed vp-sales, Financial News Network... **Thomas Hoyt**, ex-Bonneville International, named vp-gen. mgr., WMAQ(AM) Chicago... **Michael Conway** promoted to pres., Petry Sports Productions; **Patrick Twyon**, ex-Storer, joins as sports dir... **Walter Schwartz**, Blair TV, **Victor Ferrante**, Katz TV, and **Robert Kizer**, Avery-Knodel, named to board of TvB; **Walter Flynn**, ABC TV Spot Sales, appointed chmn. of TvB National Sales Advisory Committee, **David Allen**, Petry TV Sales, vice chmn... **William Randles** promoted to senior vp, Cablentertainment.

La. Assn. of Bestrs. has passed resolution decrying "public disagreement" over legislative strategy between NAB & NRBA. Resolution says conflict "detracts from effectiveness of efforts to secure passage of deregulation legislation" by Congress. In resolution, LAB asked that "broadcasters -- and in particular NAB and NRBA -- cooperate... and avoid any actions which would promote divisiveness."

United Satellite Communications (USCI), one of 3 firms hoping to launch DBS system next fall, initiated merger talks with Satellite TV Corp., STC sources confirmed privately. There's no indication that talks have been productive. In meantime, USCI PR firm **Ruder, Finn & Rofman** has dropped USCI account, one source saying: "The client doesn't talk to us anymore."

Sandusky Newspapers pulled only one station (KBPI[FM] Denver) out of National Radio Bestrs. Assn. -- not 8 as reported -- because it disagreed with NRBA's stance on radio deregulation (Vol. 23:25 p6). **Sandusky Pres. Toney Brooks** had written NRBA canceling "the memberships of all Sandusky stations" -- but only KBPI was member.

Cable TV Network of N.J. will become 24-hour service July 3, Pres. **Frank Scarpa** announced. Sixteen of state's 59 cable systems now are part of system, which reaches 500,000 households.

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STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended June 10 (23rd week of 1983):

	JUNE 4-10	1982 WEEK	\$ CHANGE	MAY 28- JUNE 3.	23 WEEKS 1983	23 WEEKS 1982	\$ CHANGE
TOTAL TV#.....	373,634	286,011	+30.6	343,307	7,479,243	6,838,872	+ 9.4
COLOR#.....	241,701*	172,075	+40.5	209,753*	5,230,292*	4,491,851	+16.4
MONOCHROME....	131,833	113,936	+15.7	133,554	2,248,951	2,347,021	- 4.2
PROJECTION TV...	2,131	1,529	+39.4	1,891	51,725*	33,826	+52.9
HOME VCR.....	60,349*	23,397	+157.9	59,192*	1,349,545*	643,099	+109.9
COLOR CAMERAS...	9,102**	4,762	+91.1	6,551*	138,568*	113,830	+21.7

Color TV 5-week moving average: 1983--200,119*; 1982--177,249 (up 18.0%).

Home VCR 5-week moving average: 1983--62,949*; 1982--25,965 (up 142.4%).

Excludes projection TV. * Record for period. ** Best week of 1983.

VCR PRICES DOWN 1/3 IN 5 YEARS: Average FOB price of VCR imported into U.S. from Japan has declined by 33.5% in less than 5 years -- from \$535.66 in 1978 to \$355.85 in first quarter 1983 -- according to our analysis of Commerce Dept. import figures.

Average price figures in table below may be somewhat distorted by fact that VCR import classification includes higher priced professional as well as consumer recorders -- so prices tend to be overstated in early years when fewer consumer products were included in mix. Major decline came after sales to dealers passed million mark, average price dipping 16.3% from 1981 to 1982.

As might be expected, this year's price drop is biggest yet. Comparing first quarter of 1983 with first quarter 1982 shows 22.4% dip in FOB price. If same drop is maintained for full year, 1983's average price will end up at \$329. This certainly is real possibility -- all Japanese manufacturers are integrating & simplifying product to take cost out, and year may end with quite a different product internally from the one it started with.

Year	Sales to Dealers	Average Price	% change
1975	30,000*	\$807.30	--
1978	401,930	535.66	-67.4
1979	475,376	541.88	+ 1.2
1980	804,663	520.36	- 4.0
1981	1,360,988	500.69	- 3.8
1982	2,034,797	419.19	-16.3
1982 (1st qtr.)	374,833	458.70	--
1983 (1st qtr.)	729,565	355.85	-22.4

COURT WORD ON JAPAN DUMPING CASE DUE: U.S. Supreme Court is expected to decide this week, possibly today, whether to restore injunction blocking settlement of TV dumping case while it decides on accepting COMPACT's request for review of appeals court dismissal of suit seeking to have that agreement overturned.

Last week was cliffhanger for COMPACT. Temporary appeals court injunction, granted to give labor-industry group time to file with high court, expired June 20 (Vol. 23:20 p13). Request for new injunction was denied by Chief Justice Burger, but taken under advisement by Justice Brennan. That left Commerce's International Trade Administration free to make case moot by

acting to collect \$76 million that Japanese TV makers & importers agreed to pay to settle all outstanding dumping-related claims covering imports before April 1, 1979. But agency didn't move.

Reason behind ITA's apparent willingness to give COMPACT every chance to have courts overturn agreement was indicated by Commerce Dept. Undersecy. for International Trade Lionel Ulmer during TV appearance last week on MacNeil-Lehrer Report. Show looked at impact imports have had on domestic TV industry, with emphasis on Corning's closing of tube glass plant in Bluffton, Ind. Commenting on Carter Administration officials who made deal, Ulmer said: "I think they were dead wrong and I think they deserve to be fixed for it." Congress, he noted, "did make some effort in this regard" by shifting responsibility for dumping investigations & enforcement from Treasury to Commerce in 1980. That move, Ulmer said, stemmed from congressional dissatisfaction with Treasury's handling of TV case.

"Our hands are tied" with regard to any administrative action to back away, Ulmer said, pointing out that courts "have upheld the authority of the government to negotiate that settlement." During show, Rep. Dan Coats (R-Ind.), who has submitted bill to require that domestic industry be made party to any trade law violation settlement worked out between U.S. and other countries, expressed concern Japan deal gives foreign producers idea they can dump now, settle cheap later. In response, with clear reference to dumping probe now involving color TV imports from Korea & Taiwan, Ulmer said "we've no intention of applying authorization [to settle]" in future cases.

While conceding imports "have been a cause of injury" to Bluffton plant, Corning's management decisions were important contributing factor, Ulmer pointed out. He noted that it was "Corning's decision to operate a joint venture with Korea for Korea to make TV tubes that will go into Korean TV sets to be exported to the U.S.," said company also has tube ventures in Mexico & Brazil, is ready to start similar ones in India & China. Foreign involvement in U.S. color market has other side as well, he said, explaining "there are some 2,000 jobs that have been created by the relocation to the U.S." of Japanese, Taiwanese & Korean color assembly operations.

U.S. color industry would have had problems even if dumping laws had been enforced quickly & strictly, Ulmer said. "Foreign competition [would have risen] to a level that would give American manufacturers a rough time and for reasons which don't relate to unfair trade practices." Those, he said, include wage rate differentials, "labor intensity in the particular part of the manufacturing process and a variety of other things."

In any case, dumping is past history with respect to Japan, Ulmer contended. ITA, he said, has gone to Japan to check pricing, and dumping "does not now seem to be happening." ITA announced, but never finalized, report showing no significant dumping margins on imports from Japan in year to April 1, 1980, has completed study for following year but hasn't disclosed results. Ulmer statement, however, gives good idea of what was found.

Though Bluffton plant is officially closed, we understand Corning will continue limited operations there at least through Aug., keeping about 125 of its 460 workers on job. After closing, facility is scheduled to be used as warehouse, have about 25 employees.

VCR, TV IMPORTS UP IN APRIL: TV & VCR imports posted massive gains in April, compared with same month last year, according to Commerce figures. But while new April VCR & color TV records were set, abnormally low imports in April 1982 make increases seem more impressive than they are. Against March, shipments were up only modestly. Color camera imports continued to slump, posting 2nd consecutive decline, 5th in last 7 months, and indicating that portables aren't sharing in VCR market growth.

VCR imports jumped 86.6% in April to 271,100, but that was increase of only about 400 units from March. More significant increase should show up in May figures, when record-breaking 418,600 units Japanese exported to U.S. in April should appear at entry ports here (Vol. 23:25 p14). April total put 4-month VCR shipments at 944,100. Total TV camera imports dropped 24.6% in month to 29,900, with color at 22,100, down 24.2%, b&w at 7,800, up 27.7%. For 4 months, camera imports were down 19.1% to 134,300, as color dropped 25.3% to

104,500, b&w was up 14.3% to 29,800. For April and 4 months, color camera figures include 21,400 & 100,000 priced at less than \$2,000 for those respective periods. April videodisc player imports of 7,300 were up 409.8% from same month last year, but were just about even with March, and produced 4-month total of 17,100, down 23.8%. Shipments of projection TVs rose 48.2% for month to 2,400, up 8.3% for full period to 12,700.

In TV, total April shipments jumped 71.8% to 839,700 putting 4 months at 3,168,000, up 6.9%, first such cumulative increase this year. Imports of complete & incomplete color climbed 70.9% in month to 465,100, while b&w rose 73% to 374,600. For full period, color stood at 1.76 million, up 34.9%, while b&w was off 14.6% to 1.41 million.

Month's big color import gain came in finished sets, which soared 94% to 251,200, highest since Nov. 1978, topping March by 14.3% (Vol. 23:20 p13). Shipment push came from Korea, Taiwan & Singapore, all of which more than doubled totals of same month last year, while Japan's rise was held to 20.4%. In color chassis & kits, imports of 213,900 were up 49.9% from April 1982, but were 2.6% lower than those of preceding month. Imports of picture tube-inclusive color kits from Mexico were 17,800, which is well below 23,900 monthly average of first quarter this year. For 4 months, complete color imports were up 49.3% to 941,800, incompletes were up 21.4% to 818,100.

In b&w, import figures show tinyvision is still having market problems. While month's shipments of 10"-&-under sets were up 54.4% to 81,500 (including 38,800 combos, up 45.1%), sizes 11" & over jumped 76.4% to 288,400. For 4 months, small screen imports were down 32.5% to 302,800. Included in that were 137,500 combos, down 36.2%, 165,300 TV-only models, down 29.1%. Imports of larger size imports were off only 8.4% to just under 1.1 million.

* * * *

U.S. VCR inventories reached danger point at end of May — distributor plus dealer (pipeline) stocks were equal to only 4 weeks' supply at current going rate for sales to dealers (5-week moving average) of 142.2% above last year. After rising 12.7% during April, pipeline inventories receded by fraction of percent in May to 311,000 units — down 47.6% from year earlier. At factory (importer) level, inventories were down 2.2% in month to 187,400, representing 56.6% decline from year earlier. Distributor inventories increased 3.3% in month to 123,700 but were down 26.5% from end of May 1982.

Color TV pipeline inventories rose seasonally by 6.9% during May to 2,653,000, but were down 17% from year earlier and represented 11-week supply at current sales rate. Factory inventories went up 1.9% during month to 1,564,000, but were down 27.6% from year earlier. Distributor buying was marked by 15% climb during month to 1,088,000, up 15% during May and 5.4% in 12 months.

Extended warranties are spreading, and with them concern by NATESA, independent servicers' organization, which expressed "alarm" at trend which it says involves major manufacturers tying warrantees to "captive service." Apparently referring to GE, which has increased some labor warranties to one year and stipulates own service company plus some independents to perform service, NATESA said: "Intrusions into servicing at retail level by producer/marketers must be considered restraint of trade, completely unacceptable to independents and destructive of servicers' rights, especially at this stage when most servicers are of an age where switching to other careers is impractical."

RCA Taiwan topped island's list of biggest exporters for 1982, with shipments valued at \$164.4 million. Other electronics producers with exports of more than \$100 million: General Instrument, ranked 5th at \$132.9 million; Oak 7th at \$107.7 million; TI 10th at \$103.3 million.

EEC VCR assembly plans are being expanded by Matsushita & Mitsubishi. Matsushita says Germany venture with Bosch, launched last Jan., has increased output rate, is now expected to turn out 50,000 in first production year, up from 30,000, with even higher rate now set for next year. Mitsubishi advanced target date for start of VCR assembly by about 6 weeks, said it expects to be in production at leased plant in Livingston, Scotland by mid-Aug. Start-up output is slated to be 5,000 monthly. Mitsubishi had intended to put VCR line into its existing plant in Haddington, Scotland, but now says it's too busy turning out color TVs there.

Mitsubishi is expanding U.S. color TV assembly operation in Santa Ana, Cal., will invest \$410,000 in new equipment to boost color set output to 200,000 annually from current 150,000. In addition, Mitsubishi said it will halt imports of projection TVs from Japan, assemble all requirements in U.S., indicated it would turn out about 40,000 annually.

PHILIPS' VIDEO WOES: Philips is suffering from double video whammy in Europe, where it is backing 2 losing systems, according to new report by London-based Economist Intelligence Unit (EIU). While all Europe is in grip of video fever, with VCR & software demand continuing well ahead of expectations, report doubts Philips-Grundig V2000 format will survive and calls Laservision "commercial failure" so far.

Significantly, EIU adds that when next tape or disc format arrives, "it is crucial that Philips and Grundig back whatever is not just the right horse but probably the only one." (Philips and Grundig have embraced new 8mm video standard with more enthusiasm than is being shown by most Japanese manufacturers.)

VHS & Beta are better able to withstand steady decline in VCR prices than V2000, says report, noting Philips and Grundig "have suffered severely" because format "is known to be lagging behind" 2 dominant ones, with small independent dealers "particularly vulnerable to being left holding an unwanted VCR 'baby.'" Philips made strong effort in U.K. last year, brought share to just below 15% considered minimum necessary to be profitable. In Germany, V2000 at 18% of sales holds only slight lead over Beta, which EIU said "gained ground considerably... in the latter half of the year." Only in Netherlands is format gaining parity, should have about 1/3 of sales by year's end, VHS & Beta splitting remainder.

Lack of program support compounds problem. EIU said U.K. survey conducted by Sony and Video Trade Assn. gave V2000 cassettes "a mere 4% market share," thinks it could be closer to 10%, but nonetheless doubts survival of format. As for Laservision disc system, Philips last year spent more than \$5 million launching LV in U.K., hoped to sell 100,000 units in 1983 and close to 200,000 more in Germany & France, EIU says. Instead, it has been averaging 500 monthly in all 3 markets. "As a consumer product, the videodisc player has so far been a commercial failure and cost Philips a great deal of money." EIU thinks RCA entry could kindle dealer interest, create demand of "viable proportions" with pan-European sales of about 250,000 units annually.

European hardware growth rates are called "phenomenal" by report, which forecasts machine population of 24.1 million units by 1985 (19.8% penetration of TV households), compared with 8.7 million (7.2%) as of last year. U.K., Germany & France far outdistance rest of Europe, accounting for nearly 75% of 1985 installed base. U.K. also tops list with estimated 34.1% penetration (7 million machines), followed by Germany at 28.2% (7 million), Switzerland (26.5%), Sweden (26.5%) & Denmark (24%), preceding France (22.5%).

Report estimates delivery of 12-12.5 million recorded cassettes in 1982, vs. 4.5-5 million year before. U.K. volume alone equaled total for 1981, trailed by Germany at 3.5-3.8 million, France (1-1.2 million), Netherlands, Italy, Sweden & Belgium. EIU places dollar value at \$1.12-\$1.25 billion. Developments in cassette marketplace thus far have

paralleled U.S. While rental transactions still exceed sales by 4- or 5-1 ratio, prices have started to drop, said EIU, noting availability in U.K. & Germany of under-\$20 tapes, "less than half the level of 2 years ago."

Next battle to be fought is with pirates who account for 50% of tapes in circulation in Germany, 50-55% in U.K. (worth about \$200 million), 70% in Netherlands. For information on report, contact EIU, 75 Rockefeller Plaza, N.Y. 10019.

Video software notes: Vidmax, maker of Mysterydiscs for Laservision format, has licensed first 2 titles to RCA for interactive CED player due this fall. RCA, we're told, plans to open with total of 5 interactive discs, including one from Vidmax, Paramount's movie trivia program, Disney entry. Vidmax has sold about 7,000 of first Mysterydisc, 70% through Pioneer Video... Paramount is talking CED disc custom pressing deal with CBS. Paramount Video Pres. Mel Harris says promises RCA made about prices "aren't being kept," and "in some cases, [discs are] more expensive" than tape. He said Paramount would follow RCA in raising prices. "I see no reason to support lower margins on discs," said Harris, who puts replication price at \$5-\$6 a side... Portavideo Magic Movie Machine of Canada claims it has orders for 590 of its VHS rental VCRs from 3 food chains there. It also plans to lease space in retail outlets, stock 30-50 titles, pay 25% of revenues to store owners who also will get buy-in options... First Video Exchange, in business just year, claims it now swaps 1,000-1,500 tapes per week with 200-300 retailers. Gardena, Cal. firm charges \$10 per cassette for up to 20 units, \$6 for 100, \$5 for 200, requires that each tape be returned in original box, says about 3-5% are rejected.

Philips and Thomson of France have found at least one video area for cooperation — games. Thomson-Brandt, which has been marketing Odyssey-compatible game made by Philips, will start console production on its own under terms of agreement which calls for firms to swap game R&D results, buy key parts from each other. Over past year Philips has tried unsuccessfully to get T-B to agree to adopt its V2000 VCR and Laservision videodisc formats. Philips also said it plans to introduce new console in Europe this year. Unit is Command Center, beefed-up version of Odyssey shown by NAP Consumer Electronics at Winter CES last Jan. but later dropped in favor of 1984 introduction of full-blown computer because of industry-wide price declines.

New Zenith distributor in Cleveland is Tecca Distributing Co. (William Schrader, pres.; Charles Bickimer, vp-gen. mgr.), onetime Motorola & Quasar distributor, replacing Graybar. Zenith official said no change is contemplated in other areas where Graybar handles Zenith distribution.

Stereo TV sound rulemaking is now tentatively scheduled for FCC consideration July 14 or 28. Any further postponement would be until Sept.

SEC EYES TI TRADES: Possible insider trading in stock of Texas Instruments in days just before company said it would show substantial 2nd quarter loss is being investigated by SEC. In June 10 announcement, TI said that because of sagging home computer business it would show deficit for period of up to \$100 million. That triggered stock selling wave that at one point had driven price down more than \$50 and cut value of shares outstanding by more than \$1 billion.

Focus of SEC probe is purchases of puts — rights to sell shares at set price sometime in future — many of which originated at brokerage houses in Lubbock, Tex., hq of TI's Consumer Products Group. In addition, there was noticeable jump in TI stock & put trading in N.Y. & Chicago on June 9. That, however, may be traceable to sell recommendations issued by some analysts earlier in week, reflecting their disappointment with TI's failure to introduce new step-up home computer or any other significant new

product at Summer Consumer Electronics Show which closed that week.

SEC now is looking at trades involving 2 of industry's biggest computer producers. Still going on is investigation into Warner shares sold by Atari insiders last year shortly before Warner's Dec. announcement that videogame business decline would sharply reduce earnings for 4th quarter and year (Vol. 22:50 p15).

Stock market has become so skittish that Paine Webber's very modest downward revision in estimate of Coleco's 1983 earnings resulted in one-day \$7 per share price drop last week. Analyst Barbara Isgur said that as Coleco won't be getting its new Adam home computer system to market until late Aug., she felt her earlier estimate for 3rd quarter earnings was too high. Change, which included upward adjustment for company's 4th quarter, did little more than bring her forecast closer to predictions that have been made right along by Coleco officials, she told us.

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TELETEXT MOVING: As 2nd teletext broadcast system -- incompatible with the first -- went on air, number of TV manufacturers pledging to offer decoders continued to increase. Sony this week will announce at Videotex '83 in N.Y. that it plans to market deluxe ghost-canceling decoder early next year for NABTS system, employed by CBS & NBC. So far, GE, Panasonic & Quasar have stated they'll have NABTS decoders next year.

Only company to offer consumer priced decoders this year is Zenith (Vol. 23:21 pp 12 & 16), which will market them starting next month through dealers in Cincinnati, under 5-year contract with Taft Bestg., whose WKRC-TV put 100-page teletext on air June 23 (see separate report in broadcast section). Taft uses World Systems teletext, based on British Ceefax-Oracle system, incompatible with NABTS.

Although Zenith has announced no plans for NABTS decoders, it says it will offer them if need arises, having already produced NABTS version in experimental quantities for Time Inc. cable trials of system in San Diego & Orlando.

Taft's "Electra" service was dedicated in Cincinnati by officials of Taft Bestg., Zenith and press. Zenith had "Mobile Field Test Laboratory" making rounds of dealers to demonstrate teletext reception. Decoders, with suggested list of about \$320, will be handled through Zenith distributor Tracy-Wells Co.

Sony's NABTS decoder will be deluxe item, presumably as component for Profeel system. It features ghost canceler, split screen, multi-page memory, audio cassette interface. Sony also plans to market videotex decoder early next year, designed for North American protocol and also for use as color graphic terminal with videodisc data bases.

Teletext was mainly a promise at Consumer Electronics Show, some receiver manufacturers talking of upcoming "ready" sets -- meaning they'd incorporate jacks. GE, Quasar, Panasonic & Toshiba demonstrated teletext at their exhibits or in back rooms. GE may be first to offer color set with built-in decoder -- TV Div. Vp-Gen. Mgr. Jacques Robinson told us company planned to test sales of NABTS (CBS, NBC) system in selected markets next year. Panasonic & Quasar, demonstrating NABTS decoders, said they'd probably market them next year.

Panasonic will offer professional decoder in \$1,500-\$2,000 range before consumer model. Toshiba demonstrated Japan's CAPTAINS teletext system. Lowest priced videotex decoder yet was announced by Quazon (3330 Keller Springs Rd., Carrollton, Tex. 75006) -- with 61-key membrane keyboard, autodialer, cables at targeted \$200 retail. Also on view at Panasonic & Toshiba booths were prototype DBS receiving systems.

Electronics retailer Ward's won holder approval to triple number of authorized common shares to 15 million. Company indicated it might use funds generated by secondary offering to finance expansion program which includes opening 4-6 new stores this year.

ATARI PAYING OFF: Atari will be biting gold-plated bullet in next several weeks when it shells out estimated \$50 million to buy out distributors no longer carrying game & computer line. Payments are direct result of Atari decision this spring to make label exclusive (Vol. 23:13 p12), limiting product availability to one distributor per market -- about 40 in all.

Company is committed to taking back inventory, but thus far has been loath to issue refunds, according to trade sources. Tardiness isn't deliberate, said ex-distributor owed about \$1 million: "They have a tremendous bureaucracy... Justice grinds slowly." He said he has been told to expect check in mail soon, presumably same message that's been passed on to others. Atari reportedly had reserved \$45 million to cover situation, could end up spending that and additional \$5-\$10 million in 2nd & 3rd quarters.

Exclusivity plan already is candidate for revision, especially with recent changes in Atari management. Source notes departure or reassignment of several executives who supported new approach, thinks Atari miscalculated marketplace because company hasn't had big game to hold distributor & retailer interest, allowing competition to fill gap. New agreement has loophole, we're told, allowing chosen few to select subdistributors for specialty markets -- provided Atari gives permission. Whether it has used it isn't known, but Atari apparently has way to get around problems exclusivity presents.

Meanwhile, home videogame prices keep tumbling. Sears is offering own-brand Mattel-made Intellivision console for \$50, while Coleco's new Atari-compatible Gemini is selling for \$70 with coupons good for \$25 off on cartridges. Atari has apparently started liquidating slow moving cartridges; those titles are being offered at retail for \$10 each.

RIAA revised figures for recorded music sales in 1979-81 show sales slump that extended through last year was somewhat steeper than originally believed. Revision, which increased indicated volume for those years, followed research report indicating reporting RIAA members account for only 85% of total industry sales, rather than 90% RIAA used as basis for its estimates. New figures show 1979 factory unit sales of 701 million discs & tapes at retail list value of \$3.685 billion, put 1980 at 683.7 million (down 2.5%) at \$3.862 billion (up 4.8%), 1981 at 635.4 million (down 7.2%) at \$3.97 billion (up 2.8%). Last year, unit sales dropped 9.4% to 575,600, with value off 9.5% to \$3.592 billion (Vol. 23:16 p15). RIAA attributed 1980-81 value gains to price increases which offset impact of unit declines. Compared with 1979, 1982 sales were down 17.8% in units, 2.5% in value, against respective declines of 15.8% & 2.2% indicated by unrevised figures.

Sales surge in semiconductors has prompted American Microdevices to declare stock split. Company said that based on current order rate, it now expects sales in year to March 27 to rise 40% to more than \$500 million. It has been projecting 30% increase.

CONSUMER ELECTRONICS VIDEO DATA BOOK

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The market continues to change rapidly in the consumer electronics industry, and to see the future, strategists must examine the past. To aid them, editors Robert Gerson and David Lachenbruch have gleaned from Television Digest's news archives every important market statistic and projection for the past year—to July 1983.

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- Average prices, mix, imports & sales by screen sizes and U.S. exports;
- Monthly summaries of Japanese exports to U.S. and U.S. imports of major video electronic products;
- Television Digest's exclusive Share-of-Market rankings of color & monochrome TV and home VCR brands;
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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
Cable TV Industries			
1983-qtr. to April 30	7,864,000	165,000	.06
1982-qtr. to April 30	9,228,000	120,000	.04
Chris-Craft Industries			
1983-9 mo. to April 30	63,157,000	1,651,000	.18
1982-9 mo. to April 30	58,370,000	8,469,000	1.04a
1983-qtr. to April 30	22,531,000	(1,761,000)	--
1982-qtr. to April 30	20,494,000	1,123,000	.13a
General Instrument			
1983-13 wk. to May 29	219,517,000	15,300,000	.49
1982-13 wk. to May 30	265,262,000	27,409,000	.90
Hitachi^b			
1983-year to March 31	16,277,300,000	1,558,100,000	2.21c
1982-year to March 31	15,204,300,000	1,412,400,000	2.07c
Microdyne			
1983-26 wk. to May 1	11,741,751	775,012	.17
1982-26 wk. to May 2	11,569,189	1,075,913	.23
1983-13 wk. to May 1	6,018,975	334,562	.07
1982-13 wk. to May 2	5,873,542	483,967	.10
National Semiconductor			
1983-year to May 31	1,210,499,000	(14,176,000)	--
1982-year to May 31	1,104,095,000	(10,694,000)	--
1983-qtr. to May 31	320,895,000	7,757,000	.32
1982-qtr. to May 31	284,234,000	(3,115,000)	--
A. C. Nielsen			
1983-9 mo. to May 31	505,140,000	32,850,000	1.46
1982-9 mo. to May 31	474,998,000	30,381,000	1.35d
1983-qtr. to May 31	172,250,000	11,791,000	.53
1982-qtr. to May 31	164,356,000	10,791,000	.48d
S.A.L. Cable Communications			
1983-qtr. to April 30	6,546,253	(83,310)	--
1982-qtr. to April 30	7,660,752	154,021	.12
Sony^b			
1983-6 mo. to April 30	2,211,000,000	45,100,000	.19c
1982-6 mo. to April 30	2,252,700,000	133,500,000	.58c
1983-qtr. to April 30	1,085,600,000	20,500,000	.09c
1982-qtr. to April 30	1,126,100,000	47,200,000	.20c

Notes: ^aRestated. ^bAt yen's current rate. ^cPer ADR.
^dAdjusted.

Optical laser recording joint development agreement has been reached by Du Pont and Storage Technology. ST, which is working on data storage system planned for delivery late this year, will obtain Du Pont materials & process manufacturing knowhow, in return supply Du Pont aid in areas of optical media construction, formulation and recording techniques.

Bill to repeal first-sale doctrine as it applies to recorded audio product was approved by Senate Judiciary Committee. Measure would require dealers who rent material to pay royalties on their revenues to copyright holders. Though audio provision sailed through on its own, ultimate adoption is expected to hinge on outcome of Betamax VCR copyright violation case in U.S. Supreme Court.

TDK has license from Pantasote to produce & market radiation shielding materials. First product for Japanese firm is expected to be microwave absorbing gaskets for microwave oven doors.

Consumer Electronics Personals

Akira Sugiyama, NEC Home Electronics OEM Div. gen. mgr., named vp, adds post of secy.; **Gerald Tangney** promoted to Video Div. gen. mgr.; **Isao Asai** joins from Japanese parent as vp-treas.; **Hiro Hamazaki** named Engineering Group chief engineer; **Aaron Woods** appointed national service mgr... **Arnold Holland** promoted from business affairs dir. to div. vp-business affairs, RCA Videodiscs... **Mike Ayers**, ex-National Semiconductor, one-time Ampex, joins Activision as corporate communications dir., new post.

Frank Alfieri, ex-RCA finance exec. vp, joins Coleco as senior finance vp and chief financial officer; **Donald Crocker**, ex-TI, appointed sales administration vp... **James Towne** resigns as Microsoft pres., reportedly over policy, will become pres. of computer-aided design firm Metheus. Towne joined Microsoft from Tektronix last July... **Scott Llewellyn** advanced at Datasoft to mktg. vp; **John Garcia**, programming dir., named vp.

Harold Millard, Polk Bros. TV merchandise mgr., retires July 1 after 34 years with company; successor is **Gil Ravellete**, ex-Rex TV, Tampa, Fla., and one-time Quasar microwave oven mktg. dir... **Richard Sharp**, Wards exec. vp, named to board... **Dan Sokolick**, ex-Panasonic, joins JVC car audio as midwest sales mgr.; **Tom Caronia** named east coast supervisor.

Arcade videogame producers will pump only about 250,000 new consoles into depressed market this year, down from 480,000 last year, according to estimate in report by broker Sanford Bernstein & Co. It says there are too many arcades, and 25% will fold in next 4 years. In 1982, profitable operating life of average new game was only 28 weeks, down from 40 weeks in 1981, says report, noting 30% of games generated more than 50% of revenue and average game lost \$85. Cutting into sales of new \$2,000-\$2,500 consoles are modules that allow operators to reprogram old ones for \$900.

Electric car may be next major advanced product from U.K. innovator Clive Sinclair. He has personally acquired option to acquire bulk of plant & assets of bankrupt De Lorean Motor in West Belfast, Northern Ireland. **Barrie Wills**, former De Lorean managing dir., is heading car development project being handled by Sinclair Research. Still awaited is SR's introduction of 2" pocket flat-tube b&w TV at \$100-\$150. Development & production has been held up by labor problems at Dundee, Scotland plant of contract assembler Timex.

Japanese market is getting taste of video game-computer price war that has been raging here for past 18 months. Casio plans to offer \$55 game console this fall, with optional computer keyboard; Nintendo has pegged new low-end computer at about \$60, says it expects to ship 500,000 this year. Epoch introduced junior computer, with 4-bit MPU, at \$20. Competition has forced Tokyo Hands to cut price on Max game-computer by 43% to \$80. Max is made by Commodore, which canceled plan to market it here last year.