

WEEKLY

# Television Digest®

with  
consumer  
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

JULY 4, 1983

VOL. 23, NO. 27

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast - Cable

**MAJOR STAFF CHANGES COMING AT NAB:** Some are voluntary, some aren't. TV dirs. express dissatisfaction. High level consultants to be brought in for lobbying. (P. 1)

**FCC LAUNCHES TV DEREG** aimed at freeing broadcasters from most ascertainment, programming, commercialization and log rules. (P. 3)

**HOUSE PANEL PRESSURES CPB** to monitor NPR's financial troubles as Corp. moves ahead with bailout plan. Most stations accept CPB bailout scheme. (P. 5)

**TURNER WANTS TO SUPPLY DBS**, says cable has nothing to fear. (P. 6)

**FCC PREEMPTION OF STATES** on cable data regulation argued at FCC. Cable, telco interests take opposing views. NTIA tells FCC it doesn't know enough to decide. (P. 6)

**TOP HILL STAFFERS EARN HEFTY SALARIES**, until recently were even earning more than senators. (P. 8)

**VIDEOTEX '83—'A BUSINESS':** American Bell, IBM, microcomputers, transactional services dominate N.Y. show. (P. 9)

**GAYLORD BUYS WSM-AM-FM**, Opryland and Nashville Network cable service. (P. 9)

**MAJOR NAB STAFF CHANGES COMING:** Prompted by executive session (without staff) of NAB TV board 2-1/2 weeks ago, involuntary separations of some NAB staffers on vp level are in works. In addition, 2-3 other senior staffers will be leaving voluntarily by fall, we're told.

At that executive session, TV board unanimously refused to adopt resolution that was described by board member as containing "fulsome praise for the entire staff." After refusing, TV dirs. began to discuss why and started talking about individuals. They decided 2-3 staffers must go, called in NAB Pres. Edward Fritts to tell him. Fritts told us last week that "nobody has been given notice... but we've had some conversations... Management will respond" to TV board directive. Couple TV dirs. stressed that neither Fritts nor Exec. Vp-Gen. Mgr. John Summers are targets — although some have been highly critical of both in private.

TV board finally accepted watered-down version of resolution on staff after then NAB Chmn. William Stakelin, who starts this week as RAB pres., pointed out radio board would adopt statement. Resolution adopted (on final day of board meetings, 2 days after TV discussion) said

### Consumer Electronics

**OLD ORDER CHANGES** at Zenith, Sony: Fisher to retire at Zenith. Vander Dussen named pres. of Sony Consumer Products; Lagore in corporate post. (P. 11)

**JAPAN TV DUMPING** settlement being finalized as Supreme Court denies COMPACT's bid for delay. Zenith wins in Appeals Court. (P. 12)

**VIDEOCASSETTE SALES** in U.S. rose 20%, audio tape slipped in 1982, ITA says. Higher Beta market share, lower average prices indicated. (P. 13)

**MITSUBISHI ACQUISITION** of RCA's Canadian tube plant expected this week. Govt. to finance \$8 million modernization. (P. 13)

**FALL-WINTER CATALOGS:** Color prices same to lower, first Penney-brand videodisc player, 20" FST from Sears, confusion in computers. (P. 14)

**WARNER & POLYGRAM** negotiating agreement to merge audio record distribution in U.S, video & audio software operations overseas. (P. 15)

**2,000 BEING LAID OFF** in computer-videogame cutbacks at Atari, Mattel & TI. (P. 15)

**APRIL TV IMPORT** breakdown shows triple-digit jump in complete color shipments from Korea, Malaysia, Singapore & Taiwan. (P. 16)

joint board "appreciates the direction in recent months taken by the NAB staff and lends its support to the staff in the pursuit of improving the industry for all broadcasters." We were told that above "is a far cry from the praise originally heaped on the staff as it was drafted by the staff."

Commenting on refusal to adopt original resolution praising staff, TV dir. told us: "I don't think it's appropriate when you see weaknesses to say the staff is sensational." On other hand, a regulator told us: "A grave fault of the NAB is that its members refuse to give it any flexibility in Washington affairs and its leadership is too weak to go after it." From different TV dir.: "Eddie [Fritts] has got to put his mark on the Association, make personnel changes, and continue to gain the confidence of the membership."

Much of discussion at closed TV board meeting centered on effectiveness of Govt. Relations Dept. headed by Senior Vp Steven Stockmeyer and foul-up over TV trends study, portions of which were disclosed at April convention and which have been used by print media in selling against TV. At one point TV Dir. Leslie Arries, WIVB-TV Buffalo, suggested that outside firm be hired to determine just how effective NAB's lobbying effort is; proposal never came to a vote. Stockmeyer was never criticized personally during meeting and ABC Washington Vp Eugene Cowan said NAB lobbying effort (on scale of 1-10) has risen from a 2 to a 7 but "still has a long way to go."

We're told there was "a general tone of unhappiness" among TV dirs. that "nobody of stature" is on govt. relations staff. That may soon be cured: Negotiations are "in final stages" to bring in as consultants ex-Sen. Muskie (D-Me.) to lobby Democrats, ex-FCC Chmn. Richard Wiley to work on Republicans.

There was some unhappiness on board that Govt. Relations Dept. still is 2 persons short — one senior level, one mid-level — despite instructions from board last Aug. to bring Dept. to full strength. Stockmeyer said he hasn't filled spots because they haven't particularly been needed up to now and "I just haven't found the right people." Commented TV dir.: "You could fill all the vacancies and still have gophers."

"The turmoil will continue," we were told. "It's far from over and in many respects is just beginning." Adding to turmoil is "Caucus" of major group TV owners whose goal is to organize its own lobbying force in Washington and, perhaps, suggestion that NAB have separate lobbying arms for TV & radio. While Caucus Chmn. David Henderson, Outlet Bcstg., has said that group wants to work closely with NAB, he acknowledges there'll be many times when interests of large TV stations won't coincide with those of NAB. When that happens, "we'll be able to go the extra mile alone," he said. Caucus steering committee meets July 8 at Washington's F St. Club to formalize its structure.

Suggestion for separate TV-radio lobbying of Congress was made by retiring NBC Washington Vp Peter Kenney (Vol. 23:25 p4), generally has been favorably accepted by members of both TV & radio boards. However, some NAB staffers aren't too enthused. Said one: "It's an attention-getting way of leaving the board... But it's something we can't just poo poo... It's something we're going to have to deal with." NAB Exec. Committee is expected to establish "working group" at July 13-14 meeting to look into proposal. Many who say it's good idea question how it could work in reality under NAB umbrella, ask how problem of TV & radio lobbyists arguing different positions on Hill could be prevented.

Prominent radio dir. said Kenney proposal "has got some meat... The federation idea is super so long as it's under the aegis of the NAB." He said it would solve many problems, not least of which could be name-calling between NAB & NRBA. He added TV Caucus is another reason to look hard at separate TV & radio lobbying arms. "It isn't as if we [TV & radio] are growing apart on issues... We're like the 2 houses of Congress." He said "blue ribbon" committee should be established next week by Exec. Committee, make recommendations if possible in time for board action at special meeting in Oct.

Staffer said "it's hard to see how Kenney's proposal would work in practice..." The NAB takes a bum rap for being accused of keeping TV and radio together on deregulation... It's the key players in the House who have kept them together [to serve own purposes]. They're not



going to let TV and radio be separated because it would weaken their bargaining power. NAB's pleas fell on deaf ears [in House] when it tried to go the radio-route only on deregulation... It's the politics of the House that keep TV-radio together... Even if we had separate TV-radio lobbyists, we'd still be facing a joint bill and we would work together on it... The networks want no legislation of any kind. They just don't want to take any risks [on financial interest]. The networks went for the bait" when Reps. Wirth (D-Colo.) & Waxman (D-Cal.) threatened to add amendment keeping networks out of program ownership to deregulation bill.

**TV DEREG RULEMAKING LAUNCHED:** Building upon radio deregulation and generally following same thrust, FCC last week launched rulemaking to consider eliminating most programming, commercialization, ascertainment and program log burdens from commercial TV broadcasters. Rulemaking asks parties commenting to consider avenues FCC might follow in each area — generally whether licensees should live under same rules as deregulated radio or whether existing rules should be retained but with more flexibility. No timetable for comments, replies was set.

By 5-0 vote, Commission approved rulemaking mostly as prepared by Mass Media Bureau, but with some changes as suggested by Comrs. Dawson & Rivera. Dawson wanted rulemaking to include comments on nature of competition in video marketplace and whether competition in some or all markets might justify eliminating all Commission rules governing programming activities. That would mean licensees would be obliged to comply with only specific obligations in Communications Act. Rivera voiced concerns about what he called lack of documentation to claim that scarcity no longer exists in TV industry. Besides, he said: "I don't believe any meaningful [TV] deregulation will happen without [action by] Congress."

Chmn. Fowler agreed to Rivera request that rulemaking include study of telecommunications marketplace by House Telecom Subcommittee. At Fowler's suggestion, rulemaking also will include data from other similar studies and testimony given to Senate Commerce Committee when it began consideration of cable deregulation legislation, which Committee report said shows that adequate competition exists in video marketplace. "That there's no longer a scarcity [of available TV signals] hasn't been documented. TV continues to be the dominant medium and only cable has made any significant inroads," Rivera said.

Fowler countered with statistics compiled by Mass Media staff showing that 97% of all TV households are now able to receive 4 TV signals, 65% can receive 7 stations. "This [rulemaking] is overdue," he said. Later, FCC staffer said same study, of 60 TV stations, shows most are adhering to all FCC rules & guidelines and probably would continue to do so.

Options for consideration in rulemaking are as follows: Programming: (1) TV broadcasters would operate under general obligation to address issues of concern to their communities, with determination of those issues left up to licensees. FCC wouldn't consider programming at renewal and new applicants wouldn't be evaluated for programming promised. Programming would be factor only in comparative proceedings and in response to petition to deny. (2) Retain existing policies on non-entertainment, local & information programming policies but with amendments to offer licensee more flexibility.

Ascertainment: (1) Eliminate formal obligation to determine community needs & interests. Ascertainment questions would come up, if at all, in context of determining whether licensee had acted reasonably in determining which local issues to address. (2) Retain obligations, without specifying procedures, allowing licensee to use method he deems best and certify that programming offered meets those needs. Rulemaking also will consider whether ascertainment study should be put in public file or submitted to Commission.

Commercialization: (1) No longer consider amount of time devoted to commercials, as was done in radio deregulation. Unofficial FCC guidelines now call for limit of 16 mins. of commercials per hour. (2) Add flexibility to guidelines by, for example, allowing no more than 16 mins. per hour for half of broadcast day.

Changes in program log rules hinge on possible changes in ascertainment, programming and commercialization policies. Therefore, commenters will suggest program log rules, or lack of

them, appropriate for overall changes in regulatory scheme. In light of recent U.S. Appeals Court, D.C., ruling upholding radio deregulation but remanding to Commission question of program logs, rulemaking seeks comments on appropriate level of record keeping given any new regulatory scheme that might be adopted. Commission also decided to seek comments on benefits of retaining all current rules governing commercial TV broadcasting.

NAB hailed TV deregulation rulemaking as "obvious and logical next step in easing governmental oversight of broadcasting." Pres. Edward Fritts said "these duplicative and unnecessary regulations disserve both the licensee and the public. By their very nature, they drain stations of time and resources that could otherwise be spent improving the quality of service to the community." NBC said it "welcomed" TV deregulation, that it would permit stations to compete more effectively.

National Black Media Coalition Pres. Pluria Marshall disagreed: "There's a distinct scarcity in TV [and industry] would be stupid to follow this nonsense that Mark Fowler is proposing." He maintained that "one thing that keeps TV viable is to maintain the close contact it has with the local community derived from the ascertainment process. If they allow Mark Fowler to have his way, he will really screw up a good thing." Public interest advocate Henry Geller said he was concerned that "community issue programming [remain] as broad as possible and be included in all non-entertainment" log reporting. Referring to court's decision in radio deregulation raising program log questions, Geller said: "I don't think the Commission can get around that in radio or in TV. The amount of public service programming is pertinent at renewal time."

FCC also issued further rulemaking seeking comments on what information radio broadcasters should keep on issues programming. Responding to U.S. Appeals Court, D.C., remand to FCC of elimination of required program logs, Commission asks for comments on: (1) Whether it should require complete listing by time, date & duration of all non-entertainment programming or only of issue-responsive programming. (2) Whether it should require brief statement on nature of issues addressed in each program noted on log. (3) At what intervals should log be placed in public file. (4) Whether any new type of log should be kept in lieu of or in addition to issues program list. (5) What would be estimated costs of keeping comprehensive issues program list, and what benefits would result. Commission expressed preference for maintaining, in addition to issues program list, record of all issue-oriented programs aired, including date, time & duration of such shows and issues addressed.

Commission passed agenda item to consider elimination of broadcast regulations concerning misuse of audience ratings data and use of inaccurate or exaggerated coverage maps by licensees. It was FCC's last meeting as authorized 7-member body — although only 5 members attended session. With no replacement yet for resigned Comr. Jones, Commission faces several weeks with only 4 members — 2 Republicans, 2 Democrats. Terms of Comrs. Fogarty & Sharp ended June 30.

In other action, Commission accepted petition for significantly viewed status by WMBB Panama City, Fla. for 6 counties in coverage area, meaning it must be carried by cable systems there. Petition was opposed by 2 nearby stations affiliated with other networks who raised questions arising from KCST San Diego court case. Because of that opposition and KCST issues, in which appeals court questioned FCC's network non-duplication cable rules, Commission postponed decision on significantly viewed status for 7th county requested by WMBB, used more up-to-date viewing data in other 6 counties than WMBB submitted.

**Theft of service** costs cable industry \$392 million annually, according to Showtime survey of Tex. data. Meanwhile, Storer has won major case in Miami. Dade County Circuit Court judge ruled that black box suppliers are just as guilty of cable theft as people who use the illegal converters. Storer hailed ruling as "a landmark case." Judge Phillip Knight said Satellite Antenna Systems operated by Mr. & Mrs. R.J. Rodriguez was "misappropriating" revenue from Storer, ordered couple to stop sales of boxes and turn over all company records to MSO.

**To comply with FCC multiple ownership rule**, A.H. Belo said it is putting on block KFDM-TV Beaumont, WTVC Chattanooga and Corinthian's WISH-TV Indianapolis as part of Belo's \$606 million purchase of Corinthian's TV stations.

**C-Channel, Canada's pay TV service** whose arts & cultural programming is similar to that offered by CBS Cable, officially shut down July 1 after attracting only 30,000 subscribers and running up debts of about \$11 million.



**CPB WILL BAIL OUT NPR:** CPB last week agreed to help financially troubled NPR with immediate loan "sufficient to pay off all of NPR's current debt." Plan has support from 197 of U.S.'s 281 public radio stations, which will be asked to guarantee loan with own CPB community service grants. Final binding decisions from stations, CPB & NPR boards will be due July 13, must be hurried because NPR is on brink of bankruptcy. House Energy & Commerce Committee heightened pressure, approved FCC FY '84 authorization that contains language placing burden for clearing up troubles on CPB.

Week was marked by drama and heightened tensions as CPB rushed to draft preliminary bailout plan, then awaited response of public radio stations. After quick review of broadcasters' comments, CPB Pres. Edward Pfister announced June 30 that 197 stations had given preliminary okay of plan, while 10 said they opposed it, 3 abstained.

Bouyed by positive station response, CPB board then authorized Pfister to enter formal negotiations with NPR over terms of loan. It is expected to follow outline revealed June 27 in interconnect meeting with NPR stations, places responsibility for loan on stations.

Plan would have CPB act as "banker," advancing immediate loan 3-4% below commercial rate. Actual dollar figure of loan must still be worked out, is expected to be up to \$9.1 million, amount of NPR's anticipated deficit for fiscal year that ends Sept. 30.

Balance sheet CPB laid out for radio stations proposes that at start of new fiscal year Oct. 1, Corp. would continue to make program & interconnect grants to NPR hq, with funding amounting to \$10 million in FY '84. Money would be intended for All Things Considered, Morning Edition, special audience shows and independently produced programming. Additional \$10 million would be invested into public radio by CPB in FY '85 & '86, but direct funding to national hq would reduce each year. CPB also said it would forgive \$500,000 emergency loan it advanced NPR in May to cover payroll and \$100,000 that NPR owes Corp. for temporary interconnection services.

Tensions were heightened June 30 by actions of Energy & Commerce Committee, chaired by Rep. Dingell (D-Mich.). In expression of outrage, panel approved on voice vote amendment to \$91 million FCC authorization bill offered by Dingell that would have CPB oversee handling of NPR's reorganization. Amendment's language is stiff, says federal funding CPB grants NPR must be withheld until radio network has implemented system of financial controls to Congress' liking. System must be devised with help of independent certified public accountant and be okayed by GAO.

CPB would be charged with making sure NPR's budgets are grounded on "reasonably projected expenditures [that] will not exceed reasonable projected revenues" — veiled reference to NPR's overly optimistic estimates for FY '83 that helped cause troubles. For first time, NPR would be required to open all books to CPB. Burden on CPB would be lifted 15 days after Corp. has made report to Congress on success of bailout.

Effort to freeze CPB's funding at current levels was defeated, but not before one of panel's loudest critics of public broadcasting called into question kind of programming system produces, also quality of employees. Rep. Dannemeyer (R-Cal.) referred to NPR employees as "trendies and leftists," said system should be terminated.

Suspicious about CPB's involvement in NPR's troubles also were raised by Rep. Broyhill (R-N.C.), who cited series of letters between himself, Dingell & Pfister during week in which references were made to CPB's past attempts to audit NPR's books that ended up being abandoned or only partially completed. Broyhill said he was "deeply troubled," implied possibility of coverup by CPB. Dingell promised hearing by Oversight Subcommittee he chairs once GAO has interim findings of NPR audit, indicated session could be held as early as this month.

Final vote on FCC's budget, which contains CPB funding, was 39-2, Broyhill & Dannemeyer dissenting. Before reporting bill to floor, Committee added amendment lightening burdens on group-owned radio stations presently prohibited from improving their facilities under FCC ownership rules.

NCTA, NAB, ATC, TBS & Viacom have petitioned U.S. Supreme Court to review appeals court decision upholding Okla. statute prohibiting liquor advertising. NCTA said law often places Okla. cable operators in untenable position of having to drop ad-supported satellite services. Assn. said hardest hit are operators near state borders who are required by FCC rules to carry out-of-state station that airs liquor & wine ads, prevented by copyright law from deleting ads but prevented by Okla. law from airing such commercials. Supporting case brought by 4 Okla. operators and Okla. Telecasters Assn., NCTA argued that by treating Okla. statute as if it restrained only commercial speech, appeals court ignored "severe First Amendment restraint on non-commercial speech at issue in this case." NAB also raised First Amendment questions: "[Statute] will encourage other states to seek advancement of local goals through similar prohibitions of speech, ultimately interfering with the free flow of both commercial and noncommercial information."

FCC has halted investigation into AT&T's Series 7000 TV transmission service because of settlement agreement reached by parties in long-running battle. Common Carrier Bureau staff made clear "that we're not going to fool around with this much longer. At one point we were prepared to prescribe" rates because fight has lasted 6 years. At issue is difference in rates charged to fulltime and parttime users of service. Three TV networks are virtually only fulltime users of service and pay substantially less than parttime users. Users worked out agreement under which fulltime users would pay 60% of interexchange channel (IXC) revenue requirement and parttime users would pay 40%, and all future increases would be divided on 60-40 basis. Change would boost charges to fulltime users by about 9% and cut parttime rates by about 25%.



**TURNER EYES SUPPLYING DBS:** "I don't think cable has the slightest thing to fear from DBS," Turner Bestg. Pres. Ted Turner said at N.Y. TV Academy last week, opinion he repeated later in week at National Press Club in Washington. "It will make everyone have the same sort of thing available." He told Press Club TBS is "negotiating with some DBS [interests] to supply programming."

Cable News Network could be shown with little problem on United Satellite Communications, Turner told N.Y. group, but WTBS Atlanta tie presents "very complicated" legal questions, requiring that DBS service be ruled as common carrier in some capacity. WTBS Pres. Robert Wussler claimed Comsat-USCI merger was likely to go through and that announcement on programming lineup with WTBS's involvement with DBS would probably arrive in fall, he said.

In N.Y. & Washington, Turner criticized Cable Consortium for Information image-building effort, saying he likely won't be supporting it because of legal battle between CNN and Satellite News Channel, whose co-parent is Group W. "I've been working to improve cable's image for the last 10 years. The reason I haven't joined is because [Group W Best. & Cable Pres. Daniel] Ritchie, who's been in the business less than 2 years, is at war with me." He said he "didn't like the way they put the thing together — they didn't ask me about it, and they picked Ritchie to head the thing up," adding that "it's not the money — they only want \$35,000." Decision, however, isn't final.

Turner is angry with Playboy over interview with him in latest issue, saying it was written by "vindictive reporter seeking to make a name for himself." At Press Club, he read statement charging that interview "contains inaccurate statements, half-truths and distortions." Reporter's repeated questions about new soap opera "Catlins" on WTBS, intimating that it showed Turner was offering programming on same level as networks, prompted Turner during interview to smash reporter's tape recorder.

Further merger talk with networks "is kind of on hold for awhile," he said in Washington. "Someone said about me that I've been kicking the networks for 7 years now and all I've gotten is broken toes."

**Televent '83**, 2nd annual international telecommunications conference sponsored by Televent USA, is scheduled for Oct. 23-25 in Montreux, Switzerland. Scheduled to speak on U.S. telecommunications policy at opening session: Sen. Packwood (R-Ore.), chmn. of Senate Commerce Committee, FCC Chmn. Fowler, David Bazelon, senior judge of U.S. Appeals Court, D.C. Among other speakers & panelists: GTE Chmn. Theodore Brophy, MCI Chmn. William McGowan, NAB Pres. Edward Fritts, NCTA Pres. Thomas Wheeler, Orion Satellite Pres. Thomas McKnight, AT&T Pres. William Ellinghaus, Comsat Exec. Vp Irving Goldstein. Advance registration (by Sept. 1) is \$700; contact Marianne Berrigan, 1120 Conn. Ave., Suite 1128, Washington 20036. Phone 202-857-4612.

**Cable & telco interests skirmished over data transmission business last week, arguing whether FCC should grant Cox Cable petition for declaratory ruling that Commission should preempt state & local regulation of cable telecommunications.** Cable interests led by NCTA argued that if states are allowed to declare such services as common carrier, cable's expansion into non-video fields will die on vine. AT&T advanced "level playing field" argument: Cox wants "to gain an unfair competitive advantage over exchange and other carriers that would remain regulated while providing the same and essentially comparable services." Issue arose from Cox's CommLine non-switched data transmission service offered over cable system's institutional loop in Omaha, which Neb. Public Service Commission, acting on Northwestern Bell complaint, has ruled is common carrier. NTIA suggested to FCC that it didn't have enough information "to make an informed judgment that will stand up in court," urged Commission to issue broad rulemaking. Tribune Cable and Continental Cablevision in joint comments said state regulation of broadband services under utility statutes "would create substantial entry barriers," thwarting introduction of new cable services. NCTA argued that Neb. PSC ruling would stifle growth of new non-video services over cable "by imposing the full panoply of common carrier regulation on entities that do not now and never have functioned as common carriers." AT&T said Cox petition should be rejected "unless there is to be deregulation of all providers of intrastate communications on an equal basis." National Assn. of Regulatory Utility Comrs. said Cox's contentions are "totally without legal basis and contrary to Communications Act and relevant case law," that contention that federal preemption is needed to encourage innovative communications services "is purely speculative."

**FCC said it "expects to provide formal guidance... within a few weeks" to FM licensees intending to use their subsidiary communications authorizations (SCAs) for non-broadcast, money-making, transmissions.** Order permitting such uses became effective last week and it's predicted stations will make wide use of new authority. Commission said it is considering how its rules, policies & procedures for common carriers will apply to non-broadcast use of SCAs.

**"In all sections of the radio community — local, regional, national spot and network — business is racing ahead of last year's sluggish levels and this year's predictions,"** according to ABC Radio Pres. Ben Hoberman. Speaking to D.C.-Md.-Del. Bcstrs. Assn. in Ocean City, Md., he said radio's reach is most economical for advertisers as prices for TV "continue to skyrocket."

**ABC is selling KGO(FM) San Francisco for about \$5.5 million to Davis Fowler Corp. & Weaver Bestg.,** which jointly own 5 other Cal. radio stations.

**SESAC has agreed to rollback 24% music license fee increase levied on TV stations pending outcome of stations' suit against BMI & ASCAP.**

"Broadcasters As Public Trustees -- A Time for Change" is subject of panel Aug. 1 during ABA convention in Atlanta. Panelists include Ben Fisher, Bruce Fein, Charles Firestone, Erwin Krasnow & Thomas Shattenfield. Panel will be cosponsored by ABA Science & Technology Section and FCBA.

**Emergency Best.** Subcommittee of NIAC meets July 12, 9:30 a.m. at NAB hq. Among subjects to be considered: Possible nationwide on-air test of Emergency Best. System, including TV; how to encourage cable systems to participate in EBS. For information, phone NIAC exec. secy., 202-634-1549.

As a Special Bonus,  
Conference Delegates Will Receive  
Free a Copy of Countdown II — The DBS  
Source Book Published by Satellite Week.

# 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 Ingalls** . . . 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

### RETURN THIS TODAY TO RESERVE YOUR PLACE AT THE DBS SUMMIT CONFERENCE AND TO RECEIVE, FREE, THE AUTHORITATIVE DBS SOURCEBOOK — COUNTDOWN II

Yes, please register \_\_\_\_\_ delegates at the DBS Summit Conference at \$595 per person. Conference fees are due & payable before the start of the symposium.

\_\_\_\_\_ Payment attached (Make checks payable to Television Digest, Inc.)

\_\_\_\_\_ Charge to: \_\_\_\_\_ American Express \_\_\_\_\_ MasterCard \_\_\_\_\_ Visa

Card No.: \_\_\_\_\_ Expires \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_ Phone \_\_\_\_\_ Telex \_\_\_\_\_

Return this coupon to Conference Coordinator, Satellite Week, 1836 Jefferson Pl., N.W., Washington, D.C. 20036.  
Phone 202-872-9200. Telex 467268.



**HILL AIDES' EARNINGS MATCH BOSSES:** Latest payroll reports detailing salaries of key House Telecom Subcommittee staff are about to be released (copies of which we have obtained), already are available for aides to Senate Communications Subcommittee. Our examination of payroll reports shows staffers with hand in communications policy at subcommittees earn almost as much as legislators they work for, with highest paid House Subcommittee staffers earning more than counterparts in Senate. Until senators voted themselves raises earlier this month, some staffers on House Energy & Commerce and Senate Commerce Committees were receiving higher salaries than senators.

Disparity between what legislators & staff were earning until recently was caused when House members at end of last Congress hiked their salaries 15% to \$69,800. Raise also applied to many congressional staffers, with some ending up with salaries as high as \$68,700. At that time, senators decided to forego salary increase, keeping pay at \$60,662. However, senators allowed themselves to continue practice of accepting unlimited outside income from speaking fees, published writings, other honoraria, which for some members more than doubled their Senate pay.

Until Senate voted itself 15% pay hike earlier this month, bringing its salary level in line with House, 250 top House aides and 25 staffers in Senate were earning more than senators. Some of those high salaries are being earned by aides to 2 communications subcommittees and their parent panels.

There are about 12,000 fulltime employees working on House side, about 7,000 on Senate side. Among top staff for Sen. Goldwater's (R-Ariz.) Communications Subcommittee, salaries are: Ward White, chief counsel, \$59,382; Thomas Cohen, minority chief counsel, \$45,830. Key professional staffers' salaries are: Riley Temple, \$49,098; Christopher Coursen, \$40,898; Marsha Dubrow, \$38,998; Daniel Phythyon, \$27,494.

Highest salaried staff for parent Senate Commerce Committee chaired by Sen. Packwood (R-Ore.) are: Chief Counsel Gerald Kovach \$63,276; new minority chief counsel-staff dir., Ralph Everett, who replaced William Diefenderfer in Jan., \$63,144, slightly less than \$63,276 rate paid predecessor.

Salaries for top aides at House Telecom Subcommittee, chaired by Rep. Wirth (D-Colo.): David Aylward, chief counsel-staff dir., \$63,800; Rodney Joyce, minority counsel, \$55,237. Other aides who handle communications legislation: David Leach, telecommunications policy analyst, Thomas Rogers & Howard Symons, Subcommittee counsel, each earn \$37,440; Roberta Weiner, telecommunications policy analyst who functions as press liaison, \$33,280; Nancy McNary, policy analyst, \$21,000; Patrick Teegarden, policy analyst, \$20,800; Patti Shwayder-Coffin, staff asst., \$20,800.

Key aides to Rep. Dingell's (D-Mich.) Energy & Commerce panel who can have hand in communications policy: Frank Potter, chief

counsel-staff dir., \$67,200; Arnold Havens, minority chief counsel, \$60,000; professional staffers Timothy Nulty, \$63,800, and Thomas Ryan, \$56,367. Figures are based on latest available data on file with Secy. of Senate and Clerk of House, may in some cases not reflect recent salary, title or hiring changes, were up to date for Senate as of March 31, for House April 30.

Comment we reported that FCC Chmn. Fowler doesn't want Comr. Sharp reappointed to Commission (Vol. 23:26 p1) is "just plain wrong," Fowler told our sister publication Communications Daily. "Steve told me while he would like to [remain on FCC], he just couldn't afford 2 more years of public service... I'm very grateful for his 2 years of loyalty and strong support [9 months as commissioner, rest as FCC general counsel]. He has been and is my good friend and ally." At Sharp's last meeting June 29, Fowler was effusive in praising him, saying Sharp had been "unstinting in his devotion." Fowler said he wanted "to pay tribute and homage" to Sharp.

Workshop on defending libel cases will be held Aug. 25-26 at Chicago's Hyatt Regency O'Hare hotel, sponsored by NAB, ANPA and Libel Defense Resource Center. Workshop will cover pre-publication procedures and counseling, post-publication claim handling, insurance coverage, costs and possible settlements. Registration is \$495, contact: Stephen Palmedo, ANPA, The Newspaper Center, Box 17407, Washington 20041.

"If all that's been published recently about TV by the Radio Ad Bureau, the Magazine Publishers Assn., the Reader's Digest and the Newspaper Ad Bureau were for real... I'd take a very early retirement" — TvB Senior Vp-Research Harvey Spiegel. Speaking at Ad Research Foundation workshop in N.Y., he said "it's a shame almost all of their resources are spent attacking TV and very little trying to help you use their medium."

TV violence doesn't cause aggressive behavior in children or adolescents, NBC's Research Dept. said after 14-year study. "The investigation found no evidence of a casual connection between television violence and the development of aggressive behavior patterns among children and adolescents," NBC said. Results, published recently in 505-page book, contradict findings of 1982 study by National Institute of Mental Health.

Citing diversification of media and "100% fulltime integration of ownership with management," FCC Law Judge Walter Miller awarded new station on Ch. 43 Clovis, Cal. to North Star Communications. He noted that North Star principals have no interest in any other stations while 3 principals of competing applicant, San Joaquin TV Improvement Corp., own FM stations in Fresno & Modesto, Cal.

New TV station: KLRT (Ch. 16) Little Rock went on air June 16 as nation's 1,125th TV station. Independent is 90% owned by MMT Sales Inc.; Bruce Mayer is gen. mgr. Of operating U.S. stations, 831 are commercial, 294 non-commercial.



**VIDEOTEX '83—'A BUSINESS':** If stars of Videotex '82 were CBS & NBC with teletext startup announcements, this year's big guns were 2 companies with no significant broadcasting or cable interests: American Bell Inc. (ABI) and IBM. At crowded 3rd annual Videotex '83 in N.Y., microcomputers and transactional services dominated show of more than 1,400 registered guests, 60 exhibitors, 9,000 exhibit visitors.

ABI introduced Sceptre videotex terminal for its Viewdata service in Fla. with Knight-Ridder, first commercial videotex startup. Though growth of home computers was encouraging to ABI Consumer Products Div. Pres. Randell Tobias, Bell is "still cautious," he told group, would adhere to 5-10% penetration estimate by 1990.

Some questioned future of teletext, still lacking consumer decoders (and none in sight for NABTS system this year) despite startup of CBS & NBC national teletext services this spring. Cable, except for Time Inc. display of 5,000-page service on trial in 200 Orlando & San Diego homes, had minor presence. CBS had no booth displaying its Extravision, national teletext magazine, was mum on next step after recently-concluded joint videotex experiment with ABI, Venture One, in 100 homes in Ridgewood, N.J. Asked why, CBS Technology Vp Harry Smith replied: "We didn't exhibit because we had nothing to exhibit. We won't let somebody's trade show influence our timing." He said results of N.J. test are still being analyzed.

Videotex Industry Assn. "Model Privacy Guidelines" drew agreement from 5 major videotex companies in hopes of circumventing state legislative controls. Standards question has been left to marketplace by FCC. North American Broadcast Teletext Specification (NABTS) and related PLP-based teletext & videotex standards developed by AT&T, among others, was being shown in crowded booths of Time, NBC, Viewdata, ABI services and seems to be favored to become standard system. Competing World Systems standard, which Taft Bestg. now is operating in Cincinnati using Zenith manufactured decoders — and only teletext system for which home decoders are available — also was displayed.

Gaylord Bestg. will buy Opryland properties from American General for undisclosed price. Chmn. Edward Gaylord said Nashville entertainment complex would be operated "as a stand-alone entity with Gaylord." Properties included in sale are Opry House, home of Grand Ole Opry, Opryland U.S.A. theme park, Opryland Hotel, Nashville Network ad-supported cable service, WSM-AM-FM Nashville.

**Satellite earth station business** of Craig's Hastings & Richardson Communications subsidiary is being transferred to Hastings executives. Transfer will cost Craig \$1.5 million in non-recurring losses. Also, Craig will have \$2.5 million in 4th quarter losses as result of accounts receivable revaluation, inventory write-offs and losses from operations, according to company.

**Confidentiality** has been granted Satellite Business Systems for certain portions of its filings with FCC. Commission ruled that certain transponder loading tables, contained in reports submitted under competitive common carrier rates docket dating from 1979, be withheld from "routine public inspection." Specific tables were contained in reports submitted on Aug. 3, 1981 and Feb. 1, 1982. FCC said tables contained information concerning contracted and forecast satellite transponder use. FCC insider said such requests are rarely granted, that company must prove revelation of information "may substantially affect their competitive standing" in marketplace. Same source said reason in this case was "probably due to forecasting material."

**FCC's recent decision** to move from 4-degree to 2-degree spacing between communications satellites will spell death of backyard antenna industry in 2-3 years, communications consultant told satellite conference last week. How fast demise of business comes depends on how much interference earth station owner is willing to put up with and how soon dish makers can devise and market inexpensive dish which will meet new standards set by Commission, Walter Morgan, pres., Communications Center of Clarksburg, told satellite dish makers, satellite operators & users at Public Service Satellite Consortium conference in Washington.

Dow Jones, AP & Telerate announced agreement in principle to form company to market Telerate's financial information services and AP & Dow Jones news wires outside U.S. & Canada. New company will be called AP-Dow Jones/Telerate. Telerate will own 49.9%, other 2 parties will each own 25.05%. Dow Jones had 10-year exclusive contract for Telerate's computerized quote system for foreign exchange rates, precious metals, money markets, financial futures and govt. securities, but new company now has 25 year deal with Telerate which supercedes previous deal.

**Society of Cable TV Engineers** has released call for engineering papers to be presented at 1984 spring conference March 5 in Nashville. Society said it wants papers on cable TV/broadband communications system reliability, including all aspects of signal reception, distribution & delivery. Abstracts, limited to 300 words, must be received by Sept. 9. Mail abstracts to SCTE 1984 Spring Engineering Conference, 3343 Duke St., Alexandria, Va. 22314.

MDS in San Antonio petitioned FCC for declaratory ruling (CCB DFD 83-2) that Commission rules don't preclude MDS system from refusing to transmit customer supplied programming that licensee determines to be obscene, profane or indecent. Comments by July 31, replies by Aug. 30.

**Financial interest rulemaking** is warm again at FCC and proposal now is expected to be put out for comments before Aug. recess. We're told 4 remaining commissioners are striving for compromise all can accept, although commissioner said "nothing has been firmed up yet."



## Personals

Arthur Baron, ex-Paramount Pictures, moves to parent Gulf & Western Industries as exec. vp, new post... Linda Baker promoted to dir.-PR & publications, National Semiconductor... Barbara Fultz advanced to eastern media sales mgr., Metromedia Producers... Donna Vogt, ex-WDVM-TV Washington, appointed ad & promotion mgr., KTSP Phoenix... Randall Bongarten, ex-GE Bestg., named vp-gen. mgr., WNBC(AM) N.Y... William Flaherty, ex-Sports Productions, joins Eastman CableRep as mgr. of new Dallas office.

Riley Temple, Senate Communications Subcommittee counsel, joins Bell's Central Services Organization Aug. 8 as dir.-govt. affairs... H.L. Stevenson promoted to exec. vp-editorial, UPI; Ronald Cohen promoted to Washington bureau chief, succeeding Grant Dillman, retired after more than 40 years with UPI.

Gary Conner promoted to senior vp, Satori Entertainment, Jeffrey Sass to vp-acquisition & production... Edward Anderson, ex-Satellite News Channels, named operations dir., United Satellite Communications; Herbert Estrin, ex-Warner Home Video, joins as operations dir.-administration... Frank Bronson, ex-Universal Studios, named research dir., The Disney Channel.

Peter Gimber, ex-WBZ-TV Boston, rejoins Group W Productions as eastern mgr... William Gallagher promoted to vp-worldwide mktg., MGM/UA; Saul Melnick to vp-sales; Colin Bayliss European area mgr.; Michael Murphy, ex-United Artists, named dir.-international operations... Jared Jussim advanced to vp-legal affairs, motion pictures & TV, Columbia Pictures... Patrick North promoted to gen. sales mgr., KCTV Kansas City, replacing John DeRoche, now gen. mgr. of WTZH-TV Syracuse; Ed Bradley succeeds North as national sales mgr.

George Sandoval appointed vp-station mgr., KDVR Denver, due to start in July; Gary Vautin named dir.-operations & programming; Kent Lillie, ex-KOA-TV Denver, appointed gen. sales mgr.; John Riggie, ex-KWGN-TV Denver, local sales mgr.; John Schick, ex-Kan. State Network, promotion mgr.; Lawrence Ries, ex-KRMA-TV Denver, engineering dir... Hal Hough retires as program dir. for CBS owned TV stations; he has been with CBS since 1952... William Webber promoted to vp-engineering & technical operations, WHY-Y-TV Philadelphia; Harold Parsons to operations mgr... William Thrash advanced to operations dir., KTVY Oklahoma City; Paul Wise to gen. sales mgr.

Robert Carlson elected pres., United Technologies; Herbert Faure named senior exec. vp in charge of building systems, new post; named senior vps: Richard Coar, Robert Daniell, Richard Gamble, Edward Irving... Marshall Galliers, asst. to Times Mirror Bestg. Pres. John McCrory, named vp-gen. mgr. of group's WSTM-TV Syracuse... Jon Gumpert, ex-MGM/UA Entertainment, appointed senior vp-business affairs, HBO; Paul Lazarus, ex-Marble Arch Productions, joins as vp-production, HBO Film Licensing... George Hiltzik advanced to vp-policy

administration, NBC TV Network... William DeLany, ex-Tampa MDS Systems, appointed dir. of distribution, ABC's Telefirst Entertainment... Al Vecchione named pres., MacNeil-Lehrer-Gannett Productions... Concepcion Lara, ex-GalaVision, appointed mgr.-affiliate communications & training, Disney Channel.

Dennis Spencer advanced to asst. to ProServ TV Pres. Robert Briner; Herb Swann to gen. mgr.-Europe & South America; Susan Greenblatt, ex-Video East, appointed supervisor of ProServ offices in Dallas, Washington, N.Y. & Paris.

**FCC actions challenged in U.S. Appeals Court, D.C.:** (1) American Mobile communications of Wash. & Ore. asked Court to overturn decision granting GTE Mobilnet authority to establish cellular system in Portland, Ore. and other actions relating to cellular service in Portland (83-1625). (2) Neighborhood TV and CPB seek review of FCC's low-power TV provision permitting TV translator stations to originate programming and operate on subscription basis (83-1645). (3) MCI Cellular Telephone opposed FCC approval of capitalization plan filed by AT&T cellular subsidiary (83-1658).

**Western Union's next communications satellite, Westar 6, will be launched by NASA's space shuttle and not by Ariane rocket as originally planned. Launch is scheduled for Jan. 29 -- 2-3 months earlier than WU would have been able to launch on French expendable rocket. Satellite, with 24 transponders, will carry data, video, facsimile & voice communications traffic. GTE Spacenet satellite will take Westar 6's berth on Ariane, is scheduled for launch in March or April on L10 flight.**

**CBN plans satellite-delivered fund-raising event July 16.** CBN has signed deal with Netcom Enterprises to provide as many as 200 downlinks to deliver show to hotels, convention centers & auditoriums, where it's expected to be viewed by about 250,000 members of The 700 Club religious organization. At least 27 other locations in U.S. & Canada will receive event by closed circuit terrestrial facilities.

**SFN has tentatively agreed to acquire BAR for \$25 million.** SFN, educational & professional publishers, said acquisition is its first move into data-base publishing. Darby, Pa.-based BAR covers radio, TV & cable for clients who are mostly advertisers & agencies. Company had 1982 sales of just over \$10 million.

**Knight-Ridder Newspapers' Viewtron videotex service may be available in Denver, Pittsburgh & Memphis as result of agreement 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.**

**At Disney Channel, recent signings have raised universe of family-oriented service to 726 systems, total subscribers to about 6 million.**



# ● Consumer Electronics®

A Section of Television Digest with Consumer Electronics

## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended June 17 (24th week of 1983):

	JUNE 11-17	1982 WEEK	% CHANGE	JUNE 4-10	23 WEEKS 1983	23 WEEKS 1982	% CHANGE
TOTAL TV#.....	368,450	301,268	+22.3	373,634	7,847,693	7,140,140	+ 9.9
COLOR#.....	251,609*	200,270	+25.6	241,701*	5,481,901*	4,692,121	+16.8
MONOCHROME....	116,841	100,998	+15.7	131,833	2,365,792	2,448,019	- 3.4
PROJECTION TV...	1,481	1,828	-19.0	2,131	53,206*	35,654	+49.2
HOME VCR.....	54,749*	26,499	+106.6	60,349*	1,404,294*	669,598	+109.7
COLOR CAMERAS...	7,015*	7,449	- 5.8	9,102*	145,583*	121,279	+20.0

Color TV 5-week moving average: 1983--225,968\*; 1982--187,327 (up 20.6%).

Home VCR 5-week moving average: 1983--62,946\*; 1982--25,775 (up 144.2%).

# Excludes projection TV. \* Record for period.

**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.

**OLD ORDER CHANGES AT SONY, ZENITH:** Retirement of 2 key officials at Zenith and reshuffling of operating structure at Sony America are latest moves in panorama of change in consumer electronics. New actions involve 2 former chairmen of EIA's Consumer Electronics Group — Walter Fisher and Joseph Lagore.

Fisher, outspoken industry veteran and lifelong marketing executive who guided Zenith's video fortunes throughout color TV age, leaves Oct. 1 on reaching mandatory retirement age of 65. Currently corporate exec. vp, he joined Zenith in Sept. 1961 from Norge, served earlier with Associated Mktg. Co. and Montgomery Ward. He was promoted from head of consumer electronics sales operation to corporate post in Feb. 1982, top consumer sales posts being assumed at the time by J.D. (Dan) Doherty and Gerald McCarthy. Also at Zenith, Philip J. Curtis retired last week as vp-gen. counsel after 25 years with company, succeeded as gen. counsel by John Borst, who joined Zenith in 1974. Curtis continues as Zenith counsel in antidumping & antitrust litigation.

At Sony, Neil Vander Dussen last week took over from Lagore as pres. of Sony Consumer Products Co. Before joining Sony in Dec. 1981 as pres. of its highly successful Best. Products Co., he served with RCA 25 years, heading up its broadcast & commercial equipment organization. He'll continue to head up Sony broadcast equipment marketing & sales in addition to his new post. Lagore, who joined Sony from Sylvania in 1974, became pres. of SPC in 1979, chief exec. in 1981, moves to new post of corporate senior vp-mktg., coordinating all marketing activities.

At top of Sony structure, Koichi Tsunoda takes over as exec. vp with responsibility for all U.S. operations, engineering activity and new business development. Thus, Sony now has 2 exec. vps, other being Robert Dillon, who assumes additional title of chief financial officer. Over all American operations is Pres. Kenji Tamiya, who announced restructuring last weekend "in order to deal more effectively with external competitive factors." In other Sony changes, J. Philip Stack succeeds Tsunoda as pres. of Sony Communications Products Co.; Sony Tape Sales Co., under Pres. John Hollands, adds industrial & professional tape products in addition to former responsibility for consumer products.

Sony moves are continuation of streamlining which started earlier this year with unannounced moves severing 3 vps and involving general tightening of efficiency, including staff reductions, after poor year, particularly in consumer products. Major exception to Sony's generally lackluster performance in 1982 was Best. Products under Vander Dussen, which sharply improved its sales and rose to leadership in that industry.

**DUMPING SETTLEMENT BEING WRAPPED UP:** Curtain is slated to close on at least one aspect of decade-long Japan TV dumping case this week when International Trade Administration moves at last to collect \$78 million Japanese manufacturers & importers agreed in May 1980 to pay in settlement of all liabilities stemming from imports before April 1, 1979. But, while settlement issue apparently is being resolved, dispute over case continues to rage in courts, and there's lots more to come.

Path to final settlement was cleared when U.S. Supreme Court refused to grant labor-industry group COMPACT temporary injunction while high court considers whether to review Appeals Court dismissal of suit challenging settlement's legality. Tentative ITA timetable is to get collection authorization to Customs district offices and payment demand letters in mail to manufacturers July 5. Once payments have been received and import entries covered by agreement officially liquidated, books are closed so far as importers are concerned. Even if high court accepts case and rules in COMPACT's favor, Japanese would have no further liability.

Agreement calls for importers to pay about \$66 million to cover best estimate of dumping duties owed — Treasury, which was responsible for calculation & collection at that time, never was able to develop maker-by-maker, model-by-model assessment on backlog of more than 15 million sets imported during covered period. Additional \$10 million was to close out civil suits govt. filed against several major private label importers it accused of overstating to Customs actual prices paid for TVs they bought from Japan.

Charges govt. settled for 10¢ on dollar were heard right after agreement was originally announced, and phrase is still being used. Charges stem from Sept. 1978 statement by General Accounting Office that total potential dumping liability was in \$400-\$600 million range when new & controversial method of estimating fair value of imports was applied (Vol. 18:39 p9). Calculation of settlement amount, however, was based on more traditional assessment method covering imports before June 1973. Dumping bill on those sets was cut to \$8 million from \$40 million.

Though one battle is over, war still rages in court, and major victory was won last week by Zenith in form of injunction to keep ITA from liquidating entries for Japanese TVs imported in year to March 31, 1980. In determination issued in Feb. 1981, ITA said it found no dumping margins on sets imported from Matsushita, NEC, Sanyo, Toshiba or JVC, insignificant or minor margins for those from other makers (Vol. 21:7 p10). In overturning Court of International Trade's refusal to grant injunction while it considers Zenith's challenge to assessment method used, Appeals Court said Zenith would suffer "irreparable injury" without injunction.

While Zenith would gain no specific commercial benefit from victory because "imported articles have already been sold and the increased duties (if Zenith ultimately prevails) will go to the government," company does have "strong, continuing, commercial-competitive interest" in seeing that importers don't escape monetary penalties, Court said. Without injunction entries could be liquidated at any time and "Court would be powerless to grant the only effective remedy in response to Zenith's request for review: Assessment of correct dumping duties."

Related case still pending at Court of International Trade is Japanese importer suit to reverse International Trade Commission's 1981 refusal to revoke 1971 finding that domestic TV industry still faces threat of injury from dumped Japanese sets. While recent ITA determinations show Japanese aren't selling sets here now at less than fair value, so no dumping duty liabilities are being incurred, importers still are subject to detailed & expensive recordkeeping & reporting requirements. No-injury finding would mean dismissal of whole dumping case, end to paperwork burden.



**ITA DOCUMENTS TAPE PRICE DECLINE:** ITA sales estimates for 1982 by blank tape marketers confirm what industry already knew — videocassette prices were down significantly from 1981. They also indicate that average number of cassettes purchased by VCR owners is on decline. ITA figures are estimate of total U.S. market sales at factory level as derived from data supplied by 14 reporting members. They include tape sold to duplicators and industrial users, as well as blanks moved at retail.

Total value of video & audio cassette tapes sold last year rose 6.4% to \$671.2 million, all of increase provided by video's 20.8% rise to \$412.3 million, as audio cassette sales fell 10.5% to \$258.9 million. That left videocassettes with 61.4% share of overall industry dollar volume in 1982, up from 54.1% in 1981. In units, videocassette sales were up 36.2%, while audio cassettes posted 6.3% decline.

Falling average prices meant industry performed better in terms of units than value. Figures show average factory value of videocassettes sold last year was down 11.1%, with VHS dropping to \$11.30 from \$12.72 in 1981, while Beta slumped to \$9.13 from \$10.27. In audio cassettes, average was off 4.3% to \$1.16 from \$1.21.

Beta format improved market share last year, accounting for 29% of unit sales volume, up from 27.8% in 1981. It picked up same number of market share points in value arena, rising to 24.8% from 23.7%. As for slowdown in cassettes sales per VCR, 1982 sales work out to 7.3 for each of 5.32 million VCRs sold to dealers cumulatively through end of that year — down from 8.6 cassettes per VCR in 1981, when cumulative VCR sales stood at 3.29 million. Here's how ITA sees market:

#### ITA 1982 VIDEO & AUDIO FACTORY TAPE SALES ESTIMATES (add 000)

	1982	1981	% change	1982	1981	% change
Videocassettes...	38,630	28,354	+36.2	\$412,342	\$341,403	+20.8
VHS.....	27,429	20,469	+34.0	310,043	260,400	+19.1
Beta.....	11,201	7,885	+42.1	102,299	81,003	+26.3
Audio cassettes..	223,730	238,802	- 6.3	258,855	289,321	-10.5

**MITSUBISHI TUBE PLANT:** Purchase of RCA's closed color picture tube plant in Midland, Ontario by Mitsubishi is expected to be announced this week. How deal will affect talks that would have Mitsubishi also make partial buy of Westinghouse tube plant in Horseheads, N.Y. isn't certain (Vol. 23:22 p11).

While acquisition terms haven't been disclosed, it's understood Mitsubishi will pay about \$24 million to purchase facility for which it's been negotiating since RCA halted operations last year. In addition, it will spend about \$8 million for new equipment, most funds to come in form of aid from Canadian govt.

Indications are plant will have capacity of million tubes annually, same as it did under RCA, but will require only about 200 employees, against 600 RCA had when output was at peak. RCA made 19" color TV tubes there, while Mitsubishi is expected to start with 13", primarily for use in monitors and data display terminals. But, some may end up in Mitsubishi and Electrohome sets assembled by Electrohome for distribution in Canada by Mitsubishi under agreement made last year. Exports also are planned. Plant's potential for feeding other TV OEMs in Canada is slim. Nation is down to only 5 set makers, others being Hitachi, Matsushita, Sanyo and RCA, and they all use tubes imported from U.S. & Japan.

Hitachi ran full-page corporate PR ads in business publications last week to show how its policies contribute to international trade and understanding. First broke in Wall St. Journal June 27, same day all major TV news programs featured FBI videotapes showing Hitachi employees being arrested for conspiring to steal IBM trade secrets. Tapes were released to media by House subcommittee probing unfair competitive practices in international trade.

Low-power MPU 16-bit chip developed by Harris and Intel utilizing complementary metal oxide semiconductor technology draws only 10% of current needed to operate more conventional chips, opening way for more portable computers. Harris says it will be in full production by Sept., with prices for 100-lot orders ranging from \$31.25 to \$266.66 each, depending on grade. Intel will start shipments next year.

CED videodiscs are being added to software catalog by Columbia House, CBS Records' direct-mail arm. Current ads list 31 CED titles, most being CBS/Fox titles also offered on cassette. CH offers members first disc at \$4.95, requires them to buy minimum of 2 more at \$21.95-\$39.95.

**FALL-WINTER CATALOGS:** Color TV prices are mainly unchanged, but down for closeouts, from 6 months ago in catalogs of Sears, Penney and Ward, with Sears becoming 2nd brand to offer 20" flat square tube (after Toshiba, which makes Sears set). J.C. Penney added own-brand CED videodisc player, as forecast here last Aug. (Vol. 22:33 p14) — made by RCA. There were sharp price reductions in VCRs, particularly at Sears. And catalog houses seemingly were thrown into confusion — like just about everyone else — by gyrations in home computer & game prices.

Penney's player is stereo version in same new-model configuration introduced by RCA in May, advertised in catalog at \$390 (RCA's list price for own brand is \$400). Since start of CED sales, Penney has marketed RCA-brand players. At one time, there were 8 brands of CED players — but Radio Shack, Montgomery Ward and Zenith dropped out, and Sanyo became inactive. Including Hitachi and Toshiba, which still have them but aren't pushing, addition of Penney brings number of available CED player brands to 5, Sears being the other one.

Sears, which has shown increasing interest in discs & players in last few months — and which may soon announce major disc promotion — devotes total of about one page (half in color) to Sears-brand CED player (made by Hitachi) and 84 RCA disc titles, refers customers to nearest Catalog Sales Office for "complete selection of videodiscs." Stereo player, somewhat different from previous model (it has sliderule indicator instead of digital time readout) is now priced at \$290 (down \$60 from spring-summer catalog), no longer has remote-control option. Penney devotes about half page to player and list of 114 discs. Details on video in fall-winter books:

Sears 20" monitor-receiver showpiece has dockable keypad remote which also controls video accessories, comb filter, 133 channels, is \$790. Color line (prices unchanged from spring-summer book except as noted) starts with 5" AC-DC at \$290, same with AM-FM-weather band and input & output jacks \$350; 12" is \$240 (down \$10), 13" keypad unit \$350, same with remote \$440; 19" models start at \$299, stepup at \$330, new one-knob \$390, ladder tuning \$450, keypad \$490; 19" remote leader is \$450, with new scan unit at \$520 (replacing \$500 ladder model), 105-channel keypad also \$520 (down \$80), keypad unit with VIR and comb filter \$650, same with 4-speaker pseudo-stereo surround sound \$690. Sanyo-made component TV system, formerly package-priced at \$1,000, now is offered individually and in packages — 19" monitor \$500, remote tuner \$400, speakers \$50 & \$150 a pair; packages are now \$800 & \$900, depending on speakers.

Sears' 25" sets start with "remote ready" keypad table model at \$790, \$10 more with remote kit; consoles begin at \$540 (up \$20) with 4 remote ready units at \$680, remote versions \$760, top-end series is \$780, remote \$860. Although Sears Telecaption adaptor is still priced at \$279, mechanical tuned 19" color set with built-in captioning has been cut \$160 to \$400. One-piece 50" front projection TV is down \$55 to \$2,350.

Monochrome line starts with 5" AM-FM at \$130

(up \$10), same with stereo and weather band \$170; new 9" AC is \$75; 12" starts at \$78 (down \$2), 2 stepups at \$95, 2 new AC-DCs at \$117; 19" at \$165.

Sears' new book has 4 Beta VCRs, 2 VHS, as opposed to 5 & 3 in predecessor. New Beta 91-channel front-load leader with wired remote is \$540, step-up programmable Beta & VHS each \$640, portable programmable Beta \$780 (down \$300), new programmable VHS with Dolby stereo \$840, programmable Beta with keypad tuning & remote \$890 (down \$100). Camera line starts with vidicon model at \$490, f1.4 stepup at \$790 (down \$150), Hitachi-made MOS camera \$990 (down \$510).

In computers, catalog, which features Atari, Timex and TI, contains "important price notice": "Due to changing market conditions, prices of computers & peripherals may be lower than figures printed in this catalog. Call your nearest Sears catalog selling unit for current prices."

J.C. Penney catalog features monitor receivers in 17", 19" & 25" sizes. Color line starts with new 9" AC-DC at \$340; 13" leader is \$300, keypad stepup \$340, keypad remote \$390; 17" 127-channel scan remote is \$450 (down \$10), 17" monitor receiver with front & rear jacks, stereo audio, keypad remote, 127 channels, \$500; cheapest 19" is \$340, stepping to new keypad version at \$400 and 105-channel model \$440 (down \$30 from different model), new keypad-scan remote with 112 channels \$500, VIR remote \$590, monitor receiver with stereo sound, keypad remote, front & rear jacks, 127 channels, \$600.

RCA-made monitor-receiver is showpiece of 25" line at \$880; leader console is \$600 (up \$100), scan remotes at \$700 & \$830. Rack packages including 19" monitors and audio equipment are available at \$1,500 & \$2,300, savings of \$450 & \$650. B&W: 5" AC-DC with AM-FM \$130; same with 7" TV \$170; 12" leader is \$89 (up \$10), stepup \$99 (down \$11), AC-DC \$110; 16" \$130.

VCR line is new, all by Matsushita, at \$540 for 10-day 3-event top-load, \$700 for front-load 105-channel wired remote, \$890 for 4-head 14-day 6-event with wireless remote, \$1,190 for keypad Dolby stereo programmable, \$900 for portable system, \$700 for power zoom camera, \$1,400 (saving of \$200) for camera plus portable. Penney has 2 pages of computers — Atari 600, Atari 800 (with \$100 rebate), TI 99/2 & 99/4A — no videogame consoles or software.

Montgomery Ward 13" color is \$270 (down \$30), keypad remote version \$400 (up \$20); 19" leader is \$350 (down \$30 from previous leader), stepup \$380, scan tuning 112-channel \$400 (down \$30), remote version \$450 (up \$20), same with autocolour \$490 (down \$10), keypad remote \$440 (down \$90) through Oct. 15, rising then to \$570, 133-channel keypad remote \$500, VIR version with channel lockout \$600 (up \$70).

Table model 25" with keypad remote is \$700 (up \$80). Consoles start at \$630, with keypad remote model \$800, 2 vertical slimline VIR units with input & output jacks \$840, twin speaker, 125-channel unit \$890 (up \$80). Monochrome sets start with 5" AC-DC at \$120 (down \$5) and new combo featuring separate



speakers, AM-FM stereo, cassette, turntable, \$400; 12" is \$80 (up \$2), AC-DC \$100.

VHS front-load Ward recorders made by Sharp are \$600 (down \$90 from last Feb.), programmable \$700 (down \$100), both with wired remote. Sony Betamax low-end unit is \$550 through Oct. 15, then goes up \$50. Catalog has no cameras or portable VCRs, and though Ward features Intellivision computer adaptor and 4 pages of games, it has no computers (last year it advertised Commodore VIC-20).

**WARNER-POLYGRAM TIE?** Warner/Polygram will emerge as new international home video and recorded music powerhouse if Warner and Polygram follow through on current merger negotiations. Polygram is owned by Dutch Philips & Germany's Siemens. Plan calls for companies to form 50-50 venture to handle all their non-U.S. home video and phono record distribution, function now performed for Warner by WEA International.

Warner will own 80% of U.S. venture that will distribute phono records for both. U.S. activities of Warner Home Video will not be affected. Music publishing and artistic functions are to remain separate. As part of arrangement, companies said, Siemens will "substantially decrease" its interest in Polygram.

Link would put Warner solidly behind worldwide market push for CD digital audio disc system. Polygram was already scheduled to press some discs for Warner this year at its plant in Hanover, and formation of venture is likely to result in speed-up of title introductions. Polygram plant now has capacity to press 6 million discs annually, and that's scheduled to jump to 15 million in 1984.

Debt-for-stock swaps have been worked out by North American Philips and Lloyd's. NAP has exchanged 375,300 shares with market value of about \$24.7 million, but carried on its books at acquisition cost of \$6.96 million, for \$25 million of its debentures. Deal was made through Morgan Stanley. Lloyd's will give 98,000 shares, or 4.9% interest, to Chemical Bank in return for warrant to acquire 350,000 Lloyd's shares for 1¢ each in 1986. Warrants were issued in 1981 as part of debt restructuring agreement. Issued shares have street value of about \$700,000... Superscope will show \$6.6 million special 2nd quarter credit stemming from 50% payment settlement on \$4.8 million debt, cancellation of \$4.3 million in back interest. As part of deal, Superscope is giving lenders 5-year warrants on 100,000 shares at \$4.75 each.

Sequest title on videogame cartridge is subject of dispute between game maker Activision and Sequest International, professional treasure hunting firm. SI filed suit in Chicago federal court charging Activision with name piracy, seeking injunction, \$15 million damages. SI said Activision turned down its request to change name. Activision said it sees no market conflict because firms are in totally different businesses.

**COMPUTER-GAME LAYOFFS:** U.S. home computer & videogame industry lost 2,000 administrative & production jobs last week at Atari, Mattel & TI because of consolidations and poor market conditions.

Atari is trimming 1,000 engineering, administrative & clerical employees in Santa Clara, Cal. in wake of restructuring that combined computer & videogame operations (Vol. 23:22 p16). Cutback is in addition to 2,000 manufacturing jobs it said last Feb. would be eliminated as result of shift of most computer & game console & cartridge production from Cal. to Far East & Puerto Rico. When layoffs are completed, Atari will have about 4,000 employees in area.

TI is cutting 750 from home computer operation, 675 from Lubbock plant, rest from Abilene facility. Most of those cut are production workers, and company said many are parttimers hired last year. Computer operation still has estimated 2,800 employees.

Mattel is trimming 260 from Electronic Div. in Hawthorne, Cal., about 15% of workforce, in what it calls economy move aimed at lowering overhead. Mattel said reduction won't affect its plans for national introduction of computer add-on for Intellivision videogame or market-by-market rollout of its Aquarius home computer system.

Fox Video Games is slashing retail price of MASH cartridge 50% to \$15 as result of industrywide inventory bulge. "Right now, there's a serious glut in the Atari 2600 cartridge segment," said FVG Pres. Frank O'Connell. "We believe it is time a major manufacturer addressed the problem with a move that would stimulate sellthrough and get the market moving again." O'Connell said most games in \$15 range now are 2-3-year-old releases "whose best sales days are behind them or failed games once offered by now defunct manufacturers," claimed new MASH price will hold when cartridge is released in home computer formats within next 2 months. By then, he predicts, market's stockpile will be significantly reduced.

Computer & videogame spending for national TV network & spot ads jumped 274% in first quarter to \$92.6 million, with Warner's Atari biggest overall spender at \$17.4 million, up 98%, according to TvB. Atari doubled computer spending to \$2.85 million, hiked game outlay 98% to \$14.5 million. Among other majors, with spending in millions: Mattel \$10.7 million, up 255%; Coleco \$9.6 million, against none; IBM \$9 million, up 319%; TI \$7.5 million, up 505%; Parker Bros. \$6 million, against none; Activision \$5.6 million, up 185%; Imagic \$3.4 million, against none. Overall spending for videogames & cartridges jumped 313% to \$53.6 million, while outlay for computers climbed 230% to \$38.9 million.

Sony is expanding production capacity for Betamax VCRs to 250,000 monthly, Chmn. Akio Morita told N.Y. Society of Security Analysts. In Japan, meanwhile, it's reported that Matsushita has increased its VCR capacity to 400,000 monthly, JVC to more than 250,000, Hitachi to more than 200,000.

**APRIL TV IMPORTS:** While April color imports were strong, setting new records for month and hitting 52-month high (Vol. 23:26 p10), massive percentage increases racked up by some countries are somewhat misleading, as imports for same month last year, as reported by Commerce Dept., were abnormally low. But, as cumulative totals show, major color source countries Korea, Singapore & Taiwan were well ahead of 1982 pace in shipments to U.S. for both complete & incomplete sets.

Following are TV import totals by country for April and 4 months. No color set vs. chassis & kit breakdown is given for countries supplying negligible quantities of incomplete receivers for either period.

	Total TV			
	Month	%chge.	4 months	%chge.
<b>Japan</b>				
total...	151,900	+12.1	522,400	-15.2
color...	112,200	+ 7.6	382,900	-10.2
b&w.....	39,700	+27.2	139,500	-26.4
<b>Taiwan</b>				
total...	207,900	+67.1	869,200	-10.5
color...	55,100	+128.3	273,300	+162.8
b&w.....	152,800	+52.4	595,900	-31.3
<b>Korea</b>				
total...	255,700	+168.6	969,200	+36.7
color...	92,100	+234.5	344,900	+93.8
b&w.....	163,600	+141.7	624,300	+17.5
<b>Singapore</b>				
total...	65,300	+152.8	208,500	+32.0
color...	61,600	+395.0	194,100	+60.2
b&w.....	3,700	-72.3	14,400	-60.8
<b>Malaysia</b>				
total...	15,800	+218.7	52,500	+225.8
color...	12,500	+335.6	37,100	+508.7
b&w.....	3,200	+56.0	15,300	+53.3
<b>Canada</b>				
color...	6,200	+18.5	23,300	+11.1

Complete Color				
Japan....	79,700	+20.4	254,300	-10.5
Taiwan...	51,900	+134.7	245,800	+150.8
Korea....	79,500	+188.8	313,100	+76.0
Singapore	18,600	+165.9	58,300	+29.1

Color Chassis & Kits				
Japan...	32,500	-14.7	128,600	- 9.7
Taiwan...	3,200	+58.3	27,500	+358.3
Korea....	12,600	--	31,800	--
Singapore	43,000	+689.6	135,800	+78.7
Mexico...	122,700	+28.4	494,200	+10.5

**Antitrust exemption** for R&D joint ventures formed by industrial competitors is slated to be proposed by Administration as part of bill to overhaul antitrust laws. Exemptions would be subject to review of venture plans submitted in advance to govt., and such ventures could still be sued if activities go beyond what is cleared. Other changes would broaden rights of patent holders, block triple damage awards in successful private antitrust suits where it can be shown that defendant acted in arguably legal manner.

**TELETEXT—\$300 or \$950?** Panasonic says it hopes to have home decoder for NABTS teletext system used by CBS & NBC on market some time in 1984, is shooting for list price of \$300 — about same as Zenith is getting for decoder for incompatible World Systems standard now operating in Cincinnati (Vol. 23:25 p14).

Sony is shooting first for deluxe, high-end NABTS decoder as Profeel component, which it says will be available next year at about \$950. Sony's unit is particularly notable because it includes CCD ghost canceler, which company official said could be offered separately as Profeel component to clear up TV picture. Both Sony & Panasonic showed prototypes last week at Videotex '83 in N.Y.

American Bell Inc. (ABI) announced 2-way Sceptre videotex terminal with introductory price of \$600 for use in Fla. trial of videotex system by Knight-Ridder newspaper chain. Terminal is to be marketed in Fla. by K-R & ABI through Phonecenter stores, department stores, computer dealers, etc., starting in Sept., will be available in other areas as compatible videotex systems start up.

Biggest problem for both one-way teletext and 2-way videotex is availability of low-cost chips. Last week, Rockwell and Canadian decoder manufacturer Norpak announced agreement to "jointly develop, manufacture & market" chips & decoder boards for NABTS teletext and companion NAPLPS videotex for sale to TV set manufacturers. Chips & boards, they said, will be available by mid-1984 for \$150-\$250 — obviously far too high for meaningful use in consumer products. Norpak said RCA Service Co. will provide installation & maintenance for home & business users of its teletext & videotex equipment. For additional coverage of Videotex '83, see report in broadcast section.

Entrapo licensed BSR's high-tech Hong Kong subsidiary Astec to produce & market its microdrive 1/16" wafer tape computer data record-play system (Vol. 23:9 p13). Unit uses endless loop cartridge. Drive is used by TI for portable computer, is slated to be used by Milton Bradley for its Vectrex computer add-on and by Atari. Coleco was to have used it in expansion module for Colecovision game and as data drive for Adam computer system, but made last minute switch to high-speed drive that uses standard metal tape cassette. Reason for change, we're told, was that Entrapo couldn't deliver reliable drives & tapes in quantities required.

Videogame exemption from stringent design, test & record keeping requirements for electrically operated toys is being sought by EIA Consumer Electronics Group. In letter to Consumer Product Safety Commission, EIA said videogames should be viewed same as TVs and audio equipment, which are exempt from rules under Hazardous Substances Act except when intended for use by small children. EIA noted there's no record of any injuries associated with videogames, pointed out that most are UL listed, that recent computer recall by Texas Instruments demonstrates industry's commitment to product safety.



**Trade Reform Action Coalition** formed in Washington last week as lobbying group to press for trade law changes has labor-industry group **COMPACT** as member representing interests of U.S. electronics industry. TRAC includes representatives from apparel, textile, metals industries, claims to represent industries with 4.5 million workers that account for 40% of U.S. manufacturing sales. Aim is enforcement of trade laws, law revision, to cut U.S. trade deficit and unemployment resulting from unfair foreign competition.

**Transmission to VCRs** by microwave in mode similar to ABC's proposed broadcast Telefirst system is envisioned by Microband Corp. of America, nation's biggest MDS common carrier (Vol. 23:12 p5). Company says it has suggested tie-in to ABC Video Enterprises, but may use own system, leasing VCRs to those who don't have them. Microband also envisions equipping subscribers with keypads to dial up videogames, computer programs or teletext.

**Instant video photo taker** introduced by Kodak at \$195 combines instant camera with cone that fits over CRT display. Unit is intended for computer owners who need stills of graphs, charts or tables, uses special film that lists at \$55 for 50 exposures. Polaroid and others market similar devices, but their pricing starts at about \$400.

**Matsushita net** was flat at \$18 million on parent-only basis in half to May 20 on 4% sales rise to \$5.1 billion. Company said video equipment sales were up 6% to \$1.6 billion, with all increase provided by 10% rise in VCR value to \$1.03 billion. Sales of audio equipment were off 8% to \$562 million.

**Video scorekeeper** for bowling alleys has been introduced by Brunswick. Computerized automatic system, costing about \$5,000 per lane, features 25" color TV which can show regular TV programs as well as scores, so keggers can keep up with favorite shows while bowling.

**Now — the Whole Incredible Story of the 12 Months  
that Shook the Industry — at Your Fingertips**

## THE VCR EXPLOSION

Not since the greening of color TV has home entertainment electronics experienced such an explosive product. But it took color 11 years to reach annual sales of a million units — and it took VCR six. And 1983 sales are doubling those of 1982, at an annual pace of more than 4 million units. Now — the complete report of VCR's takeoff period in one handy reference volume, just as it happened, from the pages of Television Digest.

If you came in late, if you want to brush up on your recent history, or if you just need to know **what** happened **when**, it's all in **The VCR Explosion**, the only complete chronology of the big boom of 1982-83. The industry's most reliable, complete and analytical coverage of what happened and why, including these important developments:

From glut to shortage in six quick months. . . A price collapse feeds the boom. . . The home taping controversy. . . The decline and fall and rise of prerecorded cassettes. . . Rental movies vs. \$39.95 sales cassettes. . . The blank tape market and where it's headed. . . Beta Hi-Fi and VHS Hi-Fi. . . The raging controversy over the European market. . . Who's producing what and how much. . . Complete market-share ranking of all U.S. VCR brands. . . The new products, VCRs and cameras. . . Enter the solid-state camera. . . The one-piece VCR-camera. . . Studies and forecasts of the future of VCR. . . New technology and its influence on product and market. . . The agreement on 8mm, the next generation — will it hold up?

**EXTRA:** Complete text of specifications of 8mm Video, as issued by 122-member standards conference.

To ensure that you receive your copy of **THE VCR EXPLOSION** fill out the coupon below and return it to Book Order Desk, Television Digest Inc., 1836 Jefferson Place, NW, Washington, D.C. 20036. Book price is \$95 per copy. All orders must be prepaid.

\_\_\_\_\_ Please send me \_\_\_\_\_ copies of **THE VCR EXPLOSION**  
 \_\_\_\_\_ Payment attached (Make checks payable to Television Digest Inc.)  
 \_\_\_\_\_ Charge to: \_\_\_\_\_ American Express \_\_\_\_\_ MasterCard \_\_\_\_\_ Visa  
 Card No.: \_\_\_\_\_ Expires: \_\_\_\_\_  
 Signature \_\_\_\_\_  
 Name \_\_\_\_\_ Title \_\_\_\_\_  
 Company \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

WEEKLY

# Television Digest

with  
**Consumer Electronics . . .**

(ISSN 0497-1515)

PUBLISHED BY TELEVISION DIGEST, INC.

Albert Warren . . . . . Editor & Publisher  
Paul L. Warren . . . . . Senior Editor & Associate Publisher  
Publishers of weekly TV Digest, annual Television and Cable Factbook and weekly TV, Radio & Cable Action Updates, Cable Atlas, Satellite Week, Video Week, Communications Daily, biweekly Public Broadcasting Report and other special publications.

Copyright © 1983 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

## EDITORIAL & BUSINESS HEADQUARTERS

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

Phone: 202-872-9200 Telex: 467268

### WASHINGTON HEADQUARTERS

Albert Warren . . . . . Editor & Publisher  
Dawson B. Nail . . . . . Executive Editor  
Paul L. Warren . . . . . Senior Editor  
Jonathan Miller . . . . . Senior Editor  
Paul Travis . . . . . Senior Editor  
Steven Tuttle . . . . . Associate Editor  
Mary Crowley . . . . . Associate Editor  
Mike Schwartz . . . . . Associate Editor  
Melinda Glipson . . . . . Assistant Editor  
Daniel Warren . . . . . News Editor  
Deborah Jacobs . . . . . Info. System Mgr.

Barbara J. Pratt . . . . . Marketing Dir.  
Janet Kohler Dueweke . . . . . Advertising Dir.  
Betty Alvine . . . . . Circulation Mgr.

### NEW YORK BUREAU

475 Fifth Ave., N.Y. 10017

Phone: 212-686-5410

David Lachenbruch . . . . . Editorial Dir.  
Robert E. Gerson . . . . . Managing Editor  
Seth Goldstein . . . . . Senior Editor  
Julie Talen . . . . . Assistant Editor

### JAPAN REPRESENTATIVES (Editorial & Business)

Aske Dam  
Richard E. Varner

c/o Foreign Correspondents Club of Japan  
Denki Bldg., 20th Floor 1-7-1

Yuraku-cho, Chiyoda-ku

Tokyo 100, Japan

Phone: 211-3161 Telex: J24600

Television and Cable Factbook  
Mary Appel . . . . . Editorial Director  
Marilou B. Legge . . . . . Managing Editor  
Lynn R. Levine . . . . . Associate Editor  
Barbara E. Van Gorder . . . . . Associate Editor  
Jeannette H. Noyes . . . . . Associate Editor

### Factbook Research, Inc.

Marilou B. Legge . . . . . Director

### Business

Roy W. Easley III . . . . . Controller

## Consumer Electronics Personals

Bruce Huber promoted at Zenith to mktg. operations dir. responsible for sales promotion & training, mktg. information and planning; Earl Harrington, advanced to TV product planning dir., succeeding Huber; Donald Mitchell appointed sales & merchandising administration dir. responsible for coordination of support activities to domestic distributors; Wayne Morgan appointed Western Sales Div. dir., succeeding Mitchell; Dennis Gilhooley replaces Morgan as video product planning dir., with his former duties assumed by James Scarlata, now mktg. information & planning mgr.; Duncan Snowden named national sales training mgr., replacing Harrington.

Robert Branscombe, Samsung national sales & mktg. dir., named vp... Robert Wiles advanced at Quasar from sales administration asst. gen. mgr. to sales management & distribution gen. mgr. responsible for sales to independent distributors and special accounts; Charles Cottingham named southeast region sales mgr. New factory distributor branch mgrs.: Charles Fink, Washington-Baltimore; Bud Stelter, San Antonio; Gabe Villani, Miami... Alfred Magida, ex-York Electronics, joins Sanyo as east region sales mgr... H.J. Maxmin appointed Thorn EMI TV Rentals managing dir., succeeding Sidney Parker, who continues as chmn... Doug Blackburn, ex-RTR Industries, joins Kenwood as midwest sales mgr.

Robert Blattner advanced from vp-gen. mgr. to pres., RCA/Columbia Pictures Home Video... Wendy Moss promoted from national sales mgr. to mdsg. vp,

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Corning Glass			
1983-24 wk. to June 19	733,100,000	53,500,000	2.54 <sup>a</sup>
1982-24 wk. to June 20	752,500,000	25,200,000	1.19 <sup>a</sup>
1983-12 wk. to June 19	362,600,000	16,500,000	.79
1982-12 wk. to June 20	358,500,000	12,700,000	.60 <sup>a</sup>
Emerson Radio			
1983-year to March 31	95,051,000	3,133,000	.38
1982-year to March 31	87,781,000	256,000	.03
1983-qtr. to March 31	23,634,000	4,276,000	.51
1982-qtr. to March 31	16,466,000	(45,000)	--
MGM/UA Entertainment			
1983-9 mo. to May 31	505,478,000	20,921,000	.62 <sup>a</sup>
1982-9 mo. to May 31	553,536,000	406,000	.01
1983-qtr. to May 31	143,176,000	5,014,000	1.0 <sup>a</sup>
1982-qtr. to May 31	154,753,000	(4,410,000)	--
MGM/UA Home Entertainment			
1983-9 mo. to May 31	113,955,000	27,991,000	1.01 <sup>b</sup>
1982-qtr. to May 31	40,342,000	9,907,000	.34 <sup>b</sup>

Notes: <sup>a</sup>Includes special credit. <sup>b</sup>No comparable figures available.

Family Home Entertainment... Colin Bayliss, managing dir. of MGM/UA Home Video in U.K., named European area mgr.; Michael Murphy, ex-United Artists, joins as international operations dir... Arthur Barron advanced to exec. vp, Gulf & Western Entertainment & Communications Group, Paramount & Sega... Jay Garfinkel joins Marvel Productions as mktg. & development vp responsible for home and other video markets.

Jon Shirley, ex-Radio Shack computer merchandising vp, named Microsoft pres., replacing James Towne, now with computer-aided design company... Joanne Bethea, ex-Pioneer Electronics, joins Konica Audio-Video Div. as national ad & promotion mgr... William Campbell, ex-Kodak, joins Apple as mktg. vp... Robert O'Connor joins Allsop as Fidelity Accessories Div. national sales mgr.; Jeff Heininger named to head new Cal. office responsible for ad, PR & private label activities.

James Riley, ex-Braniff, appointed EIA gen. counsel & secy., succeeding Raymond Johnson, returned to private law practice; Arne Aukland named Engineering Dept. staff engineer representing Parts & Tube Divs., replacing Steve Forish, now attending graduate program at Princeton... Linda Baker promoted at National Semiconductor to PR dir., replacing Mike Ayers, now with Activision.

Japan's surplus in international IC trade jumped 117.1% to \$312.6 million as exports climbed 56% to \$487 million while imports edged up only 3.7% to \$174.4 million, Finance Ministry reports. In trade with U.S., Japan's exports rose 71% to \$207.9 million, against import increase of 10.9% to \$119.4 million, for surplus of \$88.5 million, for increase of 532.1%. Ministry says bulk of export increase stemmed from rising demand for 64K memory ICs.



WEEKLY

# Television Digest®

with  
consumer  
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

JULY 11, 1983

VOL. 23, NO. 28

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast - Cable

**TCI BUYS TELE-MEDIA, BECOMES NO. 1 cable MSO.** 'Largest truly independent' sold for more than \$150 million. Rogers and UA Communications complete split of Rogers UA Cablesystems. (P. 1)

**MAJOR MARKET TV CAUCUS** is name of new association of top 50 market TV stations that expects to represent 200 outlets. Network owned stations can't join. (P. 2)

**POTENTIAL 4TH NETWORKERS** form trade association called Advertiser Syndicated TV Assn., predict rapid growth. (P. 3)

**HILL STAFF SALARY SURVEY:** Personal legislative assts. to members of House Telecom and Senate Communications Subcommittees earn relatively low pay. (P. 4)

**WEATHER CHANNEL LEGAL BATTLE** continues between owners over \$7 million in losses. Landmark wants to end deal. (P. 4)

**CABLE ROYALTIES DISTRIBUTED:** CRT divides \$31 million from 1980 & 1981 funds, with MPAA getting bulk. (P. 6)

**FUND-RAISERS FOR NPR** can be held by public radio stations, FCC says in decision that may be bending Commission rules. (P. 6)

**TCI BUYS TELE-MEDIA, BECOMES NO. 1 MSO:** Robert Tudek & Everett Mundy, co-owners of State College, Pa.-based Tele-Media, have accepted offer from Tele-Communications Inc. (TCI), Denver, of between \$145 million & \$193 million for their cable systems, with exact price depending on several factors at closing. Tele-Media, 25th largest MSO, has 232,500 subscribers in 8 states, mainly Pa. & O., is "the largest truly independent cable company," Tudek told us. "Everybody else has all kinds of limited partners and investors, but Everett and I own it and run it ourselves." They will remain in industry, expect to own & operate several small cable systems in northeast Conn., where franchise bids are pending.

Acquisition of Tele-Media and recent deal to buy Liberty Communications (21st largest, 259,325 subscribers) pushes TCI into No. 1 spot as U.S.'s largest MSO, ahead of ATC. According to our figures, ATC had 2,198,200 subscribers, TCI was No. 2 with 2,197,100 (Vol. 23:24 p3). Tele-Media, Liberty deals would push TCI well into top spot with 2,688,925.

Acquisitions by TCI are further evidence of cable industry trend to expand by buying

### Consumer Electronics

**JUNE WAS BEST** month ever for color, VCR sales—color exceeding 1.3 million, VCR near 350,000. (P. 9)

**JAPAN VCR EXPORTS** to U.S. topped 400,000 for 2nd consecutive month, signaling end to shortage here. Surge stirs trade fears. (P. 9)

**BETAMAX CASE REHEARING** next fall by Supreme Court seen heralding complex decision and putting home taping bills on ice for up to year. (P. 10)

**U.S. COLOR OUTPUT RISE** shown in ITC report for first quarter runs counter to trend indicated by EIA. Operating losses here continue. (P. 11)

**RCA TUBE PLANT BUY** for \$16 million wrapped up by Mitsubishi, which says it will spend \$21 million to update, expand Canadian facility. (P. 12)

**PHONE-MATE EXPANSION** into cordless phones spurs sales surge, but also brings high costs, losses, stock offering prospectus shows. (P. 13)

**U.S. COLOR EXPORTS** dropped sharply in first quarter. B&w, home audio also declined. (P. 13)

**SANYO MFG.** TV unit sales slipped, oven volume rose in 1982, annual report says. N.V. Philips consumer electronics profit fell 75%. (P. 14)

existing systems rather than competing for new franchises. Said industry executive in commenting on TCI acquisitions: "There's a growing realization that those urban cable systems are extremely risky ventures. Therefore, the MSOs are buying systems that complement their existing lineups, looming toward regionalization." Trend toward clustering through acquisition and swaps with other MSOs "is where the smart money is," he said.

Meanwhile, Rogers and UA Communications have completed division of assets in Rogers UA Cablesystems, with each receiving control of systems serving about 325,000 subscribers. Under terms of agreement, UA, which initiated division, split cable holdings into 2 roughly even segments and Rogers, which owned 51%, got first pick (Vol. 23:6 p3). It was understood that 2 largest RUAC systems — San Antonio and Wayne, N.J. — couldn't be in same package.

Because of benefits of clustering, RUAC properties generally in south and southwest were included with San Antonio; those generally in northeast and northwest were included with Wayne system. Toronto-based Rogers chose San Antonio, which passes 330,000 homes. Other systems in that package include Tex. properties in San Angelo, Pittsburgh, Mt. Pleasant, Laredo & Mt. Vernon, Ft. Smith, Ark., Yuma, Ariz., El Centro, Cal. and Tenn. franchises of Pulaski, Lawrenceville & Fayetteville. Under 50-50 RUAC split, and including properties it owned separately in Portland, Ore. area, L.A. & Minneapolis, Rogers will have about 450,000 subscribers, making it 14th largest MSO.

**NEW TRADE ASSN. IS BORN—MAJOR MARKET TV CAUCUS:** Steering committee of large market TV stations met July 8 and formalized plan to organize major trade association under D.C. laws named Major Market TV Caucus. Group, initially conceived as lobbying arm of major group owners independent of NAB (Vol. 23:24 p3), also decided to broaden its membership eligibility to include all non-network owned stations in top 50 markets. Independents and non-group stations can join, as long as they are licensed to a top 50 market, said Outlet Bestg. Pres. David Henderson, Caucus chmn.

Present at Washington organizational meeting were 7 backers who are heads of major groups, including Cox, Cap Cities, Westinghouse, Storer, Taft. Henderson said meeting "went very well. We will have a physical presence in Washington, we determined that." Backing of major groups is solid, Henderson said, and is vital to Caucus' success which will "be in proportion to the activity of the company heads. We believe very firmly that we have to maintain an active presence in Washington and have available to us the leadership of the major market companies to articulate our concerns both on the Hill and at the FCC."

To get organization moving, it was decided that steering committee initially will act as Caucus' board. Members identified 7 areas of concern, but Henderson wouldn't identify them. He said board in next 30 days will develop position papers on important issues. Next meeting will be Aug. 18, again in Washington, when board will elect officers.

Caucus decided to include non-group stations because "we think the issues that affect us will affect everyone in the top 50," so membership requirements were changed accordingly. Unchanged was exclusion of network owned stations — but networks, NAB, other organizations will be kept informed of Caucus activities, Henderson said: "During the next month, several members of our board have been assigned to discuss our activities with the NAB, TvB, MST, and we will also advise the networks about our activities [because] we don't want them to feel our activity is antagonistic to them."

Caucus feels confident it will soon represent most or all top 50 stations, of which there are more than 200. "We have received letters from people who were absent [from organizational meeting June 9] expressing the desire to participate, so we anticipate we will have virtually total representation," Henderson said.

Caucus leaders have questioned whether NAB can effectively serve major market TV stations because of its diverse membership — from smallest radio stations to TV networks — reasoning that interests of such members often conflict with best interests of large TV stations. Organizers have stressed, though, that Caucus is in no way "anti-NAB," that no members will be urged to withdraw from NAB.



Idea for Caucus developed in early May when executives of major groups met in N.Y. to discuss need for hiring own Washington lobbyist (Vol. 23:20 p2). Meeting was called by Henderson and Joel Chaseman, Post-Newsweek Stations. After that meeting, one broadcaster said dissatisfaction with leadership of NAB Pres. Edward Fritts was a main factor: "I don't think you can separate Fritts from the maze... He is beholden to the TV networks. They got him elected." But Fritts was invited to address June meeting of MST, attended by Caucus organizers. We were told then that Fritts "handled himself very well... He only got friendly questions" during closed session after MST meeting.

Potential 4th-networkers have united in new trade association, Advertiser Syndicated TV Assn. (ASTA), formed by Lexington Best. Services, SFM Entertainment, Lorimar TV Distribution, Group W, MGM/UA, Metromedia Producer's Corp., Paramount TV, Viacom, 20th Century Fox, among others. ASTA, open to any company involved in ad sales of syndicated programming, is premised, according to founders, on ad-supported syndication growth of recent years: \$300 million in 1982, predicted by group to reach \$500 million next TV season. "We're at a point where we're posing a serious challenge to the networks," LBS Pres. and ASTA interim Chmn. Robert Turner said. ASTA goals: (1) Promote syndication as national medium for advertisers, including working with TvB. (2) Implement new means of audience research. (3) Establish uniform trade practices in billing, contracts, preemption policies, etc. ASTA currently is soliciting members, nominating officers.

Galaxy I's solar sails unfurled last week, last delicate step before new cable bird becomes operational in early to mid-Aug. Hughes's "shopping center" satellite has owners for 18 of its 24 transponders: HBO, 6; Group W Bestg. & Cable, 4; Times Mirror Satellite Programming, 2; Viacom International, 2; Turner Bestg. System, 2; SIN International TV, 2. Reports that bird will be used by HBO for some kind of DBS service haven't been confirmed, but sources tell us that some "intermediate" kind of service is in planning stages. Dish wouldn't be small enough to mount on average house, but might be somewhere between DBS & SMATV. DBS-style service might be option in HBO's future on higher-powered, Ku-band bird, sources said.

HBO Pres. Frank Biondi and Rep. Wirth (D-Colo.), chmn. of House Telecom Subcommittee, are latest to agree to speak at Television Digest's 1983 Cable Summit Conference, Oct. 27, Four Seasons Hotel, Washington. Other speakers: NCTA Pres. Thomas Wheeler; Group W Pres. & CEO Daniel Ritchie; Irving Kahn, Broadband Communications pres.; Ellen Berland Gibbs, Goldman Sachs; Lawrence DeGeorge, chmn. of Times Fiber Communications; John Saeman, vice-chmn. & CEO, Daniels and Assoc.; Robert Alter, Cable TV Ad Bureau; Archer Taylor, senior engineering vp, Malarkey, Taylor & Assoc. Contact: Barbara Pratt, 202-872-9200.

U.S. Coast Guard request to share 161.7 & 161.75 MHz with broadcasters "creates serious incompatibility problems," NAB told FCC. TV-radio uses space for remote pickups, emergency broadcast service; Coast Guard wants on same frequency to communicate with ships.

CBS News has put "into the scrap heap" major documentary on Nicaragua because it was reported & produced by George Crile, who has been put on disciplinary suspension by network, L.A. Times reported. Times quoted Robert Chandler, CBS News vp in charge of documentaries: "What happens is that it goes into the scrap heap, to put it bluntly." Documentary was prepared for broadcast in mid-Aug. Crile was suspended for surreptitiously taping several phone interviews with former Defense Secy. Robert McNamara and others in preparation of CBS documentary on Vietnam war. Retired Gen. William Westmoreland has filed \$120 million libel suit against Crile and CBS News as result of documentary. Said Crile about scrapping Nicaragua piece: "I thought it was a terribly important project, powerful material," according to Times story.

BMI filed suit in U.S. Dist. Court, N.Y., last week asking that CBS owned TV stations be enjoined from playing BMI music. Action follows Court decision denying CBS request that BMI be prevented from terminating licensing agreement with stations which expired May 17. Said Judge Alfred Ascione: "This Court should not and will not inject itself into what is essentially a matter of contract bargaining between parties, neither of whom stands helplessly before this court of equity. What is at issue is money." BMI also is seeking \$50,000 for each infringement by CBS owned stations. BMI has reached new agreement with ABC & NBC owned stations.

FCC, on 3-2 vote (Comrs. Dawson, Rivera dissenting), granted Global Bestg. interim authority over Newark Radio Bestrs. Assn. to operate WHBI(FM) Newark, N.J. Commission majority said Global was preferred on comparative grounds, had "slight preference" on diversification, and that winner's "advantage for superior broadcast experience and local residence balanced out Newark's plus for minority participation" — including National Black Media Coalition.

Newly organized Cimarron Bestg. has purchased ABC affiliates KESQ-TV Palm Springs and KEYC-TV El Centro, Cal. from Pacific Media for \$4.5 million; broker was Blackburn. Harry Nilsson, TV producer, is chmn. of Oklahoma City-based Cimarron; Ben West, ex-KOKH-TV Oklahoma City, is pres. West said Cimarron is in market for other TV stations.

NRBA has given President Reagan award for "innovative use of radio" with his Sat. afternoon broadcasts.



**HILL STAFF PAY QUESTIONED:** Question of how much congressional staffers should earn in FY '84 remains unresolved, won't be settled until President Reagan in Sept. formally submits proposal setting govt. pay scales for new fiscal year that begins Oct. 1. It already is clear that President wants to hold line on salary increases, won't be generous in offer to legislative branch although House & Senate have asked for cost-of-living increases effective Jan. 1.

No matter which way wind blows, personal legislative assistants to members on House Telecom and Senate Communications Subcommittees will continue to earn relatively low pay compared with what their counterparts make working directly for panels as professional staffers, our examination of records shows. We found professional staff to 2 subcommittees earn as much as \$67,200, with top House aides earning more than Senate counterparts (Vol. 23:27 p8). But among key aides on personal staffs of legislators with seats on either panel, salaries are lower, stay in \$30,000-\$35,000 range.

In House, each member is entitled to up to 18 fulltime staffers, 4 parttime, currently can spend up to \$366,648 per year on salaries for personal staffs. But, members with key committee posts such as chairman or ranking GOP member are allowed additional assistants paid for out of committee budgets. Rules in Senate differ, allow lawmakers to decide for themselves how many staffers they need, only place restriction on how much they may spend.

Senate staff allowance is divided: (1) Legislative assistants allowance, which presently amounts to \$200,328 for each senator, is intended to let them hire aides to help with committee assignments. (2) Administrative & clerical assistants allowance varies from senator to senator, is based on population of state lawmaker represents. For example, this budget for 2 senators from Ore., including Sen. Packwood (R-Ore.), chmn. of Senate Commerce Committee, is \$664,631 each, not much larger than allowance for Del. senators, who receive smallest such staff budget, \$645,897 each; Cal. senators get largest administrative & clerical budget, nearly \$1.3 million each.

We looked at April payroll for personal staffs of House members on Telecom Subcommittee, found salaries stayed near \$30,000 for most aides who have hand in developing communications policy, usually carried job title of legislative assistant (LA) or administrative assistant (AA). Here's look at salaries for these key House aides: David Gerrie, AA to Rep. Bates (D-Cal.), \$33,000; Susan Asmus, LA, Rep. Broyhill (R-N.C.), \$24,050; Barbara Crapa, chief LA, Rep. Bryant (D-Tex.), \$28,000; Denise Wilson, LA, Rep. Collins (D-Ill.), \$21,840; Roy Neel, LA, Rep. Gore (D-Tenn.), \$37,350; Clarence Irving, legislative dir./counsel, Rep. Leland (D-Tex.), \$30,000.

Ronald Klain, LA, Rep. Markey (D-Mass.), \$21,000; Peter Alexander, legislative dir., Rep. Oxley (R-O.), \$26,158; Peter Lefkin, legislative counsel, Rep. Rinaldo (R-N.J.), \$30,000; Gregory Babyak, AA, Rep. Scheuer (D-N.Y.), \$33,000; Scott Johnson, press secy./LA, Rep. Swift (D-Wash.), \$21,012; Edward Senn, LA, Rep. Tauke (R-Ia.), \$23,000; Philip Schiliro

LA, Rep. Waxman (D-Cal.), \$30,000. Not included here are staffers who handle communications issues for Reps. Dingell (D-Mich.), chmn. of parent Energy & Commerce Committee, or Wirth (D-Colo.), chmn. of Subcommittee, because their salaries are paid for out of 2 panels' budgets. Also not listed is Gary Andres, new LA to Rep. Moorhead (R-Cal.), hired this month to replace Joy Stevens whose salary was \$33,048.

Salary records for personal staff to members of Senate Communications Subcommittee through March 31 show: Martha Moloney, staff asst., Sen. Ford (D-Ky.), \$38,241; Catherine Phillips, LA, Sen. Gorton (R-Wash.), \$25,200; Eric Lee, LA, Sen. Inouye (D-Hawaii), \$35,783; Mary Pat Bierle, special asst., Sen. Pressler (R-S.D.), \$35,916; William Phillips, LA, Sen. Stevens (R-Alaska), \$28,499. Aides to Sens. Packwood & Goldwater, who is chmn. of Subcommittee, aren't included here because, as in House, they are paid from committee budgets.

Legal battle continues around Weather Channel between owners Landmark Communications and WC Pres. John Coleman (20%) over reported \$7 million in losses for year-old ad-supported cable service. Landmark, claiming Coleman's management was causing monthly losses of \$800,000 — more than 7 times original agreement — sought to terminate stock & management agreements with Coleman. "They called up and said, 'Let's negotiate,'" Coleman told us. "But really, matters were unnegotiable with them." Claiming WC has "never gone a nickel" over projected budget, Coleman sued to retain control and received temporary restraining order until hearing can be held. Meanwhile, it's "business as usual," WC official said, with weather information going out 24 hours daily to 940 affiliates with 9.2 million subscribers.

First American Market for International Programs (AMIP), scheduled Nov. 7-10 in Miami Beach, has signed 125 buyers and 76 programmers from 24 countries. Harvey Seslowsky, AMIP managing dir., said major groups among buyers include Metromedia, Meredith, Tribune Bstg., Cox, RKO, United & Scripps Howard. He said 25 additional exhibitors are expected, that space is 55% sold.

FM share of national radio audience has risen to 65%, according to spring RADAR study conducted by Media Statistics. FM stations first passed AMs in listenership in 1979. Study found that 95% of U.S. citizens listen to radio each week with network radio reaching 80%.

BPA has accepted offer of free transponder time from Robert Wold Co. to communicate with members on regular basis. Wold expects weekly hour or half-hour closed circuit, will sell ads, expects to make same offer to other trade associations.

Electronic Media Rating Council has published 13-page booklet "Maintaining Rating Confidence and Credibility," which examines methods used to secure valid measurements. Copies are free from Council, 420 Lexington Ave., N.Y. 10017.



It will cost RCA Americom \$120 million to build its 3 high-power Ku-band communications satellites. RCA Astro-Electronics has been awarded contract for satellites, one of which will be ready for launch in 1985, others in 1987.

Western-World TV has been named worldwide distributor for Group W Productions programming, except in U.S. & Canada. Western-World formerly repped Group W only in Asia, Latin America, Africa & Caribbean.

As a Special Bonus,  
Conference Delegates Will Receive,  
Free, a Copy of Countdown II — The DBS  
Source Book Published by Satellite Week.

# 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

### RETURN THIS TODAY TO RESERVE YOUR PLACE AT THE DBS SUMMIT CONFERENCE AND TO RECEIVE, FREE, THE AUTHORITATIVE DBS SOURCEBOOK — COUNTDOWN II

Yes, please register \_\_\_\_\_ delegates at the DBS Summit Conference at \$595 per person. Conference fees are due & payable before the start of the symposium.

\_\_\_\_\_ Payment attached (Make checks payable to Television Digest, Inc.)

\_\_\_\_\_ Charge to: \_\_\_\_\_ American Express \_\_\_\_\_ MasterCard \_\_\_\_\_ Visa

Card No.: \_\_\_\_\_ Expires \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_ Phone \_\_\_\_\_ Telex \_\_\_\_\_

Return this coupon to Conference Coordinator, Satellite Week, 1836 Jefferson Pl., N.W., Washington, D.C. 20036.  
Phone 202-872-9200. Telex 467268.

**CRT GIVES \$32 MILLION:** Mostly agreeing to settlement proposed by major parties, CRT last week said it will distribute 85% of 1981 cable royalty fund and 30% of 1980 fund (50% of that year's royalties had previously been distributed). Royalty fund for 1981, plus accrued interest, amounts to about \$32 million and there is about \$13.5 million left in 1980 fund, according to CRT Comr. Thomas Brennan. To be distributed to copyright owners, then, is \$27.2 million from 1981 and \$4.05 million from 1980, for total of \$31.25 million.

Tribunal decided to withhold distribution of 15% of 1981 and 20% of 1980 funds to allow for possible court-ordered changes in distribution formula resulting from any suit brought by copyright groups. Such suits have been filed in past, notably one by NAB contesting no award from 1979-80 funds to commercial radio, but none so far has been successful. Current distributions will be effective on Aug. 11, Brennan said, to allow 30-day period for any stay that might be ordered by court.

Distributions without formal proceedings before Tribunal result from settlement proposed by major copyright owner groups. In that accord, parties led by MPAA & sports interests proposed dividing 1981-82 funds according to same formula CRT arrived at in disposing of 1979 and half of 1980 funds. Parties would receive following percentages and approximate totals from new distributions: MPAA 70% (\$21.88 million), joint sports claimants 15% (\$4.69 million), public broadcasting 5.25% (\$1.64 million), commercial TV broadcasters 4.5% (\$1.4 million), music performing rights societies 4.25% (\$1.32 million), Canadian claimants .75% (\$234,375), NPR .25% (\$78,135).

U.S. Supreme Court disappointed many last week when it adjourned for summer without deciding Betamax home video recording case (see separate story in this issue), but it left only 3 other media cases pending. Two involve First Amendment issues (arguments haven't been held for either); other is FCC's refusal to renew license for San Diego FM. First Amendment cases: (1) In suit brought by League of Women Voters, U.S. Dist. Court, L.A., ruled that prohibition against PTV stations editorializing violates stations' First Amendment rights. Prohibition is contained in Public Bestg. Act on reasoning that non-commercial stations shouldn't editorialize because they receive govt. funding. Stations themselves aren't enthusiastic about supporting League suit. FCC is defendant since it licenses public stations. (2) Okla. law prohibiting advertising of wine & beer on TV, radio & cable was overturned by state court. However, that decision was reversed by 10th Circuit Appeals Court in Denver, which upheld state law. Other pending case involves FCC non-renewal of San Diego FM station because it aired no public affairs programs — despite promise to do so — during 1971-74 license period. Appeals Court has upheld FCC. In case not before Supreme Court yet, Commission has asked Solicitor Gen. to appeal case in which Appeals Court in D.C. ruled that FCC violated Sunshine Act in unannounced closed meeting to prepare for negotiations with other countries on international matters.

FCC last week gave green light to public radio stations interested in doing on-air fund-raising for financially ailing NPR hq. In what may be bending of FCC rules, Laurence Harris, chief of Mass Media Bureau, July 5 issued advisory letter telling nation's 281 public radio outlets that they may hold fund-raisers for at least next 90 days without violating Commission rules barring interruption of regularly scheduled programming to conduct fund-raising for others, including other stations, can only do so for own station's purposes. Harris said FCC never intended to prohibit local stations from helping raise money for NPR, which faces \$9.1 million budget deficit for FY '83. Meanwhile, terms of proposed CPB loan guarantee, part of bailout plan to shore up troubled NPR, last week was sent to member stations, which must okay agreement early this week. Two-page statement puts into writing loan terms (Vol. 23:27 p5) requiring stations to guarantee loan to NPR hq, using as security federal grants they will receive in FY '84, '85 & '86. Statement says loan won't exceed \$9.1 million, doesn't require stations to exercise more control over federal grants that go directly to hq. Latter proposal came under fire during special interconnect among stations last week on grounds some stations might not release all money earmarked for NPR, leaving organization cash short.

National News Council has launched drive to "significantly increase" annual budget of \$350,000. Chmn. Lucy Wilson said initial results have been good "but we have a great deal of work to do." Pres. Richard Salant addressed recent Council meeting by telephone (he was in Norwalk, Conn. hospital recovering from removal of a kidney), said: "I think it is clear that as it enters its 2nd decade... the Council has fallen short of the hopes and expectations which led to its creation. The shortfall, I believe, has been for both internal and external reasons. By hindsight, some of our wounds have been self-inflicted... We have too few people doing too much work and the skills of our staff... are diverted by having to attend to time-consuming administrative details."

FCC is expected to request fiscal '85 budget of \$94.5 million for submission to OMB. Commission still is on continuing resolution for fiscal '84, had requested \$88 million but House has approved \$91 million. Budget is first agenda item at July 14 public meeting. Also on agenda: (1) Proposed reduction in operating & maintenance logging requirements on TV-radio stations. (2) Elimination of rules prohibiting hypoing (misuse of rating figures) by stations and use of inaccurate or exaggerated coverage maps. (3) How best to handle flood of applications filed against 13 RKO TV-radio stations. Court had ordered Commission to accept competing applications.

Atlantic Cable Show is set for Nov. 1-3 in Atlantic City. Sponsored by state cable associations in N.Y., N.J., Pa. & Md.-Del., show will move to new Washington Convention Center in 1984 (Oct. 24-26) and to Baltimore's Inner Harbor in 1985 (Sept. 19-21). Thereafter, show will be in Atlantic City permanently. Nov. show will have 19 panels, including one on management led by John Saeman.



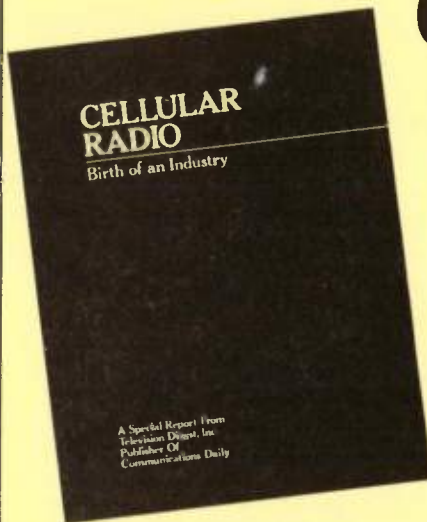
N.Y. Supreme Court has denied request by John Quincy Adams Publishing Co. for preliminary injunction against future printing, marketing & distribution of public TV's Dial magazine. Decision is outgrowth of dispute between Public Bestg. Communications — consortium of 15 public TV outlets headed by WNET N.Y. — and Educational Bestg. Corp., on one hand, and Adams on other over who had right to publish Dial. Adams claimed it had exclusive right to handle magazine under tentative agreement signed with PBC & EBC in March. Firm claimed agreement was binding, but PBC & EBC maintained agreement was merely memorandum on status of negotiations, was later abandoned when 2 groups ended talks and instead signed contract with Guner & Jahr and subsidiaries, Brown Printing Co. and G & J USA Publishing.

St. Paul City Council has chosen Nor-West, local partnership of 12 businessmen and law firm, as cable franchisee.

Scientific-Atlanta has received \$800,000 order from Outlet Co. in Providence for 5 earth stations. Stations will enable Outlet's KSAT-TV San Antonio, KOVR-TV Sacramento, WCMH-TV Columbus, O. WDBO-TV Orlando & WJAR-TV Providence, to receive network satellite feeds, live news coverage and other satellite services "which until now were impossible to obtain," Outlet Pres. David Henderson said.

NAB board members have contributed \$24,000, NAB staff \$14,610 (both records), this year to TV-Radio Political Action Committee. Third of money will be returned to states for local contributions to political candidates, according to TARPAC Chmn. William Turner who also is NAB TV vice chmn.

NCTA convention added \$7.8 million to Houston's coffers, according to Chamber of Commerce figure quoted by Assn. official.



# CELLULAR RADIO

## Birth of an Industry

The time for cellular radio experiments is past; the time has come for investments. Are you ready?

Tracking the cellular radio market isn't easy. With hundreds of applications already on file at the FCC, and scores of new markets opening during 1983, keeping ahead of competitors has become a difficult and time-consuming task.

Now, from the editors of Communications Daily, there's an authoritative reference volume of information necessary to succeed on the cellular radio frontier.

This unique information resource contains a **nuts & bolts primer** on cel-

lular — how it works, how to apply for a cellular license; a **marketplace analysis**, prepared by our editors to provide insights and forecasts of the future dimensions and directions of the cellular industry; a **city-by-city status report** on applications; a **company-by-company directory** of those seeking to compete in cellular business; and a **complete archive of background information** from the pages of Communications Daily, covering all major developments in cellular since Jan. 1982.

Order today so you can have this practical guide at your fingertips as soon as possible!

To ensure that you receive your copy of CELLULAR RADIO: BIRTH OF AN INDUSTRY fill out the coupon below and return it to Book Order Desk, Television Digest Inc., 1836 Jefferson Place, NW, Washington, D.C. 20036. Book price is \$125 per copy. All orders must be prepaid.

\_\_\_ Please send me \_\_\_ copies of CELLULAR RADIO: BIRTH OF AN INDUSTRY

\_\_\_ Payment attached (Make checks payable to Television Digest Inc.)

\_\_\_ Charge to: \_\_\_ American Express \_\_\_ MasterCard \_\_\_ Visa

Card No.: \_\_\_\_\_ Expires: \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

## Personals

**Laurence Harris**, chief of FCC Mass Media Bureau, will become pres. of Metromedia Telecommunications, effective July 25; Deputy Chief **Henry Bauman** is expected to move up to acting chief... **Newton Minow**, senior partner in Chicago law firm **Sidley & Austin** and FCC chmn. 1961-63, elected member of CBS board; Minow had to get waiver from FCC because of small interests in 3 cable companies... **Richard Frank**, pres. of Paramount TV & Video Distribution, promoted to pres. of all TV activities, including programming, mktg. & distribution.

**Richard Block**, consultant to Metromedia & others, joins Metromedia TV fulltime as exec. vp in charge of 7 owned TV stations & news; Block also will continue to work with Metromedia TV Pres. **Robert Bennett** on new ventures & network projects... FCC Chmn. **Mark Fowler** and CBS News special correspondent **Walter Cronkite** are among speakers at Oct. 2-5 NRBA convention, Hilton Hotel, New Orleans... NBC Entertainment Pres. **Brandon Tartikoff** elected pres. of HRTS, succeeding **Gary Nardino**, Paramount TV.

FCC Comr. **Henry Rivera** speaks at 10:45 a.m. July 12 to Organization for the Protection & Advancement of Small Telephone Cos., Memphis; at noon he speaks to Memphis Kiwanis Club... **Tony Brown** named **Blair Video Enterprises** syndicated sales vp-gen. mgr., new post... **William Talmadge**, ex-NBC, named **PRISM** program mgr.; **John Tuohy**, ex-ON-TV, schedule mgr... **Thomas Wolzien** promoted to vp-exec. producer, production & design, NBC News, new post... **Michael Styer** advanced to program schedule & acquisitions mgr., Md. Center for Public Bestg.

**Christopher Dann**, ex-consultant, appointed mktg. dir., **KQED** San Francisco... **Gordon MacInnes** resigns as exec. dir. of N.J. Public Bestg. Authority... **Andrew Jackson**, ex-RCA, appointed technical operations mgr., **WNBC-TV** N.Y... **Robert Schellenberg** rejoins **WBTV** Charlotte as local-regional sales mgr., succeeding **Jody McCoy**, now gen. sales mgr... **Charles Cleveland** promoted to dir.-station services, **WBBM-TV** Chicago, also will continue as editorial dir.

**Bruce Wolpe** resigns under pressure as dir.-national affairs, **NPR**, effective Sept. 16... **LaRene Tondro** promoted to mgr., **Bonneville Satellite Corp.** Washington office... **Jeff Pryor** (eastern), **Jack Clark** (central) & **Stan Hogan** (western) named regional sales mgrs., **Scientific Mktg.**... **Philip Ortiz**, ex-Cal. Devices, appointed international sales mgr., **Seeq Technology**, new post... **Donald North**, freelance producer, joins Washington PR firm **Gray & Co.** as dir.-broadcast services.

**Douglas Padgett**, ex-WEHT Evansville, Ind., named gen. mgr., **KODE-TV** Joplin, Mo. (both Gilmore Bestg. stations), succeeding **Jack Markward**, resigned... **Patricia Clemency** promoted to vp-support services, **Avery-Knodel TV**, new post... **Steve Blakesley** advanced to special projects dir., **KING-TV** Seattle... **Robert Paffen**, ex-UPI, appointed dir. of

administration, **United Media Enterprises**... **Loreen Arbus**, ex-Cable Health Network, joins **Viacom Productions** as vp-development, new post.

**John Kernan**, ex-Deltak Corp., joins **Gill Management Services** as vp-planning & product development... **Kathy Staab**, ex-Corinthian Bestg., appointed mgr.-credit & collections, **USA Cable Network**... **Susan Goodrich** promoted to dir.-human resources, **HBO**... **Dwight Tierney** advanced to senior vp-human resources, **Warner Amex Cable**.

Promoted to vps at **KFTY** Santa Rosa, Cal.: **Robert Sherwood**, news; **Kenneth Bailey**, broadcast services; **Joe Perez**, engineering... **Art Wagner**, ex-Katz TV, named national sales mgr. for **Seltel Rebels Sales Team**; **Dan Harrison**, ex-Blair TV, joins **Seltel** as national sales mgr. for **Raiders Sales Team**... **Sharon Earley** promoted to exec. dir.-mktg., **National Captioning Institute**... **NAB** Pres. **Edward Fritts** and **Henry Baumann**, deputy chief, FCC Mass Media Bureau, are among speakers at Aug. 3-5 Ark. Bestrs. Assn. convention, Little Rock.

## Obituary

**Frank Norwood**, 55, former exec. dir. of **JCET**, died June 30 at Suburban Hospital, Bethesda, Md. after stroke. Native of N.Y., he was professor of telecommunications at **San Diego State U.**, and program associate for higher education at Agency for Instructional TV, advisor to **NASA**, founding director of **PSSC**, member of **Ad Hoc Committee on Copyright**, and consultant to **CPB**, **NAEB**, Dept. of Education. Earlier this year, he became vp of **Campus Network**, subsidiary of **Satnet**. Surviving are wife, son & daughter.

**NTIA** reiterated its support for TV & radio deregulation legislation "along the lines of" measure (H.R. 2382) proposed by Reps. **Tauke** (R-Ia.) & **Tauzin** (D-La.) in statement to House Telecom Subcommittee. Submitted by **Susan Stuebing**, acting asst. secy., filing says "we generally support legislation eliminating the comparative license renewal process for both radio and TV stations," which she said was "ineffective." Statement lists regulatory changes **NTIA** supports, including elimination of FCC rules that all TV stations provide news & public affairs programming, radio format regulations, ascertainment procedures, limits on station sales & transfers.

Cellular radio applications are still pending in about 8 of top 30 markets, but construction permits and hearing designations for those cities should be completed by end of month. FCC officials said 4 cities are ready to go as soon as staff can process paper work, probably in next 2 weeks. Remaining cities should follow soon afterwards, we're told.

**Ad agency Benton & Bowles** has formed entertainment group to be based in firm's L.A. office. **B&B Entertainment Group** will be headed by **John Carter**, **B&B** senior vp & exec. creative dir. **Max Goldberg**, pres. of **Max Goldberg & Assoc.**, has been retained as dir. of entertainment marketing.



# ● Consumer Electronics®

A Section of Television Digest with Consumer Electronics

## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended June 24 (25th week of 1983):

	JUNE 18-24	1982 WEEK	% CHANGE	JUNE 11-17	25 WEEKS 1983	25 WEEKS 1982	% CHANGE
TOTAL TV#.....	391,281	421,463	- 7.2	368,450	8,238,974*	7,561,603	+ 9.0
COLOR#.....	284,464	318,953*	-10.8	251,609*	5,766,365*	5,011,074	+15.1
MONOCHROME....	106,817	102,510	+ 4.2	116,841	2,472,609	2,550,529	- 3.1
PROJECTION TV...	1,639	1,968	-16.7	1,481	54,845*	37,622	+45.8
HOME VCR.....	79,975*	39,897	+100.5	54,749*	1,484,269*	709,495	+109.2
COLOR CAMERAS...	7,952*	7,659	+ 3.8	7,015*	153,535*	128,938	+19.1

Color TV 5-week moving average: 1983--243,526\*; 1982--213,998 (up 13.8%).

Home VCR 5-week moving average: 1983--65,606\*; 1982--28,545 (up 129.8%).

# Excludes projection TV. \* Record for period.

**JUNE BEST MONTH EVER IN COLOR, VCR:** Records continue to pile on records in this crazy recovery year. Most astounding of all: June 1983 was best month in history for sales of both color TV & VCRs. Never before have June color sales topped those of preceding Sept. & Dec., normally year's biggest months.

June's color sales to dealers exceeded 1.3 million, up 24% from year earlier, capped by monumental final week of 323,000 sales, more than 50% above those of same 1982 week. June ran at annual rate of more than 14 million sets, bringing first half color TV sales above 6 million mark.

VCR sales set weekly record of more than 94,000 in June's last week, 3 times those of same 1982 week. Month's sales of nearly 350,000 units — up about 150% from June 1982 — represented annual pace of more than 4.8 million.

**HIGH VCR SHIPMENTS END U.S. SHORTAGE:** There's no glut yet, and specific fast-moving models probably will continue to be in tight supply, but VCR shortage that drew so much attention at last month's Consumer Electronics Show is over for practical purposes. Thanks for that go to Japanese VCR makers, who had back-to-back 400,000-unit months for exports to U.S. in April & May, surge that has already created worry in Japan that U.S. trade officials may call for holddown to help reverse growing trade deficit. Export growth didn't extend to TV, however, and May shipments to U.S. of complete color and b&w sets were down.

Japanese shipped 411,100 VCRs to U.S. in May, according to Finance Ministry figures. Total is up 137.4% from same month last year, and is 2nd only to 418,500 exported in April. May shipments put 5-month total at 1.53 million, up 60.1%. Japan's first quarter VCR exports to U.S. of 702,800 just about kept pace with U.S. sales to dealers of 729,600 for period. But in April-May, when U.S. sales were 500,400, Japanese exports were 829,700, and 329,000 difference represents 5-week inventory buildup at current sales rates. That's far from serious, since inventories have been abnormally low, but another few export months of comparable size could bring industry right back to excessive stockpile and price-cutting days of early 1982, even considering phenomenal sales rates of recent months.

First official Japanese expression of concern over impact VCR export growth may have on trade relations with U.S. came from senior executive at Matsushita, nation's biggest VCR producer. U.S., he said, may attempt to follow Europe and demand Japanese institute voluntary quota on exports. Motive would differ, however, as any U.S. move would be intended to limit

ballooning trade imbalance with Japan, while main purpose of European insistence on quota was to protect domestic VCR manufacturing industry, something U.S. doesn't have. U.S. imposition of restrictions on imports of cars, steel, textiles, and current Administration-supported push to come up with some form of import protection for high-technology industries have all contributed to Japanese fears.

There's been some talk by Japanese manufacturers of defusing U.S. criticism with same tactic used in Europe (and used here with color TV) — setting up U.S. assembly plants (Vol. 23:25 p14). One major VCR producer sees 5-million-unit year as trigger point.

But while Japanese VCRs are adding to trade imbalance, TVs are subtracting. Japan's total TV shipments to U.S. dropped 25.6% in May to 97,900, with color down 9.2% to 80,500, b&w off 59.4% to 17,400. For 5 months, total exports were off 29.3% to 445,000, with color down 24.3% to 346,600, b&w down 42.7% to 98,500. Only TV bright spot was in chassis & kit shipments, up 17.8% in May to 35,600, for 5 month total of 172,500, up 20.8%. Exports of complete color TVs were down 23.2% for month to 44,900, putting full period total at 174,000, down 44.8%.

**SUPREME COURT TO REHEAR BETAMAX NEXT FALL:** U.S. Supreme Court decision last week to schedule reargument on Betamax case next fall effectively puts home taping issue on ice for 6 months to year. Whatever Court finally decides — and there's strong impression it may not end in clear-cut victory for either side — delay most likely means end to any serious congressional effort to "legalize" home taping or to tax it. Immediate future of first-sale legislation to give copyright owners control over rental of recorded tapes depends on success of movie industry in divorcing that issue from Betamax case.

One-sentence announcement by Court said case was "restored to the calendar for reargument." Tentative date is Oct., right after Court convenes for fall term, participants to get formal notice 6 weeks in advance. Decision could be handed down in late 1983, but more likely will come in Jan.-March 1984, or even as late as June.

Betamax case dates back to Nov. 1976, when MCA's Universal City Studios and Walt Disney Productions sued Sony, its ad agency, dealers and one consumer for copyright infringement in home taping (Vol. 16:46 p7 et seq.). L.A. Dist. Court in 1979 decided against MCA & Disney on virtually every point, upholding home taping as non-violation. Two years later, Appeals Court completely reversed lower court, remanding case to it for relief. Sony appealed to Supreme Court. Riding on outcome of Sony case is 2nd case filed by MCA against all other VCR makers & marketers.

Both sides in case issued ambiguous statements putting best face on high court's inaction, but it obviously didn't please anyone. Gary Shapiro, counsel for EIA Consumer Electronics Group and Home Recording Rights Coalition (HRRRC), at N.Y. news conference last week, speculated on reasons for call for reargument: Court couldn't get enough opinions to constitute majority; couple of justices with swing votes were still undecided; pressed for time, with unprecedented number of cases, Court simply wanted to duck issue for this session.

Postponement presumably is indication decision may not be clean sweep for either side. While Sony Gen. Counsel Ira Gomberg read good sign for his side in Court's presumed recognition that it's "sophisticated issue" requiring careful consideration, just as good a case could be made for Court's leaning to other side. If Court didn't see any copyright issue in case, it simply would have reversed Appeals Court, letting stand lower court's decision which dismissed case out of hand — so Supreme Court is paying careful attention to issue of protecting copyright holders, particularly since case could set important precedent in other high-tech copyright issues, such as computer programs and IC designs.

Some observers saw Court's action as signal it wants Congress to take over issue. EIA's Shapiro called this interpretation "erroneous," pointing out that Court is committed to deciding case — nothing Congress does can make it moot. Whether Court action improves or decreases possibility of early action on first sale is being answered in both ways. MPAA had sought to avoid Betamax entanglements by introducing separate legislation for so-called Fair Marketing Amendment, but Senate Copyright Subcommittee decided it wouldn't budge until Court acted.



On other hand, one Subcommittee staffer last week said members are coming around to position that "there's no point in waiting," will attempt markup fairly soon. Meanwhile, Rep.astenmeier (D-Wis.) has scheduled House Copyright Subcommittee hearing on copyright & technology for July 20-21, in announcement said testimony will cover home taping, record & video rental, cable TV and copyright protection for computer microchips and software.

Legislation to levy copyright royalty fee on VCRs & cassettes, as well as effort to "legalize" home taping without fees, almost certainly is now stalled, at least until Court acts. There's little question that delay will favor home taping proponents. Taxing videotapes won't exactly be popular platform for legislative candidates in 1984 election, and passage of time increases size of people's VCR lobby — by time Supreme Court is through with issue, there could be as many as 10 million VCRs in use.

Court's inaction put damper on some elaborate publicity plans. The "Jack & Jack Show," running series of debates between EIA CEG Senior Vp Jack Wayman (speaking for HRRC) and MPAA Pres. Jack Valenti, had been scheduled last week for ABC's Nightline, Today Show and Good Morning America, was canceled when Court failed to announce decision. Court's ruling was signal for both MPAA & HRRC to intensify lobbying activities. Pro-tapers' efforts will mainly be defensive, trying to block first-sale legislation, Wayman explained, adding that if home tape legalizing legislation should come up, HRRC will push vigorously for it.

**NEW DATA INDICATE U.S. TV OUTPUT RISE:** Was U.S. color TV production down slightly in first quarter this year or up slightly? The answer is yes to both, if you're willing to accept different sets of figures, one based on EIA & Commerce Dept. data, other from International Trade Commission.

Newest data are from ITC staff report that formed basis of agency's decision that dumping of Korean & Taiwanese color sets poses threat of injury to domestic industry (Vol. 23:24 p17). In addition to indicating U.S. TV production in 1982-83 was red-ink proposition, report shows that output of 16 U.S. & foreign owned color plants here totaled 2.43 million in Jan.-March, up 14% from 2.13 million in same 1982 period — 17th producer, Sampo, failed to respond to ITC questionnaire in time for its figures to be included. Last May we used EIA & govt. figures to derive estimate that U.S. production for quarter was down about 1% to 2.29 million from 2.31 million (Vol. 23:22 p12). At that time, we expressed some surprise at decline, noting sharp rise in sales to dealers, plus production start by new U.S. plants of JVC and Gold Star.

That's spread of more than 200,000 sets, or 9% differential, which would be made even larger if we followed ITC methodology and excluded from domestic production 71,500 color TV kits which were imported with picture tubes during quarter. Factoring in imports, ITC put total first quarter new color TV supply at 3.19 million, up 21.3%, as against EIA report of 2.98 million, up 5.3% from 2.82 million.

ITC's market view gets some support from yet another set of EIA figures which show that color picture tube sales to OEMs were up about 12% in quarter. Difference already has drawn some notice in marketing services depts. of several major set makers and within EIA itself, and disparity is being explored.

Situation has familiar ring. In mid-1981, EIA revised 1980 total market figures upward by more than million sets when it became clear it had been underestimating production of non-reporting foreign owned plants here. That resulted in bringing EIA figures into line with those collected & issued by ITC, which at that time was monitoring effect of quotas on color imports from Far East.

But there are some differences. This time, ITC's numbers aren't entirely above suspicion. They show total 1981 domestic plant color production of 10 million, while their quota-related report for that year put output at 10.5 million. Sampo's production is far too small to account for that. Another headache is posed by video monitors. EIA attempts to filter them out of its set figures, but there's no accepted industrywide definition of term, and some monitors EIA doesn't count may be included as sets by ITC. Monitors also could account for spread between EIA color set and color tube figures.

But while ITC's figures may not be comparable with either their older ones or with EIA's, they do show industry isn't doing as well financially as might be expected in this record sales year. Ten companies which provided financial data reported aggregate operating loss of \$23.1 million in 1982, against 1981 profit of \$42.5 million, on 7.5% sales decline to \$3.04 billion. Their 1981 sales of \$3.29 billion represented 88% of \$3.74 billion sales ITC showed for all domestic producers in report issued in March 1982. Though production & shipments were up in first quarter this year, sales slipped 2.2% to \$691 million. Makers, however, did trim operating loss to \$783,000 from \$8.29 million.

There's wide difference between U.S. plant capacity figures in current & older reports. ITC had said industry had 5-day single shift capacity to turn out 12.2 million color sets in 1980, 12.6 million in 1981. Those totals are trimmed to 9.6 million & 11 million, respectively. For 1982, it was dropped to 9.81 million, much of decline understood to be attributed to Zenith's consolidation of all production at Springfield, Mo. plant.

Report contains previously confidential historic data on performance of Japanese TV assemblers here vs. that of traditional U.S. producers. It shows Japanese plants had operating net of \$13.2 million on \$512.8 million sales in 1977, which fell to \$995,000 on sales of \$588.4 million in 1978, loss of \$17 million on sales of \$652.3 million in 1979, earnings resuming in 1980 at \$22.4 million on sales of \$980.2 million. U.S. makers earned \$67.7 million on \$2.4 billion sales in 1977, made \$43.7 million on \$2.43 billion sales in 1978, saw earnings dip to \$40.7 million on \$2.55 billion in 1979, with rise in net to \$44.8 million on \$2.59 billion sales in 1980.

ITC says U.S. & Japanese firms shared evenly in 1981 sales rise, but in 1982 Japanese volume dropped 13% while that of U.S. makers slipped 6%. In opening quarter this year, Japanese experienced 34% decline in revenue while U.S. plants had 5% rise. Reduction of industrywide loss in quarter is attributable to U.S. makers, which is reverse of situation as it stood in 1981-82, when domestically owned firms led industry into loss column.

**MITSUBISHI BUYS RCA PLANT:** Mitsubishi Electronic Industries Canada is name of new subsidiary formed by Japanese multinational to handle its Canadian interests, including Midland, Ontario color TV tube plant it acquired from RCA last week (Vol. 23:27 p13).

Mitsubishi agreed to pay \$16 million for facility, will get about \$6 million in assistance from Canadian govt., similar sum from Ontario, both presumably repayable, to defray equipment modification and expansion costs. Mitsubishi said its total investment at Midland could reach \$37 million over next 5 years, making it largest by Japanese company in Canada.

Mitsubishi said it expects initial re-equipment phase to be completed by year's end. Operations are to start with 240 workers producing standard color TV tubes, but emphasis will gradually shift to high resolution tubes for use in computer and other displays. Over longer term, company said it has plans to diversify into output of other high technology products, boost employment to about 600, about same as peak under RCA. RCA Canada said that under sale agreement it has no commitment to purchase tubes from Mitsubishi for sets it assembles there, that it expects to source its requirements from RCA plants in U.S.

**Video software notes:** MGM/UA Home Entertainment Group sold more than 200,000 videodiscs last year, is looking for at least 550,000 in 1983, according to Home Video Pres. Mickey Hyman... Fairfield Group, home video consulting company, has established direct response subsidiary called Fairfield Direct to manage mailing lists of VCR and home computer owners, make them available to manufacturers, catalog houses, etc. Details: Stephen Wilson, 203-655-9393... Video Station is expanding franchise operation to Japan in venture with local partners. VS will provide training, permit use of its name, plans to supply some recorded cassettes for expected 500 outlets. VS is now trying to line up software rights.

**Korea is building infrastructure to support expansion plans of IC makers.** Daewoo is expected to start construction this month of \$91 million large-scale silicon wafer processing plant. Also entering wafer field is Anam Electric, investing \$29.5 million in new facility, and Korea Electronics, with \$26 million project. U.S. is considered prime source of technology for IC producers, and Gold Star has set up technology acquisition center in Silicon Valley. Already established there is similar office of Hyundai, which company plans to expand into manufacturing operation.

**Asahi Microsystems is being formed as joint Japanese IC production venture by American Microsystems and Asahi Chemical.** Plan calls for Asahi to acquire 49.9% of AM's current Japanese marketing unit which will serve as base for establishment of manufacturing & design facilities.

**Mart magazine and Telecommunications Retailer magazine have been sold by Morgan-Grampian Publishing to Gordon Publications, Randolph, N.J., publisher of Home Electronics Product News and computer publications.** Existing editorial staff will be retained at current N.Y. address.



**PHONE-MATE REPORTS:** Shifting company emphasis in telephone equipment market to consumer from semi-professional can be expensive proposition. That's clear message in preliminary prospectus for 800,000-share secondary offering planned by Phone-Mate.

Torrance, Cal. marketer will raise about \$12.6 million if offering sells out at current price. P-M says it will use \$2 million to retire note due Japan's Asahi, P-M's principal equipment supplier, rest to be used for inventory & receivables financing, R&D.

P-M restricted sales to telephone answerers, mainly for business & home office use, through 1981, year it netted \$216,000 on \$23.9 million sales. Last year it ventured into cordless phones and sales jumped 31.4% to \$31.5 million — but ad, promotion & market development costs boosted operating expenses 56.8% to \$10.2 million and firm logged \$402,000 loss. Contributing factor was lower profits on answerers stemming from price cuts and introduction of lower priced models to meet increased competition.

P-M sold \$10.9 million worth of cordless phones last year, virtually all in 2nd half, against none in 1981. That more than offset 13.2% drop in answerer volume to \$19.5 million. In first 5 months this year, P-M sales doubled to \$15.9 million, as cordless phone sales jumped 8-fold to \$5.5 million and answerer sales rose 43.5% to \$6.82 million. It logged net of \$222,000, against \$337,000 loss in same period last year. However, prospectus cautions that bulk of first half sales are made in March-May, so earnings for 6 months are "projected to be significantly less" than shown for 5 months.

P-M's move into cordless phones is being followed by addition of corded instruments, and expenses are going up accordingly. Prospectus says that for first 5 months its selling costs jumped 92% to \$2.67 million and engineering expenses rose 79% to \$252,000. Promotion & ad costs rose to \$3.4 million last year from \$1.6 million in 1981, because of cordless phones, and are budgeted at \$4.3 million for 1983. R&D outlay was \$385,000 in 1981, \$541,000 last year, should be \$850,000 this year.

Asahi, which owns 13.5% of P-M and has been company's only equipment supplier, recently expanded plant in Singapore, and has reduced some prices. P-M, however, has moved to develop alternative supply sources and lower costs, will be buying some gear from producers in Hong Kong & Taiwan.

P-M's 1982 sales put it about on par with Dynascan, which reported telecommunications equipment sales of \$39 million for same period (Vol. 23:23 p14) and make it about twice size of Webcor. P-M said other major competitors are Panasonic, Code-A-Phone and Record-A-Call in answerers, Uniden in cordless phones.

Webcor reported that its phone sales, mainly cordless models, doubled in year to March 31 to \$14.4 million. But company reported consolidated earnings were down 56.9% to \$1.29 million on 14.8% sales drop to \$27.1 million. Webcor attributed fall-off to declining market for calculator & watch lines, said it was increasing involvement in phone equipment.

**TV EXPORTS DOWN:** Slide in U.S. TV export business, which started at end of 1980, is continuing, according to Commerce figures for first quarter of this year. Data, which include some re-exports, show unit shipments in Jan.-March down 68.9% to 52,100, with value off 62.2% to \$18.3 million.

Largest unit decline, 86.6%, came in b&w, product no longer commercially manufactured in U.S., with shipments of just 6,700, while value sank 77.5% to \$1.23 million. In color, unit exports dropped 63.4% to 42,700, and value fell 62.4% to \$15.9 million. Luxury export market is apparently still there, however, as exports of combinations jumped 157.2% to 2,700 and value climbed 120.2% to \$1.12 million.

Figures indicate average value of exported color TV rose to \$373.82 from \$364.29 in same 1982 period, while value for b&w soared to \$184.38 from \$109.55. For combinations, value was \$412.60, down from \$481.94.

In audio, car radio exports improved, with units up 19.5% to 228,600, value up 32.9% to \$23.7 million. But phono shipments fell 85.6% to 7,200, with value down 71.7% to \$3.58 million, while home & portable radios were off 54.9% to 47,200 in units, down 37.8% in value to \$1.96 million.

Plans to buy color TV sets rose in June to highest point in more than year, according to Conference Board's Buying Plans Index, which showed 8.1% of households surveyed planned to buy color sets over next 6 months, up from 7.4% in May and 6.4% in June 1982. Approximately same percentage (8%) planned to buy automobiles. Plans to buy b&w sets were expressed by 0.7% in June, down from 1% in May and 0.8% in June 1982. Buying Plans Index (all products) rose 18 points to 103.6 (1969-70=100), and CB Exec. Dir. Fabian Linden commented: "The long awaited upsurge in consumer spending... finally appears to be imminent."

Toshiba reported 13.2% earnings drop in year to March 31 on 2.4% sales rise. Company attributed profit slump to higher promotion costs in competitive markets, losses from 2 discontinued subsidiaries, Toshiba-Ampex and Toshiba-Radiola. Toshiba said it expects net to jump 22% this year to \$195 million on sales increase of about 9% to \$11 billion, with volume increases to come from such high-tech areas as semiconductors, color TV tubes, personal computers and office automation equipment.

CBS/Sony Records of Japan has named its U.S. custom CD pressing subsidiary Digital Audio Disc Corp. As previously announced, new company will take over Terre Haute, Ind. plant closed by CBS Records last year, invest about \$21 million in equipment to give it capacity to turn out 10.5 million discs annually.

Commodore and Mitsumi have set up 50-50 venture in Japan to produce computer peripherals. Expected to begin manufacturing operations in Oct. with disc drives as first product, company will be capitalized at \$12-\$16 million.



**SMC, PHILIPS REPORT:** Sanyo Mfg. Co. had 3% drop in unit color TV sales last year, 2% rise in microwave ovens, though competition resulted in 3% drop in oven revenue, company says in annual report for period ending last Nov. 30.

Report shows that while net rose 15% to \$913,000 (Vol. 23:12 p16), gain came from share reduction in interest expense. Excluding interest outlays, figures in report indicate SMC had pre-tax operating profit of \$9.5 million, down 12.1%. Sales to main customer, Sears, were down 2.2% in fiscal 1982 to \$235.9 million, while those to other customers, primarily U.S. marketing arm of Japan's Sanyo Electric, rose 6.6% to \$38.4 million.

SMC said it spent \$3.88 million on capital improvements to Forrest City, Ark. assembly plant last year, including \$1 million for new line to double microwave oven production capacity. Largest outlay on tap for this year is \$125,000 to improve TV console cabinet capability. SMC said it spend \$598,000 on R&D in 1982, down from \$614,000 in preceding year.

N.V. Philips consolidated pre-tax profit from consumer electronics dropped 74.8% last year to \$42.5 million on 0.9% sales decline to \$4.4 billion, annual report says. Company traced earnings decline to excess competition in VCRs & audio, high product development costs, said profitability from TV operations was maintained. Philips said total earnings from U.S. were down last year because of sagging market for electronic components, while earnings from Asian production centers were down as result of declining growth in world consumer electronics business. Philips says it expects consumer electronics to show earnings improvement on modest sales growth this year. Results include North American Philips, 61% owned by U.S. Philips Trust.

Arvin sales of audio equipment dropped last year, but its private label production & sales arm remained profitable because of stringent cost reduction effort, company says in annual report. Taiwan plant automation effort started last year is being continued in 1983, and production is being expanded to include telecommunications & CATV equipment for new customers.

Teledistribution of video software direct to home, bypassing traditional retail distribution chain, will be major marketing tool in next decade, according to International Resource Development. Study says that by 1993 some 16 million consumers will be paying \$3.8 billion annually for encoded programming transmitted to their VCRs by VHF TV stations or satellite, while spending only about \$3 billion to buy or rent programs from dealers. Less promising are similar delivery services for audio-only music and computer-game software. IRD says it sees only about 300,000 subscribers for music services, as industry opts to stick with traditional marketing channels. While it says there could be up to 6.8 million software subscribers, possible arrival of interactive videodisc-computer games, which would not be tele-deliverable, could severely limit appeal of service. Details: IRD, 30 High St., Norwalk, Conn. 06951, 203-866-6914.

**FCC'S UHF SET DATA:** TV set industry can easily meet proposed minimum UHF tuner noise limit of 12dB, FCC has concluded on basis of manufacturers' data submitted in accordance with Commission's UHF rules. Although current limit remains 14dB, Commission said 10dB can now be considered "present state of the art in color TV UHF noise figure performance."

In Aug. 1981, FCC proposed to lower noise figure to 12dB by Oct. 1, 1982, but EIA appealed to court, which ruled that achieving 12dB was beyond state of art at that time.

FCC's analysis of UHF noise information submitted by manufacturers from Jan. 1, 1981 to May 31, 1982 showed industry's mean noise figure for 1981-82 was 8.9dB, according to Commission study. FCC developed figure called "confidence value," generally representative of maximum noise figure of manufacturer's total production (it's actually figures which manufacturer can declare, with 90% confidence, that 97.5% of its production doesn't exceed). FCC found confidence value for about 70% of 1981-82 color production was less than 12dB, as was average confidence value for 10 manufacturers which produce about 80% of TV sets.

Compilation of confidence values for 1981-82 output of various manufacturers showed RCA & Toshiba with best record at 10.74dB, followed by Sony (11.13), GE (11.55), Gold Star (11.64), Panasonic (12.12), Zenith (12.16), Sanyo (12.35), Quasar (12.39), Sharp (12.43), NAP and Tatung (12.53), Portland (12.56), Teknika (12.92), Sampo (13.15).

FCC's study, Profile of UHF TV Noise Figures (FCC/OST TM 83-3), was conducted by Office of Science & Technology and is available from Commission.

Sanyo is discussing formation of consumer electronics manufacturing ventures in China with govt. officials there. Plan is for 50-50 partnerships for production of color TVs and radios. Company has licensees there which assemble appliances for local sale, ship some of output to Sanyo in lieu of cash payment. Sanyo says change in China's venture law to permit portion of products of such ventures to be sold in domestic, as well as export market, makes direct investment attractive now. Hitachi launched color venture in China in 1981.

Sharp's first color set using flat square cornered tube is 20" video oriented remote model. Priced in Japan at about \$960, set has built-in cassette recorder for computer data or stereo audio, inputs for simultaneous connection of videotex, VCR & videodisc player, automatic vertical size correction when signal from PAL or SECAM VHD videodisc is fed in. Sharp doesn't make own picture tubes, is presumably buying FST from Toshiba.

Beta & VHS cassette manufacturing licenses have been obtained from Sony & JVC by Korea's Sunkyoung Chemical, which now has worldwide right to display official logos for those formats on its SKC brand product.



# CONSUMER ELECTRONICS VIDEO DATA BOOK

## 1983 Edition

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—July 1983.

These are some of the same statistics which led Sony Chmn. Akio Morita to tell Playboy magazine that Television Digest is "the leading U.S. trade journal" and required reading in Japan. This 150-plus page handy Data Book covers color & monochrome TV, VCRs, videocassettes, videodiscs & players, audio equipment—plus statistical forecasts & projections, along with summaries of market surveys and reports from a wide variety of industry sources. The **CONSUMER ELECTRONICS VIDEO DATA BOOK** is available for \$125, but subscribers to any Television Digest publication receive the preferred rate of only \$95.

Among statistics in this everyday ready-reference book:

- Table of weekly sales to dealers of total TV, home VCRs, projection TV and color cameras from July, 1982 to July, 1983;
- Monthly sales-to-dealers summaries, with inventory reviews and analyses covering 12 months;
- Quarterly data on total-market supply of color & monochrome TV sets, including TV Digest's own breakdown of domestic production and imports;
- 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;
- Trends and forecasts, including statistical analyses from other sources—all major surveys in a 12-month period;
- Market studies and reports, including projections, covering all types of industry products for both the U.S. and overseas.

**NOTE:** If you don't already have your copy of the 1982 **CONSUMER ELECTRONICS VIDEO DATA BOOK**, covering Jan., 1981 through June, 1982, you may order it with the new edition at a discounted price of \$25.

Yes! Please ship me \_\_\_\_\_ copy/copies of the **1983 CONSUMER ELECTRONICS VIDEO DATA BOOK** at \$125 (price for subscribers to Television Digest publications is \$95). Please add \$10.00 per book for foreign orders. D.C. purchasers add 6% sales tax per copy ordered. Make checks payable to Television Digest, Inc. All orders must be prepaid.

Also ship me \_\_\_\_\_ copy/copies of the 1982 **CONSUMER ELECTRONICS VIDEO DATA BOOK** at \$25.

Credit Card \_\_\_\_\_ American Express \_\_\_\_\_ Visa \_\_\_\_\_ MasterCard \_\_\_\_\_

Credit Card Number \_\_\_\_\_ Valid From \_\_\_\_\_ to \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Organization \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

Return this form to Television Digest Inc., 1836 Jefferson Pl. NW, Washington, D.C. 20036.  
202-872-9200

## Consumer Electronics Personals

**James Morgan**, ex-Philip Morris exec. vp, to join Atari Aug. 12 as chmn.-CEO, succeeding Raymond Kassar, who resigned after 5 years with company but continues as consultant to parent Warner. Pending arrival of Morgan, Kassar's duties will be assumed by **Emanuel Gerard**, Warner co-chief exec... **Leonard Schneider** promoted at RCA Consumer Electronics Div. to operations vp, replacing Charles Quinn, recently named Video Component & Display Div. vp-gen. mgr.; **Bennie Borman**, former CED manufacturing, engineering & technology dir., advanced to manufacturing vp, succeeding Schneider.

**Mitchell Ravitz**, ex-Kyocera and Toshiba, joins Konica Audio-Video Div. as national sales mgr... **Philip Pietaggi** promoted to new post of operations vp, MCA Home Video and Universal Pay TV... **Rita Burton** named vp, CBS/Fox Studios... **Herbert Estrin**, ex-Warner Home Video, joins United Satellite Communications as administration operations dir... **Thomas Measday**, ex-Yardley, joins Broderbund as mktg. & sales vp... **William Kanner**, ex-Audio Video Intl., named acct. exec. at Rober PR.

**Van Campbell**, Corning vice chmn., **Richard Dulude**, Electronics & Telecommunications Group pres., **William Hudson**, Consumer & Industry Group pres., named dirs... **Herbert Criscito**, ex-Zilog, appointed RCA Solid State Div. worldwide mktg. & sales vp... **Edward Kearney** joins General Instrument as investor relations vp.

Sony is keeping promise to avoid competing with its customers for custom videocassette duplication business, is cutting back on that activity as duplicators put Beta Hi-Fi slaves on line. Sony said **Bell & Howell/Columbia**, VCA Duplicating and Video Assoc., small west coast house, have Beta Hi-Fi equipment up & running. Sony had been doing virtually all industry's Hi-Fi format duplicating in Dothan, Ala. plant to insure tape availability to support launch of VCRs, but said it would back off when studios could get same service from their usual suppliers.

**Porno star Marilyn Chambers** will function as national spokesperson for line of videocassettes, computer & game software being developed by Private Screenings, adult cable program service she now serves as on-screen hostess. PS said cassettes will offer same shows it now feeds on cable, indicated it had no specific plans for content of other software offerings.

European market for videogames, computers & software should be \$870 million this year, up from \$640 million in 1982, according to study by Paris-based research **Intelligence Electronics**. It sees market rising to \$1.03 billion in 1984.

Best-known brand of home computer is Apple, which has 3 times consumer awareness of 2nd ranked TI, according to consultant **Arthur D. Little**. Others, in descending order: Atari, Radio Shack, IBM & Commodore.

WEEKLY

## Television Digest

with  
Consumer Electronics . . .  
(ISSN 0497-1515)

PUBLISHED BY TELEVISION DIGEST, INC.

**Albert Warren** ..... Editor & Publisher  
**Paul L. Warren** ..... Senior Editor & Associate Publisher  
*Publishers of weekly TV Digest, annual Television and Cable Factbook and weekly TV, Radio & Cable Action Updates, Cable Atlas, Satellite Week, Video Week, Communications Daily, biweekly Public Broadcasting Report and other special publications.*

Copyright © 1983 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

### EDITORIAL & BUSINESS HEADQUARTERS

1836 Jefferson Place, N.W., Washington, D.C. 20036  
Phone: 202-872-9200 Telex: 467268

#### WASHINGTON HEADQUARTERS

**Albert Warren** ..... Editor & Publisher  
**Dawson B. Nail** ..... Executive Editor  
**Paul L. Warren** ..... Senior Editor  
**Jonathan Miller** ..... Senior Editor  
**Paul Travis** ..... Senior Editor  
**Steven Tuttle** ..... Associate Editor  
**Mary Crowley** ..... Associate Editor  
**Mike Schwartz** ..... Associate Editor  
**Melinda Gipson** ..... Assistant Editor  
**Daniel Warren** ..... News Editor  
**Deborah Jacobs** ..... Info. System Mgr.

#### Television and Cable Factbook

**Mary Appel** ..... Editorial Director  
**Marilou B. Legge** ..... Managing Editor  
**Lynn R. Levine** ..... Associate Editor  
**Barbara E. Van Gorder** ..... Associate Editor  
**Jeannette H. Noyes** ..... Associate Editor

#### Factbook Research, Inc.

**Marilou B. Legge** ..... Director  
Business  
**Roy W. Easley III** ..... Controller

**Barbara J. Pratt** ..... Marketing Dir.  
**Janet Kohler Dueweke** ..... Advertising Dir.  
**Betty Alvine** ..... Circulation Mgr.

#### NEW YORK BUREAU

475 Fifth Ave., N.Y. 10017  
Phone: 212-686-5410

**David Lachenbruch** ..... Editorial Dir.  
**Robert E. Gerson** ..... Managing Editor  
**Seth Goldstein** ..... Senior Editor  
**Julie Talen** ..... Assistant Editor

#### JAPAN REPRESENTATIVES (Editorial & Business)

**Aske Dam**  
**Richard E. Varner**

c/o Foreign Correspondents Club of Japan  
Denki Bldg., 20th Floor 1-7-1  
Yuraku-cho, Chiyoda-ku  
Tokyo 100, Japan  
Phone: 211-3161 Telex: J24600

**Commodore** is suing AMP Keyboard Technologies, charging that defective keyboards forced it to drop Max low-end game-computer it had planned to market here this year. In action seeking \$30 million damages, Commodore said its manufacturing subsidiary in Japan assembled about 35,000 computers, but sold only 15,000 because of problems with keyboard which allegedly "failed to conform to specifications." Commodore demonstrated Max last year, with tentative list of \$179. By time Max was slated to go on sale, street price on company's Vic 20 computer was down to \$150.

**Nitron** is working its way out of financial troubles. Company has arranged stock-for-debt swap with major creditors, said it has lined up \$3.5 million in new investment, \$3 million loan to be used to pay off smaller creditors and for working capital. Problems started last year with bankruptcy of videogame maker Astrocade, which owed Nitron \$6.4 million. Nitron retained large inventory of Astrocade games & components, but with marketer out of business that stockpile has little commercial value. SEC, meanwhile, is probing insider trades in Nitron stock.

**Mattel** is offering 13" Samsung color TV for \$75 to consumers who buy Intellivision videogame console or computer expansion module. Plan to use color set as premium was announced by Mattel at Summer CES last month, but that deal was for Aquarius computer and required purchase of console plus 3 peripherals for about \$500, and price on set was \$100 (Vol. 23:24 p20).



WEEKLY

# Television Digest®

with  
consumer  
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

JULY 18, 1983

VOL. 23, NO. 29

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast - Cable

**FINANCIAL INTEREST ADVANCES:** FCC compromise in works, mostly in favor of networks' position. Further comments will be sought. (P. 1)

**DBS PLAN CALLED ACCEPTABLE:** Difficult international talks create compromises. U.S. delegation claims success. (P. 2)

**HOUSE PANEL READY WITH TV SURVEY,** radio is next; last hurdles before drafting of broadcast deregulation legislation begins. (P. 3)

**NPR SURVIVAL REMAINS IN DOUBT** because CPB couldn't conclude loan agreement with NPR after day-long executive session. (P. 4)

**NAB TO STUDY KENNEY PLAN** for separate TV & radio lobbying arms, in-house services. Bolger leaves Exec. Committee. (P. 5)

**FCC SHORTENS RKO LICENSING** by making 164 competing applicants parties in KHJ-TV L.A. proceeding. (P. 5)

**CITIES MOVE AGAINST CABLE** legislation in House, depending on sheer numbers. (P. 6)

**FCC TO REQUEST \$94.5 MILLION** FY '85 budget providing for 1,999 employees. Mass Media Bureau would get 19 more workers. (P. 8)

**FCC COMPROMISE COULD HELP NETWORKS:** Top floor of FCC hq has been buzzing last several days with talk of proposed compromise in financial interest rulemaking that would permit TV network to own off-network programming. While Chmn. Fowler is keeping own counsel, we're told he's catalyst behind strong move to get compromise out before traditional Aug. recess. Commission meets Aug. 4 (it's required by law to hold at least one meeting each month), and best guess is that item will be on agenda.

While commissioners say nothing has been agreed to — "I haven't signed off on anything," one told us; another said "the whole thing is still negotiable" — 4 members left on Commission are expected to ask for comments on permitting networks to have financial interests in non-network programming. However, under current thinking, they wouldn't be able to syndicate such programming themselves, would have to license programming to others. Still up in air is whether networks would be permitted to own off-network prime-time show — such as a MASH — after it goes into syndication.

### Consumer Electronics

**JAPAN TV DUMPING** injury ruling issued by ITC in 1981 overturned by Trade Court. If upheld, ruling would end long-standing case. (P. 11)

**INCREDIBLE FIRST HALF** saw new TV sold to 10% of U.S. families. VCR sales 17% above those of full year 1981. June broke all records. (Pp. 12 & 16)

**VCR & COLOR IMPORT RECORDS** set as incoming shipments surged in May, Commerce figures show. Color camera imports up, b&w down. (P. 12)

**COMPUTER SUITS:** One unfair competition case opens as Commodore clashes with Atari, another ends as Adam name settled. (P. 13)

**INDIA BUILDING FIRST** color tube plant with help from Korea's Samsung-Corning. (P. 13)

**MATTEL SHUFFLES EXECS.** at Electronics Div., replaces Denham with Morris as computer industry's revolving door spins again. (P. 14)

**ARCADE VIDEOGAME MAKERS** watch entries from Cinematronics & Sega to see if videodisc enhancement can revive market interest. (P. 16)

**CED DISC PRICES** may be raised by Embassy because of high costs. Boost already made by RCA, planned by Paramount. (P. 17)

At least 2 commissioners are insisting on further comments. They'll be placed on "a fast track basis, probably 30 days," we're told. It hasn't been decided whether replies will be accepted.

Recognizing way wind is blowing at Commission, Committee for Prudent Deregulation (fierce opponent of networks on issue) July 14 asked agency to "initiate further proceedings... to avoid unintended consequences which easily could flow from a misspecified amendment of the present rule" banning network ownership of such programming. Committee said FCC must get comments on "the precise rule amendment it proposes to implement. To do otherwise would be reckless... It has become increasingly evident... whatever solution is ultimately reached by the Commission... will bear little resemblance to the possible courses of action" outlined in June 1982 notice of rulemaking.

**U.S. DBS DELEGATION DECLARES VICTORY:** After making worried noises in final stretch, U.S. delegates to RARC 83 are coming home sounding fairly cheerful. Delegates asserted that U.S. had accomplished its basic goals: "It's very tight... but it meets virtually all the requirements" of U.S. DBS interim plans, DBS Ambassador Abbott Washburn said. Washburn aide Kalmann Schaefer said: "We got what we came here for."

Conference wasn't cakewalk, with final accord reflecting compromise negotiated after various countries had seemed far apart. There are parts of final plan that U.S. industry won't like. On at least one matter, U.S. plans to take a formal "reservation." U.S. argued at every turn for what seems feasible for U.S. by end of decade and possible 20 years hence but which appears to be only far distant dream for countries like Guyana. Frustration for American delegation was not only that such administrations were alleging U.S. spectrum imperialism, but that each carried equal vote with that of U.S., Canada & Mexico, 3 largest delegations represented.

Failing was clearest in U.S. loss to Canada & Brazil over issue of power flux density — amount of power received from satellite at earth station. Higher-powered satellites will come into use in U.S. by end of decade anyway, because U.S. intends to go ahead with its plans despite ruling of convention in favor of lower power, and Washburn predicted other administrations such as Mexico would do the same. Making "reservation" on that point was less desirable than "winning" point, but Schaefer maintained that it wasn't "win-loss situation."

"It's like an orchestra with one player being out of tune," Schaefer said, "You can still play, but it won't sound as nice as if everyone were playing the same thing." Bilateral negotiations with Canada to calm fears of Canadians about spillover have already begun, Schaefer said.

U.S. delegation tried to minimize significance of one other loss at conference which may seem more consequential to dish-makers than to diplomats. Despite fullscale dish diagrams and life-sized model of Alcoa-NEC antenna on display at U.S. mission, conference adopted symmetrical feed antenna instead of "state of the art" offset-fed dish U.S. proposed. Antenna makers in U.S. had hoped for smaller, more advanced antenna to become the norm to make DBS cheaper for consumers. Manufacturers still will have U.S. and regional market for their offset wares, Washburn asserted, simply because they are more advanced. "We hope that some day the customer will be able to walk into a Sears Roebuck store and carry his dish home on his arm, then put it on his windowsill or wherever," Washburn said. Concern of other countries was that they would be able to manufacture their own dishes domestically, which they were afraid they couldn't with more advanced dish, Schaefer said.

There are other minuses for U.S., which gets one slot so far east that, twice yearly for around 22 days, N.Y. and other eastern areas served by its beam won't be able to get reception any later than around 10:15 p.m. America's far western slot (at 175 degrees west) will mean that L.A. never has to worry about its "eclipse protection" but spells trouble for northeastern Mont. where angle at which beam is received by antenna will be something like 5 degrees. (Minimum angle U.S. requested was 20-40 degrees.)

Taken as a whole, there was mighty planning at RARC but, with exception of U.S. & Canada, there probably won't be any DBS operators for a while. Most countries talking even optimistically about DBS don't foresee launching any satellites until 1990. Those systems that



will emerge between now & then will be interim low power plants built well within limits RARC scheme was thought needed to prescribe.

U.S. slots, each with 32 channel capacity, line up in following way: Those at 175 & 166 degrees west will serve Pacific time zone. Two beams from each Pacific slot will be able to broadcast to Alaska & Hawaii. Pacific also can be reached by satellites in service area designated for "western half" of country, served by slots at 157 & 148 degrees west. Together, Pacific & western slots make up 2 of U.S.'s 4 service areas.

Eastern half of country also is split, with slots at 119, 110, 101 & 61.5 degrees west. As in Pacific & western zones, one slot can service either full 1/2 or 1/4 of country. Of course, more than one satellite can be placed in each slot, limited only by restriction that they be at least 0.4 degrees apart. (Minimum separation between any 2 satellites from different countries is 0.8 degrees.)

**HOUSE TV & RADIO SURVEY CAUSING FLAP:** House Telecom Subcommittee last week took step closer to drafting quantification standard for broadcast deregulation with mailing of surveys to nation's TV stations seeking detailed information about quantity & type of news & public affairs programming, also children's, elderly & minority shows. Survey has caused stir among broadcasters, led NAB Pres. Edward Fritts to send station managers mailgram stressing that survey is voluntary and part of quantification effort Assn. opposes. Radio query also is planned, prompting NRBA outcry.

Two-page survey asks for breakdown of each TV stations' programming for composite week in 1982 that uses same dates FCC is requiring for TV station renewals: July 7, Aug. 20, Sept. 23, Oct. 25, Dec. 18, March 15, April 17. Survey was developed by Congressional Research Service, will be followed as early as this week by radio survey, that will be mailed to only about 10% of stations. Subcommittee set Aug. 8 deadline for return of TV surveys, will have later deadline for radio queries.

Broadcasters are troubled by extent of survey and implication that quantification will be part of deregulation. Programming questions are divided by time slots for 6 a.m. to midnight, 6 p.m. to 11 p.m. (5 p.m. to 10 p.m. central & mountain time), and midnight to 6 a.m., with separate breakout for local programs. Using charts, stations are asked to give details down to number of minutes each kind of programming was aired, names of shows designed specifically for children, minorities, elderly, plus number of public service announcements and time carried. Subcommittee is making survey available to attorneys through FCC in move that is intended to give stations someone to turn to for questions, also is promotional gimmick designed to point out alleged inadequacies of Commission's audits. Claimed one Hill aide: "They [FCC] should consider using ours."

Survey is considered key to form legislation will take, sources admitted. Discussion among House members & staff over nature of legislation has been dominated by question of how quantification might be handled for TV, whether it should extend to radio, we were told. (NAB said it will never accept quantification for radio, doesn't want it for TV either but is willing to negotiate issue.) But form survey ultimately took was vastly scaled down from original proposal calling for stations to itemize year of programming in 10 categories, based on time aired, market size of station, gross revenues, kind of station outlet. Less ambitious undertaking is result of NAB & NRBA input, sources said.

But NAB & NRBA are skeptical, say survey is "overzealous" undertaking that asks for more information than stations can provide, particularly in area of children's, elderly & minority programming. Groups also claim there is no reason to collect data for radio, were quick to remind Subcommittee that they oppose quantification for radio. Congressional aides disagree. Argued one: Radio "stations are acutely aware of the kinds of programming they provide." Network stations have additional beef, report that Aug. deadline is too early, that information from network hqs isn't likely to be available to stations by then.

Fritts' mailgram was particularly pointed, prompting angry response from Wirth, whose staff at press time was drafting strongly worded response citing NAB for being inflexible. Later in week, Fritts had taken more conciliatory tone. In speech to Colo. Bestrs. Assn., Fritts

reiterated that answering survey was voluntary, but added: "I caution you not to be frightened by the tone or the weight of the questionnaire. This does not mean that any new programming restrictions will be imposed on you." At July 14 news briefing following NAB Exec. Committee meeting, NAB Chmn. Gert Schmidt replied "probably not" when asked if his group, Harte-Hanks, would respond to questionnaire. TV Chmn. Jerry Holley, Stauffer Communications, and Vice Chmn. William Turner, Forward Communications, both said their stations wouldn't fill out questionnaires.

NRBA's Abe Voron also has been arguing against survey, claiming query is "meaningless exercise" that won't be favorably received by stations. Several Republicans on Subcommittee, too, have expressed unhappiness over undertaking, are threatening to attempt to quash push for quantification, according to Hill sources who would not name names. Wirth wants to draft consensus legislation using proposal (HR-2370) by Rep. Swift (D-Wash.) as framework. In speech, Fritts repeated NAB's support for alternative (HR-2382) offered by Reps. Tauke (R-Ia.) & Tauzin (D-La.), added in mailgram: "You can be sure that we will be diligent in defeating any unacceptable legislation." He didn't make clear whether that includes quantification.

CBS posted 35.9% rise in 2nd quarter net to \$58.7 million (\$1.98 per share vs. \$1.55) on 6.8% sales rise to \$1.06 billion, with Best. Group contributing only slightly to improved results. For half, net was up 29.9% to \$76.5 million (\$2.58 vs. \$2.11) on 6.4% revenue rise to \$2.1 billion. Earnings are after losses of \$5.4 million and \$9.9 million in 1982 quarter and half from discontinued cable programming and retail store operations. On continuing operations basis, CBS net was up 20.8% for quarter, 11.2% for half. Pre-tax earnings from broadcast operations were up just 0.6% in quarter to \$103.3 million, which was still improvement over decline in opening period, with sales up 3.3% to \$563.2 million. For full period, earnings were down 13.4% to \$128.8 million on 5.5% sales rise to \$1.12 billion. Major earnings star was CBS Records, with 8-fold jump to \$28.2 million on sales rise of 9.1% to \$280.3 million. For half, Record earnings tripled to \$67.7 million while sales rose 4.3% to \$76.9 million. Columbia Group also had improved results, while publishing unit had higher earnings in quarter but larger losses for first half. Consolidated net was trimmed by foreign exchange losses, increased interest expenses for both periods. CBS said TV network profits suffered from unexpectedly weak "sales environment in the scatter market" for ad time that continued all through 2nd quarter, though impact was offset by higher earnings at TV Stations and Radio Divs.

Taft, CBS & NAB were among parties urging FCC to reconsider all or part of its decision not to extend must-carry to teletext. Taft, whose comments were generally echoed by CBS & NAB, said cablecasting teletext signals "produce no significant technical difficulties [and] in most cases cable systems can pass an acceptable teletext signal without modification."

Women seeking radio or TV licenses can be favored over firms with minority participation, FCC Review Board ruled in contest for new FM in Russellville, Ark. Decision came in case pitting female-controlled applicant against 15%-owned black competitor. Ruling provoked National Black Media Coalition spokesman Michael Jones to express "grave concern."

**NPR'S SURVIVAL STILL IN DOUBT:** Survival of NPR remained in question late last week after day-long executive session by CPB board ended without loan agreement. NPR management officials said on June 23 that company, which faces projected \$9.1 million deficit as of Sept. 30, needed \$6-\$10 million within 20-30 days to stay alive. Officials repeated assertions of grim state at NPR. Acting Chief Operating Officer Ronald Bornstein said NPR needs \$1.8 million before July 29 to meet payroll, pay overdue bills.

NPR is ready to "negotiate around the clock," interim Chmn. Donald Mullally said. He said NPR also would contact stations which haven't signed agreement on CPB bailout plan and "encourage" them to sign. "Time is perilously short if we are to conclude a deficit financing deal to save NPR" and avoid "regrettable consequences that may otherwise result," Mullally said. NPR spokesman said pressure from creditors is increasing and "we're hanging there by a thread." In unprecedented action to raise money, NPR will offer optional versions of All Things Considered & Morning Edition on Aug. 1-3 which will have 20 min. per hour of fund-raising plea along lines of "help this station help NPR."

"Typical" TV station showed steady revenue growth and "substantial success" in cost-cutting efforts in 1982, according to annual survey by NAB. TV performed "well above the national average for all industries" during 1982 recession, NAB said. With 411 stations responding to survey, advertising sales were up average of 9.7% in 1982 over 1981. National-regional spot increased 12.6%, local spot 8.8%, with net revenues up 6.1% after agency & rep commissions. At typical station, costs rose only 3.1%; administrative costs were down 9.5%, while engineering, programming & sales expenses increased. Pre-tax profit margin was up 2.3% to 23.3% and in terms of cash flow pre-tax profits were 17.7% better last year than in 1981. Typical TV station had \$6.3 million in time sales — \$497,600 from network compensation, \$2.9 million in national spot, \$2.83 million in local spot — up from \$5.74 million in 1981. Pre-tax profit was \$1.25 million, up from \$1 million. Average fulltime employees remained at 78.



**NAB TO STUDY KENNEY PLAN:** Committee has been appointed by NAB Exec. Committee to study and recommend course of action on proposal by Peter Kenney, retiring NBC Washington vp, that Assn. separate TV & radio lobbying efforts in Washington. Kenney told June board meeting that 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" (Vol. 23:25 p11).

Jerry Holley, Stauffer Communications, and Martin Beck, Beck-Ross — NAB TV & radio chmn., respectively — will co-chair ad hoc group. Also asked to serve: Ex-NAB Dirs. Robert King, Arnold Lerner & Stanley McKenzie. Generally, Kenney proposal has received favorable reaction from most broadcasters — although many question how it would actually work — unfavorable comments from many NAB staffers.

At July 13 Exec. Committee meeting in Washington, Beck objected to Thomas Bolger, pres. of Forward Communications, remaining in non-voting seat on Committee reserved for immediate NAB past chmn. Bolger had been in spot for 2 years, had been expected to remain, since William Stakelin, who left chairmanship in June, now is pres. of RAB.

Bolger's position became issue in hotly contested spot for chmn. last month when Gert Schmidt, Harte-Hanks, defeated Kathryn Broman, Springfield TV, 21-19 (Vol. 23:25 p4). At least 3 TV dirs. sought support for Bolger remaining on Exec. Committee from Schmidt before election, threatened to vote for Broman. "We thought we had a commitment for Tom," one of them told us last week.

However, after Beck opposed Bolger continuing in past-chmn.'s seat, Bolger reportedly was visibly upset, said he wouldn't remain on Committee, left meeting and immediately returned to his home in Madison. June 14, Bolger wrote NAB board members outlining his position, said he didn't want to leave Committee, felt he was forced to because he didn't "have the full backing of the Executive Committee and the radio board... There comes a time when principle comes before personal pursuits," he said. Committee said spot would be left vacant while Schmidt is chmn.

In other actions, Committee: (1) Affirmed retaining ex-Sen. Muskie (D-Me.) and ex-FCC Chmn. Wiley as parttime NAB lobbyists — Muskie to work Democratic side of Congress, Wiley Republican (Vol. 23:27 p1). NAB Pres. Edward Fritts said "it's not a long term association but it could grow into that." He said NAB is making "a substantial commitment" moneywise to Muskie & Wiley.

(2) Voted to support FCC proposal to delete fairness doctrine obligations on cable-originated programming. (3) Voiced support for bill introduced by Rep. Leland (D-Tex.) to help minorities acquire telecommunications properties, including TV-radio stations. (4) Shifted winter board meeting from P.R. Jan. 15-20 to Maui, Hawaii.

Cable TV Industries will acquire S.A.L. Cable Communications for about \$7.2 million.

**FCC ADDS RKO FOES TO L.A. HEARING:** Hoping to resolve RKO licensing proceedings "before the end of the century," as Gen. Counsel Bruce Fein put it, FCC last week ordered that all 164 mutually exclusive applicants for 13 RKO stations will be made parties to current comparative renewal proceeding involving RKO's KHJ-TV L.A. Commission also invoked "collateral estoppel," meaning that once L.A. case has been resolved, parties can't raise same issues in subsequent RKO license renewal proceedings.

Commission said its decision recognizes that same issues decided in WNAC-TV Boston case, in which RKO was judged unfit to be licensee for that station, would be "underlying question pertinent to all RKO's broadcast stations." Applicants also will be required to designate "representative counsel" — united legal representation which will represent all 164 in L.A. proceeding "to forestall the presentation of repetitious questions and pleadings."

Applicants were given 30 days to submit plan to FCC for joint counsel. FCC will host July 26 meeting to help applicants decide on plan. Commission said it's not concerned with information in 164 applications submitted but is only keying on "the expeditious resolution of the issues stemming from the Boston proceeding." Requests for additional issues against RKO will be accepted only if they're based on facts specifically arising from Boston case. And because focus of L.A. proceeding now before FCC Judge Edward Kuhlmann is RKO's qualifications, petitions to consider qualifications of other L.A. applicants won't be considered, FCC said.

Commission urged Kuhlmann to order applicants to submit direct affirmative cases in writing before hearing oral argument, told him to use broad discretion in eliminating unnecessary procedures and avoiding delays.

KHJ-TV renewal proceeding began in June 1966. While case was pending, 2 other comparative proceedings against RKO began — WNAC-TV Boston & WOR-TV N.Y. FCC granted conditional renewal of RKO's 13 other properties based on outcome of L.A., Boston & N.Y. proceedings. When Boston case was decided against RKO, Commission chose to reopen 13 conditional cases. New applicants filed after U.S. Appeals Court, D.C., ordered FCC to accept competitors for RKO's facilities in upholding non-renewal of WNAC-TV.

RKO stations involved: WHBQ-TV-AM Memphis, WOR(AM)-WRKS(FM) N.Y., WRKO-AM-FM Boston, KHJ-TV & KRTH(FM) L.A., WGMS-AM-FM Washington, KFRC(AM) San Francisco, WAXY(FM) Ft. Lauderdale, WFYR(FM) Chicago.

One of 3 cable systems NBC has charged with pirating satellite feed of Super Bowl Jan. 30 has pleaded innocent at FCC. United Video Cablevision, St. Louis County, Mo. system with 2,100 subscribers, doesn't claim it didn't cablecast Super Bowl, but told Commission that if it did, pirating was done accidentally because it wasn't notified game would be fed over transponder which normally transmits Modern Satellite Network (MSN), which system carries.



**CITIES PUSH TO DEFEAT CABLE BILL:** Effort by local communities to kill cable deregulation has begun in House, although aides who wrote measure (S-66) recently passed by Senate claim nonchalance about proposal's future: "The cities are organized? That'll be the day," chortled one. House staffers are more grim, forecast difficult battle ahead: "It'll be uphill all the way for us."

Kind of fight cities will wage is already evident. Dissident communities have tacit understanding with National League of Cities, which supports Senate proposal crafted as compromise between League & NCTA. Dissidents will lobby through Conference of Mayors, which is on record opposing Senate bill. Representatives from so-called "rebel" cities are dropping in on legislators at their Washington offices and back in their hometowns, in effort to drive home point that "an awful lot of the congressman's constituents don't like the idea of cable deregulation," explained one city official.

Real point dissident cities are trying to make isn't simply that S-66 may be bad legislation from local viewpoint. Cities are playing to House members' sense of political practicality. It's not substance but sheer number of communities lining up against deregulation efforts that will figure heavily in House. "The fact that House members must be more sensitive to their constituents' wishes" than senators "hasn't been lost on us," reminded William Finneran, chmn. of N.Y. State's Commission on Cable TV. Said Dallas official Thomas Jameson: "We're not spending our time attacking S-66. We're trying to 'educate' House members about how we feel." Spokesman for Mayors Conference, Leonard Simon, is more frank: "We're arguing that federal legislation isn't necessary. If and when that issue becomes no longer viable, then we'll start talking specifics."

Approach cities are taking was especially evident recently when community officials and about 30 congressional aides gathered on Capitol Hill to discuss cable legislation. Although specific issues were discussed, conversation kept degenerating into rhetoric: "S-66 is dangerous by its ambiguity," argued Jane Vimont, Lexington, Ky. official. "If we allow [S-66] to become law, we'll all be disenfranchised, especially poor people and minorities," claimed Roy Nabors of Milwaukee's cable commission.

Number of communities on record as against S-66 has swelled to about 200, according to Mayors Conference figures. Also opposing bill are National Assn. of Counties, N.Y. State Assembly, several local county groups and at least 6 state municipal leagues. "We think S-66 is a moot issue," said Simon. "If the House writes any legislation, it'll be its own because for the most part, House members don't know anything about cable." Simon argued House will begin debate at square one.

Capitol Hill sources agreed tack cities are taking has chance of killing bill. "There's no doubt that S-66 is in trouble," said one aide. Answer hinges on whether a House member emerges to champion proposal. "No one's put themselves on the line and we don't know if anyone will," said Telecom Subcommittee aide. Sen. Packwood (R-Ore.) took

champion's role in Senate, providing extra weight that Sen. Goldwater (R-Ariz.) needed to win approval of S-66.

Obvious choice for champion in House is Rep. Wirth (D-Colo.), who as chmn. of Telecom Subcommittee would be powerful voice. But aide wouldn't say how far Wirth would go in taking lead, although lawmaker has firmed up his idea of what he thinks cable bill should look like: (1) Assure growth & development of cable industry. (2) Assure diversity of information.

Wirth is especially unhappy that S-66 doesn't include leased access, wants it in House version. Aide also described Wirth as "hostile" to S-66's common carrier language. Although Wirth "generally supports thrust" of municipal regulation in S-66, he opposes total federal preemption of local authority, especially regarding who handles question of cross-ownership, also wants to make sure communities have right to call for channel capacity upgrades, aide said.

National Coalition on TV Violence is gearing up for fight to stop use of alcoholic beverages on TV and in ads. Claiming way drinking is depicted can harm children's attitudes & behavior, group has joined Center for Science in the Public Interest in calling on FCC & Congress to ask writers, producers & network executives to portray scenes of alcohol's use less often in programs. Group also is asking FTC and Bureau of Alcohol, Tobacco & Firearms to ban alcoholic beverage ads and marketing efforts targeted at young people and heavy drinkers; battling for ban on TV & radio ads of alcoholic beverages or start of "equal time" requirement for counter-advertising; pushing FCC to encourage broadcasters to run anti-alcoholism public service announcements in prime-time & sports programming and to end use of sports stars, other celebrities, in alcoholic beverage ads; seeking hike in federal excise tax on alcohol; demanding congressional hearings.

Threatened by MPAA, N.Y. cable company has paid \$36,066 in back copyright payments for 2 of its systems in Pa. Astro Cablevision, Syracuse, paid amount earlier this month after MPAA investigation showed Astro was underreporting royalties by treating adjacent Pa. systems as if they were separate and reporting carriage of 3 TV stations as if they were distant to some subscribers but not others for 1980-82 period. According to MPAA official, Astro probe was "one of scores" Assn. has launched against cable systems recently after spot checking their statements of account at Copyright Office. Probes have resulted in "\$200,000 to \$300,000" in back payments by cable systems, MPAA said. One major system, Charles Dolan's Cablevision, is contesting MPAA allegation of underreporting.

Dow Jones said its DowAlert radio financial new service, after 15 months of testing in 4 markets, couldn't "sell and retain the required number of subscribers to make the service self-supporting." Dow Jones said it will test new service called DowPhone to provide similar information via phone lines.



Doctor who lost \$30 million slander suit against CBS News and correspondent Dan Rather has asked for retrial in Cal. Superior Court, alleging jury misconduct, evidence of jury tampering and inappropriate instructions to jury.

WXTX (Ch. 54) Columbus, Ga. has gone on air, raising operating U.S. TV stations to 1,127 — 832 commercial, 295 non-commercial. Station is owned by Family TV Inc. (Stephen & Jonathan Kent, each 50%); Michael Hood is gen. mgr.

As a Special Bonus  
Conference Delegates Will Receive,  
Free, a Copy of Countdown II — The DBS  
Source Book Published by Satellite Week.

# DBS LIFTOFF

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

DBS  
SUMMIT  
CONFERENCE

## *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

### RETURN THIS TODAY TO RESERVE YOUR PLACE AT THE DBS SUMMIT CONFERENCE AND TO RECEIVE, FREE, THE AUTHORITATIVE DBS SOURCEBOOK — COUNTDOWN II

Yes, please register \_\_\_\_\_ delegates at the DBS Summit Conference at \$595 per person. Conference fees are due & payable before the start of the symposium.

\_\_\_\_\_ Payment attached (Make checks payable to Television Digest, Inc.)

\_\_\_\_\_ Charge to: \_\_\_\_\_ American Express \_\_\_\_\_ MasterCard \_\_\_\_\_ Visa

Card No.: \_\_\_\_\_ Expires \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_ Phone \_\_\_\_\_ Telex \_\_\_\_\_

Return this coupon to Conference Coordinator, Satellite Week, 1836 Jefferson Pl., N.W., Washington, D.C. 20036.  
Phone 202-872-9200. Telex 467268.

**FCC TO REQUEST \$94.5 MILLION BUDGET:** FCC will request about 6.3% increase in fiscal 1985 budget to \$94,524,000, about \$5.6 million above 1984 level of \$88,934,000 authorized by Senate Commerce Committee. Budget as proposed by FCC Managing Dir. Edward Minkel will fund 1,999 employees, 34 more than authorized in 1984 spending plan. Most of new employees would go to Mass Media (19) and Common Carrier (11) Bureaus to handle new services. Private Radio Bureau, mainly because of drop in citizens band activity, would lose 9 employees. Spending plan will be presented to Office of Management & Budget Sept. 1.

Minkel slashed budget increases requested by bureau chiefs & office heads, who wanted total increase in program funds of about \$12.6 million, 181 new employees. He pared requests to proposed \$4.7 million increase for new programs, 34 more workers. Biggest increases in new programs (as opposed to personnel) will go to Minkel's office (\$1.6 million) and to field offices (\$1 million). Other major program funding increases would go to Common Carrier (\$732,000), Mass Media (\$584,000), Office of Science & Technology (\$450,000) and Administrative Law Judges (\$250,000), with increases made necessary by introduction of new services such as cellular radio, low power TV, Minkel said.

Budget item was deleted from last week's Commission agenda, but figures were released after meeting by officials who explained budget had been circulated among commissioners and each signed off on it. Minkel said it's expected that Congress won't make 1985 FCC appropriation, that funding will be handled in continuing resolution — just as it has been so far this year.

FCC took 2 broadcast deregulation actions. It eliminated most of its station operating & maintenance log requirements and decided that all complaints alleging misuse of ratings information and exaggerated coverage maps would be referred to Federal Trade Commission. AM stations with DAs operating without FCC-approved sampling systems will remain under current logging rules to ensure they don't interfere with other stations. In addition, all broadcasters will be required to continue logging results of tests of Emergency Best. System. Routine antenna tower lighting rules were eliminated, with entries now required only when lights burn out or otherwise malfunction. Experimental stations will still operate under prior logging rules, FCC said. Commission said FTC findings against licensees will be considered at renewal time.

In other actions, Commission passed agenda item relating to Mountain TV Network, which has 2,379 applications pending for low-power TV stations, roughly one in 5 of about 12,000 on file. Mass Media Bureau had questioned Mountain TV's financial ability to put that many stations on air, sent letter to Nucla, Colo. company asking for financial information. Mountain TV protested, asked Commission whether it was proper for Bureau to make request because under LPTV rules, financial disclosure doesn't come until bidder wins lottery.

**Battle over Radio Marti bill** permitting broadcasts of U.S. propaganda to Cuba on AM band will move forward on 2 fronts in next few weeks. House Telecom Subcommittee is planning markup for middle of week, and parent Energy & Commerce Committee action is expected in next week. Measure also is on Senate agenda, may come to floor as early as this week. Meanwhile, Rep. Luken (D-O.) has proposed bill (HR-3349) meant to end govt. use of frequencies usually assigned to private use by prohibiting new acquisitions of AM or FM domestic space by federal govt. In letter to House members signed by co-sponsors Reps. Tauke (R-Ia.) & Wyden (D-Ore.), Luken called govt.'s proposed takeover of frequency for Radio Marti example of "unwarranted encroachment on commercial broadcasting" that "sets an unwelcomed precedent." NAB has endorsed proposal in strongly worded response circulating on Capitol Hill.

**Advanced TV Systems Committee** added 28 members at first official business meeting July 6 in Washington. Its 5 charter members are NAB, NCTA, IEEE, SMPTE & EIA. Offshoot of Joint Committee for Intersociety Coordination, group is trying to develop voluntary industry standards for HDTV, other innovations. Among new members: ABC, Ampex, AMST, CBS, Cox, DBS Corp., GE, HBO, Philips, RCA Commercial Communications Systems, RCA Consumer Electronics, Satellite TV Corp., Sony Bestg. Products, Sony Corp. of America, Toshiba America, Westinghouse Best. & Cable, Zenith. Chmn. William Henry said he expects 40-50 more to join in next couple of months. Next meeting will be in late Aug. By Sept. meeting, ATSC hopes to set up subgroups to work on technical issues.

**U.S. Supreme Court Justice White** hadn't acted at press time on NCAA request for stay of lower court order holding that NCAA is violating Sherman Antitrust Act in executing exclusive contracts with ABC, CBS & Turner Bestg. System for college football games. NCAA asked White for stay after U.S. 10th Court of Appeals refused to stay original decision against NCAA by Dist. Court judge in Okla. If White doesn't grant stay, individual universities & conferences will be free to negotiate their own TV contracts. NCAA's rival, Collegiate Football Assn., already has negotiated \$180 million deal with NBC for 1983-85. NCAA has filed notice of appeal with Supreme Court.

**U.K. is advancing its cable timetable** and will grant 12 large franchises by end of Oct. Schedule calls for parties to submit proposals to Home Office by Aug. 31, with franchises awarded by last week in Oct. To aid parties in developing proposals, govt. this week will issue official guidelines detailing criteria it will use in determining winners, according to major U.K. cable figure. Speeded-up schedule results from Conservatives' re-election and suprisingly soft Labour Party opposition to profit-driven development of broadband communications.

**John Blair & Co.** is buying 4 radio stations from Fairbanks Bestg. for \$50 million cash: KVIL-AM-FM Dallas and WIBC(AM)-WNAP(FM) Indianapolis.



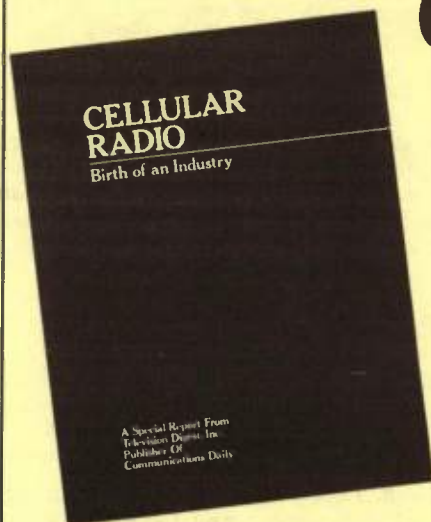
NPR & CPB have come to disagreement over CPB-issued proposal of principles for \$9.3 loan to bail out NPR. NPR sources said 13-point plan sent to NPR has 3 points NPR is balking at: (1) Provision requiring NPR to transfer title to CPB of all production & distribution equipment, including uplinks, studio equipment, head ends, etc. NPR claims CPB is barred by Congress from owning production equipment and title transfer goes too far, claiming another arrangement giving CPB right to equipment if NPR folds would be better. (2) Provision saying CPB can set levels of funding for All Things Considered, Morning Edition and special audience programs. (3) Principle which states CPB must give NPR approval for any grant-seeking activities.

NCTA appeal of CRT decision raising copyright fees of some cable systems to 3.75% of gross revenues will be argued before U.S. Court of Appeals, D.C., on Sept. 21. Attorneys for NCTA and Justice Dept. each will get half hour.

House Appropriations Labor Subcommittee is working on spending bill that would contain FY '86 money for CPB but has gone into closed session. Information is embargoed, won't be made available until Subcommittee reconvenes open session later this month. CPB is looking for full \$130 million allocation permitted in FY '86 authorization, but Subcommittee reportedly is divided, may grant smaller request.

Pa. broadcasters & newspapers have been freed to name jurors in murder trial of man charged with killing 13 people. U.S. Supreme Court Justice Brennan granted emergency request from news organizations to set aside order by Luzerne County, Pa. Judge Toole, who threatened criminal contempt against media publishing names or sketches of jurors in case.

Washington Post Co. has completed acquisition of 50% of Sportschannel and about 25% of New England Sportschannel from Charles Dolan's Cablevision Program Enterprises.



# CELLULAR RADIO

## Birth of an Industry

The time for cellular radio experiments is past; the time has come for investments. Are you ready?

Tracking the cellular radio market isn't easy. With hundreds of applications already on file at the FCC, and scores of new markets opening during 1983, keeping ahead of competitors has become a difficult and time-consuming task.

Now, from the editors of Communications Daily, there's an authoritative reference volume of information necessary to succeed on the cellular radio frontier.

This unique information resource contains a **nuts & bolts primer** on cel-

lular — how it works, how to apply for a cellular license; a **marketplace analysis**, prepared by our editors to provide insights and forecasts of the future dimensions and directions of the cellular industry; a **city-by-city status report** on applications; a **company-by-company directory** of those seeking to compete in cellular business; and a **complete archive of background information** from the pages of Communications Daily, covering all major developments in cellular since Jan. 1982.

Order today so you can have this practical guide at your fingertips as soon as possible!

To ensure that you receive your copy of CELLULAR RADIO: BIRTH OF AN INDUSTRY fill out the coupon below and return it to Book Order Desk, Television Digest Inc., 1836 Jefferson Place, NW, Washington, D.C. 20036. Book price is \$125 per copy. All orders must be prepaid.

— Please send me \_\_\_\_\_ copies of CELLULAR RADIO: BIRTH OF AN INDUSTRY

— Payment attached (Make checks payable to Television Digest Inc.)

— Charge to: \_\_\_\_\_ American Express \_\_\_\_\_ MasterCard \_\_\_\_\_ Visa

Card No.: \_\_\_\_\_ Expires: \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

## Personals

David Markey, acting head of NTIA for several weeks, has been formally appointed by President asst. Secy. of Commerce for communications & information... Jack Smith, FCC Common Carrier Bureau deputy chief, promoted to chief, succeeding Gary Epstein, resigned; Aileen Amarandos, special asst. to Epstein, joins former boss in move to Latham, Watkins & Hills, Washington office of L.A. firm Latham & Watkins... Harris Katleman, 20th Century-Fox TV pres., named gen. chmn., 24th International Bestg. Awards... Rita Burton promoted to vp, CBS/Fox Studios... Joanne Calabria advanced to PR dir., KYW-TV Philadelphia, succeeding Janet Fuhrman-Levine, who resigns to start own PR firm... Thomas Petner, ex-WCBS-TV N.Y., named news dir., WOR-TV N.Y... Jenny Gelber, consultant, named national promotion dir., WGBH-TV Boston... John Blair promoted to vp-broadcasting & operations, WITF-TV-FM Harrisburg.

William Dilday, WLBT-TV gen. mgr. and member of NAB TV board, appointed a Broadcast dir... Edgar White resigns as exec. vp, Seltel; Edward Outland, ex-Corinthian TV Sales, named sales mgr., San Francisco office... Anthony Brown, ex-Lorimar Productions, named vp-gen. sales mgr., Blair Video Enterprises Syndication Div., new post... Jon Nottingham promoted to division mgr., Arbitron's newly created Southern TV Station Sales Div., Dallas... Gerald Campbell advanced to operations vp, Warner Amex Cable Communications of Chicago... Kathleen Boyle promoted at Cable Applications Inc. to vp-corporate policy and asst. to pres... Reuben Gant joins United Video as transmission services development mgr.

Fred Kigerl promoted to west coast vp-operations & technical services, NBC-TV; Larry Hoffner, ex-BBDO, rejoins NBC-TV as vp-national sales... James Bellows, Entertainment Tonight, joins ABC News as exec. producer of news magazine show to air Sun. nights opposite 60 Minutes... William Logan, ex-Cosmos Bestg., appointed program mgr., WOTV Grand Rapids... Dave Fanning, ex-KDFW-TV Dallas-Ft. Worth, joins KXAS-TV there as dir.-advertising & promotion... Donald Mathison, ex-Group W Cable, appointed vp-mktg. & programming, Media General Cable of Fairfax, Va... Terry Boles, ex-NEC America, named dir.-human resources, Tocom; Arthur Johnson, ex-Oak Communications, joins Tocom as mktg. support mgr.-addressable systems... Edward Kearney appointed vp-investor relations, General Instrument.

Kenneth Starr, aide to Attorney Gen. William Smith, named judge on U.S. Appeals Court, D.C., succeeding George MacKinnon, who moves to senior judge... Roger Fransecky resigns as vp-corporate affairs, HBO; Michael Mason promoted to regional dir., southeast, HBO; Anne Whitney named regional mgr., south Fla.; Deborah Rosen, former head of own PR company, joins HBO as dir.-media relations, west coast... Paula Corapi appointed communications coordinator, Magnavox CATV Systems... Kent Mitchel, General Foods, elected chmn. of Ad Council;

WEEKLY

## Television Digest

with  
Consumer Electronics ...  
(ISSN 0497-1515)

PUBLISHED BY TELEVISION DIGEST, INC.

Albert Warren ..... Editor & Publisher  
Paul L. Warren ..... Senior Editor & Associate Publisher  
*Publishers of weekly TV Digest, annual Television and Cable Factbook and weekly TV, Radio & Cable Action Updates, Cable Atlas, Satellite Week, Video Week, Communications Daily, biweekly Public Broadcasting Report and other special publications.*

Copyright © 1983 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

### EDITORIAL & BUSINESS HEADQUARTERS

1836 Jefferson Place, N.W., Washington, D.C. 20036  
Phone: 202-872-9200 Telex: 467268

#### WASHINGTON HEADQUARTERS

Albert Warren ..... Editor & Publisher  
Dawson B. Nail ..... Executive Editor  
Paul L. Warren ..... Senior Editor  
Jonathan Miller ..... Senior Editor  
Paul Travis ..... Senior Editor  
Steven Tuttle ..... Associate Editor  
Mary Crowley ..... Associate Editor  
Mike Schwartz ..... Associate Editor  
Melinda Gipson ..... Assistant Editor  
Daniel Warren ..... News Editor  
Deborah Jacobs ..... Info. System Mgr.

#### Television and Cable Factbook

Mary Appel ..... Editorial Director  
Marilou B. Legge ..... Managing Editor  
Lynn R. Levine ..... Associate Editor  
Barbara E. Van Gorder ..... Associate Editor  
Jeannette H. Noyes ..... Associate Editor

#### Factbook Research, Inc.

Marilou B. Legge ..... Director  
Business

Roy W. Easley III ..... Controller

Barbara J. Pratt ..... Marketing Dir.  
Janet Kohler Dueweke ..... Advertising Dir.  
Betty Alvine ..... Circulation Mgr.

#### NEW YORK BUREAU

475 Fifth Ave., N.Y. 10017  
Phone: 212-686-5410

David Lachenbruch ..... Editorial Dir.  
Robert E. Gerson ..... Managing Editor  
Seth Goldstein ..... Senior Editor  
Julie Telen ..... Assistant Editor

#### JAPAN REPRESENTATIVES (Editorial & Business)

Aske Dam  
Richard E. Varner

c/o Foreign Correspondents Club of Japan  
Denki Bldg., 20th Floor 1-7-1  
Yuraku-cho, Chiyoda-ku  
Tokyo 100, Japan  
Phone: 211-3161 Telex: J24600

Sanford Buchsbaum, Revlon, vice chmn... John Lauer, WGST(AM)-WPCH(FM) Atlanta, elected pres. of Ga. Assn. of Bestrs., succeeding Walt McCroba, American Family TV; Fred Newton, WMAZ(AM) Macon, named radio-vp & pres.-elect; Douglas Oliver, WALB-TV Albany, TV vp... Jerry Cappa, WLS-TV Chicago, elected pres., Best. Designers' Assn.; Brad Nims, WJLA-TV Washington, vp... Michael Hurley, ex-vp-development, Catholic Telecommunications Network, joins Life Bestg.; Mary Leavitt promoted to dir.-program development of Network... Joby Jones, ex-WBZ-TV Boston, appointed retail development mgr., Petry TV.

Ex-Rep. Clarence Brown (R-O.), former member of House Communications Subcommittee and now chmn. of Brown Publishing (several Ohio newspapers), appointed Deputy Secy. of Commerce... Marian Lemle, ex-OTP, joins Orion Satellite Corp. as dir.-mktg. & business development... Geoffrey Gates promoted to vp-engineering, Cox Cable; James Hatcher named corporate secy.

Sig Mickelson, ex-CBS News & Sports pres. and founding member of RTNDA, will receive group's Distinguished Service Award at Sept. 22-24 convention in Las Vegas... Susan Bender, sales administration dir. for Metromedia Producers, also named Latin American sales dir... Bernard Ryan appointed vp-public affairs, AAAA.

Dale Bring, ex-Ohio Chamber of Commerce, appointed exec. dir., Ohio Assn. of Bestrs., succeeding Thomas Sawyer, who has been appointed an NBC Washington vp... Kent Fannon joins KERA-TV-FM Dallas as senior vp-finance & planning; Donald Boswell promoted to vp-development.



# ●Consumer Electronics®

A Section of Television Digest with Consumer Electronics

## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended July 1 (26th week of 1983):

	JUNE 25- JULY 1	1982 WEEK	\$ CHANGE	JUNE 18-24	1ST HALF 1983	1ST HALF 1982	\$ CHANGE
TOTAL TV#.....	479,751*	316,419	+51.6	391,281	8,718,725*	7,878,022	+10.7
COLOR#.....	323,613*	211,828	+52.5	284,464	6,089,503*	5,222,902	+16.6
MONOCHROME....	156,613	104,591	+49.7	106,817	2,629,222	2,655,120	- 1.0
PROJECTION TV...	1,529	1,491	+ 2.5	1,639	56,374*	39,113	+44.1
HOME VCR.....	94,149**	31,442	+199.4	79,975*	1,578,418*	740,937	+113.0
COLOR CAMERAS...	9,889*	5,264	+87.9	7,952*	163,424*	134,202	+21.8

Color TV 5-week moving average: 1983--262,133\*; 1982--211,090 (up 24.2%).

Home VCR 5-week moving average: 1983--69,683\*; 1982--28,157 (up 147.5%).

# Excludes projection TV. \* Record for period. \*\* Best week in history.

**ITC JAPAN TV DUMPING RULING OVERTURNED:** In ruling that could put end to long-running Japan TV dumping case, Court of International Trade last week overturned International Trade Commission's June 1981 finding that unfairly low priced Japanese sets still pose threat of injury to U.S. industry (Vol. 21:23 p14), ordered agency to issue new determination of no injury.

If finding by Judge James Watson is upheld through anticipated appeals, it would close out 13-year-old case retroactive to date ITC issued what court found was incorrect determination, free Japanese from any potential dumping duty liabilities on sets imported since then. ITA has already issued notice that no significant duties are owed for imports in year to March 31, 1980, is in process of issuing similar finding for following import year. So, subject to results of Zenith's challenge of ITA's value calculation method, CIT ruling means Japanese would end up paying Customs little more than lump sum \$78 million they stipulated in settlement of all dumping-related issues involving sets imported to April 1, 1979. All court injunctions blocking finalization of that settlement have been lifted, and last week importers got collection notice. They have 16 penalty-free days to pay up.

ITC's determination had basic flaw in lack of "substantial evidence to support the conclusion that the level of importations from Japan would be injurious if the antidumping order were to be revoked," Watson said in 25-page opinion. ITC assumed that Japanese makers' "intention to increase imports remained undiminished," he said. "Such a presumption is not permitted by law." As for ITC's related finding that U.S. industry was still in frail economic health, Watson said he would "defer to agency expertise."

ITC has same burden of proof obligation in reviewing injury finding as it did in original case, and only burden on party seeking revocation "is the burden of cooperating" with ITC, Watson said. He said he found nothing to support ITC finding "that the Japanese intend to increase imports" if case is dismissed, adding that their plant capacity in Japan doesn't support "conclusion that imports would increase." Expectation of higher imports "would have had to confront the question of the apparent irrationality of such behavior" on Japanese-owned color assembly plants here, he stated.

Watson said he found no "real evidence" that Japanese set and picture tube exports were being kept out of other foreign markets, making any threat of Japan's need to hike shipments to U.S. "only a speculation." Further, he said, ITC's expressed concern with "excess tube production in Japan was in itself more a prediction than a finding of fact." (It should be noted

that case record essentially covers conditions only in 1980, before emergence of Korea as major color power in world markets and imposition of ceiling on Japan's color tube exports to Europe.)

Noting that ITC report considers Japanese plants here as part of U.S. industry, and that it anticipated any rise in imports to be short term, Watson said even such an increase "would not be injury, but a form of assistance to the U.S. industry." Any harm caused by Japanese import strategy "designed to temporarily occupy a market segment for the benefit of related American subsidiaries" would be "to the competitors within the U.S. industry, not to the industry as a whole," he said.

Case is not one in which ITC failed to "articulate its rationale" nor one in which facts have to be investigated for first time, so "remand is not called for in this situation," Watson said. "Unavoidable conclusion from the lack of substantial evidence of a threat of injury is that in light of changed circumstances there is no threat of injury," Watson said, and ordered ITC to "reach a new determination consistent with this position."

Both ITC and Zenith, as official party to case, have standing to appeal Watson's ruling, and it's assumed Zenith will, at least. Appeal could mean delay of year or more before case is resolved. Copies of opinion weren't available until week's end and lawyers involved had just started reviewing it.

**VIDEO'S INCREDIBLE FIRST HALF:** More than 10% of all U.S. households bought new TV sets in first half of 1983. If that doesn't dramatize how good video business was, try this: VCR sales in half were 17% higher than total for full year 1981, and going sales rate for half, if maintained, will result in 1983 sales higher than those of last 3 years combined. Annualized sales rate in June was higher than total sales of last 4 years.

In both color TV & VCR, not only was it best first half in history for sales to dealers, it was best half-year ever — beating out normally higher 2nd half of every year to date. In addition, it was best first half ever recorded for total TV (color plus b&w), projection TV and color cameras. Each of first half's 26 weeks set weekly record in VCR, 18 were records for week in color, 17 were records in color cameras. Every month except Jan. was highest for that month in color, while projection-TV exceeded 1982 sales each month, setting records for every month except April & June.

June itself was best month in history for both color TV & VCR, set June records for total TV & cameras. Even in monochrome, which showed increase over 1982 in only one other month this year (March), it was best June in 7 years, the 24.2% increase bringing 6-month sales to within 1% of 1982 figure.

June VCR sales ran at annual rate of 4,840,000, best ever. In 2nd quarter, VCRs sold at rate of 4,650,000 (vs. 3,780,000 in first quarter), and first-half rate was 4.2 million. June sales of color TV were at rate of 14 million, 2nd best in history (after March's 14.1 million), 2nd quarter running at 13,756,000 pace (up from 12,880,000 in first quarter) and first half at 13.3 million. Here are EIA figures on June sales to dealers (for first half, see State of the Industry):

Product	June 1983	June 1982	% change	June 1981
Total TV.....	1,956,323*	1,559,598	+25.4	1,519,899
color.....	1,310,665**	1,055,452	+24.2	1,007,584
monochrome..	645,658	504,146	+28.1	512,315
Projection TV..	8,671	8,022	+ 8.1	9,450*
Home VCR.....	348,414**	140,786	+147.5	109,375
Color cameras..	40,509*	29,438	+37.6	17,998

\* Record for any June. \*\* Record for any month.

**VCR, COLOR IMPORT RECORDS SET IN MAY:** New all-time monthly import highs were set in May for VCR & color TV, according to Commerce Dept. figures which also show first monthly rise of year for color camera shipments.



VCR imports jumped 77.3% in May to 382,100, erasing record of 304,200 set last Aug. Surge was in keeping with Japanese Finance Ministry report of April VCR exports to U.S. of record 418,600 — there's 20-30 day lag between shipment from Japan and logging in as U.S. export. Since Japan exported 411,100 VCRs to U.S. in May, June should be equally sizable month for official U.S. imports. May total put 5-month imports at 1.33 million, up 30.1% from same 1982 period.

Total TV camera imports rose 41.7% in month to 47,700 as color shipments climbed 54.5% to 41,300 while b&w slipped 7.4% to 6,400. For 5 months, total camera shipments were down 8.8% to 182,100, with color at 145,800, down 12.5%, b&w up 9.7% to 36,200. Color cameras valued at under \$2,000 included in totals are 40,800 for month, 140,700 for full period. In other video imports, disc player shipments jumped 85.5% in May to 4,700, well under 7,300 that entered in both March & April, and put cumulative total at 21,800. Imports of projection TV were down 19.4% to 2,700 for month, up 2.1% to 15,400 for 5 months.

Overall TV imports edged up 7.2% in May to 929,700, as 29.8% drop in b&w to 383,800 absorbed most of impact from 69.9% leap in color to 545,900, which broke record of 528,200 set in Oct. 1981. For 5 months, total imports were just under 4.1 million, up 7.2%, with color up 41.8% to 2.31 million, b&w down 18.4% to 1.79 million.

In color, month's complete set imports climbed 65.5% to record 306,700, on sharp increases in shipments from Korea, Taiwan & Singapore. Previous record, 294,600, was set in Sept. 1978. May rise put 5-month total at 1.25 million, up 52.9%. Imports of chassis & kits jumped 76% in month to 2.39 million, with Japan, Mexico & Singapore contributing to increase. For 5 months, import total was 1.06 million, up 30.5%.

In b&w, small screen sizes continued to lead in import decline, dropping 51.5% in May to 82,000, as combos fell 61.1% to 35,400, other models 10" & under fell 40.2% to 46,600. Imports of larger sizes were off 20.3% to 300,600. Record for 5 months shows total tinyvisions down 37.7% to 384,800, with combos off 43.6% to 172,900, others down 31.9% to 211,900, while larger sizes had 11.3% drop to just under 1.4 million.

**COMPUTER SUITS:** Home computer industry saw new unfair competition suit opened, another settled last week, as Commodore clashed with Atari, and Coleco resolved dispute over use of name Adam on its upcoming console.

Commodore named Atari and parent Warner as co-defendants in theft of secret suit filed in Pa. state court against group of former employees who left to set up computer accessory developer Peripheral Visions Inc. Suit claims they developed computer keyboard product while at Commodore, now seek to sell that and related products to Atari and other computer OEMs, alleges Atari supplied PVI with development funds. Commodore asks court to award damages, fees and other relief. Company failed to get preliminary injunction against PVI last Oct. It's 2nd such suit faced by Atari. In pending case, Mattel charges Atari lured away employees to help it enter market for Intellivision software.

Coleco and Logical Business Machines agreed to divide up Adam name, ending action brought by LBM, which has used brand on its professional computers since 1975. Under settlement terms, Coleco will have unrestricted use of brand, will give LBM license for use on non-conflicting small business computers.

**Panasonic will expand commercial product line** through addition of office electronic typewriter line in \$1,000-\$1,500 range.

**INDIA TO COLOR TUBES:** India's first color TV picture tube manufacturing plant is being set up by locally owned b&w tube maker Teletube Electronics with technological help from Samsung-Corning, Korean venture that started color TV glass production this year.

Teletube will invest \$2 million in plant, which will have capacity to turn out 200,000 tubes annually. Tubes will be assembled using face plates, funnels & necks supplied by Samsung-Corning under 5-year contract. In addition, Samsung-Corning will assist Teletube effort to automate its existing b&w tube plant.

Corning, which recently closed color tube glass plant in Bluffton, Ind., has apparently found better way to invest its capital in U.S. Its Corning Enterprises subsidiary has agreed to purchase bankrupt Watkins Glen auto race track near Corning, N.Y. for up to \$3 million. Company said purchase was being made to help area's economy, and that it expected to make profit from its operation.

Swiss slippage in world electronic watch and other high-technology markets has prompted govt. to propose \$47 million loan guarantee program to enable smaller companies there to finance R&D. Fund would cover up to 85% of losses incurred by businesses with not more than 500 employees. Plan has gotten little support from Swiss bankers, who say system of tax credits would be preferable.

**MUSICAL COMPUTER CHAIRS:** Management overhaul at Mattel Electronics last week essentially completes, for time being at least, nearly total restructuring of major home computer & videogame companies that started in Jan. Story is familiar one to those who track developments in emerging consumer electronics industry segments, follows pattern set by such once-new areas as video software, calculators, compact stereo and even TV, where heads rolled as industry matured, profits shrank and need for traditional management control became apparent.

Mattel shakeup saw William Morris, who joined from Life Savers last Jan., move up to pres., replacing Joshua Denham. That and other executive changes came on heels of report that Mattel suffered \$20.4 million loss in quarter to April 30, caused by 82% drop in electronic sales to \$22 million. Mattel is far from alone in its financial problems. Texas Instruments will be showing loss of up to \$100 million in current quarter, against \$64 million profit last year, because of problems in computer business, while loss at Warner's Atari could close to rerun of \$45.6 million first quarter deficit.

Changes at Mattel followed close behind replacement of Raymond Kassar by Philip Morris's James Morgan as Atari pres. That was culmination of total restructuring of Atari that included tightening of distribution, consolidation of former Computer and Consumer Electronics Divs., naming once-dismissed Donald Kingsborough as pres. of new unified sales & distribution organization.

Commodore also reached outside this year, picking former NAP Consumer Electronics Vp Myrddin Jones as sales & mktg. vp and Nick Knoll, also ex-NAPCE, as mktg. dir. At NAPCE, Mike Staup was moved up as Odyssey vp-gen. mgr., to replace David Arganbright, who rejoined RCA. TI shook up its consumer unit last spring, naming Jerry Junkins to succeed William Sick as overall operations head, and realigned at lower levels.

Coleco promoted from within to replace Michael Katz as marketing chief after he left to become pres. of software maker Epyx. But it has gone outside, tapping such companies as RCA and Zenith for new financial & operating execs. Change hasn't been restricted to home computers either. Apple went to Pepsico for Pres. John Sculley, named Floyd Kvamme, ex-National Semiconductor, as mktg. & sales exec. vp; Osborne hired onetime Bell & Howell exec. Robert Jaunich as pres.; John Shirley left Radio Shack to become Microsoft pres.; Hewlett-Packard totally restructured its personal computer organization.

Industry pricing pressures have been intolerable, with street prices on most game & computer consoles down 50% or more from those of just year ago. Financial situation has been made even worse by general adoption of factory-paid consumer rebates as selling tool. They're expensive to promote & manage, require setting up advance reserves that bite into bottom line.

Collapsing price structure has forced manufacturers to junk planned new products, which

means immediate writeoff of development costs. Gone by boards in just past year were Mattel's Intellivision computer keyboard (replaced by cheaper model), Tandy's TDP-brand home computer to have been sold through independent rather than Radio Shack Stores, Commodore's Max minicomputer, Odyssey's Command Center game-computer. For quality rather than price reasons, Coleco had to drop plan for 1/16" wafer data tape drive for Adam computer and Colecovision, substitute high-speed cassette drive sourced from Philips plant in Hong Kong, move that's understood to have added about \$100 to retail price of Adam system.

Most recent is indication Atari probably will drop computer keyboard add-on for 2600 videogame console. Unveiled last Feb., unit was to have been priced at \$90, but that would make it more expensive than leader stand-alone computers now available. Atari says product is being reassessed, and plan for Oct. shipment has been cancelled. Keyboard was to have had 1/16" tape drive as accessory, and loss of both Atari and Coleco as users will hamper market acceptance of format developed by Entrapo. Also, Odyssey is reportedly reconsidering plan to enter home computer market next year.

To add to woes, there are SEC investigations and holder lawsuits stemming from alleged insider stock sales at Atari last year, TI this spring, just prior to announcements by those firms that major losses were on way. Stock market has gotten skittish as evidenced by \$20 surge, followed by even larger drop, in Coleco shares when Adam computer was announced. On professional equipment level, shares of computer & monitor maker Televideo, now selling at about \$25, fell by \$10 after analyst said company's 1983 sales are expected to be up only 93% this year, instead of originally projected 115%.

All is not total disaster. Computer, game & software sales continue healthy at retail. Commodore says it expects to show record results in 2nd quarter, while Coleco reports it has totally sold out this year's planned 550,000 unit production of Adam computers even though several mass marketers shied away because they thought packaged system price of \$600 was too high.

RCA Compact Discs for U.S. release will be pressed in Japan by Nippon Columbia, RCA said last week in response to our inquiry. Company official added details of U.S. digital audio disc launch would be announced soon. Nippon Columbia is subsidiary of Hitachi, which manufactures VCRs and projection TV for RCA. Polygram presses RCA CD discs in Europe, but those discs aren't cleared for release in U.S. under RCA label.

Apple Card, manufacturer-sponsored credit card, is being made available through retailers so consumers can finance purchases of Apple computers & accessories without drawing on their other credit lines. Opening credit requires financing purchase of at least \$825 of equipment, with 10% minimum down. Minimum on additional charges is \$100. Program is being handled by GE Credit Corp.



Proposal to double duty rate on imported digital Compact Disc players to 19% has been put on hold by EEC following objections raised at GATT meeting by Japan & U.S. Increase was urged by Philips and other European CD player marketers, which said it was needed to protect manufacturers from excessive import competition during product introduction years. Japanese counterproposal was establishment of council to study problem of trade in new high technology products. Issue is to be taken up again at Oct. GATT meeting.

First conference of Video Software Dealers Assn. has 37 exhibitors signed for Aug. 28-31 event in San Francisco. Arthur Morowitz, pres. of Metrovideo, one of 4 distributors exhibiting, will chair panel of home video executives — Robert Blattner, RCA/Columbia; Gene Giaquinto, MCA; Mel Harris, Paramount; Lawrence Hilford, CBS/Fox; Micky Hyman, MGM/UA; James Jimirro, Disney; Warren Lieberfarb, Warner; Nick Santrizos, Thorn EMI.

Amana settled complaint brought by FTC by agreeing not to use disputed claims in ads for its microwave ovens. FTC alleged Amana misrepresented results of consumer brand preference survey, falsely claims its ovens were only ones to pass tests needed for exemption from FDA's MW radiation warning labeling requirements. FDA said Panasonic ovens passed same tests.

Mitsubishi will invest \$13.5 million to build IC plant in N.C. Company said it expects to begin construction next Jan., start operations year later, making 64K RAMs there at 3 million monthly rate for sale in U.S. It will be 6th Japanese-owned IC plant here. Others: Hitachi, Fujitsu, NEC, Oki, Toshiba.

Japan's color TV market is growing along same lines as in U.S., according to EIA-J figures that show domestic shipments there through May were up 13% to 2.95 million. Expectation is that sales this year will easily top 7.07 million record set in 1982.

**Now — the Whole Incredible Story of the 12 Months  
that Shook the Industry — at Your Fingertips**

# THE VCR EXPLOSION

Not since the greening of color TV has home entertainment electronics experienced such an explosive product. But it took color 11 years to reach annual sales of a million units — and it took VCR six. And 1983 sales are doubling those of 1982, at an annual pace of more than 4 million units. Now — the complete report of VCR's takeoff period in one handy reference volume, just as it happened, from the pages of Television Digest.

If you came in late, if you want to brush up on your recent history, or if you just need to know **what** happened **when**, it's all in **The VCR Explosion**, the only complete chronology of the big boom of 1982-83. The industry's most reliable, complete and analytical coverage of what happened and why, including these important developments:

From glut to shortage in six quick months. . . A price collapse feeds the boom. . . The home taping controversy. . . The decline and fall and rise of prerecorded cassettes. . . Rental movies vs. \$39.95 sales cassettes. . . The blank tape market and where it's headed. . . Beta Hi-Fi and VHS Hi-Fi. . . The raging controversy over the European market. . . Who's producing what and how much. . . Complete market-share ranking of all U.S. VCR brands. . . The new products, VCRs and cameras. . . Enter the solid-state camera. . . The one-piece VCR-camera. . . Studies and forecasts of the future of VCR. . . New technology and its influence on product and market. . . The agreement on 8mm, the next generation — will it hold up?

**EXTRA:** Complete text of specifications of 8mm Video, as issued by 122-member standards conference.

To ensure that you receive your copy of THE VCR EXPLOSION fill out the coupon below and return it to Book Order Desk, Television Digest Inc., 1836 Jefferson Place, NW, Washington, D.C. 20036. Book price is \$95 per copy. All orders must be prepaid.

\_\_\_\_\_ Please send me \_\_\_\_\_ copies of THE VCR EXPLOSION

\_\_\_\_\_ Payment attached (Make checks payable to Television Digest Inc.)

\_\_\_\_\_ Charge to: \_\_\_\_\_ American Express \_\_\_\_\_ MasterCard \_\_\_\_\_ Visa

Card No.: \_\_\_\_\_ Expires: \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**OPTICAL DISC GAMES BOW:** Can superior display capabilities and random access tricks of optical videodisc enhanced videogames rejuvenate sagging arcade game market? Coin-op game makers hope so, and are carefully tracking field results of game now generally available, another being tested.

First 1,000 units of disc-based Dragon's Lair game have been shipped to arcades, according to developer Cinematronics, El Cajon, Cal. Delivery is close to planned schedule, will be followed by several thousand more in Sept.-Oct., we're told. Cinematronics is trying to deliver 50-100 a day, but may have difficulty getting enough parts. First results warrant enthusiasm — daily revenues are said to be averaging \$50.

Company has been edging into national distribution since introduction month ago in Cal., now has installations in Chicago & N.Y. It plans to have 2nd game this fall, about time Dragon's Lair achieves saturation. Cinematronics Mktg. Dir. Thomas Campbell has indicated he would be content with 5,000 games, vs. 20,000 sold when arcade business was at its peak.

Next entry will be Sega Entertainment, which expects to have Astron Belt ready for 4th quarter distribution. Game made debut in Europe & Japan this spring, is being tested in couple of U.S. locations, including Yellow Brick Road arcade in San Diego. Sega incorporates live footage — some original, rest taken from Japanese movies — claims quicker branching than Cinematronics' animation and thus much shorter delays between player moves. It has 5 others in development. One that has been scrapped, at least for present, is Star Trek project, reportedly because of problems clearing rights.

Advanced Video and Perceptronics expect to finish work on NFL arcade game in fall, may shoot for rollout this year. "That's a marketing decision we're trying to make," said AV Pres. Richard Fisher. Partners raised about \$300,000 needed for R&D in May, say they should have prototype ready for Oct. coin-op show, which probably will feature many disc games.

Matsushita would try as much as possible to absorb any royalty fee that might be imposed on VCRs sold in U.S. in keeping with overall policy of avoiding inconvenience to its consumers, according to Chmn. Toshihiko Yamashita. He indicated that would be course followed if Congress imposes compensation tax scheme on VCR & videocassette sales. He said Matsushita expects to show consolidated earnings gain of less than 1% on 4% sales rise in figures for fiscal first half due for release next week. That indicates 2nd quarter performance was about same as first. Yamashita said VCR and electronic component sales continued to show strong growth.

GE called off proposed acquisition of 3M's technical ceramics manufacturing business because of inability to reach contract agreement with workers at Chattanooga plant. GE said it is considering buying Laurens, S.C. plant and other parts of ceramic operation from 3M.

**FIRST HALF AT-A-GLANCE:** Here's summary of EIA monthly video sales-to-dealer figures for first half 1983, with 1982 comparisons:

#### TELEVISION SALES TO DEALERS

Month	Total		Color		Monochrome	
	1983	1982	1983	1982	1983	1982
January	1,217,771	1,187,637	870,304	802,131	347,467	385,506
February	1,352,540	1,275,675	934,147*	822,920	418,393	452,755
March (5 wks.)	1,782,904	1,517,123	1,238,027*	1,010,906	544,877	506,217
April	1,272,541	1,193,565	906,130*	810,879	366,411	382,686
May	1,136,646	1,144,424	830,230*	720,614	306,416	423,810
June (5 wks.)	1,956,323	1,559,598	1,310,665*	1,055,452	645,658	504,146
TOTAL	8,718,725	7,878,022	6,089,503*	5,222,902	2,629,222	2,655,120

#### PROJECTION TV SALES TO DEALERS

Month	1983	1982	Month	1983	1982
January	11,127*	7,052	April	7,430	6,213
February	9,958*	6,518	May	8,292*	5,074
March (5 weeks)	10,896*	6,233	June (5 weeks)	8,671	8,022
TOTAL			TOTAL	56,374*	39,113

#### HOME VCR AND COLOR VIDEO CAMERA SALES TO DEALERS

Month	Home VCRs		Color Cameras	
	1983	1982	1983	1982
January	216,267*	110,712	24,518*	18,563
February	246,797*	112,967	23,403*	19,066
March (5 weeks)	266,501*	141,154	26,497*	22,188
April	228,335*	116,170	23,464*	19,125
May	272,104*	109,148	25,043	25,822*
June (5 weeks)	348,414*	140,786	40,509*	29,438
TOTAL	1,578,418*	740,937	163,424*	134,202

\*Record

Video & audio software marketers' effort to have first-sale provision of copyright law amended to give them control of, and share of profits from, retail rental transactions, is being closely watched by computer software industry where similar issue is being pursued on legal front. In case pending in L.A. Federal Dist. Court, Wordstar creator Micropro International is charging rental firm United Computer with copyright infringement. Wordstar word processing program is designed to be duplicated so owners can have backup copies, and purchaser gets non-transferable license to make such copies. In suit, which seeks damages of more than \$14 million, Micropro alleges United is renting with knowledge that its customers will make illicit copies. United contends it has never violated copyright agreements with supplier, says its service is intended to let computer owners try out expensive new programs before purchasing them.

International dispute over MPAA's worldwide antipiracy activities has broken out in Australia. Acting on information from MPAA's Australasian Film Security Office, federal police there raided 13 outlets of Electronic Sales & Rentals retail chain, seized 7,000 cassettes, including some in public domaine. ESR claimed it had acquired 3rd party rights to all tape, and won court victory when judge there said govt. was taking too long to press case, ordered tape returned. MPAA feels ESR's rights are bogus, says there's also issue of unauthorized duplication involved. ESR, meanwhile, has filed complaint through diplomatic channels with White House, has representative touring U.S. to tell story to media, promises to file \$2 million damage suit against MPAA.



**CED COST SQUEEZE:** Cost of CED disc production is putting price squeeze on Embassy Home Entertainment, according to Sales Vp Robert Cook, who echoed complaints similar to those voiced by Paramount Video Pres. Mel Harris last month (Vol. 23:26 p12). EHE has custom-pressing deal with CBS Records' Carrollton, Ga. plant, and while Cook lauds CBS as "bending over backwards" to meet deadlines, he wonders how long he can hold average retail line at \$29.95. Next step up would be \$5 increase to \$34.95, figure Cook thinks puts discs uncomfortably close to some recorded cassettes.

Present manufacturing outlays — \$10 for Laservision, little under that for CED — mean "you eat up everything you get on sales," Cook said. Problem has been recognized by everyone in business, including RCA, which hiked prices of 175 titles earlier this year (Vol. 23:17 p18). Although RCA said at time it expected 4th quarter drop, there's basic contradiction that could prove difficult to resolve: How do you reduce costs when RCA & CBS plants already are operating at or near capacity? "That's what we don't know," said Cook.

CBS plant, which went on stream year ago, isn't being expanded, said Records Group Video Enterprises Financial & Planning Dir. Paul Vitale, who told us new budget for Carrollton won't be ready before end of 3rd quarter. As for production costs, "we haven't drawn up a timetable, to be perfectly honest."

Cook claims EHE hasn't received any words of encouragement about prices, hopes to see efficiencies when CED & LV volume reaches 10-15 million units by end of 1984. What EHE does in meantime isn't clear. "I wouldn't like to be the first one to raise prices," he admits. In topsy-turvy world of home video, less popular titles often command highest prices, so Cook thinks he's gambling with release of Barbara Woodhouse dog training disc at \$29.95. Program will have to sell production minimum of 5,000 copies to break even. EHE has made or surpassed breakeven on majority of CED titles, sold 10,000-15,000 copies of Blade Runner, Amityville 2, Zapped. But Cook notes objective is to add to "cash pool" for acquisitions, said 5,000 represented start of "our making a contribution on that product."

Fuji Photo will be 51% partner in \$8 million photoresist chemical venture it has agreed to launch in Japan with U.S.-owned Philip Hunt Chemical. Material is used to mask IC wafers prior to etching. Hunt claims to hold 25-30% of what it says is annual \$100 million world photoresist market, sees venture as way to increase that by getting share of \$30 million market in Japan, now controlled by Japanese suppliers.

Canon, Fujitsu, Omron Tateisi, Logitec and Wang are newest licensees under Drexler Technology's laser card patents. Company now has 9 licensees worldwide, each of which paid \$200,000 for technology and non-exclusive rights to produce card reading & writing hardware. Drexler has retained production rights for cards themselves which can hold up to 800 pages of information.

**ZENITH'S NEW PROJECTOR:** Zenith added 3 new components to its video system and introduced improved version of its projection TV with pop-up screen last week at Chicago distributor meeting marked by swan song of Exec. Vp Walter Fisher, who retires Oct. 1 (Vol. 23:27 p11).

New 45" projection set has black matrix screen for greater contrast, with viewing angle increased to 70 degrees from last year's 35, has new cabinet, new remote control with 157-channel tuning, lists at \$3,850, up \$100 from original model.

Company introduced 2 high-resolution monitor components — its first 25" monitor, with up to 450 lines of horizontal resolution, and 19" with 425 — both capable of reproducing 80-character computer displays and priced at \$480 & \$700 respectively, 19" up \$10 increase from the one introduced last year. Monitors have video & RGB inputs, switch for green monochrome operation as well as normal color picture display. The 25" monitor was previewed at May distributor show (Vol. 23:21 p13). New version of remote control component tuner, with 178 channels, is \$280, unchanged from earlier model.

Zenith signaled end of annual b&w model introductions, eliminating year identifications in model numbers. All monochrome numbers are now prefixed by letters "BT" for b&w TV. Zenith still has some models introduced in May & Aug. 1981 ("N" line) — thus model N052 has become BT052. Current Zenith color line uses "Z" prefix.

Korean manufacturers are edging their way into international VCR market. JVC has finally granted VHS manufacturing licenses to Gold Star and Samsung, which have been producing VCRs on their own there for home market sale. License is only for domestic sale, but is considered major step toward getting JVC clearance for export. VCR head production is being started in Korea by venture of Japan's Alps and locally owned Gold Star. Company, formed in 1970 as producer of heads and other components for audio recorders, will start video head output this fall at 3,000-5,000 monthly. Video heads currently are not being made in Korea. Gold Star and Samsung are most advanced VCR makers there, now produce or buy locally 59% of VCR parts they use. Other is Daewoo, which acquired electronics business of Taihan earlier this year, continues to assemble Beta units using parts supplied by Japan's Toshiba. Daewoo's reliance on foreign parts has drawn complaints from other 2 makers there because of their investment in integrated production. Govt. recently cleared Daewoo request for parts import permit on condition that it agree to boost local content to acceptable level by Oct.

IUE has widened its representation horizons, is looking for new members among white-collar professional & salaried workers in electronics and related hi-tech industries. In keeping with that, name is being changed from International Union of Electrical, Radio & Machine Workers to International Union of Electronic, Electrical Technical, Salaried & Machine Workers — IUEETSMW for short.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>CBS</b>			
1983-6 mo. to June 30	2,103,000,000	76,500,000	2.58
1982-6 mo. to June 30	1,975,800,000	58,900,000	2.11 <sup>a</sup>
1983-qtr. to June 30	1,064,000,000	58,700,000	1.98
1982-qtr. to June 30	996,400,000	43,200,000	1.55 <sup>a</sup>
<b>Gannett</b>			
1983-26 wk. to June 26	813,956,000	84,760,000	1.59
1982-26 wk. to June 27	723,266,000	81,924,000	1.54
1983-13 wk. to June 26	427,157,000	52,513,000	.99
1982-13 wk. to June 27	384,407,000	50,284,000	.95
<b>GE</b>			
1983-6 mo. to June 30	12,820,000,000	946,000,000	2.08
1982-6 mo. to June 30	12,660,000,000	842,000,000	1.86 <sup>b</sup>
1983-qtr. to June 30	6,720,000,000	521,000,000	1.15
1982-qtr. to June 30	6,630,000,000	465,000,000	1.03 <sup>b</sup>
<b>Orion Pictures</b>			
1983-qtr. to May 31	33,951,000	2,047,000	.15
1982-qtr. to May 31	32,347,000	573,000	.07 <sup>a</sup>
<b>Owens-Illinois</b>			
1983-6 mo. to June 30	1,721,700,000	36,000,000	1.30
1982-6 mo. to June 30	1,769,900,000	94,600,000	3.27 <sup>c</sup>
1983-qtr. to June 30	889,100,000	30,200,000	1.10
1982-qtr. to June 30	914,100,000	31,900,000	1.10
<b>Post Corp.</b>			
1983-6 mo. to June 30	44,661,000	2,089,000	1.15
1982-6 mo. to June 30	39,328,000	1,441,000	.79
1983-qtr. to June 30	24,230,000	1,631,000	.89
1982-qtr. to June 30	20,894,000	1,256,000	.69
<b>Raytheon</b>			
1983-6 mo. to July 3	2,911,667,000	150,730,000	1.78
1982-6 mo. to July 4	2,842,985,000	165,157,000	1.96
1983-qtr. to July 3	1,533,773,000	77,776,000	.92
1982-qtr. to July 4	1,426,943,000	85,778,000	1.02
<b>Scripps-Howard Bcstg.</b>			
1983-6 mo. to June 30	47,186,000	8,369,000	.81
1982-6 mo. to June 30	45,870,000	9,666,000	.94 <sup>c</sup>
1983-qtr. to June 30	25,679,000	5,134,000	.50
1982-qtr. to June 30	25,087,000	5,230,000	.51 <sup>c</sup>
<b>Texscan</b>			
1983-year to April 30	54,665,454	5,697,551	.89
1982-year to April 30	40,495,723	4,011,506	.68
1983-qtr. to April 30	16,747,804	1,809,864	.27
1982-qtr. to April 30	11,697,782	1,223,661	.20
<b>Westinghouse</b>			
1983-6 mo. to June 30	4,670,700,000	196,700,000	2.22 <sup>c</sup>
1982-6 mo. to June 30	4,814,900,000	234,800,000	2.72 <sup>c</sup>
1983-qtr. to June 30	2,385,600,000	96,400,000	1.09
1982-qtr. to June 30	2,471,500,000	110,400,000	1.28 <sup>c</sup>
<b>Wometco Cable TV</b>			
1983-24 wk. to June 18	25,587,000	2,349,000	.33
1982-24 wk. to June 19	20,023,000	796,000	.11
1983-12 wk. to June 18	12,914,000	1,190,000	.17
1982-12 wk. to June 19	10,151,000	413,000	.06
<b>Wometco Enterprises</b>			
1983-24 wk. to June 18	228,457,000	13,027,000	.75 <sup>c</sup>
1982-24 wk. to June 19	220,277,000	11,887,000	.69 <sup>b</sup>
1983-12 wk. to June 18	121,614,000	8,365,000	.48 <sup>c</sup>
1982-12 wk. to June 19	116,339,000	6,713,000	.39 <sup>b</sup>

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

**Sharp is investing \$420,000 to expand VCR production capacity by 25%. Company expects to be turning out VCRs at new 125,000 monthly rate by Sept. Last year, Sharp made about 1.1 million VCRs, exported 750,000.**

## Consumer Electronics Personals

**William Morris**, who joined Mattel from Life Savers last Jan., named pres. of Mattel Electronics, succeeding Joshua Denham, who will continue as consultant for 3 years; **William Gillis** resigns as Home Computer Systems vp-gen. mgr., duties assumed by Mktg. Vp **Jerry Astor**; **Terrence Valeski**, ex-Enterprise Inc., joins as mktg. & sales senior vp; **James Buddle** appointed finance & planning senior vp, replacing **Paul Rioux**, resigned; **John Budd**, former corporate mktg. vp, named pres. of Diversified Companies Div., replacing **Morris**... **Timothy Clott** promoted at Paramount Home Video from operations & administration dir. to vp-gen. mgr., succeeding **Richard Childs**, now Samuel Goldwyn Co. ancillary sales vp.

**James Ward** named pres., American Video Tape Mfg., succeeding **Stephen Milam**, resigned; **James Dimmock**, pres. of AVT parent Intermagnetics America, adds Milam's former duties as pres. of another IA subsidiary, Magnetic Tape International... **Tak Koyama** appointed TDK (U.S.) corporate ad & PR mgr.; **Lou Abramowitz** continues as consumer & industrial product ad & PR mgr... **Phil Cook** promoted at audio & video duplicator Tapette Corp. to operations vp.

**Barrie Robertson** advanced from CBS/Fox Video Australia dir.-gen. mgr. to South Pacific managing dir... **Edward Byrnes** promoted at WEA Europe to vp, Warner Home Video line; **Daniel Grunberg** named managing dir. of WHV operations in Belgium & Netherlands... **Louis Cuming**, ex-Fotomat, named mktg. dir., Fairfield Direct, subsidiary of consumer electronics consultancy Fairfield Group... **Gary Dartnall**, Thorn EMI Film & Video Divs. exec. chmn., adds responsibility for company's ABC Theatre Circuit, replacing Chmn. **Robert Webster**, now handling acquisitions for all markets; **John Kelleher**, Thorn EMI Video software acquisition head, named Webster's deputy.

**Don Lombardi** advanced at Symphonic to sales & mktg. vp; **Sanford Gordon** resigns as vp... **Doug Blackburn**, ex-RTR Industries, rejoins Kenwood as midwest sales mgr., succeeding **James Tipton**, resigned... **William McGrane** advanced at Celestion from national sales mgr. to mktg. vp... **Brenda Sabin** appointed dealer sales mgr. for video furniture maker **Winsted**... **Dana Dickinson** appointed mgr. of new Allsop Graphics Dept.

**U.K.'s GEC** said consumer products sector was major contributor to improved results for year to March 31. Company reported consolidated net up 15.4% to \$434.5 million on 10.2% sales rise to \$8.35 billion. Pre-tax earnings from consumer products jumped 72.7% to \$29.1 million on 5.2% sales rise to \$709.9 million.

**Pioneer** is broadening European Laservision disc player marketing, plans to enter Netherlands this summer, Austria & Switzerland by year's end. Company began selling in Germany & U.K. late last year, has reportedly sold only about 1,000 units.



WEEKLY

# Television Digest®

with  
consumer  
electronics®

38th YEAR OF PUBLICATION  
38  
1945-1983

The authoritative service for broadcasting, consumer electronics & allied fields

JULY 25, 1983

VOL. 23, NO. 30

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast - Cable

**TV PROGRAM SURVEY** causes more trouble on Capitol Hill. Tauke & Tauzin tell stations to respond. Swift circulating new version of deregulation bill. (P. 1)

**NAB RADIO MEMBERSHIP LAGS**, TV at record level. Bolger responds to radio board critics. NAB finances in good shape. (P. 3)

**ELECTION REPORTING DEBATE** sharply divides legislators, newsmen over TV role. (P. 6)

**TV-CABLE WEEK:** Concern grows at Time Inc. over offspring's poor performance since April launch. (P. 6)

**COPYRIGHT LAW OUTMODED** witnesses tell House panel, urge 'radical reconstruction.' (P. 7)

**DEATH OF WEATHER CHANNEL** predicted by analysts. Coleman searches for investment partner to buy out Landmark. (P. 7)

**RARC CALLED 'SUCCESS'**, U.S. delegation 'happy with what we came back with.' (P. 8)

**COMPENSATORY FUND EXPANDED** in Radio Marti bill during bitter & confusing markup. (P. 9)

**CABLE EMPLOYMENT UP 40%** but minorities post small gains. (P. 10)

**TV PROGRAM SURVEY CONTROVERSY (CONT'D):** Questionnaire that House Telecom Subcommittee sent TV stations 2 weeks ago, began sending radio stations last week, has caused storm in Washington, led to charges & letters being traded back & forth throughout last week. Subcommittee Chmn. Wirth (D-Colo.) condemned NAB for implying in mailgram to broadcasters that survey needn't be completed, warned deregulation talks could break down as result. Industry's key allies on deregulation, Reps. Tauke (R-Ia.) & Tauzin (D-La.), found themselves siding with Wirth, wrote own letter to TV stations urging managers to answer questionnaire. Meanwhile, industry's other ally, Rep. Swift (D-Wash.), surprised everyone by circulating new draft version of deregulation bill, upsetting Wirth.

**NAB Pres. Edward Fritts fanned flames** with mailgram to TV station managers (Vol. 23:29 p2) saying that participation in survey was voluntary. Wirth then said he was "bewildered" by what he characterized as NAB official's effort to block Subcommittee's fact finding with mailgram "virulently attacking" quantification of public interest standard for broadcasting. "This was exactly the approach the NAB itself was taking in its negotiations" with

### Consumer Electronics

**ZENITH BOARD MEETS** on new chief executive following death of chmn.-pres. Revone Kluckman, adjourns without taking action. (P. 12)

**MARKET ROLE REVERSES** as RCA, Zenith & NAP show profits from color, while in games, Atari shows loss, Coleco net dips. (P. 12)

**1983 MODEL-YEAR:** Color sales a million above previous record, home VCR near 2.9 million. Projection, color cameras, set records. (P.13)

**MULTICHANNEL TV SOUND ON FCC AGENDA** for July 28 Meeting. Marketplace proposal seen for stereo, bilingual and other multiplex uses. (P. 14)

**POLAROID IN VIDEOCASSETTES**, to offer Supercolor VHS & Beta in Europe & U.S. as 'foot in door' of consumer electronics. (P. 15)

**U.S. INDUSTRY INJURED** by imported Japanese tone-only pocket pagers being sold here at unfairly low prices, ITC rules. (P. 16)

**GAMES LOSING FAVOR** among distributors because of lack of price protection. (P. 16)

**MAY SURGE PUT IMPORTS** of complete and incomplete color, total TVs, from Korea past million mark for year, month ahead of 1982 pace. (P. 17)

Subcommittee allies, Wirth told Fritts, adding: "Just as important, you personally assured me that you would cooperate with the Subcommittee... Your staff participated in developing our survey."

In reply letter to Wirth, Fritts said mailgram merely stressed voluntary nature of survey: "If it had been our intent to urge our members not to cooperate, we would have clearly said that... Instead, the NAB Executive Committee agreed that the mailgram should take no position on whether TV stations should or should not complete the questionnaire."

Fritts made sure to repeat in letter language from mailgram emphasizing NAB's position that survey isn't necessary because data sought is on file with FCC and "the Commission has agreed to collect and analyze... information on the programming carried by TV stations." Another NAB objection, Fritts said, is to Subcommittee's attempt "to gather information on narrow and content-based categories of programming," which he meant to mean data on programs for children, minorities and elderly.

Subcommittee staffers pointed out that FCC has said at recent hearings it can't quickly compile information panel wants. "All the Subcommittee wants is enough data to make sound judgments," one aide said.

Ironically, "handful" of survey responses already has arrived in panel's mail, helping dispel some of staff's fears that survey would be ignored. Capitol Hill aides and NAB source are now cautiously predicting panel will receive enough responses to keep data statistically adequate.

Tension between NAB & Subcommittee was heightened when Tauke & Tauzin, 2 major proponents of deregulation, appeared to side with Wirth on importance of survey by sending letter to TV stations urging managers to answer questionnaire. They warned: "It does not help our position or your best interests if we are faced with charges that the broadcasting industry would not co-operate" with Subcommittee. Added with underline was plea: "We strongly urge you to complete the survey."

NAB reportedly wasn't happy with letter, although spokesman Shaun Sheehan was quick to say that NAB "appreciates everything" 2 legislators have done in pushing for deregulation. Problem is that mailgram is being misinterpreted, he said: "We only want to make sure that our broadcasters understand just because the envelope is from Congress, it doesn't carry the weight of law."

Wirth is claiming same thing, said in letter to Fritts that intent is being misread. Not as far as NRBA is concerned. It's equally truculent about answering programming survey Subcommittee was expected to start mailing to stations late Fri., already has made it clear it wants TV & radio deregulation separate. Pres. Harriet Kaplan said NRBA wants to "bring radio out from under the shadow of TV into the sunlight of radio's unique place in American life," said tying radio to TV would mean more regulation for AM & FM.

Radio-TV News Directors Assn. also came out against survey with statement from Pres. Dean Mell that group is "flatly opposed to quantification," doesn't want programming "by government edict."

Most surprising news of week was word that Swift had prepared draft of deregulation bill that he hopes Subcommittee will use as "talking proposal" in negotiating final measure. Wirth reportedly saw it differently, became angry at what he thought was going to be new formal bill from Swift calculated to stir up more trouble for deregulation talks. Misunderstanding was cleared up in yet another exchange of letters.

Aide said Swift's draft aims to focus attention on key deregulation issues, takes form of proposal merely to boil down issues that have emerged so far from talks. Proposal incorporates some of original Tauke-Tauzin bill (HR-2370) codifying FCC's recent radio deregulation efforts, doesn't include language eliminating requirement that stations operate in public interest.

Swift proposal also suggests: (1) Eliminate ascertainment, program logs, limits on ads for radio broadcasters, extend that to TV. (2) Have FCC set new public interest programming standards based on current industry practices, and allow Commission to update standard but not more frequently than every 5 years. (3) State new national policy that there be meaningful increase in amount of public interest programming TV & radio stations air. (4) Say new standard



should be based on average number of public interest programs stations now air, unless Congress moves to set more rigid formula based on percentages, ad revenues, point system or other idea that emerges after TV survey is evaluated.

**NAB RADIO MEMBERSHIP LAGS, TV AT RECORD:** Radio membership in NAB is lagging behind projections with just 53% (4,442) of U.S. stations belonging. However, TV membership is at all time high, with 707 (77%) of 924 stations belonging, according to NAB figures compiled before June NAB board meeting. Situation on radio membership hasn't improved noticeably despite first-time promotion campaign to keep non-members informed on monthly basis of NAB activities & services. Campaign included direct contacts by NAB Pres. Edward Fritts and ex-Chmn. William Stakelin.

Meanwhile, flap over ex-chmn.'s seat on Exec. Committee continues to simmer. At Committee meeting 10 days ago, Radio Chmn. Martin Beck opposed continued service by Thomas Bolger (Vol. 23:29 p5) on grounds it should go to past radio board member (Bolger is ex-TV chmn. as well as former joint board chmn.). Beck also objected to fact that Bolger and TV Vice Chmn. William Turner are both from Forward Communications. Beck claimed that it would be morally wrong for Bolger to continue and that majority of radio board agreed. After Beck's objection, Bolger said he wouldn't serve, left meeting, and Committee decided to leave non-voting spot vacant.

Explaining his position in letter to NAB board members, Bolger said: "I believe the concerns and accusations totally to be baseless... I've served more years [6] on the Executive Committee than all the current members combined. I consider this to be a valuable input to any discussion... Whether the immediate past chairman's initial service was with the TV or radio boards is immaterial... Having served our Association for 8 years... I believe my radio participation and interest speaks for itself and transcends 'we versus they' pettiness. Furthermore, I am actively responsible [as pres. of Forward] for at least as many radio stations as the radio board officers combined... I would not have selected this scenario to end my NAB career. But there comes a time in each person's life when principle outweighs personal pursuits."

Despite gloomy radio figures, NAB's financial outlook is sunny, with convention income and new money-making ventures started in Jan. major reasons. NAB ended fiscal '83 (March 31) with net of \$306,645, on income of \$8,988,000, expenses of \$8,681,000. For year beginning April 1, NAB is operating under budget calling for \$9,387,000 income, \$9,159,000 expenses.

Dallas convention in 1982 (April Las Vegas convention results will be in 1984 report), according to audit by Bond, Beebe, Barton & Muckelbauer, showed income of \$2.9 million (\$2 million from exhibitors, \$923,346 from registrations, etc.), compared with income on 1981 convention of \$2.53 million. Expenses for 1982 totaled \$1.15 million, leaving net of \$1.76 million; 1981 expenses were \$1.11 million, leaving net of \$1.41 million. Of 1982 convention expenses (1981 in parentheses), food cost \$166,198 (\$179,148), shuttle buses \$96,440 (\$43,043), decorations & production charges \$88,737 (\$76,453), fee to Exhibit Mgr. Edward Gayou \$84,000 (\$72,000), guests & speakers \$82,809 (\$54,291), special entertainment \$75,143 (\$95,221, year Bob Hope entertained at closing lunch), payments to RAB & TvB \$70,000 (\$70,000), rental of exhibit space \$63,332 (\$36,940), awards & gifts \$11,554 (\$900). At start of April 1 fiscal year, NAB had deferred convention income of \$3.28 million (\$2.77 million), deferred expenses of \$535,371 (\$289,398). NAB payment to TvB for participating in convention will go up next year from \$20,000 to match \$50,000 paid RAB.

At close of fiscal year (March 31), NAB had total assets of \$7.53 million (\$6.81 million), including hq building and land valued at \$3.35 million, time deposits of \$2.96 million (\$2 million), accounts receivable, after \$60,000 in bad debts, \$636,917 (\$942,963). In addition to convention, major income sources were TV dues \$3.04 million (\$2.96 million), radio dues \$2.88 million (\$2.73 million), associate dues \$601,023 (\$600,000). Major new source of future income is expected to be for-profit venture, approved at Jan. board meeting under Station Services Dept. Dept. grossed \$60,000 in sales at 1983 convention, nearly half in station operational & promotion items. Operation also expects to gross more than \$200,000 in sale of publications, \$60,000-\$70,000 in group life insurance plans which NAB has taken over. NAB also is pushing business & libel insurance, has doubled premium for latter.

Since 1967, NAB has been in black 11 years (with \$417,500 in 1968 being largest surplus), in red 5 years, largest deficit being \$350,600 in 1977. Other deficit years: 1980 (\$306,612), 1981 (256,159), 1975 (\$231,855), 1971 (\$27,112). For current year, NAB had small windfall of \$52,000 interest from \$1.4 million disbursed by Copyright Royalty Tribunal for commercial TV stations. NAB originally had plan to use interest money to offset legal fees; however it now has decided to allocate extra \$52,000 to stations.

Vincent Wasilewski, who resigned as NAB pres. last summer, has deferred compensation account worth \$387,640, which includes \$333,224 contributed by NAB. Investments (market value) from his fund include \$127,258 in bonds, \$145,258 in common stock (increase from \$99,100 paid for stock), \$66,226 cash value of insurance policies, \$48,000 in commercial paper. Wasilewski account still is under control of Riggs National Bank, will be until he reaches 65 unless NAB agrees to release it earlier. He gets \$51,000 annual pension from NAB. Deferred compensation plan started for Exec. Vp-Gen. Mgr. John Summers 2 years ago now has market value of \$23,176, up from \$21,926, contributed by NAB.

Unaudited report on TIO shows it had income of \$1.52 million for fiscal '83, expenses of \$1.4 million, compared with '82 income of \$1.4 million, expenses of \$1.25 million. TIO started fiscal '84 with surplus of \$1.3 million, up from \$1.18 million.

At June meeting, NAB starting planning for future when it's possible 4th TV network will be eligible to have seat on board. TV board recommended bylaw change which would freeze number of network dirs. at present 3. In event 4th network qualifies for NAB membership (and thus board seat under current bylaw), election would be held among affiliates of all 4 for 3 seats. Board also recommended change in definition of network to read: "For membership purposes, a network shall be defined as an individual, partnership, firm or corporation which is the licensee of one or more commercial broadcast stations and which is electronically interconnected with a nationwide group of commercial broadcast affiliates for the simultaneous transmission of a variety of regularly scheduled commercial and program material on a daily basis." TV board also recommended bylaw change to require that for group exec. to be eligible to serve on board, all stations owned by that group must be NAB members. Changes are subject to ratification by membership.

Proposal by Bylaws Committee to expand TV board from 15 to 18 and to elect 3 TV dirs. by districts (all now are elected nationally) was referred to special task force to report to Exec. Committee by Nov. Bylaws currently authorize 18 dirs.; 3 spots have never been filled. It's expected that newly formed Major Market TV Caucus (composed of stations in top 50 markets, excluding 15 network-owned stations) will ask NAB to add 3 seats. Radio board has frozen network dirs. at 6. NAB currently has 7 radio network members and in spring election Eugene Jackson of National Black Network lost his board seat.

N.Y. City signed cable franchise contracts last week with companies that will serve 4 boroughs with 1.5 million homes. Warner Amex signed franchise for parts of Brooklyn & Queens, Cablevision Systems for Bronx and part of Brooklyn, Time Inc.'s ATC and local company Queens Inner Cable Systems, controlled by entrepreneur Percy Sutton, for remaining parts of Queens. Franchises covering Staten Island were awarded to Cox and local unit of Continental Cablevision. Franchisees estimate they will spend \$1 billion in 6-8 years it will take to build systems. City official said that state approval of franchises is expected in 30-60 days, that construction should begin right after that. In unusual move, city recently agreed to defer for 8 years franchise fee on Cablevision for Bronx because that's most depressed area of city. After 8 years, Cablevision must pay 8% of revenues until it makes up deferred fees. N.Y. isn't done with cable matters, though. In next year, City will open talks with ATC and Group W about upgrading systems that have operated in Manhattan since late 1960s.

Details are non-existent, but Justice Dept. is considering new pay-TV merger plan from 3 movie studios — MCA, Paramount, Warner Bros. — involving acquisition of Movie Channel and Showtime. Presentation was made in Washington July 18. Asked how long DoJ would take to make decision, spokesman responded: "We're not as bureaucratic as you think. The people handling it know everything they need to know." First deal came apart in June after DoJ concluded that studios would be in violation of antitrust laws.

FTC has been guilty of "negligence" by failing to act on complaints against TV ads directed toward children, ACT charged in new complaint filed at FTC. By refusing to act, FTC has given "silent approval of unfair and deceptive advertising practices" directed toward children, ACT said. New complaint is against spots for 2 cereals manufactured by General Foods which offer chance to win Coleco videogames.





# CABLE ON THE FIRING LINE

## A PERSPECTIVE ON THE FUTURE

*1983 Cable Television Summit Conference  
Oct. 27, 1983 - Four Seasons Hotel, Washington, D.C.*

### Consider:

... Ma Bell's 7 regional spin-offs will be fierce competitors in the local broadband distribution market (the same market targeted by cable).

... Even if the current cable bill (or one like it) passes, cable TV's regulatory problems have only started (look at what the states are doing).

... Daunting financial challenges face some overbuilt urban franchises (and underbuilt older systems).

... There's a prospect (after RARC '83) of 30-plus channel DBS that promises to offer basic cable-like services to consumers for less.

... More and more high tech executives are biting the dust as corporate boards look for new leadership in a changed world.

The **CABLE TV SUMMIT CONFERENCE** is an unprecedented meeting of the industry's top strategists who will probe the broad spectrum of management problems and the vast business opportunities to be encountered by the industry in a world of new competition and expanding markets.

Intended for an audience of senior and high-level executives, the **CABLE TV SUMMIT** will feature a blue-chip faculty of top industry leaders who will present their views on the cable TV business environment of the immediate future and answer questions from delegates and our panel of expert cable journalists.

The **CABLE TV SUMMIT CONFERENCE** faculty will include **Robert Alter**, President, Cabletelevision Advertising Bureau; **Frank Blondi**, HBO President; **Lawrence DeGeorge**, Chairman, Times Fiber Communications; **Ellen Berland Gibbs**, Vice President, Goldman Sachs & Co.; **Irving Kahn**, President, Broadband Communications; **Daniel Ritchie**, Chairman, Group W; **John Saeman**, Vice Chairman, Daniels & Associates; **Archer Taylor**, Senior Vice President, Malarkey-Taylor Associates; **Thomas Wheeler**, President, NCTA and Rep. **Timothy Wirth**, U.S. House of Representatives Telecommunications Subcommittee.

Delegate fee of \$695 includes continental breakfast, lunch, cocktail reception and briefing materials. A transcript of the proceedings will be prepared and sent to all delegates following the conference.

---

### SEND THIS RESERVATION CERTIFICATE TODAY TO GUARANTEE SPACE AT THE CABLE TV SUMMIT CONFERENCE.

\_\_\_\_\_ Payment attached (Make checks payable to Television Digest Inc.)  
 \_\_\_\_\_ Charge to: \_\_\_\_\_ American Express \_\_\_\_\_ MasterCard \_\_\_\_\_ Visa  
 Card No.: \_\_\_\_\_ Expires: \_\_\_\_\_  
 Signature \_\_\_\_\_  
 Name \_\_\_\_\_ Title \_\_\_\_\_  
 Company \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Return to Conference Coordinator, Television Digest, 1836 Jefferson Place NW, Washington, D.C. 20036, USA. Phone 202/872-9200. Telex 467268.  
 Discounts are available for groups of three or more delegates registering as a group. Contact Barbara Pratt at 202/872-9200 for details.

**Sponsored by**

**TELEVISION DIGEST**

**HOUSE PANELS ON ELECTIONS:** TV news executives found themselves defending journalistic principles last week during joint hearing by House Telecom Subcommittee and Task Force on Elections held under strong lights in overcrowded room. Newsmen were put on spot by legislators who are concerned about impact networks' exit polling and early returns reporting have on voter turnout. Newsmen stuck together, said journalistic responsibility and free press principles, not Congress, should dictate news reporting.

Confrontation was between members & chairmen of 2 panels, Reps. Swift (D-Wash.) & Wirth (D-Colo.), and network NBC News Pres. Reuven Frank, CBS News Pres. Van Gordon Sauter and ABC News Vp George Watson. House members were trying to hammer home point that early election returns reporting on east coast can reduce voter turnout in west.

News executives cloaked themselves in widely accepted reporting practices, said withholding information about what's happening at polls in some states because citizens in other states may still be voting raises dangerous precedent. Sauter argued that research is sketchy on effects of election night reporting. "There may be a perceived problem [but] we do not know whether it is a real problem," Sauter testified.

Legislators disagreed with Sauter's contention, ripped into newsmen during Q-&-A, firing questions at steady pace. Swift made point over timing of projection reporting when he noted that networks reveal outcome of some precinct voting, who's likely to win, in states straddling more than one time zone even if all polls aren't closed. "Aren't you fudging your own rules by doing that?" Swift asked, noting 13 states are in more than one time zone. "Our every instinct as reporters is to report what's happening," Watson countered.

Newsmen admitted they are troubled by problem, especially issue of projecting results before polls close. But under questioning, newsmen didn't balk, said that practice would continue until and if more conclusive evidence is presented. When Wirth asked how each newsman personally felt about problem, none would answer. "I can't answer that off the top of my head," Sauter replied. "It would be unfair to myself and the news organization for which I work."

Sauter did say there may be ways around problem, offered same proposals networks have been recommending to Congress for years: (1) Repeal of equal time rule law or at least its temporary suspension as trial during 1984 Presidential election campaign, as in past. (2) Adoption of 24-hour voting day with simultaneous poll closings coast-to-coast. Latter proposal already has been introduced in House by Reps. Biaggi (D-N.Y.) & Guarini (D-N.J.), now is before Task Force.

Hearing wasn't confined to network practices, also covered questions about which candidates get what kind of access to airwaves, cost of TV political ads, way TV can shape campaign. Other witnesses included media consultant Jill Buckley, pres., J.

Buckley & Assoc.; media buyer William Murphy, pres., Media Management Service; political consultant Joseph White, partner, White & Fenn; 2 academicians.

**TV-CABLE WEEK SALES DISAPPOINTING:** Time Inc.'s cable listings magazine, launched April 10, has failed to attract subscribers and cable system affiliates in numbers approaching those expected for \$100 million venture. "The preliminary step is tougher than we thought," TV Cable-Week Publisher Daniel Zucchi told us. Behind-scenes reports describe Time task forces scurrying to find some way to breathe life into venture.

Launch of magazine was so massive an undertaking that amount of investment in new publication was made public. Reports are that half of that \$100 million has already been spent, though amount is meant to cover 5 years.

Cable operators have been reluctant to accept new guide, which is offered free for 4 weeks through subscriber lists drawn from individual cable systems, then billed at 69¢ per issue. Response in new systems, where magazine is introduced with cable service, has been "excellent — better than we expected," Zucchi said. But older systems, which unfortunately for Time comprise 95% of TV-Cable Week's potential universe, haven't been signing up, have kept their own guides, and "require much more of a traditional, slow marketing approach," he conceded.

Of top 10 MSOs, only Storer — besides Time's own ATC — is experimenting with TV-Cable Week, and that in only 2 systems. With guides seen as increasingly important subscriber retention tool, most systems which can afford to — Group W, Cox Cable, TCI, for example — want to keep control over them.

Though Time & TV-Cable Week aren't revealing penetration numbers, and have asked their current 17 system affiliates not to divulge them, our reports show penetration hovers at 6-10% in such systems as NYT Cable in Audubon, N.J. In newstand trial in Audubon, only few hundred of 7,500 copies have sold at 95¢.

Those who carry guide are pleased with it as product. But combination of expensive system-specific approach to listings, which requires quantity to be profitable, and lack of receptiveness on part of major MSOs, may be tough to overcome. Smaller systems which could use glossy cable guide they can't make on their own often don't meet TV-Cable Week's 20,000 pay subscriber minimum.

INTV has scheduled 1984 convention Jan. 14-18, Biltmore Hotel, L.A.; 1985 dates have been tentatively shifted to Dec. 8-12, 1984 to avoid conflict with Jan. 10-15 convention of NATPE in San Francisco — earliest date ever for program execs. Since INTV began soliciting program suppliers to sponsor suites and screenings 3 years ago, it has steadfastly refused overtures of NATPE for joint convention.



**COPYRIGHT 'RECONSTRUCTION' URGED:** Law-makers must have "vision of the future" to understand influences that changes in communications are exerting on society so that they can draft "radical reconstruction" of copyright law. This was view last week of witnesses at House hearing on copyright and technological change. Although home taping wasn't point in question, members of Copyright Subcommittee often asked witnesses to frame their arguments in terms of that controversial issue.

Taxing VCRs is "anti-social," said Joseph Coates, pres. of his own communications consulting firm and former official in Office of Technology Assessment. He also urged panel to reject strong anti-piracy measures because industry is concerned only with "grubby, short-term interests."

Most present copyright law should be junked, Coates said. It would be "serious mistake" to amend existing law because that would "force the future into a mold of the past. Radical reconstruction is needed." He and witness Benjamin Compaine, exec. dir. of Harvard Program on Information Resources Policy, strongly urged panel not to allow copyright issues be decided by courts. Said Coates: "The courts have a potential for crippling the future" because decisions are based on precedent. Compaine said that at most Congress should use Supreme Court as "tripwire" to alert it to need for new copyright laws, as in Betamax case, an assessment panel seemed to accept.

"No new interest ought ever to be recognized unless and until the consequences of that encroachment [on public domain] have been explored," said David Lange, Duke U. Law School prof. Touching on home taping, he said if Congress acts to protect copyright owners, it also should address rights of VCR owners. Even "dire warnings about the likelihood of industry-wide retrenchment" shouldn't produce knee-jerk changes in copyright, Lange said. "Copyright can be an efficient form of institutional bargain, but it is not intended to save buggy-whip manufacturers from ruin." Some copyright interests are over-protected, Coates said. Tipsheets, newsletters & newspapers, he said, need copyright protection only for the life of the worth of the information they contain. Most in need of protection today are "intellectual inventions" such as computer software, he said. Congress may have to "discommode" some copyright owners in short term by throwing their wares into public domain during transition period into universal access to information, he said.

Chmn. Kastenmeier (D-Wis.) announced schedule of other Subcommittee hearings. Semi-conductor chip legislation will be first, with field hearing July 30 at San Jose, Cal. followed by Washington session Sept. 28. Record rental proposal (HR-1027) will be aired Oct. 13, with video rental legislation (HR-1029) discussed Oct. 27. Cable TV bills (HR-2902 & HR-3419) will have hearing Oct. 20. Kastenmeier said Subcommittee "may also schedule a hearing on home taping during the fall."

**WEATHER CHANNEL FUTURE IN DOUBT:** John Coleman's search for investor willing to help buy out Landmark Communication's \$32 million stake in Weather Channel (WC) isn't proving successful, prompting widening speculation service will fold in couple of months or merge into another channel. Analysts and industry executives we contacted said it's unlikely that WC Chmn.-Pres. Coleman will find new investors, that he's likely to lose his 20% interest in year-old channel under terms of recent out-of-court settlement with Landmark.

Analysts said they believe Landmark then either will fold WC to staunch losses of about \$850,000 monthly (about \$7 million to date) or install its own leadership and scale WC back dramatically, offering weather information in short blocks to other cable services or broadcasters.

One of Coleman's troubles is that WC's transponder on Satcom 3-R is controlled by Landmark, transmits WC on contract basis, apparently could be held out of deal. "That transponder in today's market is worth at least \$8 million, and if it were a solid piece of the deal [under WC ownership] it would smell a lot sweeter," said cable broker. Coleman recently approached Turner Bestg. System about deal, was told Turner wasn't interested.

Under settlement agreement, Coleman has option to buy out Landmark within unspecified period. If Coleman doesn't exercise option, ownership & control revert to Landmark, which initiated dispute by attempting to renegotiate Coleman's 5-year contract, alleging he had mismanaged company. Blaming him for what it called "horrendous" losses (which several said could amount to \$10 million in 2nd year), Landmark offered Coleman \$250,000 for his voting stock.

Landmark, too, will be embarrassed if WC folds. It financed its \$10.5 million acquisition of Premiere's lease rights to Satcom transponder with proceeds from sale of WTAR-TV Norfolk, to Knight-Ridder for \$48.3 million.

Warner-Amex Pres. Drew Lewis startled cable industry with frank comments published in Washington Post interview. Provoking most discussion was his assessment of how cable fits into communications marketplace: "In the broadest sense, we're really not a free-enterprise business. We're sort of a quasi-public utility that doesn't get a return on its rate base but yet has its prices controlled. I'd prefer not to, but if you want to, make us a public utility and give us a return on our rate base." Assessment is counter to NCTA position opposing any common carrier status. In several recent interviews, Lewis also denied reports he will leave W-A soon to head President Reagan's re-election effort.

Four Ga. radio stations — WTJH(AM) East Point, WJIZ(FM) Albany & WMJM(AM)-WFAV(FM) Cordele — are seeking buyers under FCC distress sale policy. Stations are headed by James Rivers. Since policy was inaugurated in 1978, minorities have acquired 27 stations through distress sales.



**RARC TEAM CLAIMS VICTORY:** "We feel very happy with what we came back with," Ambassador Abbott Washburn, U.S. delegation head to RARC in Geneva, said in first public briefing since team's return. At State Dept. meeting with reporters last week, Washburn said orbital plan set by countries in Region 2 (N., S. & Central America and Caribbean) "amply met" needs U.S. outlined for its DBS applicants and would "allow substantial room to grow in the future."

To put U.S. allotments in perspective, Washburn cited industry/govt. committee report in preparation for RARC as predicting U.S. would need between 68 & 215 channels by end of century, said: "We've come home from Geneva with 256," or 32 in each of 8 service areas. Washburn qualified his optimism by listing some "less than desirable" characteristics of plan. U.S. got number of slots it asked for — 8, largest number for any country in hemisphere — but easternmost satellite parking space is too far east of N.Y. to be of much use: "We're calling that our spare," Washburn said. Eight DBS systems already have been approved by FCC, and another 3 are pending. He predicted these too would get nod from FCC, but said those 11 systems would probably all apply for and receive "choice locations" near center of U.S. arc.

Westernmost slots (175 & 166 degrees west) were intended to be used for Pacific & Mountain time zones, now will cover only Pacific, Washburn added. But westernmost slot wasn't too far out to be considered by Satellite TV Corp. and Direct Bestg. Corp. in their original applications to FCC. U.S. losses on power flux density issue (power transmitted from satellite) and polarization were met with U.S. "reservations" — U.S. withdrawal from those parts of agreement.

U.S. refusal to be bound by objectionable clauses in RARC Final Acts opens it up to series of negotiations with Canada and possibly Mexico. (It's unclear whether Mexico will adopt same power levels as U.S.; it also took reservation to levels adopted by conference, but didn't specify what levels it would use.)

Team seemed confident that agreement would be reached with Canada before interference problems develop. It's to each country's interest to work out problems because, Washburn said, to ignore international agreements "would be total chaos."

One direction from which U.S. can almost certainly expect to have coordination problems is with its Alaska beam. Soviet delegate to ITU wrote RARC conference head complaining of potential for spillover into northeast Russia from U.S. beam, said interference would have to be eliminated before beam could be turned on. FCC delegate to RARC said of Soviets: "It's probably in their interest to be as difficult as possible about it... We may have to make some concessions" on power levels.

A little spillover is expected, but won't cause too many problems, Washburn said. Fla., for example, probably will get Cuban TV and vice versa. Since most channels will be for individual country's cultural programming, he said he couldn't imagine that that many people would be interested in tuning in.

**BUD'S PAY SPORTS CHANNEL UNVEILED:** Spanning 11 midwestern states, Sports Time, much-awaited pay sports entry from Anheuser-Busch, was announced last week with partners TCI and Multimedia. A-B is majority partner, with Multimedia holding about 1/3 stock, TCI "a little less," according to Multimedia Vice Chmn. Donald Barhyte. Starting investment was in \$5 million range, he said.

April 1984 launch date slates 6 p.m.-midnight weekdays, noon-midnight weekends for sports programming which includes 50-60 games each by St. Louis Cardinals, Kansas City Royals, Cincinnati Reds, along with hoped-for Big Ten games and other sports. Advertising will be offered in "natural breaks" of play, Barhyte said. Rates, commercial minutes, have yet to be decided.

Total of 4 million cable subscribers in Ark., Ill., Ind., Ia., Kan., Ky., Miss., Neb., O., Okla., Tenn. form potential universe. Cable operators will offer service as pay tier for roughly \$10-\$12 per channel. Hefty one-time service charge will be added to discourage disconnects in off-season, official noted. Terms to cable operators are still under negotiation.

Same programming will be offered in all 11 states, according to Barhyte. Multimedia stations, with contracts to carry 40 home games through 1984, won't be affected, Cardinals Vp-Business Operations Gary Blase told us. "Our plans are not to significantly reduce that amount" past 1984, he said. "We will not take our games off free TV."

U.S. Supreme Court Justice White has stayed 10th Circuit Appeals Court ruling that NCAA violated antitrust law in negotiating contracts with ABC, CBS & Turner Bestg. Decision clears way for NCAA to control televising of college football games for 1983 season. White, acting on emergency request by NCAA, postponed effect of Appeals Court ruling until full Supreme Court can consider appeal, which could come no sooner than Oct. Lower courts had found that individual colleges & universities must be free to make their own TV deals despite NCAA's \$281 million worth of contracts for next 4 years. Contracts with ABC, CBS & Turner for 1983 season alone are worth \$74 million.

Field Enterprises will dispose of its last TV station — WKBS-TV (Ch. 48) Burlington, N.J.-Philadelphia — by taking station off air by Sept. 1 and turning in license. Field announced plans some time ago to sell its 5 independent UHF's, has sold those in Chicago, Boston, Detroit & San Francisco. Company said it gave "consideration" to selling WKBS-TV, concluded "that greater value could be realized by its shareholders" by turning license in. WPHL-TV is purchasing WKBS-TV's programming rights and some production equipment.

Ads are being placed in July & Aug. Atlantic Monthly, Forbes, Nation's Business & Newsweek by Mutual Bestg. in attempt to gain public support for congressional repeal of fairness doctrine & equal time requirements.



**NPR & NIU RESTRUCTURE ACCORD:** NPR could get much needed cash by mid-Sept. through restructured INC venture agreement with National Information Utilities Corp. Agreement reached last week calls for NPR to get more than \$5 million and 5% of INC venture gross revenues for 10 years; in return, NPR gives up its 20% equity interest to NIU (which owns other 80%), provides INC with satellite network and access to FM subcarriers of about 60 member stations. INC venture, still in development stages, will use NPR's network and stations to provide digital data to homes and businesses over air. NPR will retain 2% stock holding in NIU and its board seats.

Questions surround deal because NIU doesn't have \$5 million. It's seeking SEC approval of \$15 million public offering from which cash would come, if stocks sell. Net income resulting from new INC deal (NPR spokesman said expenses were \$500,000) will be applied to NPR's projected \$9.1 million deficit, according to NPR's Acting Chief Operating Officer Ronald Bornstein. But cash won't come in time to help meet \$2.6 million NPR needs to pay most pressing creditors and to meet NPR payrolls.

INC system will allow NIU to avoid using telephone lines for "last mile" data transmissions to homes & businesses. Deal is first NPR venture to provide money to public radio, Ventures Pres. Richard Hodgetts said. Hodgetts said NPR also is negotiating with Mobile Communications Corp. of America (MCCA), partner in National Satellite Paging Inc., and with 3rd partner in separate venture which Hodgetts wouldn't discuss. Announcements on whether other agreements have been reached could come soon. "You can't play this game forever," he said.

On other bailout front, CPB on July 18 sent messages to NPR stations stating 60 more stations must sign loan agreements if CPB is to lend NPR money it needs. CPB earlier told stations that they face maximum of 25% reduction in Corp.'s Community Service Grants — which go directly to stations — if enough stations agree to CPB plan to use CSG money to bail out NPR. CPB estimates that at least 200 of 246 stations must agree to plan.

Even with possible NIU cash infusion in offing, "the vultures are circling" NPR and situation is growing more desperate. "Vultures" are NPR's creditors, in words of NPR's Acting Chief Financial Officer George Miles, and one of them, landlord Oliver T. Carr Co., set July 25 as deadline for payment of one month's rent (\$18,000) and \$200,000 annual maintenance and electricity bill. Other creditors are threatening legal action.

Miles said NPR had less than \$100,000 and has cut spending back from usual \$600,000 to \$700,000 per month to "bare necessities, and now we're down to bare, bare, bare necessities." NPR staffers said offices are running out of paper, copy machine use is limited to what "keeps us on the air" and office coffee pots are empty. Miles said: "We're trying to head off the telephone company today [July 22]. We can't pay it all, but we're making some move so it doesn't cut off our phones," Miles said. "It's like

looking up in the sky and seeing the vultures are circling and if you take your last breath, they're going to swoop down," he said.

**CHAOTIC RADIO MARTI MARKUP:** It was good news & bad news for AM broadcasters last week when House Telecom Subcommittee chaired by Rep. Wirth (D-Colo.) finished markup of Radio Marti proposal, sending it to parent Energy & Commerce panel — but with recommendation against its passage. Session was scene for heated sparring among legislators, who aired passions for & against having U.S. govt. propaganda station broadcasting to Cuba.

Four amendments that Subcommittee adopted were written with NAB help. First, by Rep. Bates (D-Cal.), approved on voice vote, would require General Accounting Office to examine economic impact Cuban radio interference could have on U.S. stations before Marti goes on air. Lack of deadline for completion of study prompted angry charges by Rep. Rinaldo (R-N.J.) that Marti critics were using investigation as stalling tactic.

Also adopted on voice vote was amendment by Rep. Leland (D-Tex.) calling for White House to negotiate with Cuba, change that NAB unsuccessfully sought for Senate version. Rep. Tauke's (R-Ia.) proposal to limit Marti to 1180 kHz also won approval with Wirth's support, 13-3, is significant change from Senate bill which would allow govt. to lease time on commercial & educational stations.

Addition of compensatory fund to bill is significant victory for broadcasters. Proposal, offered by Rep. Swift (D-Wash.) and adopted 12-4, would make eligible for govt. reimbursement all costs AM station might incur as result of Cuban interference, include "expenses associated with equipment costs... technical & engineering costs, and lost advertising revenues due to audience reduction."

Legislators made it clear they didn't like bill, want it scrapped. "I've never seen such a piece of hamburger," snapped Rep. Moorhead (R-Cal.). But NAB officials were delighted, cautiously optimistic about bill's prospects. Assn. still is trying to balance interests of members, isn't likely to endorse measure outright, said Steven Stockmeyer, senior vp for govt. relations. But Assn. is looking for only one more change, which would reduce Marti to programming on VOA, expects it will be proposed on floor by Rep. Kostmayer (D-Pa.). Even without that final change, NAB might be able to swallow Marti plan, Stockmeyer indicated. Final markup by full Energy & Commerce Committee is expected this week, already has been completed by Foreign Affairs Committee. Marti proposal also is awaiting final action by full Senate, with opening debate possible as early as this week.

National News Council said it would conduct study of ethical issues surrounding outside activities of reporters. Pres. Richard Salant said study was prompted by several recent incidents, including role played by columnist George Will in helping prepare President Reagan for 1980 TV debate with Carter.



**CABLE EMPLOYMENT GREW 40% IN 1982:** Cable TV industry added new employees at rate of more than 1,700 monthly in 1982 to post 40.2% gain in workforce over 1981, according to FCC annual report. Including Commission's estimate of small systems not required to file employment statistics, cable industry added 20,493 workers during 1982 and now employs 71,493 at 4,399 operating units and 102 hq.

Systems with 5 or more workers are required to submit annual employment forms (395-A), giving percentages according to sex and ethnic background. That segment of industry (1,992 operating units) added 12,071 workers in 1982, increase of 23% to 52,484. Breakout by race & sex of operating unit workers shows that women & minorities did well: 39.4% of those new workers were women, 19.7% minorities. However, white males still dominate, make up 55.6% of 1982 employees, down from 57.6%.

Cable's top jobs still are predominately held by white men. Breakout of what FCC calls "upper 4 job categories," including officials & managers, professionals, technicians and sales workers shows 72.7% are held by white males. White women hold 14.5% of top jobs, minority men 10.7% and minority women 2.1%. Those figures, respectively, for 1981 were 75.2%, 13.6%, 9.5%, 1.7%, showing movement of minorities & women into systems' top jobs.

Picture is similar at cable hqs, where 43.2% of all jobs are held by white men, down from 49.9% in 1981. Biggest gain was made by white women, who now account for 41% of hq jobs, up from 36.1%. Minorities posted small gains: Men rose to 7.5% of jobs from 7%; women rose to 8.3% from 7%. "Top 4" job categories at 83 cable hq having 5 or more employees shows 59.3% are filled by white men, 29.5% white women, 7.9% minority men, 3.3% minority women.

Statistics drew criticism from minority groups who accused cable industry of lacking commitment to equal employment opportunities. "They ought to be ashamed," said Pluria Marshall of National Black Media Coalition. Pointing to recent FCC investigation of minority employment at No. 1 MSO Tele-Communications' hq unit in Denver, Marshall said: "There seems to be no commitment to EEO in the cable industry. And the stats as far as we are concerned are questionable because they have thumbed their nose at this whole process." Under EEO rules, cable industry must employ minorities at 25% of parity, meaning if local workforce is 20% minorities, local operator must employ 5% minorities. Broadcast industry has 50% parity rules and Marshall said he would renew his fight for cable to hire minorities "at least at the same level."

NCTA Pres. Thomas Wheeler defended statistics on minority employment, said they show industry is making "commendable progress that we can be very proud of." He said that 96% of all cable units have formal EEO programs, showing "industry is moving ahead." Growth in jobs at systems with 5 or more employees in last 5 years is as follows: 1978, 21,924; 1979, 24,875; 1980, 30,630; 1981, 40,393; 1982, 52,464.

ABC earnings rose 8.9% in 2nd quarter to \$64.6 million from \$59.3 million in same 1982 period, setting record for any quarter, company said. Per share net of \$2.20, up from \$2.06, also was record. Sales set new 2nd quarter high at \$754.9 million, up 10.2% from \$684.8 million. For first half, sales were up 9.2% to \$1.42 billion from \$1.3 billion, though net fell 6% to \$78.5 million (\$2.68) from \$83.5 million (\$2.90) in same year-earlier period when company had non-recurring \$10.3 million gain from tax refund and debt retirement. Broadcast operation set new records for quarter as pre-tax profit rose 24.9% to \$144.3 million, revenue increased 11% to \$675.4 million, with all divisions contributing. For half, segment profit was up 27.6% to \$185 million on 11.3% sales increase to \$1.26 billion. ABC attributed profit improvement to strength of prior long-term sales commitments, continued cost controls. Video Enterprises loss jumped to \$14 million from \$7.38 million for first quarter, to \$25.7 million from \$9.5 million in first half, as revenue in those respective periods fell 25.8% to \$2.25 million and 19.7% to \$7.7 million. ABC said deficits stemmed from ad-supported cable services which aren't producing enough revenue, also include loss on first pay-per-view event, costs of new home pay video recording service.

Consumer groups can't challenge license renewals of TV stations simply because they don't have regularly scheduled programs for children, U.S. Appeals Court, D.C., ruled last week. At same time, Court said "FCC may not be vigorously enforcing" its policy statement on children's programming, added: "But we cannot say that the Commission acted unreasonably in interpreting its own policy statement as not imposing a flat requirement" that stations must offer regular weekday programs for children. Court's ruling came in rejecting appeal by WATCH of Commission's April 1982 renewals of WJLA-TV, WRC-TV & WDVM-TV Washington. WATCH didn't challenge stations' overall performance and didn't seek reconsideration at FCC but went to court on children's issue alone. Said Court: "WATCH cannot complain of unfairness because we decline to address an issue [overall programming of stations] it twice failed to raise (at the FCC), with no excuse for the failure." However, Court added that it's troubled by FCC's failure to encourage stations to air children's programming. ACT Pres. Peggy Charren said: "What the Court is really saying is that WATCH did not do a good job in its advocacy, but that the issue of children's programming may be a serious problem."

**TV station sales:** (1) Universal Communications Corp., headed by ex-CBS Pres. John Backe, is buying WJIM-TV Lansing & WKBT La Crosse, Wis. from Gross Telecasting for about \$45 million. Universal recently acquired WRGB Schenectady from GE Bestg. (2) Viacom International is acquiring its 4th TV, WHEC-TV Rochester, N.Y., from Best. Enterprises National for \$24.5 million, plus Viacom's KDIA(AM) Oakland & WDIA(AM) Memphis. (3) Ackerley Communications is acquiring KPWR-TV Bakersfield, Cal. from Gillett Communications for \$6.3 million in cash & notes. New group owner, Ackerley (98.2% owned by Barry Ackerley) also owns WIXT Syracuse & KKTU Colorado Springs.



## Personals

Peter Desnoes, vp-gen. mgr., WLS-TV Chicago, resigns to head newly formed Burnham Bestg. Co., which plans to acquire TV stations; Dennis Swanson, WLS-TV station mgr., succeeds Desnoes... Victor Lai, ex-Group W, appointed vp-finance & administration, WNEV-TV Boston... Donald Swartz resigns as pres. & a dir. of United TV, remains consultant; Evan Thompson, vp of parent Chris-Craft Industries and pres.-gen. mgr. of United's KCOP L.A., succeeds Swartz; John Siegel named pres., KBHK-TV San Francisco, recently acquired by United from Field.

John MacGregor, ex-KAAL Austin, Minn., appointed pres.-gen. mgr., WJTV Jackson, Miss.; William Cathcart promoted to pres.-gen. mgr., KAAL, to succeed MacGregor... Roger O'Neil, NBC News Chicago bureau, named chief of new Denver bureau; William Elliot, ex-NBC, joins New Orleans law firm Fawer, Brian, Hardy & Zatzkis... Stephanie Campbell advanced to program mgr., WDCA-TV Washington, succeeding Farrell Meisel, now with WCIX Miami... Dan Bates, ex-KTVY Oklahoma City, appointed vp-station mgr., KSLA-TV Shreveport... Richard Rambaldo advanced to station mgr., WUHF Rochester, N.Y... LuAnn Yattaw promoted to operations mgr., WTCN-TV Minneapolis... Linda Bayley named creative services dir., KCRA-TV Sacramento, new post.

Charles Young, ex-KTTV L.A., appointed pres., Metromedia Producers, succeeding Robert Wood, resigned; Richard Blayney named sales rep for Caribbean Islands, new post... Jocelyn Chan advanced to research dir., Golden West TV... Robert Buenzle becomes of counsel to Washington law firm Finley, Kumble, Wagner, Heine, Underberg, Manley & Casey... Wendy Kelly promoted to creative project mgr., ATC... Promoted to div. mgrs. in reorganization by United Video: Jamie Witner, north central; Leanne Knowles, southeast; Diane Flournoy, west... Richard Whitson joins SelecTV as mktg. dir... Don Ershow, ex-Y&R, named eastern account mgr., Weather Channel.

Raymond Gallagher, ex-ANPA, forms TeleMedia International to represent & consult for U.S. communications firms in Europe, 32 James St., London SW1A 1HD, phone 01-839 1581... American Satellite Co. promotions: Arthur Parsons to senior vp-mktg. & business development; Jerome Barnla to vp-corporate development & planning; Roy Lewis to vp-customer services.

Jarobin Gilbert moves from NBC TV Network to NBC Sports as vp-sports project planning & business development... John Callaway, dir.-news & public affairs, WTTW Chicago, named dir. of William Benton Fellowship Program in broadcast journalism, U. of Chicago... Rick Stanits promoted to vp-account mgr., Nielsen Mktg. Research Group.

Jeremy Raines elected pres. of Assn. of Federal Communications Consulting Engineers; John Lundin, A.D. Ring & Assoc., vp; Warren Happel, Scripps-Howard Bestg., secy.; William Ball, Moffet, Larson & Johnson, treas... Ellis Woodard, ex-Ground

Zero and onetime chief advance man for Carter Administration, joins House Telecom Subcommittee as policy analyst & press contact, succeeding Roberta Weiner, resigning... William Brademan, ex-Quinn Martin Productions, appointed pres. of new Walt Disney Productions TV Div.; Ed Self, also ex-Quinn Martin, named exec. vp... Speakers for Ark. Bcstrs. Assn. convention, Aug. 3-5, Little Rock: NAB Pres. Edward Fritts; Larry Eads, chief, Audio Services Div., FCC Mass Media Bureau; Gary Nunn, NBC Radio News; Walter Sabo, W.R. Sabo Inc.; Tony Durpetti, McGavren Guild.

N.Y.-based law firm Wilkie Farr & Gallagher plans expansion into telecommunications practice in Washington office, brings in Philip Verveer Aug. 8 to head operation; Verveer now is partner in Pierson, Ball & Dowd, formerly was chief of FCC Cable, Best. & Common Carrier Bureaus; also joining Wilkie Farr & Gallagher from Pierson firm are Sue Blumenfeld, John McGrew & Theodore Whitehouse... Diane Bagwell promoted to program & promotion mgr., WIS-TV Columbia, S.C... Dale Sheets joins Metromedia Productions as vp.

Diane Seaman promoted to vp-daytime & children's program sales, NBC TV Network... Charles Simon, ex-pres., One Up Productions, named exec. vp, newly formed Cannon TV Div. of Cannon Films... Ronald Smithies, dir. of National Ad Div. of Council of Better Business Bureaus, also named vp... Michael Clark, ex-Showtime, appointed vp-network sales, Viacom Productions, new post.

Susan Couch, ex-Warner Amex Cable, and Gail Trell, ex-CBS Radio, form CB Communications consultants, 120 E. 56th St., N.Y. 10022, 212-758-7880... James Fellows, consultant, named interim pres. of Central Educational Network while search continues for pres.; application deadline has been extended to Aug. 31... Alex Campbell advanced to program leader, Oak Satellite Systems... Jenise Johnson promoted at Satellite TV Corp. from market analysis dir. to asst. vp, mkt. development; Vanstan Stevenson, ex-Warner Amex Cable, named senior advisor to mktg. div.

Actor Ed Asner will seek reelection as pres. of SAG in Nov. balloting... Jack Gordon promoted to pres., MGM/UA... Elected Time Inc. dirs.: Gerald Levin, group vp-video; N.J. Nicholas, chief financial officer; Kelso Sutton, group vp-magazines; Bruce Hiland, consultant to Time, joins as vp... Larry Proffitt promoted to vp-operations, Kan. State Network, in charge of engineering, programming, news & cable.

## Obituary

Frank Reynolds, 59, ABC Washington anchor for World News Tonight, died July 19 in Washington of viral hepatitis. He also had bone cancer, fact unknown to his colleagues at ABC News. Reynolds has been off air since mid-April, causing major rating drop in evening news, according to ABC sources. He contracted hepatitis following blood transfusion during surgery for broken leg. Wife, 5 sons survive.

# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended July 8 (27th week of 1983):

	JULY 2-8	1982 WEEK	% CHANGE	JUNE 25- JULY 1	27 WEEKS 1983	27 WEEKS 1982	% CHANGE
TOTAL TV#.....	260,875	204,729	+27.4	479,751*	8,979,600*	8,082,751	+11.1
COLOR#.....	192,906*	145,575	+32.5	232,613*	6,282,409*	5,368,477	+17.0
MONOCHROME....	67,969	59,153	+14.9	156,613	2,697,191	2,714,274	- 0.6
PROJECTION TV...	1,519	1,520	- 0.1	1,529	57,893*	40,633	+42.5
HOME VCR.....	58,959*	26,862	+119.5	94,149**	1,637,377*	767,799	+113.3
COLOR CAMERAS...	6,024*	4,933	+22.1	9,889*	169,448*	139,135	+21.8

Color TV 5-week moving average: 1983--258,764\*; 1982--209,760 (up 23.4%).

Home VCR 5-week moving average: 1983--69,636\*; 1982--29,619 (up 135.1%).

# Excludes projection TV. \* Record for period. \*\* Best week in history.

**ZENITH BOARD MEETS, PICKS NO NEW CEO:** Zenith's exuberance over its good 2nd quarter showing (see below) was chilled by death of Chmn.-Pres. Revone Kluckman of heart attack Mon. evening after returning from golf course in suburban Chicago. Fri., day after funeral, Zenith board held special meeting under Thomas Ayers, recently appointed chmn. of exec. committee of outside directors, adjourned without taking action.

Walter Fisher, sales & mktg. exec. vp, became acting chief executive under bylaws. Fisher is slated to retire Oct. 1 under Zenith's mandatory retirement age provision (Vol. 23:27 p11), but can't be counted out as choice to stay on in top job. Other insiders said to be in running are Jerry Pearlman, senior vp-finance and group executive who guided Zenith into computer business; Karl Horn, exec. vp & group exec., with strong engineering & production background, who with Kluckman & Fisher was one of 3 insiders on board; Robert Hansen, senior vp and group executive, engineering; Joseph Fiore & Robert Hansen, both senior vps with strong engineering backgrounds; J.D. Dougherty, Fisher's successor as consumer products sales & mktg. senior vp, 62, is considered less likely successor because of his age. "It's a tribute to Kluckman that he built up such a strong organization that there are so many contenders," commented one Zenith insider — but it's still not certain that chief executive will come from inside.

Kluckman, who was 54, had strong talent for organization, is given much of credit for Zenith's turnaround, for its diversification into new fields, setting up profit centers, helping make Zenith competitive in color by going overseas for some manufacture & procurement, making huge capital investment to modernize Springfield, Mo. color TV plant and dropping production in less efficient Chicago facilities. He was pres.-CEO since Nov. 1980, was elected chmn. in April 1982, succeeding Joseph Wright. Kluckman joined Zenith from Arthur Andersen & Co. as controller in 1967, served in variety of posts before being named pres.-chief operating officer in 1977. He's survived by wife, son, daughter.

**PROFIT PICTURE SWITCH FOR TV & GAMES:** What a difference one year makes. Color TV industry, struggling to keep head above financial waters at this time last year, showed sharp jump in profitability as reflected in 2nd quarter financial results released last week, while red ink is flowing in ranks of formerly high-flying videogame makers (see financial table).

RCA said color TV unit sales were record for period, and that it outpaced industrywide average 69% unit increase for larger-screen sizes. Successful promotion of higher priced models "helped offset severe price competition" from imported 13" & 19" leaders, RCA stated. RCA also had higher VCR and videodisc player sales. It reported improved results from Service



operation, but decline in volume for picture tube and solid state devices. RCA net was up 9.4% in quarter, down 18.6% for first half, but without special non-recurring gains posted in 1982, it would have shown increases of 26.1% & 32.4% in those respective periods.

Zenith also claimed record unit color TV sales in reporting 2nd consecutive profitable quarter. Company said that while TV selling prices were lower than in same 1982 months, that was "more than offset by the savings realized" from manufacturing efficiencies and other cost-cutting programs. Inventory reductions that trimmed need for borrowing, and devaluation of peso in Mexico, where Zenith has parts manufacturing, helped lower costs. Zenith also enjoyed improved revenue & earnings from components, computer, display monitor and CATV decoder businesses, reported those non-TV segments accounted for 33% of first half sales, up from 23% in same period last year.

North American Philips said overall profitability of consumer electronics segment (Magnavox, Philco, Sylvania, Odyssey) held about level as "losses in electronic videogames were virtually offset by corresponding improvements" in other areas, said it had significant earnings increase from electronic components. While NAP sales rose 15.9% for quarter, 12.7% for half, figures include results of former Westinghouse lightbulb operation acquired in Feb. On continuing operations basis, sales for those periods were up 3.2% & 3.7%.

At Warner, Atari's massive 2nd quarter pre-tax loss more than offset profits generated by other operating segments, left parent consolidated net losses for quarter & half. Atari posted deficit of \$310.5 million in quarter, against \$111.8 million profit in same 1982 period, as sales fell 48.6% to \$236.8 million, while for half, loss was \$356.1 million, against \$212.4 million profit, on 35.8% sales decline to \$565.9 million. In commenting on Atari, Warner Chmn. Steven Ross said unit had substantial loss from operations, extra charges stemming from inventory writedown, cost of revamping distribution. Citing Gallup survey indicating industry will sell 7-8 million game consoles and over 100 million cartridges this year, Ross said that as result of expected strong market plus organizational changes "the 2nd half of the year will be profitable" for Atari.

Coleco showed 21.9% rise in 2nd quarter net on 45.5% sales increase, but profit was down 45% from opening period when both revenue & earnings jumped more than tenfold (Vol. 23:16 p20). Coleco said videogame business was main contributor to improved results, aided by start of shipments to CBS, which will distribute Colecovision in Europe. Company said it expects to show record results for year, helped by late-Aug. introduction of Adam computer system, 15 new cartridges and new controller for Colecovision, 11 new cartridges for Atari and Intellivision games.

"An important new electronic line which is neither a videogame or a home computer" is planned for 1984, along with broadened Adam peripheral & software offerings, first programs for other computer brands, Coleco said. Noting that its competitors have been reporting losses, Coleco said it would use "particular caution & conservatism" in videogame market because of "unsettled & difficult marketing conditions," which will last "until excess inventories of obsolete product being disposed of by our competitors can be absorbed in the market."

Recorded music is another industry segment showing improvement. CBS Records had sharp gains in quarter, closed out half with eightfold jump in pre-tax earnings to \$28.2 million on sales rise of 9.1% to \$280.3 million, while RCA said its record unit had higher results. Running counter to trend was Warner Records, with lower profits & sales for both periods.

**1983 MODEL YEAR—COLOR A RECORD BY MILLION:** Industry sold million more color sets in record-breaking 1983 model year than it did in previous record year of 1982. Home VCR sales, at 2,872,278, were up 1.3 million, or 84.3%. Sales of projection TV and color video cameras set model-year records, and even monochrome TV sales showed increase.

We reckon model-year as July-June, and our data are derived from EIA figures on sales to dealers. Total TV figures for model-year indicate 1983 calendar year sales will break through 18 million. In VCR, interestingly, model-year sales were above highest single forecast for calendar year 1983 in our 1982 year-end survey (and higher than our own forecast at that time). Here are model-year figures on sales to dealers:

Product	1983 models	1982 models	% change	1981 models
Total TV#.....	17,962,271*	16,670,187	+ 7.8	17,804,406*
color#.....	12,232,935*	11,236,621	+ 8.9	11,193,119
monochrome#.	5,729,336	5,433,566	+ 5.4	6,611,287
Projection TV..	134,514*	118,047	+13.9	74,000**
Home VCR.....	2,872,278*	1,558,452	+84.3	1,061,535
Color cameras..	325,169*	252,589	+28.7	n.a.

# Excluding projection. \* Record. \*\* Television Digest estimate.

Following is historical table of sales to dealers for model-years 1970-1983:

Year	Total TV	Color	B&W	VCR
1983.....	17,962,271*	12,232,935*	5,729,336	2,872,278*
1982.....	16,670,187	11,236,621	5,433,566	1,558,452
1981.....	17,804,406	11,193,119	6,611,287	1,061,535
1980.....	16,000,493	10,065,718	5,934,775	581,553
1979.....	16,521,179	10,286,351	6,233,828	439,434
1978.....	15,634,264	9,816,841	5,817,423	n.a.
1977.....	13,761,837	8,374,830	5,387,007	n.a.
1976.....	11,834,174	6,840,443	4,993,731	n.a.
1975.....	12,308,649	6,917,192	5,391,457	--
1974.....	15,770,254	9,061,922	6,708,332	--
1973.....	16,626,541	8,995,693	7,630,848	--
1972.....	11,775,000	6,704,000	5,072,000	--
1971.....	10,048,000	5,324,000	4,724,000	--
1970.....	9,595,000	4,961,000	4,634,000	--

\*Record

**FCC CONSIDERS STEREO TV SOUND THIS WEEK:** Multichannel TV sound (MTS), including stereo, bilingual and other multiplex uses of audio track, is on agenda for FCC's July 28 meeting. Commission is expected to propose "marketplace" rule, letting stations choose any qualifying system. If no legal tangles or other delays develop, FCC could authorize MTS by year's end.

Commission is expected to allow 90 days for comments — just about enough time for EIA MTS Subcommittee to file report on its new round of tests. In its reply comments, which probably will have deadline 30 days later (near end of Nov.), Subcommittee hopes to recommend one of 3 systems it's considering. Timing will be nip-&-tuck — FCC staffer last week told us Commission won't be amenable to extensions — and all EIA testing & standards efforts will end when FCC closes record, because of fear of antitrust problems.

"We extended [proceeding] 6 months for the EIA and they didn't come up with a decision," FCC staffer told us. "The time has come." He indicated proposed rulemaking would follow pattern of other recent FCC actions such as AM stereo and teletext, will address issues of TV stereo, other multiplex uses including non-TV-related, cable (presumably meaning stereo won't be "must-carry" service for cable, just as teletext isn't).

Anticipating marketplace decision, industrywide EIA MTS Subcommittee has been testing EIA-J, Telesonics and Zenith systems along with various audio companding techniques, and its recommendations are expected to be accepted by broadcasters and set makers as de facto standard. "Our report probably can come out by the end of Oct.," we were told by EIA Engineering Dept. Deputy Mgr. Eb Tingley, with system recommendation about month later. Timing is tighter than EIA would like to see, preferring to give industry month to digest its recommendations before record closes.

Tests were renewed last Oct. after Telesonics charged irregularities in test data,



threatened suit (Vol. 22:39 p9) and serious problems emerged with regard to cable TV (Vol. 22:33 p9). Tests at Matsushita plant in Franklin Park, Ill. are on schedule, according to Tingley. Except for testing of companding with the 3 systems, they'll be complete Aug. 5, all tests to be finished in late Sept. Subjective listening tests began last week at CBS Technology in Stamford, Conn.

Will Telesonics try to block final recommendation if its system isn't chosen? Nobody knows, and nobody knows if such a move would have any effect, since EIA's recommendation is merely advisory. "Telesonics is getting a 2nd bite of the apple and we hope we're conducting the tests so it has no reason to feel it has gotten inequitable treatment," said Tingley. Main interest of broadcasters and set manufacturers is in opening up a new business, and they'll win no matter what system is chosen. Telesonics has neither TV set nor broadcast interests, so has more at stake than the other proponents.

After EIA tests are complete, Franklin Park lab will be turned over to NCTA for cable TV tests. NCTA will file separate report on its testing of MTS & cable; EIA report will cover own cable tests. Although outlook for cable & MTS compatibility isn't good, NCTA won't be spoiler, according to Technology Vp Wendell Bailey. "Our style is not to resist change or oppose new technology," he told us. He said that unless one system is found to be more friendly to cable than others, NCTA won't endorse any system. "If we find something really bad we'll scream bloody murder," Bailey said. "If it can be fixed, we want to tell operators what to do to fix it."

Not only will it be very difficult or impossible for many cable systems to relay stereo portion of signal, special NCTA committee found, but presence of MTS signal will interfere with operation of many or most pay cable decoders. NCTA wants to reserve to cable operators the right to treat stereo in own way — one equipment manufacturer is understood to be developing equipment to let cable operators strip stereo sound off TV signal, send it on FM band to in-home box which will direct audio channel to amplifier or loudspeakers when stereo TV channel is chosen.

**POLAROID VIDEOCASSETTES:** Polaroid Supercolor videocassettes go on sale in Oct. in Europe, in first quarter 1984 in U.S. Big & innovative photography firm, recently diversifying into many related areas, is buying VHS cassettes from JVC, Beta from Sony, and is exploring other areas in video, particularly in magnetic media, where it can capitalize on its name & image.

"It's a way of getting our foot in the door" in video, according to Polaroid spokesman, who said cassettes would be sold in mass-market chains, camera stores and, hopefully, consumer electronics outlets, where company wants more exposure. "After all, our name is more familiar than most videotape manufacturers, such as TDK or Maxell." He added that while Polaroid has increasingly active R&D projects in electronics, it has no plans to enter VCR hardware field.

"New marriage of electronics & photography" is getting heavy emphasis in Polaroid's planning, and company is working in areas similar to Sony's Mavica electronic still photography system, putting "increasing emphasis on magnetic media." Polaroid is active in computer peripherals, particularly programs & systems for color graphic prints. This fall it will introduce \$1,000 hard-copy computer graphics program for IBM and Apple computers which makes color prints directly from computer rather than photographing monitor. More electronic & hybrid photoelectronic products, some in consumer field, are coming from Polaroid.

FTC agreed to modification of 1971 consent order to allow Magnavox to set product purchase standards for its retail dealers and to cut off dealers who transship. Under change, Magnavox can now require franchised retailer to carry its entire product line, prohibit its sale of competing products. In agreeing to modification, FTC said market was competitive enough that Magnavox couldn't impose exclusivity on significantly large number of retailers. In permitting Magnavox to impose transshipping ban, FTC followed precedent adopted in easing marketing path for other companies during past year.

8mm Video product development agreement has been reached by NEC and photo equipment manufacturer Chinon. Chinon will supply precision parts and optics to NEC in return for electronics knowhow. Production is slated to start in Aug. 1984, indicating NEC, at least, is still year away from market. NEC was only company to display 8mm mockups during June CES (Vol. 23:24 p18).

"Portable" video projector has been introduced in Japan by Sony; it weighs 57 lb., is claimed to have 70% improvement in brightness over conventional models. Unit is priced at about \$5,000, excluding screen & tuner.

Regency enters home satellite receiver market with packaged system, including 7.5-ft. dish to retail at \$1,495. Regency says it has network of 10 distributors for system it expects to start delivering in Sept.



**PAGER DUMPING INJURY:** Dumped tone-only pocket pagers have injured domestic industry, International Trade Commission ruled in 3-0 vote finalizing preliminary determination earlier this year and clearing way for imposition of penalty duties. By separate 2-1 vote, ITC found no evidence of significant injury from imported alphanumeric display. Dissent from Comr. Paula Stern stemmed from belief that different types of pagers are directly competitive so no distinction should be made.

Finding covers all imports from Japan, as does International Trade Administration's earlier final determination that pagers are indeed being sold in U.S. at less than fair value (Vol. 23:25 p20), though only products of 2 major exporters — Matsushita and NEC — were subject to investigation. As result of ITA finding, Matsushita has been posting bonds equal to 109% of shipment value to cover potential extra duty levy, while NEC has been bonding its imports at 70.4%. Actual duties are imposed on per-shipment, by-model basis.

Motorola, original complainant in case, said it was pleased with ITC finding, but expressed disappointment at exclusion of display pagers. There was no indication whether it would go to court in effort to get scope expanded. Exclusion means there will be no Customs surveillance over Japanese display pager imports, leaving importers free to adjust pricing to market conditions, something that will be much more difficult to do with tone-only pagers. It also removes some incentive for shift of display pager assembly to U.S. Japanese, of course, are also free to file legal appeal.

Matsushita has started assembling both tone & display pagers at plant in Puerto Rico, while NEC is nearing start-up of 53,000 sq. ft. plant in Hawthorne, Cal. As dumping ruling covers only imports of complete pagers, their imports of parts & subassemblies won't be affected.

Whether pagers Motorola assembles in Fla. are U.S.-made wasn't issue at ITC, where opinion was that company had satisfactorily demonstrated adverse impact of low-priced imports on its domestic manufacturing plans. Motorola is seeking reconsideration of Customs ruling that its outside cases must be marked to show country of origin (it makes all pager chassis in its Malaysian plant, only assembles in U.S.).

Sony announced high-speed low-power CMOS LSI for digital video signal processing. Sony plans to use new multiplier-adder in own production, offer it to OEMs this fall. Sample price in U.S. is \$300. Sharp claims to have develop world's fastest VLSI, 16K CMOS static RAM, with processing speed of 35 nanosec., low power consumption.

Peanut butter syndrome can impair performance of digital audio Compact Discs just as it can optical videodiscs, according to Dutch Consumers' Assn. CDs aren't totally indestructible, and surface scratches, dust & dirt can make them unplayable, report says. It recommends owners handle CDs carefully and keep them clean.

**BACK SEAT FOR GAMES:** Home videogame cartridges are now taking kind of market lumps formerly reserved for recorded videocassettes. They're subject to same kind of volume comparisons once reserved for movies: Retailers who bought 20-30 copies of last year's Donkey Kong are buying 2-3 of current bestsellers. Turnabout among distributors has come in last few months with realization that sharp drops in suggested list prices of consoles & games demand strong dose of price protection.

Not everyone has it. Imagic, Sega and Parker Bros. are said to be covering inventories adequately, but major cassette & game distributor described Mattel situation as "a mess" with "literally millions of dollars" in returns, and said supplier will face "big day of reckoning" when price of Intellivision unit skids to \$89.95 Aug. 17. Distributors haven't been told how Mattel will handle stock on shelves. "We just could not take that kind of loss," midwestern firm told us. Atari faces own difficulties, still owes refunds to distributors it dropped (Vol. 23:26 p14). Payments reportedly have been put on hold until internal audit is completed — "they're really dragging their feet," source told us.

Situation with Atari-compatible cartridges is dicey because of inventory liquidations by both game and independent cartridge marketers, according to distributors we've contacted, and unit prices of less than \$10 now accepted as matter of course. Obviously, consumers aren't going to pay \$25-\$30 if that's half price of consoles or less. Result of turmoil has been spate of rumors, latest being that TI is exiting games and that Mattel will cancel its Aquarius computer. "It's going to be a bloodbath this fall," said Commtron Pres. Jack Silverman. Gene Silverman, pres. of distributor Video Trend, said he plans to "sweat it out during the summer," hope for Christmas rebirth of games, then "decide what to do" by Jan. CES.

Sanyo is negotiating with German officials for plant in Bavaria to produce VCRs. It would be Sanyo's 2nd European VCR plant, and 5th such Japanese-run facility in Germany. Earlier this year, Sanyo announced it would add VCR production at its color TV plant in England, set 5,000 monthly production target. In Japan, Sanyo produces Beta VCRs, while subsidiary Tokyo Sanyo turns out VHS models, sold here by subsidiary Fisher. Presumably, European plants would also produce different formats. Matsushita in partnership with Bosch, JVC as part of J2T consortium and Sony, are already assembling VCRs in Germany, while Hitachi has plant on way. Akai has assembly operation in France. In U.K., J2T has plant in operation, Mitsubishi and Sharp are planning production.

ITA's 3rd annual European Home Video Seminar will run Oct. 2-3 in Cannes, overlapping Vidcom, which starts there Oct. 3. Seminars will cover European computer, game and advanced technology markets, as well as video hardware & software. Registration is \$395 for ITA members, \$475 for non-members. ITA registrants get 50% admission fee discount for Vidcom's home video market program.

Details: ITA, 10 Columbus Circle, N.Y.C. 10019.



**MAY TV IMPORTS:** Imports of both complete color TVs and color chassis & kits from all countries, as well as total TV imports from Korea, broke through one million level in May, one month earlier than milestone was passed last year, Commerce figures show. May total color and complete color shipments set new record highs (Vol. 23:29 p12).

Sharp jump in color imports from Korea in May resulted in doubled shipments from there for 5-month period (see table below). Color TVs from Taiwan have been running at better than twice last year's volume all this year.

Following are TV import totals by country for May and 5 months. No color set vs. chassis & kit breakdown is given for countries supplying negligible quantities of incomplete receivers for either period.

Total TV				
	Month	%chge.	5 months	%chge.
<b>Japan</b>				
total...	134,700	-24.2	657,102	-17.2
color...	102,000	-13.9	484,900	-11.0
b&w.....	32,700	-44.8	172,200	-30.8
<b>Taiwan</b>				
total...	256,300	-21.2	1,125,500	-13.2
color...	90,900	+142.1	364,200	+157.2
b&w.....	165,400	-42.5	761,300	-34.1
<b>Korea</b>				
total...	313,300	+35.1	1,282,500	+36.3
color...	139,700	+244.2	484,600	+121.7
b&w.....	173,500	- 9.2	797,900	+10.4
<b>Singapore</b>				
total...	56,500	23.9	265,000	+32.0
color...	56,500	+35.3	250,600	+53.8
b&w.....	--	--	14,400	-64.5
<b>Malaysia</b>				
total...	9,100	+41.6	61,600	+173.2
color...	6,100	+54.2	43,300	+329.4
b&w.....	3,000	+21.5	18,300	+47.0
<b>Hong Kong</b>				
total...	4,900	--	15,600	+211.1
color...	900	--	7,000	--
b&w.....	4,000	--	8,600	+76.2
<b>Canada</b>				
color...	7,000	+38.4	30,300	+16.4
Complete Color				
Japan....	57,600	-37.0	311,900	-16.9
Taiwan...	88,300	+163.0	334,100	+153.9
Korea....	127,700	+214.6	440,900	+101.7
Singapore	16,000	+54.5	74,300	+33.8

Color Chassis & Kits				
Japan...	44,400	+64.5	172,900	+ 2.1
Taiwan...	2,700	-33.3	30,200	+201.6
Korea....	12,000	--	43,800	--
Singapore	40,500	+28.9	176,300	+64.1
Mexico...	139,600	+89.9	633,900	+21.7

**International TV Assn. (ITVA)**, professional organization of video communications, moves hq from N.J. to 3 Dallas Communications Complex, 6309 N. O'Connor Rd., Irving, Tex. 75039, 214-869-1112.

**VIDEO MARKET OUTLOOK:** World TV market will rise 8% to 56.7 million sets by 1987 from estimated 52.3 million this year, rise in demand for color offsetting b&w volume drop, according to 2nd annual consumer electronics study from International Competitive Assessments.

It sees color at 44.9 million by 1987, up 21.3% from 37 million this year, b&w off 22.9% to 11.8 million from 15.3 million, combined sales of VCRs and videodisc players at 26 million, up 69.9% from 15.3 million in 1983.

In U.S., it predicts color sales this year of 12.2 million, sees rise to 13.5 million peak in 1986, slip to 13.2 million in 1987. B&w is seen in steady decline to 4.3 million in 1987 from 5.4 million this year. VCR-disc player sales are expected to jump from 3.5 million in 1983 to 5.7 million in 1987, with disc players accounting for about 700,000 of that 1987 total.

Japan's color market will be essentially flat, according to forecast, with sales of 7.7 million by 1987, up from 7.3 million this year, while VCR-disc players volume is expected to rise to 4.4 million from 2.7 million. B&w demand, negligible today, will continue too low to be meaningful. Demand for color TV in Europe will jump to 12.5 million in 1987 from 10.8 million in 1983. While b&w drops to 1.5 million from 3.4 million, VCR-disc market is expected to rise to 7.1 million from 4.9 million.

Strongest growth is seen coming in 2nd tier free world markets. Color volume is predicted to climb to 11.5 million in 1987 from 7.3 million this year, while b&w slips to 6 million from 6.5 million, and VCR-disc sales soar to 8.8 million from 3.6 million.

Survival for U.S. industry will require adaptation to change in product and international market structure, report says. Among courses study recommends to industry: (1) Entering Latin American markets through production sharing arrangements. (2) Development of multi-purpose, multi-standard color TV suitable for export. (3) Introduction of medium & high-resolution picture tubes. (4) Formation of joint R&D efforts. (5) Introduction of new products & features on mass market, rather than offering them at high prices and phasing down later.

Report is 300 pages, contains detailed analysis of various world markets for specific major products, international production & trade data. Details: ICA, 172 W. 82nd St., N.Y.C. 10024.

Japanese computer software ventures will be formed if final agreement can be reached by prospective partners, IBM, Cosmo 80 and Mitsubishi. Preliminary plans call for formation of \$4.2 million venture that will be combination training school, software and terminal development venture, with IBM owning 34%, Cosmo and Mitsubishi 32% each. Sales & marketing for new company will be handled by separate \$800,000 venture, IBM and Mitsubishi each owning 45%, Cosmo 10%.

Coleco is moving to new hq at 999 S. Quaker Lane, W. Hartford, Conn. 06110, 203-725-6000.

**BUSHNELL'S ROBOT VENTURE:** Robots can apparently do about anything but come up with financing, which presumably is why Atari founder Nolan Bushnell is seeking to sell shares in Androbot, home robot development, manufacturing & marketing venture he formed in 1981 and unveiled at Winter CES in Las Vegas (Vol. 23:2 p11).

New company seeks to raise \$15-\$18 million through public offering of 1.5 million shares at \$10-\$12 each, according to preliminary prospectus filed with SEC by underwriter Merrill Lynch White Weld Capital Markets Group. Proceeds will be used to pay off \$2.6 million debt, including \$2 million owed to Bushnell, who serves as chmn., \$5 million for R&D, \$1.5 million for equipment & building improvements.

If offering sells out, public will hold 22% interest, insiders retaining 78%. Thomas Frisina, ex-IKC, is pres. at \$85,000 per year, Frank Jones, former consumer engineering mgr. for Electro Audio Dynamics, is engineering vp at \$60,000. IKC, owned by Japan's Kyocera, recently bought out EAD's interest in their joint audio venture, KLH. Androbot's board includes Compushop Chmn. Warren Winger, Oki Semiconductor Pres. Jerry Crowley, Visicorp Chmn. Daniel Flystra.

Androbot has done little besides development work since formation, has run up expenses of \$2.95 million, including \$220,000 to display at WCES — prospectus covers company finances only through March 31, 1983, so involvement at Summer CES in Chicago last June isn't mentioned. Bulk of expenses, about \$1.2 million, have been for R&D, including 19-person engineering staff and several outside engineering consultants. Only income has been \$50,000 from sale of 125 Topo I robots, at indicated price of \$400 each. Prospectus says company has sold 400 Topos, 275 presumably shipped after March 31.

Topo I, 3-ft. high dumb robot intended as accessory to home computer, is being replaced by Topo II. Topo connects to computer by infrared remote link, will run on software to be provided by Androbot, or can be programmed by owner. It has 2-wheel jam-resistant locomotion, is designed to connect to Androwagon cart it will use to haul things. Topo II, due out by end of 3rd quarter, will list in \$595-\$795 range depending on options, including speech synthesizer. Upcoming version will have infrared or ultrasonic sensors, and hand-held control computer is in works.

BOB I (for Brains on Board), is updated version of original BOB shown at WCES. Due in 4th quarter, it looks & functions much like Topo, but has built-in programmable computer & sensors, speech synthesizer and can move around on its own. It will list at \$2,500-\$3,000. BOB II, which will accept program cartridges and have improved operating system and enhanced sensors, is due in first half next year. It will carry same list as predecessor, but software & accessories could boost final cost to \$5,000.

Tabletop FRED (Friendly Robotic Educational Device) is foot-high version of Topo. It contains retractable pen which can be used for drawing,

features mini-trailer as accessory. Unlike Topo & BOB, which are to be U.S.-made, FRED will be turned out by subcontractors in Singapore, list at \$225-\$250 when introduced in 4th quarter.

Also to be made in Singapore is Androman, foot-high robot that has infra-red link to Atari 2600 videogame console and comes with game cartridge and playing board. Unit, due in 4th quarter, will list at \$125-\$150.

Androbot now has 60 fulltime employees, has lined up 17 regional sales reps, says it will offer 90-day warranty on robots. Prospectus says Zenith's subsidiary Heath, now offering HERO home robot, is only current competitor, but notes many other companies could enter field. As result, company "believes it must establish a strong market position quickly and become a leader in the industry" to maintain competitive edge.

Prospectus cautions that Androbot is considered high-risk investment, points out that none of its planned products has been developed to point where production is ready to start. It notes that after that's done, constant continuing investment will be needed to provide software support for existing products and to develop new ones. In addition, it says, Androbot "is one of the first enterprises" to attempt to tap non-hobbyist personal robot, and even if it succeeds "in developing & producing its products for sale at anticipated costs levels" it may not succeed as there's "no concrete evidence" that home robot market exists.

**KOREA'S OUTPUT:** Korea's factory sales of consumer electronics and home appliances jumped 25% last year to \$1.32 billion, including exports, according to Commerce & Industry Ministry figures which show color TV as biggest selling product at \$481 million, accounting for 36.3% of overall volume. Next largest electronic product was cassette recorders & players at \$81 million for 4.7%. Forecast for 1983 is for home product sales to rise 30% to \$1.69 billion.

Gold Star was across-board market leader. In electronics, it had color TV sales of \$219.3 million for 45.6% market share, cassette volume of \$34 million for 42%. Samsung was 2nd overall, and in color had 34.2% share with sales of \$164.5 million, cassette sales of \$31.8 million for 39.3%. Taihan, which was still in consumer business in 1982, but sold operation to conglomerate Daewoo early this year, had color sales of \$64.9 million for 13.5% share, cassette volume of \$4.3 million for 5.3%.

Korea's color production of 2.36 million was up only slightly last year because of first half restrictions on exports to U.S., flat demand at home. But rising export demand has major producers there eyeing substantial increases for rest of this year. Major parts suppliers tell us that based on preliminary orders, Korean color plants will be turning out chassis & sets at 4.8 million annual rate by end of 3rd quarter. Monthly by-company production outlook: Gold Star 180,000; Samsung 160,000, Daewoo 60,000. Rate excludes output of smaller makers there which accounted for indicated 6.7% of production last year and have expansion plans of their own.



## Consumer Electronics Personals

James Twerdahl promoted from JBL exec. vp & gen. mgr. of mktg. & administration groups to pres... Richard Baumbusch, one-time Mattel Intellivision mktg. dir., promoted at CBS Toys from mktg. vp to vp-gen. mgr. for CBS Electronics, succeeding Robert Hunter, who returns to CBS Columbia as vp responsible for development activities... Mark Yamagata advanced at Radio Shack from U.K. mdsg. dir. to personal computer mdsg. dir. in realignment of computer operations; Ed Juge appointed business computer products mdsg. dir.; Bill Wash named computer mdsg. services dir... Jim Stewart promoted at Yamaha from national sales mgr. to mktg. & sales mgr., home audio.

Paul Day appointed lab mgr., 3M Optical Recording Project... Robin Montgomery, ex-RCA/Columbia Pictures Home Video, joins Embassy Home Entertainment as mktg. dir... Deanne Olsen promoted from production dir. to vp, Nostalgia Merchant... Andy Perl, ex-RCA/Columbia Pictures Home Video, joins distributor East Texas Periodicals as Phoenix branch gen. mgr... Sam Holdsworth named dir. of Billboard Publications' new Video Programming Div... Fran Dym, ex-Daniel Roher Inc., named pres. of Dym/SR&A, PR and market support agency for high-tech electronics.

John Young, Hewlett-Packard pres., named chmn. of new presidential Commission on Industrial Competitiveness, being formed to help develop economic policies... Sharon Earley advanced at National Captioning Institute from operations exec. dir. to exec. mktg. dir., responsible for developing closed-captioning market... Eric McLeod ex-Intel, joins Signetics as MOS Microprocessor Div. mktg. mgr., succeeding Steven Stuart, now sales exec. on Atari and Apple accounts.

Codart pay-per-hear system, which sends scrambled signal to activate audio tape recorder, continues to float in distance and video application isn't in sight. Player, outboard decoder and programming were to be introduced months ago on National Public Radio, but progress has stopped since end of 4-month test in San Francisco last Feb.. Codart Pres. Alan Strachan said delay was due to NPR problems and to technical improvements that allow decoder to be built into recorder for no more than \$10. Outboard price was \$100. Strachan claims revamped unit will be available in 3-6 months, promises greatly simplified instructions for users requesting programs.

Videocassettes for technician training by RCA now include 5 VHS tapes on 3 new RCA VCRs, video head replacement, tape transport servicing. Catalog of new tapes & manuals is available from RCA Consumer Electronics, Technical Training Dept. 1-450, Box 1976, Indianapolis 46206.

Hamilton Beach is following another housewares maker, Conair, into home phone market. HB has introduced line of high-end phones, corded models listing in \$75-\$130 range, cordless at \$120 & \$275.

WEEKLY

## Television Digest

with  
**Consumer Electronics . . .**  
(ISSN 0497-1515)

### PUBLISHED BY TELEVISION DIGEST, INC.

Albert Warren ..... Editor & Publisher  
Paul L. Warren ..... Senior Editor & Associate Publisher  
*Publishers of weekly TV Digest, annual Television and Cable Factbook and weekly TV, Radio & Cable Action Updates, Cable Atlas, Satellite Week, Video Week, Communications Daily, biweekly Public Broadcasting Report and other special publications.*

Copyright © 1983 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

### EDITORIAL & BUSINESS HEADQUARTERS

1836 Jefferson Place, N.W., Washington, D.C. 20036  
Phone: 202-872-9200 Telex: 467268

#### WASHINGTON HEADQUARTERS

Albert Warren ..... Editor & Publisher  
Dawson B. Nall ..... Executive Editor  
Paul L. Warren ..... Senior Editor  
Jonathan Miller ..... Senior Editor  
Paul Travis ..... Senior Editor  
Steven Tuttle ..... Associate Editor  
Mary Crowley ..... Associate Editor  
Mike Schwartz ..... Associate Editor  
Melinda Gipson ..... Assistant Editor  
Daniel Warren ..... News Editor  
Deborah Jacobs ..... Info. System Mgr.

#### Television and Cable Factbook

Mary Appel ..... Editorial Director  
Marilou B. Legge ..... Managing Editor  
Lynn R. Levine ..... Associate Editor  
Barbara E. Van Gorder ..... Associate Editor  
Jeannette H. Noyes ..... Associate Editor

#### Factbook Research, Inc.

Marilou B. Legge ..... Director  
Business  
Roy W. Easley III ..... Controller

Barbara J. Pratt ..... Marketing Dir.  
Janet Kohler Dueweke ..... Advertising Dir.  
Betty Alvine ..... Circulation Mgr.

#### NEW YORK BUREAU

475 Fifth Ave., N.Y. 10017  
Phone: 212-686-5410

David Lachenbruch ..... Editorial Dir.  
Robert E. Gerson ..... Managing Editor  
Seth Goldstein ..... Senior Editor  
Julie Telen ..... Assistant Editor

#### JAPAN REPRESENTATIVES (Editorial & Business)

Aske Dam  
Richard E. Varner  
c/o Foreign Correspondents Club of Japan  
Denki Bldg., 20th Floor 1-7-1  
Yuraku-cho, Chiyoda-ku  
Tokyo 100, Japan  
Phone: 211-3161 Telex: J24600

Video software notes: 3M says it can ship up to 25 CAV Laservision disc copies one working day after videotape is checked in. Customer must give 2 weeks' notice. Set-up fee: \$3,600 per side, plus \$18 per one-sided disc, \$23 for 2-sided. For 3-day delivery on orders for up to 100 discs, 3M charges \$2,500 per side for mastering. Normal turnaround time is 2-6 weeks, depending on size of order... CBS/Fox's first specialty title, 45-min. Guide to Home Videography at \$30, is set for delivery next month and 3 more are on way. Next is expected to be music video, segment that could account for 15-20% of cassette volume in 3-4 years, CBS/Fox Video Pres. Lawrence Hilford told N.Y. news conference last week. Hilford repeated earlier commitment to non-movie releases, said company is involved "as deeply as we possibly can be." Position regarding price experiments hasn't changed either. Without first-sale revision, Hilford called under-\$40 new releases "economic suicide... We are adamantly opposed," maintained trend was suffering "quiet abandonment... If I were a manufacturer of blank tape, I'd think it was a success"... Video Connection net slipped 20.2% to \$62,706 on on 6.2% sales rise to \$882,840 in half to May 31. Franchise operator, which went public in Feb., has increased number of affiliate stores to 139 from 95, launched subsidiary Transworld Video to distribute hardware & software to chain, which also may go to outside retailers... RCA/Columbia Pictures Home Video moves into children's programming with 3 cassettes of new TV series called He-Man and The Master of the Universe, under deal with Mattel and Group W's Filmation subsidiary. List will be \$25 for 60-min. tapes containing 2 episodes. RCA Videodiscs will have CED disc versions at \$20.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>American Bcstg. Cos.</b>			
1983-26 wk. to July 2	1,417,930,000	78,481,000	2.68
1982-26 wk. to July 3	1,297,731,000	83,473,000	2.90
1983-13 wk. to July 2	754,872,000	64,585,000	2.20
1982-13 wk. to July 3	684,823,000	59,298,000	2.06
<b>AT&amp;T</b>			
1983-6 mo. to June 30	34,288,600,000	3,665,400,000	3.91
1982-6 mo. to June 30	31,782,800,000	3,756,300,000	4.44
1983-qtr. to June 30	17,491,400,000	1,928,800,000	2.03
1982-qtr. to June 30	16,144,700,000	1,745,700,000	2.04
<b>Arvin Industries</b>			
1983-26 wk. to July 3	278,574,000	6,600,000	.85
1982-26 wk. to July 4	285,159,000	5,256,000	.68
1983-13 wk. to July 3	152,509,000	4,701,000	.61
1982-13 wk. to July 4	144,361,000	4,755,000	.65
<b>Capital Cities Communications</b>			
1983-6 mo. to June 30	364,146,000	53,657,000	3.99
1982-6 mo. to June 30	321,759,000	45,864,000	3.47
1983-qtr. to June 30	194,018,000	32,541,000	2.41 <sup>a</sup>
1982-qtr. to June 30	172,409,000	27,854,000	2.10
<b>Coleco Industries</b>			
1983-6 mo. to July 2	306,508,000	25,275,000	1.57
1982-6 mo. to June 30	141,540,000	11,957,000	.78 <sup>b</sup>
1983-qtr. to July 2	126,338,000	9,065,000	.56
1982-qtr. to June 30	86,801,000	7,437,000	.48 <sup>b</sup>
<b>Comsat</b>			
1983-6 mo. to June 30	218,385,000	28,642,000	1.59
1982-6 mo. to June 30	194,042,000	21,129,000	1.32 <sup>b</sup>
1983-qtr. to June 30	109,957,000	16,056,000	.89
1982-qtr. to June 30	99,940,000	10,799,000	.67 <sup>b</sup>
<b>Conrac</b>			
1983-6 mo. to June 30	72,984,000	3,434,000	.61
1982-6 mo. to June 30	57,536,000	4,199,000	.93 <sup>b</sup>
1983-qtr. to June 30	36,091,000	1,833,000	.30
1982-qtr. to June 30	29,943,000	1,391,000	.30 <sup>b</sup>
<b>Cowles Bcstg.</b>			
1983-6 mo. to June 30	11,588,000	2,098,000	.53
1982-6 mo. to June 30	9,804,000	1,806,000	.46
1983-qtr. to June 30	6,380,000	1,326,000	.34
1982-qtr. to June 30	5,214,000	1,042,000	.27
<b>Cox Communications</b>			
1983-6 mo. to June 30	291,092,000	34,876,000	1.23 <sup>c</sup>
1982-6 mo. to June 30	240,168,000	32,184,000	1.13
1983-qtr. to June 30	157,438,000	21,420,000	.76 <sup>c</sup>
1982-qtr. to June 30	131,263,000	18,864,000	.66
<b>Gross Telecasting</b>			
1983-6 mo. to June 30	6,917,594	1,682,278	2.10
1982-6 mo. to June 30	6,389,391	1,317,942	1.65
1983-qtr. to June 30	3,640,828	895,297	1.12
1982-qtr. to June 30	3,352,310	652,594	.82
<b>GTE</b>			
1983-6 mo. to June 30	6,060,428,000	450,683,000	2.39
1982-6 mo. to June 30	5,784,761,000	398,948,000	2.28 <sup>d</sup>
1983-qtr. to June 30	3,098,585,000	230,701,000	1.22
1982-qtr. to June 30	2,956,667,000	200,987,000	1.14 <sup>d</sup>
<b>Harte-Hanks Communications</b>			
1983-6 mo. to June 30	209,058,000	14,768,000	.73
1982-6 mo. to June 30	186,537,000	12,197,000	.62 <sup>b</sup>
1983-qtr. to June 30	111,241,000	9,827,000	.48
1982-qtr. to June 30	100,274,000	7,797,000	.40 <sup>b</sup>
<b>Knight-Ridder Newspapers</b>			
1983-6 mo. to June 30	708,181,000	52,658,000	1.58
1982-6 mo. to June 30	647,713,000	43,021,000	1.32 <sup>d</sup>
1983-qtr. to June 30	367,249,000	32,955,000	.99
1982-qtr. to June 30	336,124,000	27,883,000	.85 <sup>d</sup>

Company & Period	Revenues	Net Earnings	Per Share
<b>Media General</b>			
1983-6 mo. to June 30	248,243,000	18,732,000	2.64 <sup>a</sup>
1982-6 mo. to June 30	197,517,000	16,185,000	2.29
1983-qtr. to June 30	128,446,000	10,217,000	1.44 <sup>a</sup>
1982-qtr. to June 30	99,613,000	9,072,000	1.28
<b>Motorola</b>			
1983-6 mo. to July 2	1,985,700,000	83,200,000	2.15
1982-6 mo. to June 30	1,878,600,000	79,900,000	2.22
1983-qtr. to July 2	1,043,900,000	51,200,000	1.31
1982-qtr. to June 30	965,100,000	45,300,000	1.26
<b>Multimedia</b>			
1983-6 mo. to June 30	127,688,000	15,158,000	.94
1982-6 mo. to June 30	106,967,000	12,585,000	.82 <sup>b</sup>
1983-qtr. to June 30	69,351,000	9,426,000	.57
1982-qtr. to June 30	57,589,000	7,678,000	.50 <sup>b</sup>
<b>North American Philips</b>			
1983-6 mo. to June 30	1,733,338,000	36,191,000	2.59
1982-6 mo. to June 30	1,538,120,000	29,662,000	2.16
1983-qtr. to June 30	926,688,000	23,175,000	1.66
1982-qtr. to June 30	799,276,000	17,366,000	1.26
<b>PCA</b>			
1983-6 mo. to June 30	4,227,900,000	98,500,000	.78
1982-6 mo. to June 30	3,912,300,000	121,000,000	1.15 <sup>d</sup>
1983-qtr. to June 30	2,198,900,000	66,200,000	.60
1982-qtr. to June 30	2,000,200,000	60,500,000	.58 <sup>d</sup>
<b>Time</b>			
1983-6 mo. to June 30	1,931,909,000	83,730,000	1.32
1982-6 mo. to June 30	1,711,531,000	74,714,000	1.18
1983-qtr. to June 30	1,016,378,000	54,840,000	.86
1982-qtr. to June 30	906,514,000	47,017,000	.75
<b>Times Fiber Communications</b>			
1983-6 mo. to June 30	70,120,000	2,649,000	.29
1982-6 mo. to June 30	69,419,000	2,808,000	.33
1983-qtr. to June 30	38,787,000	1,421,000	.15
1982-qtr. to June 30	38,669,000	1,910,000	.23
<b>TRW</b>			
1983-6 mo. to June 30	2,790,000,000	93,800,000	2.53
1982-6 mo. to June 30	2,680,000,000	105,800,000	3.01
1983-qtr. to June 30	1,410,000,000	53,200,000	1.44
1982-qtr. to June 30	1,360,000,000	61,700,000	1.76
<b>Walt Disney Productions</b>			
1983-9 mo. to June 30	944,319,000	68,664,000	2.00
1982-9 mo. to June 30	735,206,000	71,956,000	2.17
1983-qtr. to June 30	358,501,000	21,430,000	.61
1982-qtr. to June 30	275,751,000	32,899,000	.98
<b>Warner Communications</b>			
1983-6 mo. to June 30	1,604,424,000	(302,297,000)	--
1982-6 mo. to June 30	1,872,167,000	146,118,000	2.25
1983-qtr. to June 30	735,025,000	(283,417,000)	--
1982-qtr. to June 30	923,330,000	68,239,000	1.05
<b>Washington Post</b>			
1983-26 wk. to July 3	420,526,000	27,490,000	1.94
1982-26 wk. to July 4	390,350,000	21,696,000	1.53
1983-13 wk. to July 3	223,981,000	21,335,000	1.50
1982-13 wk. to July 4	207,215,000	16,590,000	1.17
<b>Western Union</b>			
1983-6 mo. to June 30	514,468,000	50,044,000	1.90
1982-6 mo. to June 30	495,091,000	40,315,000	1.76 <sup>d</sup>
1983-qtr. to June 30	256,596,000	27,565,000	1.05
1982-qtr. to June 30	247,226,000	21,906,000	.97 <sup>d</sup>
<b>Zenith</b>			
1983-6 mo. to July 2	657,200,000	20,400,000	1.06
1982-6 mo. to July 3	611,000,000	(6,500,000)	--
1983-qtr. to July 2	324,100,000	11,500,000	.59
1982-qtr. to July 3	291,800,000	(4,100,000)	--

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

Fuji renamed Magnetic Tape Div., now calls it Magnetic Products Div., reflecting addition of computer discs.