

WEEKLY

# Television Digest®

with  
consumer  
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

AUGUST 1, 1983

VOL. 23, NO. 31

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast - Cable

**'FOWLER RULE' TO LET NETWORKS** have interests in prime-time access syndication but not control. Opposition growing on Hill as President tells senators restrictions should remain. (P. 1)

**NPR & CPB CUT TENTATIVE DEAL** to keep radio network afloat. Loan agreement for \$8.5 million to be finalized this week. (P. 2)

**M/A-COM GETS DBS CONTRACT**, will design and procure equipment for Murdoch's system. Six-man team begins work on specifications for multi-million dollar deal. (P. 3)

**JOHNSON REVEALS 'TRADE SECRETS'** of filing for LPTVs, admits intentionally submitting defective applications hoping competitors won't notice later amendment. (P. 4)

**RADIO MARTI BILL READY** for final action in both houses, faces uncertain future in House. Senate starts debate, faces filibuster. (P. 6)

**WARNER AMEX SEEKS CABLE MONEY**, plans \$490 million infusion from partners and limited partnership. (P. 6)

**N.M. CABLE-TELCO BATTLE WIDENED** by Mountain Bell when it finds small cable system presenting much greater bypass threat. (P. 9)

**'FOWLER RULE' ON FINANCIAL INTEREST HELPS NETWORKS:** Despite growing opposition on Hill — and word passed on by President Reagan to key senators that he's opposed to FCC relaxation — Commission is set Aug. 4 to relax considerably financial interest rule in favor of TV networks. Proposal — expected to be labeled "tentative decision" by FCC with 30 days given for comments — is being called "Fowler Rule" both within and outside FCC and is expected to receive unanimous approval (except for phrase calling it tentative decision) by 4 members of Commission.

Essentially, here are major provisions of compromise worked out by Fowler: (1) Networks would be permitted to own programming syndicated domestically for airing during all time periods except access time (7:30-8 p.m.). (2) All restrictions on network ownership of programs they air would be removed. (3) Within 6 months "of a series completing its network exhibition run," network must dispose of syndication rights and would have no say where or how series is placed or sold. Network, however, would be permitted to retain "passive" interest and

### Consumer Electronics

**TV STEREO RULEMAKING** launched by FCC on wide-open basis, would permit both broadcast & non-broadcast uses of sound subcarriers. (P. 12)

**ZENITH NAMES PEARLMAN** pres.-CEO, Fisher chmn., gives other top posts to Horn & Hansen in realignment following death of Kluckman. (P. 13)

**PHILIPS WILL SHOW** 8mm VCR with CCD camera next month for 1984 sale, plans 'major changes' in TV, worldwide consumer products chief says. (P. 13)

**TI, MATTEL, MILTON BRADLEY** run up major losses from computer-game units, Activision net falls 95%. GI sees lower profits on way. (P. 15)

**HI-FI VHS STANDARD** set by 10 manufacturers. Justice Dept. probes 8mm standardization. (P. 16)

**TV STEREO TESTS** on schedule, improved systems 'better than FM,' subcommittee Chmn. Keller says, suggests TVs will need new tuning system. (P. 16)

**MATSUSHITA POSTS RECORD** 2nd quarter results, boosts 1983 sales & earnings forecast. TDK net down on videocassette price drop. (P. 18)

**TAIWAN BUILDING VCR** muscle as Sony, Toshiba set up joint ventures there. Island tightens color local content manufacturing requirements. (P. 18)

participate in profits of program syndicated during access time. Amount of that passive interest is still subject to negotiations and comments.

(4) After series has been on network for 5 years, network must transfer syndication rights to reruns even if series remains on network, but still could retain passive interest. This, we're told, is to prevent network warehousing. (5) Perhaps most important, proposal contains sunset provision which removes all ownership restrictions on networks in 1990 — unless future Commission takes action to retain them.

However, all Commission's efforts may be fruitless as opposition to relaxation of financial interest rule is fast growing on Hill — fueled on Senate side by President reportedly sending word to senators that, from his personal experience, restrictions on network program ownership & syndication should remain in place. We're told this prompted Sen. Stevens (R-Alaska) to threaten to seek amendment to appropriations bill containing FCC monies prohibiting agency from relaxing rules.

Bill was marked up July 28; Stevens didn't submit amendment after networks spent frenetic hours talking him and his staff out of it. Next day, Sen. Wilson (R-Cal.) introduced bill (S-1707) putting FCC relaxation of financial interest on hold for 5 years. Said Wilson: "I do not contend that the financial interest, syndication and prime-time access rules should be cast in stone... However, I do strongly contend that they are needed today and for the foreseeable future."

We're told Administration has kept strict "hands off" policy at FCC, except for what USIA Dir. Charles Wick called "request for information" from Fowler nearly year ago. "The White House is very sensitive on the issue," according to Commission official. White House personnel aide Dennis Patrick is expected to be appointed to 5th seat on FCC in next few days (see separate story) but he won't participate in final decision on financial interest — which isn't due until fall.

Immediate threat to networks is more ominous in House. House Telecom Subcommittee holds hearing Aug. 1 on HR-2250, introduced by Reps. Wirth (D-Colo.) & Waxman (D-Cal.) which would put hold on FCC plans for 5 years. Bill now has 115 co-sponsors — number is growing daily — and Subcommittee expects to hold mark-up Aug. 3. "I think we're going to get that bill out of the House," official of Committee for Prudent Deregulation told us. He said prospects also look good in Senate.

Witnesses at House hearing (2 p.m., room unknown at press time) will include officials of 3 networks, producer and network critic Norman Lear, attorney Joe Waz for public interest groups, Melvin Blumenthal of MTM Productions, Lucy Salhany, Taft Bestg., and unnamed spokesmen for creative community and United Church of Christ.

NBC Chmn. Grant Tinker wrote Wirth July 26 in reference to today's hearing. Tinker pointed out that he had been a Hollywood producer for 15 years and NBC chmn. for 2, has had "the opportunity to experience the networks' relationships with the production community from both sides. The reality is that the networks' share of the total audience pool is inexorably shrinking. This will inevitably impair our ability to pay for the steadily rising costs of programs we buy... A significant solution to this problem would be the ability to participate on a negotiated, risk-bearing basis in the after-market profits from later syndication of programs... The problem is inflamed by the fact that the pay media, which are bidding against us for creative talent, are not limited by government rule... I sincerely believe that the intervention of the Congress into the exhaustive investigation of these matters being conducted by the Commission would be unwise and contrary to the public interest." In filing at FCC last week, NBC called CPD's petition for further comments "a blatant delaying tactic... There is not the remotest need for any further proceedings and further delay would be wholly unjustified."

**NPR & CPB REACH TENTATIVE LOAN AGREEMENT:** NPR appeared to be saved from bankruptcy July 28 through "agreement in principle" with CPB in which NPR receives \$8.5 million line of credit and \$500,000 advance on monthly CPB payment to pay staff. Viewed as compromise, it requires network to transfer ownership of satellite interconnection equipment to 3 public trustees — Elliot Richardson, former attorney gen. & defense secy.; Henry Geller, head



of NTIA under President Carter; Virginia Duncan, former CPB member and former TV producer now with Bechtel Group.

Loan details won't be finalized until this week, but tentative agreement calls for trustees to own equipment for at least next 3 years, during which time NPR is to pay off CPB loan. Loan interest rate is same that CPB would have received if it put money in bank. NPR will have full use of equipment, and its member stations will vote in 3 years on whether to return ownership to NPR. Arrangement gives CPB title transfer it sought and allows NPR to avoid battle among stations about which of them hold title.

"Train Is Back on the Tracks" celebrations were held July 29 at NPR, where staff was enjoying payday and CPB's tentative loan. News & Information staff toasted agreement with champagne.

Congressional pressure from Reps. Dingell (D-Mich.) & Wirth (D-Colo.) and Sen. Proxmire (D-Wis.) helped return NPR and CPB to negotiating table July 27. Agreement was reached at 4:30 a.m. July 28. On July 25, both sides staked out contradictory positions over satellite interconnect ownership. Rather than negotiating, CPB & NPR officials were pointing fingers at each other as responsible for stalemate. CPB had wanted satellite ownership transferred to 17 radio station uplink owners while NPR said this represented hurried restructuring of system in face of impending financial crisis. "Contrary to what you have previously pledged, it appears CPB has now presented a take-it-or-leave-it proposal," NPR's Acting Chief Operating Officer Ronald Bornstein stated in letter to CPB Pres. Edward Pfister.

Pfister said title transfer was needed because of instability of NPR, which he consistently said was "a very sick organization." He added NPR will continue to be financially troubled for some time and faces loss of interim management team in 10 weeks. He said if NPR went bankrupt, as NPR said it would without cash injection from CPB by July 28, it would "speak to the highest possible level of irresponsibility and nonconcern for the American public." Pfister also criticized NPR for stopping negotiations.

**M/A-COM TO DESIGN MURDOCH DBS:** M/A-Com will be general contractor for Rupert Murdoch's Inter American Satellite TV (IAST) under contract naming M/A Com prime consultant to design interim DBS system and handle procurement of dishes & related ground equipment. Few details of deal were available, but it's known 6-man M/A-Com design team began work in N.Y. this week on first stages of project.

IAST Pres. William Kommers told us M/A-Com will be "system design consultants and will procure the equipment" for entire interim DBS system. M/A-Com was chosen because of its leadership in manufacturing dishes and other satellite system equipment, Kommers said.

Amount M/A-Com will be compensated for its services wasn't disclosed, but General Instrument received \$600 million to provide similar service for another early-entrant DBS company, United Satellite Communications Inc. (USCI). Though GI is in charge of procuring and distributing system for USCI, same M/A-Com equipment as in IAST system will be used. Because GI received stock share of USCI for its contribution, some in industry speculated that M/A-Com might have similar deal.

**Adams Communications is buying KAUZ-TV** Wichita Falls, Tex. for \$10.9 million from Golden Bcstg. (52%) & Erle White (48%). Adams owns WGTU Traverse City, Mich. & KIVA-TV Farmington, N.M.,

**Nomination of David Markey as new head of** NTIA is expected to be confirmed by full Senate this week. Markey told Senate Commerce Committee last week that he plans to involve NTIA more in setting international communications standards, will put Integrated Services Digital Networks standards at top of agency's list of priorities. But to do it, Markey claimed NTIA will need more engineers. Nominee also backed Administration's proposal to put NTIA in new Trade Dept., said it was appropriate because agency has part in setting international policies. He dodged question on telephone legislation pending in both houses, said while he was "certain" Administration supports principle of universal service, he "doubted" White House would back retaining long distance subsidies for local phone service that is proposed in several bills. Markey also repeated NTIA's support for cable industry deregulation bill (S-66). Review of personal financial statement Markey filed: Federal income tax form for 1982 shows Markey received \$53,341 salary as Senate aide and, with wife's income as consultant and investments included, earned \$108,908 for year and paid \$26,760 in federal taxes. He listed assets (jointly with wife) totaling \$389,200.

**FCC Office of Science & Technology** has issued updated version of OST Bulletin No. 56 discussing biological effects and potential hazards of RF radiation. New edition includes additional information on standards for RF exposure. Copies may be obtained from FCC Consumer Assistance

**JOHNSON REVEALS 'TRADE SECRETS':** While giving deposition in Knox County (Tenn.) Chancery Court, Edward M. Johnson & Assoc. Pres. Edward Johnson revealed what he said were "trade secrets" of filing FCC applications for low-power TV stations. Among his so-called secrets: (1) Act of deliberately filing incomplete applications to mislead competitors into thinking they aren't grantable. Later, amendments are filed making them acceptable and, Johnson hopes, unnoticed by competitors. He said most such amendments "never make it to the proper file" in FCC reference room "but would make it to the FCC data base and that would make it acceptable and grantable... There is no company in the country that does what we do."

(2) "The strategy of the filing, the timing of the filing... possibly done a little differently than other companies would prepare the application." (3) Naming applicant to make it appear that minorities are involved when they actually aren't — "Blacks Desiring Media... That particular name has been used." (4) When seeking major city, apply for nearby suburb, thus drawing less competition. "If you wanted Knoxville, you might be in better competitive shape applying for Seymour [Ky]."

Deposition was given in suit alleging theft of trade secrets filed by Johnson against Consolidated Communications Inc., formed by former Johnson & Assoc. partner Robert Blow. Also named in suit is ex-Johnson employe Pamela Drummer, who Johnson alleges took trade secrets to Consolidated. Johnson testified his secrets were "shared very dynamically with Mrs. Drummer." He said Johnson trade secrets are reasons "the company makes the kind of money it does — 7 figures a year in net profit."

Johnson said 78% of LPTVs granted by FCC have been awarded to clients of his company. He added that Johnson & Assoc. has sued "40 or 50" clients "for not paying their bill."

Tenn. State Board of Architectural & Engineering Examiners is investigating Johnson. In deposition, Johnson said he hasn't been charged with doing engineering work (he isn't engineer, has only high school education) but that "I am advertising engineering work." He said engineers serve Johnson & Assoc. as consultants on retainer basis.

Johnson & Assoc. also is facing questions in Washington, where both engineering & legal associations are concerned about his filings at FCC. And Telecommunications Research & Action Center (TRAC) has asked Commission to change its rules to give it "disciplinary authority" over individuals or groups which receive "remuneration... in the preparation of a broadcast application or other submission to the Commission." TRAC said "of most immediate concern is the development of an extensive network of 'consultants' in the field of low-power TV... TRAC believes that a serious problem exists with respect to these consultants in that a number of them may be engaged in unethical practices to the substantial detriment of the applicant and to the integrity of the Commission's licensing procedures..." FCBA has requested extension to Sept. 15 to decide if it should file comments on TRAC petition.

**Cable transactions:** (1) TCI has acquired Potomac Valley TV, which serves about 24,500 basic subscribers in border area of Md., Pa. & W. Va. for undisclosed sum. System passes about 27,000 homes with 465 miles of plant, 7,100 pay subscribers. Daniels & Assoc. broker. (2) Group W Cable has swapped Johnstown, Pa. system with ATC for 15 ATC properties in 4 states. Johnstown system has 30,000 basic subscribers, 325 miles of plant passing 34,000 homes, 7,000 pay customers. Trade was required to fulfill FCC rules following Westinghouse's acquisition of Teleprompter. Traded to Group W were small ATC systems in Fla., Tenn., Nev., Ore. Holman handled transaction, financial details undisclosed. (3) Warner Amex sold 4 systems in Minn. to Marcus Communications of Greenwich, Conn. Systems serve about 8,500 basics in Babbitt, Ely, Fergus Falls & Little Falls. Transaction was handled by Equity Assoc., Tampa, financial details not reported.

**James McKinney**, 20-year FCC veteran and currently chief of Private Radio Bureau, has been named chief of Mass Media Bureau. Engineer McKinney has spent most of his time at Commission with Field Operations Bureau, was named chief of FOB in 1980, moved to PRB in Sept. 1981. He was named outstanding senior exec. at FCC in both 1980 & 1982, was delegate to World Administrative Radio Conference in 1979. Before joining FCC, he was engineer-announcer at WMON(AM) Montgomery, W.Va. McKinney succeeds Laurence Harris, who became pres. of Metromedia Telecommunications — common carrier subsidiary of Metromedia Inc. Henry Baumann is expected to remain deputy chief of Mass Media Bureau. Robert Foosaner promoted from deputy to chief of Private Radio Bureau, succeeding McKinney.

**TV viewers don't tend to associate controversial programming with products advertised**, according to survey by Arthur D. Little Inc. Based on interviews with 998 persons, study found that sensitive viewers don't "necessarily take product-related action to express their beliefs." Thus, study concludes, "advertisers may have little cause for concern about criticism of the content of TV programming." Study did find, however, that 25% of those surveyed dislike or avoid specific TV programs because of a sensitivity to controversial programming. In addition, one in 5 reported taking "some type of concrete actions as a negative reaction to TV — such as boycotting a product or switching brands."

**Responding to slow sales of TV-Cable Week**, Time Inc. replaced Publisher Daniel Zucchi with Christopher Meigher, ex-Time corporate circulation dir. Zucchi will return to People magazine, where he had been circulation dir. Meigher has served as circulation dir. for Fortune, Sports Illustrated and Time and is former pres. of Time's magazine retail sales subsidiary, Time Distribution Services. TV-Cable Week, which has been performing well below expectations since April launch, has "in effect, undergone a period of market testing" in last 4 months, according to Kelso Sutton, magazine group vp. Magazine needs "more flexible publishing approach," he said.



White House has moved FCC appointment to "front burner," according to source at Republican National Committee, and appointment is expected shortly. Person selected reportedly will be Dennis Patrick of White House personnel office — despite Administration's admitted desire to appoint woman. We're told committee within Administration has signed off on Patrick, said to be staunch conservative. Commission has been operating with only 4 members since Sept. 30 expiration of terms of Joseph Fogarty & Stephen Sharp.

**Cable teletext experiment sours:** Lexington (Ky.) Herald-Leader will suspend 16-month-old, 3-channel TelePress operation Oct. 31 instead of exercising option to continue teletext experiment for 3 more years. Publisher Creed Black said: "Our conclusion is that at this time in Lexington there is insufficient demand among both viewers and advertisers for such a service to make it self-supporting in the foreseeable future."

Multichannel TV sound rulemaking, proposed last week by FCC, would eliminate restrictions on use of TV aural subcarriers, permit not only stereo & bilingual sound and other picture-related audio, but common carrier use as well, offering TV stations more ways to make money. Proposal is virtual clone of FM subcarrier deregulation, and staffer indicated it follows precedent of teletext decision in that new TV audio services wouldn't be cable TV must-carry. (Details are in Consumer Electronics section, this issue.)

Effort will be made during Aug. congressional recess to draft legislation to commercialize govt. satellite system, it's understood, but what form measure will take still is unclear. "There is no consensus on what we'd like to do," source explained. It's sure bet, though, that weather satellites won't play part in plans. Legislation is expected to be joint effort of House Natural Resources and Space Science Subcommittees.

## 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 \_\_\_\_\_

**MARTI DEBATE BEGINS UNEXPECTEDLY:** In unanticipated turn of events, debate on Radio Marti bill (S-602) began July 29 in Senate, immediately raising spectre of filibuster. Senate took up bill after debate on another proposal bogged down, quickly wished it hadn't.

Fight instantly developed over issue of Marti's funding with sign that filibuster was in offing indicated by Sens. Leahy (D-Vt.) & Zorinsky (D-Neb.). Leadership moved quickly to head off long debate that could stall Senate just as it was rushing to adjourn Aug. 5 and already has scheduled cloture vote to break possible filibuster for middle of week. Only action Senate managed last week was housekeeping move okaying, 64-30, budget waiver that permitted chamber to consider bill, although measure contains \$5 million compensatory fund for broadcasters, which wasn't reviewed by Senate Appropriations Committee.

Bill also is ready for action by full House. Last week, House Energy & Commerce Committee accepted most of amendments that Telecom Subcommittee proposed, but divisive nature of markup, also close votes, made it clear bill is headed for trouble on floor and that chances of passage in House aren't good. Among changes Committee made before sending bill (HR-2453) to floor: (1) Stripped bill of language allowing AM broadcasters to collect federal compensation for lost ad & audience profits resulting from Cuban radio interference attributed to Marti's existence. Fund was scaled down to match size provided in bill as approved by House & Senate foreign affairs panels, now provides only one-time \$5 million fund to help stations pay for facility upgrades needed to overcome effects of interference.

(2) Sunset provision requiring Marti's reauthorization in 5 years and FCC annual reports to Congress on effects Marti is having in terms of retaliatory Cuban interference, costs to stations of reduced ad & audience share, cost to taxpayers of compensatory fund. Other language that Committee accepted from Subcommittee included restriction that Marti be aired only on 1180 kHz, which is same frequency used by VOA, provision that especially pleased NAB. NAB lobbied hard before session to keep bill palatable to broadcasters, had stations send telegrams to panel's members, visited with many lawmakers. NAB used its new outside consultants — ex-Secy. of State and ex-Sen. Muskie (D-Me.) & ex-FCC Chmn. Wiley — for first time to lobby on Marti.

Following requests by Gateway Communications (among others), which owns 4 smaller market TV stations, Major Market TV Caucus will expand to include group-owned stations outside top 50 markets. Caucus expects to operate with budget under \$150,000 at start, with part time Washington lobbyist and secy., probably sharing space with major group member. Robert Bennett of Metromedia has been added to MMTC steering committee, which next meets in Washington Aug. 18. Shortly thereafter, group will meet with NAB Pres. Edward Fritts & Chmn. Gert Schmidt, Harte-Hanks, at request of Schmidt.

**WARNER AMEX HUNTING FUNDS:** Using structure of tax shelter in public limited partnership, Warner Amex Cable Communications (WACC) hopes to raise \$390 million to finance remaining construction of cable systems. New financial arrangement for cable joint venture includes: (1) \$50 million each from partners Warner Communications and American Express. (2) Public offering within year by Shearson American Express and another underwriter, for \$40 million in equity, which in turn will be used to borrow additional \$100 million to finance Milwaukee construction. (3) After state approval of new N.Y.C. cable contracts, similar arrangement for remaining \$250 million of partnership, probably next year, to finance builds in Queens & Brooklyn. Each partnership unit requires \$50,000 minimum investment.

Move isn't "rescue," Warner Amex Cable Exec. Vp John Fowler told us. "We certainly feel we could have pursued other lines of credit," he said, "but this made more sense to us." Financial community sees move as example of commitment to venture by parents, but is waiting for details on offering before appraising viability of project. "Obviously, we think it's going to make money," said broker at Shearson.

WC has been plagued by deep losses by Atari as well as cable, and AE has been rumored to be ready to pull out of partnership that lost \$46.5 million last year. But "it was never a question" of not pursuing further financing, AE Senior Vp Harry Freeman remarked. "It was just a question of how." Shelters of this type frequently are used to finance film, cable and other media ventures, he noted. "Of course, we'd prefer this to be paying dividends the other way," he added. "But that isn't the way the cable business runs. We're just going to have to wait longer" for profits. Limited partnerships have appeal to investors because they provide substantial tax deductions while venture is unprofitable.

If WACC sells off some cable systems as forecast, Fowler indicated raising money wouldn't be motive. "We're not anxious to reduce the size of our systems," he told us, and cable systems for sale would probably be "very small." Search for additional corporate partners to construct remaining systems is on hold at present, both executives said. "There was some unfortunate publicity that we were actively seeking 3rd partners," Freeman noted, stressing this wasn't case. Fowler added "we're not ready to identify" potential partners.

E.F. Hutton is a sponsor of Televent '83 international telecommunications conference in Montreux, Switzerland, Oct. 23-25. Among participants: Mark Fowler, FCC chmn.; Sen. Packwood (R-Ore.); William Ellinghaus, AT&T pres.; Richard Colino, dir. gen.-elect, Intelsat; Klaus Iserland, Arianespace deputy dir. gen.; Theodore Brophy, chmn., GTE; Edward Fritts, NAB pres.; Thomas Wheeler, NCTA pres.; Richard Butler, secy. gen., International Telecommunication Union. Contact Marianne Berrigan, exec. dir., Televent U.S.A., 1120 Connecticut Ave. NW, Washington 20036. 202-857-4612. telex 892415.



# 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—to 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

**PAY-TV DEAL FLUNKS SCRUTINY:** To surprise of few, but to some dashed hopes, proposed merger of Viacom's Showtime and Warner Amex's Movie Channel came to another dead end when Justice Dept. rejected restructured plan last week. Investment of MCA/Universal, Paramount and Warner Bros. in 2-channel pay service was to create larger competitor to HBO and provide pay-TV outlet for studios. Proposed merger had already been blocked on antitrust basis after DoJ investigation in May, but companies involved were given chance to meet DoJ objections, which included vertical concentration of studios and distribution outlets as well as concentration in pay-TV marketplace.

Several modifications were submitted but "they weren't significant enough to make us change our mind," DoJ spokesman told us. Issue, he said, was interaction between movie & TV services, rather than specific companies involved. He indicated it would be "unusual" for proponents of rejected merger plan "to keep coming back" with revisions, "but there's nothing to keep them from doing so."

Companies are unlikely to pursue plan and fight court battle promised by DoJ if they proceed. Viacom said it's "studying" situation, probably will continue to search for 2nd backer to replace Group W, which it bought out last year for \$75 million. Interest on that amount has been causing declining profits for last 2 quarters. "There will be some other things happening" with Viacom, one industry source told us, indicating new announcements could be made regarding Showtime, 2nd largest pay movie channel with 4.2 million subscribers, within next few months.

Movie Channel seems to be in shakiest position. Gloom & doom at N.Y. hq has production staff readying resumes. Though Warner Amex Cable Chmn. Drew Lewis has gone on record in support of channel, attrition of staff and loss of 3rd rank status to Time's Cinemax would seem to limit its options. In usual terse fashion, WASEC comment on merger was "none — it's our channel."

Rift in Spanish-language broadcasting community has widened with filing of \$10 million antitrust suit by SIN and Spanish International Communications (SICC) against Spanish Radio Bestrs. of America (SRBA). SIN & SICC allege in suit filed in U.S. Dist. Court, Dallas, that SRBA and many of its officers conspired to restrain or eliminate competition for advertising for Spanish-language TV & radio stations. Heart of dispute involves what SIN alleges was boycott by SRBA member stations of SIN's 1979 effort to become sales rep for all Spanish-language broadcasters.

**TV affiliation switches:** Co-owned (LBJ Co. is largest stockholder) KWTX-TV Waco & KBTX-TV Bryan, Tex. from ABC primary to CBS; KTHI-TV Fargo-Grand Forks, N.D. to NBC from ABC; Eagle Communications' KECI-TV Missoula, KCFW-TV Kalispell & KTVM Butte, all Mont., go NBC primary.

SelecTV programming has been chosen by 5 new SMATV operators, raising SelecTV's SMATV total to 30, company said.

After rough year in ad sales, will Nielsen meter be "saving grace" of basic cable services? That's question put to industry figures as part of survey by our sister publication Video Week. Though optimistic generally, those involved point out that even with hard figures, cable measurement remains complex, will never be as neatly interpreted as ratings on network programming. Said Young & Rubicam Vp Ira Tumpowsky: "With 18-20 ad-supported services and 10 pay channels, there's an enormity of fragmentation — and ratings are going to be small, at least initially." In cable universe, 2 rating is considered good. Arrival of metered data hasn't changed Y&R's strategy for selling cable ads, according to Tumpowsky, who oversees \$32 million in ads Y&R will place on cable this year, making it single largest agency handling cable ad dollars.

"Positive development" — that's what Exec. Committee of NRBA said of formation of Major Market TV Caucus (MMTC). NRBA called MMTC "a welcome recognition by some segments of the industry that its interests can best be served through organizations whose objectives are limited to the interests of those particular groups." Added NRBA Pres. Harriet Kaplan: "This is the need that led to the formation of NRBA 8 years ago. The radio broadcasters who faced that reality then were simply blazing the trail for what is happening today." Bonaventure Hotel, L.A., was picked for Sept. 16-19, 1984 convention; New Orleans Hilton hosts this fall's convention Oct. 2-5.

Tribune Bestg. (Chicago Tribune) has agreed to purchase WANX-TV (Ch. 46) Atlanta from CBN Continental Bestg., subsidiary of Christian Bestg. Network, for reported \$32 million. CBN said cash would be used to offset costs of original programming being produced for CBN Cable Network and to liquidate debt. Program plans include new prime-time "low key inspirational" sitcom, 2 music specials this winter, possible 2nd Christian soap opera and daily half-hour women's program. CBN said it hopes ad support will enable it to pursue additional programming, said it doesn't foresee selling any remaining stations.

Phoenix's head-to-head cable war between Storer and American Cable (ACT), half owned by Times Mirror, may have mortally wounded ACT, which has been bleeding so much red ink that its banks may step in and foreclose. American has defaulted on bank payments each month since April. Banks are getting worried, now say they intend to sell assets of ACT they hold as collateral if refinancing or payment scheme isn't worked out soon.

TeleFrance is in financial trouble and will shut down in Sept. unless new venture partners are found, CEO Jean Vallier said. Basic cable channel has about 7.5 million subscribers but recently has been unable to attract new viewers of its mainly cultural programming. Vallier confirmed published reports that service has fired 12 of its 20-person N.Y. staff, said trouble intensified recently when effort to land major advertising accounts failed.



**MOUNTAIN BELL SEEKS CABLE PROBE:** Mountain Bell, which had asked N.M. Corp. Commission to decide if data transmission by Albuquerque Cable TV is common carrier offering, now has looked beyond state's largest city and found much greater cable bypass threat 60 miles away in Los Alamos. Feeling that Los Alamos situation presents more clearcut case, telco has filed amended petition with Corp. Commission, asking it to investigate entire cable industry in state, cited Los Alamos Cable TV (LACT) offerings as reason.

Whereas Albuquerque Cable TV is experimenting with providing routine data transmission over regular plant for single local business gratis, much smaller system in Los Alamos is developing 3 separate high-speed data networks. Perhaps most troubling to telco is proposed deal between LACT and Los Alamos National Lab allowing scientists who are cable subscribers to work at home using personal computers tied to Lab's computer banks.

LACT, owned by Mickelson Media, has about 2,900 basic subscribers. System has only 270-MHz plant but was built for 2-way uses, according to LACT manager who told us system is "small but powerful."

Two other data links under development by LACT: (1) Dedicated line linking local junior high school with U. of N.M. computers, allowing school to offer computer course. (2) System for local business data transmission, which is expansion of institutional loop linking county govt. buildings, schools & libraries. All 3 are in various stages of development but institutional loop could begin operating if county would complete documents, LACT manager said.

Cable system had signed contract for institutional services and was waiting for county govt. to reciprocate when Mountain Bell stepped in. Telco sent letter to county questioning service, detailed its complaint to Corp. Commission, LACT manager said. County now apparently will await decision by Corporation Commission before proceeding.

**In cutbacks ordered from top,** CBS News reportedly has dropped 14 staffers, mostly from Nightwatch and ranging from senior staff members to secys., while 35 layoffs are expected in owned stations division. In another cost-cutting measure, Nightwatch and CBS Morning News will share same set, starting Aug. 29. Before cutbacks ordered in Feb. & May, CBS News started year with budget of about \$220 million, up from \$200 million (of which \$98 million was earmarked for "hard news" coverage) last year.

**National Black Media Coalition** last week applied for license to operate daytimer KIEL(AM) Jacksonville, Ark., which was donated to civil rights group by KEZQ Limited Partnership after it bought local FM station.

**Tom Brokaw** will become sole anchor of NBC Nightly News beginning Sept. 5, pushing present Washington co-anchor Roger Mudd into position as senior political correspondent and reporter for network's White Paper shows.

**NAB Pres. Edward Fritts**, speaking to Wis. Bcstrs. Assn.: "The strength of the NAB or any other broad-based national organization is in defeating or slowing down onerous proposals. We can call on a massive constituency and generate widespread opposition. If we initiate programs that appear in our best interest, however, it is quickly labeled 'special interest' and may appear as a gift horse to a particular industry, making it difficult for a congressman to support. It takes courage to champion an industry's cause, regardless of the merits of the argument."

**Selectastation** is new patented device which it's claimed will allow reception from any point in country of any local radio station where device has been installed. Way it works, according to inventors (who include sales mgr. of WRKS[FM] N.Y.), is that user dials Selectastation phone number in city where station he wants to hear is located. After reaching Selectastation, listener then punches in frequency of station. Broadcast is then heard over phone. Inventors said programmers, ad agency buyers and record industry personnel are interested.

**Cable America** has signed letter of intent to transfer control of its 5 Atlanta-area systems to partnership of Cable America and Prime Cable in which Prime will be managing general partner. Systems in Atlanta, DeKalb, College Park, East Point & Alpharetta have 107,000 subscribers. Spokesman said Cable America will retain control of its West San Fernando Valley, Cal. system. Price of deal wasn't revealed, but spokesman said agreement is expected to close by end of year.

**NAB has asked FCC** to reconsider its subsidiary communications authorizations (SCA) decision of June 22 by eliminating common carrier burdens and preempting state & local regulation (BC Doc. 82-536). In petition, NAB praised Commission for lifting restrictions on SCA use but said FCC "has undone much of its good work by substituting another set of restrictive regulations for those that were eliminated."

**Centel has bought Storer cable system** in suburban Houston and Booth America system in Cadillac, Mich., paying about \$10 million cash for both. Systems serve total of 10,000 subscribers. Purchases raise Centel's cable universe to about 215,000 in 8 states.

**NBC Enterprises** has signed "long-term agreement" with Trans Global Films for use of all NBC owned or produced programs on airlines. Trans Global has contracts with 15 major carriers. Under agreement, "same day" news programs will be delivered to major airports for loading on planes.

**"Women in the Electronic Media"** is title of Sept. 23 symposium sponsored by FCC & AWRT, will feature FCC Chmn. Fowler, Comr. Dawson, top women in communications and investment experts, focus on investment opportunities. Cost is \$75. **Details:** Phyllis Tritsch, AWRT, 202-296-0009.



**Satellite Syndicated Systems** is seeking in new stock prospectus to raise about \$30 million on sale of 2 million shares, will use \$3.13 million to reduce debt, \$4 million for development of Keyfax and Scan services, rest for working capital and possible satellite-related acquisitions. Chmn. Edward Taylor, principal shareholder, will receive about \$15 million for a 3rd of his 3 million shares, with remainder of offering from SSS holdings. Ted Turner's WTBS Atlanta is SSS's only steady profit center, even though rate of revenue growth has fallen, accounting for nearly all of "satellite communications" sales of \$11.78 million in 1982, or about 60% of \$17.5 million total income, and bulk of that sector's \$4.9 million operating profit. Superstation keeps generating maximum of \$1,875 per month per cable earth station, maximum of \$22,000 per month per MSO from approximately 25 million cable homes. Fees for 2 transponders are \$2.3 million annually, including amount billed to SPN, with satellite leases expiring July 31, 1988.

Democrats are playing catch-up to Republicans in use of satellite technology, this time by using Westar 4 to transmit interviews with congressmen to local TV stations. Interviews won't be transmitted live — station will call in to set up Q-&A which also will be conducted by phone, then videotape of congressman's responses will be transmitted that day to station. Representatives and senators will pay for transmissions out of their tax-financed office accounts, on principle that it's same as electronic press release. "Deimsat" system will go into full swing after Labor Day recess.

**New International Satellite Inc.**, 51%-controlled by TRT Communications Inc. unit of United Brands, expects to ask FCC in Aug. for authority to construct \$250 million international satellite system to provide voice, data & video services between N. America & Europe. Application will seek authority to sell or lease on long-term basis 1/2 system's capacity, with balance available to general public on common-carrier basis.

NAB has asked FCC not to redefine "community" in licensing proceedings to include "metropolitan area" — as proposed in rulemaking. Change would "amount to an abdication of the FCC's statutory mandate to ensure local service," Assn. said. NAB also asked Commission to reinstate 3 policies recently dropped — Suburban, Berwick and de facto reallocation — all designed to implement local service mandate.

SCTE will hold 2-day seminar on addressability Aug. 31-Sept. 1 in Philadelphia. Areas to be discussed are operations, technology and accountability. Cost is \$200 for SCTE members, \$225 for non-members. Details, SCTE, 703-823-1911.

Advertisers are paying average 10% more for prime-time TV network spots in new season starting in Sept., according to reports which said sales have been heavy last 2 weeks. Year ago, increases averaged 15%.

Appropriations bills are moving through this Congress faster than at any time in recent memory, could mean that continuing resolutions won't be needed this year. State Dept. funding became latest money bill to near completion, winning okay of Senate Appropriations Committee last week at levels closer to President's budget request than to higher figures already approved by House Appropriations Committee. But Senate would spend slightly less for State Dept., \$2.09 billion in FY '84 as compared with \$2.1 billion okayed by House panel. Senate bill includes: \$105 million for Board for International Bestg.; \$468 million for USIA salaries & expenses; \$41 million for acquisition & construction of new VOA facilities, level that is significantly higher than \$34 million provided in House. Bill is awaiting final action by both chambers.

FCC has eliminated requirement that cable systems submit annual financial data, concluding rulemaking begun year ago. All parties commenting supported elimination of rules except Committee for Community Access and United Church of Christ. But Commission didn't go as far as cable industry wanted. It refused to preempt, prescribe or otherwise limit state or local imposition of cable financial disclosure rules.

Thomas Ellis has withdrawn his name for Senate consideration as member of Board for International Bestg. Move came after majority of senators on Foreign Relations Committee asked Reagan to withdraw nomination. Lawmakers charged Ellis has segregationist history, particularly involvement with organization that financed research seeking to prove genetic inferiority of blacks to whites.

**Dataworld**, computerized data base for broadcast facilities, has been sold by principals of A.D. Ring & Assoc. consulting firm to Jack Neff & Patrick Gallagher, who are operating firm on fulltime basis. Company was formed 11 years ago. Neff formerly was with Broadcast Electronics, Wilkinson Electronics, had consulting practice. Gallagher is ex-DuMont, Visual Electronics & EMCEE.

Gustave Hauser, chmn. for decade of Warner-Amex Cable Communications and NCTA vice chmn., who now heads Hauser Communications, has moved to purchase assets of Arlington Telecommunications (Artec, also known as Metrocable). The 27,000-subscriber system in Arlington, Va., Washington suburb, started in 1971. Price was \$33 million.

Satellite TV commercials will be distributed by Group W Satellite Communications. Group W's Spotnet moves into field abandoned by others, notably Blair, with 5-day, 5-hours daily transmission by means of 3 transponders on Westar 5. Sat-a-dot switching system and electronic mailboxes will be provided TV stations which sign up for service, to begin this fall.

Portugal's TV network Radio Televisao Portuguesa (RTP) is looking into DBS and cable and has invited foreign experts to advise them.



## Personals

Sylvester (Pat) Weaver will be presented special Emmy — Governor's Award — by Academy of TV Arts & Sciences during Sept. 25 Emmy Awards telecast on NBC, network Weaver headed 1949-56... Shane O'Neil, son of founder Thomas O'Neil, promoted from exec. vp to pres.-chief operating officer, RKO General; he succeeds Hubert DeLynn (who remains a dir. and is named chmn. of Exec. Committee) as chief operating officer and Frank Shakespeare (named vice chmn.) as pres.

Paul Stupin promoted to mgr.-current drama programs, NBC Entertainment... Karl Renwanz, dir.-engineering, promoted to vp, WNEV-TV Boston; Victor Lai, ex-Westinghouse Bestg. & Cable, joins WNEV-TV as vp-finance & administration... Maureen Shaughnessy advanced to community affairs dir., WANE-TV Ft. Wayne... James Pratt, ex-WAPA-TV San Juan, named station mgr., KGMC Oklahoma City... Cliff Brown promoted to station mgr., WDAM-TV Laurel, Miss... Harry Spieker advanced to local sales mgr., KGUN-TV Tucson... Dave Bell & John Morrow named sales mgrs., Blair TV Philadelphia & Tampa-St. Petersburg offices, respectively.

Bruce Franzen, ex-KEYT Santa Barbara, named program mgr., KGUN-TV Tucson... Ronald Crowe, ex-KIRO-TV Seattle, appointed dir.-creative services, KPIX San Francisco... Walter Schwartz, Blair TV, elected pres., SRA; David Allen, Petry TV, vp-TV; Michael Bellantoni, Torbert Radio, vp-radio; Victory Ferrante, Katz TV, secy.; William Fortenbaugh, Katz Radio, treas... Steven Engles, ex-WJZ-TV Baltimore, appointed gen. sales mgr., WTVH-TV Syracuse... Frank Miller, ex-Group W Productions, named exec. vp-domestic syndication & program development, Western-World TV... Wojciech Michalik advanced to senior software analyst, Oak Satellite Systems.

Mark Medress promoted to asst. vp-video products in charge of CATV security systems, M/A-Com Linkabit... Carl Weidman promoted to mktg. dir., John Cummings to sales mgr.-cable security, Tocom... Daniel Harrold, ex-Comsat, joins Washington law firm Finnegan, Henderson, Farabow, Garrett & Dunner... John McCarthy, ex-Dun & Bradstreet Mktg. Services, appointed dir.-business information, Viewtron, new post... Jonathan Salkin, ex-Group W Cable, appointed vp-mktg. & affiliate sales, Black Tie Network.

Robert Hynes, newly appointed NBC Washington vp succeeding Peter Kenney, who retires in Sept., also replaces Kenney in NBC seat on NAB TV board... Maxwell McCrohon, vp-news, Chicago Tribune Co., will become editor-in-chief of UPI Aug. 15, succeeding H.L. Stevenson, now UPI exec. vp-editorial... Frederick Breitenfeld, exec. dir. of Md. Public Bestg. System since 1966, elected pres.-gen. mgr., WHYY-TV Philadelphia, succeeding James Karayn, resigned; Warren Park, dir.-programming & operations for Md. Center, succeeds Breitenfeld on acting basis... James Hawkins promoted to national sales mgr., WREG-TV Memphis... Leo Murray resigns as vp-public affairs, Warner Amex Cable, will start

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 Gilson ..... 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

Joining Turner Ad Sales: Mike Ciraldo, ex-Millimeter magazine; Rosanne Legano, ex-Corinthian TV Sales; David McCoy, ex-ABC Radio Network; John Lionberger, ex-MMT Sales; Michael Shaw, ex-ABC-TV Spot Sales; Scott McCoy, ex-Warner Amex; Howard Schemer, ex-WTBS Atlanta; Jon Steitle, ex-TV Guide. Appointments at Turner Cable Sales: Steve Chamberlin, ex-Landmark Communications; Mark Henderson, ex-Entertainment Channel; Lynda Keeler, ex-Southwestern Cable; Brenda Blackburn & Michele Roberts promoted to regional mktg. mgrs... DeWitt Mitchell joins Daniels & Assoc. as exec. vp-finance & administration.

Irwin Brodsky promoted to sports information dir., ABC Best. Group, new post; Joyce Kravitz, White House aide during Carter Administration, joins ABC News as mgr.-PR, succeeding Connie Kastelnik, who moves to ABC News assignment desk.

Lynn Levine promoted to senior editor, Television & Cable Factbook... John Beck, dir. of WNYC-TV-AM-FM N.Y., will resign by end of year... Charles Chapin, ex-Northern Telecom, appointed western sales mgr., Valtec... Christophers Dir. John Catoir elected pres. of Assn. of Catholic TV & Radio Syndicators, succeeding Charles Hinds, Catholic TV Network.. Joseph Ondrick, ex-Entertainment Channel, appointed dir.-advertising & mktg., WOR-TV N.Y.

NAB asked FCC to repeal regional concentration rule which prohibits ownership of more than 2 stations within 100 miles. NAB called rule "an anachronism of over regulation in an era of deregulation," said it "helps bring at certain times."

# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended July 15 (28th week of 1983):

	JULY 9-15	1982 WEEK	% CHANGE	JULY 2-8	28 WEEKS 1983	28 WEEKS 1982	% CHANGE
TOTAL TV#.....	326,641	267,060	+22.3	260,875	9,306,241*	8,349,811	+11.5
COLOR#.....	213,132*	165,350	+28.9	192,906*	6,495,541*	5,533,827	+17.4
MONOCHROME....	113,609	101,710	+11.6	67,969	2,810,700	2,815,984	- 0.2
PROJECTION TV...	2,361	1,754	+34.6	1,519	60,254*	42,387	+42.2
HOME VCR.....	70,601*	27,240	+159.2	58,959*	1,707,978*	795,039	+114.8
COLOR CAMERAS...	6,989*	6,601	+ 5.9	6,024*	176,437*	145,736	+21.1

Color TV 5-week moving average: 1983--253,050\*; 1982--208,395 (up 21.4%).

Home VCR 5-week moving average: 1983--71,687\*; 1982--30,388 (up 135.9%).

# Excludes projection TV. \* Record for period.

**FCC SETS WIDE-OPEN TV SOUND RULEMAKING:** Long-anticipated proposal to permit multichannel TV sound — including stereo and other new multiplexed uses of audio portion of TV channel — was issued last week by FCC. Proposed rulemaking actually would eliminate restrictions on use of TV's aural subcarriers without specifying any uses or standards, as forecast here (Vol. 23:30 p14).

Commission will set 90-day period for comments, clock starting with publication of rulemaking in Federal Register in week or so, followed by 30 days for reply comments. That presents tight schedule for EIA subcommittee, which hopes to complete tests, file report and recommend single multichannel TV system before record is closed. Tests of the 3 systems — EIA-J, Telesonics, Zenith — are on schedule, according to subcommittee Chmn. Thomas Keller, who told us he thought group could make FCC's schedule, "barring legal problems." He expressed encouragement with progress of tests and quality of the 3 systems, all of which, he said, were superior to FM stereo (see separate report in this issue).

FCC proposal, adopted without debate, practically duplicates its earlier deregulation of FM subcarriers, would permit stations to use sound subchannels for almost any purpose — not only stereo sound, 2nd language or descriptive material for blind, but even unrelated common carrier services such as paging. It's even conceivable that TV station could broadcast at least 2 "radio" programs simultaneously with TV video-audio broadcasts.

Proposal also would widen TV aural track from 75 to 120 kHz, increase allowable aural modulation from 25 kHz to 75 kHz, move which is compatible with specs of systems EIA subcommittee is testing. Although text of rulemaking wasn't available at week's end, consensus was that FCC won't mandate stereo sound or any other use of TV's aural track as must-carry for cable systems, one staffer citing "precedent" of teletext decision, which doesn't require systems to relay teletext programs of stations they carry.

TV broadcasters, many of whom have been lukewarm to idea of stereo sound because it promises no financial reward, may be changing their tune, and NAB's enthusiasm could carry some weight. Since all 3 stereo systems would permit simultaneous transmission of compatible stereo-mono sound and another separate audio channel, there's now feeling that stations by & large will go stereo, use extra channel for some profit-making enterprise, such as data transmission (or as 2nd language channel in areas with large foreign-speaking population). Broadcaster thinking now is that stereo may be just what doctor ordered to give them hi-tech image. Some think public regards them as old-media stick-in-the-muds, as opposed to such flashy new electronic age media as cable TV.



TV set makers are gung-ho, already are offering stereo amplifiers in most high-end sets, and most majors have designed circuits around all 3 proposed systems in preparation for marketing as soon as they can tool up after FCC finalizes its rule. When will that be? Best guess now — Feb. 1984 or later.

**PEARLMAN ZENITH PRES.-CEO, FISHER CHMN.:** New management team that will guide Zenith is essentially old team, one which carried out policies developed by former Pres.-Chmn. Revone Kluckman, who died unexpectedly of heart attack July 18 (Vol. 23:30 p12). New pres.-CEO is Jerry Pearlman, 44, former senior vp-finance and group exec. Walter Fisher, who had planned to retire Oct. 1 as exec. vp-sales & mktg. on reaching 65 (Vol. 23:27 p11), will stay on as chmn.

Zenith established new Office of the Pres., consisting of Pearlman & Fisher plus Karl Horn, who was named to new post of Systems & Components Group pres., and Robert Hansen who became exec. vp and group exec. for TV, VCR, cable & videotext products. Some other promotions are expected to be announced later.

"The company's strategy is in place, our course is set," said Pearlman last week, adding that Zenith will "continue to build" on its major strengths — "high technology research & engineering, manufacturing cost effectiveness, strength in distribution — in our principal businesses, TV & video, and our newer businesses, cable TV, components and computer systems."

These strengths are well represented in new team — finance (Pearlman), sales & marketing (Fisher), research, engineering & production (Horn & Hansen). None of appointments comes as surprise — Pearlman had been most widely mentioned as presidential possibility even before Kluckman's death. He was responsible for company's entry into computer business and acquisition of Heath Co., has wide grasp of technology despite his basically financial orientation. Graduate of Princeton and Harvard Business School, he joined Zenith in 1971 from Ford as controller. In addition to financial duties, since 1979 he's been corporate exec. in charge of Data Systems and Heath.

Fisher has been Zenith's senior sales & mktg. executive since 1968, a dir. since 1969, moved from head of consumer electronics sales to corporate post in Feb. 1982. Horn, 59, has been a dir. since 1975, became exec. vp in 1979, group exec. for engineering and picture tube operations in 1982. He joined Zenith in 1965 as vp-gen. mgr. of Color Tube Div. from Motorola, where he held similar post. His new position has responsibility for Data Systems, Heath, Components & Systems Group. Hansen, 53, previously was senior vp-group exec. with responsibilities in consumer products area. He joined Zenith in 1975 as dir. of color TV engineering, became TV engineering vp in 1977.

"We've gotten to know one another over the years," Pearlman told us last week, referring to new topside group, "and have general respect for one another's management talents." He pointed to Zenith's good financial showing in 2nd quarter, with inventories down by \$107 million, no short-term borrowing, indicating prospects for excellent color TV year, its sales limited only by number of sets it can produce (2 million, on basis of statements made at July distributor convention). Zenith people universally credit Kluckman's policies of increased efficiencies, cost-cutting and overseas procurement as leading to company's recovery, and Pearlman underlined repeated statements that there was no reason to change.

**PHILIPS—COMMITMENT TO 8mm, HI-RES TV:** Philips will display 8mm VCR combination with solid-state CCD camera next month at Internationale Funkausstellung audio-video fair in Berlin, put it on sale in 1984, and is embarked on developments which will result in "surprising amount of innovation in TV sets" in next 2 years, possibly including high resolution TV pictures.

Cor van der Klugt, N.V. Philips vp and vice chmn., who heads company's worldwide consumer electronics operations, told us in interview last week he expects other companies to show 8mm prototypes this fall. Philips' first product in new format will be portable, with one hour playing time. Although he said integrated one-piece unit would be shown, he indicated

Philips was working on "several executions," including 2-piece systems. Same products undoubtedly will be made available to North America Philips.

Philips has developed own solid-state CCD pickup, is ready to tool up, "and we believe we are ahead of most others," van der Klugt said. First unit will be strictly portable, and is not replacement for Video 2000. However, he added: "It's a great step for the public that we get rid of incompatibility" in tape formats. "I have great faith in this important development." He said Philips' development and experience with Dynamic Track Following system, which gives Video 2000 outstanding special effects despite its narrow 1/4" track, gave it significant advantage in 8mm.

Van der Klugt sprinkled large dollop of salt on Japanese assertions that 8mm is far off and standards may be changed (Vol. 23:24 p18). "It's just not like them," he said. "The Japanese attitude is to constantly improve and introduce new products. They know they can't stop progress. The 8mm format has reached the point where the world's major electronics industries — by which I mean the Japanese and Philips — see eye-to-eye on basic specifications... It will be launched in Japan." As for some Japanese companies' new leanings toward different recording systems, such as baseband, "we see no final & definitive incompatibility — even if other techniques are finally approved, they can be accommodated" within same design.


TV is on brink of major change, van der Klugt observed; key is digital circuitry and "within the next year we will see the first symptoms" in new products. For digital TV to succeed, it must result in lower prices or better performance through added features, he added, Philips presumably choosing latter path. Rather than being mature product, van der Klugt sees TV as "still in the embryonic stage" with room for "vast improvement." Higher resolution is "widespread temptation — it doesn't have to be 1,200 lines, but it does depend on digitalization." He envisioned TV picture eventually comparing with detailed magazine illustrations. "It's interesting how much fascination there is today with that old warhorse, TV."

In digital signal-processing, "we can go all at once or hybridize toward a full digital set in the next 5-10 years." In obvious reference to ITT, "there are no very big companies busy on a full digital set to make possible the necessary economies of scale." Philips is negotiating with France's Thomson on standardizing some digital circuits, "and in addition we have close contact with Matsushita and interchange on the research level with RCA" as well as in-house efforts and sharing with outside IC suppliers. He stressed that all such cooperation refers to developing mass production of circuit elements — "the innards of the set are something different — we won't exchange with competitors what we're going to do."

Videodisc is "one of those products which have a hard time" gaining quick public acceptance, but Philips has no thought of giving up on Laservision, is still trying to explore where it fits in, will introduce lower priced models in fall, and some with "interesting features." Its applications are such that "several disciplines have to get together" to develop novel uses, van der Klugt said. "The videogame people say videodisc is an element in their planning... It's hard to see in what market segment videodisc will find its great boom, but I hold to the absolute conviction that it has its niche in the marketplace." Now on market in U.K., Germany, Switzerland, Belgium & Holland, it goes on sale in France next year, and van der Klugt sees "slow, steady growth" in Europe & Japan.

Philips' request for EEC tariff increase on Compact Disc player imports is widely misunderstood, van der Klugt told us. Request for rise in duty from current 9% to 19% is intended to be temporary to protect Europe's "infant industry" of digital technology so it isn't "trampled out at the beginning of its existence." Increase, he said, would bring it more in line with those on other consumer electronic products and components which average 15-17% (TV is 16%).

Although Philips is strongly in personal computer market, it's going slowly in plans for home computer — "first we're trying to find out what it really is. In this field, the U.S. is years ahead of the rest of the world, and we're watching you to see what will happen before we enter."

Is relationship changing between Philips and NAP? No, said van der Klugt — it's really the world which is changing. "In Europe, it's a new experience that the world is a global village, that it no longer has vastly separated segments.  More & more this means worldwide strategy,



policy & standards. Borders and tariff walls are disappearing, and the need for economies of scale indicates world standards and strategies for the world market. We're not 'calling the shots' — in fact, we're looking at the U.S. in the first place" for guidance in many areas.

**MORE GAME-COMPUTER LOSSES:** Mattel and TI last week reported losses more massive than expected from their videogame-computer operations for 2nd quarter and half, Milton Bradley showed losses for those periods, while Activision posted sharp drop in opening quarter profitability (see financial table).

Factoring in major loss reported week earlier for Atari, drop in profitability at Coleco, estimated deficit of NAP CE's Odyssey, indicates that game industry's first half downside operating profit shift from same 1982 period was well in excess of \$1 billion. That excludes losses stemming from market pullout by Data Age and shutdown of U.S. Games by Quaker Oats.

Mattel said it will report consolidated pre-tax loss of more than \$100 million for half to July 30, expects to have substantial deficit for year. Company attributed losses to Mattel Electronics, which is presumed to have operating deficit of some \$130 million. In fiscal 1982, Mattel Electronics showed \$67 million operating profit. Losses have increased speculation that new management may decide to scrap Aquarius computer.

Mattel is currently running TV spots promoting computer add-ons for Intellivision videogame, though peripherals aren't on market yet. Spot also features offer of 13" Samsung color TV for \$75 to purchasers of console. What ad doesn't say is that TV purchase right is alternative to \$50 cash rebate, so set's actual cost to consumer, including \$10 shipping fee, is \$135.

TI had 2nd quarter consolidated loss of \$119.2 million, or \$19 million over estimate it made last June (Vol. 23:25 p22), said pre-tax deficit from home computer business was \$183 million. TI said computer unit results included \$58 million operating loss, \$83 million in inventory valuation decline, \$37 million charge to provide increased reserves for rebates, returns and price protection for retailers.

TI cautioned that if 2nd half computer market isn't up to expectations, additional writeoffs may be necessary, and that it would show significant loss for year. TI also announced that Pres. Fred Bucy would be more directly involved with computer unit, and that Exec. Vp Jerry Junkins would assume duties as Consumer Electronics Group pres., following resignation of William Turner. Turner's departure had been expected, first indication coming when he became invisible man at June Consumer Electronics Show. His leaving just about completes this year's total computer industry marketing personnel overhaul (Vol. 23:29 p14).

Milton Bradley showed 2nd quarter operating loss of \$5.7 million, said deficit at General Consumer Electronics unit exceeded that. It said GCE has loss from operations stemming from reduced demand for Vectrex videogame console and price reductions. Adding to that, MB said, was establishment of reserve to provide price protection for retailers.

MB also announced Atari has backed out of agreement to purchase MB's voice control adaptor for 2600 & 5200 videogame consoles (Vol. 23:17 p20). Similar adaptor being made for TI's home computer now isn't expected to be delivered until 4th quarter. Continued losses at GCE and cancellation of Atari contract "will result in full year earnings being substantially less than had been anticipated," MB said. Voice adaptor is 2nd major 2600 game peripheral canceled by Atari this year. Last month, company said it had scrubbed scheduled Oct. launch of computer keyboard adaptor.

Activision's 94.8% drop in fiscal first quarter net to \$227,000 was consistent with general expectations, considering seasonal buying patterns, retail concern with inventory, according to Pres. Jim Levy. He said normal selloff and institution of stock balancing programs by game cartridge marketers have already started easing dealer inventory situation, and that "should free channels for fall."

Game market woes have backed up into parts pipeline and are cutting into profits of semiconductor suppliers. General Instrument, which had 44% decline in fiscal first quarter net, now looks for lower earnings in 2nd quarter and year to Feb. 28. GI, which designed Mattel's Intellivision, also supplies chips to Atari & TI, said it has been told that game industry inventory cutbacks will result in order reduction this year.

Warner's debt rating was lowered notch by Moody's, which blamed action on uncertainties in Atari's game & computer businesses. Investment service said changing consumer preferences in videogames, intense price competition and market share loss in home computers "make less predictable the level of future cash flow" from Atari.

Commodore, marching to own drummer, has reportedly sharply increased its share of home computer market since instituting major hardware & software price reductions at Summer CES. Company expects to report record results for fiscal 4th quarter to June 30. But that isn't doing much to encourage investors. Commodore shares last week were trading at \$47.25, down about \$13 from 12-month peak, while shares of Coleco, which continues to operate profitably, have lost more than 50% of value since soaring to \$65 following June unveiling of Adam home computer system.

**Computer notes:** Fidelity Electronics will enter computer market next year with 8K desktop unit built into blotter. It features 24-character single line LCD, standard & calculator keyboards, will list at \$695. Companion 40-column matrix printer will be \$130... Type Attack is 39-level arcade style home computer game from Sirius Software that teaches typing. Object is to stop groups of words & letters falling from top of screen by typing them in before they hit bottom.



**HI-FI VHS STANDARD:** Japanese VHS manufacturers last week agreed on specifications of Hi-Fi VHS system to compete with Beta Hi-Fi. Panasonic will put prototypes of stereo slave units in hands of U.S. duplicating houses for remainder of year, hoping that software production can start in spring in time for consumer launch around mid-1984.

U.S. hardware companies are expected to exercise caution, looking carefully at consumer reaction before committing selves all-out to new format, which, like Beta Hi-Fi, is compatible with existing machines but adds new helical stereo soundtrack to produce near-digital audio specs. Although result is same good sound, Hi-Fi VHS differs from Beta Hi-Fi in that it adds 2 independent revolving audio heads, whereas Beta uses video heads to pick up multiplexed stereo.

Final agreement brings into compatibility the slightly different VHS systems shown privately at June CES by Hitachi, JVC and Matsushita (Vol. 23:24 p19). Only real difference was in noise-reduction techniques — Dolby, dbx and new one called PNR were used in various versions, and presumably PNR won out. Announcement by the VHS manufacturers said they had adopted "newly developed noise reduction system that is most suitable for this system." PNR system is believed to be similar to dbx with some minor modifications.

Total system is called "depth multiplex recording" because video signal is superimposed on top of audio signal, which is recorded more deeply in magnetic material of tape. Standard longitudinal audio track is retained to preserve compatibility. Since some current VHS recorders already have longitudinal stereo tracks, new recorders actually will have 4 soundtracks, which could also be used to record in 4 languages simultaneously — or in quadraphonic sound.

The 10 companies agreeing to hi-fi specs are Akai, Canon, Clarion, Hitachi, JVC, Matsushita, Mitsubishi, Orion, Sharp, Tokyo Sanyo, which make VHS recorders for all significant brandnames in U.S.

Description of system, as announced by participants: FM audio signals (1.3 MHz carrier for left, 1.7 MHz for right) are recorded first by rotary audio heads, with video signal recorded over them — thus audio & video signals are independently recorded on same portion of tape, but at different depths. FM has deviation of plus or minus 150 kHz. Azimuth angles of L & R audio heads are +30 & -30 degrees to suppress crosstalk.

\* \* \* \*

International videotape standard setting is being eyed for antitrust violations by U.S. Dept. of Justice. DoJ spokesman last week confirmed to us issue is being studied, noted probe "is not limited to domestic companies." Investigation, it's understood, is centered in Japan, with 8mm Video standard agreement by 122 Japanese, U.S. & European companies as focus (Vol. 23:14 p10). Concern is believed to involve whether standard discriminates against companies which were not members of committee. DuPont and 3M were only active U.S. participants in 8mm committee, though several others were involved as observers.

**TV STEREO PROGRESS:** Stereo TV sound system which is approved by industrywide EIA subcommittee now conducting tests will be "superior in quality to FM radio," we were told last week by Thomas Keller, NAB senior vp, science & technology, who has been chmn. of subcommittee since its founding 4 years ago.

Stating that committee could meet deadline established by FCC rulemaking (see separate report elsewhere), he said year's delay and retesting actually would result in better stereo system. "If we had made the decision a year ago, we would have made a bad decision." All 3 systems under test have been improved, and "we are 15-20 dB better than we were." He said committee has done more work in last year than in 3 preceding years combined.

Keller said so far tests have shown "no evidence of major problems in multi-channel sound with cable," although there's more testing to be done. As he sees it, "the problem is that there are hundreds of different cable systems out there using different techniques — 95% may have no problems, which means 5% may have problems."

Test procedure in current round has been changed. In first tests, proponents supplied all equipment, but now they're supplying only encoders & decoders for their systems, committee supplying all standard test equipment and receiver of own design. Earlier tests were widely varied in time. Tests now are all being run "within 5 minutes of each other to get a direct comparison — the subcommittee has done about as good a comparison as can be done." He added: "All 3 systems act about the same — there isn't a tremendous amount of difference among them."

No tests have been made with subscription TV, Keller said, because STV proponents won't disclose technologies of their proprietary systems — "they're the only ones who haven't shown up."

Keller thinks TV set makers will have to redesign tuner systems to take advantage of TV stereo sound quality. He pointed out that most TV tuners tune in to center of video channel. He suggested that it will be necessary to "upgrade along the line of FM stereo — they need a separate control to fine-tune audio."

BSR acquired 30% interest in Entrepo for \$1 million. Buy into U.S. maker of 1/16" endless loop computer data tape cartridges & drives was by BSR's Hong Kong subsidiary Astec. In addition, Cal.-based venture capital firm supplied Entrepo with \$1.3 million in financing. BSR has been active in computer field through Astec, contract producer of subassemblies. It entered peripherals market earlier this year with \$75 MicRobot, black box that allows home computer to run all remote switching capability of X-10 home control system. First unit is slated to be private-labeled for Mattel's Aquarius computers. BSR branded versions for other computers will follow. MicRobot comes with software that provides on-screen instructions and displays status of various appliances being controlled. Company says X-10 could be built into TV or cable converter, and that licensing discussions are under way with European set maker.



# 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—to 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

**MATSUSHITA RECORDS:** On strength of record consolidated sales & earnings in 2nd quarter to May 20, Matsushita said it expects full-year net to rise 6.7% to \$696.7 million on 5.4% revenue increase to nearly \$16 billion. After reporting sluggish first quarter results, Matsushita had said it was expecting only 1% earnings increase on 3% sales rise.

Matsushita posted 8.2% 2nd quarter earnings increase on 6.5% sales rise, ended fiscal half with earnings up 5% on 5.5% higher sales (see financial table). For full period, Matsushita said TV, VCR and other video equipment volume was up 6% to \$2.85 billion, audio sales were flat at \$948 million, while sales of information & industrial products rose 16% to \$1.05 billion. Largest sales increase came in foreign market, up 6% to \$3.51 billion. Sales in Japan were up 5% to \$4.25 billion.

TDK said reduced videotape sales to OEMs, 12% decline in videocassette prices, were primarily responsible for 26.9% drop in consolidated net in fiscal half to May 31, though total sales were up 8.1%.

TDK's sales of all types of magnetic tape rose 6.2% to \$358.5 million, representing 53.5% of corporate volume, down from 54.4% in same 1982 period. Sales of electronic components & materials increased 10.4% to \$282.5 million. Sales in Japan slipped 4.9% to \$345.2 million, while overseas sales rose 26.4% to just under \$325 million, to account for 48.5% of total, up from 41.4%. TDK attributed foreign market gain to improved tape sales in Europe and SE Asia, generally higher exports of components & materials.

Wild supply-demand situation in videocassette market developed into "extremely messy situation," as some former customers such as Matsushita and JVC started producing own tapes and industry sales growth slowed, according to Pres. Yutaka Otoshi. In interview with Business Week, he said he expects current rise in VCR sales to stimulate tape demand, and that TDK's full year sales will be up 16% from 1982's \$1.2 billion. However, he noted, company will be hard pressed to match last year's \$116 million net.

While TDK is putting emphasis on expansion of components & materials business, which Otoshi feels will provide most of company growth after 2-3 years when demand for tape levels off, there's no slackening of video recording R&D effort. He said TDK hopes to capture large share of market for upcoming 8mm tapes, indicated company now has ability to produce recordable optical videodiscs.

NEC said consumer electronics volume rose 4.9% to \$847.8 million in year to March 31, while total consolidated sales increased 15.3%, earnings 18.3%. Sales of electronic devices were up 19% to \$1.49 billion, computers and other electronics 21% to \$1.48 billion, communications volume 14% to \$2.18 billion. Company reported overseas sales climbed 23% to \$2.07 billion, while non-govt. sales in Japan were up 16% to \$2.98 billion.

Ad notes: Olympus appoints Marshalk, replacing Joel Herman & Assoc... Games magazine names Levy, Flaxman & Assoc.

**TAIWAN'S VCR GROWTH:** Taiwan's liberalization of regulations governing local content requirements for VCRs assembled there (Vol. 23:11 p17) has attracted investment from Japan. Sony and Toshiba have submitted applications to set up Beta production ventures with local companies as partners.

Sony seeks permission to launch venture with its licensee Shinlee, while Toshiba is seeking to link up with Tatung, with which it has long history of cooperation. If venture is approved, Tatung will be one of few companies producing both major Japanese formats — it currently assembles VHS VCRs under agreement with JVC. Only other VCR maker in Taiwan is Sampo, which has VHS agreement with Sharp. New ventures will export at least 50% of their output. Still in planning stage is similar Sanyo venture.

Under liberalization terms, only 35% of VCR value, including labor, must represent Taiwan content through next June, rising to 45% following year, then to 55%. But what Taiwan is giving in VCRs it's taking away in color TV. Current 65% local content rule has been amended to make it parts-only, so value of local labor content doesn't count.

Taiwan's color tube makers, Chungwa and Philips, have enough capacity to meet needs of island's manufacturers, but barring some special exemption, 2 set makers there will be hard pressed to comply with regulation and maintain their market positions. Shinlee uses Trinitrons imported from Sony, while Kolin promotes its sets as being only ones using Diamondvision tubes, which it imports from Mitsubishi.

Book publishers are looking to tap home video market. Book of the Month Club, which was "not too successful" with vintage movies offered earlier, according to Pres. Al Silverman, expects to show profit with 60-min. cassette, *Watching Birds*, at \$49. Next year, BOM will return to movies with 8 titles, including 3 also available on CED discs. Although Silverman doesn't know level of VCR penetration among 1.2 million BOM members, he thinks it likely that 15-20% have machines, close to 3 times national average. That would put population at 200-240,000, probably means buy rate of at least 10% to reach breakeven, according to our estimates. Publisher E.P. Dutton has 6 cassette titles now under development, according to Electronic Publishing Dir. Jack Sibrizzi. He said topics emphasize sex education, diet & health and skill building — reading, math, logic problems — but aren't aimed directly at school market. Dutton has tagged 20 books as programming candidates, figures 10-20% of its 4,000 titles have potential.

Home use only restriction on videocassettes & discs was upheld last week by Pa. federal court. In suit brought by movie studios against Erie retailer Maxwell's Video Showcase, which had been charging consumers for use of video viewing rooms, Judge Glenn Mincir ruled that such public performances were copyright violation, and dismissed Maxwell's antitrust counterclaims (Vol. 23:4 p16). "We won lock, stock & barrel," said MPAA official.



## Consumer Electronics Personals

Stewart Carrell resigns as TI corporate development exec. vp, reportedly over policy differences related to home computer market; Exec. Vp Jerry Junkins named interim pres. of Consumer Group, succeeding William Turner, now with Automatic Data Processing... John Messerschmitt, North American Philips vp, named to head new group formed to market hi-tech products & subsystems to computer & data processing industries... Hicks Waldron, one-time GE Consumer Products Group exec., appointed Avon pres.

Eric Bromley appointed Coleco advanced R&D exec vp... Richard Layman, named market research dir. for videodisc arcade game developer Advanced Microcomputer Systems... William Gillis, ex-Mattel Home Computer Systems vp-gen. mgr., now with San Francisco broker Charles Schwab & Co... Rod Daynes, ex-dir. of U. of Neb. Videodisc Design/Production Group, joins Interactive Technologies Corp., San Diego, as design & production vp... Mitch Junkins, ex-IXO and Mattel, joins Datasoft as product mgr. responsible for ads, mktg. & promotion of entertainment software.

Michael Grande advanced at Panasonic's Technics unit from Northeast Group sales mgr. to asst. gen. mgr., sales; Paul Foschino promoted at Technics from asst. merchandising mgr. to products mgr... Dan Petersen, Kenwood Car Audio Div. sales & mktg. dir., named vp... Stephen Bethel, ex-Lake Communications, joins Audiovox as national sales mgr. for Universal Div., which markets car audio and telephones through retail store accounts... Ron Neitzke named JVC Car Audio southeast & southwest sales mgr.; Tony Ponticelli appointed west coast area mgr.

Eric Doctorow, ex-western region sales & merchandising dir., RCA Videodiscs, joins Paramount Home Video as sales & mktg. vp, replacing Timothy Clott, now vp-gen. mgr... Charles Simon named exec. vp, Cannon TV, new division of Cannon Films... David Rozalla advanced from mktg. dir. to head of Warner Home Video U.K., succeeding Edward Byrnes, now WHV/WEA Europe vp... Jamie Legon named west coast sales dir., Best Film & Video... Mark Foster, ex-3M, joins CBS/Fox Video in U.K. as mktg. executive; Nikki Parker named PR chief.

## Obituary

William Balderston, 86, onetime Philco pres. & chmn., leading figure in early consumer electronics business and auto radio pioneer, died July 21 at his home in Bucks County, Pa. Starting career at Ray-O-Vac in 1919, he moved to Auto Radio Corp. in 1929, from 1930 to 1941 headed Philco's car radio operation in Detroit. In 1941-44 during World War II he was a developer of aircraft & ship radar as vp of Philco's Commercial Div., later became operations vp, served as pres. 1948-54, was elected chmn. in 1954. Philco was sold in 1961 to Ford, which sold TV business in 1974 to GTE, which, in turn, sold it to North American Philips in 1981.

**SUPER-8 YIELDS TO VIDEO:** Color video cameras outsold super-8 film cameras by almost 3-1 last year, and ratio this year could be closer to 5-1. In little-noted landmark, video passed film cameras in sales to dealers by 190,000 to 180,000 in 1981.

Data supplied to us by Wolfman Report, photo industry newsletter, show continuing decline in sales of film home movie equipment. Unquestionably, much of recent decline is due to inroads of video, or anticipation of video purchases by prospective home movie makers, but drop in Super-8 sales started well before VCRs were available. Sales of super-8 cameras actually peaked in 1972 at well over million units and started steady decline in 1973. The 1972 figure may give some indication of near-term potential of color camera sales. Other data indicate about 20% of households own home movie cameras.

Here are figures on unit sales to dealers of super-8 movie cameras vs color video cameras. All estimated figures are ours, except 1982 super-8 sales, which is from Wolfman Report, as are other past super-8 data.

Year	Super-8	Video
1977....	600,000	3,000 (est.)
1978....	525,000	10,000 (est.)
1979....	280,000	61,000
1980....	230,000	114,000
1981....	180,000	190,000
1982....	100,000 (est)	296,000
1983....	85,000 (est)	400,000 (est.)

**Game notes:** Add K-tel International to videogame casualty ranks. Market conditions have caused phono album marketer to abandon plan for line of game cartridges it displayed at Summer Consumer Electronics Show last June (Vol. 23:12 p13)... First Odyssey videogame cartridge from independent marketer is Demon Attack by Imagic. Imagic is handling distribution itself, is understood to have gotten cooperation, in form of Odyssey dealer list, from NAP Consumer Electronics. At last Summer CES, Imagic told us company product introduction was delayed because of difficulty in lining up appropriate outlets (Vol. 23:24 p20)... Tandy is dropping Tandyvision videogames at its Radio Shack stores. Company said Intellivision type games, which had been supplied by Mattel, would be closed out because market has become too volatile.

**Duty-free import program** on qualified products from less developed countries would be extended 10 years past scheduled 1985 expiration under Administration proposal that would give President right to extract concessions in return, tighten limits on such shipments from more advanced LDCs. Unions are lobbying against any extension, while some industries are seeking to have such trade competitive countries as Brazil, Hong Kong, Korea, Mexico, Singapore & Taiwan excluded.

**It's illegal in N.Y.** for music lovers to listen to headphone stereos with both ears while operating car or bicycle. One ear is okay, under bill signed into law by Gov. Mario Cuomo last week.

## 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>Activision</b>			
1983-qtr. to July 2	26,205,000	227,000	.01
1982-qtr. to July 2	30,556,000	4,351,000	.14
<b>Andrea Radio</b>			
1983-6 mo. to June 30	2,381,544	258,775	.51
1982-6 mo. to June 30	2,502,193	256,187	.50
1983-qtr. to June 30	1,122,658	107,829	.21
1982-qtr. to June 30	1,256,058	116,824	.23
<b>Bell &amp; Howell</b>			
1983-26 wk. to July 2	327,116,000	17,309,000	3.03a
1982-26 wk. to July 3	292,557,000	5,919,000	1.05b
1983-13 wk. to July 2	169,552,000	11,050,000	1.93a
1982-13 wk. to July 3	151,043,000	3,497,000	.62b
<b>A. H. Belo</b>			
1983-6 mo. to June 30	112,963,000	13,599,000	1.45
1982-6 mo. to June 30	95,216,000	9,110,000	.97
1983-qtr. to June 30	60,801,000	7,961,000	.85
1982-qtr. to June 30	51,973,000	6,379,000	.68
<b>John Blair</b>			
1983-6 mo. to June 30	189,087,000	8,864,000	1.13
1982-6 mo. to June 30	152,163,000	7,578,000	.99b
1983-qtr. to June 30	100,147,000	5,004,000	.64
1982-qtr. to June 30	77,319,000	4,177,000	.54b
<b>C-COR</b>			
1983-year to June 30	24,887,000	3,435,000	1.05
1982-year to June 30	24,434,000	3,346,000	1.12
1983-qtr. to June 30	4,087,000	609,000	.18
1982-qtr. to June 30	7,633,000	1,109,000	.38
<b>Cohu</b>			
1983-6 mo. to June 30	8,443,327	374,373	.22
1982-6 mo. to June 30	9,431,517	192,624	.11
1983-qtr. to June 30	4,434,163	206,758	.12
1982-qtr. to June 30	4,805,797	62,505	.04
<b>CTS</b>			
1983-26 wk. to July 3	142,785,000	5,232,000	.94c
1982-26 wk. to July 4	133,060,000	4,560,000	.88b
1983-13 wk. to July 3	78,645,000	2,461,000	.43c
1982-13 wk. to July 4	66,305,000	2,725,000	.53b
<b>Heritage Communications</b>			
1983-6 mo. to June 30	50,988,000	2,813,000	.28
1982-6 mo. to June 30	47,506,000	3,991,000	.44
1983-qtr. to June 30	27,750,000	2,258,000	.25
1982-qtr. to June 30	25,635,000	3,276,000	.39
<b>Kloss Video</b>			
1983-6 mo. to June 30	8,531,221	324,894	.19
1982-6 mo. to June 30	6,122,470	270,515	.16
1983-qtr. to June 30	4,324,876	206,615	.12
1982-qtr. to June 30	3,149,705	142,378	.08
<b>Koss</b>			
1983-year to June 30	21,594,638	(49,095)	--
1982-year to June 30	23,919,423	1,708,039	.43
1983-qtr. to June 30	4,312,017	(426,943)	--
1982-qtr. to June 30	4,004,789	(6,244)	--
<b>Lee Enterprises</b>			
1983-9 mo. to June 30	129,409,000	14,216,000	1.02
1982-9 mo. to June 30	120,338,000	13,133,000	.94d
1983-qtr. to June 30	44,747,000	5,655,000	.41
1982-qtr. to June 30	41,234,000	5,182,000	.37d
<b>LIN Bcstg.</b>			
1983-6 mo. to June 30	49,118,000	10,307,000	.47
1982-6 mo. to June 30	40,747,000	8,689,000	.40d
1983-qtr. to June 30	28,466,000	6,365,000	.29
1982-qtr. to June 30	23,342,000	5,606,000	.26d

Company & Period	Revenues	Net Earnings	Per Share
<b>Matsushita Electric<sup>e</sup></b>			
1983-6 mo. to May 20	7,754,700,000	339,400,000	2.17f
1982-6 mo. to May 20	7,347,800,000	323,300,000	2.08f
1983-qtr. to May 20	4,137,300,000	194,400,000	1.24f
1982-qtr. to May 20	3,871,100,000	179,600,000	1.15f
<b>Meredith</b>			
1983-year to June 30	447,755,000	33,289,000	10.67a
1982-year to June 30	449,143,000	26,924,000	8.57
1983-qtr. to June 30	108,471,000	10,766,000	3.45a
1982-qtr. to June 30	108,590,000	5,443,000	1.77
<b>Metromedia</b>			
1983-6 mo. to July 3	252,962,000	63,025,000	21.44a
1982-6 mo. to July 4	187,384,000	77,973,000	19.49a
1983-qtr. to July 3	131,433,000	53,674,000	18.04a
1982-qtr. to July 4	99,102,000	63,083,000	15.91
<b>Milton Bradley</b>			
1983-6 mo. to June 30	130,387,000	(4,316,000)	--
1982-6 mo. to June 30	140,648,000	5,380,000	.73a
1983-qtr. to June 30	66,004,000	(2,393,000)	--
1982-qtr. to June 30	68,396,000	2,020,000	.27a
<b>NEC<sup>e</sup></b>			
1983-year to March 31	5,990,000,000	137,100,000	--
1982-year to March 31	5,197,200,000	115,900,000	--
<b>New York Times</b>			
1983-6 mo. to June 30	542,487,000	43,141,000	3.33a
1982-6 mo. to June 30	461,950,000	33,918,000	2.70a
1983-qtr. to June 30	284,070,000	23,317,000	1.80a
1982-qtr. to June 30	237,590,000	14,947,000	1.19a
<b>Rogers Cablesystems<sup>9</sup></b>			
1983-9 mo. to May 31	263,999,000	(12,323,000)	--
1982-9 mo. to May 31	167,212,000	(2,217,000)	--
1983-qtr. to May 31	95,958,000	(4,488,000)	--
1982-qtr. to May 31	70,485,000	(2,913,000)	--
<b>Storer Communications</b>			
1983-6 mo. to June 30	217,681,000	(16,562,000)	--
1982-6 mo. to June 30	175,030,000	5,479,000	.34a
1983-qtr. to June 30	116,205,000	(5,550,000)	--
1982-qtr. to June 30	94,516,000	4,987,000	.30a
<b>Taft Bcstg.</b>			
1983-qtr. to June 30	107,632,000	6,720,000	.66
1982-qtr. to June 30	98,169,000	8,060,000	.76
<b>TDK<sup>e</sup></b>			
1983-26 wk. to May 31	670,193,000	47,147,000	.59f
1982-26 wk. to May 31	620,109,000	62,521,000	1.18f
<b>Tektronix</b>			
1983-year to May 28	1,191,380,000	48,714,000	2.57
1982-year to May 29	1,195,748,000	79,453,000	4.25
1983-12 wk. to May 28	284,704,000	8,396,000	.44
1982-12 wk. to May 29	319,096,000	20,797,000	1.11
<b>Texas Instruments</b>			
1983-6 mo. to June 30	2,273,800,000	(112,000,000)	--
1982-6 mo. to June 30	2,171,400,000	64,500,000	2.73
1983-qtr. to June 30	1,099,800,000	(119,200,000)	--
1982-qtr. to June 30	1,092,900,000	36,900,000	1.56
<b>Times Mirror</b>			
1983-6 mo. to July 3	1,183,457,000	72,535,000	2.11
1982-6 mo. to July 4	1,063,468,000	53,280,000	1.56a
1983-qtr. to July 3	616,133,000	43,137,000	1.25
1982-qtr. to July 4	541,128,000	33,098,000	.97a
<b>Viacom International</b>			
1983-6 mo. to June 30	163,162,000	8,985,000	.67
1982-6 mo. to June 30	133,373,000	11,070,000	.85b
1983-qtr. to June 30	84,186,000	4,788,000	.36
1982-qtr. to June 30	69,957,000	5,975,000	.46b

Notes: <sup>a</sup>Includes special credit. <sup>b</sup>Restated. <sup>c</sup>After special charge. <sup>d</sup>Adjusted. <sup>e</sup>At yen's current rate. <sup>f</sup>Per ADR. <sup>9</sup>In Canadian dollars.

CTS takeover plans by Dynamics Corp. of America have apparently been dropped. DCA told SEC it timed the CTS holdings to 8% interest from 22.2%



WEEKLY

# Television Digest®

with  
consumer  
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

AUGUST 8, 1983

VOL. 23, NO. 32

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast - Cable

**NO FCC SURPRISES ON FINANCIAL INTEREST** as agency removes restrictions on TV network program ownership in 'tentative' decision but prohibits them from direct domestic syndication. Protection of independents main goal. (P. 1)

**SATELLITE NEWS CHANNEL SQUEEZES ABC Video Enterprises** bottom line. Financial community skeptical about growing losses. (P. 4)

**'RACIST RADIO' SPOTLIGHTED** at House hearing on comparative renewal reform. Sluggish pace of legislative process causing worries. (P. 6)

**CITIES, CABLE INDUSTRY REJOICE** at Denver court decision rejecting Mountain States Legal Foundation standing to challenge franchising process. (P. 7)

**NPR'S BAILOUT FINALIZED** mins. before deadline. CPB to loan NPR \$8.5 million. NPR fund-raising effort raises more than \$2 million. (P. 7)

**DAWSON WANTS MORE TV DEREGULATION** than proposed by FCC, says agency should go beyond radio deregulation. Rivera responds. (P. 8)

**CABLE WINS INDECENCY BATTLE** as judge strikes down Miami ordinance. Mayor says appeal likely under 'mandate' from people. (P. 8)

**FCC MOVES TOWARD LETTING NETWORKS OWN PROGRAMS:** Ignoring strong opposition in House and growing sentiment in Senate against permitting networks to share in profits from domestic syndication of programming, FCC "tentatively" decided to do just that last week in action that surprised no one (Vol. 23:31 p1). In order seeking additional comments by Sept. 20, FCC proposes to let networks own 100% of off-network programming but they would be prohibited from syndicating such programming themselves, would have to sell those rights. Networks would be required to sell such rights within 6 months after series goes off network; in case of continuing series, network would have to sell syndication rights after program had been on air for 5 years.

Measures were taken to prevent network warehousing of programming, and in both cases FCC would have to be notified within month of sale of rights. If network couldn't get price it wanted, it would have to dispose of rights in some kind of public auction, according to William Johnson, deputy chief of Mass Media Bureau who presented case to FCC. If FCC finalizes its

### Consumer Electronics

**JAPAN SHIPPED RECORD 530,000 VCRs** to U.S. in June, putting 2nd quarter total at 1.36 million. Color & b&w set exports down. (P. 11)

**VHD'S FIRST 3 MONTHS** on Japan market — 38,000 players, 300,000 discs shipped. Year's total seen at 150,000 players, 700,000 discs. (P. 11)

**MATTEL REVIEWING** future of Aquarius computer, joins with TI in new round of layoffs. Electronic game feed market stagnant. (P. 12)

**VIDEODISC GAME DEMAND** creates shortage of industrial players, with Pioneer unable to meet demand. 6,500 backorders for one game. (P. 14)

**RCA CHICAGO BRANCH** replaces R&A in 3rd RCA distributor takeover this year. (P. 14)

**MILTON BRADLEY SUES ATARI** for \$43 million, charges Atari breached contract to buy its voice operated control for videogames. (P. 14)

**ZENTH HAD \$26 MILLION** rise in first half pre-tax net from consumer electronics, though segment's sales were down, prospectus says. (P. 15)

**WELLS-GARDNER RESULTS** depressed by arcade game slump. Webcor splits stock. Toys "R" Us reports boom in electronics sales. (P. 15)

decision this fall, as expected, Justice Dept. must relax terms of consent decrees with all 3 networks before they can return to off-network program ownership. However, that isn't expected to be major hurdle since FCC decision generally follows recommendation of DoJ comments. Networks & Justice have been negotiating changes in consent decrees for several weeks.

Generally speaking, ABC, CBS & NBC praised action but said FCC didn't go far enough — claiming that full repeal of all restrictions on networks is justified. Networks' opponent — Committee for Prudent Deregulation — rejected tentative decision as "totally unacceptable," called it "nothing more than repeal in sheep's clothing." And, repeal it will be by Aug. 4, 1990 unless future Commission reverses action. Tentative decision has sunset clause calling for removal of all restrictions on network syndication on that date, saying that by then restrictions can be repealed "without any danger to the independents. By then, the independent stations should be much stronger, the networks' audience share should be much lower and the expanding communications marketplace should make anticompetitive activities in the syndication market unlikely." Comr. Rivera dissented to sunset clause, Comr. Quello to calling it a "tentative" decision by Commission before it digests further comments.

Rep. Wirth (D-Colo.), chmn. of House Telecom Subcommittee and leader (along with Rep. Waxman [D-Cal.] of House move to stop any FCC changes in financial interest and syndication rules for 5 years [see below]), had this to say: "It is clear that, despite the growing potential of new technologies, network dominance [of program market] still prevails. Therefore, the motivation for the FCC's proposed decision makes no sense. The Commission should be finding ways to stimulate competition and a diversity of programming, not stifle it."

All 4 commissioners said major concern was to prevent possibility of network warehousing of programming and to protect interests of independent TV stations, as did Johnson, who said theory behind new rule is "to protect independent stations from the machinations of the networks." Herman Land, pres. of INTV, said he would wait until he had seen full text of order, expected to be released early this week, before commenting.

Johnson argued that there's no public interest rationale in transferring profits on syndicated programming from networks to program producers & suppliers. He said it would be "extremely difficult" for networks to warehouse programs but that FCC couldn't ignore the possibility — thus retention of rule prohibiting networks from direct syndication which would provide "desirable barrier" to warehousing. At briefing for reporters, Johnson said programming market was very competitive before rule was adopted in 1970, is very competitive today, and that rules have had no major impact on competitive situation. He stressed networks will have no control over syndication (including price charged, stations that carry it, time aired) of program in which it has ownership interest.

Quello said he's worried whether new rule will do "a good enough job" in protecting independents, thus dissented to calling it a "tentative" FCC decision. Quello has been major pusher at FCC of compromise in FCC rulemaking to repeal financial interest rules, issued by agency in June 1982. He and others insisted on further comments because Commission action last week bears little resemblance to what FCC sought comments on 13 months ago.

"I think this is an excellent compromise," said Comr. Dawson. She said steps were being taken to protect programmers and independent stations from anti-competitive practices and that Commission action will increase competition in program production. "The market is amply competitive now," she added. "The concerns I had have been met" about possible collusion by networks.

Rivera supported temporary decision except for sunset clause: "I find absolutely no basis in the record for this provision." He said it places "too much of a burden on independents based on pure speculation" about future. Dawson countered that "sunset is an excellent procedure tool" often used by Congress and that future Commissions could revisit situation before 1990. Chmn. Fowler — chief architect of compromise approved yesterday — agreed with Dawson, cited many new technologies expected to become major competitors with over-air TV by 1990. He also pointed out Commission will have discretion to revisit yesterday's tentative decision if things don't work out way today's Commission expects. On issue of additional comments, Fowler said "we are bending over backwards to provide due process."



ABC said FCC action is "constructive and welcome" but: "ABC believes that full repeal of both rules is justified." CBS Pres. Thomas Wyman: "We are of course disappointed that the FCC has not totally repealed the rules... But we believe the Commission has taken a judicious and well-considered action..." NBC: "We are naturally disappointed that... the FCC has failed to take a final action... It appears the FCC has proposed severe restrictions on the ability of the networks to participate in program syndication. We believe these restrictions are excessive and are based on nothing more than theoretical claims."

Despite an overwhelming margin of support in House Telecom Subcommittee for bill (HR-2250) to delay FCC action on financial interest & syndication rules for 5 years, opponents managed Aug. 3 to stall markup with series of parliamentary tactics, postponing final vote to when Congress returns from summer recess Sept. 12. Opponents were from both sides of aisle, said they were uneasy about moving bill on day before FCC was to act on same question, decided they would slow pace of markup with lengthy speeches and by offering pile of amendments. Tactics proved successful, forced panel into protracted debate over whether it should act at all on measure by Waxman & Wirth rather than focus on issues driving networks & studios in heated battle over rules. Critics charge legislative process is sham.

Only action Subcommittee managed were votes on 2 amendments that aimed to gut bill by shortening length of moratorium and reducing power Congress would have over FCC's action through complicated legislative veto process that would require both houses and White House to act; neither was accepted. Pending are 2 other amendments that Subcommittee staffers still expect will be offered when markup reconvenes. These include amendment by Rep. Tauke (R-Ia.) that is intended as compromise for dissenting members, also between networks & studios because it would postpone FCC action until after March 1, while setting Dec. 1 deadline for Congress to hold more hearings on issue before any legislation is written.

Tauke amendment is likely to die, as did GOP's 2 earlier attempts to stall congressional action on rules. Waxman's bill has 10 co-sponsors among members of Subcommittee while opponents, most of whom claimed during markup that they had taken no position on bill, were able to muster only 5 votes for motions to delay.

Bill's supporters suffered major defeat when clock ran out on markup, and vote on amendment by Waxman had to be postponed. Waxman was expected to offer proposal that would have significantly stiffened bill's language by declaring void any action that FCC might take before both houses have voted on HR-2250. Amendment was intended to make sure anything FCC did on Aug. 4 couldn't stick, but Subcommittee's failure to act on proposal increases chances FCC will beat Congress in rush to final judgment on rules.

Subcommittee is expected to eventually send bill to parent Committee, but Hollywood studios aren't out of woods yet, still must make case before the 42 members of full Energy & Commerce panel where bill has only 19 co-sponsors at present. Who does & doesn't support bill also is question. Bill has had up to 117 co-sponsors, picked up 13 co-sponsors on July 14 alone after visit to Washington by actor Larry Hagman. But 2 members recently dropped off bill — Reps. Schumer (D-N.Y.) & Bevill (D-Ala.) — putting latest count at 115.

Rush to act on bill prompted flurry of charges that Congress was usurping FCC's role, also that process had degenerated into sham. Charges were fueled by Subcommittee when it hastily arranged last-minute hearing Aug. 1 on rules, then quickly proceeded to markup Aug. 3, one day before FCC was slated to act. It was clear at Aug. 1 hearing that some Subcommittee members were uncomfortable with speedy action being demanded, including Rep. Swift (D-Wash.), who agreed with Rep. Rinaldo (R-N.J.) when latter decried push as "shotgun marriage" being foisted on members.

Little new was said at hearing, where, as before, testimony from networks & studios was sharply divided. Network officials repeated plea claiming that they need to own & syndicate shows in order to compete with new technologies, while bill's critics reiterated fears that greater network involvement would lead to their monopolization of program production & profits.

Only witness to speak directly to action FCC took later in week was Mel Blumenthal, exec. vp of MTM Enterprises. Blumenthal, who opposes outright repeal of rules, argued "Fowler Rule" was unacceptable to independent creative community. He claimed it would be unfair to allow networks to have a financial stake in independently produced programs, said: "The networks will simply extract the maximum permissible rights as the price of getting a show on the air."

**SNC LOSSES DRAIN ABC:** Satellite News Channel, 24-hour cable news co-venture of ABC Video Enterprises (AVE) and Group W Satellite Communications (GWSC), could be losing as much as \$30 million annually, sources say AVE Pres. Herbert Granath has admitted. Granath is said to have termed SNC's revenues "laughable" at private luncheon with security analysts in N.Y. last week.

Meeting was held to assure financial community of AVE's sound finances despite record 2nd quarter loss of \$14 million, bringing loss for 6 months to \$25.7 million. Year-old SNC, competitor to Ted Turner's Cable News Network, is "most serious drain" on ABC revenues, according to recent E.F. Hutton financial analysis. AVE was clearly blamed for lowered earning projections in Hutton report on ABC for 1983-85: "We have seen few signs that mounting losses are being addressed," Hutton concluded, adjusted its expectations for stock performance accordingly.

It's "unlikely" SNC will have reasonable return on investment in near future, report said. Hutton urged ABC "to reconsider its commitment to duplicative cable programming and instead deliver higher earnings to stockholders." SNC, Hutton claims, "should be considered a suitable candidate for the cable programming shakeout now underway." Path taken with Hearst/ABC Video Services basic cable channel Daytime in merger with Viacom's Cable Health Network was applauded in report. Granath told analysts that extension of equity interest to new partners in other video ventures, such as SNC, was possibility.

SNC's poor relationship with ad community has made its situation even more precarious. SNC lost friends during its launch because, according to sources in ad community, it offered ad agencies only 2 months in which to make up their minds about buying time, also set minimum number of clients agency had to bring. "They caused their own problems... Their sales philosophy was terrible," source said. Selling SNC is "slow, slow, very painful process," according to one SNC insider. "We're constantly missing our budget."

Hutton report was undoubtedly behind Granath's meeting with security analysts. Company, report notes, committed \$4 million to development under AVE in 1980, \$9 million in 1981, \$32 million in 1982, year SNC launched. Costs of new projects may reach \$50 million by end of this year, \$60 million next year, it predicted. "It was probably a good thing he did that," one analyst told us. "There were a lot of scare stories circulating around." Granath apparently did job well, leaving at least one analyst with belief that possibilities for AVE are "tremendously exciting."

Hutton report puts SNC losses at \$20 million this year, while sources tell us Granath indicated at meeting losses could be as high as \$30 million, not including cost of transponders. Hutton finds "noteworthy" that losses aren't from cost overruns, but from revenue shortfall. In fact, SNC costs are much lower than CNN's because ABC (with Group W) distributes news product via satellites to cable systems without billing SNC. Group W provides transponders free.

CNN is 4th largest cable service, according to NCTA statistics, is carried on 3,440 systems with 19.2 million subscribers. SNC ranks 19th, is carried on 700 systems with 6.5 million subscribers. Note: People we've asked say that editorially, too, CNN is superior. Said one Washington communications executive with ties to neither side: "CNN is overwhelmingly superior. No, you can't identify me. I don't want to give Ted Turner the satisfaction."

By comparison, financial condition at CNN, which itself had rocky start, appears rosy. Costs & revenues for CNN and sister Headline News are intertwined for Turner Bestg. System budgetary applications. In 1982, 2 news services spent \$70 million, took in \$52.5 million in ad & subscriber revenues. Projection for 1983 is that CNN & Headline News will spend \$85 million, take in \$70 million. Headline News continues to lose money but CNN is nearing break-even stage, TBS official said. Headline News recently passed 4 million subscriber mark, is growing at rate of more than 300,000 monthly, official added.



At TV Academy speech, Granath frankly admitted cable losses and subsequent search for partners, while asserting that none of AVE's ventures was close to demise. On other hand, he told group: "We're not wedded to any one thing that we fell in love with and have to stick with until we go broke."

Because SNC does have access to some ABC News product, many said they've been surprised SNC hasn't earned points by consistently beating CNN in breaking news. SNC was first to report death of Soviet leader Brezhnev, but CNN countered recently with live news conference from Moscow with successor Andropov. At SNC hq in Stamford, Conn., all incoming news feeds to ABC are monitored, but SNC is precluded from using any material in which ABC correspondent appears or has voice-over. It can and does use raw ABC News video.

AVE & GWSC spokesmen averred that parents remain committed to SNC, aren't troubled by losses. "We are on a long-term business plan and we're right where we thought we would be. We knew it would take several years to turn a profit," GWSC official said. "We're quite happy with the way the service has developed and we're looking forward to having a good 2nd year," AVE spokesman said. Said Granath: "There are no financial problems with SNC. The cost levels are below what we originally predicted."

Planned 2nd news service, SNC2, "has been postponed for the moment. We still plan to initiate SNC2," GWSC spokesman said. "We never really had a hard date to launch, but we were looking at late '83 or early '84," spokesman said. When will SNC2 launch? "Once the ad revenues start to come around with SNC, as prudent business people we will make a decision then," Group W said. Said Granath on SNC2: "The last thing cable needs now is another [all-news] channel."

SNC-CNN battle is often seen as personal struggle between 2 of industry's well-known entrepreneurs, Turner and Group W Pres. Daniel Ritchie. Bad blood between them began boiling when Turner filed antitrust suit against SNC & Group W, alleging they conspired to keep CNN off Group W cable systems, specifically in Manhattan (Daily, March 7). Ritchie struck back with countersuit against CNN (Daily, April 29). Turner was angered when NCTA tapped Ritchie to launch Cable Consortium for Information and refused to contribute to group, instead made donation to Cable TV Ad Bureau effort to woo advertisers. Squabble has even extended to softball: Turner recently ordered his Washington bureau not to play game with SNC staff.

Claiming FCC changed rules in midstream and then applied them retroactively, Comr. Rivera issued strong dissent to late June grant of interim operation on facilities of WHBI(FM) Newark to Global Bestg. Group. Rivera said grant should have gone to Newark Radio Bestrs. Assn. because it's 60% minority owned compared to Global's 33-1/3%. FCC majority (Comr. Dawson also dissented) favored Global because of past broadcast experience, which Commission said, normally would gain "little significance," but in interim operation it would be hard for owner to acquire "experienced, competent staff." Said Rivera: "This decision articulates a new policy which places a premium on broadcast experience... That it does so in the face of a persuasive reason to the contrary in the 1965 policy statement is bad enough; that it does so at the expense of the Commission's stated policy encouraging minority ownership is worse."

ABC and Harvard U. are sponsoring Sept. 30-Oct. 2 seminar on voter participation and election reforms. Former Presidents Ford & Carter will participate. Among subjects: Election night reporting, campaign coverage by media, simultaneous poll closings, 24-hour voting, equal time and televised debates. Highlights of seminar, "Voting for Democracy," will be used by ABC in 1984 TV documentary.

Rush to adjourn prompted Senate to put FCC's appropriation on back burner, delaying floor vote to Sept. at earliest. As approved by Senate Appropriations Committee July 28, bill (S-1721) would provide \$86.4 million to FCC in FY '84, \$6.5 million increase over current budget. Measure also contains \$59.5 million for FTC, \$4.1 million below FTC's current budget; \$12.7 million for NTIA, \$607,000 higher than agency's 1983 budget. NTIA's allocation includes \$3.1 million cut to \$11.9 million in federal spending for public telecommunications facilities, planning & construction. Final floor action on companion spending measure (HR-3222) also is awaited in House, won't come in either chamber until Congress reconvenes Sept. 12.

NCTA has hired Ron Nessen, former White House news secy., as its guide for safari into America's editorial hinterland. Nessen's firm, Marston & Rothenberg Public Affairs, has job of helping win House approval "of a uniform and equitable national cable TV policy." He and NCTA were mum on financial details (Nessen said costs "are still being worked out"), but both indicated term of contract is open-ended. Said Nessen: "It's for the duration... until the bill passes or fails." Nessen's job will be "to try to communicate with the press outside Washington," said NCTA Exec. Vp James Mooney.



**COMPARATIVE RENEWAL EXAMINED:** Question of how comparative renewal process might be changed or eliminated was focus last week of what may be final hearing by House Telecom Subcommittee before new legislation deregulating broadcast industry is drafted. Subcommittee squeezed in hearing Aug. 4 before Congress recessed, used as example controversial case of KTTL(FM) Dodge City, Kan. station accused of airing racial & religious hate programs. But with Congress out of town for next month, sluggish pace of work on broadcast deregulation is causing broadcasters to worry.

Hearing last week was supposed to give lawmakers chance to review options for reforming or replacing comparative renewal process, instead became what an observer called "kangaroo court" that was stacked against broadcasters because session highlighted "one aberration, admittedly a bad one, but an extreme and unusual case." As result, broadcasters are worried about tone hearing set for next few weeks of legislative work, and raised question about how genuine effort is to draft deregulation proposal.

Worries are outgrowth of statements made at hearing. Although panel is supposed to act on deregulation proposal by mid-Oct., it's apparently no longer clear what form that action will take. Panel Chmn. Wirth (D-Colo.) several times said he hoped Subcommittee would have legislation drafted by deadline, while Rep. Swift (D-Wash.), one of broadcast industry's key allies, indicated he thought markup of bill was to be completed by then. Difference of opinion has some at NAB concerned, apparently has prompted Assn. to press case on Capitol Hill while legislators are out of town.

Former FCC Chmn. Charles Ferris & Newton Minow were key witnesses at hearing, with both agreeing on importance of comparative license renewal process but differing on approach. Ferris flatly said that process should be retained while Minow suggested new system might be possible to devise as long as it's "sufficiently flexible" to deal with extreme cases without burdening broadcasters who stick to rules. Panel also heard from public interest groups and broadcasters, who made usual arguments for & against ending comparative renewal process, how far legislation should go, whether deregulation should include TV.

Only one of other witnesses directly addressed question of how Congress might reform or eliminate comparative renewal process: Everett Parker of United Church of Christ. Although Parker opposes deregulation, he came prepared with alternative proposal. Parker suggested one way deregulation might be accomplished would be to have indefinite license terms for all broadcasters and eliminate comparative renewal. FCC each year would instead review random sampling of stations to see whether they're providing programming in public interest. Performance test would be based on whether kinds of shows aired afford community opportunity for self expression, makes available information about matters of interest to area, and serves needs of non-profit and governmental organizations there.

Star attraction at hearing was Nellie Babbs, gen. mgr. & co-owner of KTTL. Babbs spent bulk of her time defending her broadcasts, came under attack from several legislators who branded her shows "racist" and "irresponsible." KTTL's opponents also were at hearing, aired tape station carried last year in which blacks, Jews and other minorities were defamed, said KTTL was example of why federal controls need to be continued.

Meanwhile, responses to Subcommittee's TV & radio survey, which members hope will help in drafting quantification standard for deregulation bill, are trickling in. Subcommittee aides say 15 questionnaires have been returned by TV stations and 15 radio surveys are in. Respective deadlines are Aug. 15 & 22.

FCC has abolished 10 more of what Chmn. Fowler calls "underbrush" rules & regulations, proposed to repeal 3 others dealing with horse racing. Commission said rules, doctrines and interpretive statements have grown over years and "these underbrush matters have the potential to impede the competitive functioning of the marketplace by stifling broadcasters' discretion in much the same manner in which small vines can choke a healthy tree." Rules & policies deleted dealt with alcoholic beverage advertising, astrology broadcasts & commercials, foreign language programs, broadcast of someone's name & telephone number when it's likely to lead to harassing calls, music format contracts with licensees, repetitious broadcast of a song, restrictions on presentations of off-network programs & feature films, call-in polls, private interest broadcasts by station to annoy & harass others, use of sirens and "other alarming sound effects" in commercials. Comr. Rivera objected to way order was drafted, said he would concur or dissent depending on what editorial changes are made. Chmn. Fowler said some of rules were "just plain dumb and never made any sense."

**Murdoch's NFL play:** Two American pro football teams played in London last week, game beamed by satellite to expanded European video network now including points in France & W. Germany. Satellite extravaganza was show of muscle by U.K.'s Satellite TV PLC, recently acquired by Australian Rupert Murdoch's News International. Move expands Satellite's frontiers to new territory in Europe, provides further pressure on U.K. govt. to allow Satellite to start serving points in U.K. Murdoch's channel moves Oct. 1 to new ECS-1, will expand to daily 5 hours of programming, mostly movies & sports.

FTC could rule on "unfair" advertising practices on case-by-case basis only, but be prohibited from making judgments on "unfairness" in general rulemaking proceedings affecting entire commercial ad industry, under action taken last week by Senate Commerce Committee. Amendment, which was offered by Sen. Gorton (R-Wash.) to appropriations bill, makes permanent temporary moratorium on FTC ad regulations instituted in 1980 but leaves untouched agency's authority over "deceptive" advertising.



**MOUNTAIN STATES LOSES:** Nation's cities and cable industry breathed sigh of relief — if only briefly — with word that Denver and franchisee Mile Hi Cablevision have won important first round of watershed legal battle with Mountain States Legal Foundation (MSLF), formerly headed by Interior Secy. James Watt. U.S. Dist. Court Judge James Carrigan dismissed MSLF's suit upon his finding that Foundation has no standing to bring case to court. MSLF has 30 days to file notice of appeal.

MSLF victory was feared by cities and cable industry because, if upheld, it would eliminate authority of cities to issue RFPs, specify programming & facilities and grant exclusive franchises. That would leave cities only capable of stipulating time, place & manner of construction by all comers. Without exclusive franchises, cable companies would be forced into direct competition for subscribers, with prospect of several systems operating in same city.

Franchise with Mile Hi, joint venture of Daniels and ATC, was granted in Feb. 1982, specified 220-channel system costing \$99.6 million. When MSLF filed suit in Oct. 1982, Bankers Trust withdrew its offer to finance project and Mile Hi was forced to renegotiate with city for smaller, less expensive system. In Feb., city agreed to scaled-down version, cutting capacity to 160 channels. Change saved Mile Hi \$22.1 million.

MSLF's claims of personal injury to citizens were too generalized to be supported, Carrigan ruled. He said that if exclusive franchise did harm citizens, all would be equally burdened. MSLF also claimed lack of competition from having only one franchisee would mean higher rates. But judge said Denver is free to grant other franchises if it chooses.

MSLF appeal is question of when, not if, several interested parties said. Many in municipal and cable circles were disappointed Carrigan didn't tackle heart of MSLF's First Amendment argument, ruled only on "sideshow" issue of standing. "This isn't a decision [to appeal] the [MSLF] lawyers can make. It probably will have to be a decision of the board," said Denver attorney familiar with case.

Proposals by 3 companies for cabling St. Louis will be subject of public hearings Aug. 8-9. Archway Cablevision has proposed 440-MHz system with 54 channels for \$14 monthly, 4 pay tiers; St. Louis City Communications has proposed 500-MHz system with 36-channel basic service for \$6.95 monthly, 54 channel expanded service for \$9.95; STL Cablevision is offering 450-MHz system with 41 channels for \$8.50. There are 250,000 homes in franchise area. RFP requires winning bidder to donate 20% of its stock to non-profit company whose 15 directors will be appointed by city govt., with proceeds going for local educational and cultural affairs. City expects to award franchise by end of year.

Sept. 30 is entry deadline for 1984 Ohio State Awards. Entries may include any TV or radio program which originally was aired between July 1, 1982 & June 30, 1983. Call Phyllis Madry at 614-422-0185.

**NPR SAVED AT WIRE:** Immediate fiscal crisis at NPR ended just before midnight deadline Aug. 2 when NPR, CPB and 3 public trustees signed documents finalizing bail-out loan agreements. NPR was given check for \$6.5 million of \$8.5 million CPB line of credit to pay creditors, meet next payroll and repay some of \$1 million loan from Riggs National Bank. IRS is owed about \$520,000, including late payment penalties & interest.

Now, NPR has to determine within 3 years how it will repay \$8.5 million loan, not including debt service, and maintain \$17.65 million 1984 budget as well as future budgets. Acting Chief Operating Officer Ronald Bornstein said he hoped for repayment within 2 years.

Legal detail bogged down rescue, which had soap opera qualities over last 2 weeks. CPB official said lawyers were "fighting over T's, I's and colons." Source said indemnification of trustees was stumbling point and agreement didn't come until CPB Chmn. Sharon Rockefeller and Rep. Wirth (D-Colo.) became involved. Trustees — Elliot Richardson, Henry Geller & Virginia Duncan — will hold title to NPR satellite equipment for 3 years and their actions are to be controlled through member stations. NPR retains management of system. Trustees each will receive \$10 a year and are insured against personal liability. CPB retains strengthened financial controls on NPR.

Before trust arrangement can move forward, public radio licensees must vote by Aug. 9 to direct trust to forgive \$600,000 NPR owes CPB from interconnection fees and May 20 payroll loan. Station majority also must direct that trustees commit \$1.6 million, which stations agreed to forego from their Community Service Grants, toward financial note to be used to pay for equipment.

Repayment received big boost through NPR's first national fund-raising effort which raised more than \$2 million in 3 days. More than \$740,000 goes to NPR. Friends of NPR, independent group which ran ads mid-June Sun. papers, said it will give NPR \$107,000 it raised.

Big 3 TV networks are being watched by fewer than 1/2 of homes served by 5 Qube systems, according to phone survey released by Warner Amex. Networks' average 49 share of prime-time Qube viewers drops as low as 41 in Houston, 43-44 in Cincinnati & Dallas, 55 in Pittsburgh, 62 in Columbus, system with only 30 channels. Contrast with non-Qube homes: Average U.S. network share is 75. Conducted June 6-12, survey was largest phone coincidental conducted by Nielsen Home Video Index, employing 30,000 calls.

Spring 1983 Journal of Bestg., published by Best. Education Assn., is devoted entirely to examining new telecommunications technologies. For copy, contact DeLores Birkenholz at NAB, 202-293-3510.

British Telecom ordered 20,000 cable converters from Texscan Instruments Ltd. Units are addressable, offer remote control, parental lockout, feature baseband descrambling.

**DAWSON WANTS MORE TV FREEDOM:** FCC didn't go far enough in its June 29 rulemaking to deregulate TV, according to Comr. Dawson in statement released month later. She said Commission should regulate only in programming areas required by statute, citing Sec. 312(a)(7) and Sec. 315 of Communications Act. Former requires "reasonable access" for candidates for federal office; latter mandates equal time and fairness.

In concurring statement, Comr. Rivera countered Dawson's argument, said that regulating only in areas required by law "would be a profound disservice on the TV viewers... and could only be perceived as reflecting gross indifference to our mandate to regulate 'for the benefit of the public, not for incumbent broadcasters.'" Rivera said "I emphatically disagree" with rulemaking's "suggestion that the TV industry is ripe for substantial deregulation." However, he said he didn't object to accepting comments because "the options outlined specifically include proposals that would improve, rather than eliminate, the existing regulatory structure."

Dawson said that decision doesn't have to be based on "competitive market" determination as in radio deregulation, that "most promising" alternate rationale for TV deregulation "seems to be a straightforward cost-benefit analysis. Quite simply, if the subject rules and policies do little or nothing to advance their various goals, then they would be likely candidates for elimination, especially where the costs to broadcasters are substantial." She said FCC also must consider "paperwork burdens" imposed on licensees and "such burdens as reduced editorial discretion and licensee flexibility," asked for comments on these issues.

Such an approach, Dawson said, would mean: (1) No ascertainment requirement. (2) No commercialization standards. (3) No requirement for certain kinds of programming (i.e. children's, public service) except for those required by Act. Dawson said that ascertainment and generalized programming requirements are burden to FCC, impinge broadcasters' First Amendment choices.

Expressing "great concern over current network trends which are reducing TV's effectiveness," AAAA has come out strongly against TV clutter. Pres. Leonard Matthews cited NBC & CBS plans to split 30-sec. announcements into ads for 2 separate products and plans of all 3 networks to increase commercial time this fall. AAAA said "trend toward greater clutter is a disservice to viewers."

Media General plans 23 SMATV systems next year in Fairfax County, Va. Equipment, purchased from Scientific-Atlanta for more than \$500,000, will be installed at housing complexes in advance of cabling.

NBC has launched search for more than 8,000 of its former pages & ushers for Golden Anniversary Celebration this fall in N.Y. Many current broadcast execs. and stars started as NBC pages. Contact NBC Guest Relations, 212-664-3055.

**CABLE WINS DECENCY BATTLE IN MIAMI:** Barely 6 months after it was put on books, Miami's ordinance banning "indecentcy" on cable was struck down last week by federal judge who ruled measure violates cable's right to due process and equal protection under law. Ruling by U.S. Dist. Court Judge William Hoeveler is blow to Mayor Maurice Ferre, who began push for cable pornography ban after he visited N.Y. and said he was offended by programming he saw on cable systems there.

"As of right now, we probably will appeal," Ferre said. "The city is under a mandate from the people to battle pornography." Ordinance created complaint board headed by city mgr. to which viewers could complain if they saw program they felt was indecent. Process called for city mgr. to review program, rule whether it was indecent. City mgr. had power to issue fines & sanctions, including suspension or permanent revocation of cable operator's license.

Ordinance didn't address alleged indecency in programming offered by STV, MDS or theaters, point judge made in finding measure violated equal protection guarantees. His 24-page order permanently enjoins city from enforcing ordinance.

Decision to transmit some or all of Turner Bestg. programming to U.K. and rest of Europe is expected by end of Aug. Owner Ted Turner has been negotiating with 5 European programmers to pipe programming overseas; negotiations have reached stage that one of these has emerged as top contender insider said. Deal is said to hinge on availability and cost of Intelsat transponder.

FCC's Field Operations Bureau has been reorganized, with Violations Div. incorporated as branch in Enforcement Div. Investigation Branch and Inspection Branch of Enforcement Div. will be combined into single Investigations & Inspections Branch. Regional Services Div. will be renamed Public Service Div. Staffing levels will remain same, FCC said.

Low-power pioneer John Boler, said to have started nation's first operating LPTV station in Bemidji, Minn., is making move toward full-power. His Ch. 26 was recently reallocated as full-power by FCC and Boler applied for authorization. There were no competing applicants and authorization has been granted.

FCC has awarded contract to International Transcription Services (4006 University Dr., Fairfax, Va.) for duplication of public records, effective Aug. 8, in shift from Downtown Copy Center. Minimum order fee is \$1.50; search fee is \$12 per hour; call 202-296-7322 in Washington, 717-337-1433 in Gettysburg, Pa.

Multichannel MDS timetable: Deadline for filing applications is Sept. 9, FCC said, but applications will be received after Sept. 2. All applications filed during that window will be treated as if they were filed Sept. 9, Commission said. Amendments won't be accepted until applications appear on public notice.





# 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

## Personals

Elected senior vps, Taft Bestg.: Donald Urban, personnel & administration; John Chapman, corporate affairs; Gregory Thomas, controller; William Baumann, planning & development... Janet Bailey, ex-McKinsey & Co., appointed asst. vp-customer operations, Times Mirror Cable, new post... Mitchell Nedick, ex-NBC-TV, named dir.-finance & administration, KTLA L.A.... Joseph Dolinski promoted to mgr.-Winegard Cable TV Div., Colmar, Pa. office... Paul Charron, ex-Tri Tech Electronics, appointed western sales mgr., Seeq Technology, new post... Rafael Guadalupe appointed dir.-sales & programming, Reeltime Distributing... Lionel Mathieu, ex-NBS Video, named exec. vp-sales, Pleasure Channel.

James Burnette promoted to vp-sports sales, NBC TV Network... Jackie Comeau, ex-WBZ-TV Boston, moves to WNEV-TV Boston as research dir... Candace Greene, onetime NAB, joins Washington office of PR firm Burson-Marsteller as account exec. on telecommunications... Richard Ducey, ex-Mich. State U., appointed dir.-audience research & technology planning, NAB, succeeding Russell McKennan, resigned... Bruce Wolpe, ex-NPR, joins Washington lobbying & consulting firm of Wexler, Reynolds, Harrison & Schule Aug. 8.

Ex-FCC Comr. Stephen Sharp has joined Washington office of Skadden, Arps, Slate, Meagher & Flom (919 19th St. NW, 20006, 202-463-8700); Sharp also has been appointed chmn. of FCC-sponsored Industry Advisory Committee on Technical Standards for Direct Best. Satellite Service... Richard Kirschner promoted to dir.-dramatic program development, CBS Entertainment; Peter Sterne to dir.-mini-series; Linda Merinoff named mgr.-prime time program practices, Hollywood, CBS Best. Group.

Sanford Ackerman joins John Blair & Co. as vp-finance & administration, Blair TV & Radio; Marc McKinney promoted to vp, Blair TV, L.A.... Steve Sarafian advanced to product mgr., 1" videotape products, Sony Best. Products... Richard McLoughlin, ex-WCBS-TV N.Y., named ad sales mgr., eastern region, Weather Channel... Zora Kramer promoted to asst. dir.-minority enterprises, FCC, succeeding Paulette Laden, an attorney who returns to Hearing Div. of Mass Media Bureau.

Altus Wilder joins Satellite Syndicated Systems as exec. vp-chief financial officer... Kevin McWhinney, ex-Antennas for Communications, named sales dir., Comsearch... Martin Cooper, ex-Academy of Motion Picture Arts & Sciences, and Philip Kriegler, ex-ABC, form Cooper-Kriegler Co., mktg.-communications firm, 16250 Ventura Blvd., Suite 335, Encino, Cal. 91436, 213-783-8250... Juanin Reid, ex-SIN TV Network, appointed vp-dir., programming & mktg., Galavision... William Silva, ex-FCC Mass Media Bureau, joins Washington law firm Bilger & Blair... Elizabeth Sachs, ex-Motorola, becomes associated with Washington law firm Dempsey & Koplovitz... Robert vom Eigen joins Washington firm Hamel, Park, McCabe & Saunders as partner; Basil Cole joins as counsel.

Rupert Murdoch & Ted Turner had lunch together in Washington last week to discuss possibility of Turner providing programming for Murdoch's new DBS venture... Dan Olson, ex-Oak Communications, appointed New England dist. sales mgr., Tocom; Matthew Aden, also ex-Oak, joins as mountain states sales mgr.

## Obituary

Frank Kear, 79, telecommunications engineering consultant and co-founder of Washington firm Kear & Kennedy, died July 22 in Sunnyvale Cal. of Alzheimer's disease. Graduate of MIT, he joined Bureau of Standards in 1928, founded Kear & Kennedy with late Robert Kennedy after World War II, during which he was chief of radio section of Bureau of Aeronautics in Navy Dept. Kear retired in 1972, moved to Cal. in 1978. Survivors include wife, 3 sons, daughter.

Multimedia Sports Productions is new company formed by Multimedia to produce & transmit programming for recently announced pay-cable sports channel Sports Time, venture of Multimedia, Anheuser-Busch and TCI. WLWT Cincinnati Program Dir. William Spiegel has been named gen. mgr. of Multimedia Sports, which will be div. of Multimedia Entertainment, with hq in Cincinnati. Multimedia Sports said it will produce 350-400 live games annually, employ about 30.

NAB will host broadcast investment seminar Sept. 8-9, Century Plaza Hotel, L.A., designed "to provide expert advice for broadcasters and others interested in purchasing or expanding ownership of broadcast properties." Registration is \$195 for members, \$300 for nonmembers. Contact Ron Irion (202-293-3532) or Dwight Ellis (202-293-3584) at NAB.

TCI is buying Buffalo, N.Y. cable system CableScope from Cowles Media for undisclosed price. Cowles paid \$22 million in 1979 for CableScope and Buffalo Courier-Express. It was only cable system Cowles owned, was sold because publisher couldn't operate with economy of scale, spokesman said.

Fla. Publishing Co. has closed cable-text operation after 3 years of operation, citing lack of ad revenue. Publisher of (Jacksonville) Fla. Times-Union & Jacksonville Journal said some display ads had been sold "on very, very rare occasions" on channel it leased from Jacksonville's Area Cablevision.

David Markey has been confirmed by Senate on voice vote as asst. secy. of Commerce for communications & information. He will double as dir. of NTIA. Attorney Markey spent 6 years as NAB lobbyist, was aide to Sen. Murkowski (R-Alaska) and FCC Chmn. Fowler.

NAB has asked FCC to repeal regional concentration rule which prohibits ownership of more than 2 stations within 100 miles. NAB called rule "an anachronism of overregulation in an era of deregulation," said it "splits hairs at contour lines."



# ● Consumer Electronics®

A Section of Television Digest with Consumer Electronics

## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended July 22 (29th week of 1983):

	JULY 16-22	1982 WEEK	% CHANGE	JULY 9-15	29 WEEKS 1983	29 WEEKS 1982	% CHANGE
TOTAL TV#.....	333,787	378,072	-11.7	326,641	9,640,028*	8,727,883	+10.5
COLOR#.....	230,837	245,901*	- 6.1	213,132*	6,726,378*	5,779,728	+16.4
MONOCHROME....	102,950	132,171	-22.1	113,609	2,913,650	2,948,155	- 1.2
PROJECTION TV...	2,461	1,774	+38.2	2,361	62,705*	44,161	+42.0
HOME VCR.....	87,269*	41,550	+110.0	70,601*	1,795,247*	836,589	+114.6
COLOR CAMERAS...	7,643*	7,151	+ 6.9	6,989*	184,080*	152,887	+20.4

Color TV 5-week moving average: 1983--248,895\*; 1982--217,521 (up 14.4%).

Home VCR 5-week moving average: 1983--78,191\*\*; 1982--33,398 (up 134.1%).

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

**JAPAN SHATTERS VCR EXPORT RECORD:** Japanese topped off torrid VCR export quarter by really pouring it on in June, though surge failed to rub off on TV, and declining prices severely trimmed size of dollar bonanza reaped, Finance Ministry figures show.

In June, Japanese exporters shipped new monthly record 530,300 VCRs to U.S., triple total of same month last year. Addition of 400,000-plus months back-to-back in April-May brings 2nd quarter to 1.36 million, up 147.4%, and first half to 2.06 million, up 82.6%.

In TV, month's total imports fell 23.1% to 98,900, as color slipped 6.8% to 80,200, b&w fell 56.2% to 18,600. That put total for half at 543,900, down 28.3%, color down 21.5% to 426,800, b&w down 45.4% to 117,100. Quarter was slightly better than Jan.-March for color TV, with shipments down 13.8% to 248,700, but worse for b&w where exports dropped 52.7% to 57,500. Quarter's total TV exports of 306,200 were off 25.4%.

Improvement in color came in chassis & kit shipments, which were up 32% for month to 35,800, up 21.1% for quarter to 118,400, ended half at 208,300, up 22.6%. In complete color, shipments were down 24.6% in June to 44,400, down 31.8% on quarter to 130,300, and at 218,400 for half were off 41.6%.

On constant dollar basis, Japanese revenues from VCRs rose only 33.7% in first half to \$698.9 million, while TV shipments were valued at \$88.4 million, down 42%. B&w led TV value decline, dropping 48% to \$10.4 million, while color fell 41.1% to just over \$78 million. In color, revenue from complete set exports was down 51.1% to \$53.6 million, and chassis & kits posted 7% rise to \$24.4 million.

Falling prices held Japan's dollar income total down. Indicated average VCR export value in first half was just \$343.80, sharp 25.7% drop from \$462.57 in same 1982 period. In TV, color set average fell 16.3% to \$245.46 from \$293.23, color chassis average declined 12.7% to \$117.14 from \$134.20 and b&w average was off 4.9% to \$88.66 from \$93.20. However, yen has appreciated about 6% against dollar over last year, so average dollar price for VCRs, for example, was off only 21.3% from \$437.18 actually paid last year.

**VHD—THE FIRST 3 MONTHS:** Some 38,000 VHD videodisc players bearing 8 brand names and 300,000 discs with 150 titles have been shipped to dealers during first 3 months of marketing in Japan. By year's end, total is targeted to rise to 150,000 players under 9 brands, 700,000 discs, 350 titles.

Data from JVC on first results of VHD marketing, obtained by Television Digest, indicate company expects shipments of videodisc players in both LV & VHD formats to total 200,000 for year (including 50,000 LV players by Pioneer) and is projecting 150-200% increase in 1984 to 300,000-400,000. Pioneer LV players went on sale in Japan in Oct. 1981, and total sales since then are estimated at 100,000 units. VHD system made market debut April 21 this year.

VHD player shipments totaled 15,000-20,000 for introductory month, 8,000 in June, estimated 10,000 in July, are scheduled at 10,000 monthly rest of year. Starting with 100,000 discs (about 200 titles), JVC has been shipping 100,000 monthly, plans to continue at that rate through 1983. In June, titles were increased to 250, and schedule calls for availability of 400 by end of first year next April. JVC currently is only source of discs, has capacity of 300,000 monthly.

When sales started in April there were machines under 6 brandnames in 7,000 retail outlets. There currently are 8 brands (Yamaha, soon to be launched, will be 9th) in 10,000 stores. By year's end, JVC expects 15,000-20,000 outlets to sell players. Software sales started in 100 specialty stores, since increased to 150. However, Japanese presumably learned same lesson as U.S. videodisc industry and last month discs also started going to hardware dealers.

Survey of player owners found that 70% were in their 20s & 30s (38% in 20s, 32% in 30s). Major reasons for buying VHD players, according to JVC survey, in order of frequency of mention: Multiplicity of functions and versatility, price, picture quality, design, ease of operation.

Sales averaged 5-6 discs per player during first 2 months, running as high as 10. Through end of June, most popular disc category was music, comprising 32% of sales, followed by movies 30%, karaoke (sing-along) 16%, culture & how-to 12%, sports 5%, entertainment 3%, education 2%. Best-selling disc was Karaoke Golden 20, capitalizing on sing-along craze which is sweeping Japan, where there are 7 million karaoke audio machines (with microphones) in bars & homes.

Movies include about score each of American & French films, smattering of Russian, rest Japanese. U.S. films are from Paramount and Universal through their joint distribution venture CIC — but JVC expects more U.S. majors to contribute by year's end. Best-selling movies are both American — Jaws and Shane.

VHD group launched major ad & promotion campaign July 21, 3-month anniversary of launch, with double-truck newspaper ads featuring machines of 8 companies and displaying 164 album covers. Machines generally are priced at around \$615 including wireless remote with random access and are sold by JVC, Matsushita, Toshiba, NEC, General, Sharp, Mitsubishi and Sanyo. Players without random access are about \$540. JVC still has no plans to bring VHD to U.S. or Europe, says it will study Japanese experience before deciding.

In U.S., meanwhile, Laservision system is enjoying lift as result of orders for arcade videodisc games. Pioneer has been unable to meet demand for MPU-equipped industrial players required by the games (details elsewhere in this issue). Pioneer adds that sales of its consumer version have recently enjoyed big lift, and North American Philips reports steadily increasing consumer sales of players along with growing commercial & industrial orders for its home unit.

There's speculation that home disc player sales could benefit from popularity of arcade games, and based on history of videogames it seems inevitable that home games geared to videodiscs will become available. N.V. Philips' consumer electronics chief Cor van der Klugt commented on trend, noting increasing commercial use, interest by videogame companies.

North American Philips will continue to offer Pioneer-made player through 1984, we understand, even though N.V. Philips plans new lower-cost and multi-featured units in Europe next year. Philips machine probably will be integrated into NAP lines in 1985.

**AGE OF AQUARIUS IN DOUBT:** Mattel has officially confirmed persistent reports that future of its stand-alone Aquarius home computer system is uncertain. Statement that company was assessing its commitment to computer business came with announcements of additional layoffs at Mattel Electronics and at Texas Instruments' home computer operation, bringing total in game-computer industry to at least 2,800 in one month.



Mattel, continuing to trim overhead to reduce costs, said 400 white collar workers were being dismissed at Hawthorne, Cal. hq, or 37% of salaried staff at Electronics Div. As for Aquarius, company said it will continue marketing effort while it reviews degree of support it will give product "over the long term." Mattel said it expects to continue backing Intellivision videogame system, and that it retains objective of developing new video-related hardware and software products.

TI said it was dismissing 385 temporary production workers at Abilene, Tex. home computer peripheral manufacturing plant. Cuts are in addition to those at Lubbock & Abilene last July, reduces computer workforce to about 2,400. TI said layoffs stemmed from lower than expected demand for its computer. Since start of 2nd half, some 2,800 jobs have been lost in U.S. computer-game industry, including 1,140 at TI, 1,000 at Atari, 660 at Mattel. Market conditions are forcing cutbacks among personal business computer makers as well. Osborne trimmed 290 from payroll last week, laying off 203 at main Hayward, Cal. plant, trimming force there to 523, discharging 89 of 101 employees at Monmouth Junction, N.J. plant, being turned into distribution center. Company said that while business "looks pretty healthy," staff reduction was needed to keep costs down.

Things are expected to get tougher, not easier, in home computer market, as IBM, widely expected to introduce Peanut computer at about \$700 next month, takes spotlight. In keeping with tradition, IBM is saying nothing in public, but reportedly has alerted key retailers that shipments are coming. Fueling speculation is IBM's creation last week of new Entry Systems Div. ESD will have full responsibility for development, manufacturing & marketing of all high-volume computer systems as well as office automation equipment. IBM, because of its requirement for Peanut peripherals, is considered best bet as company that placed order for \$310 million of small floppy disc drives with specialty manufacturer Tandon. Tandon, which announced receipt of big order, said it had already started production, and that delivery schedule ran through 1984. Order should go long way to help Tandon achieve goal of doubling production next year to 4 million drives. Company's drives sell to OEMs from \$50 to \$1,000, depending on capability. Tandon declined to identify customer.

Another segment of industry that has essentially gone nowhere yet is electronic home delivery of game & computer programs. Playcable, General Instrument-Mattel venture to feed Intellivision games via CATV, is still in red after 3 full years of operation, and partners are now looking at possible non-game applications. Vp-Acting Gen. Mgr. Paul Hilt told us penetration is less than 5% in each of the 20 systems where Playcable is available, mostly in Northeast. He said "it's not up to the level we'd like it to be at," acknowledged lack of profitability.

GI and Mattel still see PC as cornerstone for more complex home data delivery service, though "we haven't been a smashing success in games," Hilt said. Latest wave of game-computer price cuts, that have lowered actual consumer cost of Intellivision to \$50 after \$50 factory rebate, could prove advantageous to PC, Hilt said. He pointed out consumer must buy Intellivision console before getting service which feeds selection of 20 games monthly for \$8-\$13 fee. Rising unit sales stemming from reduced console prices should increase PC potential subscriber universe, Hilt believes.

Gameline, planned phone-fed service for owners of Atari 2600 videogames, has missed scheduled July startup, though operator Control Video Corp. is still working on it. Last week, CVC executives were unavailable for comment on exact status. Also still pending is startup by Games Network, proponent of cable-fed computer game service. GN supposedly had deal to buy home terminals from Pioneer Communications, but at last word was working out contract with different supplier. Pioneer Communications is professional equipment arm of Japan's Pioneer Electronics and makes 2-way Qube cable system for Warner Amex.

RCA Space Phone? Zenith's successful system for phone dialing through TV remote control unit may be emulated by RCA Consumer Electronics, which recently got patent for device to permit phone calling and control of lights & appliances via TV's hand-held unit. Unlike Zenith's Space Phone, RCA's device contains telephone handset as well as remote dialer. RCA is quoted as saying it's continuing research on system, hasn't started manufacture.

Shift to N.Y.C. for Summer Consumer Electronics Show is off until 1986 at earliest. Revamped management of new convention center being built on Manhattan's West Side approved plan for replacement of possibly defective ball joints used to hold building's tubular framework. Though decision clears way for early construction restart, completion date has been moved to summer 1985, about 2 years behind schedule, and too late for CES that year.

**DISC GAME SHORTAGE:** Overnight success of Dragon's Lair arcade videodisc game has caught Pioneer Video (PV) with its industrial player inventory down in middle of model changeover. Company, sole supplier of unit, can provide only fraction of number of MPU-equipped machines that game manufacturer Cinematronics wants to install nationwide (Vol. 4:29 p1).

Cinematronics Mktg. Dir. Thomas Campbell told us he could ship 200-400 daily, expected to deliver 500 a week, instead has to be satisfied with 50-60% of that number. "We have no control over the situation," Campbell said. "It's a long, slow grind. [Pioneer] doesn't really know enough about the coin-op business." Cinematronics has fallen 600 units behind since July 1, has about 2,000 Dragon's Lairs installed, 6,500 on backorder.

Ironically, shortage comes just when Cinematronics has upgraded own estimates. Campbell, who had expected to deliver 5,000, now says he's sure there's market for 20,000-30,000 units, claims no signs of revenue falloff even where machines have been in place for 8 weeks. They're said to be generating as much as \$1,000 daily. Company will demonstrate 2nd game at Oct. coin-op convention in New Orleans, but won't introduce it until Dragon's Lair begins to peter out.

PV, meanwhile, is treading water until replacements are ready — 60 days, according to Campbell. PV got caught between phaseout of one model, startup of 2nd, has to rely on cancellations of previous orders to fill gap. Industrial Sales Vp Ronald Butler will announce date of availability, approximate pricing, within next 2 months.

PV has industrial unit in stock, but it lacks microprocessor function, thus can't be used for games. Cost is about \$800, vs. \$2,000-\$2,475 for MPU unit. PV also is replicating Dragon's Lair discs, presumably will have first crack at next 3 that developer Advanced Microcomputer Systems has in works.

**K-Tel International** is very much in running in videogames, says Exec. Vp Mickey Elfenbein in denying our report last week that it was dropping out. Company is now producing game cartridges under Xonox brand, with all product shown at CES being released and schedule broadened. Xonox features "Double Ender" games — 2 to a cartridge — for Atari 2600, Commodore VIC-20 & 64, Colecovision and others, distributes in U.S., Canada, Australia & Europe, according to Elfenbein, and will begin spot & cable TV ad campaign this fall.

Electronics is closing in on textiles as Taiwan's leading export industry. Taiwan reported electronics exports rose 9.1% in first half to \$2.1 billion, while overseas shipments of textiles slipped 2% to \$2.13 billion.

Radio Shack will add 21 new telephone centers, bringing total to 25. Retailer said 11 will sell phone equipment only, while others will go into existing computer stores.

**RCA ADDS CHICAGO BRANCH:** RCA factory branch distribution has been reinstituted in Chicago, company buying R&A Distributing from Chmn. Ross Siragusa and Pres. Alfred Medica. New RCA Distributing Corp. Chicago branch is headed by Joseph Clayton, former TV sales mgr. at N.Y. branch, with Douglas Davis, ex-Detroit branch, as operations mgr.

In joint statement, RCA and R&A said agreement was amicable and designed to provide better service in "extremely competitive" Chicago area. They noted that RCA sales in area had "nearly tripled" in 6 years of R&A's distributorship. RCA had factory branch in Chicago before formation of R&A. It's area where all other major manufacturers own their distributorships.

Siragusa was founder, chmn. & pres. of Admiral Corp.; Medica was Admiral vp before serving in variety of capacities with Zenith. Medica said he & Siragusa are exploring new projects.

RCA now has 7 factory branches, in recent months having taken over distribution in N.Y., Denver & San Antonio. Its other branches are in Detroit, L.A. & San Francisco.

**MB SUES ATARI:** Atari is defendant in yet another videogame industry law suit. But this one is different in that plaintiff Milton Bradley is charging breach of contract rather than patent or copyright infringement.

Action comes in wake of Atari's alleged cancellation of agreement under which it was to buy voice-recognition control adaptors for its 2600 & 5200 videogames from MB. In statement accompanying 2nd quarter financial results, MB said loss of Atari business would contribute to unexpected decline in earnings for year (Vol. 23:31 p15). It also noted that schedule for delivery of similar computer adaptors to TI had been pushed back from Aug. to some time in 4th quarter.

In \$43 million suit filed in Springfield, Mass. federal court, MB says Atari effectively terminated agreement by not promptly placing orders for adaptors. MB claims it agreed to supply Atari with up to 500,000 adaptors at \$46-\$48 each, and that Atari gave, then retracted, verbal go-ahead to build 128,000 for Oct. delivery. As result, MB said it lost "window of opportunity" to bring adaptors to market, either through Atari or some other game maker.

DuPont consolidated its electronics laminates & coatings operations into existing Photosystems & Electronic Products Dept., which is responsible for most of its electronics related business. DuPont said its electronics materials units had worldwide sales of \$750 million last year, and total is expected to more than double over next 5 years.

Far East schedule of trade shows starts 2 weeks earlier than last year, and timing overlaps will make complete tour difficult. Rundown: Japan Electronics Show, Oct. 6-11, Osaka; Korea Electronics Show, Oct. 11-17, Seoul; Taiwan Electronics Show, Oct. 10-16, Taipei; Hong Kong Consumer Electronics Show, Oct. 15-17.



**ZENITH SALES DETAILED:** Cost-cutting and production efficiency boosted Zenith's pre-tax profitability from consumer electronics by \$26 million in first half. Rise accounted for just over 50% of company's total \$50 million improvement, according to prospectus covering terms for redemption of \$50 million convertible debenture issue it floated in 1980. As reported last month, Zenith had \$20 million net profit in first half, against \$6.5 million loss in same 1982 period, on 7.5% revenue rise to \$657.2 million (Vol. 23:30 p12).

Prospectus shows Zenith's total consumer electronics sales were down by \$28 million, or 6%, in first half to \$440 million from \$468 million, and that operating profit from sales was down by \$17 million because of lower prices. Discontinuation of videodisc and audio products this year was contributing factor to overall consumer product sales decline. However, report says, earnings drop was more than offset by combination of \$3 million gain from reduced payroll & materials costs, \$30 million stemming from design & manufacturing efficiencies and \$10 million from improved volume. Profit from non-consumer operations rose by \$20 million. Profit assists also came from \$4 million reduction in interest expense and end to property writeoffs which cut earnings by \$4 million in first half last year.

Non-consumer segments provided bulk of first half revenue gain, with CATV equipment and components setting pace. Prospectus says sales of computer products were up 12.2% to \$55 million from \$49 million, all increase attributed to wholesale distribution. Figures indicate that sales of subsidiary Heath slipped 3.7% to \$26 million from \$27 million, which, prospectus notes, stemmed from discontinuation of catalog and retail store operations in Europe.

Here's rundown on Zenith's first half sales by product segment (add \$000):

Product	1983	1982	% chg.
Color TV.....	\$375	\$360	+ 4.2
B&w TV & VCR*.....	65	108	-39.8
CATV equipment.....	84	35	+140.0
Computers & Heath...	81	76	+ 6.6
Components.....	52	32	+62.5

\*Includes videodisc & audio sales in 1982

Under terms of Zenith's debt issue recall, holders will be paid \$1,114, including accrued interest, for each \$1,000 debenture. As alternative, they can be converted to 49.08 Zenith shares which had market value of \$1,368 when redemption was announced.

\* \* \* \*

North American Philips plans to call special meeting in Oct. to seek holder approval to double authorized common to 60 million shares, creating new preferred issue. NAP said it had no specific plan for additional shares, but that board feels they should be available should need arise.

Matsushita will boost VCR production to 6 million annual rate some time next year, expects to turn out about 5 million in 1983.

**W-G RESULTS DOWN:** Wells-Gardner reported steep declines in sales & earnings for quarter and first half, attributed results to continued slump in arcade videogame business (see financial table). Company, which produces game monitors, said that introduction of popular videodisc-based arcade games could lead to some market improvement in 4th quarter.

W-G said that first half revenue from assembling color TVs for Teknika was up 45%, while sales of data display monitors jumped 276%. Data product growth is expected to accelerate in 2nd half, W-G said.

Webcor posted 159.1% earnings rise as sales more than doubled in opening fiscal quarter to June 30. Company declared 3-for-2 stock split, said holders approved fourfold jump to 20 million in number of authorized common shares.

Toys "R" Us said home computers set pace for 48.8% rise in electronic product sales to about \$30 million in 2nd quarter, while its total sales were up 27% to \$213.7 million. Retailer said electronics accounted for 14% of its business in quarter, up from 12% in same period last year.

**SAMSUNG'S PLANT PLANS:** Samsung has tentatively zeroed in on site near Spartanburg, S.C. for \$13 million U.S. color TV and microwave oven assembly plant it plans to construct next year, according to sources in Korea.

But while construction contracts calling for completion of facility next April are ready for signing, there's outside chance Korean company will locate plant in N.J., closer to its U.S. hq in Secaucus. Final decision, it's understood, will hinge on investment incentives offered by those competing states.

That company had U.S. assembly operation in mind was first disclosed by Samsung America Pres. Yong-Suk Lee at International Trade Commission's preliminary TV dumping injury hearing last May (Vol. 23L22 p10). Lee told ITC that company hoped to be in construction phase this Sept., start TV output by June, turn out 100,000 color sets next year. Lee said schedule called for output rise to 290,000 in 1985, 320,000 in 1986 and 350,000 in 1987, by which time, he said, facility "will supply a large proportion of our total U.S. sales." Plant also will have long-term capacity to produce 260,000 MW ovens annually.

**Ad notes:** Commodore drops Ally & Gargano from home computer account, is expected to name Kornhauser & Calene as new agency... RCA/Columbia Pictures names Saatchi & Saatchi to handle \$7.5 million U.K. launch campaign for CED videodisc system... Sega Enterprises appoints Bailey & Assoc., replacing Della Femina, Travisano & Partners.

**Addition of TV antennas** to list of articles which can be imported duty-free from less developed countries has been requested by Malaysia. Normal duty is 5%. Malaysia accounts for about 10% of U.S. antenna imports, and Customs import figures showing average value of just \$1.80 indicate that products being shipped are collapsible rods for portables.

**ABA'S COPYRIGHT HEDGE:** Copyright arm of American Bar Assn. sided with movie & record companies during annual meeting in Atlanta last week, voted 2-1 in favor of legislation to repeal first-sale doctrine, give copyright holders right to demand share of retailer rental revenues. But it decided 61-53 to table taking position on legislation for home taping royalties.

EIA Consumer Electronics Group called postponement major victory, said CEG managed to convince ABA to hold off despite prevalence of music & movie industry attorneys. If ABA had voted in favor, its representatives would have testified before Congress, as presumably they will for Fair Marketing Amendment. Main support for FMA came from Disney chief counsel Peter Nolan, who heads ABA copyright section. Nolan quoted numbers introduced at Senate Copyright Subcommittee hearing in spring purporting to prove that because of unregulated rentals, video specialty store population has declined from 16,000 to 7,000. Studios, however, have never shown source of statistics. "Nolan hurt us," said EIA.

Meanwhile, Congress recessed without taking action on video legislation. Impetus seems to have passed to House Copyright Subcommittee, now scheduled to hold first-sale hearing Oct. 27, 2 weeks after considering similar record bill already passed by Senate. Senate Copyright Subcommittee is no closer to making up its mind.

MPAA still plans to release NPD-Battelle study on VCR usage this fall, thinks Congress would be "derelict to wait" for U.S. Supreme Court's Betamax decision, according to Vp Alan Cooper. Cooper said MPAA results are akin to those of Nielsen 4-week diary (Vol. 4:21 p2), which noted that 20% of VCR owners who taped off air didn't play back programs within 3 weeks of broadcast — "and probably never would," said Nielsen executive. Diary & MPAA also found high level of commercial deletion. MPAA report also is expected to show that consumers are using rental tapes to make VCR-to-VCR copies. Assn. will use those points to support royalty compensation.

In yet another copyright dispute, Erie, Pa. retailer Maxwell's Video plans to appeal federal court ruling that charging consumers to watch videocassettes in private in-store rooms is copyright infringement. Court held business constitutes public showing, violating home use only restriction imposed by studios (Vol. 23:31 p19).

Acknowledging MV is on shaky legal ground at best, Pres. Robert Zeny told us he'll continue to operate viewing rooms, but without titles from plaintiffs in case, which included Columbia, Embassy, Paramount, Fox, MCA, Disney & Warner. Of MPAA members, only MGM/UA could be represented since it wasn't party to suit. It had tried to negotiate separate public performance agreement with Maxwell's, still is in contact with retailer, Zeny told us.

As for cost of legal battle, Zeny said "we've been inundated by calls" from other retailers experimenting with same concept who want to

contribute to defense fund. Offerings are "enough to handle the fees 3-4 times over," claimed Zeny, who put cost to date at \$60,000-\$70,000, added that represents "my profits for the last 2 years. I'm in hock up to my nose."

**THOMPSON PLANT DELAY:** Plan to have France's Thomson-Brandt become prime European supplier of VHS transports appears to be off until next year, while company wrestles with problem of plant location.

Under 5-year license agreement with JVC announced last April, T-B became first non-Japanese manufacturer authorized to produce complete VHS VCRs and received contract to supply parts and complete transports to Berlin & U.K. plants of J2T, European video equipment production venture of JVC, U.K.'s Thorn EMI and Germany's Telefunken. T-B became full de facto J2T partner earlier this year when it acquired controlling interest in Telefunken's consumer electronics business.

Parts production was to start this year, but snag has developed in form of govt. objection to T-B's proposal that it begin operation by converting existing b&w TV plant near Paris and moving monochrome set production to Singapore. Instead, govt. wants T-B to keep b&w output at home, put VCR unit in new plant to be located in economically depressed Lorraine region.

Quick startup of T-B facility, which will have eventual capacity to turn out million transports annually, is critical to Japanese plan to work around quota on VCR exports to EEC by boosting value of European content in VCRs its manufacturers assemble there. Transports represent 75% of VCR value, and 75% local parts & labor content is needed for product to qualify as European-made for quota and duty-free treatment purposes.

VCR quota agreement itself has come under fire from European Office of Consumer Organizations. Group feels quota is bad for buying public and has created precedent that could lead to more such deals. Agreement, which also requires Japanese to set minimum VCR export prices, serves mainly to force consumers to pay more for VCRs and is bolstering profits of Japanese manufacturers, EOCO said. It claimed quota arrangement does nothing to solve Europe's real problem, market fragmentation that results in similar products being sold for widely different prices in different national markets.

Telecaption decoder, rather than an individual, is subject of dedication of yearbook of Va. School for the Deaf, which notes it "has opened up a new world." National Captioning Institute says more than 70,000 are in use. Sears, currently only national marketer offering decoder, has introduced new video aid for hearing impaired, an infrared TV audio transmitter and headphone receiver system. Transmitter sets atop set, hooks into audio jack or speaker wire. Receiver sensor is built into headphone strap. System, which allows listening at high volume without disturbing others, is retailing for \$250.



**2nd SHIFT FOR NAP:** Magnavox is shipping color TV "right from the factory to the dealer," and similar situation exists in VCR, according to Mktg. Vp James Proud, with spot shortages beginning to show up at retail. Company now is training workers, will add full 2nd shift at Greeneville, Tenn. plant, to be fully operative at beginning of Sept.

Magnavox sales officials were in N.Y. last week to show line to consumer press. New are 19" & 25" monitor-receivers with keypad remote, stereo, side-firing speakers, clock-timers, 134 channels, at \$760 & \$1,000.

Vp-Gen. Mgr. Kenneth Thomson said color sets were particularly short at low & high ends — "I could sell another 50,000 two-knobs" — with 19" remotes in \$550-\$600 range tight. He said company has gained share in VCR & audio, sees industry VCR sales possibly hitting 4 million this year, rising 10-15% in 1984.

Modification of 1971 FTC consent order which now allows Magnavox to require franchised retailers to carry full line and prohibit their sale of competing lines (Vol. 23:30 p15) will lead to reestablishment of Home Entertainment Center retailers, Thomson said.

Magnavox is eagerly anticipating advent of stereo multichannel TV, which it thinks it could have on market 5 months after system is chosen. It's likely that stereo VCRs with multiplex tuners could be available before that. Company hopes to offer stereo in super-high-end sets complete with other features and not as simple step-up itself, according to Thomson, who sees 3 major color TV product points evolving — non-remote, mono remote & stereo remote. Coming of flat square tube in 1985 on top of stereo in 1984 will require major retooling 2 successive years, unprecedented in industry, Thomson said.

Magnavox is regaining place in audio market, according to Audio Sales & Mktg. Dir. Al Menozzi, is now sold out on most of audio line. Thanks to CD, he said, Philips image is helping company, at least with dealers. Line is being handled by some hi-fi dealers, but company isn't pushing strongly in that avenue — "all we want is their respect." Company will stay in "mainstream business" serving "new generation which grew up with hi fi" and doesn't necessarily frequent specialty stores.

CD digital disc player "won't mature this year in U.S.," Menozzi thinks, because of shortage of software, general lack of promotion & product. Manufacturers currently are concentrating on European & Japanese markets where CD already is extremely hot product. Industrywide, Menozzi now thinks perhaps 50,000-70,000 CD players will be sold this year in U.S., down from original forecast of 70,000-100,000, principally because of low exports from source countries.

Among other hot products in Magnavox line, according to Thomson, is new telephone clock radio. In audio, he hazarded "guess" that single-brand packages now comprise 50% of audio component sales.

Magnavox color TV line now starts with 9"

AC-DC at \$380; in 13", 2-knob open-list leader steps to one-knob at \$340, keypad remote at \$490; leader 19" 2-knob is open, one-knob \$430, keypad \$480, scan remote 125-channel \$580, keypad remote with RF switching, stereo sound jack \$650 & \$690, unit with audio-video jacks \$730, stereo monitor-receiver \$760.

In 25", monitor-receiver is \$1,000, three one-knob consoles at open list step to three 112-channel keypad units at \$700 & \$730, 125-channel scan remote with RF switching \$800, 2 at \$830, 3 hi-fi dual-speaker remotes \$900, 3 deluxe chassis keypad remotes with stereo, input & output jacks \$985, one at \$1,050, 2 units with audio input jacks \$1,185, console with space for VCR \$1,200, version designed to match stereo centers \$1,200, combination with phono, cassette, AM-FM \$1,390.

Projection set, 40" rear projection, is \$2,850, with another 40" due in Oct. with accessory equipment space. Audio-video centers (furniture & electronics ensembles) start at \$690 for 9" compact unit; among others are 19" at \$990 & \$1,460; 25" at \$2,540 & \$4,185

Monochrome line: 2" with AM-FM, clock, carrying case at \$250; 5" with AM-FM & clock \$160; 12" AC open-list, step-up \$100.

VCR line has wired remote 14-day one-event model at open list, 4-head 2-event front-load wireless remote 105-channel \$1,000, full-featured 8-event 128-channel Dolby stereo \$1,400; portables start with wired remote deck \$900, with tuner-timer \$1,100, 4-event 105-channel system with Dolby stereo \$1,400, 8-event 128-channel stereo \$1,500. Cameras are 4:1 zoom 2/3" Newvicon model at \$650 and 10-lux autofocus model with 8:1 power zoom, character generator, 8-page memory, stereo sound \$1,400. Magnavision videodisc player is \$750.

Unfair import competition complaints over computer printers are being probed by ITC at request of 2 U.S. firms which claim patent infringement. Printronix has named C. Itoh, Citizen Watch of Japan, Acro and CIE Terminals of U.S. as offenders with respect to dot matrix printers. Qume has filed complaint on daisy wheel printers against Olivetti of Italy, Silver Seiko, Brother, Canon and C. Itoh of Japan. Japan's NEC and Ricoh also had been cited by Qume, but were dropped from case when they and Qume reached negotiated settlement. Also, ITC opened formal probe into Zilog's unfair import competition complaint against NEC (Vol. 23:25 p16). Complaint alleges NEC's microprocessor ICs infringe Zilog patents & trade marks, also says some NEC products are incorrectly marked with respect to country of origin. NEC has brought unfair competition complaint against Zilog in Japan.

American Bell name will be shortlived. In latest twist in ongoing finalization of antitrust settlement, AT&T agreed to stop using brand for its products & services on Jan. 1 to avoid any confusion over relationship with independent Bell phone companies. It will use AT&T as trade mark, replacing American Bell logo adopted just last Jan. AT&T also retains rights to name Bell Labs.

## 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>Esquire Radio &amp; Electronics</b>			
1983-6 mo. to June 30	23,108,000	654,000	1.35
1982-6 mo. to June 30	27,636,200	826,400	1.71
1983-qtr. to June 30	13,775,400	379,400	.78
1982-qtr. to June 30	15,618,000	387,700	.80
<b>ITT</b>			
1983-6 mo. to June 30	7,121,293,000	285,876,000	1.91 <sup>a</sup>
1982-6 mo. to June 30	8,109,962,000	312,338,000	2.11 <sup>a</sup>
1983-qtr. to June 30	3,653,913,000	151,547,000	1.01 <sup>a</sup>
1982-qtr. to June 30	4,159,736,000	149,603,000	1.01
<b>Jones Intercable</b>			
1983-year to May 31	6,885,000	1,756,000	.21 <sup>a</sup>
1982-year to May 31	7,390,000	2,237,000	.27 <sup>a</sup>
<b>M/A-Com</b>			
1983-39 wk. to July 2	463,116,000	20,754,000	.51
1982-39 wk. to July 3	427,425,000	21,909,000	.84 <sup>b</sup>
1983-13 wk. to July 2	159,859,000	8,342,000	.20
1982-13 wk. to July 3	154,678,000	1,194,000	.03 <sup>b</sup>
<b>United TV</b>			
1983-26 wk. to June 26	21,916,000	3,764,000	.32
1982-26 wk. to June 27	20,302,000	4,158,000	.35
1983-13 wk. to June 26	12,289,000	2,405,000	.20
1982-13 wk. to June 27	11,285,000	2,633,000	.22
<b>Webcor Electronics</b>			
1983-qtr. to June 30	11,079,000	723,000	.30
1982-qtr. to June 30	5,257,000	279,000	.15
<b>Wells-Gardner</b>			
1983-6 mo. to June 30	16,556,000	358,000	.10
1982-6 mo. to June 30	48,233,000	4,033,000	1.10
1983-qtr. to June 30	7,653,000	85,000	.02
1982-qtr. to June 30	30,328,000	2,663,000	.72

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

## Consumer Electronics Personals

**Harry Rubin** promoted from RCA Selectavision Videodisc financial planning & analysis dir. to corporate strategic planning & video coordination staff vp responsible for home video and music activities...**Peter Laister** advanced from Thorn EMI managing dir. to chmn., replacing **Richard Cave**... **Robert Cavalco**, ex-Sunbeam, joins Bang & Olufsen (U.S.) as pres., succeeding **Jack Trux**, who retires Aug. 31; **Osborne Jones** advanced to senior vp, sales... **Howard Graham**, Zenith finance services exec. dir., named vp... **Eugene Koschella** resigns as EIA Consumer Electronics Group educational services dir. after 15 years with Assn., plans unannounced.

**Peter Pirner** resigns as Mattel Electronics senior mktg. vp, duties assumed by **Terrence Valeski**, recently named mktg. & sales senior vp... **Paul Hilt** named vp-acting gen. mgr., Playcable, replacing **Gary Stein**, now Components Group vp of co-owner General Instruments; **James Welssenberg** resigns as mktg. dir... **Philip Estridge** promoted from personal computer unit gen. mgr. to pres. of new IBM Entry Systems Div., responsible for high-volume personal computer products and office automation equipment... **Richard Canfield** & **Gene Rosen**, both ex-Atari, named operations vp and engineering vp,

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. 20016  
Phone: 202-872-9208 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

respectively, of Healthronics, Campbell, Cal. firm developing videogame & computer programs designed to interact with company's line of exercise equipment.

**Kay Yamashita** appointed gen. mgr., Hitachi Consumer Products Research Center, Lyndhurst, N.J., succeeding **Takeshi Murakami**, who returns to parent in Japan... **Dennis Enright** named 3M Electronic Products Div. gen. mgr., replacing **Russell McNaughton**, now managing dir. of 3M French subsidiary... **David Bocchini**, ex-Kellogg-Rust, appointed Ampex finance vp.

**James Cardwell** promoted from Warner Communications west coast audit mgr. to Warner Home Video planning & administration dir., new post; **Lewis Ostrover** named production mgr... **James Lara**, ex-Largo Music, joins Integrity Entertainment as senior vp & gen. mdse. mgr... **Linda Dintenfuss** named programming mgr., Vestron Video; **Sandra Sharpe-Thomas** joins as sales & customer service supervisor, new post... **John Lex** named Video Station controller.

**Panasonic** adds lower priced CD player to Technics line. New model, due next month, will list at \$700, down \$100. New stepup, with 32-step programability, wireless remote, will be \$800... **Philips** and **Sony** share royalties on digital Compact Discs on 80-20 basis, according to Business Week, which indicates royalties on CD players are 2% of retail price worldwide. Disc royalties are 3¢ each. Article quotes banker's forecast that Philips should break even on "its digital audio business" in 1984... **Digital Images** expects to open CD pressing plant in Sterling, Va. around year's end, about 60 days behind schedule.



WEEKLY

# Television Digest®

with  
consumer  
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

AUGUST 15, 1983

VOL. 23, NO. 33

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast - Cable

**DOJ APPROVES PAY-TV MERGER:** Showtime link with Movie Channel gets green light. (P. 1)

**CABLE'S CONFESSIONAL:** Anti-HBO feeling runs strong. Mysterious customers analyzed. 1,170 attendees exhorted to improve customer relations, mimic AT&T, GTE. (P. 2)

**NO WAY, FIDEL:** State Dept. nixes Wold deal to beam Olympics to Cubans. Cubans say they'll launch bird of their own — but too late for games. (P. 4)

**TV NEWS AFTER CRAFT:** Anchors away; loose lips sink ships. (P. 4)

**COX WINS CABLE-AS-CARRIER CASE:** Federal judge slaps Neb. PSC for reining in Commline data transmission service in Omaha. (P. 5)

**TIME LOOKS AT GALAXY SMATV:** Scenarios for developing cable's new bird. (P. 5)

**CONSULTANT UNFAZED BY ORDER:** Johnson says 'so what' to Tenn. (P. 6)

**STATE LAWMAKERS VS. CABLE:** But their view may not count for much. (P. 6)

**NCTA & NAB FIGHT TO SAVE REGS:** Technical rules are good, they tell FCC. (P. 8)

**JUSTICE DEPT. OKAYS MERGER OF SHOWTIME & MOVIE CHANNEL:** After months of trying, owners of Showtime and Movie Channel pay-TV cable channels finally won approval from Justice Dept. for merger. DoJ issued news release as we went to press, saying it had informed American Express and Warner Communications, owners of unprofitable Movie Channel, and Viacom, owner of marginally profitable Showtime, that govt. wouldn't challenge proposed merger in court.

DoJ had rejected several other merger proposals involving the pay TV services, mostly because they involved several major motion picture distributors, including Paramount and Universal. William Baxter, DoJ antitrust chief, said present plan isn't as objectionable because it involves only one movie distributor, Warner Bros., subsidiary of Warner Communications.

Baxter acknowledged that merger would increase concentration in portion of pay TV industry which features current movies, but said: "Present market conditions, including the absence of exclusive licensing as a significant method of motion picture distribution, would

### Consumer Electronics

**INDUSTRY AGONY** over new tube sizes: At least 3 different designs for 26"-27", high costs. Introductions set for 1985. (P. 10)

**RCA PLANNING 8mm VCR** next year, sees interactive disc games, exploring audio. Interactive player at \$500. New promotions. (Pp. 11 & 17)

**HIGHEST SALES RATES** reached by TV (14.1 million annually), VCR (nearly 5 million) in July. VCR marks first 100,000 sales week. (P. 11)

**JUNE IMPORT SURGE** pushed VCRs, color TVs to record highs in 2nd quarter, while color camera imports sagged, Commerce figures show. (P. 12)

**RADIO SHACK TO ADD \$500 VHS VCR** home deck to product line this fall. Vp Robert Miller says pager sales effort to hit stride next year. (P. 14)

**ORION TV IMPORTER SUES** to force ITA to issue preliminary dumping assessments on Japan TVs imported in year to April 1981. (P. 14)

**COLECO HIT AGAIN** on Wall St. as analysts question figures in 2nd quarter report. Need for FCC approval may delay Adam computer launch. (P. 15)

**GAMELINE, GAMES NETWORK** preparing for launch of game-to-home delivery services. (P. 16)

permit other firms to start new pay TV services if existing pay TV services engage in anticompetitive conduct." Officials at Showtime and Movie Channel were pleased, said final deal is still being negotiated, probably would be concluded in week or 2.

**CABLES' SALESMEN SAY 'LET'S GET SOPHISTICATED':** Cable continued to try to teach itself marketing at annual Cable TV Administration & Marketing convention in San Diego last week. Convention was called "cable's confessional" by observer who noted it eschewed usual convention press conferences, parties, and hoopla, instead concentrated on seminar panels. CTAM Pres. & Cox Cable Senior Vp Arthur Dwyer pronounced himself satisfied with turnout of 1,170, which passed last year's number. "We're covering some of the same areas that we've covered before," Dwyer told us, "but people are taking these areas more seriously now."

Anti-HBO feeling ran strong, especially in wake of recent 2nd Justice Dept. block of new joint studio ownership of Showtime & Movie Channel. "I guess you can probably tell we're not too well liked here," said HBO attendee, who noted that company kept low profile throughout 3 days.

CTAM Exec. Dir. Dean Waite pointed to "genuine turnaround" in national economy in his remarks at opening general session. He made reference to AT&T which has become almost ritualistic at cable events. "No one, but no one, is more sophisticated in marketing to the home than Ma Bell," Waite told general session. Donald Gogel, McKinsey & Co., exhorted audience to better run their companies. Sermon was completed with videotaped comments from several leading cable businessmen including Daniels & Assoc. Chmn. Bill Daniels, Warner Amex Cable Chmn. Drew Lewis, American TV & Communications Chmn. Trygve Myhren, Group W Cable Chmn. Daniel Ritchie, Turner Bestg. System Pres. Ted Turner.

Lewis noted "lag" between cable signups & installations and between requests and repairs as examples of general lack of customer consciousness in cable industry. "The industry has a long way to go before we say cable means service the way we say IBM means service," Gogel said. Lewis comment on keeping "lean staff" drew laughter from group as he commented on having trimmed 100 from corporate staff in N.Y. since taking office in Jan. McKinsey & Co. did studies for Warner Amex which resulted in those staff cuts.

Mysteries of dissatisfied customers — those who disconnect, those who never sign up — were focus of panel at which several speakers revealed new research and tactics that were enthusiastically received by crowded general session, though challenged in some cases. Centel Cable TV Pres. Jack Frazee outlined \$350,000 project in 4,400 homes in 54-channel West Chicago system to start Sept. 1, where 2-month free trial of all channels will be used. Frazee said he expected minimum 70% basic penetration, and if trial is successful, would use it in other new builds. "We don't think we can continue to live with 50% basic penetration," he told group. Program suppliers "with one or 2 exceptions" were "very, very supportive" of experiment, he told us.

Mass media ad campaign directed specifically at light viewers was proposed as cable's answer to "untouchables" by United Cable TV Mktg. Vp & CTAM Dir. Charles Townsend. He had first raised issue of untouchables — people who won't try cable at all — last year. Townsend said United was pleased with results of campaign and would expand it. Campaign raised penetration 3% in systems where it was used.

Dissecting pay churn, Cox Cable Mktg. Dir. Ajit Dalvi used research from Cox systems and took stand that "magnitude of pay churn is smaller than assumed." He said that because 28% disconnect because of relocations and that 22% are non-pay disconnects, group to be concerned with were 15% economic and service-related disconnects and 35% who drop pay channels. Using "nationwide" data base, Dalvi found average of 1.4 pay units per pay subscriber for 1981, and roughly that for 1982. Showtime Senior Sales & Programming Vp & CTAM Dir. John Sie challenged those numbers, saying that national base for that information hasn't been established.

Viacom Cable Exec. Vp Edward Bennett, conference chmn. and 1984 CTAM pres., pronounced himself "pleased and excited" with 3-day event. CTAM "is for the middle rank —



the people who do all the work," Bennett told us. Tradition of CTAM is to have incoming president organize conference, which Bennett did using 88 speakers and fulltime staff of 3.

Reactions to 8th annual event were mixed. "This is my favorite conference," said one executive commenting on glut of cable industry conventions. Others echoed sentiment of Phoenix cable operator who has attended all 8 CTAM conventions: "There's nothing new here. It's all pretty much the same as last year." Daniels received Grand Tam Award to standing ovation. Turner Bestg. System won first President's Award for marketing excellence, accepted by TBS Exec. Vp Robert Wussler.

Taking office as of Jan. 1, 1984, besides Bennett, will be: Vp, Gary Weik, pres., Harte-Hanks Cable; secy., Gail Sermersheim, vp-gen. mgr., HBO southern region; treas., Toni Augustine, pres., Communications Trends. New board of directors: Charlotte Beales, vp, National Cable TV Assn. Media Research & Services; Terry McGuirk, vp, special projects, TBS; Stephen St. Marie, vp, mktg., Viacom Communications; Jordan Rost, vp, sales, Warner-Amex Satellite Entertainment; John Sie, senior vp, sales & planning, Showtime Entertainment. Resigning from board is HBO Corporate Development Vp Robert Bedell. His replacement will be Daniels & Assoc. exec. marketing vp, Jerry Maglio.

Added to CTAM board was special liaison seat between CTAM and counsel for cable information to be held by CCI Pres. Kathryn Creech.

Justice Dept. won't challenge NAB for publishing TV revenue & expense figures, something FCC did for years until it discontinued practice this year. Justice notified NAB last week that it doesn't object to plan to publish annual data for regional markets, said it doesn't violate antitrust laws. NAB said it won't include data for specific markets unless it has reports from at least 3 stations per market — same as FCC's practice. No individual station figures will be published and no information will be collected on station's current or past prices for advertising, points Justice was most concerned about. Book probably will be published in about 3 weeks, NAB said. Markets will be broken out by Area of Dominant Influence groupings. NAB said Justice OK means it "can now proceed to provide the television industry with critical and timely market data every year." Justice Dept. approval has been pending since May 17.

Federal agents sealed off & searched Media General's William B. Tanner Co. in Memphis, Tenn. last week, with search warrant alleging income tax and mail fraud, conspiracy and business payoffs. Agents were authorized to seize files on transactions "involving payoffs to key individuals employed by client companies" of Tanner, also of "turnaround accounts" used by Chmn. William Tanner "to take money from William B. Tanner Co. and funnel it back to him personally," warrant said. Tanner is suspected of under-reporting as much as \$8 million in income since 1978 while company is suspected of hiding inventory of air time valued at \$53 million. Tanner, attending Cal. health spa, said accusations were groundless. Alan Donnahoe, vice chmn. of Media General, said its subsidiary William B. Tanner Co. Inc. wasn't part of FBI probe against Tanner as individual.

Campus Network has purchased 5 Scientific-Atlanta "video centers" to be installed in Oct. on as many college campuses, mostly in Midwest. It's opening phase of rollout to 250 schools that have contracted to receive CN entertainment programming.

Harris Corp. won \$100 million contract from Comsat to provide earth stations and maintenance for NBC's new Ku-Band satellite network. Harris will first install 23 receiving stations at NBC affiliates, plus 2 transmit/receive stations and one master station in N.Y.C. Network also will use 3 transportable Harris stations for uplinking and downlinking. Testing will follow in early 1984. In 2nd phase, Harris will supply equipment for full network including around 180 receive and transmit/receive stations and 3 more transportable dishes. System should be fully operational by 1985. Antenna that Harris will install is part of new line of Delta Gain systems. It's planned that downlinks used in network can be readily converted to uplinks, to permit affiliates to return data to network, permit network to be resold to voice, data & video transmission customers.

Beating PBS to many of its major market stations, Satellite Network Delivery Corp. is making offers to numerous PTV stations for half their 6-line vertical blanking interval capacity in order to develop national satellite teletext. SND is seeking exclusive arrangements with 12-40 PTV stations while PBS teletext experiment with Merrill Lynch inches along. Firm already claims to have unspecified number of TV stations under contract. SND is seeking additional financing through private security offering. Teletext operation would be geared to data providers, wouldn't be ad supported, could be operating within 2 years, SND official said.

Faced with reality of dwindling orbital arc, satellite companies have been chomping at bit to let loose their most competitive slot filings ever. FCC will fire gun Aug. 15, when it releases report & order on 2-degree spacing, but it gave companies head start when, late last week, it released 7 pages of instructions for drafting next set of applications. Language demonstrates awareness that Commission probably won't be able to accommodate all applicants in next round.



**STATE DEPT. BLOCKS WOLD:** U.S. govt. won't make it easy (or cheap) for Cuban TV viewers to watch next year's Olympics, has told Wold Communications that it won't grant company permission to feed games to Cuba via transponder on U.S. domsat. By insisting that Cubans use Intelsat instead, State Dept. may succeed in greatly restricting amount of TV coverage that will be received in Cuba.

Emtelcuba, Cuban broadcasting arm, had sought deal with Wold to provide 24-hour coverage of games for 20 days. Cubans sought out Wold because Intelsat said its transponders were already booked solid for games. State Dept. quashed deal 2 ways: (1) Wold, in order to be paid \$250,000 by Cubans, needed Treasury Dept. approval. According to Robert Wold Sr., State Dept. has refused to allow Treasury to grant approval for transaction. (2) Wold also needed Sec. 214 authorization from FCC for linkup between L.A. & Havana. Letter signed by Diana Dougan, coordinator of International Communications & Information Policy Office, addressed to FCC Chmn. Fowler, opposed grant. Reason given: "In the light of U.S. policy towards Cuba, [the Senior Interagency Group] has determined that it is in the interest of the United States that Intelsat facilities, rather than domestic satellites, be used to convey television coverage of the 1984 Olympic Games to Havana."

"The State Dept. is just trying to make things as expensive and difficult as possible [for Cubans]," Wold told us. He explained that, even if Intelsat provided service, it could do so probably only from an eastern U.S. ground station to international bird and down to Cuba. Cubans would thus likely end up as Wold customers for coast-to-coast hop, but added gyrations would make enterprise "substantially more expensive." "In the spirit of the Olympics, it ought to be different," he said.

Perhaps to save itself from such ignominious fate in future, Cuba has filed request to launch new 4/6 GHz regional satellite system. Filing received by International Frequency Registration Board from Cuban Ministry of Communications picks 83 degrees west as preferred home for STSC-1. Beam is centered on Havana but stretches south to La Paz, Bolivia, west to San Francisco, north to northern Canada. It's unclear from filing whether system will be dedicated to telecommunications or would include video. Planned launch date was listed as March 1988.

**Nomination of Dennis Patrick to FCC** "is certain," will be sent to Congress when legislators return Sept. 12, Hill sources said. White House officials have cleared Patrick, are awaiting political check by Senate Republican Policy Committee before sending nomination to Senate Commerce Committee. Quick hearing can be expected. Patrick is assoc. dir. of White House presidential personnel office, would succeed Comr. Anne Jones who left June 30.

**Ohio State U.** will hold 3rd annual videotex conference Oct. 3-5 at Hyatt Regency, Columbus. Theme is "Videotex: A Communications Revolution, Evolution or Insurrection?"

**TV NEWS WEIGHS CRAFT VERDICT:** Christine Craft's damage verdict against KMBC-TV Kansas City and its former owner, Metromedia, will result in TV stations becoming more careful in dealings with on-air personalities "so that we stick to the letter of the contract and avoid such subjective judgments" as were used in deciding to demote Craft at KMBC-TV Kansas City, then owned by Metromedia.

That's consensus of several station group owners questioned, several of whom laid blame on "loose tongue" of Metromedia executive whom she alleged demoted her in 1981 for being "too old, unattractive and not deferential enough to men." "I don't think this case will produce a flood of 'me, too' suits," group owner said. "I think it's a specialized incident that's associated with the people involved." Another commented: "We work very closely with our anchors and we'd never make a decision like that without a lot of work and consultation with the person involved."

"We see both sides," NAB spokesman said. ABC News Pres. Rooney Arledge said verdict is bad news for TV industry: "The thing that really troubles me is that it is a condemnation of our industry. It is a fact of life that exists. The criteria are different in television, as long as your face is out there as your byline and you are judged by all the cosmetic things that go with that." NBC News Pres. Reuben Frank said: "I think what will happen is that the legal departments will instruct news executives on what to say. They will have little seminars all over the country."

Metromedia has asked court to overturn jury's verdict finding Craft victim of fraud. She was awarded \$500,000 — \$375,000 in actual damages and \$125,000 in punitive damages.

Meanwhile, another sex discrimination suit was filed against Metromedia last week. Former assignment editor at WCVB-TV Boston, Laura Talmud, filed \$1.5 million discrimination suit, claiming she was demoted after returning from maternity leave July 1. She said she was fired when she refused demotion to night assignment editor. Station refused comment.

**Turner & Atlanta Braves are suing NBC** for broadcast rights to National League play-off games in Atlanta area. Suit filed in Atlanta U.S. Dist. Court seeks ruling that NBC's contract with Major League Baseball shouldn't preclude Turner's WTBS Atlanta from assigning broadcast rights to another local TV station. TBS filed similar suit last year against NBC seeking WTBS authority to broadcast Braves playoff games with St. Louis Cardinals, but was rejected because signal is fed to cable systems nationwide.

**Broadcasters want to "interfere with the marketplace by insulating broadcast services from competitive pressures"** by petitioning FCC to reconsider its decision not to mandate must-carry status for teletext, said NCTA in FCC filing. It would "adversely affect competition" if cable systems were required to cablecast broadcasters' teletext services by denying independent operators same chance at audience, NCTA claimed.



**JUDGE ENJOINS NEB. IN CABLE CASE:** Hot potato of common carrier status for Cox Cable's Commline digital data transmission service in Omaha has been dumped back in lap of Neb. Public Service Commission (NPSC) by federal judge who found Cox showed "a strong probability of success" for its claim that FCC has preempted state regulation of such cable data offerings.

U.S. Dist. Judge Richard Robinson temporarily restrained NPSC from enforcing its April cease & desist order against Commline, though, on less glamorous grounds. He ruled that Neb. courts have never adequately defined private carrier, which Cox claims Commline is, remanded case to NPSC for rehearing mainly on that issue, executive familiar with case said. Ruling was cautiously applauded by cable industry as healthy sign for nascent data transmission business.

Cox proved "a substantial likelihood" that NPSC's common carrier decision would "impermissibly burden interstate commerce if it mandates a regulatory scheme that significantly impedes Commline's planned interconnection with... interstate systems," Robinson said. He retained jurisdiction over case but remanded to NPSC for rehearing on complaint by Northwestern Bell that Commline is common carrier service.

NPSC's 2nd hearing on Commline will center on narrow issue of common versus private carrier status and what regulation might be erected if it reaffirms original decision. Robinson remanded to NPSC under legal principle of federal abstention. Second hearing, which hasn't been scheduled, will "almost revisit the same questions," attorney said, but NPSC will be guided by Robinson's ruling. "He strongly implies in his opinion he doesn't believe Commline is a common carrier subject to NPSC jurisdiction." NPSC is free to reissue its original decision but if it does, Cox could promptly "challenge the entire validity of the proceeding in federal court on federal grounds," ask Robinson to upgrade his ruling to permanent injunction.

Cox Cable Pres. David Van Valkenburg said Cox "considers the court's opinion a substantial vindication of the company's position that services provided by Commline in Nebraska fall under federal rather than state regulatory jurisdiction." He said Cox "will proceed aggressively with our business consistent with the court's decision." That means, attorney said, that Cox will post \$50,000 bond and resume service to 11 existing customers who use Commline for point-to-point & point-to-multipoint data transmission. Customers include Omaha school system and local bank for interconnecting branches.

Similar cable-telco data transmission disputes are pending before state utility commissions in Washington, N.M. & Conn.

**Wold Communications** has 3-year contract with Metrosports of Rockville, Md., TV sports syndicator, to provide satellite transmission for college basketball & football. Telecasts are carried by around 150 stations and ESPN.

**LESS U.S. AID TO PUBLIC STATIONS:** Federal support of public telecommunications entities dropped 4.4% between fiscal 1980-1981, from about \$34.2 million to \$32.7 million, Corp. for Public Bestg. report to President Reagan indicates. Another \$11.9 million was distributed to independent producers, state commissions or agencies and other underwriters of public telecommunications projects, but weren't part of \$32.7 million total because they aren't considered public telecommunications entities.

Two federal departments — Commerce & Education — and 4 other federal agencies distributed funds directly to entities for TV and radio programming, noncommercial instructional materials, production facilities, interconnection, captioning, according to CPB report. Biggest benefactor, Commerce Dept., awarded \$18.6 million primarily for planning & building public telecommunications facilities. Other support came from National Endowment for Arts, about \$5.8 million; Dept. of Education, \$4.7 million; National Endowment for the Humanities, \$3.1 million.

TV received about \$26.6 million while radio received about \$4.5 million; \$1.6 million went to combined TV & radio activities, report states. Geographically, 44 states, D.C. and Virgin Islands received support for public telecommunications entities. Cal. received most, \$4.1 million, followed by N.Y., \$3.5 million, and Mass., \$3.1 million. D.C., Fla., Pa., Tex. & Ohio also received over \$1 million, according to report. Seven states received no money — Ark., Del., Hawaii, Me., N.H., S.C., W. Va.

**Time Inc.'s 6 transponders on Galaxy** continue to prompt speculation as they lie unclaimed month after launch. With exception of Group W and SIN, other owners of transponders on Hughes satellite also have been silent about applications, many, it would seem, waiting for influential move of Time Inc. HBO also has empty transponder on Satcom 4, which SIN TV Network vacated in move to its Galaxy transponders Aug. 11. Possible HBO scenarios for Galaxy include: (1) Central time zone feed, either for Galaxy transponders or Satcom 4, which would give HBO programming advantages over other pay services, none of which currently has CST time differentiation in programming. (2) Use of Galaxy transponders for SMATV service, possibly in conjunction with WTBS Atlanta, which also owns channels on new bird. SMATV service could include combined service of WTBS & CNN for daytime programming, HBO-packaged films at night, in either event would be aimed at apartment complexes, hotels, hospitals, etc., market HBO already has entered. (3) Use of one or more transponders for eventual transmission of Time Inc.'s 5,000-page teletext service, set for late 1984 launch. (4) Interim SMATV service to compete with low-power DBS. DBS task forces within HBO have been at work, with some within Time Inc. urging Galaxy test.

**Disney Channel** said it has signed carriage deal with Group W. Initially, 15 Group W systems in 11 states with about 250,000 subscribers will carry channel, nearly doubling Disney's universe.



**CONSULTANT UNFAZED BY ORDER:** "We're still in business," said official at Edward M. Johnson & Assoc. after Tenn. State Board of Architectural & Engineering Examiners ordered Knoxville consulting firm to cease & desist offering engineering services in state. Company claimed to be regulated by the FCC, not the state. FCC official countered: "We don't 'regulate' them [consultants, engineers, attorneys] at all. Theoretically, at least, the process here is open to anyone who wants to file petitions or license applications." Most FCC ever does, official said, is refer matters of questionable conduct to other parties. "We might communicate something to the Federal Communications Bar, like that. But that's the most we can do."

Ending investigation launched in late July, Tenn. board last week notified Johnson firm it had concluded company was offering engineering services without registering as licensed engineers. Board official said matter may be turned over to state attorney gen., who would be asked to seek court order enjoining Johnson from offering engineering services. Johnson has high school education but his firm has prepared thousands of FCC applications, mostly for low-power TV, which have been criticized as containing faulty engineering data.

Meanwhile, Federal Communications Bar Assn. (FCBA) has filed comments at FCC mostly opposing petition by Telecommunications Research & Action Center (TRAC) for new Commission rules over persons who represent applicants. TRAC petitioned FCC to amend rules by defining "consultant" and to require that such persons disclose qualifications. Under TRAC petition, FCC would be empowered to censure such persons. TRAC said it was moved to request new rules on its "information & belief" that some consultants for LPTV applicants have represented several clients for same or conflicting frequencies, filed their own applications in conflict with those prepared for clients and had disclosed information concerning one client to other clients with competing interests.

Although FCBA "wishes to make it perfectly clear that the practices of certain 'consultants' as described by TRAC... are to be condemned," it believes that existing law and FCC rules are adequate to deal with situation. To broaden FCC's powers to include oversight over consultants "would be worse than the disease sought to be cured," FCBA said.

**Baltimore cable update:** Caltec Cablevision, county franchisee, and Cox Cable are quietly discussing possibility of joint venture in wake of deadlock by city govt. in choosing between 2 bidders. Caltec was recommended by Board of Estimates but was rejected by City Council which questioned county operator's commitment to union labor.

**Norwegian cable system** being built in Trondheim will use C-COR distribution amplifiers and other equipment, company said.

**NBC adds KDLT Mitchell, S.D. as affiliate Aug. 22.**

**STATE ROLE SLIGHT IN CABLE FIGHT:** State officials, scenting impending demise of proposed cable deregulation legislation before Congress, last week toughened opposition to S-66, already through Senate. But for all their talk and all their resolutions, it appears that these elected officials will do little to help hasten death of cable bill.

This is picture that emerged from annual convention of National Conference of State Legislators last week in San Antonio, attended by 3,700 state officials. There appeared to be growing awareness of importance that communications issues will take in coming years, but little interest in becoming part of debate. NCSL staff put cable deregulation on list of top 3 issues full assembly was to address but most that NCSL did at session was to reaffirm its opposition to S-66. Resolution acknowledges rapid growth and development of cable, says this is no time for state authority to be preempted by federal govt., cites rate regulation in particular.

Only communications industry issue that seemed to excite interest among legislators was question of consumer privacy rights. Issue arose repeatedly, eventually was included in cable resolution. "It could be the most important issue of all," said Wis. state assemblyman Marlin Schneider. "We may already be too late in addressing it." Group added language to resolution calling for guarantees of privacy for cable subscribers, move that surprised industry officials. "You hardly ever hear anything said about this" on Capitol Hill, noted one cable operator. Added another: "Maybe it's a sleeper" issue.

But NCSL isn't expected to push position on Hill. NCSL aides characterized resolution as guideline for members in their visits to Washington, said no concerted lobbying against cable deregulation is being planned. This will set NCSL apart from other state & local groups such as National Govs. Assn., National Assn. of Counties and U.S. Conference of Mayors, which are taking active roles against deregulation.

**Look for push in Congress for action on stalled legislation to revise "first sale" copyright doctrine.** It's understood that political consultant and former Reagan White House political aide Lyn Nofziger has been hired to work Hill by 20th-Century-Fox, with target Senate. Movie industry has sights on Senate Copyright Subcommittee, which has been dragging feet on S-32 & S-33, introduced by Subcommittee Chmn. Mathias (R-Md.), which would prohibit rental, leasing or lending of motion pictures, videotapes, audiotapes or other audio visual works for commercial purposes unless authorized by copyright owner. Movie industry would like to see Senate act before it adjourns, hopes that Senate activity would put pressure on House Copyright Subcommittee chaired by Rep. Kastenmeier (D-Wis.), yielding similar attention there for companion bills, HR-1027 & HR-1029 by Rep. Edwards (D-Cal.).

**NPR's 3-day Drive to Survive** resulted in pledges of \$2,199,728 of which \$819,839 is to go to NPR, remainder to stations.





# 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**

ABC, CBS, NBC & PBS will become available via Anik D to cable heads in Canada, starting Sept. 1. Detroit affiliate transmissions will be picked up by Canadian Satellite Communications monitoring post in Windsor, Ont., scrambled using Oak's Orion system, uplinked to Anik, for reception at about 1,000 receive points, mostly small cable systems & LPTV stations. Cancom believes service will add greatly to attraction of its existing feed of 4 Canadian signals, expects as result to add 1.2 million subscribers to current 200,000. Cancom, owned by Canadian broadcasters, was losing \$500,000 (Canadian) per month earlier this year — is doing somewhat better than that now. Canadian Radio-TV & Communications Commission has approved Cancom's use of U.S. signals, despite some objections by American networks. Cancom officials told us that they see no copyright liability — see themselves doing on grand scale only what U.S. cable companies do by picking up Canadian stations off-air, relaying them via coaxial to subscribers. "We're like a big cable system in the sky," Cancom officer said.

NCTA and Minorities in Cable have announced moderators & speakers for symposium "Minorities in Cable" set for Oct. 26-28 in Washington's Ramada Renaissance Hotel. Howard U. Prof. James Bayton will moderate general session on marketing at which NCTA Vp Media Services Charlotte Beales will speak. Patti Grace, chief of FCC's Consumer Assistance & Small Business Div., will moderate session on contracting at which Clark Beauchamp, pres. of Innovate Technical Systems, Denver, will speak. St. Louis Post-Dispatch Washington correspondent Gerald Boyd will moderate legislative roundtable. Other speakers include John Evans, exec. vp, Arlington Telecommunications; Herb Colvin, vp of Suncoast Cable TV Supply, Tampa. Symposium is designed for minorities owning cable systems and minorities owning firms supplying cable products.

Senate Foreign Relations Committee last week approved 5 of 6 nominees to Board for International Bestg. Sent to floor with recommendation for confirmation were: Clair Bergener, San Diego Gas & Electric Co. dir.; Malcolm Forbes, Forbes Magazine publisher; Lane Kirkland, AFL-CIO pres.; Arch Madsen, Bonneville International pres. But Committee held up nomination of author Michael Novak pending outcome of discussions with Sen. Pell (D-R.I.), who wants to know more about writer's background. Final action on nominations won't come until Senate returns from summer recess.

Wometco Cable TV will buy Tribune's Jackson Cable TV which operates systems in Slidell, Mandeville & St. Tammany Parish, La. Systems serve about 7,000 basic subscribers. Wometco operates nearby cable system in Slidell. Wometco Pres. John Lewis said it will consolidate Jackson & Slidell operations.

Sports Time, new pay cable regional sports network, has established offices at 900 Walnut St. Suite 340, St. Louis, Mo. 63102, 314-241-6570. Network is venture of Anheuser-Busch, Multimedia and Telecommunications Inc.

NAB & NCTA oppose proposed deregulation of many FCC technical rules, NAB telling Commission it "must continue to play a major role in areas of technical regulation where the marketplace on its own cannot produce desired results." FCC is proposing (Doc. 83-114) to eliminate many technical rules, some have been on books 30 years, governing standards of transmission for TV & radio as drafted by Standards for Good Engineering Practice group. NAB claims rules should be retained because many relating to quality of transmission also prevent interference. NAB suggested that FCC form Joint Govt.-Industry Advisory Group to study rules. NCTA echoed NAB that rules are valuable in setting minimum standards. It also feared loss of federal preemption in field: "If the Commission determines to delete its cable technical rules, state and local governments are likely to attempt to fill the regulatory vacuum with their own, diverse" rules, NCTA said.

Oak Communications says it expects to be able to produce decoding systems for early-entry DBS applications for around \$180 by early next year. "Personal decoder" will lack bells & whistles of Oak's professional unit, is intended for rapid deployment. Oak told us that it doesn't expect DBS decoder production problems akin to those which plagued introduction of company's TC-56 cable converter. Oak official said experience gained with commercial Oak unit has given company complete confidence in its down-sized consumer box. Asked to assess impact of competition from M/A-Com's Linkabit unit in DBS decoder market, Oak official said: "There's no competition. Right now, we're the only one who can deliver."

Viacom is partner in Japanese group formed to develop that country's first 2-way addressable cable TV system in Machida suburb of Tokyo, initially providing up to 30 channels to 20,000 homes in 1985. Viacom World Wide Ltd. (VWW) says it's first foreign firm with equity position in a Japanese cable operation. It's providing share of capital in venture, International Cable Network, along with Mitsui Group, Toshiba, Odakyu Railways, Fujita, Midoriyama Studio and others, eventually to involve about 30 Japanese firms. Viacom's role in venture will be managed by Jiro Sugiyama, pres. of Viacom Japan. Announcement follows recent agreement by VWW to provide cable management & development expertise to U.K.'s Visionhire Cable Ltd.

Big reduction in workforce will soon be announced at Comsat hq. Purge is intended to substantially reduce overhead, put Comsat into lean posture as it seeks substantial new capital for future projects, especially DBS. We're told Comsat wants to trim up to \$20 million in overhead costs. We estimate that Comsat hq is likely to lose at least 200 staff, possibly more, many of them quite senior. Reductions are expected to come from attrition, early retirements & direct firings. Comsat's Satellite TV Corp. DBS unit won't be affected by force reduction, we're told.

Cox Cable has bought \$5 million worth of Oak TC-56 converter boxes for its San Diego and Santa Barbara, Cal. systems. Deal covers 56,000 boxes.



## Personals

Peter Jennings will return permanently from ABC News London bureau to anchor World News Tonight. It's his 2nd stint of anchor duty for ABC: In 1965, he anchored ABC's 15-min. evening newscast, was replaced after show went to 30 min. in 1968... Christopher Coursen, communications counsel to Senate Commerce Committee for 3 years, joins Washington law firm O'Connor & Hannon Sept. 1, will develop telecommunications practice and assist in legislative matters... Kent Nakamura, ex-legal asst. to FCC Comr. Steven Sharp, joins Sharp in Washington offices of Skadden, Arps, Slate, Meagher & Flom... Timothy Sloan advanced at NCTA to asst. gen. counsel... Richard Lobo, ex-WNBC-TV N.Y. station mgr., named vp-gen. mgr., NBC-owned WKYC-TV Cleveland. He replaces Neal Van Ellis, retired. In restructuring of NBC Business Affairs Dept., Lawrence Jones, ex-CBS, named vp-program & talent negotiations; Victor Paddock, who continues as vp-business affairs, West Coast, adds responsibility for N.Y. Business Affairs Dept.; Joseph Bures advanced to vp-program acquisitions.

Caspar Weinberger Jr., ex-USIA, before that at BankAmerica & NBC, joins Gray & Co., Washington PR counsel... Richard Sowa promoted at Playboy Channel to vp-finance & administration... Kenneth Regnier, ex-Ampex Corp., named vp-video systems operation, Studio Div. of Harris Best. Group... Terry Nicotra, ex-Coca-Cola, selected corp. controller, Samuel Goldwyn Co... Marvin Shapiro retires early from Group W to form Foxwood Communications, for broadcast & cable investment & consulting... Ira Goldstone, ex-Standard Communications, named dir.-engineering, Golden West TV... Reid Chapman named gen. mgr., WANE-TV Ft. Wayne, replacing Ted Kohl, named gen. mgr., WBA Y-TV Green Bay.

John Uhlman, ex-Price Waterhouse, named asst. controller, Fisher Bestg... Terry Colvin, ex-Consolidated Aluminum, appointed personnel dir., KSDK St. Louis... Dan Olson & Matthew Aden become district sales mgrs., Tocom... Marilyn Solar, ex-D. Baker Jacobs, named publicist, business & trade PR, Showtime; Brad Johnson advanced to vp-current programming; Elizabeth Owens promoted to dir. of sales strategy & planning... Marion Singer, ex-Seguros Bancomer insurance company, Mexico City, named mktg. coordinator, Galavision; Juanin Reid advanced to dir. of programming & mktg... Angela Gerken promoted at HBO to asst. controller, programming; Rick Kendall, ex-Peter Merrill Assoc., named dir., mkt. planning... Penny Friedman elected vp-property development, Taft Bestg... Vernon Cain advanced at Keycom to vp-operations; Robert Taller joins as vp-sales... James Williams III named general best. exec., Associated Press, replacing Mark Thayer, on leave of absence... Bobby Taylor named affiliate relations dir., PRISM.

John Charlton, ex-Telecommunications Inc., named senior vp-programming, Warner Amex Cable; Richard Aurelio advanced to pres., Brooklyn & Queens franchises... Linda Goodman, attorney in FCC Common Carrier Bureau, joins Washington law firm of

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

Wiley, Johnson & Rein Aug. 22... Richard Brandt, chmn. of Trans-Lux Corp., elected chmn., American Film Institute... Peter Holmes a Court, ex-IBM Australia, appointed an exec. dir., Associated Communications Corp. & chief exec., ITC... Laurence Gold, ex-Market Research Corp. of America, joins A.C. Nielsen Co. as dir. of mktg. for consumer-based services... Ron Kaufman, ex-W.B. Doner Adv., Detroit, named gen. sales mgr., WPCQ-TV Charlotte... Colburn Aker, ex-Hill & Knowlton, announces Aker Assoc. "full service communications consulting firm" has opened at 1341 G St. NW, Suite 202, Washington 20005, 202-628-4040... Debra Leslie appointed local sales mgr., KREM-TV Spokane.

Alfred Ritter advanced at Landmark to chief financial officer, TeleCable unit; Edward Oldfield, vp-corp. development of TeleCable, adds duties as vp of parent and asst. to Frank Batten, chmn. of Landmark & TeleCable... Richard Quackenboss selected vp-sales/affiliate services, NBC-TV... Thomas Josephson, ex-WISL-TV Harrisburg, Ill., appointed vp-gen. mgr., WCBD-TV Charleston, S.C... Ronald Lovelace, ex-Metro Collegiate Athletic Conference, selected mgr.-communications, Sports Time pay-cable network.

### Obituary

Joseph Goodfellow, 73, retired vp-gen. mgr., WRC-TV-AM-FM Washington, died of kidney failure Aug. 5 at home in Sarasota, Fla. He joined NBC in 1949, transferred to Washington in 1953, where he rose through sales dept. to become gen. mgr. in 1960. He retired in 1969. Son survives.

# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended July 29 (30th week of 1983):

	JULY 23-29	1982 WEEK	% CHANGE	JULY 16-22	8 MONTHS 1983	8 MONTHS 1982	% CHANGE
TOTAL TV#.....	511,123	379,946	+34.6	333,787	10,151,151*	9,107,829	+11.5
COLOR#.....	328,763*	268,584	+22.4	230,836	7,055,378*	6,048,312	+16.6
MONOCHROME....	182,360	111,362	+63.8	102,950	3,096,010	3,059,517	+ 1.2
PROJECTION TV...	2,613	2,678	- 2.4	2,461	65,318*	46,839	+39.5
HOME VCR.....	107,358**	45,844	+134.2	87,269*	1,902,615*	882,433	+115.6
COLOR CAMERAS...	10,106*	7,166	+41.0	7,643*	194,186*	160,053	+21.3

Color TV 5-week moving average: 1983--257,755\*; 1982--207,448 (up 24.3%).

Home VCR 5-week moving average: 1983--83,670\*\*; 1982--34,588 (up 141.9%).

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

**INDUSTRY'S AGONY OVER NEW TUBE SIZES:** State of anarchy reigns in picture tube industry in great debate over new tube series called FST — for "flat square tube," or more appropriately, "flatter squarer tube." U.S. tube makers are beginning to sign off designs, for incorporation into lines which will be introduced in 1985 — but so far no standardized shapes are emerging.

There are at least 3 — possibly 4 — different designs for largest size, one believed to be 27", the rest 26", and there are similar arguments over 20". One problem is just how flat to make new tube's face. Any design will be expensive and require extensive retooling by both set & tube makers, but flatness comes at particularly high premium. In Japan, where Toshiba originated FST, there's no standard, either — tubes shown by Toshiba and Hitachi differ, and presumably still other designs are coming from Far East.

"How flat a tube does the public want?" asked RCA Group Vp Jack Sauter, summing up issue and pointing out that flattest design requires use of very expensive steel for mask. "It's an emotional issue. When we go to all this trouble, what happens to the 25? Does it become a loss leader? Suppose the public says square is beautiful — decisions made now have staggering implications. Do we go the extra fraction of an inch to make a 27? How important an advertising claim is that?" It's believed RCA's decision will be compromise, with more curvature than Toshiba's.

"It's a mess — a muddle" said Philips ECG Pres. John Torre, "but it's a pleasure to see the Japanese so confused." He added that in past Japanese have always had standard "because they copied ours," and now with their first original tube they have no standard at all — "it's unheard-of to have 2 or 3 different versions of something in Japan."

Philips, as usual, disagrees with RCA. Even though it's more expensive, said Torre, "eventually we'll go to a real flat tube anyway, so I feel we may as well do it now. If it weren't for our outside customers" who might want cheaper tube, "we'd go flat — but we must be competitive and provide what our customers want." So in deliberations, "outside customers are critical — we may even go both ways."

Philips' flat tube is expected to be world standard for all Philips companies. N.V. Philips and Philips ECG (U.S.) are understood both to be showing same 26" FST prototype. N.V. Philips' consumer product chief Cor van der Klugt told us he didn't think there would be big price differential in long run between FST and current tubes. "We're making preparations in depth for transformation of the TV set. I hope there is pressure for standardization — everybody needs to sell tubes on the outside, and [set makers] need a 2nd source."



Zenith is expected to decide on tube larger than 26" — probably 27". Karl Horn, newly elected pres. of Systems & Components Group, said of FST: "Everybody must have it, but for a long time it will be at the upper end of the line — particularly monitors & monitor-receivers." He sees 14" & 20" models coming in first from Japan, U.S. manufacturers starting with top size, which will be last to be adopted in Japan. Tube makers are expected to start production in 2nd half 1984.

For TV set makers, too, new sizes mean major changeover. Masks, and in some cases, cabinets, will have to be redesigned. It will be 2nd major retooling in as many years — most set makers will redesign high end of line next year for multichannel sound, only to be faced with another big change in 1985 for FST.

**RCA PLANNING 8mm, DISC GAMES, AUDIO:** RCA expects to introduce 8mm VCR outfit next year, sees interactive CED videodisc as important part of computer-game system, will integrate audio into its Digital Command Center remote-control video system.

So said Joseph Donahue, Consumer Electronics vp-gen. mgr., in answers to questions from trade press in N.Y. following distributor meeting in Indianapolis at which \$500 tag was put on random-access player as expected (Vol. 23:19 p11), interactive discs were unveiled and major programs were outlined to promote high-end products (for details, and new product introductions, see report elsewhere in this issue).

"We expect to have something next year" in 8mm video, but at high price, Donahue said, "but it will be 1985 or '86 before it has major impact. Once it starts, it won't be too long before most brands have something on the market."

Videogame people have expressed deep interest in random-access CED player, Donahue said, "and we'll start to see some interesting things." Pointing out that disc can accommodate both digital programming material and analog video, he said it's "marvelous opening to provide something that doesn't exist today in that [home computer-game] area," conceding that direction "isn't yet clear." New interactive player has unmarked jack designed for such uses.

RCA is heavily promoting Digital Command Center, 55-button remote unit which controls its TVs, VCRs and videodisc players. Asked about extent of company's audio plans, Donahue remarked that Command Center "is the beginning," indicating that it would be designed to control future audio equipment. He added: "We're interested in doing a fantastic job in video systems. We will do whatever it takes to have the broadcast system, built around video, [but] we have no plans to go into the center of the audio business."

Other comments by Donahue: (1) Industrywide, large-screen (20" & over) table model sales are up 73% from last year; RCA's increase in same category is 293%. (2) Portables represent about 20% of industry's VCR sales, closer to 30% of RCA's. (3) Videodisc player sales are "good — not outstanding, but way ahead of last year." (4) Projection TV sales are ahead of expectations and "beginning to turn on." RCA is looking at smaller projection sizes — "everything will be rear-projection from now on." (5) For 1983, he sees industry sales of "a solid 13 million" color sets, 4 million VCRs, 175,000 projection sets, with "spot shortages" continuing through year in color TV. (6) On average, prices are still down from year ago because of big slide last fall.

For future, Donahue said RCA is "doing a lot of work" in teletext, but may not have receiver next year because of initial high costs, doesn't see it becoming "significant" product before 1985-86. In digital signal processing, first goal is to produce picture at least as good as current sets, "and that hasn't been achieved yet." However, "digital TV will have a phenomenal impact by 1990." It will take about 6 months after stereo sound go-ahead to tool up and introduce stereo TV set.

**TV, VCR REACH HIGHEST SALES RATES:** Capped by first 100,000 sales week in VCR and best week of year in color, July saw both products reach their highest annual sales rates in history — color TV at 14,140,000 and VCR just shy of 5 million. Even monochrome TV caught the fever

with a 63.8% gain in July's final week — best single week since Oct. 1981 and enough to pull year-to-date sales above 1982 level for first time since Jan. 21.

Total TV sales passed 10 million in year's first 7 months — more than million sets above 1982 figure (see State of the Industry, above) — with color TV, at more than 7,000,000, higher than any full year before 1972. VCR sales, at more than 1.9 million so far this year, should surpass those for all of last year by mid-Aug.

Our forecast last May that 1983 would "see some 100,000 [VCR] weeks" (Vol. 23:20 p12) came true earlier than we expected as July closed with sales of 107,368 units in final week, nearly double the total VCR sales for entire introductory year of 1976. It was best week of year for color cameras, in addition to color & monochrome TV.

Month of July set records in total TV, color, VCR and cameras. For 2nd consecutive month, projection TV failed to hit record, falling behind 1981 period of major inventory buildup when many major TV makers entered field — but it's still in record column for year's first 7 months. Color TV sales ran at annual rate of 13.4 million, VCR at 4,654,000, for 7-month period.

As imports continued to rise even faster than sales (see report elsewhere in this issue), VCR inventory squeeze started easing at end of first half, with pipeline (factory plus distributor) stocks at 371,100 up 19.5% from end of May, factory inventories (231,700) up 23.6% and distributor inventories (140,000) up 13.2%. Inventories were still well below those of year earlier, however — pipeline down 37.5%, factory off 44.5%, distributor 21.2%.

With color sales booming but supply relatively unchanged, inventories continued to drop. Midyear pipeline supplies, at about 2,619,000, were at lowest point since April 1971, down 21.5% from year earlier and down 1.3% during June. Factories held some 1,518,000 sets, dip of 31.3% in a year and 4.8% in month, while distributor inventories at 1.1 million showed declines of 2.5% in 12 months and 1.2% in one. Here are EIA data on sales to dealers for July:

Product	July 1983	July 1982	% change	July 1981
Total TV.....	1,432,426*	1,229,807	+16.5	1,152,232
color.....	965,638*	825,410	+17.0	775,181
monochrome..	466,788	404,397	+15.4	377,051
Projection TV..	8,944	7,726	+15.8	10,954*
Home VCR.....	324,197*	141,496	+129.1	87,606
Color cameras..	30,762*	25,351	+19.0	15,807

\*Record for any July.

**RECORD FIRST HALF FOR VCR, COLOR IMPORTS:** Strong June surge pushed 2nd quarter and first half imports of VCRs and complete TVs to new highs for those periods, according to Commerce figures, which also show continuation of sag in color camera shipments.

VCR imports jumped 135.2% in June to 369,000, falling short of record 382,100 set in preceding month, putting first half total at just under 1.7 million, up 44.1%, Commerce figures show. New all-time quarterly record of 1.02 million was set in April-June, up 97.5% from same period last year, and close match to 1.09 million Japan exported in 2nd quarter — there's generally 30-day lag between Japanese exports and U.S. imports. Quarterly import total exceeded U.S. sales to dealers by 173,300, and that's reflected in relief from starvation inventories here (see report above). There was probable further inventory rise in July, month after Japanese exported 530,300 VCRs to U.S.

In other video imports, videodisc player shipments were down 45.2% in June to 4,100 and off 20.1% to 25,900 for half; Videocassette imports tripled in June to 4.44 million, and for half were up 95.1% to 18.3 million. Figures show Japan continued to be source of nearly 90% of cassette import total, which includes empty shells brought in for loading here as well as complete cassettes. Color camera imports continued sag, off 49.6% for month to 23,900, down 15.3% for quarter to 82,200, down 19.1% for half to 64,700. For b&w, camera imports were down 52.7% in month to 5,100, down 18.8% to 19,300 for 3 months, off 5.6% in half to 41,200.



In TV, total imports were up 15.3% in June to 1.06 million, all of increase in color, up 34.7% to record 581,900, while b&w eased back 2% to 474,200. For quarter, TV imports jumped 24.4% to 2.83 million on strength of 55.4% rise in color to record 1.59 million, while b&w was off just 1.1% to 1.23 million. As result, first half TV total was up 8.8% to 5.15 million, as color rose 40.3% to 2.89 million, offsetting effect of 15.4% decline for b&w to 2.27 million.

For color, June imports of complete sets jumped 93.1% to 356,600, erasing all-time monthly record of 306,700 set in May, as shipments from Korea jumped fourfold and those from Taiwan more than doubled. Quarterly total of 914,500 was up 83.1%, and ranked 2nd on quarterly record list only to 933,000 in 3rd quarter 1970, period in which total included chassis & kits as well as complete sets. First half shipments of 1.61 million were up 60.4%. Chassis & kit imports were down 8.9% in June to 225,300, putting quarter at 678,500, up 29%, half at 1.28 million, up 21.3%.

Bulk of complete color TV import increase for half came in 13" & 19" models, each of which more than doubled from same 1982 period, and were only sizes to account for larger percentage of import mix. Largest mix gains in b&w came in 12" & over-17" sizes, while 7"-&-over combinations provided largest percentage shipment rise.

Here's rundown on first half complete TV imports by screen size:

	Total	% change	% Share of Import Mix 1983	1982
<b>Color</b>				
Combinations.....	23,300	+19.0	1.4	2.0
10"-&-under.....	173,900	- 5.5	10.8	18.4
11-12".....	130,800	+10.5	8.2	11.8
13".....	612,600	+126.5	38.2	27.0
14-15".....	56,200	-43.4	3.5	9.9
16-17".....	5,600	- 7.8	0.4	0.6
18-19".....	488,300	+113.8	30.4	22.8
20"-&-over.....	114,200	+53.2	7.1	7.4
<b>Monochrome</b>				
6"-&-under.....	155,400	-33.3	6.9	8.7
6"-&-under, comb.	245,400	-33.4	10.9	13.8
7-8".....	12,000	-42.1	0.5	0.8
7"-&-over comb...	15,700	+125.9	0.7	0.2
9-10".....	72,400	-38.9	3.2	4.4
11-12".....	1,654,900	-10.5	73.3	69.0
13-17".....	16,400	+ 1.6	0.7	0.6
18"-&-over.....	85,200	+25.1	3.8	2.5

Foreign-invested electronics companies accounted for 41.7% of Korea's \$4 billion gross electronics production last year, though such companies represent only 17% of 858 manufacturing companies, according to Korea Electronics Industry Cooperative. KEIC said output of 105 electronics joint venture companies was valued at \$875 million, or 21.9% of nation's 1982 production, while 41 foreign owned firms accounted for 19.8% with production at \$793 million.

More computer magazines are on way. Software Supermarket from Amos Press will carry \$2.50 cover price, start with 63,300 circulation. Software Digest from SD Inc. will include floppy disc containing sample and complete programs, sell for \$15. Both are monthlies.

Electronics industry employs more workers this year, and for longer hours at higher wages, Labor Dept. reports. Agency says industry in U.S. had 2,052,000 at work at end of July, up from 2,030,000 at same time last year. It puts average hourly wage rate at \$8.66, up from \$8.23, and says average production workweek that month was 40.7 hours, up from 39.6 hours in July 1982. Unemployment rate in industry was just 7.8%, well below 9.5% rate for U.S. as whole.

GM's Delco plans construction of integrated, automated \$132 million 300,000 sq. ft. plant for production of auto radio and other automotive electronics. Due for completion in mid-1986, it could employ up to 1,200. Also planned is 100,000 sq. ft., \$13 million advanced technology engineering lab and pilot IC production plant.

**RADIO SHACK ADDS VCR:** Tandy's Radio Shack chain will expand video offerings this fall by adding its first VCR — a product company has traditionally shunned because of pricing volatility.

It will start with only one model, VHS deck with 105-channel electronic tuner, one-event programmable timer, 9-function wired remote, at \$500. "It's a good basic machine at a competitive retail price," with selling advantage in full-function wired remote, according to Mdsg. Vp Robert Miller.

Signs of price stability, particularly in \$500-\$600 range, caused RS's change of heart, Miller told us. "The time has come when the market is more in line with our merchandising philosophy and margins are more in line with our requirements." He said company shunned VCR in past years "because there was no way to make money" as long as competition "was willing to work on no markup, but now it looks like pricing is starting to firm up a bit."

Miller acknowledged unit is priced somewhat over average for its features. "I never mind going into the market if I'm a little bit high," he said. RS policy, he said, is not to be either highest or lowest priced, and "as long as there is a middle we can participate." He said he expects VCR to help boost sales of RS's own-brand videocassettes introduced last year following Tandy's acquisition of Memorex's consumer tape business.

By our count, move makes home VCRs now available in U.S. under 32 different brand names.

In TV, RS "is doing very well" with small-screen b&w, and will be adding new models this fall, Miller said. Its 13" color, sold mainly as display device to its home computer customers, "is doing reasonably well, but it's not breaking any records." On overall basis, he said, company's audio business "is doing better this year than it did in the last 2 years and is improving," paced by promotional sale items.

RS's venture into consumer paging business is "doing very well, but has been a little slower getting off the ground than I would have liked." RS sells pocket beepers for \$99, and purchaser then subscribes for service with local common carrier which typically charges \$4-\$5 per month plus 10-15¢ per page.

Miller said pager service is now available in about 23 markets. That's fewer than planned — holddown was caused by equipment receipt and rate approval delays experienced by carriers. Because service is only regionally available, RS hasn't been able to feature it in its catalog flyer & insert mailings, hampering consumer awareness & sales. National mailings will start in Jan., said Miller who expects that by June virtually all stores that can do so will offer pagers.

Single-lens projection system for computer graphics and teleconferencing is being marketed by Electrohome of Canada at \$14,800. Three-tube unit weighs 75 lb., uses laser aligned dichroic mirrors, has simple convergence system, optical resolution of 600 lines, can handle up to 1,000-line systems electronically. Peak light output is 230 lumens.

**OTAKE SUES ITA:** Otake Trading, U.S. import agent for Japan's Orion, best known as producer of mini-combo color TVs, has filed suit to force International Trade Administration to release its preliminary dumping margin assessments on imports from Japan for year ending March 31, 1981.

Japanese closed out all TV dumping related claims on sets imported through March 31, 1979 in last month's finalization of \$78 million settlement negotiated in 1980, but collection was held up by unsuccessful court actions brought by labor-industry group COMPACT and Zenith (Vol. 23:27 p12). Final assessments on imports for following year were issued by ITA in June 1981 (Vol. 21:23 p14), but collection is being blocked by injunction won by Zenith in connection with pending suit in Court of International Trade challenging way penalty duties were calculated.

ITA has had paperwork on 3rd set of imports completed for at least year, but has held back on issuing determinations because of court cases. It's safe bet it will make no move to collect these until Zenith suit is resolved. In last review, Otake was only company found to have significant undervalued sales. ITA said its dumping margins on imports averaged 3.37%, and Otake has been posting cash dumping bonds to cover that on all incoming shipments ever since. Otake presumably feels new review will lower or eliminate margin, easing its bonding burden. Suit, however, may have been unnecessary — it's understood ITA expects to have determination out by end of Aug.

ITA requires bonds to cover potential dumping penalties when average margin exceeds 0.5%. In June 1981 determination, no undervalued sales were found on imports from JVC, Matsushita, NEC, Sanyo & Toshiba, while General was found to be dumping at 6.2% average, Mitsubishi at 0.34%, Sharp at 0.3%, Hitachi at 0.16%. However, ITA said all dumping by General was on sets imported during first 11 days of review period, and let company off bonding hook.

Eastman Kodak, deciding "to enter the burgeoning electronics & video business in a big way," will announce formation of electronics div. by next spring, according to article in Aug. 22 Fortune. Noting inroads of video on chemical photography, Fortune says Kodak was "mightily annoyed" by Sony's Mavica announcement last year, notes that it developed both video movie and still electronic cameras in 1970s, as reported in TV Digest (Vol. 20:8 p11), dropped them because of high costs. Three out of 4 dollars spent on new Kodak research projects next year will go to electronics, and company is adding 10 electrical engineers for each new chemical engineer it hires, Fortune says.

Atari and Post Cereals team up for year-long giveaway of computers, peripherals & software to schools and qualifying organizations. Mailing next month to 91,000 schools, 41 million households, will detail Catch on to Computers promotion, in which companies will offer gear free in exchange for cereal proof-of-purchase coupons. Promotion will be backed by ad, publicity & merchandising campaigns, include 10-day training workshops in major cities.



**EMBROILED COLECO:** Coleco shares took yet another battering on Wall St. last week — caused, company said, by analyst misinterpretation of figures released in conjunction with report for 2nd quarter when company netted \$9.07 million. Meanwhile, possibility has arisen that Coleco won't get necessary FCC clearance for scheduled Sept. market launch of Adam home computer system.

Among prime areas of analyst contention were listing as asset \$41 million in prepaid expenses, and tripling of inventories to \$150 million. View was held that asset listing ballooned balance sheet, while inventory build reflected drastic drop in Colecovision videogame console sales. Coleco said about half of questioned assets were represented by videogame equipment it has agreed to swap for ad time, while most of rest was reserve for licensing expenses not yet incurred. As for inventory, Coleco said it speeded up pre-Christmas production of Colecovision to clear factory for output of Adam home computer.

Of more concern is question of how Coleco will get Adam home computer to market on schedule next month. According to FCC, company's application for product certification arrived at labs only last week. Agency has a more than 60-day processing backlog, is only now getting to applications filed June 1. That would indicate Coleco can't be expected to get approval until mid-Nov.

Coleco could request accelerated handling of its application or ask for waiver to allow sales before certification, but FCC isn't likely to be particularly receptive. As matter of policy, top official of FCC Authorization & Standards Div. told us, agency "doesn't generally take applications out of turn." While not commenting directly on how waiver request might be considered, he noted that FCC currently has "strong concern" with interference from computers & games.

Coleco had problem with lack of certification last year when it launched Colecovision, and shipped estimated 50,000 anyway. It resolved dispute gun-jumping created with FCC by explaining it had misunderstood situation, agreeing to pay \$2,000 fine and supplying certification labels for games already in dealer and consumer hands (Vol. 22:41 p13).

Meanwhile, Adam computer has already made unofficial retail debut in novelty electronics catalog from Markline, Belmont, Mass. Catalog has \$675 price on Coleco's complete standalone system, as against "under \$600" indicated by Coleco when it unveiled system in June. System price includes keyboard, 80K memory console with built-in 500K cassette data recorder, printer, basic and word processor software, Buck Rogers game. Similar expansion module package for current owners of Colecovision videogame consoles is \$535. Extra cassette drive is \$150, metal tape cassettes \$13 each.

Catalog lists 16 cassette programs at \$32 & \$40, Logo language program at \$80, promises disc drive, modem, electronic sketch pad, 64K expansion module next year. New Coleco pistol grip control with keypad, joystick, roller, 4 triggers is \$70, including

4-screen baseball cartridge, companion superaction boxing & football cartridges \$30 each.

Also in catalog: 2-channel remote control digital wristwatch from Innovative Time at \$70. Watch has built-in infrared transmitter, comes with receiver module that turns lights & appliances on or off; extra module is \$30; Casio no-button calculator watch at \$70 in which LCD watch display changes to touch sensitive keypad.

**Mergers & acquisitions:** Gulf & Western offers to acquire for stock 10% interest still owned by public in its arcade & home videogame subsidiary Sega Enterprises. Exchange bid, valued at about \$6 million, is being challenged as inadequate in shareholder suit... RCA has taken its car rental subsidiary Hertz off market. Last year, RCA put Hertz up for sale along with several other smaller units it considered peripheral to current main business thrust. RCA said it has changed mind because of "promising prospects" in improved economy. In addition, RCA noted, earnings improvement of other continuing operations have eased its need for outside capital infusion.

Senate Copyright Subcommittee has scheduled hearing on right-to-tape legislation at 9:30 a.m. Oct. 25, about 10 days after Supreme Court re-hears arguments on Betamax case. Home videotaping copyright hearing isn't on current calendar of House Copyright Subcommittee, but one may be scheduled for fall, according to Chmn. Robert Kastenmeier (D-Wis.). Among hearings now listed: Semiconductor chip legislation Sept. 28., record rental proposals (S-32 & HR-1027) Oct. 13, video rental legislation (HR-1029) Oct. 27. House & Senate subcommittees are holding seminar Sept. 24-25 in Williamsburg, Va. on future of copyright in 21st century with 15-20 guest speakers.

Konica will spend \$2.5 million on spot TV & radio and print ads in 25-30 markets starting next month to launch its video & audio cassette lines. Videocassette ads will run on radio, audio cassettes get TV spots in keeping with "hear with your eyes, see with your ears" theme. Konica estimates it will be biggest tape ad spending during period, says audio cassette outlay leaders Maxell, Memorex & TDK each spend about \$3.5 million annually, while in videocassette ads TDK is leader at \$2.4 million, followed by 3M at \$1.8 million, Sony at \$1.7 million.

Colortyme chain of 350 rental retailers is adding recorded videocassettes under agreement with distributor Video Services of America, subsidiary of Fotomat. Colortyme will be 2nd largest account for VSA. Biggest is group of 350 Curtis Mathes dealers. Colortyme was once subsidiary of CM, and its outlets still handle CM products.

Koreans continue to follow U.S. consumer electronics marketing trail originally blazed by Japanese. Latest example is unveiling of Gold Star sign on N.Y. Times Square. About 2 dozen Japanese companies have displays there.



**GAMES BY CABLE, PHONE:** Bi-level competition is on way for Playcable, cable-fed Intellivision videogame program marketing venture which has been something less than smashing success since launch by General Instrument and Mattel 3 years ago. Slated for Chicago rollout this week is Control Video Corp.'s Gameline, which feeds games to Atari 2600 consoles via telephone, while industry's 2nd cable-fed game service, Games Network, expects to be on line in early 1984.

Gameline already has shipped about 10,000 of its \$60 plug-in modules that double as auto-dialers when connected to phone lines, expects to have 54,000 out by end of month, according to CVC Pres. William von Meister. In addition to buying module, consumers pay one-time \$15 membership fee, \$1 per game. Calls to CVC central computer in McLean, Va. are toll-free. Marketing schedule calls for launch in Pittsburgh in Sept., major west coast cities later that month, total of 30 markets by year's end.

Though videogames were relatively dead issue at June Summer Consumer Electronics Show, event was hit for CVC, which has logged dealer orders for 296,000 modules, Von Meister told us. Reason, he said, is module "isn't perceived as just another game product." He indicated service may function as market tester for new games "because we will know what's selling" as computer prints out game play data. Each member of subscribing household can get individual access code, and personal information included in code request form will let CVC develop detailed demographic profiles for players of each game.

Current library includes 100 games from such market leaders as Imagic, Fox, Spectravideo and Tigervision, also has programs from defunct Apollo, Data Age, U.S. Games. Von Meister said he hasn't yet been able to reach licensing accord with independent leader Activision. About 1,000 subscribers are already on line as result of mail order market test. CVC has voluntary credit limit built into system to keep kids from running up massive bills, and while average consumer had been expected to set it at \$3-\$4 per week, average credit request is for \$34 per week, and average per-module charge so far is \$30 per month, against \$6 used in business plan.

Von Meister isn't accepting those figures as necessarily indicative of what mass market module sales will bring. "Obviously those people are motivated game players," noting that average current user is running right through library from first game to last. "In a couple of months we will have a better handle," he said. Expansion into videotex is already in works. "We are planning to introduce sports scores about Nov. 1 and stock market quotes in Dec.," he told us.

Games Network, which differs from others in that it supplies own computer terminal to subscribers, plans to start operating next Feb., according to prospectus for \$3.9 million offering of 1.95 million shares, or 29% interest. Prospectus said Rogers U.S. Cablesystems with 733,000 subscribers will be first to get computer consoles, followed by Gateway Cablevision (15,700 subs) around midyear, with both

operators signed to 5-year contracts. Agreement with Group W Cable (1.9 million subs) is in works, and GN said it has letters of intent from 275 other operators with 1.8 million subscribers. It also has tentative foreign deals with Canadian Games Network and W.H. Smith of U.K. to pay \$1 million in cash plus monthly per-subscriber fee for exclusive rights in those countries. Prospectus says GN is negotiating deals for Australia, New Zealand & Sweden.

In U.S., GN will lease 2 computers for \$4 per month to each cable system — one for backup — and will feed game programs from master computer in its L.A. hq. Subscribers pay cable operator onetime \$50 charge for terminal, \$14-\$16 monthly for unlimited access to 20 programs GN will offer under licensee agreement with software suppliers. Operators split monthly fee with GN. Home keyboard terminal, called "The Window," has 64K memory, ports for hand control. Prospectus says terminal production has been started by Japanese manufacturer, understood to be Shinwa Digital Industries, though no formal purchase contract has been signed.

**Videodisc Programming Symposium Sept. 13-16** at U of Neb., Lincoln, will feature talk on Mystery Disc "Level One" series involving board game and sleuthing strategies by Robert Creese, Videodisc Publishing Inc.; interaction with small computers by Digital Equipment's Jesse Heines; videodiscs at EPCOT by Disney's Ken Christie, point of purchase use by Preferential Media's Gary Johnson. RCA will participate for first time at 4th annual event, with demonstration and reports on new developments, along with North American Philips, N.V. Philips, Pioneer Video, Sony, Hitachi, McDonnell Douglas, Quixote, 3M. Information: Dept. of Conferences, 205 Nebraska Center, U of Neb., Lincoln 68508 (402-472-2844).

**Intellivision at \$9.95 net** was sellout promotion from N.Y. discounter 47th St. Photo last week. Retailer offered game console at \$59.95, eligible for \$50 cash rebate from manufacturer Mattel. It's lowest price ever for programmable videogame, and 2nd best only to giveaways of now-defunct Astrocade and Emerson programmable games earlier this year by N.Y. area dealers to customers who made other purchases (Vol. 23:9 p16).

**Taiwan's production of computer display terminals** is expected to be valued at more than \$20 million this year, up from \$14 million in 1982, just \$4 million in 1981, govt. indicates. It says about 70% of output is exported to U.S., where it estimates Taiwan's products will account for about 14% of 1983 market, up from 10% last year.

**Add Toshiba** to now nearly complete list of Japanese VCR manufacturers planning to set up European manufacturing base. Toshiba said it has launched feasibility study to determine practicality of expanding its color TV assembly plant in Plymouth, England to handle VCR production. Company said it expects to decide on course by year's end.



**RCA PROMOS, PRODUCTS:** Major RCA promotions outlined at Indianapolis distributor meeting last week — which featured appearance by Gene Kelly and videodisc plant tour — include free home trial program and interest-free financing for videodisc players, 40-million copy newspaper supplement, \$75-\$100 trade-ins on TV sets.

In addition to formal introduction of random-access videodisc player (which now gives RCA players in \$50 steps from \$300 to \$500), company introduced 5 new products: (1) Its first 15" monitor-receiver, designed to accommodate home computers, at \$480. (2) Colortrak 19" & 25" remote table models at \$540 and open list. (3) Slim 3-head portable VCR only 3-3/8" high, with special effects, 14-day 6-event tuner-timer, at \$1,000. (4) Infrared autofocus camera with titler, calendar & stopwatch, time-lapse feature, 10-lux sensitivity, 2/3" saticon, \$1,250.

RCA Electronics Expo promotion Aug. 18 will be marked by 8-page color supplement in more than 250 newspapers, stressing high-end video products. Special direct-mail piece to 2 million affluent consumers will feature foldout the size of 25" set to hold against screen of current 19" set for comparison. Trade-in campaign will allow \$100 toward purchase of top-of-line sets, \$75 towards selected 25" Colortrak & monitor models.

Videodisc player interest-free purchase allows buyer to make payments in 12 installments, also includes free disc, 5-day money-back guarantee. Free home trial, idea borrowed from successful campaign in early color days, provides for loan of special player to potential customers for 5 days, along with sampler box that dealer can fill with up to 10 discs. Choice of titles, whether they can be purchased later at discount or remain at list, is up to dealer.

Returned discs, said Mktg. Vp Herbert Mendelsohn, can be added to retailer rental catalog — recognition that disc rental now is accepted fact of life. First interactive disc package goes on market next month, includes 21 banded discs that allow user to organize segments in any order. More than 50% of titles are music, children's programming accounting for big chunk of remainder.

Vidmax's 2nd Mysterydisc, *Many Roads to Murder*, was selected for interactive introduction. Other title, RCA Videodiscs production *A Week At The Races*, comes with play money viewers can use to bet. "It's something like a Monopoly game," said RCA official. Both are \$29.98. At distributor meeting, CBS Publishing Group demonstrated first educational disc for interactive CED format — *A Walk Through the Universe*, companion to college-level telecourse, to be used primarily to demonstrate educational potential of interactive discs to educators. Lead title on regular RCA release schedule is *Gandhi*, 2-disc set due in Oct. at \$39.95.

RCA dealers will use interactive disc players in same way Ford & GM dealers use LV players — to demonstrate product. They'll get special disc containing action shots and descriptions of all RCA video products, indexed for quick access to any category — to show customers or to train salespersons.

**COMMODORE RESULTS SURGE:** Who says you can't make money in computer-game business? Certainly not Commodore, which reported operating earnings doubled to \$26.7 million on 116% sales jump to \$212 million in final quarter to June 30, period when major competitors Atari, Mattel and TI logged steep losses and Coleco's growth was lower than anticipated. Commodore full year sales of \$681.2 million & earnings of \$88 million were also more than double.

Increases, Commodore said, came from strong demand for its computers in U.S. and foreign markets, particularly for step-up model 64. Company claimed it now holds 40-50% of computer market, up from 25% at start of year.

Thorn EMI said consumer electronics was major contributor to improvement in finance results in year to March 31. U.K. firm reported 15.7% rise in pre-tax net to \$180 million on 10.6% revenue rise to \$4.27 billion. Thorn said consumer segment earnings rose 16.3% to \$125 million as revenue increased 14.8% to \$1.16 billion. Films, video software and leisure segment continued in red, though loss was trimmed nearly 50% to \$6.7 million as revenue increase 12.8% to \$162.7 million.

In report to holders, Thorn indicated bulk of growth in consumer electronics came from increased VCR sales & rentals. In video, Thorn said that "despite its high media profile" market is "just starting to stabilize." Because of low player population and high demand for videocassettes, Thorn said it has deferred "any final commitments to enter the videodisc market." As for computer software, "market growth is at a very early stage — even in the U.S."

Sanyo reported 11% rise in earnings to \$59 million on 2.7% sales boost to \$2.05 billion in half to May 31. Volume increase came primarily in foreign markets, where sales were up 4.4% to \$1.25 million. VCRs and office automation equipment were its growth leaders.

Superscope showed sharp reduction in operating losses in reports for 2nd quarter and first half (see financial table). Company had \$85,000 operating deficit for quarter, \$1 million loss for full period. Final results for quarter & half are after \$5.84 million credit resulting from debt restructuring.

Sega showed \$5 million loss in year to June 20, against profit of \$15.2 million in fiscal 1982. Sales were down 36.4% to \$136.3 million. Company is suffering from arcade videogame market slump.

Recoton posted record results for 2nd quarter and half, attributed improvement to new VCR, telephone & videogame accessories. Company, which claims to be largest in accessory field, is introducing line of home computer care products.

Videogames are in 50% of U.S. homes with teenagers, and, based on current ownership and buying plans, computers will be in 20% of such homes by year's end, according to survey by Scholastic. Study notes that kids, not parents, make majority of game & computer buying decisions today.

**VIDEO STATION REVAMPED:** George Atkinson, founder of giant retailer & distributor Video Station, has been relieved of primary operating responsibility for company, moved upstairs to chmn. by 3-man exec. committee and outside directors appointed by full board 2 weeks ago in aftermath of accounting embarrassment. Exec. Vp Gilberto Padilla, who recently joined VS, is in charge of finances & operations, reports to committee.

Management change follows disclosure last April that because of tax claims and inventory adjustment, VS had lost \$600,000 in year to Sept. 30, instead of having made previously announced profit of \$337,000 (Vol. 23:14 p16). VS now is expected to report net loss of \$1.55 million for 6-month period ended March 31.

Atkinson and brother Edward no longer control VS. To get \$2.8 million operating capital VS swapped notes for 3.5 million shares, diluting family ownership to 24% from 57%. Atkinson calls new setup "welcome relief... 3 heads are better than one," now intends to concentrate on "creative areas" such as acquisition & marketing of programs.

For that VS will need more capital, which could come from sale of 9 million authorized shares still in treasury. Atkinson said he would like \$1-\$2 million for "bread-&-butter" stuff, but approval must come from new management committee. Still "at impasse," he said, is plan to set up VS joint venture in Japan. Although shot down by studios, Atkinson claims he has okay of independents, verbal agreement with Japanese partners, not written contract committee now demands.

As for U.S., "I'm not sure we're breaking even," Atkinson said. VS has established about 500 affiliate stores, none of which has to deal with company. "We'd be in terrific shape if we were getting royalties from the stores," he notes, but "we weren't in a position" in 1979-80 to demand it. To hedge bets, Atkinson established Coast Video, which distributes to affiliates and 1,500 other retailers, should account for 80% of VS's estimated sales of \$15 million in current fiscal year. The 5 VS-owned stores are bringing in \$1.5 million, and about 50 new affiliates — each paying \$30,000 startup fee — \$1.5 million.

High resolution shadow mask for computer display color tubes is subject of RCA patent on method of etching tiny holes in metal. Patent relates to process whereby precisely sized apertures, smaller in width than thickness of the metal, may be etched into continuously moving metal strip.

Shipments of CD digital discs to RCA Records for sale in U.S. (Vol. 23:29 p14) will start in Oct., Nippon Columbia announced in Japan last week. As result of RCA contract, Hitachi subsidiary said it's doubling production to 200,000 discs per month.

Matsushita is 40% investor in \$1.25 million color TV manufacturing venture being set up in Nigeria with local partner. New company, Panasonic Nigeria, is scheduled to start production in Sept. 1984, eventually broaden scope to other products.

## 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>Dynascan</b>			
1983-6 mo. to June 30	76,353,000	4,081,000	.98 <sup>a</sup>
1982-6 mo. to June 30	36,186,000	1,058,000	.27 <sup>a</sup>
1983-qtr. to June 30	46,116,000	2,626,000	.62 <sup>a</sup>
1982-qtr. to June 30	20,106,000	669,000	.17 <sup>a</sup>
<b>Emerson Radio</b>			
1983-qtr. to June 30	31,033,000	141,000	.02
1982-qtr. to June 30	12,871,000	(744,000)	--
<b>Lloyd's Electronics</b>			
1983-qtr. to June 30	6,095,000	(336,000)	--
1982-qtr. to June 30	8,567,000	(115,000)	--
<b>MCA</b>			
1983-6 mo. to June 30	782,314,000	76,173,000	1.59
1982-6 mo. to June 30	678,082,000	62,882,000	1.32 <sup>a</sup>
1983-qtr. to June 30	351,374,000	37,155,000	.78
1982-qtr. to June 30	352,822,000	38,595,000	.81 <sup>a</sup>
<b>Recoton</b>			
1983-6 mo. to June 30	9,957,123	624,308	.47 <sup>a</sup>
1982-6 mo. to June 30	6,936,215	161,092	.13
1983-qtr. to June 30	4,884,170	321,056	.24 <sup>a</sup>
1982-qtr. to June 30	3,389,945	68,966	.05
<b>Superscope</b>			
1983-6 mo. to June 30	17,118,000	4,842,000	2.10 <sup>b</sup>
1982-6 mo. to June 30	23,277,000	(4,758,000)	--
1983-qtr. to June 30	8,537,000	5,758,000	2.49 <sup>b</sup>
1982-qtr. to June 30	10,792,000	(3,115,000)	--

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

## Consumer Electronics Personals

Jeffrey Repka advanced at NAPCE Magnavox Sales Div. from sales mgr. to gen. mgr., N.Y. Div., succeeding Gerald Calabrese, named Southeast Div. gen. mgr., replacing Whit Smith, resigned; Robert Pierce promoted from sales mgr. to gen. mgr., Pacific Div., succeeding William Brittle, retired... Allan Gordon advanced at RCA to corp. licensing vp... Paul Burns, ex-Clinton Electronics, rejoins RCA as mkt. planning services and strategic planning vp, Video Component & Display Div.; John Ratay advanced at VCDD to mfg. vp... Matthew Howard named Sears Merchandising Group home entertainment & appliances vp, succeeding Robert Thompson, retiring after 32 years with company.

Paul Culberg promoted at Media Home Entertainment to worldwide mktg. & sales vp... Philip Welch, ex-Schneider and U.S. Pioneer, named national sales vp of Contratech, new product market development company... George Currie promoted from Sony Communications Products Co. central region zone mgr. to Professional Audio Products vp-gen. mgr... John McInerney, ex-GTE, joins Webcor as special mktg. national sales mgr.

Steven Solomon, ex-Burroughs, joins Fuji Magnetic Products Div. as computer products national sales mgr... Gary Masner named Ampex Memory Products Div. vp-gen. mgr... Frank Masi, ex-Royal Business Machines, joins Panasonic Industrial Co. as asst. gen. mgr. for new Electronic Typewriter Group of Office Systems Div.



WEEKLY

# Television Digest®

with  
consumer  
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

AUGUST 22, 1983

VOL. 23, NO. 34

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast - Cable

**BROADCASTERS CONTINUE ATTACK** on land mobile, claim new technologies eliminate need to use UHF TV frequencies for public safety services. (P. 1)

**NAB SURVEYS TV & RADIO** members, finds TV & group broadcasters most involved in Washington activities; radio stations want more lobbying on international matters. (P. 2)

**WIRTH DISPLEASED** with small size of response to TV & radio program surveys, will press issue with broadcasters. (P. 3)

**NAB WANTS TO SPONSOR DEBATES** between 1984 Presidential contenders. No firm proposals but talks are in progress. (P. 3)

**ABC ABANDONS SATELLITE PLAN** but still hopes for deal with AT&T for some capacity on Telstar system. (P. 4)

**CPB ASKED QUESTIONS TOO LATE**, should have been more aggressive sooner with NPR, saving time in determining extent of radio network's financial problems, according to CPB Pres. Pfister. (P. 6)

**ALL'S 'FAIR' IN CABLE-TELCO WAR:** Nasty dispute over cable data transmission floods FCC with arguments pro & con. 'Fairness' issue seems defined by bandwidth. (P. 6)

**BROADCASTERS DEFEND UHF CHANNELS:** Major broadcasting organizations are continuing all-out attack on efforts by land mobile radio users, especially police & fire departments, to take over parts of UHF spectrum. Latest salvo is report which claims that new technologies and advanced spectrum management techniques can more than satisfy requirements of public safety mobile communications users. Report was prepared by Dale Hatfield Assoc., was sponsored by 3 networks, NAB, CPB, NAPTS, INTV & MST.

Report presents plan which it claims would: (1) Increase by 10 times or more capacity of public safety's frequencies in 150-MHz band. (2) Consolidate scattered public safety operations into frequency range accessible by single radio. (3) Develop organizational structures to help resource sharing while preserving individual autonomy.

More than 500 additional channels for voice & data transmission can be created in high-band spectrum (150.8-161.565 MHz) already allocated to Public Safety and Special Emergency Radio Services by using new, narrow-band land mobile technologies such as

### Consumer Electronics

**RCA RAISES PRICES** 1-2% on mid- & high-line color sets, list prices up \$10 & \$20. (P. 9)

**DUMPING FINDINGS** against 5 Japanese firms would be dropped, based on preliminary ITA finding. Tentative dumping margins for 1980-81. (P. 9)

**WHITE HOUSE SUPPORT** claimed for videotape first-sale rewrite, but Administration will wait for Supreme Court on VCR-tape fee stand. (P. 10)

**U.S. COLOR OUTPUT** declined in 2nd quarter, while imports rose 83.1%. More than half of color TV supply was imported complete or in kit form. (P. 10)

**COMPUTER-GAME WOES:** Atari reorganized, sued by ex-workers. Coleco notes Adam delay. More TI price moves. G&W dumping Sega. (P. 12)

**SONY SHOWS DIGITAL TV** with 1,050-line scan from 525-line transmissions, but gives no market date. To have 2 designs at Berlin show. (P. 13)

**PIONEER IN BLACK** in 3rd fiscal quarter, predicts profit for year. Philips lowers sales forecasts. Tandy up. RCA rating upgraded. (P. 13)

**'REVOLUTION IN VIDEO,'** using 'lasers & chips,' with player at \$150-\$250, feature movies \$18, turns out to be film projector. (P. 14)

Amplitude Compandored Single Sideband, digital transmission techniques and trunking, Hatfield report stated. Report said there are now 250 channels available for public safety users, that 870 additional channels could be made available with proposed plan, that 2,870 channels could be made available with further near-term improvements and that overall foreseeable potential capacity is around 6,020 channels.

**RADIO & TV SHARE GOALS FOR ASSOCIATIONS:** TV & radio broadcasters "are very similar in their ratings of NAB's current services" and "are very much alike in the expectations they hold of their trade association," according to survey of membership by NAB. Members gave NAB high marks in representing them before FCC & Congress, also gave both areas highest priority. However, only 78.5% of radio members said they were aware of legislative liaison program, while 82.8% are aware of TARPAC; on TV side, figures were 92.1% & 95.2%, respectively, and for TV-radio group owners 90.6% & 92.1%. On scale of 1 (least valuable) to 4 (most valuable), TARPAC was rated 2.8 by radio, 3 by TV-only & groups.

High percentage of stations actually have contacted members of Congress on behalf of industry positions: Radio 88.5%, TV 94.5%, groups 96.1%; in all 3 categories, figure was higher than those who said they had been asked by NAB to lobby legislators — radio 81.4%, TV 92.2%, groups 88.5%. On 1-4 scale, radio gave NAB representation before FCC & courts 3.6, TV & groups 3.7; in congressional representation, NAB scored 3.5 with radio, 3.6 with TV & groups. Seen as least productive among current NAB activities were minority seminars & information (2.1 radio, 2.6 TV, 2.4 groups) and minority employment clearinghouse (2.4 radio & TV, 2.5 groups) — indicative of fact that very few minorities own stations.

On radio side, 38% thought NAB conventions are better than other broadcast trade association conventions, 10% said they weren't as good; for TV, score was 33.3% & 10.9% and for groups 38.2% & 10.7%. Most valuable part of convention is equipment exhibits, according to all 3 membership classifications; close behind are opportunity to meet manufacturers & distributors, engineering conference and visits with govt. officials. Most recommended for future conventions were more workshops and travel packages & discounts. Only 23.9% of radio stations bring their engineers to convention, compared with 86.9% of TV stations, 79.5% of groups. Very few TV or radio stations bring along sales & programming execs.

In answer to question on services NAB doesn't now provide that should be added, largest percentage of both TV & radio stations listed market research consultation first, followed closely by audience analysis consultation, computer planning & clearinghouse, audio & video training materials. Rating lowest on list of proposed services by radio were union seminar & assistance (6%), insurance planning by TV stations (17%), travel planning by groups (20%). Asked about paying extra fee for new services, 50.9% of radios said they would be willing to pay more, 43.8% of TVs, 57% of groups.

Current issues of prime importance: Deregulation, First Amendment rights, political broadcast rules, spectrum integrity and allocation, advertising, ownership restrictions, copyright. Ranking high among current NAB services were publications and assistance in business, legal & engineering. NAB received 25% response from radio members, 45% from TV.

Preliminary report on survey was sent to board in July, while final results were distributed to Exec. Committee during Washington meeting last week. Study will be used for planning, and in fact was focal point for Aug. 16 meeting of NAB senior execs. in Washington. While saying results contained no surprises, NAB Pres. Edward Fritts said: "I was pleased that the reports were so positive."

Several groups have opposed FCC rulemaking to delete personal attack rule and restrictions on political endorsements. Repeal of regulations "will be going counter to the expressed will of the public to insure that the electoral process is fair and free of inordinate manipulation by individuals or corporations that have great wealth and the power that wealth can command," group said. Petitioners are AIM, Conservative Caucus, American Legal Foundation and American Business Media Council.

System to cut TV signal bandwidth by 50% or more is proposed by Compupix Inc., Camino Real Center, Boca Raton, Fla. 33480. Patented by Joseph Vogelmann, system is described as digital method for encoding, transmitting, receiving & decoding standard TV signals, minimizing bandwidth by eliminating redundancy between picture elements, line to line and frame to frame, transmitting only changes in signal by digital means and replacing sync signals by "short code sequences."



**WIRTH SOUNDS WARNING:** House Telecom Subcommittee Chmn. Wirth (D-Colo.) isn't pleased with small size of response to panel's TV & radio programming surveys, especially CBS Best. Group's refusal to respond, will surely press issue with broadcasters, Hill sources said. "When we get to the point where we are looking closely at... deregulation [legislation], he will certainly point to this," according to staffer. "It's fair to say [that we're] disappointed with the return."

Deadline for returning TV surveys was Aug. 15; of 900 stations surveyed, 170 (18.8%) had responded by late last week. Radio stations have until Aug. 22 (today) to return questionnaire, but of 1,200 surveyed, only about 90 (7.5%) had been returned by Aug. 19. Staffers said response is mediocre, with part of it coming in form of program logs and 1981 renewal filings. Aides are particularly disappointed with radio response. They point out that bulk of radio surveys returned came from small market stations, which staffers claim undercuts arguments that questionnaires are complicated and time consuming.

Refusal of CBS owned stations to participate has enraged top Subcommittee staff, who branded as "outrageous" Aug. 15 letter by CBS Best. Group Vp Roger Colloff explaining why. Colloff said owned stations "wholeheartedly support" broadcast deregulation effort, especially end to comparative renewal, but oppose "substitution of percentage standards for present system," for this reason refused to participate. Argument didn't wash with staffers, who called it "baffling" and "impediment" to panel's effort to draft deregulation. "We can't do this if we don't have adequate information," aide said.

Colloff added that network didn't stand in way of affiliates who wanted to respond, did provide most programming information they would need to answer surveys. Network said it couldn't supply affiliates with information on what programs were designed specifically for "ethnic and racial minorities" because "we do not keep [those kinds of] records," problem that was expected to impede other networks. Subcommittee also hasn't received responses from ABC- & NBC-owned stations, staffer said.

"Winning II" is theme of TvB convention Nov. 14-16, Riviera Hotel, Las Vegas. "We see 1984 as the biggest, best, most exciting year in TV history" if several obstacles can be overcome, according to TvB Exec. Vp George Huntington. Panels will stress how to sell TV better against newspapers & cable, "profit-making beyond advertising" made possible by deregulation & new technology and political advertising. Keynoters will be Marshall Loeb of Money magazine and Layne Longfellow, pres. of Lecture Theater.

Group W will bring in limited partners in its Chicago area cable franchises, it reported in filing with city. It plans to offer 750 units at \$150,000 each, for total of \$112.5 million. Company has franchises in 2 of city's 5 areas; the 2 have 440,000 homes. It's Group W's first such offer of limited partnerships for cable operation.

**NAB WANTS TO SPONSOR DEBATES:** NAB is pulling out all stops in effort to become sponsor of 1984 debates between presidential candidates. Toward that end, NAB officials had lunch last week with Dorothy Ridings of Louisville, pres. of League of Women Voters, which sponsored 1980 debates. NAB also has met with TV networks, all announced Democratic candidates, Democratic & Republican National Committees and is approaching White House.

No firm proposals have been presented, NAB Senior Vp-Public Affairs Shaun Sheehan said, but all parties expressed interest. "We agreed to talk further," he said of meeting with Ridings and other League officials. NAB hasn't put dollar figure on project, but it could be substantial if Assn. takes over. Said Sheehan: "We're actively exploring all possibilities... We're not just playing around." Following NAB Exec. Committee meeting Tues., TV Chmn. Jerry Holley said sponsorship of debates "is only part of a larger effort."

That would include building April 1984 convention around campaigns & elections theme. NAB said it would make every effort to secure participation of President Reagan and all remaining viable Democratic candidates. Assn. also plans to prepare "how-to kits" for members on active participation in campaigns. Convention Committee meets Oct. 3 in Washington to lay plans.

Under Aspen rule currently in force, networks & stations are prohibited from sponsoring political debates or holding them in studios. Of course, repeal or a stay of equal time law (which was stayed for Kennedy-Nixon debates in 1962) would solve problem. NAB has asked FCC to relax or modify Aspen to allow stations to play bigger role in political debates.

**ABC-TV is 98% sold out for winter 1984 Olympics in Sarajevo, Yugoslavia and summer Olympics from L.A.** ABC paid \$315 million for U.S. rights to games, started out asking \$215,000 per 30-sec. spot. Asking price has been raised twice, stands at \$260,000. Network expects to sell \$625 million in advertising. Coca-Cola will be only soft drink advertiser, committing to pay \$42 million; Anheuser-Busch & Miller will split beer ads, as will retailers Sears & K Mart; Chevrolet will be only car maker in winter Olympics, will be joined by Datsun as summer advertiser.

**International Satellite's application to FCC to launch regional satellite system serving North Atlantic basin isn't quite copycat of Orion's earlier bid to launch Atlantic satellite services.** ISI's biggest difference is that it's willing to do battle on Article XIV of Intelsat Agreement, which is required because ISI intends to do business in both public & private facility modes. Orion says it's strictly private facility, doesn't need to clear "significant economic harm" coordination called for in Intelsat Agreement.

George Brown, retired RCA exec. vp, is keynote luncheon speaker at Cable Summit Conference in Washington, Four Seasons Hotel Oct. 27, conducted by Television Digest Inc.

**ABC PULLS BACK ON SATELLITE PLAN:** In blow to satellite industry's hopes to convert all TV networks to end-to-end satellite distribution soon, ABC-TV has abandoned plans to switch its west coast affiliates from land lines to satellite, we've learned. But ABC won't abandon satellite interconnection entirely, still hopes to announce deal soon with AT&T for new capacity on Telstar system for use in trunking, distribution to central & mountain affiliates.

Julius Barnathan, pres., ABC Best. Operations & Engineering, told us that network has decided to abandon plan for west coast satellite interconnect because surveys & fieldwork showed that it would cost more to switch than to stick with traditional terrestrial media with satellite used only for main trunking. In some cases, site preparation work will be abandoned; in others, work never started. Barnathan said ABC discovered that it would be much more difficult and expensive than anticipated to co-locate earth stations at TV stations, that dishes larger than expected would be required, and that in some cases costs of providing earth station-to-studio links had risen to \$100,000. "The cost was way out of hand. There were no savings," he said.

Barnathan said ABC still has no interest in using Ku-band, as planned by NBC. ABC still intends to use mix of C-band satellite & terrestrial facilities in future, soon will announce deal with AT&T for lease of capacity on Telstar system, he said, noting that AT&T satellite will be used to deliver network feed from N.Y. to L.A., whence it will be retransmitted to affiliates over land links. Only mountain & central time zone affiliates are now envisioned to have their own TVROs. ABC never planned to switch its east coast affiliates to satellite service.

CBS still plans comprehensive shift to C-band satellite interconnection, is providing affiliates with earth stations equipped for automated remote control, complemented by smaller dish for back-up. Network is negotiating with several domsat providers, currently has 4 transponders on Westar & Comstar systems. Some 86 affiliates already have their own TVROs and have plucked network programming from bird during bad weather that incapacitated terrestrial delivery.

**NAB Pres. Edward Fritts** has sold WELO(AM)-WZIQ(FM) Tupelo, Miss. to Big Thicket Bestg. for \$1.46 million, through brokers Milton Ford & Dan Hayslet. Fritts also has signed letter of intent to sell KZRI-AM-FM Helena, Ark. to Delta Bestg. for \$400,000. Delta owns fulltime KFFA(AM) Helena, plans to spin off daytimer KZRI(AM). Fritts is negotiating to sell remaining stations in Indianola, Miss. & Winnsboro, La. to current management.

As SMATV moves from being "mom and pop" industry to becoming one of "major players in the field of telecommunications," industry members must voluntarily "begin to think seriously" about some policy issues being raised, House Telecom Subcommittee Chmn. Wirth (D-Colo.) told National Satellite Cable Assn. Wirth contrasted SMATV and cable industries, saying major advantage of SMATV was "freedom from government regulation."

**NAB'S PHONE BILL WORRIES:** NAB is afraid of several bills pending in Congress which would impose tax on all long distance communications — voice, data or video — to slow increase in phone rates. Assn. said broadcasters now shifting signal transmission to microwave and satellites may find themselves subsidizing local phone rates if a bill becomes law, has formed task force on program transmission charges & services to monitor congressional activity and protect interest of broadcasters. Task force members probably will be appointed in next 2 weeks.

Jack Smith, new Common Carrier Bureau chief who has been watching battles between telcos and cable TV over regulation of data transmission services, said Bureau has no desire to start regulating cable systems. Calling entire issue "a hornet's nest," he said "there is a lot of action on the Hill on this issue. My personal preference is to look for guidance from the legislators. I think we will wait and see how that is fleshed out on the Hill before we take action."

On cellular radio, Smith said "time is just about ripe" for FCC to deal with "headstart" issue: Whether to allow wireline carrier to start offering cellular service before non-wireline carrier can get its system up and running. "We've been eager to get cellular out and operating. We won't be letting this sit on the back burner."

Coca-Cola may be firm negotiating with Wometco Enterprises for takeover, industry analysts suggest. Officials of Miami-based Wometco said firm is talking with unidentified potential buyer. Wometco owns 6 TV stations, one pay-TV service, 16 Coca-Cola bottling plants, movie theater chain, and 85% of subsidiary Wometco Cable TV Inc. which operates 46 cable TV systems. Wometco reported net income of \$13 million or 75¢ per share in first half of 1983, compared with \$11.9 million (69¢) for comparable period in 1982.

Louis Lucas has resigned as vp-counsel & secy. of William B. Tanner Co., according to Tanner parent Media General. Lucas resigned "because of a possible conflict of interest resulting from the allegations contained in an affidavit recently filed by the government" in investigation of Tanner for alleged income tax and mail fraud, conspiracy and business payoffs.

Metromedia has announced acquisitions in common carrier field totaling \$102 million, including purchase of Dallas-based RAM Bestg. of Tex., common carrier with application pending for Dallas cellular system. Other buys: Network I Inc. and Teltec Saving Communications, Miami-based long distance telephone resale companies; Assoc. Communications, Bridgeport, Conn. common carrier; Mobilphone Paging Radio, Providence.

In effort to win higher profile for RAB, Pres. William Stakelin said that he "will be very receptive to invitations [to speak] from broadcaster groups and industry associations." He also said RAB shortly will form speakers bureau "to help tell the story of radio across America."



Group W Cable has sold cable TV system which serves more than 20,000 basic and 10,000 pay-TV subscribers in Worcester, Leicester & Auburn, Mass. to Greater Media, E. Brunswick, N.J., for undisclosed sum.

Lorimar has completed acquisition of N.Y. ad agency Kenyon & Eckhardt for \$21 million.

KIEM-TV Eureka, Cal. switches rep firm from Avery-Knodel to Seltel.

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 International 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 Division Vice President & General Manager **Charles Schmidt** . . . Satellite TV Corp. Pres. **Richard Bodman** . . . Alcoa-NEC Exec. Vp **Dennis Fraser** . . . M/ACOM Vice-Chmn. **Frank Drendel** . . . DBS Corp. Pres. **Wilbur Pritchard** . . . consultant and former RCA Americom Pres. **Andrew Ingills** . . . 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.

### 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.

**NPR LIVED 'IMPRACTICAL DREAM':** When NPR's \$1.8 million 1982 deficit was worsening, CPB should have questioned NPR more aggressively, CPB Pres. Edward Pfister said in assessing NPR's crisis & aftermath during interview with our affiliated publication Public Broadcasting Report. Pfister said 2-3 weeks could have been saved. He said NPR was living fantasy of financial independence even as its financial system failed to provide timely, important information that could have been used to head off crisis.

Pfister recounted conversation in early March with ex-NPR Pres. Frank Mankiewicz who Pfister said told him: "I'm sorry to say you were right. I [Pfister] asked him what I was right about and he told me I was right about their [in]ability to move financially as quickly as they had hoped. He told me that they had a \$2.8 million deficit..." In that period, CPB should have been more aggressive, Pfister said. "But, you have to remember they thought then that their deficit was \$2.8 million. Five weeks later, it was \$5.8 million."

Projections are that NPR faces \$9.1 million deficit as of Sept. 30. It received \$8.5 million loan from CPB after it transferred interconnection system to 3 public trustees. NPR ran into 2 problems, according to Pfister. (1) "The impractical dream" in which NPR said it needed "less and less and less CPB help." (2) Financial systems which were out of control.

Public broadcasting's image was hurt by NPR's swan dive, Pfister said, but seriousness of damage isn't yet available. Pfister said he's proud public broadcasting solved the problem. As for paralyzing disagreement over CPB's demand that satellite interconnection system's ownership be transferred away from NPR, he said lack of trust and antagonism were causes. "[NPR] apparently looked on the notion of transferring title to CPB as a power grab. We looked on transferring title to CPB as nothing more than the quickest and the easiest way to get the job done," he said. Pfister said this was difference in legal interpretation, that cries of illegality are symptomatic of public broadcasting's problems.

"All of the business of saying what you're doing is illegal, what you're doing is grabbing power or this or that. I mean if there's no trust, if there's no confidence among these organizations, growth is always going to be slower than it should be," Pfister said. He indicated CPB board worked hard for "prudent, constructive" resolution to NPR's problems. "There was no politics."

**National Coalition on TV Violence** is seeking ban on TV ads for adult war game featuring simulated "declarations of war and duels to the death." "The Survival Game" is played by adults who stalk each other trying to shoot "enemy" with paint pellets from .68 caliber handguns.

**Merger of Viacom's Showtime and Warner Amex Cable Communication's Movie Channel** will see both services continuing as separate 24-hour-daily pay channels. Financial details aren't being released.

**ALL'S 'FAIR' IN CABLE-TELCO WAR:** AT&T and Bell Operating Cos. have co-opted NCTA's often-used "level playing field" argument to rebut cable industry's move for FCC preemption of broadband data transmission regulation. Telephone industry, in reply comments to Cox Cable petition for declaratory ruling that FCC has preempted such state regulation, argues it wouldn't be fair for cable to enjoy regulatory freedom in data transmission while telcos' private line services remain under thumb of state utility commissions. Said Ameritech: "Cox Cable wants the Commission to handicap competing suppliers... to the cable industry's benefit."

Fairness question is addressed by many of 38 commenters, with broadband interests generally arguing that cable data transmission business will never bloom without some regulatory breathing room. Westinghouse Bestg. & Cable said cable's competition with telcos will be thwarted by high entry barriers erected by state regulators: "Existing state regulatory regimes and policies are biased to preserve the monopoly service prerogatives of incumbent utilities." Westinghouse added that "in view of cable's non-dominant status and the fledgling nature of its efforts to provide broadband services, the argument that cable would be unduly advantaged by virtue of federal preemption is disingenuous." NCTA pointed out that in 1981, 9 cable systems offering data transmission captured 0.15% of \$1 billion market.

**TV Operators' Caucus (TOC)** is new name of Major Market TV Caucus. Change was made by steering committee at Washington meeting last week to reflect fact that all TV stations will be eligible for membership in group formed primarily to lobby for TV's positions in Washington. All members of steering committee, headed by David Henderson of Outlet Bestg., are executives of major groups. Original concept was to limit Caucus to stations in top 50 markets; at July meeting, concept was extended to include other groups (such as Gateway Communications) without stations in top 50. TOC doesn't plan fulltime Washington office, lawyer or lobbyist — "we're not looking to be a fulltime organization with a fancy lobbying organization," member of steering committee said. To date, Group W has donated services of its Washington counsel John Lane (in whose office meeting was held) to TOC, and other groups are expected to do same in future. Formal solicitation of members (expected to be charged \$500 per station per year) hasn't started.

**U.S. Court of Appeals for 5th Circuit** has struck down Tex. law which required TV-radio stations to sell time to politicians at lowest unit rate year round. Court said Tex. statute conflicts with Communications Act requirement that stations charge lowest rate only during 45 days before primaries, 60 days before general elections. Court also ruled Tex. law acts to lengthen campaigns, promotes greater campaign spending and imposes heavy burden on stations to make low-cost time available to political advertisers. Appeal was made by KVUE Austin.



**RITCHIE SAYS SNC PROSPECTS FINE:** Our recent report on Satellite News Channel didn't fully reflect facts of situation, in opinion of Daniel Ritchie, chmn. of Westinghouse Bestg. & Cable — partner with ABC in SNC. Article was based on E.F. Hutton report, reports from private meeting of ABC Video Enterprises Pres. Herbert Granath with security analysts, interviews with many people involved.

Ritchie writes: "The general tone of the article and, indeed, some of the facts simply do not reflect the reality, spirit and promise of SNC... As you reported, Herb [Granath] made a good presentation and felt that his report was an 'upbeat presentation.' Yet, your report was so negative.

"Herb emphasized 3 points. First, ABC became a partner in SNC in part because they felt that by taking advantage of ABC News' worldwide news gathering resources, SNC would be much less expensive to produce than Cable News Network. That cost advantage was thought to be very large, which has turned out to be the case. As you reported, our costs are on budget. Our arrangements with leading broadcast news organizations also give us unique cost advantages, access to fast-breaking domestic news and the ability uniquely to deliver regional and local news... Second, Herb Granath emphasized that SNC continues on target in the crucial area of getting cable subscribers. Third, in the area of ad sales revenues, Herb stated that the results were disappointing and below target. I wouldn't be surprised if many cable services were falling short in their advertising objectives this year...

"We've tried to do some new things, to break new ground. Clearly, we've made mistakes, but if our people have erred in their efforts to develop innovating marketing techniques for the new medium, then I applaud their willingness to try. None of our people ever 'set minimum number of clients an agency had to bring' or gave agencies 'only 2 months in which to make up their minds to buy time'...

"SNC is only 14 months old. I've always felt it would take 3 to 5 years for SNC to become profitable. We are meeting our cost and subscriber targets, though we do have progress to make in ad sales, as do other ad-supported cable services. Start-ups are always tough, but I think SNC is good, and I am proud of it."

**Hispanics can't advance their special needs** "unless we harness our numerical strength into political muscle," FCC Comr. Rivera told U.S. Hispanic Chamber of Commerce convention in Tampa. He especially urged them to get into new technology: "If we act now, and act decisively, we can be part of the communications revolution... Your participation in the electronic mass media will be far more than simply an attractive investment. Media ownership goes to the heart of the political process and inescapably confers tremendous political clout, given the media's formidable capacity to influence public opinion. Hispanic mass media ownership will provide an essential forum for airing our views on important public issues and will reduce our need to rely on the outlets of others."

**STATES & REGULATION:** It's no secret that states haven't played prominent role in developing communications policies. But inactivity of states pains the few movers & shakers among local officials who want to focus more attention to communications issues, including Md. Democratic House Delegate Judy Toth who was recently pushing her views at National Conference of State Legislators convention. "We're being left behind in the debate when we should be out front," she said in interview with our affiliated publication, *Communications Daily*. She sharply criticized state officials for falling short on what she said was important "responsibility" of local officials, said defeat of cable deregulation legislation in Congress should be primary target because it "poses a serious threat to local government authority."

Big problem Toth sees is state officials' lack of understanding about cable industry issues. "All everyone seems to think of is in terms of how many more entertainment channels they'll get with more competition, or if they'll be able to watch dirty movies and more sports," she moaned, adding: "I understand that the industry wants more freedom to make money and I don't think enough govt. people realize what they'll be giving up if they grant that deregulation. They'll be giving up the power to say 'no'."

Toth wants language preempting state authority that is in cable deregulation bill already passed Senate (S-66) removed in House version. She said local govt. officials or the states should have control because cable "is becoming more and more like" a utility and less an entertainment medium, that regulation should be at local level where officials have better understanding of constituents' needs. She cited enforcement, said it's better left to local officials "because at the very least it'll be a quicker form of justice." But some federal guidelines are necessary, Toth conceded, citing access by minorities as important example. "Some jurisdictions just aren't going to put that in their local franchises," she said.

Describing strategy behind NAB efforts to get broadcast deregulation bill through House, NAB Pres. Edward Fritts said "Congress knows we are dead serious." Speaking last week to Mich. Assn. of Bestrs., he said: "The onerous spectrum fee concept appears dead and there is a promise of a bill by this fall. And we have demonstrated the muscle necessary to defeat a bad bill if it comes forward... There is a moral to all this — only the NAB can make something of this magnitude happen. It requires big markets and small. Yes, radio & TV... We know that to be truly successful in the future, we must be united in our efforts. There are many who would dilute our strength and effectiveness by dividing this great industry."

Metromedia has asked U.S. Dist. Court Judge Joseph Stevens to overturn jury award of \$500,000 to TV anchorwoman Christine Craft. Network also urged Stevens to disregard jury's recommendation that Metromedia be found to have practiced sex discrimination in dealings with Craft.



## Personals

NAB committee chairs: Task Force on Cuban Interference — **Cullie Tarleton**, Jefferson-Pilot; TV Information — **Kathryn Broman**, Springfield Bestg.; Radio Deregulation — **Robert Hilker**, Suburban Radio; Engineering Conference — **William Wisniewski**, Mutual; Bylaws — **Clyde Price**, WACT-AM-FM Tuscaloosa, Ala.; Childrens' TV — **Crawford Rice**, Gaylord Bestg.; Congressional Liaison, Eugene Cowen, ABC, & **Edward Giller**, WFBG-AM-FM Altoona; Convention — **William Turner**, KCAU-TV Sioux City, & **Ted Snider**, KARN(AM)-KKYK(FM) Little Rock; Copyright — **David Polinger**, WPIX N.Y.; Engineering Advisory — **Robert Flanders**, McGraw Hill;

Also, First Amendment — **Martin Rubenstein**, Mutual; 100-Plus TV Markets — **William Bengston**, KOAM-TV Pittsburg, Kan.; International — **Arch Madsen**, Bonneville International; Small Market Radio — **Charles Cooper**, WKOR-AM-FM Starkville, Miss.; Medium Market Radio — **William Hansen**, WJOL(AM)-WLLI(FM) Joliet, Ill.; Metro Market Radio — **Gary Stevens**, Doubleday Bestg.; Membership — **Dean Sorenson**, KCCR(AM)-KNEY(FM) Pierre, S.D.; Minority — **Eugene Jackson**, National Black Network; Research, **Peter Kizer**, Evening News Assn.; Radio Allocations — **Michael Lareau**, WOOD-AM-FM Grand Rapids; UHF TV — **George DeVault**, WKPT-TV Kingsport, Tenn.; TV Must Carry — **Wallace Jorgenson**, Jefferson Pilot; TV Board Composition, **Jerry Holley**, Stauffer Communications; NAB Structure — **Holley & Martin Beck**, Beck-Ross Communications.

**Anne Jones**, who resigned as FCC member end of May, becomes partner in Washington office of law firm Sutherland, Asbill & Brennan Sept. 1 to head up communications practice (firm also has Atlanta office)... **Robert Bruce**, onetime FCC gen. counsel and currently partner in Washington law firm Leva, Hawes, Symington, Martin & Oppenheimer, Sept. 1 joins Debevoise & Plimpton law firm with offices in Washington, N.Y. & Paris.

NPR board selected **Graciela Olivarez** for another term as public member. New dirs.: **William Leonard**, ex-CBS News pres.; **Ernest Sanchez**, Washington attorney & former NPR gen. counsel; **George Miles**, station mgr., WBZ-TV Boston, loaned by Westinghouse to NPR as its acting chief financial officer during fiscal crisis. They must be confirmed by NPR member stations... **Paula Stacy**, ex-KPLR-TV St. Louis, moves to KSDK St. Louis as mgr.-sales research & mktg., new post... **Anne Pizzarelli** promoted to mgr.-advertising & promotion, Arbitron... **Stephen Soule**, ex-Group W, named vp-affiliate relations, NBC Radio Networks.

**Gus Lucas** promoted to vp-asst. to Pres. **Lewis Erlicht**, ABC Entertainment... **William Brazzil** advanced to senior vp-broadcasting, Wometco... **Marvin Chauvin**, ex-WOTV Grand Rapids, appointed vp-gen. mgr., WNCT-TV Greenville, N.C.; **Thomas Saizan**, also ex-WOTV, moves to WRAU-TV Peoria as vp-news dir... **Archie Goodbee**, ex-WTEN Albany, named pres., Best. Div., Seaway Communications...

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. Fasley 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

**Richard Pearson** promoted to KIVA-TV El Paso gen. mgr... **Gary DeHaven**, WISC-TV Madison gen. mgr., also named vp... **Actress Diana Muldaur** elected pres., ATAS, for 2-year term, succeeding **John Mitchell**... After 2 tie votes, **Donald Nutting**, WJIB(AM) Boston, has been elected to board of NRBA, defeating **Scott Knight**, Knight Quality Stations.

**Francis Urbany** promoted to special asst. to NTIA Dir. **David Markey** for international affairs... **Patrick Purcell** promoted to exec. vp-finance & administration, Paramount Pictures... **Charles Schnebel**, ex-Columbia Pictures TV, returns to CBS Entertainment as vp-current comedy program production; **Jeremy Handelman** advanced to dir.-sales & sports research, CBS Best. Group... **Robert Herbst** moves from CBS TV Stations National Sales to dir.-CBS Cable Systems.

**Lawrence Gershman** advanced to pres., newly formed MGM/UA TV Group... **Michael Grossman** promoted to senior vp-business affairs & administration, Columbia Pictures TV; **Stephen Girard**, senior vp-creative affairs, given additional responsibilities to include involvement in all creative areas... **Samuel Falcone**, ex-Columbia Pictures TV, appointed controller, Graphic Media... **Rich Sheingold**, ex-KAYU-TV Spokane, named local sales mgr., WFLD-TV Chicago.

**Gene Belardi**, ex-Mobile Services Div., FCC Common Carrier Bureau, joins Metromedia legal department, Washington office... **Frank Washington** promoted to vp-gen. mgr., Videotex America... **Vernon Cain** promoted to vp-operations, Keycom Electronic Publishing; **Robert Taller** joins as vp-sales.



# ● Consumer Electronics®

A Section of Television Digest with Consumer Electronics

## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended Aug. 5 (31st week of 1983):

	JULY 23-29	1982 WEEK	% CHANGE	JULY 23-29	8 MONTHS 1983	8 MONTHS 1982	% CHANGE
TOTAL TV#.....	289,541	321,555	-10.0	511,123	10,440,692*	9,429,384	+10.7
COLOR#.....	223,646*	170,478	+31.2	328,763*	7,278,787*	6,218,790	+17.0
MONOCHROME....	65,895	151,077	-56.4	182,360	3,161,905	3,210,594	- 1.5
PROJECTION TV...	3,191	1,843	+73.1	3,191	68,509*	48,682	+40.7
HOME VCR.....	61,525*	26,458	+132.5	107,358**	1,964,140*	908,891	+116.1
COLOR CAMERAS...	4,430	4,492*	- 1.4	10,106*	198,616*	164,545	+20.7

Color TV 5-week moving average: 1983--237,857\*; 1982--199,178 (up 19.4%).

Home VCR 5-week moving average: 1983--77,144\*; 1982--33,591 (up 129.7%).

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

**RCA RAISES MID- & HIGH-END TVs \$10-\$20:** In first trial balloon of hot fall selling season, RCA Oct. 1 will increase factory prices 1% on Colortrak sets and 2% on high-end Colortrak 2000, resulting in \$10 & \$20 boosts in suggested list prices.

This actually is first large-scale upwards price move of year by anyone, short of usual estimates at new-model time that prices generally are up in "comparable models" or that "prices have been increased as new features are added." Fact is that average prices are lower today than they were year ago.

RCA's boosts affect all sets using "Colortrak" designation, starting with open-list 9", including some 13" & 15" sets, 19" sets which started in May at \$450 and 25" models which started at \$720. Not affected are XL-100 sets, or any remaining special promotional models designed to compete in rough-&-tumble low end now dominated by Korean & Taiwanese firms.

**ITA BIDS TO CLEAR 5 FIRMS OF DUMPING:** Dumping findings against 5 Japanese firms — JVC, Matsushita, NEC, Sanyo & Sharp — would be revoked under preliminary determination by Commerce Dept.'s International Trade Administration on basis of investigations which showed them selling sets in U.S. at fair value or with dumping levels so low as to be insignificant for 2 consecutive years ended March 31, 1981. Preliminary determination is subject to written comments in 30 days, hearing in 45.

ITA rejected requests by 5 other firms for revocation. It denied those by Mitsubishi and General on grounds it found sales at less than fair value during 1980-81 period by former, 1979-80 by latter. Requests by Hitachi and Toshiba for revocation were denied because ITA found they had no shipments of complete sets during year ended March 31, 1981, thus didn't comply with requirement for 2 years of fair-value shipment. Crown had asked revocation because it hadn't shipped any sets in 4 years, but ITA said its request would have to wait until it had reviewed all 4 years (to March 31, 1983).

In evaluating requests for revocation, ITA said it considered: (1) Recent Japanese domestic TV production & investment. (2) Current pricing trends for Japanese TV sets in U.S. (3) European restrictions on Japanese imports. (4) "Emergence of Taiwan & Korea as significant TV set producers & exporters, with the consequent impact on prices in international markets," noted that "this information is disturbing." International Trade Commission is currently investigating charges of dumping from Taiwan & Korea.

Final revocation of dumping finding actually can't occur until ITA is convinced that all sets imported from companies involved up to date of its tentative determination (Aug. 12) were sold at not less than fair value and there's no likelihood of resumption of dumping. Thus final determination can't be made until ITA completes study of imports from April 1, 1981 through Aug. 12, 1983, expected in 3 installments.

Preliminary revocation findings were released along with long-delayed preliminary determination that most Japanese TV sets exported to U.S. in year ended March 31, 1981 were being sold at fair value, or with insignificant dumping levels. New determination is very similar to one which was finalized in June 1981, covering year to March 31, 1980 (Vol. 21:23 p14). For 2nd period, ITA found no dumping by Anita, General, Matsushita, Sanyo, Sharp & Toshiba (although last had no commercial shipments during period), negligible weighted average dumping margins by Hitachi (0.16%, but no commercial shipments), NEC (0.42%), Nissei Sangyo (0.16%, no commercial shipments), Otake (0.3%), JVC (0.17%). Those with margins over 0.5% were Mitsubishi and Sankei, both at 0.53%, as well as Denki Onkyo, Gulraj, Kaga Denshi, Kogen, Original, all at 0.53%, but with no commercial shipments during period.

Japanese closed out all TV dumping-related claims on sets imported through March 31, 1979 in July's finalization of \$78 million settlement. Final assessments for following year were issued by ITA in June 1981, but collection is being held up by injunction won by Zenith. ITA still must complete investigations and release preliminary results for one-year periods ended March 31, 1982 and March 31, 1983 and for April 1-Aug. 18, 1983.

Where average dumping margin exceeds 0.5%, ITA requires bonds to cover potential dumping penalties. Just before last week's release of preliminary results, Otake Trading (Orion sets) filed suit to force release (Vol. 23:33 p14); suit is now moot and Otake presumably will be off bonding hook when preliminary results are finalized, expected around Jan., because latest determination found its dumping margin to be less than 0.5%.

**WHITE HOUSE MAY SUPPORT TAPE BILL:** Reagan Administration is likely to support rewrite of first-sale doctrine to give copyright owners control over cassette rentals, according to Gerald Mossinghoff, Commerce Dept. commissioner of patents & trademarks — but won't take sides on VCR & tape royalty fees until Supreme Court rules on Betamax case. Word will come in form of letters from Commerce & Justice Depts. to House & Senate Judiciary committees after Congress reconvenes in mid-Sept., he told us.

Mossinghoff, who chairs 9-member White House Cabinet Council Working Group on Commerce & Trade, said flatly: "Administration policy is set" in favor of Fair Marketing Amendment (FMA) that covers programs copyrighted after law goes into effect. FMA is becalmed in Senate Copyright Subcommittee. "I think the Administration is going to support S-32 & S-33," companion audio & video bills. Full Senate already has approved former. Officially, at least, Mossinghoff's confidence seems premature — White House reports FMA decision "is still in process."

Fact that Administration leans toward FMA isn't disputed by EIA and Home Recording Rights Coalition (HRRC) — Mossinghoff was advocate at American Bar Assn. meeting in Atlanta (Vol. 23:32 p16). But anti-revisionists voiced disbelief when told Reagan had made up his mind. "We think we have a couple of cracks" at changing course of events, EIA source said. "Commerce & Justice can write all the letters they want." Lawyer involved with HRRC said Administration stand now would be "an amazing political decision... very upsetting."

White House support would dovetail nicely with 20th Century-Fox appointment of political consultant and former Reagan White House aide Lyn Nofziger to lobby for FMA. Fox and Disney have been most active supporters of first-sale revision among studios. Washington source told us Nofziger has been hired less to corral Senate & House votes than to get federal agencies to push actively for passage. "It's a call to win one for the Gipper," he said.

**U.S. COLOR OUTPUT DOWN IN 2ND QUARTER:** Despite record high color TV sales to retailers, actual production by U.S. factories was down in 2nd quarter, according to our analysis



of EIA and Commerce Dept. figures which indicate that April-June market showed 4th consecutive drop in quarterly output, and 6th in last 7 quarters. In 2nd quarter, more than half of U.S. TV supply was imported — either complete or assembled from foreign chassis.

What domestic factories held back, importers more than made up. Jump of 83.1% in complete color TV imports in quarter to near record 914,000 more than offset output decline and left industry with all-time quarterly new supply record of 3.13 million sets. Previous high was 2.85 million in first quarter 1981. First half total new color supply of just under 6.12 million, while up 5.4% from last year, was well short of 6.28 million record for period, also set in 1981.

Combination of surging imports and reduced domestic production left imports with 29.2% share of market on factory output basis. That's up from just 16.7% in same 1982 quarter, and largest quarterly share held by importers in last 7 years. For half, import share was 26.2%, up from 17.3%. But figures also show that chassis & kit imports, not included in table below, were equivalent to 30.2% of domestic production in quarter, up from 21.1%, and 28.4% in half, up from 22%. Factoring those in shows that 50.8% of all new color TVs added to U.S. market in 2nd quarter were either imported or assembled here using foreign-made chassis, up from 34.3%. On that same basis, imports held effective 47.2% share in first half, up from 35.5%.

That output of U.S. factories is down somewhat isn't major surprise. EIA figures have been showing decline in pipeline inventories, which of course means industry is selling off its stockpile. At same time, 2 leading U.S. manufacturers, RCA and Zenith, have indicated they're chasing profits, not volume this year, ceding lowball 13" & 19" color business to imports from Korea & Taiwan. Then there's question of just how accurate figures available to us are. Based on same information sources, we indicated U.S. color production was down 1% in first quarter (Vol. 23:22 p12). But later in year International Trade Commission, using results of survey that included responses from all U.S. producers except Sampo, said output for that period was up 14% (Vol. 23:28 p11). While difference in terms of units was relatively modest 200,000, it's significant when viewed from standpoint of industry health. ITC should be coming out with its 2nd quarter color production figures later this year. In any event, here's how EIA and Commerce shape up:

#### 1983 U.S. FIRST HALF TOTAL TV SUPPLY

		U.S. Produced*	% change	Imports	% change	Total Supply	% change
Total TV	1983....	4,510,000	- 6.0	3,862,000	+ 5.0	8,372,000	- 1.3
	1982....	4,800,000		3,679,000		8,479,000	
Color TV	1983....	4,510,000	- 6.0	1,605,000	+60.3	6,115,000	+ 5.4
	1982....	4,800,000		1,001,000		5,801,000	
B&W TV	1983....	--	--	2,257,000	-15.7	2,257,000	-15.7
	1982....	--		2,678,000		2,678,000	

#### SECOND QUARTER

Total TV	1983....	2,218,000	-10.7	2,141,000	+22.6	4,359,000	+ 3.0
	1982....	2,487,000		1,746,000		4,233,000	
Color TV	1983....	2,218,000	-10.7	914,000	+ 83.1	3,132,000	+ 4.9
	1982....	2,487,000		499,000		2,986,000	
B&W TV	1983....	--	--	1,227,000	- 1.6	1,227,000	- 1.6
	1982....	--		1,247,000		1,247,000	

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

**MORE COMPUTER-GAME WOES:** Even as Warner's Atari was undergoing 2nd reorganization in 3 months last week, it was hit by class-action suit by employees seeking back pay and damages in connection with move of key manufacturing operations to Far East. At same time, Coleco shrugged off suggestions that late filing with FCC would seriously postpone introduction of Adam computer, saying delay would be only few days. TI further reduced some prices, added \$25 giveaway for buyers of 99/4A home computer. And Gulf & Western decided to dump its coin-op videogame subsidiary Sega.

Presence of James Morgan, who becomes chmn. Sept. 6, is already being felt at Atari, where thoroughgoing reorganization was in progress last week. Morgan himself will take over financial responsibilities, and 2 recently formed operating companies are being dissolved — Atari Distributor & Sales Corp. and Atari Mfg. Co. The 3rd, Atari Products Co., becomes the major operation and is being split into 5 groups, each headed by a pres. reporting to Morgan (for details, see Trade Personals).

Two employees, meanwhile, filed suit in Santa Clara, Cal., in behalf of 600 who were laid off Feb. 22, charging Atari broke promises that jobs were secure, fraudulently concealed plans to move manufacturing operations to Hong Kong & Taiwan and violated law requiring reasonable notice. Suit alleges workers were called off their jobs and escorted out of plant by security guards, seeks \$3.6 million back pay for affected workers, \$10 million punitive damages, unspecified compensatory damages.

Coleco minimized our report last week that lack of FCC product certification could cause long delays in introduction of widely touted Adam home computer system. Although its application was submitted only on Aug. 9 and FCC Labs has 60-day backlog, Exec. Vp Myron Handel said delay would be "insignificant," pushing shipment from Aug. 31 to early Sept. He said Coleco is now producing hundreds of Adams weekly, forecast shipment of 500,000 by year's end. If FCC approval doesn't come by early Sept., he said, company will ship early models to Canada. Markline Co., mail order retailer advertising Adam for \$675, is quoted as saying it has customer orders for 326 units, expects to sell out its 6,000-unit allotment. It's telling customers to expect shipment in Oct.

In latest of long series of price moves on its 99/4A home computer, TI cut prices on kit of peripherals (expansion box, disc drive controller, 32K expander) to \$550 if bought as group — they list separately at \$1,200 — and plans to offer free \$25 programming course to those who buy computer between now and Jan. 31. At same time, it increased warranty from 90 days to one year, which it says is a first in home computer industry.

Gulf & Western has decided to get out of videogame hardware field. It will sell Sega Enterprises (coin-op videogames, home game software) as part of huge divestiture plan which will result in writeoffs for G&W of about \$470 million in current fiscal year to July 31. Reversing previous plan to incorporate Sega videogame unit into Paramount, G&W Chmn. Martin Davis is quoted by

Wall St. Journal as saying subsidiary will be sold because of dim outlook for videogame business and Sega's relatively small share of that industry. However, G&W is expected to keep Sega's home software business and operate it through Paramount and Simon & Schuster. Only recently, G&W sought to buy the 10% of Sega's shares it didn't own. Sega lost \$5 million in last fiscal year vs. \$15.2 million profit in fiscal 1982, while sales declined 36.4% to \$136.3 million.

"Image translator" which lets standard VCRs play PAL tapes through U.S.-standard NTSC VCRs (Vol. 21:26 p13) is being sold by Instant Replay, Coconut Grove, Fla. for \$200-\$450 installed, depending on type of VCR. Modification includes switch to change speed of tape and head drum, electronics to change PAL output into modified NTSC. PAL tapes played through machine can't be duplicated. New version, designed only for Matsushita-made VCRs, will cost \$150-\$200, and IR Pres. Chuck Azar says he soon will offer complete modified Panasonic VCR, including Translator, at \$695. IR is currently franchising selected dealers.

U.K. is world's largest VCR market, with shipment of 3 million units in 1982, according to figures released by Mackintosh International, which forecast penetration of 27% of British homes by end of 1983. Western Europe is world's largest consumer electronics market, says Mackintosh, its retail spending virtually equaling combined totals of U.S. & Japan at \$28.4 billion. Europe last year absorbed record 12.6 million color TV sets, 4.3 million b&w, \$9.9 million (retail) in audio equipment. Mackintosh forecasts 1983 shipments of more than 13 million color, less than 4 million b&w, \$11.5 million in audio.

Relaxation of FTC consent orders with all audio firms has been proposed by FTC, following modification of order under which Sansui is operating. Earlier, FTC modified Pioneer order to permit company to cut off dealers which transship to unqualified dealers (those not meeting certain standards of product promotion, display & service), and based on Pioneer precedent it modified order under which Magnavox was operating. New proposal would extend same terms to TEAC, Sherwood and Nikko. FTC has asked for public comment on modification of 1975 order.

**Fall promotions:** Quasar will use extensive network TV, cable and network radio advertising and distribute free football guide as premium... Philco starts fall program Aug. 29 with factory special promotion, with "Better Buy Now" theme of Sept.-Oct. campaign in TV Guide, followed by special sale Oct. 15-30.

**Replacement market** is becoming significant in VCRs, according to JVC Consumer Divs. Senior Vp Harry Elias, who says those who bought first VCRs 6 years ago "are now coming back for advanced state-of-the-art recorders." He forecasts 1983 VCR sales at 3.7-4.2 million.



**SONY'S DIGITAL TV:** Sony demonstrated its entry in digital TV race last week in Tokyo, showing developmental non-interlace color set with digital signal processing. Timing of showing obviously was dictated by upcoming Internationale Funkausstellung (Audio-Video Fair) which opens next week (Sept. 2) in Berlin, where ITT is expected to unveil production model of digital TV and Philips presumably will show new partly digitized sets.

Sony will show not one, but 2, digital TV systems in Berlin — its own development which it displayed in Tokyo last week and one using set of ITT chips. At demonstration at its Osaka plant, Sony said it had no immediate plans to market complete system, but certain parts of prototype could be incorporated into TV sets within year.

Most striking aspect of 30" color set demonstrated was its highly detailed picture, obtained by doubling lines of standard 525-line transmission to 1,050 using non-interlace scanning, a system previously demonstrated by Sony and others. Extra lines are derived through averaging process. Other key picture-improving feature is dynamic comb filter which compares 3 scanning lines, rather than 2, to increase apparent resolution, improve picture.

Sony's system converts incoming analog signal to digital immediately after tuner, changes it back to analog before RGB processing. Circuit has 2 video inputs, 2 audio inputs, control input, 8-pin DIN connector input, audio & video outputs, 21-pin analog RGB multiconnector, accepts both analog & digital inputs. Sony said digital circuitry has been developed to accommodate future digital & analog sources including videotext, DBS, still picture transmission.

Circuit completely separates luminance & chrominance signals, company said, so that each is separately processed without interference or spillover. "Vertical sharpness" feature is included for improved definition of horizontal lines. Using component video input, system achieves 400 horizontal lines, with RGB input 630. Sony said system "promises" to reduce number of components, decrease adjustment steps, contribute to cost reduction, but didn't state number of chips used. Among applications are superimposition of multiple pictures on screen, video noise reduction, anti-flicker for 50-cycle PAL & SECAM transmissions — demonstrated impressively with PAL version.

Sony officials told us price of digital TV set probably would be about 30% above corresponding conventional model at start, coming down with mass production. In addition to demonstrating digital TV at Berlin show, Sony has been telling press in Japan & Europe it will have major "surprise."

**FCC will add lab staff, allow overtime,** for processing equipment authorization applications to counter manufacturer fears that their products won't receive green light in time for Christmas buying season. FCC said delays were caused by staff shortages and late applications. Marjorie Reed, deputy chief scientist for policy, said goal is 30-day backlog by Sept. 30.

**PIONEER IN BLACK:** Auto stereo and videodiscs led Pioneer back to black ink in 3rd fiscal quarter ended June 30, Japanese company reported, with net profit at \$2.6 million compared with \$6.4 million loss in same 1982 period (see financial table), with sales for quarter up 6.8%. Company forecast 5% increase in full-year sales to \$1.29 billion and profit for year vs. last year's net loss of \$12.9 million.

N.V. Philips lowered sales forecasts for rest of year on basis of flat revenues for 2nd quarter, which it attributed to Japanese competition in consumer audio & video products, indicating it was concentrating on "overcoming this battle with the Japanese." Company now expects 1983 sales volume to rise slightly less than 4%, down from its previous forecast of 4-5% increase. Profits for quarter were up 2.2%.

Tandy earnings for fiscal year ended June 30 were up 24.3% on 21.8% revenue increase. For 4th quarter, increases were 20% & 18% respectively.

RCA preferred stock's ratings were raised to Baa-3 from Ba-1 by Moody's, reflecting "performance achieved since RCA's 1981 restructuring, the reduction in variable rate debt and the expectation of continued improvement in operations."

**Radio Shack's VCR** (Vol. 23:33 p14) is VHS unit made by Tokyo Sanyo, first we've seen by that maker carrying OEM label. Company supplies VHS VCRs to Fisher, owned by Sanyo. Expanded video line by Radio Shack includes 13" remote color made by Samsung at \$400, new 5" AC-DC color monitor-receiver at \$350, new 9" AC-DC b&w at \$100; carryover 2" b&w with AM-FM \$180 (down \$20 from last year's catalog); 5" at \$130 (down \$10), 5" with AM-FM at \$160 (down \$10) & \$180 (down \$20), 5" with AM-FM & cassette \$190 (down \$10). RCA-made 19" color is dropped. RS also has complete line of video switchers, stabilizers, enhancers, color processors and block converters at \$30-\$100.

Commodore and Mitsumi have set up 50-50 joint venture capitalized at \$1.6 million to manufacture disc drives for Commodore products in Japan. It will begin manufacturing 5" & 3.5" drives in Oct., aim at 10,000-20,000 monthly production until new plant with 50,000 capacity starts up in June... TI has acquired 25% of LISP Machine Inc., Culver City, Cal. artificial intelligence computer maker for undisclosed price... Eastman Kodak purchased Bell & Howell's Datatype Div. (instrumentation recorders) for unstated cash sum.

**RCA Taiwan plant** to produce ICs & LSIs has been approved by Taiwan govt. at cost of \$6 million. RCA in U.S. said at press time they couldn't confirm any plans to build facility there. RCA Taiwan Ltd., which makes b&w TV sets and components, is Taiwan's top exporter.

**American Express** is expected to order million credit card calculators from Casio, according to reports in Japan. First order for new ultra-thin (0.3") solar calculator involves 300,000 units at more than \$4 million.

**VIDEO 'REVOLUTION'—FILM:** What sounds like cross between RCA's old Holotape Selectavision and CBS's EVR has been stirring excitement in British video circles last few months. So last week we took look at "McNallyvision," whose uncritical British press coverage recently spilled over into U.S., where new video wonder is said to be scheduled to arrive on market next month. Device is claimed to be low-cost stereo sound videoplayer which uses laser to read cassette containing tape with clear optical coating and "pirate-proof microchip," priced at \$250 or less (some reports say \$150), feature film cassettes \$18 each.

Inventor Gordon McNally has previously steered clear of demonstrating system to technical press, but our London expert succeeded in observing demonstration of system claimed to have "indestructible tape and secret playback head laser." McNally calls it "nothing less than a revolution in video," result of 6 years' research, claims his company, backed by advance orders from Mideast, will ship 550,000 players and 5.5 million cassettes in first year.

McNally, who says he made his money in racing cars, alloy wheels and punctureproof tires, admits he has no software deals, could only show press short snatch of public domain winter sports film. Picture & sound quality was poor on player demonstrated, even on 12" screen, and entire system looked suspiciously like rear projection film.

A look at player & cassette, and search through patents, confirms it's film. Cassette contains 2 sets of tiny parallel optical images in color with photo sync track in middle, magnetic stripe on each side. But this isn't EVR all over again — it's more like double super-8. Tracks are ordinary color pictures. Cassette, which looks like old audio Elcaset, runs one hour in each direction. Inspection of player showed no sign of any laser, or any need for one — just projector bulb with lens to project film image on rear of translucent screen.

We can't vouch whether or not there's "anti-piracy chip" in cassette, or understand how it would work with film. McNally also promises player which will feed through TV set's antenna terminals and 3rd type to project large picture on wall screen — but these were shown only as attractive mockups with nothing inside.

Patent dates back to 1976, shows film scanning system run by cam with revolving mirror, sprocketless film 10mm wide. Inventors also named in patent are John Bentley and Lindsay Nayler, along with Vireco, Zurich. McNallyvision officials in London said they knew nothing about Bentley, Nayler or Vireco.

McNally deserves high marks for chutzpah, claims 30 employees in secret labs in London & Chicago, promises 500-ft.-per-min. duplicating machines. McNallyvision may continue to impress mideast backers but is unlikely to give video many sleepless nights.

**'82 ELECTRONICS MARKET:** Total U.S. electronics sales of domestic & imported products rose 7.9% last year to record \$126.1 billion at factory level, according to figures in EIA's new 1983 Electronic Market Data Book.

Consumer product segment was only non-contributor to industry growth, with volume down 4% to just under \$11.2 billion. Computers and industrial products segment led growth with 11.1% sales rise to \$50.2 billion, just edging out communications equipment & systems, up 11% to \$38.6 billion. Component sales were up 3.4% to \$26.1 billion.

U.S. electronics maintained favorable balance in international trade last year, but at level lower than in 1982 as growth of imports outpaced that of exports. EIA analysis shows U.S. electronics exports were up 3.1% last year to \$24.3 billion, while imports jumped 6.9% to just over \$21 billion. Resulting \$3.24 billion trade surplus was down 16% from \$3.85 billion surplus of 1982.

Copies of data book, which contains by-product production, import, export & sales breakdowns for all industry segments, are \$55 each from EIA, 2001 Eye St., N.W., Washington, D.C. 20006.

National TV ad spending on consumer electronics jumped 221% to \$236.7 million last year, with increase coming in non-traditional products, TvB reports. It shows spending on TVs, radios, phonos, etc. fell 28.9% to \$62.1 million, while outlay on what it calls components & supplies, category that includes videogames & cartridges, jumped 224% to \$174.6 million. Spending on computers was up 245% to \$77.8 million. Figures exclude local ads by retailers. Largest outlay among industry members ranked in top 100 advertiser list was \$107.4 million by Atari parent Warner Communications, up 68% and good for 20th place. Mattel ranked 30th at \$80 million, up 90.3%. Among others: IBM, 68th, \$34 million, up 106.8%; GE, 71st, \$32.2 million, down 17.1%; RCA 82nd, \$27.9 million, down 41.9%; Milton Bradley, 87th, \$26.1 million, down 2.1%; Coleco, 90th, \$25.1 million, up 231.9%.

Japanese electronics firms outperformed other Japanese companies in profitability for fiscal year ended March 31, according to tabulation by Nikkei (Japan Economic Journal). Matsushita Electric was 4th Japanese company in profitability, up 0.76% from preceding year, followed by Hitachi 6th (up 11.95%), Fuji Photo 8th (up 25.29%), Toshiba 10th (down 10.4%), Sony 11th (down 15.94%), NEC 18th (up 19.67%), TDK 19th (up 10.07%), Mitsubishi Electric 21st (up 5.58%), Sharp 24th (up 17.04%), Sanyo 28th (up 0.86%), JVC 36th (down 18%), Hitachi Maxell 40th (up 24.33%).

CBS and Tandy are granting each other conversion rights to wide range of home computer software. It's first time Tandy programs will be available in formats other than Radio Shack line, which now will feature CBS software for TRS-80 computers.





# 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**

## 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>Acton</b>			
1983-6 mo. to June 30	12,391,000	774,000	.13
1982-6 mo. to June 30	11,787,000	502,000	.09
1983-qtr. to June 30	5,656,000	369,000	.06
1982-qtr. to June 30	5,808,000	274,000	.05
<b>AM Cable TV Industries</b>			
1983-qtr. to June 30	6,923,000	(98,000)	--
1982-qtr. to June 30	7,620,000	345,000	.10
<b>Audiotronics</b>			
1983-year to June 30	17,016,000	(328,000)	--
1982-year to June 30	22,339,000	321,000	.24a
1983-qtr. to June 30	4,390,000	(438,000)	--
1982-qtr. to June 30	5,560,000	55,000	.05a
<b>Comcast</b>			
1983-6 mo. to June 30	39,753,000	3,554,000	.49
1982-6 mo. to June 30	28,169,000	2,931,000	.43a
1983-qtr. to June 30	20,574,000	2,100,000	.28
1982-qtr. to June 30	14,825,000	1,738,000	.25a
<b>Commodore International</b>			
1983-year to June 30	681,179,000	91,720,000	2.98b
1982-year to June 30	304,508,000	44,326,000	1.44b
1983-qtr. to June 30	212,033,000	26,702,000	.87
1982-qtr. to June 30	98,172,000	16,275,000	.53b
<b>MovieLab</b>			
1983-26 wk. to July 2	15,669,424	(995,655)	--
1982-26 wk. to July 3	15,901,933	(874,717)	--
1983-13 wk. to July 2	7,239,244	(663,419)	--
1982-13 wk. to July 3	7,755,583	(446,793)	--
<b>Oak Industries</b>			
1983-6 mo. to June 30	220,460,000	(93,651,000)	--
1982-6 mo. to June 30	280,113,000	15,246,000	.93
1983-qtr. to June 30	113,835,000	(69,309,000)	--
1982-qtr. to June 30	145,368,000	7,796,000	.48
<b>Philips NVG</b>			
1983-6 mo. to June 30	7,024,600,000	88,100,000	--
1982-6 mo. to June 30	6,950,900,000	85,000,000	--
1983-qtr. to June 30	3,583,600,000	46,600,000	--
1982-qtr. to June 30	3,610,400,000	45,600,000	--
<b>Pioneer Electronic<sup>d</sup></b>			
1983-9 mo. to June 30	919,400,000	(5,200,000)	--
1982-9 mo. to June 30	901,300,000	(4,900,000)	--
1983-qtr. to June 30	299,200,000	2,600,000	--
1982-qtr. to June 30	280,200,000	(6,300,000)	--
<b>Scientific-Atlanta</b>			
1983-year to June 30	326,567,000	370,000	.02e
1982-year to June 30	337,223,000	14,152,000	.63
1983-qtr. to June 30	96,952,000	4,738,000	.20
1982-qtr. to June 30	80,958,000	(2,299,000)	--
<b>Tandy</b>			
1983-year to June 30	2,475,188,000	278,521,000	2.67
1982-year to June 30	2,032,555,000	224,085,000	2.17
1983-qtr. to June 30	590,062,000	74,460,000	.71
1982-qtr. to June 30	498,658,000	62,029,000	.60
<b>Tele-Communications</b>			
1983-6 mo. to June 30	166,818,000	20,497,000	.46
1982-6 mo. to June 30	132,420,000	2,258,000	.05a
1983-qtr. to June 30	85,316,000	11,328,000	.25
1982-qtr. to June 30	69,497,000	557,000	.01a
<b>Telepictures</b>			
1983-6 mo. to June 30	20,763,800	1,026,400	.16
1982-6 mo. to June 30	9,632,200	714,300	.12
1983-qtr. to June 30	11,123,500	471,600	.07
1982-qtr. to June 30	4,605,200	303,500	.05

Notes: <sup>a</sup>Adjusted. <sup>b</sup>Includes special credit. <sup>c</sup>At guild's current rate. <sup>d</sup>At yen's current rate. <sup>e</sup>After special charge.

## Consumer Electronics Personals

Dennis Groth, former Atari exec. vp, named senior vp & chief of staff, as Chmn.-elect James Morgan takes over all financial responsibilities; Chief Financial Officer James Heisch resigns to join computer retailer Businessland, San Jose. In reorganization, these are presidents of new groups within Atari Products Co.: John Cavalier, ex-Atari Products pres., pres. of management; John Farrand retains presidency of Coin-Op Div., adds duties as pres. of engineering; Donald Kingsborough, ex-pres. of Sales & Distributor, pres. of sales; Paul Malloy moves from pres. of Atari Mfg. to pres. of mfg.; Anton Bruehl retains presidency of International Div., now within new Atari Products structure. In other changes, Conrad Jutson, ex-strategic planning chief (operation now headed by Groth), was reassigned as asst. to Kingsborough, and John Hagle, ex-home computer planning chief, becomes head of corporate planning.

Tom Oswald, ex-financial analysis & planning dir., elected Activision treas., controller Edward Roffman named corporate officer... Steven Aronow, ex-Zenith Distributing (San Francisco) named Sharp NW regional sales mgr. for TV & VCR... Richard Myers promoted to sales promotion dir., Radio Shack... Ed Maidel, ex-Onkyo, named BSR Consumer Products eastern sales mgr.; Scott Sylvester, ex-dbx regional mgr., named national consumer products specialist; Tom Kropski & Mike Rodman, central & eastern specialists... Ken Furst appointed promotion & ad mgr., Denon America, new post... George Hillman, ex-G.W. Ryan Distribution (Sony), named central regional sales mgr., Midland Consumer Products Div.; Peggy Grasher becomes western sales mgr., Jerry McCoy eastern.

Clark Miller, ex-Mechanical Technology, named employe relations vp for Coleco's Amsterdam, N.Y. Mfg. & Operations Center... Michael Vallone appointed video & promotion administration dir., RCA Records; Donald Whalen, ex-ABC, named div. vp, new business development... Ray Festa named JVC video communications mgr., heading new department to produce training and equipment instruction tapes.

William Mooney returns to Embassy Home Entertainment as finance & administration vp, replacing Vincent Larinto, resigned... Andrew Stern, ex-SelectTV, named business affairs vp, Family Home Entertainment; Kenneth Freestone becomes eastern regional sales mgr... Howard Klein appointed national field sales mgr., Caballero Home Video... Ray Detling named product design & licensing dir., Fox Video Games... William Hickey, ex-Technicolor Videocassette, and Alan King join Cambridge Assoc., management consulting firm specializing in home & institutional video & cable.

Improved economy has prompted National Semiconductor to resume construction of Arlington, Tex. IC plant. Scheduled for fall 1985 completion, 290,000-sq.-ft. facility to cost more than \$100 million eventually will employ up to 1,500... Mitsubishi will spend about \$270 million on Japanese plant expansion this fiscal year, about 55% of it in semiconductors.



WEEKLY

# Television Digest®

with  
consumer  
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

AUGUST 29, 1983

VOL. 23, NO. 35

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast - Cable

**McKINNEY SEES EXCITING TIMES AHEAD**, says Mass Media Bureau is where action will be. But he has to learn how to lose. (P. 1)

**DIVERSITY KEY ELEMENT** in House cable bill being readied for circulation on Capitol Hill shortly after Labor Day. (P. 2)

**WIRTH UNHAPPY WITH RESPONSE**, sends sharp rebuke to NAB over program survey. Fritts denies that his Mailgram undercut survey. (P. 4)

**COMSAT'S DBS UNIT ON BRINK OF DEAL** with General Cinema. But Satellite TV Corp. refuses to confirm or deny report of negotiations now in final stages. (P. 4)

**METROMEDIA NEWS ON HOLD** although company is 'absolutely committed to prime-time news as a corporate goal,' Block says. Search for prominent national anchor continues. (P. 6)

**NIELSEN & ARBITRON DIFFER** on cable TV penetration in July. Nielsen reports 39.3% while Arbitron estimates 35%. (P. 6)

**HOUSE TELECOM FRESHMEN** welcome post-election PAC contributions, including from communications industries, Federal Election Commission records show. (P. 8)

**McKINNEY SEES EXCITING TIMES AHEAD:** "Broadcasting is one of the most exciting areas in the FCC today," according to new Mass Media Bureau Chief James McKinney. In interview with our affiliated publication Communications Daily, he said: "I think the common carrier's phoenix has risen and fallen and it's the mass media people that are going to see all of the sexy new things going on over the next 5-10 years."

Asked if that's why 20-year FCC veteran McKinney switched from chief of Private Radio Bureau (he also has been chief of Field Operations Bureau), he replied: "Well, I didn't have a choice. [FCC Chmn.] Fowler made me an offer I couldn't refuse. I got a call [from a trade press reporter] who said it's rumored that you are going to become chief of the Mass Media Bureau. And I said that is silly... Three days later, the chairman called me up and it wasn't silly anymore."

As chief of Private Radio for 2 years, McKinney said his recommendations were approved in 234 of 235 items brought before commissioners -- but he expects that record to change

### Consumer Electronics

**COLOR PRICE HIKES** by Zenith follow those by RCA. Other manufacturers cautious, doubt any real price increases will stick. (P. 10)

**SENATORS IN DISPUTE** over attempt to turn home taping copyright royalty question into U.S.-Japan international trade issue. (P. 10)

**RCA COMBINES VIDEODISC & player operations** into division under Valencia. Kodak consumer markets mgr. to head RCA Sales. (P. 11)

**2 FST TUBE TYPES** by RCA: Square-cornered 26" next year, followed by 3 other sizes. Deluxe flat-faced versions due in 1985-86. (P. 12)

**AM STEREO SNAFU:** 71 stations ordered to stop stereocasting or not to begin as problems develop with Harris equipment. (P. 13)

**ZENITH SETTING UP** video terminal & component sales office in Europe, has agreement to sell idle Pa. picture tube and cabinet plants. (P. 13)

**YET ANOTHER PRICE CUT** round sweeps through videogame consoles. Atari, Radio Shack, set new computer prices. Romox programming test. (P. 14)

**CERTRON ADDS VIDEOCASSETTES** to its promotionally priced line of tapes & discs. (P. 14)

drastically because commissioners are much more interested in items that come from Mass Media. "[Ex-Chmn.] Bob Lee was in... and he gave me a bit of advice. Bob said 'you're in a job where you're going to have to learn to lose items with ease. Just lose them and forget them and take them back next week, you might win. But learn to lose.'" McKinney said that was good advice that he would take.

Ex-Best. Bureau Chief Curtis Plummer (who also was chief of several other FCC bureaus) also had some advice for McKinney. Plummer said: "There's one strange thing about the Mass Media Bureau that does not exist with any of the others. And that is that [broadcast] groups in town never support the Bureau chief. On anything... They never get together on hardly anything and when they do, and if they do, it will probably be to oppose you, not support you." On other hand, McKinney added, individual broadcasters are "good people... a fun group to be with. They're supportive and they want to help the Commission reach good decisions. I'm not sure that that same feeling of cooperation with the Commission prevails with the industry groups that represent the broadcasters." He added that, unlike licenses in other services, commissioners "all understand the issues and they all want to play. And they all have an opinion on every single issue... And so it's going to be a much more collegial role that I'll play with the commissioners than I ever played in the past."

Having only 5 commissioners also "is going to make a difference," McKinney believes. "It's going to be harder for the staff because when you take an item up to the Commission, one of the things that concerns you right off the bat is where am I going to get my X number of votes... And, when you have a possibility of a 2-3 vote, you're really playing with only one commissioner who could swing... When you had 7 commissioners, it was a lot easier to get 4 votes than it is [now] to get 3. I've already discovered from a staff standpoint that it's much more difficult. By the same token, I'm sure the commissioners like it because it forces us to be much more responsive to each individual commissioner... They are going to like 5 a lot because each one of them has a much stronger voice than they did in the past."

McKinney had good news for daytime AM stations, noting that item will be on agenda at Sept. 9 FCC meeting. "I can't tell you," he said when asked what Bureau will recommend, added: "I think we can give considerable relief in both pre-sunrise and post-sunset." He said full menu of Bureau's "big ticket items" for fall "is not laid out yet. We will have our meeting with the chairman right after Labor Day at which time we'll fly in our items for the first quarter of fiscal 1984 which runs through Dec... It, after all, is the chairman's function to establish the agenda." Once that agenda is decided, McKinney said, "I'd be happy to sit down with you and go over when things are planned and scheduled through the first quarter and beyond. I'd consider that an open document once the chairman decides on it."

In interview, McKinney predicted that before long filings will be made at FCC via computers. He also discusses staffing & problems within Mass Media Bureau, Docket 80-90, backlogs, LPTV, DBS, other new technologies, deregulation. If you'd like complete text of interview, call 202-872-9200.

**HOUSE VERSION OF CABLE BILL TAKING SHAPE:** Extensive language on diversity of information sources will form centerpiece of cable industry deregulation bill House Telecom Subcommittee is drafting, according to Hill sources. Measure at this point only represents staff's thoughts, has yet to be put in final draft and cleared by Subcommittee Chmn. Wirth (D-Colo.), should be ready for House members to examine shortly after Labor Day. Measure will contain provisions beefing up municipal authority and new guarantees for cable industry, won't contain controversial common carrier language. Hearings can be expected by early fall.

Addition of entire section dealing with diversity is significant departure from cable bill (S-66) already through Senate, comes as result of promise made by Wirth during hearing in May (TVD May 30 p3). Wirth said bill should allow growth of industry without usurping power of communities and use leased access as way to reach diversity goal. Staff is drafting language to define goal as national policy objective, which sources say will be "very detailed."

As currently conceived, House bill will contain language from S-66 that lets local communities require paid access, but with set-aside of 10-15% of channels for leased access.



House measure would prohibit cable operators from exercising editorial control over content, but would allow them to set rates & terms of use for leased access channels as way to protect operators from being economically undermined. Also coming are protections for potential users who might be denied leased access; bill will set up some kind of appeal process still being determined. Protection being added for municipalities will let cable operators preempt idle public, educational & govt. access channels, allow their return to community upon request. Dispute mechanisms won't be as detailed as in Senate bill, will focus on insuring due process at municipal level, include assurances guaranteeing that disputes over municipal buy-back of systems can be taken to court. Controversial de novo court review will be scaled back.

Bill is expected to allow municipalities to: (1) Require cable operators to build access facilities. (2) Require that all communities be cabled within franchise area, eliminating chances of "red lining." (3) Enforce all service promises made by cable operator in franchise agreements. (4) Require cable operator to build facilities in community as part of franchise agreement.

House bill will closely follow Senate on rate regulation & renewal, also will keep 5% cap on fees but make big change for municipalities: Cap won't include limit on taxes of general applicability such as water & sewer fees, which could be considered under cap in Senate bill. House will use Senate's renewal expectancy language but be more explicit in guaranteeing communities can require upgrades of channel capacity as part of franchise renewal. Same language grandfathering requests for proposals issued before Sept. 30, 1982 also will be used.

Sure to prove controversial will be language that will guarantee apartment dwellers & others living in large units access to cable. Presently, landlord can decide for himself whether he'll allow his building to be cabled; under bill, his okay wouldn't be necessary first. But bill would contain protections for landlord by guaranteeing reimbursement for damages or other costs landlord might incur as result of cabling.

Stiff penalties for piracy are planned, also more detailed protections of cable subscribers' privacy. Privacy rights are new concern for Subcommittee, in response to demands by state officials. Penalties haven't been finalized, but are expected to be "high" to "really give some teeth" to existing theft of service rules, informed sources said, will include language on statutory damages, civil suit, injunctions.

Staff still is tinkering with jurisdictional language, isn't sure yet how much of Senate's provisions allowing federal govt. to preempt local authority will be in House version. But staff is "absolutely certain" none of S-66's common carrier language will be used, which means cable operators will be left with status quo allowing them to offer unregulated data transmission services that are regulated when provided by common carriers.

James Linen, senior vp of Media General, has been named acting-pres.-CEO of William B. Tanner Co., succeeding Tanner. Media General Chmn. Alan Donnahoe said that Tanner had asked for and been granted leave of absence in order to prepare defense against IRS charges of mail fraud, conspiracy & payoffs (TVD Aug 15 p3). Tanner Senior Vp-Treas. William Funk also has taken leave for same reasons, Donnahoe said. Media General Pres. James Evans has been elected chmn. of Tanner, Media Gen. Bestg. Div. Pres. Robert Sutton exec. vp. Donnahoe said independent investigation of charges against Tanner is in early stages and that, in view of breadth of the allegations, it would be sometime before Media General makes further statement.

Springfield TV Corp. (WWLP Springfield, Mass., WKEF Dayton & KTSU Salt Lake City) has been sold for \$47.3 million to Adams Communications, headed by banker Stephen Adams. Springfield Chmn. William Putnam and Pres. Kathryn Broman will remain. Broker was Lou Marcy.

Harris AM stereo exciters have been ordered off air by FCC after complaints about compatibility brought to light differences between type-accepted unit and version actually in use. Harris says 71 stations have the equipment, which will have to be modified and go through type-acceptance procedure again before it can go back into use. FCC, meanwhile, set Nov. 7 for comments, Dec. 6 for reply comments, in multichannel TV sound proceedings. (For details, see reports in Consumer Electronics section.)

Group W Cable has sold its cable system which serves more than 20,000 basic and 10,000 pay-TV subscribers in Worcester, Leicester & Auburn, Mass. to Greater Media, E. Brunswick, N.J. for undisclosed sum.

Capital Cities has purchased CATV Systems of East Tex., serving 3,750 basic, 960 pay subscribers in Diboll, Burke, Corrigan & Livingston. Price wasn't announced; Daniels & Assoc. was broker.

**WIRTH REBUKES NAB:** Small response rate to House Telecom Subcommittee's TV & radio program survey has angered panel Chmn. Wirth (D-Colo.), prompting him to write NAB Pres. Edward Fritts charging Assn. with interfering in lawmakers' efforts to draft deregulation measure. Wirth called response rate too low to be "sufficient to accurately ascertain the information we are seeking," said Congressional Research Service has been directed to do follow-up survey with all broadcasters who failed to reply, warned NAB not "to stifle the response." Fritts said NAB isn't at fault.

In Aug. 19 letter to Fritts, Wirth noted that Aug. 15 deadline for TV surveys had passed with only 176 of 947 surveys returned, and with Aug. 22 deadline for radio surveys close, only 90 of 1,200 had been returned. "I find these statistics pathetic," he said. He blamed NAB mailgram to TV stations pointing out response is voluntary for low return. "Without the directive of the NAB Mailgram, this Subcommittee would have a far greater number of survey responses in hand," Wirth wrote, citing CRS figures that "normal rate from such congressional industry surveys is 80%."

"I believe that it is without precedent for the vast majority of an industry to ignore an official congressional request for data," Wirth said. But in Aug. 25 reply, Fritts disagreed: "Based upon our experience, your response rates... are not unusual in mail surveys." Fritts cited recent NAB survey of members that drew 26% response rate, claimed Mailgram "probably had minimal impact given our experience..." Fritts said it might "be attributable to broadcasters' reservations about the potential of government imposed program quantification," added, "most of the data requested in your questionnaire is already available from the FCC or from studies conducted by the NAB."

Fritts didn't say what NAB planned as reaction to 2nd survey effort, but assured "NAB will continue to cooperate with your Subcommittee" in developing deregulation legislation by Oct. 15 deadline. But Wirth wasn't optimistic about meeting deadline, sounded warning in letter by suggesting follow-up survey "will undoubtedly add unnecessary time and expense to this effort," added that tight time frame "will require a good faith, collegial effort on the part of all, which this industry failure to respond to a request for information does not evidence."

Meanwhile, surveys continue to come in, as of Aug. 25 numbered 282 for TV, including from ABC- & NBC-owned TV stations, RKO, Midwest TV and Post-Newsweek; radio totaled 218, including ABC-owned stations.

Washington Chapter of Women in Cable is sponsoring black-tie roast of NCTA Pres. Thomas Wheeler Sept. 21, Shoreham Hotel, Washington. Richard Loftus, Trident Communications, will be MC; guest roasters include Kay Koplovitz, USA Network; Rep. Wirth (D-Colo.); Charles Walsh, Fleischman & Walsh; Jack Valenti, MPAA; James Mooney, NCTA; Kathryn Creech, Council for Cable Information. Proceeds will go to Capital Children's Museum.

**COMSAT DBS LINK WITH GENERAL CINEMA:** Satellite TV Corp. unit of Comsat is apparently on verge of completing \$600 million joint venture deal with partner to join in STC's plan to introduce DBS. Our sources expect General Cinema, Newton, Mass., soft drink bottler and movie exhibitor, to take up to \$300 million equity interest in STC. Deal is thought to be one of 3 currently being negotiated by STC, and it's known STC is talking to one or more TV networks.

At same time, indications were strong that there will be no agreement between STC and United Satellite Communications Inc., venture backed by Prudential Insurance and General Instrument. Although we never expected that STC would get together with USCI, possibility was given great prominence elsewhere, giving rise to expectations in some quarters that such an agreement was likely. Although talks have been held between 2 DBS rivals, according to our sources, these talks are definitely off. USCI "clearly needs more money put into it," one source said. "Both Prudential and General Instruments have the money to finance it themselves — the question is if they want to do that."

Mindful of deal with Sears that fell apart after it was disclosed prematurely, STC officials refused to discuss any details of its search for partners. One STC official predicted that deal now being worked on could easily collapse if it received publicity before closing. General Cinema officials were unavailable. But corporate source did concede that STC is hoping to make major announcement in next couple of weeks.

On face of it, General Cinema looks like appropriate partner for Comsat. GC has longstanding ties to production world, is very acquisitive, is awash in cash & marketable securities. GC last year sold its WCIX-TV Miami to Taft Bestg. for \$65 million cash, \$5 million in notes, plus assets of WGR-TV (now WGRZ-TV) Buffalo. GC also owns radio stations in Boston & Baltimore. In most recent annual report, GC Pres. & Chmn. Richard Smith described commitment to growth through acquisition, noting that although GC would prefer to buy an entire business, it would "consider a major investment in another company."

Katz TV said it has signed 165 TV stations (140 network affiliates) to carry Kickoff Classic featuring last year's No. 1 & 2 ranked college football teams — Penn State & Nebraska. Katz outbid TV networks for game, paying \$1.5 million in first year of 6-year contract. Katz is charging \$80,000 for 30 sec. spot, expects to make \$500,000 profit, according to Pres. Fred Botwinik. NBC has slotted movie Godfather opposite Classic. Botwinik said that as a result "I lost 9 or 10 of the 32 NBC stations I had lined up but I've replaced them with another station in each market."

NCTA is splitting its media services and research operations into 2 departments — Programming & Marketing and Research & Policy Analysis. Charlotte Beales, currently vp-research & mktg., will head Programming & Marketing Dept.; economist John Woodbury, ex-FTC & FCC, joins as vp and head of Research & Policy Analysis Dept.

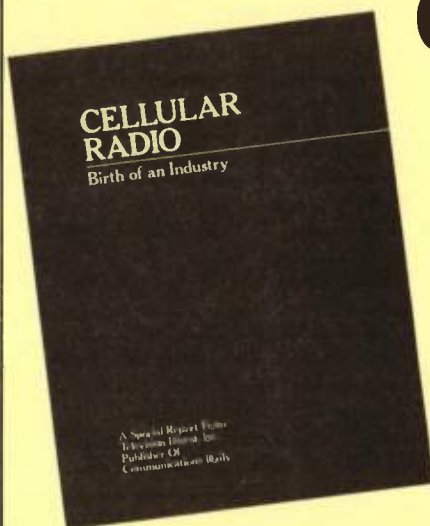


Despite efforts of NAB to sponsor presidential debates, League of Women Voters said it's moving ahead on its own. In Aug. 23 release which didn't mention NAB efforts (TVD Aug 22 p3), League named Karen Voight debate project mgr. for 1984 Presidential campaigns. Pres. Dorothy Ridings said League has met with "initial success" in securing funding for debates, that plans are to sponsor 4 debates during Presidential primaries in spring, another 4 debates among major candidates between Labor Day 1984 and Nov. election. She said Voight, ex-Dept. of Agriculture public affairs official during Carter Administration, will serve as liaison with party officials and presidential campaigns and that her first task is to survey potential sites for Democratic primary debates. Those sites are expected to be announced next month. Six Democratic Presidential candidates have agreed in principle to debates.

National Satellite Cable Assn. decided at Denver convention Aug. 15-17 to move hq from Richmond, Tex. to Washington.

Copyright Office should change rules to clarify definition of cable system so that cable viewers won't be subjected to "irrational and gross overpayment of copyright royalty fees," according to NCTA. In petition filed with Copyright Office, NCTA said current definition "results in the unjustified combination of completely separate cable entities into one system for the purpose of calculating and paying copyright royalty fees." Resultant overpayments "discourage the construction of the most technologically and economically efficient systems and thereby cause subscriber rates to be artificially inflated. Moreover, one of the absurdities caused by the current rules is that in some systems subscriber dollars may even be taxed with royalty fees for signals the particular system does not carry."

Playboy officials say bright spot in \$17.5 million net loss for FY '83 (\$1.77 per share) is Playboy Channel, which lost only \$1.4 million in its first year. Playboy officials said pay-cable service reached 500,000 homes June 30.



# 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 \_\_\_\_\_

**METROMEDIA NEWS SERVICE ON HOLD:** Exec. Vp Richard Block of Metromedia has confirmed that proposed national news service for independent stations has been put on hold. Major reason: Search for prominent national anchor has been unsuccessful. However, he said "the company is absolutely committed to news and a prime-time news service is a corporate goal."

Priority "has been and continues to be" search for nationally known anchor, Block said. Approaches by Metromedia have been rejected by several, including John Hart, Jessica Savitch, Charles Kuralt, Roger Mudd. Block, who has been in job (which includes overall head of Metromedia's TV operations) about 6 weeks, said project "grew a little faster than was anticipated." Also, he said, company still is experimenting in how much national and international news it should provide to stations, and Metromedia is putting hold on now because it needs more research and experimentation.

Block refused to say how much company has spent in crusade to start prime-time news service for Metromedia stations and other independents. Other sources put figure at upwards of \$4 million. Project first became public at RTNDA convention last Sept. when Metromedia News Pres. Mark Monsky invited news dirs. of independent stations to breakfast to explain ambitious project. Monsky recently left company. He was head of Washington news bureau, which has been taken over by Betty Endicott, news dir. of Metromedia's WTTG Washington. Washington bureau has 40 people, figure not including WTTG news personnel.

Endicott said that "we are going ahead with a national news presence of some form... The concept is still alive and well." She said slowdown is part of an overview of what is happening, who wants what. There's no firm starting date, Metromedia officials said, but group's individual stations will remain committed to prime-time news, with KRIV-TV Houston just starting 7 p.m. news. Metromedia stations in Washington, N.Y. & L.A. have had prime-time news for years.

Metromedia's WCVB-TV Boston will preempt first game of World Series Oct. 11 for live coverage of local primary elections same day. Said Vp-Gen. Mgr. James Coppersmith: "This year's race for Boston's mayor, city council and school committee is certainly one of the most important in the city's history. Although the World Series is of great interest to many of our viewers, Ch. 5 has always committed to providing immediate coverage to the major news and events affecting the greater Boston community." ABC official said network is "pursuing arrangements with another station" in Boston to carry opening game.

National & regional spot TV advertising increased 11% to \$1.7 billion during first half of year, according to TvB. Network advertising totaled \$3.3 billion, up 10.5%, for same period, TvB said. Procter & Gamble was by far leading advertiser in both categories, spending \$102.2 million on spot (up 64%), \$165.8 million (down 17%) on networks.

**NIELSEN vs. ARBITRON OVER CABLE:** Discrepancy persists between Nielsen and Arbitron cable penetration estimates of U.S. for July. Nielsen reported total penetration, including Alaskan & Hawaiian markets, was 39.3% or 32,930,140 households. Arbitron excludes Alaska & Hawaii, reported 35% penetration with 29,036,000 households. Following table compares top 5 designated market areas (by number of TV households), percent cable penetration, number of cable TV households:

#### Nielsen

- (1) N.Y., 31.2%, 2,020,890
- (2) L.A., Palm Springs, 27.8%, 1,195,510
- (3) Chicago, 16.4%, 489,150
- (4) Philadelphia, 39%, 947,030
- (5) San Francisco-Oakland, 46.7%, 938,660

#### Arbitron

- (1) N.Y., 27%, 1,765,200
- (2) L.A., 21%, 907,300
- (3) Chicago, 14%, 416,400
- (4) Philadelphia, 38%, 934,500
- (5) San Francisco, 41%, 810,200

Top 5 DMAs by percentage of cable penetration:

#### Nielsen

- (1) Santa Barbara-San Mar-San Luis Obispo, Cal., 77.5%
- (2) Marquette, Mich., 74.7%
- (3) San Angelo, Tex., 73.8%
- (4) Laredo, Tex., 73.2%
- (5) Parkersburg, W. Va., 71.5%

#### Arbitron

- (1) San Angelo, Tex., 85%
- (2) Palm Springs, 84%
- (3) Laredo, 83%
- (4) Santa Barbara-San Mar-San Luis Obispo, 80%
- (5) Biloxi-Gulfport-Pascagoula, Miss., 75%.

ABC Video Enterprises and France's Antenne 2 have agreed to "explore potential areas of joint development and production," of programming. Antenne 2, highest-rated of 3 French TV networks, will collaborate with AVE on original programming, both documentary and entertainment, and exchange existing programming, beginning with Sept. 1 "ABC Night," on Antenne 2. Move is part of ABC effort to reduce and offset costs through co-production and international distribution, according to AVE International Development Vp James Shaw. "We believe there are broad areas of mutual interest between our 2 organizations," Antenne 2 Vp Francois Henri de Virieu said.

United Cable TV reported \$30.4 million net loss (\$2.78 per share), including subscription TV loss of more than \$33 million, in year ended May 31. Firm has decided to get rid of STV, accounted for it as discontinued operation, officials said. In 1982, firm reported net earnings of about \$15.1 million (\$1.38 per share). United had 584,000 basic subscribers, 493,000 premium subscriptions, July 31, company said.





# 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

**BATES & BRYANT ARE '100-PERCENTERS':** Two new members of House Telecom Subcommittee are among "100-percenters" on Capitol Hill, we find in our latest review of campaign finance reports on file with Federal Election Commission. Newcomers Reps. Bates (D-Cal.) & Bryant (D-Tex.) haven't been shy about accepting post-election donations for their campaign kitties, together have taken in \$173,347 since polls closed Nov. 2.

This kind of campaign contribution, while perfectly legal, worries some because of opportunity it presents for vote-bartering & favor-carrying. It is called "100% money" because special interest groups know they are investing in a winner and that money may count more with debt-beleaguered politician. Among such contributors to Bates & Bryant are political action committees that represent communications industry interests.

FEC records show that between mid-Nov. & July 31, cut-off date for latest filing, Bates accepted \$38,315 from PACs. Bryant has taken much more, is among top 2 PAC recipients on House Energy & Commerce Committee. Faced with \$83,958 debt and less than \$4,000 in cash after election, Bryant received \$135,032 from PACs.

Two freshmen aren't only 100-percenters on Subcommittee. Others who've taken PAC money since at least Jan. 1: Broyhill (R-N.C.), \$1,873; Collins (D-ILL.), \$10,669; Gore (D-Tenn.), \$326,280; Leland (D-Tex.), \$42,725; Markey (D-Mass.), \$20,820; Moorhead (R-Cal.), \$646; Oxley (R-O.), \$33,839; Rinaldo (R-N.J.), \$93,993; Swift (D-Wash.), \$47,320; Tauke (R-Ia.), \$2,242; Waxman (D-Cal.), \$8,389; Chmn. Wirth (D-Colo.), \$2,256.

FCC has revised charter of National Industry Advisory Committee — formed to advise Commission on national security and emergency communications policies. Henceforth, all members of long-range planning committee also will be de facto members of 3 NIAC subcommittees (common carrier, emergency broadcast, radio communications); chair & co-chair of subcommittees also will serve as members of long-range planning committee.

Comcast will absorb Calvert-Telecommunications as subsidiary, paying Calvert stockholders \$25 a share for each of 2.6 million shares outstanding. Meanwhile, Comcast reported 2nd quarter revenues of \$2.1 million and 28¢ per share, up 21% from about \$1.74 million and 25¢ per share for 2nd quarter of 1982. Pres. Ralph Roberts said he expects newly operating cable systems in Pa., N.J. & Mich. to lose money rest of year.

Federal grand jury in St. Louis last week began consideration of FBI investigation into alleged corruption in cable franchising activities there. First day witnesses included St. Louis Mayor Vincent Schoemehl. Investigation of cable activities was outgrowth of inquiry into alleged public corruption and organized crime activities in city. FBI has subpoenaed all St. Louis records on cable dating back to 1971.

Showdown over resolution (S. Res. 66) permitting TV & radio coverage of Senate floor could come to head next month. Proposal's principal proponent, Sen. Baker (R-Tenn.), reportedly is considering placing item on calendar for final action in late Sept.-early Oct., much earlier than end-of-session date that had been expected, Hill sources said. In meantime, C-SPAN, which carries committee & floor actions of House, has decided to start 2nd channel without Senate. It originally was to start this month, is being delayed until Jan. to give C-SPAN more time to test new satellite and organize programming & services, but won't be held off until Senate finally okays broadcasts of floor activity.

NEC, which with Alcoa hopes to be major manufacturer of DBS equipment in U.S. through its joint venture company Alcoa/NEC, has found what it thinks is answer to its encryption needs: MAAST, Multiple Application Addressable Secure TV system developed by Telease. Last week, NEC signed agreement in principle to manufacture & market system with its own satellite receivers. Under agreement, NEC has exclusive rights to MAAST system for DBS; it may be marketed separately for cable systems at cost of around \$175, but is expected to make up smaller portion of \$250 target price for whole DBS system.

Final go-ahead of merged ARTS and RCTV will be considered at BBC meeting Sept. 1, according to informed sources. Merger of former Entertainment Channel, joint venture of Rockefeller Center and RCA with Hearst/ABC Video Enterprises, ARTS may substantially alter channel, which will probably go to Westar transponders being vacated by HAVE's merger of Daytime with Viacom's Cable Health Network. Charge for channel to operators may be likely as well, according to AVE Pres. Herbert Granath in comments at recent TV Academy lunch. Move also may be step toward AVE involvement in British cable TV and DBS programming.

Tech-Comm has contracted with FCC to manufacture mobile automatic radio detection-finding device based on 4 patents held by Commission. Device will be marketed to intelligence & defense groups. All told, FCC holds 16 patents based on developments by technicians at Equipment Construction & Installation Branch of Field Operations Bureau, Powder Springs, Ga. Tech-Comm agreement is first time a private business has contracted to use FCC patents.

American Security Council has asked U.S. Appeals Court, D.C., to overturn FCC ruling that CBS didn't violate fairness in 5-part documentary "The Defense of the U.S." aired June 14-18. Council complained that CBS failed to present contrasting point of view.

Correction: Showtime Senior Vp John Sie was mistakenly described as correcting Cox Cable Mktg. Dir. Ajit Dalvi at CTAM session in San Diego Aug. 8 (TVD Aug 15 p2). Sie was objecting to figures of Browne, Bortz & Coddington partner Jack Pottle, not Dalvi.



## Personals

Edward Merlis, ex-Grocery Mfrs. Assn. and onetime staff dir. of Senate Judiciary & Commerce Committees, joins NCTA as vp-govt. relations Sept. 6, succeeding James Hedlund, now with INTV; Carol Melton, ex-Hogan & Hartson law firm, joins NCTA legal staff.

Aaron German promoted to vp-business planning & development, CBS Best. Group Enterprises... John McGraw advanced to vp-sales mgr., WCVB-TV Boston... Peter Ingrassia promoted to vp-national sales mgr., WOR-TV N.Y... Ernest Baur, ex-WDVM-TV Washington, joins WTTG as asst. operations mgr. and dir. of 10 p.m. news... William Butler resigns as pres. of Fernseh, remains consultant; Alan Sheffield joins Bosch-Fernseh as south central sales mgr., Dallas hq... Carol Cook, ex-Grey Adv., appointed supervisor-subscriber services, Disney Channel... William Conner, ex-Satellite News editor, appointed vp, Washington office of Daniel Edelman Assoc. PR firm... Bruce Thorkelson joins Ampex Magnetic Tape Div. as southwest sales mgr.

FCC Comr. Henry Rivera, who believes strongly that FCC should regulate children's programming, will be featured speaker at Oct. 10-12 children's TV conference sponsored by NAB, Hyatt Regency Hotel, Washington... Great Warner Amex Shake-up (cont.): Jack Messman, ex-Safeguard Scientifics exec. vp and Novell chmn., named exec. vp-chief financial officer, Warner Amex Cable Communications, replacing Holmes Harden, resigned. In restructuring of Finance Dept., Herbert Cohen named corporate finance vp, John Dowling controller-finance vp, Mark Mitzner treas.-vp, Richard Smith information systems-data services vp; Gene Sherman, pres.-gen. mgr., Warner Amex Cable of Dallas, named vp-mktg., Franklin Computer Corp.

Kenneth Ash, ex-J. Walter Thompson Co., appointed vp-mktg. services, Satellite TV Corp... Ronald Mack, ex-WANE-TV Ft. Wayne, joins WCBD-TV Charleston, S.C. as mgr.-broadcast operations... Richard Goldberg, ex-WLS-TV Chicago, named news dir., WJLA-TV Washington... Myron DuBow, ex-Polygram TV, appointed dir.-business affairs, Columbia Pictures TV Distribution... George Bernier, ex-Intersil, named eastern sales mgr., Hughes Semiconductor Products; John Knight, ex-American Microsystems, joins as western sales mgr... Deborah Hackenberry, ex-WABC-TV N.Y., appointed mgr.-special projects, Avery-Knodel TV.

Ex-first lady Rosalynn Carter elected a dir., Gannett Co.; John Heselden, deputy chmn. of Gannett, also named publisher, USA Today, succeeding Philip Gialanella, who returns to post of pres.-Gannett Pacific and publisher of Honolulu Star-Bulletin... Larry Darby, one-time chief of FCC Common Carrier Bureau, named "expert adviser and consultant" to NTIA on common carrier matters; Paul Sieracki added as communications policy analyst... Robert Doerr, ex-WCPO-TV Cincinnati, promoted to dir.-corporate communications, parent Scripps-Howard... Alan Gearing advanced to principal

in Jules Cohen & Assoc. consulting engineers... Bernard Miyet, staff head of French Ministry of Communications, named chmn.-gen. mgr., Societe Financiere de Radiodiffusion, state-owned holding company for TV-radio networks, and minority partner in Telefrance USA, succeeding Michel Caste.

Richard Lynn, ex-N.Y. law firm Chadbourne, Parke, Whiteside & Wolff, named mgr.-business affairs, USA Cable Network, new post... John Charlton appointed senior vp-programming, mktg. & sales, Warner Amex Cable... Steven Everett, ex-Deloitte, Haskins & Sells, joins ATC as dir. of management reporting; Judith Hastings, ex-NCTA, named dir.-franchise development; Paul Bambei promoted to mktg. mgr., Portland, Me.; Kent Rice, ex-Mountain Bell, shifts to dir.-mktg. services.

Norman Lear, TV producer and chmn. of People for the American Way, speaks at National Press Club lunch Sept. 21, Washington; FCC Chmn. Mark Fowler speaks at Oct. 5 lunch... Jack Hooper, ex-Oak Communications, appointed mktg. dir., General Instrument IF Systems Div... Ann Daniel promoted to vp-prime-time sales development, ABC Entertainment... David Lalich advanced to controller, Group W TV Stations Group... Jack Allalouf named pres. of new Video International Pictures, formed to purchase pay TV rights for Israel... Robert Gold, ex-Cable Health Network, appointed mgr.-affiliate PR, HBO western region, succeeding Janice Bender, on maternity leave... Janet Miles, who left NAB June 1 to join TM Productions, returns as regional mgr. for Kan., Okla. & Tex.

John Bailey, ex-Paramount Pictures, appointed senior vp-financial planning & analysis, Entertainment & Communications Group, Gulf & Western... Richard Jones promoted to dir.-community affairs, GTE... Janet Faust, ex-QM Productions, named dir.-current drama, NBC Entertainment... Heidi Hanson, ex-Cable News Network, named consultant to CBS Washington on financial interest... Nancie Hines, ex-KPIX San Francisco, moves to parent Group W as mgr., Buena Park, Cal. teletext service to start early 1984... Robert Johnson, ex-vp-sales & member relations for AAF, resigns to form consulting firm... Washington law firm Dow, Lohnes & Albertson opens office in Atlanta under Marion Allen and in Annapolis under Michael Pace... Michael McLean, ex-Aaron Spelling Productions, named executive consultant to Warner Bros. TV.

John Coleman, ex-Weather Channel head, replaced as ABC's Good Morning America weatherman by David Murray, ex-KSDK-TV St. Louis... Edmond Hillard, ex-Corinthian TV Sales, appointed central division sales mgr., Multimedia Entertainment; Gerald Stanton joins as sales exec. in N.Y. office... Stephen Flanagan, ex-WJXT Jacksonville, promoted to engineering dir. for parent Post-Newsweek Stations.

## Obituary

John Curry, 58, former ABC TV ad vp, died at his Greenwich, Conn. home, Aug. 25, following long illness. Wife, 4 children survive.

# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended Aug. 12 (32nd week of 1983):

	AUG. 6-12	1982 WEEK	\$ CHANGE	JULY 30- AUG. 5	32 WEEKS 1983	32 WEEKS 1982	\$ CHANGE
TOTAL TV#.....	275,220	231,437	+18.9	289,541	10,715,912*	9,660,821	+10.9
COLOR#.....	212,335*	154,535	+37.4	223,646*	7,491,122*	6,373,325	+17.5
MONOCHROME....	62,885	76,902	-18.2	65,895	3,224,790	3,287,496	- 1.9
PROJECTION TV...	2,546	2,061	+23.5	3,191	71,055*	50,743	+40.0
HOME VCR.....	65,729*	32,651	+100.1	61,525*	2,029,869*	941,742	+115.5
COLOR CAMERAS...	7,375*	4,116	+79.2	4,430	205,991*	168,661	+22.1

Color TV 5-week moving average: 1983--242,343\*; 1982--200,970 (up 20.6%).

Home VCR 5-week moving average: 1983--78,498\*; 1982--34,789 (up 125.6%).

# Excludes projection TV. \* Record for period.

**ZENITH FOLLOWS RCA WITH COLOR PRICE HIKES:** Zenith lost no time in increasing prices on mid- & high-end sets after similar move by RCA (TVD Aug 22 p9). In wake of action by industry's top 2, however, other manufacturers were wary about hopping aboard, presumably recalling previous price increases which have fallen apart.

"We were very pleased to learn RCA has announced selective price increases at its recent distributor convention," Zenith said in statement in response to our query. "Zenith also has announced increases to distributors in several segments of its color TV line corresponding to those areas where RCA made real effective price increases. The Zenith increases become effective Oct. 1. The industry badly needs additional revenues and hopefully this can become an industry trend in the near & long term."

Zenith supplied no specific information on amount of increases, or sets affected. RCA's factory hikes averaged 1% on Colortrak sets and 2% on Colortrak 2000 models, list price increases of \$10 & \$20, respectively, effective Oct. 1.

Some major competitors have decided to sit this one out to see what really happens in marketplace, bearing in mind past history of quick erosion of announced price rises by increased promotional allowances. Quasar put it bluntly, saying it has no plans for price action now, will watch industry conditions closely, adding: "We question whether RCA's increase will ever the see light of day in the retail establishment."

North American Philips had no comment except that it would wait and see what happens. GE said no price action was contemplated immediately. Panasonic officials were all in Japan.

**COPYRIGHT MADE FOREIGN TRADE ISSUE:** Pair of pro-royalty senators have attempted to turn video & audio taping copyright royalty dispute into major international issue by warning Japanese govt. that negotiations between Japanese hardware manufacturers and U.S. rights owners may be needed to head off "potentially serious threat to U.S.-Japan trade relations." Two other senators acted quickly to blunt the veiled threat, told Japanese such talks would undermine Congress & courts.

Growing U.S. trade deficit with Japan and "perception widely held by Americans that Japanese imports compete unfairly in the U.S. market" could force Congress to pass royalty legislation that Japanese industry won't like, Finance Committee Chmn. Dole (R-Kan.) & Sen. Bentsen (D-Tex.) said in Aug. 2 letter to MITI chief Sosuke Uno. "You are in a position to avert"



such conflict by persuading Japanese manufacturing industry leaders to sit down for private settlement negotiations with representatives of U.S. movie & recording studios, they said.

Adding stick to carrot of trade harmony, letter pointedly notes "Congress returns [from recess] on Sept. 12, and we hope by then you will be in a position to respond to our suggestions." Congress, they said, would judge impact of any such settlement on public interest "and make its legislative decisions accordingly." Copies of letter were sent to Matsushita Chmn. Masaharu Matsushita and Sony Chmn. Akio Morita.

But call to forget whole idea was issued in subsequent letter to Uno by Judiciary Committee Chmn. Thurmond (R-S.C.) & Sen. DeConcini (D-Ariz.). "We urge you, Mr. Minister, to take no action, public or private, to encourage any negotiations which would have the effect of undermining the proper role of Congress and the courts," they wrote. Such a private settlement, they said, cannot "take the place of a resolution of the issue by either the U.S. Supreme Court or the Congress." Public interest makes it "imperative that the Congress of the U.S. and the Supreme Court be involved in the fashioning of an equitable solution."

To make clear their feeling that Dole & Bentsen overstepped political bounds, Thurmond & DeConcini said: "As the chairman of the Judiciary Committee, which has jurisdiction over this issue, and as the author of the legislation that would exempt home taping from the Copyright Act, we would remind you that it is the Congress, not private parties, which ultimately must determine the scope & nature of copyright law."

Dole-Bentsen attempt, presumably at instigation of MPAA, to drag MITI into purely domestic issue has caused some bewilderment. Some observers feel hand of Robert Strauss may be involved. Now attorney representing MPAA, Strauss is former U.S. Special Trade Representative, and in that role succeeded in negotiating several agreements with MITI, including 3-year voluntary quota on Japan's color TV exports to U.S. and settlement of Japanese TV dumping case. In its tape royalty campaign, MPAA has repeatedly emphasized that VCR is foreign product, and Dole-Bentsen letter plays directly on Japanese fears that growth of VCR market could trigger trade reprisals from U.S. (TVD July 11 p9).

Copyright spotlight shifts this week to Video Software Dealers Assn. (VSDA) convention in San Francisco, where officials of Home Recording Rights Coalition (HRRRC), EIA & MPAA battle for hearts & minds of video dealers. Highlight will be debate between EIA Senior Vp Jack Wayman and MPAA counsel Fritz Attaway. HRRRC has retained video retail consultant Linda Rosser, former major video dealer, who is meeting individually with dealers in various parts of country to describe what they can do to battle first-sale modification and tape fee legislation.

Supreme Court has scheduled reargument of Betamax home taping copyright case for Oct. 3. Other key dates in tape battles: Oct. 13, House Copyright Subcommittee hearing on audio first sale legislation; Oct. 27, same Subcommittee on video first sale bills; Oct. 25, Senate Copyright Subcommittee, home taping bills.

**RCA ELEVATES VIDEODISC TO DIV. STATUS:** RCA last week merged all videodisc & player operations and expanded them into separate Videodisc Div. At same time, it indicated it would add educational & institutional to consumer marketing, on basis of new random-access player. Players formerly had been responsibility of Consumer Electronics Div. and disc operations had been corporate staff function.

Heading new Div. as vp-gen. mgr. is Arnold Valencia, formerly pres. of RCA Sales Corp. and RCA Distributing Corp. under Consumer Electronics, shifting from Indianapolis to N.Y. Div. hq and reporting to RCA Group Vp Jack Sauter. Top staff positions are filled by David Arganbright as div. vp, business planning (including international activities), Bruce Babcock div. vp, special mktg. (custom pressing), Jay Brandinger div. vp-gen. mgr., disc operations (development, manufacture, interactive disc marketing), Thomas Kuhn div. vp, videodiscs (acquisition & development of programming, marketing & merchandising of players & discs).

Succeeding Valencia as Consumer Electronics Div. mktg. vp and pres. of RCA Sales Corp. and RCA Distributing Corp. will be Stephen Stepnes, 19-year veteran of Eastman Kodak, whose

last post was as mgr. of consumer markets in Consumer/Professional & Finishing Markets Section and who also has been in charge of European marketing and U.S. business planning for Kodak.

Except for Valencia, all key personnel of new Videodisc Div. are from software side of business, most keeping their past duties and adding new ones. Only major addition planned in near future is sales vp.

New organization will "allow us to have a single focus in the marketplace for the number of different activities involved" in videodisc, according to Sauter — player & disc manufacture, domestic hardware & software entertainment sales, interactive applications, program acquisition, custom pressing, advertising, international activities. "Looking to 1984, 1985 & beyond, we recognized that this is the time to mold all these activities into a developed organization." RCA Consumer Electronics will continue to handle physical distribution of players, and both players & discs still moving through RCA distributors. Sauter said player would continue to be integrated into RCA's "total hardware plans."

In recent past, disc operation had appeared to be headed for integration into RCA Records. Reversal of this situation, with establishment of single overall hardware-software division, arose from discovery that hardware dealers have become by far most important sales outlets for discs. Sauter said, however, that record dealers are also in RCA videodisc plans, saw them becoming increasingly important, particularly in music video. Putting all activities under "single management plan" keeps hardware & software operations from working at cross-purposes. It also is very effective way to discourage speculation that RCA is deemphasizing disc or getting ready to ditch it.

**RCA'S 2 FST TUBES—FLAT & NOT-SO-FLAT:** RCA will square corners and flatten face of picture tubes in 2 stages, offering 2 new series of picture tubes, the first to come next year. While others are debating how flat new FST (flatter squarer tube) should be (TVD Aug 15 p10), RCA will come out first with square-cornered series using same curvature as today's tubes, followed by premium line of flat-looking tubes.

COTY FS (full square) series will be available in 4 sizes — 26", 20", 14" & 16" — last size previously unmentioned — as reasonably priced replacement for existing 25", 19", 13" & 15" tubes, 26" to be available in quantities in mid-1984, followed by 20" & smaller in 1985-86. "Prestige" step-up, COTY SP (square planar) is new development, probably will be offered first in 26" or 27" size, with technical information available in 1984, production in 1985. SP type, previously undisclosed, presumably contains some proprietary developments. Group Vp Jack Sauter said it will require minimum electrical & mechanical changes, won't need unusual mask design or special metals. SP eventually will also be offered in equivalent of 19", but RCA has no plans to go smaller.

FS tube, in 26" size, will have picture area of 324 sq. in. (vs. 315 for 25"), about 5 lb. more glass, will be "more expensive to build but not exorbitant," according to Sauter. He predicted that it and other square cornered tubes would take over entire big-screen business, completely replacing 25" tube after couple years, while 19" lingers longer after introduction of 20" because of its use in price leaders, particularly from Korea & Taiwan. RCA currently is providing set makers with specs on all 4 FS sizes.

SP tube is designed as premium type for high-end sets, and RCA obviously is aiming to make it a 27" to maximize differential from 26" FS. Few details on SP will be available for some time. RCA is using "COTY" designation on new tubes to stress that they employ its COTY-29 neck-yoke design. Thus RCA, Philips, Zenith, Toshiba & Hitachi currently all seem to be heading in slightly different directions in approach to FST. Sauter, marketing veteran, is confident that square-cornered design will have strong appeal to consumers in mass-market as well as high end, and it's obvious that RCA is looking to complete changeover in tube sizes over next 3-4 years.



**AM STEREO FOUL-UP:** FCC's "marketplace" AM stereo standards contain very few restrictions, but broadcast equipment for Harris system ran afoul of most basic one — compatibility with mono receivers. Consequently, 71 stations equipped with Harris exciters have been ordered to stop stereocasting, FCC has revoked its type-acceptance of unit and it will be 60-90 days before modified equipment gets FCC acceptance.

FCC sent telegrams to 39 stations known to be broadcasting in Harris AM stereo system, ordering them to discontinue stereocasts by Sept. 1, after complaints about incompatibility led to discovery that Harris-made exciter delivered to stations was "different than the exciter type-accepted" Aug. 4 and "test data previously filed with the Commission must be considered invalid." FCC also ordered Harris to advise all users to cease AM stereo operation and give it list of stations which have the exciters, and warned Harris that marketing of non-accepted equipment violates regulations.

Harris has notified 71 U.S. customers who have its AM stereo exciters — "a high percentage of which probably were on the air" — we were told by Product Mktg. Dir. Robert Weirather. "We ceased delivery several days ago, and are not pursuing AM stereo sales at the moment," he added. He said problem was "not major," involves "removal of one IC and flicking a switch." However, FCC Technical Standards Branch's John Reed said "there were so many differences between the unit that was type accepted and the one which was out there" that Harris must submit new exciter and go through type-acceptance process all over again.

Problem came to light, it's understood, when Group W wrote Harris about its concerns that equipment wasn't operating as it should. According to Commission, Harris stereo broadcasting interferes with monophonic reception. Harris says no equipment is required to make needed field modifications to its exciters — just instructions. Nevertheless, stations can't put AM stereo signal back on air until new design is type accepted. Commission's AM stereo rules permit use of any system which meets its standards; 5 have been proposed, and 4 are being used by stations — Harris, Kahn, Magnavox, Motorola — with more than 100 stations believed to be broadcasting in AM stereo.

**Video software notes:** Catalina Home Video, new video software marketer, bows this week at VSDA convention in San Francisco. CHV is being launched by industry veteran Jeff Abrams. It will offer 5 titles at \$50 list this month, follow with 6 at \$40 each in Sept... Gorgon Video, cult horror film distributor, has been formed as unit of MPI Home Video. First 3 cassettes are due next month at \$60 list... Satori Entertainment has licensed 4 animated/live action features to CBS/Fox Video... Capital-EMI has launched subsidiary Picture Music International to develop & produce music video clips & features.

Sony introduces 107-channel cable-ready version of its low-priced slimline "E-Z Beta" VCR at \$650 list, \$50 above standard model.

**ZENITH EYES EUROPE:** In effort to cash in on developing European market for hi-tech components, Zenith plans to establish overseas marketing subsidiary in Dublin. Company said it projects strong production growth there in computers.

Zenith said it will be marketing power supplies, color & monochrome monitors as well as other components to European manufacturers. Company indicated it had no current plan to establish European manufacturing base. Parts & components are currently produced at Zenith plants in U.S., Mexico & Taiwan.

While broadening marketing overseas, Zenith is finalizing facilities consolidation in U.S. by selling off unneeded plants. Company said it has sold one plant in Chicago, has agreement to sell 2 others there and 2 in Pa. Being sold in Pa. are former picture tube plant in Lansdale and former console cabinet and audio assembly plant in Watsontown, both acquired from Philco-Ford. Zenith declined to identify purchasers, did say none were "in competitive businesses."

Lansdale plant was white elephant. Zenith bought it in 1972 in anticipation of major rise in OEM demand for color tubes, re-equipped it for output of Chromacolor tubes. But market went soft so plant never went into full production. Zenith wrote off \$22.5 million investment in 1977, has been trying to sell plant ever since. Zenith had better luck with Watsontown. Plant had been supplying Zenith with TV cabinets on OEM basis before Zenith purchased it in 1974 following Ford's sale of Philco to North American Philips. Watsontown became center of Zenith's audio operation, but was made surplus last year when Zenith left that end of business.

As Zenith has already written off investment in plants being sold, transactions will have no significant financial impact. But disposal will cut operating expenses by about \$2.5 million annually, Zenith said.

Video display terminals may pose health hazards, and there's "sufficient evidence" to justify more research despite National Research Council finding to contrary, according to National Institute for Occupational Safety & Health. NRC said it found "no scientific evidence" of injury from use of VDTs, said complaints of eyestrain and other ailments were traceable to poor quality equipment and inadequate workstation design. It dismissed as "highly improbable" claims VDTs cause radiation damage or cataracts, said it felt any move toward mandatory safety standard was unnecessary and might hamper technological improvement.

**Ad notes:** Atari appoints Needham, Harper & Steers for Atarisoft, new multi-format computer & game software marketing unit... TI hires Rogers & Cowan as marketing consultant for home computer line... Pacific Stereo appoints Young & Rubicam for \$15 million national account.

Extended warranties were opposed "as a solution to marketing problems" in resolution passed unanimously by convention of NATESA, national electronics service trade association.



**MORE GAME CUTS:** Programmable videogame prices have gone through yet another round of cuts, with Atari, Mattel & Odyssey directly involved this time.

Mattel trimmed \$60 off Intellivision price, coincident with expiration of its \$50 rebate offer, putting suggested retail at about \$90, with free \$70 voice module adaptor included. Atari has instituted \$30 rebates on 2600 & 5200 games, reducing effective consumer prices to about \$50 & \$115 respectively. Drop comes just as Atari started delivering adaptor that permits playing of 2600 cartridges on 5200 consoles. Adaptor is retailing for \$80, making it cheaper for 5200 owner to buy complete 2600 console. Odyssey list is now down to \$50, and \$30 rebate lowers actual consumer cost to just \$20.

On computer front, Atari 16K 600XL console is expected to retail for about \$150 when it hits market next month, or about \$50 more than 400 console it will replace. New 800XL with 64K is expected to be about \$290 when it bows in Oct., or about same as current 48K 800 console. Home computers in Radio Shack's 1984 catalog start with 4K leader, continuing at \$120, step to 16K Color Computer 2 at \$240 (down \$160 from last year). Version with extended Basic is \$320 and new 64K model is \$499. In peripherals, disc drive has been cut to \$400 from \$600, and 2nd drive is just \$280; new direct-connect modem is \$100, auto-answer auto-dial version \$200.

Pair of videogame program marketers, Activision and Fox Videogames, have entered computer software market with cartridges at \$35 each. Activision made 2 games for Atari, Fox has 3 for Atari & Commodore. Fox also announced it will license games to TI — MASH being first. TI has revamped circuitry in new versions of its home computer to keep them from running improperly programmed cartridges, has refused to license knowhow to others, says it will sue infringers. So, pending further developments, independents have to license TI to make & market their programs or ignore that segment of business.

In another software development, Romox says it will start testing its in-store game cartridge programmer in 20 Northern Cal. locations next month, expand to as many as 100 outlets in Oct. Romox makes programmable cartridges for Atari 2600 videogame and Atari, TI & Commodore computers. Cartridges sell at \$15-\$25, and can be programmed for about \$10 by in-store terminals that hold some 500 titles. Terminals can feed back sales information via phone lines, and titles can be changed in same way by company's library computer in Campbell, Cal. Romox has own collection of games, temporary license to use software from other unspecified independents.

Sirius Software has filed \$10 million damage suit in Cal. Superior Court charging Fox Videogames breached cross-licensing agreement that could have seen Fox become 33% owner of computer game program marketer. Sirius says Fox failed to live up to terms of contract under which it was to develop computer versions of Fox games, supply Fox with videogame programs. Sirius says it wasted some

\$125,000 on projects Fox never completed. According to filing, Fox was to acquire minority interest in computer software company if combination of royalty & cash payments exceeded \$1.5 million by Feb. 1984.

Broderbund has licensed Ariola Div. of German publisher Bertelsmann as its exclusive software distributor in 7 European countries through March 1985.

**CERTRON ADDS VIDEOCASSETTES:** Already overcrowded blank videocassette field got yet another new entry last week in Certron, best known as manufacturer and distributor of promotional audio cassettes. Company is introducing VHS T-120 and Beta L-500 cassettes sourced from Japan and listing at just \$9 each.

As it does with audio tapes and computer discs, Certron will market video products primarily through mass merchandisers. Certron becomes 4th major independent to enter tape market in last 3 months. Japan's Konica and Korea's Sunkyoung are already selling here, while Polaroid is scheduled to start marketing in Europe in Oct., open in U.S. early next year. In addition, Panasonic and JVC have stepped up their own-brand retail marketing effort, while Sony has added VHS cassettes to its established Beta line.

Videocassette anti-piracy arm has been formed by Adult Film Assn. of America, members of which market X-rated titles and generally aren't associated with MPAA. AFAA has set up Copyright Protection Committee to function as clearinghouse for piracy suits brought by its members and to assist in prosecutions. AFAA says that X-rated titles account for 30% of videocassette sale & rental transactions, estimates that its members lose millions of dollars in business annually to pirates who "feel confident they won't be caught copying or exhibiting" such material. MPAA, meanwhile, is pushing its infringement fight right to where it wants all pirates sent — to prisons. It brought suit in Wis. federal Court against state Health & Social Services Dept., charging that showing of rented videocassettes to groups of prisoners constitutes public performance, and is copyright violation. MPAA said it brought suit only after state attorney general said he disagreed with that view and that Wis. prisons planned to continue such showings without license.

Blaupunkt is adding Philadelphia to U.S. market test of its Automatic Radio Information System for cars. ARIS has been operating in metropolitan N.Y. since April through 4 local FM stations, has been on market in Germany since 1974. Stations have special signal that overrides cassette and boosts radio volume so drivers can hear special traffic bulletins. Car radio must be on and tuned to station covering specific zone of interest. Blaupunkt is offering ARIS in stereo FM-AM-cassette combinations at \$320 & \$325 — \$10 & \$15 over non-ARIS versions. Step-up has LCD showing zone number of station being received. Blaupunkt says next step will be set up in N.J. to form complete N.Y.-Philadelphia corridor. Company says it expects to have system running in 20 major markets by 1985.



Sony Data Products advertises for OEM sales mgrs. experienced in computer peripherals industry for Boston & L.A., as well as product mgr. at N.J. hq. Posts involve marketing & sales of "floppy discs, CRTs, monitors and CCD cameras."

Small computers may be unsafe in airplanes, Infoworld magazine speculates, noting that they're banned by Eastern Airlines and some commuter lines because of possibility of interference with navigation & communications equipment.

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 International 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 Division Vice President & General Manager **Charles Schmidt** . . . Satellite TV Corp. Pres. **Richard Bodman** . . . Alcoa-NEC Exec. Vp **Dennis Fraser** . . . 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.

### 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.

**BERLIN'S BIG SHOW:** Digital TV, 8mm video, DBS and videotex will be among major attractions at big biennial Internationale Funkausstellung (Audio-Video Fair) at West Berlin Fairgrounds, which opens Fri. (Sept. 2) to expected attendance of 450,000, including 60,000 trade visitors from around world.

Show, which attracts 500 exhibitors in 25 halls with 860,000 sq. ft. of display space, is open to public (for a fee), has consumer exhibits plus displays open only to trade, as well as virtually continuous live network entertainment broadcast originations. At least 2 companies are expected to display digital TV signal-processing systems — ITT, whose Standard TV set brand is expected to show first production models, and Sony, which says it will display 2 approaches to digital TV, one using own circuits and one with ITT chips (TVD Aug 22 p13). ITT will also show digital accessories, including interlace-free high resolution system, adaptor to accommodate timeplex VCR system, teletext decoder, service computer. Others likely to show digital circuitry include Matsushita.

Philips is expected to display advanced TV models, partly digitized, including prototype set incorporating its "Hi Fi Zero" system based on CCD field store which company says is cheap enough to build into home receivers, which eliminates 50-cycle flicker and improves resolution (TVD Jun 6 p23).

Although 8mm video will be prominent topic of trade conversation, whether prototypes will be displayed is now problematical. In Eindhoven, Philips told us virtually on eve of show that it hadn't yet decided whether they'd be shown. Other possible 8mm displays could be by Grundig or Hitachi — in trade, not public, areas of show. In videodiscs, Philips and Grundig are expected to unveil stripped-down LV players to compete in price with CED, as well as new high-end versions which could encompass solid-state laser pickup.

Germany will use show to introduce nationwide Bildschirmtext videotex service using new CEPT standard. Daily demonstrations of DBS will include 16 channels of digital stereo radio, daily show from Satellite TV, London, and possibly reception of Moscow 1 program from Soviet satellite Gorizont, using Scientific Atlanta earth station. Audio exhibits will prominently feature CD digital disc system, already big hit in Europe, with automobile prototype to be shown by Philips.

Sony has been hinting in Japan & Europe that it will have video "surprise" in Berlin, in addition to digital demonstrations.

Among many themes of show will be "60 years of radio in Germany," commemorating first regular transmission from Berlin in 1923, and "100 years of TV in Germany," marking invention of Nipkow disc in 1883 by Paul Nipkow.

West Germany expects sales this year to total up to 2.5 million color sets, 1.4 million VCRs (about 65% VHS, 20% V2000, 15% Beta), 70,000 CD digital disc players, retail sales of brown goods totaling about \$4.6 billion.

**TANDY TO FURNITURE:** Radio Shack parent Tandy plans to diversify into electronics furniture manufacturing through \$91.5 million acquisition of O'Sullivan from its parent Conroy. O'Sullivan and competitor Gusdorf dominate U.S. market for electronic furniture which includes TV carts & stands, video & audio racks and industry's new hot product, computer tables. Agreement on terms has been reached and deal could be closed by year's end.

Assuming completion, Tandy is expected to leave O'Sullivan as separately operating subsidiary with little change in current marketing setup, though O'Sullivan is likely to become major supplier of furniture to Radio Shack stores. Course is one followed when Tandy acquired Memorex's consumer tape business last year.

Gulf & Western has agreed to sell Sega's U.S. coin-op manufacturing operation and inventory to competitor Bally, terms undisclosed. Deal includes exclusive license to Sega's videodisc arcade games and that, according to Bally spokesman, was key to deal. Bally also gets Sega plant in San Diego, and arcade game rights to video & computer games Sega will continue developing with G&W's Paramount. Sega will remain in home game business in U.S., retain Japan-based international arcade game operation.

Meanwhile, GE plan to acquire 3M's technical ceramics business is on again. GE had tentatively agreed to purchase unit earlier this year and worked out contract terms with workers at Laurens, S.C. plant. But talks ended when it was unable to agree on contract with union representing other facility in Chattanooga. GE said labor problems have been resolved, and it expects to complete deal next month. Terms weren't announced. Acquisition will increase GE's vertical integration in IC business. Also, GE has agreed to sell its unprofitable LCD business to LXD Inc., newly formed for purpose by Hugh Mailer, gen. mgr. of that operation for GE.

In other merger activity: Electronic Memories & Magnetics is negotiating sales of Indiana General Magnetics unit to John Johnson, currently IGM vp-gen. mgr. IGM makes alnico and rare earth magnets... Charleson Publishing has been acquired by U.S. Business Press, new firm launched by Dillon, Reed & Co. and Keeley Management. Charleson publishes Leisure Time Electronics and Toy & Hobby World... Electronics-related mergers rose 18% in first half to 144 from 122 in same 1982 months, and value of transactions more than doubled to \$1.16 billion from \$512.8 million, according to consultants W.T. Grimm & Co.

Transparent TV set will be introduced by Germany's Loewe Opta at Berlin Funkausstellung Sept. 2-11. Limited edition will have clear plastic cabinet permitting observation of electrons in action.

Thorn EMI will spend \$12 million to build 100,000-sq.-ft. replacement for its Central Research Labs in U.K. Company said current facility is too limited and can't be expanded.



**STEREO TV RULEMAKING:** FCC's multichannel TV sound (MTS) clock is running, with publication of proposed rulemaking in Federal Register (TVD Aug 1 p12). Comments are due Nov. 7, replies Dec. 6 — presumably adequate time for industrywide EIA subcommittee to file test report & recommendations. Document is wide-open marketplace proposal, suggesting no restrictions on use of aural portion of TV signal.

Notice suggests not only stereo & multilingual sound, but program information for sight & hearing impaired, stereocasting, background music, paging services, electronic mail delivery, fax, even municipal traffic light & sign control on TV audio subcarriers. In fact, there seems to be nothing in notice to prevent each TV station from sending out several entertainment radio channels (which, of course, would require special receivers).

Technical specifications would be stated mainly to "ensure the integrity of primary visual & aural service, and to preclude interference to other licensees," proposal says. FCC does ask what quality standards, if any, should be imposed on stereo signals, suggesting essentially flat frequency response, minimum separation of about 30 dB between left & right channels at 50-15,000 Hz.

Commission took note of cable TV problems, asking comments on whether MTS should be must-carry for cable systems and effects of MTS signal on adjacent channel cable TV operation and pay-cable encoding systems.

Tracing history of MTS proceeding, which started in 1977, Commission noted that in original comments, ABC, CBS, NBC, EIA & NAB at that time "believed that there was insufficient public interest in TV stereo to justify development of such a service." Among few favoring service was PBS.

Computer specialty outlets in U.S. have jumped from just 300 in mid-1977 to 2,479 today, will hit 3,000 by year's end, according to Future Computing. It says increase comes from growth of chains, franchises and multi-store independents, rather than opening of single-store independents, predicts total will reach 7,000-8,000 by 1988. Forecast is included in \$1,500, 4-volume report Computer Stores U.S.A., which has directory of all known stores deriving at least 50% of their sales from computer hardware & software, features profiles of 25 major chains & franchises. Details: FC, 900 Canyon Creek Center, Richardson, Ex. 75080.

Taiwan is responding to international complaints by expanding coverage of its copyright law, increasing penalties for pirates. Planned revision broadens scope to include graphic & industrial designs, bringing electronic products under copyright umbrella, hikes maximum piracy penalty to 5 years from 3, establishes minimum sentence of 6 months. While computer software isn't included in govt.'s revision proposal, it may be added by legislators. Proposal calls for copyright protection to be available on production for local companies, and to foreign companies after they register products with Interior Ministry.

**SPECTRAVIDEO PROFITABLE:** Spectravideo showed profit of \$649,000 on sales of \$3.29 million in first half, with bulk of revenue represented by barter deals. SV said sales total included \$1.9 million of videogame cartridges exchanged for \$350,000 in cash plus \$1.55 million in future ad benefits.

SV said it began shipping leader home computer on schedule July 1, expects to have MSX language adaptor as well as step-up home computer during last quarter, by which time it plans to have completed setup of national distribution. SV said its current lender has declined to provide further funding, making it necessary for company to search for new financing it will need to support expansion. Failure to come up with backer "could have a significant impact on the company's future performance," SV said.

Wells-Gardner trimmed 3rd quarter dividend 50% to 6.25¢ per share which, if maintained, will result in 1983 payout of 37.5¢, against 47.5¢ last year. Company earnings have been hit by depressed market for its coin-op videogame monitors.

Sony debt rating was lowered notch by Standard & Poor. S&P said that while Sony continues as one of most highly rated among electronic companies, change was made to reflect company's relatively high debt level and reduced profitability. Intense competition in consumer electronics industry will "inhibit a quick recovery" to Sony profit levels of past year, S&P said.

Recoton declared 3-for-2 stock split.

Major expansions at Chicago & Las Vegas convention centers will vastly increase space at both summer & winter Consumer Electronic Shows. Ground was broken last week for 120,000-sq.-ft. addition to Las Vegas Convention Center financed jointly by CES sponsor EIA Consumer Electronics Group and Interface Group, which sponsors Comdex computer shows. Their investment will be reimbursed out of hall's income for next 6 years. New hall will be used at CES entirely for computer & game exhibits. Winter CES in 1984 thus will have about 865,000 sq. ft., including Convention Center's new West Hall plus Hilton & Riviera Hotels. In Chicago, Summer CES will occupy new 400,000-sq.-ft. addition to McCormick Place, due for completion in 1985, bringing that facility to more than million sq. ft., about same size as N.Y. convention center, whose completion has been delayed until 1986.

Top-rated home computers for kids are Atari 800 and Radio Shack Extended Basic Color Computer, according to current Consumer Reports, which devotes 28 pages of Sept. issue to computers. TI model was downgraded because of high cost of peripherals, while lack of software was weak point for otherwise acceptable Commodore models. Apple IIe and nearly identical Franklin Ace 1000 were choices for general purpose family computers, while for in-home business applications, Osborne I & Executive, Kaypro II, Radio Shack TRS-80 Model 4 and Morrow Micro Decision got nod. Where price is no object, IBM PC or similar Compaq Portable, are choice.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>Avnet</b>			
1983-year to June 30	1,164,678,000	50,364,000	1.43a
1982-year to June 30	1,112,039,000	70,470,000	2.02b
1983-qtr. to June 30	326,096,000	15,911,000	.45
1982-qtr. to June 30	273,177,000	13,321,000	.39b
<b>Craig</b>			
1983-year to June 30	58,371,000	(6,895,000)	--
1982-year to June 30	83,485,000	1,393,000	.46
1983-qtr. to June 30	10,627,000	(3,993,000)	--
1982-qtr. to June 30	16,110,000	135,000	.04
<b>Outlet Co.</b>			
1983-6 mo. to July 31	46,558,000	5,571,000	1.20
1982-6 mo. to July 31	41,528,000	12,267,000	2.83b
1983-qtr. to July 31	24,455,000	2,840,000	.61
1982-qtr. to July 31	21,353,000	10,316,000	2.41b
<b>Reeves Communications</b>			
1983-year to June 30	213,807,000	7,731,000	.62
1982-year to June 30	231,149,000	24,432,000	2.00b
1983-qtr. to June 30	53,549,000	(6,716,000)	--
1982-qtr. to June 30	65,767,000	8,235,000	.66b
<b>Regency Electronics</b>			
1983-year to June 30	87,344,000	6,961,000	1.30
1982-year to June 30	66,235,000	5,055,000	.94
1983-qtr. to June 30	27,607,000	2,364,000	.44
1982-qtr. to June 30	16,467,000	659,000	.13
<b>United Cable TV</b>			
1983-year to May 31	115,302,000	(30,419,000)	--
1982-year to May 31	91,838,000	15,093,000	1.38c
<b>Video Corp. of America</b>			
1983-year to June 30	22,707,000	965,000	.58d
1982-year to June 30	17,122,000	(1,497,000)	--

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

## Consumer Electronics Personals

**Stephen Stepnes**, ex-Kodak, joins RCA Consumer Electronics Div. as mktg. vp & pres. of Sales and Distribution Corps., succeeding **Arnold Valencia** named vp-gen. mgr. of new RCA Videodisc Div. (see report elsewhere in this issue); **Alan Gauthier**, ex-GE, named RCA financial analysis & reporting staff vp... **Roland Martin** advanced at Sony from vp at Business Development Div. to communications senior vp for Consumer Products Co... **Lawrence Brady** joins Wells-Gardner as data display products gen. mgr... **Edgar Baez**, Zenith international sales mgr., named managing dir. for European marketing unit being established in Ireland.

**Vince Larinto**, ex-Embassy Home Entertainment, rejoins CBS/Fox Video as consumer products western zone sales mgr... **Howard Kastle** joins National Video as franchise development vp... **Shellie Yaseen**, Audio Plus Video west coast dir., adds post of mktg. dir. for parent Video Services... **David Boward**, ex-Hyatt International, joins Australia's Video Classics as asst. to Managing Dir. **Walter Lehne**... **George Cooney** is resigning as chmn. of Bell & Howell/Columbia Pictures Video Services following his purchase of EUE/Screen Gems from Columbia Pictures... **Jeff**

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. Null** ..... 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.

**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

#### Factbook Research, Inc.

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

**Abrams**, former Force Video pres., forms new software marketer Catalina Home Video; **William Ford** joins as international mktg. dir... **Robert Henderson** (Windsor Total Video), **Walter Hamilton** (Lee Rothberg Productions) & **Marcia Greenfield** (VCA/Teletronics) elected to Videotape Productions Assn. board.

**James Dionne** advanced at Commodore to sales & mktg. vp, assuming some former responsibilities of **Robert Lane**, resigned as pres. for North American operations; **John Gould** appointed national account sales dir.; **Jack Gaidmore** named distributor sales dir.; **Joseph Spiteri**, mfg. mgr., assumes interim responsibility for all manufacturing operations, replacing **Ted Vosu**, resigned as mfg. vp to join Mindset, Sunnyvale, Cal. personal computer firm founded by former Atari computer head **Roger Badertscher**... **Jerry Colella** promoted at Tandy to Radio Shack international franchise vp, succeeding **Robert Lynch**, retired... **Clark Miller** named employee relations vp for Coleco's Amsterdam, N.Y. mfg. & operations center... **Peter Caravella**, ex-GE, named Litton Microwave mktg. vp, replacing **Donald Johnstone**, now NAP Consumer Electronics senior mktg. vp.

**Philip Cajka** advanced at Audio-Technica from controller to finance vp... **Robert Schlagman**, ex-20th Century Plastics, named TDK west region computer products sales mgr... **Bruce Thorkelson**, ex-Lanier Business Systems, joins Ampex Magnetic Tape Div. as southwest region sales mgr... **Jeff Evans** appointed west region sales mgr., **Ernie De Los Santos** named for central region, Sony Professional Audio Products.