

WEEKLY

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HOUSE CABLE BILL MIRRORS S-66 WITH KEY ADDITIONS: It's called "son of S-66" because House draft cable bill circulating in Telecom Subcommittee mirrors Senate version on major points such as rate deregulation, franchise fee cap, reasonable expectancy of franchise renewal. But, House version also would add new sections, including guaranteed access to apartment buildings, theft of service penalties, more pole attachment rights and widened bans on cable ownership by telcos & newspapers.

Still only preliminary staff draft, bill is being kept under tight wraps but interested parties that have been allowed to see it — including NCTA, National League of Cities (NLC) & U.S. Conference of Mayors — have been sworn to secrecy. However, our affiliated publication Communications Daily obtained copy. Aides hope to make bill public soon, are shooting for late Oct. hearing and perhaps markup.

As expected, most controversial part of House bill is commercial leased access (TVD Aug

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SEARS SHOWS new computer products from Mattel, TI, Timex, sharply lower videogame console prices, in Christmas catalog. (P. 18)

29 p2), issue spurned in Senate version which clearly stated cable isn't common carrier. House version specifies that systems with 36-53 channels must set aside 10% of capacity for leasing, systems with 55 or more 15%. Systems with fewer than 36 channels would avoid leased access unless such services are required in existing franchises. Operators could charge what market will bear, but lessees could go to court if they can show rates are discriminatory.

Bill also contains expected national policy statement on diversity. Aim of bill is to "assure that cable telecommunications provide the widest possible diversity of information sources and services to the public." Bill states that to promote diversity, FCC "may prescribe rules with respect to the common ownership or control of cable systems by persons who own or control other [co-located] media of mass communications." Such FCC rulemaking should take place when cable systems with 36 or more activated channels are available to 70% of U.S. households and are subscribed to by 70% of homes passed nationally, bill states.

Expected citizen access to cable is there. Owners of apartment complexes "may not prevent or interfere" with arrival of service to their buildings if residents request it. Bill would have operator pay for any damages to building caused by stringing cable, directs that FCC within 180 days of passage promulgate rules guaranteeing access to such dwellings. There also is provision to prohibit red lining.

Also as expected, House version would codify FCC rules on telco ownership of cable wherever they operate exchanges except in rural areas. Importantly, newspapers are added to cross-ownership rules which specify that publishers can't own cable systems in towns they serve. However, grandfathering protects from divestiture co-located properties operating before July 1.

Rate regulation sections are mostly copied from S-66 but there are some changes. Left intact is that basic service rates will be deregulated in markets served by 4 or more TV stations, including one affiliated with each network, within 5 years or half of remaining life of franchise, whichever is greater. Deleted is amendment Sen. Lautenberg (D-N.J.) succeeded in adding to S-66 specifying that if cable system has achieved 80% penetration in given market, operator must show by field tests that residents actually can receive 4 stations off-air. Provision in S-66 that operator can unilaterally raise rates annually by amount equal to rise in regional consumer price index is watered down by grandfathering franchise agreements requiring fixed rates for specified period of time.

House version adds section on pole attachments that says state regulators can't supervise pole rates unless they have FCC-approved regulation system. Draft also says that when operator complains about pole access or rates, state must take action in 60 days. Attachment rights also are extended to co-op and municipally owned poles.

Cable piracy provision sets forth fines & jail terms for persons knowingly intercepting cable services. In instance of person or business selling black boxes, operator is entitled to all profits. Operator would need only to show proof of pirate's gross revenue in court. If piracy was proved willful and for commercial advantage, court could award civil damages of up to \$50,000. In criminal action, court could award \$25,000 fine, impose year jail term.

Biggest difference between House & Senate bills is that "grandfathering is more clearly stated," said industry official, who called bill compromise "and as such we can live with it." NCTA isn't happy with bill but will support it (TVD Sept 26 p6).

Support of NLC, which helped draft compromise used in S-66, remains question. Group's Transportation & Communications Committee has adopted resolution that rejects rate regulation, renewal expectancy, and grandfathering provisions. NLC board must act on resolution, but doesn't hold next meeting until Nov. -- which may be long after bill has passed in 2 houses.

Meanwhile, in belief it has better chance of derailing deregulation by working within NLC, National Assn. of Telecommunications Officers & Advisers, (NATOA), nation's cable administrators, last week overwhelmingly spurned effort to disassociate group from League. Members ordered board to meet with NLC leaders to resolve differences. Vote repulsed

breakaway movement by NATOA board, caused board's vice chmn., who strongly favored disassociation, to resign, and 2 candidates for board running on breakaway platform to withdraw.

Cable administrators also got behind movement to draft alternate bill. Several renegade cities have consistently opposed S-66 but to date haven't attracted much support within NATOA or on Capitol Hill because they had no alternative to offer. Recently, those rebels, mainly Tex. cities, formed Cities & Counties for Cable (CCC) as independent lobbying arm. Group has retained counsel and drafted new bill, which CCC leaders believe will be sponsored by Rep. Bryant (D-Tex.). Advising CCC is Washington attorney Nicholas Miller.

CCC's proposal is described as "consumer's bill" because it places more emphasis on controlling rates, introducing competitive services and operator accountability. It would make cable more like common carrier by separating system into facilities (plant) and services (programming). Services would be divided into categories of basic, cable services such as pay channels, and telecommunications services such as data transmission.

STOCKMEYER QUILTS; NAB CONVENTION PROFITS REPORTED: NAB Senior Vp Steven Stockmeyer, in charge of Assn.'s govt. relations, resigned Sept. 29 following what was described as stormy dinner meeting of several NAB directors, senior executives (including Stockmeyer) and steering committee of TV Operators' Caucus.

Caucus originally was formed last spring by major market TV stations out of reported unhappiness with way they were being represented by NAB in Washington. At that time, there was threat of pull-out of NAB by some large-market TV stations. NAB Pres. Edward Fritts met with group in June and threat of major defections was defused and Caucus plans were considerably cut back. However, after dinner last week at which Caucus members were said to be highly critical of NAB, Stockmeyer reportedly said "that's it," submitted his resignation. Neither Stockmeyer or Fritts could be reached at press time.

Member of Caucus group told us "we came down awfully hard on the NAB... Until the Caucus was formed, we'd never seen anybody from the NAB in our offices... We don't think the NAB gets any outside input or cares much to have it... I think we will cause them to fix up their act." He said problems of major stations with NAB long outdate election of Fritts 14 months ago, that Caucus rejected offer to come under NAB's umbrella because "we want to keep our distance." He expressed regret at Stockmeyer's resignation, said it had to be a symptom of problems not related to Caucus.

Meanwhile, April NAB convention in Las Vegas showed profit of \$2.07 million, \$97,958 more than had been projected in current budget. This compares with \$1.76 million profit on 1982 convention in Dallas. Profit also is expected to increase again for 1984 convention as cost to exhibitors will go up from \$9 to \$10 per square foot. NAB's current budget (April 1-March 31) projected surplus of \$220,000 before extra money came in from convention. However, much of that surplus already has been earmarked for unbudgeted items.

Reflecting drop in radio membership, projected radio dues are down \$47,367 for April-Aug. period — \$1.2 million has been collected; \$1.25 million was projected (figures are rounded). TV dues are running at \$1.3 million, just \$1,008 more than projected. Interest income for 5 months is \$43,871 more than \$32,500 expected.

On expenses side, general administrative (pres., secy.-treas., board & committee meetings, data processing, taxes, dues to other associations, etc.) is over budget by \$220,083 — mostly caused by overlap in paying 2 presidents, lump sum payment to state associations and approval of unbudgeted expenses by Exec. Committee. Station services is \$43,355 over budget, radio-TV departments \$13,171, public affairs \$5,590; rest of NAB departments are under budget.

This will be week of heavy meetings at NAB, with 6 committees due in town -- centered around Oct. 4 reception honoring Chmn. Gert Schmidt. Convention & Engineering Committees meet Oct. 3, Structure Oct. 3-4, Research Oct. 4, Exec. Oct. 4-5, By-Laws Oct. 5. Structure Committee will hear report from outside consultant Michael Tate of Arthur D. Little Co.

LEGISLATORS NARROW DIFFERENCES: Broadcast deregulation is on fast track in House Telecom Subcommittee. Sources said key players have narrowed differences on framework and will have tentative proposal ready for final hearing Oct. 4 & 6 and markup Oct. 11. Memo which Chmn. Wirth (D-Colo.) sent panel members Sept. 23 confirms this and lists major areas on which principals agree. These include new petition to revoke provisions, cost-of-regulation fees, preferences for minorities, 2-step license renewal process and quantified programming standard for TV. Not on list is quantified public interest standard for radio, which remains sore point.

At meeting were Wirth and Reps. Swift (D-Wash.), Tauke (R-Ia.) & Tauzin (D-La.), who promised not to hold up action: "We agreed that reaching agreement on about 90% of the [framework for] legislation would be sufficient consensus... to proceed on."

Memo said members agreed to replace comparative renewal with 2-step process but mechanism is unsettled. Group has narrowed options to 2, both of which aim to safeguard broadcasters by having incumbents' renewal applications reviewed before potential competitors are accepted. Incumbent would lose license for failing to meet standard under first option, but be permitted to compete with other applicants under more lenient 2nd. Fine points of renewal standard need polishing, but responsibility to "meet the needs & interests of [the] community" would be continued.

Members want new "petition to revoke" process but haven't settled on mechanisms, including whether to give successful petitioners preference in subsequent license consideration. They did agree minorities should get either preferential treatment in contest for revoked & denied licenses and for non-broadcast services, or set asides guaranteeing minorities some percentage of all new licenses.

Quantification standard remains issue. Members haven't agreed on how programming should be quantified, who should set standard, what numbers should be, whether to include minority & elderly program categories and whether standard should be applied to radio as well as TV. They would quantify informational & local programming with minimums for former categorized by news & public affairs, public affairs, and non-news informational programming, including children's. Standards would be differentiated according to whether station is UHF or VHF, network affiliate or independent, and by size of market.

Lawmakers agreed to end informal commercial time restrictions & formal ascertainment for radio but not on extending that to TV. They also agreed radio stations should continue to ascertain needs & desires of community and require that records be made available to public. Radio program logs would be continued but stations would be given discretion in way information would be kept. Lawmakers are considering requiring logs for TV, as well.

CBS' COMPATIBLE HDTV: Satellite-fed 1,050-line high definition color TV transmission-reception system that's fully compatible with existing standard 525-line receivers was described at IEEE Best. Symposium in D.C. recently in presentation by Renville McMann, advanced TV vp at CBS Technology Center.

Development calls for use of 2 standard 24-MHz FM satellite channels, each carrying 525-line, 60-field signal of same program. One would be sent in standard 4:3 aspect ratio, other in 5:3. Regular TV sets would simply display channel 1, but wide-screen HDTV receivers would combine both. HDTV sets would have high definition pictures in middle 80% of screen, contain interpolation circuitry to fill in missing lines on left & right sides. CBS said system includes time-multiplexed digital audio of up to 5 channels, and can be scrambled for security.

In proposing system as North American standard, CBS said it avoids such problems posed by 1,125-line system developed by Japan's NHK as lack of compatibility, need for 30-MHz bandwidth. CBS also noted that existing telecine chains can be made to generate 1,050-line signal directly.

"No to Network Monopoly Day" was held last week in Washington as Committee for Prudent Deregulation sponsored news conference, visits to "more than 100 members of Congress" and cocktail party seeking support for HR-2250 & S-1707. Bills, sponsored by Reps. Wirth (D-Colo.) & Waxman (D-Cal.) and Sen. Wilson (R-Cal.), prohibit FCC from making any changes in financial interest rule (which bars TV networks from owning syndicated programming) for 5 years. Committee said that more than 50 producers, writers, independent TV stations, public interest groups and advertisers participated "to protect the future of TV programming from total network domination."

After trying unsuccessfully to sell it, RCA has decided to dissolve Cablevision Systems, manufacturer & distributor of turnkey cable installations. In answer to our query, Group Vp Jack Sauter said decision to phase out operation was made because "growth potential of areas specifically served by Cablevision Systems had diminished significantly in recent years." CS now "holds about 5% of the totally defined market in which it participates" and its sales have been declining. Operation was purchased by RCA in early 1972 as EIE Industrial Electronic Engineering. About 190 U.S. employees will be affected by closing.

"Trends, Changes and New Directions" is theme of National Black Media Coalition conference Oct. 6-9, Hyatt Regency Hotel, Washington. For 2nd year, CPB has given NBMC grant to help bring in professional speakers and Capital Cities Communications is sponsoring reception. Post-Newsweek Stations Pres. Joel Chaseman is keynoter.

Council for Cable Information has moved to 126 E. 56th St., N.Y. 10022, 212-308-7060.

23 LPTV LICENSES AWARDED BY LOTTERY: It was historic day for TV industry when FCC for first time last week used lottery to award broadcast construction permits. Instead of spending several years and many hundreds of thousands of dollars battling through comparative hearings, applicants spent just 50 mins. watching FCC officials award 23 grants for low-power TV stations. Network cameras and small crowd watched as Maureen Peratino, chief of FCC's News Media Div., drew winning numbers from plexiglass drum which had been used during Vietnam War to assign draft numbers.

There were 78 applicants competing to build 23 stations in 16 states. Each was assigned range of numbers, with extra numbers given to applicants who were awarded preferences because they were minority owned or because they didn't have other media interests. In 12 of 23 cases, minority applicants were awarded preferences and minorities won 8 of those 12 permits.

Eight were granted in top 50 markets, including 2 in Seattle-Tacoma area. Three were awarded in Fargo, N.D. market, which is ranked 108th. Markets which were awarded LPTV permits ranged in size from 16 to 180. Well-known winners included Microband Corp. of America, subsidiary of Tymshare, and KUTV Inc., owned by Standard Corp., publisher of Ogden Standard Examiner, and by Communications Investment Corp., which owns several radio stations. That joint venture also owns Kan. State Network with 5 TV stations. Best known loser appeared to be planned Sears-Allstate network, which applied under name Neighborhood TV Co. and lost in 4 markets.

Here is list of winners, market size (based on Arbitron's area of dominant influence within which city falls) & city: (1) North American Communications, Ch. 58, market 108, Bowesmont, N.D. (2) Humboldt County Public TV Dept., market 125, Winnemucca-vicinity, Nev. (3) American Christian TV, Ch. 60, market 155, Brownwood, Tex. (4) Owen Bestg. Enterprises, Ch. 30, market 108, Milton, N.D. (5) Malik-Harris Corp., market 16, Aberdeen, Wash. (6) NSN Inc., Ch. 69, market 127, Perry, Fla. (7) Communicators of Lubbock, Ch. 40, market 134, Lubbock, Tex. (8) Free State Bestg., Ch. 53, market 143, Booneville, Miss. (9) Mountain TV Network, Ch. 33, market 108, Jamestown, N.D. (10) KUTV, Ch. 13, market 180, Casper, Wyo. (11) Rollins Enterprises, market 46, Manteo, N.C. (12) Statesman-Examiner, Ch. 31, market 75, Okanogan, Wash.

(13) N. Eastern Communications Systems, market 130, Saint Germain, Wis. (14) Debra Kamp, market 42, Miles City, Mont. (15) Green Hills LPTV, Ch. 12, market 27, Trenton, Mo. (16) Kemmerly & Kemmerly, Ch. 34, market 19, Steamboat Springs, Colo. (17) White River Valley Bestrs., market 54, Batesville, Ariz. (18) Microband Corp. of America, market 30, Nashville, Tenn. (19) Northcoast Best. Corp., market 65, Des Moines, Ia. (20) Capitol Telecasters, market 73, Davenport, Ia. (21) Majelmar, Ch. 64, market 16, Bellingham, Wash. (22) Southwest Radio Enterprises, market 161, Sheridan, Wyo. (23) Midsouth Bestrs., market 40, Blackwell, Okla.

Scheduled drawing wasn't held for 3 cities. Settlement agreements were worked out in Land of Lakes, Wis., and Biloxi, Miss. and FCC said applications in Rio Grande City, Tex., were no longer mutually exclusive. In competition for Bellingham, Wash. permit, Gannett Community TV withdrew.

Bill authorizing Radio Marti was passed in House last week, 302-109, after short debate. House leaders earlier had agreed to set aside own measure by Rep. Fascell (D-Fla.), moved instead substitute identical to version Senate passed Sept. 13 (TVD Sept 19 p6). Bill now goes to President Reagan, who is expected to sign. Bill contains safeguards against retaliatory Cuban radio interference that broadcasters had been seeking, including language placing Marti under Voice of America jurisdiction. In statement, NAB Pres. Edward Fritts applauded House's action but promised Assn. would continue to press Administration for long term solution to Cuban interference problem through negotiated settlement between 2 countries.

U.S. Appeals Court, D.C., has upheld FCC ruling refusing to grant Democrats free time in 1982 congressional campaigns to counter paid ads supporting Republicans. However, Court chastised Commission for saying: "We find it difficult to envision a case in which a major political party would raise an issue of public importance ignored by the electronic press." Countered Court: "This language is wholly unnecessary to the conclusion reached..." Commission had ruled that even though pro-Administration views were getting more air time, there was no violation of fairness doctrine, which doesn't require equal time.

Commerce Secy. Baldrige and FCC Chmn. Fowler last week signed agreement under which agencies will combine forces to help minority entrepreneurs take advantage of business opportunities in telecommunications. Commerce's NTIA and FCC will provide business-related expertise on technologies, financing and regulatory issues, while Commerce's Minority Business Development Agency will convey information to targeted groups. Agencies plan series of seminars for minorities to describe current business ownership opportunities.

To make room for purchase of KRLD(AM) Dallas (under FCC 7-AM station maximum), CBS is selling WEEI(AM) Boston to Helen Bestg. for about \$7.5 million. Helen Valerio is principal owner of buyer, which includes current WEEI Vp Gen. Mgr. John Baker as pres. WEEI has been on market since April.

Nielsen has expanded sample for National TV Index from 1,250 metered homes to 1,700 — first significant increase since national TV rating service started in 1950. Larger sample was used for first time during week beginning Aug. 22.

META Group will orchestrate what it calls "largest interactive video teleconference in history" when it transmits AT&T's "divestiture investment seminar" to 95 locations across country Nov. 17.

TV'S ROLE IN CAMPAIGNS DEBATED: More, not less, regulation of TV & radio is needed to curb escalating campaign spending and improve voter turnout, witnesses told Senate Rules Committee at Sept. 29 hearing. But network officials disagreed, said ending equal time rule is better approach.

Views reflect continuing debate on Capitol Hill over what to do about rising campaign costs and media's increasingly dominant role in elections. Committee, chaired by Sen. Mathias (R-Md.), is one of several Hill panels exploring campaign reforms. Hearing focused on money issues and was dominated by testimony that challenged prevailing network thinking on who should sponsor candidate debates, control political advertising costs and determine how much airtime candidates receive.

Networks said their news operations provide "massive amounts" of free election coverage and that candidates have "ample opportunity" to purchase time for commercials. But networks argued equal time rule hampers their efforts to provide public affairs programming, particularly debates, by requiring all candidates to be included. They also opposed proposals that would require stations to make free air time available to candidates. CBS Best. Group Vp Roger Colloff added that his network wouldn't oppose federal subsidy of TV air time for qualified candidates, but believes all types of campaign costs should be equally eligible for reimbursement if subsidy is approved.

League of Women Voters challenged networks on question of debates, said "those who report the news should not make the news." League Pres. Dorothy Ridings urged broadcasters to air already available debates and not to seek sponsorship themselves because of public policy and news propriety problems that would raise. However, FCC is expected to approve NAB's petition that Aspen rule be modified so broadcasters may sponsor debates.

Panel also heard from political consultants & public interest groups who made range of recommendations, including that Congress cap amount of paid TV time candidates can get in final 2 weeks of campaigns, encourage stations to air public service announcements that urge individuals to donate to campaigns, and set guidelines on paid political ads. Senate Communications Subcommittee Chmn. Goldwater (R-Ariz.) called for comprehensive reforms aimed at campaigns, not broadcasters, that would limit election financing & spending.

WNDS (Ch. 50) Derry-Nashua-Manchester, N.H. has gone on air, raising operating U.S. TV stations to 1,130 (835 commercial, 295 non-commercial). Principal owner is William Smith (47.06%); James Lannin is station mgr.

National Press Club newsmaker luncheon Oct. 5, with FCC Chmn. Fowler, has been canceled because of scheduling conflict chmn. has with appearance in new Orleans at NRBA.

PBS CHIEF GETS NO INTEREST LOAN: PBS board gave Pres. Larry Grossman interest-free \$125,000 loan in June 1982 to help him buy \$315,000 house in Washington. Thirty-year loan is worth much more than \$125,000, saving Grossman about \$500,000 in interest payments over its term. Loan is listed in footnotes to PBS financial statement as having been made to unnamed senior officer "for purpose of obtaining housing," and is secured by 2nd mortgage on residence. Money came from PBS's cash balance, Treas. James Kluttz said. Cost to PBS is about \$11,652 annually, or 9.25% annual interest it would receive if funds were invested, Kluttz said.

Grossman said loan was "perfectly standard," was part of compensation package board approved "and I was delighted to receive it at their initiative." Interest-free loan issue arose during NPR financial crisis when it was announced that NPR board gave \$9,000 interest-free loan in form of cash salary advance to former NPR Pres. Frank Mankiewicz. Mankiewicz has since repaid loan.

PBS Chmn. Dallin Oaks said \$125,000 loan was made to keep Grossman at PBS in face of job offers made to Grossman from other organizations which Oaks wouldn't name. Loan was approved by PBS Compensation Subcommittee. Oaks said Grossman has been "extraordinarily effective" as PBS pres. and "we looked on it [loan] as an appropriate thing for us to do in the context of a very low salary cap which we had."

Public broadcasting officer's salary is capped at same level as Presidential Cabinet officers. Highest salary was raised last Dec. to \$80,100; it had been at \$69,600 for several years. In one year during that period, Grossman received \$10,000 bonus. Grossman also receives free use of leased 1983 Oldsmobile and free parking.

Loan was mentioned briefly during PBS Exec. Committee meeting last week. According to Rufus S. Lusk Inc. real estate information service, Grossman bought house in July 1982 without downpayment. B.F. Saul mortgage company has \$190,000 first mortgage and PBS has 2nd, company said. PBS financial statement indicates Grossman must repay loan within 90 days if he sells house, or 2 years from the date he leaves PBS, or 30 years, whichever comes first.

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BIG BUCKS IN TV NEWS: Early broadcast newsmen "would be amazed at the amount of money involved in the business they started," NBC correspondent John Chancellor told closing banquet of RTNDA convention in Las Vegas Sept. 24 upon receiving group's Paul White Award. They would be "amazed at the salaries of the on-the-air people, amazed at the costs to the networks and stations, and most particularly, amazed at how much money can be made from radio and TV news."

Today, Chancellor said, "hundreds of millions of dollars are spent producing broadcast news which creates hundreds of millions in profits. That has changed the dynamics of the business. It has created news programs which have little news but lots of glitter. It has emphasized competition, which is probably good, and performance instead of content, which is unquestionably bad... As journalists, we are in the information business. But sometimes it seems as though we are in the business of making money."

He said that "local anchor people and reporters have become, in many cases, rootless vagabonds searching always for larger and more lucrative markets." However, he said: "I don't think you can blame them [but] the result, too often, is a kind of bloodless performance that lacks bite and authenticity — the kind of reporting that doesn't have roots in the local community, in its peculiarities, its customs and history. The emphasis is not so much on what an anchor or a reporter has learned, but on how it is said... A lot of on-the-air people seem to have gone through some kind of genetic mutation. They are all so nice, so agreeable, so pliable, so attractive... I am angry and I am outraged by some of the performances I have seen as I travel around the country."

Speaking at closing lunch, ABC Radio commentator Paul Harvey said that "bad news is good news," that people don't want to know about "some rich man who is healthy and happily married... We stand accused of packaging show biz news. Well, we sure enough better. You enlighten without entertaining, you have no listeners. You're wasting your breath. You entertain without enlightening, you squander [your] urgent obligation to inform." He said public gets a better balance from local news than network news, said networks should be worried by recent Harris survey which shows people who have confidence in TV news is down from 37% in 1979 to 24% last year.

San Francisco Chronicle has pulled out of deal to exchange KRON-TV San Francisco for Gannett's KOCO-TV Oklahoma City, plus \$100 million. Chronicle also rejected Gannett offer of more than \$200 million, sans KOCO-TV, which Gannett reportedly now has placed on market.

CNN Headline News plans specific weather forecasts for cable systems nationally using addressable system via satellite to insert weather during each half-hour newscast. Starting date wasn't announced.

Cable viewers flipping dial away from newscasts of local network affiliates more often are turning to movie & sports channels than to cable's all-news services, according to survey by Audience Research & Development, Dallas. Survey of 1,200 cable subscribers found there's direct relationship between increased cable penetration and shrinking audiences for local TV news. But it concluded that although majority of cable subscribers surveyed watch one or more cable news services, only 1% said they are watching less local TV news because of cable news services; 40% said they skip local newscasts to watch movie or sports cable channels, with HBO & ESPN most often cited.

Cox Communications is buying Field Enterprises' last TV station — WKBD-TV Detroit, price not announced. To meet FCC cross-ownership rules, Cox is selling St. Clair Shores, Mich. cable system with 16,000 basic subscribers to Comcast Cable Investors. In radio station sales: (1) Pyramid Bestg. (no other broadcast interests) is buying WWDB(FM) Philadelphia from Banks Bestg. (which retains WHAT[AM] Philadelphia) for \$7.35 million. (2) Hennepin Best. Assoc. (principally owned by Albert Tedesco) buys KTCR-AM-FM Minneapolis from John & Kathleen Parker for \$3.4 million. Blackburn & Co was broker for radio sales.

Merrill Communications, Ariz., is contacting PTV regional groups & stations to lease excess capacity on Instructional TV Fixed Service (ITFS) channels for commercial Multichannel Multipoint Distribution Service (MMDS) programming network. Sources say Merrill (headed by CATV pioneer Bruce Merrill) wants to begin 10-channel service using ITFS in partnership with local ITFS operators in exchange for share of revenues and reserving part of network for educational use.

Distress sale of WHCT-TV Hartford by Faith Center to Interstate Media Corp. has been approved by FCC. Sale price of \$3.1 million is about 48% of station's appraised value of \$6.5 million. WHCT-TV's renewal application had been set for hearing to determine Faith Center's qualifications. Common voting stock in IMC is 100% owned by 2 blacks.

Revised edition of Communications Act (updated through Jan. 1983) is available for \$6 from Supt. of Documents, Govt. Printing Office, Washington 20402. Document also contains Comsat Act and selected provisions of U.S. Code, Administrative Procedures, Freedom of Information, Privacy, Sunshine and Judicial Review Acts.

Local TV ad expenditures rose 15.4% during first half 1983 to \$1.3 billion, according to TvB. McDonald's was largest advertiser, spending \$47.8 million, more than double that of 2nd place Burger King with \$22 million.

Seltel has been named national sales rep for KVHP-TV Lake Charles, La. and WXTX Columbia, Ga. Neither had previous representation.

GROUP W CUTTING BACK ON CABLE: Board meetings of Group W Cable and Westinghouse Electric last week may have decided fate of several of Group W's existing cable programming plans. Sources indicate to us that, besides possible merger or sale of Satellite News Channel to Turner Bestg. (see below), Group W involvement in Nashville Network and The Sports Network also may be truncated. Reports were denied by Group W spokesman.

Gaylord Bestg., new parent of WSM Inc., in turn parent of Opryland, Grand Ole Opry and Nashville Network, ad-supported country music cable network which debuted last spring, reportedly was shopping for ad agencies for Nashville Network in N.Y. Group W Satellite Communications, programming branch of Group W, has no equity interest in country music channel, but provides marketing, promotional support and transponders. GWSC sales force, including Sales Vp Lloyd Werner, also was meeting in Nashville this week.

The Sports Network, announced with some fanfare at NCTA convention last June, has been "put on hold," insider told us. Although announced with 5 participating regional sports rights holders, TSN has only one firm contract, our sources say — with Seattle Supersonics. With April debut set, it's unlikely that Home Sports Entertainment, Warner-Amex regional sports channels in Houston, Pittsburgh and Dallas, will be involved, as was suggested at NCTA convention, and no other participants have been announced.

Wall St. analyst who follows Group W said move, if true, "wouldn't surprise" him. "This isn't the first time Group W has gone in and said they had the latest thing and then backed down," he said, referring to Group W's aborted participation in pay services Disney Channel and Showtime. Neither Westinghouse nor ABC was pleased with cash drain of SNC, he added. SNC losses alone are reported to be \$30 million this year, while performance of Nashville Network has been "disappointing," he said.

Group W Cable Chmn. Daniel Ritchie is believed at odds with Westinghouse Electric board over extent of losses in satellite programming ventures, source indicated to us. Group W official said reports were "not true," and "ridiculous," noted that Ritchie was member of small, influential management committee of \$10 billion parent. Of Nashville Network and TSN, representative said: "There is no talk at this company of their folding."

Turner Bestg. System last week confirmed it is talking with Satellite News Channel about merger or acquisition, settled little, in statement released towards end of week after trading in TBS stock was halted. Statement was issued by TBS Chmn.-Pres. Ted Turner, who confirmed talks over suit & countersuit between TBS, parent of CNN and CNN Headline News, 24-hour news channels, and competitor Satellite News Channel and its parents Group W Cable and ABC Video Enterprises. Talks among 3 groups, Turner said, were "far ranging and

have included, among other things, several proposals whereby certain aspects of SNC would be acquired by CNN." No agreement has been reached, according to statement, but "parties are continuing to negotiate... Some fundamental differences between the parties still remain," Turner observed, didn't say what they were. Conclusion: "It is impossible at this time to predict how & when the issue will be resolved." Reports that ABC Video Enterprises had threatened to pull out of SNC at first of year may have hastened decision to sell out.

Satellite News Channel will "continue to provide a high quality news service to cable operators & subscribers," parents Westinghouse Bestg. & Cable and ABC Video Enterprises stressed in official joint comment.

Rupert Murdoch, media magnate who is planning to launch DBS-like service, has bought about million shares of Warner Communications stock, Wall Street sources reported. Holdings are worth more than \$23 million, amount equal to 1.6% of company's outstanding stock. Dow Jones News Service quoted Murdoch as denying that buy would presage takeover: "No, it's too big for me." Murdoch reportedly added that stock looked like good buy at \$20 and that, depending on company's 3rd quarter results, he might buy more. Earlier, Murdoch had approached Showtime for involvement in his early-entry DBS company Skyband, Viacom Pres. Terrence Elkes confirmed, but he gave no details. "We've talked to everyone who's approached us... [DBS] may be more limited than one may think," Elkes said.

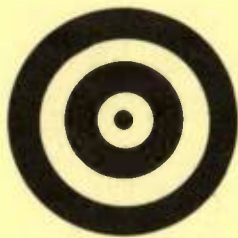
William Paley is talking to British early morning programming service, TV-AM Ltd., about possible investment in that company. TV-AM was awarded franchise to broadcast in 6-9:30 a.m. slot for first time commercially throughout U.K., going on air last Feb. on independent channel. Paley is one of 2 investors from whom 4 million pounds is being sought by TV-AM, and his would be first American involvement of any size.

ABC-owned TV stations start distribution of Newshank Oct. 6 via Westar 4. It offers subscribers hour feed of news features, series & special reports designed for integration into stations' local news and information programs. Subscribers without downlinks will receive Newshank on 3/4" videocassettes by overnight mail.

Surgeon Gen. Everett Koop will give keynote address at National Coalition on TV Violence conference Oct. 6 at George Washington U. Conference is entitled "Violence on Television: A National Health Issue?" Details: Brian Malloy, 202-462-0515.

House Telecom Subcommittee has canceled Oct. 4 broadcast deregulation hearing. But hearing Oct. 6 will be held, 10 a.m., Rm. 2123 Rayburn Bldg.

Anixter Bros.'s 4th quarter sales decreased 3% to \$135 million. Sales for fiscal year overall were down 2%.



CABLE ON THE FIRING LINE

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Oct. 27, 1983 - Four Seasons Hotel, Washington, D.C.*

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

FCC Comr. Mimi Dawson appointed to Federal-State Joint Board, succeeding ex-Comr. Anne Jones... Joseph Boyd, chmn. of Harris Corp., and Monroe Rifkin, chmn. of NCTA and Rifkin & Assoc., appointed to National Security Telecommunications Advisory Committee by President Reagan... Ex-Rep. Clarence Brown (R-O.), former member of House Communications Subcommittee, appointed deputy Secy. of Commerce, succeeding Guy Fiske, resigned.

Charles Novitz promoted to NBC Night News exec... Christopher Rohrs advanced to WDIV Detroit gen. sales mgr., replacing Duane Kell, who joins Campbell-Ewald, Detroit; Richard Sirvaitis replaces Rohrs as sales mgr... Robert MacNeil & Lester Crystal of MacNeil/Lehrer NewsHour speak at luncheon of N.Y. Chapter of NATAS Oct. 5 at Copacabana.

Joel Koblentz, ex-Tiger International, appointed Cox Cable new venture planning dir... Terrence Deegan promoted to Zenith Cable Service Operations gen. mgr., new post... Thomas Pickles, ex-McDonalds Corp., named Oak Media mktg. vp... Lawrence Poudrier promoted to Times Mirror Cable TV asst. vp-commercial development... Robert Kennedy advanced to Centel Cable mktg. & programming dir.

Diane March, ex-Warner Bros., appointed Columbia Pictures TV dir.-Movies of the Week & Miniseries... Herbert Crane promoted to Ameritech vp... Donald Watkins promoted to Nationwide Communications engineering vp, new post... Jack Valenti, MPAA pres., speaks on "Rise & Fall of Competition in the TV Marketplace" at luncheon of HRTS Oct. 11, Beverly Wilshire Hotel.

Vincent Spezzano, USA Today pres., promoted to Gannett senior vp, communications; Cathleen Black, ex-publisher of N.Y. Magazine, succeeds Spezzano... Gordon Jett, ex-Ogilvy & Mather, appointed Hughes Aircraft microwave communications products mktg. communications mgr... Fairchild Industries changes: John McDonnell named vp-law & contracts, Hal Howes, vp-govt. relations, Richard Molleur, exec. counsel... James Preston, ex-IBM, appointed U.S. Satellite Systems exec. vp-mktg.

James Mikels promoted to gen. mgr., WATE-TV Knoxville, succeeding Jack Lee, retired... Roy Easley, vp of AMST, takes early retirement after 15 years with Assn... Frank Hawkins, Knight-Ridder dir. of corporate relations, also elected a vp... Terrence Deegan promoted to gen. mgr., Zenith cable service operations, new post... John Hubner promoted to controller, Harris Corp.; Roger Wach succeeds Hubner as controller, Information Systems Sector... James Preston, ex-IBM, appointed exec. vp-mktg., U.S. Satellite Systems; Herman Kotler promoted to exec. vp-business development; Richard Greene joins USSI as chief financial officer.

Neil Kuehnl advanced to vp-product development, Meredith Corp... Frederic La Pointe, ex-Hewlett-Packard, appointed business development analyst, General Instrument Broadband Communications Group... Terrence Elkes, Viacom

International pres., also named CEO; Ralph Baruch remains chmn.; he & Elkes will occupy Office of Chief Exec... Linda Brook, KENS-TV San Antonio gen. mgr., also named vp... Peter Diamandis promoted to pres., CBS Consumer Publishing, succeeding Robert Krefting, resigned.

Ted Faraone, ex-WCBS-TV N.Y., appointed mgr.-information services, WCAU-TV Philadelphia, succeeding Andi Sporkin, now in same post at KNXT L.A... Richard Wagar, ex-WISH-TV Indianapolis, joins WANE-TV Ft. Wayne as program mgr.; Larry Smith, ex-press secy. to Sen. Quayle (R-Ind.), appointed news dir... Stephen Brooks promoted to mgr., Blair-TV Miami office... Evelyn Freyman, ex-AFTRA, joins Washington law firm Verner, Liipfert, Bernhard & McPherson as consultant.

William Connolly, CBS Best. Group vp and deputy dir., Engineering & Development Dept., is expected to be appointed pres. of Sony Best., succeeding Neil Vander Dussen, now pres. of Sony Consumer Products; Sony declines comment... Arnold Taylor, ex-mktg. vp., RCA Commercial Communications Systems, joins Hitachi Denshi America (broadcast equipment, professional video products, test & measurement equipment) as exec. vp; he has not yet been replaced at RCA... Neal Freeman, pres. of Jefferson Communications, named a dir. of Comsat by President Reagan, subject to Senate confirmation... William Paley (son of former CBS chmn.) forms Paley Communications, telecommunications consultants, 3233 K St. NW, Washington, 20007, phone 202-338-8353; Shelly Moffett, ex-Learning Channel and NCTA, named account coordinator.

Robert Franklin promoted to vp-administration & information services, MPAA... Roger Fransecky, ex-HBO, named pres., National TV Workshop... Glenn Massey promoted to national sales mgr., KVUE-TV Austin, Tex... Upcoming National Press Club lunch speakers: Retired ad exec. David Ogilvy Oct. 6 on "the fraudulence of political advertising"; Rep. John Dingell, chmn. of House Commerce & Energy Committee Oct. 20.

William Hoyt, Nationwide Communications, elected pres., Best. Financial Mgmt. Assn.; Hugh Del Regno, CBS Entertainment, vp; Earl Bacon, KABC-TV-AM L.A., elected pres. of affiliated BCA-Credit Information Inc... Allen Hammond, Media Access Project, elected chmn., National Conference of Black Lawyers' Communications Task Force.

Robert Larson, ex-WITF-TV Harrisburg, Pa., appointed pres.-gen. mgr., WTVS Detroit, effective Dec. 1... Robert Kinkead, ex-SportsChannel New England, named station mgr., WQTV Boston... Matt Amodeo promoted to publicity dir., Pro Serv TV... Gordon Bridge advanced to vp-communications services, Hughes TV Network... Karen Metsky promoted to PR dir., Madison Square Garden Network; Raymond Levy to sales dir., new post... David Jackson joins EPS-Entertainment Programming (Canadian joint venture of Astral Bellevue Pathe and 20th Century Fox Telecommunications) as vp-gen. mgr.; Gerald Ross named vp-French services; Earl Weiner, national syndication mgr.

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STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended Sept. 16 (37th week of 1983):

	SEPT. 10-16	1982 WEEK	% CHANGE	SEPT. 3-9	37 WEEKS 1983	37 WEEKS 1982	% CHANGE
TOTAL TV#.....	407,415	337,801	+20.6	316,888	12,588,887*	11,268,167	+11.7
COLOR#.....	296,379*	234,754	+21.6	234,369*	8,876,252*	7,489,542	+18.5
MONOCHROME....	111,036	94,047	+18.1	82,519	3,712,635	3,778,625	- 1.7
PROJECTION TV...	4,440**	3,530	+25.8	2,307	85,014*	65,502	+29.8
HOME VCR.....	77,941*	51,128	+52.4	62,534*	2,437,602##	1,153,670	+111.3
COLOR CAMERAS...	6,477*	5,587	+15.9	5,446*	246,834*	194,057	+27.2

Color TV 5-week moving average: 1983--277,026**; 1982--223,243 (up 24.1%).

Home VCR 5-week moving average: 1983--81,547*; 1982--42,386 (up 92.4%).

Excludes projection TV. * Record for period. ** Highest week of year. ## Exceeds full-year record.

8MM SINKS SLOWLY INTO THE FUTURE: Why is new 8mm Video format fading from view right before our very eyes?

Although there still may be some introductions in 1984, mass industrywide coordinated debut originally planned just won't occur -- and so this widely hailed "new VCR standard" won't be standard at all for some time. When it does come out as industrywide product, it may have different, more advanced specs, and make instant orphans of any versions introduced in 1984.

Situation has changed dramatically since July 1980 when Sony demonstrated one-piece 8mm "Video Movie" which started whole move for standardization of new format (TVD July 7/80 p7). That year, only 800,000 VCRs were sold in U.S., with similarly low numbers in Japan & Europe. No one had anticipated huge surge in sales of 1/2" VCRs in ensuing 3 years -- surge which shows every sign of increasing rather than abating.

Although new standard was proposed as portable one-piece camcorder format, it was generally assumed that with development of longer-play versions it eventually would replace 1/2" formats in home units as well. Now, obviously nobody wants anything to confuse public and muddy waters while Beta & VHS recorders are selling so well.

As a standard strictly for portables, 8mm isn't exactly piquing interest of established electronics industry any more than did CVC 1/4" format, or for that matter VHS-C. Portables represent only about 16% of VCR sales this year in U.S., and camera sales -- true measure of portable use -- are equal to just about 10% of total VCR sales. Although camcorder might well increase portable VCR sales universe, there's some speculation that principal beneficiaries would be photographic companies now in video -- Canon, Olympus, Pentax, Nikon, Konika -- rather than consumer electronics establishment.

Camcorders in standard 1/2" formats or variations thereof are becoming available -- Sony's Betamovie, JVC's Videomovie -- to absorb any demands for such products. Also working against 8mm now is fact that evaporated tape isn't ready (although some metal-particle tape is), nor are low-priced solid-state video pickups.

When 8mm Video Standardization Conference issued its report last April (TVD April 4 p10) it was really split decision, which noted that completely different Timeplex recording & encoding system had been proposed for French SECAM standard and would be subject of further study. France's Thomson group (which includes Germany's Nordmende, Saba and Telefunken) is

strong advocate of this more advanced approach, as is its ally & supplier JVC. Conference is expected to meet on subject this month.

Main argument for Timeplex is that it will bring true advance in art, will make possible recorder compatible with both PAL & SECAM and probably NTSC, will be adaptable to future developments, provides better picture. Timeplex is baseband recording system in which recorded signal is independent of broadcast standard. It also is system which will take more time to develop — and that is welcomed by many VCR manufacturers.

Role of Japan's govt. is obscure, but it's undoubtedly intimately involved. MITI is understood to have been important influence in original organization of standardization body, with goal of avoiding repetition of Beta-VHS schism in 2nd generation of VCRs. Now it's obviously becoming concerned that there might be 2 standards for 8mm Video — existing "color-under" system now, Timeplex later. We think you can expect further cooling of Japanese, and perhaps other manufacturers, on prospect of introducing 8mm Video in 1984.

SURGE IN COLOR FROM JAPAN, ALONG WITH VCR: Japan's year-long surge in VCR exports to U.S. continued through Aug., joined by unusual jump in color TV shipments to 5-year high, according to Finance Ministry figures.

Month's VCR exports of 475,100 were up 120.7% from Aug. 1982, but below pace set in 500,000-plus months of June & July. That put 8-month total at 3.05 million, up 95.2%. Japanese shipped 1.52 million VCRs to U.S. in June-Aug. In July-Sept., U.S. sales to dealers should hit 1.1 million assuming current Sept. sales pace continues — periods are roughly comparable because of time it takes Japanese exports to get here. So figures indicate VCR pipeline stockpile was up by more than 400,000 at end of Sept., representing addition of at least 4-week supply to inventory, insuring there'll be no Christmas selling season shortage.

In TV, total Aug. exports rose 56.9% to 168,700 on strength of 95.7% rise for color to 168,700. While b&w was down 10.4% to 35,300, shipments were highest for any month this year. For 8 months, total TV exports of 849,800 were down 14.3%, with color off 2.9% to 678,100, b&w down 41.4% to 171,700. In color, complete set shipments climbed 68.8% to 79,900, level not seen since mid-1978, though full period was down 24.4% to 360,900. Chassis & kit exports jumped 156.9% to 53,600, falling just short of 55,300 record set in July, were up 43.7% to 317,200 for 8 months.

While Japan's VCR shipments to U.S. are soaring, exports to Europe are being held down by quota, and are off about 10% in this year's first 8 months. There could be some increase next year as result of negotiations being conducted by Japanese & EC trade officials aimed at setting 1984, and possibly 1985, quota levels. Japan agreed to hold down shipments for 3 years following talks wrapped up in Feb. (TVD Feb 21 p10). But quantity limit, 4.55 million including 500,000-600,000 kits, was set only for 1983, with number for subsequent quota years to be worked out later.

Quota was keyed to estimated market demand, set at level that would leave about 20-25% market share for V2000 format VCRs produced in Europe by Philips and Grundig. Sales should be up significantly next year and Japanese are understood to be pressing for sizable quota increase, particularly for kits. Virtually all major Japanese VCR manufacturers have, or are planning, European VCR assembly plants, and high volume runs are needed for them to operate competitively. France's Thomson-Brandt in cooperation with J2T holdings — JVC, Thorn EMI, Telefunken venture — plans to manufacture transports. While that will help situation, plant probably won't be fully operational until 1986.

Support for Japanese position is coming from U.K., which is getting bulk of Japan's plant investment. But on other side are 2 problems quota was supposed to help ease: (1) Prospect of even more intense competition for Europe's native VCR manufacturers. (2) Quota increase would mean higher sales by Japan, increased trade deficit for EC.

There's sign that conflict in another hi-tech trade area may be avoided. That's proposal, backed by N.V. Philips, for doubling of EC duty on imports of digital CD audio players & discs as

way to keep infant industry from being overrun by Japanese. Move is being fought by Germany & Denmark, which say they are opposed to such special interest trade barriers.

AVERAGE COLOR SET A \$1,688 (INFLATED) VALUE: Want to buy a color TV at 65% off? If color had followed other consumer products in pricing since 1967, average set would have retailed last year at \$1,688 instead of actual \$585.

Translating govt. Consumer Price Index (CPI) into estimated retail dollar values dramatizes how color TV has withstood ravages of inflation — even ignoring such vast product improvements as switch to solid-state circuitry, improved picture tubes, more automatic operation, electronic tuning, increased percentage of remote control, etc.

Govt. uses 1967 as index point for CPI, giving it value of 100. On that basis, consumer index for products & services rose to 288.6 in 1982, while color TV's estimated average retail value would have been at 103. Table below was prepared by RCA's Judy Fleming from govt. & EIA factory production & import data, using accepted industry markup scale to estimate retail value:

Year	Units (000)	Dollars (000)	Av. Factory Price	Estimated Retail Value	CPI	1967 = 100 Retail Value
1967	5,563	\$2,015,000	\$362	\$568	100.0	\$568
1968	6,215	2,086,000	336	527	104.2	549
1969	6,191	2,031,000	328	515	109.8	568
1970	5,320	1,684,000	317	497	116.3	578
1971	7,274	2,355,000	324	508	121.3	616
1972	8,845	2,825,000	319	500	125.3	627
1973	10,071	3,097,000	308	483	133.1	643
1974	8,411	2,658,000	316	496	147.7	733
1975	6,219	2,121,000	341	535	161.2	862
1976	8,194	2,860,000	349	547	170.5	933
1977	9,341	3,269,000	350	549	181.5	996
1978	10,674	3,736,000	350	549	195.4	1,073
1979	10,042	3,615,000	360	565	217.4	1,228
1980	11,803	4,339,000	368	577	260.5	1,503
1981	12,423	4,683,000	377	591	272.4	1,610
1982	11,484	4,288,000	373	585	288.6	1,688

If color TV's debut year of 1954 (retail price \$1,000) were used as basing point of 100, average retail value of TV set in 1982 would have been \$2,097. Based on 1969 prices, average set would be \$1,538, and based on 1972 = 100, average 1982 value would be \$1,347. Table above shows low point in average TV pricing came in 1973 (\$308), with gradual increase since then, but average price not passing 1967 figure until 1981.

Stereo TV sound report by EIA Multichannel TV Sound Subcommittee, based on tests of 3 systems, now is expected to be ready in time for FCC's Oct. 31 comments deadline. In hurry-up effort, report is scheduled for submission to parent EIA Best. & TV Systems (BTS) Committee for approval at meeting Oct. 24. Initial report isn't expected to recommend specific system. Recommendation is due to be filed with FCC in time for Nov. 30 deadline for reply comments, as originally planned.

Aetna is offering 5% discount on home insurance to consumers who install \$250 Sensaphone emergency monitoring and automatic calling system marketed by Gulf & Western's Advanced Development & Engineering Center.

TV R&D venture, Center for Advanced TV Studies, recently cleared by Justice Dept. (TVD Sep 26 p16), holds organizational meeting Oct. 6 in N.Y. to elect chmn. and exec. board. It starts with 10 members and initial contract with MIT to define "optimal display device" for TV. Group will work on all aspects of TV, from transmission standards to TV sets, will be open to other companies which meet its criteria.

BASF bought metal evaporated tape technology & license, as well as worldwide manufacturing & marketing rights from Matsushita. Tape is type used in cassettes for 8mm Video format VCRs. BASF is Matsushita's 2nd international non-exclusive licensee. 3M signed on earlier this year.

KASSER SETTLES WITH SEC: SEC accepted settlement of one insider trading suit filed against Atari official, may end up going to court with another. Executives were charged with selling shares in Atari parent Warner Communications just before Dec. 8 announcement that Atari would show loss for quarter instead of expected major profit and that Warner earnings would be down sharply as result (TVD Dec 13/82 p15).

Raymond Kasser, who resigned as Atari chmn. earlier this year, agreed to settle action, without admitting guilt, by repaying \$81,800 profit he made on stock sale, consenting to order barring him from any future violations of security laws. Kasser said he agreed to settlement to avoid expense of litigation. He said problem stemmed from ill-timed "and no doubt ill-advised" sale of 5,000 Warner shares to set up year-end tax shelter.

Dennis Groth, recently promoted at Atari from exec. vp to senior vp and chief of staff under new Chmn. James Morgan, is charged with disposing of Warner shares & warrants after learning that company's home & arcade game sales were down. SEC said Groth made about \$340,000 more on sale than he would have had he retained stock until after bad news was released. Groth, who said his transactions represented financial plan made much earlier in year, is contesting allegation. Early this year, Warner said SEC was looking into insider trading by 8 company officers. SEC declined comment on status of investigation of dealings by others.

NYSE and Chicago Board Options Exchange are trying to determine whether insiders profited from advance notice of RCA's agreement to sell subsidiary CIT Financial to Manufacturers Hanover for \$1.5 billion. Sales in options more than doubled 2 days preceding announcement, and value of options contract more than doubled to \$200.

Agreement calls for RCA to get \$460 million in cash, remainder of payment in MH preferred shares & notes. RCA said sale will allow it greater flexibility in investing in its core business — electronics, communications & entertainment — to pay off short term debt and seek appropriate acquisitions.

Mergers & acquisitions: Gulf & Western revised terms of offer to acquire the 10% interest in Sega it doesn't already own to \$6.4 million in cash, rather than for G&W shares of about same value. In Aug., G&W agreed to sell Sega's U.S. arcade game manufacturing and marketing operation to Bally, but will retain licensing, R&D, foreign operations... Orrox holders approved plan to borrow \$2.7 million from Chyron in exchange for warrants representing 65% of Orrox common. Loan will be used to repay debt and for working capital.

Hitachi's upcoming MOS camera will weigh in at 2.2 lb., measure 4.9x5.3x7.7", feature 6X zoom, 1" electronic viewfinder, sell for about \$900 when introduced in Japan later this month. Larger version, with 1.5" viewer and weighing 6.6 lb., will be \$1,325. Camera was originally designed for use with 8mm Video format VCRs (TVD Sept 12 p16).

IMAGIC REPOSITIONS: Imagic is suffering from same high marketing costs, intense competition and generally sluggish business that has industry's other leading independent, Activision, cautioning holders to expect loss in current operating quarter. Imagic's answer is to reposition itself more as supplier of software programs to licensees and less as own-brand distributor.

Company said that while it expects to continue as independent own-brand marketer, it will restrict itself to "selective manufacturing," put more emphasis on ventures such as agreement under which TI produces & sells Imagic-developed cartridges for TI computers. Imagic also is supplying software for phone-fed videogame program service recently launched by Game Line, is investigating other such ties. Imagic said it has laid off significant number of its 170 employees, trimming "to a level compatible with current sales." Company reportedly has canceled bulk of its pre-Christmas cartridge ad campaign.

Despite dumping, which has seen under-\$5 retail pricing on cartridges by Atari, Mattel and others, there's still too much inventory around. Both Coleco and Mattel, it's understood, are cutting back on number of cartridges produced for game systems other than their own. Atari took dramatic step to cut its excess cartridge stockpile without adding to current market flood. It reportedly had big hole dug in Alamogordo, N.M., into which it unloaded 14 truckloads of cartridges and other excess parts and covered whole thing with cement.

Videocassette head-wear brand winners are Fuji, Maxell, Memorex and Scotch, while losers are BASF, PD Magnetics, Sony and TDK, according to tests run by Texas Research Institute, financed by 3M. TRI checked VHS & Beta tapes from listed manufacturers using Quasar decks, head drums, from identical lots, purchased from Matsushita. Drums were given microinch plating of gold & palladium alloy, and Beta tapes were respooled into VHS shells for testing. In tests, 2 samples of each tape were each run for 24 hours. Use of winning tapes resulted in essentially "no wear" on heads after 24 & 48 running hours. Of those that did show wear, TRI said, 32% less material was removed in 2nd 24-hour running than in first. Copies of report may be requested, on company letterhead, from Richard Ziff, 3M Public Relations, 600 3rd Ave., N.Y., 10016

Jury selection will start Oct. 4 in San Jose, Cal. federal court where Mitsubishi and 4 employees are to stand trial on charges they conspired to ship stolen IBM computer secrets to Japan. Only one employee is in U.S., others are in Japan, outside court jurisdiction. Case stems from FBI sting operation (TVD June 28/82 p12). Hitachi case was closed when company entered guilty plea just as its trial was to start. Mitsubishi, however, has insisted it will fight charges.

Apple Computer has gone into gift business, is mailing catalog of non-computer related merchandise, all bearing Apple logo, to owners of its computers.

'IC PROBLEMS' KILL NAP GAMES: "Serious IC chip problems" have caused cancellation of most of North American Philips' first venture into games for other manufacturers' game & computer consoles, company announced at last week's end.

Affected are games in company's Probe 2000 series — formally introduced just 2 weeks ago — for Atari, Colecovision, Commodore and TI consoles, including highly touted Pursuit of the Pink Panther plus Lord of the Dungeon and Power Lords. Only one Probe 2000 game, War Room, introduced earlier, will continue to be marketed. NAP made no mention of reintroduction, and it's assumed problem isn't fixable in reasonable time frame.

Discovery of problem comes as particularly bitter blow in case of Pink Panther, which was designed around what NAP described as "new state-of-the-art ROM/RAM chip for improved graphics," and which company had planned to launch with spot TV, print ads, in-store merchandising events and major consumer sweepstakes. No further information was available at week's end.

Amiga Corp., founded in 1982 as marketer of videogame & computer controllers & accessories, plans to market home computer next year. To handle design effort, Amiga has hired Mark Shieu, who was involved in developing Atari's 400 & 800 computers. Amiga said it would probably subcontract circuit board manufacturing to company in Far East, hire U.S. company for final assembly.

End to import duties on semiconductors has been informally accepted by U.S. & Japanese trade negotiators. Proposal, calling for each country to eliminate matching 4.2% average rates and designed to free and stimulate IC trade, was made by U.S. earlier this year. Subject to final agreement and passage of appropriate legislation, tariffs will end April 1.

Toshiba's spending on plants & equipment will be up about 30% this year to some \$495 million, or about \$60 million more than originally planned. Upward revision is primarily for expansion of production facilities for office automation equipment and 64K RAMs.



COUNTDOWN II

Jockeying at the DBS Starting Gate

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

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Note: If you don't already have your copy of Countdown I, covering the early development stage of DBS, you may order it with the new edition at a discounted price of \$25.

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MORE DISC VIDEOGAMES: Status Game Corp. is latest arcade & casino game producer to take Laservision approach. SGC said R&D subsidiary, Concept Technology, has come up with totally new game concept that uses movie film instead of animation on disc, declined specifics. Vp Lawrence Dunn said shooting has been completed for discs to be made for it by 3M. Players will come from Pioneer. Hartford-based SGC will assemble games itself, has 3 owned or joint-venture plants in U.S. SGC players will "be generic in nature, designed so that the location operator can upgrade or change them with new discs & software at a reasonable cost," he said. Next step, Dunn said, will be to see if game can be adapted for use with home computers and disc players.

SGC also is expanding into consumer electronics, Dunn told us. First product, semi-commercial, is \$395 combination low-power FM transmitter and endless-loop cassette player aimed at real estate, banking and similar markets. System comes with sign on with which user can display transmitter frequency, alert those driving by to tune in for broadcast message. In works, he said, are several other "convenience novelty type electronic products to sell for less than \$50."

Atari, meanwhile, has laid off 180 at coin-op videogame plant in Milpitas, Cal., where about 800 still are working. Company said those dismissed were primarily temporary workers hired to handle several weeks of high production runs of new games, brings workforce down to more normal level. Milpitas plant is Atari's last significant factory in mainland U.S. Since start of year, company has transferred virtually all videogame & computer console & cartridge production to plants in P.R., Hong Kong & Taiwan.

General Instrument will enter coin-op videogame and gambling machine manufacture through "cooperative arrangement" with Summit Systems, which also gives GI option to acquire up to 66.7% of Summit's stock. Financial details weren't disclosed. Under deal, GI will produce videogames and gaming devices to Summit's design for distribution through Summit's wholly owned Playtime Distributing Co.

Dumping finding revocation, as it applies to shipments of consumer electronic type ferrite cores by TDK and Mitsubishi, is being proposed by Commerce Dept.'s International Trade Administration. ITA said no undervalued sales by those companies were found in 34 months to Feb. 28, 1982. Dumping finding, instituted in March 1971, would remain in effect for ferrites shipped here by other Japanese exporters. ITA also said it found no dumping of satellite uplink amplifiers by NEC in 9 months to June 30, 1982.

TV-computer combo has been developed in Japan by Sharp in cooperation with arcade game manufacturer Nintendo. Simple computer has 8-bit MPU, can draw on-screen color pictures, function as limited word processor, accept videogame cartridges. Nintendo will market at \$16 each. Sharp plans to offer combo in 13" & 19" sizes in Japan at \$390 & \$600 respectively.

TTS COMPUTER OUTLOOK: Texas Instruments is willing to absorb current losses from home computer business, but "in the longer term, this business will have to pull its weight and prove itself a profit maker," Chmn. Mark Shepherd said at recent meeting with institutional investors.

Company hopes for strong sales in 4th quarter, backing that up with major ad campaign, he said. Though sales were below expectations in July & Aug., TI apparently gained market share, and firm will have adequate supplies for rest of year, Shepherd said. While outlook is uncertain, TI could experience "sufficient upsurge in demand for us to achieve" 1983 sales plan.

While computers have generated most publicity, "semiconductors are TI's top priority and the lifeblood of many of our other businesses." He said company has refocused, phased out low-margin products "and made large investments in key technologies for the future." He indicated TI hasn't given up idea of moving into more end products. In next few years, he said, interactive video, telecommunications and "host of other technologies" will create new opportunities. "Our challenge will be to identify" the right user application solutions, "develop them and bring them to market on time."

Videocassette duplication costs could plummet soon, put squeeze on videodisc pricing, according to study by Cambridge Assoc., Stamford, Conn. It says cassette prices are at breakthrough point, reachable when duplicator volume hits 10 million annually, excluding industrial material, and that could come this year. It says that by 1985, marketers should be paying only \$5-\$5.50 for tape and duplication, against current \$10-\$12, putting retail lists in \$20-\$25 range. CA Pres. Richard Kelly estimates market will hit 14-15 million next year, and that should cause demand surge for duplication equipment. He estimates that key duplicators Bell & Howell/Columbia, Technicolor, CBS/Fox & VCA have total of 8,000-8,500 slave VCRs, says 6,000 more could be needed to insure tape supply. New tape suppliers, particularly Koreans, which are offering T-120 cassettes in quantity for \$5-\$5.50, are helping keep price pressure on, study says. It predicts T-120 production cost of established manufacturers will drop to \$3.25 by 1985, vs. \$4.75-\$5 now, helped by decline in cost of plastic & labor to \$1-\$1.25 from present \$1.75. Duplicators, it indicates, will pay about \$3.50-\$3.75 for cassettes, cut duplication charges to marketers 50% to \$1.25-\$1.50.

American Electronics Assn., formerly Western Electronics Mfrs. Assn., is looking to broaden international involvement. AEA is running ads seeking someone to fill new slot as international affairs & trade dir. at Palo Alto, Cal. hq., and to help develop & implement programs to improve world competitive position of U.S. electronics companies. Candidates need background in international economic, political & trade matters, particularly with respect to Japan, speak Japanese and/or French and be able to manage multicultural staff. AEA, it's understood, wants to open office in Tokyo.

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.

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SEARS COMPUTERS, GAMES: Sears Christmas catalog provides first retail look at new computer products from Mattel, TI and Timex, shows sharp price cuts in videogame consoles.

Catalog doesn't have Coleco Adam computer or computer adaptors for Colecovision, but does feature Mattel's computer add-ons for Intellivision game console. It prices 2K computer adaptor with separate keyboard at \$100, tags 16K memory expander at \$80, offers piano-like music synthesizer with 49 keys at \$100. Along with TI computer at \$100 (after \$50 rebate), it features new MBX accessories developed by Milton Bradley (available after Nov. 15). Package, including voice command module, 64-position membrane control keypad, headphone-microphone and pistol grip joystick, is \$120 — joystick available separately at \$40. Ten voice command cartridges, including baseball, are \$50-\$55. Non-voice cartridges show TI has acquired some previously unannounced licenses from other game makers. They include such hits as Pac-Man from Namco, Defender from Williams, Donkey Kong from Coleco.

Timex/Sinclair 2600, with raised keyboard, color graphics and built-in basic is \$180. Cassette programs are in \$16-\$25 range, with plug-in cartridge versions generally priced \$10 higher; 32-column matrix printer that uses rolls of 4.5" thermal paper is \$100. Atari 64K 800XL computer is \$250. Sharp 2K pocket computer with one-line LCD display is \$90; snap-on printer-microcassette data recorder is \$150.

Sears' prices were cut on most videogames, exception being Intellivision, continuing at \$100. Odyssey 2 console is down \$100, voice module down \$30, each now \$50; Vectrex console with built-in 9" monochrome X-Y display is down 50% to \$100; Atari 5200 is down \$80 to \$120 after \$30 factory rebate; Colecovision is down \$40 to \$160; Atari 2600 is \$60 after \$30 rebate, while Coleco 2600-compatible Gemini is also priced at \$60.

Prices are also down on selected video products, including VCRs, videodisc players and projection TV, as reported here last month (TVD Sept 5 p15).

Another U.K. rental specialist is taking shot at U.S. market. Rediffusion is running 5-store chain in Boston area, offering VCRs at \$30 monthly, 19" color TVs at \$20. U.K.-based Granada has been operating in N.Y. for several years. Sweetener for Rediffusion is cassette rental at \$1 daily for customers, less if they buy book of 50 coupons for \$40. Company says goal for this year is 3,000-5,000 accounts (3-month minimum), with VCRs providing about 60% of action. Company says it will expand to other markets next year if current effort is success.

National Semiconductor, riding recovery wave, reported profit for first quarter ended Sept. 18 was 170 times level of year earlier on 23% sales increase. Rebound was attributed to semiconductor component sales upsurge, firmer prices, debt reduction.

AM stereo radios to receive Motorola C-Quam system broadcasts will be featured in "selected" 1984 Buick models, GM confirmed last week.

NEW RCA MOVES: Major step in its policy of concentration on electronics & communications was taken last week by RCA in establishing New Products Div. to plan, develop & enter new electronics markets, under Div. Vp-Gen. Mgr. Erich Burlefinger, formerly Electro-Optics & Power Devices Div. vp at Solid State Div. Burlefinger will report directly to Exec. Vp Roy Pollack.

Pres. Robert Frederick called formation of new Div. one of first steps in implementing RCA's "new strategic direction" by increasing internally generated development of new businesses. New Products Div. will hq in Lancaster, Pa. and include present electro-optics & systems activities.

Frederick cited successful growth of RCA in closed-circuit video, emitters & detectors for industrial systems, optical communications, CCD video camera pickups and energy conversion systems under Burlefinger's direction. He said new Div. would strengthen & expand these activities and develop new product areas & markets. Before joining RCA in July 1980, Burlefinger held posts in U.S. & Europe with ITT Semiconductors and Siemens.

In companion move, RCA transferred its Solid State Technology Center, Somerville, N.J., to its Govt. Systems Div. Center employs about 200 engineers and support personnel, is charged with translating RCA Labs' basic research into new materials & processes. RCA said move was designed to strengthen its position in aerospace & defense businesses.

In still another part of its restructuring, RCA conceded last week it was phasing out RCA Cablevision Systems, supplier of turnkey CATV installations (details in Broadcast section).

Rentacolor violated consumer leasing laws by failure to provide complete disclosures in ads & contracts, FTC Law Judge Ernest Barnes ruled in upholding 1982 Commission charges in its first action brought under Consumer Leasing Act since it became effective in 1977 (TVD Nov 15/82 p10). Judge issued order prohibiting TV rental company from continuing the practice. Order, which names Rentacolor, Rentacolor U.S.A. and Pres. Brian Cawley, is final unless reviewed by Commission on its own or on appeal by Rentacolor. Cawley was unavailable for comment last week, but at time complaint was issued Rentacolor said it had discontinued practices alleged by FTC.

Thorn EMI is jumping into videodisc software, but only in U.S. Company is having CED discs custom pressed by RCA, expects to have first titles out later this year. U.K. parent, member of European video equipment manufacturing venture J2T Holdings with JVC and Telefunken, is still official supporter of JVC-developed VHD disc system, though there's no indication when sales will start outside Japan.

"Videodisc Connection," directory of interactive laser disc business services, is available free by writing List, Optical Recording Project/3M, 223-5S, 3M Center, St. Paul 55144.

NEW VCR ECONOMY RATINGS: Doubling of playing time on V2000 VCRs by Philips and Grundig by halving tape speed (TVD Sep 5 p12) gives that system distinction of being most economical in terms of tape use which is commercially available or known to be under immediate development. New V2000 models have 16-hour turnover cartridge — 8 hours recording time on each of their two 1/4" tracks.

Thus V2000's tape economy (less than 2.9 sq. ft. per hour) now exceeds that of currently planned first generation of 8mm Video recorders, although there already is talk of halving 8mm speed for longer recording time. We've revised our VCR economy rankings table to include new speed of V2000. Recording time & speed of 8mm Video reflect specs issued by Standards Conference — first tapes are expected to have one-hour time.

System	Speed (ips)	Tape width	Sq.ft./hour	Recdg. time*
V2000 (EP).	0.46	2 x 1/4"	2.9	16.0
8mm.....	0.56	8mm	4.5	1.5
VHS-EP.....	0.44	1/2"	5.5	8.0
V2000.....	0.92	2 x 1/4"	5.7	8.0
Beta III...	0.53	1/2"	6.9	5.0
CVC (Funai)	1.26	1/4"	7.9	1.0
VHS-LP.....	0.66	1/2"	8.2	5.3
Beta II....	0.79	1/2"	10.3	3.3
VHS-SP.....	1.31	1/2"	16.4	2.7
Beta I.....	1.57	1/2"	20.5	1.6
U-matic**..	3.75	3/4"	93.8	1.0
Quad**.....	15.00	2"	750.0	1.0

*In hours, longest available tape.

**At original standard speed. Included for comparison.

Coleco accused Wall St. Journal of making "highly misleading & inaccurate statements" about Adam computer in Sept. 30 article in which reporter said word processing program didn't work "correctly" and was "awkward to use." Article quoted executive as acknowledging program was "confusing" and promising \$30-\$40 add-on next year with better editing features. Coleco Pres. Arnold Greenberg promptly issued statement that "Adam's word processing software is a high quality professional and complete program [and] requires no additional software whatsoever to be capable of professional quality word processing," and that no Coleco executive "has ever made any statement to the contrary."

Canon introduces camera with 2/3" high band Saticon tube, infrared autofocus, 8:1 zoom, 3-color character generator, stereo sound capability, at \$1,395; keyboard-type character generator expander and time-lapse controller which clips to camera (unpriced); 14-day 8-program 128-channel tuner-timer at \$575.

Samsung raised \$35 million through 8-year syndicated loan. Proceeds are earmarked to expand plant of subsidiary Samsung Semiconductor & Telecommunications.

SONY U.K. EXPANSION: Sony will invest \$5.3 million to double production capacity of its Trinitron color tube manufacturing plant in South Wales to 240,000 annually. Sony said it will add 27,000 sq. ft. to plant, boost employment by 60 when addition is completed in Aug.

Tubes will be used in sets assembled at Sony plants in U.K. & Germany. Japan currently has quota restricting color tube exports to Europe to 900,000 annually, and hike in local tube output will enable Sony to increase set production without boosting tube imports. Move also may be reaction to French complaint that percentage of foreign color sets being assembled in Japanese plants there is too high, and its request for stiffer EC value-added tax standards for products entitled to preferential trade treatment. When Sony's new equipment goes on stream, it will mark first significant expansion of European color tube production capacity since Sony opened facility in 1974.

Unitary taxes imposed by some states on worldwide business of international corporations is "inconsistent with the interest" of U.S. in reducing imports and attracting job-creating foreign manufacturing investments, Sony Chmn. Akio Morita said in statement expressing disappointment with Administration action on issue. President Reagan recently declined to support bid for U.S. Supreme Court rehearing on case challenging Cal. law, instead appointed study group to develop recommendation for national policy. Morita said this will seriously delay resolution of matter at "time when it is clear that the U.S. & Japan must work together to resolve trade friction."

Consumer information terminal, which went on sale in Texas last week, is described as "first consumer product" from Quazon Corp., Dallas maker of videotex-related products. Priced at \$250, terminal has alphanumeric membrane keyboard, 300-baud modem, is connected to consumer's TV set and phone jack. Price includes registration fee for The Source, Compuserve, Dow Jones and Comp-U-Store, package which Quazon says is worth about \$200.

Amphenol is consolidating U.S. electronic & electrical manufacturing operation, closing down 5 plants as cost of 1,300 jobs. Company said employment will be boosted by about 800 at 5 remaining plants, for net workforce decline of about 500.

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Consumer Electronics Personals

Bailey Neal promoted at RCA Videodisc from European & mastering systems development mgr. to systems planning mgr.; Richard Tyrrell, ex-Bell & Howell/Columbia Video east area mgr., rejoins RCA Distributor & Special Products Div. as video sales dir. responsible for sales of RCA-brand videocassettes and video accessories to national accounts... Michael Wertman resigns as Gusdorf senior sales & mktg. vp, plans & successor unannounced... William Glasgow resigns as Consumer Electronics Show vp, effective in Feb., to form Glasgow-Erikson, Chicago-based trade show management firm.

Art Moshinsky, ex-National Education Corp., joins Sanyo as industrial relations mgr... Robert Beattie, ex-Hunt-Wesson, joins Milton Bradley as corporate mktg. vp, new post... Gabriella Engerbretson promoted at Altec Lansing to national consumer sales mgr... Roger Miller appointed Ampex Audio-Video Systems Div. west region sales mgr., succeeding Tom Nielson, recently named national sales mgr... Richard Aronson appointed Sharp southeast region mgr. for microwave ovens.

Mark Yamagata advanced at Tandy to personal computer products merchandising dir.; William Wash appointed computer merchandising service dir.; Edward Juge named business computer products merchandising dir.; David Frager appointed product buyer for Model 4 computers. Realignment follows departure earlier this year of John Shirley, who resigned as computer merchandising vp to become Microsoft pres... Walter Koetke joins Scholastic as technology dir. responsible for computer activities.

Victor Reichenstein, Webcor chmn.-pres., elected chmn.-CEO of Repco Inc., Orlando, Fla. communications equipment maker, 28% of whose stock is now owned by Webcor after "unfriendly" takeover; he succeeds John Whiting, who resigned along with 4 other directors; 6 other directors were elected, all with ties to Webcor... Joseph Annechino promoted from sales development dir. to merchandising mgr., CBS/Fox Video... Nathalie Hoffman joins L.A. office of Sidley & Austin law firm, with responsibility for home video activities.

Ronald Gill, former Delco (GM) offshore operations dir., advanced to dir. of new Entertainment & Comfort Div., responsible for autosound and components for air conditioners; Franke Jaumont, ex-advanced engineering dir., named to head new Automotive Electronics Div.; Walter McIndoo promoted to dir. of new Semiconductor Div... Robert Davey, ex-Centronics, appointed General Instrument operations vp, responsible for all manufacturing & related activities... Glen Hiner, GE plastics business operations vp-gen. mgr., named senior vp and head of new plastics group.

Brother agreed to modify ad claim that its new electronic printer makes all portable typewriters obsolete. Responding to eyebrow raising at BBB, company said it would revise ads to avoid implications that product could be totally replacement for all portables.

WEEKLY

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Sprague is first U.S. manufacturer to win certification for electronic components under International Electrotechnical Commission Quality Assessment System set up in Jan. 1981. IECQAS was originally set up as European standard, and was looked on as form of non-tariff trade barrier. EIA led successful 10-year fight to get Europeans to agree to have certification granting mechanisms set up in foreign countries. UL is testing representative in U.S. Product cleared was an axial lead tantalum capacitor produced at Sprague plant in N. Adams, Mass.

Bankruptcy petition under Chapter 11 has been filed by hi-fi & commercial speaker maker Altec. Altec said it has operated in red last 3 years, had \$2 million deficit on 19% lower sales in first 9 months this year. Current slow hi-fi market in U.S., plus strong dollar which has hampered exports, was blamed for sales decline. Altec said about 33% of its sales are exports. While Altec has about \$20 million in assets and current liabilities of \$15 million, it has high long-term debt and mandatory preferred stock redemption & dividend requirements it's unable to meet.

First CCD camera announced for commercial availability by RCA will be b&w version for nighttime surveillance, with 1/2" solid-state pickup containing 206,336 pixels. It will be available in variety of models starting at \$1,695. RCA Consumer Electronics already offers solid-state color camera using MOS pickup developed by Hitachi, and RCA has shown developmental color broadcast camera using CCD pickup but has given no price or delivery date.

WEEKLY

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with
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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

NAB BURIES TV TRENDS STUDY, citing 'conceptual, methodological and analytical inadequacies.' Abel says results are 'unreliable and invalid.' (P. 1)

WIRTH SEEKS MANDATORY KID TV shows. Bill would require 5 hours of educational children's programming weekly. (P. 2)

BLACKS EXAMINE GAINS IN TV, CABLE, find some jobs success, little change in ownership. (P. 3)

TBS'S LONELY MUST-CARRY FIGHT: Nervous silence follows TBS's court action challenging 18-year-old FCC doctrine. (P. 5)

CABLE BILL ADVANCES IN HOUSE with 24 co-sponsors to Wirth bill. Swift balks at data transmission, readies alternate. (P. 5)

FOWLER BRIEFS REAGAN on financial interest rulemaking. Moynihan seeks assurance of White House neutrality. (P. 6)

EQUAL TIME & FAIRNESS DOCTRINE repeal targeted by Packwood bill. Push for constitutional amendment is over. (P. 6)

LPTV TIES WITH CABLE, DBS urged by executives who question whether low-power can make money alone. (P. 7)

NAB SWALLOWS TV TRENDS STUDY: Because of "conceptual, methodological and analytical inadequacies," NAB will not release controversial TV trends study — preliminary results of which caused uproar when first reported at NAB convention in April (TVD April 25 p5). Following recommendation of Research Committee, NAB Exec. Committee agreed to "disassociate" itself from study and bury it. NAB board members have been informed of decision.

John Abel, NAB senior vp-research & planning who wasn't at NAB when study was authorized last year or when preliminary report was given at convention, outlined to Research Committee last week several things that were wrong with McHugh-Hoffman research: (1) Study is out of date, based on old TV season and NAB didn't receive final report until mid-Sept. (2) Questions are inconsistent with 1977 survey, answers by respondents can't be compared, thus 1982 study is "unreliable and invalid." (3) McHugh-Hoffman conducted 500 personal interviews,

Consumer Electronics

PHILIPS SHOWS 8mm camera-recorder with detachable VCR at Vidcom, plans marketing in 3rd quarter 1984 at \$1,500-\$1,600 in Europe. (P. 12)

BETAMAX IN SUPREME COURT again, but justices give no clue to outcome as attorneys present familiar arguments. No quick decision seen. (P. 13)

\$3 MILLION TV RESEARCH project, seeking ideal system for transmission & display, funded at MIT by 10-company industry group. ABC's Barnathan heads effort. (P. 14)

FUNAI, PHILIPS PLAN VHS, VCR output. Funai dropping 1/4" CVC for consumer models. Philips may make own VHS VCRs for export. (P. 16)

RCA'S WILLIAM BOSS named new EIA chmn. Doyle to head CEG. Zenith Chmn. Walter Fisher receives Distinguished Service Award. (P. 16)

CED'S U.K. LAUNCH comes next week, with target of million disc sales by end of 1984. (P. 17)

SUPREME COURT DECLINES to hear COMPACT's challenge to Japan TV dumping settlement. (P. 17)

SUITS AGAINST COLECO & officers charge adverse information about Adam computer was withheld to keep share prices high. (P. 18)

1,000 phone interviews, and there was "very little similarity" in answers received in personal interviews with those by telephone, raising serious questions of validity of research. (4) McHugh-Hoffman's methods were inadequate and its analysis of data didn't conform to what NAB expected. Study cost \$72,000.

In preliminary report — bitterly contested by networks, particularly CBS — these were among findings: (1) Network TV is "less important, less entertaining" than in 1977. (2) Almost half of viewers watch less TV, giving poor programming as among reasons. (3) Substantial minority believe TV is negative influence, feel guilty about time spent watching. (4) TV watching is for times when there's "nothing else to do." (5) "Although people continue to watch as much... they tend to rate TV as less important in their lives, less entertaining." (6) Almost half "gave programming as a reason for watching less TV... Increasing dissatisfaction with TV was a frequent theme."

NAB Pres. Edward Fritts called last week his most difficult since becoming NAB pres. just over year ago; there were several Hill hearings and NAB committee meetings and he had to deal with criticisms of TV Operators Caucus and sudden resignation of NAB's top lobbyist Steven Stockmeyer Sept. 30 (TVD Sept 30 p3). Fritts said Vp Carol Randles will serve as interim head of govt. relations, refused to comment on report she plans to leave before end of year.

Of efforts to get deregulation bill (see separate story) through House Telecom Subcommittee, Fritts said "we're still alive and the bill's still alive... The process remains intact and the players are still playing hard."

NAB Chmn. Gert Schmidt of Harte Hanks said raucous dinner meeting of NAB executives and board members with TV Caucus Sept. 29 (night before Stockmeyer resigned) was overall plus — despite criticisms leveled at NAB. Schmidt said he isolated 129 ongoing broadcast issues, found only 8 in which Caucus's and NAB's positions differed. "I kinda enjoyed the meeting [set up by Schmidt]," he told us. "I thought it was a very healthy, open and frank discussion" despite fact there was much name calling mixed along with shouting matches. Schmidt said he would seek another meeting with Caucus in about month.

WIRTH SEEKS MANDATORY CHILDREN'S TV PROGRAMMING: Commercial TV stations air more than twice as many cartoons as educational & informational shows for children, according to House Telecom Subcommittee's controversial TV-radio program survey (TVD Aug 29 p4) unveiled Oct. 5 by Chmn. Wirth (D-Colo.). Survey also found independents carry more educational & informational programming for children than 3 networks and their affiliates, finding that prompted Wirth to introduce legislation which would require all commercial TV outlets to carry at least one hour per weekday of "programming designed to enhance the education of children."

Measure doesn't define types of programming that would be educational in attempt to steer clear of violating broadcasters' First Amendment rights. But proposal, which has support of Rep. Perkins (D-Ky.), chmn. of House Education Committee, would impose program standard of kind that FCC has avoided in its children's TV proceeding. New bill's policy statement says FCC "hasn't taken effective steps" itself to require more educational programs for children when "it is in the public interest."

Bill would have FCC move quickly to implement programming requirement, order Commission to re-evaluate record of commercial TV every 4 years to see whether more or less children's programming should be mandated. Wirth bill is certain to be controversial, already has come under fire from NAB. John Abel, NAB senior vp for research & planning, told Subcommittee Oct. 5 that bill appears to raise First Amendment questions and is unnecessary because adequate children's programming already is available on commercial TV. Abel claimed 10% of all TV programming per week is devoted to children's shows. He was unable to say how much of that airtime constituted strictly educational programming.

Abel made remarks at joint hearing by House Elementary, Secondary & Vocational Education and Telecom Subcommittees on potential of TV as educational tool. Wirth used hearing as stage to unveil survey results, which are incomplete, included information only on

children's educational & informational shows as provided by 326 TV stations that responded. Congressional Research Service still is tabulating other data.

Survey found commercial TV stations air average 61 min. of children's educational & informational programming per week — less than 1% (.775) of total commercial air time — 152 min. of cartoons and 52 min. of other children's programming, defined in survey as religious, talk, or non-cartoon entertainment shows. Network affiliates carry less educational & informational programming than independents, with affiliates on VHF airing average 52 min. of such programming while VHF independents air 105 min. For UHF network affiliates, figure is nearly 47 min.; UHF independents, 90 min.

Wirth said he was "amazed, and deeply disappointed" by findings, argued U.S. faces "educational crisis," which is being aggravated by inadequate TV programming. Bill drew quick support of educators, independent producers, scholars and CPB Pres. Edward Pfister at hearing, along with calls for additional changes. National Education Assn. Dir. Sharon Robinson claimed enforcement mechanism should be added. Pfister called on Congress to increase federal funding for public broadcasting, said that with \$20-\$30 million more annually, PBS could produce more educational programs meant for specific age groups of children, which could be coordinated with classroom instruction, and create children's cable service.

Children's programming remains issue in broadcast deregulation talks, as well. Key House members continue to debate how to quantify program standard, Oct. 6 turned to TV-radio broadcasters and public interest groups for input, but learned nothing new that could be helpful in reaching compromise because witnesses were sharply divided on issues. Both NAB & NRBA maintained their opposition to quantification, called again for total deregulation.

Only really detailed testimony came from James McKinney, chief of FCC Mass Media Bureau. He repeated FCC's position against quantification, said trying to define specific program standards not only may violate First Amendment but could prove inflexible and unfair, described it as "asking in which direction the deck chairs should face on the Titanic."

McKinney addressed parts of tentative compromise key legislators have worked out (TVD Oct 3 p4), said program standard should be broadly defined, flexible and broken down to reflect differences between TV & radio, market sizes, UHF & VHF, daytime & clear channel stations, independents & network affiliates. He also said 2-step process should replace comparative renewal, as members are considering, but argued strengthened petition to deny or to revoke "will not improve comparative process." McKinney said existing Section 309(D) rules in Communications Act under which cases are designated for adjudicatory hearing at FCC already do job, additional phase for prehearing discovery that lawmakers are considering would only increase costs to petitioners, licensees, broadcasters & govt.

BLACKS UNHAPPY WITH MEDIA OWNERSHIP LEVELS: More blacks are working in communications but their bosses still are mostly whites. That was major conclusion cited at 10th annual National Black Media Coalition (NBMC) convention in Washington last week. Moreover, although blacks are making some inroads in TV & radio and, to lesser extent, cable ownership because of new FCC policies on tax certificates & distress sales, alternate technologies are developing in which blacks have little if any presence. When it comes to DBS, cellular, Multichannel Multipoint Delivery Service (MMDS), "the train is about to leave the station and blacks are about to be left behind again," said FCC Comr. Rivera at keynote luncheon.

Increased black employment was cited by both NCTA Pres. Thomas Wheeler and NAB Pres. Edward Fritts during panel session in which they claimed their respective industries are reaching out to minority community. Wheeler said that of more than 12,000 new cable jobs in 1982, about 19% went to minorities. He said minority employment in cable now outranks both national average and that of broadcasting industry. Fritts said broadcasters have become "sensitized" to minority concerns, that industry now has better relations with blacks, cited BROADCAST grants as evidence NAB is striving to improve minority position in broadcasting.

Both admitted, though, that ownership picture is different. "It's not enough," said Wheeler, who predicted that more blacks would become cable owners as industry establishes greater presence in urban centers. Fritts recapped NAB's early support for FCC tax certificate policy making it easier for blacks to become broadcast owners by deferring capital gains tax when sale is made to minority. That has been "a major factor in increasing minority ownership," he said. NBMC Pres. Pluria Marshall said Fritts' presence at convention was noteworthy because it was first time NAB head had agreed to attend in NBMC's 10-year history. "In the past we just couldn't get through to the people heading NAB," said Marshall, who noted it was third time Wheeler had attended.

Several complaints were made to Fritts about stereotyping of blacks in network programming. "We've got another black kid with a white family," Marshall observed sarcastically about new fall network schedule. Fritts deflected criticism from networks: "Where does that programming come from? It doesn't come from the networks; it comes from the creative community, the producers in Hollywood." Marshall agreed: "The real villain isn't up here [on panel] today. The advertisers are the villains. Madison Avenue is the one that pumps those tired stereotypes into our homes."

Rivera said that while current FCC policies are lowering barriers to potential black owners, those policies aren't enough to bring minorities into parity. He also voiced concern about developing FCC pattern of authorizing new technologies such as DBS, MMDS as common carriers "without any of the traditional [social] responsibilities that broadcasting has had." He urged blacks to become involved with new technologies. Of 8 DBS operators authorized so far, "I don't know of a one in which minorities are involved," he said. "Minorities must move quickly to see that they participate in the telecommunications of the future" because "the train is about to leave the station and minorities are about to be left behind again."

Joel Chaseman, Post-Newsweek Stations, said in luncheon remarks that broadcasting works best when all segments of community are involved in decision-making. New technologies are important, he said, but "broadcasting is and will continue to be the central unifying force in our society." Minorities shouldn't lessen their efforts to become top mgrs. & owners of TV & radio outlets, he said. Many blacks are eyeing low-power TV but it "must not be looked on as an alternative to black ownership of full-power stations."

Executives of 4 major group owners engaged in lengthy give-&-take with audience during often heated session in which several young blacks questioned broadcast EEO efforts, said they couldn't get jobs. Gannett Best. Group Pres. Jeff Davidson, Outlet Bestg. Pres. David Henderson, Katz Bestg. Pres. Richard Ferguson and Buford TV Pres. Frank Melton all defended industry's efforts. "Don't expect success because you're black or a minority," said Davidson. "This is the age of individuals. Democracy guarantees opportunity, not success," he said.

* * * * *

League of Latin American Citizens last week accused TV networks of "brown out" and withdrew support for repeal of financial interest & syndication rules. Group backed charges with report documenting TV's portrayal of Hispanics in first week of fall season, also TV's use of Hispanic actors. Report claims only 10 of 866 characters in new prime time shows are Hispanics — down 40% from 1981 season — while only 3 of 496 characters with significant speaking roles and 10 of 866 characters who spoke one or more lines, were Hispanics. Report claimed that Hispanics were portrayed as criminals in 2/3 of roles on ABC, while CBS used no Hispanics for significant speaking parts. NBC was said to have best record for using Hispanics in 6 of 390 roles. Report is based on survey of shows in prime time Sept. 26-Oct. 2 and was done by Public Advocates Inc. of San Francisco.

"Seminars by Satellite" is new free offering by Wold Communications Entertainment "to qualified industry associations desirous of conducting informational seminars." Service is offered on transponder 10D, Westar IV satellite. Inaugural use will be by NATPE Oct. 17-21 for "Syndicators' Showcase," with followup Oct. 24-27. BPA will use free service Oct. 28. plans monthly seminars to follow.

Times Mirror has acquired remaining 50% interest in troubled American Cable TV, Phoenix, which was headed for bank foreclosure. Terms weren't disclosed. American is in head-to-head battle with Storer in Phoenix in what's been called nation's hottest cable overbuild. Competition apparently crippled American, which hadn't made bank payments since April.

TURNER'S LONELY MUST-CARRY FIGHT: Cable industry mostly will watch from sidelines as Ted Turner pursues repeal or modification of FCC's must-carry rules in U.S. Appeals Court, D.C. Long-expected "motion to compel agency action" filed last week asks Court to reverse FCC position because of changed conditions (growth of satellite programmers, more viewing alternatives) or to order Commission to launch rulemaking within 30 days. Turner first filed petition for rulemaking at FCC in Oct. 1980, filed motion for expedited consideration last March. Commission still hasn't acted.

NCTA apparently won't support TBS in court, as it also declined to do at FCC. Turner's only early supporters are CATA and Black Entertainment TV. BET supports TBS because it believes it like TBS is shut out from many cable systems saturated with must carries. CATA strongly supports Turner because of its position that must-carry violates industry's First Amendment free speech rights.

Situation shows industry's divided position on must-carry: Many MSOs are group TV station owners, and issue often is used as bargaining chip by NCTA in copyright negotiations with NAB. But many are opposed to doctrine because it runs contrary to cable's emerging position as First Amendment speaker.

"CATA has consistently taken the position that the FCC doesn't have the jurisdiction or any logic behind its must-carry rules," said Exec. Dir. Stephen Effros. "We think [rules] are a violation of the First and Fifth Amendments. Any cable operator who promotes himself as a First Amendment speaker it seems to me is obliged to take that position."

"Those that infer that our silence [on Turner case] is condoning the rules are wrong," said NCTA Pres. Thomas Wheeler. Asked if not supporting Turner dulls NCTA's First Amendment argument, Wheeler said: "I don't think the issue is with the rules but with the specifics of the case."

NAB came out swinging against Turner: "Must-carry is a fundamental concept of localism within the Communications Act and we'll use every ounce of our strength to defend it," spokesman said.

TBS isn't angry or surprised at lack of industry support. "In court, it doesn't matter how many people are for you or against you. The merits of the argument are the only real concern, not the size of your coalition," attorney said. It also may be procedurally difficult for supporters to join TBS. Action (82-2050) isn't lawsuit; it's motion asking Court for summary reversal to compel FCC action.

Turner suggests Court could consider half-way measures: (1) Make local broadcaster show that economic harm would result from non-carriage. (2) Permit deletion of duplicative programming. (3) Modify or eliminate "significantly viewed" test to allow operators to delete duplicative distant signals. (4) Require carriage of only one affiliate of each network. (5) Exempt systems with 12 or fewer channels. (6) Put cap on channel capacity that can be taken up by must-carry stations. (7) Impose minimum net weekly circulation limits on signals system must carry.

CABLE BILL DEVELOPMENTS: Expected House version of cable deregulation bill already through Senate (S-66) was introduced without fanfare Oct. 6 by House Telecom Subcommittee Chmn. Wirth (D-Colo.). Day later, Rep. Swift (R-Wash.) made it clear he disapproved of bill, will introduce own proposal shortly that will be very similar but exclude provision allowing unregulated cable data transmission.

Wirth bill (HR-4103) has 24 co-sponsors, including Reps. Tauke (R-Ia.) & Tauzin (D-La.), 18 other members of parent Energy & Commerce Committee. As expected, proposal looks much like Senate version except for strong diversity statement, other additions already reported (TVD Oct 3 p1), including commercial leased access. "I am encouraged by the broad, bipartisan coalition of Members that are supporting this bill," Wirth said.

Swift cable bill is expected to be offered after Congress returns from 10-day recess Oct. 17. Aide said Swift objects to language in Wirth bill that would allow cable to offer unregulated data transmission services when impact of newly competitive common carrier industry on local telephone rates still is unknown, aide said. Swift wants to wait for shakeout in industry before increasing competition.

Move to derail unregulated cable data transmission didn't surprise some in industry. "Realistically speaking, the industry recognizes that there are other portions of the bill of far greater interest to us than the provision that concerns Mr. Swift," executive said. Said AT&T: "On the surface, that would appear to be progress toward a more equalized playing field."

"We have an obvious disagreement with Congressman Swift over the telco issues, but we are pleased he supports the city regulation provisions that are contained in HR 4103 which reflect the compromise with the National League of Cities," NCTA said about alternate bill.

PBS Chmn. Dallin Oaks has issued formal statement in response to our report (TVD Oct 3 p6) that PBS Pres. Lawrence Grossman was given \$125,000 interest-free loan to buy house. Oaks said in early 1982 Grossman was given 90-days notice he had to vacate rented suburban home. PBS Board Compensation Committee then, weighing this and "Mr. Grossman's exemplary performance, the state of PBS's financial health and the availability of working capital, compensation provided to executives in comparable positions, current inflation and the real estate money market" gave loan, Oaks said. He continued: "Upon review of these facts and in view of the Corporation's vital interest in retaining the services of Mr. Grossman, the Subcommittee, aided by a legal opinion from... Arnold & Porter, concluded that an interest-free secured mortgage was an appropriate way to recognize and reward Mr. Grossman's outstanding leadership and skillful direction of PBS over the preceding seven years." If Grossman leaves PBS five years after getting loan, pays it back as required, he will have saved total of \$125,701 (at 14% interest).

FOWLER BRIEFS REAGAN: FCC Chmn. Fowler briefed President Reagan and top White House aides for 40 min. on communications matters 10 days ago — about 30 min. of which was taken up by discussion of Commission's network financial interest rulemaking. Briefing, first presented to President by Fowler since he has been chmn., was requested by White House, although Fowler had told top Administration aides last summer that he was available anytime.

Neither President nor any White House aide took position on financial interest, we were told, and White House denied there was any impropriety in Fowler briefing. Deputy Press Secy. Larry Speakes said there was no "involvement" in case by White House, that Reagan merely wanted to be brought up to date. Fowler was accompanied by his top aide, Randy Nichols, who said chmn. didn't intend to put memo in public file on meeting with President.

Session at White House has stirred considerable controversy, with some lawyers and interested parties saying it was improper. However, Comr. Quello said he wasn't troubled by Fowler's White House visit. "Fowler told me he wasn't taken to the woodshed" by the President, Quello said. Sen. Moynihan (D-N.Y.), who supports FCC's tentative decision to relax financial limitations on networks' ownership of syndicated programming, urged President to state publicly that he will not take sides in fight nor intervene at FCC. Most in Washington believe, and many have publicly said so, that Reagan is opposed to FCC move because of his close connections with Hollywood production community — which violently opposes networks & Commission.

"I believe it is imperative for the integrity of all regulatory processes that the President unequivocally declare that he will express no view on the matter," Moynihan said. He noted that both Justice & Commerce Depts. support Commission and that "under law and precedent," that must be White House position. L.A. Times editorial Oct. 4 came down on side of programmers, against networks.

Meanwhile, TV Operators Caucus met with Fowler, told FCC chmn. they are against "sunshine provision" in Commission's tentative decision or want it "moved way into the future." It provides that after Aug. 4, 1988, all restrictions on network ownership & syndication of off-network programming would end. Newly formed Caucus hasn't participated before in rulemaking, told Fowler it would file informal statement. "The bottom line is, we said to the chairman, that we don't want the networks in syndication," Caucus member told us.

Vanderbilt U. Law Prof. Terry Calvani said during confirmation hearing before Senate Commerce Committee last week that he would "vigorously pursue" enforcement of consumer protection and antitrust laws as an FTC commissioner. Specialist in antitrust law, he said such laws are designed to regulate "business conduct for the purpose of enhancing the consumer welfare of this country." Calvani was named by White House to replace Comr. David Clanton, whose term has expired; both are Republicans.

PACKWOOD SEEKS SEC. 315 REPEAL: Promised legislation to repeal equal time & fairness doctrine and lift other Communications Act limits on TV & radio was introduced Oct. 3 by Sen. Packwood (R-Ore.), chmn. of Senate Commerce Committee. Bill spells official end to Packwood's push for constitutional amendment to extend full First Amendment rights to broadcasters. No hearings have been scheduled.

Bill also would eliminate rate regulations that require broadcasters to levy lowest unit charge for political ads, prohibit FCC from regulating content of any electronic communications, including cable & satellite transmissions. Measure would update national policy to say broadcast media should be accorded same treatment as print, that content regulation infringes on electronic media's First Amendment rights, chills editorial discretion and causes self-censorship, and that elimination of FCC rules would improve public's access to information.

In floor statement, Packwood said proposal (S-1917), called "Freedom of Expression Act," would "remove the stigma of second class citizenship for broadcasters," also is "vitally important" to print media as it becomes intertwined with electronic communications through new technologies such as teletext. He argued: "Print protections may soon be lost in an environment where regulation of editorial content is permissible."

Proposal is not unexpected, was promised in April (TVD April 18 p2) after Packwood dropped year-old push for constitutional amendment that essentially would have done same thing. Packwood blamed original idea's failure to draw strong support from broadcast & print media for its abandonment. Measure drew quick support from NAB, whose Exec. Committee passed resolution of endorsement at Oct. 5 monthly meeting and urged members to press for its enactment.

Meanwhile, Rep. Livingston (R-La.) has introduced measure (HR-4012) that would allow broadcasters to carry paid editorials without also having to seek out & air contrasting viewpoint. Bill is intended to prohibit stations from summarily turning down all requests for editorial commercials, doesn't limit broadcaster's ability to exercise discretion in length, number & rates for such ads. Violators could be subject to fine up to \$10,000 or up to 5 years imprisonment.

Hold out in Congress for "true regulatory relief" and don't accept quantitative renewal standards requiring "so much of this type programming, so much of that type." That was advice to NRBA convention in New Orleans from FCC Chmn. Mark Fowler. He said House Telecom Subcommittee is "moving in the wrong direction" in attempting to require quantitative standards, added: "It won't be minimum government standards, but maximum broadcaster efforts, that will provide quality and diversity... We need once [and] for all to drive a wedge between the programming decisions you in broadcasting make and the judgments about those programs that the government would choose to make."

LPTV PROGRAMMING KEY TO PROFITS: LPTV is interesting technology but it won't be profitable unless it offers unique programming that's of interest to both viewers & advertisers, according to speakers at industry's 3-day east coast convention in Washington last week. Best bets for LPTV entrepreneurs to avoid losses are to become suppliers of local programming to area cable systems or as last-mile delivery system for ad-supported DBS, speakers said.

But those cautioning words didn't dampen enthusiastic mood of some 1,000 attending convention or some 50 manufacturers exhibiting LPTV products. Even recent FCC decision to stop accepting additional LPTV applications for Tier 1 smallest markets (suburban & urban market applications had been frozen months ago) had no visible chilling effect on convention goers. Traffic through exhibits was "the best ever," according to transmitter manufacturer who said "before, most of these people were just looking. Now, it seems lots of them have real hopes of getting their CPs" and are buying.

"The public doesn't watch technology," said Communications Technology Management Pres. Robert Schmidt, ex-NCTA pres. Schmidt said viewer wants product he can't get elsewhere. He and others said LPTV, especially in larger markets, probably won't have significant impact if stations offer similar fare to traditional TV. Because many LPTV applicants & current operators own newspapers, other speakers suggested they should develop extensive LPTV local news & public affairs programs, lease cable channel to deliver that product to public. Many cable operators have franchise commitments to provide such local programming and probably would be receptive to LPTV connection, speakers said.

FCC's LPTV Branch Chief Barbara Kreisman told audience Commission is processing oldest applications first, has reduced that backlog to about 180 proposals out of 12,000 on file. She said FCC hopes to have processed oldest applications, some dating back to 1980, by early next year. She said Commission's current rulemaking aimed at changing LPTV applications process won't affect proposals already on file. Rulemaking is focused on legalities of processing applications with aim of streamlining procedures in order to eliminate backlog.

Hubbard Bestg.'s U.S. Satellite Bestg. (USSB) is one DBS operator actively seeking LPTV ties. "We'd be very interested in rural LPTV stations carrying our programming," USSB Vp Robert Fransen said during panel session on DBS. He said USSB plans to put together affiliate network of regular & low-power stations covering 70-75% of U.S. TV households, sees 60-65% as bottom-line. Because USSB's programming will be ad-supported, USSB needs that national exposure to satisfy advertisers, Fransen said.

USSB and other DBS operators who plan ad-supported programming are interested in TV affiliation basically because viewers won't have to buy dishes. LPTV stations come into play in rural markets: "There are many markets with very few or no [full-power] TV stations. That's the low-power promise that we're exploring," Fransen said.

To sweeten deal, USSB would pay LPTV affiliate for clearances according to same as-yet undetermined formula as full-power station, based on stations' audiences. Still to be resolved is question of whether affiliation would require TV stations to pass along textual matter to be carried on vertical blanking interval of USSB's 3 channels. Many TV operators are exploring using their VBIs for other purposes.

FCC's FY '84 funding authorization remains stalled in House as members wage behind scenes battles over more money for CPB and over Commission's minority hiring practices. Opponents are being led by Rep. Broyhill (R-N.C.), who argued that "massive" additional authorization for CPB is "inappropriate" while budget problems at NPR are being worked out and while govt. is attempting to hold line on other spending. Broyhill objects to 5.6% increase bill contains for CPB's existing authorizations, which would give \$145 million in fiscal year that began Oct. 1, \$153 million in FY '85, and \$162 million in FY '86. Other assault against measure is being led by Rep. Mitchell (D-Md.) on grounds Commission has failed to meet its EEO. FCC Chmn. Fowler defended agency's hiring in reply letter, claimed that of 293 FCC employees in top policy jobs, 28 or 9.55% are minorities, including 19 blacks.

New FM stereo system, in which stereo coverage area is same as mono, has been developed by NAB & CBS. Presumably inspired by results of tests of multichannel TV sound, system adds new subcarrier which is compressed using noise-reduction system, expanded at receiver. Because original stereo subcarrier is retained, "companded" system is compatible with existing receivers, but noise-free reception would be available with new receivers designed for system. CBS Technology Center's Emil Torick explained in technical paper that new system would cause "insignificant reduction" in coverage of monophonic signal, but good stereo reception would be available over entire coverage area of station. System was conceived by Torick and NAB Science & Technology Vp Thomas Keller, who demonstrated system to NAB Exec. Committee and press last week. Patent has been applied for.

Post card broadcast license renewal forms, adopted earlier by FCC, were approved last week by U.S. Appeals Court, D.C. In rejecting appeal by Black Citizens for Fair Media, majority opinion found that 5-question renewal form provides enough information for FCC to begin renewal process for TV & radio licensees. NAB said it was "greatly pleased." Decision affirms NAB position that "needless paperwork and detailed scrutiny" isn't necessary for FCC to make a determination at license renewal. Moreover, NAB said, Court ruled Commission may "infer" broadcasters are operating in public interest "even though less paperwork and programming documentation is sent to Washington." FCC said abbreviated forms will now be put into use.

Rep firm Torbert Radio is being sold by Bonneville International to Selcom Inc., price not disclosed.

CHICAGO CELLULAR SYSTEM APPROVED: With virtually no discussion, FCC last week granted operational license for wireline cellular mobile radio system in Chicago to AT&T's Advanced Mobile Phone Service. License should be formally issued this week, giving AMPS system significant headstart on its nonwireline competitors. Service will be offered by Ameritech Mobile Communications, which will take over control once AT&T breakup takes place. Ameritech owns 93% of company and Centel owns 7%.

Commission staff said decision doesn't set precedent for headstart challenges in other markets, said Commission will tackle that question on market-by-market basis. "The Commission is willing to consider headstart protection, but they'll have to make a better case than was made in Chicago," said William Adler, deputy chief for policy of Common Carrier Bureau.

At same time, FCC issued notice of proposed rulemaking on using lottery to award cellular licenses in all markets below top 30, which are being awarded through comparative hearings. Proposal is expected to draw objections from cellular applicants who spent substantial amounts of money on lengthy, detailed applications.

FCC also adopted processing guidelines and procedures for 8 DBS companies which have Commission permits to build systems, granted them extension of time to begin construction. Companies have 90 days to modify their applications to conform to Final Acts adopted at Region 2 Administrative Radio Conference and have until July 17, 1984 to show that they have started construction or have let contracts on DBS system. FCC also gave companies incentive to move quickly by stating that grant of specific orbital slots and frequencies will be made on first-come, first-served basis. This decision would appear to give Comsat's Satellite TV Corp., only company which has indicated it has started construction, first shot at slots and frequencies.

FCC staff is preparing notice for 2nd round of DBS applications with 90 day window anticipated. Three companies with DBS applications pending also will be given opportunity to update their filings in light of RARC. FCC said no 2nd round orbital slots or frequencies will be granted until next July, or until all first round companies have demonstrated due diligence.

FCC also issued proposed policy statement giving 30 days for comments which would toughen EEO rules for cable TV systems to bring them more in line with broadcast EEO requirements. Under present policy, broadcast stations must employ enough minorities & women so that their representation at station is equal to 50% of their presence in workforce. That applies to all jobs at station and also applies separately to top 4 positions. Rules for cable systems were same except that only 25% figure applies to top 4 positions. New policy would raise that figure to 50%.

NCTA Pres. Thomas Wheeler received Friendship Medal from German-American Friendship Committee in recognition of his help in transferring U.S. cable technology to West Germany.

VIDEOTEX SEEN \$30-BILLION INDUSTRY: Despite widely held view that videotex won't reach masses until 1990s, AT&T Dir. of Strategic Planning & Consumer Information Clarence Selin Oct. 4 said research indicates videotex will be up to \$30-billion industry by 1990. Other estimates for mid-1990s have placed value at \$45 billion.

Speaking to O. State U. Videotex III marketing conference in Columbus, Selin cautioned that problems such as high prices, low consumer awareness, complicated systems and no proper support systems remain. He said AT&T/Knight-Ridder Viewtron project will begin in southern Fla. Oct. 30, after 6-week delay. And despite inhibitions, AT&T sees trends favorable to videotex continuing: Much of population is highly educated, has incomes of more than \$35,000, has continuing high desire for electronic services, and wants immediate access to information.

Another major entry is Times Mirror's Gateway Videotex Service which will begin in mid-1984 in Orange County, Cal., Gateway Mktg. Dir. John Warwick said. Subscription cost will be about \$30 monthly. Gateway test showed public wants vast amounts of information — more than 3 times what TM originally provided — requiring big investments, Warwick said. But TM thinks it can be ad-supported. Warwick said consumers want costly graphics, that good graphics package also bring ads.

But videotex players disagree on what form service package should take. Ben Smylie, Keycom vp-product development & production, said "potpourri of information and transactions is probably a short-term mistake." Smylie contends high hardware prices won't fall soon enough, creating need to aim service at targeted business markets. But Charles Forbes, Chemical Bank Electronic Banking Div. vp, said his bank is convinced that home banking is "critical" to getting videotex into homes, that convenience is best avenue to mass market. CBS still is evaluating results of its Ridgewood, N.J. videotex trial which ended in April. Network hasn't decided if it will pursue videotex as business, said CBS Dir.-Business Development Paul DeBenedictis.

Commercial TV must seek constant innovation in face of growing viewer alternatives, according to ABC Vice Chmn. Elton Rule. Speaking to Comstock Club in Sacramento, he urged broadcasters to "create an environment in which creativity is encouraged," then be receptive to those efforts. "The viewer has a lot of choices now that he didn't have before," Rule said. "He is going to have still more. He simply will not set for lackluster programming. He will seek out the spark of innovation, wherever he finds it." Rule said TV programmers "are becoming more receptive to ideas from unconventional sources... Just as a bridge was gradually built between TV and Hollywood, a new bridge will be built between TV and a world of video alternatives."

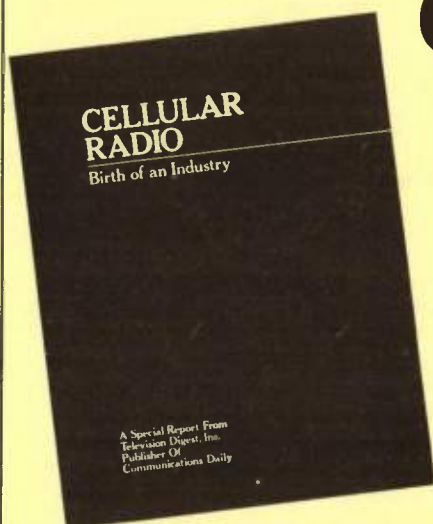
House Telecom Subcommittee has postponed (from Oct. 11) until date still to be determined markup for broadcast deregulation legislation because of Columbus Day recess.

Rules or laws restricting exit polling by electronic media during elections would violate First Amendment, majority of participants in Washington symposium agreed. Therefore, "the symposium urges that the electronic media exercise voluntary restraint on early projections... and the use of exit polling for projections." This is necessary, participants said, because exit polling "may impact on voter behavior." In another action, symposium recommended that Congress waive equal time provisions of Sec. 315 of Communications Act for 1984 Presidential & Vice Presidential election. Former Presidents Ford & Carter participated in symposium, sponsored by ABC and Harvard U. Main thrust of talks was how to increase voter registration & participation.

Center for Advanced TV Studies, formed by 10 U.S. firms with special clearance from Justice Dept. Antitrust Div. (TVD Sept 26 p16) last week elected ABC's Julius Barnathan chmn., formerly awarded \$3 million contract to MIT for basic research on ideal TV image. Details are in Consumer Electronics section.

Despite "borderline anticompetitive communications" by KODE-TV Joplin, Mo., which allegedly sought cooperation of KOAM-TV Pittsburg, Kan. in fixing rates, FCC Review Board has renewed licenses of both stations for full term. FCC launched investigation of stations in 1976, at time federal grand jury also was investigating price-fixing charges (no indictment was handed down). In renewing stations, Board said "we are confident that no conspiracy was effected in the instant case. Nevertheless, we caution all licensees against straying as close to the anticompetitive border as [KODE-TV's] management came, and we admonish [KODE-TV] for having gotten so close."

KBSI (Ch. 23) Cape Girardeau, Mo. has gone on air, raising operating U.S. TV stations to 1,131 — 836 commercial, 295 non-commercial. Pres. King Rogers and Vp-Secy. Robert Rogers each own 37.5%, Vp-Treas. Stephen Clark 25%; 3 have interests in several low-power TV applications. KBSI Gen. Mgr. is William Embry.



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Personals

James McKinney, chief of FCC Mass Media Bureau, speaks at FCBA lunch Oct. 18, Touchdown Club, Washington; FCC Comr. James Quello addresses Center for the Study of First Amendment Issues, Columbia U., N.Y., Thurs.; Comr. Henry Rivera speaks Fri. to Hispanic Bar Assn. convention, Capitol Hilton, Washington.

Kenneth Gorman, pres. of Viacom Entertainment, elected exec. vp, parent Viacom International, and John Goddard, pres. of Viacom Cable, named senior vp; both also were elected dirs. of parent company... Claude Cliborne promoted to gen. mgr.-far west, Centel Cable of Ill.; Gregory Stahl to vp-gen. mgr., Centel Cable of Tex... Jerry Lindauer, Prime Cable, elected to NCTA board, succeeding Keith Cunningham, also of Prime, who resigned because of press of business.

William White, ex-KBHK-TV San Francisco, appointed vp-gen. mgr., Metromedia's KTTV L.A.; Susan Watson, ex-E.F. Hutton, joins Metromedia as dir.-financial relations... Margaret Solomon promoted to vp-broadcast operations, Mutual... Steve Slack advanced to gen. sales mgr., WATE-TV Knoxville, succeeding James Mikels, recently named gen. mgr.; Robert Williams named WATE-TV chief engineer, succeeding Donald Watkins, now vp-engineering of parent Nationwide Communications.

Julie Dolan joins AAF as dir.-information & publications; Leslie Hilleman named meeting coordinator and asst. to Pres. Howard Bell... David Othmer, ex-WNET N.Y., named vp-station mgr., WHYY-TV Philadelphia, succeeding James Karayn, resigned... Robert Benson promoted to vp-senior exec., ABC Radio Networks; Robert Fitzpatrick advanced to asst. gen. attorney, ABC... Baryn Futa, ex-Fleischman & Walsh, joins National Assn. of Public TV Stations as legal counsel... Peter Marino, ex-WGN-TV Chicago, joins co-owned Tribune Entertainment Co. as head of program development... First inductees into ATAS Hall of Fame: David Sarnoff, Edward R. Murrow, Paddy Chayefsky, William Paley, Lucille Ball, Norman Lear, Milton Berle.

Frank Davidoff, retired from CBS TV Network, will receive David Sarnoff Gold Medal Award Oct. 31 in L.A. from SMPTE for "his efforts in liaison with the European Bestg. Union" on component digital coding... Gary Kaplan, vp of Korn/Ferry L.A. office, named head of new Specialty Entertainment Div. to concentrate on executive searches in broadcasting, movies, cable, consumer electronics & record industries.

Peter Zimmerman, ex-Ford Foundation, appointed vp-controller, John Blair & Co., succeeding John Baker, now senior vp-finance & administration, subsidiary John Blair Mktg; Peter Albi promoted to pres., Blair's Telemundo, licensee of WKAQ-TV San Juan; elected vps: WKAQ-TV Gen. Mgr. Rafael Ruiz, Dir.-Mktg. & Planning Services Rafael Oller, Treas.-Controller Wilfredo Hernandez; Liana Toledo named corporate secy... Loren Matthews promoted to programming dir., ESPN... Barry Elson, Cox Cable

vp-Western Div., and Craig Stratt, vp-development, both promoted to senior vps-operations; James Robbins, ex-Viacom International, appointed Cox Cable N.Y. vp... George McGuire joins Gill Mgmt. Services as district mgr.-eastern mktg.

James Keeley, KTRK-TV Houston, appointed chmn., TvB Sales Advisory Committee; Richard Groat, WOTV Grand Rapids, named co-chmn., succeeding Keeley... CBS Entertainment promotions: Robert Silberling to vp-CBS motion pictures for TV; Peter Frankovich, vp-motion pictures for TV; Norman Powell, vp-production operations... Lance Evans advanced to dir.-program clearance, program practices, CBS Best. Group... John Barrett promoted to vp-special projects, west coast, Worldvision Enterprises; Paul Danylik succeeds Barrett as vp-central div. mgr.

Angela Burnett, ex-Best. Week, appointed policy analyst-press liaison, NTIA... Vincent Capuzzi advanced to exec. vp, West Glen Communications; John Summerlin & Annette Minkalis named vps... Marcia Spielholz, ex-Becker, Gurman and one-time FCC, joins Washington law firm Weil, Gotshal & Manges... Ron McCoy, ex-KTVT Ft. Worth-Dallas, appointed creative services dir., WGN-TV Chicago... David Bell moves from Storer Communications to subsidiary Storer Cable as vp-special projects.

John Webb, ex-Fernseh, joins Ikegami Electronics as sales mgr.-networks, Canada... Gail Arnall resigns as acting pres., NPR Ventures to become consultant on TV programming; Mary Joseph, joins NPR as dir.-national affairs... Changes in CPB legislative affairs: George Linn, one of last of original CPB employees, resigns post of special asst. to pres. for congressional liaison effective Dec. 31 to start own business; CPB restructuring places Legislative Affairs Dept. under Gen. Counsel Linda Dorian, who has created new legal position to handle legislative affairs; in restructuring, Philip Watson, who works on legislative affairs as deputy special asst. to CPB pres., faces job loss, may apply for new post within CPB.

Paul Sacks, ex-KTZO San Francisco, appointed sales mgr., KFTY Santa Rosa, Cal.; Charles Snyder, ex-KRON-TV San Francisco, joins KFTY as program dir... Harry Durando promoted to vp-gen. mgr., WYNY(FM) N.Y.

Bernard Mann, Mann Media of High Point, N.C., elected pres., NRBA, succeeding Harriet Kaplan, who didn't seek reelection... Rebecca Lambert, CBS Washington consultant and onetime Dept. of Commerce, will join CBS corporate relations staff in N.Y., succeeding Cheryl Daly, resigned... John Patton resigns as Bonneville Bestg. System chmn., remains consultant, will pursue other interests in new technology... Roy Prater promoted to vp-Mgmt. Information Systems, Cox Cable... Tony Peterson, ex-United Cable, appointed dir.-finance, Sports Time Cable Network; Dave Axelson joins as programming coordinator... Michael Shea promoted to dir.-materials mgmt. & purchasing, ATC... Linda Holliday advanced to mktg. dir., Prism... James Murray, ex-Harris Corp., appointed pres., Loral TerraCom, manufacturer of microwave systems.



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STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended Sept. 23 (38th week of 1983):

	SEPT. 17-23	1982 WEEK	% CHANGE	SEPT. 10-16	38 WEEKS 1983	38 WEEKS 1982	% CHANGE
TOTAL TV#.....	432,946	441,791	- 2.0	407,415	13,021,833*	11,709,958	+11.2
COLOR#.....	308,855	309,815	- 0.3	296,379*	9,185,107*	7,799,357	+17.8
MONOCHROME....	124,091	131,976	- 6.0	111,036	3,836,726	3,910,601	- 1.9
PROJECTION TV...	3,373	3,653	- 7.7	4,440*	88,387*	69,155	+27.8
HOME VCR.....	87,328*	56,994	+53.3	77,941*	2,524,930##	1,210,684	+108.6
COLOR CAMERAS...	7,774*	6,343	+22.6	6,477*	254,608*	200,400	+27.0

Color TV 5-week moving average: 1983--295,054**; 1982--244,507 (up 20.7%).

Home VCR 5-week moving average: 1983--87,178**; 1982--46,211 (up 88.7%).

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

Exceeds full-year record.

PHILIPS SHOWS 8mm VCR FOR LAUNCH IN YEAR: In last-minute addition to its Vidcom display in Cannes last week — quite possibly in response to reports of lagging interest in new standard by other VCR manufacturers (TVD Oct 3 p11) — Philips displayed its 8mm Video camera-recorder, scheduled for European market introduction in 3rd quarter 1984 at \$1,500-\$1,600.

Camcorder is compact, easy to use, produces good color pictures. Camera head is detachable from VCR portion, each weighing 2.4 lb.; battery (one hour per charge) adds 0.66 lb., for total of 5.5 lb., almost pound heavier than JVC's VHS-C Video Movie, previewed last month in Berlin (TVD Sept 5 p11) and also demonstrated at Vidcom. Philips representative pointed out that current 3/4" Newvicon tube eventually would be replaced by solid-state pickup and electronics could be miniaturized, cutting back size & weight in future models.

Tape initially will be available in 30- & 60-min. versions, using metal particle formula, but we were told at Berlin's Funkausstellung (where we viewed system in then off-record showing) that development of metal evaporated tape and slower speed would easily make possible more than 3 hours of record time per cassette. Camcorder has electronic viewfinder, 6:1 power zoom, on-screen date insert, LCD tape counter, playback through viewfinder, fade, pause/still. Soundtrack is FM helical for high fidelity, but is currently mono. Philips says it eventually will have PCM digital stereo sound plus stereo FM sound, for 2 stereo pairs. Detachable VCR is neat cube-shaped package.

Camcorder was shown in Cannes surrounded by ring of V2000 VCRs and videogames, enclosed in display case, didn't draw much attention largely because Philips France had almost no time to publicize appearance. Philips had 2nd camcorder available for private demonstrations at booth. Press representative told us Dutch Philips decided only Thurs. before Vidcom opened to show it, didn't alert anyone of arrival until appearance in France. Poor Vidcom turnout was yet another reason for lack of attention. Crowd shortage was open subject of concern & complaints among hardware & software exhibitors.

We got 2 answers to question why camcorder wasn't shown officially at last month's Funkausstellung in Berlin: (1) "They were not ready to announce it." (2) Vidcom is more ideally suited as technical & professional exhibit since Philips was trying to avoid consumer hoopla. Latter view was supported by Philips official in Eindhoven. He pointed out 8mm Video was

shown to selected trade members and journalists in Berlin, said company considered Vidcom display to represent same type of non-consumer audience.

Philips unit plays back in both PAL & SECAM, may have better market chance in France than elsewhere, another point in favor of Vidcom debut. French govt. has imposed hefty 33-1/4% tax plus annual fee on 1/2" VCRs, based on off-air recording capability. Camcorder, in strictly portable version, can't do same, so isn't likely to carry same tax burden, and becomes more competitively priced. However, at Funkausstellung Philips showed companion tuner-timer unit, along with separate combination power supply, charger and RF modulator.

French industry wasn't cordial in welcoming 8mm Video. At ITA seminar held in conjunction with Vidcom, and which also drew sparse audience, Christian Blanckaert of Thomson-Brandt said consumers "would have to be crazy" to buy current version of 8mm Video, recommended they wait for VHS-C Video Movie. Thomson has said it would support Video Movie pending arrival of its own proposed version of 8mm Video with advanced Timeplex recording format compatible with TVs designed for any of world's standards.

Meanwhile, Philips is joining with its V2000 partner Grundig in contemplating production of VHS format for non-European markets, and Japan's Funai, which developed unsuccessful CVC 1/4" format, is gearing up for VHS production. Details are elsewhere in this issue.

NO CLUE TO DECISION IN BETAMAX HEARING: In playback of last Jan., U.S. Supreme Court's rehearing of Betamax home taping case last week drew packed audience but produced little new in legal arguments from attorneys for Sony and Universal. Justices, who aren't expected to dispose of case quickly, sharply questioned attorneys, focusing primarily on effects of home taping on movie industry, whether VCRs are "staple item of commerce" capable of uses beyond copyright infringement, and if there's much difference between photocopying & videotaping. Also last week, Court by default upheld concept of copyright protection for videogame images & sounds.

Case was 2nd heard by High Court on first day new term. Justices had postponed decision in case last summer, sign some took as indication panel was split while others claimed Court merely wanted Congress to act first. But both houses have failed to move legislation that would overturn any Court decision and create exemption for home recordings under Copyright Act and/or require manufacturers to add royalty fees to price of VCRs & tapes.

Court wasted no time in returning to case. Putting issue at top of agenda is taken as sign justices won't duck case. Although court's deliberation undoubtedly will affect legislation — at very least it will delay any action until decision comes out — whichever way it decides, issue of fees will continue to be very much alive in Congress.

Sony attorney Dean Dunlavey argued: (1) VCR is "staple item of commerce" with many uses. Manufacturers shouldn't be held responsible for improper use. (2) Studios aren't suffering significant harm from home taping — in fact, are "handsomely compensated" for TV's use of films. Dunlavey cited record attendance and box office receipts at theaters and big dollar sales to TV. (3) Rules of game for TV are different. Dunlavey likened situation to football game, said if player wants to get on field, he must give up rights to complain of assault & battery. If movie industry wants films on TV, "they are going to have to bend" when it comes to copyright. "Then it's no longer up to the copyright owner to decide whether we are going to have delayed TV viewing."

Dunlavey called time-shifting "ultimate issue" — some Americans get to see programs free on commercial TV while others, who may work night shift, shouldn't be forced to pay for privilege of watching programs on tape delay next morning.

Attorney for Universal, Stephen Kroft, said case boils down to single issue: Unauthorized use of copyrighted material. He blasted Sony's arguments, said they're based on "allowing an individual to use someone else's property for their own benefit." Kroft argued manufacturers sell VCRs knowing full well that customer will use it to infringe on copyright owners rights.

Justice O'Connor asked how photocopying differed from videotaping, pointing question at

Kroft, who responded that copiers were meant for businesses to use in handling paperwork while VCRs were intended to allow owner to tape — in entirety — copyrighted material without providing copyright owner compensation; that's why "we seek damages from the manufacturers who perpetuate the problem" and not from consumers.

Without comment, Court refused to review federal appeals court ruling extending copyright protection to videogames. Appeal had been filed by arcade game distributor Artic International which was challenging still-pending infringement action brought in district court 1981 by Bally-Midway. Bally has exclusive license to Pac-Man from Japan's Taito and Artic had been importing consoles from distributors in Far East. Appeals court finding covered complete games as well as modification kits which can be installed to speed up action or change display.

In interim, Bally successfully filed unfair import competition complaint with International Trade Commission against Artic and other importers, won exclusion order barring further unauthorized imports of Pac-Man arcade games (TVD June 28/82 p12). Bally has infringement actions pending against other companies both in U.S. & Canada. Spokesman said it considers Supreme Court decision very important, even though arcade game market is now depressed, because upcoming group of videodisc games is expected to spark revival. Also still pending is appeal by North American Philips from determination that its Odyssey home videogame K.C. Munchkin was similar enough in graphics and action to Pac-Man to infringe Bally's copyright.

In what could be considered tune up for expected battle that will erupt when movie studios make push for repeal of first sale doctrine of copyright act, EIA-sponsored Audio Recording Rights Coalition and RIAA-backed Coalition To Save America's Music faced off on audio issue at House Judiciary Subcommittee last week. (See report in this issue).

INDUSTRY GROUP FUNDS \$3 MILLION TV PROJECT: Landmark contract which could determine future direction of TV has been awarded to MIT by new privately funded Center for Advanced TV Studies (CATS), formed by 10 U.S. firms in broadcasting, cable TV and related fields with permission of Justice Dept. (TVD Sept 26 p16).

First contract is for basic research into ideal TV format — including how people perceive images, how technology can improve display. Funded at \$3 million, results could serve as definitive basis for new TV transmission system or improvements in existing system, determine what is true "high definition TV" and form basis for how to implement it.

First organizational meeting of CATS was held last week in N.Y., where ABC Best. Operations & Technology Pres. Julius Barnathan was elected chmn., Ampex Exec. Vp Charles Steinberg vice chmn., Harris Best. Div. Vp-Gen. Mgr. Gene Whicker secy.-treas. MIT contract indicates group's work initially will be complementary to industrywide Advanced TV Systems Committee (TVD Sept 12 p6), some of whose members are on CATS board, composed largely of top engineering executives.

Major difference, however, is that CATS marks first time TV industry members have been able to get together and jointly sponsor basic research, albeit under careful antitrust restrictions. Only companies whose "ultimate parent" firms are "domiciled in U.S.," as well as govt. organizations, may join CATS under bylaws, and results of research are available freely to them, may be licensed to non-members.

Industry for some time has urged that U.S. firms be permitted to join for such basic research, which is often sponsored by govts. or by industry with govt. support in other countries, to help restore U.S. leadership in technology. "We're tired of going off to demonstrations and seeing something that was developed in a foreign country," Barnathan told us. "There was a time when government was doing things here, in the military and in NASA, for example, and their advanced research was applicable to the industry. NASA's work made possible communications satellites. There are things which can be done in this country, and we're going to see what we can come up with."

Group won't sponsor development of equipment or products, and Barnathan explained that "we're not in TV sets, but in broadcast technology." Byproduct of CATS is attempt to develop

new generation of TV engineers & scientists. MIT has already established advanced TV research program. As outlined in letter from Antitrust Div. Asst. Attorney General William Baxter permitting organization, this is charge in initial contract:

"MIT will explore how existing TV technology can be changed to improve both its quality & efficiency. A great deal of research will focus on developing data on how the 'standard TV observer' perceives theoretically devised video & audio changes at the display (receiver). Once the optimal display model has been defined, MIT will identify and attempt to analyze the technical & conceptual changes that will be needed in transmission, production, storage, distribution and image generation systems to produce the desired characteristics. Finally, MIT will undertake a cost/benefit economic analysis of its research results."

HOUSE REPLAY ON COPYRIGHT: Controversial audio & video copyright issues came under scrutiny Oct. 6 when House Judiciary Subcommittee held first hearing in months on issue. Hearing focused on record rental question and again found manufacturers, retailers & recording industry deeply divided over issues of repealing Copyright Act's first sale doctrine and royalties. Further hearings already are scheduled for later in month by panel and its sister in Senate, and are being taken as signals Congress will act on issue.

EIA's Audio Recording Rights Coalition told hearing audio record industry's bid to repeal doctrine is simply call for "bailout" and "naked attempt to transfer money from consumers' pockets to their own." AARC noted that doctrine, which permits purchasers of copyright works to rent or sell them without paying extra royalties, is long-standing part of law.

In case of phono records, AARC contended, record rental is not growing business. But songwriters & publishers said that it's their businesses that are being most hurt by competition from record rental. They argued rental stores encourage patrons to make tapes from records, leaving them without royalty income. Spokesman for National Assn. of Recording Merchandisers presented copy of newspaper ad from Detroit Free Press to back claims: "Rent any LP or 45. Take it home. Put it on tape and return it," said "that's unfair competition."

What decisions Subcommittee will make wasn't made clear at hearing. But industry lobbyists appear ready for all-out campaigns for & against legislation panel is considering that would outlaw record rentals without approval of copyright owner & song writers by repealing first sale doctrine (HR-1029 & S-33). Other pending bills would impose tax on purchases of tapes & recording equipment to create copyright royalty (HR-1030 & S-32 already passed in Senate).

Samsung integrated its microwave oven production capability with opening of \$12.6 million, 44,500-sq.-ft. magnetron plant, Korea's first. Samsung, operating under license from Amperex, said it will produce tubes for own use, sell them to other Korean and foreign MW oven producers. Korean manufacturers currently import about \$15 million of magnetrons annually from Japan & U.S.

Zenith Data Systems received \$29.3 million Air Force-Navy contract for 6,000 desktop computers, to be delivered over 2 years for worldwide use.

MSX home computer introduction timetable is being stepped up in Japan as Microsoft is ready to supply manufacturers with MSX-DOS (disc operating system) software. System is compatible with PC-DOS Microsoft designed for IBM computers, and will function with new 3.5" as well as standard 5.25" floppy drives. Sanyo and Matsushita both expect to have MSX computers priced at under \$300 on market in Japan this month, with Yamaha due in Nov. Earlier availability in Japan may indicate advanced schedule for launch in U.S. Most U.S. software suppliers are modifying their programs to run on new format. Japanese settled on MSX standard to avoid brand-to-brand software & peripheral incompatibility problems common here, and are expected to use it as wedge to crack open U.S. home computer market next year.

U.K.'s Acorn claims it already has received \$21 million in advance orders for 12,000 personal computer systems from its network of 300 dealers, says shipments will start by end of this month. Acorn is aiming at educational market, says it has 85% of computer sales to schools in U.K. Computer at \$995 comes with built in basic, word processor, speech synthesizer, 40 & 80 character display. Software will be left to independent developers and 200 titles will be available at launch, Acorn officials said at press meeting in N.Y. last week. In U.K., Acorn has computers assembled by local contractors. Units for U.S. are being assembled by Hong Kong manufacturer having capacity to turn out 10,000 weekly.

Milton Bradley said 3rd quarter net is expected to be less than 50% of \$10.1 million reported in same period last year, though sales should be up modestly from \$110.2 million. That represents significant improvement from first half, when MB posted loss of \$4.32 million. It said both sales & earnings should be up in 4th quarter from \$109.3 million & \$3.71 million, respectively, posted in closing 1982 period. MB said expected decline in earnings for year is due mainly to losses of Vectrex videogame operation... Tandy said Sept. sales of its Radio Shack stores rose 15% to \$154.3 million. Sales of stores more than year old were up 13%.

Color TV imports from Taiwan this year will about double 454,000 total for all of 1982 if current shipment rate is maintained, and one company, AOC, will account for virtually all growth. AOC said it expects to export 400,000 own & private label sets this year.

FUNAI, PHILIPS EYE VHS: CVC 1/4" VCR format officially died as consumer standard last week with announcement by Japanese developer Funai that it planned to start making VHS VCRs for home use, limit production of CVC decks to commercial products only. In Europe, meanwhile, Philips said it's considering VHS VCR production for export to non-European markets.

Funai said it was negotiating with JVC for VHS production licenses. It plans to start production at 10,000 monthly rate this year, double that by mid-1984. Company had modest success with CVC portables, marketing through Technicolor in U.S., Grundig in Europe. One other Japanese manufacturer, Elbex, also supplied CVC portables to Grundig. Elbex dropped system last year, as did Grundig, when Technicolor is out of video hardware business.

Philips said number of VHS VCRs it markets overseas has increased to point where it is considering assembling its own. Philips now buys VHS models from Japan for sale in Australia & New Zealand. Also, as VHS producer, it could become supplier to affiliate North American Philips, which now purchases Magnavox, Philco & Sylvania brand VCRs from Matsushita. Philips stressed it wasn't backing away from commitment to V2000 format VCR it makes & sells in Europe, introduced model with 16-hour recording capability at Berlin show (TVD Sept 5 p12). Last month, Grundig, 25% owned by Philips and also V-2000 producer, said it was considering VHS export production.

* * * *

Funai brand 1/4" CVC format VCR package, which includes power zoom color camera, AC adaptor with RF modulator, at just \$588, heads list of video closeouts in latest catalog from Minneapolis liquidator COMB. Catalog says system has \$995 suggested retail. These presumably represent last of Funai's inventory. COMB was among companies handling CVC VCR liquidation for Technicolor.

Also in catalog: Akai color camera with autofocus, power zoom, plus AC power supply, flood light and VCR adaptor cable, indicated as \$1,473 value, at \$535; JVC discontinued 19" color TV (\$550 list) at \$344, remote 13" (\$520 list) at \$368, 4.5" color radio-cassette combo (\$530 list) at \$298; Unisonic video interphone with b&w camera, 4" CRT display (\$2,500 list) at \$985.

France's Thomson Group plans to restructure subsidiary Thomson-Brandt into independent operating divisions along product lines. Being formed are separate consumer electronics, defense, cable and industrial refrigeration businesses. In future, financial performance of each unit will be indicated, and each will be able to seek capital on its own. Losses from consumer electronics have restricted T-B's ability to attract outside financing.

Solar power has lost 2nd major supporter this year. Following RCA's abandonment of its effort, TI has dropped experimental program that produced electricity from silicon photovoltaics & fuel cells.

BOSS HEADS EIA: EIA elected RCA's William Boss board chmn. at San Francisco meeting last week. Boss replaces Glenn Ronk, General Signal, and is succeeded as vice chmn. by D. Clem Arnold, McDonnell Douglas Electronics.

At Consumer Electronics Group, Jack Doyle, Pioneer Electronics, becomes first representative of audio manufacturer to be elected chmn. He replaces Joseph LaGore, Sony. Frank Lann, North American Philips Consumer Electronics, succeeds LaGore as Video Div. chmn., and Doyle as CEG vice chmn. James Twerdahl, JBL, succeeds Doyle as Audio Div. chmn. Replacing Twerdahl as Car Audio Subdivision chmn. is Don Palmquist, Yamaha. Names of other new group & division officers weren't available at press time.

EIA's Distinguished Service Award was presented to Zenith Chmn. Walter Fisher. A. J. Carbone, IBM, received Engineering Award, Raytheon's John Downing won Mktg. Services Award. Distributor Products Div. announced creation of Max Orr Award, to be presented for contribution to electronics distribution industry, and named in honor of late Ohmite chmn.

On staff level, Components Group Vp Herbert Rowe and Govt. Div. Vp Jean Caffiaux were named senior vps. Appointed vp was Engineering Dir. Jack Kinn.

Japan-U.S. agreement to eliminate duty on imports of semiconductors (TVD Oct 3 p15) is understood to be part of broader pact aimed at eliminating IC trade friction. Expected to be announced soon is start of liberalization program by Japan which will expand distribution channels for imports, have U.S. firms listed as qualified suppliers of components for products purchased by govt., provide incentives for manufacturers there who use imported ICs. Japan also will urge its manufacturers to avoid export "targeting," practice of concentrating on very selected areas. U.S. companies have complained that Japanese targeting on 64K RAM market here has made fair competition impossible. In return, U.S. is expected to remove Administration support for legislation to expand definition of what constitutes unfair import trade practice, make enforcement of dumping & countervailing duty laws more rigid.

While bankruptcy threatens many computer & videogame companies, firm that went down in industry's last financial bath is coming up again. Bowmar, leader in booming handheld calculator market of early 1970s, said it has completed schedule of payments to creditors under Chapter 11 reorganization plan approved in 1977. Bowmar filed for protection from creditors in 1975 as result of price collapse in calculator market.

Apple cut 270 from production workforce of main manufacturing center in Carrollton, Tex. Company said it will trim 40% of workers during Oct., reducing staff to about 400. It blamed layoffs on flat sales of Apple IIe computer, decision to end in-house production of disc drives.

CED'S U.K. LAUNCH: RCA delivers first CED players & discs to 1,000 U.K. dealers next week, still aims to sell 100,000 machines and at least million discs by end of next year. "We should do substantially better" than 10 [discs] per machine," according to Videodiscs Div. Managing Dir. Steve Bernard, who also has same title with RCA/Columbia.

In U.S., meanwhile, RCA announced that Gandhi was 1,000th CED disc title — counting both CBS & RCA discs — reaching that plateau 3 months ahead of prediction, and forecast that 1,200 would be available by year's end. RCA said it has shipped more than 6.5 million disc albums under own label, excluding those custom-pressed for others.

Last week in N.Y., RCA demonstrated its random-access interactive player to video program executives, and most questions from floor centered on applicability to computer interface. RCA talked more freely than formerly about use with computer, noting that player had unlabeled jack for that use and that some 27 of 77 information bits in vertical interval of discs were reserved for future uses — among which could be computer interaction.

In U.K. sales, only dealers who take hardware will get software, with participants in "Showcase" plan committed to 150 discs spread among 100 opening titles. In return, they get floor planning, co-op, better terms than other outlets, which still must take total of at least 100 copies of first 75 releases. Bernard told us RCA has replicated 350,000 discs for U.K. launch, about 1/3 stereo. Catalog should grow to 250-300 entries in next year, 12-15 to be added each month.

Bernard said he expects entry of Toshiba & Sanyo PAL players in U.K. next year; Hitachi is currently only player supplier. Whole effort is being supported by \$3 million ad campaign, claimed to be biggest ever for U.K. consumer electronics launch. Bernard was responsible for successful Atari startup there, said "I don't see why we shouldn't repeat that story."

In Japan, Pioneer introduced new slot-load LV videodisc player about 25% smaller and at \$825 about \$125 cheaper than introductory model. Philips also plans slot-load model for U.S. marketing when NAP companies switch from Pioneer as supplier.

Hitachi settled civil suit brought by IBM over theft of its computer secrets. Earlier this year, Hitachi entered guilty plea in criminal case. Under agreement terms, Hitachi will return any stolen material in its possession to IBM, pay IBM's legal expenses. In addition, firms will discuss any future disputes, use binding arbitration to resolve them when necessary. Related IBM civil actions against National Semiconductor and small Cal. consulting firm still pend, as does federal criminal suit against Mitsubishi.

Coleco acquired exclusive home videogame & computer theme rights to film War Games from MGM/UA Home Entertainment. License covers phone or electronic program delivery as well as retail sale. Coleco said it will have Colecovision game version available this year, introduce program for Adam computer in 1984.

COURT VETOES COMPACT: Without comment, U.S. Supreme Court last week declined to hear labor-industry group COMPACT's challenge to legality of 1980 negotiated \$76 million settlement of Japan TV dumping case. Lower courts had consistently held Commerce Dept. had authority to reach settlement on dumping duties and related penalties owed by importers on shipments prior to March 30, 1979.

While that part of dumping issue is now apparently resolved, case is far from closed. Zenith suit, questioning method used by Commerce's International Trade Administration to calculate penalty duties on Japanese imports after April 1, 1979, is still pending in Court of International Trade. Also, COMPACT & Zenith will be fighting ITA recommendation that, because dumping has seemingly stopped, finding be revoked as it applies to imports from most major Japanese manufacturers.

This week, ITA is expected to release preliminary finding on whether color sets from Taiwan & Korea are being sold here at less than fair value. Positive determination would mean importers would have to post cash or bonds on future imports to cover possible dumping duties. At same time, ITA is expected to rule on COMPACT's allegation of critical circumstances. It charged importers knew, or should have known, sets were being dumped here. Upholding of that claim by ITA would leave importers liable for retroactive dumping duties on shipments that entered as far back as July 14.

Hitachi has entered U.S. commercial optical videodisc player market, is understood to be supplying Bally, scheduled to produce NFL videodisc arcade game developed by Advanced Video and Perceptronics, to be distributed by Silco. Bally will use 5,000 players originally ordered for another game to fill opening shipment, plans to start delivering in Dec. Royalties to NFL could top \$1 million with 20,000 units in place... North American Philips is about to introduce LV player with so-called "jump function" that can skip 250 frames, speeding up game action. Player supposedly will sell for \$1,500, has been designed as computer peripheral with no buttons other than on-off switch... Williams Electronics says in letter to holders that it will be introducing disc-based arcade videogame this month, but warns its too soon to tell if new technology will lead to real arcade industry revival... RDI Video Systems has scrubbed plans to introduce home videodisc player-game combination because of shaky videogame market conditions, according to Mktg. Dir. Richard Layman. RDI, which helped create arcade disc game hit Dragon's Lair, had planned home combo at \$500-\$600 (TVD Sept 19 p18).

Inflight use of portable computers by passengers on commercial airlines is being studied by Radio Technical Commission for Aeronautics. Several airlines have banned computer operation over concern RF radiation they emit could interfere with planes instruments. RTCA panel is expected to come up with recommendations on ways computer makers can control potential problem.

COLECO SUED BY HOLDERS: Trio of class-action suits against Coleco in Hartford, Conn. federal court charge company officials withheld adverse information on Adam computer while selling some of their own holdings at high market prices.

All are similar to first one, filed by Deane Rudofker of Merion, Pa., and asking court to award unspecified damages to holders who purchased Coleco shares May 27-Sept. 29. Timing covers period when Coleco released first details of Adam in preparation for official unveiling at Consumer Electronics Show in Chicago. Coleco shares had been selling at year's high of about \$45 just before Show opened, June 5. Following week saw price shoot up to about \$65, before easing back to mid-\$50s.

Since then, however, Coleco has been subject of numerous articles challenging credibility of statements made about Adam and quality of system. It disclosed it had problem debugging built-in word processing software, delayed introduction of system by about month to mid-Oct., has informally indicated it may ship only 400,000 Adams this year, down from targeted 500,000. Result has been sharp decline in price of shares, which last week were selling in low \$30s.

Rudofker suit claims management knew, or should have known, in early June that Adam had problems, failed to disclose facts to public. It says disclosure omission and issuance of allegedly misleading information helped Coleco maintain artificially high price for its stock. It claims that in June 7-22 period, 5 officers sold 158,000 shares at \$52.75-\$60.13 per share. Figures indicate value of sales was in excess of \$8.5 million for shares worth about \$5.1 million at current prices. Named as defendants in suit were Chmn. Leonard Greenberg, Pres. Arnold Greenberg, Exec. Vps Brian Clarke & Morton Handel.

Coleco officials termed suit "nonsense." Company officers have been buying Coleco shares, have acquired 716,000 since June, it was stated.

Meanwhile, San Francisco federal court dismissed fraud suit brought last month by shareholders against bankrupt Osborne Computer. Action alleging company officers issued misleading statements and withheld information on Osborne's financial condition was dismissed without prejudice, so reinstitution is possible. Also, Pres. Robert Jaunich denied allegation included in filing that he demanded extra compensation after discovering Osborne was having problems (TVD Sept 26 p15).

Doubled duty on European imports of CD digital audio discs & players will be considered at EC ministers meeting this week. Move to hike tariff from 9.5% standard on phono products to 19% for high-tech audio is supported by Philips and other European disc & player makers which say they need temporary trade barrier to keep market from being dominated by imports from Japan. Germany & Denmark oppose increase. Under international trade agreements, EC would have to make offsetting duty reductions on some other products as compensation to countries that might lose sales as result of increase.

INDIA'S COLOR CLOUT: India is moving swiftly to build up its recently launched color TV manufacturing industry. While Korea has ground floor position as equipment & technology supplier because its manufacturers won biggest color TV set & kit supply contracts India issued last year to have sets available for Asian Games, Japanese & Europeans are getting piece of action as well.

Last summer, Korea's sole glass producer, Samsung-Corning, agreed to supply color tube parts and manufacturing knowhow for \$2 million plant being built with 200,000 tube annual capacity by India's Teletube Electronics (TVD July 18 p13). Now in works is deal for even larger plant involving Hitachi, state-owned Punjab Display Devices and private investment.

PDD is negotiating, through Hitachi, for \$40 million purchase of idle color tube plant Hitachi built in Finland in 1977 as 20% partner with Salora and govt. in \$52 million venture. Plant had startup capacity for 300,000 tubes annually, was designed for expansion to 4 million, but never produced more than 200,000 per year. It was shut down in 1980 after having accumulated operating losses of \$130 million. Plant has been disassembled and is now packed up ready for shipment to PDD, pending Indian govt. approval.

Grundig has given semiconductor maker Continental Device technology and license for production of 100,000 color sets annually, along with right to transfer knowhow to other Indian set manufacturers. Also included is technology for VCR, audio and office automation equipment production. Deal is understood to be royalty-free, but to call for licensees to buy components from Grundig.

Remington Rand of India is shopping in Japan, Korea & Europe for partner in venture that would turn out million picture tubes per year. Computers also are getting attention. Apple of U.S. and U.K.'s Sinclair are planning to ship knocked-down personal computer kits to assemblers in India, while Remington has agreed to acquire electronic typewriter technology from Remington of Brazil.

Fight against grey market imports received setback when federal appeals court in N.Y. overturned preliminary district court order enjoining unauthorized imports of Mamiya cameras. Action brought by Bell & Howell-Mamiya was against company that had been buying cameras from Hong Kong distributor. B&H-M has since been taken over by trading company, Osawa, which also is major Mamiya shareholder. In vacating injunction, appeals court said consumers aren't likely to be misled by unauthorized imports and B&H-M hadn't shown it was being irreparably injured. Spokesman for complainant said it would continue to press trademark infringement suit.

Membership rule change by Computer & Business Equipment Mfrs. Assn. for first time opens ranks to non-hardware producers. CBEMA said it now will accept software developers and companies offering telecommunications services.

MATSUSHITA'S CANADIAN HOME: Canadian market is small and it's tough to make a profit there — as evidenced by pullout over years of such consumer electronics marketing giants as GE, GTE, Sylvania and Philips and winding down of all domestically owned producers. But money can be made, particularly when there's some help from friends south of border, as Matsushita's subsidiaries are proving.

Matsushita has divided its Toronto-based Canadian units into marketing & manufacturing arms as it did with subsidiaries in U.S. Matsushita Industrial Canada, which has about 250 of firm's 650 employees, has been assembling color TVs there since 1972, has been profitable since 1976, according to Pres. Neil Nagano. Today, it lays claim to being Canada's 2nd largest color manufacturer, behind only RCA, with daily production of 500-600 25" consoles and 600-700 19" table models. MIC, of course, holds that ranking somewhat by default, as aside from RCA, all other production there is for Japanese brands. Some 19" and all 13" are imported.

Nagano says MIC turned out 120,000 color sets last year, against estimate of 200,000 for RCA, 90,000 for Hitachi, 50,000 for Sanyo and 35,000 for Electrohome. Since start of year, Electrohome has been producing TVs on contract basis for Mitsubishi, which acquired Electrohome brand rights and distribution. Canadian market has been hanging in 800,000-850,000 color set range for last several years, but this year it should hit million for first time since 1974. As result, MIC is aiming at 1983 production of about 150,000, topping 125,000 record of 1981.

MIC is getting some help from its relatives. This year, its marketing sister Matsushita Electric Canada added responsibility for Quasar line and MIC started making some Quasar, in addition to Panasonic brand sets. Additionally, it supplies Panasonic in U.S. with 25" consoles at 6,000-7,000 monthly rate, and that accounts for about half its total TV output.

MEC also is profit-maker, according to Pres. Lew Shoskes, though 1981 earnings peak of \$11 million (Canadian) on \$200 million sales wasn't matched last year, and isn't likely to be this year. "Profits dropped dramatically because of competition in audio, and the market is down almost 46%," he said.

MEC has market approach that in many ways is markedly different from that of Panasonic in U.S. Nearly 60% of MEC's business is represented by TV, while small audio products, Panasonic's traditional U.S. backbone, are only in limited distribution in Canada. Reason, Shoskes said, is that when starting up nearly 20 years ago, he felt "our major responsibility was to build Panasonic's brand image" and he didn't think emphasis on small products was way to start. Today, he said, Panasonic ranks in 3rd to 5th place in Canada's color market, first or 2nd in VCRs, first in microwave ovens, and its Technics line first in hi fi.

While Japanese parent considered it to be blow when RCA shifted from Matsushita to Hitachi for its VCRs this year, switch has been something of boon for MEC. RCA is video leader in Canada, as it is in

U.S., and several large dealers wouldn't handle Panasonic's RCA look-alike VCRs. "Now, they're coming to us because we have something different," Shoskes said.

Being profitable in Canada means constant battles over problems that don't exist in U.S. "Companies that conclude the market here is different from the U.S. will be successful in Canada. Those that think it's just another [U.S.] state won't be successful," Shoskes said. Physical distribution is big headache. There are a several major markets, then vast areas with little population. There are only a half-dozen major accounts, and they drive hard bargains. That has, in past, held down MEC's growth. "If we can't make a little money [on a sale], I don't want it," he said, noting that it took 3-4 years for company to get Eaton store chain as customer.

There also is merchandise question. "We can't just follow Panasonic's [U.S.] lead," as MEC isn't big enough to handle full product line. So offerings have to be selected with much greater care. Then there's pricing problem. "While the cost of doing business in Canada and the U.S. is the same we have lower volume, higher distribution costs and a 25% foreign exchange differential." The result is that a Panasonic product will generally list in Canada for 163% of what it sells for in U.S. This often draws complaints from Canadians who see U.S. pricing in newspapers and on TV ads from states.

Canada's size and scattered population creates ad & promotional problems as well, particularly for MEC's limited budget. Shoskes' way around that is heavy involvement in giveaways and tie-in promotions. Much of it is centered on sports events, with MEC sponsoring entrants or backing such things as "Panasonic Innings" at major league baseball games in Canada. These, he points out, gets MEC widespread exposure at minimum cost, helps create image of deep Canadian involvement.

Credit watch has been placed on RCA by Standard & Poor's as alert to possible debt rating change. S&P said change could go either way, depending on how RCA uses funds it gets from agreement to sell subsidiary CIT Financial to Manufacturers Hanover (TVD Oct 3 p14). It said implications would be good if RCA uses proceeds to trim existing debt, but said they may be invested in electronics operations which have not produced high earnings. S&P also boosted by notch its rating on new Avnet \$100 million convertible debenture issue. S&P noted Avnet has cut debt to low level and maintained profitability despite recession, said new capital should give company strength it needed for "expected double-digit sales growth over the next few years."

Digital TV chassis using ITT chips will be adopted by Matsushita, Sanyo, Sony and Toshiba, according to Japan Economic Journal. The 4 manufacturers will buy 500,000 chip sets next year, JEJ said. ITT said last month it plans to make 2 million sets in 1984 (TVD Sept 12 p13). Other users include GE and Zenith in U.S., ITT, Blaupunkt, Grundig and perhaps Siemens in Europe.

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Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
National Semiconductor			
1983-16 wk. to Sept. 18	432,523,000	10,904,000	.41
1982-16 wk. to Sept. 19	350,381,000	64,000	--
Sega Enterprises			
1983-year to June 30	136,300,000	(10,500,000)	--
1982-year to June 30	214,300,000	15,100,000	2.13
1983-qtr. to June 30	46,500,000	(6,000,000)	--
1982-qtr. to June 30	72,000,000	6,800,000	.97
Tocom			
1983-year to June 30	27,155,000	(8,490,000)	--
1982-year to June 30	15,010,000	(7,443,000)	--

rejoins Motorola's European Semiconductor Div. as asst. gen. mgr... Guy Dumas, ex-Fairchild European semiconductor operations gen. mgr., appointed Matra Harris Semiconductor chmn... Charles Krakauer returns to Bowmar as pres., succeeding William Crilly, resigned... Joseph Giarraputo, former Venture magazine publisher, named exec. vp-COO at Viare Publishing (Video Review, Electronic Fun).

Obituary

Max Orr, 65, chmn. of Alliance Mfg. and former pres. of Ohmite Mfg., both subsidiaries of North American Philips, died Sept. 29 at Altman Hospital in Canton, O. of complications following surgery. Wife, 2 daughters, 2 stepchildren survive.

Taiwan is broadening high-tech involvement sights to include electro-optics industry, has created \$20-million, 4-year development fund. Object is to get technology infusion by attracting manufacturing investments from foreign companies. Targeted product areas include solid-state lasers & sensors, photo-couplers, LCDs, various electro-optic parts & components. Overseas tour group, consisting of representatives of Taiwan companies with related interests, is being formed to visit likely investment prospects.

Mura is moving to new 60,000-sq.-ft. hq at 385 W. John St., Hicksville, N.Y. 11801. Former 22,000-sq.-ft. hq in nearby Westbury will continue to house OEM Components Div., service & repair operations. Company said it expects sales of \$80 million this year, against \$5 million 5 years ago, estimates it's one of 3 biggest independent telephone marketers in U.S., plans expansion into home security and computer accessory products.

Grundig and Telefunken are expected to appeal German Cartel Office finding that they are engaged in illegal retail price fixing and order that their distribution systems and policies be changed. GCO said products of those 2 consumer electronics producers are sold at uniform prices throughout Germany and that companies threaten to stop shipping to retailers which offer discounts or rebates.

Consumer Electronics Personals

Nick Knoll, one-time Magnavox, resigns as Commodore mktg. dir. to join GE Mobile Communications as cellular radio distribution mktg. dir... Mark Gurvey, former Pioneer Video St. Louis region mgr., named mgr. of Dallas zone, which now has responsibility for territories formerly handled by St. Louis & Atlanta offices; William Caire, ex-Atlanta region mgr., has left company. PV has other zones based in Chicago, N.J., L.A. & S.F... Paul Davis advanced at Dynascan's Cobra Communications Products Group to vp-gen. mgr. of new Sales Div.; Dennis Burke named vp-gen. mgr. of new Product Div., responsible for mktg. development, quality control & service... Robert Paterson leaves post of asst. gen. mgr. of Panasonic's Auto Products Div.

Gerald Kuckler appointed Coleco technical services vp... Tom Buehl, ex-Radio Shack product engineering dir., joins Discwasher as product development dir... Erik Rohmann, pres. of Denmark phono cartridge manufacturer Ortofon, adds same title with new U.S. marketing subsidiary; Herbert Horowitz, ex-Cerwin Vega, joins as exec. vp; Kevin Byrne, ex-Elite Sound, named sales vp.

Donald Helgesen promoted at CBS/Fox Video from duplication operations dir. to corporate operations dir; John Bowerbank, CBS/Fox Video Canada gen. mgr., named vp... James Ward appointed Sound Video Unlimited corporate affairs vp, new post... Steven Jaimus named CIC Video Japan & Far East operations chief... Jane Smith, Ex MPAA, joins Multimedia Mgmt., U.K. home video consultants.

Jean-Luc Grand-Clement, ex-Eurotechnique,

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

TURNER BUYS SNC FOR \$25 MILLION, will shut it down. ABC Video Enterprises and Westinghouse Bestg. & Cable to get \$12.5 million each. (P. 1)

PAY TV SEEN TAKING BACK SEAT to home video in long-range planning by studios as profit opportunities in cable & STV shrink. (P. 3)

CABLE INDUSTRY UPSET with proposed amendment to telephone bill which would equalize regulation of data transmission services. (P. 4)

ROCKY START FOR DBS STANDARDS as many in FCC advisory group express reluctance to set any technical standards. (P. 4)

GAO REPORT ON NPR being readied for House hearings has no major surprises. Questionable expense vouchers chief target, but mismanagement considered real problem. (P. 5)

CABLE VIDEO & VIDEOTEX BOX under development by Cox & Jerrold for residential cable subscribers. Retooled Communicom converter box is key to offering impulse pay-per-view. (P. 5)

TELCO SUBMITS CABLE BID: Pacific Telephone proposes cabling Cal. area, leasing channels to city which would select programming. NCTA issues strong objection. (P. 6)

TURNER BUYS SNC FOR \$25 MILLION, WILL SHUT IT DOWN: Deciding to cut their losses, ABC Video Enterprises (AVE) & Westinghouse Bestg. & Cable (WBC) have thrown in towel in cable's all-news fight by agreeing last week to sell Satellite News Channel to Ted Turner's Cable News Network for \$25 million in cash, \$12.5 million to each co-owner. When deal closes Oct. 27, 15-month-old SNC will go dark and its 7.5 million subscribers will be switched to CNN or CNN Headline, Turner's short-form cable news service. SNC piled up losses this year of \$20-\$30 million, about \$40 million to date, due to shortfall in advertising revenue, which were only quarter of what parents had projected.

Sale doesn't include SNC's studios & uplink facilities in Stamford, Conn., said TBS Dir. of Corporate Communications Arthur Sando, or transponders which were provided free by Group W Satellite Communications (GWSC). For \$25 million, Turner gets "basically the [SNC] subscribers" and end of nagging competition, Sando said. "We're paying for the right to serve their subscribers" at rate of about \$3.34 per subscriber. Sando said CNN has no immediate

Consumer Electronics

COLOR & VCR SALES records shattered in all-time high week, month, quarter, says EIA. (P. 11)

ITA FINDS DUMPING of color TVs from Korea & Taiwan, but average margins for major exporters are too low to have market impact. (P. 12)

JAPAN ELECTRONICS SHOW stars Video Movie, digital TV, CCD cameras, solid-state Laservision, first push for MSX standard computers. (P. 13)

ZENITH PLANS 27" square-cornered color tube next year, countering industry trend to 26". (P. 14)

VCR IMPORTS HIT RECORD in Aug., topped 500,000. Color shipments level, b&w down. (P. 14)

U.S. TV EXPORTS dropped sharply in 2nd quarter, half. Average pricing rose. (P. 15)

ATARI RESHUFFLES exec ranks again, may scrub step-up computers. Coleco sets Adam launch. (P. 16)

GE'S CELLULAR MARKET VIEW is cautious as it prepares cellular radio launch. AT&T opens first service in Chicago area. (P. 18)

TAIWAN TV MAKERS agree on standardized color TV chassis design, expect adoption to reduce per-set component costs by 15-20%. (P. 18)

plans to hire any of about 400 SNC employees put out of work because CNN doesn't anticipate enlarging staff or opening additional bureaus.

Turner spokesman estimated CNN's universe would grow by 1.5 million to just over 23 million, CNN Headline's would about double to 10 million. Dramatic rise in CNN Headline universe is because many operators now offer both CNN & SNC, so they would be offered CNN Headline.

Parties wouldn't give any details about talks leading up to agreement because deal conceivably could fall through if Justice Dept. objects on grounds it's anticompetitive. Sando wouldn't say if Turner ever met face-to-face with his counterparts. DoJ spokesman said Justice antitrust lawyers are gathering information on acquisition. "We will take a look at it," spokesman said. "That doesn't mean we will find any problems."

Rumors of sale or merger had circulated widely recently (TVD Oct 3 p8), began when attorneys for CNN & SNC discussed that option as way to settle lawsuits cable news channels had filed against each other. Turner antitrust suit against SNC & Group W alleged they conspired to keep CNN off Group W cable systems, specifically in Manhattan (TVD March 7 p4). SNC struck back with countersuit alleging harassment by CNN (TVD May 2 p6). CNN & SNC will drop their suits pending in Atlanta federal district court. AVE & WBC also pledged not to launch similar cable service for 3 years.

WBC Chmn. Daniel Ritchie said he was disappointed but that he's "extremely proud of the high quality news product created by the efforts of our employees and our regional [ABC affiliate] associates." AVE Pres. Herbert Granath said: "SNC was a quality service staffed by quality people, but it became clear the marketplace could not support two similar services." "I am pleased we have been able to reach this agreement," said Turner Bestg. System Chmn. Ted Turner. "The cable industry and the viewing public will benefit from the settling of differences between the parties involved in this dispute. We welcome the opportunity to serve the SNC subscribers." Daniels & Assoc. Chmn. Bill Daniels acted as middleman in bringing deal to fruition.

Mounting losses at SNC prompted sale as co-parents became increasingly restive at flow of red ink. E.F. Hutton financial analysis of AVE fueled fire when it said SNC was "most serious drain" on ABC revenues, placed AVE's 2nd-quarter loss at \$14 million, \$25.7 million for 6 months (TVD Aug 8 p4). Hutton report correctly predicted it was "unlikely" SNC would have reasonable return on investment in near future, urged ABC to "reconsider its commitment to duplicative cable programming." SNC, Hutton said, "should be considered a suitable candidate for the cable programming shakeout now under way." "When E.F. Hutton speaks, ABC listens," executive laughed.

Decision to sell may have been made at board meetings of Group W Cable and Westinghouse 2 weeks ago (TVD Oct 3 p8). We were told that besides SNC, board considered truncating Group W's involvement with Nashville Network and Sports Network. Troubles with Sports Network, which has signed only 2 markets (Pacific Northwest, Washington-Baltimore), prompted GWSC Pres. Jonathan Hayes to resign last week. Exec. Vp Harlan Rosenzweig is acting GWSC pres.

N.Y. analysts said Turner may be able to recover quickly his \$25 million in higher ad rates. "Basically it's a really positive move. [Turner] will be able to get the SNC shelf space and be able to move into some very big subscriber numbers," one said. CNN's ad rates "probably will go through the roof."

All 3 networks now have taken baths in unpredictable cable environment. CBS's highbrow channel folded in 6 months, lost \$30 million; RCA lost more than \$20 million in Entertainment Channel.

Demise marks end of AVE consolidation, Granath claims, although Cable Health Network-Daytime merger and ARTS-Entertainment Channel deal still aren't sealed. AVE still has option until late 1984 to buy 49% of ESPN — "that's a possibility" — and Jan. startup of Telefirst Entertainment Recording Service in Chicago, plus increasing interest in DBS and overseas markets. Telefirst test will last 9-12 months, and "if it flops in Chicago, we won't go forward," Granath told us.

SNC departure leaves "substantial excess space" in Stamford, said Ritchie. He said Group W Cable is possibility, along with Hearst/ABC-Viacom Lifetime venture. "I'm sure we'll be talking to them among others." Ritchie claims that SNC decision was "entirely my initiative," said he believes he has full confidence of Westinghouse management. "The current losses are considerably greater than we had expected," he sums up. "I continue to be positive about cable. I'm sorry we had to embarrass us all by having to close SNC."

* * * * *

Turner Bestg. is buying transponder on Galaxy 1 satellite from Group W Satellite Communications "at their cost," Turner spokesman said. Spokesman wouldn't say what Turner will use transponder for except to say it won't be used for transmitting CNN or CNN Headline to former Satellite News Channel affiliates. Buy is "incidental" to acquisition of SNC, spokesman said.

PAY TV LOSING LUSTER? Pay TV is losing some of its luster to Paramount and MCA, 2 of studios most active in trying to enter business over last several years. Belief that pay has peaked and will lose ground to recorded cassettes is born partly of realities now facing cable, partly of frustration with inability to get Justice Dept. approval for any of merger plans since Premiere announcement in 1980.

MCA Home Video Pres. Gene Giaquinto told us pay "will no longer be our prime customer in 1984," because of sharp decline in STV opportunities, end of Spotlight and anticipated shrinking of Movie Channel. Even HBO isn't expanding as expected, he claims, adding: "Home video may be our salvation."

Cassette & disc revenue growth will exceed pay's this year, Giaquinto said, predicting difference will be "astronomical" when 1984 is compared with 1983. He reserved strongest comments for DoJ's position against MCA-Paramount-Warner acquisition of Showtime & Movie Channel: "Where are the competitive forces that are supposed to emerge? You can't blame us for anything that's happened out there."

Mood is heightened at MCA and Paramount because same executives handle pay and home video deals, can't avoid making comparisons, unlike other majors which keep the 2 activities separate — in case of Fox and Columbia by assigning cassette & disc to joint ventures. Usual complaints about HBO's hard bargaining now get added emphasis with arrival of Tri-Star Pictures, now signing producers to lucrative multi-picture deals. Pay-TV sale cushions cost, but "we don't have anything to hedge our bets," Giaquinto complains. Resentment, however, doesn't mean MCA "is trying to hold anything back," he said. "We're still in the marketplace."

Same is true of Paramount — maybe. There's speculation that studio may be counting on massive revenues from cassette release of Raiders of the Lost Ark to bypass HBO, license title directly to highest bidder among broadcast networks which would be asked to pay premium for title brand new to TV. Comments from Paramount executives Mel Harris & Robert Klingensmith have fueled speculation. Although studio has pay rights to Raiders, it's in no rush to clear release — normally, 6-9 months after cassette debut — with movie's principals. "We're taking one market at a time," said Klingensmith. Market stands good chance of outstripping HBO and Showtime/Movie Channel in their estimate.

Number of VCR households "is going to go by the pay-TV population by the end of the decade," Harris maintains, thinks pay services "are going to get into trouble — they'll be against the wall" when VCR homes reach 30-million mark.

Phones were ringing off hook at KHJ(AM) & KRTH(FM) L.A. Oct. 13 after they broadcast news stories about mock earthquake. Thirty-one min. broadcast reported quake registering more than 8.0 on Richter scale killed 10,000 and injured 55,000. Station officials ran 27 disclaimers during broadcast, which was aimed at scaring people into preparing for earthquake. Station officials said they were deluged by callers wanting more information, but few believed broadcast was real.

Three missing children have been located as result of NBC docudrama "Adam" which aired last week. Two were children taken from mothers' homes by fathers following divorces. Child Find, N.Y. group which assists in locating missing children, said it has received about 3,000 phone calls since program aired.

Tocom has received \$2.6 million order for 55 PLUS baseband addressable converters from TCA Cable, Tyler, Tex. for 3 new builds.

CABLE INDUSTRY UP IN ARMS: Cable industry is feeling threatened by amendment that Rep. Dingell (D-Mich.), chmn. of House Energy & Commerce Committee, may offer Oct. 18 as panel begins marking up telephone legislation. Proposal would equalize regulation of telcos and cable TV in provision of data transmission services. It comes at time Telecom Subcommittee is making clear that separate cable bill is being deep-sixed until phone & broadcast measures are done.

Industry sees Dingell proposal as bound to prompt repeat of battle it had with phone companies over common carrier language in cable bill (S-66, which has passed Senate). "It poses serious problems for us," one cable industry source said. "It's so broad, the only thing that's not specifically included is video service."

Dingell amendment would add new section to Communications Act: "To carry out the purposes of the Universal Telephone Service Preservation Act, any state shall have jurisdiction over any person who for commercial purposes provides or makes available in such state, for others or for its own use, (a) facilities, services or related functions comparable to exchange service or exchange access to the same extent such state had jurisdiction over any such exchange carrier which provides or makes available such service or functions. (b) interexchange service except that a state may not prohibit any person from providing or making available any such service if such person complies with the rates, terms and conditions established by the state with respect for such service." Amendment would, in effect, give state regulators jurisdiction over all forms of telecommunications except video and radio entertainment transmissions.

Regulatory framework amendment proposes is abhorrent to cable industry, which already must answer to cities for franchising. It's particularly frightening because enhanced services, specifically unregulated data transmission, is viewed as cable's future cash cow.

"We are opposed to it," said NCTA Exec. Vp James Mooney. "We don't think there is any justification for subjecting cable enhanced services to regulation by state public utility commissions, including the ability to deny entry." Said Community Antenna TV Assn. Exec. Dir. Stephen Effros: "The PUCs wouldn't regulate us; they would lock the gates and say [data transmission] is a monopoly the telephone companies will enjoy forever."

Cable operators and local phone companies have fought skirmishes over data transmission in several cities this year, including Albuquerque, Portland, Ore. and N.Y. but most noticeably in Omaha. In Omaha, Cox is offering 2 data transmission services which state PUC, at behest of Mountain Bell, is attempting to regulate as common carrier. Cox is suing in federal district court and has petitioned FCC to rule that it has asserted preemption over such services.

But steam is building up for passage of proposal, which may serve as compromise to bring on board reluctant members of House panel. What makes Dingell amendment even more unpalatable to cable

industry is that it could represent industry's last chance to protect its legislative interests this year. It's becoming increasingly clear that House version of cable deregulation bill already through Senate (HR-4103) has been put on back burner. Hill sources said bill won't be coming up in Telecom Subcommittee until phone and broadcast bills are finished — which means cable legislation may be on ice until next term.

ROCKY DBS STANDARDS START: Marketability of DBS may depend on industry's ability to reach consensus on technical standards for fledgling industry, but group charged with finding that middle ground got off to rocky start last week. FCC Industry Advisory Committee on DBS Standards met and discovered that 1/3 of those present felt Commission shouldn't set any technical standards at all.

Committee, headed by former commissioner Steven Sharp, set up working groups to move towards agreement on DBS transmission, receiver and encryption standards. Sharp said mandate for committee didn't specify what form recommendation should take or even whether certain standards were advisable, just made it clear: "We have very little time; whatever we decide has to be determined in the next few months."

Mandate runs out by next June, when group will report to Commission. "The best we can hope for may be some kind of parameters within which to operate," one participant said. But time is even shorter, as far as others are concerned. STC Dir. of Spectrum Management Edward Reinhart told us STC had already invested millions in its early-entry system and had only "matter of weeks" to make certain technical determinations.

Safe bet is that those involved in early-entry systems will be working hard to assure that either their standard is chosen or that no standard excludes theirs. Despite general unease expressed by participants on direction of committee, little discussion took place on issues such as how to coordinate with groups like NAB's Advanced TV Standards Committee or new DBS Assn. (which is holding organizational meeting Oct. 25 at Four Seasons Hotel in Washington). Although couple of participants said after meeting they wanted to explore ways in which group could coordinate with Europeans to reach joint standard, that subject didn't come up in open meeting.

Group W Cable has petitioned FCC to reconsider its 2-degree spacing decision because "proven antenna technology is not yet available that would permit continued use of small receive-only earth stations, such as the 4.5-m antennas predominantly used in the cable television industry." Group W supports goal of increasing satellite transponder supply, but requests that reduced spacing be implemented more slowly and only after "small and economical antennas are available that provide adequate signal quality." Wold also called for reconsideration, saying that reassignment of Western Union's Westar V satellite would be "unnecessarily disruptive" of WU's customers.

NO SURPRISES IN GAO'S NPR REPORT: Auditors at General Accounting Office, watchdog agency for Congress, are nearing end of investigation of NPR without turning up "any major surprises," well placed sources said. Although investigation has uncovered instances of alleged credit card and expense voucher abuse, questionable travel expenses and apparent mismanagement at highest levels, only new questionable expense appears to be NPR agreement to place attorney-husband of Jane Couch, vp for development, on about \$10,000 legal retainer, sources said.

Investigation isn't finished, won't be ready in interim form until end of Oct. when Rep. Dingell (D-Mich.), who chairs House Oversight & Investigations Subcommittee and requested inquiry, had planned to hold 2-day hearing. Scheduling problems apparently will push hearing to Nov., sources said. But top Hill aides were briefed by GAO on status of investigation Oct. 7 and are preparing for hearing, which apparently will focus on results of GAO investigation and questions of who's at fault for NPR's financial troubles, what actions should be taken and by whom — Congress or CPB — and if there's future for NPR, sources said.

GAO has whittled down undocumented personal expenditures from \$80,000 figure quoted at outset of investigation to about \$10,000-\$15,000. Sources said Clyde Robinson, senior vp for membership and Arthur Roberts, former chief financial officer & asst. treas., are among handful of NPR employees being eyed by GAO for questionable purchases on NPR-issued American Express cards.

Robinson has been particular problem in investigation, sources said, because he hasn't supplied all expense records GAO requested. Sources said investigators have discussed resorting to subpoenas but have made no decision to do so. Although Robinson is said to be among "one or 2" people still being investigated, auditors are continuing to turn up copies of checks and other records of repayments, sources said.

In interview, Robinson said he has turned over to GAO monthly credit card records except for Oct. 1982 and Jan. 1983. Robinson said he hasn't yet received duplicate copies of payment slips for approximately \$1,300 American Express Jan. bill, but turned over "draft" expense sheet for \$5,000 to \$6,000 to GAO Oct. 11. Of Jan. total, Robinson said \$55-\$70 were for personal expenses. He didn't estimate personal costs involved in Oct. billing.

Auditors also still are closely examining propriety of agreement NPR made with Couch to have husband, attorney Davis Couch, placed on temporary retainer to provide network with legal services in lieu of network's paying her moving expenses from Cal. when she joined NPR last year. Sources said NPR paid Davis Couch about \$10,000 for legal work and that GAO is trying to determine whether expense was proper use of NPR funds. Jane Couch couldn't be reached for comment.

CABLE VIDEO & VIDEOTEX BOX: Combination of video entertainment with videotex through single subscriber terminal is goal of agreement reached between Cox Cable and General Instrument's Jerrold Div. Companies last week said they will develop, manufacture and market fully integrated interactive system allowing residential subscribers to access standard cable fare, transactional services, videotex and impulse pay-per-view through new converter box.

Converter would be retooled version of Jerrold's Communicom videotex box to include features of company's Starcom V addressable converter which offers impulse pay-per-view. Jerrold will supply updated converter, associated network communications equipment and its Metronet data transport network. Those would be married to Cox mainframe computers at headends, with entire package marketed by Cox in its franchises. First rollout is expected next year in Cox's San Diego system where it has been testing such interactive services since 1981 with INDAX system.

Beauty of planned system is simplicity, officials said. It's attractive to providers because their services (home banking & shopping, data retrieval, videotex, cable services) would be available through single terminal over integrated data transport system. It was felt subscribers would make greater use of innovative services because it would be easier to access them.

Cox & Jerrold will bear their own product development costs, haven't set aside specific budgets, officials said. Costs aren't expected to be great because basic elements of system already are in place.

Hopefuls list for pres. of National Public Radio has been pared to less than 10 names, according to well informed source. We've been told William Sheehan, former ABC News exec., now Ford Motor exec. dir. for public information, is leading candidate to replace Acting Pres. Ronald Bornstein, who leaves slot he's been filling on parttime basis at end of this month. Bornstein replaced Frank Mankiewicz, who resigned July 1. Sheehan didn't apply but said he was contacted by David McCarthy, whose MSL International search firm was hired by NPR board to help with hunt, and was interested "in exploring what it's all about." McCarthy said there were about 150 applicants for position. NPR's 5-member search committee will interview candidates within next few days. Full board will interview candidates Oct. 27, announce new pres. next day.

Dennis Patrick's nomination to FCC is official. President Reagan announced last week he'll soon send nomination to Hill. Patrick has been asst. dir. of White House personnel, would fill seat held by Carter appointee Anne Jones who resigned in May. Only present commissioner not appointed by Reagan is James Quello, who was named by Ford but renominated by Reagan. Patrick, 32, is lawyer who formerly served as clerk to National Security Council adviser William Clark, whom Reagan has nominated to succeed James Watt as Interior Secy.

TELCO SUBMITS CABLE BID: Pacific Telephone last week submitted proposal to build & own cable system for Palo Alto, Cal. and surrounding area, leasing 80-channel capacity to city which would choose programming mix. Telco said it would build state-of-art fiber optic system for \$17 million with 422 miles of plant passing 50,000 homes. Palo Alto is lead city in franchising of area south of San Francisco, which includes Stanford U., Menlo Park, E. Palo Alto, Atherton, Ladera, University Heights.

"This arrangement allows local governments to select the mix of cable television programming from the many available, rather than being limited to a fixed package offered by a single... franchiser," said Pacific Telephone Mgr. Kare Anderson.

Telco has signed agreement with Chronicle Information Services and Dow Jones Information Retrieval Services for teletext & videotex services that would be offered on system's separate institutional loop. Construction could begin in Jan. with first subscribers added in Sept. 1984 if city agrees to deal. Spokesman said telco would file tariffs with city for lease of channel capacity. While those tariffs haven't yet been determined, spokesman said telco would recover its investment in 9 years or less.

FCC probably wouldn't object to leaseback agreement as long as telco provides only channel service, steers clear from activities making it appear to be cable system such as providing & servicing converter boxes, Commission official said. Pacific Telephone would have to file Sec. 214 application, but "as long as [telco] doesn't have anything to say or do about what's done with the lines," cabling proposal might not run afoul of cable-telco cross-ownership ban, official said.

Another FCC official noted that when common carrier files Sec. 214 application it's put on public comment list. "I'm sure the cable industry would strenuously object" in comments, perhaps causing telco's proposal "to be bogged down under tons of paper."

NCTA said it wouldn't object to telco building & owning system but would loudly protest city having editorial control over entertainment programming offered subscribers. "Anytime you have government deciding what people watch on their TV sets, all kinds of red flags are raised," Assn. official said.

No major cable interests responded to Palo Alto's RFP. In addition to Pacific Telephone, bidders are Century Federal, City Cable Partners, Marsh Media/Public Service Cable, Cable Communications Co-op of Palo Alto.

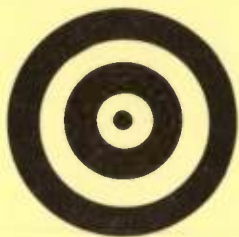
TV is responsible for public's distrust of politicians and declining voter turnout, according to political scientist Austin Ranney, who makes those and other charges in his book "Channels of Power." TV causes presidents to realize "that it is at least as important to look good as to do good," Ranney said at news conference. He urged networks to give blocks of time to political parties for debates and to provide better news coverage of industry.

CBS financial report: Company was swept up in videogame red ink bloodbath that's expected to wash across industry in 3rd quarter. Company said "prudent" writeoff of "unamortized costs related to videogames" was responsible for \$15.7 million loss racked up by Columbia Group in period to Sept. 30. Even so, 3rd period was strong, with net from continuing operations up 32% to \$33.4 million on revenue rise of just 10.2% to \$1.02 billion. Net was up 130.3% from \$14.5 million in same period last year, which included \$10.8 million in losses from discontinued operations, its ad supported cable program service and retail store business. Per share earnings were \$1.12 vs. 51¢ (90¢ from continuing operations). For 9 months, CBS net was up 49.7% to \$109.9 million (up 16.8% on continuing operations), with per share earnings at \$3.70, up from \$2.62 (\$3.36). In quarter, earnings from Best. Group jumped 28.1% to \$47.9 million on 10.8% revenue rise to \$491.1 million, and for full period net was down 5% to \$175.7 million on 7.1% sales increase to \$1.62 billion. Biggest profit improvement came in CBS Records, with net for quarter at \$10.7 million, against \$12.3 million deficit last year, while profit for 9 months soared to \$75.6 million from \$10.7 million. Sales for those respective periods were up 9.8% to \$258.5 million and 5.6% to \$832.5 million.

MDS lottery? As expected, FCC proposed using lottery to award single & multichannel Multipoint Distribution System (MMDS) applications under proposed rulemaking FCC released last week. Commission determined as many as 1,000 comparative hearings (2 winners in each of 500 markets) would be required unless lotteries are used to award licenses. Rulemaking (80-112) poses questions of whether preference points should be awarded to minorities and for promoting diversity in ownership, also whether Commission was correct in deciding to regulate MMDS as common carrier. Comr. Rivera partly dissented from further rulemaking, but said he was pleased majority recognized controversy over whether MDS was common carrier or broadcaster, applauded raising question about preferences for minorities, diversity of ownership. Comment & reply cycle wasn't specified.

Scientific-Atlanta announced \$5.75 million in new orders for its Series 8500 addressable converters from 4 cable systems. Complexicable bought \$475,000 worth of boxes for its 12 northeast Ohio franchises; Community Cablevision of P.R. bought \$1.5 million worth for franchises in Toa Baja and Catano, P.R.; Metrovision placed orders for \$2.8 million worth of boxes for newbuilds in Dupage County, Ill. and Livonia, Mich.; Shrewsbury, Mass. bought \$1 million worth of addressable boxes for municipally owned newbuild system. Shrewsbury, said to be first city-owned cable system in Northeast, is building entire 80-channel system with S-A equipment.

Former Army Gen. William Westmoreland plans cash appeal, mainly to wealthy conservatives, to continue his libel suit against CBS. Westmoreland friends say he needs about \$400,000 to cover current legal costs, that total will reach about \$1.5 million.



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GI-NORTHSTAR'S DBS DEAL: General Instrument has deal with Canadian company Northstar Home Theater to provide all subscriber earth station receiving electronics and addressable/scrambling headend electronics for Northstar planned DBS service. Northstar projects that contract could be worth \$73 million. Northstar will use Anik 3 to transmit pay TV and other educational & entertainment programming starting in April 1984 in same manner as United Satellite Communications Inc., U.S. early-entry DBS system. GI is partner with USCI in its venture as is Edwin Jarman, Northstar pres.

Northstar service is aimed at estimated 1.6 million Canadian families living outside cabled areas. General Instrument will retail for Canadian \$1,500 (U.S. \$1,200) for equipment package including 1.8-m dish, mount, receiver and descrambler. Service itself will then cost subscribers additional \$16-\$16.50 per channel, compared to \$15.95 cost per channel of average cable system.

Northstar's cable offerings will consist of: (1) Two national channels, First Choice in English, Premier Choix in French with "premium programming." (2) Second channel with regional choices: Star Channel for Maritime Provinces, TVEC French language channel for Quebec, AIM for British Columbia (not yet confirmed). (3) Free channel with regional programming: TV Ontario; Knowledge Network, B.C.; La Fette, French language in Quebec; Atlantic Satellite Network on East Coast (advertising supported). Also proposed by other companies for future on Anik C3: All news channel by Baton Bestg., all sports channel by LaBatt brewer, children's channel called "Galaxy" by TV Ontario.

ABC, CBS & NBC asked FCC to suspend AT&T proposed tariff imposing charges for cancellation by part-time users of Series 7000, Type 7001 terrestrial TV interexchange (IXC) channels. AT&T recently filed proposed tariff, to be effective Nov. 7 through Dec. 31, imposing guidelines on cancellation of part-time IXC channels. Unless order was canceled before 8 a.m. Eastern Time on day before service was to be provided, cancellation charge equal to tariff charges for that part-time IXC service would be imposed. Networks are asking FCC to suspend for 5 months that part of proposed temporary tariff relating to part-time IXC cancellation, asks Commission to launch investigation aimed at determining fair cancellation policy.

Cable audio update: Associated Communications, Tulsa, has formed new subsidiary which will market 12 audio services to cable industry at discounted prices. Music Group said it has signed agreements with, among others, Telecast Corp. (Cable Jazz Network), Continental Audio Services (Love Sounds, Nice & Easy), Satellite Syndicated Systems (8 services) and United Video (WFMT[F]M Chicago fine arts station). Operators can choose one or all audio services, ranging in price from 2¢ per sub monthly for one up to 26.5¢ per sub monthly for all 12. Jim Tracek is chmn., said he will name pres. shortly. Details: 800-331-2952.

NCTA won't accept proposal by Rep. Swift (D-Wash.) to disconnect unregulated data transmission from cable bill (HR-4301) moving in House Telecom Subcommittee. "I don't see it in the cards," said NCTA Pres. Thomas Wheeler. Aide to Swift said congressman would introduce bill Oct. 17, mainly incorporating provisions in HR-4301 by Subcommittee Chmn. Wirth (D-Colo.) but deleting common carrier exemption for cable industry. Wheeler said that although Swift is key player on Subcommittee, majority is backing Wirth bill "that takes an approach we can support on data transmission." He said there are no negotiations planned or anticipated with Swift on issue. "The suggestion that because one member [is readying alternate bill], we should begin talking compromise or think of losing the issue [isn't valid]," Wheeler said.

Cable financials: (1) Tocom had fiscal 1983 sales of \$27.2 million, up 81% from prior year but resulting in losses of \$8.5 million (\$1.36 a share) because of manufacturing rework changes on glitch-prone 5504 addressable converter. Tocom is seeking additional capital after proposed joint venture with Times Fiber soured, qualified its report "on the ability of the company to continue in business unless some additional financing is obtained." Bright spot was \$5.5 million in orders for 55 PLUS baseband converters received in 4th quarter. (2) Wometco Cable TV reported quarterly operating income rose 41% to record \$3.2 million from same period last year. Operating cash flow was up 36% to \$5.6 million while revenues advanced 25% to \$13.5 million. Net income in quarter ended Sept. 10 was \$1.2 million (17¢ a share).

Cozy relationship between NBC and Comsat General, Comsat's competitive subsidiary, may get more intimate based on recent luncheon with reporters, NBC executives and Robert Kinzie, head of CG. Network recently extended to 10 years its initial 2-year lease of RCA and SBS satellite transponders (which had been leased by Comsat). Along with 2-way transmission come myriad business opportunities, and move by affiliates into fields such as teleconferencing could presage expanding partnership between NBC and CG in other satellite-related deals. Neither Michael Sherlock, NBC exec. vp-operations and technical services, nor Kinzie would confirm any formal commitment jointly to enter videoconferencing business, but Kinzie said 2 have "agreed jointly to study the possibility."

Warner Communications has laid off 250 hq employees, including 125 middle managers & vps, in face of 3rd quarter after-tax loss of more than \$122 million (\$1.88 a share) which company blamed on continuing red ink at Atari games division. For first 9 months, Warner had after-tax loss of about \$425 million (\$6.57 a share) on revenues of about \$2.4 billion. Warner had overall 32% increase in operating income during latest quarter, but gains were more than offset by losses at Atari, Chmn. Steven Ross said. Layoffs at N.Y. hq (about 30% of staff) follow layoffs of about 4,000 at Atari plants, mainly in Sunnyvale, Cal.

Many "so-called TV programs directed to young TV audiences are in effect commercials for toys and other products on which TV characters are based," Action for Children's TV charged Tues. in asking FCC to regulate "the broadcast of program-length commercials masquerading as children's TV programming." Practice "flaunts the Commission's own policies," ACT charged in asking agency to order all commercial TV stations to "log program-length commercials directed to children as commercial matter" and to compute such programs as commercial time. At Washington news conference, ACT Pres. Peggy Charren cited several programs she said fit category of program-length commercials. "Commercial broadcasters and advertisers are working together to deprive children of their rights to TV entertainment and education," she charged. "The brand-new children's TV season is a brand-new disgrace." Countered NAB Pres. Edward Fritts: "This is an outrageously short-sighted and overly idealistic approach."

Deregulatory "fever" is bound to break, and when it does, broadcasters will want to make sure "not to get caught short," warned Comr. Henry Rivera in speech to NAB's children's TV conference meeting in Washington last week. Saying that "regulation may come back with a vengeance," Rivera argued that at minimum broadcasters should offer "regular, diverse and enriching" children's shows in return for deregulation and not depend on public broadcasters to fill gap. Rivera, who said he is withholding final judgment on FCC's still pending children's TV rulemaking, nonetheless endorsed inclusion of children's program standard in deregulation legislation being crafted in House. Rivera also laid down gauntlet before NAB, challenged Assn. to provide comprehensive new report that disproves arguments that quality of commercial children's TV has declined in recent years.

FCC's Office of Plans & Policy staff have written 2 reports on issues involving radio services. "A Framework For a Decentralized Radio Service," by Alex Felker and Kenneth Gordon, urges FCC to set up new radio service somewhere in UHF band without any technical or operational restrictions, except for those to limit interference. "Implementing New Technology in the Land Mobile Services," by Philip Gieseler, says implementation of new technologies can be limited by mandatory technical standards and insufficient incentives, suggests that some positive steps could include giving some users wide technical flexibility, assigning exclusive channels to some users and encouraging efficient operation by allowing profit making and resale of excess capacity.

AP has announced new commercial-free state broadcast network in Tex. Network will become operational early next year as basic AP service offering 16 newscasts daily originating from studios under construction at AP's Dallas bureau. It marks first time stations have choice of anything but printer-delivered teletype wire. Comal Bestg.-owned radio stations KGNB(AM) & KNBT(FM) New Braunfels are first member stations.

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NPR will face delay in getting expected \$5.4 million from National Information Utilities because company missed Sept. 30 deadline called for in agreement with NPR for NIU's going public with stock offering. About \$5.4 million of \$15-\$17 million which NIU hoped to raise was to be placed in escrow account from which NPR would receive cash as public radio stations signed agreements to participate in digital data transmission project. For NPR to get full amount, radio stations in top 60 markets would have had to participate. No station has yet signed agreement, NPR officials said. Steven Harris, spokesman with NIU's underwriter, Rooney, Pace Inc., said offering is scheduled to go public sometime later this month. But NIU is seeking more time from NPR, is renegotiating contract covering venture.

Cable universe gains: (1) According to Turner Bestg. System, as of Sept. 30 WTBS Atlanta was carried on 5,561 cable systems serving 27,489,000 homes, Cable News Network was on 3,806 systems serving 21,658,000 homes, CNN Headline was on 619 systems serving 5,213,000 homes. (3) Financial News Network has signed carriage agreements increasing its universe to 10 million homes, up from 5.8 million in April. To accommodate subscriber growth, FNN will open affiliate office in Chicago, expects to announce second satellite feed, Pres. Norman Potter said.

To comply with FCC TV station ownership restrictions in purchase of Corinthian stations, A.H. Belo Corp. is selling KFMB-TV Beaumont, Tex. & WTVG Chattanooga to Freedom Newspapers Inc., Santa Ana, Cal. for \$49 million.

PERSONALS

Rep. John Dingell (D-Mich.) will speak on House Energy & Commerce Committee topics during Oct. 20 National Press Club luncheon at Capitol Hilton, Washington... Mark Lipp, chief, Allocations Branch, FCC Mass Media Bureau, addresses Oct. 21 brown bag lunch of FCC Consumer Assistance & Small Business Div. on Doc. 80-90 creating some 1,500 new FM allocations, Rm. 856, FCC hq.

Larry Wangberg, ex-Warner Amex Cable Communications, named Times Mirror Cable TV pres., replacing Ralph Swett, who becomes chmn... Brian Moir, onetime communications counsel of House Commerce Committee, elected partner in Washington law firm Finnegan, Henderson, Farabow, Garrett & Dunner... Eric Fishman, ex-FCC Office of Law Judges, joins Washington law firm Sullivan & Worcester... Douglas Ginsburg, Harvard U. law prof., joins Justice Dept. as deputy asst. attorney gen. for regulatory activities.

Farrell Reynolds & John Barbera promoted to senior vps, Turner Bestg. Sales; Bert Ellis named vp-Turner Cable Sales... Lynn Abraham joins Warner Amex Cable as vp-public affairs... Stephen Taylor, ex-Video Star Communications, appointed asst. vp, Southern Satellite Systems; Shaun Johnson promoted to vp-acquisitions, research & development... Debra Ramsey, ex-AHF Mktg. Research, and Denise Wayne, ex-Westinghouse Bestg. & Cable, appointed affiliate reps, Group W Satellite Communications... Bud Getzler promoted to pres., Viacom Entertainment, succeeding Kenneth Gorman, now exec. vp of parent Viacom International.

Joseph Brunner advanced to vp-TV services, United Media Enterprises... Pietro Valdoni joins SelectTV as national sales dir.; Melody Nickerson, ex-Warner Amex, appointed dir.-affiliate & subscriber services... JoAnne Wilder promoted to dir.-community affairs, WCAU-TV Philadelphia, succeeding Edie Huggins, who returns to on-air role... Janice Hill, ex-Westinghouse Bestg. & Cable, appointed attorney-advisor handling broadcasting & cable issues, NTIA; economist William Reece detailed by FCC to NTIA to work on domestic common carrier issues.

Marianne McDermott, ex-Hill & Knowlton, appointed vp in charge of management, Akers Assoc., Washington communications consulting firm... Benson Srere, asst. to Hearst Corp. pres., elected vp.

New INTV board members: Ted Baze, KGMC Oklahoma City; Charles Edwards, KSTW Tacoma; Leavitt Pope, WPIX N.Y.; Robert Wormington, KSHB-TV Kansas City. Re-elected to 2nd term: Gene Adelstein, KZAZ Tucson-Nogales; Richard De Angelis, KPHO-TV Phoenix; Eugene McCurdy, WPHL-TV Philadelphia... Denis Trafecanty, ex-Embassy Communications, named vp-chief financial officer, Golden West TV... William Fineshriber retires at end of year as vp-TV, Motion Picture Assn. of America.

Ramon Gaulke, ex-InterMarco Advertising Agency, named pres., Gannett Media Sales, new post... Jules Haimovitz advanced to Viacom

Entertainment Group exec. vp... Roger Williams promoted at ESPN to vp-affiliate mktg... Thomas Aldon promoted to mgr. of Anixter Communications' Atlanta sales & distribution facility... Theodore Schlissel, ex-Theodore Schlissel & Assoc., rejoins Reeves Communications as exec. vp.

William Connolly, ex-CBS, appointed Sony Best. Products Co. pres., replacing Neil Vander Dussen, who becomes pres. of Sony Products Co., another unit... Newly elected officers of International Institute of Communications: Thomas Hardiman, chmn. of Ireland National Board for Science & Technology, pres.; David Golden, Telesat Canada chmn., vp; Karl-Gunther von Hase, former ZDF (W. Germany) dir.-gen., vp.

John Martin, ex-ABC Sports, named pres., Ohlmeyer Communications... Katherine Bayh is resigning ABC News Washington news information dir. post in Nov. to spend more time with her young son... Richard Longwell promoted to Walt Disney Home Video national sales mgr... Morgan Skinner elected pres. of Frontier Media, owner of KLASV(AM) Las Vegas, will continue as station gen. mgr.

Obituary

Spencer Harrison, 66, Warner Communications exec. vp, died at his Conn. home Oct. 12 after long illness. He worked at CBS from 1942, became CBS TV network vp-business affairs. In 1962, he became exec. vp-business with Ashley-Famous talent agency, which was acquired by predecessor company of Warner Communications, which acquired Warner Bros. in 1969. He became exec. vp-planning of Warner Communications cable operations in 1972 and was instrumental in developing Warner Amex Cable, helped pioneer interactive cable network. Survivors include wife, son, 2 daughters, stepdaughter.

Congress should set minimum programming guidelines for both TV & radio, according to Telecommunications Research & Action Center (TRAC). In letter sent members of House Telecom Subcommittee, TRAC urged lawmakers to include minimum program requirements for news, public affairs & local programming in broadcast deregulation legislation now being negotiated, also provision that would require stations to set aside public access time for non-profit groups and individuals to air their views on local & national issues. TRAC claimed latter idea has endorsement of Black Citizens for Fair Media, Citizens Communications Center, Media Access Project and National Coalition on TV Violence.

Steve Nevas, ex-NAB First Amendment counsel, made his first big splash as Cable News Network law correspondent by interviewing U.S. Supreme Court Chief Justice Warren Burger for airing later this month. Nevas accompanied Burger, other American judicial & prisons officials, during recent tour of Scandinavian prisons. During half-hour interview conducted during trip, Burger discusses directions he thinks U.S. prison system should take. It will air Oct. 22, 23 & 24.

Consumer Electronics®

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STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended Sept. 30 (39th week of 1983):

	SEPT. 24-30	1982 WEEK	% CHANGE	SEPT. 17-23	9 MONTHS 1983	9 MONTHS 1982	% CHANGE
TOTAL TV#.....	655,832**	438,790	+49.5	432,946	13,677,665*	12,148,748	+12.6
COLOR#.....	477,651**	282,269	+69.2	308,855	9,662,758*	8,081,626	+19.6
MONOCHROME....	178,181	156,521	+13.6	124,091	4,014,907	4,067,122	- 1.3
PROJECTION TV...	3,942	3,473	+13.5	3,373	92,329*	72,628	+27.1
HOME VCR.....	132,041**	52,115	+153.4	87,328*	2,656,971##	1,262,779	+110.4
COLOR CAMERAS...	8,292*	5,240	+58.2	7,774*	262,900*	205,640	+27.8

Color TV 5-week moving average: 1983--315,493**; 1982--245,371 (up 28.6%).

Home VCR 5-week moving average: 1983--91,267**; 1982--48,625 (up 87.7%).

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

Exceeds full-year record.

WEEK & MONTH SHATTER COLOR & VCR RECORDS: Such a week! As 3rd quarter ended, dealers bought 477,651 color sets in single week — more than 100,000 over previous all-time weekly record set last June. Same week, they loaded up on all-time high of 132,041 VCRs, more than they bought in any full month in Jan.-May 1982.

Hot week brought color TV sales in Sept. to 1,577,467 sets, more than quarter million higher than earlier record for any month, also set in June 1983. Color's 5-week moving average jumped above 300,000 for first time in history, and July-Sept. set record for any quarter at 3,573,235, up 25% from last year's same period.

Sept. traditionally is year's best month in sales to dealers, and its final week almost always is best of year in color. In 11 of last 18 years, sales in final Sept. week have equaled 10% of upcoming 4th quarter sales, plus or minus one percentage point. If this rule of thumb holds up in 1983, year's sales will be 14-15 million. For average of last 18 years, 39th week has worked out to 10.33% of following quarter's sales, which would bring this year to about 14.3 million.

Color sales in year's first 9 months work out to annual rate of 13,541,000, cumulative year-to-date figure having increased every month except one. For 3rd quarter, going rate was 13,963,000, vs. 13,756,000 in 2nd and 12,881,000 in first. Sept. rate was 13,985,000, up from 13,772,000 in Aug. but down from record 14,138,000 in July. Except for Jan., each of first 9 months set records for that month in color, and weekly records were established for 28 of the 39 weeks.

VCR sales continued to plunge ahead. Sales have exceeded 100,000 units only on 3 weeks to date — final weeks of July, Aug. & Sept. Total Sept. sales of 456,334 were more than 100,000 higher than previous all-time record month of June 1983. July-Sept. period was first quarter in which VCR sales exceeded million. Nine-month sales were at annual rate of 4,232,000, while 3rd quarter rate was 4,258,000, down from 2nd quarter rate of 4,654,000. Rate in Sept. was 3,910,000, first month since March when rate dipped below 4 million. Falloff in annual rate, and in percentage increases over 1982, is due to fact that comparisons are now being made with periods of much higher sales than earlier this year.

Color camera sales also set record in Sept. Projection TV sales, while ahead of last year, trailed Sept. record of 1981 but were still in record territory for year's first 9 months. Here are Sept. results from EIA (for 39th week and first 9 months, see State of the Industry):

Product	Sept. 1983	Sept. 1982	% change	Sept. 1981
Total TV.....	2,150,738**	1,811,632	+18.7	1,799,242
color.....	1,577,467**	1,226,854	+28.6	1,260,244
monochrome..	573,271	584,778	- 2.0	538,998
Projection TV..	16,430	15,949	+ 3.0	19,154*
Home VCR.....	456,334**	243,123	+87.7	153,680
Color cameras..	39,409*	26,864	+46.7	21,070

*Record for any Sept. **Record for any month.

LOW-MARGIN KOREA-TAIWAN TV DUMPING FOUND: Color TVs are being dumped in U.S. by Korean & Taiwanese manufacturers, according to preliminary determination issued last week by Commerce's International Trade Administration. Though ruling upholds complaint filed earlier this year by labor-industry group COMPACT and backed by GE and Zenith, dumping margins — percentage below fair value at which sets are exported — were generally too small to have much impact on overall industry pricing conditions.

While average margins ranged from low of zero to high of 31.12% by 13 companies covered in investigation, only 3 major exporters were found with significant margins. Korea's Gold Star was pegged at 9.53%, AOC of Taiwan at 6.38% and Taiwan's Tatung at 6.61%. As for other sizable Korean companies, margin for Samsung was just 3.05% and Taihan 1.77%. Taihan, producer of Portland brand, sold electronics business to Korea's Hyundai early this year, but was exporter of sets shipped in April 1982-March 1983 period covered by investigation. Korea's Anam, which supplies some small-screen sets to Panasonic, had no margin, while Korea Electronics, also small-screen supplier, was pegged at 2.04%, and all others from Korea were lumped together at 5.31%.

Biggest margin found (31.12%) was on exports by Taiwan's Fulei, producer of component color monitors sold here under NAD and Proton brands, while Sanyo ranked 2nd at 25.36%. Number of units involved from either company is relatively small. RCA, which imports 9" from subsidiary in Taiwan, was found to have 8.61% margin, issued statement saying it would review situation and take appropriate action. Sampo, considered major exporter, had 0.64% margin, while Hitachi came in at 0.26%, Orion at 0.01% and all others at 3.59%.

Findings are far cry from claims of dumping margins ranging up to 46% on sets from Korea and 60% on Taiwan models in COMPACT's original filing earlier this year (TVD May 9 p9). If after further investigation ITA keeps margins at those preliminary levels, importers will have to make only minor \$5-\$15 adjustments in selling prices, and that will do little to alleviate intense competitive pressure on promotional end of color market that prompted complaint in first place. Figures released by International Trade Commission last June showed that 13" leaders from Korea & Taiwan were underselling U.S.-brand counterparts by average of \$17-\$28 in first 5 months this year, and edge in 19" remote sets was \$60-\$78.

For COMPACT, another disappointing aspect of ITA ruling, in addition to low margins, was rejection of request for finding of critical circumstances. Such a finding, which would imply deliberate dumping, would have left importers open to 6 months of retroactive dumping penalties. Now, importers will have to post cash or bonds, equal to value of margins, on imports entered after ITA determination appears in Federal Register, probably this week.

ITA said it generally arrived at less-than-fair-value margins by comparing similar model prices in U.S. and country of origin. In some instances non-U.S. export price was used, and in case of RCA, which doesn't sell in Taiwan or export elsewhere, it relied on estimated production costs. Explanation in report indicates that private label sales are primary reason for Gold Star's margin.

Margins may be far from final, because they were based strictly on information supplied by companies themselves. ITA's verification teams are only now starting work in Korea & Taiwan. Issuance of preliminaries before verification is seen as reflection of outside pressures put on ITA to keep dumping case moving on schedule. Case was shifted in Aug. from ITA's Investigations

Office, which would normally have handled margin aspect, to Compliance Office, because that staff is involved in Japan TV dumping case and is more familiar with industry conditions. Change caused several weeks of delay in information processing, led to speculation ITA would declare case to be complicated one requiring timetable extension. But U.S. manufacturers have been pushing for quick action.

ITA can be expected to come up with final margin findings by Dec. 23, has set Nov. 21 for hearing on Taiwan pricing, Nov. 23 for Korean. Preliminary ruling starts clock running on final dumping injury investigation by ITC, which has 120 days to make determination. Its hearings, still unscheduled, should be held in late Dec. or early Jan.

In continuing Japan TV dumping case, Court of International Trade Judge James Watson last week rejected Zenith's request for reconsideration of his ruling that ITC was wrong in refusing to revoke 1971 positive injury determination and his order that new no injury finding be issued (TVD July 18 p11). Zenith, possibly ITC, are expected to appeal.

JAPAN SHOW—CAMCORDERS, COMPUTERS, CCDs: With not an 8mm VCR in sight, Japan Electronics Show highlighted JVC's Video Movie, first consumer optical disc player with solid-state laser, CCD video cameras by just about everybody, 5 prototype digital TV sets and swarm of home & personal computers designed for standard MSX software.

Americans will see Video Movie VHS-C camcorder at Jan. CES, JVC officials indicated, hinting they may have chance to buy it even before Japanese market debut in late Jan. Japan price of about \$1,250 was quoted; at Berlin premiere, it was estimated it would sell there at \$1,500-\$2,000, including all taxes (TVD Sept 5 p11).

Although 4.2-lb. Video Movie uses 1/2" Saticon pickup tube (and new 1/2" b&w viewfinder tube), CCD cameras were all over place at Japan show in Osaka, with units by Hitachi, Mitsubishi, Sanyo, Sony. Most unusual was Sanyo's, which looked like SLR still camera, accommodated interchangeable lenses.

Pioneer's new Laservision player actually is smaller but heavier than RCA's random-access CED player, and is first slot-loaded LV. It measures 16.8x4.2x16.3", weighs 27.3 lb. Random-access remote-control unit will sell for about \$825 in Japan, compared with \$950 for first random-access model, \$620 for unit without random access. It will debut in U.S. at Jan. CES; North American Philips is also expected to field slot-load model. (Update on Laservision appears elsewhere in this issue.)

New video uses for AHD digital audio disc were hinted by JVC in announcing joint development with Sharp of high-speed LSI which makes it possible to store 3,000 digital still pictures together with up to 2 hours of digital stereo on 10" disc. JVC revealed it's developing non-audio software for AHD system, showed sample program combining personal computer with still digital pictures.

Digital TV set prototypes were shown by 5 manufacturers — Matsushita, Sharp, Sony and Toshiba using ITT chips, NEC claiming own system developed with NHK. Matsushita and Sony repeated previous demonstrations. Where Sony system uses line memory, NEC's has frame memory. Toshiba's set provided still picture, let user add or change colors. Sharp had still frame and printer to make copy of picture. In non-digital set, Mitsubishi demonstrated TV printer, to go on sale next month in Japan at \$285 as accessory, \$1,075 in 19" set.

Most significant development of all at JES was Japan's true entry into home computer market via new MSX standard, which provides for interchangeability of software and now has been adopted by virtually all major Japanese manufacturers. Discovery of impending Japanese invasion of computer markets was big news this week in U.S. business press, but has been under way since March and its significance discussed in these pages 4 months ago (TVD June 20 p17). Among the many new MSX-compatible computers shown were new Sony "Hitbit" 16K, which goes on Japan market next month at \$240, with various expansion modules at \$35-\$40.

Matsushita's MSX entry, shown in prototype, had videodisc game option, interfaces with VHD player, was demonstrated with golf game. Sanyo had computer with lightpen painting

system. Four software manufacturers showed about 35 games, which were widely in evidence on all MSX hardware. Computer makers said domestic market will get MSX system first. Next market, surprisingly, will be Europe, where home computer is virtually nonexistent.

ZENITH PLANS 27" COLOR TUBES NEXT YEAR: Zenith decided not to go along with majority, will offer 27" square-cornered color tube next year. Rest of U.S. picture tube industry — GE, Philips, RCA — plans to offer 26" version.

New Zenith tube will have 110-degree deflection, 340-sq.-in. picture area, 7.9% larger than 315 of 25" and 4.9% bigger than 324 of 26". Like competitors' 26" versions, 27" won't be flat-faced, but will have same curvature as current 25" (1R). Zenith Systems & Components Group Pres. Karl Horn told us: "We wrestled with the subject for quite a while. We showed mockups of the new tubes to our OEM customers. They all preferred the 27 because it is noticeably larger than the 25, and they all said yes, if the price premium isn't too great."

Prices haven't been decided, but Horn said 27" would cost more than 26". He said yoke & deflection system hasn't been chosen, "but the odds favor [RCA-developed] COTY-29." RCA decided to add 110-degree 26" tube with 1R curvature next year (TVD Aug 29 p12) and it's understood GE has made same decision. Philips then announced that "in the interest of standardization" it would offer 26" tube with same curvature, but with 100-degree deflection and own CFF yoke configuration using standard 29mm neck.

Zenith's 27" will be followed by 20" with flatter face (1.6R vs. 1.7R in Toshiba's original FST 20"), but company hasn't decided yet on 14". RCA's plans for 1985-86 include 20", 16" & 14" tubes with 1R curvature and new step-up "COTY SP" tube with flatter face, either in 26" or 27" size (TVD Aug 29 p12). Philips plans 20" & 14" tubes with 1R. However, in Europe, Philips has developed flatter-faced tube in 26" size with 1.7R curvature, and presumably Philips could sell same design in U.S. if demand arises.

MIXED RESULTS IN AUG. IMPORTS: VCR imports set expected all-time monthly high in Aug., month that also saw relatively lackluster results for TV, steep, though not necessarily significant, decline for color cameras, according to Commerce figures.

VCR shipments climbed 65.7% in month to 504,700, eclipsing record 489,700 set in July. Total through 8 months of 2.69 million was up 70.1%, and exceeds 2.46 million imported in all of 1982. Total TV camera imports sank 73.1% to just 13,000 as color dropped 79.8% to 4-year low of 7,300 and b&w fell 52.9% to 5,700. But experience has shown that such dramatic swings are more often than not statistical glitches, and Aug. dip in color is likely to represent balancing out of July's 47.7% rise to abnormally high 32,300. For full period, camera imports were off 20.7% to 256,600, with color down 21.9% to 204,400, b&w off 16% to 52,200. Color cameras valued at less than \$2,000 included in totals are 6,700 for month, 197,300 for 8 months. Comparable 1982 figures aren't available. Also in video, disc player imports jumped 114.3% to 8,700, setting new high for year and putting 8 months at 38,900, up 1.5% for first such cumulative rise this year. Imports of projection TV were up 69.9% to 4,000 for month, up 25.1% to 27,000 for 8 months.

We've modified our color TV import wavelength to eliminate distortion (see explanation below). Figures from Commerce show total Aug. TV shipments declined 17.4% to 951,400, as color edged up relatively modest 3.5% to 485,700, b&w fell 31.6% to 465,700. For 8 months, total imports of 7.07 million were up 9%, paced by 39.4% rise in color to 3.88 million, while b&w was down 13.8% to 3.19 million.

In color, imports of complete sets were up only 6.4% to 232,300. That's lowest growth rate of year, but don't read any easing of import competition into that. Export quota on sets from Taiwan & Korea ran out at end of June last year, and Aug. marked start of sizably increased shipments. So it's not that imports are backing off, just that last year's figures are getting harder to beat. For 8 months, imports of complete sets were up 63.6% to just under 2.2 million. Imports of chassis & kits edged up 0.9% to 253,400 for cumulative total of 1.68 million, up 16.9%.

Aug. figures were poor across board in b&w, with complete set total down 31.6% to 465,100. Imports of 10"-&-under were down 37% to 115,300, caused mainly by 50.4% drop for combos to 50,400, while other small screens were off 20.3% to 64,900 and over-10" fell 29.7% to 349,800. For 8 months, complete imports were down 14.1% to 3.18 million, with 10"-&-under off 30.7% to 725,400, larger sizes down 7.5% to 2.46 million.

* * * *

We have traditionally used Commerce's so-called Imports for Consumption figures in reporting on incoming shipments. But those numbers include products assembled here in foreign trade zones, and with Sanyo's color plant, and soon Toshiba's, functioning as such, actual import totals are inflated. Solution is to switch, for color only, to General Imports, which exclude such shipments. On basis of consumption, complete color imports from Japan in July-Aug. totaled 342,800, while general imports were 173,500, or 166,900 less. Difference, in good part, is believed to represent Sanyo's trade zone output.

Pending revamping of our import data base, we're comparing this year's general color set imports with last year's consumption figures. Fortunately, until last July there wasn't too much difference between consumption and general import totals, so while not exact, comparison is at least reasonable and indicative of actual market conditions. We'll be amending results for 1982 and earlier 1983 months. For record, using general complete color set import numbers, July total imports were up 99.6% to 504,200, with total color up 99.6% to 504,200, complete color at 359,200, up 192.1%. For 7 months, total TV was 6.12 million, up 14.7%, with total color up 35.1% to 3.39 million, complete color at 1.96 million, up 74.8%.

FCC'S UHF RECEIVER: FCC has released first report on tests of advanced UHF TV set developed under contract by RF Monolithics Inc., building on work by TI which started in 1976 (TVD May 26/75 p8 et seq). Report says receiver is "device of laboratory interest and not... a prototype for consumer production TVs." Aim was to improve reception and interference rejection to eventually permit FCC to relax "UHF taboos," or mileage restraints on station assignments.

Receiver is Magnavox RK4245 modified from antenna terminals to detector output, with first IF changed to 444-450 MHz from 41-47 MHz, additional tuner filtering, new RF mixer. Tests showed: (1) Interference immunity "generally better than 90% of the receivers previously tested by the FCC" for UHF adjacent channel, UHF picture & sound image and in some cross modulation and intermodulation combinations. (2) Performance "generally better than known existing mean receiver performance" in other cross modulation combinations and in IF beat combinations. (3) Possible greater susceptibility to interference on more channels to govt. radar, seen as correctable.

Current report, FCC/OST R81-1, Advanced Technology UHF Receiver Study, Part 1, describes lab measurements, while planned Part 2 will interpret implications on UHF TV spectrum management. Part 1 is available from FCC Office of Public Affairs, Room 207, 1919 M St. N.W., Washington 20554.

Administration proposal for new Dept. of International Trade, to take over functions now handled by Commerce's International Trade Administration and Presidential Office of U.S. Trade Representative, was cleared in legislative form by Senate Govt. Affairs Committee. But it will be while before it gets much further. There's no schedule for full Senate vote, and consideration in House hasn't

U.S. EXPORTS DOWN: Rate of decline in exports by U.S. TV marketers slowed somewhat in 2nd quarter, according to Commerce figures, but this shouldn't be read as sign of recovery. Easing of falloff speed is only because shipment level has fallen so low that it has to be bottoming out.

Total TV 2nd quarter exports of 57,600 sets were down 59% with value off 54.2% to \$18.4 million. That put first half at 109,600 sets, down 64.4%, at \$36.8 million, down 58.6%. Color TV exports in quarter were down 53.4% to 44,400 sets with value down 54% to \$15.6 million and for half were off 58.9% to 87,000 with value down 58.7% to \$31.5 million. B&w exports, presumably all re-exports, were down 75.3% in units to 10,600 and 68.7% in value to \$1.77 million for quarter, while for half units were off 81.4% to 17,300 and value fell 73% to just over \$3 million.

Only TV rise was in combinations. For quarter, unit exports rose 17.4% to 2,600 with value up 31.6% to \$1.1 million, while for half, unit rise was 63.2% to 5,300, with value up 65.2% to \$2.22 million. While shipment totals were down, prices charged foreign importers were up. For first half, figures indicate average price of exported color TV edged up to \$362.25 from \$360.34 in same 1982 period, while combination average rose to \$421.13 from \$415.95 and b&w average jumped to \$173.35 from \$119.71.

Pronto home banking system (TVD Sept 13/82 p11) was formally launched in N.Y. by Chemical Bank 10 months behind schedule with big ad campaign, demonstrations in major bank branches. Charge, initially estimated at \$5-\$10 monthly, is now \$12, and software is currently available only for Atari home computers. In another change, bank has decided not to sell computers along with service, does provide modem, which it says is \$135 value, at \$75. Software for IBM and Apple computers will be available by week's end. Bank says others to be added next year.

ATARI, COLECO, TI MOVES: In continuing churn in home computer business last week, Atari again shuffled management, there were indications Coleco's Adam home computer would be shipped to dealers this week and TI officially announced it wouldn't have new step-up console on market this year.

Latest round of executive changes at Atari, which saw departures of Management Pres. John Cavalier as well as 2 other top officials (see Trade Personals), appears to stem from overhaul of company market planning under James Morgan, who succeeded Raymond Kasser as chmn. last Aug.

Morgan's big immediate task is to stem Atari's losses and position product line for profitability. How much Morgan himself has to do with specifics isn't known, but since his arrival Atari has followed textbook marketing course generally employed by food, soap & cigaret companies. Morgan is former Philip Morris officer.

Major obvious change is toward selling to specific market targets and abandoning shotgun sales approach. Another is eating losing products, rather than disrupting market by dumping them at distress prices. Example of latter is Atari's recent destruction of thousands of unsold game cartridges by burying them in N.M. landfill.

Targeting policy may well lead to cancellation of step-up 1400XL computer with built-in modem and voice synthesizer and step-up 1450XL with built-in disc drive. They were introduced at Consumer Electronics Show last June with indicated prices of about \$500 & \$800. But they no longer mesh with 600XL & 800XL computers just now being shipped with lists of \$200 & \$320, and already offered at \$149 & \$249, making them discount & toy store items. Step-ups, however, meet head-to-head with IBM, Apple and other semi-pro personal computers when accessories are added, and will have to be moved through computer stores.

Concern at Atari, it's understood, is that successful sale of step-up computer models would require totally separate market plan and sales operation, broad line of non-game software. Atari now has hands full dealing with its core businesses, so it's considered likely new management will avoid this area of expansion. Similar situation is believed to exist at new Ataritel Div., due to market home telecommunications products next year. Unit had exhibit at 2 trade shows this year but showed no products. Specific issue is whether Ataritel should offer broad product line, seen as aid in cracking open retail accounts, or concentrate on less competitive, high-tech items. That dispute may have been behind departure of Ataritel Pres. Peter Wensberg, who signed on from Polaroid less than year ago.

Coleco reportedly told key retail accounts to expect first Adam shipments this week. Company itself declined comment, said it would issue statement after deliveries start. Original target called for sales to begin in mid-Aug., but that was held up by equipment modifications, software problems. While Adam will be in stores in plenty of time for Christmas, how many will be available is

open question. Coleco had goal of 500,000 this year, isn't arguing with observers who believe 400,000 is now more reasonable. Some say anything over 300,000 is doubtful.

While Coleco has halted production of Colecovision consoles to concentrate on output of Adam, it hasn't forgotten about games. It instituted \$10 cash rebate on Gemini (Atari 2600 compatible) console, is offering \$150 in travel coupons, for use on packaged tours, with purchase of Colecovision console, \$50 in coupons to purchasers of expansion module needed to play Atari 2600 games.

TI statement last week that it has no plan to introduce new computer model this year was heralded in media as "delay" & "postponement" for step-up model 99/8, though TI has never given any indication of that unit's timetable. Introduction of 99/8 was last-minute scrub at June CES, though prototype was shown in back room to selected dealers. However, it hasn't been seen or talked about since. In fact, it seemed clear nothing new was slated for this year at meeting in N.Y. last month where TI detailed 4th quarter ad plan for 99/4A (TVD Sept 19 p16). TI officials pointed out that budget was largest ever for home computer, and that seemingly left no room for launching of step-up. At that time, officials said existing model would be continued in line at least until well into 1984.

IBM rumor mills are active again on Wall St. Latest word is that company's long-awaited Peanut home computer will be called PC Jr., come in 2 versions, 64K to list at \$800 (\$485 wholesale), 128K with built-in disc drive at \$1,200 (\$865 wholesale), feature wireless infrared link between keyboard & console. Introduction date is being authoritatively touted by various informed sources as this week, next week, next month and next year. IBM continues to say nothing.

Admiral, Philco and Magnavox brand rights in Mexico may be moving into Philips camp. Mexican subsidiary of N.V. Philips has held exploratory negotiations on acquisition of Group Alfa's consumer electronics business. Financially troubled GA is being restructured into heavy industry company and TV-audio operation is among units up for sale (TVD Jan 31 p12). GA was high flyer in late 1970s when it acquired Mexican rights to Philco brand from Ford, later bought Admiral of Mexico from Rockwell, Magnavox arm there from North American Philips. NAP, of course, owns Magnavox & Philco, as well as Sylvania, consumer electronics brands in U.S.

National Semiconductor claims it's first IC maker with commercially available true 32-bit MPUs. Chips now on market are really twin 16s, while other manufacturers with 32s aren't yet ready to supply them. NS said it's ready to ship samples now, will have production quantities in April. Company is currently pricing them at \$220 in quantities of 100, predicts volume cost will fall to \$25-\$60 by 1985.

Hitachi switches from reps to factory branches for sales to dealers Jan. 1. Same course was followed in past by Panasonic and Sony.



CABLE ON THE FIRING LINE

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Oct. 27, 1983 - Four Seasons Hotel, Washington, D.C.*

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TELEVISION DIGEST

GE'S CELLULAR OUTLOOK: GE's Mobile Communications Business Div. is getting set up for early 1984 entry into new cellular radio-telephone transceiver market, but has no illusions about how fast market will grow or intensity of competition it will be facing. That's word from Nick Knoll, who recently signed on as cellular radio distribution mktg. dir., following several years as consumer electronics marketing exec. with Sylvania, NAP Consumer Electronics and most recently Commodore.

"Most of our research looks at cellular very conservatively," Knoll told us. "We see it as building into a \$1 billion business in a very short time," but one that thereafter will "not be growing in leaps & bounds." Initial surge will be result of "pent-up demand from users who always wanted" mobile phones but weren't able to get them "and from those people who just want something different."

That spurt should run through 1985, as some 30 top markets open next year and 2nd top 30 go on line in year following, Knoll said. After that, as markets 90-300 open up "it will start shriveling down," he told us. Long-term future "depends on a combination of capacity & price." In capacity, he said, he includes "both production and the number of channels." As for price, he includes equipment and subscription cost. "This market can do well if nobody gets greedy."

As for GE, "we have type acceptance on our subscriber unit, and we are talking to our distribution right now," Knoll said. He told us GE expects to have limited availability in early 1984, "and we will ramp up our manufacturing throughout the year." GE, he acknowledged, is late entry. "Others are getting in before us." But, he said, company has professional reputation, solid distribution & service organizations and special edge in terms of consumer recognition.

As market grows, Knoll said, cellular radio should become more of consumer-type business. GE brand already has strong acceptance in related CB market, and that could carry over as consumers move up into higher-tech communications. GE's plan for less extensive point-to-point consumer Private Radio Communications Service should, if it gets FCC clearance, also help company's position in cellular.

First cellular service was opened in Chicago last week by unit of AT&T. Customers are paying \$3,000 for mobile phones, \$50 monthly fee, 24¢-40¢ per minute for calls. Equipment & service costs are expected to drop as competition arrives.

On hardware front, Motorola & Japan's Oki have already started scrambling to line up customers. Mitsubishi is setting up cellular mobile phone marketing venture with Stromberg-Carlson, subsidiary of U.K.'s Plessey. If market warrants, Mitsubishi said, it may set up U.S. plant to produce mobile units.

Tandy cut \$50 from prices of its 3 Radio Shack home color computers, with 16K models now at \$150 & \$250, 32K at \$350. Move is in preparation for replacement models that will have full typewriter keyboards, be priced at \$240, \$320 & \$400, last with 64K. Key Tronic introduced full-feature plug-in keyboard for current Radio Shack models to sell for \$90.

TAIWAN'S TV CHASSIS: Taiwan's year-long effort to come up with standard TV chassis has paid off. Top 10 leading locally & Japanese owned manufacturers there say they have agreed on design. Development was multi-company effort, headed by Sampo and run under govt. guidance.

New chassis, it's understood, has 2 ICs controlling most signal processing, and industry says near-universal adoption should cut component costs 15-20% because of high volume. There also should be production savings as all companies will be able to use same automation equipment. Agreement is on very basic chassis for 13-25" sets. It can be used with different power supplies, and features, such as electronic tuning and remote control, can be added as step-ups.

Aim of development project was to enable Taiwan manufacturers to meet price competition posed by Korea while maintaining quality level. Additional goal was buildup of island's vertical integration. Because of quantities involved, local component manufacturers will now be able to turn out parts formerly sourced offshore. Still underway is similar project to develop standard digital signal processing chassis.

Specs for 8mm Video camcorder Model VKR8500 to be introduced by Philips in Europe next year (TVD Oct 10 p12): Tape — metal evaporated, one hour. Battery — playing time about one hour. Camera — 1/2" Newvicon tube, f1.4 lens, 6:1 motor zoom, macro, sensitivity 10 lux, electronic viewfinder, built-in microphone, jack for external mike. Recorder — "perfect assemble of successive shots," full playback, forward & backward picture search, still picture, frame advance, single button auto review, memory tape counter, fade in/out, recordings may be made from other video sources, superimposition of date in picture, earphone connection. AC adaptor will charge battery in camcorder, along with extra battery, contains RF modulator. Power consumption — 6.9 w. Camcorder dimensions — 10.8" long, 5.7" high, 2.9" wide. No details were revealed on tuner-timer.

Plans to buy color TV in next 6 months were expressed by 7.7% of households in Sept., according to Conference Board, compared with 6.1% in Aug. and 6.1% in Sept. 1982. Highest figure this year was 8.1% in June. B&w buying plans were held by 1.1% of families, vs. 0.9% in Aug. and also one year earlier. Board said increase in buying plans across-board suggests "that the economic recovery will continue to be vigorous for quite some time ahead."

Apple named Canon as Japanese distributor of its personal computers. Canon has own computer and office equipment line, but none of its products is directly competitive. Companies are working on development of Japanese language software, expect to have enough programs completed to support hardware market launch next spring. Apple said it expects to sell \$100 million of computers in Japan over next 2 years.

GE NET UP: GE cited improved margins and higher earnings from consumer products in reporting sharp profit gains for 3rd quarter and first 9 months (see financial table). Company said high technology areas, including semiconductors and related businesses, also had strong earnings growth.

In consumer sector, biggest improvement came from major appliances, where earnings doubled. GE said that in video, significantly higher volume and improved productivity more than offset lower selling prices "and resulted in a lower loss." Audio business had higher earnings as price declines were more than offset by improved productivity.

CBS was swept up in videogame red ink bloodbath that's expected to wash across industry in 3rd quarter. Company said "prudent" writeoff of "unamortized costs related to videogames" was responsible for \$15.7 million loss by Columbia Group in period to Sept. 30. Writeoff was taken now in recognition of market conditions, represents conservative accounting approach, spokeswoman told us, pointing out company could have held off until 4th quarter, "which would have made the 3rd quarter a spectacular period for us."

It was stressed that CBS is still strongly involved in game cartridge marketing and intends to continue, though expectations have been revised downward. Despite game problems, 3rd period was strong, biggest improvement coming at CBS Records, which had \$10.7 million profit for quarter, against \$12.3 million deficit last year, 9-month earnings of \$75.6 million, up from \$10.7 million. Sales for those respective periods were up 9.8% to \$258.5 million and 5.6% to \$832.5 million.

ITT said need for cash to support R&D outlay of more than \$1 billion yearly in such hi-tech areas as digital TV and telephone switching is reason it didn't increase 4th quarter dividend. This will be first time in 19 years ITT hasn't boosted payout in final period.

Intel net nearly tripled to \$32.1 million in quarter, though sales were up only 23%. Reason is high IC demand which has stopped price erosion, caused some shortages. Intel said much of demand increase is for new devices only now available, and is being generated by rising market for newer products such as computers, telephones and medical equipment. Intel said it's now looking for hundreds of workers, and employment openings are 4 times what they were at start of year.

Advanced Micro Devices had 3rd quarter net of \$12.2 million, also triple that of same time last year, on sales jump of nearly 50% to \$128.5 million. AMD said orders booked are double those of last year, reported it's advancing by 3-4 months construction timetable of Texas plant.

Commodore has applied to Taiwan govt. for permission to invest \$250,000 in computer peripheral manufacturing venture.

Audiovox has hopped on Motorola AM stereo bandwagon, says it will be in market with car radios and tape players next year, joining GM's Buick.

Consumer Electronics Personals

Vern Brisson, ex-Sony, joins Sharp as Consumer Video Dept. national sales mgr. Named Video Dept. region mgrs.: George Briendel (northeast), Joel Sherman (mid-Atlantic), Ronald Archer (southeast), Gardner Howland (central), Richard Gedman (mid-west), Henry Allen (southwest), Steve Arnow (Pacific north), Richard Larsen (Pacific south); Donald Carter named Sharp Consumer Electronics Div. asst. sales promotion mgr... John Inaba, Sony (U.S.) Design Center mgr., named vp... Ray Dolby receives SMPTE Progress Medal for audio noise reduction, quality improvements and "as a prime inventor of the VTR."

David Rucklier, Atari entertainment software vp, adds responsibility for Management Group, replacing John Cavalier, resigned to join Apple Personal Computer Systems Div. as vp-gen. mgr.; Jeffrey Heimbuck resigns as Atari games & computers mktg. vp to become pres.-CEO of peripherals marketer Koala Technologies, succeeding Jon Witt, who left in policy dispute. Heimbuck's Atari duties are being divided between Computer Mktg. Senior Vp Fred Simon and Games Mktg. Vp Philip Restaino; Peter Wensberg, replaced as Ataritel pres. last month by Richard Meir, has left company.

John Gould resigns as Commodore direct dealer sales dir., presumably reflection of company's increased emphasis on sales through distributors... John Frank advanced at Zenith Data Systems from sales vp to mktg. vp, succeeding Robert Reid, resigned... Frank Schwartz, ex-Wells Rich Green, where he headed Atari account, joins Simon & Shuster as pres. of new Electronic Publishing Div., which will market computer books & software; James Korenthal, ex-Atari, named S&S EPD technical services vp; Alvin Reuben named sales & distribution exec. vp.

Ronald Friedman, ex-Rentabeta, resigns as business affairs vp, Portavideo... Jonathan Dolgen, Columbia Pictures senior vp responsible for home video, named member of new corporate Studio Operating Committee; Gary Khammar promoted to sales vp, RCA/Columbia Pictures Home Video... John Perez appointed pre-production mgr., CBS/Fox Video International... Ben Rybnick, ex-Warner Home Video, joins MGM/UA Home Entertainment Group as public performance video sales & mktg. dir., Ancillary Rights Div., new post... Gary Rockhold promoted to exec. vp-gen. mgr., Commtron... Dennis Hedlund, ex-Electric Video, forms Coastal Video Services, handling Kultur line of recorded cassettes.

Bruce McDonnell, ex-Heublein, joins Sierra On-Line as mktg. vp... Ben Dyer resigns as Peachtree Software pres. to form Commsell, interactive videodisc program development venture; Dyer's duties at Peachtree are being divided between Mktg. Vp Julian Puckett and John Hale, now responsible for software development and national accounts... Tom Shane advanced at Leading Edge Products (computer discs & accessories) to pres. of Information Systems & Supplies Div.; Geoff Burr named Retail Div. mktg. vp.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
CBS			
1983-9 mo. to Sept. 30	3,123,500,000	109,900,000	3.70
1982-9 mo. to Sept. 30	2,904,800,000	73,400,000	2.62
1983-qtr. to Sept. 30	1,023,700,000	33,400,000	1.12
1982-qtr. to Sept. 30	929,000,000	14,500,000	.51
Chris-Craft Industries			
1983-year to Aug. 31	84,408,000	3,997,000	.50
1982-year to Aug. 31	76,531,000	10,863,000	1.33 ^a
1983-qtr. to Aug. 31	21,151,000	2,346,000	.33
1982-qtr. to Aug. 31	18,161,000	2,394,000	.31 ^a
Gannett			
1983-30 wk. to Sept. 25	1,226,535,000	130,890,000	2.46
1982-39 wk. to Sept. 26	1,091,411,000	124,785,000	2.35
1983-13 wk. to Sept. 25	412,579,000	46,130,000	.87
1982-13 wk. to Sept. 26	368,145,000	42,861,000	.81
GE			
1983-9 mo. to Sept. 30	19,370,000,000	1,445,000,000	3.18
1982-9 mo. to Sept. 30	19,040,000,000	1,293,000,000	2.85 ^b
1983-qtr. to Sept. 30	6,550,000,000	499,000,000	1.10
1982-qtr. to Sept. 30	6,390,000,000	451,000,000	.99 ^b
Meredith			
1983-qtr. to Sept. 30	107,436,000	10,453,000	1.11 ^c
1982-qtr. to Sept. 30	115,061,000	7,047,000	.76 ^b
Orion Pictures			
1983-6 mo. to Aug. 31	78,006,000	4,063,000	.29
1982-6 mo. to Aug. 31	57,921,000	1,196,000	.15
1983-qtr. to Aug. 31	44,055,000	2,016,000	.14
1982-qtr. to Aug. 31	25,574,000	623,000	.08
Owens-Illinois			
1983-9 mo. to Sept. 30	2,607,300,000	30,400,000	1.08
1982-9 mo. to Sept. 30	2,665,200,000	122,500,000	4.27 ^a
1983-qtr. to Sept. 30	885,600,000	(5,600,000)	--
1982-qtr. to Sept. 30	895,300,000	27,900,000	.98
Paytheon			
1983-9 mo. to Oct. 2	4,397,000,000	226,800,000	2.68
1982-9 mo. to Oct. 3	4,148,000,000	248,000,000	2.94
1983-qtr. to Oct. 2	1,485,000,000	76,000,000	.90
1982-qtr. to Oct. 3	1,305,000,000	82,900,000	.98
Scripps-Howard Bcstg.			
1983-9 mo. to Sept. 30	71,167,000	12,158,000	1.18
1982-9 mo. to Sept. 30	68,361,000	13,425,000	1.30 ^c
1983-qtr. to Sept. 30	23,981,000	3,789,000	.37
1982-qtr. to Sept. 30	22,491,000	3,759,000	.36 ^c
TRW			
1983-9 mo. to Sept. 30	4,111,600,000	152,600,000	4.12
1982-9 mo. to Sept. 30	3,923,800,000	164,800,000	4.66 ^c
1983-qtr. to Sept. 30	1,318,900,000	58,800,000	1.59
1982-qtr. to Sept. 30	1,242,200,000	59,000,000	1.65 ^c
United Cable TV			
1983-qtr. to Aug. 31	32,515,000	2,038,000	.15
1982-qtr. to Aug. 31	26,550,000	(178,000)	-- ^a
Warner Communications			
1983-9 mo. to Sept. 30	2,373,263,000	(424,663,000)	--
1982-9 mo. to Sept. 30	2,932,335,000	224,803,000	3.46
1983-qtr. to Sept. 30	768,839,000	(122,366,000)	--
1982-qtr. to Sept. 30	1,060,168,000	78,685,000	1.21
Westinghouse			
1983-9 mo. to Sept. 30	6,935,500,000	312,200,000	3.53 ^c
1982-9 mo. to Sept. 30	7,134,100,000	348,500,000	4.03 ^c
1983-qtr. to Sept. 30	2,264,800,000	115,500,000	1.31
1982-qtr. to Sept. 30	2,319,200,000	113,700,000	1.31 ^c
Wometco Cable TV			
1983-36 wk. to Sept. 10	39,074,000	3,521,000	.50
1982-36 wk. to Sept. 11	30,781,000	1,546,000	.22

Company & Period	Revenues	Net Earnings	Per Share
Wometco Cable TV--(continued)			
1983-12 wk. to Sept. 10	13,487,000	1,172,000	.17
1982-12 wk. to Sept. 11	10,758,000	750,000	.11
Wometco Enterprises			
1983-36 wk. to Sept. 10	357,595,000	20,265,000	1.16 ^c
1982-36 wk. to Sept. 11	341,230,000	18,248,000	1.06 ^b
1983-12 wk. to Sept. 10	129,138,000	7,238,000	.41
1982-12 wk. to Sept. 11	120,953,000	6,361,000	.37 ^b

Notes: ^aRestated. ^bAdjusted. ^cIncludes special credit.

LASERVISION PROGRESS: Laservision population has reached about 80,000 players in U.S., more than 60,000 in Japan, according to Yasuo Aomi, pres. of Tokyo-based Laser Disc Corp., Pioneer affiliate. Demand is higher than last year, should double in 1984, he told us, acknowledging that U.K. & German demand remains slow. We estimate total sales for the 2 countries at not more than 10,000 units.

Japan remains most active market. LV owners are buying 50,000 discs monthly from catalog of 450 titles, soon to grow to 500, about size of U.S. catalog. Aomi claims Kofu disc output in fiscal year which began Oct. 1 should top 4 million, Carson, Cal. plant adding another million; consumer & industrial markets split 5-million total 50-50. In addition, discs are pressed in U.S. by 3M.

New market opening this month is Australia with "modest" goals at start. There will be lull in expansion until 1985 when France, Italy & Switzerland are due to open.

Obituary

Lew Shoskes, 63, founder & pres. of Matsushita Electric Canada, died in Toronto Oct. 13 following brief illness. Shoskes was 20-year Matsushita veteran, joined Panasonic in U.S. in 1963, where he was in charge of developing Canadian market. He was named MEC pres. when company started operations in 1967. Wife, son, mother & brother survive.

Gameline, videogame-by-phone service (TVD Aug 15 p16), now has 5,000 subscribers, with backorders for almost 400,000 modules which, at \$60, combine modem & autodialer for access to library now totaling 150 games, according to William von Meister, pres. of Control Video Corp. Regional rollout will begin in 2 weeks with addition of N.Y. market (Pittsburgh was first), he said in talk at Info 83 conference in N.Y. last week. He said Gameline is adding 6 titles monthly, will eventually settle at 200 popular titles. He revealed CVC pays 15% of fees in royalty to software manufacturers, adding another 2.5% for developers of games not created in-house. While Gameline will work with only Atari 2600 consoles now, new "Master Modem" will be available next year for any computer system. CVC also provides stock quotes, will expand to other services.

WEEKLY

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TELEVISION DIGEST AND THE ECONOMIST OF LONDON LAUNCH NEW NEWSLETTER (P.4)

OCTOBER 24, 1983

VOL. 23, NO. 43

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

NO CHANGE (YET) BY REAGAN in Administration support of TV networks ownership of syndicated programs. Dingell warns Fowler not to 'bow' to President. (P. 1)

CAMPAIGN FOR PTV ADS BEGUN by business executives. Committee in Support of Selective Advertising on PTV contains 6 WTTW Chicago board members, wife of 7th. (P. 3)

CONGRESS CONSIDERS COMPLAINTS of cable on higher copyright royalty fees. (P. 4)

CCI REACHES FUND-RAISING GOAL, names board members. War chest will allow launch of image-improvement campaign next year. (P. 5)

CRT TO DISTRIBUTE \$7.4 MILLION from 1979 cable fund despite NAB court challenge of distribution formula. (P. 5)

CABLE CARRIERS DEREGULATED by FCC action that eases rules on Eastern Microwave, United Video, Southern Satellite Systems. (P. 6)

CONGRESSIONAL DOMINO EFFECT: Once telephone bill markup is completed, action on broadcast legislation can begin. (P. 8)

NO CHANGE (YET) BY REAGAN ON FINANCIAL INTEREST: President Reagan heard arguments from some of his staff & Cabinet members at Oct. 20 meeting of Cabinet Council on Commerce & Trade as to why FCC ban against network ownership & syndication of programming should or shouldn't be relaxed. However, several participants in meeting (including Vice President Bush and Cabinet members) insisted President himself took no position in dispute and gave no indication as to what should be Administration's next move. Both Commerce & Justice Depts. in general have supported FCC's "tentative" decision to permit networks to own off network programming and, through sunset provision, to engage directly in domestic syndication after 5 years.

Commerce Secy. Malcolm Baldrige said meeting was merely informational, that it was called so various viewpoints could be aired. There have been strong pressures, some public, to get Reagan to reverse positions of Commerce & Justice. In talking to ABC newsmen, Baldrige

Consumer Electronics

SINGLE SYSTEM for TV stereo will be backed by FCC staff if industry chooses one. Deadline extended 60 days. MCS report drafted. (P. 10)

KOREA'S SAMSUNG PICKS N.J. as site for U.S. TV, MW oven plant. ITA trims Gold Star preliminary TV dumping margin to 3.87% from 9.53%. Tatung at 6.61%, AOC at 6.38%. (P. 11)

VIDEO MARKETERS RIDE high on 3rd qtr. profit wave, with gains by NAP, RCA, Zenith. Depression continues for videogame firms. (P. 12)

LLOYD'S BEING ACQUIRED by rum distiller. Sony sells speaker subsidiary. CBS seeking record partner. GE sells some Toshiba holdings. (P. 13)

CD PLAYERS DIPPING toward \$400, as Yamaha introduces \$425 unit in Japan. Prices could move near \$299 in 1984. (P. 13)

TAPE HEARINGS RESUME this week in House & Senate. Early Betamax court decision seen. Administration close to first-sale support. (P. 14)

KODAK'S VIDEO ENTRY, as tape marketer, expected at Winter Consumer Electronics Show, may be preparing new VCR format. (P. 14)

refused to discuss what was said by White House aides or reaction of President, if any. However, Baldrige himself gave argument backing FCC, stressed there's increasing competition to over-air networks through new technology.

Presenting opposing position in argument to Cabinet meeting reportedly was Craig Fuller, White House asst. for Cabinet affairs, who argued that TV networks still have tremendous market power and concentration. Argument was made that moratorium should be placed on FCC plans to give new technologies more time to develop. Reagan also was given background on growth of industry and prospects for future growth over next decade.

One source said that a major purpose of Cabinet meeting was to prepare for possible testimony by Administration at Nov. 2-3 hearing on financial interest rulemaking by Senate Commerce Committee. If Reagan decides Administration should come out against networks, it's likely to be at that hearing, we were told.

White House sources have acknowledged that Reagan is showing renewed interest after being briefed on issue 2 weeks ago by FCC Chmn. Fowler (CD Oct 5 p6). "We've got to be concerned that [Reagan] is getting into the FCC's financial interest rulemaking in a substantive way," network official told us. "We're particularly concerned that the White House is becoming involved at this late date" — after FCC already has issued tentative decision.

Reagan, we're told, is being urged to become involved for political reasons — rather than philosophical — with argument networks haven't treated him fairly and won't do so during his campaign for reelection. If he becomes involved on side of Hollywood's program producers, it won't be because of his background as an actor, same source (who is actively involved against networks on non-paid basis and worked for Reagan's election in 1980) told us. "Many of those pushing Reagan to oppose the networks are from outside the White House and they are pushing the issue for political reasons only... I told you we'd turn the White House around on financial interest," source said.

Asked if President is indeed being pressured to order Justice & Commerce to change their positions supporting FCC, we were told by Administration official: "I do not know the answer to that." He said last week's Cabinet meeting had been in works for "week or so."

Networks appear to be losing much of their confidence that they have case won at FCC (where there again is talk of compromise which would limit amount of ownership networks could obtain in syndicated programming) and that they have stopped bills in both sides of Congress which would have prohibited FCC from removing network ownership restrictions for 5 years. MCA head Lew Wasserman and actor Charlton Heston were among those in Washington last week lobbying against networks. Week before, some 10 senators were in Hollywood being entertained by members of Committee for Prudent Deregulation, made up of Hollywood programmers and prime opponent of networks. "They [senators] got an earful," network official said. "They were reminded where the money is" for upcoming Senate campaigns.

Meanwhile, Rep. Dingell (D-Mich.), chmn. of House Energy & Commerce Committee with jurisdiction over FCC, questioned propriety of Cabinet Council meeting, suggested in letter to Reagan that it was intrusion on his panel's authority, also improper, given Commission's regulatory independence. Noting that rules governing ex parte contacts are supposed to ensure that FCC operates free of outside influence, Dingell argued: "When there is tampering with the process by which [FCC] determinations are made, the integrity of decision-making is destroyed."

Dingell also criticized President's briefing from FCC Chmn. Fowler 2 weeks ago: "You must appreciate that summoning to the Oval Office the head of an independent regulatory agency on a pending matter carries the potential of undermining the independence Congress intended when it created the agency." Dingell disclosed he has ordered his Oversight & Investigations Subcommittee staff to examine White House's involvement to make sure no improper ex parte pressure is exerted on FCC. Dingell concluded: "My purpose in writing to you [Reagan] is to caution [you]... I believe that... you must assure... you do not intend to use the weight of your office to subject the agency's... rulemaking proceeding to improper influence."

Dingell repeated warning in National Press Club speech, suggested President's involvement

has potential of "rigging the proceedings." Dingell commended President, said his background in movie industry gave him special understanding of issue, but, he added in prepared text: "We now have a President who is pushing for deregulation everywhere, except apparently, where that deregulation is opposed by his friends" in filmmaking industry.

After Press Club luncheon speech, Dingell told fellow Michigander Comr. Quello (whom Dingell strongly supported in both of Quello's FCC appointments): "You go back and tell Fowler that if he bows to the President [on financial interest] he is going to have some explaining to do to my Committee." Asked what is wrong with President letting FCC know how he stands when members of Congress constantly pressure FCC, Dingell responded: "I have yet to see a member of Congress appoint a member of the FCC." Expressing "great concern" that White House called Fowler for briefing, Dingell said that "it appears the President is seeking to exert undue influence... Since he makes the appointments, his influence is far greater than any other person's."

Day before White House meeting, Senate Appropriations Committee voted 16-13 to require FCC to put 6-month hold on financial interest rulemaking. NBC said it was "obviously disappointed at the precipitous action," said that no hearing was held or testimony taken, that Committee action will serve interests of Hollywood producers but not those of viewing public. Day of meeting, White House Deputy Press Secy. Larry Speakes said Reagan has ordered that all his residuals from old movies & TV shows be donated to charity to remove any personal financial interest in outcome of FCC rulemaking.

COMMITTEE FORMED TO SEEK PTV ADS: Despite long experiment and 2-1/2 years of debate, deep split remains in public broadcasting over whether there should be advertising on PTV. Formed to support airing ads, Committee in Support of Selected Ads on PTV has mailed letters to 70-75 congressmen. Having selective ads on PTV is contrast to position taken by Temporary Commission on Alternative Financing of Public Telecommunications (TCAF).

In letter to Bruce Christensen, NAPT's pres. who was on TCAF, ad proponents' group Chinn. Keith Ridgway said: "We believe there is nothing inherently incompatible with limited, selective advertising and a program environment of outstanding quality." TCAF studied issue, recommended to Congress Oct. 1 that it allow enhanced underwriting and continue strong federal support of public broadcasting.

Letter from ad supporters contains names of 15 corporate members, 6 of whom are on board of WTTW Chicago, which participated in 18-month ad experiment on PTV which ended June 30. Ridgway, Kraft Retail Food Group pres., urged congressmen to support "immediate legislative authority for the... use of limited advertising by those stations and communities choosing to employ it."

Ridgway told us Committee "hasn't plotted another course of action" beyond sending letters to Congress. Several congressmen have responded favorably to letters, he said, naming only Rep. Simon (D-Ill.). Ridgway said Committee members who are also WTTW dirs. will hold meeting this week when PTV station's dirs. meet.

AT&T-Knight-Ridder Viewtron videotex service will premiere Oct. 24 at Hyatt Regency Hotel in Miami. Firms have invited 1,200 to premiere, which will have NBC news commentator John Chancellor as keynote speaker. K-R subsidiary Viewdata Corp. of America developed Viewtron, while AT&T developed Sceptre videotex terminal. Sales of terminals will begin Oct. 30 in Burdines and AT&T phone centers. Viewtron is first fully commercial home videotex service in U.S.

Broadcasters now will be allowed to use dual-city IDs without prior FCC approval. FCC last week said TV & radio licensees can list any number of cities in ID as long as first one mentioned is city of license. Previously, broadcasters could use dual-city IDs only after securing FCC waiver.

Arbitron has donated archives to U. of Ga. Collection of more than 25,000 items includes nearly all ratings reports of Arbitron broadcast audience surveys since 1949 as well as accompanying books which aid in interpreting data. Arbitron also has agreed to provide computer services to allow more detailed study of documents, officials said.

BL Assoc., Chicago, offers Videotex Planning Service to help ad agencies market clients' products. Contact: Christopher Lockhart, BL Assoc., 715 Asco Ct., Hoffman Estates, Ill. 60172, 312-490-0144.

WNEV-TV Boston & 5 New England newspapers have formed New England News Exchange, to extend regional TV news coverage into areas adjacent to Boston.

ROYALTIES RUED: Cable industry last week pressed House Copyright Subcommittee to reverse Copyright Royalty Tribunal's 1982 decision to raise sharply the rates cable systems must pay to carry distant signals of independent TV outlets. At hearing Oct. 19, CATA, NCTA, United Video and Turner Bestg. urged Congress to roll back rates and endorsed 2 proposals (HR-2902 & 3419) pending before panel.

Proposals were introduced by Reps. Hall (D-Tex.) & Synar (D-Okla.) at industry's behest, differ significantly. Synar bill, asked by United Video, would equalize rate paid for first 3 imported independent signals. More complicated Hall measure, proposed at Turner's request, would exempt certain kinds of distant independent TV stations' signals from CRT rate increase by creating mechanism under which so-called "superstations" would be recognized as "national cable TV networks." Cable networks would win exemption if they: (1) Deliberately market signal nationwide. (2) Promote signal as national program service. (3) Use national audience measurement data to set ad & program purchase rights. (4) Seek advertising directed at national audience.

Also in Hall proposal is slimmed-down CRT composed of 3, rather than 5, commissioners, with resulting budget savings used to hire gen. counsel and chief economist. Effect of bill would be to put superstations, such as WTBS Atlanta, on same footing for copyright fees as 3 TV networks, also make it easier for small, rural cable systems to import distant independents. Measures are necessary, according to legislators, because rate increase has proved hardship for rural cable systems and discriminates against rural cable viewers whose access to over-air TV programming often is limited.

Roy Bliss of United Video told Subcommittee higher rates have cost his company nearly \$1.2 million in revenues this year and \$1 million in potential revenue that might have come with expansion of systems carrying WGN-TV Chicago. He dramatized impact higher rates have had on number of "eyeballs" for WGN-TV by describing viewer falloff for states that full Judiciary Committee members represent. He claimed nearly 3.4 million WGN-TV viewers were lost in 16 states members represent — 505,007 alone for 10 systems that carried station in 14 Cal. communities. Among 12 states that Subcommittee members alone represent, fall was nearly 1.8 million viewers, Bliss said.

NCTA Pres. Thomas Wheeler told panel 76% of top 25 of industry's 30 largest operators dropped one or more signals after rate hike because royalty fees increased 400-1,500%. CATA Exec. Dir. Stephen Effros argued rates discriminate against cable systems outside top 50 TV markets.

Cable clustering, Hawaii: ATC has agreed in principle to buy TV Systems, 20-channel system on Oahu near Honolulu serving 43,000 basic, 30,000 pay subscribers, 550 miles of plant, from local owners for undisclosed sum. ATC, through subsidiary Oceanic Cablevision, owns contiguous systems in Honolulu serving 73,650 and in Waianae with 9,570 customers.

Journalists are protected against libel when reporting accurate accounts of allegations made in secret grand jury hearings, Federal Dist. Court in Manhattan ruled. In dismissing libel claim against ABC-TV, Court said ruling was "buttressed by fundamental precepts of free expression" in federal law. Suit stems from ABC news account of grand jury inquiry into allegations that backers of TV program "Charlie's Angels" were cheated of profits. News reports of court hearings normally are protected against libel claims if they're fair & accurate, but question of whether this privilege extends to grand jury hearings, which are closed to public, hadn't been tested in Cal., where case originated.

American Cablesystems, Beverly, Mass., has bought its first Fla. property with acquisition of American Video, Pompano Beach. System serves 57,000 basic, 48,000 pay subscribers, in Pompano Beach, 7 other communities in Broward County. Robert Johnson owns 97% of 36-channel American Video. Terms weren't disclosed.

TELEVISION DIGEST & LONDON ECONOMIST LAUNCH NEW NEWSLETTER

Television Digest Inc. and The Economist, the authoritative British news weekly, have announced plans for new international communications newsletter to be called CONNECTIONS: World Communications Report.

Newsletter is first joint publishing venture for The Economist in its 140-year history and first for Television Digest Inc. in its 38 years. Newsletter, to be published every 2 weeks, will provide news, analysis and opinion on international communications policy, economics and technology.

Newsletter will be written by Jonathan Miller, managing editor of Television Digest's Communications Daily and Satellite Week, and Brenda Maddox, senior editor of The Economist. "Global expansion and deregulation of communications activities have taxed the ability of decision-makers to stay abreast of developments," Albert Warren, editor & publisher of Television Digest, and David Gordon, The Economist managing dir., said in joint statement. "By focusing on news too specialized for The Economist and differing in emphasis from Television Digest publications, CONNECTIONS: World Communications Report is the insider's guide to a business that knows no national frontiers."

Said Miller and Maddox in joint statement: "We intend that the coverage of CONNECTIONS: World Communications Report be cosmopolitan, perceptive and irreverent. We think the breaking up of the world telecommunication monopolies and the emergence of new technologies and new rules is one of the central stories of our times."

CABLE CONSORTIUM GETS FUNDS: Four months after start, Cable Consortium for Information has achieved goal of raising \$750,000 to be used as down payment on national ad campaign to improve industry's image. Goal was reached recently with donation by Christian Bestg. Network, 70th received. Said CCI Pres. Kathryn Creech: "After months of active fund-raising, the contribution that allowed us to say 'we made it' naturally represented a special occasion." CCI was rolled out at June NCTA convention in Houston.

CCI is in final stages of selecting national ad & PR agency which will be charged with developing campaign, scheduled for launch in first half of 1984.

Named last week to 31-member CCI board: Charles Dolan (Cablevision Systems), Brian Lamb (C-SPAN), William James (Capital Cities), Tim Robertson (CBN), John Frazee (Centel Cable), Jack Clifford (Colony), Polly Dunn (Columbus TV Cable), William Schwartz (Cox), John Saeman (Daniels), James Jimirro (Disney), William Grimes (ESPN), Daniel Ritchie (Westinghouse), Robert Miron (NewChannels), Christie Hefner (Playboy), Philip Lind (Rogers), James Whitson (Sammons), Mel Gilbert (Synder Community Antenna TV), Terry Lee (Storer), Richard Roberts (TeleCable), Robert Magness (Tele-Communications), Lawrence DeGeorge (Times Fiber), Gerald Levin (Time), Dow Carpenter (Times Mirror), Douglas Dittrick (Tribune), Ted Turner (Turner), Neil Heller (TVSM), Robert Rosencrans (United Artists), Gene Schneider (United Cable), Ralph Baruch (Viacom), Drew Lewis (Warner Amex), Edward Allen (Western Communications).

Completing deregulation begun in 1970, FCC last week removed almost all remaining rules governing operation of STV stations at about time industry itself is shrinking rapidly. Most significant was decision that quality of audio signal of STV station won't have to meet technical standard of broadcast TV. Eliminated were rules stipulating that licensee apply for STV authorization separately from station CP and restrictions on changing from broadcast to STV operation and vice versa. Now, licensee can switch to STV operation unilaterally as long as FCC is notified within 10 days of change. Similarly, STV operation can revert to standard broadcast without prior approval, must notify FCC within 10 days of switch. Decision closes docket opened in 1968 which promulgated original rules that only one STV operation could be licensed per city, and then only if that city had 4 other broadcast stations. Most of those restrictions were lifted in 1980. Competition from cable has held down growth of industry. At its peak, there were 27 STV operations; number has declined to 19, is expected to shrink further as cable penetration grows.

Marketplace approach to multichannel TV sound won't be recommended by FCC's Mass Media Bureau if industrywide tests disclose one superior system, according to Chief James McKinney, who said last week that he'd urge Commission to pick single standard in that case. (Details in Consumer Electronics section.)

CRT & NAB CLASH OVER CABLE FUND: NAB has asked U.S. Appeals Court, D.C., for emergency stay blocking distribution by Copyright Royalty Tribunal of about \$7.4 million from 1979 cable royalty fund scheduled for Nov. 10. CRT decided earlier this month to distribute to copyright owners 30% of fund (50% had been previously handed out), holding 20% in reserve to accommodate any changes in distribution formula that might be ordered by Court.

NAB contends that distribution of 30% of fund should be halted because holding only 20% in reserve doesn't cover amount contested in appeals previously filed by NAB, several other copyright groups. NAB disagrees with distribution formula because no allocation is made to commercial radio and because it alleges that 4.5% of fund allocated to commercial TV broadcasters doesn't adequately remunerate them for sports programming.

NAB's action is "somewhat annoying to us," CRT Comr. Thomas Brennan said. "We are greatly inconvenienced by protracted delays in the Court of Appeals." Distribution formula being used gives MPAA 70%, joint sports claimants 15%, public broadcasting 5.25%, commercial TV broadcasters 4.5%, music performing rights societies 4.25%, Canadian claimants 0.75%, National Public Radio 0.25%.

Distribution nearly empties CRT coffers of old cable copyright payments. All of 1978 fund has been distributed; 80% of 1979 & 1980 funds will have been distributed; 90% of 1981 & 1982 funds. Minor percentages of 1979-82 funds are being held in reserve to accommodate any possible court-ordered changes in distribution formula. Less of 1981 & 1982 funds is being held back because there's little likelihood of legal challenges, Brennan said.

FCC last week: (1) Launched rulemaking on allowing Class 4 AM stations to increase nighttime power & antenna height. Most such stations operate at 1 kw daytime, drop to 250 w at sunset. It's expected that rulemaking will culminate in those stations remaining at 1 kw through operational day. (2) Ruled that all-news WINZ(AM) Miami didn't violate fairness doctrine last year when it attacked rate hike by Fla. Power & Light Co. Decision, which some felt would encourage more editorializing by broadcasters, turned on view held by Mass Media Bureau that station, which aired some 200 attacks on rate hike, isn't required under doctrine to air same number of rebuttals by utility. Commission upheld Bureau decision which found that fairness doctrine, unlike equal time law, doesn't require "mathematical equality," only ensures that "public has not been left uninformed."

Time abandons STV business by selling its sole remaining service, over WSMW-TV Worcester, operated by subsidiary Preview Subscription TV, to Independent American TV. New owner will take over management Nov. 1, with service continuing to 40,000 subscribers. Time's departure from STV business "improves their [financial] outlook, but it doesn't help their batting average any," according to Alan Gottesman, Time analyst for L.F. Rothschild, Unterberg, Towbin.

CABLE CARRIERS DEREGULATED: Satellite common carriers of cable industry's 3 superstations have been cut loose from most federal regulations as result of FCC decision to forbear from regulating resellers who retransmit broadcast signals over leased transponders. Affected are United Video (WGN-TV Chicago), Eastern Microwave (WOR-TV N.Y.) and Southern Satellite Systems (WTBS Atlanta). "We're free!" exclaimed UV Pres. Roy Bliss.

Commission voted unanimously last week to forbear from regulating satellite resellers, meaning those common carriers won't be required to file tariffs or submit reports on facilities used in their cable businesses. Until now, those carriers were required to file tariffs 90 days before implementing new rates or services and to file FCC reports on facilities used.

"It means we can operate more efficiently, more economically," said SSS spokesman, who added that deregulation probably won't have any immediate impact on rates paid by cable operators. All 3 carriers charge about 10¢ per subscriber for service, fluctuating slightly according to number of subscribers to system.

"The [Washington] lawyers tell us we can burn our tariffs," said Bliss. "It appears we are now totally deregulated in our satellite business. And I think it's good because there's enough free-wheeling in this business to keep rates competitive and service at a high level." Eastern Microwave executive said he was still digesting FCC decision.

Cable attorneys said it was clear, though, that 3 carriers, when relaying superstations to cable headends over leased transponders, are now free from tariffing & reporting requirements. Eastern & UV also operate microwave networks which apparently will remain under some minimal FCC tariffing regulations, attorneys for companies said. Also, some Title 2 requirements, including complaints process in which users can allege unfair pricing policies, still apply to 3 companies in rates & conditions for receipt of superstations. General Title 2 requirement remains in effect that carriers must offer services indiscriminately.

Commission adopted single relevant market for all domestic interstate interexchange telecommunications services, which encompasses all MTS/WATS, data, video and record services, whether offered by satellite or terrestrial facilities. It concluded that these different services are competing in the same market because customers have choice of several delivery mechanisms.

Commission said it isn't done yet in easing regulations on common carriers. Some fully regulated carriers can expect to have regulation streamlined, process in which tariffing requirement is reduced from 90 days to 14 days, and forbearance probably will be extended to some who are now streamlined. Most prominent in that group is AT&T, which has petitioned Commission to streamline some of its units that will be facing competition after divestiture.

Time Inc. reported 13.9% decrease in net income for 3rd quarter, resulting from losses and close-down expenses of TV-Cable Week magazine and from provision for losses on anticipated sale of interest in STV service in Boston area, company officials said. For quarter, firm had net income of \$30.3 million (47¢ per share) on \$983.5 million revenues, compared with \$35.2 million (55¢) on \$875.3 million in comparable period of 1982. Time said operating income from 7 magazines, video operations and forest products businesses increased. Losses attributable to TV-Cable Week, which ceased publication in Sept., totaled \$29 million or about 26¢ per share after taxes, company said. Loss on anticipated sale of Boston STV service was accounted for as discontinued operation because Time has withdrawn from STV business, company said. For first 9 months of 1983, Time reported net income totaling \$114 million (\$1.79 per share) on \$2.9 billion revenues, compared with \$109.9 million (\$1.73 per share) on \$2.6 billion in first 3 quarters of 1982.

White House, one week after President Reagan signed into law bill authorizing Radio Marti broadcasts to Cuba, released statement by President in which he lamented contents of proposal. Arguing govt. radio station can "break" Cuban dictator Fidel Castro's "monopoly on news and information," President nonetheless decried compromise Senate and House members struck in order to get bill passed, said he still would have preferred Marti be put under jurisdiction of Board for International Bestg. where it could carry out propaganda mission. But Marti proponents, to win bill's approval, had to water down Marti's role. Station was placed under wing of VOA, where propaganda mission will be downplayed, move President conceded still will permit the now renamed "Cuba Service" to air programs that "promote freedom in Cuba" without compromising "[VOA's] high standards for accuracy and reliability."

French marked first launch of non-European, commercial customer satellite Oct. 13 from Kourou, French Guiana aboard Ariane rocket. Intelsat V-F7 satellite launch was nominal after computer error halted countdown sequence for brief period. Satellite — 7th in series of 15 — will be drifted to operational position at 60 degrees east after about 6 weeks of in-orbit checks. There it will replace Intelsat V-F1 as Indian Ocean region primary satellite providing capacity of 12,000 telephone calls and 2 TV channels in addition to maritime service. Event heartened French launch company Ariane, which is locked in fierce competition with U.S. shuttle to provide launch services to Intelsat. Of Intelsat's next series, Intelsat VI-1 & 2 already have been tagged for shuttle launches and contract for next 3 will be decided in Dec.

Subscribers in Indianapolis to United Satellite Communications's medium-power DBS service will be first in nation to view satellite-delivered video service through rooftop receivers. USCI chose area in central Ind. to receive service first because "it's a good representative market in terms of demographics," according to company spokeswoman, but she objected to use of term "test market."

ABC, in contrast to performance of its 2 network rivals, showed lower profits from broadcasting and corporate operations in 3rd quarter. ABC said net for period was down 10.4% to \$31.8 million (\$1.08 per share vs. \$1.22) though revenue rose 8.6% to \$659.6 million. For 9 months, net was down 7.3% to \$110.3 million (\$3.76 vs. \$4.12) on 9.1% income rise to \$2.08 billion, but was up 5.7% on operating basis, after adjustment for \$14.6 million in special gains included in 1982 results. In broadcast units, pre-tax earnings were off 8.7% to \$71.9 million for quarter, up 14.8% to \$256.8 million for 9 months, on respective sales increases of 8.5% to \$569.6 million & \$1.83 billion. Company said weak news ad marketplace, higher costs associated with news activity, expenses related to summer and local program production, were among factors affecting both network and owned-stations operations. ABC radio had improved results. ABC Video Enterprises losses rose to \$11.8 million (from \$10.1 million) in quarter, stood at \$37.4 million for 9 months, up from \$19.6 million. Sales were up 8.7% to \$2.79 million for quarter, but down 13.7% to \$10.5 million for full period. ABC blamed those losses on softness in cable ad business, development cost of TeleFirst, its planned broadcast-to-home VCR pay recording service. ABC had improved results from publishing and scenic attraction operations.

Moving quickly, FCC has notified daytime AM stations how long beyond local sunset, and with what power, they will be able to operate once agreements have been signed with Mexico & Canada. Some former daytimers will be able to stay on air up to 2 hours after sunset with up to 500 watts, Commission said. No application is required, mere notification to FCC of post-sunset operation. U.S.-Canada agreement has been reached, is expected to be signed this week, and FCC said it's "anxious" for stations on Canadian clears to begin post-sunset by Oct. 30 — end of daylight savings time. Commission said "significant progress" has been made toward agreement with Mexico. FCC had authorized post-sunset operation Sept. 9 once agreements are signed.

Erosion of over-air TV audiences by cable could be halted in 1984 and "in fact, could well reverse itself," according to Marcella Rosen, media dir. of N.W. Ayer. Speaking to American Magazine Conference in Bermuda, she said that erosion is indeed real, but if this leads people to believe "decline of network TV will continue [they are] wrong, wrong, wrong." Networks, with mini-series, blockbuster movies and made-for-TV films, are doing the right things to win back audiences, she said, added that viewers aren't lost to networks "just not as easy to find anymore." Rosen said pay cable seems to be losing ground because it's running out of good movies.

Rev. Larry Owen, head of 100-member Calhoun (Ky.) Christian Church, is calling for boycott of NBC and parent RCA products if network airs "Princess Daisy" Nov. 6-7 as scheduled. Owen said mini-series "mocks Christian faith and morals." Program is based on novel by Judith Krantz which includes incest.

U.S. Supreme Court has agreed to rule on whether NCAA may control televising of college football games. Court agreed last week to review rulings that NCAA's contracts worth \$74 million with ABC, CBS & Turner Bestg. violate federal antitrust law. Earlier this year, 10th U.S. Circuit Court of Appeals held that contracts violate antitrust laws but Justice Byron White temporarily stayed finding pending decision by full court. Action stems from lawsuits by U. of Okla. & U. of Ga.

Group W Cable will lay off about 100 employees by year-end at N.Y. hq, most of whom work in franchising area. Coupled with transfers to field units of unspecified number of other N.Y. employees, move will reduce workforce from 250 to 85, said spokesman Richard Carter. Two years ago, when franchising was at its peak, N.Y. office employed 450. Since then, Group W Cable has pursued general decentralization of hq. "We're out of the franchising business," Carter said.

TELEVISION & CABLE FACTBOOK VOLUME PUBLISHED

The expanded Cable & Services Volume of the 2-volume Television and Cable Factbook has just been published. This 1,600-page reference work includes a listing of every known cable system in the U.S. -- increasing the size of the cable listings by more than 700 pages from the previous book. This is the largest edition of this volume ever published.

The Cable & Services Volume for the first time includes a complete breakdown of tiered subscribers and services, security systems (including equipment and subscriber counts) plus expanded equipment listings, franchise expiration dates and much, much more.

In addition, this handy book contains new and expanded tables and charts outlining a variety of highly sought after market research data, including state by state cable penetration and pay unit totals. Also new is a unique SMATV section with listings of key SMATV owners.

Among other features of the Factbook volume: Complete tabulation of station & receiver growth since start of TV; all TV station sales since 1949; directory of communications attorneys, engineers, management consultants, brokers; for each network, directories of executives, affiliates & affiliate boards; trade associations; publications; equipment manufacturers; TV channel allocations; group cable owners & cable cross-ownership; multipoint distribution services licensees & permittees, etc.

Learn why analyses by Multichannel News and the library field's Reference Services Review have declared the Factbook the best in the business. For more information, call our Circulation Dept. collect, 202-872-9200.

BROADCAST BILL ON AGENDA SOON: Anticipated completion of markup on telephone bill (HR-4102) this week by House Energy & Commerce Committee is expected to have domino effect on rest of communications legislation now on hold. Hill sources said that once phone bill is moved in Committee, Telecom Subcommittee Chmn. Wirth (D-Colo.) and other key members will have time to press forward with at least broadcast bill, hope to do so "immediately."

First order of business will be to introduce compromise deregulatory proposal said to be in final stages of negotiation by staff and legislators. Hearing & markup would quickly follow. NAB last week announced it has secured 28 co-sponsors for broadcast deregulation proposal introduced by Reps. Tauke (R-Ia.) & Tauzin (D-La.) — majority of House. Number of co-sponsors is seen as significantly strengthening Assn.'s hand, was heralded in mailgram from NAB board to group's members as signal "broadcast deregulation is an idea whose time has come."

Stalled FCC FY '84 money bill also will start moving, perhaps as early as this week. Wirth and other members must get freed from phone bill markup to have time to argue for new floor debate rules for FCC bill in Rules Committee. Hill source said Wirth wants Committee to approve limited debate & amendment rule to avoid possibility financial interest & syndication proceeding moratorium and broadcast deregulation amendments will be offered, turning debate into "circus" for special interests. But Wirth doesn't want to prohibit all debate, knows Republicans are clamoring for chance to amend controversial CPB funding, sources said.

Cable bill appears way out on horizon, although parent Energy & Commerce Committee Chmn. Dingell (D-Mich.) said in speech last week he will continue to push for action on bill. Legislator also warned he hasn't given up on winning passage of proposal that would equalize regulation of cable TV & telephone industries in provision of data transmission services.

But Dingell never offered threatened cable-telco amendment to phone bill (TVD Oct 17 p4), apparently never intended to do so. We learned Dingell floated amendment to test reaction, scuttled it after furious lobbying effort against it by cable industry and AT&T's long distance competitors. "The votes weren't there," NCTA Exec. Vp James Mooney said.

Issue is bound to resurface for cable bill (renumbered HR-4103). Not only has Dingell made it clear he still will pursue proposal, Mooney said that in winning stay of amendment for phone bill, no deal was struck that could be construed as meaning fight won't be made to get amendment added to cable bill.

An aside: Seeming appearance of extra security that reporters, lobbyists & aides noticed at phone bill markups is being discounted by Committee staff, despite fact we learned that threatening letter from Colo. constituent was received last week by Wirth. No one will accept responsibility for appearance of extra police. Aides down-played letter, which didn't

directly threaten harm to Wirth, said "angry" letters from constituents aren't unusual. Letter Wirth received apparently suggested someone should "blow his head off" if phone bill passes, we learned.

Northern TV, licensee of 2 TVs & 3 radios in Alaska, has told FCC that its "long and distinguished broadcast career" certainly is "not consistent with the implication that NTV... would ever deliberately misrepresent any fact to the Commission." Response was filed in answer to FCC letter Oct. 7 inquiring about apparent inconsistencies in licensee's minority employment for 1975-78 renewal period. NTV admitted discrepancies, said many were caused by high employment and high-paying jobs on Alaskan pipelines, causing minority employment pool to dry up, very high employee turnover, fact that state law prohibits asking prospective employee about race, change in top management and legal counsel. NTV said that during 12-month period before start of pipeline construction in 1975, NTV hired only 14 and only 17 left Anchorage stations, while from March 1975-76, after start of pipeline, licensee hired 53 and 41 left. Said NTV: "No effort was made to tailor the information submitted to the Commission so as to make it appear that NTV's actual performance was better than it was or to manufacture records in order to square current statistics with the 1977 renewal applications... To the extent that NTV's candor in responding... is considered to be evidence of concealment or lack of candor, we must confess we are troubled and confused... We submit that the explanations... considered in the context of the difficulties in reconstructing a record up to 8 years old, should dispel any Commission concern as to a possible misrepresentation." Commission had renewed Northern's licensees without hearing and case was appealed by Alaskans for Better Media through Media Access Project. Case was remanded at FCC request to consider Northern's EEO record.

While FCC is reluctant to "jump into new technology regulation," that isn't case on state levels, and Commission should move to preempt such state regulation where it isn't needed, according to James McKinney, chief of FCC Mass Media Bureau. Speaking to FCBA, he said: "Mini-FCCs, disguised as Public Utility Commissions, Cable Franchising Authorities and Public Health and Radiation Authorities are now ready and willing and even able to fill any vacuum created by FCC unregulation... It is entirely appropriate, in these days of federal forbearance, to pre-empt the states from entering those areas. Unless we take that task, the marketplace will be strewn with local regulatory waste and abuse."

Sale of "violent toys" has risen 50% in last 12 months, according to National Coalition on TV Violence, which attributed increase to "heavy advertising campaigns and the heavy promotion of violence on TV and in the movies."

AP has signed agreement with Source Telecomputing to provide AP stock and videotex news.

Personals

White House Counselor Edwin Meese addresses Oct. 25-26 convention of N.Y. State Bestrs. Assn., Albany... Robert Tolar, ex-General Instrument, appointed western mgr., Hughes Satellite Communications... Pat Marr, ex-Spectrum Planning, appointed vp-gen. mgr., new Comsearch engineering office, 1701 N. Greenville Ave., Richardson, Tex.

Peter Leone, ex-KNXT L.A., returns to WOR-TV N.Y.-Secaucus, N.J. as vp-gen. mgr... Charles Boush promoted to mgr.-sales/mktg. development, WDBJ-TV Roanoke... Tom Hanson advanced to station mgr., WFFT-TV Ft. Wayne; Jack Stuart named creative service dir., new post; Eileen Goltz dir.-PR & promotion; Lois Dinkel dir.-co-op advertising... Jonathan Dolgen, pres. of Columbia Pictures Pay Cable & Home Entertainment Group, also named pres. of domestic operations for parent.

Michael Schwartz, associate editor, Television Digest Inc., adds title of managing editor, Public Broadcasting Report; Barbara Van Gorder promoted to senior editor, Television & Cable Factbook... Promotions by Multimedia Entertainment: Leland Jackoway, vp-syndication sales; Joseph Cifarelli, vp-media sales; Betty Mills, vp-PR.

Pamela Dawson advanced to dir.-game programs, NBC Entertainment... Rise Sunness, ex-Prentice-Hall, appointed legal specialist, National Ad Div. of Council of Better Business Bureaus... Daniel Mulholland, ex-American TV Syndication, joins Delta TV Group as head of newly opened N.Y. office, 100 W. 57th St. 10019... Deborah Burke advanced to dir.-video enterprises, Metromedia Producers... Marci Miller promoted to head of new HBO consumer promotion group; Dan Levinson, ex-BBDO, joins as ad dir... Fred Hift advanced to vp in charge of world-wide mktg., Almi Distributing.

Jerry Smith promoted to vp-domestic sales, Harris Corp... Ray Chappelle advanced to local sales dir., WATE-TV Knoxville... Geraldine Sharpe-Newton, ex-CBS News, appointed PR dir., Independent TV News, London... Everett Parker, retired head of United Church of Christ Office of Communications, joins Channels magazine as editor-at-large in charge of educational activities... William Fineshriber retires Dec. 31 as vp-TV, MPAA.

Robert Bruce, ex-Leva, Hawes, Symington, Martin & Oppenheimer and onetime FCC gen. counsel, becomes partner in Washington law firm Debevoise & Plimpton... Robert Mazer, ex-FCC Common Carrier Bureau, joins Washington law firm Chadbourne, Parke, Whiteside & Wolff... Daniel Harrold, ex-Comsat, joins Washington law firm Finnegan, Henderson, Farabow, Garrett & Dunner... Kent Nakamura, ex-FCC Common Carrier Bureau, joins Washington office of N.Y. law firm Skadden, Arps, Slate, Meagher & Flom.

Glenda Leggit, ex-aide to FTC Comr. Patricia Bailey, appointed chief staff exec., Washington office of AAAA... Sam Ashenofsky, ex-Katz TV, appointed mgr. of Independent Sales Team, Seltel Inc. L.A. office.

Kevin Murphy & John Popkowski named vps-N.Y. sales mgrs., WTBS Atlanta... Barbara Sachs promoted to dir.-creative affairs, ABC Motion Pictures, new post; Lesley Bade advanced to dir.-business & administrations, ABC TV affiliate relations... William Ris, ex-telecommunications counsel for Senate Commerce Committee, and Joseph Waz, ex-Telecommunications Research & Action Center, join Washington govt. & public affairs firm Wexler, Reynolds, Harrison & Schule... Richard Neustadt, ex-Wiley, Johnson & Rein and White House communications counsel in Carter Administration, appointed senior vp-gen. counsel, Private Satellite Network.

David Hart, ex-WTVF Nashville, appointed promotion mgr., Nashville Network; Anne Boatman joins as administrative asst.-programming... William Randall, ex-Pioneer Communications of America, named pres.-CEO, Just for Listening, new premium cable audio service... James Hackett, Heritage Foundation associate and onetime USIA, nominated to board of CPB... Randall Keylor, ex-Warner Amex Satellite Entertainment, appointed dir.-telemarketing, ABC's TeleFirst... Theodore Schlissel named exec. vp, Reeves Communications.

Lynne Wellbrock promoted to vp-personnel, CBS Best. Group... Anne Rodgers advanced to dir.-station relations, Tribune Entertainment Co., new post; Allan Grafman, ex-Omnicom Cablevision, joins as dir.-business affairs, new post... Antoinette Russell promoted to public affairs dir., KIRO-TV Seattle... Mike Welch promoted to vp-gen. mgr., HBO central region, succeeding William Grumbles, now head of eastern region; Grumbles succeeds Dennis Garcher, now in HBO office in U.K.; Claude Wells replaces Welch as north central regional dir.

Michael Roarty, Anheuser-Busch, named pres.-CEO, Sports Time Cable Network, joint venture of A-B, Multimedia and TCI; Walter Bartlett, Multimedia, named exec. vp; Lawrence Albus, A-B, vp-gen. mgr.; Rodney Clark, ex-American Cable Connection, mgr.-regional operations... Robert Bell, ex-Central Educational Network, appointed vp-special projects, JPD TV Network... William Jones promoted to vp-gen. mgr. & secy., MGM/UA Entertainment, succeeding Stanley Feuer, retired... Joel Engel, ex-AT&T Consumer Products, appointed vp-engineering, Satellite Business Systems... Jane Edmondson promoted to dir.-mkt. development, National Captioning Institute.

CBS News has been ordered by Federal Dist. Court in Manhattan to turn over network notes on preparation of documentary, "The Unaccounted Enemy: A Vietnam Deception" to Gen. William Westmoreland. Westmoreland was accused in documentary of falsifying figures on enemy troop deaths. Court order was latest development in Westmoreland's libel suit against CBS that has raised questions about confidentiality of inside investigations by news organizations and whether they can be required to tell a libel plaintiff everything such an investigation finds. Court ruled the notes weren't protected by First Amendment.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended Oct. 7 (40th week of 1983):

	OCT. 1-7	1982 WEEK	% CHANGE	SEPT. 24-30	40 WEEKS 1983	40 WEEKS 1982	% CHANGE
TOTAL TV#.....	366,915	339,862	+ 8.0	655,832**	14,044,580*	12,488,610	+12.6
COLOR#.....	293,751*	224,785	+30.7	477,651**	9,956,509*	8,306,411	+19.9
MONOCHROME....	73,164	115,077	-36.4	178,181	4,088,071	4,182,199	- 2.3
PROJECTION TV...	3,953	2,965	+33.3	3,942	96,282*	75,593	+27.4
HOME VCR.....	80,985*	41,532	+95.0	132,041**	2,737,956##	1,304,311	+109.9
COLOR CAMERAS...	8,777*	5,071	+73.1	8,292*	271,677*	210,711	+28.9

Color TV 5-week moving average: 1983--322,201**; 1982--244,365 (up 31.7%).

Home VCR 5-week moving average: 1983--88,076*; 1982--47,139 (up 86.8%).

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

Exceeds full-year record.

FCC COULD PICK SINGLE TV STEREO SYSTEM: There's strong sentiment at FCC staff level in favor of choice of single multichannel TV sound (MTS) system — if industry itself can come up with soundly backed recommendation of one of 3 under consideration. As industrywide MTS tests drew to close and selection process began, FCC last week granted EIA's request for 60-day extension of comment deadline to give industry & Commission staff time to digest test results.

Although Commission's MTS rulemaking proposal is wide-open "marketplace" proposition (TVD Aug 1 p12), FCC Mass Media Bureau Chief James McKinney told us last week he'd recommend single-system choice, provided subcommittee tests show one of the systems under consideration — EIA-J, Telesonics, Zenith — is superior.

Stressing it was his own position and not that of commissioners, McKinney said he saw MTS proceedings as "completely different situation from AM stereo." In latter case, he said, "We had 5 different proponents coming in claiming they had the best system and the Commission had to decide. Now the industry is trying desperately to find a consensus. To the extent that they do find one, it makes good sense to me for the FCC to accept their judgment. These are the best quality engineers in the country. If they come in and say this is the best system, I would recommend that the Commission make a definite choice."

McKinney pointed out that such action "would give broadcasters the assurance that they could go ahead," make investments to convert to multichannel sound, avoiding repetition of hesitancy that has retarded development of AM stereo. Chmn. Bailey Neal (RCA) of EIA's Best. & TV Systems (BTS) Committee, parent of MTS group, concurred. Definite choice by FCC "would really give people confidence to spend money and build equipment without the fear it was money down the drain. They wouldn't have the same confidence [in a choice by MTS subcommittee with a "marketplace" FCC ruling] as if FCC should pick a single system."

Its exhaustive 4-year testing now virtually complete, industrywide MTS Subcommittee is circulating draft of proposed report to members of its steering committee, BTS Committee and the 3 system proponents. FCC responded quickly to EIA request for extension, moved deadlines 60 days, making comments due about Dec. 31, replies Jan. 31.

Test results are understood to rate all systems about equal on compatibility with monophonic sets, and to indicate one companding system is superior to others. It's not known

whether they point to single transmission system as definitely better than others, but there were indications that one system may be out of the running. Results contain no recommendations — MTS group is scheduled to attempt choice of single system Nov. 22 after 3 days of presentations.

Report on tests is slated for release about Oct. 31. It's expected to be in 2 volumes, totaling some 650 pages, and easier to digest than abortive first report issued last year, because all systems are compared directly with "standard reference." All tests are now complete except final tests of systems with companding, scheduled for completion by Nov. 1, to be covered by supplementary report in mid-Nov. and digital audio tapes of actual transmissions.

NCTA concluded its own tests, will file separate report with FCC, about same length as MTS Subcommittee's. While MTS report deals extensively with cable, NCTA's treats specific problems such as scrambling and converters. Although NCTA tests are now being analyzed, results haven't allayed cable interests' pessimism. "It's clear there could be problems with several types of systems," NCTA Science & Technology Vp Wendell Bailey told us. "Each problem could be non-heinous, but the cumulative effect would be to destroy the signal before it reaches the TV set or create anomalies in the picture. A significant percentage of systems could be degraded or decimated. Each [multichannel sound] system seems to have some advantages in some tests, but so far we can't see any system to be better than any other" with regard to cable. "We clearly hope the problems are solvable, but we think [FCC] flexibility will be needed."

Agreement by MTS Subcommittee on one system seems probability, but not sure thing. One observer close to scene rates chance as 70-30. Attempt to choose system last year was hamstrung when one proponent, Telesonics, charged inconsistencies in testing, demanded retests with threats of legal action (TVD Sept 27/82 p9). Subcommittee went back and conducted year-long extensive new tests which virtually all observers found far superior, extensive & thorough compared with earlier go-round. Industry conducted similar testing of AM stereo, but made no recommendation, merely turning test data over to FCC, which authorized transmission using any qualified system.

SAMSUNG PICKS N.J. FOR TV PLANT: Shunning attraction of Sun Belt, preferred by most foreign manufacturers setting up new consumer electronics plants here, Korea's Samsung has chosen N.J. for color TV and microwave oven assembly facility expected to start by mid-1984.

Samsung last week received approval from planning officials for project calling for construction of 246,800-sq.-ft. plant on 70-acre site in Roxbury Twp. Final clearance awaits company's submission next month of detailed construction plan, including environmental impact statement. Samsung has asked state for assistance in form of \$9-million bond issue, said it may seek additional financing if it decides to make plant larger than planned. Approval will be nearly automatic after local govt. gives go-ahead.

It's understood Samsung expects to employ 210-250 at start, produce about 100,000 color sets next year, 350,000 annually by 1987. Plant launch isn't directly related to dumping complaint filed against Korean & Taiwan manufacturers, now under final investigation. Samsung first revealed intention to set up production here in 1981, laid out rough schedule at International Trade Commission's preliminary dumping injury hearing last May. At that time, Samsung indicated it had chosen location in S.C., but later said site was undecided and that N.J. might be picked because of recent move of U.S. hq to Secaucus from Chicago.

Samsung TV plant will be 14th here run by Far East manufacturers, and 2nd from Korea, after Gold Star's. Japanese have 10 — JVC, Matsushita, Sanyo, Sharp, Sony & Toshiba have one each, Hitachi & Mitsubishi have 2, one for direct-view sets, other for projection TVs. Taiwanese have 2, run by Sampo & Tatung. In choosing N.J., Samsung will be joining JVC, giving that state 2 color plants, something it hasn't had since Westinghouse shut down in 1968. Other plant, owned by National Union Electric, Emerson-DuMont parent, closed in 1973.

* * * *

Already low unfair-value average margins shown on Korean & Taiwan color TVs in preliminary dumping finding announced earlier this month by International Trade Commission (TVD Oct 17 p12) got significantly lower last week. ITA said it discovered & corrected

computer error, unofficially reduced margin for Gold Star to just 3.87% from originally indicated 9.53%. Gold Star's margin had been largest found for any major exporter covered by finding, and change leaves 2 Taiwan companies with that dubious distinction — Tatung at 6.61%, AOC at 6.38%. Reduction brings Gold Star more into line with 3.05% shown for Samsung, and lowers average for any unspecified Korean color exporters to 3.2% from 5.31%. Gold Star's official margin continues to be 9.53% because change would have caused delay in getting official notice published in Federal Register.

INDUSTRY RIDES VIDEO PROFIT WAVE: Prosperity with profit is unfamiliar situation for U.S. video hardware majors, but it's one they now find themselves in, thanks to runaway 3rd quarter unit sales that compensated for continuing margin depression caused by intense competition. Same, however, isn't true throughout videogame & computer area, where financial picture continues to be grim.

On hardware front, RCA said strong color TV and VCR sales produced record quarterly profit for Consumer Electronics Div., though Videodisc Div. continued to show loss. In recent U.K. appearance to help launch CED system there, Chmn. Thornton Bradshaw said he looked for disc business to be profitable in 1986. Sept. was record month in TV shipments by RCA. Records, Solid State & Service Divs. also had higher earnings. Corporately, RCA enjoyed 34.2% earnings gain on 14.4% sales increase for quarter, 34.4% increase in operating net on 10.2% revenue rise for 9 months (see financial table).

Zenith's earnings for quarter jumped to \$14.5 million from just \$1.9 million in same 1982 months, put 9-month net at \$34.9 million, against \$4.6 million loss. Company said its color TV unit sales were at record level for full period, while sales in new product areas — CATV decoders, computers, Heath, components — rose nearly 50% for 9 months to about \$319 million. Subtraction thus indicates revenue from consumer electronics was off about 5% to \$679 million. (Zenith dropped out of audio business at end of 1982, which may account for decline.) Zenith also noted that its color TV selling prices were lower this year, and that profit growth came from production efficiencies, corporate cost reduction programs. Significant profit booster was cut in interest expenses by \$7 million for quarter, \$11.2 million for 9 months.

North American Philips said consumer electronics profits improved significantly enough in quarter to put operation ahead for 9 months despite "extensive losses incurred in [Odyssey] videogames." At end of first half, NAP reported CE unit was just about holding even with 1982. Company said earnings also improved in electronic & electrical components. Warner ran up \$122.4 million loss in quarter because of \$180.3 million deficit at Atari, which more than offset profit improvement from records and other operations. Warner said Atari suffered from "chaotic marketplaces" for home & arcade videogames and computers. It said operations "should benefit from [4th quarter] availability of 600XL & 800XL computers and Atarisoft line of programs. Statement is further indication company won't be introducing step-up 1400XL & 1450XL models this year (TVD Sept 17 p16). Warner also announced it was laying off about 250, or 30% of staff, at N.Y. hq in cost-cutting move. Meanwhile, Moody's Investment Service lowered Warner's debt rating by notch for 2nd time this year, citing continuing losses at Atari.

Adam has arrived, according to Coleco, which told holders it started shipping stand-alone computer and add-on for Colecovision games last week. Coleco didn't specify number it was shipping, but said "achievement of our original production target for 1983 [500,000] will carry us into the first quarter of 1984." Delay of about 45 days in launch had major impact on 3rd quarter results due this week, Coleco indicated. It said net will be "extremely modest" compared with same 1982 period, because of much lower sales of cartridges for Atari & Intellivision games and table-top electronic games. Coleco indicated that, helped by exports, Colecovision sales should hit 1.5 million this year, up from 550,000 in 1982, but table-top game volume should total only million, down from 3 million last year. As reflection of hard videogame times, Imagic says its restructuring program includes end to game cartridge manufacture in favor of contracting work to others. Earlier, independent game marketer said it would put more emphasis on licensing software to others, less on own-brand selling effort. Imagic has already trimmed staff by 50 to about 122, will have more layoffs as production is phased out.

LLOYD'S ACQUISITION: Lloyd's Electronics, one of few remaining independent importers that flourished in transistor radio boom of 1960s and compact stereo surge in '70s, has agreed to be acquired by rum distiller Bacardi which will offer \$6 each for outstanding shares, putting transaction value at about \$11.9 million. Separately, Lloyd's Chmn. Abraham Zaga has given Bacardi option to acquire his holdings, representing 22% interest, at same price.

Sony has agreed to sell Japanese speaker subsidiary Audio Research to Minebea, producer of ball bearings. AR has sales of about \$29 million annually, all to Sony, employs 350. Sony will continue as customer, provide AR with R&D assistance. AR was launched in 1969 as Sony-Pioneer joint venture, was taken over by Sony in 1972. Value of transaction wasn't disclosed, but was estimated at about \$21 million.

GE sold 60 million Toshiba shares from its holdings to Dai-ichi Insurance. GE retains about 155 million shares, and while its interest is now 6%, down from 8.3%, it remains Toshiba's largest single stock owner. GE didn't give reason for sale, but said it notified Toshiba in advance.

CBS Records says it's looking to improve its international market standing by merger with suitably sized company. CBS said move was prompted partly by planned merger of Warner's record operations with Philips-owned Polygram announced earlier this year. Completion of that link depends on Justice Dept. clearance.

Kyocera, Japanese manufacturer & marketer of electronic components and, through subsidiary Cybernet, audio, computer & communications equipment, has completed previously announced acquisition of camera maker Yashica. Move is considered prelude to Yashica's entry into video equipment.

In other activity, Sprague received Japanese govt. approval to increase to 45% from 19.7% its interest in Nichicon-Sprague capacitor manufacturing venture... General Instrument has sold its Hybrid IC Div. to Micra Corp., formed for purpose of acquisition by employees... Signetics sells European test, distribution & warehouse subsidiary to employees. New company, SES Electronics, will continue to handle testing for Signetics, while other functions will be handled directly by parent N.V. Philips.

JVC's VHS-C Video Movie camcorder, hit of recent electronics shows in Berlin & Tokyo, isn't likely to show up in U.S. until next summer, according to JVC America Vp Harry Elias. Just back from meeting with officials of parent in Japan, Elias said that under current schedule, unit won't be available for sale here until next June. JVC won't be official exhibitor at Winter Consumer Electronics Show in Las Vegas Jan. 7-10, but may have samples on display at suite in Riviera Hotel. Hi-Fi VHS, super stereo sound competitor to already available Beta Hi-Fi, will be in stores in early Jan., Elias said. JVC is scheduled to start selling first Hi-Fi model in Japan next month, priced there at about \$1,250. It plans start-up production at about 20,000 monthly.

CD DIPPING TOWARD \$400: Even before shortage is over, Compact Disc players are inexorably moving toward magic \$400 price, as evidenced at last week's Japan Audio Fair, where Yamaha — yes, Yamaha — fielded lowest priced player announced to date, at 99,800 yen, which at current 235-to-dollar rate works out to \$425. Sony was runner-up at \$489.

Export versions of these players will be higher, but it's now virtually inevitable that \$400 figure will be reached in U.S. next year, and by end of 1984, CD will be well on way to new valley of \$299.95.

CD was key product at Audio Fair, with 20 companies displaying 40 player models — 17 showing new models — and 1,000 disc titles. Models were shown by Aiwa, Akai, Denon, Hitachi, JVC, Kyocera, Lux, Marantz, Mitsubishi, NEC, Onkyo, Pioneer, Sansui, Sanyo, Sharp, Sony, Technics, Toshiba, Trio-Kenwood, Yamaha. Aiwa showed prototype of jukebox-type CD changer with capacity of up to 99 discs.

* * * *

Professional digital audio tape format standard was agreed upon by 3 major companies in recording equipment field — Matsushita and Sony of Japan, Studer of Switzerland, along with Sony America's professional audio division MCI. DASH (Digital Audio Stationary Head) system applies to 1/4" & 1/2" tape and various speeds and takes into account possible use of thin-film heads, new signal-processing technology and possibilities of slow-speed recording. It will be proposed for international standardization. Although designed for professional audio tape used largely by recording studios, it's understood standard could be easily adapted to 1/8" consumer cassette tapes.

Ad notes: JVC reportedly is seeking new agency for \$3.5 million account to replace Marsteller... Timeworks, computer software marketer, names Brand Adv., replacing Rodkin & Assoc. on \$400,000 account... Dynascan appoints Campbell-Mithun for \$3 million Cobra telephone equipment account, replacing Robert Cohn Adv... Microsoft appoints Keye Donna Pearlstein for \$5 million computer software account, replacing Doyle Dane Bernbach... Eubaches, Swiss watch maker, names Cunningham & Walsh for PR for new electronic watch line... Page America launches TV, radio & print campaign for personal pocket paging service... Micro Education, computer software marketer, names HWH for PR... Maxell launches first direct consumer promotion Nov. 6, offering double rebates on audio cassettes. Consumers returning purchase proofs get \$1 for 4 cassettes bought, \$2 for 6, double rebate when including coupon from participating dealer... TDK appoints Chiat/Day for computer discs, replacing Philip Stogel, which retains video & audio cassette accounts.

Ford will invest \$11 million to construct 225,000-sq.-ft. electronics plant in Canada near Toronto to replace 170,000-sq.-ft. space now in 3 separate Philco-Ford buildings there. New facility will be highly automated for production of electronic instruments and other automotive parts. It also will supply radio components to Philco-Ford plant in Brazil where most Ford radios are assembled.

MORE TAPE HEARINGS: Home taping and Fair Marketing Amendment (FMA) to modify first sale receive scrutiny of Senate & House respectively this week with hearings before copyright subcommittees. Overriding concern is Supreme Court Betamax decision, considered necessary to break legislative logjam. Ruling should come sooner rather than later. EIA Senior Vp Jack Wayman now expects it in Dec. or Jan., aide to Senate Subcommittee Chmn. Mathias (R-Md.) "any week now." Belief is strong that justices had already written opinions, wanted rehearing to refine them, aide suggested to us.

Infighting continues, with EIA Consumer Electronics Group and Home Recording Rights Coalition (HRRC) on one side, MPAA on other. Opponents of FMA have hired Washington PR veteran Peter Hannaford, with strong Republican connections, to keep tabs on White House moves, counteract activities of Lyn Nofziger, former Reagan staffer hired by 20th Century-Fox.

Administration hasn't voiced opinion to Senate Subcommittee, Mathias aide said, but, in surprise informal comment, Asst. Attorney Gen. William Baxter said first sale must be repealed — first time high govt. official has gone public with first-sale stand — causing consternation among EIA and HRRC members. Administration position will be formally revealed when govt. witnesses are called in House hearings, probably next month. Govt. support of FMA is "in the bag," said Fox attorney Bruce Lehman — Administration "is locked in. It has been decided."

Opening day Oct. 27 is expected to hear Fox Chmn. Alan Hirschfield, representing movie industry, 4-6 other witnesses.

Meanwhile, HRRC and Video Software Dealers Assn. are pressing grassroots campaign, culminating this week with VSDA board meeting and lobbying calls in Washington. There have been anti-FMA dealer meetings around country and push in some areas for Oct. 21 "Black Friday" closing of stores for 2-3 hours to protest legislation. HRRC has hired Ruth Rogers to administer campaign in Washington, ex-VSDA staffer Risa Solomon to handle field activities.

Action isn't nearly as hectic on home taping front. Senate hearing Oct. 25 will feature MPAA Pres. Jack Valenti, Register of Copyrights Bruce Ladd, RIAA's Stanley Gortikoff, economist Alan Greenspan, Screen Actors Guild's Kay Peters, Battelle Institute's F.W. Cronin in favor of royalties. Wayman, ex-FCC Chmn. Charles Ferris, economists Nina Cornell & Carol Tucker, AFL-CIO's Jack Golodner and consultant Edward Foster will represent HRRC.

News, if any, will be generated by Cronin's release of results of MPAA-sponsored survey of nearly 3,000 VCR & non-VCR homes to judge effects & use of off-air taping.

Lucky-Goldstar Group is consolidating most of its hi-tech R&D into \$45 million center now under construction south of Seoul. Center's staff of 100 scientists will be responsible for development of semiconductor, computer, communications & automation technology. Effort is now being handled independently by 7 different subsidiaries.

KODAK TO VIDEOCASSETTES: Kodak is expected to end 16-year self-imposed exile from magnetic tape market at Winter CES in Jan. with introduction of videocassette line through magnetic product manufacturing subsidiary Spin Physics.

While officials at Kodak & SP decline comment, a long-standing Kodak policy, it's understood both 1/2" & 3/4" cassettes will be shown, along with 5-1/4" computer floppy discs SP started making & marketing earlier this year. Products are expected to carry Kodak logo, be packaged in familiar yellow box. Kodak is believed to be getting Beta & VHS cassettes from Pathe, its subsidiary which makes tape & film in France. TDK is understood to be 3/4" cassette supplier under contract that also includes technology transfer.

Industry sources tell us Kodak is also involved in technology transfer talks with Matsushita and Hitachi-Maxell. That probably indicates interest in metal tape, needed for 8mm Video VCRs, possibly for special 1/4" VCR format Kodak is rumored to have under development.

Kodak entry into videocassettes would bring yet another formidable competitor into market that has already been tapped by 2 other photo majors this year. Polaroid is starting sale in Europe this month, will expand to U.S. next spring, while Konica recently kicked off major U.S. launch. Also among majors entering in 1983 were Certron and Korea's Sunkyong, while Memorex has had revival under new parent Tandy. Only pullback was by Ampex, which sold its interest in Japanese manufacturing venture to partner Konica, and has announced it will concentrate videocassette sales effort on OEMs and commercial customers.

Main edge Kodak has is distribution strength. Company's film accounts include virtually every camera, department, discount, drug, stationary & notions store in country. But that, of course, doesn't necessarily guarantee market success. Kodak first entered tape field in 1961 with open-reel audio line, promised video & computer tape would soon follow. In 1967, just as tape market was about to explode as result of introductions first of 8-track cartridge by Lear Jet, then compact cassette by N.V. Philips, Kodak announced it was dropping out. Kodak said its market share was small, and manufacturing space was needed for other activities.

High-resolution TV converter which doubles number of lines in standard 525-line TV picture and improves signal-to-noise ratio is scheduled for deliveries starting Nov. 15 by Digivision Inc., 11722 Sorrento Valley Rd., San Diego 92121. Designed to be used with high-resolution display, the \$30,000 unit employs high-speed digital processing to increase resolution by 50%, providing 1,024 pixels both horizontally & vertically, according to Mktg. Vp Hugh Gillogly. Initial markets are teleconferencing, education & training. Company expects to have consumer version in 1986-87. System was developed by Digivision Chmn. Sherman DeForest. John Cambon is pres. Although ITT uses Digivision as tradename for its digital TV circuitry, Gillogly says search has shown that his company owns name in U.S.

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VIDEODISC: BOOM OR BUST?

The story of the videodisc in 1981. Follows videodisc developments in its watershed year with reports on retailers' marketing experiences, new products, pricing activities, marketing strategies and plans of major participants, studies and forecasts. Published 1982. \$65.00 per copy. \$75.00 for foreign orders.

No. 104

COUNTDOWN I: Direct-to-Home Satellite Broadcasting in the Eighties

A strategic planner's source book presenting a complete status report on DBS. It identifies the players, issues and technology shaping this new TV service. Published 1982. \$75.00 for domestic, \$85.00 for foreign. When purchased with Countdown II, discounted price of \$25.00.

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COUNTDOWN II: Jockeying at the DBS Starting Gate

Updated edition covering all the developments and maneuverings affecting the new DBS industry as it prepares to enter the marketplace. Published 1983. Cost is \$95.00. Foreign buyers must pay an additional \$10.00 delivery.

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Annual compilation of key statistics of the consumer electronics industry, including table of weekly sales to dealers, data on total market supply, import-export summaries, share-of-market rankings, forecasts, analyses and other pertinent information. This 150-page book covers the period from January 1981 through June 1982. \$95.00 for subscribers to Television Digest publications, \$125.00 for non-subscribers. Foreign orders add an additional \$10.00 delivery. When purchased with the 1983 Edition, discounted price of \$25.00.

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EIA BACKS PBS SERIES: EIA Consumer Electronics Group will be among underwriters of 2nd 13-week series of PBS's New Tech Times, devoted to news & trends in consumer electronics. Hosted by ex-FCC Comr. Nicholas Johnson, weekly show's first season made debut last week. Produced by Friends of WHA-TV Madison, Wis., show is partly underwritten by Wausau Insurance Cos.

At recent EIA meeting, CEG also voted to fund economic impact study on consumer electronics' contribution to U.S. economy and for accelerated development of industry data base, preparing for statistical program on home computers. In engineering activities, group's board approved expenditures for research on electromagnetic compatibility, HDTV, product safety, multichannel TV sound and authorized increased funding for "electronic bus" program for standard interconnect system for TV and video peripherals.

CEG approved new staff positions — operations & membership dir. and assistants to product services dir. and for federal legislation. In addition to officers previously reported (TVD Oct 10 p16), CEG named John McDonald, Casio, chmn. of Computer Div., and Ed Pessara, TDK, chmn. of Blank Tape Subdivision.

* * * *

Winter Consumer Electronics Show Jan. 7-10 will have record 1,225 exhibitors requiring nearly 725,000 net sq. ft. of exhibit space, using 3 new facilities in addition to Las Vegas Convention Center, Hilton Hotel and Riviera rooms & suites — new addition to Convention Center and all public space at Riviera & Sahara hotels. CEG Senior Vp Jack Wayman said about 300 exhibitors will be new to WCES.

U.S. exporters of hi-tech components & products lost out in House last week with passage of amendment to Export Administration Act that would extend President's right to restrict overseas shipments of strategic goods when similar products are available from manufacturers in other countries. Under pending EAA extension legislation, President would have had to lift any such restriction in 6 months if other countries refused to go along with export ban. Change increases waiting period to 18 months. U.S. manufacturers have been complaining that in such cases they are only ones to suffer from export prohibition, as customers simply shop elsewhere.

Matsushita was Japan's most profitable company on consolidated basis in last fiscal year to March 31 with net of \$668.6 million, with Hitachi 2nd at \$640.6 million, according to survey by Japan Economic Journal. Among other consumer electronics firms ranked (with net in millions): Fuji Photo 5th at \$243.2, Sony 7th at \$195, Toshiba 9th at \$163.6, Mitsubishi Electric 11th at \$149, NEC 12th at \$140.5, Sharp 15th at \$127.2, TDK 17th at \$124.3, Sanyo 18th at \$122.4.

Du Pont is buying 200 acres in Research Triangle Park, near Raleigh, N.C., for electronics R&D and manufacturing center. Company said it expects to have first building up in early 1985.

MORE FLAT-SCREEN TV: This week's flat TV developments, both from Japan: (1) Promise of large screen display using new electrochromic formula. (1) Another color LCD mini-TV, this one from Sanyo, due on market next year.

Electrochromic display, developed by Toppan Printing Co., uses antimonic acid-based substance printed on glass plate, upon which electrodes are deposited by vapor process. System is said to utilize antimonic acid's electric conductivity when its hydrogen content is ionized. Like LCDs, ECDs require external light source. Advantages over LCD are cited as greater clarity and visibility from any angle. State of development of system, or color application, is not known.

Sanyo's LCD color set has flat 3" screen, was shown at Japan Electronics Show, with deliveries planned for 2nd half of 1984 at about \$425 in Japan. Each picture element on screen is backed by thin-film transistor element with red, green & blue polarizing filters.

Mitsubishi entered no-contest plea to criminal charges it conspired to transport stolen IBM secrets, was fined maximum \$10,000 in San Jose, Cal. federal court. Also paying \$10,000 fines were 2 employees, while 2 others were placed on year probation. Plea came as surprise, since Mitsubishi contended it was entrapped in 1982 IBM sting operation that also snared Hitachi and unit of National Semiconductor, and had pledged to fight case in court. Earlier this year, Hitachi pleaded guilty to secrets theft, later agreed to settle civil suit filed by IBM. IBM has civil suit pending against NS, is expected to bring one against Mitsubishi.

N.Y. Convention Center, now under construction along Hudson River and still being eyed as site for future Summer Consumer Electronics Shows, is being sold by N.Y.C. to financial group for \$600 million in leaseback deal. City says sale guarantees funds for completion will be available, will save taxpayers \$50-\$80 million in financing costs. However, new owners will get at least that in federal, state & local tax writeoffs. Center was to be finished by mid-1984, cost about \$375 million. New target is mid-1986, and price has jumped to \$500 million at least.

Nearly 1.5 million VCRs were sold in Japan in first half 1983, according to Yukichi Ohashi, dir. of Japanese Video Assn., with year-end grand total of 8.9 million units expected to bring household penetration to 25%. Figure should double in 2 years, he told ITA's 3rd European Home Video Seminar in Cannes earlier this month. Sales of recorded cassettes have grown from \$22 million in 1981 to more than \$40 million last year, should exceed \$80 million in 1983.

3M signed 4-year renewable contract to purchase high grade polyester film for videotape from Japan's Toray. Contract, which may lead to technology tie, reportedly calls for first year shipment of 800 tons. Purchase is supplement to 3M's own production of medium grade film for video and other tape products.

Consumer Electronics Personals

Carl Turner promoted at RCA from Solid State Div. product assurance & planning vp to corp. staff vp responsible for coordinating planning activities of Consumer Electronics, Distributor & Special Products, New Products, Video Components & Display, Solid State & Videodisc Divs. and RCA Labs; Pamela McCann named RCA vp-asst. treas.

Michiyoshi Minami moves from General in Japan to pres. of U.S. sales subsidiary Teknika Electronics, succeeding Akira Horaguchi, reassigned to parent; Masakazu Ohtsu advanced to exec. vp; William Perine promoted to NE region sales mgr.; Nobuhiro Wada appointed mktg. administration mgr.; Ted Suwabe named OEM & Private Label Div. mktg. mgr.; Sumio Nakajima named to head new product development; Lori Berger advanced to asst. to National Sales Mgr. Jeff Mullarkey.

Scott Holtzman, ex-Capitol Records, joins RCA Videodiscs as west coast business affairs dir.; Joan Aceste named for East Coast; Phillip Rosen advanced from licenses & clearances mgr. to business affairs mgr... Jack Stampfli transferred by Eastman Kodak from Rochester hq ad staff to magnetic media & equipment subsidiary Spin Physics as communications mgr... Ted Thrush returns to post of Portavideo chmn., also named pres., replacing Howard Brown, now in sales capacity.

Michael Levy, ex-Mindware, joins Coleco as systems design advanced R&D vp... Brian Dougherty & Dennis Koble, among Imagic founders, resign respective engineering software & vp posts. Koble is becoming independent designer, while Dougherty has formed Softworks, computer program development company. Their duties at Imagic assumed by Engineering Dir. Pat Ransil & Robert Smith, recently joined from Atari... Davis Sandberg, ex-DBX, joins Yamaha as north central region mgr... Fred Moonves and Peter diPalma join Mura as national acct. mgrs.

Richard Longwell promoted at Walt Disney Home Video to national sales mgr... Julie Sayres, ex-WEA International, appointed mktg. mgr., RCA/Columbia Pictures International Video... Jonathan Dolgen, pres. of Columbia Pictures Pay Cable & Home entertainment Group, also named pres. of domestic operations for parent... Randall Keylor, ex-Warner Amex Dallas direct sales dir., joins ABC Video Enterprises as telemktg. dir. for Telefirst Entertainment, will locate in Chicago where service is to start Jan. 15... Midge Barnett appointed Western-World Video dir., Western-World TV, new post.

Dennis Mason, ex-Rockwell, joins Zenith as CRT & components mktg. mgr. responsible for OEM sales... John Gray promoted at Alliance Mfg. to pres., adds post of CEO, succeeding late Max Orr... Larry Shaum, CTS Knights pres., adds same post with new Electronics Products Group... Robert Filiault promoted at Signetics Japan from sales & mktg. dir. to pres., succeeding Robert Vogel, who returns to U.S. as major accts. program team mgr.

WEEKLY

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Review of all TV standards, with 12-month deadline, was proposed by CBS Engineering & Development Vp Joseph Flaherty to IEEE Broadcast Technology Symposium in Washington. Study should be undertaken by all existing standards organizations — EIA, IEEE, NAB, NCTA & SMPTE, he said — and would: (1) "Recommend which [standards] should be retained, modified or deleted." (2) Propose streamlined mechanism to develop & implement technical standards "in a timely manner." (3) Develop procedure for discontinuing standards which become irrelevant or hinder near-term technological development. (4) Determine which standards should "enjoy the status of govt. regulation" through FCC.

Obituary

Dorman Israel, 83, pioneering consumer electronics engineer and onetime exec. vp of Emerson Radio, died Oct. 9 at his home in White Plains, N.Y. In 1955, he was named chmn. of Joint Technical Advisory Committee (JTAC), industry's top technical advisory board, also worked with NTSC which developed color TV standards in early 1950s. After working as engineer with Crosley Radio and Majestic Radio, he joined Emerson in 1936 as chief engineer, serving in variety of top posts and on board of directors. In World War II he directed secret production of proximity fuse, received several govt. awards. In 1958, he was elected chmn. of RETMA (now EIA) Phonograph Div. After his retirement in 1968, he continued work as unpaid consultant with International Executive Service Corps, helping establish TV-radio plants in Mideast, Latin America and Far East. Wife, daughter, 3 grandchildren survive.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
American Bcstg. Cos.			
1983-39 wk. to Oct. 1	2,077,569,000	110,264,000	3.76
1982-39 wk. to Oct. 2	1,904,846,000	118,963,000	4.12 ^a
1983-13 wk. to Oct. 1	659,639,000	31,783,000	1.08
1982-13 wk. to Oct. 2	607,115,000	35,490,000	1.22
AT&T			
1983-9 mo. to Sept. 30	51,804,800,000	5,123,400,000	5.41 ^b
1982-9 mo. to Sept. 30	48,420,700,000	5,777,400,000	6.76 ^c
1983-qtr. to Sept. 30	17,516,200,000	1,458,000,000	1.51 ^b
1982-qtr. to Sept. 30	16,637,900,000	2,021,100,000	2.32 ^c
Andrea Radio			
1983-9 mo. to Sept. 30	3,332,318	340,431	.67
1982-9 mo. to Sept. 30	3,751,657	361,885	.71
1983-qtr. to Sept. 30	950,774	81,655	.16
1982-qtr. to Sept. 30	1,249,463	105,698	.21
Arvin Industries			
1983-39 wk. to Oct. 2	431,145,000	10,626,000	1.36
1982-39 wk. to Oct. 3	389,638,000	7,686,000	.99
1983-13 wk. to Oct. 2	152,571,000	4,026,000	.51
1982-13 wk. to Oct. 3	131,479,000	2,430,000	.31
Bell & Howell			
1983-39 wk. to Oct. 1	495,049,000	33,646,000	2.94
1982-39 wk. to Oct. 2	448,857,000	10,097,000	.89 ^d
1983-13 wk. to Oct. 1	167,933,000	16,337,000	1.42
1982-13 wk. to Oct. 2	156,300,000	4,178,000	.37 ^d
A. H. Belo			
1983-9 mo. to Sept. 30	171,455,000	20,673,000	2.21
1982-9 mo. to Sept. 30	145,977,000	14,721,000	1.57
1983-qtr. to Sept. 30	58,492,000	7,074,000	.76
1982-qtr. to Sept. 30	50,761,000	5,611,000	.60
Capital Cities Communications			
1983-9 mo. to Sept. 30	548,150,000	79,959,000	5.94 ^e
1982-9 mo. to Sept. 30	480,935,000	68,177,000	5.15
1983-qtr. to Sept. 30	184,004,000	26,302,000	1.95 ^e
1982-qtr. to Sept. 30	159,176,000	22,313,000	1.68
C-COR Electronics			
1983-qtr. to Sept. 30	3,894,000	300,300	.09
1982-qtr. to Sept. 30	7,875,000	1,065,000	.35
Conrac			
1983-9 mo. to Sept. 30	106,364,000	5,132,000	.88
1982-9 mo. to Sept. 30	86,685,000	5,794,000	1.27 ^d
1983-qtr. to Sept. 30	33,380,000	1,698,000	.27
1982-qtr. to Sept. 30	29,149,000	1,595,000	.34 ^d
Corning Glass Works			
1983-40 wk. to Oct. 9	1,212,200,000	75,900,000	3.60
1982-40 wk. to Oct. 10	1,222,800,000	31,600,000	1.49
1983-16 wk. to Oct. 9	479,100,000	22,400,000	1.06
1982-16 wk. to Oct. 10	470,300,000	6,400,000	.30
Cowles Bcstg.			
1983-9 mo. to Sept. 30	17,455,000	3,172,000	.80 ^a
1982-9 mo. to Sept. 30	14,863,000	2,697,000	.68
1983-qtr. to Sept. 30	5,867,000	1,074,000	.27 ^a
1982-qtr. to Sept. 30	5,059,000	891,000	.22
Cox Communications			
1983-9 mo. to Sept. 30	441,992,000	52,583,000	1.85
1982-9 mo. to Sept. 30	368,587,000	47,446,000	1.67
1983-qtr. to Sept. 30	150,900,000	17,707,000	.62
1982-qtr. to Sept. 30	128,419,000	15,262,000	.54
Craig			
1983-qtr. to Sept. 30	14,120,000	(469,000)	--
1982-qtr. to Sept. 30	18,122,000	(94,000)	--
GTE			
1983-9 mo. to Sept. 30	9,392,575,000	686,626,000	3.61
1982-9 mo. to Sept. 30	8,689,100,000	598,016,000	3.39
1983-qtr. to Sept. 30	3,301,949,000	235,943,000	1.22
1982-qtr. to Sept. 30	2,904,339,000	199,068,000	1.11

Company & Period	Revenues	Net Earnings	Per Share
Harte-Hanks Communications			
1983-9 mo. to Sept. 30	322,228,000	22,812,000	1.10
1982-9 mo. to Sept. 30	284,888,000	18,846,000	.96 ^d
1983-qtr. to Sept. 30	113,170,000	8,044,000	.37
1982-qtr. to Sept. 30	98,351,000	6,649,000	.34 ^d
Jones Intercable			
1983-qtr. to Aug. 31	2,187,000	433,900	.05
1982-qtr. to Aug. 31	1,495,200	530,200	.06 ^a
Knight-Ridder Newspapers			
1983-9 mo. to Sept. 30	1,063,826,000	79,112,000	2.37
1982-9 mo. to Sept. 30	963,832,000	66,785,000	2.05 ^c
1983-qtr. to Sept. 30	355,645,000	26,454,000	.79
1982-qtr. to Sept. 30	316,119,000	23,764,000	.73 ^c
LIN Bcstg.			
1983-9 mo. to Sept. 30	75,190,000	15,554,000	.70
1982-9 mo. to Sept. 30	61,943,000	13,449,000	.62 ^d
1983-qtr. to Sept. 30	26,072,000	5,247,000	.24
1982-qtr. to Sept. 30	21,196,000	4,760,000	.22 ^d
Media General			
1983-9 mo. to Sept. 30	373,176,000	26,806,000	3.78 ^e
1982-9 mo. to Sept. 30	311,515,000	24,034,000	3.40
1983-qtr. to Sept. 30	124,933,000	8,074,000	1.14 ^e
1982-qtr. to Sept. 30	114,998,000	7,849,000	1.11
3M			
1983-9 mo. to Sept. 30	5,283,000,000	504,000,000	4.28
1982-9 mo. to Sept. 30	5,044,000,000	480,000,000	4.09
1983-qtr. to Sept. 30	1,801,000,000	178,000,000	1.51
1982-qtr. to Sept. 30	1,691,000,000	169,000,000	1.44
Motorola			
1983-9 mo. to Sept. 30	3,060,200,000	149,300,000	3.83
1982-9 mo. to Sept. 30	2,790,900,000	114,400,000	3.17
1983-qtr. to Sept. 30	1,074,500,000	66,100,000	1.69
1982-qtr. to Sept. 30	912,400,000	34,500,000	.96
New York Times			
1983-9 mo. to Sept. 30	793,186,000	57,763,000	4.45
1982-9 mo. to Sept. 30	681,600,000	44,722,000	3.56
1983-qtr. to Sept. 30	250,699,000	14,622,000	1.12
1982-qtr. to Sept. 30	219,650,000	10,804,000	.86
North American Philips			
1983-9 mo. to Sept. 30	2,679,500,000	58,617,000	4.16 ^a
1982-9 mo. to Sept. 30	2,318,526,000	43,833,000	3.18
1983-qtr. to Sept. 30	946,162,000	22,426,000	1.56
1982-qtr. to Sept. 30	780,406,000	14,171,000	1.02
RCA			
1983-9 mo. to Sept. 30	6,493,000,000	162,400,000	1.35
1982-9 mo. to Sept. 30	5,892,200,000	168,600,000	1.55 ^c
1983-qtr. to Sept. 30	2,265,000,000	63,900,000	.57
1982-qtr. to Sept. 30	1,979,900,000	47,600,000	.40 ^c
Regency Electronics			
1983-qtr. to Sept. 30	24,827,395	2,312,901	.43
1982-qtr. to Sept. 30	17,227,798	1,237,089	.23
Tandy			
1983-qtr. to Sept. 30	583,429,000	59,639,000	.57
1982-qtr. to Sept. 30	517,111,000	53,694,000	.52
Time			
1983-9 mo. to Sept. 30	2,912,923,000	114,002,000	1.79
1982-9 mo. to Sept. 30	2,582,673,000	109,909,000	1.73 ^c
1983-qtr. to Sept. 30	983,510,000	30,272,000	.47
1982-qtr. to Sept. 30	875,313,000	35,195,000	.55 ^c
Washington Post			
1983-39 wk. to Oct. 2	623,454,000	39,750,000	2.80
1982-39 wk. to Oct. 3	576,035,000	30,207,000	2.13
1983-13 wk. to Oct. 2	202,928,000	12,260,000	.86
1982-13 wk. to Oct. 3	185,684,000	8,511,000	.60
Zenith			
1983-9 mo. to Oct. 1	998,100,000	34,900,000	1.76
1982-9 mo. to Oct. 2	928,200,000	(4,600,000)	--
1983-qtr. to Oct. 1	340,900,000	14,500,000	.70
1982-qtr. to Oct. 2	317,200,000	1,900,000	.10

Notes: ^aIncludes special credit. ^bAfter special charge. ^cRestated. ^dAdjusted. ^eRecord.

WEEKLY

Television Digest®

with
consumer
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

OCTOBER 31, 1983

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

TV-RADIO DEREGULATION FIGHT to continue on Hill, Tauke & Tauzin vow. Legislative activity intensifies as broadcast, cable & financial interest bills begin moving. (P. 1)

CABLE SUMMIT CONFERENCE: Executives see industry maturing, profits rising, despite problems. Ritchie raps NAB. (P. 3)

FCC RELEASES MULTICHANNEL MDS DATA: Telcos, cable interests, broadcasters, newspapers file multiple applications. (P. 5)

HBO WORRIES ABOUT HOME VIDEO, faces tough negotiating with Paramount for movie rights. (P. 5)

NAB & DEVOTIONALS WIN REMAND of 1979 CKT decision. Tribunal ordered to review order awarding no royalties to commercial radio. (P. 6)

NPR ALREADY IS OVER BUDGET for FY '84 because of overstaffing; 7 positions have to go. Mitchel named pres. (P. 6)

TELCO DETERMINED to 'get our feet wet' in cable by building & operating Wis. system, leasing capacity. (P. 8)

ASPEN RULE TO BE RESCINDED permitting broadcasters to sponsor candidate debates. (P. 10)

BROADCAST & CABLE BILLS NEXT UP IN HOUSE: With Nov. 18 target date for end of this session closing in rapidly, pace is picking up in Congress, especially in House Telecom Subcommittee where Chmn. Wirth (D-Colo.) wants broadcast & cable legislation marked up before adjournment. At news conference Oct. 27, Reps. Tauke (R-La.) & Tauzin (D-La.), major proponents of broadcast deregulation, promised continued fight but said they won't try adding their broadcast bill (HR-2382) to FCC's budget bill for fiscal 1984. Broadcast & cable industry deregulation hearings are this week, also Senate hearing and markup in House Energy & Commerce Committee of financial interest & syndication moratorium bill.

Chances are FCC bill will come to floor within 2 weeks, according to key House aides. Bill is being held up in controversy over CPB budget, minority hiring at FCC, and possibility that attempt would be made to have moratorium on FCC's financial interest & syndication proceeding added. But key House members want measure moved, and are trying to work out

Consumer Electronics

PARTS, GLASS SHORTAGES beginning to hurt TV & tube output. Glass problem may end soon, but parts scarcity could stay through '84. (P. 12)

INVENTORIES TIGHT, with color at less than 8 weeks supply, VCR at 6 weeks. (P. 13)

MARKET POSITION SCRAMBLE in game & computer ranks hit frenzy with moves by Coleco, Atari, others. Mattel could be dropout. (P. 13)

EVEN SMALLER VHS Video Movie camcorder seen on basis of JVC patent filed in U.K. (P. 14)

ZENITH'S DAN DOUGHERTY dies of heart attack in firm's 2nd top-level tragedy in 3 months. (P. 15)

VCR SALES BOOST Matsushita results, components help Toshiba. Superscope bounces back. (P. 16)

TAPE HEARINGS (CONT.): MPAA study sees 50 million VCRs all recording copyright works by 1990. Movie maker outlines rental schemes. (P. 17)

PIONEER BOOSTING OUTPUT of LV players again as industry demand climbs. Videospond, NEC debut POP, educational systems. (P. 18)

SAFETY OF CORDLESS PHONES subject of joint EIA-CPSC consumer alert. (P. 18)

agreement to limit amendments. If successful, aides said, CPB's money and an amendment on minority hiring at FCC at least will be allowed.

Broadcast deregulation won't be issue for FCC bill unless measure remains stalled in Nov., and good faith effort to finish work on compromise broadcast deregulation proposal in Subcommittee doesn't materialize. Negotiations have been proceeding on regular basis on broadcast deregulation, and reached fever pitch last week when it became obvious telephone legislation was about to be finished by parent Energy & Commerce Committee, clearing way for other bills. Tauke & Tauzin said negotiations were progressing well, and they're confident broadcast bill will see quick action in Subcommittee.

But warning underlined their joint statement at news conference Oct. 27. Echoing sentiments expressed in speech week earlier by Rep. Dingell (D-Mich.), chmn. of parent panel, 2 said they would press for action in full Committee if broadcast bill is "delayed much longer." Tauke hastened to say that lawmakers don't want to abandon Subcommittee process, only that they believe measure has enough appeal in House to suggest it can't be held up any longer. "In less than 7 months [the bill] has received the strong support of a majority of the House [which] indicates that it is time for the House to address this issue," Tauke contended.

Adding impetus to Tauke remark is fact that bill he introduced with Tauzin now has 221 co-sponsors — more than half of House members. Tauzin said number of co-sponsors "can't be ignored" and key staffers privately admit ground is crumbling under efforts to secure compromise deregulatory bill. But 2 lawmakers apparently won't exploit support for their bill unless they feel agreement they have with other members over getting measure to full Committee shortly has been violated. Two members were coy about how patient they will be, wouldn't say how long they will wait for Subcommittee to act before calling it quits on agreement. Tauke claimed: "We're determined to proceed with this legislation but it wouldn't be helpful to the proceedings to begin talking about" negotiations on contents of compromise legislation or procedural questions.

Biggest sticking point remains quantification standard, sources said. As already reported, legislators are in agreement over beefing up petitions to deny & revoke but haven't fleshed out programming standards. Other key member involved, Rep. Swift (D-Wash.), said in interview he still wants compromise to include tough quantification standard but he expressed some skepticism over negotiations. "We have made significant progress on most of the key points but I'm not sure if we'll be able to go any further," he said. Tauke made similar comment to reporters, said that a bill will be unveiled shortly "and whatever we don't succeed to negotiate will just have to be worked out" in markup.

Draft broadcast bill is being circulated by Telecommunications Research & Action Center, along with other groups, which would have FCC require minimum levels of programming for TV & radio. Proposal, which no legislator has yet consented to introduce, would have FCC set guidelines. TRAC wants guidelines to set minimum amount of informational programming for children & minorities, and percentage of each day's air time between 6 a.m. & 12 p.m. to be devoted to public service announcements. TRAC included in proposal idea it floated earlier to require radio stations to set aside time for members of public to express views. In proposing bill, TRAC argued: "Any effort by Congress to deregulate broadcasting without guaranteeing the public's rights to express and to hear a diversity of viewpoints would impair the American people's First Amendment rights."

Complicating factor is cable bill, which both Dingell & Wirth claimed also will begin moving in Nov. Chairmen want measure finished by adjournment, although aides admit they may get some breathing room: Leaders in 2 houses are talking about breaking only briefly for Thanksgiving, then returning in Dec. for a few more weeks. Markup in Subcommittee will be completed "at least" in Nov., said Wirth, while in separate remarks Dingell added he wants measure ready for floor before Congress adjourns.

They will have to contend with Swift when bill does come up; legislator finally introduced his alternative cable bill last week, and as expected, it mirrors Wirth proposal (HR-4103) except on key point: All telco language was omitted. In making proposal, Swift said: "We are just now

beginning to fully realize the effects of permitting competition into the long distance telephone [business]... Before we rush into a similar policy change [in the cable bill], I think it is only prudent to let the dust settle a bit."

Besides broadcast, cable & phone bills, financial interest & syndication still must be dealt with. House Energy & Commerce Committee has slated markup Nov. 1 for measure (HR-2250) proposed by Rep. Waxman (D-Cal.) to place hold on FCC's financial interest & syndication proceeding, which puts that bill back on fast track in House. Meanwhile, Senate Communications Subcommittee plans 2 hearings Nov. 2 & 4 to hear from FCC, FTC. Commerce & Justice Depts., MPAA, commercial TV networks, several independent producers, Screen Actors Guild, Writers Guild, independent & affiliate stations and public interest groups.

Hearings come on heels of action last week in full Senate where proposal to place 6-month hold on FCC's financial interest proceeding was upheld on a procedural vote. Proposal, which was attached to supplemental appropriations bill, isn't in sister House measure, must be reconciled in joint House-Senate conference committee that will meet to work out compromise to send to White House. Observers are giving proposal good chance of winning final approval now that House is showing renewed interest by speeding up action on Waxman measure.

Also pending is bill that would allow TV-radio coverage of Senate floor. Senate Majority Leader Baker (R-Tenn.) again is pushing his chamber to approve bill (S. Res.-66) and is said to want it brought to floor shortly. Leaders in both houses are expected this week to outline their schedules for rest of session. Already on agenda are House Telecom Subcommittees hearings Nov. 2 & 3 on broadcast & cable bills.

CABLE MATURING AS STABLE, PROFITABLE INDUSTRY: With 20-year construction schedule nearly completed, programming shakeout mostly over and subscriber revenues rising, cable industry is entering environment where its chances for stable, profitable progress are better than ever. That's consensus view of faculty members at Television Digest's Cable Summit Conference held last week in Washington. But, speakers said, cable's potential won't be realized if industry fails to provide improved programming delivered over technologically superior systems to expanded universe, thus attracting significantly more advertising revenue. "The outlook for business is quite sanguine," said Goldman Sachs Vp-Investment Research Ellen Gibbs, adding that "cable's blue skies are clouded only by short-term financial considerations."

There's ample evidence cable is now maturing, speakers said. Most cities are wired, pace of construction slowed for first time this year, revenue per subscriber is up and industry may be on verge of wresting from Congress legislation that would provide fertile ground for growth. All of that contributes to profitability: "As costs diminish cash flow will increase," said Daniels & Assoc. CEO John Saeman. But it would be fatal for industry to rest on its laurels by failing to adopt techniques used so successfully by its broadcast competitors: "We've evolved out of the idea stage and into the business stage," said NCTA Pres. Thomas Wheeler. "In programming and marketing, we're now on the right path," he added.

"NCTA is a success. It functions. It serves a vital purpose. I'm not sure the same thing can be said about the NAB," said Group W Bestg. & Cable Chmn. & Pres. Daniel Ritchie. He said cable & broadcasting are natural partners in communications, that broadcasters could learn much from cable. "Cable now has a lot to teach the broadcasters about how to organize for important public issues," he said. NAB "seems to approach every major issue as if its sole purpose were to protect the broadcasting industry's own narrow interests — especially its financial interest." NAB "has become an unrepresentative Washington-based club — disproportionately devoted to narrow, regional parochial interests," Ritchie charged.

"I firmly believe that advertising will be good for cable some day, sooner than many believe," said Cable TV Ad Bureau Pres. Robert Alter. New Nielsen numbers indicate increased viewership of cable channels by upscale consumers. Those statistics show network viewing drops to 58% in cable homes, 53% in pay cable homes, while ad-supported cable channels garnered 11% of audience, 19% including superstations.

Cable deregulation bill (HR-4103) is scheduled for markup "before the Congress recesses Nov. 18," according to House Telecom Subcommittee Chmn. Wirth (D-Colo.). He said action on bill has been slowed by debate on phone bill by parent Energy & Commerce Committee, that "the stage is now set to address legislation affecting both the cable and broadcast industries" (see story, page 1). If cable bill passes, Wirth said he saw no problems in reaching compromise with Senate, which last spring passed its own version of cable legislation.

Customer service & marketing are key to cable's growth in coming years, said HBO Pres. Frank Biondi. "We must be able to sell better, to penetrate better, to reduce churn and solve our theft of service problem," he told audience. He also criticized operators who "are willing to invest several hundred dollars to build each [subscriber] home but balk at spending small change [in carriage fees] to support programming."

Industry has taken coaxial as far as it will go and must rebuild, embracing technologically superior fiber optics, if cable is to "end our history of reverse marketing," said Times Fiber CEO Lawrence DeGeorge. Problem with coaxial is that programming can be easily controlled only by operator, frustrating subscribers who would buy more services if they could make purchase decisions instantly. Because cable is only delivery mechanism that can handle both NTSC and HDTV formats, it "can be the transitional device we rely on until HDTV receivers are widely available," said Malarkey-Taylor Senior Vp Archer Taylor. And if industry is to make headway in providing data communication, it must allocate interference-free spectrum: "Data should be put on the best channels, not what's left over from video entertainment."

Interest by telcos in cable is more than passing fancy and represents greatest danger to cable industry, said Broadband Communications Pres. Irving Kahn. He called movement by telcos "the stirrings of a dinosaur" made more threatening by their embrace of fiber optics, which is technologically superior to coaxial cable. "Once one of them [telcos] gets this kind of project off the ground, what we will have is a dinosaur up on all fours, breathing fire. And it is the status-quo cable television industry that is going to get burned." He said his company has perfected mainline supertrunk system that can put 9 video channels on one fiber, is nearing capability of putting 12 on single fiber. Moreover, "we can send those signals 20 kilometers or more without a repeater."

Cable's critics overlook "stunning" statistic that 400,000 new subscribers are being added monthly in 1983, up from 250,000 monthly last year, according to Saeman. He said that while it's true urban newbuilds are costly, it should be understood that "the industry is ending a 20-year campaign to wire this nation" and won't have to carry those costs any longer. He said clustering will continue unabated and even "will get more active." Limited partnerships method of financing cable construction gives operators more leeway in financing, he said, predicting that approach would become more widespread.

FCC ownership restrictions — limiting licensees to 7 TVs, 7 AMs & 7 FMs — should be relaxed only for radio, according to FCC Comr. Henry Rivera. Speaking to Tex. Assn. of Bstrs. in Dallas, he noted there are more than 9,000 radio stations "and only 27% are owned in groups of 3 or more. In other words, ownership is diffused over a broad range of owners and a large number of outlets and the current diversification policy appears to have been rather effective." Limit should be kept for TV, he said, because there are far fewer TV stations than radio, and TV is "the dominant information and entertainment medium for most Americans."

Congress shouldn't enact "mirror" copyright bill, according to David Markey, NTIA dir. Testifying at Vt. field hearing by Senate Copyright Subcommittee, Markey called bill's goals "commendable," but said they are better reached with negotiations. Bill would prohibit foreigners from being compensated for programming retransmitted by U.S. cable systems

Cox Cable is hailing as landmark decision last week's ruling by federal court that Sec. 605 of Communications Act, which prohibits unauthorized reception of radio communications, applies to cable TV. Judge George White, sitting in Cleveland, ruled American Hy-Tech was violating federal law by selling converters & decoders in Cleveland area where Cox operates 10 systems. In earlier decision in Cox's suit, White ordered seizure of Hy-Tech's records and unsold decoders.

Some 58 TV program syndicators have taken Robert Wold Co. and NATPE up on their offer to allow suppliers to preview new products via satellite. Syndicators' Showcase aired Oct. 17-21 & 24-27. Another showcase will run before NATPE convention Feb. 9-14 in San Francisco.

Arbitron places cable penetration at 37.5% (31,461,900 households) in figures it will use in Oct.-Nov. TV surveys. New figure updates July

FCC RELEASES MMDS DATA: It took more than 6 weeks, but FCC staff finally has plowed through mountainous Multichannel Multipoint Distribution Service (MMDS) data and released tentative lists of applicants & markets sought. Check of lists shows that applicants can be divided roughly between new entrants in broadcasting field and names well-known in communications.

Total of 16,499 applications were filed Sept. 9, FCC said last week, well below industry estimates given during hectic deadline period (TVD Sept 12 p1). Estimates of as many as 30,000 bids were made then. Number of 16,499 is gross count of bids, some of which may later be found unacceptable, FCC said.

Among cable interests, there are multiple applications by top 50 MSOs ATC, Colony, Comcast, Cox, Daniels, Group W, Newhouse, Tribune, Warner Amex. Industry's 3 major satellite common carriers, Southern Satellite Systems, Eastern Microwave and United Video, show up as applicants for 4-channel microwave service. On list are several newspaper publishers, most in small to medium-sized towns, but including such giants as N.Y. Times & Washington Post.

Three TV networks are applying in markets where they own stations. For CBS, that's N.Y., L.A., Chicago, St. Louis & Philadelphia; ABC: N.Y., Chicago, L.A., Detroit & San Francisco. NBC parent RCA filed 46. Among group station owners were Bluegrass Bestg., Buford TV, Chronicle Bestg., Golden West, Hubbard, Landmark, Metromedia, Taft, Westinghouse, Wometco.

Several Bell Operating Cos. stand out among applicants, including Bell Telephone of Nev., Bell Telephone of Pa., C&P Telephone Co. (Md. & Va.), Diamond State Telephone (Pa.), Ill. Bell, N.J. Bell, Pacific Northwest Bell, Pacific Telephone, Southern New England Telephone. Also applying are numerous independent telcos, including Central Telephone and 15 small companies. Among Other Common Carriers, bids by MCI stand out. Perhaps most unusual is application by Milwaukee Brewers Baseball Club.

CBS Interconnects is signing agreements with Chicago area cable systems in which some of systems' local commercial availabilities from national cable program services will be sold by CBS Best. Group to national & regional advertisers. Main part of deal is service order CBS Interconnects has placed with Centel Videopath, reserving capacity for full-time commercial delivery service on Centel's microwave system connecting several suburban systems. CBS Interconnects said it will open sales & associate relations office in Chicago by mid-Nov.

M/A-Com has regrouped 2 offices and consolidated its 21 operating companies into 8 operating divisions. Office of chairman will consist of Richard DiBona, chmn., CEO & pres., with Frank Drendel & John Puente, vice chmn. President's office will consist of DiBona, Frank Brand, COO, Irwin Jacobs, exec. vp, and Thomas Burke, exec. vp-administration & finance. The divisions will report to president's office.

HBO MOVIE RIGHTS TOUGH TO GET: Rapid rise of VCR population, along with benefits that are expected to accrue to recorded cassette business, are having effect on HBO. "They're a little concerned," Paramount Video Exec. Vp Robert Klingensmith told us before start of negotiations with pay service for new titles. Latter include 3 of summer's biggest — Flashdance, Trading Places & Staying Alive — and studio undoubtedly will be holding out for far better terms, knowing movies will generate strong tape revenues.

HBO is "going to have to choose between not buying product" and further reliance on made-for-pay releases with much lower market value, Klingensmith said. Nastiest burr under HBO saddle is Raiders of the Lost Ark. Title is scheduled for Dec. cassette release, but Klingensmith claims HBO won't get it until "some time next year, or the year after" — or never. Last "could be" result if HBO isn't willing "to pay for the product," he said.

Tougher attitude coincides with new HBO emphasis away from expansive original programming plans announced last year. Made-for-pay movies, dubbed Premiere Films, were lowered on list of 1984 priorities by HBO Exec. Vp Michael Fuchs, we're told. However, HBO production slowdown "has nothing to do with us," said Thomas Bernstein, exec. vp of Silver Screen Partners which raised \$82 million this summer. HBO had said it planned to make 24 films in 1984, with reported \$50-\$75 million set aside for production and 11 titles announced.

Among subjects for FCBA seminar Nov. 3-4 at Greenbrier Hotel, White Sulphur Springs, W.Va.: "Don't Stay Home Without It — The Information Systems of The Future," with Glenn Robinson, U. of Va. law prof. and ex-FCC commissioner; Harry Smith, CBS vp-new venture development; John Curley, pres.-Gannett Newspaper Div.; William Esrey, pres.-United Telecom Communications. "Who Really Elects a President? — The Role of Media in Election Processes," Jerome Barron, dean, National Law Center, George Washington U.; Daniel Brenner, special asst. to FCC Chmn. Mark Fowler; Clay Richards, senior correspondent-United Press International; John Dancy, senior correspondent, NBC News; Michael Robinson, dir.-Media Analysis Project, George Washington U.

Privately held Wesray Corp., formed 3-1/2 years ago by ex-Treas. Secy. William Simon and Ray Chambers and very active in acquiring companies, has reached agreement in principle to purchase Forward Communications for about \$95 million. Also privately held, Forward owns 6 TVs & 4 AM-FM combinations in small markets, Marshfield (Wis.) News Herald and electronic equipment retailer. Forward Chmn. Richard Dudley, Pres. Thomas Bolger and heads of stations are expected to remain under new owner. Wesray recently purchased Gibson Greeting Cards from RCA.

Nationwide Cable Rep has purchased assets of Eastman CableReps for undisclosed price. Nationwide is owned by Ted Stepien, Cleveland.

NAB WINS IN CRT FIGHT: U.S. Appeals Court, D.C., has ruled that religious programmers and commercial radio stations may deserve portions of \$20.6 million 1979 cable copyright fund. Also, Court said that TV broadcasters may contribute "authorship" to televised sporting events through such innovations as split screens, play-by-play announcers and instant replays.

Court remanded case to CRT, which now must conduct new hearings on those points which might result in shares of cable fund going to religious programmers (called devotionals) and commercial radio for first time.

Ruling last week on appeals by NAB & devotionals, Court faulted CRT for denying award to devotionals based on conclusion that religious programming has no commercial market value because TV stations are paid to air shows, "fundamental distinction" between them and other programmers. CRT also had concluded devotionals weren't harmed, rather were aided by cable carriage because expanded audience meant increased donations from viewers. Court found it inconsistent that NPR & PBS received awards from fund even though CRT had questioned their commercial value. Devotional claimants are Christian Bestg. Network, Old-Time Gospel House, PTL TV Network.

Court agreed with NAB that CRT had incorrectly interpreted 1976 Copyright Act in concluding that cable royalties for sports programming could be awarded to only sports leagues. It ordered new hearings to evaluate whether commercial TV stations should receive some portion of 15% of fund awarded to college & professional sports leagues. But, Court said it was expressing "no view on the distribution (if any) due broadcasters for their contributions to sports telecasts."

Court said it "cannot be reconciled" that CRT awarded 4.25% of fund to music performing rights societies (ASCAP & BMI) but denied share of that award to commercial radio stations which air those records. "We find the Tribunal's award to Music fairly inexplicable in light of the Tribunal's position... that radio retransmission by cable... has virtually no marketable value whatsoever," Court said.

"We are very pleased," said NAB, "and see it as an important step in NAB's effort to get fair royalties for commercial TV and radio." CRT Chmn. Edward Ray declined comment on Court action, saying he had "just briefly reviewed" decision. He said he was waiting for input from other commissioners before deciding "what course to take."

Sports interests discounted Court's decision: "What the Court has done is to instruct the Tribunal to evaluate the NAB's evidence in precisely the same fashion that the Tribunal evaluated NAB's evidence in the 1980 proceeding. In the 1980 proceeding, broadcasters received zero [share of award to sports interests] and we're confident that's what they'll receive from 1979 from this remand," attorney said.

FCC has levied \$1,000 fines against 11 small cable systems for failing to file annual employment reports.

NPR OVER BUDGET: Months since being saved from bankruptcy, NPR already is over budget by 7 positions for new year, board learned last week. Board also hired Douglas Bennet, govt. administrator who lacks broadcasting experience, as new NPR pres., replacing Frank Mankiewicz.

Fiscal 1984 budget calls for 307 positions, including part-time staff, but NPR has 321 on staff, 7 funded through separate grants. "We're in excess of our current plan. I will just not tolerate that," said Finance Committee Chmn. George Miles, new NPR dir. and financial officer who helped pull company through its summer financial troubles.

NPR FY '84 budget now totals about \$19.4 million, up from \$19.2 million reported during Sept. meeting. As for deficit, NPR has borrowed \$7 million of \$8.5 million available from CPB, may have to borrow another \$500,000. NPR had counted on cash received from stations from national Drive to Survive held Aug. 1-3 to lower debt, but money isn't guaranteed, and only 59 of 97 participating stations have responded to NPR inquiries about cash, paying NPR \$271,698 of \$605,675 they pledged. Counting all 97 stations, NPR's share was estimated at \$822,000.

Bennet, 45, ex-pres. of Roosevelt Center for American Policy Studies, will be paid \$80,100, maximum allowed. Bennet said he took job because he's determined to make career out of public service. He said he was impressed with NPR's ability to continue high quality programming in face of its recent financial crisis, feels NPR has good staff, good programs. Bennet, who has Ph.D. from Harvard, said he plans to increase creative programming and will balance that by maintaining financial stability. "As a matter of policy, I believe there should be public money in public radio," said Bennet. "We must produce a product so good that American taxpayers are glad to have their money" spent on it. He also indicated those within NPR who want to "play power politics and snipe" won't last for year.

Galaxy 1 programmers and Hughes, "cable shopping center" satellite owner, have announced agreement in principle to finance jointly antenna distribution program "to facilitate the reception" of new programming for cable operators. Agreement is subject to resolution of operational and administrative details and approval by boards involved. Industry insider said reception from Galaxy 1 has been "very good," which may be leading programmers (Group W Bestg. & Cable, HBO, TBS, Viacom International, SIN TV and C-SPAN) to "go after SMATV market."

Controversy continues to center around ABC's planned Nov. 20 airing of "The Day After," dealing with consequences of nuclear war. After screening program, Eagle Forum Pres. Phyllis Schlafly said that she had wired all ABC TV affiliates request for time under fairness doctrine, charging film is one-sided and "virulently anti-American." Moral Majority Leader Jerry Falwell called Washington news conference Thurs. to decry film's alleged presentation of only one side of nuclear issue.

NLC DEMANDS MORE CHANGES: Further concessions in cable legislation have been demanded by National League of Cities Pres. Charles Royer, indication that compromise with NCTA may be in deep trouble. In letter to House Telecom Subcommittee Chmn. Wirth (D-Colo.), Royer demanded concessions on leased access provisions and faulted Wirth bill for requiring cities to deal in good faith with existing operator during renewal. "If the things that we requested aren't done, we will not support the bill," said NLC official.

But demands didn't receive immediate attention or action. Week after letter was sent, Wirth said he still hadn't read it and NCTA Pres. Thomas Wheeler refused to comment on demands, would say only he supports bill as now written.

Royer would alter bill to: (1) Spell out that nonvideo use of public, educational & governmental (PEG) & commercial leased access channels will be allowed. (2) Mandate access on cable systems with 36 or fewer channels. (3) Allow cities to mandate leased access set-asides on institutional loops. (4) Insert guidelines on rates & conditions for leased channels.

Perhaps most significant is proposed new concept of basic service. Royer said it shouldn't be defined as lowest priced tier because several operators offer basic service in multiple tiers. He also asks for grandfathering of terms & conditions governing rates, PEG & leased access and services & facilities for cities in process of franchising at time when bill might be enacted.

Way Wirth bill treats leased access is major sticking point. "His approach to leased access just does not do the trick," source said. "That's the crux of the matter."

Because of interest in Grenada invasion — and inability of major news organizations to get reporters on island until late Oct. 27 — FCC told radio & TV broadcasters they don't need to get prior approval from Commission to rebroadcast ham radio transmission, about only way to communicate directly with residents on island. But Commission has refused to allow "3rd party" transmissions, which is when non-licensed person such as TV anchorman uses ham radio to communicate with Grenada. FCC said broadcasters who retransmit ham signals should send letter to FCC secy. reporting date & nature of transmission. U.S. news media relied mostly on ham radio operators for information during early hours of invasion as TV networks scrambled to get personnel & equipment in position to cover action. CBS & ABC protested Defense Dept. refusal to allow news crews to land on island. White House said reporters were prohibited on Grenada until their safety could be assured. CNN had sent crew to nearby Barbados following tip that invasion of Grenada was about to take place.

Playboy Enterprises has formed Playboy Video subsidiary to produce & market video programs. Paul Klein is pres. of new production arm, said it will allow Playboy Enterprises to concentrate more on marketing of Playboy Channel while video wing focuses on production of feature films.

ANOTHER TELCO IN CABLE: Wis. Telephone has partnered with TeleNational Communications, small MSO based in Omaha, to provide cable services in Brookfield, suburb of Milwaukee, because telco is determined "to get our feet wet" in cable. While several independent telcos are in cable, deal was believed to be first in which Bell Operating Co. would be building modern cable system in its exchange service area. TeleNational was granted franchise that calls for coaxial delivery of about 36 channels; telco will construct, operate & maintain off-premises addressable system while holding fourth of capacity in reserve which it will lease to others for delivery of video & data.

TeleNational would choose programming, market system and be responsible for studio facilities and customer services. Wis. Telephone, once \$5 million, 450 MHz system is built, would maintain 220-250 miles of plant & headend serving about 10,500 homes in franchise area.

Telco recognizes there are many pitfalls, including necessity of obtaining FCC waiver, but it's determined to proceed in order to "get our feet wet in broadband communications," said Albert Powers, telco's district mktg. mgr. in charge of project. "We see all around us that these broadband systems are going in, and we recognize that at some point we are going to have to learn for ourselves what's out there. This gives us a field test for this technology, and that's a plus for us to play with."

New communications satellites were unveiled in Geneva last week during Telecom 83 exposition. Most dramatic was announcement of 2 new satellites from Hughes Aircraft — one very large spacecraft with unique design; one very small, designed for economical launch from shuttle. Ford Aerospace was not fazed, announcing new satellite concept of its own, called Supersat. Ford's new generation, although more evolutionary than Hughes' revolutionary designs, is modular in concept, allowing customized payloads to be economically integrated with standardized station-keeping and power-supply systems. Eurosatellite officials told our sister publication Satellite Week that they too are preparing new satellite series called Spacebus, which will be "family" of satellites designed — like Ford's Supersat — for customization to specification of user.

New type of optical fiber has been developed by Japanese Electrotechnical Lab, Agency of Industrial Science & Technology and Ministry of International Trade & Industry. Japanese press reported that fiber is hollow, rather than conventional solid, double-walled fiber. Japanese experts said conventional fiber can melt when subjected to very strong light energy, but said they have solved problem by using special kind of glass based on germanium oxide with mixture of potassium oxide and zinc oxide.

Satellite Business Systems has ordered 2 more satellites from Hughes Aircraft's Space & Communications Group at cost of \$100 million. SBS-5 and -6 will operate in Ku-band as in first 4 of series, but last 2 will incorporate "significant improvements."

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SHAKEOUT

Big money is being made daily in cable programming. And even bigger money is being lost. HBO's star continues to glitter while other big boys, such as CBS Cable and The Entertainment Channel, have slammed their doors. Without question the last year in the cable programming business has been the year of the shakeout. And industry analysts say they see more coal than diamonds in months ahead.

Now, for the first time, Video Week offers you a unique opportunity to learn from both the successes and the mistakes of cable programmers from year to year and from coast to coast. The whole story is there in **"SHAKEOUT: The Year in Cable Programming."** Gleaned from the pages of Video Week, this unique reference volume details the deals, the plans and corporate strategies of every cable venture from HBO to MTV to Disney to Playboy — and everything in between.

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END OF ASPEN RULE: FCC's Aspen rule, which prohibits stations & networks from sponsoring debates among political candidates, soon will be thing of past. Commission meets Nov. 8 and is expected to approve unanimously recommendation by Gen. Counsel's Office that prohibition be abolished. Aspen also prohibits delayed broadcasts of such debates and Gen. Counsel says that requirement also should be abolished because it's "neither required by law nor sound as a matter of policy."

Order will be based on exemption from equal time requirements for news reports "of any reasonably recent event intended in good faith by the broadcaster to inform the public and not intended to favor or disfavor any candidate." Commission will make no change in current rules regarding "significant appearance" by candidate on documentary, will decide such appearance on case-by-case basis.

At news conference last week to announce that 7 Democratic Presidential hopefuls have accepted invitation from League of Women Voters to participate in 4 debates this winter, League Pres. Dorothy Ridings attacked reports FCC plans to rescind rule. She said broadcasters shouldn't be involved in staging such events, that there have been no comments on issue at Commission and that public dialogue is needed. She said League has called on all 4 commissioners & gen. counsel to oppose repeal of Aspen. League sponsored Presidential debates in 1976 & 1980.

Trial of John DeLorean on drug conspiracy charges has been postponed from scheduled Nov. 1 start in L.A. following furor surrounding CBS airing of videotape which govt. planned to use as evidence. On Oct. 22, trial Judge Robert Takasugi ordered CBS not to air tape; next day, network got ban removed by 3-judge panel of 9th Circuit U.S. Appeals Court which U.S. Supreme Court Justice Rehnquist refused to overturn. CBS aired tape same afternoon, leading Takasugi to postpone trial, set hearing Nov. 8 to consider new date. Said Takasugi: "Was it truly asking too much in view of an individual's right to a fair trial... to respectfully withhold its disclosure for just a week?... The CBS interference may have a devastating effect." CBS News, which said it obtained tape from Hustler Publisher Larry Flynt, said decision to air DeLorean tape (taped by FBI without defendant's knowledge) was based on "several factors": It was significant news story; case already had received extensive coverage with published stories describing event depicted on tape (FBI agents showing DeLorean suitcase said to contain \$24 million worth of cocaine, subsequent arrest of DeLorean); CBS violated no law in broadcasting tape; "we concluded that our broadcast would not interfere with the defendant's right to a fair trial."

Disney Channel went on nation's largest cable system, Cox Cable San Diego, last week. Move adds 230,000 potential subscribers to 6-month-old service and brings number of affiliates to more than 1,000, Disney Pres. James Jimirro said, making channel fastest-growing pay cable service.

FTC has greatly relaxed reasoning by which it will rule ads "deceptive" in future. Chmn. James Miller has informed Congress that new policy states ads wouldn't be ruled deceptive unless "reasonable" consumer had actually suffered injury by such ads. Vote was 3-2, with Comrs. Pertschuk & Bailey dissenting. Pertschuk said that "to introduce... the idea that the trusting don't deserve protection is deregulation in its most reckless and pointless form." Under old FTC standard, ad was considered deceptive if it had capacity or tendency to deceive substantial number of consumers. Rep. Florio (D-N.J.), chmn. of House subcommittee that oversees FTC, criticized move, said his subcommittee will investigate. House Commerce Committee Chmn. Dingell (D-Mich.) also attacked proposal, said Miller is trying "to undo over 50 years of consumer protection laws," said his Committee had decided to "reject" new policy. Responded Miller: "We don't work for the chairman of a committee." Last year, Miller sought legislation to define deceptive ads in nearly same words FTC uses in new policy. That move was defeated after lobbying effort led by consumer groups, Pertschuk & Bailey. FTC backers of new standard said change is needed because in past commission has brought many "trivial" law suits that didn't stand up in court.

Cable should "promise less and deliver more," Warner Amex Cable Chmn. Drew Lewis told NYU Women in Communications in N.Y. recently. "I think it's ridiculous to have 60 or 120 channels," said Lewis, whose company is constructing interactive Qube systems with 60-plus channel capacity in Cincinnati, Columbus, Dallas, Houston, Milwaukee, Pittsburgh, St. Louis. "We're going to go back to these cities and say —'What do you want 120 channels for? We only have programming for 15.'" Lewis said WACC's 12-16 channel systems were making money, while its seven 60-channel systems had lost \$100 million.

Written comments are being accepted on Sen. Danforth's (R-Mo.) so-called "mirror" broadcasting bill (S-1940) that would impose same tax restrictions on Canadian ads aired on U.S. stations as Canadian govt. imposes on American advertisers. Bill has Administration backing. Danforth has estimated Canadian practice is costing U.S. stations \$20 million annually and is unfair trade practice. His bill is meant to cut off funds from U.S. advertisers to border Canadian stations in order to force that country to drop its tax law. Send comments to Ted Kassinger, Senate International Trade Subcommittee, 249 Dirksen Bldg., Washington, 20510.

HBO has reached deals with CBS & NBC to promote service in ad campaign that will launch early next year. Developed by BBDO, it's said to be first time pay service has entered upfront network TV buying market. ABC reportedly is maintaining policy of not accepting ads from cable programmers.

KMVT Twin Falls, Ida. has been sold for \$11.4 million by Western Bestg. to Root Communications. Blackburn & Co. was broker. Earl Morgenroth is Western chmn. & pres. Chapman Root is principal owner of Root.

Personals

FCC Comr. Henry Rivera will be in Turkey Oct. 31-Nov. 8 on study tour sponsored by American Council of Young Political Leaders; Rep. Thomas Tauke (R-Ia.) speaks at newsmaker breakfast on alternatives to Wirth-Dingell telephone access bill, National Press Club, Nov. 3; AT&T Chmn. Charles Brown speaks at Press Club lunch Dec. 6.

Janice Obuchowski, chief of International Facilities Planning Div., FCC Common Carrier Bureau, appointed legal asst. to FCC Chmn. Mark Fowler; Michael Sullivan, ex-FCC Gen. Counsel's Office, appointed acting chief, Mobile Services Div., Common Carrier Bureau; Abraham Leib promoted to acting chief, legal branch, Mobile Services Div., FCC Common Carrier Bureau; Molly Pauker, ex-FCC Mass Media Bureau and head of low-power TV section, joins NBC Washington as asst. gen. attorney, succeeding John Sturm, now dir.-govt. affairs, CBS Washington.

Ted Turner speaks to Media Institute lunch Nov. 8, Mayflower Hotel, Washington; for reservations phone Deborah Art, 202-342-7571... Robert Siegel promoted to dir.-news & information, NPR, succeeding Barbara Cohen, resigned... Ronald Rickman promoted to vp, Lee Enterprises; Larry Siegel to vp-human resources... John Massey joins Gulf Bestg. (subsidiary of Gulf United Corp.) as pres... Bettie Cleveland, ex-KOB-TV Albuquerque, appointed station mgr., KIVA-TV Farmington, N.M... Michael Fisher, ex-KPLR-TV St. Louis, named vp-gen. mgr., KRBK-TV Sacramento... Raymond Levy promoted to sales dir., Madison Square Garden Network, new post... Paul Sacks, ex-KTZO San Francisco, appointed sale mgr., KFTY Santa Rosa, Cal.

John Hayes, ex-KNTV San Jose, appointed vp-gen. mgr., KLAS-TV Las Vegas, succeeding Mark Smith, now gov't. relations vp for Landmark Communications, licensee of both stations... Jerry Kunkel, ex-WEHT Evansville, named vp-gen. mgr., WUTR Utica... Warren Van der Waag joins Lin Bestg. as controller... Don Johnson, ex-KCTV Kansas City, appointed local sales mgr., KSEE Fresno; Kenneth Coy, ex-KPHO-TV Phoenix, joins KSEE as news dir... Terry Richards, ex-Anaconda-Ericsson, joins Valtec as mgr. of new mid-Atlantic office, 11800 Sunrise Valley Dr., Reston, Va. 22090, 703-860-0080... Jim McDonald promoted to dir.-current programs, Columbia Pictures TV... Mark Shottland named Katz American TV Star Team national sales vp; John Washington moves to Lancers-Sabers as vp-national sales mgr.

Judith Baer, exec. vp of SCTE since 1977, resigns; Society moves hq from Washington to Philadelphia, won't hire new exec. vp, according to Pres. Thomas Polis... Frank Smith, 30-year CBS veteran and most recently pres. of National Golf Assn., joins Carravatt Communications (special interest cable programming) as pres.-COO... Jordan Rost, ex-Warner Amex, named Showtime/The Movie Channel national accounts vp; Ann Plunkett, ex-Movie Channel, advanced to creative services vp.

Anne Boatman advanced to Nashville Network

administrative programming asst.; David Hart named promotion mgr... Richard Covell, ex-Phasecom, appointed western division sales mgr., C-COR, Denver hq... Don Colapinto joins Peters Productions as national sales mgr... Charles Salmore appointed dir.-development, Cannon TV; Margi Lintz named asst. to Exec. Vp Charles Simon... Joseph Bellfort retires Dec. 31 as vp of Motion Picture Export Assn... Jack Frazier promoted to news dir., WAGA-TV Atlanta, succeeding Andrew Fisher, who now holds same post at KNXT L.A.

James Badaracco, ex-RCA Service Co., appointed vp-field operations, Satellite TV Corp... Issues in broadcast journalism will be subject of IRTS lunch Nov. 22, Waldorf-Astoria Hotel, N.Y.; panelists: Diane Sawyer, CBS correspondent; Peter Jennings, ABC anchor; Pat Harper, Independent Network News; NBC News Pres. Reuven Frank; Les Crystal, exec. producer, MacNeil/Lehrer Newshour... Donald Schlosser, ex-King Bestg. joins Telecommunications Section of Arthur D. Little Co... John Eagan, ex-NBC, appointed dir.-real estate & construction, ABC.

Tony Mauro, Gannett News Service, appointed chmn. of Freedom of Information Committee, Society of Professional Journalists/Sigma Delta Chi, succeeding Robert Lewis, Newhouse Newspapers, who is on ladder to become SPJ/SDX pres... Charles Foppiano promoted to vp-account mgr., Nielsen Mktg. Research Group... John Stonis, ex-King Bestg., appointed dir.-client services, Hiber, Hart & Patrick communications consulting & research firm, succeeding Lisa Blinzler, resigned.

Peter Herrndorf resigns as head of CBC English TV Network to become publisher of Toronto Life magazine... Michael Presley resigns as ESPN ad sales senior vp, will stay on as consultant... Robert Einhorn, Katz TV American & Continental sales research vp, adds responsibility for independent research supervision... Carol Rosen advanced at Katz Communications to administration & facilities planning vp... Carroll Barlow promoted to Elector USA broadcast products sales mgr... Robert Stephens advanced to Adda finance & administration vp; Peter Jensen, ex-Plantronics, named controller; Frank Shufelt, European sales mgr.; Frank Alioto, broadcast products national sales mgr.

NCTA has asked FCC to clarify its access charge order to stipulate that surcharge will be applied only when private facilities such as cable, serving as last mile connector for interstate bypassers, are hard-wired to local exchange networks. As expected, Assn. decried apparent inconsistency in order, pointing out that although Sec. 69.115(d) of access charge rules authorizes surcharge on local exchange facilities "which are interconnected" with cable facilities, text of reconsideration order states surcharge will be levied on local exchange lines "which can be connected."

FCC has published its semi-annual Unified Agenda listing 139 major pending items. For information: Claudette Pride, 202-632-7513.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended Oct. 14 (41st week of 1983):

	OCT. 8-14	1982 WEEK	% CHANGE	OCT. 1-7	41 WEEKS 1983	41 WEEKS 1982	% CHANGE
TOTAL TV#.....	463,946	317,248	+46.2	366,915	14,508,525*	12,805,858	+13.5
COLOR#.....	291,281*	216,293	+34.7	293,751*	10,247,790*	8,522,704	+20.2
MONOCHROME....	172,664	100,955	+71.0	73,164	4,260,735	4,283,154	- 0.5
PROJECTION TV...	3,648	2,544	+43.4	3,953	99,930*	78,137	+27.9
HOME VCR.....	94,538*	37,943	+149.2	80,985*	2,832,494##	1,342,254	+111.0
COLOR CAMERAS...	8,809*	5,119	+72.1	8,777*	280,486*	215,830	+30.0

Color TV 5-week moving average: 1983--333,583**; 1982--255,383 (up 30.6%).

Home VCR 5-week moving average: 1983--94,567**; 1982--47,942 (up 97.3%).

Excludes projection TV. * Record for period. ** All-time record.

Exceeds full-year record.

PARTS, GLASS SHORTAGES HURT TV OUTPUT: In face of high demand, production of color TV tubes & sets is being disrupted by shortages of glass and electronic components. Both picture tube and set manufacturers have missed some shipments and have had to rejuggle production schedules as result and component problem, at least, could continue through 1984.

Check of picture tube producers found that all except Sony had experienced dislocations because of unanticipated glass shortage. "We have missed shipments," Philips indicated. Said RCA: "We missed some production because of a shortage of 13-in. funnels 3 weeks ago. We hope to make it up with extra production scheduled for Dec." Zenith said it had to make some type changes — "it's been hard to mouth — we've been getting glass 7 hours ahead of production; we haven't had to shut down either our tube or set plant, but we have had to make some schedule changes." GE said its tube output had been hit. Sony, which makes Trinitrons in San Diego, said it hadn't been affected.

Estimates varied on how long shortage would last, but tube makers expressed hope it would be relieved soon. Magnitude of problem next year won't be known until tube makers feed their 1984 requirements to glass companies, but one tube maker said he expects it to "blow away by the first quarter."

There was no explanation for shortage. Although Corning closed its Bluffton, Ind. color tube glass plant earlier this year, it had said it would be able to meet all customer requirements from main plant at State College, Pa. Corning supplies over half of industry's tube glass requirements. Other major producers are Owens-Illinois and RCA, latter producing some of its own requirements, buying rest. Some manufacturers indicated shortage originated at Owens-Illinois, causing chain reaction. Corning conceded there was shortage, couldn't explain it except to cite unexpectedly high demand for color sets; O-I officials didn't return our calls at week's end, but company had been beating bushes for new glass customers several months ago.

For years, Corning and Owens-Illinois have been pressing tube makers for glass price increases to cover rising costs, but have never achieved magnitude of raises they wanted. There are indications new round of increases is in the wind.

Electronic component problem may turn out to be more serious. Sony Consumer Products Pres. Neil Vander Dussen told us parts shortage "has been affecting production [but] we're trying

to work around it." GE likewise reported "definite shortages of electronic components and glass," which, combined with high demand, has resulted in shortages of certain color models. Principal component shortage areas are in semiconductors & ferrites. TV makers have had to compete for semiconductors with booming microcomputer & VCR producers, and few see much relief through 1984.

Situation seems to prevail among all domestic manufacturers, and with inventories at unprecedented low for this time of year (see report below), they'll obviously miss some sales they could have made. Color sales forecasts for next year envision continuation of boom, industry predictions now running 14.2-14.5 million. Sales rate this year for first 9 months was more than 13.5 million and rising — our guess is that they could end up close to 14 million — shortfall in domestic sets being more than compensated for by increased sales of imports.

COLOR TV, VCR INVENTORIES TIGHT: It will be hand-to-mouth for rest of year in both color TV and VCR, with inventories far tighter than usual for this time of year. Situation in TV is aggravated by shortage of parts — there already are shortages in selected color models, manufacturers say, and they could continue into 1984 (see separate report, above).

In color TV, there was less than 8 weeks' supply in pipelines as 3rd quarter ended, assuming sales continue at or near current rate. In most years, there traditionally has been virtually enough inventory at end of Sept. to supply demand for rest of year. This year, however, sales to dealers have far outstripped all forecasts. Industry has been playing very conservative game, has been reluctant to increase production, and, in first half at least, all of increase in supply has come from imports, while statistics point to apparent decline of 6% in domestic output (TVD Aug 22 p10).

Supply of VCRs is even shorter than color TV in relation to demand — only about 6 weeks at current rate — but situation is less critical because shipments are continuing to come in at rate of about 500,000 units monthly, higher than sales to dealers so far, and undoubtedly there'll be some further speedup in shipments as result of good sales here. Importers' ace in the hole is shipment by air. Carriers have been wooing industry with discounts of 10-20%, there are plenty of planes available, and if crunch develops, supplies can be obtained in couple of days, rather than month to 6 weeks required by sea transport.

In numbers, color TV pipeline stocks (at factory plus distributor levels) totaled some 2,608,000 sets at end of 3rd quarter, down 18.2% from 3,190,000 at end of Sept. 1982, and lowest for any Sept. since 1980. Factories & importers held only 1,442,000 of these sets — down whopping 31.4% from year earlier and lowest figure since Jan. 1981 — while distributors held 1,166,000, down just 0.1%.

VCR pipeline inventories at end of 3rd quarter totaled 551,000, down 7.2%, with factory & importer stocks at 340,000, down 15.8%, and distributors loading up with 211,000, highest figure of year, up 11.1%. In both color & VCR, things look a little too close for comfort, and there are already some dislocations in color TV. Some domestic manufacturers have been frozen into color TV production schedules which turned out to be set too low. But it's obvious by their actions that they'd much rather run short than fall victim to industry's traditional bugaboo, overproduction.

COMPUTER MARKET CHURN CONTINUES: Scramble for position in convulsive home computer & videogame market got even more frantic last week with new moves involving Coleco, Atari, Radio Shack, Commodore and Mattel. Industry's depressed financial state was underscored by downbeat quarterly results reported last week by Coleco, Activision, Milton Bradley and Apple, though Commodore continued marching to unique profit beat (see also reports elsewhere in this issue).

Where's Adam? That was question market observers were asking as week started. Coleco announced it started shipping home computers to retail customers Oct. 18, but none was being offered in stores. Gimbel's department store in N.Y. ran ad for system at \$575, but had to

disappoint customers, with no Adams on hand. Answer apparently is that Coleco at this point is only trickling them out, and dealers favored with shipments were holding back until they had enough on hand to advertise. Mail order marketer Markline, which has Adam in catalog at \$675, was only retailer to confirm receiving shipments last week. It said it was sending them out to backlog of customers as fast as they came in, telling new customers they'd have to wait 4 weeks for delivery. Discounter Toys 'R' Us said it expected to have 240 on hand for sale in N.Y. area last week, or 10 per store, would move them out at \$575, but calls to several of its outlets indicated shipments in 2s & 3s started arriving Oct. 27, were being sold out quickly.

Competition for Adam system already has erupted in form of dealer packaged systems. Olympic Sales in L.A. is offering Commodore 64 with printer & cassette at \$500. Similarly priced package is planned for 600XL computer by Atari (TVD June 13 p20) but it hasn't shown up, presumably because company hasn't yet shipped new low-priced printer.

Atari moved to fill market hole presumably left by collapse of several independent videogame marketers, has launched sale of games for non-Atari consoles through its Atarisoft Div. It's selling cartridges for Colecovision and Intellivision videogames at \$40.95, programs for Apple, Commodore, IBM and TI computers. Computer games are \$34.95 on disc, \$44.95 for cartridges. Atari said it will follow with non-game computer programs.

Radio Shack stiffened competition with pre-Christmas computer sale, cut \$40 from 4K micro color computer, now \$79.95, trimmed \$80 from step-up home models which it recently redesigned to include typewriter-like keyboards. Standard 16K is now \$159.95, while version with extended basic is \$239.95. Commodore, meanwhile, found itself having to deny reports dealers were returning up to 50% of new model 64 shipments because of defects. There was acknowledgement, however, that its disc drives are in short supply — reportedly because of manufacturing problems in Japan. Company said it's flying in emergency stocks. Result was sharp drop in share price last week even though Commodore reported record first quarter financial results, with doubled sales, nearly doubled operating net.

Further escalation of competition on software front is expected to stem from McKesson's planned acquisition of SKU of San Francisco, one of nation's largest personal computer software distributors with sales of about \$25 million annually. McKesson, distribution powerhouse in drug, liquor & chemical fields, reportedly will pay something less than \$10 million. McKesson is expected to hook SKU into its nationwide automated distribution network. SKU had been headed by Donald Kingsborough, who left earlier this year to rejoin Atari. It had been widely rumored his move heralded SKU takeover by Atari parent Warner, but if any such deal was in works it fell through.

Yet another gaping hole will be left in market if Mattel decides to end loss-plagued involvement in electronics. Company announced it may float stock issue for its profitable Toy Div. That has led to speculation move is prelude to sale or shutdown of electronics business next year. Mattel has abandoned plan for national introduction of Aquarius stand-alone computer system and hasn't yet started shipping computer add-on for Intellivision videogame.

Market structure could be in for another massive shaking this week. Wall Street analysts claiming to have inside track are sticking to prediction IBM will introduce home PC Junior computer Nov. 1. As for IBM — which is getting more free publicity for non-product than is being given any computer on market — as of week end, it had no news conference scheduled and no comment.

EVEN SMALLER VHS VIDEO MOVIE IN WORKS? Patents filed in Britain by JVC indicate that VHS Video Movie — already smallest camcorder shown to date — may give proposed 8mm Video system even tougher competition than originally was apparent. New head drum system could make possible further miniaturization in later models of unit which uses VHS-C mini-cassette and is scheduled for introduction next year.

Video Movie, as unveiled at Berlin show in Sept. (TVD Sept 5 p11), uses head drum 2/3 size of standard VHS recorder, rotating at same 30 revolutions per sec., 270-degree tape wrap around drum and 4 equally spaced heads. According to patent application No. 2 113 893, drum would be

downsized to 1/2 normal diameter, with head wrap of at least 330 degrees, carrying 2 heads, spaced at about 30 degrees so that one of the 2 is always in contact with tape. Each head is actually double head, with 2 gaps of different azimuth. As drum rotates at normal 20 ips speed, video signal is switched between the 4 head gaps, so each track across tape is of normal length & pitch but laid down mostly by one head and partly by other of same azimuth. Track format is identical with standard VHS to preserve compatibility.

Betamovie, which started it all, uses drum 3/5 normal size, with wrap about 300 degrees, rotating at twice normal speed (60 ips) with one double-azimuth head. Here is comparison of the 3 known mini systems, along with standard systems from which they were derived:

	Standard Beta	Betamovie	Standard VHS	VHS Video Movie	New JVC Patent
Drum diam.	2.9"	1.75"	2.4"	1.6"	1.2"
Tape wrap	180	300+	180	270	330
Drum speed	30 rps	60 rps	30 rps	30 rps	30 rps
No. heads*	1	2	1	4	4

*Video only. Double-azimuth heads counted as 2 heads.

In Britain, unlike U.S., patent applications are published while still pending. By coincidence, JVC patent, naming Yoshihiko Ota as inventor, sits on shelf alongside Sony patent for Beta Hi-Fi. Incidentally, Beta Hi-Fi for Europe will not be same as one introduced in Japan & U.S., which employs single head to pick up multiplexed audio & video. Instead, it will be very similar to Hi-Fi VHS, using 2 extra helical audio heads for depth-multiplexed stereo.

Whether or not new superminiaturized VHS model ever sees light of day — we were unable to get comment from JVC in Japan or U.S. at press time — ingenious new technology demonstrates versatility & adaptability of current recording systems.

ZENITH'S DOUGHERTY DIES: J.D. (Dan) Dougherty, 63, Zenith senior vp, sales & mktg., died Oct. 22 of heart attack in Glenview, Ill., just 3 months after death of Pres.-Chmn. Revone Kluckman from same cause (TVD July 25 p12).

Dougherty served in top Zenith sales posts since joining company from Norge in 1964. At time of his death, he also was pres. of Zenith Sales Co. Div. and of Zenith Radio Canada. He had served with Norge for 10 years, previously worked in appliance distribution, was lt. cmdr. in Naval Supply Corps during World War II.

Zenith realigned its operation in July after Kluckman's death with Jerry Pearlman assuming presidency, Walter Fisher (who had planned to retire Oct. 1) as chmn., establishing Office of the Pres. consisting of Pearlman & Fisher plus Karl Horn, who was named Systems & Components Group pres., and Robert Hansen, appointed exec. vp for TV, VCR, cable & videotex products.

Dougherty assumed Fisher's former consumer electronics sales & marketing duties in 1982, when Fisher moved up to corporate sales chief, also succeeded him in latter post when Fisher became chmn. At recent fall meeting, Dougherty was elected to EIA board, succeeding Fisher. No announcement has been made of Dougherty's successor at Zenith, but his duties in consumer electronics have been shared by Gerald McCarthy, exec. dir., consumer products sales.

Dougherty is survived by wife, 5 children, 2

Home computer software could grow into market as big as \$4.4 billion by 1993, but it will be virtually all games, as sales of management, education and other non-entertainment programs hold below \$200 million level, according to study by International Resource Development. Holding down sales of non-game software will be trend to have some programs built into computer. Study points out that such programs are purchased mainly by smaller upscale segment of computer owners, while mass market is for games. Also, it notes, owner constantly expands game library, but isn't likely to buy more than one home budgeting or other type of utility program. Coleco and other computer companies are stressing word processing as most important non-game use of computer, and IRD said that specific application wasn't addressed in its study. Details: IRD, 30 High St., Norwalk, Conn. 06851.

Sharp has priced its 25" color sets, which were previewed at CES (TVD June 20 p18). Table model, 72 channels, keypad tuning, scan remote, is \$800; consoles with 142 channels, keypad remote with recall, input jacks, on-screen display of channel, time, sleep-timer time remaining, \$900 & \$1,000; 2 high-end models with same features plus RGB input, stereo sound adaptor terminal and Channel Restrictor block-out system, \$1,250.

Citing losses totaling \$222.9 million in 1983, TI said Oct. 28 it is pulling out of home computer business. TI said end of computer production will

MATSUSHITA NET UP: Matsushita cited strong VCR demand in U.S. & Japan in reporting 18% earnings rise in quarter to Aug. 20 on 12.5% sales gain, 9.2% gain in net on 7.9% sales increase for 9 months (see financial table). Overseas audio sales also improved in quarter. Company said that as result of strong quarter, it was increasing by 3% each its forecast of 5% rise in sales, 7% gain in earnings, for full year.

While overall video equipment volume was up 15.6% in quarter to \$1.48 billion and up 8.9% to \$4.28 billion for 9 months, bulk of rise came in VCRs and related equipment. Matsushita said that business was up 21% in quarter to \$1.08 billion, rose 11% for full period to \$3.02. That indicates sales of TVs and other products rose only some 3% to about \$397 million in quarter, ended full period at \$1.26 billion, up just over 4%.

In other product areas, for full period, Matsushita said audio sales were up 2.3% to \$1.41 billion, communications & industrial equipment jumped 20.9% to \$1.6 billion, component volume rose 17.2% to just under \$1.1 billion, while home appliance sales slipped 2.7% to \$1.41 billion. Sales overseas rose 9.2% to \$5.45 billion, while volume in Japan was up 6.7% to 6.20.

Toshiba said communications-electronics group sales were up 22% in first half to Sept. 30, though corporate volume rose just 6.6% to \$4.03 billion, and earnings edged up 1.1% to \$107.4 million. Company said it had particularly strong increases in color TV tubes, semiconductors, office automation & medical equipment.

Superscope hit comeback trail in 3rd quarter, showing operating profit of \$54,000, first such black ink since 1977. Net was after special gain of \$257,000 from previously announced debt restructuring. Recovery is result of successful overhaul "that's just now starting to pay off," we were told last week by Pres. Fred Tushinsky, who predicted 4th quarter would show much stronger improvement as it will include lower reorganization expenses. Marantz line, he said, is now strong, more competitive, and as result is selling in larger quantities. Video line, however, has been put on hold. "We have a [Beta Hi-Fi VCR] model ready to go, but we are holding back to see how the market looks," he said.

Coleco blamed weak demand for cartridges it produces for Atari & Intellivision games, and falloff in sales of table-top electronic games, for 87% drop in 3rd quarter net on 30.9% sales decline. Operating net, after subtraction of \$682,000 tax credit, was off 90.8%. Company said sales of Colecovision games & cartridges increased, rebounding from 2nd quarter sag. Coleco said it expects earnings for year to be down. Superscope also announced it obtained new 2-year, \$10 million credit loan agreement.

Activision posted first-ever loss in 2nd quarter to Oct. 1, reported deficit of \$4.12 million as sales fell 58.8%. Earlier company had said it would be in red for period if dealers continued cutting back on videogame cartridge orders.

Milton Bradley had sharply lower profit in 3rd quarter as result of continued losses from sales of Vectrex free-standing videogame and non-video electronic games, showed operating loss of \$2.02 million for 9 months. MP said its sales are being hurt by heavy promotion of competing videogames and closeouts of videogame cartridges. It said it soon expects to begin shipping voice-controlled add-on module and related software for TI home computer.

MGM/UA Home Entertainment and Video Corp. of America both showed sharp improvement. MGM/UA had net of \$11.2 million on sales of \$46.8 million in final fiscal quarter to Aug. 31, profit of \$39.3 million on revenue of \$160.7 million for year. As it's just year since its spinoff as separate publicly held company, no exact comparable figures are available. But prospectus for 1982 stock issue showed unit had earnings of \$26.8 million on sales of \$113.7 million for that year. Improvement is even more impressive considering that nearly \$50 million in 1982 revenue represented largely one-shot advance royalty receipts, some of which had to be refunded. Company said home video & pay-TV operations set pace for gains shown by all divisions.

Video Corp. of America said growing demand for duplicating services and prerecorded cassettes in rental market were primarily responsible for sales gain and profitability in opening quarter to Sept. 30. VCR said industrial duplication business also has picked up. Company expects continued strong demand to provide 20-25% boost in sales, improved margins for year. In fiscal 1982, VCA earned \$965,000 on sales of \$22.7 million.

Apple suffered 73% drop in net in 4th quarter to Sept. 30 though sales were up 55%. Company said earnings were impacted by doubling of R&D and marketing expenses. It also had costs associated with phaseout of disc drive production and layoffs.

Verbatim, producer of floppy magnetic discs, reported sales rose 41% to \$119.9 million in year to July 1, said it had earmarked \$33 million for capital spending in current fiscal year in anticipation sales growth pace would continue for a number of years.

Motorola set sales & earnings records in quarter with help of rise in semiconductor demand (see financial table). Company said semiconductor volume was up 29%, backlog was up 68%, new orders up 88%. Sales gains in other sectors: Automotive & Industrial 36%, Communications 35%, Govt. 14%, Information Systems 2%.

Warner's debt rating was trimmed notch by Standard & Poors, which cited continued high losses by subsidiary Atari. Move follows similar downgrading by Moody's.

National Semiconductor declared 3-for-1 stock split, contingent on increase of authorized common shares to 150 million from 60 million.

Sharp acquired license to produce laser card readers & writers from Drexler Technology for \$300,000. License provides non-exclusive worldwide hardware manufacturing & sales rights.

TAPE HEARINGS (CONT.): Videotaping was in congressional spotlight again last week, with Senate & House Copyright Subcommittee hearings going over familiar ground. Major new elements: (1) MPAA released Battelle Institute study predicting 50 million VCRs in use by 1990, with dire effects on broadcast & movie industries. (2) 20th Century-Fox Chmn. Alan Hirschfield gave retailers view of what future might hold if first-sale revision becomes law.

Battelle study commissioned by MPAA and presented to Senate Subcommittee predictably came down strongly in favor of surcharge on machines & tape, said time-shifting diminished value of TV programs by disrupting audience patterns, and that consumers only watch 8 of every 9 shows they record. "Almost without exception," study emphasized, "the VCR is used for recording and playing back copyrighted works."

As VCR population grows, blank tape sales will jump from 34 million in 1982 to 346.5 million in 1990, study contends. Report says level "is far in excess of what would be necessary" unless "recording of copyrighted works" is meant to be permanent. Home Recording Rights Coalition (HRRRC) snapped that analysis is "based on assumptions even the MPAA acknowledges to be contrary to the facts."

Report says more than 60% of VCR owners responding to NPD Electronic Media Tracking Service's national survey had deleted or eliminated commercials, cutting out 50-55% of ads. Broadcast revenues would have dropped \$35.5 million if advertisers had acted on lost viewership, study says, projects potential loss at \$361.7 million a year by 1990. Broadcasters would pass loss along to copyright owners — that would have been drop of \$8.2 million in fees last year, will be \$90.4 million in 7 years, Battelle predicts.

By far biggest use of machines is off-air recording — listed by 96% of respondents — while 57% said they wanted to build program library, 47% avoid commercials, 43% play recorded tapes, 31% make home movies, 25% copy borrowed or rented cassettes. Report maintains survey data indicates 7.4 million such copies were made during year — and copyright owners lost \$11 million, could lose \$112.4 million on 95.4 million copies made in 1990.

That's nothing compared with TV, however. Battelle said VCR owners recorded 1.2 billion commercial & cable programs in year, including 400,000 movies — just 10% of total predicted for 1990; number destined for permanent collections is expected to grow from 84 million to 3.6 billion during same period, worth \$46.2 million & \$470.4 million in recorded cassette sales, respectively.

House hearing centered on Fair Marketing Amendment (FMA) to revise first-sale doctrine. Fox's Hirschfield outlined 2 schemes for dealers under FMA: (1) Attach "simple royalty" on each rental of particular cassette, aimed at stores with computerized accounting. Separate line of same titles would be sold, he said, "across the board at wholesale prices up to 50% lower" than present rates. (2) Alternative would be surcharge limited to rental

tapes. Either way, dealers would be handling 2 inventories. Hirschfield said implementation would entail almost no increase in transaction costs, point disputed by Nina Cornell, economist for HRRRC.

Despite success of CBS/Fox, which Hirschfield said now has worldwide sales of more than \$100 million, business hasn't lived up to potential, he said — it should be covering 10-15% of \$18 million spent on production & promotion of average movie, not present 3-4%. "We're in effect a loss leader for the sale of VCRs." Subcommittee Chmn. Kastenmeier (D-Wis.) said he was skeptical about Hirschfield statement that FMA would allow CBS/Fox Video to expand sales of recorded cassettes without raising rental prices. He told studio supporter Ron Berger, pres. of distributor National Video, "you talk more like a producer than a retailer," asked him how NV dealers could make money renting if studios take 50% of fee, as mentioned by Fox Telecommunications Pres. Steve Roberts, also at witness table.

Kastenmeier drew applause from dealers in audience, prompted prediction from VSDA Pres. Frank Barnako that FMA is dead — "I think you can tell from the questions." His comment about Administration support of revision, likely to be announced at next session: "I think [Reagan's] involvement will hurt."

Hirschfield extended olive branch to HRRRC and VSDA, claiming issue isn't "something to be won" at their expense. However, anti forces aren't in conciliatory mood, EIA Senior Vp Jack Wayman telling Subcommittee that position is "non-negotiable... there'll be no compromise."

Software notes: Vestron Video plans Dec. shipments for what's expected to be hottest music video cassette ever, featuring pop singer Michael Jackson and including full performance of Jackson's new production, Thriller. Cassette & disc will be priced at \$30... Paramount and RCA/Columbia have joined ranks of studio dropouts for Winter Consumer Electronics Show. That leaves Disney as sole major, and it has moved exhibit off main floor to semi-private audio room. Software independents expected to be showing include Vestron, Thorn EMI, Media Home Entertainment, Family Home Entertainment and Worldvision, plus adult program suppliers.

Stereo TV multichannel sound test report (TVD Oct 24 p10) will be released in 3 installments: Vol. 1A, Nov. 1 or 2; Vol. 2A, next week; supplement containing system proponents' statements on tapes of systems with companding, around end of Nov. Note: In our report last week, we gave incorrect date for scheduled meeting on choice of systems — it will be Dec. 22 following 3 days of presentations (not Nov. 22 as stated).

Philippines clamped down on radio imports as part of program to trim trade deficit, boost domestic production. Govt. said importers will require prior approval before bringing in auto & portable radios and radio-tape combinations, either in assembled or kit form.

PIONEER'S DISC BOOM: Surging demand for industrial optical videodisc players, used in arcade videogames and training & sales applications, has Pioneer again increasing production in Japan. Company said it was hiking output to 20,000 monthly, as it adopts new semiconductor laser system (TVD Oct 17 p13).

It's 3rd production hike of year for Pioneer. It raised production to 7,000 monthly from 4,000 in Feb., went up additional 3,000 last fall. Company is starting to meet competition, however, with Hitachi, Philips & Sony all out looking for non-consumer optical player customers, while RCA is starting to beat industrial bushes with its random-access CED player.

New uses continue to crop up, including 2 that surfaced in N.Y. last week — point of purchase system from Videospond and training system from National Education Corp. Videospond showed cartridge programmable computer-player housed in arcade game type cabinet, offered to corporations for less than \$4,000, claimed to be about half price of comparable systems. It said system can be upgraded with touch screen or keypad, in place of its touchpad controls. Extra feature is built-in printer that feeds coupons, order blanks or other messages directly to consumer.

Videospond is subsidiary of Nuvatec, engineering consulting firm founded by Pres. William Slavik & Exec. Vp Eric Peterson in 1976 after leaving now-defunct TV maker Admiral. They headed Admiral team that created Interface IV (also known as Videospond), first computer-based home videogame, which company demonstrated but never marketed. Nuvatec has been heavily involved in development & design of home & arcade games, computer operating systems, automation control. It currently produces and markets control equipment, employs 75.

NEC is demonstrating Actioncode, disc learning system for industrial training it expects to have on market in Jan. along with 400-hour course in electronics maintenance technology. Other courses are to follow. System includes touch screen monitor, bar code reader, workbooks, was developed in conjunction with Perceptronics, specialist in military videodisc training programs.

Taiwan's exports of computer peripherals leaped 567% in first 8 months this year to \$63 million, with about 78% sent to U.S. Bulk was represented by shipment of 230,000 terminals valued at \$37.8 million. Govt. said total included 127,000 printers and \$5.5 million of disc drives. Taiwan manufacturers are targeting disc drives as major export product for 1984, expect to have unit prices below \$100.

Bowmar will ask Fla. state court to set aside or permit appeal of verdict that awarded \$849,000 to electronic game marketer Fidelity Electronics. Fidelity had asked for \$11 million in damages for breach of contract and fraud in connection with agreement to purchase keyboards from Bowmar, but jury dismissed fraud allegations.

CPSC EYES PHONES, OVENS: While all seems quiet on video front at Consumer Product Safety Commission, agency has uncovered potential safety hazards in 2 new consumer electronics products — cordless telephones and microwave ovens.

Cordless phones can be hard on your hearing, EIA & Consumer Product Safety Commission said in recently issued joint alert. Problem is that on most cordless phones ring denoting incoming calls is emitted directly from earpiece, and ring is loud, up to 135 dB. CPSC said it has received more than 20 complaints from consumers of hearing problems stemming from having phone too close to their ears when it rang. CPSC staff thinks that exposing consumer to such a hazard is unacceptable. Alert was intended to advise phone owners of problem and to encourage manufacturers to include warnings with products. Whether CPSC will move to set up some sort of ring output standard isn't certain. Agency said it expects cordless phone sales to hit \$1 billion over next 2 years.

As for ovens, CPSC said it has received "disturbing number of reports" of self-activation or malfunction of ovens equipped with electronic controls. It said touch controls appear particularly susceptible to problems from moisture & grease normally found in kitchen environment, as well as from line power surges. Timers, on-off switches and temperature probes also were cited as troublesome. Agency said 2 brands out of 28 were responsible for nearly half of 210 incidents reported, didn't provide identification.

ITA SEMINAR: ITA kicks off fall video seminar season in N.Y. Nov. 22 with update session following general membership meeting at Halloran House Hotel

Speakers include Ed Pessara of TKD and Robert Burnett of 3M on blank video & audio cassette market in U.S., Jacques Carpentier of BASF Canada on Canadian market. VCR market will be handled by Stan Hametz of Panasonic and Sony's Dennis Pence. William Follette, VCA, will discuss conditions in video duplication industry. Special presentations will cover new electronic technologies by Joseph Roizen, Telegen, and digital audio by Eugene Pitts, Audio magazine.

Attendance is generally restricted to ITA members, but invitations are available to representatives of non-member companies. Details: Karen Dove, ITA, 10 Columbus Circle, N.Y. 10019.

Japanese technology and investment capital exchange promotion centers are being opened around world by MITI-sponsored Japan External Trade Organization. Centers for Industrial & Technological Cooperation have already been launched in N.Y. & San Francisco, with others planned for Chicago, Houston & L.A. in U.S., Brussels, Dusseldorf, London, Milan & Paris in Europe. CITCs will be located in Japan Trade Centers, also run by JETO, offer consultant services to foreign companies & organizations interested in exchanges in high-tech fields with Japanese and other foreign firms.

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.

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JULY TV IMPORTS: Imports of complete color TVs set official all-time monthly record in July on basis of imports for consumption, jumping 278.5% to 465,500, according to Commerce figures, but data are misleading.

Apparent reason for increase is lopsided jump in shipments from Japan, mainly of 19" & 25" sets, apparently caused by inclusion of sets assembled in Sanyo Mfg. Co. plant in Forrest City, Ark., now operating as Foreign Trade Zone (TVD Sept 26 p12).

By switching statistical wavelength to general imports, which excludes free zone activity, complete color imports drop to more reasonable 359,200, which was up significant 192.1% (compared with consumption imports last year) and is record by just 2,000 sets. We agree that comparing 1983 general with 1982 consumption figures causes distortion, but it's best available at this time. Except for selected Japanese screen sizes, there's normally an insignificant difference between figures reported under those 2 classifications.

Importers passed several milestones on 7-month basis. Total TV imports topped 6 million, total shipments from Korea exceeded 2 million and b&w from Taiwan passed million.

Following are TV import totals by country for July and 7 months, with Japan's July total color and complete color figures from general imports. We'll be changing both monthly and cumulative color totals to general imports as soon as data are available. No color set vs. chassis & kit breakdown is given for countries supplying negligible quantities of incomplete receivers for either period.

	Total TV			
	Month	% chg.	7 mo.	% chg.
Japan				
total...	121,700	-21.5	939,300	-16.8
color...	99,194	+ 2.0	713,300	- 8.5
b&w.....	22,500	-60.9	226,100	-35.2
Taiwan				
total...	269,800	+39.2	1,697,400	- 6.1
color...	97,000	+256.5	566,500	+163.8
b&w.....	172,800	+ 3.7	1,130,900	-29.0
Korea				
total...	387,200	+167.3	2,044,500	+59.6
color...	133,700	+376.0	766,400	+176.7
b&w.....	253,500	+117.2	1,278,100	+27.2
Singapore				
total...	30,600	+14.0	337,000	+26.4
color...	29,600	+20.4	320,100	+43.7
b&w.....	1,000	-55.5	16,900	-61.5
Malaysia				
total...	25,000	+1713.2	109,100	+293.4
color...	19,800	+1335.8	77,700	+477.9
b&w*....	5,200	--	31,400	+119.7
Hong Kong*				
total...	4,600	--	32,000	--
color...	3,400	--	14,700	--
b&w.....	1,200	--	17,300	--
Canada				
color...	7,700	-12.2	47,200	+10.6

Complete Color

Japan....	92,800	+60.3	475,600	+11.5
Taiwan...	92,900	+323.1	528,800	+170.8
Korea....	121,700	+338.0	699,300	+152.8
Singapore	20,500	+1172.1	112,700	+61.9

Color Chassis & Kits

Japan...	6,400	-83.7	237,700	- 8.9
Taiwan...	4,100	-21.9	37,700	+93.1
Korea....	12,000	+300.0	67,100	+222.4
Singapore	9,100	-60.6	207,400	+35.5
Mexico...	82,500	+32.8	877,100	+16.4

*Imports negligible in 1982.

Sony and Philips have agreed on basic standard for use of compact digital (CD) audio disc for computer program storage. Companies said single CD can hold 550K bytes, or 500-1,000 times capacity of small magnetic floppy discs, indicated that in quantity CDs could be cheaper than floppies for distribution of home computer programs. Only portion of CD now used to store audio is used for data, so data discs can be used with programmable players. While discs are designed for playback on standard audio players, it's likely special data players, even recorders, are in works.

Halt to sales of unauthorized microwave receivers was ordered by Portland, Ore. federal court at request of Willamette Subscription TV, which supplies HBO in area. In temporary restraining order, court also ordered 12 retailers to turn over sales records. WST, which claims 5,000 subscribers, said it estimates that about 3,700 homes are pirating its signal, and spread of illegal receivers has forced it into Chapter 11 bankruptcy proceeding. WST said it will write owners of unauthorized equipment demanding payments of \$300-\$1,500 in damages and dismantling of their equipment.

It was Toshiba's turn to announce digital color TV last week in Japan. Company had 2 developmental models: (1) One with 4 LSIs, 2 ICs with digitized picture, color & deflection circuits, same chassis usable for NTSC, PAL or SECAM through change in software. (2) Model using 8-bit A/D converter, with comb filter to separate signal into luminance & chrominance. Toshiba didn't say who made chips, but company is understood to be one of customers for ITT's digital VLSIs.

Sanyo's solid-state video camera which resembles 35mm SLR still camera and accepts standard 35mm lenses (TVD Oct 17 p13) is now on market in Japan at \$1,055. It contains 1" electronic viewfinder, weighs 2.4 lb., initially will be produced at 1,000 units monthly.

New members of EIA Consumer Electronics Group: Audiovox and Ford in Car Audio Subdivision; Control Video, Epson, Recoton in Computer Div.; Konica and Polaroid in Blank Tape Subdivision; Unitronics and Webcor in Personal Electronics Div.

Consumer Electronics Personals

Almon Clegg promoted at Matsushita Technology Center (U.S.) from Product Engineering Div. asst. gen. mgr. to gen. mgr. of Audio and Communications Systems Divs... Edwin Gamson named Certron chmn.-CEO, new post; Graydon Carlson promoted from vp-secy. to pres.-COO... Jeff Rochlis, who rejoined Mattel earlier this year as pres. of Technology Enterprises Div., has resigned to join Sega Enterprises U.S. as pres.-COO, assuming duties of David Rosen, resigned as chmn.-pres., effective Jan. 1, but continuing as consultant.

Ron Stegall promoted at Radio Shack to senior vp, computer mktg.; William Gattis, Education Div. dir., named vp... Robert Faught, Activision sales vp, shifts to Activision International as Americas-Pacific vp; Cliff Crowder, former national sales mgr., moves to AI as European sales dir... David Ruckert promoted to Atari Products Management senior vp.; his name was given incorrectly in our earlier report. He succeeds John Cavalier, now with Apple; Rick Glosman, media dir., named vp with responsibility for Atari ads.

Larry Bennett resigns as CBS/Fox production operations vp to pursue other business opportunities; Leon Falk named program evaluation mgr... Ruth Vitale, ex-Movie Channel, named film acquisition vp, Vestron Video; Kathle Van Brunt shifts from programming vp to program development vp... Mark Levinson, pres. of Picture Music International, appointed member of Capitol Industries-EMI executive management board... Harold Weitzberg joins Karl Video as national sales dir., new post; he had been KV consultant.

Edward White, founder of Bowmar, reelected to post of chmn. he resigned in 1977, succeeding James Marlas, now exec. committee chmn... Edwin Chow, ex-Atari Semiconductor, joins Tristar Semiconductor, Cal. IC technology development affiliate of Korea's Samsung, as product development dir... Jan Edmonson promoted at National Captioning Institute to mkt. development dir. responsible for developing home video & cable services for hearing impaired.

Japan tuner dumping determination will be amended to include Sharp among manufacturers excluded from coverage under proposal by International Trade Administration. Original ruling that Japanese tuners of type used to assemble TVs & radios were being sold in U.S. at less than fair value was issued in 1970. Since then, finding was revoked as it applied to products of JVC, Matsushita, Sanyo, Sony & Toshiba. In latest exclusion proposal, ITA said its investigation shows no evidence of tuner dumping by Sharp since Jan. 1, 1973.

Fotomat sold Dallas video software distributor Video Services of America to N.J. mail fulfillment operator Brooksmith for \$2.3 million, plus notes of undisclosed value. Fotomat said that while sale ends its 2-year involvement with prerecorded video, it will continue in software through sale of blank videocassettes and film-to-cassette transfer service.

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Video software trails hardware in annual retail sales per sq. ft., according to survey of 4,000 dealers by franchiser Video Store. It shows software generates \$135.76 sales per sq. ft., well behind TV & appliances at \$159.71 and audio at \$168.92, but slightly ahead of computers at \$138.69. Margins are higher, however, averaging 27% for video software against 16% for hardware. Even better margin bet is computer software at 30%.

Chrysler & Motorola announced auto maker had joined Buick and independent marketer Audiovox in adopting Motorola's AM stereo system. Source indicated that while Chrysler's plan is to start offering option with 1985 model cars, timetable could be moved up for competitive reasons. GM is slated to begin offering AM stereo as option in Buick car line in current model year, while Audiovox says it will have both radios and radio-cassette players next year.

Sweden will cut dependence on U.S. & Japanese manufacturers for advanced ICs if govt approves 5-year, \$92 million domestic development program proposed by Industry Ministry. Ministry said Sweden is major user of imported MPUs and other ICs in automation, computer, telecommunications & defense industries, but it relies on imports for 80% of requirements and must have own design & production capabilities to maintain industrial independence.

Korea's Samsung plans to be first manufacturer outside Japan & Holland to launch production of digital audio Compact Disc player. Player is expected to be on market by year's end as part of \$3,800 entertainment system that will also include audio tuner, amplifier & speakers plus VHS VCR.

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
Activision			
1983-6 mo. to Oct. 1	39,452,000	(3,892,000)	--
1982-6 mo. to Oct. 1	62,703,000	8,756,000	.29
1983-qtr. to Oct. 1	13,247,000	(4,119,000)	--
1982-qtr. to Oct. 1	32,147,000	4,405,000	.15
Audiotronics			
1983-qtr. to Sept. 30	5,546,000	200,000	.16
1982-qtr. to Sept. 30	4,931,000	170,000	.14 ^a
Avnet			
1983-qtr. to Sept. 30	355,457,000	18,682,000	.53
1982-qtr. to Oct. 1	274,875,000	12,255,000	.35 ^a
John Blair			
1983-9 mo. to Sept. 30	289,196,000	12,708,000	1.62
1982-9 mo. to Sept. 30	229,778,000	11,276,000	1.47 ^b
1983-qtr. to Sept. 30	97,109,000	3,844,000	.49
1982-qtr. to Sept. 30	77,615,000	3,698,000	.48 ^b
Cohu			
1983-9 mo. to Sept. 30	13,816,041	849,575	.49 ^c
1982-9 mo. to Sept. 30	14,008,212	495,763	.29
1983-qtr. to Sept. 30	5,372,714	475,202	.27 ^c
1982-qtr. to Sept. 30	4,567,695	303,139	.18
Coleco Industries			
1983-9 mo. to Oct. 1	420,988,000	27,577,000	1.71
1982-9 mo. to Sept. 30	307,128,000	29,516,000	1.93 ^a
1983-qtr. to Oct. 1	114,480,000	2,302,000	.14
1982-qtr. to Sept. 30	165,588,000	17,559,000	1.15 ^a
Comsat			
1983-9 mo. to Sept. 30	332,686,000	41,356,000	2.30
1982-9 mo. to Sept. 30	299,010,000	32,156,000	2.01 ^a
1983-qtr. to Sept. 30	114,301,000	12,714,000	.71
1982-qtr. to Sept. 30	104,968,000	11,027,000	.69 ^a
CTS			
1983-39 wk. to Oct. 2	228,096,000	7,342,000	1.30
1982-39 wk. to Oct. 3	202,820,000	7,339,000	1.41 ^b
1983-13 wk. to Oct. 2	85,311,000	2,110,000	.36
1982-13 wk. to Oct. 3	69,760,000	2,779,000	.53 ^b
Dynascan			
1983-9 mo. to Sept. 30	129,136,000	7,137,000	1.68
1982-9 mo. to Sept. 30	58,993,000	2,271,000	.57 ^a
1983-qtr. to Sept. 30	52,783,000	3,056,000	.70
1982-qtr. to Sept. 30	22,807,000	1,213,000	.30 ^a
Electronic Memories & Magnetics			
1983-39 wk. to Sept. 24	56,945,000	2,215,000	.26
1982-39 wk. to Sept. 25	53,087,000	(104,000)	-- ^b
1983-13 wk. to Sept. 24	20,112,000	870,000	.11
1982-13 wk. to Sept. 25	19,007,000	529,000	.05 ^b
Heritage Communications			
1983-9 mo. to Sept. 30	75,498,000	3,692,000	.35
1982-9 mo. to Sept. 30	68,370,000	4,709,000	.49
1983-qtr. to Sept. 30	24,510,000	879,000	.07
1982-qtr. to Sept. 30	20,864,000	718,000	.05
Koss			
1983-qtr. to Sept. 30	5,156,853	104,220	.03
1982-qtr. to Sept. 30	5,668,578	260,951	.07
Lee Enterprises			
1983-year to Sept. 30	172,557,000	22,774,000	1.64
1982-year to Sept. 30	160,580,000	19,800,000	1.43 ^a
1983-qtr. to Sept. 30	43,148,000	8,558,000	.63
1982-qtr. to Sept. 30	40,140,000	6,667,000	.49 ^a
Matsushita Electric			
1983-9 mo. to Aug. 20	12,200,000,000	533,800,000	3.40 ^e
1982-9 mo. to Aug. 20	11,310,000,000	488,700,000	3.14 ^e
1983-qtr. to Aug. 20	4,190,000,000	183,100,000	1.16 ^e
1982-qtr. to Aug. 20	3,720,000,000	154,700,000	.99 ^e

Company & Period	Revenues	Net Earnings	Per Share
Metromedia			
1983-9 mo. to Oct. 2	372,413,000	64,574,000	2.20
1982-9 mo. to Oct. 3	276,087,000	87,642,000	2.29 ^b
1983-qtr. to Oct. 2	119,448,000	1,949,000	.07
1982-qtr. to Oct. 3	88,703,000	9,669,000	.28 ^b
MGM/UA Home Entertainment			
1983-year to Aug. 31	160,722,000	39,255,000	1.40 ^f
1983-qtr. to Aug. 31	46,767,000	11,264,000	.38 ^f
Milton Bradley			
1983-9 mo. to Sept. 30	242,876,000	42,000	.01
1982-9 mo. to Sept. 30	250,849,000	15,468,000	2.09 ^c
1983-qtr. to Sept. 30	112,489,000	4,358,000	.59
1982-qtr. to Sept. 30	110,201,000	10,088,000	1.36
Multimedia			
1983-9 mo. to Sept. 30	195,701,000	24,084,000	1.48
1982-9 mo. to Sept. 30	162,787,000	19,911,000	1.30 ^a
1983-qtr. to Sept. 30	68,013,000	8,926,000	.54
1982-qtr. to Sept. 30	55,820,000	7,326,000	.48 ^a
Post Corp.			
1983-9 mo. to Sept. 30	67,587,000	3,114,000	1.71
1982-9 mo. to Sept. 30	59,307,000	1,900,000	1.04
1983-qtr. to Sept. 30	22,926,000	1,025,000	.56
1982-qtr. to Sept. 30	19,979,000	459,000	.25
Reeves Communications			
1983-qtr. to Sept. 30	53,865,000	2,945,000	.24
1982-qtr. to Sept. 30	47,241,000	3,717,000	.30 ^a
Rollins			
1983-qtr. to Sept. 30	106,877,765	4,184,657	.16
1982-qtr. to Sept. 30	118,028,373	5,176,639	.20
Scientific-Atlanta			
1983-qtr. to Sept. 30	96,856,000	2,508,000	.10
1982-qtr. to Sept. 30	75,253,000	(6,114,000)	-- ^g
Storer Communications			
1983-9 mo. to Sept. 30	331,118,000	(31,564,000)	--
1982-9 mo. to Sept. 30	269,773,000	5,651,000	.35
1983-qtr. to Sept. 30	113,437,000	(15,002,000)	--
1982-qtr. to Sept. 30	94,743,000	172,000	.01
Superscope			
1983-9 mo. to Sept. 30	26,538,000	5,153,000	2.23
1982-9 mo. to Sept. 30	34,105,000	(7,309,000)	--
1983-qtr. to Sept. 30	9,420,000	311,000	.13
1982-qtr. to Sept. 30	10,828,000	(2,551,000)	--
Taft Bcstg.			
1983-6 mo. to Sept. 30	274,857,000	21,933,000	2.21
1982-6 mo. to Sept. 30	246,883,000	26,132,000	2.54
1983-qtr. to Sept. 30	167,225,000	15,213,000	1.55
1982-qtr. to Sept. 30	148,714,000	18,072,000	1.79
Times Mirror			
1983-9 mo. to Oct. 2	1,801,009,000	117,853,000	3.43
1982-9 mo. to Oct. 3	1,613,680,000	86,055,000	2.52 ^c
1983-qtr. to Oct. 2	617,552,000	45,318,000	1.32
1982-qtr. to Oct. 3	550,212,000	32,775,000	.96 ^c
Viacom International			
1983-9 mo. to Sept. 30	242,814,000	13,285,000	.99
1982-9 mo. to Sept. 30	204,132,000	17,994,000	1.39 ^b
1983-qtr. to Sept. 30	79,652,000	4,300,000	.32
1982-qtr. to Sept. 30	70,759,000	6,924,000	.54 ^b
Video Corp. of America			
1983-qtr. to Sept. 30	6,100,000	371,000	.22 ^c
1982-qtr. to Sept. 30	4,872,000	(139,000)	--
Western Union			
1983-9 mo. to Sept. 30	775,386,000	66,672,000	2.50
1982-9 mo. to Sept. 30	775,588,000	71,495,000	3.04 ^b
1983-qtr. to Sept. 30	260,918,000	16,628,000	.60
1982-qtr. to Sept. 30	280,497,000	31,180,000	1.24 ^b

Notes: ^aAdjusted. ^bRestated. ^cIncludes special credit. ^dAt yen's current rate. ^ePer ADR. ^fComparable figures not available. ^gAfter special charge.