

WEEKLY

# Television Digest®

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**IT WAS BUSY WEEK ON FINANCIAL INTEREST:** Activity in Washington last week in fight over TV networks' attempt to gain financial interests in syndicated programming was fast & furious, leading party to proceedings to comment "it was almost the week that was." Among developments: (1) President Reagan came out Nov. 2 in favor of 2-year moratorium prohibiting FCC from relaxing rules, as agency has proposed in "tentative" decision. in order to provide more time to gauge impact of new technologies on competition. (2) TV networks and programmers began talking to each other seeking possible compromise. (3) Senate Communications Subcommittee held 2-day hearing featuring appearances by most of major players. (4) House Commerce Committee approved measure prohibiting FCC from acting for 6 months, with full House vote expected this week. Senate already has attempted shortcut by attaching similar proposal to separate appropriations bill, also due for action in Senate-House conference this week.

### Consumer Electronics

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**AM STEREO WINNER** sought in time for CES, but makers may have to show 4-system tuners. Canadians may give guidance. (P. 16)

**TV DUMPING CASE DELAY** of 60 days asked of ITA by Korean & Taiwan set makers. Sanyo Taiwan gets 92% dumping margin reduction. (P. 18)



Nov. 2 hearing by Senate Communications Subcommittee on S-1707 opened serenely enough with statements by several members of Subcommittee. But first witness, Sen. Wilson (D-Cal.), author of S-1707 which prohibits FCC from changing its financial interest rules until 1988, quickly changed things when he read letter from White House Counsellor Edwin Meese stating that President now favored 2-year moratorium. There had been much pressure of late to get Reagan directly involved (including meeting on financial interest 2 weeks ago of Cabinet Council on Commerce & Trade) — and that direct involvement came late Nov. 1.

Justice & Commerce Depts., which have supported FCC's "tentative" decision to abolish rule which prohibits networks from owning off-network programming or participating in domestic syndication, quickly changed their positions to comport with Presidential statement. Stated Antitrust Chief William Baxter, saying he was speaking for Administration: "The Administration opposes enactment of this bill as written but would support a shorter, 2-year moratorium. [Although Justice still agrees with FCC], the issues are admittedly of great complexity and involve an industry that is undergoing very rapid change... The Administration has concluded that the reasonable course is to wait and watch for a short period during which it should become clearer whether patterns that appear to be developing become firmly established. Accordingly, the Administration would support legislation imposing a moratorium of 2 years."

David Markey, head of Commerce's NTIA, said that "now that the Congress has asked for an Administration position on the subject of a legislative moratorium on the FCC rulemaking, the Administration has determined that some legislation might be advisable. It is our position that a 2-year moratorium... would provide an opportunity for a more comprehensive assessment of the marketplace and give the FCC and the interested parties additional needed information." He said 5-year delay in Wilson bill "would not be advisable."

Sen. Packwood (R-Ore.) said he called Commerce 15 days ago and was told Administration is against 6-month moratorium contained in Senate appropriation bill, asked what facts had changed in 2 weeks to cause White House to reverse its position. Markey said "no facts [have changed] except that our boss — the President" decided to come out for legislation telling FCC to not act for 2 years. Baxter disagreed with Packwood that President has changed his position, said it was case of determining if "we really know enough about the issues." He said DoJ, including Baxter personally, had "invested a very considerable amount of time" in studying financial interest ramifications.

Meese wrote Wilson, in answer to Senator's inquiry of July 20, that Reagan "has determined... additional review of the consequences of the rule is necessary. Accordingly, after careful consideration of this matter, the President has decided to support a 2-year legislatively mandated moratorium on any change in the syndication and financial interest rule. A 2-year moratorium would allow us to give the issue further study and monitor future changes in the marketplace, while at the same time ensuring continuing healthy competition within the industry."

White House made its decision Nov. 1 and Reagan telephoned Sen. Goldwater (R-Ariz.) with new position about 11 p.m. same day. Asked by Packwood (who hadn't been informed in advance) date of Meese letter, Wilson said Nov. 2. Packwood: "It's been delivered already today?" Wilson: "Yes... It's not far" from White House to Senate. Goldwater: "I've only had one conversation with the President on this and it was 11 o'clock last night... I told him that he was crazier than hell" to interfere.

Despite White House's new position, FCC Chmn. Fowler stuck to his guns, said that it would be "inappropriate" for Congress to interfere and that Commission should be permitted to issue final order. That, hopefully, would come by end of year, he said in answer to question. Then Congress would have all facts it needed and has power to reverse FCC rules at any time, Fowler said. He estimated FCC has spent about \$4 million on financial interest rulemaking, including \$2 million specifically appropriated by Congress for 1978-80 study.

Sen. Hollings (D-S.C.) wanted to know who got President interested in issue "and now we're told he is studying it... I hope he's not studying... He's got more important things to worry



about... So now he's interested in communications." Fowler told Hollings his only direct contact with President on issue was well-publicized briefing in late Sept., that President always has been interested in communications because of his background in radio-TV & movies.

Wilson said President's new position "is certainly one we can respect," but "personally I think" 5-year moratorium will be needed before impact of new technologies on networks can be fully evaluated. Repeal of network restrictions at this time would foreclose developing competition, he said. "It would drive out a lot of small, fledgling, independent companies." (Hearing ran more than 5 hours, went right through without lunch break until 2:40 p.m. At start, some 2 dozen reporters were present; at end, when network executives testified, only 2 trade press reporters were still at press table.).

Programmers and networks presented well-established positions, turned little new ground. Negotiations between groups started next day (see below). MPAA Pres. Jack Valenti told senators that programmers agreed to negotiate "because of the rude forces of politics," that many influential members of Congress suggested negotiations. Networks & programmers almost got to bargaining table 6 months ago at urging of FCC Comr. Quello — but CBS reportedly backed off.

Second hearing Nov. 4 also was rehash of familiar arguments except, for change, much of testimony was from local TV stations — affiliates (who backed networks) and independents (on side of programmers). Senators avoided bringing up 2-year moratorium, didn't touch at all on White House's position. As usual, depending on who was talking, repealing rules would either spell end to independents or make industry more competitive with cable TV and other technologies; discourage program development or blow TV market wide open for producers; mean more jobs in programming or less; cause dramatic jump in ad rates or increase advertising opportunities.

Most interesting interchanges on 2nd day were on competition issue, which programmers argued wasn't problem but which affiliates contended posed real threat to over-the-air TV. Senators & witnesses bandied about cable TV issue, didn't agree on effect that industry has or may have on broadcast TV. "It is competition but its effects have not been defined yet in irrevocable losses," said chmn. of TV Operators Caucus, David Henderson, of impact cable so far has had on local TV.

It's "just so much hokum" to claim rules made possible dramatic growth of independent UHF stations, argued William Putnam, chmn. of Springfield TV Corp. and UHF NBC affiliate. He attributed industry's growth to all channel receiver law. But Robert Bennett, senior vp of Metromedia, told senators rules are "key factor in the growth in the number and success of independent TV stations" and argued their repeal will put independents "in the untenable position of having to rely upon their competitors [networks]" for much of their programming.

At other end of spectrum from Bennett: Thomas Cookerly, chmn. of ABC TV affiliates, warned that if rules aren't killed, there will be "wholesale migration of expensive, innovative and high quality" programming to pay cable TV, DBS, MDS, videocassettes & videodiscs. William Moll, Harte-Hanks senior vp, added that demand for programming already has exceeded supply, which will mean 24% increase in costs next year for Harte-Hanks TV Group.

Administration's announcement initially caused uncertainty in House, where final action on 6-month delay proposal by Rep. Waxman (D-Cal.) is due on floor Nov. 8. Bill is expected to pass, appears to have support of GOP, some of whom reacted with anger to President's last minute involvement: "I'm going to vote for the 6-months," admitted perturbed Rep. Tauke (R-Ia.). But as backup action, Waxman Nov. 2 reintroduced his original proposal (now numbered HR-4260) to delay FCC's proceeding for 5 years, did so after House Telecom Subcommittee Chmn. Wirth (D-Colo.) promised hearing & markup, probably in Feb. By that time, companion measure in Senate also is expected to be finished. Waxman introduced new bill with 23 members of House Energy & Commerce Committee as co-sponsors — more than half panel.

Nobody expected studios & networks to resolve differences at their first negotiation session Nov. 3. Both sides presented proposals and groups will get together again Nov. 9. Tenor of



meeting was said to be "cordial," but afterward one network official said producers' proposal was "laughable... They're really coming off the wall" on what they want.

Networks, represented by Everett Erlich of ABC, Corydon Dunham of NBC, William Lilly of CBS and ex-FCC Chmn. Richard Wiley, opened meeting with offer, proposed that they be allowed to acquire 49% ownership interest, that prohibition remain against domestic syndication until 1992 instead of 1990, as proposed in FCC tentative decision. Networks also would file regular reports to FCC on programs in which they had financial interest.

Meeting broke for about 90 min. while studios considered offer. Group was represented by MPAA Pres. Jack Valenti, MTM Exec. Vp Mel Blumenthal, ex-FCC Chmn. Dean Burch and Mickey Gardner, representing Committee for Prudent Deregulation. Producers returned with counter proposal that would forbid networks from syndicating all but educational programs until at least 1992, and that any ownership interest that networks acquire be offset by equivalent amount of ad revenues paid to producers. That is, if network acquired 25% in syndicated show, it would pay producer 25% of revenues from show.

Any agreement that 2 parties work out must win approval of FCC and Justice Dept., which would have to alter consent decrees that made original Commission rules binding.

**OPPONENTS PICK APART CABLE BILL:** Cable's regulators & competitors joined in loudly criticizing House deregulation bill last week during Telecom Subcommittee hearing in which National League of Cities officially withdrew from its compromise with NCTA. Third hearing on cable at times degenerated into shouting match with Warner Amex CEO Drew Lewis and NCTA Exec. Vp James Mooney exchanging heated remarks with Rep. Bryant (D-Tex.), who announced he introduced alternate bill much more favorable to cities. Subcommittee plans to markup bill week of Nov. 14.

Sampling of criticism: (1) National Satellite Cable Assn. Gen. Counsel James MacNaughton said bill (HR 4103) would "put [SMATV] out of business" by guaranteeing apartment dwellers access to cable. (2) Mountain Bell Pres. Robert Blanz complained unregulated cable data transmission would "put us in a straitjacket while we watch our best customers get picked off." (3) DeKalb, Ill. Mayor Gregory Sparrow, representing U.S. Conference of Mayors, said "almost all mayors remain skeptical about the need for federal legislation." (4) Evening News Assn. Exec. Vp Peter Kizer, member of NAB TV board, said that without codifying FCC's must-carry rules, bill would allow industry "to stand as a monopoly tollgate between stations and their audiences."

Bryant accused Lewis of seeking bill's passage as way out of franchising commitments: "I won't help Warner Amex get out of its promises in Dallas." Bryant and Mooney sparred over legal ramifications of bill, with Mooney at one point questioning quality of Bryant's legal education. Bryant said his bill is better because it mostly retains city authority over cable, grandfathers all existing franchises and contains refranchising provisions less favorable to industry (TVD Oct 3 p3). Rep. Swift (D-Ill.) also touted his alternate bill (HR 4229) which mirrors HR 4103 except telco issue has been deleted.

Blantz's position that unregulated cable enhanced service will endanger universal service and cause rise in local rates is "ridiculous," Lewis said. "Cable services simply do not offer any threat to [telcos] in providing data service. If you regulate cable... you are really precluding our industry from providing these services," he said.

NLC Pres. Charles Royer reiterated that many of his members have had 2nd thoughts since agreeing to compromise with NCTA last March. As expected, he called for further concessions in bill on leased access, definition of basic service, rate regulation and renewal procedures. "We have major concerns with virtually every provision of the bill... and cannot support it in its present form." Cable executives downplayed loss of Royer's support: "Big deal," one said.

"They [cities] ask for more and more and more," complained Group W Cable CEO William Breshnan in response to Royer. He recalled that when NCTA-NLC talks began last March, "they started with 21 issues and we agreed to them all. A month later they wanted 17 other



things and again we agreed." He said "record is clear. We [cable industry] have been agreeable and responsive." He likened NLC's continuing demands for concessions to what cable operator experiences during franchising: "It's never enough."

Subcommittee Chmn. Wirth, who introduced bill and has garnered 19 co-sponsors from parent Energy & Commerce Committee, structured panel in such a way that after each witness testified, opposing views could be offered. He noted that more than 200 individuals had asked to testify. Few Subcommittee members attended hearing, with at most 4 present at any time.

**Last nail in coffin for President Reagan's plan to sell nation's weather satellites to private industry** may have been hammered in by Senate Oct. 22 when legislators approved proposal prohibiting Commerce Dept. from using budget money to pursue plan. Proposal was added to FY '84 appropriations bill and is expected to be accepted by House when representatives of both chambers meet to iron out differences over money measure. If House concurs, Reagan would be forced to decide between vetoing entire bill, which contains funding for Commerce, Justice & State Depts. and independent agencies, or sign it and accept temporary defeat for his plan to sell satellites.

House Democrats are trying to arrange 3-hour televised debate for party's Presidential contenders moderated by talk show host Phil Donahue and ABC newsman Ted Koppel. Details are far from settled; even candidates have not been approached with plan, although all 8 announced contenders have said they would participate in a debate sponsored by House Democratic Caucus. Plan in works apparently calls for PBS to carry debate live Jan. 15, at site to be determined, with Koppel handling roundtable discussion for 2 hours and Donahue using last hour to relay questions from studio audience.

FCC chose 7 low-power TV licensees from among 24 applicants during its 2nd LPTV lottery. Chosen and service areas authorized were: (1) American Christian TV System, Anchorage, Ch. 20. (2) Saco River Communications, Presque Isle-Caribou, Me., Ch. 15. (3) Edward M. Johnson, Del Rio, Tex., Ch. 5. (4) Domsat of Mo., St. Louis, Ch. 62. (5) Jose Villareal and L.L.F. Benton, Huntsville, Tex., Ch. 31. (6) Sun Network, Prescott, Ariz., Ch. 23. (7) Ventures in Communications, Springfield, Ill., Ch. 39.

FCC actions appealed to U.S. Appeals Court, D.C.: (1) License renewal & sale of WHCT-TV Hartford. (2) Renewals of KQED-TV-FM & KQEC San Francisco. (3) Grant of new UHF station in Waco, Tex. to Central Tex. Bestg., appealed by losing applicant Blake-Potash Corp.

National Translator/LPTV Assn. has canceled national convention scheduled for Nov. 14-16 in Las Vegas. Officials cited FCC freeze on LPTV applications but said biggest factor was projections for disappointing attendance.

United Cable said it has signed \$22.5 million in limited partnerships to finance large portion of Oakland County, Mich. newbuild.

**Battle over whether to allow private companies to compete with Intelsat in international communications satellite business** returned to Capitol Hill last week for hearing by Senate Arms Control Subcommittee. Representatives of 2 potential competitors — Orion Satellite Corp. and International Satellite Inc. (ISI) — repeated arguments they made in 2 FCC applications, claimed privately-owned satellite links won't cause Intelsat significant economic harm. But, in his strongest statement yet to Congress on subject, Comsat Pres. Joseph Charyk strongly denounced competitors' plans.

Grassroots California is new videotex service aimed at Cal. agribusiness and formed by Times Mirror, McClatchy Newspapers and TBC Inc., publisher of Bakersfield Californian. Times Mirror, which will begin commercial videotex in Orange County in mid-1984, is connected to venture through its Videotex America affiliate, partnership between TM and Infomart of Toronto. Grassroots California is expected to begin service in San Joaquin Valley in late 1984. Plans call for service eventually to be available throughout Cal.

FCC has affirmed decision deleting from rules requirement that payments made in consideration of agreements to settle mutually exclusive applications not exceed reasonable & prudent expenses of prosecuting withdrawn application. Commission last April altered rules pertaining to expenses that surviving applicants could legally pay competitor who agrees to withdraw in response to amendment by Congress to Communications Act. FCC said amended expense rule tracks Communications Act exactly.

Willamette's bankrupt STV outlet in Portland, Ore. owes creditors \$4.8 million, including \$659,000 to HBO, \$1 million to Oak Communications, \$1.1 million to Vision STV Leasing, which provided decoders, according to court records. Year ago, outlet had 25,000 subscribers but records show number has declined to 14,500.

NBC is selling WRC(AM) Washington for about \$3.5 million to Washington builder Joseph Della Ratta; also reportedly involved with buyer is Today weatherman Willard Scott. Blackburn & Co. was broker. Station has been NBC's for 60 years.

Rupert Murdoch's Worldwide Publishing Co. has purchased Chicago Sun-Times and Field Newspaper Syndicate from Field Enterprises for \$90 million cash. Murdoch is expected to take over nation's 7th largest daily by Jan. 3.



**NEW KIDDIE CABLE CHANNEL:** Emboldened by early success of Disney Channel, Canadian cable programmer Genesis is launching American service that blends teletext with children's books in which parents would read text on silent channel while kids look at vivid graphics depicting story. Genesis believes it has a winner in 24-hour service, said it "will have a tremendous educational impact across the nation as children learn to read while having fun."

Programming will be uplinked from Genesis hq in Winnipeg, inserted in digital format in audio subcarrier of Christian Bestg. Network, Satcom 3 TR 8. Cable system taking service will need Telidon decoder at headend to transform digital signal into full video format for delivery as regular cable channel. Carriage fee will be 30¢ monthly per subscriber as pay service, 10¢ monthly on basic or extended basic, according to Genesis Vp Gregory Stetski.

Service actually launched Oct. 31 but nobody can receive it until contractor Electrohome delivers decoders to subscribing U.S. cable systems, Stetski said. Delivery of first few hundred boxes has been promised for late Dec., he said. To lure operators Genesis will deliver service free Nov. 16 & 23 in full video format over rented time from HBO on Satcom 3-R TR 22.

StoryTime received boost last week with signing of master contract agreements by MSOs American TV & Communications, Group W Cable and Cox Cable. Genesis now has to negotiate individual carriage contracts with MSOs' systems, hopes to have 1-2 million subscribers by Jan. 1.

Service will offer 16 books and supporting magazine monthly to subscribers. Pages will change every 90 secs. with book completed every half hour. It's now in final test on local origination channel on cable system in Winnipeg, where Genesis began developing similar system in videotex 3 years ago offering children's stories.

News media took Administration to task for restricting coverage of invasion of Grenada during hearing last week by House Copyright Subcommittee, which also has jurisdiction over civil liberties issues. Officials from 3 networks, including newsmen David Brinkley & John Chancellor and CBS News Pres. Ed Joyce, decried military's apparently successful efforts to censor coverage as "off-the-record-war" conducted in violation of public's "right to know." Witnesses argued against attempting legislative remedies, contended govt. must trust news media just as media must trust govt. sources. Key issue is question of independent verification of what govt. says, Brinkley said: "The press is the public's only ratifying factor." But newsmen withered under attack by Rep. Sawyer (R-Mich.), who defended news blackout as appropriate to secret military operations, and cornered journalists by comparing invasion to failed attempt by Carter Administration to free American hostages held in Iran. Brinkley & Chancellor argued there was difference in sizes of 2 missions, also that Iranian rescue attempt didn't include plans for extended occupation of country.

**PRISM PAY-CABLE SERVICE SOLD:** Deal was announced last week under which Philadelphia-based Prism, with 350,000 subscribers on 88 cable systems in eastern & central Pa., southern N.J. & Del., was sold for undisclosed sum to joint venture of Charles Dolan's Cablevision Programming Enterprises and Washington Post. Pay-cable service is owned jointly by Chroma Enterprises and EMS Enterprises, which are owned by Prism Pres. Jack Williams (10%) and Edward Snider (90%). Snider is principal owner of Philadelphia Flyers hockey team and Spectrum, city's major indoor sports arena. Williams will remain pres.

Prism, founded by Snider in 1976, offers mostly sports — home games of Flyers, baseball's Phillies and basketball's 76ers. It also offers movies, concerts, college sports. Cablevision Group Vp Marc Lustgarten said PRISM has been "highly successful," will remain as stand-alone venture under existing management.

With addition of microwave-delivered Prism, Cablevision-Washington Post universe of pay-cable subscribers now approaches 1 million, companies said. Its other major holdings include Sportschannel, offering N.Y.C. area sports to about 300,000, and Sportschannel New England, which has exclusive cable rights to professional sports teams in that region and serves about 23,000 subscribers. Partners also have several other regional programming services with more than 200,000 subscribers. Sportschannel recently acquired cable rights to N.Y. Cosmos indoor professional soccer team.

Metromedia has won new trial in Christine Craft sex discrimination case. In throwing out earlier verdict in favor of Craft, U.S. Dist. Judge Joseph Stevens ordered new trial to start Jan. 4 in Joplin, Mo. Jury had awarded Craft \$500,000 in her suit against KMBC-TV Kansas City, then owned by Metromedia. In throwing award out, Stevens said KMBC-TV fired Craft because of Craft's "affinity for the beach life and her apparent indifference to matters of appearance." Judge also denied motion by Craft for new trial on her claim that equal pay laws were violated by KMBC-TV because male co-anchor was paid more; jury ruled against Craft on that issue. AP quoted Craft as saying: "I am appalled. I am not surprised, however. I think as a reporter, I was prepared for the worst... I will pursue [case] to the highest level... I know that what happened to me was clearly discriminatory on the basis of my sex."

TV & film industry must mobilize to achieve standardization, ABC Best. Operations & Engineering Pres. Julius Barnathan told SMPTE in L.A. last week. Calling standards "necessity," he said: "We saw what happened when an industry committee failed to recommend a single AM stereo standard, and instead proposed 5 different standards to the FCC," and added examples of teletext and 1/2" videotape. "We've got to convince the FCC & Congress that the marketplace is not always the answer," Barnathan concluded. He also said that film industry is sabotaging itself by refusal to move to videotape for more of its production. Hollywood will go way of Detroit if its methods aren't updated, he said.

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## The Full Story of the Winners and the Losers in Cable Programming



# 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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**WNYC-TV TO LEASE TIME:** "The right short- and long-term solution" to financial problems of municipally owned WNYC-TV N.Y. is to lease time to commercial programmers, according to N.Y. Mayor Edward Koch. At news conference last week, Koch said new policy will "not only greatly reduce tax levy funding of WNYC-TV — which is currently about \$2.1 million annually — but it will generate significant revenue permitting WNYC-TV to provide first-rate local public affairs programming." Koch estimated selling time on station will raise \$4-\$5 million a year.

WNYC-TV hopes to sell up to 20 hours daily with leased time including commercials (with revenue from ads going to party which leases time), will keep minimum of 4 hours "reserve time" for its own programming. Mayor said move is being made to make WNYC-TV "financially self-sufficient."

Koch said "request for proposals" (RFP) will be issued shortly by City, with responses due Jan. 5. RFP's will be weighted under following priorities: (1) "Programming with the greatest contribution to the social, cultural and economic development" of city. (2) "Unique programming" unavailable elsewhere in N.Y. (3) "Program quality as shown by high production values." (4) Programming for early morning, daytime & late night will be given preference. (5) Programming appealing to mass audiences. (6) "Financial considerations; proposals that meet the above criteria and offer the highest dollar amount per hour of leased air time."

**HBO International** has been created as new subsidiary to develop joint international pay-TV and satellite programming ventures, according to HBO Pres. Frank Biondi. New unit will be incorporated in Del. but its hq will be in London. First order of business is to explore links with U.K.'s emerging cable industry through its programming venture with Golderest Films & TV in conjunction with U.S. partners Columbia Pictures, CBS and 20th Century Fox. Fred Cohen, HBO Enterprises vp, has been named pres. of international unit and given additional title of HBO senior vp. He will report directly to Biondi, will be responsible for planning, development & operation of all international joint ventures. Cohen will move to London to open office at 10 Dover St. later this month. HBO will then have permanent U.K. presence at about same time govt. is expected to award 12 interim cable franchises. Applications were submitted to Home Office and Dept. of Industry this summer. Govt. spokesman said that process of evaluating applications is proceeding mostly on schedule with announcement of awards now set for around Thanksgiving.

**NAB's Broadcast** plans minority ownership seminar Nov. 19 in Chicago, followed by Dec. 2-3 sales management seminar in Atlanta. At recent meeting, Broadcast board: (1) Re-elected Donald Thurston, Berkshire Bestg., chmn., and John Oxendine pres. (2) Approved 2 additional loan guarantees, raising total commitment to help minorities enter broadcasting to \$7 million representing 17 investments. (3) Authorized prospectus for major fund-raising campaign to start in mid-Nov.

**ABC INKS BIRD PACT:** ABC has signed 5-year, \$30.3 million agreement with AT&T for satellite distribution over Telstar birds to some TV network affiliates, as was expected. ABC programming will be fed over 2 Telstar C-band satellites, with majority located on first in series that was launched July 28. Second bird is scheduled for launch in Sept. 1984.

Satellite service will feed ABC affiliates in Pacific & Mountain time zones that already have TRVOs in place. Network spokesman said there are no immediate plans to expand satellite service to reach Eastern & Central time zone affiliates. although AT&T spokesman said 2 channels ABC has leased are capable of reaching all affiliates. Spokesman didn't know how many affiliates in Pacific & Mountain time zones have TVROs.

Move leaves CBS as only network without satellite distribution deal. NBC has 10-year deal with Comsat for Ku-band transmissions for affiliates. CBS plans comprehensive shift to C-band satellite interconnection, is providing affiliates with earth stations equipped for automatic remote control, complemented by smaller dish for back-up. CBS is negotiating with several domsat providers, currently has 4 transponders on Westar & Comstar systems. Some 86 CBS affiliates have their own TVROs that they use to receive network feed during bad weather periods interfering with terrestrial delivery.

**RAB Pres. William Stakelin** also has been named CEO, succeeding Vice Chmn. Miles David, who will serve as advisor and work on special projects until his contract expires in about 2 years. Stakelin, former exec. vp of Bluegrass Bestg. and immediate past chmn. of NAB, became RAB pres. in July, post David held for 17 years until moving to vice chmn. last year. David also relinquishes vice chmn. title and no longer will be RAB officer. Major additions to RAB staff: (1) Wayne Cornils, NAB senior vp for radio, will move to RAB by Dec. 1 as exec. vp and No. 2 in command. (2) Daniel Flamborg, former PR dir. for Mutual, joins Nov. 14 as senior vp-communications.

**While most cable operators** are replacing Satellite News Channel with either CNN or CNN Headline, not all are coming aboard. Most resistance apparently is developing over adding CNN Headline, according to officials and MSOs surveyed, with gain more than one million short of projection. Latest figures Turner Bestg. System had is that CNN gained 1.2 million subscribers, CNN Headline 1.7 million. TBS officials said those numbers will swell soon because 4 major MSOs — Cox, Group W, TeleCommunications, Wometco — hadn't heard from all their operators as to what they prefer, TBS spokesman said.

**FCC Mass Media Bureau** has granted delay in comments deadline (originally due Nov. 2) in TV deregulation rulemaking. Public interest groups had sought delay up to 90 days, but Commission granted extension only until Nov. 21, replies due Jan. 5. Said Bureau: "We emphasize, having now permitted a total of 109 days for initial comments... we do not contemplate any further extensions."



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No. 107

## 1983 CONSUMER ELECTRONICS VIDEO DATA BOOK

Updated edition of market statistics and projections covering color and monochrome TV, VCRs, videocassettes, videodiscs and players, and audio equipment. Covers the period July 1982 through July 1983. Television Digest subscribers pay \$95.00, non-subscribers pay \$125.00. Please add an additional \$10.00 for foreign orders.

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## Personals

**Ricky Silberman**, ex-press secy. & dir. of communications for **Sen. Packwood (R-Ore.)**, appointed special asst. to FCC Comr. **Mimi Dawson...** **James Mooney**, exec. vp of NCTA, speaks at Nov. 17 lunch of FCBA, Washington Touchdown Club... TV network program chiefs **Lewis Erlicht**, ABC; **Donald Grant**, CBS; **Brandon Tartikoff**, NBC, speak at HRTS lunch Nov. 10, Beverly Wilshire Hotel, L.A... **David Woodcock**, KCOP L.A., becomes KTVX Salt Lake City vp-gen. mgr. Dec. 1, succeeding **Harold Woolley**, resigning.

**NCTA Pres. Thomas Wheeler** speaks to Communications Task Force of National Conference of Black Lawyers lunch Nov. 17, Washington Marriott Hotel; for reservations: **Martha Contee**, 202-632-7260... **Richard Beaird**, ex-AT&T, joins NTIA as telecommunications policy specialist... Elected **Belo Bestg.** corporate vps: **Marty Haag**, exec. news dir., WFAA-TV Dallas; **Frank Davis**, engineering dir.; **Lee Aslberger**, personnel dir.; **Lee Larson**, gen. mgr., KOA(AM)-KOAQ(FM) Denver... **Randy Swanson**, ex-KRIV Houston, appointed business mgr., WFLD-TV Chicago; **June Walker**, ex-KPIX-TV San Francisco, named research dir... **Thomas Holleron**, ex-Rex Humbard TV Foundation, appointed chief engineer, WPBY-TV Huntington, W.Va... **Jay Silha**, ex-Group W Productions, joins Columbia Pictures TV as midwest sales exec... **Charles Younger** & **John Rakoske** promoted to senior vps-operations, Continental Cablevision, new posts.

**Shirley Casados** promoted to program mgr., KNME-TV Albuquerque... **Mary McReynolds** & **Mark Mutterperl** merge their 2-person Washington law firm into **Wilner & Scheiner**... **Robert McClain**, ex-WJLA-TV Washington, appointed sports dir., WSB-TV Atlanta; **Hank Price**, ex-Communications Science Group, joins WJLA-TV as mgr.-advertising & promotion... **Carole Coates-West**, ex-NBC, appointed vp-drama, current programs, Columbia Pictures TV... **Jack Thayer**, WNEW-AM-FM N.Y., elected pres., N.Y. State Bcstrs. Assn.; **Arthur Angstreich**, NBC, vp... **Tricia Robin** resigns as exec. dir., ATAS, effective Dec. 31.

**John Hancock**, Purdue U. dean of engineering, joins United Telecommunications in mid-Jan. as exec. vp-chief technical officer... **Judy Kleinberger** & **Genevieve Irwin**, both Seltel Inc. national sales mgrs., also named vps... **David Greenspan**, ex-GTE Satellite, named chief engineer, Private Satellite Network; **Dennis Dunbar**, ex-Dalsat, dir.-network operations; **Joseph Rizzo**, ex-Compression Labs, dir.-eastern region sales.

**Gilbert Korta** promoted to national mktg. dir., Eastern Microwave, succeeding **Mary Cotter**, now vp-gen. mgr., Syracuse Cable Systems... **William Hartanovich** promoted to microwave systems engineering mgr., United Video Transmission Services Div.; **William Johnson** to satellite facility engineering mgr... **Richard Friedland** advanced to dir.-financial planning & analysis, General Instrument.

Press of business has forced House Telecom Subcommittee to push broadcast deregulation hearing into this week, date to be announced. Hearing was to be last week but with attention focused on Senate Communications Subcommittee, which was holding hearing on FCC's financial interest & syndication rules, and House Copyright Subcommittee holding hearing on news coverage of Grenada invasion, aides privately admit they were having trouble getting witnesses for session. Subcommittee staff said postponement doesn't mean panel is abandoning broadcast deregulation for this session, only that tight schedule has forced hearing to be rescheduled. Aides to key proponents of broadcast deregulation are worried, however, see handwriting on wall: Measure may be one of many to get pushed into next year, something that Reps. **Tauke (R-Ia.)**, **Tauzin (D-La.)** & **Swift (D-Wash.)** have been fighting because it could undermine their effort to gain quick passage of clean deregulation bill.

Federal appeals court reversed itself last week and ruled Miss. can ban liquor & wine ads in print & broadcast media. Vote was 8-5 by 5th Circuit Appeals Court in New Orleans. Court said ban "raises no First Amendment concerns." In dissenting opinion, Judge **Thomas Gee** said majority view illustrates that case centered on "little more than how judges view whiskey, or how judges apply their own notions of what is a good and what is a bad law." New decision came under reconsideration by full court after earlier decision by 3-judge panel in one case upheld state and panel in related case overturned state ban and 2 cases were combined. U.S. Supreme Court has agreed to hear similar case involving Okla. law which was upheld by 9th Circuit Appeals Court in Denver.

Regional pay-cable sports network for southern Cal. is again moving forward with announced intent of **Oak Industries**, **Warner Amex**, **Daniels & Assoc.** and joint venture of **Cablevision Programming Enterprises** and **Washington Post** to become equity partners in **Box Seat**, which **Daniels** has been developing since 1981. Service was scheduled for launch on **Cox's San Diego** system last April but was postponed because only **Padres** baseball team was interested and it was felt launching on one system didn't offer large enough base. Plan now is to expand into L.A. area where **Oak**, which holds exclusive rights to many sports teams there, will become important partner.

"A Citizens Guide to the Presidential Campaign" is included in fall Teachers Guides to TV, published by TIO. TIO said guide was prepared to help counter "civic illiteracy" by providing help for educators in involving students and others in political process. Also included in fall issue: Pros & cons of fairness doctrine by **Everett Parker** and **Sen. Packwood (R-Ore.)**, guide on ABC coverage of winter & summer 1984 Olympics, major educational programs on commercial TV for use by schools. For information: **Bert Briller**, 212-759-6800.

C-COR will buy in open market up to 200,000 shares of its common stock. Company said purchases will be made intermittently in next few months.



# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended Oct. 21 (42nd week of 1983):

	OCT. 8-14	1982 WEEK	% CHANGE	OCT. 8-14	41 WEEKS 1983	41 WEEKS 1982	% CHANGE
TOTAL TV#.....	529,129	406,435	+30.2	463,946	15,037,654*	13,212,293	+13.8
COLOR#.....	363,895*	280,096	+29.9	291,281*	10,611,685*	8,802,800	+20.5
MONOCHROME....	165,234	126,339	+30.8	172,664	4,425,969	4,409,493	+ 0.4
PROJECTION TV...	4,355	3,885	+12.1	3,648	104,285*	82,022	+27.1
HOME VCR.....	100,051*	60,168	+66.3	94,538*	2,932,545##	1,402,422	+109.1
COLOR CAMERAS...	9,976*	6,653	+49.9	8,809*	290,462*	222,483	+30.6

Color TV 5-week moving average: 1983--347,087\*\*; 1982--262,652 (up 32.1%).

Home VCR 5-week moving average: 1983--98,989\*\*; 1982--49,750 (up 99.0%).

# Excludes projection TV. \* Record for period. \*\* All-time record.

## Exceeds full-year record.

**GRUNDIG TV TO BE MADE IN U.S.A.:** U.S. is getting 13th new color TV manufacturer since Sony started ball rolling with San Diego plant in 1972. Like all others, it will be turning out foreign-brand sets, but big difference is that plant will be first with sets carrying European, not Far Eastern brand, and first to be American owned.

Manufacturer will be newcomer Display Devices, backed by private investors and headed by Pres. Robert Moore, industry veteran who founded now-defunct import-marketer Broadmoor. DD will be producing Grundig brand color TV here from modular chassis supplied by West German manufacturer under exclusive license that also gives it right to import & market Grundig home audio equipment.

"We're not looking at a big operation," and DD plans to limit retail accounts "to no more than 450 across the country," Moore said. "We'll be supplanting MGA [Mitsubishi] as the most limited line, especially now that they are expanding their distribution." Another similarity will be in pricing. "We will be competing pricewise with the Sony, JVC and MGA lines, we'll have some sets that will be more expensive, but generally will be in the ball game with them," he said.

DD will have hq in Evanston, Ill., but production will be in former RCA Monticello, Ind. 350,000-sq.-ft. cabinet plant acquired last month by DD along with equipment. Moore told us facility would be equipped with 2 TV assembly lines, start assembling sets next month. He said plant would have single-shift capacity of about 120,000 sets per year, and plans call for output of 13", 19", 21" & 25". Moore said DD would get picture tubes "wherever they are cheapest — we will be buying here, but we have lots of other options," and said he's been looking at sources in Japan, Taiwan, Korea and Europe. Factory also will make electronic furniture, produce cabinets for OEMs.

Signed on to manage factory is Richard Davila, who has TV experience as manager of now closed Warwick plant in Covington, Tenn. More recently, he's been running Bearcat radio scanner production in Indianapolis for Electra. Also in company, as vp-gen. mgr., is Graham Ballantine, formerly executive with Canadian retailer Simpson. DD, it's understood, expects to invest up to \$7 million in operation, have 350 workers by end of 1984, 450 in 1985.

Moore said DD already has imported some sets and is shipping them to selected dealers. Official industry bow will be at Winter Consumer Electronics Show in Las Vegas Jan. 7-10, where company will show in East Hall. Assuming all goes according to plan, it will mark end to

Grundig's long history of failed attempts to crack U.S. TV market. Most recent push came in 1981 when it announced deal with importer LAS West that included both TVs and V2000 VCRs. That was canceled within year, and Royal Electronics, subsidiary of major Swiss distributor, took project over. That didn't go anywhere either. Moore's last open TV involvement also came in 1981 when he revived Broadmoor, announced plan to import line of Canadian-assembled sets. Arrangement never took off.

**JAPAN DENIES U.S. VCR QUOTA IN WORKS:** EIA-Japan and nation's Ministry of International Trade & Industry last week issued denials that imposition of quota on VCR exports to U.S. was even under consideration. Statements — which also pointed out limit would serve no useful trade harmony purpose because U.S. has no domestic VCR manufacturing industry to protect — came in wake of press reports that quotas may be on way. There already is, however, open conflict over existing quota on Japan's VCR exports to Europe.

Rumor that U.S. quota was in works apparently was keyed to scheduled Japan visit this week by President Reagan. Trade problems are expected to be major discussion point, and speculation was that Japan might be willing to limit VCR shipments as way to help reduce its payments balance surplus. Industry officials, however, moved quickly to squelch idea before it was taken seriously. It's not first time VCR quota reports have surfaced. They came up first in 1981, were revived last year, and of course proved to be incorrect.

Deservedly or not, Japanese have been getting roughed up in international trade circles, and are showing more willingness to come up with compromises in effort to head off direct conflicts. In VCRs, they're fully aware of their world market domination and highly sensitive to criticism over amount of money they're making from this new technology. Situation isn't helped by worldwide headlines that publicize monthly leaps in their VCR exports, such as came in Sept. (see report elsewhere in this issue).

Matsushita said it's agreed to provide VHS VCR technology and production licenses to N.V. Philips and its 25%-owned affiliate Grundig. Matsushita, which indicated it would also supply parts, stressed that it was making deal at request of those European companies. Both Philips and Grundig have said they were considering output of VHS VCRs for export only, but view in Japan is that they will add VHS to V2000 line they produce & market in Europe.

Japanese apparently believe that's indeed case, already have sent signals indicating they will be taking tough stance at meeting with EC officials later this month to set numerical quotas on VCR shipments to EC next year — though Japan has agreed to limit shipments through 1985, specific quantities were established only for 1983. Primary reason for quota and establishment of minimum export pricing was to ensure room in EC market for V2000. Adoption of VHS by Philips and Grundig would make big difference on that score. Also, new self-sufficient European VHS manufacturers might cause EC officials to harden position on increasing quota for kits. Right now, U.K. & Germany, where Japanese have wholly owned and partnership ventures assembling VCRs, are pressing for marked boost in, or even elimination of, quotas on kits. Opposition has been led by France, which wants more full-scale European production.

Only company now gearing up for integrated VHS VCR production is France's nationalized Thomson-Brandt. Quota, incidentally, isn't having as beneficial effect on V2000 sales as had been hoped for. Japanese had agreed that Philips & Grundig should have virtually guaranteed market for 1.2 million this year, but it looks as if their combined total won't top 700,000.

Japanese have rejected out of hand suggestion by Philips that 1984 quota be set at 2.65 million, 41.8% drop from 4.55 million complete sets & kits allowed for 1983. They say Philips is low by at least million in estimate that EEC will absorb only 5.3 million VCRs next year. Japan's Ministry of International Trade & Industry has hinted its opening negotiation gambit will be recommendation quota agreement be scrapped entirely, and that Japanese instead help more European manufacturers expand their own production.



**JAPAN SETS NEW VCR EXPORT RECORD:** Japanese had major surge in video equipment exports to U.S. in Sept., setting new record for VCR shipments, hitting 5-year highs for complete and total color TV, according to Finance Ministry figures.

In VCR, month's exports rose 77.2% to 541,900, erasing 530,300 record set last June. Total put 3rd quarter at 1.53 million, up 107.1% and at new high for any 3-month period, left 9 months at just under 3.6 million, up 92.3%. For TV, total Sept. shipments of 168,500 were up 31%, all of gain coming in color, up 50.2% to 133,900, as b&w slipped 12.3% to 34,500. For quarter, total exports gained 31.2% to 474,400, as color rose 58.2% to 385,200, offsetting 24.6% decline in b&w to 89,100. Results for 9 months: Total TV 1.02 million, off 9.1%; color 812,100, up 3.1%; b&w 206,300, down 38%.

In color, complete set exports were up 39.4% in Sept. to 82,600, highest for any month since start of 1979, first year Japanese broke down shipments into complete & incomplete. That put 3rd quarter total at 225,100, up 38.3%, 9 months at 443,600, down 17.4%. Color chassis & kit exports were up 71.5% in Sept. to 51,300, up 98.3% for quarter to 160,200, up 47% for 9 months to 368,500.

Japanese sales value failed to keep pace with unit shipment growth. On constant dollar basis, and at current exchange rate, Japan's 9-month VCR exports to U.S. were valued at \$1.25 billion, up 65%. In TV, total export value fell 12.5% to \$177.9 million, as color slipped 9.2% to \$158.6 million, b&w dropped 32.6% to \$19.3 million. In color, value of complete set shipments was off 22.2% to \$112.5 million, while revenue from incomplete color jumped 52.9% to \$46.1 million. On constant yen basis, Japanese had even harder time. Value of yen is up about 13% from this time last year and that inflates dollar value. In terms of yen, VCR revenue was up only 44%, while falloff in color set value was 31%.

Average value of VCR exports continued dramatic decline. In dollar terms, importers paid \$348.49 for typical model through first 9 months, down from \$410.96 in same 1982 period, while for color sets average dropped to \$253.69 from \$269.45. Reverse was true in kits, where value average rose to \$125.12 from \$120.27, as well as in b&w, with increase to \$93.42 from \$85.97.

**IBM ENTERS HOME MARKET AS TI DEPARTS:** Just days after TI announced it was throwing in towel on home computer market, IBM last week took new one off rack, unveiling its PCjr (also known as Peanut) at 2 days of packed demonstrations in new N.Y.C. hq.

Already subject of widespread publicity, most details of computer were well known. Surprises were in timing, pricing. IBM said that while PCjr will be displayed by some authorized dealers in Dec., sales won't start until first quarter. As company, like Kodak, usually doesn't show new product until it's ready to ship, there was speculation IBM made late decision to hold off until market settles down from recent shocks.

As for pricing, it was both modestly higher & lower than generally expected. On low side, though still substantially above current competition, was \$669 list on leader 64K model; higher was \$1,269 for step-up with 128K, built-in double-sided disc drive, 80-character per line on-screen display. Accessories will be no bargain either. Pricing samples: Add-on disc drive \$480, 64K memory \$140, internal modem \$199, thermal printer (plus adaptor) \$215, joystick \$40. Software runs from \$30 for simplest game & education program cartridges to \$175 for word processing disc.

PCjr itself gets mixed review. Internally it seemingly will do anything big brother PC can handle, so gets top marks on that score. Keyboard is oddly spaced (to allow for individual program templates), slippery, not comfortable to use. Letters, printed on board behind keys rather than on keys themselves, are hard to see. When PCjr is used as word processor, on-screen display lags by couple of keystrokes, which can be very disconcerting. As indicated, keyboard is wireless, communicates to central processor unit via infrared link from up to 20 ft. Real value of that is mystery, as cartridge or disc change requires trip to CPU. Cable for wired hookup is \$20 option.

As functional competition to Atari, Coleco, Commodore and Radio Shack, IBM home model is overpriced. But strategy seems to be one of avoiding entry level buyer, concentrating on

schools, secondary sales to those who use PCs at work, upscale consumers. Va. Polytechnic said it has already placed order for 1,600. IBM indicated it has no plan to flood market, said it expected demand to exceed availability at first.

TI dropout left market generally stunned, and here too it was timing rather than action itself that surprised. All signs are that it was last minute decision. Consider: 6 weeks earlier TI bowed totally revamped \$25 million 4th quarter TV ad campaign; following week Chmn. Mark Shepherd told analysts TI was "continuing in the home computer business" and company trimmed software prices up to 30%; just days before announcement staffers were in N.Y. showing new programs to trade press.

To cover pullout, TI took \$330 million charge in 3rd quarter losses & writedowns, running its computer deficit for year well over \$500 million. Last week it dismissed 1,000, cutting home computer force to about 3,000, said more layoffs were coming. News that TI would again be primarily semiconductor company was welcomed by Wall St., and company's shares immediately jumped nearly 25% to approach \$130. TI said it would continue in professional personal computer market, and that current TV ad campaign for 99/A would not be canceled.

TI also ended \$50 rebate — leaving catalog marketers up creek — substituted price reductions, and pledged to provide continued support to owners. Ads for 99/A vanished from newspapers last week as dealers awaited more details, but some were selling consoles at as low as \$50, which represents 50% reduction.

Milton Bradley also has been left in lurch. Company developed voice-activation system for TI, started production few weeks ago, but has now stopped. Deal called for TI to market system, which is to carry MB brand and list at \$125, produce & sell MB developed software. MB told us it's now negotiating with TI, expects TI at least to come out with needed software. With estimated 1.2 million TI computers in use, additional 700,000-800,000 in factory & dealer inventory, MB still feels system has potential "though it shortens our opportunity," spokesman told us, acknowledged that \$125 accessory for \$50 computer presents additional problem. MB is seemingly star-crossed when it comes to videogames. It has lost money on free standing Vectrex since acquiring developer GCE in 1982, and is suing over Atari's cancellation of plan to buy version of voice activation system.

Atari last week acknowledged what industry already knew — it's having delivery problems with new 600XL & 800XL models. Leader is already on market, but step-up is late. Problem, we've learned, is production delay by Hong Kong subcontractor. It's understood that's been eased somewhat, and Atari is having additional units built by own manufacturing subsidiaries in Hong Kong & Taiwan to help plug gap.

And Coleco took it on chin again in stock market last week. Share price dropped \$3 following report by analyst containing lower earnings estimate and claim market isn't accepting Adam computer. Last, at least, is open to question as dealers still haven't received enough units really to test market waters and Adams that do arrive reportedly are sold as fast as they can be unpacked. Additional sign of hard times: Parker is laying off 72, or 13% of salaried workforce, because of "lower than expected video software sales and more guarded future growth expectations."

Doubled import duty on incoming shipments of CD digital audio players received tentative approval of EC ministers, and new 19% rate could go into effect at start of 1984. Proposal must first be submitted to GATT for comment. EC also will have to offer offsetting concession, such as reduced duty on different product, and standard phonos are considered good bet. Plan for duty increase had been pushed by Philips, which claims it's necessary to keep Japanese from overrunning market while Europeans try to establish own production. Meanwhile, A&M Records said it will start selling digital discs next year, pressed by Nippon Columbia in Japan.

Zenith produced 30 millionth color TV in Sept., company said in quarterly report to shareholders. Zenith said it had increased color TV unit sales in 3rd quarter "despite order backlogs in some screen sizes and the competitive effect of promotionally priced small-screen color." Backlog presumably was caused by industrywide parts shortage (TVD Oct 31 p12).

NEC will start pilot production of 64K RAM ICs at Roseville, Cal. plant in April, expects to produce 3 million in first year. Plant also will be used for 256K RAM output, and NEC said it will be turning them out at 100,000 monthly rate by year's end.



**LV SHORTAGE PERSISTS:** Pioneer Video is no closer than it was this summer to meeting demand of arcade game manufacturers for industrial Laservision player (TVD Aug 8 p14). Shipments from Japan have increased, but so has list of prospective customers, and shortage is spreading to competitors NAP, Hitachi and Sony.

Pioneer Video (PV) Industrial Sales Vp Ronald Butler said company has shut door to all but 3 — Cinematronics, Mylstar and Williams, each having made disc commitment year ago. That leaves perhaps half dozen out in cold, where they'll stay until 2nd quarter 1984 when PV hopes supply & demand will be in balance. By then, there's bound to be shakeout, as well as expanded supplies from other LV player makers. Hitachi is providing Bally with estimated 1/3 of players expected for Astron Belt. Butler said he's proceeding cautiously, "filtering out" some of projections that add up to 150,000-180,000 units.

Pioneer production in Japan and total optical disc player exports to U.S. come nowhere close. Company said it was hiking output to 20,000 a month, 3rd increase in year, but that has to be spread among several applications in U.S. and elsewhere. Industrial demand here is running 50-60% ahead of last year, Butler told us, although volume doesn't compare with arcade business. Imports are clearer indication of slow pace. Aug. shipments of disc players — nearly all Pioneer's — more than doubled to 8,700, bringing 8-month total to 38,900, only 1.5% ahead of 1982.

Sony, which has sold 25,000-30,000 industrial videodisc players in U.S. to date, isn't wooing game makers, Video Communications Mktg. Mgr. John McPherson told us, although it has sold machines to one. "Generally, the game people want a simple stripped-down machine," as compared with Sony's more sophisticated product, McPherson said — "it's becoming a commodity market." Nevertheless, Sony is feeling pinch of player shortage induced by heavy game orders for disc players made by others. Sony last week announced point-of-purchase system developed with Cuisinarts for department stores, initial order being for 200 players, and company is expected soon to announce biggest commercial LV player deal to date with unidentified company.

Session on optical discs at recent Amusement & Music Operators Assn. (AMOA) convention in New Orleans drew 680, well above 200 expected. Some 16 disc games were exhibited, along with video jukeboxes from Laserdisc Computer Systems and Video Jukebox Inc., reportedly taking orders although without guaranteed supply of players. Despite earlier complaints about staying power of Dragon's Lair, PV's Butler maintains Cinematronics game still is generating 2-4 times revenue of conventional unit. Usual cost of complete system is \$4,000-\$7,000.

Big attraction at AMOA was Mylstar's MACH 3, which started moving to arcades last month. It's understood Bally has scheduled formal announcement of NFL Football in next 2-3 weeks at actual games in N.Y. Distribution by Bally and Silco, which covers non-arcade locations, gets under way Dec. 1.

**GLASS SHORTAGE ENDING?** Shortage of glass which is disrupting picture tube output (TVD Oct 31 p12) is result of scheduling problems, not capacity, and "should begin to subside by mid-Nov.," according to Owens-Illinois TV Product Div. Vp-Gen. Mgr. Clarence Perry. Actually, he told us, "there is more glass-making than picture tube capacity." Corning agrees that shortage is on way to being overcome.

Problem evolved out of tube-making slowdown earlier this year, Perry said, when picture tube manufacturers were working short weeks because of relatively low demand. Then, in 2nd half, "they came back with full weeks or overtime... to build up inventory levels and take care of demand." This caught O-I when one subassembly was down for overhaul — "it was put back in half the normal time."

Glass makers traditionally work on 7-day week — furnaces can't be allowed to cool down — while tube industry generally works 5 days. "With extra time, they can surge faster than we can," by going to 7 days, said Perry. But tube industry can't keep up 7-day weeks long because of required production line maintenance. "Closing of [Corning's] Bluffton [Ohio] plant took away some of the flexibility the industry's used to having, so we need a little higher inventory levels."

O-I has added extra capacity at Columbus, O. plant to take care of surge in demand, Perry said, "and things are beginning to come into line now." To help avoid similar situation in future, O-I is asking its customers for 6-month forecasts of their demand, rather than traditional 90-day estimates. Current problem "taught us we have the capacity but lack some flexibility."

Problem developed first in 25" glass, when it became evident that big-screen sets were selling better than expected. "We can have the capacity available when they want it, but we need to know the industry's requirements in advance — we're only as good as our customers' forecasts," Perry told us. He conceded that addition of new 26" & 27" tube sizes will add complications next year — "development takes production time away." Perry thinks current tube production rate is inordinately high, can't be maintained for very long.

Corning said situation is rapidly returning to normal. When it prepared to close Bluffton plant, company told customers it would be transferring some capacity to State College; it didn't know that this move would coincide with O-I's furnace shutdown in Columbus. "All of a sudden," said Corning official, "there was a funnel shortage." Corning said it had consolidated funnel production in State College ahead of schedule and production is now being brought to normal rate.

CED's U.K. launch is off to smooth start, according to RCA Videodiscs Managing Dir. Steve Bernard, who claims sales of 800-1,000 players and 5-6 discs per machine in first 10 days of campaign. He believes player owners will match those in U.S. in buying average of 30 discs in first year. "We're tracking toward that goal," he said.



**AM STEREO DILEMMA:** Radio manufacturers are hoping there'll be a winner in AM stereo system race by time of Winter CES Jan. 7-10 in Las Vegas. If there is, they'll display prototypes of single-system car, portable & component systems — if not, some propose to follow Sony and Sansui with multi-system tuners.

GM, Chrysler and Audiovox have selected Motorola system for limited introduction in car audio, so it would have to be said that that system has lead as far as manufacturers are concerned. Only other single-system radios yet announced are those being imported from Korea by Leonard Kahn, developer of Kahn system.

So far as broadcasters are concerned, there's no consensus, either. Kahn system may have edge in terms of number of stations using it. Harris system may no longer be a leading contender in view of compatibility problems which have come to light (TVD Aug 29 p13). FCC has decided not to grant waiver on its own from its type acceptance requirements for existing Harris equipment, but has asked for comments by Nov. 30 on proposal to do so. Whether or not Harris gets waiver so existing broadcast equipment can be used, it may never regain momentum it enjoyed as one of 2 favorite systems with broadcasters.

Magnavox system, whose active promotion was dropped by parent North American Philips after GM's Delco Div. chose Motorola system, became more active after Harris problem developed. This time, however, all promotion has been taken over by Continental Electronics, Dallas, which makes broadcast exciter for system.

Canadian Bestg. Corp. may give U.S. some guidance in system selection — it's currently testing all 4 systems, could recommend one or more to Dept. of Communications by late spring or summer. If it picks single system, this could have big influence on U.S. acceptance — provided de facto standard isn't in place before that time.

There could be major announcements from U.S. radio marketers soon after their pre-CES consultations with Japanese parents. Key to automotive field will be Pioneer, in compact & portable area Panasonic. Sears is said to be wrestling with choice (or non-choice), too.

Remaining U.S. auto major, Ford, has made no choice yet, is looking to broadcasters for sign of consensus — and if there is none, it will probably go to multi-system tuner.

However, set makers could force broadcaster choice if enough influential ones adopt same system — and if this comes in time for CES, it could build up enough momentum to influence most of radio set and broadcast industries. Right now, inside track is occupied by Motorola, which is spending more time & money than other 3 proponents combined to win hearts & minds of set makers and broadcasters.

First trade conference of National Assn. of Video Distributors is set for May 6-9 in San Diego. Next membership meeting will be during Jan. CES in Las Vegas.

**JVC NET DOWN:** Quota putting ceiling on VCR exports to Europe and lower average pricing left JVC with net down 32.3% to \$34 million in half to Sept. 30. With help of improved volume in other consumer product areas, sales were up nearly 2% to almost \$1.11 billion.

For period, VCR volume was off 2% to \$732 million, while sales of TVs rose 8% to about \$110 million and audio sales jumped 17% to about \$220 million. JVC said it plans to put increased emphasis on VCR sales in U.S. in current period, looks for about 11% rise in 2nd half sale to about \$815 million. For year, JVC sees 8.5% sales rise to nearly \$2.3 billion, but expects profits to be off 11% to about \$72 million.

Wells-Gardner showed effect of continued depression in coin-op videogame market in reporting \$275,000 loss on 69.3% drop in sales in quarter to Sept. 30 (see financial table). For 9 months, net was down 98.1%, and sales were down 66.4%.

Emerson posted more than tenfold jump in earnings in fiscal 2nd quarter, earned substantial profit for 6 months, against loss at same time last year. Company said consumer electronics operation enjoyed 59.8% rise in pre-tax net to \$3.07 million for quarter, 131% jump to \$4.72 million for half. Gain is understood to be attributable in large part to color TV sales. Emerson said it expects sales in year to March 31 to be up 68.4% to about \$160 million.

Superscope reported extraordinary \$5.8 million gain from 65% payment in settlement of \$5.2 million debt to Bank of America. Company said gain included \$1.6 million from forgiven principle, \$4.2 million in canceled back interest.

Webcor continued to ride high on telephone equipment sales explosion in fiscal 2nd quarter, had 232.3% jump in net on doubled sales. For half, net was up 202.5% as sales climbed 107.5%.

**Mergers & acquisitions:** RCA takeover rumors are being revived in wake of purchase of estimated million shares, about 1% interest, by Minneapolis investor Irwin Jacobs. Jacobs, who has been known to use buy-in as springboard for takeover attempt or resale back to company at profit, declined comment on reason for stock purchase. RCA indicated it would view any takeover attempt as hostile. Last year, RCA was target of Bendix which acquired 7.2% interest. RCA fought that, came out solid winner when Allied acquired Bendix, sold off RCA holding... Harris completed acquisition of Lanier Business Products for shares valued at about \$276.6 million... Mergers involving electronics companies were up 55% in 3rd quarter to 96 cases, up 30% to 240 for 9 months, according to Chicago consultant W.T. Grimm... Media Home Entertainment acquisition is being negotiated by U.K. conglomerate Heron Group, owner of London software marketer Video Form. MHE claims it will ship million cassettes worldwide this year, representing about 8% of market based on industry sales estimates... Osborne, bankrupt personal computer pioneer, identified Canada's Lanpar Technologies as one of 2 companies offering acquisition proposals.



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**AUG. TV IMPORTS:** Color TV imports in Aug. held relatively level with those of same month last year. But no slackening of import competition can be read into that. Last year, color imports didn't hit stride until 2nd half, and Aug. was peak month.

As noted in earlier reports, we're shifting our statistical wavelength for logging imports of complete color sets and have begun using figures representing what Commerce Dept. calls General Imports, instead of traditional Imports for Consumption. Change is necessary because Commerce now counts TVs assembled in Sanyo & Toshiba U.S.-based free zone plants as consumption imports when shipped to customers in U.S. This gives distorted picture of imports from foreign plants. We've made some adjustments in cumulative figures, will be making more as information becomes available to us.

Following are TV import totals by country for Aug. & 8 months. No color set vs. chassis & kit breakdown is given for countries supplying negligible quantities of incomplete receivers for either period.

Total TV				
	Month	% chg.	8 mo.	% chg.
Japan				
total...	128,900	-31.6	1,068,200	-18.9
color...	98,500	-18.1	811,800	-9.8
b&w.....	30,400	-55.4	256,400	-38.5
Taiwan				
total...	249,600	-41.3	1,947,000	-12.8
color...	50,400	+3.1	616,900	+134.0
b&w.....	199,200	-47.0	1,330,100	-32.4
Korea				
total...	327,500	+13.1	2,372,000	+51.0
color...	100,600	+48.9	866,900	+151.6
b&w.....	226,900	+2.0	1,505,000	+22.7
Singapore				
total...	31,900	-49.3	368,800	+12.0
color...	31,900	-43.7	351,900	+26.0
b&w.....	--	--	16,900	-66.2
Malaysia				
total...	6,100	+15.3	115,200	+248.6
color...	2,400	-54.4	80,100	+326.9
b&w*....	3,700	--	35,100	+145.8
Hong Kong*				
total...	4,900	--	36,900	--
color...	3,600	--	18,300	--
b&w.....	1,300	--	18,600	--
Canada				
color...	11,200	+129.3	58,400	+22.8

Complete Color				
Japan....	74,200	+19.6	549,800	-5.8
Taiwan...	49,700	+6.0	578,500	+138.9
Korea....	85,500	+26.6	784,800	+128.0
Singapore	9,300	-64.9	122,000	+26.9

Color Chassis & Kits				
Japan...	24,300	-58.2	262,000	-17.2
Taiwan...	700	-65.2	38,400	+78.4
Korea*...	15,100	--	82,100	--
Singapore	22,500	-15.3	229,900	+25.5
Mexico...	88,100	+16.9	965,200	+5.5

\*Imports negligible in 1982.

**TV DUMPING DELAY SOUGHT:** Korean color TV industry, with unofficial support from Taiwanese, are asking International Trade Administration for 60-day postponement in antidumping investigation schedule. Last month, ITA issued preliminary determination that set makers from both countries were selling sets here at less than fair value (TVD Oct 17 p12).

Agency now has investigators in Far East checking manufacturer records, is scheduled to hold final meetings in Washington with Taiwan makers Nov. 21, with Koreans Nov. 23, put out final determination by Dec. 23. Koreans say they need more time to get documentation ready. Taiwan manufacturers have indicated they too could use deadline extension. In past, such postponement requests have been granted on routine basis, with 30 days virtually automatic.

ITA pushback also would mean postponement of International Trade Commission's injury investigation schedule. ITC recently announced it would hold pre-hearing conference Jan. 3, hearing Jan. 12, said it would send finding to ITC by Feb. 15. It was ITC preliminary ruling that domestic industry is susceptible to injury from dumped imports that set case in motion.

Sanyo Taiwan, meanwhile, has joined Korea's Gold Star in essentially wriggling off color TV dumping hook. ITA informed Sanyo that major computer error was made in calculating average dumping margin, and that bonding requirement would be cut from originally announced 25.36% to relatively insignificant 2.05%. Earlier, ITA, for similar reasons, lowered Gold Star's margin from 9.53% to 3.87%. Though minimal margins mean companies covered by final positive dumping determinations will have to make only minor adjustments in domestic market or export prices to escape paying dumping penalties, they will still be saddled with expense of posting bonds on imports and burden of compiling & filing reports with Customs.

**MINI PATENT MINIMIZED:** JVC's U.K. patent application for VCR with 1/2-size head drum (TVD Oct 31 p14) is something entirely new and not incorporated in Video Movie, company told us in Japan last week, tending to minimize it as having "no specific relevance to any specific product."

Company pointed out it was just one of 1,300-1,400 patents it applies for each year, said it didn't have "foggiest idea" if it will ever become a product. It's just idea of one engineer, said JVC, and would require many other developments before it could be commercialized.

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%.



**STEREO TV TIMETABLE:** Vols. 1 & 2 of industry test reports of 3 multichannel TV sound (MTS) systems are now scheduled for release around midweek. First volume, containing tables & charts of comparative measurements and originally planned for release last week, was held up by revisions, is expected to run nearly 400 pages. Final supplement, covering listening tests now being completed in Chicago area, is expected before end of month.

Vol. 1 also will include full description of the 3 systems and proponents' arguments, was described by one top MTS subcommittee member as "very revealing." Vol. 2 will be more technical, containing waveforms, lab methodology, etc. Physical publication of Vol. 1 is being handled by NAB, Vol. 2 by EIA.

Listening tests of the 3 systems — EIA-J, Telesonics, Zenith — are being conducted at Matsushita plant in Franklin Park, Ill. Digital audio tapes of the tests, with nearly 100 individual segments, will be available for listening at NAB hq in Washington and at Matsushita's Ill. facility, possibly by this week's end.

Our recent report quoting FCC Mass Media Bureau Chief James McKinney as hoping to recommend single system to Commission (TVD Oct 24 p10) struck responsive chord among others on FCC staff, which now seems determined to prevent recurrence of AM stereo situation, in which FCC permitted broadcasters to use any of 5 systems. "A lot of that is our fault," one staffer is quoted as saying.

If MTS subcommittee strongly recommends single TV system at selection meeting now scheduled for Dec. 22, industry can expect split decision by newly reconstituted 5-member FCC, probably 3-2, which could go either way — marketplace (all systems) or single system.

Chmn. Fowler is expected to hold out for marketplace decision. From standpoint of manufacturers & broadcasters, most of which want single system picked, there are 3 scenarios, which are, in order of preferability: (1) FCC choice of single system. (2) Marketplace decision, but with acknowledgment of MTS subcommittee's guidance in its vote on single system. (3) Flat marketplace decision, leaving industry to look to MTS recommendation as de facto standard.

Current deadlines are Nov. 30 for comments, Dec. 30 for reply comments. FCC staff has been extremely cooperative lately with MTS subcommittee, and it's now likely that if snag develops in deliberations or subcommittee feels more time is needed to circulate its test results & recommendations, extension would be granted.

AVX won approval for its Myrtle Beach, S.C. capacitor plant as qualified facility under International Electrotechnical Commission Quality Assessment System. IECQAS is international electronic component quality assurance system, administered in U.S. by UL, and approval requires both factory inspection and product testing. Sprague is only other U.S. parts maker to receive certification.

**GE's BLUE TUBE:** GE last week introduced new high-contrast picture tube with blue-tinted glass in 19" & 25" versions and incorporated it in its 4 high-end Command Performance TV monitor receivers and in 5 new sets. GE has exclusive for 1983 on tube glass containing neodymium oxide, rare-earth element which absorbs ambient room light, company said.

At same time, company introduced new 40" rear-projection set in more compact cabinet — 49-1/2" high, 22-3/8" deep, 37" wide — at about same price as predecessor model (around \$3,600). GE is switching from own manufacture of projection sets to purchase from Matsushita (TVD June 20 p19). New set has enclosed optical system with three 7" tubes, black matrix screen, comb filter, simulated stereo, wireless remote, VIR, 134 channels.

New sets with blue "Neo-Vision" tube are in mid-line Performance Plus series — 19" & 25" table models with side-firing speakers and three 25" consoles — all with VIR, wireless remote, 130 channels, channel block-out, input & output jacks, brow-mounted controls. GE currently has no suggested list or retail guide prices.

Neo-Vision introduction will be backed by sweepstakes promotion, prizes including Mustang convertible, trips to Hawaii, TV sets.

The \$99 CED player is back. With help of local distributor, Austin, Tex. affiliate of National Video chain has RCA leader models on sale at that price, claims to have sold about 50 since mid-Oct. and average of 6-10 discs with each. Promotion has helped push disc sales to 3 times normal volume, store Mgr. Mark Hoffman told us. NV said it's trying to interest RCA Videodisc Div. in providing 5,000 machines for national campaign. Hoffman buys from RCA-owned distributor in San Antonio, which absorbs \$58 of normal volume order wholesale list of \$157. "We've got to have a cheap machine" for CED to succeed, NV said.

Mexico's Group Alfa is again beating international bushes in search of buyer for its PAM (Phileo, Admiral, Magnavox) consumer electronics operation. Financially troubled conglomerate had been talking with N.V. Philips subsidiary, but negotiations broke off. PAM accounts for about \$120 million of GA's foreign debt, and has all but halted production. Indication is unit will be closed if it can't be sold. GA is in process of working with foreign creditors on debt restructuring that includes disposal of all but its steel & petrochemical units.

Portable projection TV by Thomson-Brandt has been picked by 1984 Olympics Committee, which will install 50 systems in L.A. Olympics complex to display action and computerized statistics. System is imported here by Dunhill International, sold by Vidcom Inc., sells for about \$7,000.

**Ad notes:** Gold Star names Richard Weiner for PR... 3M appoints Grey Adv. for Scotch professional video & audio tape products.



## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>Emerson Radio</b>			
1983-6 mo. to Sept. 30	82,877,000	5,543,000	.63
1982-6 mo. to Sept. 30	45,703,000	(247,000)	--
1983-qtr. to Sept. 30	51,844,000	5,402,000	.61
1982-qtr. to Sept. 30	32,832,000	497,000	.06 <sup>a</sup>
<b>Esquire Radio &amp; Electronics</b>			
1983-9 mo. to Sept. 30	38,751,300	1,023,700	2.12
1982-9 mo. to Sept. 30	46,504,900	1,300,000	2.69
1983-qtr. to Sept. 30	15,643,300	369,700	.77
1982-qtr. to Sept. 30	18,868,700	473,500	.98
<b>Kloss Video</b>			
1983-9 mo. to Sept. 30	13,832,184	659,456	.38
1982-9 mo. to Sept. 30	10,532,910	498,343	.29
1983-qtr. to Sept. 30	5,300,963	331,557	.19
1982-qtr. to Sept. 30	4,410,440	227,828	.13
<b>A. C. Nielsen</b>			
1983-year to Aug. 31	680,262,000	49,449,000	2.20
1982-year to Aug. 31	643,826,000	44,191,000	1.97 <sup>a</sup>
1983-qtr. to Aug. 31	175,807,000	15,470,000	.69
1982-qtr. to Aug. 31	168,828,000	13,810,000	.62 <sup>a</sup>
<b>Texas Instruments</b>			
1983-9 mo. to Sept. 30	3,280,500,000	(222,900,000)	--b
1982-9 mo. to Sept. 30	3,219,700,000	101,500,000	4.30
1983-qtr. to Sept. 30	1,006,700,000	(110,800,000)	--b
1982-qtr. to Sept. 30	1,048,300,000	36,900,000	1.57
<b>United TV</b>			
1983-39 wk. to Sept. 25	35,949,000	4,834,000	.41
1982-39 wk. to Sept. 25	29,972,000	6,034,000	.50
1983-13 wk. to Sept. 25	14,033,000	1,070,000	.09
1982-13 wk. to Sept. 25	9,669,000	1,876,000	.16
<b>Wells-Gardner Electronics</b>			
1983-9 mo. to Sept. 30	20,281,000	84,000	.02
1982-9 mo. to Sept. 30	60,396,000	4,437,000	1.21
1983-qtr. to Sept. 30	3,725,000	(275,000)	--
1982-qtr. to Sept. 30	12,163,000	404,000	.11

Notes: <sup>a</sup>Adjusted. <sup>b</sup>After special charge.

**Latest expansion of VCA Duplicating brings number of slave VCRs to 2,000, puts annual capacity at 6 million cassettes, according to Pres. William Follett.** He said VCA capacity could double in 1984 if market takes off as expected, although he holds to cautious industrywide demand for 10-12 million tapes, against about 9 million this year. Firm's VHS-Beta output ratio remains 3-1, with all facilities equipped for digital audio, he said.

**Fujitsu is newest Japanese manufacturer to announce plans to enter home computer market with equipment meeting MSX system standard designed by Microsoft.** More than dozen companies are expected to have MSX computers and compatible peripherals for sale in Japan by March.

## Obituary

**Jack Black, 53, major consumer electronics sales rep, died of stroke Oct. 31 in Rockville, Md.** He was rep for 25 years, headed Jack Black Sales Co., Rockville, handled Sanyo and Sansui, among other brands. His firm was one of few performing functions of distributor, handling inventory, etc. Wife, 2 sons survive.

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## Consumer Electronics Personals

**Gerald McCarthy promoted at Zenith from corp. consumer products sales vp, named pres. of Zenith Sales & Zenith Canada, succeeding late J.D. (Dan) Dougherty;** McCarthy also is slated to be named corp. sales & mktg. senior vp at Dec. board meeting... **Bruce Davis promoted at Imagic from vp to pres.-CEO, succeeding founder William Grubb, who becomes chmn... James Murphy, RCA Videodisc Div. news & information dir., adds post of PR dir. for RCA Records.**

**George Valaoras, III. Tool Works Electronics Group pres., promoted to corp. exec. vp... Edmund Carpenter, ITT Industrial Technology pres., named corporate exec. vp... Frank Orrow joins Panasonic Electronic Components Div. as head of new Instrumentation Dept., responsible for developing market for new line of text & measuring equipment.**

**Will Smith, partner in Brooksmith Assoc., named pres. of newly acquired distributor Video Services of America... Cheryl Benton, ex-Embassy Home Entertainment, joins Video Trade Video Movie Brokers as national sales mgr.; Alex Kanakaris appointed PR dir... Steven Salmonsohn named finance vp, Video Music International; Douglas Amdur advanced from mktg. services mgr. to video affairs dir.**

**John Sodolski resigns as EIA Telecommunications Group staff vp to join U.S. Telephone Assn. as pres., succeeding George Pickett, retired... Newly elected to EIA board: Donald Grierson (GE), David Leeson (Cal. Microwave), Carol Novicki (Dale), William Souveroff (ITT), Donald Thostenson (AVX), James Twerdahl (JBL), Neil Vander Dussen (Sony).**



WEEKLY

# Television Digest®

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NOVEMBER 14, 1983

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast - Cable

**BROADCASTERS FREED TO HOLD DEBATES** by FCC action protecting licensees from equal time demands by minor candidates. (P. 1)

**AMIP '84 SEEMS ASSURED** as first foreign program TV market ends in Miami Beach; 90% of exhibitors say they'll be back. (P. 2)

**NETWORKS & PRODUCERS TALK AGAIN:** Hollywood offers trade of financial interest for share of advertising revenue. (P. 4)

**MURDOCH SCRUBS DBS START:** Launch delayed until new generation of high-powered satellites is available in 1985. (P. 4)

**CLOSED-CAPTIONING VS. TELETEXT:** Dispute examined by House panel. CBS criticized. (P. 6)

**REGULATION OF SMATV PREEMPTED** by FCC in overruling state & local entry barriers. (P. 7)

**USCI DEBUTS IN INDIANA** with only 3 of 5 channels but predicts deals with others soon. (P. 7)

**NEW WAVE OF SATELLITE APPLICATIONS** at FCC. Spectrum-use innovation is stressed. (P. 8)

**U.S. READIES FOR HF WARC:** Marks says U.S. delegation is well prepared. (P. 8)

**BROADCASTERS ALLOWED TO ARRANGE DEBATES:** Broadcasters no longer will need middlemen such as League of Women Voters to arrange political debates among qualified candidates. In decision with major impact given next year's Presidential election, FCC ruled last week that debates arranged & sponsored by broadcasters will be considered genuine news events which stations can air without having to give equal time to minor candidates who weren't included. For last 8 years, industry has had to rely on "buffer groups" such as League to protect themselves from equal time requirement in Communications Act.

Commission action broadened Aspen rule which exempts debates from equal time requirement if they are arranged & sponsored by 3rd party. Exemption to 1975 Aspen rule, which grew out of treatment given Shirley Chisholm during her Presidential bid, was coverage at non-studio site of genuine news events. NAB applauded decision, but several public interest groups complained and League said it may go to court seeking reversal.

### Consumer Electronics

**ZENITH SEEN CHOICE** in stereo TV vote, although 1,000-page test data show no clear winner. CX companding system stars in listening tests. (P. 12)

**COLOR TV, VCR, CAMERA SALES** to dealers set new Oct. highs. Outlook now is for 14 million color, 4 million VCR sales for 1983. (P. 13)

**COLOR TV IMPORTS SURGED** to new records for Sept., 3rd quarter. VCR, color cameras, disc players, b&w all posted gains for month. (P. 14)

**VIDEO FEVER SEEN SPREADING** to videodisc players. RCA, Pioneer, Magnavox report big player sales increases. CBS unconvinced (P. 15)

**RCA GETS FOOT IN DBS DOOR** as receiver installer & servicer for USC. (P. 16)

**ATARI, COLECO HIKE** computer prices in effort to end price war. Fox quitting video-computer games. TI moves to wind down 99/A. (P. 18)

**ADMINISTRATION BACKS HOLLYWOOD** push for Fair Marketing Amendment to Copyright Act. Justice Dept. suggests grandfathering titles. (P. 19)

**SONY SEEKS BIG ROLE** as supplier of VHS & Beta videocassettes to duplicators, sees that market growing 50-60% next year. (P. 19)

NBC & ABC jumped at chance to stage political debates. Both quickly sent letters to chmn. of Democratic & GOP National Committees inviting their nominees to participate in series of televised debates networks would arrange & sponsor. He suggested that debates be held between Sept. 1984 and election day. CBS spokesman said they're considering similar move.

"The FCC's action proffers the best of all possible worlds for both the broadcast industry and the American electorate," said NAB Pres. Edward Fritts. Precluding broadcasters from staging debates meant "the public has been selectively precluded from in-depth exposure to candidate and issue forums," he added. League disagreed that public would benefit: "We take issue with [FCC's] position that this will enhance political coverage [by broadcasters]. We believe it expands the already tremendous power they wield in elections, and it would likely decrease access to independent or other sources of information about candidates." League said it plans to continue arranging & sponsoring debates, particularly among Presidential candidates next year.

FCC also gave broadcasters more leeway in deciding when to air debates among candidates licensee chooses. Under Aspen rule, debates had to be aired within 24 hours, but that limitation was eliminated when Commission agreed that event didn't lose news value quickly. RTNDA applauded action, with Pres. Edward Godfrey stating: "Drawing up a debate plan which the candidates can agree upon is a tough enough job without having to please a third party, too."

However, Commission didn't go along with request to tighten rules on political advertising, reduce amount of free time broadcasters give for opponents' replies. It rejected petition by CBS, Gaylord Bestg., Metromedia & NAB for ruling that when political ad time is sold — whether during campaign or not — licensee isn't obligated to give free time to opposing candidate. Sought was expansion into non-campaign periods of 1970 Zapple rule, which applies during campaign period and requires opponent to buy reply time to limit broadcaster's subsidization of campaigns.

FCC also declined to protect from equal time rules news documentaries in which political candidate appears briefly. Such documentaries don't need official protection as "on-the-spot coverage of bona fide news events" with equal time shield because few complaints have been filed at FCC by disgruntled candidates, Commission said. It decided to continue practice of case-by-case review of any documentary challenged as unfair.

Chmn. Fowler said granting petition for tighter political ad rules would involve Commission in programming decisions, said petitioners should address arguments to Congress, not FCC: "The broadcasters' arguments fall flat on First Amendment grounds. We're getting back into the quantification versus spectrum fee debate. Until [broadcasters] get behind the push to eliminate these strictures, those strictures will abound."

**FOREIGN TV PROGRAMMING MARKET SUCCEEDS:** Although first gathering designed to permit foreign TV programmers to sell their wares in U.S. market didn't draw universally rave reviews, it now seems assured that 2nd such market will go as scheduled in Nov. 1984. Most exhibiting programmers at American Market for International Programs (AMIP) Nov. 7-10 in Miami Beach already have signed up for next year. Move for return in 1984 was led by U.K.'s Goldcrest, which had largest presence of any programmer and sponsored opening cocktail-buffet party at this first-ever gathering of foreign programmers seeking to sell their products to American TV stations.

Despite fact U.S. TV industry is nearly 40 years old, very little foreign programming has been shown on regular basis in U.S. Exceptions have been several British productions, especially BBC shows on public TV, and such programs as Benny Hill. AMIP hopes to be catalyst for change, will provide valuable learning experience for both foreign programmers and U.S. broadcasters, according to AMIP Managing Dir. Harvey Seslowsky.

Survey of 102 AMIP foreign exhibitors by Hollywood Reporter found that 90% said they "definitely" would return in 1984. They had very little negative comment, said show has been "successful but not profitable," that "Americans are eager to talk but not necessarily to buy." Commented an AMIP official: "It's a cheerful surprise that the show is functioning without any major problems." Attendance was 1,112, including 382 potential program buyers.



Two foreign companies registered for AMIP didn't make it because of political problems. Vladimir Popov, chmn. of Soviet TV, was denied visa to come to U.S.; Soviet interests were represented in Miami Beach by Media Transactions. Representatives of Lebanon's Tele-Pictures Promoters International found it impossible to get out of Lebanon. Other notable absentees (by choice) are BBC and CBC, latter having paid \$15,000 for exhibit space that wasn't refunded.

Exhibits were open 9 a.m.-6 p.m. and there were no panels or addresses of any type to detract from traffic in booths. Hallways of exhibit area in Fontainebleau Hilton Hotel were moderately crowded 2 hours after Nov. 7 morning opening. Richard Thiriot, exec. vp of Film Service Corp. of Salt Lake City, said NATPE should take a tip from AMIP "and do away with all those govt. panels and other crap... We go to screen the product, not attend boring panels." Morning traffic held up throughout first 3 days, helped by fact it rained 2 of those days.

As expected, co-production deals are way foreigners and U.S. companies are going in developing new programming for U.S. market. Goldcrest signed with Antenne 2 of France for dramatic series revolving around Monte Carlo's casino, also is collaborating with Antenne 2 and HBO in development of feature length movie. Spero International Communications of Miami signed \$20 million deal with Loto Independent Productions of Nigeria for co-production of 3 TV movies. First will be filmed in Nigeria, deal with problems surrounding mixed marriage. Under deal, several Nigerians will be brought to U.S. to train in movie production. Spero said it also is negotiating with Russians and Chinese on possibility of making documentaries in those countries.

Potential American buyers shopping for product at AMIP told us that most foreign programming is unsuitable for commercial TV in U.S. Common view is that most of it would be suitable for public TV only — and public TV had very little presence at AMIP. Exception was children's programming — of which there was much screened in Miami Beach. Highly praised — and sold to several markets — is "The Bumble Film" movie from United Dutch Film Co. "It's as good as anything Disney has ever done," gen. mgr. of TV station told us.

Americans who wanted to buy were often frustrated by fact foreign programmers didn't have U.S. distributors and were reluctant to set prices for their products. "I wanted to buy a Polish movie for my ethnic viewers, but I just couldn't get them to name a price," we were told. Also active in buying and attempting to buy were several low-power-station entrepreneurs.

According to veteran program publicist Harvey Chertok: "The distributors still will have to make deals with a middleman because there are very few stations here ready to buy." Comments by American TV station executives seemed to confirm Chertok's assessment. "I'm here out of curiosity and not to buy" was statement made repeatedly.

Boding well for future AMIP's was comment from Walter Schwartz, Blair TV pres.: "There's got to be more product somewhere, and it's not coming from Hollywood." There was some criticism of fact that most programs at AMIP also were shown during MIP marketplace in Cannes last May. AMIP sponsors countered that very few TV stations were represented there. Just about all agreed, however, that if foreigners are going to be successful in tapping U.S. market, they must acquire American distributors.

Charging TV Guide has new policy not to give story lines of syndicated programming, NATPE said it is "a disservice to the viewer." At news conference during AMIP in Miami Beach, NATPE Pres. Stan Marinoff, WISN-TV Milwaukee, noted that Guide will keep such story lines for movies, network series, and cable programming, added: "Syndicated programming is the lifeblood of revenue for local stations. Eliminating story lines and the star value of special guests inhibits proper promotion." Marinoff said that because of growth of locally produced programming, NATPE will sponsor 3-day conference on local production in April 1985. TV Guide Editorial Dir. Merrill Panitt said "it is completely in error to imply that we are eliminating" such story lines. He said current policy was established in Oct. 1981 and no significant changes have been made since.

American Legal Foundation filed comments supporting FCC rulemaking to deregulate TV on Nov. 8. Next day, Foundation called FCC license renewal of Pacifica's WPFW(FM) Washington "outrageous," said it's "reviewing its legal options." NLF had sought denial of station's renewal because of statements aired, charged FCC has sent message to stations saying: "Totally ignore your obligations as public trustees and the most the FCC will do is slap your hand."

FCC actions appealed to U.S. Appeals Court, D.C.: (1) License renewal & sale of WHCT-TV Hartford. (2) Renewals of KQED-TV-FM & KQEC San Francisco. (3) Grant of new UHF station in Waco, Tex. to Central Tex. Bestg., appealed by losing applicant Blake-Potash Corp.



**NETWORKS & PRODUCERS TALK AGAIN:** Not much progress toward compromise on financial interest & syndication rules was made but parties now know what's non-negotiable to other side as result of 2nd negotiating session in Washington last week between networks and producers & independent stations. For networks, that's sharing ad revenues in shows; for producers, it's allowing networks into syndication business.

Building on prior proposal to limit their financial interest in shows to no more than 49%, networks last week offered to limit number of prime time entertainment series they could co-own. Proposal also would allow networks at least partially into syndication business. Producers' offered to accept cap on network co-ownership if, in return, producer got rights to 30-sec spot on show when it airs.

Networks "flatly rejected out of hand" proposal to give producer rights to 30-sec. ad, said MPAA Pres. Jack Valenti. He said he submitted counter offer that Hollywood would give up demand for cut of advertising revenues if networks would give up demands for syndication rights. Networks were said to be still considering that compromise, will discuss it further at 3rd meeting between parties Nov. 18 in N.Y. "Allowing the networks into syndication is absolutely taboo to the independents. That's non-negotiable to them," Valenti said.

Meanwhile in Congress, networks were dealt another blow last week when House approved on voice vote, after only 7 min. of debate, HR-2250 by Rep. Waxman (D-Cal.) that would place 6-month hold on FCC rulemaking, also stop any action on prime time access rule while Congress evaluates issue. Unclear is what effect House vote will have in Senate, where members have attached similar proposal to a supplemental appropriations bill now awaiting final action by House & Senate conferees.

Word was that language would be stripped from money bill and Sen. Packwood (R-Ore.), chmn. of Senate Commerce Committee, would rapidly usher Waxman bill through that chamber instead. But Packwood was taken aback by White House's unexpected announcement in support of 2-year moratorium (TVD Nov 7 p1), is said not to be eager about pushing shorter delay through his Committee.

Producers said "we are ready to 'give' on financial interest. The networks must be ready to 'give' on advertising revenues." Counter offer "does not involve producers in the ledgers and books of the networks." Other main points of Hollywood's latest proposal: (1) For specific percentage of financial interest, with cap which networks negotiate, producer will have right to sell 30-sec. ad in program's network airing. (2) No syndication by networks except for educational programs. (3) Review of issue by FCC in June 1992. (4) Effective date of any change in FCC rules will be June 1, 1984, same as network proposal. (5) Parties agree to seek FCC and Justice Dept. approval only for changes necessary to codify agreement.

Networks proposed that parties identify specific types of programs in which they could acquire syndication rights, mentioned educational, non-primetime

shows, prime time shows other than series, network-produced prime time programs, prime time series shows acquired from packagers, and international distribution. Networks said they're willing to discuss phase-in of network domestic syndication activities for each of those program types, also are willing to talk about acquiring syndication rights only for programs produced after June 1, 1984.

**MURDOCH DELAYS DBS START:** Skyband, Rupert Murdoch's entry into low-power DBS delivery, will "delay inauguration" until "new generation" of higher-powered satellites from either Hughes or RCA, using 45-50 watts and offering 16 channels, becomes available in 1985, Skyband Pres. Harvey Schein said.

Announced last May and scheduled to begin first this fall, then in June 1984, proposed 5-channel DBS was to be aimed primarily at rural homes. New service will lose rural orientation, cover nation with 8 channels for eastern feed, 8 for west. Some 30 million non-cabled homes will remain primary objective, Schein told us, but cabled areas will be targeted as well. Delay would give company "more time to assemble the best programming, to test customer preferences and to work with equipment manufacturers," also "to test and thoroughly evaluate ground reception equipment — none of which has been mass produced to date."

Satellite Business Systems' \$75-million 6-year lease for 5 transponders from Skyband was "firm contract," according to SBS official, and company had no comment to make on any alterations or cancellations of contract, he said. Monthly payments on lease began in Oct., he added. Skyband officials had no comment on plans for original SBS commitment.

M/A-Com had "no comment" to make on news. Official said company intended to continue to supply DBS equipment to any interested party and wasn't clear on status of consulting agreement between Skyband and M/A-Com announced earlier this fall. Relationship with M/A-Com wasn't exclusive to begin with, he said.

Explaining decision, Schein told us: "We started to look at the situation and we saw how fast the technology was moving and we felt that with a 25-watt bird we wouldn't be able to come up with the best possible service."

Other industry sources say Murdoch is out of DBS arena for good. "I think Murdoch expected to be able to walk in and put HBO or Showtime on DBS," one told us. "When he realized he'd have to set up a whole organization, with program origination facilities and interstitial programming and all the rest, he backed out." Said another: "They're going out of business, not postponing." Schein denied rumors, asserted that there would be no "bloodletting" of fewer than 25 Skyband employees.

FCC will conduct closed-circuit test of Emergency Best. System Dec. 5 on radio networks only.



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**CLOSED CAPTIONING DISPUTE AIRED:** CBS took it on chin last week at House Science Research Subcommittee hearing on making TV programming more available to hearing-impaired. Network was criticized by lawmakers & witnesses for failing to use Line 21 closed-captioning and for going its own way in developing "Extravision," teletext system whose decoder equipment isn't yet widely in use. NBC also was criticized for decreasing amount of closed captioning recently. But praises were sung for ABC & PBS.

Hearing marks first real attention Congress has given issue since March decision by FCC left it to broadcasters to determine kind of captioning or teletext system they would use. Competition between 2 technologies is causing hearing-impaired community concern. Advocates for deaf fear that 72,000 Line 21 captioning decoders in use by 300,000 viewers among 16 million U.S. deaf & hearing-impaired won't be compatible with more expensive teletext systems being developed. They fear marketplace will fracture, leaving deaf & hearing-impaired without much access to either technology.

What Congress could do isn't clear. Options may be limited to increasing federal funding for captioning & teletext research and use on public TV, or requiring FCC to set single standard. Rep. Bates (D-Cal.) said he was considering proposing legislation requiring FCC "to issue regulations imposing specific obligations on" broadcasters, but didn't reveal what he has in mind. As member of House Telecom Subcommittee, however, he's in position to push legislation, said he has discussed matter with Chmn. Wirth (D-Colo.).

Deaf & hearing-impaired packed room in support for representatives of National Assn. of the Deaf, National Captioning Institute, PBS and others. They urged Congress to insure Line 21 captioning remains available at least until new technologies are available & reasonably priced. They claimed decoders in use represent \$20 million investment, suggested Congress require broadcasters make closed-captioning & teletext simultaneously available or 2 technologies compatible in way similar to FCC mandate that color and b&w TV are.

Provision of both services is costly alternative, industry spokesmen countered. Terry Connelly, vp of Taft Bestg., which is transcoding Line 21 captioning on "Electra" teletext service in Cincinnati, said system is working well. But Connelly indicated that it's demand for teletext services which is underwriting transcoding for handicapped. Taft uses World System Teletext equipment & decoders, latter manufactured by Zenith. Decoders are about \$300 — competitive with \$200-\$300 cost of Line 21 decoders, but much lower than Extravision decoders, currently \$1,000-\$2,000.

CBS defended commitment to teletext and tried to skirt controversy over its failure to employ Line 21 captioning. ABC & NBC use Line 21. CBS Vp for Engineering & Development Joseph Flaherty told Subcommittee that network's commitment is based on belief that teletext is superior.

**CAPTIONING CALLED OKAY FOR DEAF:** Closed-captioning of TV programs for hearing impaired is adequate to insure their TV viewing rights aren't violated, and more costly open captioning is step broadcasters don't have to take to guarantee access, 9th U.S. Appeals Court, San Francisco, has ruled. This affirmed ruling by U.S. Dist. Court in Cal. Decision deals with Sec. 504 of Rehabilitation Act of 1973.

It comes in class action suit filed on behalf of all hearing impaired in 4 L.A. area counties by Greater L.A. Council on Deafness vs. KCET L.A., PBS, CPB, U.S. Depts. of Education, Health & Human Service and Justice.

Appellate court reversed U.S. Dist. Court on ruling that federal agencies had to develop regulations mandating standards of compliance by public stations with Sec. 504. Court also ruled that lower court overstepped bounds by ordering Dept. of Education to terminate funding of TV programs pending promulgation of regulations. Appellate court said govt. agencies have discretion to determine whether to promulgate regulations or to implement Act through adjudication, conditioning funding grants.

Abraham Gottfried, lawyer for Deafness Council and husband of individual plaintiff Sue Gottfried, said he couldn't comment but planned to seek rehearing, either en banc or before panel, in 9th U.S. Appeals Court. If court's decision doesn't change, Gottfried said, he will appeal to U.S. Supreme Court.

Theodore Frank, lawyer for PBS & KCET, said decision was "very important because it protects public broadcasting's program integrity." Costs of producing open or closed-captioned programs is equal, but stations broadcasting open caption programs incur additional equipment expense.

"The Telidon Book" is new publication on designing and using videotex systems, combining articles by 23 authors. Book is edited by David Godfrey & Ernest Chang, sells for \$39.95, plus postage & handling. Contact Prentice-Hall, Route 59 at Brook Hill Dr., W. Nyack, N.Y. 10995.

Children are encouraged to get involved in cable in new handbook from Action for Children's TV (ACT) which says community cable may be TV's best hope for involving young people as producers and performers. Book costs \$3.50. Contact ACT on Community Cable, 46 Austin St., Newtonville, Mass. 02160.

Cardiff Communications has sold its publishing subsidiary to Argus Press Holdings for \$7.3 million. Cardiff Publishing, which puts out communications magazines, will continue under same management with Pres. Robert Searle joining board of Argus, member of U.K.'s B.E.T. group.

John Wiley & Sons will publish videodisc industry reference book, is inviting industry participants to be included in book free of charge. Questionnaires must be completed by Nov. 21 for inclusion in first edition. Contact Interactive Technologies Corp., 1131 G St., San Diego, 92101.



**SMATV GIVEN FEDERAL PREEMPTION:** States & cities can't regulate SMATV systems because they engage in interstate commerce and don't cross public rights of way, FCC ruled last week in decision private cable industry hailed as its emancipation proclamation. In related action, Commission slapped down Nev. for regulating rates for cable tier that bundles pay services with some distant signals.

"This frees up our members to be businessmen again rather than litigants in court," said spokesman for National Satellite Cable Assn. (NSCA). "We've been fighting these battles on 50 fronts in 50 states, and now we've been given the freedom to operate." There are about 1,500-2,000 SMATV systems nationwide with about 600,000 subscribers, numbers that now are expected to mushroom.

Commission sided with Earth Satellite Communications (ESC), whose SMATV system in E. Orange, N.J. angered local cable operator Suburban Cablevision. Suburban contended ESC was unfranchised cable system, didn't have required consent of N.J. Board of Public Utilities which reviews & approves rates for basic service at all cable systems in state. Utilities board agreed with Suburban, halted construction on SMATV system. ESC appealed to N.J. Supreme Court and lost, turned to FCC seeking declaratory ruling that only federal govt. can regulate industry.

FCC said state & local entry regulation of SMATV will "chill development" of industry which it said mainly operates in interstate commerce. Mass Media Bureau Chief James McKinney, who recommended preemption, said ruling should be signal to state & local govts. that FCC won't allow entry barriers to new alternate technologies. Only allowable state & local laws on SMATV, Commission said, are those relating to zoning and public health factors.

NCTA said ruling was good & bad: "The bad news is it blesses an unfair competitive advantage for yet another of cable's competitors. The good news is that state and local governments are now on notice that regulatory overreaching will not be tolerated." N.J. Board of Public Utilities said it wasn't trying to limit competition by regulating SMATV system: "Our concern was assuring that ESC's customers would be charged fair rates. That's all we wanted to do," spokesman said.

FCC rebuked Nev. Public Service Commission for attempts to regulate rates of non-basic services offered by Community Cable TV, Las Vegas. It agreed with Community Cable that PSC had no power to rate regulate pay tier that includes some distant signals.

McKinney said Nev. case prompted Commission to dust off inquiry pending 18 months and take overall look at cable regulation, including regulation of basic service. He said inquiry should reach Commission soon after new year, said it "parallels" cable legislation pending in Congress. He stressed inquiry shouldn't be viewed as FCC revisiting must-carry rules.

SMATV industry now is turning its attention to

cable legislation pending in House (HR-4103). Provision in bill guarantees apartment dwellers access to cable, meaning landlords can't sign exclusive deals with SMATV operators. "That's our next push. If we get that knocked out, we'll really be positioned for some explosive growth," NSCA official said.

**USCI DEBUTS SANS 2 CHANNELS:** Indianapolis startup for United Satellite Communications Inc. (USCI) Nov. 15 will begin with only 3 of 5 channels programmed, according to USCI official. Two will be movies, other ESPN sports programming. Remaining channels are pending deals which may be consummated at any time from 2 weeks to 2 months, we're told. CNN and MTV are reportedly in negotiations for remaining slots.

RCA Service Co. will service & install General Instrument equipment, using its 2,800 technicians in 168 branches. Agreement is considered important step by cable & DBS insiders. "I always thought that was the biggest thing they had to accomplish," one told us. "Having that is a big ace." RCA Service agreement covers all of U.S.

Installation of dish reportedly takes 2 men half day, will amount to hefty \$300 initial fee, plus additional \$39.95 monthly price tag. Monthly fee will include lease of dish, along with charge for 3 channels at discounted rate, customers being told that this amount is less than "normal" 5-channel cost. USCI is preparing purchase option, possible through Radio Shack. Company estimates 150,000 customers by end of next year, according to one report, but projections are in some flux as USCI finds its way in new territory. "They found their early projections were way off base," cable programmer told us.

On programming side, HBO has sold DBS rights to USCI on 20-30 pre-buys, Orion and original product available in 1984, including Sophie's Choice, Megaforce, Breathless. Sales indicate HBO has no K-band plans at least through most of 1984, though product is still available for higher-powered Galaxy bird which HBO began transmitting from this week. USCI said it has struck deals with all major studios, but with program suppliers reportedly calling shots on prices. One source called rates "exorbitant," comparable to STV's, at 50¢-\$1 per subscriber, depending on movie quality. ESPN, which is in process of renegotiating higher charges from all of its affiliates, got 40-50¢ per subscriber.

USC announced last week it had signed agreements for "hundreds of movies entertainment specials, sporting events and video music," listing Universal, Paramount, 20th Century-Fox, MGM-UA, ESPN, HBO, Viacom, Samuel Goldwyn, Polygram and others.

National News Council Pres. Richard Salant has called on Senate to permit TV coverage. He argued that fears cameras in House would cause grandstanding by members "have proved unfounded" and shouldn't be feared by Senate: "Voters would gain from the opportunity" although legislators would find themselves held more accountable for their actions.



**NEW SATELLITES PROPOSED:** FCC last week received applications from satellite operators eager to launch new generation of spacecraft to serve market anticipated to rapidly expand. FCC won't be able to grant all applications — too many are mutually exclusive, and sheer volume overwhelms available orbit locations. But Commission was hopeful that it would be able to come up with plan to make all applicants reasonably content. Complete list of new applications:

(1) Alascom asked to construct 2 C-band satellites and ground spare. (2) AT&T seeks to construct and launch Telstar replacement for Comstar D4. (3) American Satellite amended pending application to launch ASC 3, to construct ASC 4 & 5 and launch ASC 4. ASC 4 & 5 will carry C-, Ku- & Ka-band transponders. (4) Columbia Communications Corp. seeks to construct & launch 2 hybrid C- & Ku-band satellites. (5) Comsat General asked to construct & launch 3 Ku-band satellites. (6) Digital Telesat, start-up intending to sell limited partnerships to finance its system, wants to construct & launch 3 satellites — 2 at Ku-band, one at C-band, using total of 2 orbital locations.

(7) Federal Express asked to construct 3, launch 2 Ku-band satellites. (8) Ford Aerospace amended pending applications to construct & launch 3 hybrids, construct 4th as ground spare. (9) GTE Spacenet asked to launch & operate 4th hybrid. (10) GTE Satellite Corp. amended applications to launch GStar 3 and construct ground spare. Ku-band. (11) Equatorial Communications asked to construct 3 and launch 2 at C-band. (12) Hughes Communications Galaxy amended application to construct & launch 3 Ku-band satellites, asked for authority to construct & launch 4th C-band Galaxy. (13) Martin Marietta Communications Systems asked to construct 3, launch 2 Ku-band satellites. (14) Mobile Satellite Corp. amended application in respect to feeder links at Ku-band.

(15) National Exchange amended pending application to seek to construct 5 and launch 4 spot-beam Ku-bands into clusters at 2 orbital locations. At C-band, wants to do same thing: Construct 5, launch 4 into 2 locations, preserving 5th as ground spare. (16) Rainbow asked to launch ground spare, build & launch Rainbow 4, construct 5th as ground spare. Ku-band. (17) RCA Americom asked to construct 3 hybrid satellites and hybrid ground spare, or alternatively to construct & launch 3 additional C-band and 3 additional Ku-band satellites.

(18) SBS asked to construct & launch 6th Ku-band satellite, construct & launch replacements for SBS 1, 2 & 3. (19) Systematics General Corp. asked to operate 2 TDRS satellites in C band. SGC will be contractor to NASA to manage C-band capacity of TDRS satellites. Capacity will be opened to govt. use exclusively, at least at first, and such users will not be charged, only asked to pay operating costs associated with use. (20) USSSI asked to launch ground spare to 3rd orbital location, construct & launch 4th, construct 5th as ground spare. (21) Western Union asked to construct total of 6 Ku-band satellites, operating in only 3 orbital locations at any

time, with others to serve as replacements. At C band, WU wants to construct Westars 7-17, but is asking for only 3 additional orbit locations, for total of 7 C-band slots. Remaining satellites will serve as replacements. (22) GTE Spacenet asks to launch 4th satellite and operate it at 101 degrees west in co-location with proposed satellite of GTE Satellite (GSat). GTE Satellite projects launching of its ground spare, authorized with 2 other satellites previously, and building of additional satellite as spare.

**U.S. EYE ON WARC '84:** Congress last week focused on upcoming politically sensitive global high frequency World Administrative Radio Conference (HF WARC) and found Administration officials insisting they're well prepared. U.S. has submitted working paper to International Telecommunication Union (ITU) that centers on recommending guidelines for allocations when WARC convenes Jan. 10-Feb. 4 in Geneva. Paper includes recommendation that single-sideband (SSB) transmissions be introduced to relieve HF congestion.

U.S. Ambassador Leonard Marks said preparations for HF WARC have been in works for 2 years, went into high gear 9 months ago. "Problems we face can't be minimized," Marks said, citing: (1) Radio Marti. (2) Chance of new one-nation-one-vote approach, which, should 3rd world nations unite against U.S., could spell doom for American objectives. (3) Japanese proposal to set up new international organization with sole authority to set & enforce frequency assignments. Marks said he expects ITU Secretariat to rule plan out of order for discussion at HF WARC, played down importance of Japanese move, said it lacks support of other major countries.

(4) Insistence on rigid, long-term frequency assignments. Marks said non-aligned countries are expected to meet in India next month; he implied they could decide to make HF WARC difficult for America. (5) Delay in allocating new HF broadcast bands, currently in use by many developing countries for basic communications services. Marks said it's hoped to encourage these countries to switch to satellite communications.

Also on ITU front: Harold Kimball, currently at Office of Space Tracking & Data Systems, NASA, will become exec. dir. of U.S. delegation to Space WARC 85.

CBS has issued ultimatum to NBC warning rival network to stop pirating its satellite news footage. CBS said NBC has twice aired CBS footage from Middle East, on Oct. 24 & Nov. 4. "We can only assume that NBC News is consciously violating CBS News' rights to news material," Vp-Deputy Gen. Counsel George Vradenburgh wrote to Corydon Dunham, NBC exec. vp-gen. counsel. NBC said it has taken steps to assure pirating doesn't happen again. On Oct. 24, day of bombing of Marine compound in Beirut, NBC cut into CBS Sun. a.m. news to take CBS footage of bombing, failed to cut away before host Charles Kuralt appeared on screen.



TvB's annual meeting in Las Vegas this week will stress medium's market power numbers — timely topic given 1984 events (Olympics, national elections). Officials said more than 700 members plus some 200 guests will attend 29th annual gathering Nov. 14-16, setting attendance record. During major sales presentation "TV: The Battleground," they will hear some familiar numbers stressed anew — TV reaches almost 90% of population every day, almost 90% of homes watch color TV, 90% of all TV viewing is of commercial over-air stations. TvB's new sales presentation will stress back-to-basics approach to advertising. Videotape presentation, hosted by TV personality E.G. Marshall, will use enhanced graphics to tout message that only TV has such market power. Keynoters will be Money Magazine Managing Editor Marshall Loeb, who will discuss economic changes affecting TV; Layne Longfellow, Lecture Theatre pres. and research psychologist, who will speak on how stress affects executives; Allen Janger, exec. dir. of Management Systems Program Group, The Conference Board, who will advise executives on how they can cope with changes.

**Correction:** Satellite distribution of ABC network programming soon will be available to affiliates with TVROs in Central & Mountain time zones (TVD Nov 7 p8). Network, however, has no plans to distribute programming by AT&T Telstar satellite to affiliates in Eastern & Pacific zones. Meanwhile, ABC Dir. of Telecommunications William Hynes said affiliates in Central & Mountain zones will buy 7.3-m Andrew dishes with 4.6-m backup, all with Avantek electronics. He said that package, excluding installation & land, will cost about \$135,000, that network will reimburse affiliates over 5 years. ABC's 5-year, \$30.3-million deal with AT&T is for 2 fully protected transponders, one preemptible, on Telstar bird launched last July, includes another fully protected channel on 2nd Telstar due in Sept. 1984. Hynes said ABC is "still evaluating" alternative delivery systems for east coast affiliates but is satisfied with microwave delivery in place for west coast. On east coast, he mentioned fiber optic systems being installed by MCI and others as possible alternatives to terrestrial landlines.

Way around impasse on unregulated cable data transmission in House bill (HR-4103) apparently is emerging along lines of amendment to S-66 by Sen. Packwood (R-Ore.). At last week's House Telecom Subcommittee hearing, Warner Amex CEO Drew Lewis said he wouldn't mind telcos being unregulated in limited situations where they go head-to-head with cable data provider. Mountain Bell Pres. Robert Blanz responded he was agreeable to that proposal and further talks are being held to develop compromise along those lines, officials said.

Bruce Johnson resigned as pres. of Hearst/ABC-Viacom Enterprises (HAVES) last week. Projected Jan. 9 launch for merged cable channel Lifetime is now "probably scrubbed," we're advised. One reason may have been Johnson's resistance to inclusion of ARTS in HAVES configuration. ARTS reportedly has gotten mixed reception to requests that largest MSOs pay 7-11¢ per-subscriber fee.

Disney Channel lost \$14.8 million in 4th quarter, \$28.3 million for year, but official said losses are in line with projections. Company said it sees break-even in late 1985. Overall, Walt Disney Productions had quarterly revenues of \$363 million, up 23%, but net income fell 13% to \$24.5 million, 70¢ a share. For year, revenues climbed 27% to \$1.3 billion while net income fell 7% to \$93.2 million (\$2.70). Rise in revenues is result of success of Epcot Center, said Pres. Ronald Miller. He said that as of Oct. 1, Disney Channel had 532,000 subscribers.

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## connections world communications report

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**COMSAT & CPB NOMINEES GO TO HILL:** Nominees to Comsat & CPB boards made brief appearances last week before Senate Commerce Committee, face quick approval of panel and Senate. No objections were raised at hearing where candidates — Neal Freeman to Comsat, and James Hackett & William Hanley to CPB — answered questions in session that lasted less than 15 min. Still on hold is nomination to FCC of Dennis Patrick, whose financial records have been filed with Committee.

Only legislator present was Sen. Goldwater (R-Ariz.), who chairs Senate Communications Subcommittee. Freeman explained his philosophy of competition in telecommunications, said he was "highly skeptical of" regulation in any business. Candidate wouldn't answer question about having competition to Intelsat, said opinion would be premature until he'd had time to explore issue as Comsat board member.

CPB nominees appeared together, readily admitted they approved of selective advertising for public TV, if it's "tastefully" done and "low key." Hackett said that calling ads "alternative" source of funding for PTV was misnomer, claimed idea might have gone over better had it been branded "supplemental" financing source.

Patrick has moved to ease potential for conflict of interest between his & his wife's jobs once he joins FCC. His wife, Melinda McNeely, works as attorney for Paul, Hastings, Janofsky & Walker, which has offices in L.A., San Francisco & Washington, and does some work in communications. Patrick said he wouldn't participate in any matters before Commission in which his wife's law firm is associated, and his wife has agreed to refuse further work in communications.

FCC's fiscal 1984 budget authorization last week was put back on House's floor schedule for final consideration, possibly before Congress adjourns. Bill probably won't come up before middle of week, but when it does, debate & amendments will be limited. General debate was restricted to one hour by House Rules Committee and only amendments that will be permitted are those relating to funding levels for FCC & CPB, CPB's authority over PTV & radio, and "dial-a-porn." Rep. Rodino (D-N.J.), chmn. of House Judiciary Committee, will offer proposal that would make illegal dial-a-porn services accessible to minors with fines up to \$50,000 and 6 months imprisonment for each violation. Tight rule is intended to keep GOP from offering wideranging broadcast deregulation amendment.

**International Encyclopedia of Communications** is being planned by Annenberg School of Communication at U. of Pa. and Oxford Press. Research for 4-volume work is expected to take 5 years and \$5 million. Erik Barnouw will be editor, Wilbur Schramm consulting editor. Editorial board will be headed by Annenberg dean George Gerbner and include Larry Gross, prof. there, who will serve as assoc. editor; Peter Clarke, dean of Annenberg School at U. of Southern Cal.; Tobia Worth, former senior encyclopedia editor with McGraw-Hill, editorial dir.

**FCC will award 18 low power TV licenses at Dec. 12 lottery** for markets ranging in size from Houston to Burley, Idaho. Markets to be awarded, with number of mutually exclusive applicants in parentheses, are: Biloxi, Miss. (2), Cedar City, Utah (2), St. George, Utah (2), Howard, Colo. (2), Corpus Christi (7), Charleston, S.C. (4), Houston (6), Newberry, Fla. (2), Jackson, Miss. (6), Key West (5), Huntington, W.Va. (3), Hazlehurst, Ga. (2), Jackson, Mich. (3), Melbourne, Fla. (3), Burley (2), Hampton, Va. (5), Laramie, Wyo. (2), Cheyenne, Wyo. (2). Neighborhood TV is applicant in 5 markets. MDS majors Contemporary Communications, Graphic Scanning and Microband also are applicants.

**FCC approved license transfer for KNBN-TV** Dallas from National Business Network to Metromedia, granted waiver of one-to-market rule (Metromedia already owns KRLD[AM] Dallas). Hours later, Metromedia canceled proposed \$27-million sale of radio station to CBS. Network has sold WEEI(AM) Boston to make room for KRLD under Commission's 7 AM ownership limit. Commission last week also approved contingent assignment of license of WXIX-TV Newport, Ky. from Metromedia to Malrite to keep Metromedia within 7-station limit. KNBN-TV is failed STV operation; Metromedia said it planned to spend \$15 million to improve station's programming.

**NCTA said survey it conducted of 23 cities** shows most franchises wouldn't be affected by cable bill (HR-4103) moving in House. In none of 23 was local public, educational & govt. access affected. In 2/3 of cities, though, provision deregulating basic service rates where 4 Grade B signals are available would be factor. Survey is being sent to House members to counter lobbying by U.S. Conference of Mayors that bill would impair local regulatory authority.

**Amway Canada Ltd. and U.S. parent Amway Corp.** (also parent of Mutual Bestg.) pleaded guilty in Toronto court of defrauding Canadian govt. of more than \$28 million by avoiding paying duties by undervaluing shipments. Amway is 2nd largest distributor of household products in U.S. after Avon. Similar charges are pending in Canada against 4 Amway executives.

**Group W's Irving, Tex. cable system** has joined Tex. Cable Network, boosting universe of state entertainment combine to 508,000 subscribers. Ad-supported channel offers original fare of state interest, is carried in Austin, San Antonio, Ft. Worth, Houston, Galveston, Irving. Carriage contracts are pending with Rogers in San Angelo & Laredo and with Group W in El Paso.

**Evans Cablevision**, with 9,000 subscribers in Orange & Seminole Counties, Fla., has been sold to Tidel Communications, Portland, Ore. Communications Equity represented seller, declined to disclose financial details.

**TV programming directed specifically to children** has increased 11% in last 4 years, 50% over last 7 years, according to NBC survey of 52 markets.



## Personals

NCTA Pres. Thomas Wheeler and NAB Govt. Relations Vp Carol Randles will be married in private ceremony Dec. 17 in Prescott, Ariz. at conclusion of Western Cable Show in Anaheim; Randles will resign from NAB... Rory Wilcox, public affairs, and Bernadette McGuire, research & planning, promoted to NAB vps... John Kander advanced to vp-on-air promotion, CBS Entertainment... Alan Sternfeld promoted to vp-program planning, NBC Entertainment.

Jonathan Miller elected a vp, Television Digest Inc.; Michael Taliaferro, ex-editor, World Aviation Directory, appointed managing editor, Television & Cable Factbook; Marilou Legge named dir., Factbook Research Inc... Appointments at NCTA: Anne Herron, formerly with Republican National Committee, named dir.-programming & mktg. to coordinate Awards for Cable Excellence; Donald Koran, ex-FTC economist, joins as dir.-research & policy analysis.

Abe Mandell, who resigned as pres. of ITC Entertainment in Aug. after 25 years with company, forms TV consulting firm Mandell Assoc., 575 Madison Ave. N.Y. 10022, 212-605-0174... Gene Corman promoted to vp-production, 20th-Century Fox TV... Michelle Oppenheimer promoted in reorganization of FCC managing dir. office to assoc. managing dir.-personnel management... James Fellows, ex-NAEB pres., named Central Educational Network pres... Patricia Chappell, ex-WTHR Indianapolis, becomes KING-TV Seattle public affairs dir.

Jack Valenti, MPAA pres., will speak on financial interest at Nov. 16 luncheon sponsored by Washington Chapter of AWRT, National Press Club... Group W Cable Chmn. William Bresnan speaks at Nov. 17 meeting of Washington Metropolitan Cable Club, Washington Marriott Hotel... Gordon Hellmann retires Dec. 31 as Warner Bros. TV Distribution vp-ads, promotion & publicity... Eleanor Miller promoted to deputy dir., CPB corporate communications.

Scott Haines promoted to Walt Disney Productions national sales exec... Robert Ottenhoff, ex-WBGO-FM Newark, named acting senior vp for representation, NPR, replacing Clyde Robinson, who becomes special asst. to Pres. Douglas Bennet until end of year... Sara Rutenberg joins MCA TV as asst. gen. counsel... Gordon Hughes, ex-KNXT L.A., appointed broadcasting dir., WCAU-TV Philadelphia... Edmund Larrabee advanced at Switchcraft to vp-mktg. & sales.

Ronald Laufer, ex-John Blair Quantiplex Div., forms Laufer Co., mktg. & media analysis research firm, 5 Pegs Lane, Huntington, N.Y. 11743, 516-421-3833... William Dusek advanced to vp-account mgr., Nielsen Mktg. Research Group... Gen. James Shelton (USA-ret.), named pres., Meadowlands Communications, succeeding Joel Marvil, who continues as chmn.

GTE has donated \$500,000 ten-meter C-band earth station to WGBH-TV Boston.

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Galaxy 1 programmers plan to team with Hughes Communications in antenna distribution program. Programmers — including HBO, Group W, TBS, Viacom, SIN and C-SPAN — and Hughes signed agreement to finance program to "facilitate the reception of this new programming." Hughes spokeswoman wouldn't comment on how many systems would receive dishes or what they'd have to pay: "We're hoping to make it a widespread program, but how wide depends on the financing that's offered by the participants."

LDX Group is name of new telecommunications company formed by Kansas City Southern Industries and Telcom Engineering. LDX will own & operate long distance phone company, commercial TV stations, private microwave systems and international telecommunications consulting firm. Company also has interests in cellular and satellite communications.

"We're forming alliances wherever we can," Turner Bestg. Pres. Ted Turner told Media Institute in Washington last week. He said TBS's programming & news deal with Metromedia is "good for both of us. We get the added exposure in markets where we aren't carried [on cable] and they get some good programming."

Field Enterprises has sold its southern Cal. cable properties to American Cable TV Investors 2 for \$20.5 million, company said. Buyer is Denver-based limited partnership headed by Daniels & Assoc. Systems serve about 18,800 subscribers, pass 44,000 homes mainly in San Bernardino & Riverside Counties.

# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended Oct. 28 (43rd week of 1983):

	OCT. 22-28	1982 WEEK	\$ CHANGE	OCT. 15-21	10 MONTHS 1983	10 MONTHS 1982	\$ CHANGE
TOTAL TV#.....	573,148	541,067	+ 5.9	529,129	15,610,802*	13,753,360	+13.5
COLOR#.....	454,024*	354,067	+28.2	363,895*	11,065,709*	9,156,867	+20.8
MONOCHROME....	119,124	187,000	-36.3	165,234	4,545,093	4,596,493	- 1.1
PROJECTION TV...	4,776	4,990	- 4.3	4,355	109,061*	87,012	+25.3
HOME VCR.....	122,909*	68,107	+80.5	100,051*	3,055,454##	1,470,529	+107.8
COLOR CAMERAS...	12,216**	6,608	+84.9	9,976*	302,678##	229,091	+32.1

Color TV 5-week moving average: 1983--376,120\*\*; 1982--271,502 (up 36.5%).

Home VCR 5-week moving average: 1983--106,105\*\*; 1982--51,973 (up 104.2%).

# Excludes projection TV. \* Record for period. \*\* All-time record.

## Exceeds full-year record.

**ZENITH SEEN CHOICE IN STEREO TV VOTE:** Monumental 1,000-plus-page report on tests by industrywide EIA Multichannel TV Sound (MTS) Subcommittee reveals no clear "winner" among 3 transmission systems under consideration — EIA-J, Telesonics, Zenith — but sounding of industry engineers indicates that Zenith is most likely to get nod when steering committee votes on recommended system Dec. 22.

It's not sure thing, of course, but subcommittee members seem to have same predilection they had last year after first series of tests. At that time, official vote was never taken, because subcommittee decided to go back to drawing board with new tests after Telesonics questioned test procedures, threatened suit. However, informal polls at that time showed Zenith nearly unanimous choice.

One aspect of multichannel tests seems to have resulted in odds-on favorite — companding systems — CBS's CX starring in subjective tests among trained listeners. Other systems tested were dbx & Dolby. Companding, or noise-reduction, is being recommended with any transmission system chosen to preserve distance coverage of stereo signal.

As in previous round of tests, subcommittee ruled that all systems were compatible with monophonic transmission, and said that all provided stereo comparable to FM stereo, had "good audio performance" on separate audio program (SAP) channel, which would be used for such program-related material as 2nd language or descriptions for blind, that all had potential for automatically switching TV sets from mono to stereo and for addition of more channels for auxiliary services.

Many of significant differences among the 3 transmission systems revolved around amount & type of buzz produced in TV sets. Telesonics and Zenith systems are related in that they both use AM stereo subchannel (L-R), while EIA-J uses FM subchannel. FM subchannel proposal was rejected in FM stereo, and subcommittee seems likely to go along with AM subchannel plan as in existing FM stereo service.

Since all systems were close in terms of performance (one engineer remarked to us that receiver design really looms more important than system choice), non-engineering factors inevitably will enter into decision. Both EIA-J and Zenith have said there will be no license fees for broadcast equipment, broadcasting or receivers, while Telesonics said it will issue free licenses to broadcasters and broadcast equipment makers but license set makers at "very



reasonable royalty rates." EIA-J's and Zenith's interests are in selling stereo TV sets, while Telesonics — which doesn't make sets — must make its money on royalties.

On difficult problem of cable TV, report isn't too optimistic. As for cable headends, it says equipment designed for mono transmission "may not be capable of processing" MTS signals, but subcommittee determined "no major problems exist" with respect to "adjacent channel operation or head end equipment capability or upgradeability." Report points to NCTA tests which concluded that "serious compatibility problems exist between MTS transmissions and existing set-top converter products and scrambling-descrambling systems."

One more major report is yet to come. Results of complex combined listening tests of all transmission & companding systems, recently completed in Chicago, will be available Nov. 30 as supplement. Tapes of tests will be available for listening in Washington & Chicago beginning today (Nov. 14).

FCC's timetable in its MTS proceeding provides for comments on its proposed "marketplace" ruling at end of Dec., reply comments end of Jan. (not Nov. 30 & Dec. 30 as we erroneously reported last week). MTS Subcommittee meets Dec. 19-21 for presentations and discussions of tests, votes on recommendation for single transmission system and single companding system Dec. 22.

Introduction to 2-volume test report emphasizes that "no value judgments are made" and that it contains "complete technical record... to permit the reader to weigh the performance tradeoff between the various combination of transmission & companding systems." Vol. 1-A (summary results) is available from NAB, 1771 N St. NW, Washington 20036; Vol. 2-A (detailed analyses, test procedures, etc.) from EIA, 2001 Eye St. NW, Washington 20006.

**MORE SALES RECORDS TOPPLED IN OCT.:** By now it's familiar story — but certainly not boring one: Last month was best Oct. in history in color TV, VCR, color cameras, with all sorts of juicy new firsts.

In both color & VCR, Oct. was best 4-week month, and 2nd best month ever (after 5-week Sept.). In both products, month's final week was 2nd best in history — after final week in Sept. In color, that was 2nd week ever to register over 400,000 sets sold to dealers. In VCR, it was 5th time sales pushed over 100,000 for single week, and marked first time there were 2 back-to-back 100,000-plus weeks. Want more?

Color TV: Oct. sales of 1.4 million sets work out to annual rate of nearly 15.3 million, highest ever. For year's first 10 months, color sets sold at rate of well over 13.7 million. The 30.5% increase over Oct. 1982 (which was previous best Oct.) was highest year-to-year percentage increase for any month since May 1978. Color sales for year have reasonable chance of hitting 14 million.

VCR: Cumulative sales for first 10 month passed 3 million. Seasonally adjusted, Oct. sales were at annual rate of 3.65 million, while Jan.-Oct. sales ran at better than 4.1 million rate. Annual rate, based on sales patterns of 1978-82, continues to decline because VCR sales have always peaked strongly in last 4 months of year, and therefore those 100-plus percentage increases chalked up in spring & summer are difficult to maintain.

VCR sales could end year close to 4 million — let's say around 3.8 million — but they're unlikely to reach magic number which is double last year's sales, RCA's 4.3 million forecast notwithstanding (TVD Sept 26 p11). To hit 4 million, sales will have to average almost 105,000 for each of the 9 remaining weeks in year. Possible, but not probable.

Color camera sales broke out into new territory in last week of Oct., year-to-date sales exceeding those of any full year to date. Ten-month sales totaled 302,678, vs. 295,947 record for all of 1982. Camera sales in last Oct. week were best for any week recorded to date. Projection TV wound up Oct. with its 2nd best week in history, the best having been exactly year ago. Oct. was also projection's 2nd best month in history (after Sept. 1981). On next page are EIA's figures on sales to dealers for Oct.

Product	Oct. 1983	Oct. 1982	% change	Oct. 1981
Total TV.....	1,933,137	1,604,612	+20.5	1,533,175
color.....	1,402,951*	1,075,241	+30.5	1,070,378
monochrome..	530,186	529,371	+ 0.1	462,797
Projection TV..	16,732	14,384	+16.3	17,548*
Home VCR.....	398,483*	207,750	+91.8	142,738
Color cameras..	39,778*	23,451	+69.6	15,818

\*Record for any Oct. \*\*Record for any month.

Annual records should be falling like autumn leaves in Nov., and before snow flies 1983 sales of all major products except monochrome TV could exceed their records for any full year. As noted above, color cameras broke calendar 1982 record in Oct. VCRs passed full-year record, set in 1982, in 33rd week of 1983. In first or 2nd week of Nov., cumulative 1983 color TV sales should exceed last year's 12-month record of 11,366,334.

Third or 4th week of Nov. will see projection TV pass full-year record of 121,650 units set in 1981; projection should beat 1982's full-year non-record figure of 117,253 in 2nd or 3rd Nov. week. Monochrome sales have been gyrating, generally trailing 1982, when 5,735,624 units were sold, could end up within 1% of that figure in either direction. They have run ahead of 1982 on cumulative year-to-date basis only 4 weeks out of 42 so far this year. EIA figures indicate monochrome TV sales record was set in 1972, when 8,145,374 sets were sold to dealers.

**COLOR IMPORT RECORDS IN SEPT., 3RD QTR.:** Continuing surge in shipments from Korea, Singapore & Taiwan pushed imports of complete color TVs to new all-time monthly high in Sept., made July-Sept. first quarter ever with color imports of more than million, according to Commerce figures, which also show strong, but less spectacular, monthly increases for video equipment imports.

VCRs turned in yet another strong import performance in Sept., rising 64.4% to 287,500, though total was lowest since last April, and well under record 504,700 of Aug. However month-to-month decline may be attributable to statistical problem, and could well be followed by new record in Oct. While 3rd quarter import total was up 121.2% to 1.28 million, Japanese VCR exports to U.S. in June-Aug. (most comparable period after allowance for shipping time) totaled 1.52 million, indicating some 240,000 more should have arrived here in July-Sept. In first 9 months, VCR imports were up 69.5% to 2.98 million.

Also in video area, total TV camera imports rose 24.4% in Sept. to 56,900, as color increased 22.6% to 48,100, b&w jumped 35.1% to 8,800. For full period, total camera imports of 313,500 were off 15.2%, with color down 16.1% to 252,500, b&w off 11.1% to 61,000. Consumer-type color cameras (priced at less than \$2,000) included in total were 47,500 for month, 244,800 for 9 months. Imports of videodisc players leaped 614% in Sept. to 7,800, for 9 month total of 46,700, up 18.5%, while projection TVs had increases of 19.2% to 3,900 and 25% to 31,100 for respective periods.

Overall imports of complete & incomplete TVs climbed 30.9% in Sept. to new all-time monthly high of 1.28 million, erasing record of 1.1 million set in Oct. 1978, while previous total color record of 528,200, set in Oct. 1981, was topped by Sept. rise of 59.9% to 767,900. Even b&w got in act, edging up 2.9% to 512,200 to hit monthly high for year. For quarter, total imports were up 16.8% to 3.19 million, with color up 46.1% to 1.76 million, b&w down 6.3% to 1.43 million. In 9 months, overall TV imports were up 11.8% to 8.35 million, as color rose 42.5% to 4.65 million, offsetting 11.8% drop in b&w to 3.71 million.

In color, imports of complete TVs jumped 124.1% to 502,100, bowling over high of 359,200 hit last July, putting quarter up 93.4% to 1.09 million, 9 months up 72.3% to 2.7 million. Previous quarterly record, 933,000, had stood since 3rd quarter 1976. Imports of color chassis & kits were up just 3.8% in month to 265,900, closed quarter up 4.3% to 664,300 and full period up 14.9% to 1.95 million. For b&w, imports of complete sets were up 2.7% in month to 511,300, but were off 6.3% to 1.43 million for quarter and down 12.1% to 3.69 million for 9 months.



we've mentioned before, in its traditional report on imports for consumption Commerce now includes as imports from Japan color sets assembled in U.S. foreign trade zone plants of Toshiba and Sanyo, resulting in substantially overstated figure. To counter that and present more accurate picture of true foreign imports, we've switched to Commerce's general import totals for complete color. Commerce adopted new policy in July, and so did we. Comparison of Commerce's general and consumption figures for first half complete color imports shows difference of less than 1 %, making revision of our first half figures unnecessary. In publications from EIA and others, you'll be seeing 3rd quarter color set import figures some 30 % higher than ours. Reason is that they'll be reporting consumption numbers.

Nine-month gain in complete color set imports was all represented by 13" and big-screen models, while tinyvision, particularly mini-combos, bore brunt of falloff in b&w. Here's breakdown on how imports performed by screen size for first 9 months and how mix has shifted:

	Total	% change	% Share of 1983	Import Mix 1982
Color				
Combinations.....	27,300	-16.0	1.0	2.1
10"-&-under.....	287,500	- 0.2	10.7	18.4
11-12".....	174,600	+ 2.9	6.5	10.8
13".....	1,118,000	+151.8	41.4	28.3
14-15".....	82,500	-31.2	3.1	7.7
16-17".....	6,300	-41.5	0.2	0.7
18-19".....	827,000	+114.0	30.6	24.7
20"-&-over.....	175,400	+52.3	6.5	7.4
Monochrome				
6"-&-under.....	278,100	-20.8	7.5	8.4
6"-&-under, comb.	382,600	-33.4	10.4	13.7
7-8".....	16,800	-45.7	0.5	0.7
7"-&-over comb...	27,000	+46.3	0.7	0.4
9-10".....	137,100	-26.8	3.7	4.4
11-12".....	2,683,400	- 7.5	72.6	69.0
13-17".....	27,200	-18.6	0.7	0.8
18"-&-over.....	141,700	+34.5	3.8	2.5

**VIDEO BOOM TOUCHES DISC PLAYERS:** Video typhoon may finally be putting wind into sails of becalmed videodisc players, with all 3 major sellers reporting sudden & unexpected upsurge this fall. Pioneer and Magnavox Laservision players are sold out for year and on allocation, while RCA says CED player sales in last 2 months were 6 times those of 1982 period.

RCA is experiencing "a pulse at retail we've never had before," said Videodiscs Vp-Gen. Mgr. Arnold Valencia, who thinks momentum will last through first quarter 1984. Summer doldrums have passed for discs as well, he added. Credit for upsurge goes to latest promotions, particularly 12-month interest-free payment plan, and willingness of dealers to accept smaller margins on bottom-of-line players to sell them at \$199. Stereo units have had less impact, small supply of interactive models almost none at all. Valencia said improvements aren't spread evenly, with RCA "still fighting the battle" against bargain VCRs in N.Y. & L.A., though CED sales in former are running 4 times 1982 level.

In Laservision camp, Pioneer says business has been exceptional in last 2 months, players are backordered and it won't be able to catch up until next year. In tough N.Y. market, Retailer N.Y. Video sold 20 Pioneer players in 5 hours at local Electronic Fun Expo. At North American Philips' Magnavox, Mktg. Vp James McProud told us: "The first week in Oct. we looked up and we were sold out — suddenly demand outpaced supply." He said company is now taking reservations for Feb. delivery. McProud thinks increased software availability has made system

more attractive to consumers, helping precipitate good sales. At NAP's Sylvania, players are "nearly sold out," company said.

At least part of Laservision sellout is understood to be result of purchases of off-the-shelf consumer models by arcade game manufacturers, who have been unable to get sufficient deliveries of backordered industrial models.

On software side, there are skeptics. "We see nothing to support RCA's claims," commented CBS/Fox Video Vp Leonard White. Group Pres. Walter Yetnikoff of CBS Records, which replicates CBS/Fox and other CED discs at Carrollton, Ga., told N.Y. security analysts last week that "what happens is more up to RCA than CBS," said RCA's disc price increase (TVD April 25 p18) damaged sales, noted that prices finally are beginning to drift downwards. CBS now produces 70% of rated capacity of 3.8 million discs, about same level of activity as RCA in Indianapolis, according to Group Senior Vp Seymour Gastenberg. RCA can turn out 10 million, or estimated 1983 total from both sources. Carrollton, meanwhile, remains unprofitable and "very much an R&D project" for next 3-4 years.

It's too early to tell whether pickup is real or permanent, but disc player marketers are planning embellishments of their products next year. Both Pioneer and NAP next spring will introduce compact Pioneer-made slot-loading player with semiconductor laser pickup which has already made Japan debut (TVD Oct 17 p13), and there are reports that Pioneer Video will announce 8" disc retailing for under \$20 at Jan. CES in Las Vegas. Meanwhile, VHD may be making long-awaited debut in U.K., Thorn EMI aiming it at industrial market.

**HOME DBS MARKET OPENS:** RCA Service Co. will participate as installer & servicer in first direct broadcast satellite (DBS) venture, which starts experimental operation Nov. 15 in Indianapolis. United Satellite Communications Inc.'s (USCI) pay-TV venture will use Canada's Anik satellite.

RCA Service has nationwide contract to install & service General Instrument equipment through its 168 branches. Monthly fee includes lease of dish, amplifier & converter. Sales will be handled by "telemarketing and direct mail," according to USCI.

Another proposed entry into DBS — Rupert Murdoch's Skyband — has been scratched until high-powered birds are launched in 1985. For details on DBS activities, see report in Broadcast section of this issue.

\* \* \* \*

**Backyard receiver market for dishes aimed at existing network-cable TV satellites will at least double, possibly triple, in 1984, according to Channel Master Mktg. Vp Donald Berg.** Sales, primarily to consumers outside areas served by CATV, will top 200,000 units at \$600 million retail this year, he estimates, double or triple 1982 volume. Outlook is for 1984 sales of at least 400,000, making home receivers billion dollar business. Figure, Berg says, is conservative against other industry estimates running up to 600,000. As for competition from new DBS services, Berg says he feels consumers will find spending \$2,000-\$3,000 for system that will pick up as many as 80 channels is better deal than paying \$30-\$40 monthly to receive 5 channels.

Canon plans to start own production of color TV cameras late this year or in early 1983. Company now buys both cameras & VCRs from Matsushita, says it plans to continue camera sourcing arrangement for some of its requirements. Industry estimates Canon will start with monthly production in 2,500 range, which will meet only half of its sales requirements.

Commodore joins ranks of computer marketers hit by shareholder suits. Action filed in Philadelphia federal court last week seeks unspecified damages for those who bought stock July 1-Oct. 28. It charges officers failed to disclose critical information and as result share prices were artificially inflated. Suit alleges company didn't disclose quality problems with model 64 computer (Commodore says there's no difficulty), didn't say it was short of disc drives and overstated financial position by using improper accounting methods for inventories, returns & expenses. Commodore says it will challenge suit, refuse any settlement offer. Atari parent Warner, Coleco and Osborne all have similar suits pending against them.

**RCA and National Semiconductor believe current IC market revival is permanent, are expanding accordingly.** RCA plans to increase employment at CMOS plant in Palm Beach Gardens, Fla. from 400 to 600 next year, has increased both production volume & capabilities. NS announced resumption of deferred \$100 million silicon wafer plant in Arlington, Tex., plan for new 125,000 sq. ft. R&D center for development of advanced IC technology in Santa Clara, Cal. NS said it expects its sales to grow at a rate faster than 18% predicted for industry this year by Semiconductor Industry Assn., expects market strength to continue for some time.

**TI won settlement in infringement action against Compaq, personal computer firm founded last year by group of former employees, may start pushing similar suits against other manufacturers.** Compaq agreed to acquire licenses for 3 patents TI says are basic, and which it feels are being infringed by others. Two cover addressing systems that reduce processing time in delivering orders to peripherals, other is for combination keyboard, MPU & display. TI says it already has licensees in U.S. & Japan and has patents pending elsewhere.



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## 1982 CONSUMER ELECTRONICS VIDEO DATA BOOK

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Updated edition of market statistics and projections covering color and monochrome TV, VCRs, videocassettes, videodiscs and players, and audio equipment. Covers the period July 1982 through July 1983. Television Digest subscribers pay \$95.00, non-subscribers pay \$125.00. Please add an additional \$10.00 for foreign orders.

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**ATARI & COLECO HIKES:** Distinctly different reactions to upheaval & competition in videogame & computer industry were evidenced in moves by trio of majors last week as Atari & Coleco announced major hardware price increases to be effective Jan. 1, while 20th Century Fox said it was pulling out of software market.

Saying it felt hikes would help restore some stability to industry, Atari raised wholesale prices 17-29% on computers & videogames. List on computer models 600XL & 800XL will be going up about \$40 each to \$180 & \$280. Computer disc drive & printer will also rise even though, like 800XL, they haven't yet hit dealer shelves. In raising prices, Atari is letting dealers know it won't be sucked into competing against closeout on Texas Instrument's discontinued 99/A computer. Also, fact that IBM's new computer won't arrive this year may have provided some breathing room. It's not first time Atari has taken market leadership role. Earlier this year, it destroyed stockpile of games & cartridges in preference to causing further market depression by selling them off.

Coleco was quick to follow Atari's lead, said dealer cost of Adam add-on system for Colecovision game was being increased 17% to \$450, while stand-alone Adam was going up 24% to \$650. That will mean rise in retail street price of expansion system from \$450 to about \$525, while Adam goes to \$700 from long-promised \$600.

Fox last week confirmed it had folded Fox Video Games as free-standing operation, eliminating about 40 jobs. While Fox declined specifics, it's expected to maintain presence in field at least until it unloads current game inventory. Fox official told us no word on future has yet gone out to distributors & dealers, indicated details on shutdown won't be available until late this week.

Like TI's recent dropping of home computer, FVG closing apparently was result of sudden top-level decision that reward for success wasn't worth cost, particularly when massive capital investments are needed for other and potentially more profitable ventures. Just 2 weeks ago, FVG Pres. Frank O'Connell told us company had retargeted, would put product development emphasis on educational computer programs for children, rely less on conventional amusement videogame cartridges.

FVG is one of many companies that entered home games at Summer CES last June, just as market was about to peak & overcrowd simultaneously, and have since dropped out. Now-defunct software independents bowing then included Apollo, Data Age and Quaker Oats subsidiary U.S. Games. Astrocade unveiled computer keyboard for its console, then folded; Mattel showed (then withdrew) keyboard for Intellivision, Emerson introduced Arcadia game console, discontinued it following spring.

TI, meanwhile, continues process of winding down its home computer business. Official \$150 list on console (before now-ended \$50 rebate) has been trimmed to \$75, meaning \$50 will be standard street price. Program cartridge lists, cut \$5-\$30 last Sept. WBH

to establish standards of \$25 & \$40, have been slashed again. Now they're \$11 & \$30, and company will continue offer of free speech synthesizer with purchase of 6 cartridges. TI indicated Abilene, Tex. plant, where some 1,500 work making computer cartridges and calculators, will be converted to military electronics. Calculator production will be moved to computer console plant at Lubbock, which now faces additional layoffs. Plant had 2,500, but 1,000 were dismissed week decision to drop computer was made. TI has said it will end production of computer this month as it uses up parts stockpile.

High-end home computer business, however, still has attraction for newcomers. Apple last week for first time officially confirmed existence of lower-priced Macintosh model, said it will be introduced in first half next year, with 32-bit processor. That will make McIntosh somewhat faster than 16-bit PCjr recently announced by IBM. Expectation is that new Apple will be somewhat higher priced than \$669 PCjr leader but have more features.

**PRIMEFAX GOING NATIONAL:** Having wrapped up about 9 months of apparently successful testing, Primefax is going national with computerized TV & VCR repair service that feeds tips & instructions via phone line to subscribing servicemen.

Primefax, operating from San Antonio, has appointed Memphis-based TV Appliance Warranty as non-exclusive sales agent. TAW underwrites multi-year service contracts sold by affiliated service centers, provides variety of consultant services. It will be offering Primefax to some 2,000 affiliated dealers in 36 states, as well as to independents in its market areas.

Primefax claims it has trouble-shooting, failure history and repair data on 85% of all TVs, VCRs & videodisc players in use in U.S. System has been under test in 18 RCA Service locations in Cleveland, is being installed in 9 locations by GE, and in 63 centers by Montgomery Ward. NARDA has tested system, endorsed its use by members, but isn't actually offering it.

TAW National Sales Mgr. Ben Neal said contract it's offering servicemen calls for \$5 weekly access fee, charge of \$3-\$4.50 per call, depending on usage. TAW also leases terminals. Data, fed through Compuserve, includes private label information. In many instances, Neal said, it provides cross references to equivalent own-brand models of manufacturers, which in some cases simplifies parts procurement. For example, Neal said, all Montgomery Ward sets are referenced to show comparable chassis of actual manufacturers.

Caption Club recently launched by National Captioning Institute has attracted more than 600 members, generated some \$15,000 in contributions & dues. Funds from members, mainly individuals & families, will be used to defray cost of captioning TV programs as service to hearing-impaired. NCI said it's seeking to set up matching grant program with foundations & corporations.



**GOVT. BACKS FMA:** Reagan Administration came down hard in favor of Fair Marketing Amendment (FMA) which would modify first-sale doctrine to give copyright owners control over rental of recorded programming, giving MPAA strong tactical lead in lobbying battle.

Movie studios exhibited kind of lobbying power for which they're famous, with barrage of letters from govt. agencies in favor of FMA, all bearing stamp of approval from Office of Management & Budget, indicating just where Administration stands. Message from Justice, Commerce and National Endowment for the Arts to Senate & House Copyright Subcommittees was basically same: Enactment of revision would enhance creativity, guarantee fair return on program investment, allow free market competition.

Anti-revisionists had plenty of warning that Administration would support change (TVD Aug 22 p10), nevertheless were caught off guard. "We're not going to sit and give up" on fight, source at Home Recording Rights Coalition vowed, claiming group is still fighting successful holding action.

Legislative process will continue well into next year. House Subcommittee aide said it's "highly problematic" that 2nd day of testimony from govt. and other witnesses would be held before recess. Senate side is considered more open to agency persuasion, and aide to FMA sponsor Sen. Mathias (R-Md.) said he was pleased with support, but gave no indication of timetable for markup.

Final version of bill will show changes. Justice Dept. already has suggested major revision to apply measure only to audio & video copyrights created after date legislation becomes law. Studios might have trouble buying proposal unless they can find way to exempt titles still in inventory and reintroduced as new releases. If all else fails, it's safe bet HRRC will become strong supporter of Justice's grandfather clause. HRRC might also fight for something akin to compulsory license, requiring studios to make all titles available as part of any rental plan.

Strong statement about ill effects of uncontrolled rentals, contained in statement from Commerce Dept., is said to reflect President Reagan's position closely, makes it unlikely that HRRC can turn Administration tide. HRRC will try at Jan. CES in Las Vegas, asking retailers to protest directly to White House, not Congress.

**India sees need to revamp policies for growth in electronics to establish stronger central control and cut down on regional development authority.** Govt. plans to set up several computer and electronic design technology centers, wants manufacturers to form national association. Group would aid govt. in forming new domestic and export development programs, be basis for industry-funded R&D co-ops. Govt. says about \$2 billion in investment is needed to reach target of turning India's electronics production into \$10 billion business by 1990, against \$1.2 billion last year. Consumer electronics production goal is \$3 billion, up from \$330 million.

**SONY TAPE PUSH:** Duplicator and VHS markets loom large for Sony Tape Sales, which officially took over responsibility from company's Video Communications operation Nov. 1. "We're going to give duplication much more emphasis," STS Sales & Mktg. Vp John Bermingham told us.

He estimates Sony has 25% of Beta share, itself about 30% of tape demand, thinks number can be doubled within year just on basis of greater sales effort, is also shooting for 25-30% of dominant VHS format in same period, even though Sony just entered VHS production this year. Bermingham calls recent stability short-lived, with price war "heating up drastically," 2-hour T120 & L750 duplicator cassettes now close to \$5 level — down \$1 or more in last year. "It's getting very rough out there," he notes. Situation will worsen when Korean product appears in force, probably forcing prices down another \$1, Bermingham believes.

Sony has dismounted from pricing high horse — "we're not asking a dollar more" — and STS will stick it out whatever the effect on margins: "I don't see any reason to abandon the duplicator market... We're prepared to compete with quality manufacturers." He contends Sony manufacturing efficiencies at \$125-million Dothan, Ala. plant leave room for further reductions. Possibilities include more declines in raw material costs and having duplicators load from pancakes. Dothan now produces 2 million Beta & VHS tapes a month.

Sony expects duplicator demand to grow 50-60% in 1984, topping out at 13-15 million recorded cassettes. As for Dothan's brief role as duplicator, "we're out of that business," with slave VCRs on trading block, now that duplicators can handle Beta Hi-Fi. Bermingham considers \$29.95 movie cassette price "absolutely" feasible at current blank cassette prices and \$19.95 possible. High-speed duplication still is on horizon, should be along before late 1985, with Sony technique still in development.

Other points: (1) 1984 VCR market should be as strong as 1983, driving up total blank tape estimates from 40 million to 53-55 million this year and 50 million to at least 65 million next. (2) U.S. is absorbing all of Dothan output, now "exporting zero... we've just about filled their capacity." (3) Sony has 50% share of Beta consumer tape sales, hopes to push VHS from 8-10% to 20-22%, but at \$8 a tape, not \$15 first quoted when line was announced.

**Mandatory quality control inspection on export telephone handsets valued at \$5 or less has been imposed by Taiwan's Industrial Development Bureau.** Move was taken, IDB says, because intense price competition has resulted in noticeable quality reduction. IDB said that through first 9 months this year phone exports jumped 113% to 18 million.

**Big video distributors continue expansion:** Sound Video Unlimited will be opening in Boston & San Francisco, said it's also considering Phoenix; Metrovideo reportedly plans to enter Minneapolis and VTR Movie is considering Long Island.



## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>Electrohome<sup>a</sup></b>			
1983-39 wk. to Sept. 30	104,884,000	(3,392,000)	--
1982-40 wk. to Oct. 1	128,107,000	100,000	.02b
1983-13 wk. to Sept. 30	35,314,000	(1,589,000)	--
1982-13 wk. to Oct. 1	33,168,000	(1,070,000)	--b
<b>ITT</b>			
1983-9 mo. to Sept. 30	10,524,740,000	391,437,000	2.61c
1982-9 mo. to Sept. 30	11,813,467,000	430,813,000	2.91c
1983-qtr. to Sept. 30	3,403,447,000	105,561,000	.70
1982-qtr. to Sept. 30	3,703,605,000	118,475,000	.80
<b>M/A-Com</b>			
1983-year to Oct. 1	637,279,000	29,664,000	.72
1982-year to Oct. 2	587,646,000	33,933,000	.80c
1983-13 wk. to Oct. 1	174,163,000	8,910,000	.21
1982-13 wk. to Oct. 2	160,221,000	12,024,000	.31c
<b>MCA</b>			
1983-9 mo. to Sept. 30	1,189,115,000	122,270,000	2.54
1982-9 mo. to Sept. 30	1,147,425,000	136,850,000	2.87d
1983-qtr. to Sept. 30	406,801,000	46,097,000	.95
1982-qtr. to Sept. 30	469,343,000	73,968,000	1.55d
<b>MGH/UA Entertainment</b>			
1983-year to Aug. 31	723,043,000	41,783,000	.83c
1982-year to Aug. 31	806,251,000	27,500,000	.55
1983-qtr. to Aug. 31	217,565,000	10,952,000	.21c
1982-qtr. to Aug. 31	252,715,000	27,094,000	.54
<b>United Artists Communications</b>			
1983-year to Aug. 31	337,245,000	17,744,000	1.66
1982-year to Aug. 31	299,560,000	11,428,000	1.06d
1983-qtr. to Aug. 31	112,074,000	9,073,000	.86
1982-qtr. to Aug. 31	105,289,000	7,594,000	.70d

Notes: <sup>a</sup>In Canadian dollars. <sup>b</sup>Restated. <sup>c</sup>Includes special credit. <sup>d</sup>Adjusted.

## Consumer Electronics Personals

Art Westburg resigns as Sanyo senior mktg. vp Nov. 30 to pursue other interests in the industry, no successor announced... Alan Wallace advanced at Hitachi from video sales vp to senior vp for video & audio sales in restructuring; Bruce Schoenegge video product management vp, adds audio; Tee Yokura named video & audio product mgr.; Irv Fulton, east region gen. mgr., promoted to east zone vp; Eric Kamayatsu named rep & military sales mgr.; Jim Maynard, former audio sales vp, has left company.

Edward Scanlon advanced at RCA from employment practices & compensation staff vp to corporate industrial relations vp, effective Jan. 1, succeeding Exec. Vp George Fuchs, retiring... James Kimsey, financial consultant, joins Control Video, marketer of Gameline phone-fed videogame service, as pres.-COO, succeeding William von Meister, who continues as chmn.-CEO.

Don Richards promoted at Commodore International from asst. to pres. Jack Tramiel to acting pres. of Commodore Business Machines; Sol Davidson named gen. mgr. of newly formed U.S. sales corporation responsible for sales to distributors & dealers... Thomas Restaino promoted at Activision from computer software mkt. development dir. to mktg. vp, succeeding Frank Mainero, resigned; James Scoroposki, formerly with N.Y. rep firm Jaymar, joins as sales vp, succeeding Robert Faught, recently named Activision International vp.

Robert Kline reassigned at 3M from Electronic & Information Technologies Sector international business planning mgr. to business planning mgr. for Magnetic Audio/Video Products Div... Jack Koch named Verbatim corporate mktg. dir., succeeding Rod Crisp, now microdisc products dir... John Daly, ex-AT&T Consumer Products, joins Conrac as pres. of subsidiary Code-A-Phone.

Don Coleman promoted at Clarion from acting senior vp to pres., succeeding Ichizo Ishitsubo, now chmn.; Exec. Vp Tadashi Kitajima named eastern operations gen. mgr.; Murray Merson named Retail Div. senior vp... David Robin advanced at Jensen Car Audio from senior product mgr. to product management dir.; Russ Trennert promoted from mgr. to dir., mktg. services... David Black advanced at Alpine Electronics from Luxman hi-fi national sales mgr. to corporate mktg. vp... Wallace Reid, ex-Clinton E. Frank Adv., joins Dynascan as Cobra Products Div. mktg. services dir.

Arthur Jarros advanced at Motorola Semiconductor to international mktg. & administration dir... Paul Gupta, ex-Raytheon, joins Intersil as operations vp... Marc Lassus, former gen. mgr. of French semiconductor venture Matra-Harris, resigns to join Thomson-CSF as MOS IC Div. mgr.

Ad notes: Atari appoints Doyle Dane Bernbach for videogames, Wells, Rich, Greene for computer software, replacing Needham, Harper & Steers... Commodore names Grandfield Rork Collins for \$5 million international campaign

U.S. & Japanese computer software markets are becoming more intertwined, and that should help clear way for Japanese hardware makers planning to introduce Japan standard MSX computers here next year. Time Inc. and Seibu Group have formed joint venture to develop, produce & acquire computers & video software, as well as other consumer products, for Japanese market. Avalon Hill, marketer of thinking type computer programs & board games, has entered into software development & cross-distribution agreement in Kiya Overseas Industry. AH will get U.S. & European rights to software, Kiya will sell in Far East

Matsushita has launched pocket pager production at plant in Puerto Rico. Company says it's assembling at 1,000 monthly rate, will boost that to 4,000 monthly next summer. Earlier this year, International Trade Administration ruled Japanese were dumping pagers in U.S. (TVD June 20 p20). Pagers assembled in Puerto Rico won't be covered by that finding. NEC, other major Japanese supplier of pagers to U.S., has since set up plant in Cal.

Zenith Instant Rebate promotion, featuring \$50 reductions on 16 consoles, \$25 on all 19" System 3 sets, runs through Nov. 27, is advertised in 8-page newspaper supplements.



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NOVEMBER 21, 1983

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast - Cable

**FCC RETREAT ON PROGRAM RIGHTS:** Fowler tells Senate that Commission will put deregulation on hold while networks negotiate with producers. Hollywood's offer still on table. (P. 1)

**BIPARTISAN SUPPORT OF CABLE BILL** by House panel. Cable wins deregulation, access to apartment dwellers, accepts EEO guidelines. (P. 2)

**TV AD SALES TO RISE 16%** next year, boosted by political advertising, Olympics, according to TvB projections. Future shock warning. Harte-Hanks' Moll chosen new chmn. (P. 4)

**SENATE EYES U.S.-CANADA DISPUTES:** Effort to referee copyright tangle. Ladd urges ratification of Brussels Satellite Convention. (P. 5)

**DBS — TALKING IT, DOING IT:** Quasi-DBS service seen emerging on Galaxy, from Turner-HBO alliance. USCI beaming to Indianapolis. (P. 6)

**CONGRESS APPROVES FCC BUDGET** of \$91.2 million for fiscal 1984, also CPB funding. EEO record criticized. CPB survives knocks from GOP. NPR mismanagement hit. (P. 8)

**ELECTION PROJECTIONS (CONT.):** Reps. Swift & Thomas urge 'voluntary' ban on ballot-result predictions by broadcasters. (P. 8)

**NO GOVT. ACTION ON FINANCIAL INTEREST FOR NOW:** In dramatic announcement, FCC Chmn. Fowler Nov. 16 in letter told Senate Commerce panel Commission will delay action on financial interest & syndication rulemaking until May 10 to give networks & producers more time for negotiations. Action came during Senate Commerce Committee markup of bill (S-1705) to delay proceeding for 5 years by Sen. Wilson (R-Cal.), made moot legislative effort.

Senators agreed to hold off on bill until at least March 15, but made clear they want industry talks completed by Jan. 31. Timetable was accepted by FCC, 3 major legislators involved, networks & producers. But according to MPAA Pres. Jack Valenti, 3rd negotiation session set for Nov. 18 in N.Y. was canceled at last minute at request of networks who wanted more time to study Fowler letter and Senate's response. Meeting isn't expected to be rescheduled for at least 2 weeks because of holiday, Valenti said.

### Consumer Electronics

**VIDEODISC OPERATION** overhaul by RCA will move programming to RCA Records, cut overhead. VHD making industrial debut in U.K. (P. 11)

**MATTEL PLAN TO SELL** interest in IC maker, product liquidations, heralds scale-back in electronics. MB sees loss. Activision layoff. (P. 12)

**U.S. COLOR NEW SUPPLY** at record 3.72 million in 3rd quarter, but steep rise in imports far outpaces increase in domestic production. (P. 13)

**VHS STAMPEDE ON** as Toshiba, Philips, Grundig become VHS licensees and NEC eyes similar move. Zenith seen adding VHS in 1984. (P. 15)

**DIVIDENDS SKIPPED** by cash-shy Wells-Gardner and K-Tel. Recoton rides accessory wave. (P. 15)

**NEW LOW PRICES** for VCR (\$370) and CD player (\$550) set by Sanyo. RCA promos. (P. 16)

**ZENITH STRIKE** at Mexican plant settled, but not before hobbling color output. (P. 16)

**CCTV COMES HOME**, as little GBC succeeds in making TV security a consumer business. (P. 18)

**KOREA-TAIWAN TV DUMPING** case timetable being extended 60 days by ITA. (P. 18)

Cancellation leaves Hollywood offer still on table. Studios have offered to give up demand for cut of ad revenue in network-aired programs in exchange for networks giving up bid for syndication rights (TVD Nov 14 p4). Valenti claimed networks have been largely silent on proposal: "I heard from one network but it's hard to say how they feel. My own feeling is I don't believe they're prepared to agree to that."

There had been rumors that FCC planned delay, but announcement nonetheless stunned crowd crammed into Senate hearing room, also was surprise to lawmakers working on separate money bill that contained language imposing 6-month delay on FCC proceeding. Unlike last bombshell, in which Administration announced support for 2-year moratorium on any change in rules (TVD Nov 7 p1) without first telling Committee Chmn. Packwood (R-Ore.), senators had several hours advance notice. But by time Fowler released letter, legislators working on money bill had already killed language for 6-month delay on assumption that Packwood's panel was about to approve own measure to do same thing. With Commerce Committee bill on hold and 6-month delay gone from separate money bill, Congress has been left without any legislative guarantees that FCC won't act, has no option now but to trust Commission.

FCC delay is less than President wanted; Administration had called for 2-year moratorium on FCC proceeding. We have obtained White House document detailing options President could have taken on issue. President's initials in own handwriting are on 3rd proposal calling for 2-year delay. Document was prepared by Commerce Secy. Baldrige, contains 4 proposals including: (1) "Oppose any legislation and support the FCC-Commerce-Justice-FTC position favoring major changes in the FCC rules." (2) "Support pending legislation and oppose changes in the FCC rules." (3) "Support compromise two year moratorium legislation." (4) "Take no Administration position and permit Justice & Commerce to continue advancing expert agency views."

In announcing FCC delay, Fowler attributed decision to pressure from House & Senate that industry be given time to negotiate own agreement. He wrote that delay "seems both prudent and appropriate," but warned that Commissioners remain convinced issue must be settled, will take matter into own hands if final settlement isn't reached quickly. Bipartisan group of senators on panel issued similarly stern warning in response letter: "[If] we are convinced that one of the parties has negotiated in bad faith... or that a final FCC decision is arbitrary, unreasonable or not in public interest," they will press for moratorium measure after March 15.

Although not party to response letter, Wilson commended 2 decisions, but also warned he wouldn't drop his legislative initiative if there are signs of trouble in industry negotiations. Wilson said he's skeptical of commitment networks have made to talks, that he doesn't believe network representatives have power to cut deal. Author of sister bill in House, Rep. Waxman (D-Cal.) said he would go along with delay but only to give industries time to talk — won't stay quiet if he sees breakdown in negotiations before March. His 6-month delay bill has been passed by House (HR-2250) and he has reintroduced original 5-year moratorium proposal (HR-4260). Waxman said he has won promise of quick action on bill from House Telecom Subcommittee Chmn. Wirth (D-Colo.) if talks degenerate, with more hearings in Feb. if necessary.

Industry spokesmen also approved timetable, said they were serious about negotiations and hopeful for compromise. Valenti told us he was "jubilant," said: "It's what we've sought after 6 months of discussions and after 5 votes in the House and Senate which we won on this issue." Commission decision will "give us some breathing room," he added. Agreed Joel Jankowski of Committee for Prudent Deregulation, which backs MPAA position: "This can only help." NBC spokesperson said: "We think it's time to resolve the issues," and CBS spokesman said: "We've always been serious about private negotiations."

**HOUSE PANEL REPORTS CABLE BILL WITH NEW EEO GUIDELINES:** In unusual display of bipartisan support, Republicans joined Democrats Nov. 16 in passing cable deregulation bill (HR-4103) on voice vote during brief markup. Subcommittee included tough EEO guidelines and number of technical amendments but in main left bill untouched. Measure now goes to parent Energy & Commerce Committee where more contentious markup, probably in early spring, is predicted.



Most significant addition to measure was EEO language, worked out between Reps. Collins (D-Ill.) & Leland (D-Tex.), and NCTA. NCTA approached lawmakers asking for guidelines; result is thought to be first such agreement on EEO standards voluntarily entered into by a trade group with Congress. Proposal would create minimum hiring standards for women & minorities, penalties for violations and new EEO certification system at FCC, would apply to cable, SMATV & private cable systems and their hqs.

Minimum employment levels would be set according to size of cable systems and kinds of jobs. FCC annually would issue certificates of compliance and have authority to cite systems that fail to provide equal employment opportunities to women & minorities, or fail to meet or make best effort to meet minimum employment levels. Cable systems with fewer than 5 fulltime employees would be exempt.

Systems with 5-10 fulltime workers would have to employ women & minorities at ratio of 50% of their availability in local labor force overall. Systems also would have to ensure that numbers of women & minorities in 4 key job categories reflect 50% of availability in labor force: Officials & managers; professionals; technicians; sales workers. Operations with 11 or more employees would have to hire women & minorities at ratio of 60% of their availability in labor force, also at 50% of parity by job category.

What constitutes "available labor force" would be determined by FCC, Leland aide explained. Current FCC guidelines put minimums at 50% of parity for all jobs, 25% for 4 job categories. Violators would be fined \$200 per day per violation, also could lose cable auxiliary relay service licenses. FCC also would have authority to revoke EEO certificate of compliance for systems that willfully or repeatedly violate standards.

Among other changes accepted was amendment by Subcommittee Chmn. Wirth (D-Colo.) slightly altering cable's guaranteed access to apartment dwellers even though they may be receiving SMATV service. Under proposal, cable wouldn't have guaranteed access if SMATV operator offers same programming & services as franchised operator, including public, educational & governmental access. NCTA Exec. Vp James Mooney said change will have no practical impact on cable's guaranteed access to apartments.

Revisiting issue that proved sticking point on Senate side, amendment protecting interests of N.J. municipalities was accepted from Rep. Rinaldo (R-N.J.). Proposal would continue rate regulation in densely wired areas served by Grade B signals of 4 full-power TV signals, including 3 networks. Regulation would continue for areas where operator achieves 70% penetration unless he can demonstrate to FCC, probably through field tests, that 50% of homes actually receive TV signals off-air 90% of time.

Winning easy passage were proposals to: (1) Extend by one month to Oct. 31, 1982, last date for grandfathered request for proposals. Extension should mean at least 2 major cities, Philadelphia & St. Louis, will be able to complete franchising and be grandfathered. (2) Clarify that bill's subscriber privacy provisions don't preclude states from enacting own laws. (3) Clarify that EEO guidelines apply only to workers for SMATV systems who are directly employed in providing services and not all employees of apartment complex or office building. (4) Rep. Tauke (R-Ia.) won language giving cities more discretion in prohibiting programming in conflict with community standards.

Members who opposed bill included Reps. Bryant (D-Tex.), Collins (D-Ill.) & Gore (D-Tenn.), who promised amendments in Committee. Bryant promised his cable bill (HR-4299) as substitute for HR-4103. Leland plans proposal that would phase-in EEO standards over 3 years. But Wirth appeared confident bill will make it to House floor next year, said he expects "expeditious action" on measure by parent panel, was unable to say when bill will be considered. He admitted Committee markup won't be easy, said split in ranks of National League of Cities, which crafted compromise that formed basis of cable bill passed in Senate (S-66), will prove problem. Telco language in cable bill also will be hot issue, Wirth added.

If bill does stall in Congress, NCTA will mount major effort at FCC for near total deregulation of industry, Pres. Thomas Wheeler & Mooney warned in 2 speeches Nov. 17. Although Wheeler was addressing National Conference of Black Lawyers and Mooney was at

Federal Communications Bar Assn. luncheon, their remarks were meant to be heard by National League of Cities, which has all but renounced compromise with NCTA. Given recent FCC decisions restricting state & local authority over interstate communications, 2 said FCC is in mood to preempt state & local authority over cable in all areas except uses of public rights of way, zoning & public health factors.

**TvB PREDICTS 16% INCREASE IN ADVERTISING:** Some \$2.5 billion in new revenue will flow into TV industry next year, largest single-year advertising gain in TV history, according to TV Bureau of Advertising projections released at annual meeting in Las Vegas last week. Projected 16% increase in local ad sales, which would raise TV's share of total advertising to 22.6%, will in large part come from Olympics and national elections in which candidates are expected to spend \$180 million for air time, TvB said.

Attendance at TvB's 29th annual meeting set record, with 755 registered for upbeat 3-day session (there were 701 last year); total attendance, including guests, was put at 925. During business session, members elected William Moll, Harte-Hanks Bestg. & Entertainment pres., as chmn., succeeding Outlook Bestg. Pres. David Henderson. Stephen Seymour, pres. of Abell Communications, Baltimore, was elected secy., filling Moll's seat, which is proving to be road to chairmanship. Blair TV Pres. Walter Schwartz was reelected vp for National Sales Advisory Committee (NSAC); reelected treas. was John Walters, pres. of major agency Harrington, Righter, Parsons. Also joining board is Victor Ferrante, Katz TV senior vp, chosen by NSAC; Lawrence Gershman, MGM-TV vp-worldwide syndication, was reelected by TvB producer-syndicator members.

Elected to TvB Board by members were Robert Bennett, senior vp-broadcast at Metromedia; Thomas Bolger, pres. of Forward Communications and ex-NAB joint board chmn.; James Dowdle, pres.-CEO of Tribune Bestg., who is on NAB TV board. They ran unopposed for 4-year terms.

TV stations heard an earful about ominous "future shock" societal & economic changes that will alter advertising strategies, in which traditional accounts will disappear and new advertisers will emerge by end of decade. Washington Post's Joel Garreau, author of "9 Nations of North America," said concept of national advertising is dead because audience is splintered among 9 regions with distinct interests and power centers. Marshall Loeb, Money magazine editor, told TvB members broadcasters should be prepared for fundamental shifts in society: "If you just continue to look at every quarter's bottom line... you are going to be in trouble."

Major new advertisers will be mass merchandisers, who will elbow out department stores as largest local revenue source, and health care industry, which has become 2nd largest U.S. industry, members were told by Richard McDonald, McDonald Davis & Assoc. "Remember that your station's future sales in our changing environment may well come from sources you have never thought of before," McDonald said, mentioning lawyers. "To the successful attorney handling multi-million dollar lawsuits, spending a half million on advertising is no barrier."

"How large a gain is 16%?" TvB Pres. Roger Rice asked. "It's the largest... since 1978 when television was half the size it is today." He painted rosy revenue picture even though he said many stations aren't filling monthly ad quotas until "the last couple days of the month," whereas in recent past quotas were met early in month. This scrambling for ads comes despite reports to TvB by stations that 3rd quarter local sales are up 14%, spot is up 12% and network compensation is up 4%.

Most popular panel session was nuts & bolts discussion of political advertising in which most questions were directed at determining lowest unit charge for candidates. Questions arose about Hustler magazine publisher Larry Flynt, who is candidate for President and buy massive amounts of air time for spots featuring explicit sex. Consensus of panel and broadcasters in audience was that no station would sell time to Flynt. Said panelist Moll: "I know we can't censor political ads. But Larry Flynt won't get on my air and I'll be happy to go to court over that one." Panelist Milton Gross, chief of FCC's Fairness-Political Advertising Bureau, agreed that Flynt situation is tricky for broadcasters. While stations can't judge content of political ads, "at the same time, a broadcaster can't allow a use of air time to violate a federal criminal statute," which showing copulation would do, he said.



**SENATE EYES U.S.-CANADA TV DISPUTES:** Effort is afoot in Senate to referee continuing dispute between U.S. & Canadian TV & cable industries over retransmitted signals. Industries took opposite sides again at Nov. 15 Senate Copyright Subcommittee hearing, left little doubt that govt. will have to step in. Best routes to solution seem through Congress or State Dept., most agree. Hearing focused on proposal by Sen. Leahy (D-Vt.), S-736, which would deny Canadian broadcasters payments from Copyright Royalty Tribunal fund until Canadian govt. repeals legislation denying U.S. broadcasters right to payments for signals retransmitted in Canada.

Spokesmen for Canadian Assn. of Bcstrs. & Canadian Bestg. Corp. repeated arguments heard before, said Canadian broadcasters don't presently get money from any fund for signals retransmitted by Canadian cable operators, that Canadian broadcasters ought to get royalties for signals retransmitted in Canada before Americans do.

David Ladd, U.S. Register of Copyrights, said U.S. should ratify 1974 Brussels Satellite Convention treaty, which gives nations broad authority to prosecute companies engaging in signal piracy. U.S. has withheld signature because it believes pact language is vague & ambiguous. Ladd recommended against passage of S-736, argued bill would violate other international treaties U.S. has signed. Ladd wants solution to come from Executive Branch.

U.S. broadcasters & program producers told panel that Canadian retransmissions already pose serious threat, cited case of Canadian Satellite Communications (Cancom). In Sept., Canadian Radio-TV & Telecommunications Commission allowed Cancom to begin delivering scrambled signals of CBS & NBC affiliates plus PBS station, all in Detroit. It's slated to add signal of Seattle ABC affiliate shortly. Harry Olsson, attorney for CBS, said service is being provided to 55 rural communities and charges subscribers additional 70¢ per month over basic cable fee. No royalties are paid for programming.

**Update:** Caribbean Basin Economic Recovery Act recently passed by Congress contains language that would require Caribbean nations which receive economic aid from U.S. to halt unauthorized interception & retransmission of broadcast signals from U.S. There also is language amending Foreign Assistance Act which, if enacted, would put limits on foreign aid to countries that broadcast U.S. motion pictures on state-run TV without consent of copyright owner.

Nellie Babbs, owner of WTTL(FM) Dodge City, Kan. was sentenced to 30 days in jail last week in Ford County, Kan. for failing to answer county court summons over non-payment of \$19,800 owed to Dallas production company. Separate charge of failing to pay property taxes in Gray County, where transmitter is located, also was pending. Station's license is under fire for attacks on Jews, blacks, other minorities.

At request of Daytime Bcstrs. Assn., NAB has formed ad hoc committee looking toward merger of DBA into NAB.

League of Women Voters sued FCC last week asking U.S. Appeals Court, D.C. to overturn ruling allowing broadcasters to arrange & sponsor political debates. Pres. Dorothy Ridings said FCC action expanding Aspen rule is inconsistent with equal opportunities provision of Communications Act and "departs so radically from long-standing FCC interpretations that it begs for scrutiny by the Court." She said that "putting debates in the hands of the broadcasters allows profit-making corporations to make as well as cover the news." Expedited action on petition for review was requested because League already has begun planning for 1984 Presidential debates, Ridings said. Said NAB: "We're confident the Court will uphold the FCC action. There's no rational way to say that the 1960 Presidential debate [arranged by networks] was a newsworthy event and the 1976 and 1980 ones sponsored by the League were not."

"We advocate the removal of the detailed ascertainment, commercial time and programming requirements [on TV]," NTIA said in FCC comments submitted as part of inquiry to deregulate TV. NTIA said FCC would continue to take "positive steps away from imposing regulatory burdens and toward the real issue of community service" by: (1) Not requiring formal ascertainment but permitting stations that do ascertain community needs to use information during license renewal process. (2) Eliminating requirement on commercial time because market forces will prevent selling of excess advertising. (3) Eliminate guidelines on non-entertainment and informational programming, but retain non-quantitative obligation for local programming. (4) Require documentation of local programming. (5) Monitor impact of deregulation by periodic review. NTIA said TV should be deregulated mostly along same lines as radio.

**First Choice**, Canada's national pay-TV service, has been saved from bankruptcy by \$12 million (Canadian) infusion by Bronfman & Greenberg families. Nine-month-old First Choice has garnered 325,000 subscribers, needs 700,000 to break even. Canadian Radio-TV & Telecommunications Commission last week approved issuance of \$12 million (Canadian) worth of convertible debentures to be owned by families, which would allow them to acquire controlling interest in First Choice.

Boston stations WBZ-TV & WNEV-TV must surrender outtakes of coverage of KKK rally last year to 2 citizens injured during rally who are suing city police. Stations had lost bid to withhold outtakes in lower courts, appealed to U.S. Supreme Court last week, Justice Brennan turned down stations' emergency request.

ABC has sold all network time in 1984 winter Olympics in Sarajevo, Yugoslavia, according to TV Network Pres. James Duffy. About \$25 million is unsold in Summer Olympics from L.A.

ABC's "The Day After" should be shown in Soviet Union, in opinion of Reps. Glickman (D-Kan.) & Levitas (D-Ga.), who last week introduced House resolution urging this.



**INAUGURATION OF DBS** by United Satellite Communications Inc. came in same week WTBS Atlanta and HBO confirmed long-rumored plan to use Galaxy 1 transponders for quasi-DBS service, targeted at uncabled areas, possibly for launch by summer next year. At same time, there were strong hints that Time Inc. would kill its teletext venture, indicating that internal competition between satellite video and teletext groups in Time Video Group for use of heretofore uncommitted Galaxy transponders had concluded with DBS winning out.

"This [Turner] thing is not a go, by any means," HBO official said. "There's not a deal — there are conversations going on." Turner and Time own transponders on Hughes satellite launched this summer. Potential service could combine WTBS, CNN, HBO & Cinemax. It's hard to define because lines between DBS and SMATV are so fuzzy, but, based on what we're told by principals in deal, venture looks to be effort by both programmers to expand their cable universes by offering transmission to smaller dishes, either in SMATV mode or direct to consumer. Official of one company said that "fancy kind of SMATV" planned could draw as many as 5 million subscribers in uncabled areas. Same official claimed to have seen demonstration of Galaxy transmission on 3-1/2-ft. dish which yielded "excellent" picture. That dish size is usually considered to be too small to get good SMATV reception from regular-powered satellite and too large to mount on homeowner's roof.

Venture would help explain why Ted Turner has seemed reluctant to make deals with other DBS system providers who want to carry CNN or WTBS. Source said plans for venture so far aren't excluding either party from making deals with other DBS operators, that this, too, was subject of discussion.

"Cable operators would play a critical role in distributing such a service, if, in fact, such a service gets off the ground," HBO official said. HBO would benefit from going on SMATV-ish service rather than pure DBS by soothing affiliates' ire at use of competitive medium and by perhaps resolving some legal questions. If it can point to new service as extension of cable, rather than entrance into another medium, HBO might be able to validate claims that DBS is included in pay-TV distribution rights it has acquired.

HBO's designs on DBS can be traced to ambitious signal scrambling plans under way although several months behind schedule. M/A-Com Linkabit digital encryption technique to eliminate signal piracy, as noted then, could just as easily be applied to DBS. HBO official told us: "We wouldn't initiate the service until mid-1984 when signal is scrambled nationwide." WTBS is also planning to scramble signal, and will delay any firm DBS plans until that's in effect, Turner official confirmed.

Meanwhile, USCI said it started transmission of 3 channels of movies & sports, 2 channels of UPI news and program listings mixed with music videos, from Anik-C to 33 county area surrounding Indianapolis beginning Nov. 15. On that day, there were no subscribers, according to USCI, which said marketing

effort would now begin in earnest. But fledgling firm faces stiff competition in Indianapolis area according to local newspaper TV columnist.

Richard Shull, Indianapolis News TV writer, said he had many calls from potential USCI customers who did some comparative shopping. He said viewers with 8-ft. C-band dishes supplied by 2 local companies told him their systems were cheaper than USCI's. "The point I'd make is that they [USCI] aren't creating a sensation out in the backwoods. We have some very sophisticated viewers here."

USCI signal isn't addressable or scrambled, won't be until it's moved to stronger GStar satellite in 1984. Test installations in N.Y. and Washington which are in Anik-C footprint also currently receive signal, USCI said; there are currently 200 test households in total of 26 states.

Alberto-Culver filed class action suit to force TV broadcasters to abandon rule which restricts number of products or services which can be advertised in one 30-sec. commercial. A-C said suit was filed in U.S. Dist. Court, D.C., in response to CBS complaint filed in U.S. Dist. Court, N.Y. CBS is seeking declaratory ruling that its advertising practices are lawful, also wants court ruling that A-C actions violate of antitrust laws. A-C filed suit against NAB, CBS, Meredith, Metromedia, Post-Newsweek, Scripps-Howard, Storer & Westinghouse. "Taft Bestg. and Capital Cities Communications are not cited in the suit because they recently dropped their restrictions on the use of 30-sec. commercials," A-C said. Company charged that actions by networks, group owners and independents to "continue to enforce outlawed restrictions" have nullified recent court decisions and consent decrees which eliminate similar restrictions contained in NAB TV Code.

Required capacity of Chicago cable operators has been cut in half — from 120 activated channels to 60 — as result of negotiations between city and 5 franchisees. Other city concessions emerging from negotiations, which should be completed by end of month: (1) Instead of access studio in 5 areas, there probably will be one major studio, satellite studio in each franchise area. (2) Funding of nearly \$20 million by franchisees to begin local commercial cable programming channel has been reduced significantly, indicating channel may be reduced to local origination channel operated by community access organization. (3) Franchisees won't be required to certify they can support construction & operate systems with own assets, will be allowed to take in limited partners.

UPI will expand alphanumeric cable service to include information from 260 world news bureaus in 100 categories, through use of new computer in Denver. Telecrafter is joint partner in new company, UPI Data Cable, formed for service. Client computers can put differing types of data on separate channels, or on split screens, or vary according to daypart. Enhanced service will be offered to 500 current subscribers of UPI alphanumeric services, also to 300 others. Data can also be downloaded onto personal computers, according to UPI Managing Dir. Douglas Ruhe.



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### Today:

AMENDMENT TO STAY CRT DECISION may be added to House appropriations markup today. NAB, MPAA upset, spent Thurs. lobbying against move initiated by Turner. (P. 1)

SENATE WON'T ACT ON ELECTRONIC COVERAGE this session; Baker decries enough time left, postpones effort until next year. (P. 2)

HUGE JUDGMENT IN PAY-TV PIRACY CASE: MDS program operator Mark reports it won largest judgment against pay TV 'pirate,' \$476,415. (P. 3)

AT&T DETAILS ACCESS CHARGE RATE STRUCTURE in meetings with telcos. USITA opposes AT&T's position on pooling. (P. 3)

ACCESS CHARGE IS HOT POLITICAL ISSUE, speakers at AT&T set Chmn. Fowler supports target subsidy. (P. 4)

GAO CLEARS NTIA of most malfeasance charges although report about management practices. (P. 5)

HISPANICS 'BARELY BEGINNERS' in ownership of stations, urging congressional lobbying for FCC recommendations by TV. (P. 6)

Cable Interests

STAY CRT DECISION MAY BE during House Appropriations Committee. Though

**CONGRESS APPROVES FCC BUDGET:** House & Senate late Nov. 18 passed \$91.2 million fiscal 1984 budget authorization for FCC, also 5.6% increase in funding levels for CPB for fiscal years 1984-86. Action came after Democrats beat back GOP assault in House on CPB's proposed multi-year funding increase. Easy voice vote was made possible by agreement with Republicans to add language telling PBS not to provide 30-year \$125,000 interest-free loan to PBS Pres. Lawrence Grossman. Fast action on bill was result of back room compromising by both houses so bill could be moved quickly to President.

FCC was sharply rebuked on minority hiring by members of Congressional Black Caucus who had been urged to take strong stand on minority hiring at Commission in letter earlier in week by Rep. Leland (D-Tex.). Sharpest words were heard from Rep. Mitchell (D-Md.), who called Commission "white man's paradise," said Chmn. Fowler was "arrogant" & "most irresponsible man" in Administration. Rep. Biaggi (D-N.Y.) also cited FCC for failing to examine & do something about negative ethnic stereotypes in TV programming, and Rep. Roukema (R-N.J.) was critical of FCC record on industry rules & Commission hiring of women. In response, House Telecom Subcommittee Chmn. Wirth (D-Colo.) promised FCC oversight hearing for early spring with Fowler lead witness, and invited the 3 lawmakers to participate.

CPB funding survived major test in House when 44 Republicans joined 233 Democrats in defeating, 277-141, proposal to reduce authorization for supplemental funding from 5.6% to 3% for fiscal 1984, 1985 & 1986. Continuing GAO investigation into NPR budget problems was cited in support of reduced funding with more fiscal improprieties revealed during debate. Gunning for CPB was Rep. Oxley (R-O.), who proposed to decrease supplemental authorization for CPB that Democrats were seeking, which aimed to add \$15 million to current fiscal year budget for Corp., \$23 million in FY '85 and \$32 million in FY '86, bringing total budget in those years to \$145 million, \$152 million & \$162 million — \$70 million more than existing law allows. Oxley proposal would have reduced increases to \$24 million over 3 years.

Oxley said 6 GAO investigators working fulltime on NPR case for more than 8 weeks have found evidence of "gross" mismanagement, including \$17,000 in charges from use of American Express card by person not affiliated with NPR. According to Oxley, GAO discovered \$175,000 in undocumented American Express charges among total charges of \$800,000 during 7-month period. He said more than 25% of NPR staff had cards in 1982, charged average \$1,000 per month each.

NPR was defended by Rep. Dingell (D-Mich.), who said no evidence of criminal wrongdoing has been discovered by GAO, only "bad business judgment," which he argued shouldn't reflect on CPB's budget. Sources said GAO investigation is nearly done and that Dingell hopes for hearings in spring.

FCBA 1984 seminar will be in Seabrook Is., S.C. Oct. 11-14.

**ELECTION PROJECTIONS BAN:** Calling networks insensitive to public interest, Reps. Swift (D-Wash.) & Thomas (R-Cal.) Nov. 16 proposed resolution that urges TV broadcasters to ban election projections voluntarily next year. Resolution, if enacted when Congress returns in 1984, would be non-binding. But Swift said compliance could prevent lawmakers from trying to impose tougher restrictions on networks after next year's elections.

Swift told news conference that proposal is test of broadcasters in campaign year. He said: "We're trying to suggest that the media are being irresponsible," but that they have chance in 1984 to prove election contests aren't "some kind of competition between the networks to see who can make projections first." Resolution also challenges media to adopt guidelines restricting all forms of election projections, including exit polling, says move is needed to protect voters on West Coast. Swift chairs House Elections Task Force and Thomas is ranking Republican.

Proposal to preserve FCC personal attack & political editorial rules also recently was introduced by Swift and 30 co-sponsors, including Reps. Dingell (D-Mich.), chmn. of House Energy & Commerce Committee, and Wirth (D-Colo.), chmn. of Telecom Subcommittee. HR-4324 would prevent FCC from modifying or eliminating rules before Dec. 31, 1984. After that date, FCC could move once Congress has been notified. Congress would then have 120 legislative days to block action before it could take effect. Commission proposed eliminating rules in May in response to NAB petition.

**Cities oppose cable legislation pending in Congress** because they misunderstand provisions of bill, NCTA Pres. Thomas Wheeler told Dallas Cable Club last week. He said NCTA has surveyed dozens of franchises to learn how provisions of bill would affect them, found that for most part legislation would have no impact. "The legislation deals more with the future than the present or the past," Wheeler said. "What is needed now is not to look backward to fix blame, but to look ahead to fix the problem."

**Comsat and CPB board nominees won easy approval** by Senate Commerce Committee last week, were expected to sail through Senate after we went to press. Nominees include broadcaster Neal Freeman to Comsat; businessmen Harry O'Connor & William Hanley, and former federal worker James Hackett to CPB.

**Cambridge, Mass. voters, by slim 102-vote margin, approved referendum** permitting city to compete with private companies for cable franchise. Under Mass. law, city mgr. will pick winning applicant. New England Cable TV Assn. reportedly spent \$40,000 fighting Cambridge referendum.

**Washington Post Co. and Cablevision Program Enterprises have sealed deal** to acquire Philadelphia-based Prism Co., regional sports pay-TV network. Buy, around \$30 million, will complement Post-owned pay-TV sports operations in N.Y. & Boston.



In latest of series of successful suits by pay-TV operators against pirated signals, federal judge in Denver has ordered 8 companies & individuals to pay \$650,000 in damages. Defendants were found guilty of selling antennas used for stealing HBO signal. Award went to American TV & Communications, which operates multipoint distribution service in Denver area.

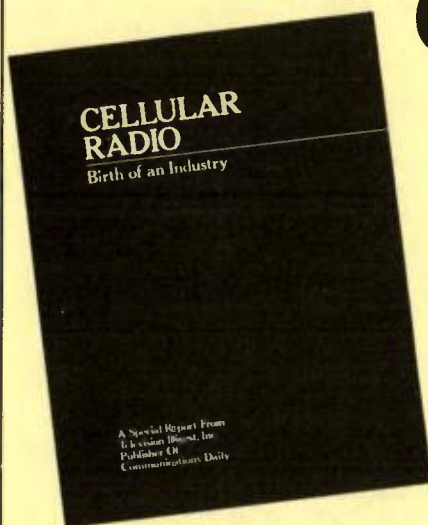
Construction of Boston's 210-channel cable system is moving so rapidly that officials claim it will be completed in Oct. 1984, 2 years ahead of schedule. Cablevision of Boston system entails 800 miles of plant, much of it underground, with cable being buried at rate of a mile daily. System is expected to cost \$100 million.

B.J. Rabb, former co-host of talk show on WCGV-TV Milwaukee, has charged station with sex discrimination, claiming she was paid \$12,000 less than male co-host and asked to wear tight sweaters and show "cleavage." She seeks \$100,000.

Federal govt. is showing "impatience with the printed and the electronic press," said TV Information Office Dir. Roy Danish in accepting David Sarnoff Award for Outstanding Achievement in Radio & TV. Decrying suppression of press reporting during Grenada invasion, Danish said it's evidence of "urge to censor" by govt., which "threaten[s] the flow of information everywhere."

Polish authorities briefly detained western TV crews & photographers last week as they tried to cover demonstration in support of priest who is under investigation by police. As many as 40 journalists, including TV crews for U.S. networks, were reported held for hour.

Tocom has received \$2 million in new orders for Tocom Plus baseband addressable converters and related controls. Eclipse units, Tocom's newest generation, will be delivered over next 4 months to Total CATV in Baton Rouge, which placed \$1.6 million order for 11,500 units and 5,504 converters.



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## Personals

Network Entertainment Div. presidents will appear at Feb. 2 IRTS luncheon, N.Y.: Brandon Tartikoff, NBC; Donald (Bud) Grant, CBS; Lewis Erlicht, ABC... A.J. Aurichio, Arbitron exec. vp, promoted to pres., succeeding Theodore Shaker, who moves to chmn.-CEO Dec. 1... Louise Hallahan advanced to congressional relations associate, CBS Washington. Promotions at CBS Sports: James Harrington to vp-program administration & operations; Peter Tortorici to vp-program planning & development; Jay Rosenstein to dir.-program administration; Len DeLuca to dir.-program planning & development; Richard Wolter promoted to Columbia House Div. of CBS/Records Group to pres... George Anderson, pres. of Harte-Hanks TV, becomes pres. of Diversified Communications Jan. 1; Anderson's duties will be assumed by William Moll, pres. of Harte-Hanks Bestg. & Entertainment.

Warren Anderson, ex-Blair TV, rejoins WDIV Detroit as national sales mgr... Ron Miller, ex-WWBT Richmond, joins WBTV Charlotte as news dir... Jeffrey Cash, ex-KSAT-TV San Antonio, appointed gen. sales mgr., WCMH-TV Columbus... Carl Minor promoted to gen. mgr., KCBD-TV Lubbock, succeeding Robert McKinsey, retired... Judy Jurisch, ex-WSBK-TV Boston, appointed asst. gen. mgr., WJBK-TV Detroit.

Denison Godwin advanced to vp-mgr., Blair TV Boston office, succeeding Floyd Geline, now senior vp-dir. regional sales, Blair TV; Peter Carnes named vp-mgr., Atlanta office, succeeding Stephen Castellaw, now vp-mgr., Blair TV eastern region, both effective Jan. 1... Marion Swaybill promoted to dir.-program acquisitions, WNET N.Y... Andrew Griffiths, chief financial officer, also elected treas., WGBH-TV Boston... Norman Glenn, chmn. of Media Decisions, & Sol Paul, publisher of TV-Radio Age, honored by TV Bureau of Advertising for "service and contributions" to TV.

Joseph Tirinato promoted to pres.-TV distribution for U.S. & Canada, MGM/UA TV, new post... Paul Bluhdorn advanced to senior vp-motion picture production, Paramount Pictures... Frank Price, ex-Columbia Pictures chmn., returns to MCA as chmn., Universal Pictures subsidiary... Named regional vps at Showtime/Movie Channel: Art Gusow, northeast; Michael Wheeler, southeast; Richard Ingebrand, north central; Jeffrey Wade, south central; Bruce Braun, western.

Jeffrey Bewkes, HBO corporate planning vp, adds title of treas.; Curt Viebranz, HBO budgeting & financial planning dir., adds asst. treas.; Larry Kostroff, ex-MGM/UA, named HBO Film Licensing production management vp, new post... David Hall, Nashville Network gen. mgr., also named a vp of parent Opryland USA... Rene Aiu promoted to vp-mktg. & programming, SelecTV... Jan DuPlain, PK consultant, appointed mgr.-press & community relations, WETA-TV-FM Washington... Donald Nathan, ex-United International Pictures, named vp-foreign, Motion Picture Export Assn. of America... Daniel Flamborg, ex-Mutual Bestg., named senior

WEEKLY

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vp-communications, Radio Ad Bureau... Stephen Kimatian, Baltimore lawyer, named exec. dir., Md. Public TV group... Dan Lawlor, John Silvestri & Stuart de Lima advanced to eastern, midwestern & and western regional vps, respectively, ESPN... Richard Howell joins Sports Time Cable Network as mgr. of affiliate mktg.

Joseph Mayernick joins Jerrold Div. of General Instrument as controller... Dennis Woywood appointed division vp-mktg., RCA Best. Systems Div., renamed from Commercial Communications Systems Div.; Joseph Volpe, division vp-operations.. Bryon Brammer, ex-RCA, appointed western regional sales mgr., C-COR.

Phone line is used as return path in preference polling system installed by Anchorage cable operator MultiVisions. System, called Touch-Vote, allows subscriber with touch-tone phone to call computer at headend with voice synthesizer which gives options. Caller then chooses by touching number. Vp-Programming & Engineering Seth Davis said system is similar to Warner Amex's Qube but is cheaper because no additional customer hardware is required. System is manufactured by Access Radio, Van Nuys, Cal.

Chris-Craft now owns 50.1% of United TV as result of UTV's buying more than one million of its common shares. Companies have begun cooperative purchasing & programming, and UTV financial statements will be consolidated with Chris-Craft's. UTV owns 4 TV stations, Chris-Craft 2, but all 6 will be treated as single group.



# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended Nov. 4 (44th week of 1983):

	OCT. 29- NOV. 4	1982 WEEK	% CHANGE	OCT. 22-28	44 WEEKS 1983	44 WEEKS 1982	% CHANGE
TOTAL TV#.....	507,929	387,638	+31.0	573,148	16,118,731*	14,140,998	+14.0
COLOR#.....	388,378*	247,703	+56.8	454,024*	11,454,087##	9,404,670	+21.8
MONOCHROME....	119,551	139,935	-31.0	119,124	4,664,644	4,736,428	- 1.5
PROJECTION TV...	3,724	3,031	+22.9	4,776	112,785*	90,043	+25.3
HOME VCR.....	103,589*	44,701	+131.7	122,909*	3,159,043##	1,515,230	+108.5
COLOR CAMERAS...	9,005*	4,957	+81.7	12,216*	311,683##	234,048	+33.2

Color TV 5-week moving average: 1983--358,266\*; 1982--264,589 (up 35.4%).

Home VCR 5-week moving average: 1983--100,404\*; 1982--50,490 (up 98.9%).

# Excludes projection TV. \* Record for period. ## Exceeds full-year record.

**RCA IN MASSIVE VIDEODISC OPERATION OVERHAUL:** Top-to-bottom reorganization of RCA Videodiscs, now under way, will move programming function to RCA Records and leave division as custom presser and marketer of players & discs. Changes are continuation of major revamping which saw Videodiscs become separate division in Aug. with Arnold Valencia as vp-gen. mgr. (TVD Aug 29 p11).

In other videodisc development, Thorn EMI launched VHD system in Britain for industrial uses, making U.K. only country where all 3 disc systems are offered, and U.S. Army is planning huge videodisc operation, starting with 40,000 players.

RCA is expected to announce disc reorganization next week, is bracing itself for slings & arrows of detractors who will interpret it as beginning of winddown. Actually, sources close to RCA see it as positive move to take advantage of what could be turnaround in CED sales fortunes (TVD Nov 14 p15). Goal is to lighten ballast, cutting overhead where possible by eliminating functions duplicated in player & disc manufacturing in Indianapolis and software acquisition & development in N.Y.

With operation in fighting trim, it will be in better position to bring down prices of players & discs, emphasizing its major advantage over prerecorded cassettes and other videodisc systems — price — as it has from start in U.K. launch. In U.S., leader model RCA disc players already are selling well below nominal \$300 starting price. Current nationwide promotion advertises prices starting "at less than \$200," and some retailers are promoting leader model at \$169.

Reorganization will involve cuts in personnel, shifts to other areas of RCA. Videodiscs Vp Thomas Kuhn, Special Programs Dir. Charles Mitchell & staff will move to Records, where they'll oversee new video production unit, supplying programs for disc, cassette & cable. Music will get most emphasis — RCA Records has become increasingly important CED software source, aspires to major role in creation of music videos.

End to separate programming unit makes sense. Thanks to custom pressing, there's very little RCA-licensed programming left to support expenses. Software obviously hasn't lost any of its importance to Videodiscs, except that timing & promotion of feature films are in hands of studios, tactical change encouraged by RCA. RCA Records therefore becomes another custom-pressing customer for Videodiscs.

RCA is assumed to be aiming at less expensive disc to match less expensive player, hopes to conclude internal discussions about replication costs before year's end. Studios' big complaint has been RCA's failure to lower custom-pressing prices, taking advantage of volume manufacture.

\* \* \* \*

Sticking to decision not to risk consumer market, Thorn EMI is offering interactive VHD videodisc system in U.K. to business & institutional customers. Announcement was made at London news conference, wasn't given much ballyhoo, said Thorn, because of modest demand and player inventory — at least for first 2 years system is available. Major banks are considered prime candidates, but would account for maximum of 1,100 units. "We can't handle too much business at once, anyway," Thorn claims, with vast majority of players made by JVC designated for retail trade in Japan.

Thorn now has 50 players on hand, thinks number will be enough to satisfy first potential buyers. Company probably will ask \$600 for player, plus \$150 for computer interface. Programs will be replicated at Thorn's Swindon plant, originally built to produce million discs a year, with capacity for another 2 million available at audio record facility in Cologne, Germany.

Rebirth of VHD makes it 3rd format on U.K. market. RCA Videodisc started selling CED player in U.K. last month, about 2 years after Philips Laservision debut. Both are aimed at home, although IBM has said it will be buying 500 LV machines & discs as training aides for its 1,000 personal computer dealers in Europe.

In U.S., biggest videodisc deal is brewing — Electronic Information Delivery System (EIDS) proposed by Army for maintenance of airborne & ground vehicles. Sony, Emerson Electric (working with North American Philips) and Canada's Matrox are competing for contract worth as many as 40,000 optical disc players in first phase. Single prototype of each unit is being evaluated now, to be followed by field tests of 12-15 in mid-1984. Sony also is pitching 4,000-player Army recruitment contract, Postal Service's PRISM and Library of Congress.

**MATTEL WINDING DOWN IN ELECTRONICS:** If Mattel isn't indeed getting ready to drop electronics operation, it's at very least cutting back on involvement through product liquidation and divestiture. However, company has started delivering computer adaptor for Intellivision videogame console. Speculation that Mattel might become electronics dropout started last month when company acknowledged it was considering sale of shares in its profitable Toy Div. (TV D Oct 24 p13).

Biggest indication of Mattel's shrunken electronics horizon is its sale last week of option to buy its controlling interest in IC maker Solid State Scientific to Penn Central. PC has until Dec. 16 to exercise right to buy Mattel's 52% stake in SSS for \$12.3 million. Mattel picked up shares last March for \$12 million, has pledged them as security for current \$400 million credit line.

In announcing buy into SSS last Dec., Mattel said it would provide vertical integration of its electronic operation, help speed up introduction of new products, provide source for custom circuits. At same time, Mattel said it was committed to buy \$8 million of ICs from SSS this year, \$12 million in 1984, and was joining with SSS in 2-year \$2 million R&D venture. Agreement to sell holding reflects Mattel's lower expectations, and presumably its need to sell off assets to meet debts and capital requirements. Company has declined comment on report it's also seeking buyer for subsidiary Western Publishing.

At same time Mattel's computer module is showing up in stores, so are dumps of products being phased out. N.Y. area liquidator has acquired stock of discontinued Aquarius computer. Packaged system, which includes console with built-in basic, 16K expansion module, 40-column printer, cassette data recorder, 2 game cartridges, is being offered at \$200, or just half original list. Same dealer also picked up stock of 13" color TVs Mattel planned to offer as \$99 premium to Aquarius buyers. Sets, made by Samsung but carrying only Mattel label on carton, are being moved at \$180. Mattel M Network cartridges for Atari 2600 videogames are offered at \$5.



Other game marketers continue to have problems. Last week, Milton Bradley reversed forecast issued last month, said it now expects to show loss rather than increased profit in 4th quarter. Prime reasons: Discontinuance of TI home computer, for which MB was making voice-activation system, continued soft market for Vectrex self-contained videogame. MB, as indicated here earlier, stopped making TI device when computer decision was announced (TVL Nov 7 p15). MB said TI's minimum purchase guarantee exceeds production to date, and negotiations with TI are continuing. TI was to handle marketing, and MB said it isn't likely to do job itself if TI cancels out.

Activision is laying off about 90 employees, or 25% of force, to "reduce our fixed overhead to levels that more reasonably reflect current market conditions," according to Pres. James Levy. He said industry is "going through a very painful transition period," and distributors & dealers are holding back on game & computer software orders. While expressing confidence in longterm outlook, Levy said current conditions are expected to result in depressed market "for the next 9-12 months."

Yet another game software marketer bit dust. Shutting down is Starpath, maker of Supercharger adaptor that increased memory of Atari games and used cassette to feed in programs with computer quality graphics. On paper, company is being acquired by computer game marketer Epyx, but only its game design team will survive. Starpath will liquidate inventory of Superchargers & games before actual takeover.

Sluggish delivery rate of Coleco's Adam computer has Wall St. buzzing again. Original 1983 shipment target of 500,000 was revised downward to 400,000 two months ago, and now even that's apparently out of reach, some analysts doubting more than 200,000 will leave Amsterdam, N.Y. plant this year. J.C. Penney said it won't carry Adam this year because of availability problem, but will have Adam add-on for Colecovision game consoles. Other dealers say they're holding on to Adams as they arrive in hope of building big enough in-store stockpile to justify running ads. Coleco won't say how many it will have, though Pres. Arnold Greenberg called estimate of 100,000 "much too low."

Coleco built up pre-Christmas stockpile of Colecovisions because output was suspended when production of Adams started. In report to SEC, company shows finished goods inventory on Oct. 1 of \$65.6 million, up from just \$20 million last year. Coleco's short term debt, to finance inventory and production operations, stood at \$129.9 million, against \$20.6 million in 1982.

Coleco disputes contention of some analysts that it faces serious cash flow problem. Company says it has \$150 million in receivables, and Colecovision sales are holding up, even though cartridge and desktop game volume is down. Generally ignored is fact that Coleco has non-electronic hit on its hands in Cabbage Patch doll line. They wholesale at around \$17 each and company will sell out 2 million production capacity this year, follow with accessory line next year, expects to earn substantial royalties from 34 licenses making themed products.

Commodore, meanwhile, said it won't follow Atari & Coleco in raising home computer prices Jan. 1. Company said it refused to cut prices to meet those on closeouts of TI's 99/A, and won't boost them just because competition does.

**COLOR SUPPLY RECORD SET IN 3RD QTR.:** Production drive by U.S. factories, combined with unprecedented import surge, made July-Sept. all-time record quarter for new color TV supply, our analysis of EIA and Commerce data shows. Total for 9 months also was record for that period.

Rise of 14.7% in domestic plant output to 2.62 million marked first such quarterly increase of year, and was strong enough to put production up modestly on 9-month basis. Sharp overall 3rd quarter color supply rise left 9 month total at 9.83 million, putting it ahead of sales to dealers on cumulative quarterly basis for first time this year. But while supply topped the 9.66 million sold to retailers, supply growth of 13.6% trailed 19.6% increase rate in dealer purchases.

Relative slowness of domestic producers to ramp production up to anywhere near demand level left door wide open for import growth, and foreign manufacturers, particularly those in Korea, Taiwan & Singapore, took full advantage. Imports accounted for fully 96.4% of 1.18 million increase in new supply for full 9 months, although U.S. factories bounced back to claim substantial 38.8% of 864,000-set increase in 3rd quarter.

Though quarter's production by U.S. factories hit 2-year high, it fell short as record setter. Record for 3rd quarter output was 2.63 million of 1981. In first quarter of that same year, all-time production record of 2.85 million was set.

But even with rise in 3rd quarter domestic output, imports improved their supply share position, accounting for 29.4% of all new color sets, up slightly from 29.2% in 2nd quarter, well over 19.8% for same 1982 period and biggest quarterly share since 29.8% in July-Sept. 1977. For 9 months, imports accounted for 27.5% share of new supply, up from 18.1% last year. Here's how 9-month & 3rd quarter new TV supply picture looks to us:

### 1983 U.S. 9 MONTH TOTAL TV SUPPLY

		U.S.- Produced*	% change	Imports	% change	Total Supply	% change
Total TV	1983....	7,131,000	+ 5.9	6,399,000	+11.0	13,524,000	+ 5.2
	1982....	7,089,000		5,766,000		12,855,000	
Color TV	1983....	7,131,000	+ 5.9	2,699,000	+72.3	9,830,000	+13.6
	1982....	7,089,000		1,566,000		8,655,000	
B&w TV	1983....	--	--	3,694,000	-12.0	3,694,000	-12.0
	1982....	--		4,200,000		4,200,000	

### THIRD QUARTER

Total TV	1983....	2,621,000	+14.7	2,531,000	+21.2	5,152,000	+17.8
	1982....	2,286,000		2,088,000		4,374,000	
Color TV	1983....	2,621,000	+14.7	1,094,000	+93.6	3,715,000	+30.3
	1982....	2,286,000		565,000		2,851,000	
B&w TV	1983....	--	--	1,437,000	- 5.6	1,437,000	- 5.6
	1982....	--		1,523,000		1,523,000	

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

Romox has 11 software marketers participating in market test of in-store cartridge programming terminals, now being conducted in 7 retail chains in northern Cal. Signed on are Epyx, Mattel, Fox Video Games, HES, Sierra On-Line, UMI, Creative Software, Navarone, Vidtec, Telesys & Funware. Participating outlets include Southland (7-11), K-Mart, Longs Drugs, Tower Records, Wherehous Record, Video Co., Software Emporium. Terminals each carry 117 titles, load them into reprogrammable cartridges. Games, available for Atari videogames & computers, TI and Commodore computers, cost \$7-\$20 each. Terminals have empty slots which can be used to add formats. Cartridge retains game until program is changed. Romox said survey of console-owning shoppers shows that while only 8% have tried service, 58% said they were likely to. 26% were somewhat likely.

Interactive Research is believed to be first out with videodisc program for personal computers. Package includes disc that shows how to use Wordstar & Visicalc programs, software, documentation, interfaces needed to hook optical player to IBM PC computer, sells for \$1,800. User supplies own computer & player. When learner makes mistake at keyboard, disc automatically returns to appropriate part of exercise and repeats procedure.

Owens-Illinois sold about 7% interest in its Japanese licensee, Nippon Electric Glass, didn't identify price or buyer. Sale trimmed OI's interest in NEG to about 11%. OI said that transaction, plus separate agreement to sell its interest in chemical venture, will result in \$20-million after-tax gain.



**STAMPEDE TO VHS:** N.V. Philips and its 25%-owned German affiliate Grundig acknowledged they have become officially licensed manufacturers of VHS VCRs under agreements with Matsushita (TVD Oct 10 p16), indicated they will start production next year, while Toshiba, solid member of Beta camp, announced it will start VHS VCR production in Europe.

In U.S., Zenith is expected to add at least one JVC-made VHS recorder to its Sony-made Beta line in first quarter (TVD June 13 p19). NEC, which makes Beta recorders, reportedly is investigating either manufacture of VHS or OEM arrangement; its VHS product would be for export.

Of the 3 announced new VHS group members, Toshiba is only one committed to market in Europe. Both Philips and Grundig insist current plan calls for exporting all their VHS output, obviously to quash speculation they're preparing to back away from their Europe-only V2000 format. However, the companies didn't rule out possibility they eventually might add VHS to VCR line they market at home. Matsushita will be supplying parts to both companies. Philips-Matsushita agreement also gives Matsushita access to Philips VCR technology.

Toshiba said it will expand color TV plant in U.K. to handle startup VHS production at 10,000 monthly rate, add 50 workers there, raising employment to 500. Adoption of VHS is in recognition of format's dominant European market position, Toshiba said, stressing that it will continue as Beta marketer in U.S. & Japan. Toshiba will be U.K.'s 4th Japanese VCR maker. J2T venture of JVC, Thorn EMI and Telefunken is already assembling VHS units while Mitsubishi (VHS) and Sanyo plants are in works. Sanyo produces both Beta & VHS in Japan, is expected to turn out VHS in Europe.

Japanese are expected to use Philips-Grundig VHS licensing accords, as well as JVC's earlier licensing of France's Thomson-Brandt, to bolster contention that there's no need to continue Japan's voluntary quota on VCR exports to Europe. Japanese & EC officials are meeting to set limit on 1984 shipments. Japanese are believed ready to argue that technology links assure European VCR manufacturing future, and to offer continuation of minimum export pricing policy to prevent excessive competition.

**GE is challenging Japan's Kyocera** for world leadership in high-tech ceramics through formation of new subsidiary, GE Ceramics, using operations recently acquired from 3M as starting point. GE plans to invest \$50-\$70 million for expansion. It estimates Kyocera accounts for 20-25% of \$1.7 billion world market, said GE is looking for 30-50% share of market that will grow to \$14 billion by 1990, \$28 billion by 2000. GE's immediate goal for new business is \$150-\$200 million in sales by 1985.

Japanese computer software developer Konami acquired 400,000 shares of Centuri, Fla.-based producer and marketer of high-tech arcade videogames. At current market prices, purchase was worth about \$10.5 million. Buy increases Konami's holdings to 500,000 shares, about 5%.

**W-G, K-TEL SKIP DIVIDEND:** Faced with cash flow problems, Wells-Gardner and K-Tel International last week announced they were skipping regular dividends.

Wells-Gardner, which reported \$275,000 loss in 3rd quarter and trimmed scheduled payout to holders for that period by 50% to 6.5¢, said it will omit 4th period dividend entirely. Company said slump in arcade videogame monitors continues to impact earnings. W-G said it looks for profit pickup in 2nd quarter next year on strength of expected strong demand for videodisc-based arcade games and increased sales of data display monitors.

K-Tel, which posted \$1.8 million loss in opening fiscal quarter to Sept. 30, said it won't pay usual 20¢ semi-annual dividend. Company said that it was experiencing slow pre-Christmas sales pickup, had lower selling prices and that strong dollar was hampering business overseas. Cash that would have gone to holders, company said, will be used instead to expand computer software line, music operation and mail order business.

Recoton reported record results for 3rd quarter and 9 months (see financial table), credited generally strong consumer electronics market for rising demand for its accessories. Company said it expects introduction of computer accessory line to boost results in 4th quarter.

**Stereo TV proponents'** arguments on basis of tests, as summed up in EIA Multichannel TV Sound (MTS) Subcommittee report (TVD Nov 14 p12): EIA-J — System proved superior in monophonic compatibility, immunity to buzz interference and receiver cost. Multipath reception tends to cause distortion in other systems. Some 6 million EIA-J stereo TV sets are in use in Japan. Telesonics — System was best in previous tests with split-sound receivers. It uses proven FM radio technology, is based on non-critical design & production. It provides notch circuitry option for immediate hi-fi sound, has excellent signal-to-noise ratio, improves stereo on cable. Zenith — AM subcarrier was chosen because of superior harmonic distortion performance. System's pilot frequency provides greater immunity to distortion, high voltage and buzz pollution in practical MTS receiver. Placement of separate audio channel lowers vulnerability to effects of aural channel selectivity.

**Paramount's first home video shipment** for hit *Raiders of the Lost Ark* will include 420,000 cassettes, 80,000 videodiscs, with combined retail value of \$20 million, better-than-respectable theatrical take for most movies. By comparison, its opening order for *Flashdance*, released in Sept., was just over 150,000 tapes. U.S. accounts for about 90% of *Raiders* cassette volume, Canada 10%; foreign sales, handled by CIC Video, should add well over 100,000 to total. Home Video Vp-Gen. Mgr. Tim Clott said 80% of distributors have exceeded incentive quotas, claims tape orders are still arriving, though release isn't until Nov. 30. He said CED accounts for 60,000 of disc output, Laservision 20,000, but Clott said Paramount already has gone back for large 2nd pressings in both disc formats.



**NEW LOWS FOR VCR & CD:** Sanyo, which traditionally blazes new price trails, continues with lowest-priced VCR, listing at \$370, and CD digital disc player at \$550. New move marks 3rd time Sanyo has set price pace in VCR. One year ago it was first with unit under \$400 (TVD Nov 8/82 p12) — which sells widely at \$299 — just 7 months after it was first in under-\$500 field (TVD April 12/82 p16).

Sanyo's new Beta leader has 3-day one-event timer, wired 8-function remote. Sanyo also introduced Betamovie identical to Sony's (and presumably made by Sony) at \$1,600, just \$5 above Sony's price. In between are new 7-day one-event Beta with wireless remote at \$400; holdover 4-head with full-function wired remote at \$470 (down \$30); new 14-day 8-event 105-channel wireless at \$500; 4-head 14-day programmable wireless reduced \$50 to \$600; front-load Beta Hi-Fi deck with 14-day 8-event timer, 105 channels, wireless remote, \$500. Sanyo has dropped widely publicized Beta Hi-Fi one-piece portable.

Sanyo's new CD player is list-priced \$40 below Sears counterpart, previously lowest priced in U.S. (TVD Sept 5 p15), has 16-program memory, one-touch programming, skip feature, forward & backwards scan. Previous model at \$900 remains in line. In color TV, Sanyo introduced 13" at \$260 (\$20 below previous leader), three 19" sets at \$400-\$470, first Pro-Ponent series 25" monitor receiver with 112-channel wireless remote, 400 lines horizontal resolution on direct video input at \$850. New 140-channel wireless remote component video tuner for Pro-Ponent series at \$400 replaces previous 105-channel model.

Among other Sanyo introductions are first telephones to be offered by its consumer product organization — 3 with AM-FM clock radio at \$60 (wired), \$100 & \$130 (wireless), and personal cassette stereo player with AM-FM, earphones at \$40.

Sharp added its first color set with flat square tube (FST) — 20" high-end 142-channel monitor receiver with keypad wireless remote, scan tuning on set, comb filter, on-screen display of channel, time, sleep timer, type of input (broadcast, cable, video); set is adaptable to multichannel TV sound, lists at \$760. New basic mechanically tuned color table model is \$590. New front-load VCR has 7-day one-event timer, 12-position tuner, forward & reverse scan, stop-action in EP mode, is \$600. Sharp will introduce consumer electronic typewriters at CES.

Among current RCA seasonal promotions, in addition to TV rebates reported earlier and under-\$200 videodisc player noted elsewhere in this issue, is giveaway of 10 T-120 cassettes with purchase of top-end Convertible VCR.

**Is video-audio marriage headed for divorce?** Maybe, says International Resource Development in report "Integration of High Fidelity Audio & Video." IRD claims close similarity between music video and videogames, says they appeal to same "fickle, faddish 12-14 year age group and eventually become boring in their repetitiveness." Details: IRD, 30 High St., Norwalk, Conn. 06851.

**ZENITH STRIKE SETTLED:** Zenith's color TV production was scheduled to return to normal early this week after parts supply to its Springfield, Mo. plant was choked off by 4-day wildcat strike in Reynosa, Mexico industrial park where Zenith makes chassis boards and power supplies.

Strike, said to involve dispute between 2 factions in union, was settled by union with help of Mexican govt., and workers were back on job Nov. 14. With parts supplies short due to booming TV production, stoppage was felt almost immediately at Zenith's sole color TV & monitor assembly plant in Springfield, where 1,000 of the 2,500 workers were laid off and several lines shut down, with production at about half normal.

Springfield would have had to close completely last week had strike not ended. However, Zenith spokesman said parts shipments resumed and production was back to normal at week end, lost output expected to be recouped in overtime production in next 6 weeks.

**Computer software copyright rental suit** settlement expected to be accepted by Wordstar developer Micropro calls for retailer United Computer to stop renting programs that can be copied. In action brought last June, Micropro charged United was renting discs knowing that consumers would copy them (TVD July 18 p16). As part of agreement, Micropro will be using Prolok, new disc security system developed by Vault Corp. of Westlake Village, Cal. Prolok discs contain physical non-magnetic code, and program won't run unless code is sensed. Backup copies can be made, but can't be used on their own. Vault spokesman said that most disc crashes involve magnetic coating, so code on damaged Prolok disc usually remains intact. Running backups requires 2 drives, as coding on master is needed to trigger loading of backup. Prolok coding is individual by disc, rather than by program, so even 2 owners of same master program can't swap and run copies.

**GE's got the blues, but Mitsubishi had 'em first** — blue tubes, that is. Neo-Vision high-contrast tube with light-absorbing neodymium oxide in glass is current selling point in GE's high-priced sets (TVD Nov 7 p19). Tube turns out to be very close relative to Diamondvision tube featured in MGA sets 15" & larger since 1981 (TVD June 15/81 p14), originally made in Japan and soon to be supplied to Mitsubishi's specs by RCA. In announcing Neo-Vision tube Nov. 1, GE said it would be "the only major brand of TV to offer a neodymium picture tube in 1983" — the operative word presumably being "major." It's understood no patents are involved.

**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%.



# 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.

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**CCTV COMING HOME?** Closed-circuit TV is widely accepted as security device, but it has made few inroads into consumer market — and major manufacturers attempting to push it have almost universally met with failure. Biggest factor in home CCTV now undoubtedly is GBC Closed-Circuit TV, N.Y., whose specialty is low-priced equipment.

GBC, headed by consumer electronics veteran Chmn. Harry Lefkowitz, whose 58 years in industry started with sales of crystal sets on N.Y.'s Cortland St. radio row, has now sold more than 10,000 of its own-brand home video security systems which list at under \$300. GBC recently concluded deal with J.C. Penney to include system in upcoming catalog.

GBC's current home system includes b&w camera which it makes in own plant, plus cable and wall mount. Door-guarding camera is connected to any TV set, accessed through unused channel. Although GBC's promotion has mainly been through direct mail, company is now distributing home product through reps to 4,000 security dealers which Lefkowitz calls biggest lineup in industry. GBC has no direct major competition in low-priced home security business, considers RCA and Panasonic to be only big factors in CCTV security, but at prices beyond mass home market. Other companies have been in & out of home market in past.

GBC will augment home line soon with audio-video Babyvision — not exactly new idea but one which has never been successfully marketed — to let family monitor baby's room on TV set. GBC also continues its industrial & commercial business, adding new products. Successful one is TV door system taking about same space as door chime — sort of an electronic peephole — connected to combined TV monitor, intercom and door release on receptionist's desk, listing at \$1,500. Designed for small offices, such as doctors' & lawyers', unit has been selling in healthy multiples to such establishments as churches, embassies & consulates, and to courts for guarding judges' chambers, according to Lefkowitz.

Company's newest industrial product is Mobilevision, electronic rear-view mirror designed for large trailer trucks and buses, where view to rear is obstructed or non-existent. Camera is mounted in rear door of truck or back of bus, lens facing backwards, with small monitor installed on dashboard.

GBC has previously attempted sales through major manufacturers, with little success. In 1980, it signed pact with Zenith, which priced audio-video door intercom with 12" b&w set at \$400 (TVD May 26/80 p10). Order covered some 25,000 systems. Last week, Zenith was still liquidating them, Gimbel's advertising in N.Y. "just 500 sets" at \$159 complete. Lefkowitz blames Zenith's failure to promote system.

Telefunken has agreed to provide China with technology & equipment for \$5-million TV plant to be set up near Peking next year. Facility is expected to employ 2,200, have annual capacity for 200,000 color, 150,000 b&w TVs. Telefunken, which has been supplying China with color TV kits for assembly, will buy some of new plant's output for export to other Far East markets.

**TV DUMPING CASE DELAYED:** Korea-Taiwan color TV dumping case delay of 60 days is being granted by Commerce's International Trade Administration. Postponement was first sought by Koreans, then by Taiwan producers (TVD Nov 7 p18). ITA is expected to announce revised timetable this week.

Extension means ITA's final determination whether sets exported from those countries are indeed being sold here at less than fair value won't be issued until Feb. 21. That in turn will move deadline for completion of International Trade Commission's injury investigation to late April.

Though extension is for 60 days, ITA moved scheduled hearing dates back by only month. It's scheduled to meet in Washington with representatives of Korean industry Dec. 19-20, follow next 2 days with hearings for Taiwan. ITC, which had scheduled injury hearing to start Jan. 12, hasn't announced new date.

Bally won victory in principle in fight against unfair competition from arcade videogame imports when, in response to Appeals Court order, International Trade Commission reversed itself and ruled grey market Rally-X games shipped in from Far East were injuring company. Last year, ITC found Bally was being injured by unauthorized imports of Pac-Man games, recommended Customs bar further shipments, but turned down protection bid for Rally-X. Though Bally holds copyright for both, ITC said that as Bally wasn't making Rally-X games here there was no domestic industry to protect from infringing imports (TVD June 28/82 p12). But while ITC is upholding Bally's complaint, it may take no further action. ITC indicated that Rally-X games are no longer being sold, invited comments on need to bother with import restriction.

Japan's MITI will use administrative guidance authority to help persuade Japanese manufacturers to buy more U.S.-made semiconductors. Compliance with MITI guidance recommendations is virtual necessity for companies seeking govt. approval of R&D projects, export ventures, etc. Japan promised to help boost sales of U.S. semiconductors as part of agreement calling for Japan & U.S. to abolish import duties on semiconductors. While object was spurring U.S.-Japan trade, nations will be required by trade treaty to eliminate semiconductor duties on all imports. To keep world market in balance U.S. & Japan are now about to launch effort to get drastic reduction in EC's 17% semiconductor duty rate.

Computer software market turmoil isn't stopping companies from going ahead with acquisition of rights to develop new programs. Among recent moves: Epyx acquired exclusive license for arcade games Gun Fight & Sea Wolf II from Bally, Starfire & Fire One from Exidy... CBS Software joined computer music program development effort with Dovetail Group, producer of music video... Coleco bought exclusive rights to develop & market game & computer software based on characters created by children's book author Richard Scarry. License includes rights to phone, cable & broadcast delivery to home.



**TANDY'S 1983 REPORT:** Tandy and its Radio Shack outlets had nearly across-board banner sales in 1983 fiscal year to June 30, with increases paced by computer products and telephone equipment, according to annual report which shows Tandy's product sales at \$2.44 billion, up 19.9%.

Telephones & intercoms, now 6th of Tandy's 7 reporting business segments, was fastest growing last year, and if it maintains pace could place 5th next year. Sales in that segment jumped 47.5% to just under \$195 million, to account for 8% of total sales, up from 6.5% in 1982. Sales in Tandy's biggest business, computers, rose hefty 35.1% to \$843.2 million for 34.6% share, up from 30.7%.

In more traditional product areas, audio volume just about held its own with 1.5% rise to \$443.5 million for 18.2% share, down from 21.5%. Toy, antenna, security systems and calculator segment had 24.9% sales rise to \$304.6 million for 12.5% share from 12%. Parts, batteries and test equipment volume rose 13.9% to \$321.7 million for 13.2% share from 13.9%. TV, radio & phono sales were up 9.7% to \$209.6 million for 8.6% from 9.4%. Only segment with drop in sales was CB, walkie talkies, scanners and public address systems, with 2.1% decline to \$119.4 million for 4.9% share from 6%.

While Tandy generally isn't considered to be among frontrunners in home computer race, special breakdown for that segment shows sales of its Color Computer were \$82.6 million, up 83.9%, making it biggest gainer in product area, though accounting for just 9.8% of computer volume, up from 7.2%. Largest segment continued to be personal desktops, with sales of \$236.9 million, up 39.6% for 28.1% share from 27.2%, and while business computer volume rose 12.5% to \$180.5 million, share dropped to 21.4% from 25.7%. Strong growth also was shown by portables, up 67.5% to \$26.1 million for 3.1% share from 2.5%. Printer sales were up 33.5% to \$139.1 million for 16.5% share, off from 16.7%, while software volume increased 46.3% to \$77.6 million for 9.2% from 8.5%. Sales of other computer products, at about \$100 million, were up 31.8%.

Tandy said it increased vertical integration in 1983, made 57% of products it sold, up from 54% in 1982. At year's end, Tandy reported, there were 5,779 owned Radio Shack stores worldwide, up from 5,519, plus 3,089 franchised outlets, up from 2,999. It said it opened 189 new owned stores in U.S. in 1983, bringing total to 4,584.

Kodak is boosting electronics involvement. Company has acquired license to manufacture high-density floppy disc drives from Drivetec, expects to be in production in first quarter next year. Kodak currently markets magnetic discs through subsidiary Spin Physics, is expected to launch line of videocassettes in Jan.

Pioneer is expanding in video by bringing some component monitor production in-house. First model will be 25", due in Japan this month. Pioneer has had component video since 1981, but has been buying 19" & 25" monitors from Hitachi.

**CASSETTE MARKET—\$780 MILLION:** Combined value of recorded & blank videocassettes bought by VCR owners from April 1982-March 1983 was \$780 million, according to NPD Special Industries Services study prepared for MPAA (TVD Oct 31 p17), which provided basis of Battelle Institute analysis of VCR usage in battle over home taping legislation.

NPD study, "VCR Market: Owners, Attitudes, Usage," estimates program expenditures at \$198 million, blanks at \$582 million, doesn't put dollar value on 52.5 million cassettes it says were rented in same period. NPD said 983,000 VCR owners — 25% of total — bought 4.1 million recorded tapes during year at average price of \$47.90; 50% of owners rented, each averaging 24.6 transactions; 80% accounted for sale of 34 million blanks, paid average of \$17.11 each. Report claims 8.3% of owners made 5.1 million copies of rented cassettes, or million more than were actually sold to consumers.

Since programming became available in quantity about 5 years ago, some 1.6 million households have bought 12.9 million recorded cassettes, against 83 million blanks sold to 4.2 million total VCR homes. In same period, studios and other sources probably shipped close to 18 million units, leaving roughly 5 million in inventory as of early 1983.

If recorded cassette pricing drops from \$60 to \$35, NPD claims 47% of all VCR owners in sample would "definitely or probably" buy more. Trend is even stronger among those who've bought in last 12 months — 75% are eager to purchase. As corollary, 60% of respondents agreed that they rent because purchase price is too high. However, survey showed only 30% & 50% respectively buying programs that they otherwise would have rented.

Pay TV is big competition to cassette sale & rental. Of VCR-owning subscribers, 60% record premium programming and made 12.9 million tapes in last 6 months of survey, or nearly 11 per household. That compared with average of 9 copies for those who record commercial TV programs, 7 copies from basic cable, 6 from public TV. Least competition comes from video cameras, accounting for only 1.4% of blank cassette usage.

**Video software notes:** First orders for Vestron Video's Michael Jackson cassette should be in 60,000-100,000 range... Thorn EMI has taken orders for about 40,000 copies of Dark Crystal, retailing at \$79.95. Wholesale value is \$2 million. Company expects to introduce first 9 CED titles in Dec.-March... CBS/Fox Video says 1/3 of titles released in 1984 will be non-feature film, expects heavy emphasis on music video, will work with CBS Records on promotion... Paramount has pushed back distributor delivery of Raiders of the Lost Ark from Nov. 30 to Dec. 1. Size of shipment is such that freight forwarder A.A. Leidecker & Assoc. reportedly couldn't guarantee original schedule... RKO Videogroup is negotiating to recover rights to 6 productions originally licensed to Entertainment Channel and 4 still in production, hopes to license them for videocassettes & discs next year after their runs on pay cable.



## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>Acton</b>			
1983-9 mo. to Sept. 30	19,793,000	1,459,000	.25
1982-9 mo. to Sept. 30	17,471,000	638,000	.11 <sup>a</sup>
1983-qtr. to Sept. 30	7,402,000	685,000	.12
1982-qtr. to Sept. 30	5,684,000	136,000	.03 <sup>a</sup>
<b>Comcast</b>			
1983-9 mo. to Sept. 30	60,714,000	5,993,000	.79
1982-9 mo. to Sept. 30	46,113,000	4,686,000	.68 <sup>b</sup>
1983-qtr. to Sept. 30	20,961,000	2,439,000	.30
1982-qtr. to Sept. 30	17,944,000	1,755,000	.25 <sup>b</sup>
<b>MovieLab</b>			
1983-39 wk. to Oct. 1	24,034,033	(1,313,366)	--
1982-39 wk. to Oct. 2	22,632,965	(1,273,341)	--
1983-13 wk. to Oct. 1	8,364,609	(317,711)	--
1982-13 wk. to Oct. 2	6,731,032	(398,624)	--
<b>Oak Industries</b>			
1983-9 mo. to Sept. 30	322,850,000	(99,569,000)	-- <sup>c</sup>
1982-9 mo. to Sept. 30	417,639,000	17,117,000	1.05
1983-qtr. to Sept. 30	102,390,000	(5,918,000)	--
1982-qtr. to Sept. 30	137,526,000	1,871,000	.11
<b>Philips NVd</b>			
1983-9 mo. to Sept. 30	10,522,600,000	119,900,000	--
1982-9 mo. to Sept. 30	10,103,300,000	109,300,000	--
1983-qtr. to Sept. 30	3,710,600,000	34,100,000	--
1982-qtr. to Sept. 30	3,333,100,000	26,500,000	--
<b>Recoton</b>			
1983-9 mo. to Sept. 30	15,533,314	1,000,881	.49
1982-9 mo. to Sept. 30	11,317,404	281,276	.15
1983-qtr. to Sept. 30	5,576,191	376,573	.18
1982-qtr. to Sept. 30	4,381,189	120,184	.06
<b>Telepictures</b>			
1983-9 mo. to Sept. 30	46,278,500	3,479,800	.54
1982-9 mo. to Sept. 30	36,932,400	3,932,400	.68
1983-qtr. to Sept. 30	25,514,700	2,453,400	.38
1982-qtr. to Sept. 30	27,300,200	3,218,100	.56
<b>Walt Disney Productions</b>			
1983-year to Sept. 30	1,307,357,000	93,160,000	2.70
1982-year to Sept. 30	1,030,250,000	100,093,000	3.01
1983-qtr. to Sept. 30	363,078,000	24,496,000	.70
1982-qtr. to Sept. 30	295,044,000	28,137,000	.84

Notes: <sup>a</sup>Restated. <sup>b</sup>Adjusted. <sup>c</sup>After special charge.

<sup>d</sup>At guilder's current rate.

## Consumer Electronics Personals

**Kenny Ueki** advanced at Mitsubishi Electric Sales (U.S.) to head of Crystal Color Div., responsible for marketing & sales of large flat-panel LCD color TV displays... **Anton Poot** appointed chmn.-managing dir., Philips Electronic & Associated Industries, U.K... **Douglas Stevenson**, high technology consultant to Thorn EMI, named Videodisc Operations dir., reporting to Thorn EMI Videodiscs Gen. Mgr. **Alastair Bowes**... **Richard Wolter** promoted at CBS Columbia House from exec. vp to pres... **Audley White**, ex-Xerox, named NAP Consumer Electronics management information systems dir., succeeding **Jim Heiny**, now on North American Philips corporate systems staff... **Maureen Fahy** advanced at Gusdorf from asst. of national sales mgr. to district sales mgr.

**Robert Brown**, one-time Hitachi engineering vp, recently head of videogame design group at Starpath,

joins computer program developer Epyx as product development & operations vp... **Robert Hessler**, ex-Dymo, joins videogame cartridge programming terminal marketer Romox as COO, succeeding **Paul Terrell**, advanced to chmn; **Dan laumi** replaces Terrell as pres... **Ron Stegall** advanced at Radio Shack from vp to senior vp, computer mktg.; **William Gettis** named Education Div. vp... **Elton Southard**, MOS Technology gen. mgr., adds duties as operations vp for sister company Commodore Business Machines... **Bryan Grummon**, ex-Coleco operations vp, joins portable computer supplier MicroOffice Systems Technology in same post; **Robert Goldstein**, formerly Coleco Adam computer quality assurance dir., also moves to similar slot with MOST.

**Jack Kanne** ex-Commtron national video sales mgr., named Paramount Home Video southwest region rep... **Susan Moir** joins Nostalgia Merchant as sales dir.; **Nancy Legg** named asst... **Philip Kromnick** appointed NTA home video gen. mgr.; **Susan Roberts** becomes coordinator of distributor sales... **Rich Boehning**, ex-Pathescope Educational Media, appointed institutional media vp, Walt Disney Telecommunications & Non-Theatrical Co... **Mike Preece** appointed U.K. national accounts mgr., CBS/Fox Video International.

**Pat Hender**, ex-Digital Equipment, joins Panasonic Industrial Div. as OEM sales mgr. for optical memory disc recorders; **James McIver** named Audio Video Systems Div. west region govt. mktg. mgr.; **Frederick Seep**, ex-Xerox & Litton, appointed Computer Equipment Dept. national sales mgr... **Robert Jones**, ex-General Instrument, joins RCA Solid State Div. as power operations dir.

**David Mathews**, ex-Burroughs, joins Sharp Electronic Components Group as national sales mgr., marking shift of responsibility for sales to U.S. OEMs from Japan to U.S... **Gary Carlson** promoted at GE to pres. of new subsidiary GE Ceramics... **Edmund Larrabee**, Switchcraft sales & mktg. dir., named vp... **Todd Davidson** advanced at 3M to Electronics Products Div. mktg. operations dir.

**William Bywater**, IUE pres., named steering committee chmn. of multi-union GE-Westinghouse Coordinated Bargaining Committee, responsible for preparing for 1985 employe contract negotiations... **Nancy Kestenbaum** advanced at Penthouse magazine from consumer electronics mgr. to N.Y. ad mgr.

**NARDA** hasn't yet formally recommended use of Primefax's computerized consumer electronics repair information service to its retailing members, according to Exec. Vp **Jules Steinberg** (TVD Nov 14 p18). While some members have tried Primefax and found it helpful, others were dissatisfied, Steinberg said. He told us Primefax is making some changes to improve its service; pending completion of those, NARDA board has tabled question of endorsement.

**Electronics From Spain 1984**, cataloging products available for export, is available free from electronics export promotion service there. Request from: SECARTYS, Gran Via de les Cortes Catalanes, 446, Barcelona 15, Spain.



WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast - Cable

**'TYPICAL' TV STATION EARNED \$1.25 million** last year on \$6.3 million in time sales. VHF independents profit handsomely, NAB says. (P. 1)

**ABC WINTER OLYMPICS PREPARATIONS** in Yugoslavia include complete cable system for internal communications. Arledge denies \$1 billion asked for 1988 summer Olympics. (P. 2)

**ABC'S 'DAY AFTER'** vaults network to top spot for week, draws 46 national rating, 62 share. (P. 3)

**HBO PLANS PAY-PER-VIEW CHANNEL:** New Channels department made for pay-per-view channel aimed at home video/PPV window. (P. 3)

**WESTERN CABLE SHOW SET,** but without Attorney Gen. Smith as keynoter. Registration 'stronger than expected.' (P. 4)

**CONGRESS LOADS UP FCC, CPB** budget bill with amendments, including language that would require PBS pres. to pay back loan. (P. 4)

**BROADCASTERS SUPPORT TV DEREG:** NAB study shows stations now devote 29% of air time to non-entertainment programs. (P. 5)

**TAFT TELETEXT SERVES 100 SETS** after 5 months, success predicted. Time drops out. (P. 6)

**'TYPICAL' TV EARNED \$1.25 MILLION LAST YEAR:** "Typical" TV station had profit of \$1.25 million in 1982 on gross time sales of \$6.3 million and net revenues of \$5.37 million, according to NAB survey. Profit margin was 23.3%. Of every sales dollar, 47¢ came from national-regional spot advertising, 45¢ from local ads, 8¢ from network compensation. NAB survey received usable responses from 440 stations, 57.8% of commercial U.S. outlets. Under NAB definition, "typical" means median — half of stations performing better, half worse.

Expense dollars were spent as follows: 33% for general & administrative, 26% programs & production, 13% news, 13% sales, 11% engineering, 4% advertising & promotion. Typical station had payroll of \$1.57 million, with 26% for news, 21% sales, 20% programs & production, 17% engineering, 13% general & administrative, 3% advertising & promotion. Cost for syndicated programming, films, sports & specials totaled \$336,700, or 32% of program & production costs. Also under broadcast rights, average station spent \$83,500 for music license fees, \$71,200 rating services, \$66,000 travel & entertainment.

### Consumer Electronics

**\$20 DISCS, \$200 PLAYERS,** highlight RCA videodisc strategy for '84. Clayton heads sales staff; 100 employees dropped. (P. 8)

**DIGITAL TV:** Zenith plans marketing in 1984, but GE slips toward '85, blaming ITT, which says chip deliveries are close to schedule. (P. 9)

**JAPAN EC VCR EXPORT QUOTA** boosted by 500,000 for 1984 to 5.05 million. Extras to be used for kits. Minimum pricing to continue. (P. 10)

**VCR OUTLOOK FOR '84:** Sales will rise as high as 5.5 million but with lower prices, Panasonic & Sony predict at ITA meeting. (P. 10)

**'84 VIDEOTAPE PROSPECTS** as seen at ITA seminar: 90-100 million cassette sales, low profits, big year for duplicators. (P. 12)

**TELEPHONE MARKET** appears to be in CB boom-bust cycle, with total handset imports up 586% in 9 months to 25.7 million. (P. 12)

**COLOR RECORD FALLS,** sales for 44 weeks of 1983 higher than any previous full year. (P. 12)

**TELETEXT TROUBLES:** Inability to cut decoder cost cited in Time shutdown. Consumers bought 50 Zenith decoders in 5 months. (P. 13)

Of 355 stations reporting profit for 1982, average had revenue of \$7.2 million, pre-tax profit of \$1.75 million. Average respondent predicted 8.8% increase in operating revenues for 1983, up 2.7% from actual increase in 1982 over 1981.

Typical network affiliate reported revenue of \$6.36 million, pre-tax profit of \$1.34 million; independent station (UHF & VHF) had revenue of \$10.96 million, profit of \$1.34 million; UHF-only station had revenue of \$4.51 million, profit of \$574,600. Figures contrast with fact that UHF independent (all in major markets) had revenue of \$7.1 million, profit of \$652,300, while UHF affiliate (smaller markets) had revenue of only \$3.83 million, profit of \$531,300 — result of much lower expenses than independent UHF. On other hand, VHF independent (again, all major market) had revenue of \$22.6 million, profit of \$4.95 million. Typical station in top 10 market had revenue of \$30 million, in market above 176th \$1.58 million.

**ABC BUILDS CABLE SYSTEM FOR WINTER OLYMPICS:** "What you are looking at right now is the headend for a complete cable system," Julius Barnathan, pres. of ABC broadcast operations & engineering, told reporters in main control room in Sarajevo, Yugoslavia, who were participating in pre-Olympic tour of venues & facilities. After wading through much bureaucratic red tape, ABC even has installed its own 17-meter dish, at cost of more than \$300,000, to use as backup in case of failure in normal communications to U.S. Cable system will be used primarily for internal communications between ABC broadcast center in downtown Sarajevo and various venues and with JRT (Yugoslavian TV).

At wide-ranging, hour-long news conference, ABC News & Sports Pres. Boone Arledge said there has been "no question of censorship... nor do we expect any" from Yugoslavia's socialist govt. As for future games, he said sponsoring committee for 1988 Winter Olympics in Calgary wants to sell rights before Sarajevo Olympics but he refused to discuss prices being asked or offered. Of Seoul Summer Olympics, Arledge disputed reported \$1 billion asking price (ABC paid \$91.5 million for Sarajevo rights, \$225 for Summer Olympics in L.A.), said "people love to float gigantic figures hoping someone will believe them." He said "Seoul is still getting itself organized" and there have been no firm negotiations yet for rights ("although people have talked"), said ABC wouldn't be averse to sharing rights with another network or pay-TV entity.

On non-Olympic subjects, Arledge responded "not in the near future, no," when asked if he planned to give up either his sports or news responsibilities after L.A. Olympics. He said it's possible Nightline will return to 30 min. format (it was expanded to hour earlier this year), that it won't be because of lack of advertisers but because of affiliate resistance to hour format and fact many stations delay program. He claimed Nightline has been "very profitable" as hour program. (Note: Other ABC news officials have told us that network has decided to cut back Nightline, is waiting to announce it at meeting of affiliates' TV board in Hawaii next week.) ABC hasn't decided how much coverage to give summer Presidential nominating conventions. "It will depend on what the story is at the time," Arledge said.

Arledge blamed drop in audiences for Mon. night NFL football on poor games scheduled by League, cited last Mon. N.Y. Giants-New Orleans Saints game as example and fact Giants are on 3 times with their losing record. In bidding for CBS anchor Dan Rather, Arledge said ABC lost out because CBS offered him the anchor job "and a ton of money." Even after CBS offer, Rather "was very torn" about coming to ABC where "he would have been a super reporter... and travel all over the place," Arledge said. In negotiations with Rather, there was never any talk about removing late Frank Reynolds as principal ABC evening anchor, Arledge said, although Rather would have anchored news for ABC when he was in N.Y.

"It was a tough call... I'm not sure what we would've done," Arledge said of CBS airing of FBI-obtained tape (less than week before scheduled start of trial) of John DeLorean allegedly accepting money from undercover agents in payment for cocaine. In defense of CBS, Arledge noted that prosecutor already had made public some of information contained in tapes.

ABC plans to return to U.S. all equipment it has shipped to Yugoslavia (except for ground station) for use at Summer Olympics and later for disbursement to ABC-owned TV stations. Equipment includes 77 one-in. tape machines, 15 of 3/4-in. variety, 44 studio cameras, 10 ENGs,



9 mobile units, plus small camera weighing less than pound (which was demonstrated to reporters) to be attached to skier's helmet, bobsleds, etc., for demonstrations. Camera won't be used during actual competition. In addition, ABC has right to use output of JRT, which will provide most of actual coverage of events seen on ABC, for Feb. 7-19 games. Of receive station, Barnathan quipped: "ABC will give you a 10% commission if you can sell it in Europe." Network plans to air 63.5 hours from Sarajevo (most of it not live because of 6-hour time difference from N.Y.), 42.5 hours in prime time.

**'DAY AFTER' AFTERMATH:** ABC's movie on nuclear war garnered 46 national rating and 62 share, ranking 12th on all-time ratings list. National numbers are well below overnights from 6 cities which had given movie 52.2 rating and 68 share, numbers just below final episode of MASH. Discrepancy suggests movie was more popular in major cities than elsewhere.

Advertisers reported few complaints from viewers. ABC reported receiving 5,281 phone calls in N.Y. & L.A. — 3,711 favorable, 1,425 negative, 145 "miscellaneous." Warner-Amex Qube cable subscribers in 6 cities were polled, with 5,500 taking part: 63% said they viewed it as "just a TV show," 22% said it was propaganda. Cable viewers attitudes toward advertisers were little changed: 72% said they felt "about the same" toward sponsors, 17% were more favorable, 8% less favorable.

The Day After was by far top-rated show for week ended Nov. 20, vaulted ABC into top spot for week even though CBS had 8 of 10 most popular shows. Network climbed 5% in households using TVs (HUT) from previous week and 5 owned stations climbed 15% in HUT. In Detroit, movie beat final episode of MASH with 74 share, ABC said.

Those who expected movie to change attitudes about nuclear war significantly were disappointed. Polls showed most people held same attitudes after viewing movie as before, but anti-nuclear groups claimed receiving 17,000 phone calls. Gloucester, Mass. viewers were frightened when blackout hit 3,000 homes just as bombs were exploding during movie.

Soviet press applauded movie, said it would make ordinary Americans more aware of dangers of nuclear war. Pravda said ABC movie would make nuclear arms a major issue in 1984 Presidential race.

Sacramento, Cal. cable franchise has been awarded to Cablevision of Sacramento, partnership among Charles Dolan, Scripps-Howard, Cablevision Systems and group of 70 local investors called River City Cablevision. Dolan will be managing general partner in venture which plans to spend \$166 million over 4 years, using \$68 million in equity and \$98 million in debt financing to wire 360,000-home area. Cablevision said it will build 3,000 miles of plant, activate 88 channels, charge \$2 monthly for 28-channel basic service. Construction will begin immediately, officials said, will be completed in 4 years.

Cox Cable will buy \$15 million worth of Jerrold equipment, including 125,000 Starcom 450 addressable converters, AH-2 addressable controllers and other related headend equipment.

**HBO OPENS PAY-PER-VIEW WINDOW:** How much is that HBO in the window? Irking HBO executives of late have been home video releases and pay-per-view channels — Warner Amex Qube systems, for example — which rob HBO of its prized exclusivity by having same titles on 6-12 months earlier. Signs that HBO is ready to combat competing windows came last week in form of New Channels, established by HBO to create pay-per-view channel and explore other possibilities. Move can be seen as first HBO effort to hedge service against inroads it fears in 2-3 years when home video revenue could exceed pay cable's.

David Meister becomes HBO Enterprises & New Channels senior vp, also is named pres. of Time-Life Films, \$4-\$5 million a year operation orphaned when Video Information Services folded. TLF sells cassettes & films to schools & libraries, could provide HBO with entry into home video marketplace. Time Inc. tried & dropped direct mail venture through TLF, later gave rights to many of same programs to Austin Furst, who left TLF to form Vestron Video.

HBO Enterprises covers "ancillary program sales, co-productions, international & syndication activities," logical starting place for new outlet for HBO. In addition, corporate planning has been concentrating on DBS plans, which offer possible pay-per-view technology as part of Galaxy delivery now being discussed with WTBS Atlanta and other services. As one of few national pay services able to afford rights — and command audience — to blockbuster special events, HBO is likely to expand that clout — again something Pres. Frank Biondi and others have long hinted at doing.

FTC has been petitioned by 25 national organizations to tighten broadcast & print regulation of alcoholic beverage advertising. Petition asks for notice in all liquor ads, like that required for cigarettes, warning that drinking can be hazardous to health. Also requested was ban on all ads directed at youth and ban on endorsements by athletes. Petitioners included ACT, American Medical Society, United Methodist Church, Media Access Project, Telecommunications Research & Action Center.

Malrite Communications Group has filed registration statement with SEC for offering of 1,850,000 shares of common at \$14-\$16. Prudential-Bache is managing underwriting. Malrite owns 3 independent TV stations, 6 AM & 7 PM. It said it has entered agreement to acquire another independent TV, unidentified.

Cable TV Information Center has moved to Mark Center Office Park, 1500 N. Beauregard St., Alexandria, Va. 22311, 703-845-1700.



**WESTERN CABLE SHOW SET:** Western Cable Show officials are somewhat perplexed and chagrined that U.S. Attorney Gen. William Smith canceled as keynoter less than 3 weeks before annual event in Anaheim, Cal., and after reams of promotional material had gone out touting his appearance. Officials of show, sponsored by Cal. & Ariz. Cable TV Assns., said Smith recently confirmed that his schedule allowed him to accept invitation, but said his appearance and speech would have to be cleared by White House. "We can only assume that the White House had some objection to his speaking to the cable industry, even though a good many of these people will be his old friends from California," spokesman said.

Daniel Schorr, chief correspondent for CNN, will substitute for Smith at Dec. 14 luncheon, said he will speak on future of electronic journalism. Show officials said Smith had planned to address issues critical to industry, such as antitrust and piracy.

"Cable: The Quality Connection" is theme of Dec. 13-15 show, with most sessions revolving around industry's move from construction phase into marketing and international arenas. Appearing on congressional overview panel, moderated by C-SPAN Pres. Brian Lamb, will be Reps. Coats (R-Ind.), Luken (D-O.), Madigan (R-Ill.), Swift (D-Wash.).

FCC officials take stage Dec. 14 for roundtable discussion on must-carry, federal preemption and other cable concerns. Panelists include Mass Media Bureau Chief James McKinney and his assistant William Johnson, Cable TV Branch Chief Steve Ross, and James Wong, FCC chief engineer. Several technical sessions, sponsored by Society of Cable TV Engineers, also are scheduled.

One of most interesting panels is slated for closing day when Europeans will assess U.S. industry, chances of profitability overseas. "Hands Across the Water" session will be chaired by Viacom Worldwide Vp Neil McHugh, will have as speakers Communication & Information Technology (CIT) Joint Managing Dir. Patrick Whitten, Central Independent TV (U.K.) Head of Program Services Kevin Morrison, Charterhouse (U.K.) Special Projects Dir. Bruce Fireman, Belgium Radio-TV Dir. General Holde Lhoest. Also, Council on Cable TV Information Pres. Kathryn Creech is expected to unveil new national image-building campaign, name ad agency that will develop material. NCTA Pres. Thomas Wheeler will be closing luncheon speaker; annual banquet that night will feature comedian Mark Russell.

Pre-registration "is stronger than expected," said CCTA Dir. of Administration Gerald Yanowitz, who predicted that about 10,500 would attend, about level with last year. Earlier, CCTA officials thought attendance would be down, although show is funded at same level as last year, he said. Some 250 exhibitors have rented about 200,000 sq. ft., about same as last year. Show will follow 2-day NCTA programming conference at L.A.'s Biltmore Hotel, which will be highlighted by Awards for Cable Excellence presentations.

**FCC-CPB MONEY BILL PASSES:** New budget bill for FCC & CPB came out of last-minute negotiations heavily adorned with amendments. Both houses approved bill with little debate in waning hours of session. Among provisions added was language that would prevent NPR, PBS & member stations from providing interest-free loans. Amendment was directed at PBS, which came under fire from Republicans for giving \$125,000, 30-year interest free loan to Pres. Lawrence Grossman for 2nd mortgage on his \$315,000 Washington home (TVD Oct 3 p6). Grossman would be required to repay loan immediately, according to Hill aides.

Support in both houses for additional CPB funding will help next year when Corp. must go back to Congress to have budget reauthorized for fiscal 1987-89, CPB Chmn. Sharon Rockefeller said: "It solidifies our position." She wouldn't comment on language affecting Grossman loan. CPB Pres. Edward Pfister also avoided comment on issue but agreed with Rockefeller that bill's passage "is a clear signal that public broadcasting has a broad base of support." But Republicans hailed language as important show of fiscal restraint.

Democrats won new oversight requirements over NPR during fiscal crisis and "dial-a-porn" prohibition that would allow FCC to impose civil fines and permit Attorney Gen. to seek criminal penalties against anyone who operates telephone service considered "obscene or indecent," as set by U.S. Supreme Court in Pacifica case.

Sen. Hollings (D-S.C.) won language intended to speed up FCC action on new technologies, giving FCC up to 12 months to act on applications & petitions for new services. Not included in bill as passed was proposal debated hotly that would have placed freeze on FCC proceedings involving competitors to Comsat until final policy decision of Administration is made. Related amendment was added that would require 3 vice chmn. at ITU conferences from FCC, NTIA & State Dept. Aide said language allows any or all 3 to bow out of participating, would affect HF WARC in Jan.

Meanwhile, Senate confirmed CPB board nominees Harry O'Connor (to term ending March 1986) and James Hackett through next March. Senate sent back to White House name of industrialist William Hanley, who also was nominated to term ending next March. Sen. Weicker (R-Conn.) objected to nomination for reasons involved with Conn. state politics, according to sources. Board for International Bestg. nominees Ben Wattenberg and Frank Shakespeare also were approved, as was Comsat board nominee Neal Freeman.

Canadian Bestg. Corp. will get new \$530-million home in Toronto under plan announced by Communications Minister Francis Fox. Multi-use center along waterfront will consolidate into one building CBC activities currently scattered among 22 Toronto locations. Rental of space in new building to private businesses means govt. will bear little cost of construction, Fox said. CBC will get \$96.2 million in new equipment, he said.



**TV DEREG PUSHED:** FCC should eliminate rules on TV station ascertainment, program logs, commercialization and non-entertainment programming and at same time spell out public interest standard that would be judged at renewal time, broadcasters said last week. In comments on TV deregulation rulemaking (83-670), networks & stations applauded move, said pattern in radio deregulation should be followed.

NAB submitted study showing stations will spend \$2 million this year complying with ascertainment requirements, said cost outweighs public benefits. Study of 107 stations showed that broadcasters are exceeding non-entertainment program guidelines (5% informational, 5% local, 10% total non-entertainment) by devoting 17.3% of air time to informational, 8.9% to local, 29.2% total to non-entertainment. On commercialization, study found that on average, stations are airing 10.3 min. per hour, well below FCC's 16-min. guideline.

If rules were eliminated, NAB study showed, average top 50 market station would save \$3,205, 91 man-hours yearly. Eliminating program log requirements would save same station \$18,061, 1,266 man-hours annually. Replies in rulemaking are due Jan. 5.

Post-Newsweek Stations said most important issue is comparative renewals, said same standard should apply when judging station's operations at renewal time as is used for petitions to deny. Also, 3 categories for non-entertainment programming could be consolidated, with no separate standard for local programming, Post-Newsweek said in comments similar to many other groups.

ABC, as did other networks, strongly supported rulemaking, said that while abolishing rules Commission should promulgate "reasonable standard defining public interest operation for renewal purposes." Standard would be non-mandatory. "Unless the Communications Act is amended in a dramatic and as yet unforeseen manner, it will still be necessary to define on at least an ad hoc basis what constitutes licensee operation 'in the public interest,'" ABC said.

Opposing deregulation were several public interest groups ranging from National Assn. for Deaf to ACT. They said broadcasters would further reduce public services, such as closed captioning, or would significantly increase advertising aimed at youth. United Church of Christ and National Council of Churches said that deregulating TV was "premature," that FCC proceeding was "governed more by speculation than hard data." Saying radio deregulation "has already led to slashes in local and public affairs programming," UCC concluded: "If the FCC follows the same course in TV — with its network domination and copycat advertiser-oriented programming — the results to the public interest could be disastrous."

AAAA urged go-slow approach, said "state of transition" in broadcasting needs to pass before Commission can conclude competition will ensure marketplace balance. Although AAAA said it

supports repeal of ascertainment and non-entertainment program guidelines, eliminating commercial time & program logs might not be wise: "AAAA suggests a policy of something less than absolute deregulation... in those areas."

Senate has adjourned until Jan. without holding confirmation hearing for White House aide Dennis Patrick as 5th member of FCC. Reports are that Sen. Goldwater (R-Ariz.), chmn. of Communications Subcommittee, has put hold on confirmation because he's seeking judicial appointment for friend. White House has option of making interim appointment — meaning Patrick could become FCC member without Senate confirmation, but he wouldn't get paid if he wasn't eventually confirmed. Interim appointment is considered unlikely, Administration sources told us, meaning FCC, which has been down to 4 members since July, will remain with only 4 for several weeks. Next expiration is term of Comr. James Quello June 30; he has served full 7-year appointment and was reappointed for 3 years remaining of term of ex-Chmn. Charles Ferris. Democrat Quello (who generally votes conservative line) told us he's "leaning" toward seeking reappointment if it can be obtained without major opposition; he has strong support of House Commerce Committee Chmn. Dingell (D-Mich.) and other members of Mich. congressional delegation.

"Pay TV: What's New Versus What's Needed" is keynote panel at NCTA Programming Conference Dec. 11-12 at Biltmore Hotel, L.A. Discussing how national programming meets local needs will be HBO Entertainment Group Pres. Michael Fuchs, Showtime/Movie Channel Pres. Mike Weinblatt, Walt Disney Telecommunications Pres. James Jimirro, Playboy Channel Pres. Paul Klein, Warner-Amex Senior Vp-Mktg. & Programming John Charlton, Manhattan Cable Pres. John Gault. Sun. morning session will be followed by 2 Mon. panels on congressional issues: Impact of HR-4103 will be discussed by Reps. Dowdy (D-Miss.), Markey (D-Mass.), Oxley (R-O.), Whitaker (R-Kan.). First Amendment will be addressed in panel with Viacom International Chmn. Ralph Baruch, Time Inc. Video Group Gen. Counsel John Cooper, Playboy Enterprises Pres. Christie Hefner, Sen. Packwood (R-Ore.). Other panels will be on sports programming, research into subscriber preferences, programming costs, new affiliations among Hollywood studios, home video industry and cable. Mon. evening will feature ACE awards hosted by comedian David Steinberg.

Storer is selling its Washington-area cable properties to company vp responsible for developing them, officials said. Buying 18 Storer systems & franchises is group of local investors headed by Storer Vp for Md. Winfield Kelly. Only 3 systems are operating, have about 20,000 subscribers with potential of 140,000. Terms weren't disclosed, but Storer said it was selling for what it had invested so far, which officials put at \$20-\$25 million. One spokesman said that by time deal closes in 6 months, total pricetag would be around \$30 million.



**FCC SIDESTEPS TV AD TAX ISSUE:** At meeting last week, FCC denied without discussion Buffalo TV station's bid to halt flow of CBS network programming to Canadian broadcasters. Request had come because of Canadian law penalizing companies which advertise on U.S. stations watched by viewers north of border. WIVB-TV Buffalo, CBS affiliate, said law, which denies Canadian businesses tax deductions for advertising placed on U.S. stations intended for Canadian reception, "effectively prohibits Canadian advertising... from being aired on American stations close to the international boundary."

In its petition for review of staff action granting CBS's annual authorization to deliver programming to Canadians, WIVB-TV said 3 stations in Buffalo are losing \$3 million yearly in ad revenue as result of law. Station had said FCC should address issue because loss of Canadian ad revenue is becoming \$20 million problem for U.S. stations along border, principally in N.Y. & Wash. Pending in Congress is mirror legislation to impose similar restrictions on U.S. companies advertising on Canadian stations.

In other broadcast actions, Commission: (1) Affirmed Review Board's decision to renew licenses of WJIM-AM-FM-TV Lansing, Mich. Allegations had been made by Lansing branch of ACLU that licensee Gross Telecasting clipped network advertising and slanted news. (2) Renewed license of KPRT(AM) & KPRS(FM) Kansas City over objections of Kansas City Black Media Coalition, which alleged stations provided only minimal public affairs programming for blacks and failed to place programs/issues list in public file. Renewal was conditioned on licensee placing such list in file. (3) Launched rulemaking on eliminating requirement that cable systems file registration statements when they add TV stations. (4) Admonished Perry Cable, Riviera, Fla., for failing to meet EEO guidelines.

In approving FCC fiscal 1984 authorization, Congress accepted 2 technical amendments changing some Commission procedures. One change amends petition to deny process to make frivolous challenges to station facility upgrades less likely. Amendment would require substantial & material question of fact to win hearing at Commission, is meant to bring FCC rules in line with case recently resolved by U.S. Court of Appeals, D.C., involving Western Bestg., where Court held that at least oral argument raising substantial & material question must be made. Rep. Broyhill (R-N.C.) won amendment in regional concentration rules to allow radio stations that were grandfathered when rules were written to retain special status automatically after major facility upgrades. Current FCC procedures require hearing for upgrade and multiple station owner can lose grandfathered status. Rules prohibit ownership of more than 3 stations within 100 miles if contours of any 2 overlap.

Tours of NBC TV & radio studio facilities in N.Y. will resume Dec. 12, network said, more than 6 years after they were halted Sept. 5, 1977. Tours had been held since shortly after NBC moved into RCA Bldg. Nov. 11, 1933.

**More teletext troubles:** After 5 months of operation, Keyfax, Taft Bestg. broadcast teletext venture in Cincinnati, has audience of about 100 families, half of whom actually paid for their decoders, according to company. Zenith Cincinnati distributor, which handles only decoders available for World Systems Teletext (WST), told us some 82 units had been sold to dealers. Keyfax official estimated public bought 50 at around \$275 (suggested list price \$300), and another 50 have been loaned to VIPs, test homes, etc. Meanwhile, Time Inc.'s Video Information Service, cable teletext project in Orlando & San Diego, is shutting down Dec. 31 (TVD Nov 21 p6). Time cited Matsushita's inability to bring cost of teletext decoders down to \$150 or less as one reason for terminating trial. Teletext proponents hold out hope that digital TV chassis will make possible use of low-cost decoders. ITT, developer of digital TV system, said decoder should add about \$12 to cost of set. Taft remains undaunted in experiment. "The Time fiasco just reconfirms our policy on our standard," said Taft News Vp Terrence Connelly. "Everything that has happened for the worst for Time and CBS should, we think, convince the industry that WST is the one that's going to work." Connelly added he expects "very major" broadcaster to announce WST plans in early 1984.

Christine Craft, former co-anchor for KMBC-TV Kansas City, has been denied delay in start of new trial (scheduled for Jan. 4 in Joplin, Mo.) in her suit against station. Federal Judge Joseph Stevens also denied her request for new trial on 2 other issues — sex discrimination and fact that Craft was paid less than male co-anchor. She filed \$1.2 million suit against KMBC-TV and then-owner Metromedia in 1981 after being demoted from co-anchor. Last Aug., 6-member jury (in trial held in Kansas City) awarded Craft \$500,000 on fraud count, which alleged conditions of her employment by station were misrepresented. Stevens threw out that verdict Oct. 31, ordered new trial. In unrelated case, federal court ruled WCGV-TV Milwaukee didn't sexually discriminate against former female talk show host who was paid less than her male co-anchor. B.J. Rabb, filed \$100,000 suit after being fired in 1980. Jury's advisory verdict said standards of equal pay for equal work weren't violated based on work history and duties of co-anchors.

"The Responsibility in Political Advertising in 1984" is subject of Dec. 9 Washington seminar sponsored by AAAA in cooperation with Democratic & Republican National Committees and League of Women Voters. Among speakers are AAAA Pres. Leonard Matthews, League Pres. Dorothy Ridings and top political figures. Said Matthews: "We're going to talk about the need for a heightened sense of responsibility regarding ethics in political advertising... We don't expect to do any lecturing or sermonizing. Our goal is to help everybody concerned so the voter... will be fully and fairly informed." Members of Congress and their staffs, as well as political action committees, consultants & advisors have been invited to 1:30 p.m. session in Senate Caucus Room, Russell Bldg.



## Personals

Joseph Carrier, KBIM-TV Roswell, N.M., elected chmn., CBS TV affiliates' board, succeeding Guy Main, WCIA Campaign, Ill.; Phil Jones, KCTV Kansas City, elected secy.-treas... Changes at Koplar Communications: Lawrence Marcus promoted to business affairs vp; James Wright to vp-operations; Ernest Martin moves to Koplar-owned KPLR-TV St. Louis as mktg. & research dir.; Gregg Filandrinos, ex-TeleRep, named KPLR-TV national sales mgr... Anton Moe retires as exec. dir., Wis. Educational Communications Board.

Leslie Savage, ex-Blair TV, appointed Metromedia Producers syndication research dir... Janice Obuchowski, legal asst. to FCC Chmn. Fowler, also named his asst. for international communications... John Harr, consultant & author, named vp-presentations & special projects, ABC; Reed Phillips, ex-Dept. of Interior, named systems engineering vp... William Smith, ex-KABC-TV L.A., appointed western div. sales exec., MCA TV.

Patrick Maines advanced to pres., The Media Institute, succeeding late Leonard Theberge, founder & first president of Washington-based non-profit research foundation... Jeff Bewkes, HBO corporate planning vp, also named treas.; Curt Viebranz, budgeting & financial planning dir., asst. treas.; Larry Kostroff, ex-MGM-United Artists, joins HBO Film Licensing as vp-product management, new post... Robert Block, ex-American Cable Connection, joins Daniels & Assoc. as national sales mgr... Harold Poole promoted at Gilmore Bestg. to exec. vp... Michael Feltz promoted to group research mgr., Petry TV... Joseph Preschutti advanced to vp-engineering, C-COR.

William Ulewicz, ex-N. American Philips, appointed vp-sales, Satellite TV Corp... Richard Vipond, head of Nielsen Canadian operations, named pres. of worldwide mktg. research group, succeeding Henry Burk, who will become Nielsen chmn.-CEO when Arthur Nielsen retires next May... Robert Galvin advanced to vp-production operations, planning & technical services, NBC.

Donna deVarona, 2-time Olympic swimming gold medalist, rejoins ABC Sports as asst. to Pres. Roone Arledge and on-air commentator during Olympics... San Francisco attorney Michael Couzens elected pres. of National Translator/LPTV Assn.; Darwin Hillberry, translator vp; Doug Maupin, LPTV vp; Marsha Gobbo, secy.-treas... Raymond Scully, ex-AT&T, joins new Washington office of Philadelphia-based law firm Dilworth, Paxson, Kalish & Kauffman (Suite 280, 1825 Eye St. NW 20006, 202-296-9320).

Donald King, pres. of Philips Labs Div. of N. American Philips, named pres.-elect of IEEE, succeeding Richard Gowen, S.D. School of Mines & Technology, who becomes pres. Jan. 1, replacing James Owens; Henry Bachman, Hazeltine Corp., elected exec. vp, succeeding Charles Eldon, Hewlett Packard... Sen. Lowell Weicker (R-Conn.) will be featured speaker at Dec. 8 law conference sponsored by AFA, Washington... Jon Cornell advanced to senior vp in charge of

semiconductor sector, Harris Corp.

Kelly Smith, veteran AP reporter, appointed asst. gen. mgr., first woman to hold post in 135-year history of news service... Hunter Low promoted to ad & promotion dir., motion picture & audio visual markets, Eastman Kodak... Norman Hayes appointed central div. sales mgr., Multimedia Entertainment... Named N.Y. sales mgrs. by Blair TV: Kristin Long, CBS/Green Team; Ellen Glantz, Independent/Red Team; Dennis McGlone, ABC/Blue Team; Steven Schwarz, NBC/Blue Team; Armand Grez, CBS/Red Team... Russ Withers, WMIX(AM) Mt. Vernon, Ill., elected pres. of Mutual Affiliates' Advisory Board, succeeding Hal Kemp, KTRH(AM) Houston; Lee Morris, WSOC-AM-FM Charlotte, named vice chmn.; Alan Andrews, WCLH(AM) Corning, N.Y., treas... Brian Lietz promoted to dir.-engineering, WUFT Gainesville, Fla.

Direct Best. Satellite Corp. has chosen Ford Aerospace to build its high-power DBS satellites, becoming 2nd DBS licensee (Satellite TV Corp. was other) to pick Ford. Memorandum of understanding has been signed, according to DBSC Pres. William Pritchard. Agreement posits 2-satellite Ku-band system with option for spare, first for delivery in early 1987. Contract would be valued at around \$170 million, plus performance payments. Each satellite would have capacity to beam 6 channels to half-CONUS, plus additional 4 channels to selected metropolitan areas. Additional channels would be result of 3 movable spot beams on each bird, which could target Alaska, Hawaii or Puerto Rico. DBSC has agreed to launch satellites on French Ariane rocket. Transponders will be available on common carrier basis. DBSC is only holder of DBS license with such marketing scheme.

"Intensified cost-containment" policy will be implemented by ABC to hold 1984 program prices to 1983 levels. Anthony Thomopoulos, ABC Best. Group pres., said in L.A. last week that network also would take steps to assure that regular series episodes live up to promises of pilots. He said network's profit margins have decreased from about 20% of revenue in 1978 to around 13-14% in 1983 and that license fees paid to producers for continuing prime-time series have increased annually by 15%. CBS praised ABC move, cited its own effort to better manage costs — step which accounted for 28% rise in CBS Best. Group profits in 3rd quarter. NBC comment was less laudatory, said network "fully intends to continue what we feel is an excellent working relationship with the creative community."

CBS has acquired rights to NCAA basketball championship games for 3 years through 1987 for \$96 million, representing 100% increase over cost of current rights (also held by CBS), adds 2 prime-time games to 19 televised dates. NCAA granted rights to CBS without competitive bidding, much to chagrin of NBC, which had sought to split championship series with CBS.

Seltel appointed rep for WNOL-TV New Orleans.

# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended Nov. 11 (45th week of 1983):

	NOV. 5-11	1982 WEEK	% CHANGE	OCT. 29- NOV. 4	44 WEEKS 1983	44 WEEKS 1982	% CHANGE
TOTAL TV#.....	474,900	355,087	+33.7	507,929	16,593,631*	14,496,085	+14.5
COLOR#.....	313,151*	249,527	+25.5	388,378*	11,767,238##	9,654,097	+21.9
MONOCHROME....	161,749	105,560	+53.2	119,551	4,826,393	4,841,988	- 0.3
PROJECTION TV...	3,400	3,611	- 5.8	3,724	116,185*	93,654	+24.1
HOME VCR.....	97,086*	61,375	+58.2	103,589*	3,256,129##	1,576,605	+106.5
COLOR CAMERAS...	8,463*	5,643	+50.0	9,005*	320,146##	239,691	+33.6

Color TV 5-week moving average: 1983--362,146\*; 1982--266,537 (up 34.4%).

Home VCR 5-week moving average: 1983--103,635\*; 1982--59,459 (up 90.3%).

# Excludes projection TV. \* Record for period. ## Exceeds full-year record.

**RCA STRATEGY—\$20 VIDEODISCS, \$200 PLAYERS:** RCA's redirection of videodisc for 1984, through new streamlined one-stop operation (VW Nov 21 p1), will emphasize "system value," keyed to players starting at less than \$200, selected hit discs at under \$20.

In consolidation of all videodisc activities, RCA named Joseph Clayton, currently vp-gen. mgr. of RCA Distributing Corp. branch in Chicago, consumer sales vp of Videodisc Div., and Paul Anderson, ex-senior vp-gen. mgr. of Rayovac Consumer Products Group, commercial sales vp. Herbert Mendelsohn, former mktg. vp, gets new title of advertising & merchandising vp. RCA will appoint 8-member field sales staff, experienced in consumer electronics, this week. Sales of players had formerly been function of RCA Consumer Electronics, while discs were handled by old RCA Videodiscs operation. Both will continue to be distributed through RCA's consumer electronics distribution.

More than 100 employees — in technical, non-technical & production jobs — are being dropped from videodisc operation, and many of them will be placed in other RCA operations. Group Vp Jack Sauter described reorganization as "shifting gears to a new level of momentum." Company, he said, is "past the introductory stage where we had 3 strong organizations all working on launch activities," and is now shifting from "brute force effort" to orderly marketing programs. Sauter told distributors at Houston meeting last week that videodisc is established as viable business segment, "and now we move up another notch to become a major component in the industry."

RCA announced that player sales to dealers over past 8 weeks have been nearly 5 times greater than same period last year following test of \$199 player promotion, and that it has received "significant" dealer orders for its "6-pack" stereo music disc giveaway with stepup players, running until Dec. 24. At same time, it said it had signed first contract for "significant commercial application" of interactive videodisc players & discs with unnamed manufacturer.

Both Sauter and Videodisc Div. Vp-Gen. Mgr. Arnold Valencia stressed that major emphasis for 1984 would be on value & price. Addressing distributors, Pres. Robert Fredericks noted that surveys showed consumers perceive videodisc player cost to be around \$500 — so, said Sauter, "we'll stress the \$200-\$300 range." He noted that "under \$200" promotion "produces a totally different reaction" with consumers — "this happened already in late 1983 and developed very strong retail activity."

As for lower disc prices, "we're discussing this now with the studios," Sauter told us. Asked



whether this involves cut in custom pressing price, he said: "There must be a program that makes sense to the studios before we would expect them to participate. We will have enough positive elements to make them interested." In addition to attracting new player purchasers, Sauter said, under-\$20 price will be strong incentive to player owners to "buy instead of renting."

"The price of discs must also reflect value in the consumer's mind," Sauter said. "It must be under \$20 for an adequate number of hits promoted each month. When the consumer is drawn in by the \$200 player and is impressed with the system, he must see a continuity of value. We believe \$30 is too high... We will have to provide leadership in the total value story."

For 1984, RCA plans "very strong merchandising program," has allocated "one of the largest amounts of funds for local use we've ever offered," having found local promotions "very successful." Note: Although not the major reduction necessary to achieve \$20 discs, RCA has already told programmers of 52¢ per disc reduction by elimination of label fee effective Jan. 1. Factory price for 2-sided disc remains \$7.50, vs. \$8.60 asked by Pioneer Video in Japan. PV fee, which is all-inclusive, will be subject of discussion at regular meeting of Laservision Assn. in L.A. early next month.

**DIGITAL TV—GE SLIPS TO '85, ZENITH IN '84:** Zenith expects to offer digital TV sets in 2nd half of 1984 — but GE says any shipments next year will be mere token, with no real selling until '85, blaming late delivery of chips by ITT. ITT, in turn, denies there's been any major slippage of its schedule, says it still plans to deliver enough chips next year to make 2 million sets. In Japan, company most likely to ship digital sets next year is Panasonic.

GE and Zenith are customers for ITT's German-made digital chips in U.S., along with Matsushita, Sanyo, Sharp, Sony, Toshiba and possibly others in Japan, Blaupunkt & Grundig in addition to ITT in Europe. ITT's set-making subsidiary SEL is already producing digital sets in limited quantities. Slippage or not, industry agrees that ITT is at least year ahead of anyone else in offering full complement of chips for digitization of all TV & audio signal processing.

"The major hurdles are past; we're in the stage of final tweaking & organization, we have chips that work well," said Zenith Exec. Vp Robert Hansen. "It's beginning to look solid," he added — "I think there will be product in the 2nd half of next year." Panasonic said at Berlin show that it would deliver digital set with picture-in-picture feature next year (TVD Sept 12 p12).

But GE TV Vp-Gen. Mgr. Jacques Robinson, just returned from visit to ITT Semiconductors plant in Freiburg, Germany, was less optimistic, saw "no significant volume" of digital sets in 1984. "Things will be very tight for next year," he said. "They're slipping their schedule on their ability to deliver chip samples — they've been several months late. We have not gotten some of the feature chips, and no working sample of one of the chips." GE could show sets next year — limited number for "PR purposes, if we wanted to" — but it's unlikely it could have even enough to fill distribution pipelines, he said. "We changed our planning several months ago to take this slowness into account, and my trip confirmed this."

"We will have enough product to support all the original players for 1984, as we promised," said ITT Semiconductors U.S. Mktg. Mgr. Del Brand. "If GE is late, something is involved that we had nothing to do with." It's known U.S. manufacturers were dissatisfied with original NTSC chip, wanted own special features in it — including comb filter, automatic tint, perhaps VIR. Brand conceded that ITT had to "modify additional features internally at the request of our customers" in U.S., but said last NTSC chip "qualification units" would be sent out in Dec., freezing design. Timing of introduction, he said, is now decision based on customer's marketing strategy and turnaround time, not chip availability.

First GE digital sets will be at very high end of line, said Robinson, and right from start they'll incorporate some custom GE chips to provide special features to distinguish them from standard sets. "They can't be sold on the basis of the picture alone," he said, noting that most TV sets have excellent picture — special features will be needed, and GE will have them.

**JAPAN-EUROPE VCR QUOTA ACCORD:** Japanese got what they wanted in recently completed quota negotiations on VCR exports to Europe — essentially quota-free shipment of Beta & VHS kits to both Japanese- & European-owned assembly plants there. Philips, which recently signed VHS manufacturing license with Matsushita, said it was disappointed.

Officially, Japan won 500,000-unit increase in quota for 1984 to 5.05 million, agreed in return to maintain minimum prices on exports of finished VCRs and to continue informal limitations on Europe-bound exports of color TV, color picture tubes, cars and forklift trucks. Japan also received European concession that VCR quota agreement is temporary measure, should be allowed to expire on schedule at end of 1985. As set up last Feb., VCR quota arrangement called for 4.55 million ceiling for 1983 shipments, level for following 2 years to be established later.

Japan said it would restrict exports of complete VCRs to 3.95 million in 1984, same number it plans for this year, use all of its expanded allotment to boost kit exports to 1.1 million from 1983's 600,000. That along with new quota level, officials agreed, will support effort to achieve sales of 1.3 million European-made VCRs, up from 1.2 million in 1983. When quota agreement was first achieved, it was intended to assure market for V2000 format VCRs made by Philips & Grundig. While that's still main purpose, scope has been expanded to cover all sets being fully produced by European manufacturers.

Figures indicate joint acceptance of outlook that European VCR market will grow 10.4% next year to 6.35 million from 5.75 million in 1983. Actual market this year will be somewhat smaller — it's generally believed production by Philips & Grundig will be something less than million. Philips, however, continues to maintain market will be level to down, rather than up, in 1984, and argues Japan's VCR export allowance should have been trimmed by 500,000.

Despite agreement on numerical level, Japanese say that for practical purposes there's no longer effective quota on kit shipments. Number of assemblers in Europe is growing rapidly. By end of first quarter next year, Mitsubishi, Sanyo & Toshiba should be joining JVC-Thorn EMI-Telefunken venture J2T as U.K. producers; Hitachi, Matsushita & Sony are already assembling in Germany; Akai is assembling in France and Thompson-Brandt plant is being launched. And Philips & Grundig plan to add VHS export production to their output. To gain that kit export freedom, Japanese have promised to insure continuous rise in value of European content added to VCRs assembled in EC.

\* \* \* \*

VCR marketers concerned with intense competition expected in 1985, when JVC's current ban on exports by its Korean licensees (Gold Star & Samsung) expires and Japanese export production ventures in Taiwan hit stride, now have something new to worry about — China. Matsushita said it's discussing request that it provide license and technical assistance for construction of integrated VCR plants in Nanking & Shanghai. As proposed, facilities go on stream in 1985, but are expected to turn out only 10,000 that year.

**1984 VCR OUTLOOK BY PANASONIC & SONY:** Video hardware marketers will be selling more, but enjoying it less next year as VCR competition heats up, average prices continue to fall and some companies find themselves on shaky ground. That's nutshell report on outlook offered by Panasonic & Sony at ITA seminar in N.Y. last week.

There was modest difference in forecasts presented by Panasonic Video Div. Vp-Gen. Mgr. Stan Hametz and Sony Betamax Mktg. Mgr. Dennis Ponce. Hametz predicted VCR sales this year "will exceed 4 million," may get up to 4.2 million, said 5.2-5.3 million can be expected in 1984, "and we wouldn't be surprised by 5.5 million." Ponce offered more conservative 3.9 million for 1983, but more solid 5.5 million prediction for next year. Hametz also forecast sales of 400,000 color cameras this year, 500,000 in 1984.

Relatively small growth for camera sales is in keeping with Panasonic's expectation that present trends of reduced market share for portables and rise in share for basic home decks will continue next year. For 1983, he said, portables are running about 18% of market, down from



22% last year, while basic, non-programmable, decks account for 59% of sales, up from 56.5%.

Sony is somewhat more bullish on portables, sees demand spurred by new one-piece systems, and predicts camcorders will account for 30% of portable market within year. While not at meeting, RCA also has healthy view of portables, expects them to account for nearly 20% of sales this year, retain that share in 1984, as portable volume grows to 1.1 million from 860,000. Panasonic is seemingly less excited about camcorders. Hametz told us company has none slated for introduction in 1984. He indicated Panasonic won't be joining JVC's planned launch of VHS-C Video Movie system next summer. As for 8mm Video format, he told ITA audience that while some company may show one next year "it's not coming into the market as a commercial product in 1984." When it does arrive, Hametz said, it will be essentially portable system, and will co-exist with 1/2". Industry, he said, should look at 8mm Video "as the portable of the future," and expect to be selling 1/2" decks "well into the late 1980s."

While secondary VCR brands are picking up share, market just isn't big enough to handle 32-35 companies that will be selling VCRs next year, Hametz said. He said survey shows market share of top 2 companies (believed to be RCA & Panasonic) dropped to 30% in this year's first half from 40% peak in 1981, while next 5 edged up to 27% from 25%, and next 7 rose to 30% from 20.5%. But as group, those 14 saw their combined share increase to 87% from 85.5%, and while remaining companies may pick up some share as non-specialty video stores become less important outlets, they'll have hard time achieving 5-7% shares needed to be viable & profitable competitors, and there will be dropouts, Hametz predicted.

Though not predicting any major price cutting in 1984, Sony agrees there will be average price deterioration as lower priced models capture bigger slice of market pie. Here's how Sony sees past & future VCR market shares by price category:

Price Range	1981	1982	1983	1984
Under \$500.....	--	25	34	48
\$500-\$600.....	13	23	22	20
\$601-\$800.....	33	23	32	27
\$801-\$1,000....	28	20	18	13
Over \$1,000....	26	9	5	2

Sole area of conflict centered on future of Betamax format. Ponce contended Betamax was continuing as strong market contender, would retain about 30% share. Hametz predicted VHS would grow to 75-78% of market, helped by defection of "major company" from Beta to VHS ranks — presumably in reference to Zenith's expected introduction of VHS deck & portable models early next year.

Japan TV dumping case scope has been revised by International Trade Commission to exclude from coverage "certain monitors not capable of receiving a broadcast signal." Spokesman told us that action was taken to keep agency's options open with respect to dumping treatment of video component imports. Zenith had requested ITA include components, but, we were told, decision on that won't be made until after agency completes review of pricing on imports in year ending March 30, 1982. At present, he said, monitors without tuners that are specifically designed for non-consumer use are being excluded, while exclusion for other monitors is considered on model-by-model basis. Meanwhile, ITA said it completed pricing review on Orion TVs shipped by Japan's Otake Trading in year to March 30, 1981, found insignificant 0.3% level of dumping. Otake was found to have sizable average dumping market in preceeding review, needs another year of no margins to be considered for exclusion from dumping finding coverage. Proceeding that would exclude most other major Japanese companies is in works.

Multichannel TV sound educational & tutorial seminar will be held 9:30 a.m.-4:30 p.m. Dec. 7 by EIA MTS subcommittee in Washington at D.C. Medical Society Bldg., 2007 Eye St. NW, Conference Room C. EIA says subcommittee members and all other parties are invited to meeting which precedes Dec. 19-22 subcommittee discussion and vote on system choice (TVD Nov 14 p12). For information & reservations, call Eb Tingley, EIA, 202-457-4975.

Targeting ads for computers at parents can backfire, according to study by Doyle Dane Bernbach/West, which says those parents considered members of "family value holder" group feel computers may interfere with family-oriented activity.

Samsung received final state approval for color TV & microwave oven assembly plant it's building in Roxbury Twp., N.J. (TVD Oct 24 p11). State will fund \$10 million of estimated \$19 million cost through industrial development bond issue. Plant is scheduled to open in Aug., about 2 months behind target.



**TAPE OUTLOOK FOR '84:** High on volume, cloudy on profits — that describes blank videocassette prospects for 1984, as forecast by TDK's Ed Pessara and 3M's Robert Burnett at last week's ITA member seminar. Burnett predicted sales of 100 million units, up from about 73 million this year — 50% over original estimate — while Pessara saw 1983 sales working out to 65 million, with "conservative" 90 million in 1984.

With no profits for many until 1985, "you have the recipe for a shakeout" over next 18 months, Burnett said. Market "can be comfortably split only in 5-6 major pieces." Brand loyalty has been slow to develop, and as result "we're selling high-tech bananas." Other comments: (1) Mass merchants hold one of keys to market, non-specialty stores accounting for 54% of blank tapes sales next year. (2) High grade blanks are 5-8% of demand, could grow to 10% soon. (3) Portable 8mm systems could account for 20% of VCR universe in 1988, but not at expense of 1/2".

Pessara estimated 1984 duplicator tape sales at about 13 million units, up from 9 million in 1983, said customers would continue to benefit from strong price competition. Burnett noted retail prices of standard 2-hour blanks had slid from \$10 in 1982 to \$7.67 last year, would drop to \$6.50 in 1984, believes price will be reflected in duplicator quotes, reflecting view of Sony Tape Sales' John Bermingham (TVD Nov 14 p19). Impact of Korean tape is awaited, as is arrival in duplicator market of Kodak & Polaroid brands.

Each of Big 4 duplicators has about 2,000 machines, estimated VCA Duplicating's William Follett, and they should turn out at least 10.5 million cassettes next year. Number unquestionably will be revised upward if only to reflect VCA estimate for 1983, which Follett bumped from 8 to 9-10 million because of "very strong finish." He also knocked down original 1982 estimate from 6 million by 200,000-300,000, saw 13.5 million for 1985 and 17 million for 1986, again subject to revision.

Follett said lower prices, increase of "very tight" duplicator profits, will result from adoption of standardized cassette packaging & rental programs, assuming Fair Marketing Amendment becomes law, although he didn't say how either might be accomplished. High-speed duplication, using tape pancakes, should arrive late 1984-early 1985.

\* \* \* \*

VCA Duplicating accounted for about 25% of U.S. recorded cassette production during fiscal year ended June 30, according to analysis of Video Corp. of America annual report. During period, company bought blank tapes worth \$10.4 million, sold them at cost to consumer customers. Figuring average price of \$7, VCA turned out some 1.5 million cassettes at time when total generated was 6.5-7 million. Video Corp. in past has claimed about 33% share. Company earned \$965,000 on sales of \$22.7 million, vs. loss of \$1.5 million on \$17.2 million in fiscal 1982. Consumer duplicating brought in 29%, or close to \$7 million, of total, followed by production & broadcast services (24%), industrial duplicating (22%), post-production (21%) and Vidamerica & Med-Video (4%).

**PHONE EXPLOSION:** Is every American household going to buy a telephone during next 2 years? They'd better or giant new warehouses will have to be built to handle shipments coming from overseas.

Commerce reports staggering 25.7 million phone instruments were imported in first 9 months this year, up 586.2% from same 1982 period, and shipment value jumped 278.5% to \$528.8 million. Wired handsets provided fastest unit import growth, climbing 613.2% to just under 20.1 million, though value rose comparatively modest 187.9% to 244 million. Imports of cordless phones were up 504.1% to 5.61 million, with value rising 418.2% to \$284.8 million.

That price competition has hit hardest on wired phones is evident from 52.9% drop in average value paid by importers to just \$14.19, from \$30.12 in same period last year. Cordless phone prices were less severely impacted, slipped to average of \$50.76 from \$59.16.

Just 4 Far East countries accounted for 98% of all phone imports. In wired hand sets, Taiwan was runaway leader, accounting for 46.8% of incoming shipments, followed by Hong Kong with 38.3%; Japan placed distant 3rd with just 6.2%. Korea, 4th ranked as wired phone supplier with 6% of imports, was on top in cordless with 32.3%. Taiwan followed with 28.7%, Hong Kong 3rd at 24.6%, Japan 4th at 14.3%.

Imports, of course, reflect only part of market activity, exclude domestic production by Western Electric and other U.S. manufacturers & assemblers, and phone company sales of instruments previously rented. But imports alone far exceed industry consensus forecast, issued just last June by EIA, that consumers would buy only 15.5 million phones this year, including 11 million wired, 4.5 million cordless.

**COLOR RECORD FALLS:** This year officially became best in history Nov. 4, when cumulative sales to dealers passed those of best full year in past (1982), according to EIA statistics. Sales in 44 weeks totaled 11,454,087, beating previous 52-week record of 11,336,334. Based on current pace, color sales for year will be close to 14 million. EIA's report covering 3rd week in Nov. should show year-to-date sales passed 12 million.

VCR sales passed full-year record in 33rd week of 1983, while color camera sales moved out into clear in year's 43rd week (TVD Nov 14 p13). In first Nov. week, VCR sales registered their 3rd consecutive 100,000-plus performance, and in following week sales were just over 97,000.

Projection TV sales passed 1982's full-year total in week ended Nov. 18, EIA figures will show next week, and data for following week should show 11-month total exceeded full-year record set in 1982.

BASF is buying 80,000-sq.-ft. plant near existing magnetic media production facility in Bedford, Mass. for production of computer discs. Company will spend \$4.5 million for plant & equipment, additional \$1.5 million for clean room. Outlay is part of \$30 million BASF is spending here to double video & audio cassette, quadruple disc production over next year.



**TELETEXT TROUBLES:** Matsushita's inability to bring cost of teletext decoders down to \$150 or less — as provided in original business plan — was given by Time Inc. as one reason for shuttering Video Information Services on Orlando & San Diego cable systems Dec. 31, 6 months before its 2-year experiment was scheduled to end (see report elsewhere in this issue).

In other major teletext endeavor, Cincinnati, where Zenith is offering decoders at \$300 (street price about \$275) for on-air Keyfax teletext broadcast by WKRC-TV, distributor there sold 82 to dealers in 5 months, and consumers bought an estimated 50. Including freebies for VIPs, test homes, etc., an estimated 100 teletext receivers are in use.

Teletext proponents hold out hope that digital TV chassis will make possible use of low-cost decoders. ITT, developer of digital TV system, says decoder should add about \$12 to cost of set. Short-term, however, this doesn't present very rosy picture, considering that marketing of digital TV sets isn't really expected to start in earnest before 1985, and even then such receivers will be available only in dribble. Nor does relatively low cost of digital adaptation reflect problem of converting existing sets, which aren't digital.

U.K.'s Rank is continuing cutback in direct involvement with consumer electronics production with agreement to sell its 60% interest in Australian TV manufacturing venture Rank-NEC to its Japanese partner. Venture, launched in 1974, has been money loser, reportedly accounted for bulk of \$9 million loss Rank Industries Australia reported for fiscal year ending Oct. 31. NEC said it would continue to produce color sets there, retain consumer electronic rights to Rank Arena brand. Company markets TVs, VCRs, audio, microwave ovens and air conditioners under Arena label, also uses NEC brand. Rank sold 30% interest in U.K. color TV operation to Toshiba in 1978, forming joint venture Rank-Toshiba. Rank sold full ownership to Toshiba in 1980.

CD player price drop continues, Magnavox cutting 4-model line \$100-\$150 "to be competitive" with new lower priced product coming into market, and Yamaha introducing model at half price of its first player. Magnavox cut its 2 original players \$100 to \$699, chopped \$100 off recently introduced stepup, which now is \$749, and \$150 from new top-end model, now \$799. Yamaha's new model is \$649. Sony recently introduced lowest priced unit at \$550, and Sears has one in Christmas catalog at \$590 (TV Nov 21 p16). In Japan, Yamaha's cheapest model is \$429, Sony's \$489. In U.S., Sony said its players are sold out and it sees no reason to cut prices in view of shortage of both hardware & software.

Erase-record optical disc patent infringement suit brought earlier this year against Matsushita by Energy Conversion Devices (TVD May 16 p16), has been settled through licensing and cooperative development agreement. Terms are understood to call for Matsushita to pay ECD \$3 million for royalty-bearing licenses, and for ECD to do consulting work for Matsushita.

Spiralux of U.K., producer of low-cost daisy wheel printer Coleco offers as part of its Adam home computer system package, has licensed Coleco as manufacturer as part of 3-year exclusive U.S. sales agreement. Spiralux may also set up own U.S. manufacturing plant.

IBM boosted holding in IC maker Intel from 15.2% to 16.3% through open-market purchase of 2.15 million shares.

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**NEC REPORTS:** NEC's sales of home electronic products rose only 2.8% in year to March 31 to \$619.5 million, and virtually all that increase came from home computers, which replaced color TV as top selling product in consumer business segment, company says in annual report.

NEC said its VCR and audio product sales leveled off, and as result home electronics accounted for 10% of company's \$6.13 billion consolidated volume, down from 12% in fiscal 1982. NEC said it's counting on computers, as well as automation & security products, to account for 40% of home electronic sales and help that business double in size by 1987.

In other segments, NEC's sales of ICs and other electronic devices were up 18.5% to \$1.49 billion, for 25% share of total volume (up from 24%); communications equipment revenue was up 13.7% to \$2.19 billion for 36% share (down from 37%); computers & industrial electronics rose 21.1% to \$1.48 billion for 25% (up from 23%). Its R&D expense jumped 25% in year to \$300.5 million.

Commodore expects changes in home computer market won't impact on its balance sheet until next year. Commodore Chmn. Irving Gould told annual meeting that while company looks for significant earnings rise in 2nd fiscal quarter to Dec. 31 from \$25 million shown for same period last year, it expects 3rd quarter profit to be down from 2nd. Gould said market has become more seasonal, noted Commodore is putting more stress on sales of home computers instead of on higher priced business models.

Toys 'R' Us retail chain reported sales of electronic items dropped 20.5% in quarter to Oct. 30 to \$28.7 million from \$36.1 million in same 1982 period. Company said sales were particularly strong last year because of new products, extensive manufacturer rebate promotions.

Warner said it's negotiating with banks for rise to \$700 million from \$250 in its revolving credit line.

Williams Electronics says it expects to show pre-tax loss of \$5-\$6 million on revenues of \$5 million in fiscal 4th quarter to Sept. 30. That would leave company with pre-tax earnings of \$17-\$18 million on sales of about \$92 million. Company attributed deficit to sluggishness in coin-op arcade videogame market that's continuing in its opening 1984 quarter. Because of downturn, company said it had laid off 70 employees, or 25% of workforce, but hopes for pickup in fiscal 2nd quarter, when it plans to introduced optical disc game Star Rider.

VCRs are excluded from Taiwan's latest easing of import restrictions. Under recently announced change, Taiwan plans to remove quantitative quotas, where they still exist, on sensitive imports. As substitute measure to protect domestic industries from excessive competition, tariffs will be imposed. Economic Affairs Ministry said that while it can't continue ban on imports of VCRs indefinitely, exclusion from new policy is justified as local production is still in startup stage. Ministry said it expects that in near future VCRs will top color TVs in Taiwan's consumer electronics exports.

**DISCS—HOME VS. ARCADE:** Vidmax, creator of Mysterydisc series, isn't giving up on home market, but arcade demand for its Laservision programs shows far more promise, CEO Robert Robbins told us. As result, he said, company has shifted emphasis, expects to have first of several games out by mid-1984. No manufacturing deal has been closed, however.

Vidmax said Pioneer Video has delivered to retailers about 3,500 copies of Many Roads to Murder, its 2nd Mysterydisc, puts sales of first at 9,000 — compared with about 30,000 needed for breakeven. Disc has been out one year. Both have been adapted to interactive CED, and licensing fees from RCA and Japanese use of LV format have helped cut losses.

Meanwhile, NFL Football, Bally's arcade videodisc game, should break into end zone next week. Manufacturer has scheduled 10 a.m. news conference Dec. 5 in Chicago Bears' locker room to unwrap game & marketing plans, has set Dec. 14 as date for first installations. NFL Films Video continues on separate course, hopes to sell additional 1,000 videocassette copies of Notre Dame football history, Wake Up the Echoes, at this season's Liberty Bowl. NFLFV has moved 3,000 tapes to date, all via direct mail.

Pioneer Video is offering 2-week turnaround for industrial discs in virtually any quantity, according to Industrial Sales Vp Ronald Butler. New schedule, effective Nov. 15, cuts prices for customers willing to take 3-4 week delivery. Digital programming and interactive chapter & picture stop encoding also is less expensive. Meanwhile, there are continuing reports that PV will announce combined Laservision and Compact Disc player at Jan. CES in Las Vegas.

On home disc market, On Golden Pond is bestselling CED videodisc title at 69,800 copies. It's followed, according to RCA, by Muppet Movie (69,500), Airplane and Rocky (more than 68,000 each), MASH (67,600), Grease (64,100), Godfather (60,400), Rocky 3 (58,800), Star Trek: The Motion Picture (58,700), Star Trek 2 (57,100). Jane Fonda Workout, at 51,000, remains leading non-feature film release, while An Officer & A Gentleman, at 43,900, continues as hottest title of year. In all, 43 programs have sold more than 30,000 copies each.

Timex has started shipping stepup computers introduced at Summer CES last June. Version with 16K memory lists at \$79, unit with 72K is \$199, and both feature standard keyboard. Stepup is first Timex computer to be assembled in Korea. Others come from Timex plants in U.K. & Portugal. Company says it will continue to offer 2K membrane keyboard model that currently retails for about \$30. Company also disbanded separate home computer sales force, merged it into overall staff, which also sells watches, clocks and health care products. To accommodate enlarged staff, Timex increased number of U.S. sales regions.

Ad notes: Polaroid appoints Ogilvy & Mather to handle early 1984 launch of Supercolor videocassettes, replacing Doyle Dane Bernbach... Synapse Software names Edelman for PR... dbx named Dym/SR&A for promotional PR campaign.



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## TURMOIL IN TELECOMMUNICATIONS — 8 Months that Shook the Industry

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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 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.

No. 106

## 1983 CONSUMER ELECTRONICS VIDEO DATA BOOK

Updated edition of market statistics and projections covering color and monochrome TV, VCRs, videocassettes, videodiscs and players, and audio equipment. Covers the period July 1982 through July 1983. Television Digest subscribers pay \$95.00, non-subscribers pay \$125.00. Please add an additional \$10.00 for foreign orders.

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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
<b>Outlet Co.</b>			
1983-9 mo. to Oct. 31	71,374,000	7,505,000	1.59a
1982-9 mo. to Oct. 31	64,318,000	15,802,000	3.62a
1983-qtr. to Oct. 31	24,816,000	1,934,000	.40
1982-qtr. to Oct. 31	22,790,000	3,535,000	.79a
<b>Tele-Communications</b>			
1983-9 mo. to Sept. 30	259,277,000	20,766,000	.47
1982-9 mo. to Sept. 30	204,683,000	8,559,000	.19b
1983-qtr. to Sept. 30	92,459,000	269,000	.01
1982-qtr. to Sept. 30	72,263,000	6,301,000	.14b

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

Video, joins as ad & publicity mgr... Chris Morse promoted to sales & mktg. dir., Worldvision Home Video, Kathy Rost to Central Div. mgr... David DeJean, ex-Times Mirror Videotex Services, appointed COO, Games Network... C.J. Kettler, ex-Warner Amex Satellite Entertainment, and John Matoian, ex-Learning Corp. of America, named mktg. dir. and development dir., respectively, Scholastic Productions... Richard Wolter promoted at CBS Columbia House from exec. vp to pres... Paul McGuire advanced at Electro-Voice to mktg. vp.

Harvey Lawner promoted at Acorn Computers (U.S.) from senior vp-gen. mgr. to pres... Peter Field advanced at TI from Consumer Electronics Div. pres. to corporate mktg. vp, assuming some former duties of Stewart Carrell, who resigned as corporate development & mktg. exec. vp to join investment banker Hambrecht & Quist as senior vp... Herbert Shanzer, former TI Consumer Products Group divisional mgr., joins Data General as Desktop Computer Div. vp-gen. mgr... Roger Gower advanced at ITT to exec. vp & COO at computer peripheral subsidiary Qume... Mardi Garren, ex-Memorex, joins Verbatim as corporate communications mgr... William Spenger, Owens-Illinois vice chmn. retires Feb. 1, after 32 years with company; move follows selection of Pres. Robert Lanigan to succeed Chmn. Edwin Dodd as CEO.

Computer notes: JVC enters computer peripheral business in U.S., is already supplying monitors, in Jan. will offer hard & floppy disc drives and discs on OEM basis, plans later to market discs under own brand... Teknika, which has been supplying OEM monitors, enters field under own name this week at Comdex in L.A. with 13" RGB & composite signal color monitor at \$499... Apple has reacted to coming competition from IBM PCjr, cut wholesale price on model IIe system (64K memory, monitor & disc drive) by \$150 to \$1,145... Commodore is expected to add home computer with 16-bit processor, built-in disc drive, 128K memory early next year at \$700... Panasonic is moving home & portable computer line from Consumer Electronics Div. to Industrial Products Div., will introduce first business computer at Comdex. Panasonic introduced home computer system in June, but has done little major promotion.

**Consumer Electronics Personals**

Joseph Clayton, former RCA Chicago distribution branch pres., named consumer sales vp at RCA Videodisc; Paul Anderson, ex-Rayovac Consumer Products Group senior vp-gen. mgr., joins as commercial sales vp, with responsibility for interactive discs; Mdsq. Vp Herbert Mendelsohn adds responsibility for ads... Michael Droese advanced at RCA Consumer Electronics from financial planning dir. to exec. vp for RCA Distributing and international sales vp for RCA Sales... Joseph Haagen, ex-Sylvania, appointed Sharp Consumer Video Dept. mktg. mgr... John Brown promoted at Atari from national accounts sales vp to corporate senior sales vp, succeeding Keith Schaeffer, who has left company... Alan Walter, ex-Wico, joins Quasar as asst. gen. mgr. for sales administration & special sales.

John Povolny, 3M, elected ITA chmn., succeeding Sam Burger, CBS; Gordon Bricker, RCA, succeeds Povolny as pres. Other new officers: Philip Stack, Sony, senior vp; Maria Curry, Agfa-Gevaert, east coast Vp; James Jimirro, Disney Telecommunications, west coast vp; Larry Finley, Larry Finley Assoc., treas.; John Dale, Fuji Photo, secy. Newly elected to ITA board: Reid Anderson, Verbatim; Don Bartell, Hercules; Stan Hametz, Panasonic; Brad Harse, Lenco; Micky Hyman, MGM/UA Home Video; Roger Heuberger, Quasar.

Robert Blay advanced from eastern sales mgr. to acquisitions dir., Embassy Home Entertainment; James Brown, western sales mgr., becomes sales dir.; Louise Alaimo, ex-RCA/Columbia Pictures Home