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MULTICHANNEL TV SOUND GETS FCC OK: As expected, FCC last week adopted "very general technical rules" to allow TV aural baseband to be used for multichannel sound "and any other broadcast or non-broadcast uses." And, while Commission didn't adopt single standard recommended by industry -- BTSC, or Zenith-dbx system -- it took steps to protect that system by ensuring that BTSC TV receivers purchased by public "will not respond to non-BTSC signals."

In presenting item to commissioners, Mass Media Bureau Chief James McKinney said he was very proud because "it is good to be ahead of technology and not trying to catch up... The system that you protect today is not the FCC system... It is the industry system. We are just trying to make sure it has a smooth takeoff."

Commission's decision was marketplace ruling -- but with a big difference. Order will

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STEREO SOUND TV manufacturers at starting gate, with Sony expected to show sets this week. Radio Shack to offer adaptors. (P. 12)

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permit virtually any uses for separate audio channel, but first subcarrier is reserved for stereo -- and if stereo is transmitted, it must be in industry-chosen BTSC (Zenith-dbx) system. To reinforce this, FCC will publish bulletin describing chosen system in depth, relying heavily on EIA-backed industry tests for source material.

Ruling, to be issued this week, will accomplish stereo uniformity by "protecting" 15.734-kHz pilot frequency of BTSC system, and, in effect stating that any station which puts signal on that frequency must follow entire BTSC standard -- both in transmission (Zenith) & companding (dbx). Broadcasting using new system can begin 30 days after rule is published in Federal Register, which could be next week.

FCC decision encompasses more than just stereo. In addition to accommodating stereo, BTSC system provides for "separate audio program" (SAP), which stations can use for 2nd language, 2nd educational level, or for purposes completely unrelated to video program -- such money-making uses as paging services, for example. TV sets are expected to have A-B switches for receiving video-related SAP. But there's nothing in rule to prevent TV network from adding subsidiary radio network via its affiliates' SAPs.

Most of commissioners' discussion at March 29 meeting dealt with follow-up rulemaking on whether cable systems should be required to equip for multichannel TV and, if answer is yes, whether existing systems should be grandfathered. Although several commissioners said they had open mind, it was clear from discussion that majority won't vote for cable must-carry. Chmn. Fowler said it would require "a massive retooling of an entire industry by government mandate" at great expense. He and Comrs. Patrick & Dawson expressed concern about govt. intrusion in marketplace by requiring must-carry.

New rule also permits public TV stations to use their subcarriers for commercial purposes; encourages non-broadcast use of subcarriers, such as paging; exempts fairness doctrine and equal opportunity rules for subcarriers that require special equipment. Commission said its approach "protects the investments of TV receiver owners who purchase units designed for BTSC reception, provides limited continued protection to subscription TV stations and does not impede marketplace advances in technology."

COPYRIGHT OFFICE REBUFFS CABLE CONTENTIONS: Cable industry was hit hard in its pocketbook March 30 by Copyright Office rulings (Doc. RM 80-2) which were hailed by copyright owners but which brought promise of lawsuits by NCTA. Citing great changes in industry since Copyright Act of 1976 was drafted, NCTA and others had petitioned Copyright Office for interpretations of Act that operators could use in determining payments for services that have become available in last few years or are now offered differently.

Rejected were NCTA's contention on tiering and proration of copyright for signals dropped during accounting period. NCTA had argued that if operator offers program tiers which contain some retransmitted TV signals, some purely cable channels like C-SPAN, then operator shouldn't be required to pay copyright based on entire gross receipts from such "mixed tiers." In that case, NCTA argued, operator could divide receipts, pay copyright based only on that revenue ascribed to carriage of TV stations. Affirming its earlier position, Copyright Office said if mixed tier contains even one retransmitted TV station, operator must pay copyright based on revenues from entire tier.

Addressing another proration question, Copyright Office rejected NCTA contention that operator shouldn't be required to pay full 6-month liability for signal carried during part of accounting period. In that case, NCTA said, royalties should be based on actual time signal was carried. Not so, Copyright Office said: "Partial carriage of a signal at any time during a given accounting period must be computed at full value for that type of signal, as though the signal were carried [during] the entire accounting period."

Copyright owners were jubilant. Spokesman for MPAA said: "We hit a grand slam homerun." Said NCTA Pres. Thomas Wheeler: "This decision is a travesty that ignores rudimentary common sense. The Copyright Office has thumbed its nose at consumers." Said a cable attorney involved in Copyright Office pleading: "That thing is another total loss for the cable industry." Cable executive indicated industry now must seek legislation: "[Ruling] provides excellent fodder for the congressional mill. I'm more than willing to have Congress discuss subscribers paying fees for programs they can't receive."

Tiering question is particularly volatile because of huge copyright expenses involved. Issue began coming to head last year when Charles Dolan's Cablevision Systems began prorating copyright payments for mixed tiers, prompting threats by MPAA. Cablevision, complaining about MPAA intimidation, then filed suit in U.S. Dist. Court, D.C., asking for ruling that proration is allowed, naming MPAA and its 8 member studios as defendants. A few months later, NCTA filed similar suit in same court seeking same action but citing national concerns.

It was unclear whether those court cases will be affected by Copyright Office rulings, although some copyright owners maintained that rulings settle issue. But Copyright Office takes position that until some court tells it otherwise, industry will have to follow new rules: "While the courts will determine the correct interpretation of the Act... the Office finds no justification for further delay in specifically addressing in regulations an important issue that continues to affect the filing of statements of account" on which payments are based.

"While the Copyright Office decision is obviously wrong," Wheeler said, "we are in agreement with its statement that 'the courts of course are the final arbiters of what the law means.' NCTA is already in court on some of these issues and will now take on the others as well."

Cable industry also was rebuffed by Copyright Office on issue of royalties to be paid for distant signals carried parttime on saturated systems. Some limited-capacity systems often "cherry-pick" distant signal, carry its nighttime programming on channel offering, for example, local origination during daytime. In that case, system may cite Copyright Office rules allowing for partial copyright payment. Tightening up that rule, Office said partial payment will be allowed only when entire channel capacity of system is taken up by retransmitted TV signals. If system offers even one pay service, partial payment for parttime carriage won't be allowed.

Rulings go into effect with accounting period beginning June 1. That's when industry will begin paying higher 3.75% copyright rate for post-Malrite distant signals. Coupled with Copyright Office rulings on proration and mixed tiers, 1984 "is beginning to look like a lean year for the bottom line," executive at MSO said.

NCTA & CITIES HIT IMPASSE ON CABLE BILL: Tensions mounted markedly last week after NCTA and cities hit impasse in talks aimed at drafting compromise rewrite of cable bill pending in House (HR-4103). Informed sources told us that during crucial bargaining session March 24, parties offered compromises but failed to achieve breakthrough on central issue of whether industry should accept local rate regulation beyond basic service in return for expectancy of franchise renewal.

NLC and USCM sent position paper to NCTA March 30 in which cities expressed hope for compromise and said parties should continue talking. But by all accounts they have reached their bottom lines and are still far apart. "There are no additional meetings scheduled as of now," said NCTA Exec. Vp James Mooney. "We're not shutting the door, [but] when the meeting broke up we weren't all that close." Impasse increased speculation that HR-4103 is dead for this session of Congress, that if bill moves out of House Telecom Subcommittee it will draw amendments unacceptable to industry. Given that scenario, many speculated that next step for NCTA may be to abandon legislative effort, write off huge lobbying expense and petition FCC and courts for massive deregulation.

NCTA position opposing "linkage" of expanded rate regulation to franchise renewal expectancy is "intractable," said source in cities' camp. According to cities' view, NCTA is under pressure from membership: "I think their own political problems [opposing] rate regulation are intractable. So it won't make any difference [to continue negotiations]. The NCTA membership won't allow them to deal in any meaningful way with rate regulation."

NCTA Pres. Thomas Wheeler detailed impasse in March 26 mailgram to board members and members of Assn.'s Public Policy Planning Committee, copy of which we obtained from board member. Wheeler gave this account: (1) On franchise renewal, NCTA offered to drop right to court review of franchising dispute if cities would agree to due process proceeding with presumption of renewal based on specified tests. City would bear burden of establishing that operator's renewal proposal wasn't reasonable. Cities countered by insisting that any judicial review be based on "arbitrary & capricious" standard, meaning that city could make almost any demand during franchising as long as its actions weren't judged arbitrary or capricious.

(2) On rate regulation, dispute centered on definition and regulation of basic service. Wheeler said cities "refused to recognize that the Nevada decision is the law," referring to recent FCC decision that state & local govts. can rate-regulate only basic service. According to Wheeler, cities demanded that basic service be defined to include must-carries, access channels, plus anything else operator voluntarily included in franchise. Further, cities demanded this rate regulation power in perpetuity.

NCTA offered this compromise on rate regulation: Cities' definition of channels that could be rate-regulated would stand for life of existing franchises, but operator would be allowed automatic annual rate increases tied to rise in Consumer Price Index or 5%, whichever was greater. Operator also would be allowed to pass along increased programming costs. Cities countered by demanding perpetual rate regulation powers but offered automatic increases of 3%. They also insisted on grandfathering all existing multiple tier regulation for 5 years.

Senate unanimously confirmed nomination of Dennis Patrick to FCC for term ending June 30, 1985. Action came March 30, 4 days after Patrick appeared before Senate Communications Subcommittee. At hearing, Patrick cautioned against pell-mell deregulation, said there may be times he won't back deregulation: "I [would] not hesitate to support regulatory intervention where the public will not be protected by the market alone." Although Patrick said he's still studying issues, he said he would be "disinclined" to support content regulation. He said he'd be "supportive" of cable policy outlined in cable deregulation legislation (S-66), added that if Congress fails to enact cable deregulation, FCC "should stand ready to get involved." Subcommittee Chmn. Goldwater (R-Ariz.) apologized to Patrick for holding up nomination in effort to win appointment of Ariz. friend to another govt. post, admitted: "I was playing politics." Patrick was recess appointment in Dec., needed Senate confirmation to serve beyond end of this Congress. He succeeds Anne Jones, who resigned to enter private law practice.

Cable gatherings: (1) New England Cable TV Assn. annual convention and exhibition will be July 30-Aug. 1, Sturbridge Sheraton Inn, Sturbridge, Mass. Details: Maureen Murphy, 603-224-3373. (2) Ky. CATV Assn. convention and general membership meeting April 27-28, Drawbridge Inn, Ft. Mitchell, Ky. Details: Patsy Judd, 502-864-5352. (3) Mont. Cable TV Assn. annual meeting July 12-14, Huntly Lodge, Big Sky, Mont. Details: Thomas Glendenning, 406-586-1837.

U.S. Appeals Court, D.C., on March 30 remanded to FCC Quincy Cable case in which small Wash. system is appealing FCC order to grant must-carry status to 3 Spokane stations, fine of \$5,000 for refusing carriage. Court retained jurisdiction over case, told Commission to consider new evidence that came out during oral argument in case to effect that Quincy had expanded capacity from 12 channels to 30. As result of Quincy decision, FCC told Court it couldn't live up to earlier pledge to act by March 30 on TBS petition to revisit cable must-carry rules. Commission said Quincy case may have bearing on way it will rule in Turner petition, asked for "reasonable amount of time." FCC had intended to rule on Turner petition by circulation among commissioners March 30.

Telefirst cost ABC about \$8 million in 1983, according to analysis of annual report. ABC Video Enterprises recorded \$47.3 million loss last year, of which \$39.2 million was attributed to cable. This included \$3.5 million shared by ESPN for sole RSVP pay-per-view bout, approximately \$40 million for SNC shared with Group W Satellite Communications and ABC share of Daytime and Arts services. Meanwhile, ABC has begun leasing Telefirst decoders at consumer electronic departments run by Platt Music in Chicago-area Marshall Field stores. Customers pay \$50 "membership" fee, vs. \$75 installation fee if decoder requires house call.

Gannett is buying WADE(AM) Tampa-St. Petersburg from Taft Bestg., price not announced.

FCC RELAXES OWNERSHIP RULES: "Attribution" rules of FCC that restrict percentages of ownership of stations by corporations and individuals were relaxed substantially by Commission at March 29 meeting. Chmn. Fowler said that idea is to "permit more capital to flow" into licensees and that move will help minorities gain more ownership.

However, Comrs. Rivera & Dawson complained there wasn't enough information on which to vote. Rivera abstained because "I simply can't vote on this item" since ownership issues (such as 7-7-7) were being taken up piecemeal. "I don't understand why you [Fowler] won't let us look at the total [ownership] picture," he said.

Among changes: (1) Increase in ownership benchmark to 5% from 1%, regardless of size of licensee, and eliminate distinction between "closely held" (fewer than 50 stockholders) and "widely held" (more than 50). Commission said 5% benchmark will apply to more than 80% of currently attributed interests owned by widely held corporations. (2) Raise benchmark to 10% for "passive" investors, such as banks, foundations, mutual funds, insurance companies, etc.

(3) Establishment of "multiplier" for determining attribution in vertical ownerships. (4) Declared non-voting stock and limited partnership interests as "non-attributable." (5) Reduced burden of existing ownership reporting requirements to conform with new rules.

In another action, FCC ruled that "non-egregious" cable cross-ownership situations with newspaper or TV station in same town (there are 13 of them) which existed prior to July 1, 1970 will be permitted to remain. However, in 5 other "egregious" cases -- where only TV in community owns cable system -- Commission said divestiture may be required but deferred action pending more information being compiled in separate proceeding.

Requiring divestiture in non-egregious cases is unwarranted, Commission said, noting these involve only 1/2% of U.S. households and only 1% of cable subscribers.

In dissenting, Rivera said that Commission's "delayed action" on egregious cases signals a lack of interest in enforcing cable rules. Dawson expressed concern that order as drafted diminishes cable as force in market -- counter to earlier FCC decisions such as children's TV -- asked that section be rewritten because "it might come back to haunt us." Staff promised that would be done.

In other actions, FCC: (1) Retained ban against public TV stations operating as subscription TVs. In presenting case, Mass Media Bureau staffers expressed concern about "public detriments to wholesale switchovers" of PTV stations to STV. Commission said that individual stations could file for waiver.

(2) Returned 807 applications for FM translator stations -- filed by E. Kaye Johnson, sister of former owner of Edward M. Johnson & Assoc., which served as consultant on applications, according to Commission official -- as unacceptable. FCC said "document which purportedly gave the consent of the proposed primary stations [to be repeated] were form letters which were mailed to FM broadcasters nationwide." Agency ruled that Johnson filing on written consent (of station to be repeated) failed to be "express" in all 3 critical elements required. Also, Commission said, many of applications contained "technically infeasible proposals."

(3) Affirmed staff denials of fairness doctrine complaints against WCBS-TV N.Y. on 2-part news special, "Straight Talk About Gays," and against KTVI St. Louis for airing series of spots backing nuclear plant.

(4) Ruled public broadcasters may air specific brand & trade names and product or service listings on air. Change was requested by public broadcasting, which hopes to get more money from corporations with more specific underwriting acknowledgments. Enhanced underwriting isn't supposed to promote products, just identify product with manufacturer.

(5) After long discussion -- during which Fowler & Rivera clashed sharply -- postponed action on staff recommendation favoring distress sale of KIFM(FM) San Diego. Fowler favored distress sale, said: "I don't want to see anymore Simon Gellers [reference to revocation of one-man FM station in Mass.]. Frankly, that's a vote I regret... I feel very strongly about it." (He voted against allowing Geller to sell.) Rivera countered that Fowler's analysis of case is "way out of line... I feel just as strongly the other way." Vote was put off after Comr. Patrick said he hadn't had time to study case because of Senate confirmation hearing and answering senators questions in writing.

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In case related to FCC cable cross-ownership action, Conn. Supreme Court ruled that L.A. Times Mirror Co. can be ordered by Conn. Dept. of Public Utility Control to sell either Hartford Courant or one of its cable franchises, in Hartford & Meriden, Conn. Decision overturns Conn. Superior Court ruling that state regulators don't have authority to prohibit company from owning TV systems & newspaper in same area. Regulators had ruled firm's ownership of Communications Properties & newspaper wasn't in public interest. Decision reportedly is first time any court has ruled that a state could preempt federal regulation in such area.

Comcast has completed acquisition of Calvert Telecommunications (Caltec), Baltimore County. Caltec shareholders will receive \$25 per share for each of 2.6 million shares, either in cash or up to \$30 million of Comcast convertible subordinated debentures due March 1999. After merger is completed, Comcast will transfer Caltec's business to newly formed limited partnership.

BROADCAST BILL NEARLY READY: House members who have been negotiating compromise broadcast deregulation measure may be ready to introduce bill as early as this week, well-informed sources said. Legislators met again March 27 to work out final disagreements, reportedly came "very, very" near to completion and are thought likely to finish drafting at meeting tentatively slated for April 3. EEO will be part of bill, despite lack of NAB support, we're told. NRBA seeks radio-only bill.

Tight lid is being kept on negotiations, but we're advised members settled all but one of remaining major issues (TVD March 26 p2). Left over is how many TV stations should be required to improve programming under planned quantification standard. Industry allies don't want more than 20% of all TV stations affected, while forces led by House Telecom Subcommittee Chmn. Wirth (D-Colo.) have been pressing for 30%. Sources said both sides appear willing to split difference at 25%. How other issues were settled isn't known.

Members reaffirmed commitment to include EEO guidelines in measure, despite NAB resistance. Industry allies, Reps. Tauke (R-Ia.) & Tauzin (D-La.), reportedly have agreed to work out accord with Wirth & allies, Reps. Leland (D-Tex.) & Swift (D-Wash.). Tauke & Tauzin have signaled willingness to accept compromise Leland proposed, which would set EEO requirements for most broadcasters at 60% of parity with 3-year transition, sources said. Leland compromise would allow stations with 5-10 fulltime workers to stay at 50% of parity already required by FCC and would exempt smaller stations.

Despite reported unanimity among members, Republican source predicted bill will be stillborn, cited NAB opposition and short session: "It will never go anywhere." Planned introduction of measure is being seen by some as pro forma act, particularly because Wirth has become wrapped up in campaign of Sen. Hart (D-Colo.) and doesn't have time to steer bill through Congress.

Bill certainly won't go anywhere if NAB joins forces with NRBA to push for radio-only deregulation bill that radio broadcasters are calling for. Push for radio-only bill began last week when NRBA announced it would pursue passage in this Congress & next, if necessary. Hill sources view plan with skepticism, said stripping radio deregulation from accord could sink compromise measure, which both sides have worked on too long to see die. Broadcasters see radio-only legislation as way to salvage deregulation efforts in Congress this year. NAB Exec. Vp John Summers & NRBA Senior Vp Abe Voron say they don't believe compromise bill has chance of passing.

Solid-state color camera, demonstrated previously in prototype, will be introduced by RCA for ENG use at NAB convention. Using CCD pickup instead of tube, camera provides "outstanding pictures in low light and rapid motion situations," RCA said.

POLICY TURF WAR ESCALATES: Commerce & State Depts. are deeply embroiled again in feud over who controls international communications policy. Latest battle was sparked by leak of govt. documents on proposal to allow competition to Intelsat. On March 22, angry Commerce Dept. officials took their case to White House. Documents also were leaked to FCC, where officials are investigating whether ex parte rules were violated.

Dispute started 3 weeks ago when State Dept. sent cable to 108 U.S. embassies describing what appeared to be final Senior Interagency Group (SIG) recommendations on allowing private competition to Intelsat. Cable shocked Commerce Dept., which says it wasn't consulted on its release and that recommendations still are being finalized. Shock became outrage after another cable was sent 2 weeks ago, describing SIG study used in reaching conclusions, intensified March 22 when Intelsat Dir. Gen. Richard Colino distributed copies to Intelsat board.

No one would say for record who released documents but informed sources told us that State Dept. Coordinator for Telecommunications & Information Policy, Diana Dougan, was responsible. Dougan didn't return our telephone calls. Commerce Dept. moved quickly to mitigate effects by taking own version of SIG documents to White House in move designed to demonstrate Dept.'s authority in matter.

Situation is especially difficult for FCC, which received first classified cable through normal security channels and turned it over to international branch before concerns were raised about propriety of FCC having documents. FCC is reviewing Orion & ISI applications to launch private satellite services which will compete with Intelsat. While proceeding isn't docketed, gen. counsel is investigating whether cables constitute improper contact, spokesman said.

Ex-PBS Pres. Lawrence Grossman said CPB should be relegated to policy making role and get out of programming decisions. Speaking to public TV audience at March 29 dinner where he received Ralph Lowell Award, public TV's highest honor, Grossman scolded station representatives for paucity of locally originated programming. "Local public television service today is more myth & rhetoric than reality," said Grossman, who left PBS in mid-Feb. to become NBC News pres. He urged stations to provide "video soap box for the voices of your community" and called for PBS drive for financial independence from CPB.

National Satellite Network Committee has been formed within NCTA to advise board on programming matters. Chmn. will be Frank Biondi, HBO chmn. On exec. committee are ESPN Pres. William Grimes, Weather Channel Chmn. John Wynne, Showtime/Movie Channel Pres. Mike Weinblatt, TBS Exec. Vp Robert Wussler. NCTA said chief executives of all member national cable networks have been invited to join.

H-H EXECUTIVES SEEK BUYOUT: Harte-Hanks Communications announced March 28 -- before stock market opened -- that it has received leveraged buyout proposal from 3 of its directors & 2 officers in deal worth more than \$850 million. H-H went public in 1972, would become privately owned if offer is accepted -- considered sure thing since H-H officers & directors own about 34% of outstanding shares.

Pending announcement, trading in H-H stock was halted March 26 after it had risen \$2.25 to \$24.50 that day. After announcement and resumption of trading, stock had jumped to \$29.25 by noon March 28. Buying group is offering \$28 per share plus 20-year \$10 debenture for each share held which will pay no interest first 5 years, 15% after that. Takeover group includes Chmn. Houston Harte, Exec. Committee Chmn. Andrew Shelton, Pres. Robert Marbut, Exec. Vp Larry Franklin and Edward Harte (brother of Andrew), publisher of H-H's Corpus Christi Caller-Times. Shelton is son-in-law of late Bernard Hanks and he and Hartes own about 30% of stock.

Proposal will be studied by committee of H-H board members not involved in offer. Board has hired Salomon Bros. for advice; takeover group is using Goldman Sachs. Financing has been arranged from several institutions and H-H said current senior management will remain and hold equity position in takeover group; this includes William Moll, pres. of H-H Best. & Entertainment Div. H-H executives have been very active in media affairs -- Marbut is past pres. of ANPA; Moll is current chmn. of TvB; Senior Vp Gert Schmidt is chmn. of NAB.

H-H executive told TV Digest that buyout "clearly positions" closely held family company against any takeover attempt, puts it in good shape to make acquisitions and "broadcasting is clearly the way to go." He said H-H will exercise option to acquire A.E.L. cable systems division Ultracom, with about 80,000 subscribers. That will bring H-H cable operation to about 140,000 subscribers.

Company has had 48 consecutive quarters of earnings growth and a principal reason for buyout is that H-H executives think stock is undervalued. Taking stock off market, they feel, will permit existing stockholders to receive full value.

H-H owns 4 TVs -- KENS-TV San Antonio, WLTV Jacksonville, WFMY-TV Greensboro, N.C., KYTV Springfield, Mo. -- several radio stations and cable systems, 27 daily newspapers and several dozen controlled circulation weeklies. It also is involved in teletext experiment in Miami. H-H has grown rapidly since Marbut became pres. in 1971, had 1983 earnings of \$33.3 million (up 22% from 1982) on \$443.6 million revenues. Broadcast revenues in 1983 were \$84.4 million.

H-H buyout is similar to move of Chmn. John Kluge, along with 3 top executives, to take over Metromedia and make it private company in \$1.5 billion deal announced last Dec. (TVD Dec 12 p2).

Wall St. analysts predict several similar buyouts -- and/or takeover attempts -- will follow, particularly if FCC does away with 7-station TV ownership limit, as expected.

Rep. Swift (D-Wash.) has introduced promised proposal (HR-5246) to increase budget authorization for CPB dramatically and codify some of recommendations made by Temporary Commission on Alternative Financing for Public Telecommunications (TVD Feb 13 p7). Bill would change matching fund formula to allow Congress to appropriate up to 50¢ in govt. funding for each \$1 that stations raise. CPB officials said new formula could result in more than \$400 million in federal funding for FY '87, far higher than \$238 million that CPB is requesting in budget reauthorization. Swift admitted during House Telecom Subcommittee hearing March 29 that he doesn't expect HR-5246 to go anywhere, only introduced proposal as way to draw attention to problem CPB has been having in winning "appropriate" federal funding under Reagan Administration.

Oak Industries reported loss of \$166.1 million in 1983, in annual report that auditors qualified for 2nd year in row. Auditors said they questioned company's ability to recover its \$134 million investment in STV. Conclusion isn't surprising after 40% drop in STV service to 343,000 subscribers in 1983 and \$23.1 million loss stemming from Oak's shutdown of Dallas & Phoenix. Sales in general for Oak dropped 22%, to \$426.4 million from \$545.7 million. Cable equipment and STV account for almost 60% of business. While company earned \$4.1 million in 1982, that report was qualified because of questions of Oak Chmn. Everitt Carter and others for improper financial disclosure and family and associate favoritism in granting contracts.

Senior USIA officials repeatedly rejected prominent Americans for speakers program abroad for political reasons, then unfairly blamed career employees for putting them on so-called "blacklist," according to USIA's own investigation. USIA officials ignored repeated warnings that politicizing speakers' program was improper, investigators said. USIA Office of Inspections handled investigation, ordered by Dir. Charles Wick. Investigators concluded that blacklisting violated intent of law creating nonpartisan program. Wick was found to be only peripherally involved.

Radio formats still count in Canada. CRTTC has denied license renewal to CJMF(FM) Quebec City because station didn't fulfill promise to play mostly easy-listening music. Instead, Commission said, Quebec City's highest rating station played 97.8% rock when it had proposed 84.1% easy-listening, only 4.8% rock, when license was granted in 1979.

GenCorp is new name of General Tire & Rubber, parent of broadcast subsidiary RKO General. New structure will include 3 other subsidiaries in move officials said was made to help forestall takeover attempts.

NAB SEEKS WOMEN & MINORITIES: No minorities or women were elected to NAB radio board (there were one woman & one black running) in recent mail balloting, and there were no TV board candidates in either category. As result, NAB Exec. Committee will begin process this week of screening nominees to fill 2 specially created slots on both boards. At Jan. meeting, board approved addition of seats if women & minorities weren't elected through regular process; members approved change on 834-196 vote.

Exec. Committee will send nominees to radio & TV boards, which will make final selections. Best bets for radio board: Sally Hawkins, WILM(AM) Wilmington, Del. (who lost Dist. 4 seat to William Poole, WFLS[AM] Fredericksburg, Va.) and Willie Davis, KACE(FM) L.A. (who as appointed incumbent lost Dist. 24 race to Robert Fox, KVEN[AM] Ventura, Cal.). (Note: AWRT has nominated its current pres., Jeri Warriack-Crisman, owner of WNJR[AM] Union, N.J.). On TV side, favorites for appointment are considered to be Alvina Britz, gen. mgr. of KTVO Ottumwa, Ia.-Kirksville, Mo., and Robert Munoz, vp-gen. mgr., KCIK El Paso.

Other bylaws changes approved by members: (1) Annual reelection of pres. by board; vote was 936-96. (2) Naming Exec. Committee as presidential selection committee (with authority to pick new person without board ratification) in event there's vacancy in post, and prohibiting any member of Committee from becoming pres.; vote was 1,023-11. Changes were made in bylaws because of continuing controversy over way current Pres. Edward Fritts was elected. He had been chmn. of NAB and of presidential selection committee, resigned on day interviews started to run for pres. Selection committee picked ex-NAB Chmn. Donald Thurston, WMNB-AM-FM N. Adams, Mass., but Fritts won 24-20 board vote.

Meanwhile, only one race has developed for spot on Exec. Committee through election to radio or TV board office. Announced candidates for radio vice chmn. are Dist. 3 Dir. Edward Giller, WFBG-AM-FM Altoona, and Dist. 9 Dir. Clyde Price, WACT-AM-FM Tuscaloosa. Current Vice Chmn. Ted Snider, KARN(AM) & KKYK(FM) Little Rock, is only candidate to succeed Martin Beck, Beck-Ross Communications, as chmn.

On TV side, current Vice Chmn. William Turner, KCAU-TV Sioux City, Ia., said he won't challenge TV Chmn. Jerry Holley, WIBW-TV Topeka; both are seeking reelection to current posts. Joint Chmn. Gert Schmidt, Harte-Hanks, also is unopposed for reelection.

In furtherance of their plans for joint radio convention Sept. 16-19 in L.A., NAB & NRBA officials will meet today in Chicago. Joint committee will be formed to plan convention.

Metromedia TV Station Group plans co-venture with Thomas McCann Assoc., Boston to produce 90-min. dramatization of gang rape trial in New Bedford, Mass., televised by Cable News Network.

FTC's policy on deceptive ads came under fire last week at House Oversight & Investigations Subcommittee hearing. Ia. & Vt. attorneys general, public interest groups and others criticized new policy, claiming it will make protecting consumers more difficult. Adopted in Oct., policy narrows definition of deceptive practices, requires showing that reasonable person was likely to be deceived and that damage occurred. FTC used to act after simple showing that ad was misleading. FTC Chmn. James Miller told members that change was necessary to make cases stick and that innocent firms are spared costs & inconvenience of dealing with govt. Rep. Gore (D-Tenn.) accused FTC of orchestrating "the most fundamental attack on consumer protection in years." Miller also wants to end "rounds," practice in which FTC asks companies to substantiate ad claims. Consumer groups are opposing change.

Financial interest & syndication rights impasse has prompted 18 senators to ask FCC to delay action for 2 years. Senators want Congress & FCC to study issue more; in recent letter to Chmn. Fowler, they reminded him that President supports 2-year moratorium. Deadline for studios & TV to reach accord was March 15, but FCC already has agreed not to act before May 10. Signing letter were Senate Communications Subcommittee Chmn. Goldwater (R-Ariz.) & key Hollywood ally Sen. Wilson (R-Cal.). Letter said that because "further progress towards a private agreement is clearly not possible at this time," Congress & FCC should "continue to monitor competitive developments in the television industry."

In move to increase dialog between viewers and broadcast journalists, WCCO-TV Minneapolis was to air 2-hour prime-time special Sun. night, "In the Public Interest." It will focus on station's news & public affairs programs. Live studio audience will include viewers who have complained about station's coverage in recent months, media critics, print reporters. WCCO-TV executives will answer questions, listen to comments & criticism. Among topics: Ratings, sensationalism, WCCO-TV news operations & methods, invasion of privacy.

ABC TV ran display classified ad in March 26 Ad Age seeking "an experienced and highly skilled professional to manage the aggregate relationship between the network and its affiliated stations." Richard Kozak, ABC vp-affiliate relations, told us: "We wanted to see who might be attracted [from outside ABC] to such a position... I think it's always wise to take a look outside from time to time." Applications should be made to Personnel Dept. MJ, ABC, 1345 Ave. of the Americas, N.Y. 10019.

FCC Comr. Quello's reappointment appears very much in works. FBI currently is conducting mandatory background check. Quello first received full term in 1974 after long confirmation hearing, was reappointed in 1981 for 3-1/2 years remaining of term of ex-Chmn. Ferris, who resigned to enter law practice. Quello, ex-gen. mgr. of WJR(AM) Detroit, will be 70 April 21, is Democrat, has support of Chmn. Fowler for reappointment.

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CABLE'S AD ROLE STILL DEBATABLE: Following "disappointing 1983," as Viacom Chmn. Terrence Elkes put it, agencies & cable advertisers still question where cable TV belongs in advertising. Among 1,200 participants at 3rd annual Cable Advertising Conference sponsored by CAB in N.Y. last week, optimists stressed value of cable as hedge against network erosion, as well as opportunities it presents for exclusive sponsorships, reaching specialty audiences and greater creative freedom. But lack of research, proper ratings measurement -- and especially audiences -- continue to plague business, speakers agreed.

"I want warm bodies," Ave Butensky, Ed Libov Assoc. pres., told group. "Cable is just another form of TV. Consumers turn on the TV and they see another network. I want numbers." Countered Maneloveg Media Mktg. Services Pres. Herb Maneloveg: "As long as cable continues to be thought of that way, and bought that way -- that's the thing that's keeping it from moving as it should be." Maneloveg noted that trend toward increasing segmentation of products may prove cable's saving grace: "When you start to have products for 20% of the population, then it begins to make sense to advertise on narrowcast."

Standards are applied to cable that don't apply to print, Anheuser-Busch Media Vp Charles Fruit said. "Often an advertiser will demand a 2 or a 3 rating of cable but the same brand will be in magazines that have a penetration of a few hundred thousand." Cable is beyond experimental stage for advertisers, Fruit said. Though many agencies at first placed money in cable without requiring CPMs, "now the sums are too large and the sale revenue too ambitious not to have quantitative material." And, because of its smaller universe, "cable must go beyond broadcast -- qualitative data must be used to better effect. We must go beyond the traditional head counts."

CAB released its analysis of cumulative cable viewing based on Nielsen data. It found that 63% of all cable households watched ad-supported cable at least once daily, 88% weekly, 95% monthly. Reporting on numbers, CAB Pres. Robert Alter said: "If cable were getting a share of TV expenditures by national advertisers in proportion to its audience share, billing in 1984 would be about \$1 billion." This is twice CAB's projection for 1984.

Local cable advertising is at position pay TV was 4-5 years ago, according to Elkes: "It takes a lot of education and a lot of effort to teach local cable operators how to sell ads, how to become, in effect, mini-TV stations." Bay Area Interconnect in San Francisco area "within a year will approach an ADI which is reasonably competitive with San Francisco," he said, "and then you will see some exciting things happen."

USIA used 5-day video teleconferencing demonstration by Comsat to transmit public affairs & cultural programming for first time between Washington & London last week.

NBC learned lesson in 1983, Chmn. Grant Tinker told IRTS luncheon in N.Y. last week. Having scheduled series of new shows "aimed almost exclusively at simply attracting audience," network canceled every one by time season was over. "We don't expect to repeat that experience," he said. "We were left with both the embarrassment of aiming too low and the disappointment of having missed the target anyway." TV is "failing our audience" by appealing to lowest common denominator programming, he said. "To the extent that we take the low road, we experience a sense of failure, even when we succeed." Critically acclaimed shows such as Hill St. Blues and Cheers require time & belief over ratings. "We forgot the lessons we learned" from success of these, Tinker said. Though First Camera was one of season's victims, Tinker didn't rule out possibility of another prime time news program.

News media have "an absolute right" to use evidence legally obtained and presented in open court, Wash. State Supreme Court ruled. Ruling overturned contempt conviction of KHQ(AM) Spokane and its News Dir. Dean Mell (who at time was RTNDA pres.) for broadcasting audio tapes played at trial of woman convicted of trying to hire undercover police agent to kill a judge. "We never doubted we were right," said Mell. "We obtained the material legally and reported what went on in open court." Spokane Superior Court had convicted Mell & KHQ of contempt. Supreme Court decision was unanimous, but 3 of 9 judges dissented in part to decision that right to use evidence was absolute.

When network TV "risks presenting programming that is original, thought-provoking or controversial -- some friends in the advertising business stop returning our calls," according to John Severino, pres. of ABC TV. He told New England Bestrs. Assn. that advertisers who stuck with controversial programs -- such as The Day After and Something About Amelia -- "ended up with extraordinary values... I can only hope that this made an impression on all the advertisers who retreated... usually at the last minute, rather than support programming on the cutting edge."

White House is abandoning plan to expand use of lie detector tests for govt. workers and impose lifetime censorship on high level officials. National Security Advisor Robert McFarlane made promise March 20 in letter to House Post Office Committee, which is moving HR-4681 to prohibit practice. Administration had proposed requiring that every govt. employe with security clearance sign non-disclosure pledge and take test.

Wometco stockholders have approved by large margin \$842 million takeover of company by group of investors led by Kohlber, Kravis, Roberts & Co. Group is paying \$46.50 a share, making Wometco privately held. After transaction is consummated (requiring FCC approval), Wometco will acquire 15% of shares held by public in Wometco Cable for \$29.50 each.

Personals

Allen Neuarth, 60, dropped pres. title at Gannett, remains chmn.-CEO, announced 3 promotions: John Curley, 45, newspaper division pres., named Gannett pres.-COO; Douglas McCorkindale, 44, exec. vp-chief legal officer, advanced to vice chmn.-chief financial officer; William Keating, 56, Cincinnati Enquirer publisher & central newspaper group pres., promoted to newspaper division pres., replacing Curley; Neuarth will receive first Annual Communication Award from Center for Communication April 5 in N.Y.

Ronald Hummel advanced to Cox Cable vp-finance & administration... Thomas Luljak promoted to WTMJ-TV-FM-AM Milwaukee news dir... Jan van der Voort joins KRON-TV San Francisco as human resources dir... Promoted to Blair TV sales mgrs: Thomas McGarrity, Leo MacCourtney, Martin Bratman... Deborah Nicholson advanced to Times Mirror Cable TV sales vp.

Pat King, ex-Communications Cable, named RKO Pictures mgr.-planning & administration; Chuck Thagard, ex-CBS/Fox Video, appointed national sales mgr... Steven Soule advanced to NBC Radio Network vp-gen. mgr... Mark Day, ex-WMAQ(AM) Chicago, appointed Mutual midwest sales mgr.

Donald Kleffman promoted to Ampex International pres.; David Chapman advanced to gen. mgr.-Americas-Far East... Douglas Greenlaw promoted to CBN sales dir... John White, ex-la. Public TV, appointed KUON-TV Lincoln, Neb. asst. gen. mgr.-programming & production and Neb. Educational TV Network program mgr... Alan Bicho, ex-Xerox, named dir.-field technical services, Gill Management Services, new post; William Serencsa advanced to client systems mgr... Carolyn Davenport, ex-Group W Cable, named mgr., Comsat Satellite TV corporate information systems; Robin Rather, ex-PC Telemart, appointed planning advisor, planning & business development; Gary Traver, ex-Skyband, named software development project mgr.

Peter Roslow, ex-Strategy Research, appointed Information & Analysis vp-client services & mktg.; Stephen Brown, ex-Harte Hanks, named dir.-research & statistical services.

Speakers at April 11 Telecommunications Research & Action Center dinner tribute (Washington Hilton Hotel) to Everett Parker include: Rep. Timothy Wirth (D-Colo.), Rep. Patricia Schroeder (D-Colo.), FCC Comr. Henry Rivera, TRAC Exec. Dir. Samuel Simon, NAACP Exec. Dir. Benjamin Hooks

Donald Pisarcik, ex-Burnup & Sims Cable Products Group, named C-COR vp-sales & mktg... Elected PBS dirs.: Ex-Rep. Barbara Jordan (D-Tex.), KLRU Austin; William Banowsky, U. of Okla.; Emmett Conrad, KERA-TV Dallas; Barbara

Hoffman, WKPC-TV Louisville; James Lockhart, KQED San Francisco; Tio Tachias, KUAT-TV Tucson & KAET Phoenix; Maynard Orme, KTEH San Jose. Re-elected professional dirs.: Hope Green, Vt. ETV; Joseph Welling, WOUB-TV Athens-WOUC-TV Cambridge, O.; Gerard Appy, Ore. Public Bestg.

Steven Bookshester, ex-FCC, named NAB asst. gen. counsel for First Amendment matters, succeeding William Kennard, who joins Washington law firm Verner, Liipfert, Bernhard & McPherson... Joseph Fischer, ex-MGM/UA Entertainment, appointed Four Star International chmn.-CEO, succeeding David Charnay, who resigned but remains dir... Paul Bissonette, ex-Turner Bestg., appointed WPIX N.Y. vp-creative services... John Dillon, Cox Communications vp-chief financial officer, elected a dir.

Shirley Irving, ex-WNYC-TV N.Y., named asst. to vp, Cox Cable N.Y... Jeffrey Gardner, ex-Magnavox, appointed southeast regional mgr., S.A.L. Cable... Phyllis Taormina advanced to Seltel national sales mgr... Named Rifkin & Assoc. vps: Roger Leonard, ex-Comcast, operations; Peter Smith, ex-ATC, engineering; Paul Bambei, ex-ATC, mktg.

Yumikiko Suzuki, ex-international mktg. mgr. of Sony Best. Products Dept., Japan, joins Sony Best. Products Co. (U.S.) as product management vp... Fred Petrosino named Lexington Best. Services senior station sales vp... Bobbi Sonn appointed ATC financial analysis dir.

Warner-Amex and Cincinnati have agreed to 3rd party arbitration to settle dispute over rate increases W-A proposed for March 1. Parties have agreed to abide by recommendation, W-A official told us. Panel will arbitrate problems for next 2 years, W-A said, with parties agreeing "to make good faith efforts to resolve all such difficulties administratively rather than through a formal process." Proposed rate increases will go into effect April 1, but money will go into escrow and be credited to subscribers if 3-person panel chooses city's proposed rates.

Local/retail TV advertising jumped 16% in 1983 to \$2.979 billion, according to TvB. Largest percentage gain was in personal services ads, up 52% to \$31 million, while McDonald's Corp. remained largest local TV advertiser, increasing 12% to \$105 million.

Obituary

Ernest Lee Jahneke, 71, former executive of ABC, NBC and Petry & Co., died March 18 at Greenwich, Conn. home after suffering head injuries in fall. He was with NBC station relations before service in World War II, after which he joined ABC, staying until 1957, when he joined Petry. He returned to NBC in 1959 and was head of standards & practices when he retired in 1970. Daughter & 3 sons survive.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended March 16 (11th week of 1984):

	MARCH 10-16	1983 WEEK	% CHANGE	MARCH 3-9	11 WEEKS 1984	11 WEEKS 1983	% CHANGE
TOTAL TV.....	341,938	323,746	+ 5.6	367,916	4,061,839	3,617,498	+12.3
TOTAL COLOR...	257,867*	229,627	+12.3	246,542*	3,073,053*	2,537,054	+21.1
DIRECT-VIEW.	255,145*	227,482	+12.2	243,847*	3,049,774*	2,509,289	+21.5
PROJECTION..	2,722*	2,145	+26.9	2,695*	32,079*	27,765	+15.5
MONOCHROME....	84,071	94,119	-10.7	121,374	979,986	1,080,444	- 9.3
TV EXCL. PROJEC.	339,216	321,601	+ 5.5	365,221	4,029,760	3,589,733	+12.3
HOME VCR.....	96,436*	48,738	+97.9	91,936*	1,136,998*	614,133	+85.1
COLOR CAMERAS...	8,013*	4,668	+71.7	7,331*	82,286*	61,755	+33.2

Color TV (direct-view) 5-week moving average: 1984--272,845*; 1983--232,541 (up 17.3%).

Home VCR 5-week moving average: 1984--106,145*; 1983--53,734 (up 97.5%).

* Record for period.

MULTICHANNEL TV SOUND--THE STARTING GATE: Following FCC's approval of multichannel TV sound (MTS) broadcasting last week -- effectively specifying industry-chosen BTSC (Zenith-dbx) stereo system (see Broadcast section) -- equipment makers are wasting no time becoming members of the real wedding of audio & video.

Although TV set makers are likely to be first with MTS equipment, they're by no means the only ones involved -- audio & VCR manufacturers are firming up plans as well. By accident of timing -- first showing of 1985 lines -- Sony this week will be first to demonstrate line of sets designed to receive stereophonic TV sound as well as adaptors for existing sets.

Radio Shack has MTS adaptors designed, is holding off finalization until it's certain that there'll be single-system broadcasting. Mktg. Exec. Vp Bernie Appel called MTS "a natural for us," but said RS stores won't start offering adaptors until quality testing is complete and broadcasting starts. Other sources indicated RS would have adaptors very soon, at about \$100 without speakers, \$200 with.

Zenith, whose transmission system was adopted by industry -- and by implication in FCC decision -- has had adaptor plugs in some of its sets since 1981, and is expected to show adaptors to distributors next month, put them on sale shortly thereafter. Complete MTS sets will take somewhat longer, but could be on sale "before the 3rd quarter," one Zenith official said. Exec. Vp Robert Hansen said "many contacts with networks and independent broadcasters" convinced him that they "will begin stereo TV broadcasts... very soon."

RCA "will have stereo sets at the high end" of line for July-Aug. delivery, said Consumer Electronics Div. Mktg. Vp Stephen Stepnes, who told us that adaptors or converters would probably come later. Although almost everybody will show sets, and many will demonstrate converters & adaptors, between now & June, they may be slow in getting to market in quantity because of shortage of chips -- and possibly some bargaining with dbx, whose royalty scale on industry-chosen companding system has given rise to some complaints (TVD March 5 p13).

Dbx has sent out technical material packages to all manufacturers which have inquired about licenses -- and that includes just about everyone -- and will let them build before being

licensed, because licensing agreements aren't ready. Licenses for Zenith transmission system are royalty-free. A major industry preoccupation now almost certainly will be to try to "design around" dbx patents.

Stereo reception probably will add at least \$50 to price of high-end set at start, but it will be difficult for consumer to compare sets with & without stereo, since most manufacturers will put stereo in top-of-line models as matter of course and won't offer comparable sets without it. Coming later will be mid-line 19" non-stereo portables with A-B switches for bilingual broadcasting.

Set makers with N.Y.-area labs -- and that includes 6 Japanese and 2 Korean manufacturers as well as RCA in Princeton -- will have broadcast signal for testing as soon as WNBC-TV gets FCC permission; it will transmit MTS during non-broadcast hours Sun. mornings, probably starting next week. Test schedule is available from WNBC-TV Engineering Dept.

Start of MTS broadcasting gives new push to high-end VCRs as well as TV sets. It's believed VCR makers will lose no time getting stereo & 2nd-channel tuners in their Beta & VHS Hi-Fi models.

EIA hailed FCC decision, Consumer Electronics Group Senior Vp Jack Wayman saying it "promises to add a whole new dimension to home entertainment," and that action "offers vivid proof that government & industry can work together to implement new broadcast services in a way that recognizes the need for standards." He expressed hope for "same degree of cooperation with respect to other new technologies, including enhanced & high definition TV in the years ahead."

RCA RAISES INDUSTRY VIDEO SIGHTS FOR '84: This year has taken off so fast that RCA has already scrapped 1984 video sales forecasts issued last Jan., replaced them with ones 22% higher for VCRs, 7%-10% higher for color TVs, Mktg. Vp Stephen Stepnes said at news conference in N.Y.

RCA now looks for 63.8% boost in industry VCR sales to dealers this year to 6.7 million, against earlier prediction of 34.4% rise to 5.5 million. In color TV, RCA's current outlook is for 10.8-14.4% increase, with full year sales in 15.5-16 million range. At start of year, RCA said expectation was for 3.7% rise to 14.5 million. However, Stepnes said, forecast for 1984 sales of 650,000 color cameras, 500,000 videodisc players, remains unchanged. Several years ago, he said, RCA put out long-range prediction that consumer electronics industry would hit \$26 billion by 1990. "Now it appears we'll hit that mark by 1987. We're already \$3 billion ahead of where we thought we'd be" by this time, he said.

RCA called conference to unveil new high-end dockable portable VHS VCR. Unit, listing at \$1,295, has full-year 8-event programmable 133-channel tuner-timer that can be programmed from remote control from on-screen step-by-step instructions, displaying programming choice as it's dialed, as well as showing VCR mode (record, play) when recorder is in use. Deck offers stereo audio -- standard 2-track, not VHS Hi-Fi -- has LCD elapsed time indicator, can use RCA's Digital Command Center combination TV-VCR-videodisc player remote control which is standard on all Colortrak 2000 remote monitors. On-screen display feature will be exclusive with RCA in portables, though supplier Hitachi is expected to have it in home deck this year.

During meeting Stepnes said RCA had no sign that advance publicity over coming of 8mm Video camcorders had "cut into our portable sales," though he acknowledged there may be some marketplace confusion. Complaint over adverse impact of 8mm Video was made at recent NATM convention by Hitachi's Robert O'Neil (TVD March 26 p10). Stepnes said RCA feels there's strong market for 1/2" portables, plans to push new model and solid-state color camera

in summer TV & print ad campaign. RCA, it's understood, claims about 33% share of U.S. portable VCR market.

Being shipped to dealers this month, along with new portable, is RCA's previously introduced VHS Hi-Fi home deck, which will make RCA first in market with VHS competition for Beta Hi-Fi.

GERMANY CLEARS PHILIPS CONTROL OF GRUNDIG: After concessions from participants, German Cartel Office (GCO) last week gave nod to plan that would transfer majority interest in its largest consumer electronics producer Grundig to outsiders and leave Dutch Philips in control of management. Deal was to become final March 31.

To hurdle barriers raised on anticompetition grounds by GCO, both companies agreed to dispose of certain holdings next year. Philips is expected to have no real problem keeping its end of bargain by selling, by end of 1985, its 15% interest in Loew Opta, relatively small consumer electronics marketer that has about 5% of German market. Other half will require more concerted effort, and involves spinning off and selling Grundig's dictating machine business. Grundig has estimated 25% of German market for such equipment, but Philips holds 50%, and GCO balked at having single entity with 75% share.

As previously reported, in return for \$90.5 million capital infusion, Grundig family will turn over what amounts to 25.9% stake to investment group that includes Philips and bankers. That, plus 24.5% interest Philips already owns, will represent majority ownership. As result of deal, which involves Grundig's issuance of convertible debt certificates, Philips' interest in Grundig will be reduced to 22.9%, but it gets to name new management team and has right to buy additional interest from banks.

Meanwhile, Philips said U.K. would be first major market for line of VHS VCRs it's slated to introduce in 2nd quarter, but stressed it has no plan to sell format in competition with its V2000 models on Continent. Since it signed license agreement with Matsushita last year, Philips has insisted it would sell VHS for export only. V2000, marketed by both Philips & Grundig, has insignificant share of U.K. market, where VHS dominates to point that Beta supporter Toshiba is producing VHS at U.K. TV-VCR plant. However, Philips claims V2000 has more substantial 20% market share in Germany and Benelux countries, and says it will be introducing several new models in those areas this year.

Philips acknowledged that its first VHS units would be imported from Matsushita, but said it plans to design its own, start production in Europe by year's end. Philips also is expected to assimilate production of VCRs for Grundig, and it isn't known how that, and Philips' management takeover, will affect Grundig's plan to add VHS to its European product line. As indicated here last year, because of quota on Japan's VCR exports to Europe, selling to Philips will cut into Matsushita's allocation, reduce number of sets & kits it can supply for its own sales there and for other private label customers (TVD Dec 26 p19).

There already are indications that with Philips' blessing EEC & Japanese trade officials will open negotiations for increase in current quota. There's 3.95 million limit on exports of finished VCRs, none at all on kits as long as at least 25% of value is added in European assembly plants. Kits need 45% local value to be considered European-made and eligible for duty-free treatment when exported from one EEC country to another. But along with easing of quota is expected to come call for increased duties on VCR imports. Hike would be intended to protect Philips, as well as Japanese with European VCR plants & ventures, from pending Korean & Taiwanese competition. It also would give Philips edge over Japanese when it introduces 8mm Video camcorder later this year.

In separate U.K. video action, Philips cut \$145 from list price of its optical videodisc player, pricing it at about \$330. Move is response to slow sales and competition from comparably priced CED players being marketed there by Hitachi & GEC.

MORE COLECO LAYOFFS: Coleco last week said it cut 1,300 from Adam computer production line at Amsterdam, N.Y. as it went to single shift from 3, and reduced employment there to 3,300. Company said workforce reduction stemmed from combination of increased automation and seasonal reduction in demand.

Coleco, which had 2 layoffs last month, said it plans to recall some workers in 2nd quarter to produce software for Adam and its Colecovision videogame. Game & computer utilize same cartridge.

Though Coleco denies it, retailers say that they continue to have quality problems with Adam and that sales aren't up to expectations. Coleco has acknowledged that output is below earlier predictions, and its U.K. printer supplier recently cited slow order rate as reason for cancelling plan to build U.S. plant. However, Coleco is building some of its own printer requirements now.

Coleco also is having 3rd-party software problems. Though several companies agreed to convert programs for Coleco, few titles have been released. One difficulty has been lack of capacity of Loranger, company that produces cassettes for Adam's high-speed tape drive and currently is exclusive duplicator. But Loranger says it's now ready to accept orders.

Also involved in layoff last week was SCM, which dismissed about half of 2,200 workforce at electronic typewriter and computer printer plant in Cortland, N.Y. Problem, SCM says, is IC shortage. Company claims it has order backlog because semiconductor makers haven't been shipping on time. SCM said it expects to issue recall this week.

Sony will price Lasermix home optical videodisc player at about \$890 when it introduces it in Japan later this month (TVD Dec 19 p14). As previously indicated, Sony said it will buy about 20,000 players monthly from Pioneer, restricting its own production to industrial models. Sony says it has no plans to introduce player in U.S. In turn, Pioneer will buy Beta VCRs from Sony, though Pioneer says it plans to start own production late this year. Pioneer had been looking at deal with Sony as way to boost Laser Disc player production, but now it may just be way to keep output from sagging. Word is that failure of optical disc based games to revive coin-op business is catching up with Pioneer; arcade game producers are cancelling player orders. As result, Pioneer reduced earnings forecast, and stock price on Tokyo Exchange fell 8% in week ending March 24.

Quaker Oats is getting back into software business. Company, which acquired independent game cartridge producer in 1982 and folded it last year, is moving into computer software through licensing agreement between its toy marketing subsidiary Fisher-Price and Spinnaker Software. Spinnaker will create, design, market & distribute new Fisher-Price Learning Software for children 3-12, plans to introduce line this summer.

GEC-HITACHI BREAKS UP: GEC-Hitachi joint U.K. color TV production venture formed 6 years ago is breaking up. Hitachi said it will purchase partner's 50% interest, putting GEC totally out of consumer electronics manufacturing business. GEC said it will continue as marketer, buying TVs, VCRs & videodisc players from Hitachi.

Partnership, formed to operate existing GEC plant in South Wales with annual capacity for 260,000 sets, has been money loser since inception despite \$4 million invested in modernization. Big problem has been with workforce, and only last minute contract agreement kept partners from carrying out dissolution plan last Dec. (TVD Dec 12 p15).

GEC-Hitachi is 2nd such U.K. arrangement to fall apart. Similar Rank-Toshiba venture ended in 1981 when Toshiba took plant over. Presumably, Hitachi will follow precedent of Toshiba in setting up new corporation to run facility, which will allow it to institute new set of work rules. Hitachi originally wanted to build plant of its own in U.K. Financing had been worked out, but govt, backed away from assistance program after unions objected that entry of yet another major Japanese color producer would result in increased competition and job losses at British-owned plants.

Japan's electronics output was valued at \$55.6 billion last year, up 16.5% from 1982, according to EIA-J. Biggest segment rise was 21.6% increase to \$18.9 billion for electronic parts & components, while industrial electronics, up 17.9% to \$20.2 billion, was largest in size. In consumer electronics, output rose 9.6% to \$16.6 billion, paced by 38.8% increase for VCRs. Total TV output slipped 1.4% to \$3.14 billion, though color had 0.2% increase to \$3.04 billion. Hi-fi production was up 7.7% to \$5.58 billion, with stereo systems up 15.7% to \$1.98 billion, recorders up 3.7% to \$3.6 billion. Radios were off 4.7% to \$386 million, and other products increased 19.7% to \$758 million.

Telecaption decoders are being added by J.C. Penney, will appear in fall-winter catalog, according to National Captioning Institute. Units also will be offered at retail by Benson Optical chain. Adaptors, needed for on-screen display of closed captions for hearing impaired, currently are being sold by Sears & Videoconcepts, as well as by some independent retailers and cable systems. Lone network holdout, CBS, recently said it would begin telecasting captioned programs this year.

Sansui will expand audio line in U.S. to include autosound. Company, which has been showing samples since last year, said it will initially limit shipments to 3-4,000 monthly. Units will feature multi-system AM stereo reception capability.

Pocket color TV set using LCD is scheduled for June or July marketing in Japan, according to Epson, subsidiary of Seiko. When shown in prototype last spring, it had 2" backlighted display, weighed 1.1 lb. (TVD June 6 p15).

MORE PHONE WOES: Independent marketers of both corded & cordless phones know they're dealing with massive glut caused by excessive production & imports and are trying to work off stockpiles. But magnitude of job may be greater than they think, on basis of new figures which indicate sales so far may have been lower than assumed.

Figures are AT&T Consumer Products sales estimates for 1982 & 1983 and forecast for 1984. Comparison of those numbers with generally accepted industry figures indicates that, if AT&T is right, marketers are sitting with supplies representing an additional 2 months of sales, and that if they planned against industry 1984 forecasts, they'll have 3 months of additional inventory at end of this year.

In its most recent figures, based on consensus of industry estimates rather than internal statistical program, EIA put last year's sales at 19.7 million, up from 5.7 million in 1982, predicted 31 million would be moved this year. But new estimates from AT&T show 1983 at just 15 million, up from 5.5 million in 1982, predict 1984 sales of 25 million. Thus, AT&T phone sales estimates over 3-year period are 10.9 million less than shown by EIA.

AT&T sales figures for wired phones are 4.8 million for 1982, 11.8 million for 1983, 19.5 million for 1984, putting 3-year total at 36.1 million. EIA figures for those years: 3.7 million, 15 million, 25 million, for 43.7 million, which is 21%, or 7.6 million more. For cordless phones, AT&T shows annual sales figures at 700,000, 3.2 million & 5.5 million, for 9.4 million total. EIA puts them at 2 million, 4.7 million & 6 million, for 12.7 million, which is 3.3 million, or 35% higher, a difference equal to last year's AT&T sales estimate.

Nolan Bushnell, Atari founder and father of videogame industry, has new employer in Bally, which acquired name & assets of hi-tech videogame development operation Sente Technology from bankrupt Pizza Time Theaters. Price wasn't disclosed. Assets, we're told, consist mainly of ST's R&D, design & engineering team. Bushnell has agreed to continue as chmn., post he took up last month after resigning as officer of PTT, company he founded after selling Atari to Warner Communications. Bushnell also is involved in other companies, including Cumma Technology, developer of in-store game cartridge programmer, and Androbot, producer of home robots.

RCA debt rating was raised notch by Moody's in recognition of "impressive progress" in reorganizing along more integrated & profitable lines. In addition, Moody's said, RCA "continues to make sizable investments in more promising areas" to keep company "in the forefront of technology."

Correction: In listing members of NATM Buying Corp. last week (TVD March 26 p13), we inadvertently omitted Rex stores. We regret the error.

SONY VCRS FROM SPAIN: Sony Beta VCRs marked "Made In Spain" should start showing up this fall following company agreement with govt. to add video equipment to audio line now produced by 80%-owned Hispano Sony at plant in Paretas del Valle.

Sony will get assistance from \$370 million pool govt. established last year to support 3-year electronics development program. Sony said it expects to start production at 3,000 monthly rate, boost output to 125,000-130,000 annually by 1987. Agreement requires that at least 25% of production be for export, and is likely to be expanded to allow for assembly and export of Trinitron color TVs. Beta, sold in Spain by Sony & Sanyo, has about 50% of VCR market there.

Sony's is probably first of several similar deals for local production as part of Spanish effort to build up healthy domestic consumer electronics industry to avoid being buried under imports after it becomes member of European Common Market. Country is looking for VHS producer as well, reportedly has opened talks with JVC, which assembles VCRs in U.K. & Germany as partner with Thorn EMI and Telefunken in J2T Holdings.

Also under consideration is linkup of Hitachi with pair of financially troubled set makers, Cahue Industrial, a Hitachi licensee, and Cesca. Govt. is said to feel 4 color TV producers could operate efficiently there by supplying half of Spain's 500,000 annual domestic demand while exporting additional 75,000-100,000 sets per year. Japan's Sanyo & Sharp are already involved in Spain through minority holdings in, respectively, Aznarez and Elbe.

GE will become largest shareholder in Black & Decker after it completes sale of small appliance business to tool maker. Under revised terms of \$300 million transaction, GE will accept 3 million B&D shares, or 6% interest, as part of payment. GE has agreed not to change size of its holding for 2 years. Meanwhile, GE is continuing to dispose of its holdings in Japan's Toshiba. Last year, it sold 60 million shares, has sold 30 million this year, leaving it with about 112 million, or 4.2%, worth about \$192 million at current prices.

Free do-it-yourself home telephone testers are being installed in AT&T retail Phone Centers. Testers will check dial, bell, receiver, mouthpiece & cord on virtually any make of phone. AT&T says consumers can save money by bringing phones in for free diagnosis as phone companies now only repair wiring and hit customers with service charge if problem is with instrument.

Japan's key parts producers are profiting more from VCR sales boom than end product makers. Toko, which supplies coils, composite devices and memories, credited demand from VCR producers for tripling pre-tax net to \$5.8 million in 6 months to Jan. 31. Sales were up 37% to \$86.7 million. Stanley Electric said sales of electronic components & parts jumped 20% to \$70.2 million in year to March 31.

NAP REPORTS: Consumer electronics wing of North American Philips joined exclusive \$1 billion sales club last year, according to NAP annual report. Only other members are RCA, Panasonic & Zenith, though NAP & Zenith qualify only if OEM picture tube sales are included.

NAP puts 1983 consumer electronics volume at \$1.08 billion, up 12.1% from 1982, says segment had pre-tax operating net of \$6.3 million, against \$13.9 million loss in preceding year. Sales include Magnavox, Sylvania & Philco brands as well as CRTs sold to outside color TV, monitor and data display terminal manufacturers.

NAP entered TV business in Oct. 1974 by acquiring Magnavox, then purchased Sylvania, Philco and TV tube businesses from GTE in 1981. NAP's 10th year in TV was 4th in which it showed profit on operation. TV unit also was in black in 1976, 1977 & 1981. Combined earnings for those years were \$38.2 million, while it ran up \$46.2 million in losses in 6 deficit years, for overall \$8 million loss.

NAP says earnings improvement in consumer electronics was held back by lower prices needed to meet import competition in color TV and extensive losses from videogames. However, "videodisc expenses were much lower" than in 1982.

NAP says it increased penetration of OEM color tube market, achieved record output "within the normal work schedule." Financial & technical strains are being placed on tube industry by "runaway proliferation of tube types & designs," report says. But, it says, NAP is in good position to cope because of technical ties with Dutch Philips.

Link with Philips gets unprecedented stress in NAP 1983 report. It says NAP is using Philips technology & equipment in producing TVs, picture tubes, lighting products & CATV equipment. Report also shows NAP electronic & electrical components had 28.9% rise in income to \$128.1 million on 9.6% sales rise to \$785.9 million.

Warner Communications is still \$284 million ahead after 7 years of operating Atari, despite game-computer subsidiary's \$539 million loss last year, WCI says in annual report. To keep costs down, it says, Atari has adopted conservative approach to release quantities on new videogame cartridges, has tightened return policy that cost it more than \$100 million for non-defective products shipped back by dealers last year. It says new software unit, Atarisoft, will introduce first non-game products in first half this year, points out that Coin-Op Game Div. was profitable in 1983. Report says Warner Home Video had dramatic revenue & earnings rise, in U.S. & overseas, was important contributor to improvement in results of filmed entertainment.

Activision sees more shakeouts ahead for home videogame & computer business because there are still too many incompatible systems, company says in 3rd quarter report to holders. Just year ago,

software maker could reach 80% of market by releasing in only 2 or 3 formats, but "to reach that total today, software titles must address at least 5 or 6 systems." Over long term, retailers "will not be able to provide shelf space" for all existing & upcoming systems.

Panasonic is taking advantage of looser FTC anticompetition guidelines to tighten business restrictions on authorized dealers of Technics hi-fi products. New contract, offered to all existing dealers, sets minimum standards for display & promotion, prohibits certain business practices, bans transshipping to other dealers. Technics dealers who don't accept new terms will be cut off. Pioneer, which started industrywide move to stiffen franchise requirements 2 years ago after getting FTC to go along with modification of consent decree that kept it from dictating rules to retailers, is now going after its independent warranty servicers. Under new policy, authorized servicers will have to maintain minimum parts inventory, have adequate number of properly trained technicians, meet specified turnaround time on warranty repairs. Pioneer said it's increasing servicer support in areas of financial assistance, parts backup, training, customer referral.

Ad notes: Sony Consumer Products moves Beta VCR & Betamovie account from Backer, Spielvogel to Marschall Inc. Marschall is member of Interpublic Group, as is McCann-Erickson, which handles Sony TV... Commodore assigns \$10 million print account to Drossman Lehmann Marino Revely, N.Y... Activision has been resigned by J. Walter Thomson, which shared business with Tatham-Laird & Kudner; TLK continues... AT&T Consumer Products will offer 8 \$10,000 prizes, \$55,000 in other prizes, along with long distance calling certificates, phones & accessories, in Mother's Day promotion... JVC takes over sponsorship of Newport Jazz Festival... Panasonic Ramsa Div. named sound system supplier for Summer Olympics... Maxell is including rub-off instant lottery tickets in special multi-packs of video & audio cassettes. Prizes range from \$1 rebate to \$25,000 in gold.

N.V. Philips is looking for 55% earnings rise this year to about \$340.5 million on 8% sales increase to \$17 billion, company officials said at news conference in Brussels last week. Large profit rise is expected to be payoff for extensive restructuring and efficiency improvement effort launched in 1981, and only now being completed. Philips said fastest sales growth last year was in U.S. (primarily North American Philips) & Canada, where volume jumped 30% to account for more than 25% of worldwide revenues. Philips consolidated sales rose only 7% in 1983.

Sears adds 13" color receiver designed to double as computer monitor, featuring higher resolution tube, green display switch, RGB & video inputs, screen compression, horizontal centering, at \$350. Set, made by Sanyo, was inadvertently omitted from our spring-summer catalog roundup last month (TVD March 6 p16).

VCRs WORLDWIDE: Latest census from Motion Picture Export Assn. of America puts worldwide VCR population at 42,172,000 at end of 1983. Data are presented with couple of caveats: (1) It's uncertain whether TV figures represent households or sets in use. (2) VCR count is meant only to indicate number in country, minus estimated transshipments.

Here's rundown, all figures in thousands:

Region	Population	TVs	VCRs
Europe	777,507	222,191	13,745
Asia	2,621,973	66,842	12,135
N. America	259,191	165,814	9,920
Middle East	149,017	11,952	3,212
S. America	259,652	27,328	1,100
Oceania	23,656	6,705	1,168
Africa	522,295	10,149	540
Cent. America	100,025	9,717	144
Caribbean	30,690	2,659	208

In Europe, U.K. is VCR leader with 6 million, followed by Germany 3.5 million, France 1.4 million, Sweden 500,000, Netherlands 400,000, Spain 325,000, Switzerland 300,000, Belgium 285,000, Austria 220,000, Norway 200,000. Japan is tops in Asia with 9.1 million, followed by Taiwan 700,000, Thailand & Malaysia 400,000 each, India 300,000, South Korea 250,000, Singapore & Pakistan 200,000 each. In N. America, U.S. had 9 million, Canada 900,000, Bermuda 20,000.

Saudia Arabia is Middle East's biggest customer with 840,000, followed by Turkey 700,000, Kuwait 366,000, Lebanon 300,000, Israel 260,000, Iran 200,000. In S. America, largest population is 420,000 in Venezuela, followed by Colombia 280,000, Brazil 270,000, Argentina 50,000. Oceania has Australia with 1.1 million, New Zealand 30,000, Fiji 13,000.

In Africa, South Africa has 290,000, Egypt 150,000, Kenya 100,000. Central America is paced by Mexico with 95,000, followed by Panama 30,000, Honduras 8,000, El Salvador 6,000, Costa Rica 5,000. Listed for Caribbean are Puerto Rico 100,000, Trinidad & Tobago 100,000.

Warner Communications has called in Lazard Freres as restructuring consultant, move Wall St. analysts feel will lead to selloff of unprofitable or marginal businesses. Atari is considered possible, but not likely, candidate for disposition. Warner also may set up separate subsidiaries for profitable MTV and Warner Home Video units, raise funds by selling minority interest to public, as MGM/UA did with its home video operation.

Microwave oven shipments by domestic producers & importers doubled in Feb. to 586,900, putting 2-month total at 1.29 million, up 114.3%, AHAM reports.

World's longest is JVC's claim for new T-168 VHS videocassette providing up to 8 hours & 24 min. play/record time.

INDUSTRY OUTLOOK: Higher shipments, lower employment and further intensification of import competition is in store for domestic TV-radio manufacturing industry this year, according to Commerce Dept.'s 1984 U.S. Industrial Outlook.

It estimates value of domestic product shipments rose 11.1% last year to \$5.64 billion in 1972 dollars, sees rise of just 5% in 1984 to \$5.92 billion. Value of all industry's products & services sold last year also was up 11.1% to \$7.07 billion in 1972 dollars, is seen increasing 5% to \$7.42 billion this year. Industry employment continued on decline in 1983, slipping 9.1% to 48,200, and is expected to drop 6.6% this year to 45,000.

Commerce estimates exports, in current dollars, dropped 21% last year to \$604 million, but is predicting rise of 4.3% this year to \$630 million. Imports recovered from 1982 slump last year, rising 3% to \$6.33 billion, and are seen increasing this year to \$6.65 billion, passing record \$6.5 billion set in 1981.

Domestic electronic components industry had record performance in 1983, with shipments, in 1972 dollars, up 17.3% to \$29.4 billion, and is seen posting 16.7% rise to \$34.3 billion this year. Employment rose 1.8% last year to 518,000, is expected to increase 3.1% to 534,000 in 1984.

Export business continued to show strength in 1983, with shipments up 6.6% to \$5.85 billion, is seen following with 15.3% rise this year to \$6.75 billion. Imports too were strong, with 19.1% increase to \$6.77 billion estimated for 1983, growth of 23.7% to \$8.38 billion predicted for 1984.

EEC has agreed to launch investigation into charges Japanese are dumping electronic typewriters in Europe. Complaint was filed last month by group of domestic producers (TVD March 12 p16). Meanwhile, officials said, temporary dumping duties of up to 35% of value were being imposed on imports of Japanese-made electronic scales. Japanese, it was determined, had been underselling local producers by up to 50%. Penalty duties will be collected for 4 months.

Renewed crackdown on product counterfeiting has been launched by Taiwan. Last year's Trademark Law was revised to extend coverage to logos not officially registered in Taiwan and to stiffen penalties for violation. New procedures include ban on all commercial counterfeit exports and refusal of bank loans to offenders. Taiwan said it's considering joining several international copyright conventions to improve cooperation with foreign govts.

Sales of home computers will jump 96.3% to 9.87 million this year, raising number in use to just under 14.9 million, according to Yankee Group. It sees value of home computer software sales climbing 87.3% to \$1.28 billion, and while games and entertainment programs will continue to provide largest volume, their share will slip to 55% from 59% in 1983.

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No. 101

THE VCR EXPLOSION

A complete chronicle of the big VCR boom of 1982-83 detailing what happened and why. Includes complete market-share ranking of all U.S. VCR brands, product reports, technology updates, the European market and home taping controversies and more. Published August 1983. Price is \$95.00 per copy. Please add an additional \$10.00 for foreign orders.

No. 102

TURMOIL IN TELECOMMUNICATIONS — 8 Months that Shook the Industry

This 125-page book examines the breakup of the Bell System by presenting an up-to-date, blow-by-blow account of the involved players, their statements and their actions during the most critical 8 months of the industry's history. Published 1982. The first copy is \$85.00, additional copies are \$35.00 each. Foreign buyers must add \$10.00 for delivery.

No. 103

VIDEODISC: BOOM OR BUST?

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

No. 104

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

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

No. 105

COUNTDOWN II: Jockeying at the DBS Starting Gate

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

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

No. 107

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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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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
Chris-Craft Industries			
1984-6 mo. to Feb. 29	79,324,000	3,002,000	.40
1983-6 mo. to Feb. 28	40,626,000	3,412,000	.45*
1984-qtr. to Feb. 29	35,059,000	276,000	.02
1983-qtr. to Feb. 28	17,581,000	816,000	.10*
Gulf Broadcast*			
1983-year to Dec. 31	72,144,000	3,369,000	.08
1982-year to Dec. 31	64,143,000	4,670,000	.11
A. C. Nielsen			
1984-6 mo. to Feb. 29	348,201,000	25,516,000	1.14
1983-6 mo. to Feb. 28	332,680,000	22,408,000	1.00*
1984-qtr. to Feb. 29	177,113,000	13,798,000	.61
1983-qtr. to Feb. 28	171,151,000	12,470,000	.56*
Oak Industries			
1983-year to Dec. 31	426,418,000	(166,113,000)	--
1982-year to Dec. 31	545,720,000	4,103,000	.25
Tektronix			
1984-40 wk. to March 3	953,377,000	51,888,000	2.71
1983-40 wk. to March 5	906,676,000	40,318,000	2.13
1984-16 wk. to March 3	402,358,000	25,684,000	1.34
1983-16 wk. to March 5	373,036,000	13,711,000	.72
Telepictures			
1983-year to Dec. 31	71,135,300	6,057,100	.93
1982-year to Dec. 31	46,421,400	4,427,700	.75
1983-qtr. to Dec. 31	24,856,800	2,577,300	.38
1982-qtr. to Dec. 31	9,489,000	495,300	.08

Notes: *Restated. *On pro forma basis.

Consumer Electronics Personals

Kenneth Thomson, former Magnavox gen. mgr., more recently Odyssey gen. mgr., resigns as NAP Consumer Electronics vp to pursue other interests... Young Kim promoted at Gold Star (U.S.) from exec. vp—CEO to pres., new post... H.J. Maxmin, Thorn EMI TV Rentals chief exec., advanced to chmn., succeeding Sidney Parker, retiring, effective June 30... Dennis Dammerman promoted at GE to senior vp & chief financial officer... Earle Moore promoted to 3M Magnetic Audio/Video Consumer Products Div. east region sales mgr... Tom Bensen, ex-Beyer Dynamic, joins Panasonic New Technology Products Group as national mktg. mgr. for professional audio systems.

Geoffrey Heath, ex-Heath Levy Music, joins Activation's international operation as managing dir. of U.K. subsidiary; Byron Turner, former Thorn EMI Video development dir., appointed European creative development dir... Priscilla Seuss promoted at Spinnaker Software from sales dir. to sales vp... Bruce Lichorowic, ex-Norwesco, joins Fuji Magnetic Products Div. as computer products mktg. mgr... Valerie Cade, named pres. of Simon & Schuster's new Video Publishing Group.

Herbert Fischer, ex-Sound Video Unlimited, named vp-gen. mgr., Key Video, new CBS/Fox Video

WEEKLY

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venture; Vince Larinto & Sam Puleo advanced to CBS/Fox western & eastern zone sales dirs., respectively... Larry Bennett, ex-CBS/Fox Video, named pres., Walter Drulet, named finance & administration vp, Premiere Video, new videocassette duplicator... Emmitt Murphy promoted from Technicolor vp to pres., Technicolor Videocassette, replacing John Donlon, now pres. of affiliate Compact Video... Gerardo Villacres moves from CBS/Fox Video to business affairs administration dir., CBS Records Video Enterprises... Robert Norton joins Media Home Entertainment as business affairs dir... Chuck Thagard, ex-CBS/Fox Video, appointed national sales mgr., RKO Pictures.

Donald Kleffman promoted from Ampex Audio-Video Systems Div. vp-gen. mgr. to Ampex International pres.; David Chapman, former AI vp-gen. mgr., named Americas-Far East Areas gen. mgr... Barry Griffiths, ex-Polygram Records, joins Warner Home Video in U.K. as mktg. dir... Rodger Masters appointed head of product acquisition, CBS/Fox Video International's European operation, based in London... Frank Kandelas appointed managing dir.—Australia, Vestron Video International.

Mickey Granberg promoted from exec. dir. to exec. vp of NARM and affiliate Video Software Dealers Assn... Pamela Fisher, ex-Insulation Contractors Assn., joins EIA as meeting & convention coordinator... John Nathan of Overseas Music & Video Services appointed North American rep for First International Music Video Festival, Oct. 8-11, St. Tropez, France.

WEEKLY

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APRIL 9, 1984

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 24, NO. 15

Broadcast - Cable

MOONEY TO SUCCEED WHEELER AT NCTA after pres. leaves to head NABU Network software company. (P. 1)

TURNER LUSTS FOR ESPN: TBS says it's preparing offer for Texaco's 70% interest in 24-hour cable sports channel. (P. 3)

MINORITIES ON NAB BOARDS, convention situation get attention of NAB Exec. Committee. Reagan cancels planned appearance by satellite. (P. 4)

ORION, ISI TERMED NOT VIABLE: Intelsat study says neither could prosper but together they could seriously damage Intelsat. (P. 4)

TBS'S MUST-CARRY BID DENIED by FCC, which finds sees some merit but 'no compelling reason' to launch rulemaking. (P. 5)

CABLE BILL CHANCES IMPROVE with new talks between NCTA & cities in works. (P. 6)

C-SPAN MAD AT NETWORKS, cites 'unreasonable' charge for pool coverage; will offer complete coverage, provide feed to others. (P. 7)

NIXON AGAIN KNOCKS MEDIA: In CBS segments he blames reporters for many of his woes and wife's stroke. (P. 8)

NCTA PRES. WHEELER RESIGNS, MOONEY MOVES UP: Thomas Wheeler ended his nearly 8-year tenure with NCTA April 4 by announcing he has accepted position as pres.-CEO of NABU Network, new company that downloads software programs via cable to home computers. Although Wheeler's contract runs through 1985, he was able to break it by triggering clause that allows him to leave on 90-day notice, meaning he will depart Assn. on or about July 4. He submitted resignation to NCTA board members during their annual executive retreat and policy session on Captiva Island, Fla.

Board unanimously elected James Mooney, exec. vp of NCTA since Aug. 1981, as Wheeler's successor. Mooney, 40, last fall was given additional title of COO at same board meeting where Wheeler sought & received 90-day escape clause be added to his extended contract (TVD Dec 5 p6). Mooney has been NCTA's field general on congressional issues and is regarded as savvy infighter. After July 4, Wheeler said he will be available to Assn. "on a priority call basis,"

Consumer Electronics

CED IS VICTIM of VCR's success as RCA pulls plug on player. RCA, CBS to continue disc pressing as decision reverberates through video industry. (P. 12)

U.S. TV PRODUCERS HURT by color dumping from Korea & Taiwan, ITC rules. Importers boosting U.S. assembly plans to minimize impact. (P. 14)

SONY'S STEREO TV decoder-amp at \$200 slated in June. Beta PR drive mounted. 'Beta-Hi-Fi ready' VCR, programmable TV in line. (Pp. 15 & 20)

JAPAN'S VCR EXPORTS to U.S. jumped in Jan., set new record in Feb. TV shipments soared. (P. 17)

GE WEDS VIDEO & AUDIO operations in new unit with Jacques Robinson as vp-gen. mgr. (P. 18)

CHINA COMPLETES B&W glass plant built in Shanghai with assist from Corning. Capacity put at 4 million bulbs annually. (P. 18)

AQUARIUS COMPUTER re-launched at \$300 by Cezar under agreement with Radofin. (P. 20)

RCA NET UP in first quarter despite \$175 charge for videodisc player wind down. Corning net up (P. 21)

FDA TAKES JURISDICTION for regulating overload electronic sounds from consumer products. (P. 21)

particularly if negotiations with cities toward compromise rewrite of House cable bill (HR-4103) remain unresolved (see related story below).

NABU Network is Ottawa-based company that is making American debut on Tribune cable system in Alexandria, Va., where Wheeler will be based. U.S. subsidiary he will head already has attracted prominent cable figures to its board: Robert Schmidt, Wheeler's predecessor at NCTA who is now pres. of Communications Technology Management; Douglas Dittrick, pres. of Tribune Cable Communications; John Saeman, vice chmn.-CEO of Daniels & Assoc.; William Carroll, exec. vp-finance at Campeau Corp., Canada's largest real estate company. NABU had its rollout in Ottawa last Oct., says it has 1,500 subscribers. U.S. unit is raising \$50 million to achieve national rollout, job that Wheeler will orchestrate.

Wheeler, 38, began with NCTA as exec. vp in 1976, joining from Grocery Mfrs. Assn. He became pres. in 1979 when Schmidt departed and is credited with elevating NCTA to prominence as key player in national telecommunications arena. During his tenure, NCTA has grown from 23 to more than 80 employees and moved to imposing new hq. Industry revenues jumped from about \$1 billion to more than \$6 billion. "We are grateful to Tom for his service to the cable industry and wish him the best of luck in his new endeavor," said NCTA Chmn. Monroe Rifkin, pres. of Rifkin & Assoc. "We are fortunate to have Jim Mooney ready and able to assume the presidency."

Opportunity to be in on ground floor of company with much growth potential was prime factor in Wheeler's decision to leave NCTA, he said. During meeting with reporters, he implied that in addition to handsome salary he also was given shares in NABU. He wouldn't say what percentage he will own, although that will be known when publicly held company releases proxy statements detailing ownership and compensation paid top officers. "I would hope that you would recognize that if I want to be involved in something, I would be involved all the way, both in a salary position and in an opportunity for growth," he said. Contributing factor was that he was allowed to pick hq, meaning he can remain in Washington, where he has many ties.

Mooney said he hasn't contemplated replacement for himself. He declined to say what agenda he will set for Assn., stressing that Wheeler remains boss for 3 months. But "I am me, not him," Mooney said. Wheeler expressed confidence in his successor: "There is nothing I have done that [Mooney] can't do."

NABU has own brand of home computer that retails for \$299. It exhibited at last year's NCTA convention, saying then that about 30% of software titles are videogames; others range from financial management to educational material. Titles will be offered in packages to tier subscribers for \$10-\$20 monthly, transmitted over FM subcarrier. NABU's software now is compatible only with its own computer but soon will be usable with IBM PC, Commodore 64, some others, Wheeler said. NABU soon "will be the HBO of data," he predicted.

* * * * *

Edward Allen, Western Communications pres., was elected 1984-85 NCTA chmn. during board meeting in Fla. In what was described as "spirited" contest, Allen defeated Hauser Communications Pres. Gustave Hauser, who was attempting to move up from vice chmn. Although vote totals weren't announced, we were told election was very close. Walnut Creek, Cal.-based Western is 34th largest MSO, is owned by Chronicle Publishing Co. (publisher of San Francisco Chronicle) which also owns KRON-TV San Francisco, KUPK-TV Garden City and KAKE-TV Wichita, Kan. Allen has been on NCTA board 12 years, on exec. committee 6 years, served on presidential search committees that chose Schmidt & Wheeler. Four of Western's 5 cable systems are in southern Cal. with largest (60,000 subscribers) on Monterey Peninsula.

Other officers elected to take over after June 3-6 national convention: Trygve Myhren, chmn. & CEO of ATC and this year's NCTA treas., was chosen vice chmn. to succeed Hauser; James Cownie, Telecommunications Group pres. at Heritage Communications, was elected

secy., succeeding Robert Wright, ex-Cox pres. who left industry to rejoin GE, and John Goddard, Viacom Cablevision pres., treas. to succeed Myhren. Chairmanship was only contested post.

TURNER TO MAKE OFFER FOR ESPN: Ted Turner wants to add ESPN to his cable domain, TBS official confirmed April 6. "Texaco has expressed an interest in selling its share of ESPN and we want to buy it," official told us. "We are now gathering information for a bid which will be submitted in the near future." News "came as a surprise to us," according to ESPN source. "We weren't aware of anything like this." Texaco owns 70% of ESPN, which it acquired as part of Getty Oil buy. ABC recently acted on option to purchase 15%, has option to add more, while private investors own remaining 15%. Turner was unavailable for comment -- he's sailing off coast of New Zealand.

Texaco confirmed it's "considering the sale" of its majority interest in ESPN, fact which many in industry have assumed since purchase of Getty in Feb. Company said it has "had discussions with a number of parties concerning ESPN." But Texaco official said company had received no formal offers to date, wouldn't comment on interested parties.

Several contractual items complicate sale. ABC has option to purchase up to 34% of ESPN by Jan. 1986, agreement that would remain intact regardless of sale. ABC also has right of first refusal on any 3rd party offer for service. ABC official had no comment on possibilities of exercising either option. Texaco also is in middle of 60-day public comment period on merger with Getty, but that limits transactions of only U.S. oil & gas-related businesses, official said. New owner is free to act on other acquisitions with approval of new Getty board, which consists of 6 former Getty directors and 6 new appointees from Texaco. ESPN Chmn. and Getty Dir. Stuart Evey told us that Texaco "is evaluating all of the assets they acquired, which includes lots of things within Getty Oil." He declined to comment on "something I haven't been told anything about."

ESPN should take in \$55 million in ad sales, \$10 million in cable operators' fees, in 1984, Pres. William Grimes has been reported as saying. ESPN, seen in 30.2 million cable homes, also has stated that it expects to break even in 4th quarter, go into black in 1985. Turner wants to keep ESPN separate entity, TBS official said, not absorb channel as Cable News Network did with TBS's \$25 million purchase of Satellite News Channel. As for cost to TBS, which made profit for first time last fiscal quarter, TBS official said: "We're putting a financial package together. We think we can make ESPN a moneymaker."

WBTV Charlotte will be first to offer local version of CBS's year-old teletext magazine, but subscribers will pay \$1,500 for privilege. Local retailers will offer Panasonic North American Best. Teletext Specifications (NABTS) decoder (\$300) only in tandem with high-end Omni monitor (\$1,200). Decoder was presented at April 4 news conference in N.Y. by NABTS proponents, among them Group W, CBS, NBC, Panasonic & Videographic Systems of America (VSA). It was acknowledged that \$800-\$900 would be ballpark price for decoder offered on freestanding basis. WBTV will spend "in the 6 figures" for VSA equipment and staff of 4 to insert local news, weather, traffic updates, etc. into 100-page Extravision from CBS, Jefferson-Pilot Bestg. Administration Vp John Edgerton told us. Service began 6:20 p.m. April 4. Owners of Panasonic decoders also will be able to receive NBC national news magazine, which won't contain local information. WBTV will place 20 decoders in public areas such as local museums, shopping malls & hotels to stimulate consumer interest.

FCC Comr. Rivera has registered strong dissent to Commission's minimal regulation of new video services. Speaking to Washington conference of American Bar Institute & ABA, he said LPTV, DBS & MDS must be regulated under same content, diversity & political access rules that apply to over-air broadcasting: "It is undeniable that what we now have is a very muddled scheme of regulation," he said. The strong deregulatory philosophy prevalent at the FCC... has fueled efforts to shield new TV services from existing statutory and administrative broadcast regulation." He asked: "Is this disparate regulatory treatment permissible under the Communications Act?.. I think not."

Westinghouse will use limited partnerships to fund construction of 2 Chicago cable franchises granted to Group W Cable. Lehman Bros. Kuhn Loeb is handling \$328 million offering in lots of \$150,000. Partnership will be structured with \$95 million equity, \$233 million debt. Franchises in northwest Chicago cover 440,000 homes.

MINORITIES NAMED FOR NAB BOARDS: In effort to fill 4 special seats created on NAB boards (one woman, one black for TV & for radio), NAB Exec. Committee has nominated slew of candidates as new directors: 14 women (including 4 who also are minorities for radio board), 6 for TV; 4 minority males for radio, 3 for TV. Full boards will make selections, and ballots will go out May 7, due back week later.

Exec. Committee also discussed status of stalled broadcast deregulation bill in House Telecom Subcommittee and possibility of pushing for radio-only bill. Pres. Edward Fritts said Assn. has no definite plan of action but has met with NRBA on possibility of seeking radio-only bill -- as sought by NRBA. Fritts said that if Telecom Subcommittee Chmn. Wirth (D-Colo.) attempts to move bill opposed by NAB, then "we might possibly go for a substitute bill in full [Energy & Commerce] Committee."

Fritts said NAB doesn't anticipate disruption of April 28-May 2 convention because of strike which started April 1 in Las Vegas. "We are still going full steam ahead," he said. "We have reason to believe the strike will be settled before we get there." NAB Secy.-Treas. told us: "We're keeping in touch [and] taking a very positive stance."

NAB attempted to get strike insurance from Lloyd's of London, sending check March 13 for \$21,000 for coverage to start March 15 -- same day union voted to strike. Check was returned. Coverage would have included full reimbursement if convention had to be canceled, partial coverage for monetary losses NAB could prove because of strike. There have been several instances of violence in strike, which started Sun., and more than 100 strikers have been arrested, including one carrying 3 fire bombs, according to police. Nev. Gov. Richard Bryan failed in attempt to break impasse, also refused to call in National Guard, as sought by strikers. It's estimated strike is costing Las Vegas \$3.2 million a day.

Meanwhile, President Reagan has canceled May 1 live-via-satellite appearance before NAB convention. White House cited "scheduling difficulties," said Reagan will be returning from state visit to China that day and will stop in Fairbanks, Alaska, for meeting with Pope John Paul. Reagan appearance before NAB originally had been scheduled for May 2, was moved to day earlier at request of White House.

In other actions, Exec. Committee: (1) Approved selection of pioneer broadcaster Stanley E. Hubbard to receive first "Spirit of Bcstg. Award" during convention for "outstanding contributions" to industry. Award will be accepted by son Stanley S. Hubbard. (2) Approved Washington political humorist Mark Russell to address April 30 TV lunch during convention. (3) Jointly with NRBA selected Dodson Assoc. of Washington to stage joint "RC/PC -- Radio Convention with Program Conference" at L.A. Bonaventure Hotel, Sept. 16-19. NCTA is another Dodson client for NCTA convention. RC/PC will be

2 groups' first joint effort after several years of each sponsoring convention within month of other. Future joint sessions are scheduled in Dallas next year, Atlanta in 1986. (4) Authorized station acquisition seminar -- for both buyers & sellers -- June 26, Sheraton Centre, N.Y.

CONSULTANT KNOCKS ORION & ISI: Neither Orion nor ISI is economically viable, but if they are approved and enter operation they could cause severe economic harm to Intelsat, according to report prepared for Intelsat by Washington communications consultant Walter Hinchman. Study makes point that if competition is authorized, Intelsat agreement must be changed to permit Intelsat to compete fairly.

Intelsat officials appear to be delighted with report, which they assert represents first serious econometric analysis of possible effects of competition in international satellite services. But Comsat may not be so pleased. Startling conclusion of Hinchman study -- one that's bound to cause disquiet at FCC, which is being asked to authorize Comsat to participate in increasingly expensive Intelsat space segment programs -- is that Intelsat's capacity is chronically underutilized.

In 1981, report said, Intelsat had available some 2,858 transponder-months of capacity, of which only 49% were used. But because transponders for voice could have been used more intensively, Hinchman said, actual utilization in 1981 "was only, at most, about 34%." He said similar results were found for 1982 & 1983.

Hinchman, former Common Carrier Bureau chief at FCC, said Orion & ISI "would not be cost-competitive with Intelsat." He said that assuming 75% of its transponders were filled within 3 years, Orion's average annual cost per utilized transponder would be \$1.94 million. Hinchman's "realistic" appraisal suggested \$1.63 million for ISI transponders. These costs compare to Intelsat's \$1.35 million-\$1.46 million.

Although Hinchman said Intelsat is "a comparatively low-cost provider" of satellite capacity, he warned that "the significant impact which underutilization has on the net cost of utilized capacity merits considerable attention, both with respect to Intelsat's internal planning and operations and with respect to the economic impact of additional systems."

Ku Klux Klansman has pleaded guilty in Lake Charles, La. federal court of violating civil rights of Donald Lindig, mgr. of KREH(AM) Oakdale, La., by planning campaign of intimidation against Lindig, who is white, because his wife is black. Klansman Jack Lambright had been charged in 4-count indictment returned in Jan. of conspiring with others to interfere with employment & housing rights of Lindig. Lambright faces prison term of 10 years and/or \$10,000 fine.

TURNER DENIED ON MUST-CARRY: Although conceding that mandatory carriage of local TV stations by cable systems places program competitors "on an unequal footing," FCC said April 6 that "virtually complete absence of evidence" on how repeal would impact marketplace left it no alternative but to deny 3-1/2-year-old petition for rulemaking by Turner Bestg. System.

Unanimous decision by Commission was hailed by NAB Pres. Edward Fritts, who said "it's another strong indication that the must-carry rules assure the public of continued responsible local service." TBS Washington counsel Robert Ross said decision wasn't surprising. He pointed out that U.S. Appeals Court, D.C., still has jurisdiction over case and that FCC's decision might actually speed up court's consideration of issue. TBS had petitioned Court to command Commission action on petition or alternatively to nullify rules by finding them unconstitutional.

TBS had asked for repeal of must-carry rules on grounds they violate First Amendment by requiring carriage of particular programming, that they aren't supported by any genuine govt. interest, and that they are unfair and anticompetitive. Commission said it wasn't persuaded to go forward with rulemaking because "of the virtually complete absence of evidence in [TBS's] request (or indeed from our own research or other sources) relating to the impact deletion of these rules would have on the TV broadcast service received by the public."

FCC said there are "countervailing arguments both for keeping and for dispensing" with rules. Commission conceded that rules favor local broadcasters: "They force nonbroadcast program originators and distributors into a difficult competitive situation... These programmers are not provided with a governmentally authorized local transmission facility [while] their prime competitors have free carriage... This allocation of cable channels not only places competitors on an unequal footing but it also takes cable channels out of the marketplace."

Given this "complicated balancing of considerations," FCC said it still wasn't persuaded to issue rulemaking because it had no evidence on how repeal would impact TV industry: "[TBS] has made no effort to supply us with that information and it is critical to any determination" of whether rulemaking is warranted.

Comr. Quello, in separate statement, emphasized his "continuing concern for the importance of the mandatory carriage rules as a means of ensuring that the public will not be denied access to local broadcast services." He said must-carry is "essential function" of FCC's primary responsibility to assure local telecommunications services.

FCC has published revision of regulations dealing with FOI and Privacy Acts. March 29 release lists changes in procedures to be followed in filings.

House members didn't finish work on compromise broadcast bill last week, now hope to wrap up April 18 when yet another meeting is expected. Meeting last week was cut short by floor business and Rep. Swift (D-Wash.) didn't participate in private session with House Telecom Subcommittee Chmn. Wirth (D-Colo.) and Reps. Tauke (R-Ia.) & Tauzin (D-La.). The 3 reportedly discussed pressure from broadcasters on Tauke & Tauzin not to accept compromise. But Tauke reportedly wants to continue effort. Two issues remain -- EEO & number of stations that should be affected by new TV program standard. Members will focus on EEO at April 18 session, which will include EEO guidelines author, Rep. Leland (D-Tex.). Also still not finished is drafting of final language for petitions to deny & revoke. But members have reached agreement that fishing expeditions by petitioners should be discouraged, haven't settled on how.

AM daytime broadcasters took case for extended operating hours to Congress April 3 at hearing meant to put pressure on FCC, which April 11 will mull reconsideration of 1983 rules. Senate Commerce Committee has reported to floor S-880, which would extend hours of daytime stations to 2 hours before sunrise and 2 hours after sunset wherever "primary" signal of existing station will not have "objectionable" interference. Daytime Bcstrs. Assn. (DBA) has asked FCC to allow daytimers to operate at full power until 6:30 p.m. at minimum 100 watts for Class I-A stations after 6:30 p.m., 250 watts for Class I-B. Testifying in support of bill were 8 daytime station executives led by DBA Chmn. James Wychor, KWOA(AM) Worthington, Minn., who said rural AM listeners are "2nd class radio citizens." Opponents were led by Clear Channel Bcstg. Service Pres. Thomas Glade. Subcommittee will continue session at field hearing in S.D. April 14.

Sony Best. Products unveiled Betacart multicassette system at N.Y. news conference April 5. Betacart automatically inserts video spots, is designed to replace quad system introduced decade ago. System contains 4 decks and has storage bin that handles 40 Beta 1/2" cassettes. Automatic elevator system can take up to 3 separate control inputs, has freeze frame and "virtually zero start time." Also to be shown at NAB convention will be Sony's first HDTV system, including camera, VCR, digital image enhancer, noise reducer, digital down converter, monitors and projection TV equipment. Camera is \$200,000, VTR with time base \$275,000, 10-ft. projection system \$95,000, color monitor \$14,000. "Quite a few" HDTV customers are lined up, according to Sony official. HDTV equipment will be shipped 2-3 months after NAB convention, he said.

HBO, Hanes Hosiery and Shell Companies Foundation are paying to close-caption programs, according to National Captioning Institute. Shell's contribution is captioning 2 NBC sitcoms. Hanes is paying for captioning of Academy Awards, and HBO has pledged to fund captioning of one major movie per month.

HOPES FOR CABLE BILL IMPROVE: Chances for compromise rewrite of cable bill pending in House (HR-4103) improved last week when parties sought to narrow their differences on rate regulation and were said to near accord on key companion issue of franchise renewal. Chances of bill's moving out of House Telecom Subcommittee appeared nil recently when parties hit impasse on those key issues after marathon meeting in Washington (TVD April 2 p3). But now another bargaining session is expected soon, probably April 14, again in Washington, sources said. Key House members may be able to work out differences on telco provision.

National League of Cities sent letter to NCTA April 6 outlining problem of rate regulation. Source in cities' camp told us: "We are very close on renewal; we're very close to being able to move the bill." Remaining snag, source said, was NCTA reluctance to give in on cities' demands for continued rate regulation: "Depending on [NCTA's] ability to give us what we need on rate regulation, we could have a bill very quickly," cities source said.

Contributing to expectation that breakthrough in talks may be forthcoming was resignation of NCTA Pres. Thomas Wheeler, who's becoming pres. & CEO of NABU Network (see story p1). Wheeler's oft-stated commitment to winning passage of national cable policy before leaving NCTA fueled speculation that compromise was near. Cities' source claimed there's "absolutely" good chance for achieving accord before Wheeler leaves: "We want very much to reach an agreement and I believe all the issues are capable of resolution." If Wheeler wants to "go out on a high note" by achieving legislation, "it's within his means to get it," source added.

But timetable is tight. Even if accord is reached next week, bill won't get attention of House Energy & Commerce Committee until after it completes work on budget bills, which have May 15 deadline. Hill sources said that earliest HR-4103 could go to markup would be late May, but they said Committee is prepared to move quickly, already has moved to speed up process by trying to iron out differences over controversial provision that would allow unregulated cable into regulated data transmission business.

Sources said House Telecom Subcommittee Chmn. Wirth (D-Mich.) has proposed allowing unregulated cable into data, regulating it once industry has significant market power. Committee Chmn. Dingell (D-Mich.) strongly opposes allowing unregulated cable into telco business, but wants to strike middle ground and may be willing to accept Wirth proposal, sources said. Telephone companies reportedly won't support proposal. Key Wirth aides have admitted they expect original telco provision "will have to be negotiated," and they don't believe current language will hold: "We all expect to work this out... It isn't going to be an obstacle to the bill's passage," said one. They said possibility is that trigger mechanism will be added that defines when

cable has achieved significant market power and should be regulated. Wirth outlined his thinking in March 30 letter to colleagues in which he flatly ruled out immediate regulation of cable-provided data. "It makes sense to allow competition... [it] will spur greater innovation... [and] offer greater choice to consumers," Wirth wrote.

Responding to concerns of black & Hispanic House members, FCC Chmn. Fowler has assured them minority ownership questions will be carefully considered in 7-7-7 rulemaking. But he gave no indication that final action would be delayed, as members had requested. Final order is due for Commission consideration in June, "but there could be a little slippage," FCC official said. In letter to congressmen, Fowler said: "We will continue to weigh carefully any evidence which relates to the important issues of diversity of broadcast viewpoints and access by minorities to ownership of broadcast stations." Noncommittal tone of letter drew rebuke from spokesman for Rep. Leland (D-Tex.), who said lawmakers were pleased that Fowler replied but wanted stronger commitment.

FCC has no legal basis to limit cable franchise fees to 3% of system gross receipts (5% with Commission waiver), according to petition filed by Telecom Research & Action Center, Henry Geller & Donna Lambert of Washington Center for Public Policy Research. Petitioners noted that FCC proposed eliminating franchise fee cap in 1979 rulemaking. They said limiting cable franchise fees is beyond Commission's authority as delineated in Midwest Video case, and otherwise is arbitrary. Only basis for cap is that "the Commission simply wishes to protect the cable industry," petition said.

Cable franchising activity in Dearborn Hts. (Detroit suburb) has produced federal grand jury indictment of Mayor Donald Bishop on 3 counts of extortion, one of conspiracy, one of obstructing justice. Bishop is charged with soliciting payments of \$25,000 to \$250,000 from 4 of the 5 applicants, promising franchise grants. Two Bishop associates were named co-conspirators but not charged -- Thomas Pamarolli & Joseph Hamway. Applicants approached were Teleprompter, Harron, Barden & Continental; 5th, McLean-Hunter, wasn't solicited.

Salaries of TV news personnel rose average 6% in 1983, radio only 4%, according to survey by RTNDA. Only TV anchors did much better than average, with their salaries going up 11% to \$600 a week, RTNDA said. Median weekly pay for TV reporter last year was \$365, for radio \$250; TV news dirs. averaged \$600, radio \$275. For copy of survey, call RTNDA, 202-737-8657.

President Reagan will nominate Mario Aguero, N.Y., as a Copyright Royalty Tribunal commissioner to fill unexpired term of late Mary Lou Burg. Term expires Sept. 27 (apparently at about time CRT would be reduced from 5 to 3 commissioners). Aguero has held positions in several entertainment firms supplying Hispanic community.

C-SPAN PLANS FOR CONVENTIONS: C-SPAN has gone on record with Republican & Democratic National Committees stating that it plans to use its own cameras for gavel-to-gavel coverage of conventions this summer -- adding greatly to crowded camera positions. Main reason C-SPAN will go its own way: Cost of subscribing to networks' pool coverage. C-SPAN -- which is expected to be only news organization providing gavel-to-gavel coverage since PBS failed to raise money for similar service -- said that it was asked for "upwards of \$60,000" for pool feed of July 16-19 Democratic convention in San Francisco, that it hadn't been given cost yet for GOP convention Aug. 20-23 in Dallas.

"That's unreasonable since we are nonprofit and not in direct competition with the networks," C-SPAN Exec. Vp Michael Michaelson told us. He said that C-SPAN can provide its own cameras for much less and that it already has been approached by major groups to provide feeds. "The cost [to groups] will be considerably below what the networks are charging," we were told. Among groups expressing interest in feed are Independent News Network, Gannett, Taft and non-commercial stations. C-SPAN also plans to provide phone-in shows, cover such pre-convention activities as hearings of platform & rules committees.

In Washington, some 20 non-network news groups have formed Washington Electronic Media Inc. -- primarily in effort to get better shake than in past from both political committees in local coverage of conventions. "It used to be that the TV networks would be well taken care of and then we'd [station groups] get the crumbs," according to Media Inc. Chmn. Norman Wagdy, chief of Storer's Washington bureau. Group went to Democrats & Republicans, stressed extensive local coverage conventions would receive ("viewers don't tune out local news like they do network coverage") and need for better in-hall facilities for stations. "Both committees have gone out of their way to help us," Wagdy said.

CBS is in charge of pool coverage at Republican convention, NBC at Democratic, and ABC outside of halls for both.

Storer will have 10-by-20-ft. sky booth for first time (as will several other groups). Asked if Storer will use any of C-SPAN's coverage, Wagdy said: "Probably not... I've been going [to conventions] since 1972 and I've never found a need for the pool coverage."

CNN is member of pool but "we're not going to sit on the pool cameras, no," according to Robert Funnad, CNN political dir. CNN does have ambitious coverage plans, starting 6:30 a.m. with hourly 10-min. cut-ins, ending at 2:30 a.m. (unless there's still activity on floor) with wrap-up of day's activities and preview of what's to come. CNN will have about 200 people on scene -- including John Connolly for commentary, Daniel Schorr for interviews. Funnad said that platform & credentials committee hearings would be covered live if events warrant, that major news events will be live from convention floor.

NETWORKS UNDER FIRE: Concern over network election projections has reached fever pitch in Congress, where we learned that some members are considering using Voting Rights Act to curb practice. We understand that question of whose rights are paramount -- voters' or broadcasters' -- is issue.

N.Y. & Pa. congressional delegations added to pressure on 3 commercial networks last week with separate letters strongly urging broadcasters to moderate use of projections for primaries in their states. N.Y. primaries were April 3; Pa. primaries are April 10. Letters were sent to network news presidents at instigation of House members, Reps. Swift (D-Wash.), chmn. of Election Task Force; Thomas (R-Cal.), ranking GOP on Task Force; and Wirth (D-Colo.), Telecom Subcommittee chmn.

N.Y. letter was signed by Sens. D'Amato (R) & Moynihan (D) and 28 of 34 House members, asked broadcasters to avoid characterizing or projecting primary vote before 9 p.m. poll closing. They argued: "The issue here is not your right, protected by the First Amendment, to report the news. Rather, we believe that the issue is your civic responsibility as a broadcaster... There need be no conflict... These are two very compelling, not competing, goals." Pa. letter was similar: "The news media, as trustees of our public's airwaves, have a civic responsibility to encourage people to exercise their... most basic constitutional right... We hope you'll agree that there's an enormous public value to encouraging citizen participation in government -- and with our view that you have a role in encouraging it." It was signed by Sen. Specter (R) & 12 House members from Pa. Their concerns were underscored in separate letter to networks by Swift, Thomas & Wirth.

Despite warnings, networks went ahead with projections in N.Y., with boldest report from NBC at 7 p.m.: "In N.Y., where the polls are still open, Mondale appears to be winning by a decisive margin." ABC & CBS also had 7 p.m. reports characterizing race as Mondale win, prompting editorial by N.Y. Times arguing: "The issue is the abuse of exit polls... If broadcasters keep rushing to use exit polls to predict that so-and-so will win, they will unleash an avalanche of outrage. That would risk wiping out the good... with the bad, and for what? Does any TV news executive believe that would improve political reporting?"

Likely to fuel issue in House will be rebroadcast April 19 of American Debate on issue between Wirth & Mutual Bestg. Pres. Martin Rubenstein, chmn. of NAB First Amendment Committee. Program already has been carried on public TV, distributed by Southern Educational Communications Assn. American Legal Foundation also has announced it will file lawsuit for federal & state candidates who lose election where projections may have been factor. ALF Gen. Counsel Michael McDonald accused news media of manipulating election: "[They're] turning themselves into the new political bosses of the eighties."

NIXON AGAIN ALLEGES MEDIA BIAS: "My fights with the media, of course, are legendary," former President Nixon reminded viewers in 3-part series of interviews that began April 8 on CBS. Do media miss Nixon? Ex-President has no doubts about it. "One of the reasons that I think most of our media friends -- quote, unquote -- rather miss me is that they just can't resist psychoanalyzing because they think I'm a very complex, and therefore interesting, person," he said. And, in the case of these interviews, he said, "I'm not going to disillusion them."

Nixon said subtle reason media were against him stemmed from his 1972 victory. "Media heavy-weights" were for George McGovern, he claims. "I had beaten them. And beaten them very badly. They knew that after the election that I would owe them nothing but a good kick in the seat of the pants." CBS left in tape aired 2 expletives used by Nixon.

Then along came Watergate: "They had the big guns, but we passed them the ammunition. And they proceeded to shoot it right back at us. Now I know that I've talked to people in the media, you know, we do talk on occasion and they say... it's the responsibility of the media to look at government generally, and particularly at the President, with a microscope. I don't mind a microscope, but boy, when they use a proctoscope, that's going too far," Nixon said.

He blamed his wife Pat's stroke on Washington Post reporters Robert Woodward & Carl Bernstein's book, *The Final Days*, which he said she was reading when stricken. "I couldn't give a medical opinion, but my gut reaction is that it had an enormous impact. Certainly, as far as I'm concerned, I have nothing but contempt for them," Nixon said. He also blamed media for seriousness of Martha Mitchell's emotional problems, saying her instability was "shockingly" exploited by the media, and he has "never forgiven them for it."

Frank Gannon, longtime Nixon associate, videotaped 38 hours of interviews, for which CBS paid reported \$500,000. Network edited tapes to 90 min., aired first 30 min. on 60 Min. Next episode will be broadcast April 10 on American Parade, last episode April 15, again on 60 Min. CBS purchase of Gannon tapes (ABC & NBC turned them down) once again raised issue of "checkbook journalism," and CBS was criticized by several newspapers for paying for Nixon tapes.

CBS Best. Group Exec. Vp Van Gordon Sauter, who is former pres. of CBS News, which still reports to him, said "that's just ludicrous -- the people who cry checkbook journalism. What we have is a video memoir and a video memoir of value. This is no different from Time magazine excerpting a book by Alexander Haig or the New York Times purchasing a book by Nixon. It's the acquisition of a legitimate memoir."

Dinner celebrating 50th anniversary of Communications Act, sponsored by FCBA & Best. Pioneers, has been shifted to June 15 from June 7, in Washington. Mark Russell will entertain.

Largest LPTV lottery session to date will be April 19 when FCC will tentatively award 55 licenses from groups of mutually exclusive applications. Many large cities are represented for first time, including Detroit (15 bidders), Toledo (10), Spokane (7), Denver (5), Chicago (9), Minneapolis/St. Paul (4). Most contested city, though, is Calexico, Cal. with 16 bidders, most from Hispanic community. Several major organizations are in lottery, including Microband (Detroit, Fresno), United Auto Workers (Detroit, Toledo), Gaylord Bestg. (Spokane), Chris-Craft (Chicago), Figgie Communications (Jacksonville), Harte-Hanks (Bryan, Tex.), and Graphic Scanning and Cowles Media (both for Minneapolis/St. Paul).

Station sales: (1) Group W TV is selling NBC affiliate WPCQ-TV Charlotte (Ch. 36) to Odyssey Partners for about \$28 million. Group W purchased station in 1980 for \$20 million from Ted Turner. Washington lawyer Michael Finkelstein heads Odyssey, which has interests in 4 TVs, cable systems. (2) Taft Bestg. is selling WGR(AM) & WGRQ(FM) Buffalo for \$5.5 million to radio station group owner CRB Bestg. (3) Spartan Radiocasting (WSPA-TV-AM-FM Spartansburg, S.C.) is buying WBTW Florence, S.C. and KIMT Mason City, Ia. from Bluefield (W.Va.) Daily Telegraph, price not announced. (4) Gannett is buying WADE(AM) Tampa-St. Petersburg from Taft Bestg., price also not announced.

Robert Hall resigned as chmn. of SBS April 4 and will be named to post at U.S. Satellite Systems (USAT), which is planning to compete with SBS starting in 1987. Hall also will pursue other business interests, including active directorships & consulting. Hall was pres. of SBS from July 1979 until Jan. 13, 1984, when he was replaced as pres. by Stephen Schwartz in management shakeup provoked by continued losses at carrier owned by IBM, Comsat & Aetna. USAT, one of many new companies intending to make its mark in U.S. domestic satellite business, is expected to announce that Hall will become chmn. of its executive committee. USAT is planning to launch 2 or more Ku-band domestic satellites, starting in 1987.

Recent bad weather has played havoc with towers of many stations from Kan. to Me. Hardest hit was ABC affiliate KLDH-TV Topeka, which lost tower, doesn't know when it will get back on air. Station, which started in June 1983, is in bankruptcy. Chunks of ice falling off tower of KCTV in downtown Kansas City caused extensive damage to several businesses. Four TV & 3 radio stations were knocked off air for brief periods in Me., with WABI-TV & WVII-TV Bangor losing towers. Ice falling from towers of WGME-TV Portland & WCBB-TV Lewiston crashed through transmission buildings, knocking stations off air briefly.

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THORP—Thorp Cablevision Inc., 405 N. Washington St., Thorp 54771. Phone: 715-669-5301. County: Clark. Population: 1,800.
TV Market Ranking: Below 100. Franchise expiration date: 1995. Began: Sept. 1982.
Channel capacity: 40 (plans 2-way). Channels available but not in use: 23.
Basic Service:
Subscribers: 245 (7/1/83). Potential: 450.
Programming (received off-air): WEAU-TV (N) Eau Claire; WISN-TV (C) La Crosse; WHWC-TV (E) Menomonie; WKOW-TV (A) & WSAW-TV (C) Wausau; WISN-TV (E) programming (via satellite): WTBS (I) Atlanta; CNN; Christian Bcast. Network; ESPN; USA Network.
Current origination (hours weekly): Message wheel (168 shared); community bulletin board (168 shared); public access channel (168 shared); educational access channel (168 shared); government access channel (168 shared).
Planned origination (hours weekly): Time weather (168 shared); local live (8 shared); tape (8 shared).
Fee: \$10 installation, \$8.50 monthly.
Tier 1:
Subscribers: 45 (7/1/83). Began: Sept. 1982.
Programming (via satellite): WGY-TV (I) Chicago; ARTS/Nickelodeon; Cable Health Network; Modern Satellite Network.
Fee: \$3.50 monthly.
Tier 2:
Subscribers: 100 (7/1/83). Began: Sept. 1982.
Programming (via satellite): Home Box Office Inc.
Fee: \$7.50 installation, \$8.00 monthly.
Tier 3:
Subscribers: 15 (7/1/83). Began: N.A.
Programming (via satellite): HDN Plus.
Fee: \$7.00 installation, \$8.25 monthly.
Security System:
Planned services: Burglar alarm; fire alarm.
Local advertising: Planned.
Equipment: Scientific Atlanta headend; Sylvania amplifiers; Coman/Scout coding; Kesson character generator & set-top converters; Pile traps; Scientific Atlanta satellite receivers; microcassette satellite antenna.
Miles of plant: 24. Additional miles planned: 5. Homes passed: 509. Total homes in franchised area: 600.
Manager: David M. Keating.
City fee: 3% of gross.
Ownership: Thorp Telephone Co., 100%.
Other interests: Thorp Telephone Co. has undisclosed telephone holdings.

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1984 TELEVISION & CABLE FACTBOOK Highlights

Abbreviations
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Applications, TV
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Attorneys
Brokerage & Financing
Cable
Cross-Ownership
Equipment Installers
Group Ownership
Statistics
U.S. Systems
Communications Satellite Corporation
Congressional Committees
CPs & Applications, TV
Educational TV Stations
Electronic Industries Association
European Broadcasting Union
FCC Directory
Group TV Station Ownership

Instructional TV
International TV Directory
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Oral argument in Berkshire Cablevision case was heard April 3 by 3-judge panel of U.S. Appeals Court, Boston. Berkshire, bidder for cable franchise in Newport County, R.I., is contesting state statute mandating 7 public access channels on all R.I. cable systems; plaintiff in case, which was appealed from U.S. Dist. Court, R.I., is Edward Burke, administrator of R.I. Dept. of Public Utility Control (DPUC). Court heard arguments on abstention issue -- whether state courts should first review statute -- and on whether mandating public access channel for church schools is establishment of religion. DPUC argued that case should be dismissed because no franchise has been granted yet in Newport County, meaning Berkshire can't show harm as result of rules. Intervenors in case include NCTA, which opposes access rules on First Amendment grounds, and House Telecom Subcommittee Chmn. Wirth (D-Colo.), who supports rules. Initial decision last year by U.S. Dist. Court upholding statute was blow to industry because it contained language rejecting argument that cable is First Amendment speaker. Appeals Court isn't expected to rule before June.

Capital City Cable has received top ranking of 3 bidders for Washington cable franchise. Company is headed by ex-Howard U. Law School Dean Wiley Branton, is 3-way venture of Potomac Cable, group of local investors, Percy Sutton's Inner City Cable and Viacom Cable. It was picked by consultant Carl Pilnick as slightly better than District Telecommunications, group of local investors, on financial grounds. Distant 3rd was District Cablevision, venture headed by Black Entertainment TV Pres. Robert Johnson which attracted notice for its construction contract with C&P Telephone. Financial underpinnings of all 3 bidders were questioned by Pilnick, who said their funding plans have "a degree of uncertainty and vulnerability."

Munich pilot cable system was activated last week, offers 22 channels of programming to 500 test homes, number that's expected to grow to 15,000 by end of 1985. Attracting attention is carriage of Rupert Murdoch's ad-supported Sky Channel, mostly offering American movies, TV reruns & sports. Service first penetrated W. Germany in Jan. with launch on Ludwigshafen pilot cable system, AKK. English-language service, delivered over low-power ECS-1 satellite, now claims potential audience of 655,000 cable homes plus 3,000 hotel rooms in Norway, Finland, Switzerland & France. Service is negotiating for cable carriage in Sweden & Norway.

Philadelphia is advertising for cable proposals in city's 4th attempt to award franchise. Bids must be accompanied by \$10,000 nonrefundable filing fee; deadline is July 2. Elsewhere, Pease Air Force Base, N.H., is inviting cable bids for 55-channel interactive system for 1,719 subscribers.

Cablevision Systems has filed \$70 million lawsuit against 48 individuals and businesses, accusing them of pirating service in N.Y., N.J. & Conn. Defendants are charged with promoting & selling converter & descrambler boxes.

Cable system sales: (1) Sammons has bought 13 systems in suburban Ft. Worth (Tarrant County) from Storer for undisclosed price. Systems mostly have 35 channels, serve total of about 15,000 basic subscribers. Acquisition fits clustering plan by Sammons, which has built 85% of Ft. Worth with dual-cable, 108-channel system that now has 38,500 subscribers. (2) Group W Cable is selling Richland, Wash., system to United Artists. System serves 9,000 basic subscribers. It will cluster with 2 adjacent UA properties. (3) Adelphia Communications unit Montgomery Cablevision has bought Telecable of Montgomery County, Pa. System serves 5,200 basic subscribers. (4) TCA Cable is buying Ruston Seemore TV, serving 6,000 basic subscribers in Ruston, La. (5) Simmons Communications, Stamford, Conn., has bought Turner Hill TV, Barre, Vt., which serves 4,900 subscribers. Terms weren't disclosed.

CPB won major victory April 5 when Senate passed \$70 million supplemental appropriations which will increase funding by \$70 million for FYs '84-'86. Proposal was made by Sens. Goldwater (R-Ariz.), Stevens (R-Alaska), Byrd (D-W.Va.) & Moynihan (D-N.Y.), would add \$15 million to CPB's \$130 million current budget, add \$23 million to FY '85 budget, increasing it to \$153 million, and \$32 million in FY '86, hiking budget to \$162 million. CPB lobbied hard for increases, but since House hasn't passed similar supplemental yet, funding will be conference item. House authorized increased appropriations in Nov. and its conferees are expected to support Senate provision.

Personals

FCC Chmn. Mark Fowler speaks April 13 to P.R. Bestrs. Assn., San Juan; Richard Smith, chief of Field Operations Bureau, also will participate; Comr. Henry Rivera speaks April 11 at Public Interest Telecommunications dinner honoring Everett Parker, Capital Hilton, Washington; Peter Pitsch, chief of FCC Office of Plans & Policy, speaks Mon. before United Telephone of O., Columbus; Deputy OPP Chief Thomas Spavins speaks to N.J. State Bar Assn. Mon., Somerset, N.J.

Frank Elfand advanced to KTRK-TV Houston business mgr... William Ryan, Palmer Communications pres., adds CEO, succeeding Robert Harter, retired... Richard Bonsignore, ex-CBS TV Stations Div., named WBBM-TV Chicago planning dir... James McCann, ex-NBC TV, appointed MCA TV ad sales dir... Mark Fritz promoted to KABC-TV L.A. national sales mgr., succeeding John Riedl, advanced to gen. sales mgr... Cheryl Kerns, ex-WDCA-TV Washington, named WDAF-TV Kansas City local sales mgr... Shay Merritt advanced to WBTV Charlotte, N.C. promotion dir... John Lee advanced to KMOX-TV St. Louis gen. sales mgr.

Paul Cunningham promoted to WKBW-TV Buffalo business development mgr., new post... Dianne Giovanni promoted to WNEW-TV N.Y. national sales mgr... Richard Kurlander, ex-Katz Communications, named WDIV Detroit broadcast operations mgr... Richard Goldman, ex-KTVU Oakland, named WNEV-TV Boston sales vp... Patrick McNew advanced to Petry TV vp-sales mgr., Detroit.

Donald Reinert promoted to CATV Services dir., RCA Americom... Bruce Allen, ex-VCA-Teletronics, named Lifetime vp-network production & operations; Peter Brickman, ex-Campus Network, appointed production & operations dir.; Ronald Hagell, ex-Cable Health Network (defunct), named network operations mgr.; Gwynne McConkey, ex-Cable Health Network, appointed mgr.-administration, production & operations.

Joanne Black, ex-Joanne Black & Assoc., named Showtime/Movie Channel senior vp-mktg. & creative services... Amy Stephens, ex-NPR, named sales dir., Learfield Communications satellite div... Clyde Campbell advanced to Cableguard vp-branch operations... Rob Fields, ex-KTBC-TV Austin, appointed mgr.-southeastern TV station sales, Arbitron.

Elected Cellular Radio Communications Assn. dirs: William Erdman, Maxcell Telecom Plus, chmn.; A.H. Eaton, CP National, and Alvin Kimble, Star Telephone, wireline representatives; Eugene Jackson, Unity Telecommunications Systems, and John Scarpa, Amcell, non-wireline representatives.

John Cummings promoted to product mgr., Tocom cable security... Guy Numann, ex-RF Communications, named Harris senior vp-communications... Donal Bosson, ex-Pat

Thompson Co., appointed Communications Equity Assoc. broker.

William Mayo advanced to Comsat General exec. vp... Promoted at Oak Media ON Satellite TV: Christopher Clarke to operations & affiliate sales dir.; Nancy Held to affiliate services dir... Richard Baenen & Pierre LaForce become members of Washington law firm Wilkinson, Barker, Knauer & Quinn; Patricia Brown becomes of counsel to firm; Thomas Moran, Patricia Gotschalk, Richard Marsh & Gordon Fink named associates.

Showtime/Movie Channel Pres. Mike Weinblatt will address Washington Metropolitan Cable Club April 24, noon, Washington Marriott... Mark Schwanbeck, ex-Carter Hawley Hale Stores, named Times Mirror dir.-investor relations... Stephen Snell, ex-Mass. Historical Commission, appointed American Ad Foundation dir.-membership development... Steven Flajser, ex-Senate Space Subcommittee minority counsel, named Fairchild corporate mgr.-congressional affairs... Helene Blieberg promoted to CBS Radio dir.-media relations; Stephen Youlios advanced to sales dir., CBS Radio Networks.

Diane Silberstein promoted to senior legal adviser to FCC Comr. Dennis Patrick; Kathleen Levitz, FCC Common Carrier Bureau attorney-adviser, named legal asst.-domestic & international common carrier matters... NTIA Dir. David Markey addresses National Conference of Black Lawyers Communications Task Force luncheon April 18 at Marriott Hotel, Washington; Sen. Barry Goldwater (R-Ariz.), Senate Communications Subcommittee chmn., speaks at May 9 luncheon... Joseph Charyk, Comsat chmn., appointed chmn. of President's National Security Telecom Advisory Committee; Theodore Brophy, GTE chmn., named vice chmn... Frank Wright promoted to Universal Pictures dir.-national publicity.

Thomas Mellina appointed Viacom International vp-management information systems... Matt Riklin promoted to dir.-mktg. development, Showtime/Movie Channel; Michael Lasky advanced to film acquisition dir.; Maggie Molloy, ex-Viacom Enterprises, appointed film evaluations mgr.; Matthew Duda, ex-Movie Channel, named acquisition planning dir.

James Otto, ex-KTHI-TV Fargo, N.D., appointed mktg. sales exec., TvB, for Tex., N.M., Okla., Ark., Miss. & Tenn... Steve Hirsch, ex-TV Program Enterprises, named ad sales dir., Camelot Entertainment.

Scientific-Atlanta has introduced SMATV receiver Model 9530, solid-state, computerized unit using microprocessor-controlled circuitry to select, fine-tune or scan 24 satellite channels. S-A also introduced Series 9000 motorized polar mount for 2.8-3.2-m earth station antennas. Mount will allow full and continuous equatorial arc coverage.

Consumer Electronics®

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STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended March 23 (12th week of 1984):

	MARCH 17-23	1983 WEEK	% CHANGE	MARCH 10-16	12 WEEKS 1984	12 WEEKS 1983	% CHANGE
TOTAL TV.....	398,835	337,789	+18.1	341,938	4,460,674	3,955,287	+12.8
TOTAL COLOR...	317,626*	250,739	+26.7	257,867*	3,399,479*	2,787,793	+21.9
DIRECT-VIEW.	314,745*	248,718	+26.5	255,145*	3,364,519*	2,758,007	+22.0
PROJECTION..	2,881*	2,021	+42.6	2,722*	34,960*	29,786	+17.4
MONOCHROME....	81,209	87,050	- 6.7	84,071	1,061,195	1,167,494	- 9.1
TV EXCL. PROJEC.	396,954	335,768	+17.9	339,216	4,425,714	3,925,501	+12.7
HOME VCR.....	100,927*	45,859	+120.1	96,436*	1,237,925*	659,992	+87.6
COLOR CAMERAS...	7,353*	4,663	+57.7	8,013*	89,639*	66,418	+35.0

Color TV (direct-view) 5-week moving average: 1984--281,725*; 1983--237,215 (up 18.8%).

Home VCR 5-week moving average: 1984--106,876*; 1983--51,212 (up 108.7%).

* Record for period.

WHO KILLED CED? VCR DUNNIT: Videodisc dream ended for RCA April 4, just 3 years and 13 days after launch, with unanimous decision by board of directors to cease manufacture & distribution of CED player by year's end. Software production & marketing will continue under Videodisc Vp-Gen. Mgr. Arnold Valencia -- and CBS also announced it would continue pressing discs -- but that won't do much to recoup RCA loss of \$580 million on project.

Ironically, disc was victim of success of VCR, of which RCA is U.S. sales leader. Reasons cited over & over by Chmn. Thornton Bradshaw, Exec. Vp Roy Pollack and Group Vp Jack Sauter: (1) VCR growth was much faster and prices much lower than anyone expected. (2) Failure of other manufacturers to join in CED player business to any meaningful extent left RCA to bear marketing burden alone. (2) Growth of VCR software business and declining prices hurt. (3) Dominance of VCR software rental business in large volume and at low prices was unanticipated. (4) Decision of program owners to enter in distribution of own VCR software, and consequently videodiscs, on their own, thereby deprived RCA of any meaningful "razor blade" profits through own distribution.

Soul-searching study of business's future started 6 months ago with establishment of new Videodisc Div., Pollack told us -- "the best thinkers in the company searched out every possible alternative, but we couldn't find one that worked for us looking forward over next 4-5 years. The window of opportunity was closing fast." What if RCA had entered business 3-5 years earlier? "We'd have won hands down."

Recommendation was made and unanimously accepted by board April 4, announced immediately thereafter. Distributor principals were told of decision at hastily convened meeting at N.Y.'s Waldorf-Astoria same evening, when an emotional Pollack laid it out: RCA needed 3-4 times unit volume "than we are presently achieving and this probably [would mean] 2-3 years beyond 1984 of extremely high losses, with no certainty that we would ever really make it, and no great payoff for RCA even if we did make it, given the present very low pricing structure." Next morning, Sauter & Pollack answered questions at news conference and Bradshaw and RCA Pres. Robert Frederick did same at previously scheduled security analysts' meeting in afternoon.

Decision came despite continuing upsurge in machine sales, with estimated 550,000 in use now and another 150,000 expected to be sold in 1984 -- far fewer than if production were to continue. Sauter told news conference that annualized rate had reached 401,000, about 50,000 ahead of budget, reported inventories of 12,000 at factory, 40,000 at distributors, 15,000-20,000 at dealers.

Bottom-of-line player dropped \$300 in less than 3 years, and RCA wasn't able to interest buyers in more expensive & profitable stereo & interactive models. "The love of stereo didn't materialize," according to Sauter, who has always doubted its importance. Company was left with low margins and big expenses at every stage, warning signals that weren't ignored by CED hardware licensees who either reduced or withdrew active support.

RCA's loss on disc operations was \$17 million in first quarter, would have remained around \$100 million level for 3rd consecutive year had it continued, Bradshaw said. Company took \$175 million writedown on disc operation in first quarter, still reported 73% increase in earnings for period (see report elsewhere in this issue).

RCA said it would do whatever was necessary to support software, including reduction of all singles to \$19.98, continuance of \$5.50 custom-pressing price, no change in promotion or new-release schedule, creation of direct-mail clubs where no discs are available. Pollack told us custom-pressing can't be profitable at that level but will come close to breakeven, emphasized that disc operation would have been well into black if it had been able to license, manufacture & distribute all discs under its label. Sauter said disc pressing would continue for 3 years or "as long as demand remains at a meaningful level," which he described as about million per year.

CBS Records followed with announcement that it would continue pressing at Carrollton, Ga. plant, placing potential market at well over 10 million discs annually on basis of players in use and in inventory.

Hitachi, which supplies limited number of own & private brand CED players in U.S., plans to continue in same "very modest way" it has been participating, we were told by Exec. Vp Robert O'Neil. "I'd like it to stay alive -- it fits at the \$199 price point," he said. "Perhaps somebody will pick it up -- somebody who doesn't need the volume RCA needs." As of now, RCA & Hitachi plan to continue U.K. effort -- RCA supplies discs, Hitachi players. Results there have been "fair," according to Sauter. RCA will meet with industrial users this week to determine future there.

Toshiba, however, doesn't plan to stick with CED. Senior Vp Paul Michie said he "expects we will close out our inventory and not bring any more in." Only other own-brand player producer, Sanyo, has been inactive in field for last 2 years. As for possibility of CED White Knight arriving, Samsung Exec. Vp Robert Branscombe has doubts. Company has tooling for CED player it showed at Summer CES 2 years ago, could go into production, and there "probably is an opportunity for an importer to come in and take a position as long as the software support is there." However, he pointed out, the pending entry of Korea & Taiwan companies into U.S. VCR market "likely means further price erosion, and so even more price pressure on videodisc players."

Impact of demise on Laservision, with about 100,000 players in use at end of 1983, or on JVC's VHD, now being shown to potential business & institutional customers in U.S., is yet to be seen. "It doesn't make that much difference," Pioneer Video Pres. Ken Kai told us, but he said he worries about negative impact on consumer thinking.

Program suppliers were caught flatfooted, announcement coinciding with phone calls from Valencia and other executives to persuade them not to pull back from release schedule. CBS/Fox 2 days later announced it will "continue to produce & release CED videodiscs, and we are still very much in the marketplace." Most of those we contacted knew too little to have

come to any conclusions. Sample remark, from MGM/UA Home Entertainment Group Chmn. Cy Leslie: "I couldn't possibly know right now. We're obviously looking at where we're at." What's likely is at least temporary end to new releases from independents who don't need additional marketplace exposure.

Embassy Home Entertainment said it's canceling CED version of Silkwood, several other titles due in May, but might reinstate releases once smoke clears. EHE got notice of some distributor cancellations right after RCA decision was made public, and one major distributor told us it rescinded orders for all catalog discs, describes size of inventory as "enough to be concerned" but not serious problem. Number of discs in stock among distributors we contacted range anywhere from 20,000-200,000, with most at lower end of scale.

Reaction at retail level will be more frantic, as dealers seek to unload dying format. That can only mean sharp drop in prices, well below \$19.98 level. First indication of CED bargains came from Video Shack, N.Y.-area chain. Two days after RCA decision, it advertised "final sale" of all discs at \$9.99 for single, \$18.98 for double album, and Pres. Arthur Morowitz said he had more than 25,000 to sell. "I want to give this a quick kiss goodbye," he said. "We're giving back in one day what it took 2 years to make."

RCA isn't diminishing, in fact is accelerating, its work in discs and other interactive devices, Pollack told us, revealing existence of top-level companywide project called HEITS (for Home Entertainment Information & Transaction Systems) that is "taking stock of all technologies, including the CD audio disc, to bring about a 1984-85 type solution that recognizes the new reality." At security analyst meeting, Bradshaw elaborated: "Videodisc data storage development will continue... We'll look at laser, magnetic, capacitance approaches." Earlier he said: "Some form of home processing, storage & communication system... would be a rational addition to the marketing, manufacturing & service experience of RCA. It is a fit."

ITC UPHOLDS TV DUMPING INJURY CLAIM: In expected 4-0 vote, International Trade Commission ruled that dumping of color TVs imported from Korea & Taiwan has injured domestic industry. Verdict clears way for ITA to order Customs to start collecting cash bonds from importers to cover potential dumping duty liabilities.

Taiwan's Fulet and U.S. sales arm Proton were let off hook when ITC voted 3-1 to exclude Taiwan monitors from finding. ITC apparently rejected all other exclusion requests. RCA, which imports only 9", and Hitachi Taiwan had asked to be dropped on grounds their imports weren't causing injury, while Sanyo and Koreans sought exemption for sets 12" & under. Full particulars of determination won't be known until ITC issues official report this week.

Importers have option of seeking court review of both injury finding and International Trade Administration's ruling that sets were sold at less than fair value. They're expected to press ITA for expedited by-model calculation of duty penalties on past imports, which would clear way for court challenge. Dumping duty liability started Oct. 19, following ITA's tentative positive dumping determination.

Fulet, so long as it exports only monitors, will be 3rd company excluded from finding. Korea Electronics and Taiwan's Orion were excluded by ITA because of insignificant margins of dumping (TVD Feb 27 p10). Margins, and bonding levels, for other Korean producers: Anam 0.82%, Gold Star 14.77%, Samsung 15.95%. ITA pricing investigation covered exports only in 1982 and early 1983, so Daewoo, which acquired Taihan's consumer electronics business in Feb. 1983, will bond at 13.9%, overall average margin for all Korean color exports. Margins for Taiwan: AOC 3.5%, Fulet 23.77%, Hitachi 1.2%, RCA 2.89%, Sampo 23.77%, Sanyo 2.05%, overall average 5.46%.

"It's too early to tell" whether dumping finding means industry can consider getting price increase, "but it will ease pricing pressures, and even stopping the rate of price declines will be

progress," we were told last week by GE Vp Jacques Robinson. "We will see in the next few weeks and months" how importers will respond, said Robinson, who became leading industry spokesman on dumping issue after GE & Zenith joined with unions as co-complainants. Robinson said he expected finding to "be enforced fairly vigorously" by ITA & Customs, with no repetition of inaction that held up Japanese TV dumping case. "The government is a lot more sensitive now, and there will be pressures for enforcement. I'm sure there will be a lot of people watching them."

Importers have already started to respond. Gold Star Operations Vp Yong Nam told us company's recently completed Huntsville, Ala., microwave oven plant adjacent to existing color plant will be used now for color. GS currently builds only mechanically tuned 19" in U.S., but that's being expanded to 13" & 25", including remote & cable-ready sets. When finished, plants will have capacity for 500,000 TVs annually. Detailed plan with price adjustments is being drawn up. "The demand for our sets is still strong and increasing, but I don't know what our dealer reaction will be." Meanwhile, he said, other producers are lowering prices. "All I am hearing about pricing at this point is that GE, RCA, Zenith, Sharp, Hitachi & Magnavox are initiating decreases."

Sampo Exec. Vp Felix Chen said "we have almost stopped all importing" of sets from parent in Taiwan "because 23% is just too much to pay." The company has been producing 70% of its color needs at plant in Atlanta, and "now we are going to put on a 2nd shift, and possibly a 3rd. Of course, the cost of producing here is going to be a little bit higher, and we are now looking at a possible price increase." Overall, Chen said, he didn't expect any major impact on Sampo's color business. "In fact, we may have an opportunity before us to increase our market share" at expense of major importers such as Daewoo & Samsung that don't have U.S. plants, he stated.

Samsung already has instituted "small price increases across the board" in color, "but nowhere near the dumping margin," according to Exec. Vp Robert Branscombe. Meanwhile, timetable for N.J. color plant has been moved up by about 30 days, completion now scheduled for mid-July, production for early Aug. In addition, company is "working to develop a U.S. manufacturing contact" by leasing an assembly line in an existing plant.

Branscombe acknowledged that Samsung's color business has slowed somewhat as result of pricing uncertainties, agreed with Chen that producers not involved in dumping case have been lowering prices to capitalize on situation. "In the last 60-90 days, I've seen a major drop in U.S. and Japanese pricing," he said. But he added that he expects prices to rise again, "in the vicinity of 5%," late in 2nd quarter as shortage of low-end 13" & 19" rotary tuned models starts to develop.

As year goes on "there's possibility a number of manufacturers may disappear, thereby reducing the flow of goods into the U.S. and allowing domestic manufacturers to take a stronger hold," Branscombe said. "When they run at capacity they will raise their prices." Situation, he said, "is more political than economic. The biggest part of this thing is getting the trade deficit back in balance again, and the one person who is going to get hurt is the consumer." As for Samsung, "we will make all the adjustments we have to. If they thought they were going to put us out of business, they were mistaken."

SONY MTS DECODER-AMPLIFIER AT \$200: First formal introduction of multichannel TV sound (MTS) product came last week from Sony as it began regional meetings to show first installment of its 1985 line. Sony's entry into stereo TV comes with combination decoder and stereo amplifier that will plug into 16 of its 30 TVs, all of its Profeel component systems and all of its Beta Hi-Fi VCRs.

Slated for delivery in June, decoder didn't arrive in time for display at meeting we attended in W. Palm Beach, was there only in form of photo. It contains 5-watt-per-channel stereo amp, can be used with external speakers or plugged into existing stereo system. It has

stereo headphone jack, switch marked "stereo" and "SAP" (separate audio program), treble, bass & volume controls.

In color TV, Sony introduced 13 new sets, all cable-ready, some with record total of 181 channels, 6 with "pay-TV-ready" feature (2 sets of antenna terminals), including Sony's first 26" table model, 2 TVs that are programmable (3 programs, 7 days) with on-screen prompting and including program blockouts. New heavily integrated P3 chassis is widely featured, containing only 500 components in 19" remote chassis compared with 700 in last year's model. Also new is rear-projection TV with black matrix screen (not shown).

Sony showed its 4th & cheapest Beta Hi-Fi, at \$800, with remote control, and "Beta Hi-Fi-ready" VCR at \$650, convertible to Hi-Fi with addition of accessory processor, which will cost \$250. Sony will discontinue its 2-piece portable when supplies are exhausted, leaving Betamovie as only portable in line. Also introduced was new b&w Watchman Voyager, working on both U.S. & European standards, capable of receiving TV in 67 countries.

Perhaps as notable as introductions themselves were hints & promises of more new models to come next month and in summer-fall: (1) Alone among major brands, Sony has no monitor-receivers, its Profeel monitors being only products with video input-output jacks. Sony will have "new generation Profeel in the fall," according to Dick Komiyama, senior vp-video, and there were strong indications it would be similar to series of monitor-receivers it has had in Japan for some time. (2) Cheaper Betamovie seems definitely in works -- Komiyama said "we're looking now at a better price to the consumer. In a very short time, we'll show our direction." (3) Due in summer is series of double-sided 19" & 26" sets equipped for MTS reception; coming eventually are MTS components in audio line. (4) Eventual possibility -- maybe this year, maybe not -- is 27" Trinitron.

Beta is well & growing -- that theme was hammered home by Sony executives. Sony Consumer Products Pres. Neil Vander Dussen called press comments on Beta's problems "very misleading," said there were 2.7 million Beta VCRs in use in U.S., forecast 2 million more would be sold this year. Reported problems in Beta sales and software availability are "more perceived than real," he said. "We recognize we have problems," but with better models & prices, Beta Hi-Fi and Betamovie, Beta's share is "up substantially," he said -- "over 30%, probably on the order of 40% early this year."

Sony will mount campaign to tell public advantages of Beta format (better picture from larger head drum, Hi-Fi, only camcorder to use standard cassette), Vander Dussen said. Sony's VCR share in Jan.-Feb. was "well over 10%," he added, actually pushing 12% in "one month." Sony is now moving to improve Beta software distribution, working with major distributors, supplying some software direct. Komiyama said about 450 features and 40 video music shorts are available now in Beta Hi-Fi and about 25% of Sony's VCR sales now are Hi-Fi, predicting Hi-Fi share would rise to 35% by year's end.

As for 8mm, "we have products designed and ready to introduce," said Vander Dussen, will move "when we're convinced timing is best for us." One of big questions is whether consumer wants another standard now, he said. Kiyoshi Yamakawa, dir. of Sony Japan Video Div. and member of 8mm Standardization Conference, dismissed demands by some manufacturers for new 8mm standard. "Baseband technology may become practical in the remote future -- it needs much advanced technology in tape, heads and so forth. We think it is better to use present technology. [Current 8mm standard] is good enough to be introduced." He indicated Conference's working group on new standard would report this year.

Asked about Mavica electronic still camera, Yamakawa said small number are being tested by Japanese newspaper photographers. "We haven't abandoned it as a consumer product, but we can't say when it will be introduced."

Sony is becoming increasingly aggressive and products more widely available, officials said. Komiyama said availability of Betamovie would be doubled this summer, with expansion

into camera stores. He added that about 50% of Betamovie buyers already owned Beta decks, leaving 50% as new Beta deck customers. As for pricing on new products, he said such features as 181 channels, on-screen status information and programmability have been added to sets at no increase.

"Sony is finally competitive enough to penetrate mass marketers and catalog showrooms," said Senior Sales Vp Ed Adis, and in last year has moved into most of them. In first quarter, Vander Dussen reported, Sony Consumer Product sales increased 60% to all-time record, and 2nd quarter also will be record. "We're as optimistic as can be," he said. Sony America has made 150 personnel changes in last 5 months (out of total of 400 staff), has brought in 85 new people. Sony America Pres. Kenjo Tamiya summed up: "In the last few months, confidence is back, stability is back, credibility is back." (Details of Sony introductions elsewhere in this issue.)

JAPAN LAUNCHES 1984 VCR EXPORT DRIVE: Though surging first quarter sales are forcing industry forecasters to upgrade earlier estimates of U.S. VCR market for this year, Japanese are boosting shipments to level all but insuring there will be no repeat of early-1983 supply shortage, according to export figures for first 2 months of this year from Finance Ministry.

Japanese set new VCR export record for Jan. with 137.8% boost in shipments to U.S. to 470,600, followed that with 167.4% jump in Feb. to all-time monthly high of 646,700. That put 2-month total at 1.12 million, up 154.2%. Japanese exports to U.S. didn't hit million mark last year until April. Based on shipment pattern of last 5 years, Jan.-Feb. exports represent seasonal annual export rate of 10.6 million.

There was similar leap in TV exports. In strong Jan., Japanese exported 128,700 TVs, up 119.9%, with color at 99,000, up 118.9%, b&w at 29,700, up 123.4%. In color, exports of complete sets climbed 191.5% to 71,700, while chassis & kit shipments rose 32.2% to 27,200. But those results pale by comparison with Feb. when total TV shipments jumped 141.6% to just under 200,000 for 5-year high. Color was up 137.4% to 142,200, highest since Sept. 1978, as complete set exports soared 233.7% to 86,300, incompletes rose 64.1% to 55,900. Both monthly totals were highs since Jan. 1979 when Japanese first started making breakdown figures available. B&w shipments of 57,600 were up 152.6%, and were highest since July 1981.

Through 2 months, Japanese TV exports to U.S. were up 132.6% to 328,500, with color up 129.4% to 241,100, b&w up 141.9% to 87,300. Full-period exports of complete color sets jumped 213.1% to 158,000, while incompletes were up 52.1% to 83,100.

Videotex doesn't threaten printing industry, according to paper producer St. Regis. While service might reduce need for newspapers, checks and some directories, it will increase use of more expensive paper for brochures, operating manuals, guides, magazines, newsletters and catalogs. It also will generate demand for special paper needed for hard-copy printout.

Home computer software market will hit \$1.5 billion this year, rise to \$6 billion in 1989, according to Future Computing. Figures are included in forecast FC will present during its Home Computer Software Forum in San Francisco, May 3-4. Details: FC, 900 Canyon Creek Center, Richardson, Tex. 75080.

RCA is manufacturing electronics for own projection TV line, formerly procured from Hitachi, will introduce new advanced series next month.

Captioning decoders were in 79,000 U.S. homes Feb. 1, up from 65,500 year ago, according to National Captioning Institute. Decoders provide on-screen display of captions for hearing impaired offered with many TV shows and available on some videocassettes & videodiscs. NCI said that in 1983 about 13% of decoder owners also had VCR or disc player.

FBI is probing theft & sale of about 2,000 defective 64K & 128K RAMs scrapped by Advanced Micro Devices. AMD said it sent ICs out to be destroyed, learned they hadn't been when it got them back from distributor Wyle Labs, which in turn received them from Digital Equipment Corp. Wyle said it has fired 2 salesmen who purchased chips from unauthorized source.

Konishiroku Photo changes name of U.S. sales subsidiary to Konica U.S.A.

GE WEDS VIDEO & AUDIO: Everybody talks about marriage of video & audio but GE has done something about it, at least in terms of corporate structure, by putting Video Products Div. together with orphaned Audio Electronics Products Dept. into new Video & Audio Business Operations. Unit represents \$1 billion in sales, GE says.

Jacques Robinson, who continues as VPD chief, adds post as VABO vp-gen. mgr. John Trani retains post of AEPD gen. mgr., reports to Robinson. AEPD has been part of GE's Housewares & Audio Div., but lost corporate home when GE agreed to sell small appliance business to Black & Decker.

Video & audio wings will retain separate identities, with audio continuing to function out of Syracuse, though VABO hq will be in Portsmouth, Va., where Video Div. operates. For present at least, only real consolidation will be in administrative support functions, according to Robinson.

"This wasn't done for cost savings but to increase opportunities in new markets and for new products," Robinson told us last week. "The audio operation has an adequate sales and distribution operation of its own right now, and it seems to be doing well." Units now tend to sell through different outlets, with Video Div. relying heavily on appliance-TV stores and audio going to wider variety of smaller dealers, Robinson pointed out.

But there will be some cooperative efforts. "We will get some leverage by bringing total overall brand strength from our larger market presence. There is an overall excitement about consumer electronics in the consumer mind, and we now have the opportunity to go at a broader base" in terms of ads & promotion, he added. Also, there is product overlap, such as in stereo TV audio receivers, item that would fit in both lines. As more complex home communications and video-related products are developed, amount of overlap is likely to increase, Robinson indicated.

"Historically, we have done our [video & audio] R&D separately," he said. "One or both would do it and there would be a little competition. Now there won't be multiple teams" as efforts are more coordinated. Though there may be more elimination of unnecessary duplication in video & audio structures, complete merger probably isn't in cards. "Right now we've got systems in place where we can design anywhere and manufacture anywhere," Robinson added. "We both are already working" on advanced technology with GE R&D facilities "in Portsmouth, Schenectady, Research Triangle [N.C.]. It's a way of life already in both businesses, so physical consolidation is getting less and less important."

Sony is acquiring computer hard disc drive technology from Apple. It's first such knowhow sale by Apple, which is buying 3.5-in. drive for Macintosh and Lisa computers from Sony. Sony said it expects to start offering hard disc drives to computer OEMs next year.

CHINA B&W LAUNCH: China has completed 300,000-sq.-ft. b&w picture tube glass plant in Shanghai, built with technology licensed from Corning. Facility will employ 1,000, has annual capacity for 4 million bulbs. China produced about 6 million TVs in 1983, expects to turn out more than 7 million this year.

Plant represents Corning's first such effort in China under 10-year knowhow supply agreement reached in 1980. Some 60 Corning engineers and their families were temporarily relocated to China to help with construction. Corning recently announced agreement had been expanded to include projects involving ceramic capacitors and other electronics components, fiber optic cables and medical equipment.

Mergers & acquisitions: Whirlpool has agreed to acquire Litton's home microwave oven business, terms undisclosed. Deal, which includes brand rights, plants in Sioux Falls, & Plymouth, S.D., is subject to holder approval and Justice Dept. clearance. Litton is largest domestically owned U.S. oven producer and business segment had sales of \$167 million last year. Whirlpool currently produces & markets own MW oven line but has small market share... Video Corp. of America reached definitive agreement to be acquired by Capital Holdings on somewhat sweetened terms. Final agreement puts price at \$27 million, or \$16 per share, with holders getting \$8.50 in cash, \$7.50 in 13.8% debenture. That's up from original \$25.9 million, or \$15 per share, and debenture rate has been raised from 12% (TVD Jan 23 p21).

Europe has more VCRs in use, U.S. & Japan less, than Motion Picture Export Assn. of America estimates (TVD April 2 p18), according to figures from N.V. Philips, which put world population at start of year at 40.1 million, against MPEAA's estimate of 42.17 million. Philips credits Europe with 14.6 million, Japan with 8.3 million, puts U.S. at 8.1 million, allots 9.1 million to rest of world. Philips trims U.K. to 5.5 million from MPEAA's 6 million (figure which was indistinct in our issue last week), gives W. Germany 3.75 million, France 1.4 million, Netherlands 800,000, Spain 760,000, Sweden 540,000, Belgium 300,000, Italy & Norway each 260,000, assigns 150,000 each to Austria, Finland & Turkey.

Atari may have super home, or advanced business, personal computer on way. Warner unit is now finalizing joint venture agreement to produce hard disc computer drive in Korea with Hyundai as local partner. Hyundai is expected to invest \$250 million to construct large-scale plant while Atari will supply technology for drives having memory capacity of 22 megabits or more. Plant is scheduled to go on stream in 2nd half 1985. All production is slated for export and target is for \$50 million in sales in 1985, rising to \$100 million in 1986, \$500 million by 1990.

IBM adds 13" RGB color monitor with 300-line resolution, built-in speaker, as accessory for PCjr personal computer at \$429.

CONSUMER ELECTRONICS VIDEO DATA BOOK

1983 Edition

The market continues to change rapidly in the consumer electronics industry, and to see the future, strategists must examine the past. To aid them, editors Robert Gerson and David Lachenbruch have gleaned from Television Digest's news archives every important market statistic and projection for the past year—to July 1983.

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

Among statistics in this everyday ready-reference book:

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

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

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NEW SONY PRODUCTS: Sony introduced only 13 new color TV sets last week, same number it added in extensive revamp of line last fall (TVD Sept 5 p14), is expected to show more in next few months (see report elsewhere this issue). Among new-product highlights:

Company's first 26" table models take up same space as some of Sony's 19" sets, are \$850 & \$946 (remote). New 26" console (\$1,050) and one 19" model (\$730) feature VIP (Viewing Interval Programming) system, letting viewer schedule set's turn-on & turn-off time for daily, one-time or Sat. & Sun. viewing (up to 3 events, 7 days) by remote control, programming prompts & instructions appearing on screen. Programs also can be locked out by use of 3-digit code on remote -- which, so far as we know, is first remote control in U.S. to feature on-screen cursor.

Sony expanded its new 13" line to 7 basic models with new keypad remote series in 4 different colors at \$450. All 13" models have HIT (home interface terminals) designed for videogames, which Sony's research shows is used more for computers than games. Also new is 15" remote with sleep timer at \$540. New 19" remote has same features with on-screen status displays at \$690.

Profeel components will be available in 5 packaged ensembles, with various screen sizes and audio-video peripherals, at \$1,250-\$2,050, complete with racks. Teletext decoder accessory will be test marketed in summer, may be added to line in fall.

Rear-projection TV has been improved with black screen, resulting in increase in brightness to 160 foot lamberts from 120, viewing angle to 160 degrees from 80, with better contrast, is unchanged in price at \$3,800. Only carryover projection set is 2-piece 72".

Watchman line will be increased by 2 -- Voyager multinational set that can receive broadcasts in 3 different standards, and model with AM radio designed for sports viewing & listening (prices not announced). Sony's b&w line now consists of one 3.7", one 7" set (both carried over) and 4 Watchman 2" models.

Betamax line now has 13 models & color variations, additions being in heavily featured popular priced categories. New basic model is \$600, includes 7-day 6-event timer, wireless remote, cable ready, with auto playback (rewind & play can be pushed at same time for sequential operation), special effects. In addition to Beta Hi-Fi ready unit (\$650), low priced Beta Hi-Fi model at \$800 also has 7-day, 6-event timer, deluxe features including automatic power when cassette is inserted, auto eject if cassette is missing safety tab, wireless remote.

Real-time optical video disc recorder is due for introduction soon by Panasonic. Unit will provide 13-min. record-play time on 8-in. disc, sell for about \$35,000.

AQUARIUS RE-LAUNCH: Aquarius age dawns again in June when Cezar Inc. is slated to start shipping step-up version of home computer briefly offered, and then dropped, by Mattel last year. CI, subsidiary of broadcast equipment producer Cezar Industries, acquired distribution rights to computer from Hong Kong producer Radofin.

New Aquarius, with typewriter keyboard, has built-in 4K memory and basic, will be priced from \$300, for package with 4K expander and cassette recorder, to \$600 with 32K expander, 32-column thermal printer, modem. Coming in 3rd quarter will be 3.5-in. micro disc drive at \$110, step-up 64K console offered as complete system with 80-column impact printer at \$750.

At news conference in N.Y. last week, CI officials stressed company isn't looking for high volume, expects to concentrate in major markets, move about 25,000 systems monthly, primarily through mass merchandisers. CI said it has 100 new software titles on cassette & cartridge in addition to those developed by Mattel.

Aquarius apparently is only first step into computer market for CI. Robert Cezar, chmn. of parent, said company is making acquisition bid for bankrupt personal computer and business machine producer Victor Technologies.

Timex is trying to avoid turning stockpile of discontinued home computers & accessories over to liquidator at giveaway prices and is attempting to sell direct to consumers by mail. Watchmaker is running newspaper ads offering 72K computer at \$100, 32-column thermal printer at \$50, cassette data record at \$25, all 50% off original suggested list. Limited selection of software, also at half price, is \$8 & \$10 on cassettes, \$15-\$20 on cartridge. Timex says offer expires April 15.

Panasonic is supporting CBS's test of Extravision teletext service in Charlotte, N.C. by providing cut-rate decoders. Decoders, which should be selling in \$800-\$900 range, will go for \$300, but will be offered only in conjunction with \$1,200 19" RGB monitor-receiver. Panasonic said part of cost would be absorbed by Videographic Systems of America, supplier of teletext equipment to CBS. For more on test, see related report in Broadcast section.

Switching to VHS from Beta is Kaizuka Sanyo, 75%-owned subsidiary of Sanyo. Sanyo is transferring 25% interest in SK and management control to Tokyo Sanyo, which will boost its monthly VHS production to 130,000 from 100,000. At same time, Sanyo is increasing monthly Beta production to 170,000 from 150,000.

Casio expands into electronic typewriters with 3 models at \$699, \$999 & \$1,499. All feature daisy wheel printing, electronic memory storage, can double as computer printers. Optional accessories include computer interface and micro disc drive that provides up to 16K storage per disc.

RCA NET UP: RCA posted 73% rise in first quarter net with help of \$75.5 million gain stemming from accounting change. That partially offset \$175 million reserve for discontinuing videodisc players, which in turn was partially offset by \$75.5 million gain from accounting change and \$72.6 million tax benefit. Revenue was up 16.5% (see financial table).

On continuing operations, and before special gain, RCA pre-tax operating net nearly doubled to \$102.4 million. RCA said sales and earnings for electronics business (including Consumer, Solid State, Govt. Systems & Records Divs.) were at records, excluding effect of special items. Broadcasting and communications operations had improved earnings on record sales.

At meeting with security analysts, RCA said operating income from consumer electronics jumped 80% in quarter on 50% sales rise, and demand for VCRs and color TV was at record level. Company also said videodisc unit had operating loss of \$17 million in quarter, down from deficit of \$21.4 million in same 1983 period.

Corning said continuation of excellent results from color bulbs and major gains in electronic components business contributed to 87.1% jump in pre-tax earnings to \$36.3 million in first quarter. Net, however, was down 21%, as 1983 period included one-time \$22.2 million gain on exchange of shares in affiliate.

MGM/UA Home Entertainment had 10.4% rise in net 2nd quarter to Feb. 29 on 20.8% revenue rise. Company said performance in quarter benefited from increase in demand for video software in U.S., opening of market in Japan.

Gameline is 2nd venture in direct home delivery of videogame software to go by boards this year. Control Video Corp. has quit own effort to market service and plug-in modem module for Atari 2600 consoles, assigned rights to venture formed with BellSouth. Spokeswoman for phone company told us BellSouth will take over sales & marketing, while CVC continues to supply games and head-end computer that feeds them to subscribers over phone line. BellSouth will run 6-month test this summer in its operating area, base further plans on results. Company has exclusive national sales rights. Decisions on charges and whether to restrict test to current hardware or use more advanced models in works haven't been made yet. CVC had list of \$60 on auto-dial modem, charged \$10 registration fee, \$1 per game. Only other direct-feed game service ever actually to start operations was Playcable, formed in 1979 by Mattel & General Instrument to supply Intellivision games to CATV subscribers. It met with modest acceptance and was folded last Feb. following Mattel's decision to get out of electronic games, computers & toys (TVD Feb 20 p20).

Toshiba has opened new \$100 million, 7-story VLSI R&D center near Tokyo. Among first projects are development of 4 & 16 megabit memory ICs.

NOISE HAZARDS TO FDA: Regulation of products that put out beeps, boops and other electronically generated sounds at levels posing hazard to health is job of Food & Drug Administration, not Consumer Products Safety Commission, attorneys for those agencies agreed.

Decision resolves issue of responsibility for handling hearing damage potential of cordless phones that emit overloud ring through earpiece. CPSC had received number of consumer complaints, was in process of determining need for warning labels or standard when jurisdictional issue cropped up (TVD Feb 6 p17). CPSC is expected to turn its files over to FDA.

FDA has right to issue standards and has same power as CPSC to order recall of non-complying products for repair, replacement or refund to consumer. Industry, meanwhile, is working on problem with UL. One proposal under consideration is installing ringer that doesn't feed through earpiece. Another is ringer that starts at low volume and gets louder with each ring.

Ad notes: Sharp consolidates ad accounts at Scali, McCabe, Sloves, replacing ILE/Della Femina, Travisano & Partners for consumer electronics and Rosenfeld, Sirowitz & Lawson for industrial line. Dorf/MJH named for PR, replacing Gar Schmitt & Assoc... Warner Software appoints Rapp & Collins, direct mail subsidiary of Doyle Dane Bernbach... Star Micronics chooses Daniel Edelman for PR... Computer market shakeout has taken toll among computer magazines. Among dropouts: Sync, publication for Timex owners from Ziff-Davis; Software Supermarket, Amos Press; Teaching, Learning & Computing, Seldon Publishing.

Stagnating market for videodisc-based coin-op videogames has resulted in contract breach suit against Bally Distributing by game developer & producer Mylstar, Columbia Pictures subsidiary formerly known as D. Gottlieb. In action, Mylstar charges Bally refused to accept last 300 of its 1,700 game order for M.A.C.H. 3 consoles. Mylstar said it has canceled agreement that made Bally its national distributor.

Audio recorders were sales growth star in Feb. for retailers participating in NARDA's computerized data service, posting 36% rise from same month last year. VCRs ranked 2nd with 26% increase. Sales of portable-table color TVs were down 6%.

Matsushita will offer \$445 million of unsecured 10-year convertible debentures in Japan next month, largest such issue by private company in nations' history. Conversion and interest rates weren't announced.

Corning has agreed to participate in 3 joint ventures in China. New companies will produce electronic components, optical fibers and medical equipment.

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
Acton			
1983-year to Dec. 31	25,676,000	(5,958,000)	--
1982-year to Dec. 31	24,625,000	896,000	.15 ^a
Corning Glass Works			
1984-12 wk. to March 25	418,400,000	29,200,000	1.38
1983-12 wk. to March 27	370,500,000	37,000,000	1.75 ^b
Jones Intercable			
1984-9 mo. to Feb. 29	7,254,400	2,124,600	.24
1983-9 mo. to Feb. 28	5,004,700	1,333,500	.15 ^a
1984-qtr. to Feb. 29	2,590,800	1,215,600	.14
1983-qtr. to Feb. 28	1,879,400	402,200	.05 ^a
MGM/UA Entertainment			
1984-6 mo. to Feb. 29	406,452,000	26,976,000	.54
1983-6 mo. to Feb. 28	362,302,000	25,907,000	.52 ^b
1984-qtr. to Feb. 29	214,270,000	16,015,000	.32
1983-qtr. to Feb. 28	158,207,000	15,437,000	.31 ^b
MGM/UA Home Entertainment			
1984-6 mo. to Feb. 29	92,581,000	21,434,000	.73
1983-6 mo. to Feb. 28	73,613,000	18,084,000	.68
1984-qtr. to Feb. 29	48,784,000	11,097,000	.38
1983-qtr. to Feb. 28	40,392,000	10,082,000	.35
RCA			
1984-qtr. to March 31	2,363,700,000	50,300,000	.40
1983-qtr. to March 31	2,029,000,000	29,000,000	.14 ^c

Notes: ^aAdjusted. ^bIncludes special credit. ^cRestated.

Consumer Electronics Personals

Jacques Robinson, GE Video Products Div. vp-gen. mgr., adds same post with new Video & Audio Business Operations, formed through merger of VPD and Audio Electronics Products Dept... **Pat Reardon** resigns as Sanyo national sales mgr... **Gary Calcara** advanced at AOC from sales coordinator to west region sales mgr... **Mark Rochkind**, ex-Bell Labs, joins North American Philips as Philips Labs pres., succeeding late **Donald King**.

M. Yamauchi, formerly with JVC in Japan, named vp, JVC Service & Engineering Co., new U.S. unit formed to supply parts & engineering services to JVC customers; **Paul Hurst**, former JVC America national service mgr., appointed gen. mgr... **Logan Davis**, ex-GTE Business Communications Systems, joins Conair as consumer electronics vp, assuming some former duties of **Bruce Hahn**, resigned as vp-gen. mgr. for consumer appliances & electronics... **Robert Norwick**, ex-Nikon, joins Sharp Industrial Div. as mktg. communications mgr... **Linda Barton** appointed CBS Records ad & design vp.

Richard Fried promoted to new post of mktg. dir., Disney Home Video... **David Brown**, ex-Marsteller, joins CBS/Fox Video as mktg. vp... **George Atkinson** advanced to pres., Program Hunter, replacing **Phillipe Hartley**, now exec. vp; **Edward Atkinson** appointed chmn... **Keith Yocum**, ex-Transcript Newspapers, joins BASF Systems PR staff... **Robert Gordon** resigns as RCA Records direct

mktg. staff vp to head Direct Mktg. Div. of Leber Katz Partners agency.

Nick Ragouzis, ex-Amdahl, appointed Broderbund Business Software Div. vp-gen. mgr... **William Gillam**, ex-Rowe International, joins Nintendo America as commercial products mktg. dir... **James Finke**, one-time Commodore International pres., resigns from Internetwork computer retail franchise operation he founded to become mktg. vp at Interface Group, Needham, Mass. computer trade show sponsor.

Charles Van Horn advanced at ITA from operations dir. to exec. dir.; **Richard Buckley**, PD Magnetics, and **William Gallagher**, MGM/UA Home Video, named to ITA board... **James Fishel** named exec. dir. of RIAA & RIAA Video, succeeding **Steven Traiman**, who left last month... **Richard Bullock** appointed dir. gen. of U.K. Electronic Components Industry Federation, replacing **William Barrett**, resigned... **Ralph Emerson**, ex-Bell Labs, onetime Sylvania, named PR mgr. of National Exchange Carriers Assn., Whippany, N.J. phone company trade group.

Software are raging in court countersuits. Spinnaker Software is asking for award of \$2.3 million from VLSI Technology, which SS said, failed to make on-time delivery last year of game cartridges for Atari & Commodore computers, and refuses to return cartridge housing molds. SS said it lost \$500,000 in profits in 1983 because it was forced to go to more expensive alternate supplier to make up for VLSI's late shipments. VLSI's response was \$850,000 contract breach countersuit in which it charges SS has refused to pay for cartridges delivered in Sept.-Oct. last year and to reimburse it for cartridge mold production costs. VisiCorp. and Software Arts are battling over VisiCalc, best selling business software program ever offered. Combat started last year when VC, which licenses program from SA, brought suit claiming SA failed to deliver upgraded and new format versions of VisiCalc, and asked for award of \$60 million for damages and lost sales. In counteraction, SA claims VC is no longer doing its best to promote and sell VisiCalc, offers as evidence of that VisiOnCalc, competing spread-sheet program VC developed on its own and which frequently sells for less than VisiCalc. SA says it has unilaterally terminated its agreement with VC, and will start selling VisiCalc on its own next month. VC is expected to challenge that planned move in court. SA says more than 700,000 copies of VisiCalc have been sold since 1979, generating estimate of at least \$150 million at retail.

First TV set to use COTY picture tube is new RCA 13" at \$300, which is also RCA's first with on-screen bar graph indicator to show channel tuned with signal-seeking 2-direction scan.

Toshiba has opened new \$100 million, 7-story VLSI R&D center near Tokyo. Among first projects are development of 4 megabit & 16 megabit memory ICs.

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BROADCASTERS HIT ON 3 FRONTS: ACT and Wirth press kid-vid while Dr. Parker warns about deregulation. (P. 2)

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BROADCAST BILL STALLED as members attempt to settle differences. Tauzin is holdout. (P. 4)

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GTE TO SELL SPACENET 1 satellite capacity, asking \$350 million. Will lease back 24 transponders on bird. (P. 6)

MORE IS LESS FOR HBO: Feb. ratings continue to sink, dropping 17% for 24-hour period, 10% for prime time. But more eyeballs are watching. (P. 6)

CHARACTER ACTORS FIGHTING TVQ influence, more money for guest shots. SAG, NAACP, major studios & top stars join fight. (P. 7)

FCC INQUIRY TO ASSESS FAIRNESS DOCTRINE: Legality and fairness of fairness doctrine will be addressed in comprehensive inquiry launched April 11 by FCC after it overcame some misgivings that review might start from assumption that doctrine can and should be repealed. Assured that inquiry won't begin with those assumptions, rather will be neutral in tone, Comr. Dawson said it will be "useful exercise." Comr. Rivera, who criticized action as "frontal assault on the trustee concept of broadcasting," concurred. There were no dissenting votes.

Broadcasters for more than 40 years have been required under doctrine to provide news that addresses "controversial issues of public importance," then give airtime to contrasting viewpoints. Doctrine started out as FCC rule, was added to Sec. 315 of Communications Act in 1959 when news & documentaries were exempted from equal time. Now Commission says there are many outlets for public expression and that it isn't clear Congress intended that doctrine never be modified.

Consumer Electronics

VCR SALES at 8 million rate in March, color at 16.6 million. (P. 11) First quarter at-a-glance. (P. 14)

TOSHIBA DIGITAL TV planned this fall with freeze-frame, dual picture. Stereo sets at \$20-\$50 premium. FST tubes now in midline. (Pp. 12 & 14)

8MM DELAYS SEEN, as Philips postpones camcorder to 1985. Tape difficulties reported. Sony cuts BetaMovie dealer price \$150. (P. 12)

COLOR & VCR IMPORTS jumped in Feb. Set imports from Korea tripled. VCR shipments ran 3 months ahead of 1983 pace in Jan.-Feb. (P. 13)

GE EARNINGS from consumer products doubled in opening quarter. Video paces NAP 76% profit rise. Sony expects 68% growth in 1984 net. (P. 15)

WARNER-POLYGRAM MERGER of U.S. record businesses blocked by Appeals Court pending FTC appeal. RIAA 1983 music sales figures. (P. 15)

WHAT NOW FOR CED? Independent software distributors may drop ball, leaving it all to RCA. No dumps yet, but probabilities are seen. (P. 16)

FMA REVIVED in omnibus copyright bill. Kastenmeier tells House Subcommittee hearing markup could come late this month. (P. 18)

Sensitivity of issue is evident in decision by Commission to hold one or more en banc meetings "or some other oral procedures" at which record of inquiry will be supplemented with opinions of legal scholars, communications experts, govt. policymakers and public. Commenters will be asked to address 11 questions, such as necessity of doctrine as way to assure public is exposed to diverse ideas and whether it's constitutionally sound to impose rules on broadcasters and not newspapers.

"It comes down to [whether] you have a fair press or a free press," said Chmn. Fowler, adding: "A free press isn't necessarily a fair press." Given recent court decisions limiting govt. regulations of speech, it may not be correct to apply doctrine only to broadcasters in rapidly expanding communications field, Fowler said.

Given growth of electronic media, doctrine "just doesn't belong here any more," said Comr. Quello. However, he said he was concerned inquiry was searching for way out of legislative directive. "We still have a congressional mandate," he said. "We shouldn't be searching for loopholes." Gen. Counsel Bruce Fein disagreed, said inquiry includes section addressing intent of Congress in imposing fairness doctrine. He said search of laws couldn't find any evidence Congress limited FCC's discretion to modify doctrine. On Commission's ability to modify or repeal doctrine, Fowler said he has "an open mind."

TAKE-IT-ON-CHIN WEEK FOR BROADCASTERS? Three strong jabs of criticism against broadcasters last week put NAB on defensive and distracted it from fully savoring sweet taste of 2 deregulatory moves by FCC (see stories elsewhere). Identity of critics wasn't new -- ACT's Peggy Charren, Everett Parker and House Telecom Subcommittee Chmn. Wirth (D-Colo.) -- but tone of their remarks (Parker called broadcast deregulation "diabolical threat") and fact it all came in such short span was unusual. By week's end, NAB said it had disproved many of Charren's charges about dearth of children's TV.

Charren attacked NAB's recently published "Guide to Innovative Children's Programs for TV," which lists 101 regularly scheduled, locally produced children's shows of NAB member stations. NAB knowingly "issued false data" intended to mislead Congress, she said at Washington news conference. Guide "murders the truth," Charren claimed, alleging that majority of listed shows aired more than year ago, aren't scheduled regularly or actually are short spots. Moreover, she charged 3 of 40 specials listed were never aired by stations.

"I can't imagine where the NAB got its information," Charren said. "It's either a pack of lies or such shoddy research that NAB should get laughed out of court on this issue." Guide "is 35 pages of weasel words that murder the truth," she said. NAB struck back by verifying some information in Guide. It particularly checked into charge that of 40 specials listed in Guide, ones listed by WXFL Tampa, KHTV Houston & WABC-TV N.Y. were never shown. After double-checking with 3, NAB Senior Vp-TV Dick Hollands said all shows were shown. In fact, WABC-TV's show, "To Be A Man," won N.Y. Emmy and was replayed recently, Hollands said.

Told of NAB's retort, Charren stood by her charges: "I only relayed what I was told by the stations themselves. If I call up and say I'm from ACT and ask about a children's show, and an important station official says he's never heard of the show, that's good enough for me," she said. Charren pointed out that all her information is attributed as "according to stations."

Guide never was intended as research project, said NAB Children's TV Committee Chmn. Crawford Rice. Information was current as of about 10 months ago when data were gathered from stations, he said, adding: "It doesn't purport to be a reflection of the current situation."

Heart of dispute is legislation pending in Congress -- HR-4097, sponsored by Wirth -- mandating hour of educational children's programming Mon.-Fri. on commercial TV stations. Concept of mandatory kid TV also has been offered as part of broadcast deregulation measure. Charren said NAB is circulating Guide in Congress as evidence there's plenty of children's

programming: "The NAB wants Congress and the American people to think that commercial television is a paradise for young viewers." She described NAB lobbying as "heartless exercise in premeditated deception. The fact is that commercial children's TV is demonstrably inadequate," and Congress should enact legislation requiring stations to air kids' shows.

Guide was used in lobbying, NAB's Shaun Sheehan said: "I'm just trying to beat back legislation [and disprove] the myth that there's no programming for children on commercial television."

ACT said it surveyed stations listed in Guide week of March 26, found that of 101 shows listed: 24.8% aren't now being aired; 5.9% are short segments, not programs; 3% aren't scheduled regularly; 1% aren't termed children's shows by station.

Wirth also hit kid-vid theme. In speech to Public Radio Conference in Arlington, Va., he rapped broadcasters for unwillingness to air hour of children's programming weekdays or to pay spectrum fee, idea he was forced to abandon (TVD May 23/83 p1). He praised public broadcasting, particularly PBS, for its children's programming, said service had "fulfilled that responsibility in a magnificent way." As for financial troubles of public system, Wirth pledged to lead fight for authorizations of \$238 million, \$253 million & \$270 million in FY '87-'89, respectively.

Parker, upon receiving Telecom Research & Action Center's first annual "Everett C. Parker Public Interest Telecommunications Award", called on public interest groups "to stop the drive for deregulation [that will] deprive us of access to the media of communications." If broadcasters are successful in deregulation push, "the communications revolution will take place in our country with the American people as its victims, rather than its masters," he said at Washington dinner in his honor April 11. He charged that "Congress has legislated at the behest of commercial interests, largely to enhance their ability to make a profit."

Parker said "deregulation and its corollary dogma, 'let the marketplace decide,' are truly radical concepts." He added: "Together they are the most revolutionary elements in what we are calling the communications revolution. They pose a diabolical threat to our individual and societal liberties." He charged Commission majority "has created a whole new policy -- totally illegal -- called unregulation to hide behind and close its eyes to violations of its rules while it sets about getting rid of them... How will people react if they find out that an agency that... is committed to fostering minority ownership... is about to bar minorities forever from any significant share in such ownership by repealing the 7-7-7 rule? The FCC is moving to put control of broadcasting into fewer and less responsible hands. 'Get as much as you want and we don't care what kind of character you have,' the FCC majority is saying," according to Parker.

Monopoly control of communications by a few large corporations, "aided and abetted by the government, will catapult television into a political issue comparable to the environment and nuclear power," Parker predicted. "I fervently hope that the communication industries and the government will heed the stirrings of discontent, will realize that the deregulatory road they are traveling points straight to chaos."

Parker established Office of Communication of United Church of Christ in 1954, headed it until his retirement last year (he's now with Channels magazine), and has been in forefront of many crusades at FCC, courts & Congress designed to gain access to stations for public. He was force behind landmark WLBT-TV Jackson, Miss. case in 1960's that resulted in station losing its license and giving public standing in FCC proceedings for first time. FCC Comr. Rivera praised Parker as "the conscience of the industry," said that through his efforts "government decision making is more equitable, more considered and more publicly accountable."

WNOL-TV (Ch. 38) New Orleans has gone on air, raising operating U.S. TV stations to 1,154. Harold Protter is managing gen. partner, Gail Brekke vp-gen. mgr., Steve Friedheim vp-sales dir., Gayle Garrett national sales mgr.

Prime Cable, Atlanta, will buy \$20 million worth of Scientific-Atlanta Model 8500 addressable terminals, mainly for upgrade of former Cable Atlanta system and others in suburbs Prime bought last year.

RCA CCD CAMERA: RCA started taking orders last week for its tubeless CCD camera that was hit of both last year's NAB convention and Montreux TV Symposium (TVD April 18/83 p16, June 6/83 p2). Price is \$37,500 without lens, deliveries by year's end.

Demonstration last week in N.Y. lived up to RCA's claims. Camera, which initially will be offered for ENG use, provided pictures with clarity & precision usually obtained only by film. Claims for new CCD-1 are: 62 dB signal-to-noise ratio, 3 ft.-candle light sensitivity, zero lag, no image burn-in, essentially perfect geometry, no microphonics, no sensitivity to magnetic fields, no known mechanism for failure, superior dynamic resolution.

Camera is designed for field use, can be strapped to VCR as camcorder. Particularly impressive was rendition of details in high contrast and dark scenes. Camera is "totally RCA," in development & manufacture, said Best. Systems Mktg. Vp Dennis Woywood, with initial sales to be limited to domestic market end users. Unit currently can't be exported because Commerce Dept. license must be obtained under Munitions Act to export any product with LSIs, MPUs or CCDs -- and RCA obviously wants to use camera first to improve domestic position.

RCA is banking on new product to help regain some of supremacy it has lost in broadcast equipment market to such firms as Sony & Ikegami. Its Best. Equipment Div. is cutting back on its wide range of products to feature those in which it has had most success -- notably cameras & transmitters -- although it will continue to supply turnkey installations and offer products made for it by others.

CCD-1, which will be central focus of RCA's NAB exhibit, is expected to be first in complete line of solid-state cameras, and RCA can be expected to make big capital of it while competitors hastily try to catch up.

New generation of broadcast tape from Sony was unveiled in N.Y. last week. U-matic K-series, to be priced "slightly higher" than current U-matic series, is "first major advance in 3/4" tape since Sony introduced [it] 13 years ago," Sony Tape Sales & Mktg. Vp John Bermingham said. Use of cobalt-enriched iron oxide particles and other techniques, he said, results in tape with less video noise, fewer dropouts, better balance, less dubbing noise. Cassettes will be made in Dothan, Ala. plant, available around June 1.

RAB announcements: (1) Women now account for 35% of radio sales & marketing executives, according to Vp Kenneth Costa. He predicted percentage of women in radio sales will increase to 50% by 1990. (2) "RAB Helpline" for members has been established -- 1-800-232-3131. (3) Orson Welles will narrate sales presentation prepared by RAB to be unveiled May 1 during NAB convention in Las Vegas. Information on 15-min., quadraphonic sound presentation can be obtained at RAB booth 217.

BROADCAST BILL STILL GASPING: House members continue to hope for accord on broadcast bill, but are increasingly pessimistic. Rep. Tauzin (D-La.) is holding out, apparently has decided not to sign off on any compromise, regardless of content. Both sides may propose alternates to original effort at compromise.

NAB pressure apparently is responsible for Tauzin's reluctance to accept accord, although ally, Rep. Tauke (R-Ia.), reportedly still is willing to co-operate. At frank meeting (TVD April 9 p5), Tauke & Tauzin told House Telecom Subcommittee Chmn. Wirth (D-Colo.) they simply couldn't "accommodate" his position, would have to reconsider issues remaining, offer revamped proposal that would water down compromise, but still include TV quantification, EEO, petition to deny & end to comparative renewal.

Counterproposal was expected to emerge at meeting April 11. But press of other House Energy & Commerce Committee business forced postponement. With Congress now in recess, meeting isn't expected until week of May 30. Continued delay could spell doom for measure, although one aide insisted: "You can never run out of time on a compromise." But Rep. Swift (D-Wash.), told us that he & ally Wirth are losing patience. If consensus can't be reached -- and the sooner, the better -- he & Wirth probably would propose revised version of what's been drafted for compromise, making changes to reflect what they would most like to see. He said these would probably include tougher TV quantification, mandated children's programming, EEO, and residual authority for FCC. Swift conceded he hasn't discussed plan with Wirth but said scenario he envisions has their moving bill through Wirth Subcommittee, letting it die in parent panel.

Tauke & Tauzin reportedly are ready to go to markup to settle differences, believe they can win broadly deregulatory measure. But if Wirth blocks markup, the 2 say they will take complaint to Energy & Commerce Committee Chmn. Dingell (D-Mich.). Swift is pessimistic: "I don't know what to think. Every time I think [compromise] is dead, it gives another gasp."

Search for new PBS pres. narrowed a bit April 10 when Ward Chamberlin, pres.-gen. mgr. of WETA-TV-FM Washington, dropped out of race. Said Chamberlin: "WETA is the best spot" now. He had been considered a leading contender. Add to those under consideration: Ben Kubasik, head of his own N.Y. PR firm. Search committee is expected to announce new pres. this month. Also, PBS may soon lose Chmn. Dallin Oaks, who's heading search to fill president's slot. Oaks has been named to high-level post in Mormon Church, is resigning as a Utah Supreme Court justice May 2. He will contact PBS board members this month, and if they're uncomfortable having officer of church as chmn., he will resign, Oaks said. He was pres. of Brigham Young U., PBS licensee, when named PBS chmn. in 1980, then joined state supreme court.

REGIONAL RULES REPEALED: Concluding that competition with networks would increase if local broadcaster could expand his regional holdings, FCC repealed rules that mostly limited ownership to 2 stations in 100-mile area. April 12 vote was 4-1 with Comr. Rivera dissenting, charging decision prejudices FCC's current rulemaking to relax national broadcast ownership limits (7-7-7 rule) and that staff had no data to back up position that administering rule is financial burden on Commission.

Rivera also complained about "all-or-nothing" approach, said Commission -- as Justice Dept. suggested in comments -- should retain some guidelines restraining expanded regional holdings. No such guidelines are needed, Gen. Counsel Bruce Fein said, because antitrust laws provide yardstick to judge regional purchases.

NAB, which petitioned FCC for repeal of rule adopted in 1977, said action "will pave the way for greater opportunities for group ownership in limited geographic areas, giving the public a better broadcast service." With regional rules repealed and national limits expected to fall soon, only remaining ownership constraints would be those governing local markets (one-to-market and duopoly). Those won't be attacked anytime soon, Fowler said: "I have no plans to bring up the local rules."

Denied was Moody Bible Institute's proposal to expand services of FM translators by broadcasting programming received by microwave and satellite, creating nationwide low-power FM service operating at 10 watts, much like LPTV. Such unattended translators would offer programming aimed at national audience. Proposal raised interference problems, Commission said in also concluding new service isn't needed given recent decision increasing number of FM allocations available.

In other action, FCC voted to allow Class III daytime AM stations to increase post-sunset power to 100 watts minimum through 6 p.m. local time. Actual power (up to 500 watts) station could be used will be calculated at mid-time for first hour of after-sunset operation. "Using this method, many more stations could reach a full 500 watts," Commission said. "Although most stations will obtain substantial power... some of them would still be below 100 watts. In order for these stations to provide effective post-sunset service, the Commission [believes] it appropriate to provide a 100-watt minimum power... except when doing so would cause interference to a foreign station." DBA had sought such authority until 6:30 p.m. With regard to Class II AMs, FCC said "it could not sanction increased power without causing devastating interference losses to both groundwave and skywave services." Rulemaking had been pending at FCC since 1969 and last week's action came on reconsideration of Sept. 1983 order.

Wallace Johnson, pres. of Assn. for Best. Engineering Standards (composed of regional AM stations) and former chief of FCC Best. Bureau, called FCC action "indefensible since it ignores the

facts established by the record in the rulemaking... The only thing that has changed is the unprecedented political blitz which the daytimers have launched" since Sept. decision. ABES charged FCC "has sanctioned severe and widespread interference to the existing, local groundwave service of fulltime regional stations," that "an immediate court appeal is a likely choice."

Commission also: (1) Renewed licenses of KDEN(AM) Denver and WYDE(AM) Birmingham but imposed special EEO reporting requirements because of stations' poor EEO performance. (2) Sought public comment on list of rules it proposes to review during next 12 months as part of congressional mandate that agencies periodically review their rules that may have "significant economic impact on small entities" and eliminate those that are "disproportionately burdensome or unnecessary."

(3) Dismissed United Church of Christ fairness complaint against 60 Mins. broadcast of Sept. 16, 1983 on "The Gospel According to Whom?" Deleted from agenda, at Mass Media Bureau request, was consideration of renewal of KTTL-FM Dodge City, Kan. Station has been attacked by several groups for programming attacking minorities.

Looking ahead to Democratic & GOP nominating conventions, Commission empowered 1984 Political Convention Frequency Coordinating Committee to coordinate use of auxiliary frequencies by broadcasters. Mass Media Bureau Chief James McKinney earlier had designated vacant Ch. 18 & 19 for use as studio-to-transmitter links by broadcasters covering conventions in Dallas & San Francisco. CBS's Richard Harvey is committee chmn.

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"Leonard H. Goldenson Chair of Local Broadcasting" has been established at U. of Mo. School of Journalism in honor of ABC chmn. Chair was created by ABC TV affiliates through leadership of Mo. graduate Martin Umansky, KAKE-TV Wichita. He said that \$500,000 of needed \$1 million has been raised and that search is under way for prominent broadcaster to fill post starting in fall. Among goals: Workshops & seminars to provide midcareer training for TV executives; establishment of databank to gather experiences of broadcasters in all areas of operation so that stations can profit from each others' knowhow; founding of "archives of local broadcasting" for preserving best product of stations.

Frank Potter, chief counsel & staff dir. of House Energy & Commerce Committee, has left position, apparently after dispute with Chmn. Dingell (D-Mich.) over staff appointments. Potter reportedly didn't consult with Dingell before promoting Mark Raabe as his sabbatical replacement. When Dingell disagreed with choice, Potter immediately left for sabbatical, will be doing research for International Energy Agency in Paris, sources said. Potter's executive asst. Kathleen Benson also left, was replaced by Sharon Davis. Raabe is acting chief counsel; Michael Kitzmiller was promoted to staff dir. Potter had worked for Dingell since 1971.

TRANSPONDERS FOR SALE: GTE-Spacenet Corp. is seeking to sell entire transponder capacity of its Spacenet 1 satellite for \$350 million, we have learned. If deal is completed, it would mark richest sale of domestic satellite assets, covering total of 24 transponders. Satellite is to be launched by Ariane on May 22, with service to start on or before July 1. GTE hopes to complete transaction by date that satellite enters service.

According to informed sources, GTE-Spacenet wants to sell Spacenet 1 transponders to single purchaser, with buyer then leasing them back to GTE. Company representative, N.Y. investment firm Morgan Stanley, has approached several financial institutions with proposition. While price of transponders apparently is fixed, GTE is expected to select purchaser on basis of lowest lease-back price.

Tax consequences of transaction would appear to be highly beneficial to whichever financial institution agrees to purchase transponders, since tax credits would flow to purchaser. GTE would benefit by immediate infusion of cash and breathing space in which to generate revenue flow from Spacenet 1.

FCC source told us Commission approval of transponder sale probably would be required but would likely be granted, provided that GTE retained operational control of its satellites. Said FCC official: "In the financial world, it might be a sale. From a regulatory standpoint, it might not be. Sale is a word with a lot of meanings."

If GTE deal goes through, it could mark start of significant trend. MCI recently sold its 12 transponders on Hughes' Galaxy 2 satellite in similar arrangement. For other satellite operators seeking to cushion themselves against what they hope is transitory transponder glut, new financial arrangement could be attractive.

Note: GTE apparently believes its asking price is reasonable. It had its transponders independently appraised by N.Y. consulting firm CS&P International.

NCTA won important skirmish last week in battle with MPAA over question of prorating copyright payments for tiers containing both broadcast and cable channels. U.S. Dist. Court, D.C., Judge June Green denied MPAA motion to dismiss NCTA suit which seeks declaratory ruling that nothing in Copyright Act precludes cable operators from prorating revenue from mixed tiers when computing copyright payments. Green also suggested that parties seek compromise rules on copyright payments that would prevent what she described as "double payments" for mixed tiers.

Seventeen U.S. basic cable services have been licensed by Canadian Radio-TV & Telecommunications Commission for carriage on domestic systems. But CRTC ruled against allowing U.S. premium services such as HBO and Disney Channel into country. Also remaining under CRTC ban are U.S. superstations.

MORE IS LESS FOR HBO: HBO's ratings continue to sink, dropping 17% for 24-hour period, 10% for prime time, in Feb. compared with same month last year. Ratings are from "Monthly Performance Report," 2nd released by HBO. Meanwhile, pay cable viewing stayed stable at 12.4 in prime time for same periods, which means other pay services are gaining at HBO's expense, according to recent Nielsen figures.

While not necessarily good news for HBO, lowered ratings are inevitable in face of more players in pay universe. HBO's growth has slowed to under 10% from 1982 to 1983 -- growing from 11.5 million to 13.5 million -- as Showtime grew by 25% to 5 million, now is being rolled out at several major MSOs. Disney Channel has grown to 5th largest MSO in same time. In fact, HBO's cume was up 4% for period, meaning more people were tuning in but those who did were watching less.

"They're competing against an increasingly strong array of cable competitors," CBS Research Vp David Poltrack said. "HBO's losses are not pay cable's losses." Ratings also may reflect dismal HBO lineup in Feb.

Basic cable viewing also is on rise. HBO's figures show overall cable viewing up 3%. Although MTV, ESPN & CNN were average or down, CBN rose from .7 to 1.2 in 24-hour viewing and WTBS Atlanta had highest Feb. to date. Olympics on ABC, though disappointing in overall ratings, probably did well in HBO homes, Poltrack said. Five percent decline vs. 1983 in network viewing in HBO homes quite likely reflects Winds Of War and last episode of MASH, which aired in Feb. 1983.

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CBS had record revenues in first quarter of \$1.18 billion (up 13%). Net income was \$38.9 million (\$1.31 per share), up 119% over same period 1983. Chmn. Thomas Wyman said: "Our 2 largest businesses -- broadcast and recorded music -- contributed so much to this result... While the first quarter is traditionally our smallest earnings quarter, and is not a conclusive indicator of full-year results, we are very pleased with the momentum this performance suggests." Best. Group profits more than doubled, he said, with key factor being TV network, which also more than doubled profit of first 3 months last year. CBS Publishing and Columbia Groups reported losses for quarter.

Sale of Wometco Enterprises and Wometco Cable, in deal worth about \$1 billion, was consummated last week, same day FCC approved transfer of Wometco's TV & radio stations to N.Y. investment firm Kohlberg Kravis Roberts & Co. Commission denied objection filed by former minority stockholders. Kohlberg firm purchased KTLA L.A. last year from Golden West Bestg. for \$245 million, will take Wometco private.

Gannett Foundation has donated \$15 million for establishment of Gannett Center for Media Studies at Columbia U. Center will be headed by Everettte Dennis, dean of School of Journalism at U. of Ore.

ACTORS FIGHTING TVQ INFLUENCE: With some powerful allies in their camp, Hollywood character actors are engaged in major battles seeking to end 2 long-standing practices that they say hurt their chances to appear in TV movies & series and greatly reduce their potential income when they get guest shots. Battle against use of TV Quotient (TVQ) ratings of actors is centered in Cal. Senate. Among allies are Screen Actors Guild, National Assn. for the Advancement of Colored People and several top TV stars. Claim is that networks & advertisers often use TVQ (which purportedly measures actors' recognizability & popularity) to deny jobs to actors -- particularly minorities.

Second issue being fought involves cap of \$2,500 ("top-of-the-show") for guest appearances on hour TV show, \$1,500 for half-hour program. Cap has been same for 12 years, before that went as high as \$10,000. Top TV series stars and such major producers of prime-time TV fare as Spelling Productions and Embassy Communications have joined character actors in seeking higher pay for guest shots.

Sponsors of bill banning use of TVQ in selecting actors, defeated March 20 in Cal. Senate Judiciary Committee, admit it was poorly drafted and thus drew opposition of networks, rating services & broadcasters. It would have gone so far as to prevent use of Nielsen & Arbitron ratings, according to critics. New measure, aimed only at restricting use of TVQ, again is before Judiciary Committee. Drafted by Sen. Art Torres (D-L.A.), it would allow use of TVQ surveys as long as list of personalities presented to sampling audiences is representative of performers of all nationalities.

SAG official Kin Fellner said original bill was written improperly, added: "TVQ is a tool the Guild opposes because it's used as a marketing tool. Actors feel they are hired for their skills and that's the heart of it. It's exacerbated by the fact that the survey is discriminatory." SAG Pres. Ed Asner noted that fewer than 1,000 actors are listed by TVQ out of Guild membership of 55,000, that union is unanimous in wanting to outlaw "the white list and return our industry to hiring quality from all our ranks." NAACP official charged TVQ underrepresents minority performers and families and "amounts to a discriminatory quota system."

FCC Comr. Patrick, in written response to Senate Commerce Committee questions, reiterated commitment to help minorities gain better footing in communications. He submitted 6-page reply to 6 questions, saying he believed minorities are "underrepresented" as broadcast media owners. He said he supports continued FCC regulation of EEO. He was noncommittal on multiple ownership rules, but said 3 major TV networks may warrant different treatment from other station owners. On politically sensitive question of FCC's relationship with Congress, Patrick bowed to legislature, said: "[Our] authority derives from Congress [and] Congress retains ultimate control."

"Radio today is a \$5 billion industry that needs to shed its self-inflicted inferiority complex and force itself to get back to the basics of sales and marketing," according to RAB Pres. William Stakelin. Speaking last week to Ohio Assn. of Bestrs., he said radio's share (7%) of ad dollars spent in U.S. media is "a pittance" when compared with TV & newspapers. "And although we continue to increase rates and generate increased revenues, our share remains the same... It's high time we figured out what is the problem and solved it." Stakelin said major problem is "internal competition" -- with one station selling against another, rather than both selling radio as a medium. "If we continue to compete against ourselves for existing allocated radio dollars, we'll still be scratching our heads and wondering years from now why we're not growing... We must sell radio as a product first and our own stations second." He said advertisers new to radio must be sold before industry can realize any real growth.

NTIA's David Markey said last week White House decision on allowing international satellite systems to compete with Intelsat should be announced in next 7-10 days. Markey said he couldn't comment on Commerce Dept.'s recommendations to White House, but "personally, I think that kind of competition is inevitable." At same conference, Thomas McKnight, Orion Satellite pres., said: "It's safe to say the Intelsat monopoly is over." He predicted French satellite Telecom will be used for transatlantic communications since French spent "enormous sums of money" equipping it to reach U.S. eastern seaboard. ABC, which is large user of Intelsat for video transmissions, was much impressed by change in Intelsat attitude toward customers during winter Olympics in Sarajevo, according to William Hynes, dir. of telecommunications for ABC. Intelsat was "extremely cooperative" during Olympics, has become "much more customer oriented," he said.

Two of top 12 cable MSOs have dropped out of Council for Cable Information in 2nd phase of its funding campaign. Even as ads from McCann-Erickson were being tested in 5 national markets, Sammons Communications and Newhouse told CCI they weren't participating. "I don't intend to discuss it," Sammons Pres. James Whitsun said. Was it because of nature of ad campaign? "I haven't seen it," he told us. After raising startup funds of \$850,000, next stage is for far more ambitious goal of \$4.8 million to cover remainder of 1984. Of that, \$2 million is part of \$6 million ad campaign to launch in Jan.-Feb. 1985. MSOs are charged 8¢ per home passed, pay services 4¢ per subscriber, basic 0.3¢ per subscriber, according to CCI Pres. Kathryn Creech. "Nothing is 100% in this industry," Creech told us.

FCC has issued public notice on rules & policies for FM translators applications as result of increase in bids and "many allegations" that rules aren't being followed. Commission said that because of increased workload its staff no longer will advise applicants of deficiencies, will return defective applications.

LIFETIME WILL 'SHARPEN FOCUS': Lifetime, 2-month-old merged service from Hearst-ABC/Viacom, needs to "sharpen its focus" and be "more selective in carving out its audience and its psychographics," Pres. Thomas Burchill told us during 2nd week on job. Burchill, ex-RKO Radio, said "Lifetime can't be all things to all people -- I don't think it's a mass medium."

Resources of ABC and Hearst "have been underutilized," Burchill said. "There are obvious expertise resources [at ABC] and, potentially, programming sources. We haven't really gotten into specifics [with ABC] except that in my discussions with them, there's certainly a greater availability than there's been in the past." He cites ABC's "research clout with advertisers and programming availability," Hearst's expertise with women audiences. Cable lacks "truly proprietary fare for women," he said, in contrast to ESPN for men and MTV & Nickelodeon for youth market.

Nielsen numbers are available for Lifetime in Feb. & March, but none has been released. Burchill refused to say what percent of ad time had been sold for channel for this quarter but he said sales were "greatly aided" by rating numbers. Channel is "ahead of business plan," which calls for 24 million households by end of 1984, profitability in 1986, he said.

Other changes in store: "We're going to try and enhance the information orientation," Burchill said. Information concept "has great merit, could be expanded on life issues." Look of channel may change, with addition of "daypart hosts" -- "there should be a high expectation level when you hit the Lifetime channel," much as MTV has. "I think what we're going to try to do is enhance the overall ambience of Lifetime."

Medical programming has turned out surprisingly well, attracting 10-15 "civilian" viewers for each doctor, Medical Vp Thomas Rockwell said, adding that consumer audience has grown 10% monthly over last 5 months. Cumulative viewing is now "in range of 225,000 households -- in addition, we seem to be drawing physician audiences in the range of 20,000 per program," Rockwell said, "but viewing is intermittent enough that over the course of a month, at least 50,000 doctors see one of our shows."

Lifetime will increase its professional medical programming by 500% in 1984-85 season, has 475 hospitals signed up through end of April, hopes to have 800 hospitals carrying channel by year's end and as many as 3,000 in next 2 years.

— — —

Playboy Channel is okay with Borger, Tex., voters. Defeated by vote of 1,564-1,006 was proposed city ordinance banning obscenities, including cablecast of R- & X-rated movies. Although Playboy Channel, which has been carried on Sammons system nearly 2 years, wasn't mentioned in ordinance, service quickly became central issue in referendum, Sammons spokesman said.

TV political commercials would be regulated under proposals made in House & Senate (HR-5307 & S-2509) by Rep. Conable (R-N.Y.) and Sens. Inouye (D-Hawaii) & Rudman (R-N.H.). Lawmakers believe they could remove Madison Ave. patina from campaigns by restricting ads to "tombstone" format. Props would be outlawed and candidate or person endorsing candidate would have to look directly into camera for duration of commercial, which could last no longer than 10 mins. In introducing bill, sponsors said campaign costs are out of control, largely because of growing media budgets. Congressional campaign spending has risen from \$175 million in 1972 to \$1.2 billion in 1980, with bulk of expenditures going toward media. Sponsors want "contest of ideas" returned to campaigns, Rudman said.

Pittsburgh sports pay cable channel will be shut down rather than sold to new Pittsburgh franchise holder, Telecommunications Inc. When TCI bought system for \$93 million from Warner Amex it said it was "definitely interested" in Home Sports Entertainment. "It became apparent to us," according to WACC, "that no sale or joint agreement could be reached in a reasonable time frame." Year-old regional sports service, one of 3 HSE channels offered in Warner Amex systems, had signed on only 3 area systems for events including Pittsburgh Penguins hockey and Pirates baseball. Meanwhile, discussions have broken down over sale of remaining HSE operations to Cablevision's Sportschannel, according to Cablevision Vp Lawrence Meli.

U.S. Appeals Court has reinstated \$40 million suit against ABC News and reporter Geraldo Rivera, filed by Sandra Boddie of Akron. She said April 1980 segment of 20/20 -- in which it was alleged Akron judge granted leniency in return for sexual favors -- defamed her and invaded her privacy. Boddie didn't appear on program but recorded conversation with her did. Appeals Court ruled lower court erred in dismissing allegation in suit on basis of federal wiretap laws.

Okla. Senate has defeated, 35-11, bill to levy 3% state sales tax on advertising. Measure would have covered newspapers, radio, TV, outdoor and magazines published in state, was opposed by Okla. Bestrs. Assn. & Okla. Press Assn. Proponents argued that tax wouldn't result in higher prices for consumers because ad media have enough profit margin to absorb sales tax. Sen. Gene Stipe (D), chief sponsor of bill, said he would reintroduce it next year.

Sharply increased CPB budget was approved April 9 by Senate Commerce Committee, hiking FY '87-89 levels to \$238 million, \$253 million & \$270 million, respectively. Senators also authorized funds for NTIA's Public Telecommunications Facilities Program that Administration was trying to kill. Panel approved \$50 million, \$53 million & \$56 million, respectively, for facilities program in FY '85-87. NTIA reauthorization also was approved at \$15 million for FY '85 & 86.

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Personals

John Eger, vp-gen. mgr. of CBS Best. International, promoted to senior vp, Columbia Best. Group Worldwide Enterprises, in charge of international, strategic planning, interconnects, cable & Extravision (teletext), succeeding Paul Isaacson, now with Young & Rubicam; **Peter Lund** advanced to exec. vp-CBS Sports; **Roger Colloff** to vp-gen. mgr., WCBS-TV N.Y., succeeding Lund; **Jeffrey McIntyre** to district supervisor, CBS-TV Network affiliate relations... **William Hogan** promoted to pres., RKO Radio Networks, succeeding Thomas Churchill, now CEO of Hearst-ABC Viacom Entertainment... **Margaret Noonan**, ex-CBS News, joins White House as a Presidential speech writer.

John von Soosten, vp-programming for WNEW-TV N.Y. and current pres. of NATPE, will join Katz Communications May 16 as vp-dir. of TV programming; **Phil Oldham** named vp-programming, Katz American (network affiliates repped by Katz in top 50 markets); **Gary Lico** vp-programming for Katz Continental (affiliates in markets below top 50); **Serge Valle** vp-programming for Katz Independent TV (non-affiliated stations).

Alan Greenspan, Townsend-Greenspan pres. & ex-chmn. of President's Council of Economic Advisers, and **Frank Jones**, MIT prof., nominated to ABC board, succeeding **Ulric Hayes** & former exec. vp **Simon Siegal**; **Paul Friedman** promoted to ABC dir. of news coverage for Europe, Africa & Middle East... **Kaki Holt** promoted to gen. mgr., WFYZ Nashville... **Robert Thompson**, ex-WDHO-TV Toledo, appointed vp-gen. mgr., WUTR Utica... **Jeff Bartlett** advanced to news dir., KGUN-TV Tucson.

Paul Krimseir, ex-WGNO-TV New Orleans, moves to KGMC Oklahoma City as station mgr... **William Carpenter**, who headed own production company, appointed gen. mgr., Lexington Best. Services Sports... **Marty Ikeran**, ex-WDIV Detroit, named mktg. dir., WLWT Cincinnati, new post... **Ron Cunningham**, ex-International Cable Consultants, joins Gill Management Services as national mktg. mgr., micro business systems.

Joseph Cadile, ex-E-COM, moves to parent AM Cable TV Industries as dir.-corporate administration... **Douglas Hosner**, ex-Robert Wold Co., appointed sales dir., Hilton Hotels videoconferencing dept... **William Karnes** promoted to comptroller, Comsat, succeeding **George Skinner**, retired... **Joseph Gwathmey** advanced to senior vp-programming, NPR... **Paul Smolen** promoted to pres.-CEO, Tex. Cable Network, succeeding **Cathy Bonner**, candidate for Tex. state senate who sold her interest in Austin-based programming service... **Kenneth Kaufman** joins Showtime/Movie Channel as senior vp-gen. counsel... **Alfonso Henriquez** appointed vp-national sales, Venezuelan-based Latin American Independent Network... **Robert Russo** promoted to controller, TV Videotape Satellite Communications, div. of Group W Productions.

Lynn Levine promoted at Television Digest Inc.

to dir., Factbook Research... **Martin Rubin**, ex-RCA Service Co., appointed vp-subscriber services, Satellite TV Corp.; **Alfred Norcott** promoted to STC mgr.-broadcast technical operations. Named to board of Cabletelevision Ad Bureau: **John Grubbs**, Storer; **Harlan Rosenzweig**, Group W; **John Charlton**, Warner Amex... FCC Chmn. **Mark Fowler** keynotes first Professional Land Mobile Communications Showcase Aug. 14-16 in Las Vegas, sponsored by EIA.

Kristin McEvoy promoted to ABC asst. gen. attorney-network governmental regulation, succeeding **David Sternlicht**, who moves to general legal dept. as asst. gen. attorney... **Lynne Williams**, ex-Fox/Lorber Assoc., returns to CBS as managing editor, Extravision teletext service... **Tony Clark**, ex-news dir., KWTU Oklahoma City, appointed Dallas bureau chief, Cable News Network... **D.K. Hart**, KOKH-TV Oklahoma City chief engineer, named vp... **Peggy Braveman** promoted to mgr.-community relations, KYW-TV Philadelphia.

George Miles, ex-WBZ-TV Boston & NPR dir., named WNET N.Y. COO-exec. vp... **Gray Collins**, pres. of National Exchange Carrier Assn. and vp-access tariffs, Bell Communications Research, speaks at April 19 lunch of FCBA, Washington Touchdown Club; 202-463-5238 for reservations... **Ricardo Diaz**, ex-Booz, Allen & Hamilton, appointed vp-mfg. programs, Harris Corp... **Frederick von Stade**, Taft senior vp for TV, retires after 31 years with company... **Neil Call** resigns as exec. vp and a dir., Gulf & Western Industries, will remain consultant to G&W.

Charles Perry, ex-Westinghouse Bestg. & Cable, named senior engineer, Moffet, Larson & Johnson... **James Faust** advanced to pres., Zenith Radio cable products division... **Charles Hewitt**, ex-National Space Institute, appointed Satellite TV Industry Assn. exec. vp, new post... **Robert Russo** promoted to TV Videotape Satellite Communications controller... **Lee Lindbloom** advanced to SatServ mktg. & program production specialist... **Billy Oxley**, NPR senior vp-distribution, resigns.

Dennis Burnett, ex-Comsat, starts Washington law office... **Joseph Rocci**, ex-General Instrument, appointed product development mgr., E-COM Products Div., AM Cable TV Industries; **Stephen Crook**, ex-GI, named senior project engineer.

Rogers Cablesystems lost \$12 million in 6 months ended Feb. 29, compared with restated loss of \$7 million in same period in prior year (-61¢ vs. -40¢ per share), it reported April 13. Revenues rose to \$162.4 million from \$127 million last year. Operating income was \$47.9 million in 6 months. Rogers said it now has 1,950,000 subscribers, including 504,000 in U.S.

Legal ads on TV jumped 62% in 1983 -- to \$17.8 million -- according to TvB. Hyatt Legal Services, Kansas City, led list, spending \$3.1 million, up from \$2.28 million in 1982.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended March 30 (13th week of 1984):

	MARCH 24-30	1983 WEEK	% CHANGE	MARCH 17-23	1st QTR. 1984	1st QTR. 1983	% CHANGE
TOTAL TV.....	589,591	429,909	+37.1	398,835	5,050,265	4,385,196	+15.2
TOTAL COLOR...	477,416*	286,666	+66.5	317,626*	3,876,895*	3,074,459	+26.1
DIRECT-VIEW.	473,840*	284,471	+66.6	314,745*	3,838,359*	3,042,478	+26.2
PROJECTION..	3,576*	2,195	+62.9	2,881*	38,536*	31,981	+20.5
MONOCHROME....	112,175	143,243	-21.7	81,209	1,173,370	1,310,737	-10.5
TV EXCL. PROJEC.	586,015	427,714	+37.0	396,954	5,011,729	4,353,215	+15.1
HOME VCR.....	154,366**	69,573	+121.9	100,927*	1,392,291*	729,565	+90.8
COLOR CAMERAS...	8,570*	8,000	+7.1	7,353*	98,209*	74,418	+32.0

Color TV (direct-view) 5-week moving average: 1984--310,724*; 1983--247,605 (up 25.5%).

Home VCR 5-week moving average: 1984--113,677*; 1983--53,300 (up 113.3%).

* Record for period. **Highest week in history.

MARCH VCR SALES AT 8 MILLION YEARLY RATE: Video products finished 3rd quarter by accelerating their record sales pace in March, color TV at annualized rate of more than 16.6 million and VCR at astonishing 8,085,000. VCR sales for quarter were capped by all-time record week in which dealers bought 154,366.

VCR sales in first quarter totaled 1,392,291 units, more than full year of 1981. March, with sales of 568,387 (up 113.3% from same 1983 month), was 2nd only to Dec. 1983 in unit sales. Annualized sales rate in March was more than million over that of Feb., and first quarter rate was 7,485,000.

Color TV also had 2nd best month in history in March -- 1,553,618 non-projection sets, surpassed only by last Sept., and sales in bang-up final week (473,840) also were 2nd highest ever. Seasonally adjusted annual sales rate for March was 16,634,000, compared with 16,291,000 in Feb. and 16,373,000 in Jan. For first quarter, color sets sold at annualized rate of 16,452,000. Of year's first 13 weeks, 12 set specific-week records. March was 14th consecutive record month for color TV.

Projection TV and color cameras also set records for March and first quarter. With color TV becoming more all-encompassing (and cheaper), b&w sales trailed 1983 by 18.8% in March and 10.5% in first quarter. Here are EIA data on sales to dealers of video products for March, with 1983 & 1982 comparisons:

Product	March 1984	March 1983	% change	March 1982
Total TV.....	2,011,447*	1,793,800	+12.1	1,523,356
Total color...	1,567,587*	1,249,514	+25.5	1,017,139
Direct-view.	1,553,618*	1,238,027	+25.5	1,010,906
Projection..	13,969*	10,896	+28.2	6,233
Monochrome....	443,860	544,877	-18.8	506,217
TV excl. projec.	1,997,478*	1,782,904	+12.0	1,517,123
Home VCR.....	568,387*	266,501	+113.3	141,154
Color cameras...	37,445*	26,497	+41.3	22,188

*Record for any March

TOSHIBA PLANS DIGITAL TV THIS YEAR: Living up to its new image of technological leader and aggressive marketer (TVD Jan 30 p11), Toshiba last week announced it planned to market digital color TV receiver this fall, along with 4 multichannel stereo TV sets at \$20-\$50 premium over predecessors and line of sets with new FST tubes now reaching down through mid-line price ranges.

Among other firsts outlined at sales meeting last week in W. Palm Beach: (1) 26" FST will go on sale this year in Japan, next year in U.S. (2) High-resolution 100" commercial projection set, using 2 computers to derive 1,050-line picture from standard 525-line signal, will be introduced this year at \$125,000.

Toshiba's digital TV will be assembled in Tenn. plant, use ITT chips plus Toshiba-developed storage system. It will be loaded with special digital features -- freeze-frame, picture in picture, ghost canceller, multistandard international reception capability. Set will have 20" FST tube, sell for more than \$1,000. However, Toshiba left itself escape hatch -- possibility that ITT will modify circuit could push set into 1985.

Toshiba promises 4 multichannel TV sets capable of receiving stereo and separate audio program (SAP) in July & Aug. in 14", 20" & 25" sizes at \$800-\$1,200. Company didn't show stereo TVs or digital set at product introductions.

Company has increased number of sets with FST tubes from 4 to 9, now beginning at \$420 for 14" (vs. \$780 last year) and \$520 for 20" (vs. \$800), only \$10-\$20 over last year's comparable 13" & 19" sets. Line has no mechanically tuned sets -- they've all been replaced by electronically tuned models at no advance in prices. High-end 20" monitor-receiver with RGB input has computer monitor-grade tube with resolution of about 400 lines. Toshiba also introduced 4 new VCRs, including its lowest priced Beta Hi-Fi at \$850. Details elsewhere in this issue.

8MM LAG--PHILIPS TO '85, TAPE PROBLEMS: Dutch Philips, first to show 8mm Video camcorder (TVD Oct 10 p12), has postponed introduction to next year, and there are mounting indications that problems with tape could get other planned 8mm debuts off to late start or sharply limit quantities this year.

Delay "will allow us time for increased development of heads & tape, and a better system than the one we showed at Videom" in Cannes last Oct., N.V. Philips spokesman told us by phone from Eindhoven. Philips gave a 2nd reason: "We don't want to be on the market alone -- we'd prefer to have company" in 8mm sales... "8mm is not priority No. 1 with us."

Problems in quality of metal particle and metal evaporated tape have repeatedly been reported from Japan. "We received a bunch of samples," one U.S. source told us, "and they were unsatisfactory -- full of dropouts." At recent technical conference in London, engineers from Matsushita & Sony agreed that troubles persist in tape and head-to-tape interface, leading attendees to conclude -- as one put it -- "Kodak can't possibly sell in any numbers this year; it's simply relying on materials which won't be ready." Matsushita official in U.S., however, said he knew of nothing that could cause delay. Matsushita will make camcorders for Kodak, TDK supplying tape.

Tape manufacturers say production will be extremely slow at first and that even if there are no quality problems, supply won't be sufficient to support large-scale launch. Said one: "It will be Aug. or Sept. before there's any quantity of tape." Fumio Ohta, Toshiba Audio-Video Group vp, in U.S. for company's sales meeting, acknowledged head & tape problems -- "that's why we are taking a very cautious approach." TDK in U.S. says it has no indication that it will offer own-brand 8mm tape this year.

WNOL-TV (Ch. 38) New Orleans has gone on air, raising operating U.S. TV stations to 1,154. Harold Protter is managing gen. partner, Gail Brekke vp-gen. mgr., Steve Friedheim vp-sales dir., Gayle Garrett national sales mgr.

Prime Cable, Atlanta, will buy \$20 million worth of Scientific-Atlanta Model 8500 addressable terminals, mainly for upgrade of former Cable Atlanta system and others in suburbs Prime bought last year.

sounds less positive than statement of official who in Jan. predicted camcorder shipments "in the tens of thousands as we roll out in July" (TVD Jan 9 p12). Camcorder wasn't prominently featured in Kodak exhibit at recent Photo Marketers Assn. meeting in Las Vegas -- not too surprising, since film products constitute Kodak's principal business -- and some dealers said they were told not to expect shipments till Sept. Kodak said its consumer advertising will begin in Sept.

Kodak hasn't yet submitted sample camcorder to FCC for approval as video interface device. FCC Labs says, however, it has received 2 other 8mm VCRs for checking (official couldn't recall brands, but one could be from RCA). FCC has 3-4 week backlog of video interface devices, which must have lab approval before they can be marketed. Except for heads, no difficulties have been reported in manufacture of hardware, which could start any time.

Meanwhile, Sony distributor open houses this week will announce \$150 reduction in dealer cost of BetaMovie camcorder, but suggested list will be unchanged at \$1,595. Sanyo's identical BetaMovie, which is made by Sony and carries \$1,695 list, is advertised by discounters at less than \$1,100, and new Sony price presumably will let its dealers come close to matching this. It's understood Sony plans to double BetaMovie production.

Sony's reduction obviously is in anticipation of June arrival of VHS-C VideoMovie system, which in JVC version will list at \$1,600 and will be open-listed by Zenith. JVC currently is only company making VideoMovie. Other members of VHS group don't like idea of 20-min. VHS-C cassette, aren't joining in, but are believed to be working on camcorder using full-size VHS cassette as hedge against possibility of snags developing in 8mm.

With Philips now planning to produce VHS recorders in Austria & Germany, North American Philips has new choice. Spokesman in Eindhoven told us that "NAP can choose its own course -- continue to import from Japan, import from our plants in Europe or buy parts from us and manufacture itself." NAP official told us: "We have absolutely no plans to manufacture VCRs, nor have we been approached by anyone on the subject."

Although Toshiba will produce VHS recorders in U.K., company has absolutely no plans to offer them in U.S., Toshiba America Senior Vp Paul Michie reiterated at sales meeting last week. He said Beta market has stabilized here, crediting aggressiveness of competitor Sanyo for what he called Beta's increase in market share last year and probably this year. Toshiba's Beta sales here were up 113% last year, more than doubled 1983's figure in first quarter this year, he said. "We are a Beta company."

VIDEO IMPORT SURGE CONTINUED IN FEB.: TV and other video equipment imports soared to new records for month in Feb., but following traditional seasonal pattern, totals were down somewhat from Jan., according to Commerce figures.

VCR importers broke through million mark on cumulative basis in Feb., level not reached last year until May. Month's imports of 443,900 were up 97.7% from Feb. 1983, putting 2-month total at 1.01 million, up 151.3%. That's about 7% more than were imported in first 4 months last year. Incoming shipments were strong as well for other video products. TV cameras rose 28.5% in Feb. to 39,300, paced by 28.9% rise for color to 32,900, while b&w was up 26.8% to 6,400. For Jan.-Feb., color was up 63% to 85,800, b&w increased 7.1% to 15,200, for combined total of 101,000, up 51.1%. Videodisc players jumped sixfold in Feb. to 10,100, 849.9% for 2 months to 24,000. Feb. projection TV imports rose 43.7% to 3,000, for 2-month total of 11,800, up 89.6%.

Total TV imports climbed 43.5% in Feb. to 1.08 million, paced by 57.1% jump for color to 683,200, while b&w rose 24.8% to 396,200. That put 2-month overall total at 2.33 million, up 54.5%, with color up 68% to 1.4 million, b&w up 37.8% to 928,800. Month's big color gain came

in imports of complete sets, up 84.3% to 407,600, with much of increase due to tripling of shipments from Korea. Chassis & kit imports gained 28.9% to 275,600. For 2 months, complete color was up 86.7% to 870,400, incomplete up 43.8% to 523,500.

Tinyvision provided largest share of rise in Feb. b&w set imports, with 78.7% increase to 122,200, as TV-only models doubled to 65,600 and combos rose 66.4% to 56,600. Larger sizes, virtually all 12", rose 10.8% to 273,600. Results for 2 months: 10"-&-under total 294,200, up 91.9%; TV-only 180,500, up 120.9%; combos 113,700, up 58.5%; 11"-&-over 633,600, up 22.3%.

THE NEW MODELS: Toshiba added 16 color TV models, 4 Beta VCRs among 78 new consumer products last week at annual sales meeting in W. Palm Beach (see also separate report in this issue).

All new color TV sets have electronic tuning, starting with 13" at \$340 (down \$10 from mechanically tuned model), 6-button remote version \$460 (down about \$10 from open-list predecessor), keypad remote with sleep timer, 117 channels, \$480 (down \$10); new 14" models with FST tube, keypad tuning, 30-month warranty at \$420 & remote version with sleep timer, on-screen time & channel \$570; high-end 14" monitor-receiver with multichannel sound (MTS), RGB input, 133 channels at \$800 (vs. \$780 for similar model last year without stereo or RGB).

Toshiba has 3 new 19" sets, ladder-tuned model at \$450 (\$10 more than mechanical predecessor), 6-button remote at \$530 (replacing open-list model), keypad remote 117-channel with sleep timer \$560 (down about \$15). Expanded 20" line with random-access tuning, 117 channels, 30-month warranty, replacing previous 19" series, starts at \$530 (replacing ladder-tuned \$500 model), step-ups having on-screen time & channel, sleep timers at \$680 & \$700 (down \$10 & \$50); 20" remote monitor receivers with 133 channels start at \$830 (up \$30), MTS version with stereo amplifier \$930 (up \$30 from non-MTS version), model with RGB computer input \$1,000 (up \$50). Sole 25" console with MTS, 4 speakers is \$1,200 (up \$20 from non-MTS version).

New leader VCR is \$450, with wireless remote version \$520, 2-headed Beta Hi-Fi with 15-function remote \$850, 4-head version with 20-function remote \$1,000.

Magnavox introduced its first two 1985 models -- 19" mechanically tuned leader at new low of \$349 and 125-channel keypad remote model at \$469.

* * * *

"FST" initials, originated by Toshiba to describe new tube series, have gone through metamorphosis from declarative to comparative to superlative. They originally stood for "flat square tube," which was changed to "flatter squarer tube," but now Toshiba uses "flattest squarest tube." RCA also uses same initials for tube that isn't least bit flat -- but its FST stands for "full square tube." RCA's upcoming flat, flatter or flattest tube will be called SP (for "square planar").

QUARTER AT-A-GLANCE: Here's summary of EIA monthly video sales-to-dealer figures for first quarter 1984, with 1983 comparisons:

TELEVISION SALES TO DEALERS
Direct-View

Month	Total		Color		Monochrome	
	1984	1983	1984	1983	1984	1983
January	1,512,066*	1,217,771	1,116,649*	870,304	395,417	347,467
February	1,502,185*	1,352,540	1,168,092*	934,147	334,093	418,393
March (5 wks.)	1,997,478*	1,782,904	1,553,618*	1,238,027	443,860	544,877
TOTAL	5,011,728*	4,353,215	3,838,359*	3,042,478	1,173,370	1,310,737

PROJECTION TV SALES TO DEALERS

Month	1984	1983	Month	1984	1983
January	12,275*	11,127	March (5 weeks)	13,969*	10,896
February	12,292*	9,958	TOTAL	38,536*	31,981

HOME VCR AND COLOR VIDEO CAMERA SALES TO DEALERS

Month	Home VCRs		Color Cameras	
	1984	1983	1984	1983
January	388,318*	216,267	28,812*	24,518
February	435,586*	246,797	31,952*	23,403
March (5 weeks) ..	568,387*	266,501	37,445*	26,497
TOTAL	1,392,291*	729,565	98,209*	74,418

*Record

Atari is consolidating videogame & computer software production in El Paso, where it produces consoles and cartridges for its step-up 5200 game. Company said it's closing plant in Puerto Rico, at cost of 300 jobs, discontinuing software output at plants in Hong Kong & Taiwan. Last year, Atari discontinued game cartridge production in Santa Clara, moving it to Puerto Rico & Far East. Also moved to Far East then was all computer and 2600 game console production. Transfers eliminated some 1,700 jobs in Santa Clara (TVD Feb 28/83 p12), and prompted Puerto Rican industrial development agency to run ads in financial press spotlighting island's attractiveness to Atari. As part of continuing consolidation program, Atari said El Paso also will start producing arcade coin-op videogames in Sept., which will result in loss of about 250 of current 750 jobs at coin-op plant in Milpitas, Cal.

Ad notes: Hitachi Denshi appoints Milton Samuels Adv. for visual products and test & measuring equipment, replacing Greenstone & Rabasca... Mura names HWH Enterprises for PR... Audiovox appoints Greenstone & Rabasca... Random House chooses Martin, Sturtevant, Silverman & Marshall for Electronic Publishing Div... Source Telecomputing account assigned by Reader's Digest to Needham, Harper & Steers, replacing Paul Sandhaus Assoc.

GE, NAP PROFITS UP: GE said Consumer Products Sector earnings about doubled in opening 1984 quarter, helping company show overall 14% gain in net for period (see financial table). Video Products Div. had improved results on "significantly higher sales, especially of VCRs," while audio had higher sales & earnings, GE said.

North American Philips' consumer electronics, electrical consumer products and components segments achieved "especially strong sales & earnings performances," company said in reporting 76% rise in net income on 21% sales gain for quarter. Consumer electronics benefited from "strong demand for video products," aided by high volume, cost reduction and operating efficiencies, as well as exit from videogame business in 1983. Professional equipment results were affected adversely by softness of cable TV industry and high costs associated with new cable product.

Sony expects net to jump 68% this year to \$220 million on 20% sales boost to about \$4.8 billion, Chmn. Akio Morita told analysts at meeting in London last week. He indicated company expects to sell about 2.8 million Beta VCRs in fiscal 1984, up from 2.2 million last year.

Owens-Ill. earnings tripled in opening quarter, though sales were up only 1.2%. Company attributed jump in net to cost reduction program, said it had improved results from TV Products Div.

Milton Bradley expects to report improved earnings from continuing operations for first quarter. Last year company had \$255,000 profit from basic toy business, but reported net loss of \$1.9 million because of \$2.2 million deficit at discontinued subsidiary General Consumer Electronics, which marketed Vectrex videogame console.

Corning holders approved increase in number of authorized preferred shares to 10 million from 500,000, move that could make any unfriendly takeover attempt more difficult. They also cleared boost to 60 million from 25 million in number of authorized common shares.

International Conference on Consumer Electronics (ICCE) June 3-6 at Westin Hotel near Chicago's O'Hare Airport will feature 110 papers in sessions on signal processing, home computers, audio, video recording, home management systems, HDTV, digital TV, videotex, teletext, DBS, component technology, multichannel sound, cable TV, personal communications, electronic imaging. Keynote speakers at awards luncheon celebrating sponsor IEEE's 100th anniversary will be retired IEEE Exec. Vp Donald Fink and Television Digest Editorial Dir. David Lachenbruch.

AM stereo receiver designed for Motorola system will be offered this spring by Marantz. Full-function digital-tuned unit with wireless remote will have 100 watts per channel, sell in \$500-\$600 area.

WARNER-POLYGRAM FROZEN: Federal Appeals Court in L.A. last week granted temporary injunction against merger of U.S. record businesses of Warner and Polygram pending FTC appeal next month. FTC had appealed district court's turndown of its request for injunction earlier last week. At week's end, Warner was arguing in Appeals Court seeking to vacate injunction.

As announced last year, Warner & Polygram plan to combine worldwide record interests. Britain & France have already approved European venture that partners would share on 50-50 basis. Warner would retain 80% interest in U.S. operation. Polygram, owned 80% by N.V. Philips and 20% by Siemens, has said that large losses would require it to quit U.S. market if merger doesn't go through.

Warner, with estimated 18% of U.S. record market, is 2nd in size only to CBS with 23%, and would see share jump to 26% with inclusion of Polygram. However, merger wouldn't necessarily be anticompetitive, according to FTC economic staff reports. They noted that competition in industry has increased, and that in-home taping has chewed into record sales. CBS has said that if merger eventually does go through, it too would look for international partner.

* * * *

Record industry may be suffering from effects of home taping, but that could be balanced by soaring sales of recorded cassettes, which last year jumped 30% to 236.8 million units valued at \$1.81 billion, up 31%, to become bigger business than LP records, according to figures from RIAA. Overall, industry unit sales were flat at 578 million, but suggested retail price value edged up 5% to \$3.81 billion. LP unit sales were down 14% to 209.6 million, for 3rd straight year of decline, and value was off 12% to \$1.69 billion. Sales of singles were off 9% in units to 124.7 million, down 5% in value to \$268.9 million. Sales of 8-track tapes fell 57% in units to 6.1 million, were off 42% in value to \$28.2 million.

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RCA will collect royalties of 1.5¢ on every LCD digital watch display made since last Jan. under agreement reached with Hong Kong Watch Mfrs. Assn. Company at first sought 3¢ per display, retroactive to July 1982. Hong Kong shipped some 225 million LCD watches last year, 30 million in first quarter of this year, has 1,000 watchmakers. Because margins on watches are so thin, many smaller makers are expected to disappear or "go underground." RCA is collecting royalties from some other LCD users, and Hong Kong agreement is expected to bolster its efforts to reach more royalty pacts elsewhere for LCDs used in calculators, games, clocks, etc., as well as watches.

Exclusive distribution deal for all Sanyo products in Ill., Ind. & Wis. has been signed by Cibco Inc., whose Pres. Burton Ruder calls it first of kind. Cibco, 18 years old, has hq in Northbrook, Ill., represents 110 consumer electronics lines, employs 140, serving 13 states from distribution centers in Northbrook, Denver & Houston.

WHAT NOW FOR CED? If CED discs are going to survive next few weeks, let alone rest of year, it will be due to efforts of RCA distributors. Software-only distributors just recently have begun carrying large quantities of discs, RCA network accounting for bulk of burden, probably 80-90% of deliveries in some cases.

For that very reason, RCA's involvement is sure to climb to close to 100% soon. Independent distributors are looking to bail out of relatively limited CED commitment as soon as possible; some could begin unloading discs at prices as low as \$5-\$6. Decisions probably will be made this week or next. If it happens, there'll be flood of product on market, worth well over \$1 million at old prices, with more retailers than just Video Shack in N.Y. offering single discs for under \$10.

Dump of that size would make academic any efforts by program suppliers and RCA to price-protect software distributors. Studios are following RCA's lead by accelerating release of \$19.95 titles, and they & RCA will cover any losses on higher-priced discs already in inventory. But money will go begging once distributors decide to abandon format.

Discernible movements at retail, in either discs or players, have been sparse so far. Video Shack appeared to be only N.Y. retailer to cut prices, moved about 1/3 of 25,000-piece inventory in week after announcing its under-\$10 clearance, according to Pres. Arthur Morowitz.

However, video specialty stores are reacting quickly. One program distributor told us dealer purchases are "absolutely nil... It's like they've slammed the door." Word is beginning to percolate upward, already has prompted studios & independents to become very careful about releases. "We're going to do it on a selective basis," said Pres. Jon Peisinger of Vestron, which is thought to have considerable inventory -- problem facing many independents. Studios, with relatively few outside acquisitions, have been able to avoid that dilemma, although breadth of product line has forced some like CBS/Fox Video and MGM/UA Home Video into high inventory positions.

Paramount should have received first indication of what CED's future holds late last week when it tabulated distributor orders for next releases, including Uncommon Valor and Plaza Suite. Discs were pulled back from pressing right after RCA withdrawal announcement. Studio claims early count showed only slight dropoff, less than 20%, but largely because RCA affiliates were holding firm.

Disney last week awaited RCA Videodisc response to query about CED prospects for its Limited Gold promotion. Cartoon series is supposed to be on \$19.95 discs, but won't be unless Disney gets no-risk guarantee from RCA. Meanwhile, Disney has put hold on 12 custom-pressed titles it planned to release under own label.

RCA is holding similar discussions with all

majors, trying to keep them in CED, already has eliminated 3,000-unit minimum required to qualify for \$5.50 single-disc manufacturing price. One of biggest topics of conversation -- inventories -- likely won't apply to CBS/Fox & MGM/UA that have their discs pressed at CBS Records' Carrollton, Ga. plant. The 2, because CBS allowed custom-pressing before RCA, have many more discs in stock than competitors -- as many as million units, one source told us.

CED has affected videogame business as well as movies. Advanced Video Pres. Richard Fisher said company has canceled development of CED-computer interface for home market -- only one of its kind -- will shift to Laservision. AV probably will make own LV unit, even though others are available, is altering U.S. Dept. of Education proposal to optical format.

Other project in jeopardy is NFL Football game based on CED system. Fisher said RCA is contractually obligated to provide Bally with more units, but doesn't know whether Bally wants to continue. About 5,000 machines have been installed, are due to get 2 new discs in Aug., later than original replacement schedule. We weren't able to get comment from Bally at presstime. RDI Video Systems still plans to introduce disc-computer game at June CES in Chicago, doesn't see any problems shifting from CED to LV.

* * * *

Whether RCA's move will hurt or help other videodisc formats is unclear, but competitors all say they'll continue. In Japan, JVC said it still plans to introduce VHD system in U.S. after establishing it in home market. Pioneer said RCA's withdrawal will help LaserDisc system, with consumers who planned to buy CED switching to LD. Hitachi, which is supplying CED players to U.K. and U.S., declined to comment.

In Eindhoven, Philips said RCA's decision won't have negative impact on Laservision since CED was "exclusively aimed at the consumer market" while LV is applicable to educational, institutional & professional use and for data storage. "Market development," said Philips, "will show which application will be the most demanded one."

Philips moved toward commercialization of laser data disc last week in new joint venture in which it has 51% ownership; others are Control Data (49%) & Optical Storage International. OSI will have hq and manufacturing plant at Santa Clara, be managed by Control Data. The 12" optical computer discs will be made at Philips' Blackburn, England plant. System was developed in 2 joint Philips-Control Data ventures, in Eindhoven & Colorado Springs. Discs will be capable of storing 10 billion bytes, have life of more than 10 years.

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Byte Shops, first personal computer retail franchisor, is dismantling operation, giving 22 outside franchises option of affiliating with 90-store MicroAge chain.

Consumer Electronics Personals

Robert Branscombe resigns as Samsung (U.S.) sales & mktg. exec. vp, effective April 17, to launch private label consumer electronics marketing firm, World Trade Mktg. He'll continue with Samsung as consultant. Branscombe's duties are assumed on interim basis by Exec. Vp Yan Son... Paul Anderson, ex-RCA Videodisc commercial sales vp, joins RDI Video Systems as mktg. dir.

Tom Sugiyama, ex-Sony Office Products, named Sony America corporate communications mgr., new post... Martin Homlish, former JVC Consumer Video Div. national sales & mktg. mgr., named Mura mktg. vp... Wayne Zuchowski, ex-Sharp Industrial Div. sales promotion mgr., joins Toshiba America as asst. ad mgr.

Barry Borden, Franklin Computer chmn., adds post of pres., replacing Avram Miller, resigned in corporate restructuring; William Sydnies advanced from R&D vp to exec. vp for operations, mfg., engineering & R&D; Michael Strange promoted to mfg. vp, succeeding Varan Erdekian, resigned... James Evans advanced to pres. of computer printer producer Alphacom, succeeding founder Syed Zaidi, resigned in reorganization; Robert Beese, OEM sales & mktg. vp, adds responsibility for retail sales, assuming former duties of William Sobiesky, resigned.

David Fiore, ex-Sony, named ad & promotion mgr., Random House Electronic Publishing Div.; Michael Gutman, ex-Maxell, to national sales mgr.; Diane Hallauer, ex-CBS Software, to managing editor... Jan Dyer joins Embassy Home Entertainment as vp-controller... Michael Wiese, ex-Showtime/Movie Channel, joins Vestron Video as program development vp... John Redding advanced to corporate buyer, Commtron... Robert Grassi promoted at VCA Duplicating S/T Videocassette Div. to sales & mktg. dir., Don Mainardi named key accounts rep; Elizabeth Muir appointed industrial duplicating sales coordinator, new post.

Christopher Hobbs, ex-3M, joins Sony U.K. as Tape Mfg. Group chmn., replacing William Fulton... James Farrell and Ernest Heisser appointed western & eastern regional sales mgrs., respectively, 3M Magnetic Audio/Video Products Div... Michael Wilke named product mgr. for 1" & 2" professional videotape, Ampex's Magnetic Tape Div.

Richard Sphon, Corning mgr. & engineering dir., named vp. Also advanced to vps: Susan King, corporate communications & consumer affairs dir., and Paul Regan, exec. personnel dir... Kenneth Clouther appointed NE region sales mgr., Zenith Components & Systems Group; George Lucas named for east; Malia Bergstrom chosen strategic accts. mgr... Shinji Ohnishi, Hitachi America Semiconductor & IC Sales & Service Div. vp-gen. mgr., adds responsibility for Mktg. Dept., replacing Jack Ordway, resigned... Robert Cutler, Memorex chief scientist, named head of Recording Technology Center, replacing Technology Vp Frank Sordello, on

sabbatical research program... Ricardo Diaz, ex-Booz, Allen & Hamilton, joins Harris as mfg. programs vp.

Jack Walther, ex-Post-Newsweek Stations, joins EIA Consumer Electronics Group as administration & finance dir.; Mike Blevins appointed federal affairs mgr... Audrey Strahl resigns as PR dir., RIAA & RIAA Video... Lora Ballato joins United Business Publications as Visual Communications Congress exhibits & seminar vp.

IBM is following lead of Apple by asking Customs to monitor imports for counterfeit copies of its materials. IBM said most counterfeits are of operating systems, printed instructions and other written materials. Customs, meanwhile, says it now considers as counterfeit any Apple computer copies, including those shipped without ROM operating systems, though applicability in such cases of International Trade Commission's import exclusion order may have to be decided on case-by-case basis. Importers wanting to bring in suspected counterfeits will have to post advance bond equal to 200% of product value to cover possible liability.

Hitachi Consumer Products is new name of former GEC-Hitachi British color manufacturing venture following Hitachi's buyout of local partner (TVD April 2 p14). Hitachi reportedly paid something less than half of venture's \$5.5 million value for GEC's 50% interest. Hitachi said it will move to improve plant's efficiency by installing automated equipment, sharply reducing 1,000-person work force, changing work rules. It said it will double to 10 number of resident Japanese managers & engineers at plant.

Tandy is offering up to \$355 million in tender offer to reacquire 10 million shares, or about 10% of total outstanding. Per-share price of \$35.50 represents premium of about \$4 from going market price when offer was announced. Tandy said it would reserve right to buy up to 15 million shares if tendered, or withdraw offer if it attracted fewer than 6 million shares.

Multichannel TV sound broadcasting won't be authorized before June, according to current schedule. FCC staff is still working on text of final rule, which could be issued next week. Rule won't go into effect until 30 days after publication in Federal Register, not anticipated before end of month.

Obituary

Harold Law, 72, RCA engineer credited with development of shadow mask color picture tube and member of 3-man team that developed TV camera image orthicon tube, died April 6 at Princeton Medical Center. Law joined RCA in 1941, retired from post of dir., Electronic Components Materials & Display Device Lab in 1976. Wife, 3 daughters survive.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Arvin Industries			
1984-13 wk. to April 1	176,415,000	5,663,000	.72
1983-13 wk. to April 3	126,065,000	1,899,000	.23
Cable TV Industries			
1984-year to Jan. 31	29,694,000	501,000	.17
1983-year to Jan. 31	32,258,000	446,000	.15
1984-qtr. to Jan. 31	6,885,000	92,000	.03
1983-qtr. to Jan. 31	6,540,000	169,000	.06
CBS			
1984-qtr. to March 31	1,177,800,000	38,900,000	1.31
1983-qtr. to March 31	1,039,000,000	17,800,000	.60
Conrac			
1984-qtr. to March 31	35,317,000	1,176,000	.19
1983-qtr. to March 31	36,893,000	1,601,000	.31*
Gannett			
1984-13 wk. to March 25	425,204,000	34,837,000	.44
1983-13 wk. to March 27	386,799,000	32,247,000	.40*
GE			
1984-qtr. to March 31	6,580,000,000	485,000,000	1.07
1983-qtr. to March 31	6,100,000,000	425,000,000	.93*
Movielab			
1983-year to Dec. 31	31,540,638	(3,087,886)	--
1983-year to Jan. 1	31,025,991	(1,652,305)	--
North American Philips			
1984-qtr. to March 31	975,696,000	22,954,000	.80
1983-qtr. to March 31	806,650,000	13,016,000	.47*
Owens-Illinois			
1984-qtr. to March 31	842,600,000	18,800,000	.67
1983-qtr. to March 31	832,600,000	5,800,000	.20
Raytheon			
1984-qtr. to April 1	1,578,000,000	79,200,000	.94
1983-qtr. to April 2	1,378,000,000	72,900,000	.86
Scripps-Howard Bcstg.			
1984-qtr. to March 31	25,439,000	2,671,000	.26
1983-qtr. to March 31	21,507,000	3,235,000	.31
TRW			
1984-qtr. to March 31	1,464,300,000	60,000,000	1.61
1983-qtr. to March 31	1,387,400,000	40,600,000	1.09
Westinghouse			
1984-qtr. to March 31	2,269,900,000	116,600,000	1.32
1983-qtr. to March 31	2,285,100,000	100,300,000	1.13

Note: *Adjusted.

Foreign Trade Zones are benefiting imports more than exports, according to General Accounting Office. In presentation to House Ways & Means Committee, GAO said that while purpose of FTZs is to reduce paperwork and other administrative burdens on companies that import items for further finishing or assembly and then re-export them, zones are being used increasingly by companies that ship finished products into U.S. market instead. Though case-by-case restrictions imposed by Foreign Trade Zones Board limits opportunity to use FTZs for duty evasion, manufacturers do save by being able to stockpile imports duty-free, paying only when products actually are shipped. GAO said it was uncertain whether any actual net increase in U.S. jobs could be traced to FTZ program.

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FMA REVIVED: House Copyright Subcommittee is breathing new life into Fair Marketing Amendment of first-sale doctrine to give program owners participation in video & audio recording rentals. FMA legislation, which appeared stalled in Congress, will be incorporated into omnibus copyright bill being drafted by Subcommittee Chmn. Kastenmeier (D-Wis.).

Kastenmeier, who revealed plan at 4th & last FMA hearing last week, wouldn't spell out details, did say he expects to move to markup immediately after Easter recess, possibly as soon as April 25. Bill is expected to encompass audio & cable issues, might even include semiconductor copyright. For video, dual rental & sale markets would be required and there would be language to guarantee preservation of rental market.

Announcement surprised video retailers who attended session to hear first program suppliers, Vestron Video & Karl Video, testify against changes in first sale. Kastenmeier said Subcommittee sentiment was strong that first sale should be revised as it applies to film industry. FMA remains stalled in Senate Copyright Subcommittee, which has no plans for markup.

Italy's Zanussi completed setup & spinoff of Seleco, unit it formed to house its losing consumer electronics business. Established as subsidiary was Zanussi Elettrodomestici, which operates profitable home appliance and electronic components firm.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

FULL SPEED DESPITE STRIKE: NAB sanguine about Las Vegas convention as record 4,800 pre-register. Negotiations for strike settlement break down. (P. 1)

McKINNEY LISTS MASS MEDIA AGENDA through Sept., is proud of record in cutting backlog of pending dockets. (P. 2)

GROUPS & NETWORKS DON'T FEAR takeovers if & when FCC relaxes 7-7-7. More leveraged buyouts predicted. (P. 3)

SWIFT & WIRTH LOBBY COLLEAGUES on cable bill in sharply differing letters. Wirth suggests compromise for telco provision. (P. 4)

FCC HOLDS LARGEST LPTV LOTTERY, picking 49 tentative winners; settlements pending in Chicago & Pittsburgh, 3 other cities. (P. 5)

CUSTOMER SATISFACTION STUDY to top NCTA convention. Goldwater, Wheeler & Wirth major speakers. (P. 5)

CHRISTENSEN NEW PBS PRES: NAPTS head takes over for Grossman May 15. (P. 6)

ABC INCOME JUMPS 72% FOR QUARTER, taking analysts by surprise. Multimedia & Lin Bestg. show increases. (P. 8)

DAMN THE STRIKE--NAB FULL SPEED AHEAD: Despite strike of more than 15,000 Las Vegas hotel workers now in 4th week -- and breakdown of all negotiations toward settlement early April 20 -- NAB is putting up brave front, maintaining that if strike still is under way it won't disrupt broadcasters' 5-day convention starting April 28. "We are confident that the convention will not, in any way, be adversely affected by that [strike] situation," NAB Pres. Edward Fritts wrote all members & exhibitors at week end.

"I personally have been in contact on a daily basis with officials of the Hilton Corp. and the Las Vegas Convention Center," Fritts said. "In the event an agreement is not reached, my contacts in Las Vegas have assured me that all normal hotel services are operating... In summary, we expect smooth sailing for our convention... and all systems are go."

Record 4,800 have pre-registered for convention, and to date nobody has canceled,

Consumer Electronics

1/2" SUPER VCR with 400-line resolution, 50 dB s/n, compatible with current models, being developed in Japan by Beta & VHS firms. (P. 10)

PANASONIC & SANYO introduce 5 MTS sets. First bilingual non-stereo TV from Panasonic due in July; 26" square tubes in Nov. (Pp. 11 & 15).

SANYO CHANGING IMAGE to reflect quality, revising product, support, advertising. Adding Ultrix audio brand in first \$1 billion year. (P. 12)

AVERAGE COLOR PRICES FELL \$13.76 at factory level last year, biggest decline since 1968. B&w pricing also down. (P. 12)

TOSHIBA AWOKED IN 1983, racked up 43% across-board sales increase, Exec. Vp Michie tells reps at national sales meeting. (P. 14)

ZENITH SEES TELETXT growing slowly, key being low-cost converters, system compatibility. (P. 14)

COLECO RETURNED TO PROFITABILITY in opening quarter, but Atari losses continued at Warner. TI profits jump. SMC sales up 60%. (P. 16)

FIRST-SALE SURPRISE: House bill includes okay for home taping. 'Devastating,' says MPAA of House vote. (P. 18)

according to NAB Secy.-Treas. Michael Harwood. Members seem to be taking "a wait-and-see attitude," he told us. Some major exhibitors, especially Japanese manufacturers flying in large delegations from Tokyo, have expressed concern to our N.Y. office, particularly after unfounded report that NAB officials had emergency meeting late April 19 on subject of canceling convention. No such meeting was held.

Striking unions represent culinary workers, bartenders, stagehands & musicians. At press time, there had been several instances of violence, 384 arrests, and a cost of \$300,000 to city in police overtime. Hilton Hotels (2 in Las Vegas) are pressing hardest for settlement, with CEO Barron Hilton on hand personally and reportedly "leaning heavily" on association of 32 struck hotels to settle; 20 other Las Vegas hotels aren't members of association and have settled separately with unions.

After 11 straight hours of negotiations with Hilton, unions walked out and Jack Stafford, pres. of bartenders, accused chief Hilton negotiator Kevin Efroymson of "stonewalling" and trying to break unions. Labor negotiators said they wouldn't come back to bargaining table until they could meet with "principals" (owners) of hotels. "We believe Mr. Efroymson has been hired to prolong the strike and in effect try and bust the unions," Stafford said. "I don't think we're ever going to settle this until we meet with the principals."

Major issues in strike include wages, guaranteed tips (to be added to guests' bills) and length of contract (hotels want 5 years, contract that expired April 1 was for 4 years). Negotiations started last Jan.; non-association hotels agreed to 5% yearly wage increases with no significant other concessions. Ironically, NAB had sought strike insurance from Lloyd's of London but was turned down. NAB sent Lloyd's \$21,000 check for premium for insurance to become effective March 17 -- same day unions voted to strike and check was returned (TVD April 9 p4).

Photographers Mktg. Assn., with more than 18,000 delegates, had convention in Las Vegas first week of strike and "had no major problems of any kind," according to Robert Macy, AP bureau chief in Las Vegas. NAB, which used to meet in Chicago 3 out of every 4 years, last had convention there in 1976 and hasn't been back because of labor problems at McCormick Place. During that last Chicago convention, a Teamsters' strike was under way.

McKINNEY PROUD OF MASS MEDIA BUREAU's RECORD: "Out of 161 dockets pending a year ago, we'll be down to 27" by Sept. 30, end of FCC fiscal year, and "we'll be on a 6-month turnaround phase" on new filings, according to Mass Media Bureau Chief James McKinney. Chief of Bureau since last Aug., McKinney obviously was proud of that record when he outlined for us major broadcast & cable matters he plans to put before commissioners for action during FCC's 3rd & 4th quarters (April-Sept.).

Commission departs this year from historical practice of acting on one or more major items to provide grist for NAB conventions; there's very little of substance from Mass Media on agenda for April 26 meeting (last one before convention), but things will pick up after that, McKinney told us. Due out soon will be rulemaking on whether cable systems should be required to carry multichannel sound TV and "I'd hope to bring it home in the 4th quarter." Commissioners had ordered rulemaking when they approved multichannel sound TV last month (TVD April 2 p1). Also due before Commission this quarter:

(1) Inquiry into loud TV commercials that started in 1979. (2) TV deregulation along lines of that already approved by court for radio. Relaxed requirements also will include non-commercial TV & radio. (3) Reconsideration of Bureau's denial of exemption from equal time demands by syndicated Phil Donahue program. (4) "We ought to be granting one or more DBS applications this quarter." He said staff is checking amendments to applications and "if everything is go, we will issue licenses." (5) Rulemaking on carriage of network programs by non-affiliates.

(6) Several allocations matters, including "a new look at how we allocate frequencies." Current rules sometimes "act in fact as a bar against a daytimer upgrading himself." Also, there will be action on best use of high frequency bands obtained in 1979 World Administrative Radio Conference. (7) Broadcasters will be given rebroadcast rights to use non-broadcast signals from such services as citizens band, amateur & land mobile. "Just don't ask us anymore," McKinney expects Commission to say, giving implied approval. (8) Noting controversy over what constitutes "substantially complete" application, FCC is expected to put out inquiry to determine just that. (9) Several other reconsiderations, on such subjects as non-regulation of call letters, SMATV preemptions and dual-city identifications.

For July-Sept. quarter: (1) FM interference to Ch. 6 TV stations and FM blanketing. (2) Several cross-ownership issues, particularly cable-TV, and whether TV networks should be permitted to own cable. (3) New LPTV processing procedures that will get away from cut-off dates. (4) Uses of vertical blanking and single sideband. (5) Assignment of AMs to Mexican & Canadian clear channels expected to be cleared under new treaties. (6) Rulemaking proposing to drop requirement that TV network affiliation contracts be filed with FCC. McKinney wondered whether anybody -- except networks checking out competition -- ever uses them. (7) Reconsideration of 3-year trafficking rule. FCC formerly required new owner to retain station 3 years before it could be sold, dropped rule last year. (8) "It's time we took a hard look" at several technical rules, such as proof of performance, to determine if they're still needed. (9) New look at requirement that cable systems keep public files -- "I've been surprised that that's still on the books."

McKinney said "there'll be a few surprises along the way... but you'll recognize them when they come up." Two major matters not mentioned by McKinney are VHF drop-ins and 7-7-7 ownership restriction -- but neither currently is in his Bureau. Office of Plans & Policy is conducting study on drop-ins to determine whether viewers would lose network service in given markets, and controversial issue isn't expected to be before commissioners for several months. Gen. Counsel's Office now has jurisdiction over 7-7-7, and there's "early summer" target date for presentation to Commission.

TV GROUPS & NETWORKS DON'T FEAR TAKEOVERS: Dozen TV groups owners and 3 TV networks tell us they have no fears of successful takeover attempts if & when FCC relaxes its 7-7-7 ownership restrictions. And, in anticipation of that day, major groups such as Metromedia and Harte-Hanks (through leveraged buyouts) and RKO General and Time Inc. (through restructuring) already have taken steps to forestall takeovers. On other hand, just about every group we've contacted will be in market for more stations once limits are expanded.

FCC now has relaxation of rules "targeted for early summer [but] there could be a little slippage," FCC official told us. In any case, order is expected to be out before annual Aug. recess -- if Chmn. Fowler can get votes, and it's believed he can with a little give & take. Quello is expected to favor relaxation, Rivera will be opposed, while Dawson & Patrick haven't been counted yet. Fowler told us he expects Dawson to be key player in behind scenes FCC negotiations. Item is being drafted in gen. counsel's office, although there still is no consensus among commissioners on just how far agency should go. There's much speculation that all ownership bars will be removed on radio stations, while groups & networks likely will be treated differently on TV stations. Speculation is that a TV maximum will be retained -- based either on number of stations or percentage of U.S. homes covered by single owner.

Analysts agree they don't expect broadcast companies to be major takeover targets for 2 reasons: (1) No unfriendly takeover of FCC-regulated company has ever been successful. (2) In unfriendly takeover, money would be tied up for "months or years" because of required FCC approval in transfer of licenses. "I don't know who it would be that would have that kind of money," said official of one group.

Speculation on takeovers was fueled by Wall St. Journal "Heard on the Street" column

predicting there will be many takeover attempts after 7-7-7 is relaxed. Article mentioned several companies allegedly potential targets, saying ABC is "particularly vulnerable," also named several potential acquirers. CBS Financial Vp Gary Blowers said column is all wrong, particularly as it relates to ABC, said networks were much more susceptible to takeovers in mid-1982 "before bull market took off." (ABC official didn't return repeated phone calls.) Official of large group said that Journal "took a number of shots in the dark," that piece wasn't analytical and that it named several companies as possible targets where there's no chance for takeover. On leveraged buyouts, he said: "The first one that stumbles, everyone else will back off."

Note: Wall St. Journal itself took steps last week to withstand takeover attempts. Parent Dow Jones stockholders at annual meeting approved creation of new Class B common stock, move board said would protect company's independence by helping keep control within Bancroft family, which now owns about 56%.

VIDEOTEX -- GRADUALISM: More than 1,300 executives who gathered in Chicago last week for Videotex '84 expressed confidence in their field, even if Wall St. doesn't. Annual session heard security analysts say, in effect, "see us in 5-10 years when & if you've made it."

Security analyst Patrick O'Donnell, vp of Donaldson, Lufkin & Jenrette, said videotex has "tremendous potential" but first it must be proved viable service for businesses. Consumer videotex carries many more concerns because most Americans aren't "culturally ready to interact" with text appearing on their home TV screens, he said. Susan Skinner, vp with same firm, estimated publisher-dominated field has invested about \$200 million, with another \$100 million from vendors.

Conference provided showcase for partnership of Centel, Honeywell, Keycom Electronic Publishing and Rupert Murdoch's News America Publishing to present consumer videotex service. James Dolan, named Keycom exec. vp-publisher April 12, predicted partnership will change, with Murdoch probably pulling out because with 16% share he lacks control. Service goes public in summer, requires customers in 6-county Chicago area to buy terminal made by Honeywell subsidiary Synertek for \$700-\$750 in addition to paying \$9.95-\$24.95 monthly, depending on hours used.

Telco-carried videotex won't be best way to operate in future, said Richard Neustadt, senior vp, Private Satellite Network. He said time-sensitive telco measured unit soon will dominate and will climb to 5¢ per min. In south Fla., that would hike telephone costs alone to \$60 per month for average subscriber to Knight-Ridder's Viewtron system. "I'm certainly not saying the online systems are dead... but be a little careful about how you get it to the customer," he said.

"The Challenge of Creativity" is theme of May 30-June 1 AWRT convention, Palmer House Hotel, Chicago. Among speakers: FCC Comr. Dawson, CBS News Pres. Edward Joyce, PBS correspondent Judy Woodruff, Barbara Proctor, pres. of Proctor & Gardner Adv.

SWIFT & WIRTH SPAR ON CABLE BILL: In prelude to markup, 2 key House members have begun lobbying colleagues on cable bill (HR-4103). House Telecom Subcommittee Chmn. Wirth (D-Colo.) and panel member Rep. Swift (D-Wash.) disagreed sharply in letters to parent Energy & Commerce Committee members, airing differences over provision allowing unregulated cable into regulated telephone business.

As reported (TVD April 9 p6), Wirth has disputed objections raised by telephone industry, said cable poses little threat to telcos because high switching costs are likely to discourage cable operators from entering data transmission. He leveled blast at phone companies, said real reason they want cable to stay out of data is that "they don't want to worry about a competitor that may offer better or more innovative services."

Swift is unhappy with way Wirth has cast debate. In own letter to colleagues, Swift warned of significant phone rate hikes if unregulated cable is allowed into telephone business. Swift said cable bill is wrong place to make "significant change" in phone industry regulation and expressed doubts that cable industry would limit kinds of telephone services provided if cable enters phone business.

Resolution urging TV networks to withhold election projections voluntarily until all polls close was approved by House Administration Committee (H. Con. Res. 227). It now goes to House floor. There's no Senate companion measure. In accompanying Committee report (No. 98-671), House lawmakers said they want networks to take initiative: "The Committee truly is looking to the networks to resolve this problem [and] is not attempting to prejudge precisely what guidelines the networks should adhere to." Still pending is H. Res. 395, which urges ban on projections for presidential elections.

"No comment" was response of Satellite TV Corp. unit of Comsat last week to report in Variety that it's close to deal with Paramount unit of Gulf & Western to participate in DBS. STC official said it's company policy never to discuss partnership arrangements.

LARGEST LPTV LOTTERY HELD: FCC picked 49 tentative winners of LPTV licenses for mostly western markets April 19. It also bypassed 5 other markets, including Chicago & Pittsburgh, because mutually exclusive applicants there were working out settlements. Neighborhood TV, which has been in more than 25 draws, won only its 2nd lottery, but a big one -- Detroit, where it beat out Microband, United Auto Workers, 12 others.

Settlement in Chicago is major development in LPTV because of market size, fact city isn't cabled and because grant is for Ch. 13 (no other large city in LPTV proceeding is for VHF). Deal being arranged, we were told, is for 4 of 9 bidders to consolidate applications, each taking equity positions in surviving applicant. The 4 are American Translator Development, Local Service TV, Chris-Craft and National Communications Affiliates. Among others, Howard LPTV will have financial investment but no equity, while Iroquois County Bestg. and National Black Media Coalition accepted payments to withdraw bids. Remaining 2, Identity Institute and Frederic Poneman, dropped out for payment plus some programming time. Charles Woods, who owns all or part of 3 TVs, is figure in Local Service TV.

Also withdrawn from lottery were groups of mutually exclusive bidders for Pittsburgh, San Antonio, Cape May, N.J., & Sioux Falls, S.D. In Pittsburgh, 2 of 3 bidders will withdraw for payment, leaving Moore-Smith Translators apparent winner. In San Antonio, 7 bidders are expected to consolidate into 2 or 3 groups that will go into subsequent lottery. In Cape May, Clearvision Communications will withdraw for payment, leaving Carter Bestg. as apparent winner. It was unclear what will happen with Sioux Falls bidders.

It was FCC's 6th lottery, largest to date, raised to 156 the number of winners chosen by luck of draw. In this as in previous lotteries, winners can be contested by petitions to deny within 15 days.

Phoenix-based Neighborhood TV is contesting FCC's LPTV rules & procedures in U.S. Appeals Court, D.C. Neighborhood, which has filed 141 applications but previously had won only in Huntington, W.Va., is applying as translator operation. Neighborhood is contesting LPTV rules on grounds that they unfairly discriminate against translators and that Commission began proceeding to award licenses before final LPTV order was approved. Neighborhood's appeal has been consolidated with that of L.A. County Sheriff's Dept.; oral argument is scheduled for April 27, 9:30 a.m.

Neighborhood principal Marshall Carpenter is well known in cable community, was executive with Canadian MSO Premier. Allstate Insurance has minority position in Neighborhood with buyout option.

Capital Cities Communications is purchasing its 7th TV station (and first independent) -- WFTS Tampa (Ch. 28) from Family TV Corp. for about \$30 million. Station went on air in Dec. 1981.

NCTA & CUSTOMER SATISFACTION: Tips on keeping cable subscribers satisfied, contained in major International Communications Research study funded by consortium of largest MSOs, will highlight NCTA convention in Las Vegas June 3-6. ICR study, previewed for industry leaders during NCTA executive retreat in Fla. recently, suggests techniques for landing new subscribers plus ways of reducing churn. It will be focus of 4-day convention, theme of which is "Cable: The Consumers' Choice."

Study will be presented during Tues. general session by Prof. Christopher Lovelock of Harvard Business School. He will open session by describing typical customer service problems, setting stage for video presentation of survey results. Then American Express executives will discuss why customer service is key to success.

Luncheon address by Sen. Goldwater (R-Ariz.), chmn. of Senate Communications Subcommittee, probably live by satellite for 2nd year in row, will precede presentation of study. Afternoon mostly will be taken up with panels exploring aspects of study. ICR study is seen as follow-up to related report at last year's convention identifying population segments and how to market cable to them.

House Telecom Subcommittee Chmn. Wirth (D-Colo.) will be speaker at Mon. luncheon, followed by panels on congressional issues such as copyright, deregulation, First Amendment and cable/telco relationship. NCTA said 37 congressmen (6 senators, 31 representatives) will attend and participate in various panels.

Outgoing NCTA Pres. Thomas Wheeler will be honored during convention, but officials are mum on details. He will give major speech Mon., is expected to review his 8 years at Assn. On Mon. dais with him will be Convention Chmn. Gustave Hauser for welcoming address and Monroe Rifkin, outgoing NCTA chmn., who will give status report. Wheeler also will introduce study by Opinion Research Corp. that NCTA said will show cable emerging as consumers' video choice.

Last day is reserved for programmers, with several panels scheduled on selecting channels, impact of VCRs and videotex/teletext. Closing session will pit group of programming "business strategists," as NCTA describes them, against several reporters in "Meet the Press" fashion.

More than 15,000 are expected at Las Vegas Convention Center. More than 200,000 sq. ft. of exhibits will be on display for total of 27 hours. Exhibit hall will open for sneak preview 4-7 p.m. Sun.

House Telecom Subcommittee will hold NTIA oversight hearing April 24, 9:30 a.m., room to be announced. Chmn. Wirth (D-Colo.) has introduced NTIA reauthorization (HR-5497) that would set FY '85 budget at \$16 million. Bill includes \$2 million across-board increase over \$14 million NTIA requested. Current NTIA budget is \$12 million.

NEW PBS PRES. CHOSEN: Bruce Christensen, National Assn. of Public TV Stations pres., has been named PBS pres. to succeed Lawrence Grossman, who's becoming NBC News pres. Action came during April 18 PBS board meeting in Chicago. Christensen, 41, takes PBS reins May 15. Selection was greeted favorably throughout system, allaying fears that search committee was looking outside PTV.

One outsider, David Gergen, ex-Reagan White House, was in final 3, according to sources. Third finalist was Southern Educational Communication Assn. Pres. Virginia Fox. Christensen & Gergen were top choices of Grossman. But Christensen was only candidate recommended to PBS board and was approved unanimously. Post carries maximum salary of \$82,900, but Christensen's pay hadn't been finalized at press time. Others interviewed were Joan Shigekawa, independent producer in N.Y., and Ward Chamberlin, WETA-TV Washington pres.-gen. mgr., who withdrew April 10.

"I think this is a good move for PBS," said Frederick Breitenfeld, WHYI-TV Philadelphia pres. and supporter of advancement from within public broadcasting. Breitenfeld, NAPTS dir., said Christensen is consensus builder, is statesmanlike. "I am very optimistic," he said. "What we needed in these times is someone already in 3rd gear and Bruce is damn near in overdrive." His concern is gap that must be filled at NAPTS, he said.

PBS board also gave vote of confidence in Chmn. Dallin Oaks, who recently was elevated to a top post in Mormon Church. He had asked board to consider whether he should continue as chmn., given his increased responsibilities with church. Board gave "unanimous and vigorous" support, spokesman said.

Losing Christensen, who has had high visibility in leading public broadcasting's so far successful search for federal funds this spring, has left big gap at NAPTS. Day after PBS announcement, Fox said scramble would soon start for positioning in race to replace Christensen. She won't allow her name to be considered, she said.

NAPTS Vp Peter Fannon immediately was considered frontrunner, and NAPTS Chmn. David Ives said search committee would be formed promptly. Said Ives about Christensen: "He has done a superb job at NAPTS and we know he will make an excellent leader at PBS. He is the right man for that job."

Since NAPTS doesn't receive federal money, salary for pres. isn't capped at Cabinet member level such as at CPB, NPR, PBS. Christensen leaves at salary of \$82,500. Early sentiment is for NAPTS to hire from within public broadcasting, with supporters noting luck NAPTS had with Christensen. He has been NAPTS pres. since 1982.

Christensen was named to 3-year term on PBS board in 1979, same year he moved to U. of Utah, Salt Lake City, where he was adjunct prof., ran school's educational KUED & KUER-FM. In 1972, he

joined Brigham Young U. as head of its Dept. of Best. Facilities at KBYU-TV Provo. Christensen began his career as reporter with KSL(AM) Salt Lake City, later was sports writer for WGN-TV-AM Chicago.

LEARNING CHANNEL TO EXPAND: Aiming to become full-fledged player in cable programming game, education-oriented The Learning Channel (TLC) has adopted 5-year expansion plan that will take it to 24-hour service and see its budget more than quadruple. First step in ambitious plan is to renegotiate transponder deal on Satcom 3R to allow 24-hour service by Jan. 1, 1985, Chmn. Terry Sanford said. Channel now is on 10 hours daily (6 a.m.-4 p.m. ET), shares TR-16 with Home Theatre Network.

"This is the beginning of a new period we've been working toward" since TLC was spun off from Appalachian Community Service Network in 1980, said Sanford, pres. of Duke U. and former N.C. governor, in comments after April 17 board meeting in Washington.

TLC's 5-year plan entails: (1) Increasing penetration from 11% -- 4.5 million subscribers -- to 33% of all cable homes. Substantial part of increase is expected on west coast as result of expanded hours. (2) Increasing original programming from 5% to 40%, move that should result in more diversity of topics, especially in public affairs and health care. (3) Spending more on affiliate & public relations to increase awareness of channel. (4) Exploring new markets in foreign cable, DBS and computer software applications. Deal is in works for Caribbean carriage. (5) Expanding teleconferencing capabilities and technical services. (6) Seeking more financial support from foundations & corporations plus additional sponsored programming.

Vastly increased revenue is key to expansion. Pres. Harold Morse estimated that TLC's budget must grow from current \$4 million to \$16-\$22 million to achieve goals. Sanford explained that in addition to 5¢ per subscriber carriage fee, TLC now -- like PBS -- depends mostly on enhanced underwriting with billboard-type spots or, as he said, "mini-board-ads." TLC will begin selling "mini-ads," he said.

TLC hopes to position itself close to Lifetime cable channel in program content while maintaining its PBS-like character, officials said. It's expected that TLC at first will strive for improved production quality for slicker appearance as way to appeal to broader audiences.

Heavily-cabled Holland has opened its doors to Sky Channel, ad-supported satellite service owned by Rupert Murdoch. Holland, with 3 million cable homes, is expected to become Sky Channel's biggest market. Gerard Deelman, executive with Dutch cable operator's association, predicted that service would be available in 1 million Dutch homes in 2 months. Swiss govt. is expected to approve carriage of English-language Sky Channel in few weeks.

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VIACOM BULLISH ON CABLE: Viacom reported record earnings for first quarter, up 37% to \$14,155,000 (41¢ per share) on revenues of \$73,574,000, despite higher tax rate, Chmn. Ralph Baruch told 230 stockholders at annual meeting in N.Y. April 19. Company also raised dividend from 35¢ to 41¢ per share. Pres. Terrence Elkes said 1983 was "difficult" in terms of operating income & margins, but "it was an excellent year in the achievement of our strategic objectives," including mergers of Showtime with Warner Amex Movie Channel and Cable Health Network with ABC Video Enterprise's Daytime into Lifetime.

Recent "setbacks" of cable companies, Elkes said, were "due largely to overzealousness" by companies & local govts. "Such difficulties shouldn't cloud the bright future of cable TV," he said. Cable industry is "robust & healthy, with prospects for solid growth." Viacom Cable Div. had 13th straight year of record revenues & profits, pattern that should continue in 1984, he said. Enhancements to cable such as DBS, pay-per-view and regional cable networks are getting "close scrutiny" from company, according to Baruch.

More international joint cable ventures, specifically in Belgium & Germany, should be announced by May or June, Elkes told us. "We're interested in about every country in Europe with the exception of France," he said. Joint ventures may include further pay programming deals with HBO, he said.

Showtime/Movie Channel "is performing extremely well and exceeding our expectations" in first 6 months of merged operation, Baruch said. Nearly all subscribers to Spotlight, pay service purchased from MSO consortium in 1983, switched over to Showtime or MC, with 700,000 of Spotlight's original 784,000 subscribers split about equally between them, Pres. Mike Weinblatt told us. S/MC will be "moving forward in the near future," into pay-per-view, Baruch said.

NTIA endorsed extended hours for AM daytimers at April 14 Senate Communications Subcommittee field hearing in Sioux Falls, S.D. NTIA Chief Scientist Douglass Crombie said engineering considerations that led to curbs on daytimers' hours & operating power no longer apply: "The daytime broadcaster typically is required to accord fulltime stations much more protection [than] conditions warrant." Crombie said old policy hurts daytimers' profitability, contravenes Administration policy of promoting communications diversity. Committee is considering legislation (S-880) by Sen. Pressler (R-S.D.) to expand daytimers to 2 hours before sunrise & 2 after sunset.

Roast of FCC Comr. Dawson has been postponed to May 7, noon, Ramada Renaissance Hotel, Washington. Proceeds (\$50 per ticket, \$1,000 for table) will go to Big Sisters of Washington Metropolitan Area. Contact: Karen Kershner, 202-328-1847.

ABC QUARTERLY NET JUMPS 72%: With owned TV stations major contributor, ABC reported 72% jump in pre-tax profits for first quarter to \$23.9 million, on 26% revenue increase to \$836.6 million. Size of net income surprised Wall St. analysts, who had expected decline because of high costs of winter Olympics. However, TV stations saved day, profited from Olympic revenues without costs attributed to network, analysts said. Net income per share for quarter rose to 81¢ from 48¢ in 1983.

Pre-tax profit of Best. Group jumped 39% to \$56.6 million on 17% revenue increase to \$476.9 million. ABC said profits for TV stations were "significantly higher" for first quarter than in 1983, while Radio Div. had "modest" loss. TV network also reported profit increase, although ABC didn't say how much. Loss at Video Enterprises dropped from \$11.6 million last year to \$9.5 million, mainly reflecting sale of Satellite News Channel to Turner Bestg.

Other industry results: (1) Multimedia reported first-quarter net earnings of \$7 million, up 23% over \$5.7 million in 1983, on revenues of \$66 million, gain of 13% over \$58.3 million. (2) Lin Bestg. had first-quarter net income of \$4.55 million, up 16% from \$3.94 million last year, on 35% increase in revenues to \$28 million. Lin said "broadcast orders for the second quarter are running well ahead of the prior year."

Ohio State Awards for TV & Radio, oldest program-recognition competition, achieves 50th anniversary in 1986, and university is considering major celebration. Possibilities include honoring 50 outstanding contributors to broadcasting -- live or posthumously -- during 2 or 3 days of seminars featuring today's leaders. Founder of Awards, Keith Tyler, now emeritus prof., remains active as member of Awards Advisory Committee. This year's awards, presented Tues. in Washington, numbered 54 -- including 18 programs from public TV-radio, 6 from ABC, 6 from CBS, 4 from NBC. Other commercial broadcaster multiple winners were RKO with 3, WRAL(AM) Raleigh with 2. Two cable entries won -- Nickelodeon and Valley Cable, Encino, Cal. Details: Dale Ouzts, dir., Institute for Education by Radio-TV, 2400 Olentangy River Rd., Columbus, O. 43210.

Simmering controversy over who speaks for U.S. govt. on international communications policy will be issue at House Telecom Subcommittee hearing, probably late in May, we have learned. Issue also has caught attention of Senate where 2nd hearing is possible. Said top Senate aide: "All this bickering has us concerned." Hill aides refused to blame either Commerce or State Depts. for dispute, said problem lies with changing international telecommunications market and growing ambiguity over Comsat's role.

Harris Best. Transmission Div. is raising prices on TV transmission equipment 6-8% May 1. Vp-Gen. Mgr. E.W. Jaeger said "adjustments reflect increased costs of material and vendor-supplied components."

Personals

Donald Wear, CBS Washington corporate vp, moves to Best. Group in N.Y. as vp-policy, succeeding Roger Colloff, now vp-gen. mgr., WCBS-TV N.Y.; research & program practices will report to Wear, who also will serve as Group liaison for Washington & law dept... Sen. Barry Goldwater (R-Ariz.), chmn. of Senate Communications Subcommittee, speaks at May 9 lunch of Task Force on Communications, National Conference of Black Lawyers, Washington Marriott Hotel, 202-632-7260 for reservations... Outgoing NCTA Pres. Thomas Wheeler will speak at May 16 lunch of IRTS, Waldorf-Astoria Hotel, N.Y.; entertainer Arlene Francis named IRTS "Broadcaster of the Year," will receive award at June 13 annual meeting.

James Moroney, A.H. Belo Corp. pres.-CEO, also elected chmn., succeeding Joe Dealey, retiring... Robert Yadon, U. of Okla. prof., joins NAB June 4 as dir. of operations for TV, new post; Fran Maine promoted to NAB personnel dir., new post... Joan Leahy promoted to vp-network advertiser relations, NBC TV Network... Donald O'Connor, ex-KSPR Springfield, Mo., appointed vp-gen. mgr., KCBR Des Moines... Donald Perry advanced to sales dir., WNYT Albany... Ned Paddock, ex-WOR-TV N.Y., named sales dir., WLWT Cincinnati, new post.

Dennis Fitzsimons, ex-WGN-TV Chicago, moves to co-owned WGNO-TV New Orleans as vp-gen. mgr... Kevan Fight joins Malrite Communications as vp-chief financial officer, new post... Kate Hampford, ex-CableFile, appointed dir.-customer relations, NABU Network... Sylvia Winik, ex-Washington law firm Hogan & Hartson, joins CPB as staff attorney.

Zana Metelski, ex-HBO, appointed planning adviser, Satellite TV Corp., new post... Mark Lipp, Allocations Branch chief, FCC Mass Media Bureau, speaks on "An Update on BC Doc. 80-90" at brown-bag lunch April 25, Consumer Assistance and Small Business Div., FCC Office of Public Affairs, Rm. 856... Terrence Leahy, ex-Wilmer, Cutler & Pickering, Daniel Mayeda & Diane Burstein join Washington office of law firm Mintz, Levin, Cohn, Ferris, Glovsky & Popeo... N.L. Jochem, vp-special projects of Harris Best. Group, retires.

John Ziemba promoted to national sales dir., BASF Systems; Larry Rallo to mktg. mgr., consumer & professional products... Mitch Farris, onetime Frank N. Magid & Assoc. TV dir. and KRON-TV San Francisco news dir., forms consulting firm Farris Communications, 350 Townsend St., San Francisco 94107, 415-495-3053... Speakers at May 9 panel on DBS, SMATV & MDS, sponsored by Washington chapter of Women in Cable, include Satellite TV Corp. Mktg. Vp Ronald Castell, Skyvision Corp. Development Vp Daniel Bean and Marquee Vp Steve Wechsler, 6:30 p.m. at NCTA.

Vincent Wasilewski, of Dow, Lohnes & Albertson and former NAB pres., will receive Education Service

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Consumer Electronics . . .

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Award from Best. Education Assn. April 28 in Las Vegas... Mark Feldman, ex-N.Y. PR firm DORF/MJH Inc., appointed PR dir., Mutual Bestg... Jamie Schloss, ex-Warner Bros. TV, named vp-business affairs, Western-World TV; Leo Jacob, ex-Group W Bestg. & Cable, appointed controller... Steven Quarles, ex-deputy undersecy. of Interior, becomes member of Washington law firm Crowell & Moring.

Bruce Sallan promoted to vp-motion pictures for TV, ABC Entertainment; David McCann promoted to vp-post production; Carol Fleisher, ex-Hanson & Schwam PR, named ABC Best. Group dir.-series PR... William Tolley advanced to Harris dir.-legislative affairs, new post... Tola Murphy-Baran promoted to dir.-industry PR, Showtime/Movie Channel... HBO attorneys promoted: Thomas Woodbury to chief counsel, sales & mktg.; Linda Bogin, chief counsel, network operations & corporate development; Robert Gerrard, senior counsel, sales & mktg.

Gordon Hellmann, ex-Warner Bros. TV, forms Hellmann Mktg. Services, 3949 Sapphire Drive, Encino, Cal. 91436, 818-986-3076... Susan Bender advanced to Metromedia Producers international sales dir.; Karen Marino promoted to sales administration dir... James Myers, ex-Parking Meter Adv., appointed RAB regional dir.

Anthony Cassara, Golden West TV pres., adds Wometco Bestg. pres.-CEO titles; other dual Golden West/Wometco titles: Greg Nathanson, programming vp, & William Schickler, vp-operations.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended April 6 (14th week of 1984):

	MARCH 31- APRIL 6	1983 WEEK	% CHANGE	MARCH 24-30	14 WEEKS 1984	14 WEEKS 1983	% CHANGE
TOTAL TV.....	242,662	274,147	-11.5	589,591	5,292,927	4,659,343	+13.6
TOTAL COLOR...	199,182*	198,436	+ 0.4	477,416*	4,076,077*	3,272,895	+24.5
DIRECT-VIEW..	196,524	196,583*	- 0.0	473,840*	4,034,883*	3,239,061	+24.6
PROJECTION...	2,658*	1,853	+43.4	3,576*	41,194*	33,838	+21.8
MONOCHROME....	43,480	75,711	-42.6	112,175	1,216,850	1,386,448	-12.2
TV EXCL. PROJEC.	240,004	272,294	-11.9	586,015	5,251,733	4,625,509	+13.5
HOME VCR.....	102,204*	45,539	+124.4	154,366**	1,494,495*	775,104	+92.8
COLOR CAMERAS...	6,673*	4,699	+42.0	8,570*	104,882*	79,117	+32.6

Color TV (direct-view) 5-week moving average: 1984--296,820*; 1983--233,087 (up 27.3%).

Home VCR 5-week moving average: 1984--109,174*; 1983--50,719 (up 115.3%).

* Record for period. ** Highest week in history.

JAPANESE DEVELOPING 1/2" SUPER VCR: Next generation of home VCR is on drawing boards in Japan -- and it isn't 8mm, but a super VCR with awesome specs, but compatible with today's models.

VHS & Beta proponents are working independently to develop new versions with pictures as breathtaking as the sound on their hi-fi models -- aiming at broadcast quality. Key to new versions quite likely will be "high-band" color, a technique used in broadcast VCRs that results in vast picture improvement. Under study is combination of high-band technology with metal tape, new heads and highly integrated electronics.

Goals of all parties are similar -- to produce home machine capable of 400-line horizontal resolution (vs. 250 on today's VCRs) and 50-55 dB signal-to-noise ratio (vs. 40-45 today). Resolution of new VCRs would be beyond capability of most of today's TV sets, but engineers are working with high-definition & high-resolution receivers in mind. When companies have finished their individual work, Beta & VHS groups each will work out own standards, as they did with hi-fi.

Idea is said to have originated with JVC, which was seeking way to reduce picture degradation in home dubbing -- for example, in editing from VHS-C portable to full-sized VHS cassette. Matsushita then set up own project to improve overall quality, surpass Beta -- but Beta group wasn't far behind in taking up idea. Concept could result in final major improvement in home VCRs before ultimate quantum leap to digital technology, which could come when substantial numbers of digital TVs are in use.

Target is to have new designs ready in about 2 years, according to some involved, although most companies are reluctant to be specific at this stage. Designs will borrow heavily from technology developed for 8mm, and presumably would calm any fears that 8mm will take over as standard for home deck, relegating it to its originally proposed use for portables only.

Problems with tape & heads could slow down availability of 8mm VCRs, as we reported last week (TVD April 16 p12). At recent International Conference on Video & Data Recording in

Southampton, England, Sony R&D Chief Engineer M. Mizushima raised question as to imminent availability of metal evaporated tape: "Frankly speaking, ME tape is not yet good enough." Metal particle tape can provide pictures as good as 1/2" VCRs, but the required amorphous heads currently cost more and wear faster. Mizushima said he "personally" estimated 90-min. 8mm tape would cost \$10-\$12.

At same meeting, 3 Matsushita engineers spoke of "many perplexing problems" with ME tape, of which head wear is only one -- corrosion was cited as particularly troublesome characteristic. So 8mm faces dilemma -- use MP tape and have head problems, or use ME and have tape problems.

Note: Printing problem obliterated one line of our report on 8mm last week. The eviscerated sentence should have read: "Kodak insists target hasn't slipped, says shipments will begin in July or Aug. -- which sounds less positive than statement of official who in Jan. predicted camcorder shipments 'in the tens of thousands as we roll out in July.'"

PANASONIC, SANYO--BILINGUAL & STEREO TV: New breed of color TV -- bilingual monophonic table model -- is among 5 multichannel sound (MTS) sets being introduced by Panasonic & Sanyo. Panasonic last weekend became first to announce set designed specifically for dual soundtrack without stereo, a midline 19" model of type industry hopes will become popular in bilingual markets. To be available in July, it carries \$460 list, can switch between multichannel sound broadcast's separate audio program (SAP) and primary sound channel.

Of 6 new color sets introduced by Sanyo at Scottsdale, Ariz. sales meeting, 2 will receive both stereo & SAP broadcasts -- new 20" FST monitor receiver at \$700, which has stereo amplifier and synthesized stereo for mono broadcasts, also includes RGB input; and 25" high-end console at \$800 for Aug. delivery. Console is priced \$100 above non-MTS model, but has more deluxe features.

At Honolulu sales meeting, Panasonic introduced 3 stereo-SAP TVs among 29 new color models for its 1985 line. Its lowest priced MTS-equipped stereo set is 20" square-cornered monitor receiver in its high-end Omni series, to be available in Oct. at \$960. Since similar set without MTS is \$879, stereo adds \$81. Model has all bells & whistles -- data-grade picture tube, 2 RGB inputs (computer & teletext), dual antenna inputs, 139 channels. Top-of-line MTS model is new 26" square-cornered console, due in Nov. at \$1,400.

Panasonic thus is first to actually announce 26" square-cornered tube, expected also in RCA's 1985 line, probably others. It will be in 3 monitor receiver models -- \$970 table model, \$1,300 & \$1,400 consoles -- but not until Nov. Line features square-cornered (but not flat) tubes in 14", 20" & 26" sizes. All of Panasonic's new color sets have cable channels (leader units midband only), high end featuring "unified" docking remote control, which operates company's VCRs as well. Heavily featured are component monitors and monitor receivers with data-grade resolution (up to 2,000 characters).

Panasonic offers record total of 13 VCR variations, to be available at various times during 1985 model year, with 3 VHS Hi-Fi models including portable. New line of 5 cameras includes palm-held units weighing as little as 2 lb. with 1/3" Newvicon tube, 1/2" electronic viewfinder (\$850), top-of-line camera (unpriced) being autofocus which operates in light conditions as low as 7 lux. One camera at \$1,400 has 12X zoom. (We'll have more on Panasonic meeting next week).

Sanyo introduced its first all-solid-state cameras, using MOS imaging -- same as shown at Jan. CES. They're same size & weight (2.5 lb.) as 35mm SLR still cameras, can use any C-mount lens, will be plugged as "universal" cameras for any Beta or VHS portable (Sanyo currently has no portable VCRs except Betamovie). With 6X power zoom, standard model is \$1,000, autofocus \$1,300. In keeping with Sanyo's new image campaign, the 3 new VCRs

introduced are midline models, although lowest priced unit, at \$370 list, remains in line. (Details of Panasonic & Sanyo lines elsewhere in this issue.)

SANYO SWITCHING TO 'QUALITY' IMAGE: In complete turnaround, Sanyo this year will start move to replace its traditional price-leader image with one of quality & prestige -- project that will involve change in product, distribution policy and advertising plus addition of at least one new brand name.

Sanyo hopes to move from "best-kept secret in the business" to No. 2 or 3 among Japanese brands in U.S. by next year, we were told by Exec. Vp Jeff Berkowitz. "Dollarwise, we'll be No. 2 [after Panasonic], and imagewise No. 3" after Sony & Panasonic, he said, adding that Sanyo will hit billion dollars in U.S. consumer electronics sales this year (presumably including such other Sanyo affiliates as Sanyo Mfg. Co. & Fisher).

In product, change will be gradual, starting with upgrading of audio & VCR lines, followed by TV later. Changes already are showing in those 2 products, and very few new TVs were introduced at recent sales meeting (reports elsewhere in this issue). "The TV effort is moving more slowly than I'd like," Berkowitz said. "Next year, we'll make a concentrated effort there, and you'll see major announcements from us by the end of the year."

In advertising, revamping will be evident this summer, with new slogan ("Sanyo -- the modern art of electronics"), heavy emphasis on print ads featuring high-end products. Recent meeting in Scottsdale "was our first true national sales meeting," Berkowitz said.

Company plans to improve service to dealers by setting up true regional operations -- "we're putting new people in each region." Chicago warehouse is being expanded fivefold. While company will continue to depend largely on its reps, it will "supplement them with distributors, who can better serve small & medium dealers and provide them with backup support." Company is being reorganized by product departments -- "we'll be more responsive to dealers, improve turnaround time, ship more quickly," said Berkowitz.

Berkowitz, who developed Technics line at Panasonic, is making similar attempt at Sanyo, with addition of limited-distribution "Ultrix" audio component brand. "We see room in the component business, as other companies desert it. We're not looking for big numbers there, but feel we can get a good share."

Is there room for another Sony in the business? "We're not going after the Sony image," said Berkowitz, "but trying to raise our own image. We're not going to get 100% in everything, but we're going to put in a 110% effort."

TV AVERAGE PRICING PLUNGED IN 1983: U.S. TV producers & importers set all-time unit factory output record on strength of soaring demand and generated record revenue last year. But other side of coin was increased squeeze on profitability as industry's 10-year string of rising or relatively stable pricing snapped and average pricing took nearly unprecedented nosedive.

Industry produced or imported all-time high of 19.68 million color & monochrome sets last year, up 20% from 1982, as color jumped 22.2% to 14.04 million, b&w rose 14.7% to 5.65 million, according to figures from EIA. But combined production value was up only 16.5% to just under \$5.51 billion. Value of new color supply increased 22.2% to \$5.05 billion, while b&w edged up 5% to \$459 million.

Those totals indicate average value of new color set last year was just \$359.63, down 3.7% from \$373.39, largest percentage drop since 1973. For b&w, indicated average price decline was 8.3% to \$81.28 from \$88.79.

Even more dramatic was actual amount by which average pricing fell, \$13.76 in color, \$7.51 in b&w, which would work out at retail to \$20-\$30 decline for color, \$10-\$15 for b&w. Industry hasn't seen such massive price slippage since 1968, when average color set sank by \$26.57 or 7.3%, and b&w was down \$18.29 or 19.8%.

While there are market condition similarities between those 2 years, particularly in degree of competition, 1968 had some unique statistical and product quirks that softened blow somewhat. Part of price decline that year was caused by its being first in which foreign & private brand imports were factored into tables. As for market itself, 1968 was year of only modest demand rise for both color & b&w, forcing manufacturers to resort to price promotions to improve or maintain sales shares. It was year in which console color sales stood still and sales of lower priced portables & table models jumped 43% on path to domination of business. For b&w, it was year 12"-&-under sales rose 22% while volume for all other size groups declined, leaving tinyvision with more than 1/3 of market for first time. Business then was tough enough to cause Westinghouse to throw in production towel, prior to its total departure from consumer electronics business. Following year National Union Electric decided to drop output of Emerson & DuMont TV lines in favor of buying sets from Admiral.

For 1983, color average pricing decline can be traced to intense competition from low-end imports, particularly from Korea & Taiwan. They had double-barreled impact by sharply increasing number of lowball 13" & 19" included in mix last year, and by forcing other marketers to reduce prices to prevent yawning gap at retail between comparable name-brand & no-brand models. Industry marketers also say there was upward ripple effect as companies had to trim at least some step-up color prices to keep them somewhere in line with leaders. Overall effect of mix shift and price cutting was to more than offset impact of higher dollars generated by growing demand for more expensive cable-ready color TVs and 15.7% rise in console color sales (TVD March 19 p12). In b&w, pricing stability had come from sales of battery portables, particularly minicombos. But there was widespread price cutting in that area last year. Prices also were down on 12", which provides 70% of sales, while demand for 19" fell steeply.

Here's 22-year color & b&w TV average pricing history as derived from EIA figures (foreign & private-brand imports not included before 1968):

Year	Color	Monochrome	Year	Color	Monochrome
1962 . . .	\$351.60	\$128.24	1973 . . .	\$307.52	\$76.74
1963 . . .	345.88	117.95	1974 . . .	316.01	79.06
1964 . . .	347.58	109.35	1975 . . .	341.05	83.97
1965 . . .	356.28	105.79	1976 . . .	349.04	88.93
1966 . . .	371.31	98.16	1977 . . .	349.96	89.00
1967 . . .	362.21	92.48	1978 . . .	350.01	84.95
1968 . . .	335.64	74.19	1979 . . .	359.99	85.93
1969 . . .	328.08	77.84	1980 . . .	367.62	89.02
1970 . . .	316.54	75.07	1981 . . .	376.96	89.00
1971 . . .	323.76	81.21	1982 . . .	373.39	88.79
1972 . . .	319.39	78.77	1983 . . .	359.63	81.28

Reentry into U.S. market for microwave ovens is planned by Hitachi. Company said it would begin shipping from Japan at 5-6,000 monthly rate this summer, concentrating on high-end models. Hitachi & Mitsubishi suspended oven exports in 1979 following filing of antidumping complaint against all Japanese ovens by AHAM. Mitsubishi started shipping again early this year, while other major oven marketers, including Matsushita, Sanyo, Sharp & Toshiba, set up U.S. assembly operations.

High-speed optical disc recording method which uses 3 semiconductor lasers on single chip was announced last week by RCA Labs, which suggested it could be used for multichannel recording of high-speed communications and mass storage of data from mainframe computers.

Polaroid kicks off entry into U.S. videocassette market with offer of free cassette or free pack of instant film with purchase of 3 cassettes.

TOSHIBA STIRRING AT LAST: Time was when Toshiba America executives blanched at appellation "Sleeping Giant," but now that company is showing signs of significant sales progress, they revel in it.

"The giant sleeps no more" was how Exec. Vp Paul Michie greeted reps at recent national sales meeting where company introduced innovative color line and promised even more would be on way (TVD April 16 pp12 & 14). Last year, Toshiba "outperformed the industry in virtually every product category," he said, offering this roster of sales gains: Color 51%, VCR 113%, audio 24%, microwave ovens 38%, small appliances 43%, for overall 43% gain. Growth last year, and in opening quarter this year, was hampered by "industrywide shortage of components," particularly ICs, which is also putting limit on expansion plans for this year, Michie said.

Putting VCR format speculation to rest, Michie said "we are a Beta company," and assured group "Beta is and will remain in the foreseeable future a factor in the VCR business." He said Beta held about 25% market share last year, retained that position in first quarter 1984. As for 8mm Video, "it's a bit like trying to catch a jellyfish -- it slips through your fingers." Though basic standards are in place, "there is still much to be done." Toshiba, he said, "sees no urgent need for another format," but "technology marches on" and Toshiba will be ready when market is. When 8mm does arrive, he said, its success will rest "in the hands of the consumer electronics industry" not the photo industry.

Toshiba America Chmn. Mikio Kutashima told us sales goal this year is 50% increase. Toshiba, he said, was profitable in 1983, though it had same pricing pressures faced by other marketers. High inventory turnover rate and 20-30% improvement in collecting receivables "helped our performance," he told us.

Toshiba isn't restricting 1984 sales expansion plans to video products. In audio, it unveiled new line of rack component systems, CD player that can be promoted at \$500. New in personal headphone audio were ultra-mini stereo FM radio at \$50, cassette player only 4/5 as high & wide as cassette, which comes with stereo FM-AM slip-in cartridge at \$150. Cassette slides in from top, sticks out of player by about 1/4" at top & sides.

Group Alfa, financially troubled Mexican conglomerate, is still searching for way to dispose of its consumer electronics business so it can concentrate on continuing industrial operations. GA owns Admiral, Philco, Magnavox & Sylvania businesses there. GA had been negotiating deal with Philips of Mexico, but it fell through.

Gold Star launched construction of \$65 million electronic component plant. Facility, to be Korea's largest when fully completed in 1988, will produce variety of parts & assemblies, ranging from resistors to audio cassette transports and computer keyboards, employ 4,000. Plant will be built in phases, with first slated to go on stream in Aug.

ZENITH VIEWS TELETEXT: Same marketplace confusion which stymied AM stereo can turn off consumers from teletext, Zenith's William Thomas warned in talk at last week's Videotex '84 in Chicago. Thomas, mgr. of cable TV communications products, said teletext's success in U.S. depends on development of low-cost equipment compatible with the 3 systems now in use.

Zenith is making decoders for World System Teletext (WST), while Panasonic, Sony & others have shown decoders for NABTS system and Sanyo Mfg. Co. is making them for Captions for the Deaf (CFD). Thomas called for simultaneous transmission of the 3 services in TV's vertical blanking interval. He noted that NABTS decoders shown to date are in \$900-\$1,000 range, while WST decoders (now made by Zenith, to be joined by Sanyo) are currently \$300 or less.

Pointing toward reduced decoder cost, he said, are new chips being promised at \$10 or less, and "near-term goal" for NABTS decoders is manufacturer cost of \$150 or less, which will be abetted by recent announcements of joint chip development by Norpak & Rockwell, new display generators by Motorola & TI, and the single-chip convertible ITT digital chassis.

Only teletext system with decoders in mass production is CFD -- National Captioning Institute announced last week that 80,000 U.S. homes are now equipped to receive captions. Thomas gave these projections of decoders in U.S.: 1983 -- 70,000 (all CFD); 1984 -- 100,000 (mostly CFD); 1985 -- 250,000 (all 3 systems); 1986 -- 1 million.

He saw "stampede" by manufacturers as unlikely -- "the consumer TV industry has too many irons in the fire to throw such energy behind teletext products." As for decoder compatibility: "While it is not feasible to offer a VHS & Beta VCR, the same is not true when considering teletext." He envisioned no combined decoders this year, but for 1985 he predicted combined WST/NABTS decoders becoming available, along with separate CFD & WST decoders; in 1986, combined CFD/WST and combined CFD/WST/NABTS.

Shakespeare recalled pair of roof-mount CB antennas it said were insufficiently insulated to prevent shock hazard if they contact overhead power lines during installation. Recall, however, is only for uninstalled antennas in consumer & dealer hands. Consumers who have put them up are being advised to leave them in place, as that would be less dangerous than taking them down. Shakespeare said it would supply special warning labels for installed antennas to alert future users about hazard.

AM stereo receiver designed for Motorola system will be offered this spring by Marantz. Full-function digital-tuned unit with wireless remote will have 100 watts per channel, at \$630. Three other Marantz receivers starting at \$250 will have AM stereo adaptor jacks.

PANASONIC & SANYO SETS: Panasonic last week introduced 29 color TVs and 13 VCRs, while Sanyo added selective drop-ins in video.

Panasonic's new color sets start with 10" pushbutton 94-channel at \$325, stepup with video & audio jacks \$350; 13" pushbutton 94-channel is \$300, model with jacks will be \$369 in Sept., dockable remote version with sleep timer is \$420, data-grade monitor \$400; 14" data-grade monitor with RGB input is \$499.

Compact 19" with 14 pushbuttons, 94 channels, is \$430, version with SAP tuning will be \$460 in July; keypad model with 139 channels, one video & audio input \$500; 20" data-grade monitor receiver with 2 antenna connections, on-screen function display, 4-watt amplifier, unified remote for VCR-TV, \$875; version with stereo & SAP tuning will be \$970 in Oct.; 20" remote with sleep timer, comb & SAW filters will be \$680 in Sept., 20" data-grade monitor with stereo amp will be priced in Oct.

Console line starts with 139-channel 25" models at \$679, \$699, double-ended version \$749, dockable remote versions with sleep timer are \$800, \$829, \$849 (2 models), \$899; high-end 25" remote models with on-screen readout are \$899, \$999 & \$1,049. In 26" line, table model with on-screen readout, dockable remote, dual antenna terminals is \$970, consoles with data-grade tube, stereo amp, 33-key unified remote, top tuning, audio & video jacks will be \$1,300 in Nov., different cabinet style and dual antenna terminals, multichannel sound, \$1,400. Rear projection 40" set with doors, 8.5-watt stereo amplifier, remote is \$3,195.

New VCR line by Panasonic starts with open-list top-loading model with 14-day one-event timer, 82 channels; step-up has 107 channels, 5-function wired remote at \$550, with 14-day 2-event timer version \$625. First front-load model adds 13-function wireless remote at \$650. Series of 4-head front-load starts with 14-day 2-event version at \$700, Dolby linear stereo model with 4-event timer, 14-function wireless remote at \$800, topped by keypad 139-channel model, 8-event timer, 17-function remote at \$950. VHS Hi-Fi models start with 2-head unit with 107 channels, 14-function remote, pricing & availability date to be announced; 4-head VHS Hi-Fi, also including Dolby linear stereo, has keypad, 139 channels, 8 events, 23-function unified remote, at \$1,400.

Portable VCRs start with lightweight unit with one-day one-event timer, 4-function wired remote at \$950, stepping to 4-head deck Dolby linear stereo with 12-function wired remote and optional 170-channel tuner-timer with 14-day 4-event timer, 16-function wireless remote, pricing & availability to be announced. Stackable portable system joins same deck to 139-channel keypad 8-event tuner-timer with 17-function remote. Lightest deck weighs 7.1 lb. including battery, has linear stereo, uses high-end 139-channel tuner-timer at \$1,400. Topping portable line is VHS Hi-Fi unit with 8 events, 17-function remote, keypad tuning, price & date not announced.

Cameras begin with palm-sized 2-lb. 30-lux model with 1/2" electronic viewfinder, 1/3" Newvicon, open list; step-up, at 2.5 lb., has 20 lux sensitivity, power zoom at \$850; 20-lux camera with 1/2" Newvicon has auto white balance, day & date recorder, stereo mike at \$1,000. Line is topped by 30-lux unit with 2/3" pickup, 12X power zoom, operating in 30 lux, with 4-size, 4-color character generator and 8-page memory, stereo mike, \$1,400, and autofocus 2/3" Newvicon model with 7 lux, character generator, stereo mike, unpriced.

Sanyo adds 13" color at \$400; 20" FST stereo & bilingual monitor receiver with pseudo stereo feature for mono broadcasts, 140-channel keypad remote, at \$700; 25" console at \$700, stereo & bilingual version with 140 channel keypad remote, sleep timer, available in Aug., \$800; audio-video rack system with 25" monitor receiver, VCR, 50-watt amp with graphic equalizer, 12" 3-way speaker system, programmable AM-FM, cassette deck, turntable, in hickory cabinet at \$2,200. New 12" b&w models are \$80 & \$90.

New Sanyo VCRs: Wireless remote, 7-day one-event timer, 105 channels \$420; front-load 3-head 14-day 8-event, with 13-function remote, auto rewind, \$550; 140-channel step-up with tape-remaining display \$700; ultra-compact table model, 105 channels, wireless remote, 14-day 8-event, \$700. Remaining in line are leader at \$370, Beta Hi-Fi at \$700, Betamovie \$1,595. MOS cameras are \$1,000, autofocus \$1,300.

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Software notes: Gillette is taking yet another shot at entering fringe of consumer electronics market through acquisition of 40% interest in videogame & computer software marketer Datasoft. Agreement gives Gillette right to acquire remaining 60% of privately held Datasoft over next 4 years. In past years, Gillette entered, then withdrew from, audio cassette and smoke detector markets... Laff Records enters software with Ala line priced at \$20 for games, \$40 for educational & utility programs... K-tel, which entered videogames last year, forms computer software arm to market Xonex cartridge games, K-tel personal & business programs, budget K-tek line.

Is color TV finally killing off b&w? Monochrome TV sales were lowest in 14 years in first week of April, totaling only 43,480, according to EIA data on sales to dealers. Same week also was first this year -- and first in 27 weeks -- in which direct-view color didn't set record for week, falling 59 sets short of record for year's 14th week, established last year. Projection TV's 43.4% increase for week, however, pulled total color to record, up 0.4%. Total TV sales still are running at record level, up 13.6% for year, with color up 24.6%, monochrome down 12.2% (see State of the Industry).

Taiwan exports of electronic & electrical products rose 51% in first quarter to \$1.36 billion, Economic Planning & Development Council announced.

COLECO BACK IN BLACK: Coleco returned to profitability in opening quarter, following steep loss in closing 1983 period, though net of \$4.44 million was down 72.6% from same 1983 quarter. Sales were up 3.3% to \$186.1 million (see financial table).

Coleco said Colecovision games and Adam computers accounted for 50% of sales in quarter, and attributed earnings drop to lower profit margins for electronic products. Company said it "remains firmly committed to the Adam program," will show disc drive, modem, 64K expansion module at Summer CES, have them available for shipment in 2nd half. It reported that while Colecovision sales were "substantial," they were much lower than in same period last year. It said it shipped 2.5 million Cabbage Patch dolls in quarter, ended period with unshipped order backlog for line of \$200 million.

Warner Communications continued in loss column in first quarter on basis of \$34.9 million deficit from its Atari operation, down from \$45.6 million in same 1983 period. Company said Atari had seasonally low volume and continued high retail inventories. It was indicated that cable TV losses and interest expense increased during period.

Texas Instruments, having swallowed losses of its discontinued home computer, rebounded with first-quarter earnings up tenfold from last year, thanks to booming semiconductor market. Company had record semiconductor shipments, ended quarter with \$3 billion order backlog, up from \$2.8 billion at end of 1983.

Sanyo Mfg. Co. sales for first quarter to Feb. 29 were up 60% over same 1983 period when it showed loss, with profit of \$1 million for 1984 period. Volume increase, company said, was the major factor in good results, augmented by fact that product cost increased at somewhat lower rate than sales because of fixed overhead. SMC's annual report says that 81% of company's sales for fiscal 1983 (to Nov. 30) were to Sears, vs. 86% in 1982 and 87% in 1981, "substantially all of the remaining sales" to subsidiaries of Sanyo.

Motorola posted record first quarter results, said improvement was led by Semiconductor Group, which had sharply higher earnings on 53% sales rise. Company said Auto Products and Communications Groups had reduced profits on 25% sales gains.

Apple net sank 62% in 2nd fiscal quarter, were down 68% for half, though sales in those respective periods were up 32% & 39%. Apple said earnings for full period were impacted by 53% increase to \$38 million in R&D outlay, 68% boost in distribution costs to \$163.5 million, inability to fill demand for Macintosh computer and shortage of Apple IIe model due to strong Dec. sales.

K-tel International lost \$2.3 million in fiscal 2nd quarter, raising deficit for first half to \$4.14 million. Company said loss for quarter stemmed from \$4 million writedown of mail order receivables.

Company said it has trimmed staff, taken other measures to reduce overhead.

COMDIAL PLANT CLOSING: Latest casualty in home phone industry shakeout is Comdial's Upland, Cal. plant. Comdial said it plans to close 20,000 sq. ft. facility next month, put it up for sale, consolidate production at 2 remaining plants. Closing will eliminate 400 jobs.

Factory suffered from shrinking demand for high-end specialty & decorator phones which were produced there, and represented 20% of Comdial's business. Biggest single reason for move was AT&T decision to drop Comdial's specialty phones from line it markets through own retail stores and independent dealers. AT&T will handle only 5 novelty phones, make them itself. AT&T considers such phones to be small & declining segment of market, accounting for estimated 5% of sales this year.

Comdial said it recently expanded capacity of its plants in Charlottesville & Shenandoah, Va., where it employs 1,600. It said those plants have capacity to double current production rates, should have no trouble absorbing extra output.

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Ad dispute between RCA & Sony is being referred to National Ad Review Board by BBB's National Ad Div. NAD said it gave up trying to resolve case when it became obvious 2 sides weren't going together. Issue is RCA's challenge of Sony ads citing Emmy won by Trinitron color tube in 1972 for picture quality. Sony ads say "nobody else has won an Emmy for their picture." RCA says claim is deceptive, as RCA won Emmy for development of basic Trinitron color tube in 1955, and argues that Sony award was made so long ago that date should be included in ads. NAD essentially agreed with RCA position, but Sony refused to accept ruling. In response, Sony said its award was for picture quality, RCA's for invention, so 2 aren't comparable. Also, Sony said, ad doesn't claim superior 1984 performance based on 1972 award and mention of Emmy is simply informative, so there's no need for date clarification. Sony also rejected NAD request for comparison tests to uphold claim sets have "picture quality so extraordinary it can't be duplicated." Sony said statement was its own subjective opinion, involved no direct comparison with any other TVs, so there would be no basis for testing. NARB will issue public report after it makes decision.

"People's radio," incorporating advanced technology, is goal of BBC, which has offered to work with manufacturers to make sets with automatic tuning, better sound quality and BBC's patented "signal-marking" system which utilizes digital signal sent by station to activate one-line display on radio describing program. Eventually, BBC sees displays on radios which could provide entire opera librettos. In 1981, Sony demonstrated radio with descriptive readout ("news," "classical," "jazz," etc.) for use with Germany's digital radio satellite transmissions.

CONSUMER ELECTRONICS VIDEO DATA BOOK

1983 Edition

The market continues to change rapidly in the consumer electronics industry, and to see the future, strategists must examine the past. To aid them, editors Robert Gerson and David Lachenbruch have gleaned from Television Digest's news archives every important market statistic and projection for the past year—to July 1983.

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

Among statistics in this everyday ready-reference book:

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

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

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FIRST SALE MONKEYWRENCH? Surprise section in proposed first-sale bill revision has caused MPAA to do double-take, perhaps back away from whole issue for this session of Congress. As part of omnibus legislation scheduled for markup this week (TVD April 16 p18), House Copyright Subcommittee will vote on home taping exemption that would codify Supreme Court's Betamax decision.

Language states that VCR user isn't infringing law if programs are copied solely for home use. MPAA lobbyist Dale Snape claims that includes recorded cassettes as well as off-air shows, labels such activities as "private piracy... It's devastating to us. We couldn't live with it." MPAA had wind of all aspects of omnibus bill -- except exemption. "It took us quite by surprise," said Snape, largely because Subcommittee Chmn. Kastenmeier (D-Wis.) indicated no interest in home taping bill after Supreme Court ruling. Issue apparently never came up in MPAA strategy sessions, reportedly has upset Assn. high command and membership. If exemption remains, MPAA might drop support for Fair Marketing Amendment.

Given range of studios' commitments to FMA, would Assn. divide over support of omnibus bill? "There are probably different preferences," Snape acknowledges. "But I don't expect to see a split -- [MPAA Pres.] Jack Valenti wouldn't allow it." Disney, 20th Century-Fox & Embassy have been far & away strongest supporters of revision.

FMA is being revised to make it more palatable to Home Recording Rights Coalition, will include following provisions: (1) Congress would review & renew legislation after 5 years. (2) Studios would operate under antitrust laws that forbid price collusion. (3) Current inventories would be exempt. (4) There would be guaranteed rental of all titles. MPAA claims retailers would be able to buy and sell & rent cassettes exactly as they have been doing, or partake of sale-only & sale-rental schemes. HRRC said it's opposed, regardless of changes.

Price of joining industry's first high-tech R&D cooperative is doubling. Microelectronics & Computer Technology Corp., Austin, Tex., R&D venture formed with special blessing from Justice Dept. in 1982, now has 15 member companies. Founding members paid \$50,000 to buy in, and fee for new companies was raised first to \$100,000, then to \$250,000 last year. Now price of admission as full-fledged member is going to \$500,000. To broaden scope, MCTC is now offering associate memberships. They are being made available to smaller high-tech electronic companies and materials suppliers. Associate program is intended to keep such companies up with latest developments, and membership will allow them access to non-proprietary reports and to attend some research seminars. To be eligible, company must be based in U.S., owned by U.S. citizens, carry out substantial portion of its R&D in U.S., be active in development, manufacturing or distribution of products related to microelectronics or computers.

SUMMER CES PREVIEW: Summer CES in Chicago June 3-6 will be bigger than ever by about 65,000 sq. ft., according to EIA Consumer Electronics Group. Exhibit space is being expanded by that much to 800,000 sq. ft., with 30,000 of that coming in new shelter being erected on what was formerly outdoor area on McCormick Place's Mall Level. Much of that new space will be used for video software.

The rest is coming through use of all private MP meeting rooms for exhibit, plus expansion at McCormick West to fill up entire mezzanine. Show area at MW, which again will house computers and related software & accessories, will occupy 170,000 sq. ft. up more than 25% from 1983 event.

In another change, all conferences will be held in MP's Arie Crown Theatre, and show has adopted 2-a-day format for June 4-5, so that none is scheduled for closing day. First, set for 3 p.m. June 3, is traditional overview with 3 speakers delivering state of industry picture from manufacturing, retailing & financing perspectives.

Keynoter for Video Conference June 4 at 8:30 a.m. will be Frank Lann, NAP Consumer Electronics, chmn. of EIA Video Div. Audio Conference at 8 a.m. June 5 will have JBL's James Twerdahl, EIA Audio Div. chmn., as keynoter. Panelists will be announced April this week.

Pre-introduction hike for home computer, not due until later this year, has been announced by Amiga, which demonstrated 128K Lorraine system at Winter CES in Las Vegas last Jan. Console was expected to be priced in \$600-\$700 range, including 320K disc drive, but company now says it will be closer to \$1,300, putting it in class with IBM's PCjr. Amiga said it ran into higher than expected development costs, indicated new price also reflects some added features. Company said that as result of higher price it has shifted marketing emphasis away from mass merchandisers to independent computer retailers.

Unitary tax was cited by IBM as prime reason for decision not to expand in Fla. Company said it's selling 1,986 acre site in Alachua, putting hold on 425,000 sq. ft. expansion at personal computer hq. and plant in Boca Raton, cancelling construction of new plant in Delray Beach. IBM said state's unitary tax, which bases levy on worldwide operations of companies doing business there, "is the sole reason" for scrubbing \$50 million in new investments. IBM said it expects to pay Fla. \$10 million in taxes in 1983, up from \$5 million in 1982, blamed unitary tax for 76% of increase.

Sansui is expected to start producing VHS VCRs on its own in Japan in Dec. at 10,000 monthly rate. All will be for export. Hi-fi marketer, which has been buying finished VCRs from JVC, will continue to source key parts from outside while it develops more integrated production capability. Sansui had about \$13 million in VCR sales last year, expects rise to \$17 million in 1984.

Consumer Electronics Personals

Paul Michie promoted at Toshiba America Appliance & Consumer Electronics Div. from senior vp to exec. vp... Fred Lin advanced at Sampo from national mktg. mgr. to sales & mktg. dir., succeeding Jon Passini, expected to take post with Jensen Home Electronics Div... John Kese promoted at GE Audio Dept. from communications & information systems & services mgr. to mktg. mgr., replacing Bill Smith, resigned to join Mura as pres.-CEO; Al Arras advanced from mkt. development & information mgr. to tape & CB mktg. mgr., succeeding Jerry Rudinsky, resigned to pursue other interests.

Martin Kuilman promoted from vp to N.V. Philips vice chmn., succeeding Eduard Pannenberg, retiring June 1; Harry Peters advanced to corporate information systems & automation managing dir., effective Oct. 1, replacing Ad Penning, retiring... Robert Lanigan, Owens-Ill. pres.-CEO, adds title of chmn., succeeding Edwin Dodd, retired... Fred Bucy, pres., named Texas Instruments CEO, succeeding Mark Shepherd, who continues as chmn. and chief corporate officer... Named vps at Zenith Components & Systems Group: Monochrome Operations Gen. Mgr. Michael Tamkin and Magnetics Operations Gen. Mgr. Joseph Simone.

Alan Kay, recently reassigned from post of Atari chief scientist, has resigned to pursue other interests in artificial intelligence... Bert Helfinstein, ex-Source Telecomputing, joins franchiser Entre Computer Centers as operations vp... Michel Fromont, ex-Rhone-Poulenc Systems, joins Tandon as mktg. & international sales dir... Michael Broomfield, assoc. gen. counsel of parent Columbia Pictures, adds duties of legal affairs vp of Mylstar Electronics (coin-op games).

Peter Mauro appointed S/T Videocassette Duplicating Corp. operations mgr., replacing Stuart McCorkindale, now computer disc services mgr... Michael Standley resigns as Maxell consumer audio products national sales mgr., plans & replacement unannounced... David Crist named 3M Magnetic Audio/Video Products Div. mktg. communications supervisor... John Edwards joins Thorn EMI to head home video facilities and duplication.

James Mervis resigns as programs & planning vp, MGM/UA Home Video... Dennis Blackburn appointed COO and E.J. Oshins development dir., Karl Home Video; Blackburn & Oshins, along with Mktg. Dir. Court Shannon and Sales Dir. Harold Weitzberg, are members of new KHV exec. committee... Arnold Frank named pres. of VCL Communications, new U.S. branch of U.K. company of same name... Geoff Grimes, ex-Warner Home Video, appointed consultant to CBS/Fox Video-Intervision joint venture in U.K. & other markets; Philip Day, ex-Videoform, named Intervision special accounts mgr.

Dan Hale, GE Credit Corp. vp, named to additional post of Commercial Financing Div. gen. mgr. in split up of commercial and transportation & industrial financing functions... Barbara Micale,

Geltzer & Co. (PR), promoted to vp-account supervisor, continuing responsibility for Sony Consumer Products and Sony Tape Sales accounts.

FEB. TV IMPORTS: Probability of assessment of antidumping duties appeared to have no impact on color imports from Korea in Feb., and shipments from that country were more than triple those of same month last year, according to Commerce figures. Imports from Taiwan, however, did reflect possible slowdown.

Sluggish level of imports from Taiwan put Japan back into 2nd place, for month at least, as supplier of complete color, ranking it lost last year. Also showing major growth as complete color supplier was Malaysia. Most imports from there are believed to come from Sharp factory.

Following are TV import totals by country for Feb. and first 2 months of 1984. No color set vs. chassis & kit breakdown is given for countries supplying negligible quantities of incomplete receivers for either period.

	Total TV			
	Month	% chg.	2 mo.	% chg.
Japan				
total...	168,400	+50.5	363,600	+56.1
color...	145,000	+72.5	290,700	+76.9
b&w....	23,400	-15.9	72,800	+ 6.3
Taiwan				
total...	264,900	+26.7	619,400	+35.7
color...	93,500	+39.7	246,500	+76.0
b&w....	171,300	+20.5	372,900	+17.9
Korea				
total...	394,800	+89.2	857,200	+91.9
color...	206,400	+200.7	396,200	+124.7
b&w....	188,400	+34.6	461,000	+70.5
Singapore				
total...	62,300	+31.5	161,300	+57.4
color...	61,800	+34.1	160,700	+64.1
b&w....	600	-56.5	600	-87.2
Malaysia				
total...	28,900	+97.7	44,100	+42.1
color...	27,300	+189.9	37,600	+78.6
b&w....	1,600	-68.8	6,500	-35.0
Hong Kong				
total...	900	-69.6	7,000	+33.7
color...	900	-69.7	7,000	+57.7
b&w....	--	--	--	--
Canada				
color...	5,800	+ 7.4	11,000	+12.5

Complete Color				
Japan....	92,700	+64.8	184,400	+45.3
Taiwan...	86,700	+33.4	219,400	+81.5
Korea....	197,400	+208.7	376,500	+135.8
Singapore	19,200	+ 7.9	56,200	+102.8

Color Chassis & Kits				
Japan...	52,400	+87.9	106,400	+183.8
Taiwan...	6,900	+252.3	27,100	+41.6
Korea....	9,000	+91.5	19,700	+18.1
Singapore	42,500	+50.7	104,600	+48.9
Mexico...	164,800	+ 9.2	265,500	+20.5

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
American Bcstg. Cos.			
1984-13 wk. to March 31	836,659,000	23,862,000	.81
1983-13 wk. to April 2	663,058,000	13,896,000	.48
AT&T			
1984-qtr. to March 31	8,036,500,000	226,900,000	.20 ^a
Bell & Howell			
1984-13 wk. to March 31	165,703,000	5,009,000	.44
1983-13 wk. to April 2	157,564,000	6,259,000	.55 ^a
A. H. Belo			
1984-qtr. to March 31	75,422,000	22,810,000	1.97 ^a
1983-qtr. to March 31	52,162,000	5,638,000	.60
C-COR Electronics			
1984-9 mo. to March 31	14,090,000	877,000	.27
1983-9 mo. to March 31	20,800,000	2,826,000	.87
1984-qtr. to March 31	6,488,000	339,000	.11
1983-qtr. to March 31	6,038,000	909,000	.26
Coleco Industries			
1984-qtr. to March 31	186,104,000	4,441,000	.27
1983-qtr. to April 2	180,170,000	16,210,000	1.01
Comsat			
1984-qtr. to March 31	105,199,000	12,359,000	.68 ^a
1983-qtr. to March 31	108,428,000	12,586,000	.70 ^a
Cox Communications			
1984-qtr. to March 31	160,255,000	16,225,000	.57
1983-qtr. to March 31	133,654,000	13,456,000	.47
CTS			
1984-13 wk. to April 1	94,099,000	3,717,000	.65
1983-13 wk. to April 3	64,140,000	2,771,000	.51 ^a
Dynascan			
1984-qtr. to March 31	34,308,000	(4,688,000)	--
1983-qtr. to March 31	30,237,000	1,455,000	.35 ^a
GTE			
1984-qtr. to March 31	3,449,063,000	256,712,000	1.30
1983-qtr. to March 31	2,961,843,000	219,982,000	1.17 ^a
Harte-Hanks Communications			
1984-qtr. to March 31	111,047,000	5,842,000	.27
1983-qtr. to March 31	97,817,000	4,941,000	.25 ^a
ITT			
1984-qtr. to March 31	3,400,000,000	79,000,000	.52
1983-qtr. to March 31	3,300,000,000	137,000,000	.92
LIN Bcstg.			
1984-qtr. to March 31	27,980,000	4,556,000	.21
1983-qtr. to March 31	20,652,000	3,942,000	.18 ^a
Meredith			
1984-9 mo. to March 31	333,992,000	29,817,000	3.17 ^c
1983-9 mo. to March 31	339,284,000	22,523,000	2.41 ^a
1984-qtr. to March 31	113,376,000	8,431,000	.90
1983-qtr. to March 31	107,129,000	6,399,000	.68 ^a
Milton Bradley			
1984-qtr. to March 31	79,381,000	4,561,000	.62
1983-qtr. to March 31	60,421,000	(1,923,000)	-- ^a
3M			
1984-qtr. to March 31	1,875,000,000	175,000,000	1.50
1983-qtr. to March 31	1,703,000,000	157,000,000	1.33
Motorola			
1984-qtr. to March 31	1,256,000,000	78,000,000	1.99
1983-qtr. to April 2	942,000,000	32,000,000	.83
Multimedia			
1984-qtr. to March 31	65,938,000	7,032,000	.42
1983-qtr. to March 31	58,337,000	5,732,000	.37

Company & Period	Revenues	Net Earnings	Per Share
Park Communications			
1984-qtr. to March 31	23,272,000	2,281,000	.25
1983-qtr. to March 31	20,759,000	1,851,000	.22
Post Corp.			
1984-qtr. to March 31	23,271,000	1,087,000	.60
1983-qtr. to March 31	20,431,000	458,000	.25
Rogers Cablesystems*			
1984-6 mo. to Feb. 29	162,411,000	(12,055,000)	--
1983-6 mo. to Feb. 28	127,190,000	(6,978,000)	-- ^a
Sanyo Mfg. Co.			
1984-qtr. to Feb. 29	87,087,000	1,065,000	.15
1983-qtr. to Feb. 28	54,575,000	(677,000)	--
Tandy			
1984-9 mo. to March 31	2,137,825,000	223,436,000	2.15
1983-9 mo. to March 31	1,885,126,000	204,061,000	1.96
1984-qtr. to March 31	656,130,000	62,556,000	.60
1983-qtr. to March 31	589,860,000	57,385,000	.55
Time			
1984-qtr. to March 31	693,756,000	43,537,000	.67
1983-qtr. to March 31	604,913,000	28,890,000	.46 ^a
United Artists Communications			
1984-26 wk. to March 1	169,654,000	2,606,000	.25
1983-26 wk. to Feb. 24	144,240,000	4,085,000	.38
1984-12 wk. to March 1	87,660,000	2,083,000	.20
1983-12 wk. to Feb. 24	74,366,000	2,298,000	.21
United Cable TV			
1984-9 mo. to Feb. 29	102,999,000	6,783,000	.51
1983-9 mo. to Feb. 28	83,962,000	(709,000)	-- ^a
1984-qtr. to Feb. 29	35,960,000	2,227,000	.17
1983-qtr. to Feb. 28	29,350,000	(1,115,000)	-- ^a
Viacom International			
1984-qtr. to March 31	73,574,000	5,588,000	.42
1983-qtr. to March 31	78,976,000	4,197,000	.31
Walt Disney Productions			
1984-6 mo. to March 31	648,275,000	31,298,000	.90
1983-6 mo. to March 31	585,818,000	47,234,000	1.39
1984-qtr. to March 31	346,116,000	22,307,000	.64
1983-qtr. to March 31	315,676,000	30,020,000	.87
Washington Post			
1984-13 wk. to April 1	219,539,000	9,051,000	.64
1983-13 wk. to April 3	196,545,000	6,155,000	.43

Notes: *Comparable figures not available. ^aAdjusted. ^bIncludes special credit. ^cRestated. ^dIn Canadian dollars.

Teknika Electronics is expected to break from Beta VCR ranks next month, introduce VHS model. Since parent, Japan's General, produces Beta VCRs under agreement with Toshiba, it's assumed VHS product will be sourced from some other company. In Japan, General indicated it expects to report \$13 million loss for year ended in March, attributed that mainly to declining prices of TV sets sold in North America. Company said it plans to erase \$15 million debt through sales of stock & land, will hold down costs by reducing workforce 10% to 3,000 and instituting hiring freeze in this fiscal year. General said it intends to boost sales 10% this year by expanding VCR output, broadening office automation offerings and adding refrigerators & air conditioners to appliance line.

WEEKLY

Television Digest®

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

STRIKE CASTS CLOUD OVER NAB show in Las Vegas. Hiltons near settlement while NAB executives say there's been little disruption in hotel services. (P. 1)

GET GOVT. OUT OF THE WAY and further First Amendment values. That's message from FCC Chmn. Fowler in interview with Communications Daily. Dawson to be key commissioner in relaxing 7-7-7. (P. 2)

NAB BLAMED FOR BREAKDOWN of broadcast deregulation talks. Telecom Subcommittee staffers say that Wirth and his allies won't 'placate' broadcasters. (P. 4)

FCC PREEMPTS STATE REGULATIONS for FM subcarrier services. Commission also sets new standards for MDS, attempts to clarify part of ITFS regulations. (P. 5)

SATELLITE INDUSTRY COMES OF AGE: Business realities cast gloomy shadow on satellite executives' plans, speakers tell attendees at Satellite Summit Conference. (P. 6)

MARKUP ON OMNIBUS COPYRIGHT BILL is delayed until this week. House panel debates measure crafted by Rep. Kastenmeier. Key elements of legislation outlined. (P. 7)

THAT TIME OF YEAR AGAIN--NAB IN LAS VEGAS: More than 30,000 broadcasters, those from related industries and govt. officials were gathering over week end in Las Vegas -- torn by month-old strike by 4 unions representing 26,000 hotel workers -- not sure just what situation would be. Strike against most major hotels (20 settled labor dispute separately), including MGM Grand and Caesar's Palace, still was under way at press time. Two Hiltons were close to agreement at our deadline late last week, expected to finalize it by Sat.

Several NAB executives, on scene most of last week, told us there was little disruption of hotel services. "This town is working fine," said Shaun Sheehan, NAB senior vp-public affairs. He said cancellations had been minimal and "our numbers are holding fine." Pre-registration 10 days ago was at record high of 4,800. However, 84 strikers were arrested Thurs. after staging sit-in in Convention Authority offices. They were protesting PR campaign promoting tourism in Las Vegas despite strike.

Consumer Electronics

8MM COMMITTEE gives up on Timeplex VCR system, dashing hopes for worldwide standards. New portables, super VCRs could preempt 8mm. (P. 10)

NETWORKS PREPARE for MTS, as NBC gives plans for stereo, ABC for bilingual. Problems of small picture seen leading to new type of stereo. (P. 11)

PANASONIC TAKING CAUTIOUS approach to high-tech in 1985 line. No 8mm or digital TV likely this year, officials say. (P. 12)

ZENITH CELEBRATES soaring sales, profits, adds 'Electronics' to name; Pearlman now chmn. (P. 13)

MATSUSHITA PROFIT up 49% in quarter. Commodore's good results continue. (P. 14)

APPLE IN 'CONSUMER' but not 'home' computer field with new portable, \$800 cut in Ile. (P. 14)

VHS HI-FI software off to slow start due to technical & cost questions by duplicators. (P. 15)

CES EXPECTS 90,000 visitors to Chicago in June. Major software firms absent again. (P. 15)

CED'S FINAL BLAST may look like lift-off, with new disc releases, 40,000 more players, \$2.5 million ad & merchandising campaign. (P. 16)

Strike caused several sessions involving members of Congress to be shifted from Hilton to Convention Center, which isn't being struck, so that legislators wouldn't have to cross picket lines. Also, NAB was guaranteeing rooms in non-struck hotels to members of Congress -- 52 had signed up for Las Vegas before strike (some had canceled, others were threatening to at week's end). Not accepting invitations this year were two who played key roles in 1983 convention -- Senate Commerce Committee Chmn. Packwood (R-Ore.) and House Telecom Subcommittee Chmn. Wirth (D-Colo.). NAB is paying expenses of each member of Congress to Las Vegas and offering honorarium of \$1,500-\$2,000.

FCC is sending all 5 commissioners, plus 16 staffers -- and NAB will pick up bills for 15 of 21. Staffers attending, except for assistants from commissioners' offices, were coordinated by Mass Media Bureau Chief James McKinney. FCC Chmn. Fowler said that in Wed. speech at closing convention lunch he planned to spell out agency's progress in deregulating broadcasting. He will stress responsibility that freedom places on broadcasters to serve public, including such areas as children's TV and news. Singer Paul Anka will entertain following Fowler's speech. (By the way, Comrs. Quello, Dawson, Rivera & Patrick have scheduled 11 a.m.-1 p.m. tennis match today [Mon.] on Hilton Hotel courts.)

Theme of convention is "You've Got What It Takes" -- highlighted by voter education drive NAB is urging stations to conduct across nation. Opening session featured Hollywood-type \$100,000 production produced by TM Communications of Dallas. It was built on political convention theme, utilized 11 giant screens, 200 audio speakers, 63 projectors and more than 2,000 slides combining live music (Marine band) and film with laser beams and pyrotechnics.

Once again, NAB convention is featuring largest exhibit of broadcast equipment in world, taking up 300,000 sq. ft. in Convention Hall, opened at 9 a.m. Sun. Additional engineering sessions have been added and started on Sat. this year.

Other highlights: (1) Engineering sessions on multichannel TV sound (see separate story in Consumer Electronics section). (2) "TV and the White House... Why Can't We Be Friends?" moderated by Elmer Lower, Syracuse U., featuring David Gergen, ex-White House communications aide, now with American Enterprise Institute; Herb Klein, press secy. in Nixon Administration, now with Copley Newspapers; Ed Fouhy, ABC News Washington bureau chief; George Reedy, press secy. in Johnson Administration, now at Marquette U.; CBS correspondent Robert Pierpoint. (3) TvB video presentation "No Place to Hide." (4) "Children's Programming: What's New & Useful." (5) "The Future of New Technologies." (6) Induction of Red Skelton and Bob & Ray into Radio Hall of Fame at Tues. lunch; CBS correspondent Charles Osgood is speaker. (7) Presentation of "Spirit of Broadcasting Award" to Stanley E. Hubbard (to be accepted by son Stanley S.) at Mon. TV lunch; political satirist Mark Russell is speaker. (8) 12 "Night Court" sessions Tues. night on legal issues. (9) Q-&-A with Comrs. Quello, Dawson, Rivera & Patrick at closing session, followed by presentation of Grover C. Cobb Award in absentia to Peter Kenney, retired NBC Washington vp and member of NAB board for more than 20 years.

GET GOVT. OUT OF THE WAY--FOWLER: Soon to start his 4th year as FCC chmn., Mark Fowler says his goals are still the same as from day one: "Get government out of the way and encourage a competitive marketplace environment for the development of telecommunications." A major part of that, he told our sister publication Communications Daily, is to "further First Amendment values to the extent that we can" for electronic media.

Fowler said that former system of FCC regulation "was one of heavy government regulation, not only in terms of program content, but also as to micro-managing businesses and what businessmen can do and what they can't do. It trod heavily upon the First Amendment in the process. It assumed that bureaucrats are able to judge what is the best kind of programming for the people, instead of letting the people decide through the marketplace mechanism."

Comr. Dawson "will be a key player" in rulemaking to relax 7-7-7 ownership rule, according to Fowler. "I'm going to be very interested in Mimi's input," he said, "and I have a sense that she would like to go fairly far... Indeed, I have asked her to work with me and the staff." Fowler added that he is willing to compromise on 7-7-7 but "I don't know what the compromise means now, because I'm not sure what the outer limit [of station ownership] would be. I haven't established that in my own mind. I mean, theoretically speaking, the outer limit would be it's all gone [restrictions] and you rely on the antitrust laws. And that may be a reasonable way to go. I don't know where I am now. I don't think anyone [commissioners] does."

FCC's self-imposed moratorium not to act on financial interest rulemaking expires May 10, but Fowler said "I have no plans right now" to bring it before commissioners again anytime soon. "We've got a hundred things we're trying to do in the common carrier area and other important things in the mass media area." He said decision not to push for finalization of rulemaking is influenced "in large part... by the undue amount of energy that financial interest took from this agency before." He added that putting issue on hold wasn't influenced by outside pressures -- including those from White House and Congress, where legislation endorsed by President is pending to mandate 2-year moratorium on any FCC action.

Chmn. said that FCC is "wrestling" with VHF drop-in rulemaking and that he doesn't know where it will go. As Fowler sees it: "A major problem [is], put the 6th VHF station into a market and you wipe out the only ABC over-the-air service that a significant number of viewers can receive. You've lost, let's say, 18,000 people... So what we're looking at now is possibly exploring the idea of having a core of signals that would have to be available within the area before we permit a new station to be dropped in... I think it's fair to say that that approach might winnow down dramatically the number you can drop in."

Disputing wide expectation in Washington that he will resign after presidential election even if Reagan wins 2nd term, Fowler said "that's not true. There is a lot that still has to be done, a lot more we've got to implement. And I think the commissioners' philosophies being somewhat different, it takes more time." He admitted "there are a couple of things I regret," such as "I'm not sure I would vote the same way again in the Simon Geller case" in which Commission refused to renew FM license of one-man operation. "And there are several others. We all have regrets, I guess. But, by and large, it's a fun job, and it's tough and all the commissioners are working hard. We love you members of the press."

Note: Full text of Fowler interview was published in April 27 Communications Daily. Copies for delegates to NAB convention are available in media bins in rotunda area of Las Vegas Convention Center.

Disney Channel is "high in violence... although not as bad as the 3 major TV networks," according to study sponsored by National Coalition on TV Violence. In March & early April, 50 hours of Disney programming were monitored, during which 55 murders and 57 attempted murders were recorded, NCTV said. "The good heroes killed 7 times as many villains as villains killed heroes [and] almost every angry or violent conflict was resolved through violence," NCTV claimed. "Without legislation to require counter-advertising, Disney and others will continue to mislead children and adult viewers into thinking that violent entertainment is harmless family fun."

Planning guide to help parties apply for new FMs authorized in 684 markets under Doc. 80-90 has been prepared by FCC. Copies may be purchased (price undetermined) from ITS Inc., 1919 M St. NW, Washington 20554, or call Zora Brown at 202-254-7674.

Direct Bestg. Satellite Corp. signed \$177 million contract with Ford Aerospace for 2 high-power Ku-band satellites to be launched on Ariane rockets in March & Sept. 1987. Contract also provides option for 3rd spacecraft to be used as in-orbit spare. DBS Corp. system will provide 6 national channels of entertainment & information programming via 2.5-ft. dishes. Six additional spot beams, each carrying 4 TV channels, will serve major metropolitan areas in U.S. DBS Corp. will operate as common carrier rather than broadcaster, leasing all channels. Wold will be exclusive marketing agent for satellite capacity.

U.S. Dept. of Education is spending \$1.9 million to expand closed captioning contract with National Captioning Institute to add 120 more prime time network movies & specials through Nov. 20. From Oct. 1, 1984-Sept. 30, 1985, Dept. will double closed captioning of movies & specials to 254. Movies will appear on ABC & NBC. Discussions are under way with CBS.

NAB BLAMED ON DEREG: NAB killed broadcast deregulation talks because it didn't want to compromise, House Telecom Subcommittee staffers said last week on eve of NAB convention and day after Reps. Tauke (R-Ia.) & Tauzin (D-La.) ended long-running discussions April 26 with joint announcement. Talks had been reported alive but gasping earlier this month (TVD April 16 p4).

One Subcommittee staffer compared NAB to "kid with his hand in a cookie jar... They want it all and that's just not going to happen and this institution [Congress] just doesn't work that way." But Rep. Swift (D-Wash.) refused to believe negotiations were ended. "I've not given up hope," Swift told us: "Everybody's patience runs short from time to time, but I don't think all negotiations are off at all."

Subcommittee staffers said they were willing to continue work for compromise because it's only way to get deregulation bill. "If there is going to be broadcast legislation, there has to be a set of fundamental compromises," one said: "Walking away from the table insures that there will be no bill. We want to get back together and finish the compromise process." But there's uncertainty as to what to do next. One source likened situation to "war," said that in such environment "things do not happen, they just don't get done." He added: "Too many things strike too close to home to too many [congressional] members."

These stances represented retrenchment, Subcommittee staffer said, adding that Tauke & Tauzin felt it represented best legislative proposal "that could be sold to NAB." Neither congressman could be reached for comment. But in joint announcement that talks were over, they said that significant progress was made in 11 months of negotiations but "it is now obvious that a total agreement on a broadcast bill cannot be reached. We have fundamentally different goals: Mr. Wirth wants to increase regulation in a variety of ways while we want to decrease regulation."

NAB spokesman Shaun Sheehan shrugged off criticism: "We feel that the Congress has expressed itself and the public interest by generating 235 [House] sponsors" for Tauke-Tauzin's original deregulation bill (HR-2382). "We feel the elements of the bill must be meritorious and be in the public interest," Sheehan said in telephone interview from Las Vegas. He contended that if anyone is being "intransigent" it's Subcommittee. "We've been willing to negotiate from day one, willing to talk about quantification and EEO," said Sheehan. He said NAB willingness to talk never reached point of "reregulating this industry, which is what [Rep.] Tim Wirth [D-Colo., chmn.-House Telecom Subcommittee] wanted to do."

Subcommittee staffers discussed impasse in press conference late last week that had to be moved when panel's office was besieged by telephone calls from lobbyists who wanted to attend. Attendees

were told that at last members' meeting on deregulation April 25, Wirth, Swift and Rep. Leland (D-Tex.) discussed draft proposal from Tauke & Tauzin that backed off earlier agreements on issues such as program quantification and EEO enforcement, instead sought to raise number of radio stations exempted from EEO standards, contained no guidelines for minority preferences for licenses.

Subcommittee staffers agreed that progress had been made, pointed to press reports that consistently have indicated agreement was near. But in end, NAB wanted only to have guaranteed license renewals and not give up anything, staffers said. "Our bosses are not here to placate a trade association," they declared.

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NTIA Dir. David Markey last week was quizzed about Administration positions on election exit polling and network vote projections during hearing before House Telecom Subcommittee. He said Administration has taken no position, which prompted Subcommittee to ask Markey to get formal response quickly. But Markey, expressing personal view, said that networks "shouldn't be in business of fabricating facts in the sense of making facts through exit polls." Markey turned tables on controversial issue of allowing unregulated cable industry to provide data transmission in competition with regulated telephone industry. He said regulators should lift restrictions on local phone companies that prohibit them from providing cable TV in their service areas. He also strongly endorsed having govt., rather than industry, set standards for Integrated Services Digital Network because newly competitive phone business makes it imperative that regulators take on role as coordinator.

U.K. cable is troubled by major increase in tax liability that's causing operators of many pilot systems to rewrite their business plans. Chancellor of Exchequer recently disallowed 100% write-off of costs of constructing plant in underground ducts. Instead, operators will be liable for 35% corporation tax and can take only 25% depreciation. Tax change will push break-even point from 7th to 9th year of operations, according to research report by Deloitte Haskins & Sells. Operating margins over 12 years would shrink from 13.5% to 7.5%, report said. Operators pressed concerns at session with 2 key govt. ministers, but were told there's little hope law would be changed.

Judges in rape cases should close courtrooms to reporters, cameramen & public, prosecutor in highly publicized Big Dan's barroom rape case in Mass. told Senate Copyright Subcommittee last week. Ronald Pina said that onus should be on news media to convince judges on case-by-case basis whether rape trial should be open. "The presumption would be that he [judge] will protect the victim from [media] exposure" unless there's "another overriding interest," he argued. Otherwise, "what we are doing [press coverage] is scaring away victims."

FCC PREEMPTS STATES ON FM: FCC last week preempted state authority to limit entry into FM SCA (Subsidiary Communications Authorization) services. Mass Media Bureau Chief James McKinney said 15 states had rules that excluded new entrants, while another 29 had regulations that helped keep new companies out of business. FCC's new power would extend only to state laws that prohibited entry into business, not into any "post entry" regulations or requirements states might have, McKinney said.

Mass Media Bureau staffer John Kamp told FCC that state regulations have "frustrated FCC objectives" established last April when agency eliminated non-broadcast related restrictions on FM subcarrier use. McKinney later explained that action was taken to encourage competition and make certain frequencies were properly used.

Although paging is best known of applications for service, it also can be used for electronic mail, traffic signal control and variety of other functions, including digital communications. McKinney stressed use of "modern, new technology," said there could be many other uses for service not yet imagined. He couldn't quantify how many applicants had been refused entry into market, or how many applications were pending that could be granted under new order. But he characterized situation as "a serious problem."

FCC approved preemption on 4-1 vote, with Comr. Rivera dissenting in part against portion of order that would give FCC power over strictly intrastate services. Rivera also closely questioned FCC Gen. Counsel Bruce Fein over footnote in proposed order that said it was "open question" whether services provided under order would be subject to access charges. McKinney later explained to reporters that radio common carriers aren't now subject to access charges and wouldn't be under order.

NAB pres. Edward Fritts said Commission action was "very important step toward the fulfillment of the FCC's policy of maximizing FM subcarrier use."

Commission also moved to settle dispute between GTE Spacenet & Western Union over orbital slot assignments. It assigned Westar V orbital location of 122.5 degrees, move from previous 123 degrees. Commission assigned GTE Spacenet hybrid 120 degrees, U.S. Satellite Service 122 degrees and RCA Americom 67 degrees.

In other business, FCC voted to issue package of 3 orders dealing with Multipoint Distribution Service, including new technical standards.

FCC also voted to clarify portion of regulations governing Instructional Television Fixed Service (ITFS). Current rules require that "significant portion" of ITFS service be used for educational programming if licensee wants to lease facilities for other uses. FCC, in new order, defined "significant" as 15 hours per week, Mon.-Fri., between 8 a.m.-10 p.m. during school year.

EARNINGS REPORTED: N.Y. Times Co. had 24% profit increase to \$24.5 million (62¢ per share) for first quarter, on revenues of \$297 million, up from \$258 million in 1983. Profit of broadcast & cable group was \$1.1 million for quarter, gain from \$375,000 year earlier. Capital Cities first-quarter earnings jumped 28.5% to \$27.1 million (\$2.07 per share), with revenues increasing 21.6% to \$206.8 million. Cowles Bestg. had net income of \$832,000 (21¢ per share), rise from \$772,000 in 1983, on 9% increase in revenues to \$5.67 million.

Knight-Ridder reported net income of \$26.9 million (41¢ per share) for first quarter, up from \$19.7 million (30¢) in 1983, on operating revenue of \$390.6 million, vs. \$340.5 million year earlier. Pres. James Batten said videotex (Viewtron) system launched last fall in south Fla. has 1,500 paying subscribers. Viewtron subscribers now have option of buying AT&T Sceptre terminal for \$600 or paying \$39.95 monthly for service.

Citing 28% increase in interest costs, Storer Communications said its loss for first quarter was \$14.6 million, increase from \$11 million year earlier. Revenue rose 17% for period to \$118.9 million and Storer said operating profit margins of both cable & broadcasting were up.

Chicago Tribune Co. had 146% profit increase for first quarter, rising to \$24.1 million from \$9.8 million in 1983 -- despite loss of \$1.2 million by Bestg. & Entertainment Div. on 15% growth in revenue to \$45 million and loss of \$637,000 by Cable Div. on 22% revenue growth to \$8.8 million. Total first quarter revenue for company rose 13% to \$394 million.

Martin Rubenstein, pres. of Mutual since 1979, and 2 other top executives resigned April 26 in what owner of radio network Amway Corp. called "a restructuring of top management." Also resigning: Thomas O'Brien, vp-news, and Jerry Wallace, senior vp-corporate services. Senior Vp Jack Clements was promoted to exec. vp-gen. mgr. "responsible for all aspects of Mutual," Amway spokesman said. O'Brien was quoted by AP as saying "when Marty left, that was it for me. I concluded I could not continue to run the Mutual news department because [Amway] wouldn't give me the money I needed. They expected me to cover the political conventions this summer with mirrors." Mutual recently laid off 2 dozen employees in economy move and Amway has repeatedly denied reports network is for sale.

Videodiscs for TV programming are being proposed by Panasonic, which was expected to show non-working prototype of player for 8" discs at NAB convention. Unit will be designed to play discs recorded by "world's first real-time recording" videodisc system (TVD April 9 p20). Panasonic's system records 13.3 min. on 8" disc, with 70 dB minimum signal-to-noise ratio on stereo audio track, 45 dB on video. No prices or availability dates have been announced, but recorder is expected to sell for about \$35,000, player \$2,000.

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SATELLITE OUTLOOK GLOOMY: More somber satellite business was evident at Satellite Summit '84 last week in Washington. Satellite executives at conference, sponsored by our sister publication Satellite Week, are struggling with worsening oversupply of transponders, financing & insurance constraints, increasing competition from terrestrial media, especially fiber optics.

Alan Parker, Ford Aerospace Satellite Services pres., pointed to problems in financing new systems, regulatory delays with satellite construction approval, insurance woes, transponder profusion as "environmental factors" satellite applicants are facing. C-band is "buyer's market" today with plenty of capacity at attractive prices, Ku-band will be soon, Parker predicted.

James Tietjens, RCA Americom pres., said description of transponder overabundance as "glut" may be too strong, but there is overcapacity. Key to making satellite attractive is value-added service, he advised. RCA Americom has 90 protected transponders, 86 of which are revenue bearing, Tietjens said.

Latest salary reports show House Energy & Commerce Committee Staff Dir. & Chief Counsel Frank Potter was highest paid aide handling communications policy until his recent abrupt departure (TVD April 16 p5). House Clerk's Office reported Potter earned \$67,200 last year. Best paid Senate aide, at \$65,275, was Gerald Kovach, chief GOP counsel to Senate Commerce Committee. In general, top House aides earned more than Senate counterparts. For House aides drafting cable & broadcast deregulation bills, salaries were: David Aylward, \$63,800; Rodney Joyce, \$57,699; Cecile Srodes, \$40,894; Thomas Rogers & Howard Symons, \$39,440; Clarence Irving, \$31,883; Scott Johnson, \$27,364; William Senn, \$24,997. Key Senate aides: Ward White, \$61,258; Thomas Cohen, \$47,204; Daniel Phythyon, \$26,248.

L.A. County district attorney has launched investigation into possibility that USIA Dir. Charles Wick illegally recorded telephone calls while in Cal. According to records found by investigators for Senate Foreign Relations Committee, Wick taped July 8, 1981 call from L.A. to L.A. Times political writer, Richard Bergholz. Natalie Bellick also has accused Wick of illegally recording calls while working for President Reagan's 1980 campaign in Cal. She was Wick's secretary then.

Cable system sales: (1) Belo Bestg. has sold its only cable property, Queen City Telecommunications, serving Clarksville and part of Montgomery County, Tenn., to Tex. businessman Don Adam for \$13.3 million. Dallas-based Belo is major group TV owner. System has 12,332 subscribers. (2) Gilmore Bestg., Kalamazoo, has sold Western O. Cablevision to Heritage Communications for undisclosed price. System serves 16 communities, has about 13,000 subscribers.

Japanese govt. is silent partner in image-polishing campaign Japanese corporations are running on U.S. cable TV systems, according to Washington Post. One show is produced by CNN in its Tokyo offices, which were expanded recently thanks in part to almost \$3 million paid it by Japanese private sponsors through Japan Center for Information & Cultural Affairs. Other show is called Japan Today, is produced for USA Cable Network by Telejapan International, which used Christian Bestg. Network last year for 2-hour program. Private sponsors include some of Japan's largest industrial exporters.

WWAC-TV (Ch. 53) Atlantic City, principally owned by Frank Siracusa, has defaulted on \$3.2 million note held by Riggs National Bank, Washington, and has been sold to Riggs Financial Corp.; Joseph Allbritton, pres. of Allbritton Communications, heads both financial institutions. KTAB-TV Abilene, Tex. has been sold for \$9 million to International Bestg. (headed by Thomas Scallen) by Big Country TV (William Terry, 50%).

With starts of KLTJ (Ch. 49) Irving, Tex. and KCWT (Ch. 27) Wenatchee, Wash., there now are 1,156 TV stations operating in U.S. -- 859 commercial, 297 non-commercial. Eldred Thomas is KLTJ gen. mgr.; Thomas Maguire is gen. mgr. of KCWT.

CBS plans "major announcement" about teletext April 30 during NAB convention.

PANEL DELAYS COPYRIGHT BILL: House Copyright Subcommittee members debated for nearly 2 hours last week omnibus copyright legislation woven by Chmn. Kastenmeier (D-Wis.) from 3 pending bills and suggestions offered during prior hearings. Upshot was decision to postpone markup until this week. Legislation embodies major elements of bills introduced by Reps. Synar (D-Okla.) (HR-2902), Hall (D-Tex.) (HR-3419) & Foley (D-Wash.) (HR-175).

Fewer than dozen Subcommittee members were present. Several expressed reservations about omnibus approach, fearing less controversial items such as home audio taping would sink under weight of much-fought-over concepts -- revision of first-sale doctrine, restructuring cable copyright. Note: Most of members' debate couldn't be heard by reporters. Panel sat around table, without microphones, often spoke in low tones.

Here's synopsis of major provisions of omnibus bill. As in Hall bill, new legislation would reduce CRT from 5 to 3 members, add gen. counsel and economist and make judicial review of CRT decisions appealable on same standards as independent regulatory agencies. As suggested in Synar bill, it would restrict CRT power to adjust cable copyright rates by forcing it to consider declining marginal value of additional distant signals, extent to which TV stations already compensate copyright owners for shows retransmitted by cable, impact of higher rates on consumers.

Also from Synar bill is proposal to allow every cable system to import 3 distant independent stations -- paying copyright rate of about 1.4% of gross revenues instead of 3.75% rate CRT imposed last year -- as long as there is no local independent station in system's market. If there were a local independent, system could import 2 distant signals, still pay lower rate in measure intended to put small town systems on par with those in top 50 markets. Kastenmeier inserted proposal made recently by INTV that every station in Area of Dominant Influence could become "may-carry" to local cable systems, meaning those stations -- mostly newer UHF's -- could be carried without payment of high copyright fees.

Although bill directs Copyright Office to draw up guidelines basing copyright liability on revenue from subscribers who actually received programs, it stops short of addressing controversial prorating issue. Industry contends it's being forced to make double copyright payments for so-called mixed tiers that contain cable channels, some TV signals, is suing MPAA in U.S. Dist. Court, D.C., contending revenues from such tiers can be prorated to distinguish between copyright-paid and copyright-liable signals.

On record rental, omnibus bill mirrors proposed revision of first sale doctrine (HR-1027) by requiring authorization of copyright owner before record may be rented or leased. Exempt is non-profit rental, such as by libraries, and violation is civil, not

criminal, offense. Bill also gives songwriter right to share of royalties for rental income in proportion equal to that received for distribution.

On movie rental, bill would allow copyright owner to notify video rental stores that rental, lease or lending of copies for any commercial purpose isn't permitted. However, studio then must make adequate copies of its own available to store. For both audio & video rental, bill would exempt current inventory, and rules would expire in 5 years.

Most-discussed part of omnibus measure is home recording exemption, taken from Foley bill. It reads: "Recording of copyrighted audio or audiovisual works is not an infringement of copyright if the recording is made for private use and not for purposes of direct or indirect commercial advantage."

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Turner Bestg. has lowered rates, effective May 1 for new affiliations and July 1 for existing subscribers, for cable systems offering CNN and/or CNN Headline News. Rate for CNN will vary from 30¢ per subscriber per month (when Turner's WTBS Atlanta is on basic service) to 44¢ if WTBS isn't on basic service. For headline news, there's no charge when CNN is carried at any level, up to 44¢ when neither WTBS or CNN is carried.

Nashville Network has been approved by CRTC as one of first non-Canadian specialty services offered by cable systems in Canada. Canadian cable systems will get NN from Galaxy satellite by early fall, Group W Satellite Communications Affiliate Relations Vp Roy Mehlman said. Of Canada's 8.3 million TV homes, 59% are basic cable subscribers, with more than 6.6 million homes passed by cable. NN has 13 million subscribers.

FCC Chmn. Fowler said last week he had experienced a "180 degree change in attitude toward what the Consumer Office does" at Commission. Opening FCC's National Consumer Week program, Fowler said he was "doubtful" at first of need for consumer education office, now realizes consumer education is "a good thing government does do." About 50 people attended FCC-sponsored panel on "Life After Divestiture."

FCC Review Board has reversed law judge and awarded Ch. 26 Daytona Beach, Fla. to Life Style Bestg. over Daytona Bestg. and Daytona Beach TV Assoc. Judge John Frysiak had favored Daytona Beach TV in initial decision. Said Review Board: "According greater weight to the primary objective of integration [of ownership & control], the balance must tip in Life Style's favor."

Centel will nearly double investment in cable TV, video information services & specialized communications networks to \$700 million over next 4 years, Chmn. Robert Reuss told shareholders at annual meeting. He said investment in regulated telephone & electric utility operations will remain "flat."

Personals

Dean Burch, FCC chmn. 1969-74 and currently partner in Washington law firm Pierson, Ball & Dowd, is expected to be named chmn. (with ambassadorial rank) of U.S. delegation to space WARC, Aug.-Sept. 1985 in Geneva... Robert Kahrman, ex-Seton Hall U., appointed mgr. of satellite & seminar continuing education, IEEE... Additions to staff of NTIA: Robert Entman, ex-Duke U.; Alfred Lee, ex-Cornell U.; Jane Hurd, NTIA senior telecommunications policy specialist; Maury Lisann, consultant.

Carl Lindemann, onetime NBC Sports pres., retires as vp-asst. to pres., CBS Sports; Douglas Clemensen, ex-Reymer & Gersin Assoc., joins CBS TV Stations Div. as vp-audience & mktg. research, new post... Donald Carswell promoted to vp-finance, NBC... James Mervis, MGM/UA Home Video vp-programs & entertainment, resigns May 1 to form Vismer Entertainment... Alan Perris, ex-WPLG Miami, moves to WTVJ there as vp-gen. mgr., succeeding Morton Cohn, retiring... Donald Bates promoted to vp-gen. mgr., KSLA-TV Shreveport, succeeding Winston Linam, who moves to vp-govt. affairs... Paul Bissonette, ex-Turner Bestg., joins WPIX N.Y. as vp-creative services, new post... Frank Detillo promoted to vp-gen. mgr., WXFL Tampa... Terry Ford, ex-WFAA-TV Dallas, appointed vp-gen. mgr., KHOU-TV Houston, replacing Thomas Kenney, resigned; David Lane, TV vp for Belo Bestg. (owner of both stations), will fill in at WFAA-TV for Ford.

Bernie Flynn, ex-Harrington Righter & Parsons, appointed national sales mgr., KTSP-TV Phoenix... Royce Wilson, ex-KATV Little Rock, named southwest sales mgr., Paramount TV... Andrea Cohen promoted to asst. gen. attorney-east coast labor relations, ABC... Deborah Sinay, vp-gen. sales mgr., WCVB-TV Boston, assumes supervision of all sales activities, succeeding Gerald McGavick, resigned... Milton Davis, ex-PBS, appointed dir. of broadcasting, WHMM Washington... Daniel Monroe promoted to vp-controller and labor relations mgr., Meredith Bestg... Mark Dulmage advanced to Beirut bureau chief, CNN... Rose Guilbault promoted to dir.-editorials & public affairs, KGO-TV San Francisco; Ginny Yamate succeeds Guilbault as community relations mgr.

Wynn Nathan, pres., and Frank Miller, exec. vp, Lionheart TV International, resign... Louis Ames, TIO station services mgr., retires... Claudia Flintermann, ex-Oak Media, appointed creative affairs dir., Playboy Channel... David Sams, ex-WBNS-TV Columbus, O., joins King World as dir.-creative services... Richard Abramson promoted to national sales mgr., First Data Resources Cable Div.

Michael Seeger promoted to vp-operations & production services, Showtime/Movie Channel... Warren Park, advanced to Md. Public TV gen. mgr., new post; Michael Styer succeeds him as dir.-programming & operations... Mark Greene, ex-Warner Amex, appointed mgr.-mktg./research information systems, Comsat Satellite TV.

Donald Putnam, Conrac CEO, also named chmn.; Paul Graf succeeds him as pres., continues as COO, is elected a dir... James Corno, ex-WDIV-TV Detroit, named Sportsvision gen. mgr... Beverly Havens appointed reciprocal trade dir. and Maureen O'Brien named supervisor of Lexington Best. Services Div., Best. Merchandise Exchange.

Thelma Smith advanced to LPTV development vp, Satellite Program Network... Richard Rosen appointed vp-gen. sales mgr., Columbia Pictures Pay-TV... Ellen Cooper advanced to dir.-consumer PR, Showtime/Movie Channel... Hilda Moskowitz, ex-Dept. of Education, appointed Annenberg/CPB Project exec. asst... Richard Thrall, Multimedia Entertainment senior vp-programs, adds gen. mgr.-Multimedia Entertainment Nashville.

Lennart Ringquist, ex-Blair Entertainment, named exec. vp-owned TV station div., John Blair & Co... Virginia Bartlett, ex-WNEV-TV Boston, appointed WGBH-TV Boston community relations dir... William Abbott, ex-NBC, appointed member of New Orleans law firm Fawer, Brian, Hardy & Zatzkis... Walter Wurfel, ex-Gannett, named pres., Ruder Finn & Rotman Washington office... Larry Wood promoted to vp, R.C. Crisler & Co... Joseph Nugent advanced to division controller, General Instrument RF Systems Div.

Joseph Mullen promoted to public affairs dir., RCA Govt. Systems Div... Erwin Kantor named to General Signal vp-taxes... David Lapovsky advanced to Arbitron research vp... Paul McGoldrick, ex-Harris, appointed Moseley Assoc. systems engineering mgr.

William Baker, ex-Showtime/Movie Channel, named affiliate mktg. mgr., Sports Time Cable Network; Terrence Dunning, ex-CBS-TV, appointed dir.-ad sales... Promoted at WEI Enterprises & Wometco Bestg.: Michael Brown to senior vp-chief financial officer & treas.; Robert Di Pauli to vp-controller; Gerald Whaley to vp-public & employe relations... Promoted at Wold Communications: Jon Schwenzer to vp-Washington sales & operations; Stephen Ludwig to vp-N.Y. operations; Cathie Labrador to vp-personnel & administration; James Burke to mgr.-western sales... Marilou Legge, ex-Television Digest, named Arbitron senior staff consultant-research.

Mark Spears, ex-Arthur Young & Co., appointed Financial News Network corporate controller... Richard Kellerman advanced to mktg. communications mgr., Bell & Howell visual communications group... Daniel Cornett, ex-Chromatics, named mktg. vp, Byers Communications Systems.

Micki Jackson, ex-Robert Wold Co., appointed office mgr., Bonneville Telecommunications/Satellite Systems Div... Stan Sands advanced to national sales mgr.-commercial accounts, Scientific-Atlanta... David Thomas promoted to dir.-Echosphere East office, Knoxville.

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THORP—Thorp Cablevision Inc., 405 N. Washington St., Thorp 54771. Phone: 715-669-5301. County: Clark. Population: 1,600.

TV Market Ranking: Below 100. **Franchise expiration date:** 1995. **Began:** Sept. 1982.

Channel capacity: 40 (plans 2-way). **Channels available but not in use:** 23.

Basic Service

Subscribers: 245 (7/1/83). **Potential:** 450.

Programming (received off-air): WEAU-TV (N) Eau Claire; WEST (C) La Crosse; WHWC-TV (E) Menomonie; WAOW-TV (A) & WSAW-TV (C) Wausau; Albion PBS; Programming (via satellite): WTBS (I) Atlanta; CNN; Christian Cast. Network; ESPN; USA Network.

Current origination (hours weekly): Midday (week) (168-shared); community bulletin board (168-shared); public access channel (168-shared); educational access channel (168-shared); government access channel (168-shared).

Planned origination (hours weekly): Time Warner (168-shared); local live (5-shared); tape (5-shared).

Fee: \$10 installation, \$6.50 monthly.

Tier 1

Subscribers: 45 (7/1/83). **Began:** Sept. 1982.

Programming (via satellite): WGN-TV (I) Chicago; ARTS/Nickelodeon; Cable Health Network; Modern Satellite Network.

Fee: \$3.50 monthly.

Tier 2

Subscribers: 100 (7/1/83). **Began:** Sept. 1982.

Programming (via satellite): Home Box Office Inc.

Fee: \$7.50 installation, \$8.50 monthly.

Tier 3

Subscribers: 15 (7/1/83). **Began:** N.A.

Programming (via satellite): HTN Plus.

Fee: \$7.50 installation, \$8.50 monthly.

Security System:

Planned services: Burglar alarm, fire alarm.

Local advertising: Planned.

Equipment: Scientific Atlanta headend; Sylvania amplifiers; Comm/Scope cable; Texscan character generator & set-top converters; Pige traps; Scientific Atlanta satellite receivers; Microlog satellite antenna.

Miles of plant: 16. **Additional miles planned:** 5. **Home passed:** 600. **Total homes in franchised area:** 600.

Manager: David M. Keating.

City fee: 3% of gross.

Ownership: Thorp Telephone Co., 100%.

Other interests: Thorp Telephone Co. has undisclosed telephone holdings.

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1984 TELEVISION & CABLE FACTBOOK Highlights

Abbreviations
Allocations, TV Channels
Applications, TV
Associations
Attorneys
Brokerage & Financing
Cable
Cross-Ownership
Equipment Installers
Group Ownership
Statistics
U.S. Systems
Communications Satellite Corporation
Congressional Committees
CPs & Applications, TV
Educational TV Stations
Electronic Industries Association
European Broadcasting Union
FCC Directory
Group TV Station Ownership

Instructional TV
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STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended April 13 (15th week of 1984):

	APRIL 7-13	1983 WEEK	% CHANGE	MARCH 30- APRIL 6	15 WEEKS 1984	15 WEEKS 1983	% CHANGE
TOTAL TV.....	359,196	307,961	+16.6	242,662	5,652,123	4,967,304	+13.8
TOTAL COLOR...	244,023*	237,251	+ 2.9	199,182*	4,320,100*	3,510,146	+23.1
DIRECT-VIEW.	241,148*	235,170	+ 2.5	196,524	4,276,031*	3,474,231	+23.1
PROJECTION..	2,875*	2,081	+38.2	2,658*	44,069*	35,915	+22.7
MONOCHROME....	115,173	70,710	+62.9	43,480	1,332,023	1,457,158	- 8.6
TV EXCL. PROJEC.	356,321	305,880	+16.5	240,004	5,608,054	4,931,389	+13.7
HOME VCR.....	113,439*	45,257	+150.7	112,204*	1,607,934*	820,361	+96.0
COLOR CAMERAS...	7,704*	4,958	+55.4	6,673*	112,586*	84,075	+33.9

Color TV (direct-view) 5-week moving average: 1984--296,280*; 1983--238,485 (up 24.2%).

Home VCR 5-week moving average: 1984--113,474*; 1983--50,993 (up 122.5%).

* Record for period.

8MM COMMITTEE GIVES UP ON TIMEPLEX: After year of study by working group, 122-company 8mm Video Conference last week gave up attempt to develop more sophisticated Timeplex baseband recording system, as requested by French Thomson Group. Terse statement by Conference in Tokyo said working group found "problems with respect to [Timeplex's] practicality as seen from technical & cost-performance [standpoints] at present."

Conference thus decided "to discontinue at this time the study of the Timeplex system," but expressed hope it would be taken up by "new organization at an opportune time." Group reiterated that 8mm standard adopted March 28, 1983 "should be considered as the unified format of the Conference," to be submitted to International Electrotechnical Commission (IEC). New 8mm standard applies to NTSC & PAL systems, with no recommendation for SECAM.

Conference had deferred setting SECAM standard pending study of Timeplex system. Following that action, JVC -- which supplies Thomson VCRs -- came out in favor of shelving 8mm for NTSC & PAL as well until more advanced Timeplex system could be developed. In meantime, JVC and Thomson Group introduced VHS Videomovie. Beta group also cooled on 8mm, introducing Betamovie. Philips announced plans for 8mm, backed away when it found it had little company, with only Kodak really committed.

Although last week's announcement from Tokyo officially puts "standard" stamp on 8mm specs, it also proclaims there's really no worldwide standard, and could set 8mm back more than it advances it. With development of Betamovie, Videomovie and work going ahead on new camcorder using standard VHS cassette (TVD April 16 p13), prospects for 8mm portables actually are becoming cloudier. As for 8mm replacing 1/2" formats in non-portable decks, development of 1/2" super VCR, as revealed here last week (TVD April 23 p10), would seem to make that premise more doubtful than ever.

Proposed super VCR would use principles developed for 8mm, apply them to 1/2" formats for vastly improved picture quality -- instead of using them to make more compact recorder & cassette with equal quality.

NETWORKS PREPARE FOR MULTICHANNEL SOUND: With multichannel & stereo sound for TV due to get green light for broadcasting in June, keynote sessions at this week's NAB Best. Engineering Conference in Las Vegas are scheduled to focus on methods of implementing it -- and problems are both subjective & objective.

NBC & ABC are well along in plans for adding MTS, and their representatives discussed some aspects of them in papers prepared for delivery Sat. (April 28). NBC's James Gibbings said network has set up MTS listening room in N.Y. to let management, producers, ad agencies, etc., listen to various formats and already is installing new audio consoles at Burbank studios.

Gibbings forecast that "NBC or in-house production and feature movies produced in stereo format will be introduced first... closely followed by packaged sitcoms and then series shows produced in motion picture format."

However, he warned that stereo listening (FM, discs, etc.) and stereo listening plus TV viewing constitute completely different experiences. Because of relatively small size of screen, visual field of view is quite narrow -- militating against widespread sound, particularly for dialog, which would appear to come from off-screen location or to move about depending on location of viewer. Best approach to curtail "wandering" effect of dialog, he suggested, is to minimize stereo by mixing left & right channels in such cases.

"TV receiver manufacturers who build in stereo speakers must make assumptions about the compromise required" in speaker placement, Gibbings suggested. "Those who supply detached speakers or otherwise adjustable channel separation should supply a diagram or written guidance to their customers to lead them to the optimum configuration in the viewing setting," presumably to avoid too widespread placement.

Gibbings suggested that 3-channel sound might be best in long run for stereo TV -- possibility of 3rd audio channel is one of advantages of Zenith system chosen by industry committee as de facto standard. "Ideally," he said, "the dialog and other center sound would be recorded, transmitted & reproduced with a discrete 3rd track and center speaker... In dialog-dominant scenes, we have found the 3rd center channel to be very effective. Some sound effects are mixed into the center channel but most effects & music are assigned to the left & right channels."

NBC commissioned Universal Pictures to prepare excerpts from network's shows in both 2- & 3-track formats, also has been taping Johnny Carson show in stereo since Oct. 1982. Gibbings pointed out there are 2 different stereo formats available -- album and motion picture -- and implied 3rd would be developed for TV.

ABC, as reported here previously, is directing major effort toward bilingual broadcasting using SAP (separate audio program) channel, because, in words of network engineer Kevin Dauphinee, that is "the multichannel TV sound service capable of generating additional return on what will certainly become a substantial investment."

He cited recent ABC tests in which Spanish translations of The Fall Guy TV program were simulcast over AM & FM in some markets for 3 weeks; 60% of Spanish-speaking people contacted said they listened to simulcasts while viewing program. Dauphinee said Spanish-speaking population of 24 million should grow to more than 30 million by end of decade.

Dauphinee said complexity of equipping networks & stations for MTS "prohibits short-term implementation" of all-out changeover in short time, but "a limited capability for network distribution of stereo programs is both achievable & practical... The viewers' response to the new technology will be closely followed in the weekly reports of MTS receiver sales." (EIA said it currently has no machinery to collect sales data on MTS receivers, but this could start in 1985 "if there is a need.")

Comments of speakers at session led to conclusion that stereo's contribution to TV will be to provide ambiance rather than directionality -- crowd noises in sports, wraparound music on variety & drama shows, etc.

PANASONIC EDGES INTO HIGH-TECH: Panasonic's in no rush to blaze marketing trail in advanced consumer electronics areas this year but will be pushing hard for increased volume in color TVs, VCRs, portable audio & hi-fi. That's basic message picked up in Honolulu where national sales meeting celebrated 25th anniversary of parent Matsushita Electric Corp. of America.

Panasonic had 21% sales increase last year, with volume in excess of \$1.5 billion, and sales were up 37% in first quarter this year, Pres. Raymond Gates told meeting. He said Panasonic has increased market share in color TV in each of last 3 years "and I don't see why this shouldn't continue." In video, he ranked company No. 1 in portable VCRs and color cameras, said "most reports show us to be No. 1 in decks also," but stopped short of making actual claim. He said company is unable to keep up with VCR demand, noted that in March "our ending inventory was exactly 9 days." Thanks to new sales emphasis on headphone products, portable audio sales are up 50% this year, and Panasonic expects to be market leader in CD disc players "just as we are in phonos," Gates said. Panasonic also is making gains in telephone products, "though I am happy our company never entered the low-end one-piece business" and is "conservative in cordless."

Gates said he felt 1984 would be good year, but "extraordinary business of the first quarter" won't be maintained. Current slowdown "will run its normal course," and there will be shortage of some products because of tight component supplies. There also will be some surpluses because of "too many suppliers or an overestimation of the market" in some areas. "I know there has been some talk" about slowdown in color cameras, but "we have not experienced it." Panasonic, he said, sold out first 2 months' supply of new palm size camera (TVD April 23 p15) on first day of meeting "and we will probably sell every one of those we can get."

Neither digital TV nor 8mm Video were mentioned during formal presentations, nor were they shown in display areas. During press briefing Gates said that while Matsushita expects to offer digital TV in Japan, "in all probability we will not be introducing in the U.S. market until either very late this year or early next year. We feel by then the market will be a little more ready for it."

As for 8mm Video, Masaharu Matsushita, chmn. of Japanese parent, said company has no plan for introduction under its own brand either in the U.S. or Japan, though it will be producing for Kodak. Matsushita also is expected to make 8mm camcorder GE is slated to show in N.Y. next week. He acknowledged Matsushita is likely to offer a unit next year to "meet the possible growing demand in the marketplace for 8mm VTRs in the form of VTR deck & camera combined," but restated company position that format "will coexist with the continuing demand for ordinary type home decks."

Also on 8mm, Matsushita was frank in acknowledging that senior corporate officers at Matsushita Electric were not kept fully informed of 8mm supply agreement being worked out with Kodak by subsidiary Matsushita Kotohuki. Matsushita subsidiaries in Japan function with great deal of independence as long as they perform. Normal procedures, he said, allow subsidiaries to handle preliminary business negotiations themselves, but require that "at the appropriate time" they send matter to head office for review. "While I don't know about the time sequence," in this case it would appear "our subsidiary company was doing a kind of underground work. This kind of thing happens from time to time with other businesses as well." That, he indicated, is why corporate spokesmen were insisting there was no firm deal with Kodak right up until week before photo maker displayed production models of 8mm camcorders last Jan.

Matsushita's view of videodisc is about same as that of 8mm Video. RCA's decision to drop CED players resulted in no planning changes. "In the future there probably will be a demand for videodisc systems in addition to VCRs. But we have not expected VHD or any videodisc system to grow at a rapid pace; therefore we are not expecting much from the videodisc business at this time." Matsushita said he feels teletext is "becoming more important for home use," though company intends to limit sales to areas such as Charlotte, N.C. "where broadcasting is made on a local basis." Panasonic displayed its decoder unpriced, indicated it would be introduced as free-standing product later this year in \$700-\$800 range.

Gates said Panasonic has high hopes for TV stereo. Though introductions were limited to 2 models plus one with bilingual-only capability, more may be coming, along with set-top decoders to be offered under both Panasonic & Technics brand -- latter for use with new stereo FM receiver that includes TV tuner and offers stereo synthesizer. Gates said Panasonic would be introducing VCRs with built-in TV stereo decoders early next year.

Entry next year of Korean & Taiwanese producers into U.S. VCR market poses no immediate threat to industry stability, Gates said. "I have always found in the past that, especially on the high ticket items, the very capable manufacturers in Japan" find some way of adding quality & features that appeal to consumers, he said. "They may not always match the lowest prices but I'm really not worried, I've seen our own parent company, with their R&D, meet those challenges before. I don't think that 1985 will be the year we have tremendous worries on that score," he said, adding that "1986 might be a little different."

As for further transfer of production to U.S., company is now looking seriously only at mobile telephones, Matsushita said. It would like to expand into major appliances, but would prefer to do that through some form of cooperation with U.S. manufacturer, he said. "Certainly the production of goods in the U.S. would help alleviate [trade] friction between Japan and the U.S., but we have to emphasize that any business of that kind should at least break even, otherwise we could not continue such an operation."

ZENITH CELEBRATES WITH NEW CHMN. & NAME: Celebrating best sales quarter in its history and highest profits in 11 years, Zenith last week gave Pres.-CEO Jerry Pearlman added title of chmn., succeeding Walter Fisher, who retires May 31 -- and finally dropped "Radio" from its name, becoming Zenith Electronics Corp.

First quarter earnings of \$14 million were up 68.7% from 1983 period, on 12% increase in sales to \$373 million (see financial table), all business groups sharing in improvement. Despite record color TV unit sales to dealers, consumer electronics sales at \$226 million were up just 1% due to lower TV selling prices and fact that period represented only about 2 weeks of VCR shipments. Cable Products and Computer Systems & Components accounted for 39% of sales vs. 33% a year ago, with Cable Products sales up 13% to \$54 million, computer products up 50% to \$93 million.

Zenith's market share showed increases in all its businesses in first quarter, Pearlman said at news conference. In first 4 months of VHS shipments, he said, Zenith will ship more VCRs than in all of 1983. He suggested that VHS Hi-Fi, used as audio-only recorder, might provide competition for digital Compact Disc.

Asked by stockholder about Zenith's switch from Beta to VHS, Pearlman called it "purely business decision," adding: "We tried for a long time" with Beta. "In the first half of 1983, Beta was down to 15% of the U.S. market, and that included the business Zenith was doing. The question was how much money could we make... by seeking to eke out a market share in a 15% segment vs. a market share in an 85% & growing segment of the marketplace."

As for Korea-Taiwan dumping ruling, Pearlman described himself as "guardedly optimistic... in terms of pricing. It has to make things better from the standpoint that prices

were continuing to decline in the first quarter. We feel those declines were fueled in large part by continuous very aggressive price action on the part of Korean & Taiwan manufacturers." In longer term, he said he was concerned about VCR prices once those products start coming in quantity from Korea & Taiwan. "These are very complex problems, and quality is going to be a major issue. Over the long run, [Korea & Taiwan] will become very competitive" in VCR.

This year will see largest capital spending in company's history -- \$70-\$85 million -- Pearlman said, with biggest amount earmarked for plant & equipment.

MATSUSHITA ON RISE: Paced by booming video business, Matsushita reported 49% jump in profit on 25% sales increase in first quarter to Feb. 20. Company said results reflected continued strength in U.S. market, as well as consumer spending recovery in Japan.

Video equipment (including TV), largest category, increased 26% from year earlier to \$1.73 billion. VCR products alone had sales of \$1.28 billion, gain of 37%. Other categories: audio, \$516.4 million, up 5%; home appliances, \$563.5 million, up 17%; communication & industrial equipment, \$718.3 million, up 44%; energy (batteries) & kitchen products, \$210.2 million, up 5%; electronic components, \$543.7 million, up 66%; other (records, bicycles, photo equipment), \$374.6 million, up 6%.

Once again, biggest gain came in overseas markets, up 30% to \$2.39 billion, while domestic sales rose 20% to \$2.27 billion.

Commodore's earnings rose 45%, while sales were up 72% in fiscal 3rd quarter to March 31, and company predicted further gains, tied to healthy sales of Model 64 home computer. Nine-month net was up 70% on 106% sales increase. Company said it expects 9-month trend "through the current final quarter... and into our new fiscal year beginning July 1."

Bally Mfg. Co. reported improved results of all operations except coin-op games, which it said declined again in first quarter. In financial report, it forecast game operations will "continue at low levels as the industry adjusts to the lowered level of play by the public."

Tandy Corp. said about 21.6 million shares were tendered in response to its offer to buy back 10 million at \$35.50 per share.

Picture tube sizes are changing in U.K., as they did in U.S. in 1967's "big shrink." British govt. has ordered that screens be measured in viewable, rather than overall, diagonal, similar to FTC order that went into effect here Jan. 1, 1967, cutting size nomenclature for most picture tubes by 1-2 inches. However, in Britain it's more complicated, because U.K. will switch to metric system for measurement of tubes at same time. During transition period, old measurement (overall tube size) will continue in inches, with viewable picture identified in centimeters. But new FST tubes will be measured in centimeters only -- no inches. Any questions?

APPLE'S CONSUMER BID: "I don't think there will be a doubt in anyone's mind by the end of the year that Apple wants to be a strong consumer products company." So said Apple Pres. John Sculley at elaborate 3,500-dealer meeting in San Francisco last week to unveil company's challenge to IBM's PCjr.

Sculley was careful to make distinction between "consumer" & "home" computer. "We think the market for home computers is terrible," he said. New 7.5-lb. portable Apple IIc "isn't a home computer. It isn't a toy with limited use beyond games. It's for the serious user in the home."

Apple plans to spend more than \$20 million to promote IIc this summer -- some \$5 million more than it spent on Macintosh. IIc, at \$1,295 list, has 128K memory, keyboard, one 5-1/4" disc drive, connector to plug into TV set or monitor, can use about 95% of programs written for Apple II computer series. Accessories include color monitor at \$199, printer \$299, additional disc drive \$329. At same time, Apple cut price of IIe to \$995 from \$1,800.

PCjr home computer sales aren't up to expectations, IBM has admitted for first time. While first quarter sales met goals, demand in April "has been variable and is not growing quite as rapidly as we expected," company said in response to questions. It denied reports that price cut is imminent.

Meanwhile, Milton Bradley, stung in videogame business, said last week it was discussing "possible business combination" with unidentified company. There was unconfirmed speculation that firm was MacAndrews & Forbes Group, N.Y. flavor & fragrance firm that took over Technicolor Videocassette duplicating operation, one of industry's big 4.

Cartridge-disc combo is answer of Canada's Interphase Technologies to computer software piracy problem. Company loads game operating instructions into ROM cartridge, uses disc for additional information. Both are needed for program to run. First such combo is Viking Raider for Commodore 64 to be issued in May at \$45. Company also said it had adapted 2 current games, Sewer Sam & Aquattack, for Japanese MSX format.

NBC will demonstrate teletext in about dozen hotels during World's Fair opening next month in New Orleans. It will supply lobby kiosks containing color TVs along with decoders obtained from Panasonic & Quasar. Feed will be from local affiliate WDSU-TV.

SLOW HI-FI TAPE START: VHS Hi-Fi software won't be as prevalent this year as duplicators thought 6 months ago, isn't expected to make marketplace showing until early 1985 -- perhaps 8-10 months after machines are widely available. From duplicators' perspective, fault is with VHS camp.

Among unknowns are cost of duplication, which has kept studios from committing titles (TVD March 26 p16), and quality of playback sound. "The Sony folks did a much better job introducing Beta Hi-Fi," said David Cuyler, Bell & Howell/Columbia Pictures Video Services entertainment vp. In effort to boost VCR share, Sony went to great lengths -- and expense -- to get movies out at same time as machines, even before units were in consumers' hands.

Problem for VHS manufacturers, another executive told us, is that "they don't think very seriously about prerecorded," still consider time-shift biggest application. As result, few VHS Hi-Fi slaves have been installed. Major duplicator doubts any questions will be answered for while: "Until I've made 10,000 tapes, I can't tell you anything." He thinks it will be another 2 months at least.

VHS Hi-Fi appearance coincides with another round of price-cutting among tape suppliers and flock of executive shifts (see Personals), both indicative of profit margin squeeze. "It's going down just a little bit further," said TDK Industrial Sales Dir. Doug Booth. Drop in cost of T-120 is measured in pennies, nevertheless muddies situation everyone thought had calmed down recently.

Established tape suppliers still are fighting among themselves, say Koreans remain minor factor in duplication market. However, they may be getting competition from another source -- Fuji, which has never sold duplicators. John Dale, now Fuji consultant, said company has earmarked home video as key growth area, thinks recorded cassette sales will hit 18-20 million units in 1984 with huge growth to follow. Tape pancakes, not yet available in VHS, are possibility, he said. However tight margins may be, Dale considers duplicating greater profit area than consumer sales. In his opinion, 3M is only company gaining market share in blank cassettes.

Home electronics service gets top marks for improvement in recent national consumer survey made for Whirlpool. Some 35% of respondents said electronics service has improved in recent years, 47% said it stayed the same, 18% said it deteriorated -- as compared with 22%, 54% & 24% for appliance service and 20%, 61% & 19% for home repairs. Only 35% of respondents said they ever attempted to make own electronics repairs, same figure as for appliance repairs, compared with 66% for auto repairs. Survey, "America's Search for Quality," is available from Whirlpool, 2000 U.S. 33 N., Benton Harbor, Mich. 49022.

RCA plans corporate ad campaign, probably in fall, has named Needham, Harper & Steers. Ted Bates handled last RCA corporate advertising.

CES EXPECTS 90,000: Advance registration for Summer Consumer Electronics Show June 3-6 in Chicago points to attendance of nearly 90,000, up from 83,311 last year, according to EIA Consumer Electronics Group Senior Vp Jack Wayman.

Latest exhibitor list, released last week, indicates movie studios have resisted temptation to exhibit. As of April 18, only MGM/UA Home Video was listed as participant. Disney was supposed to take space, apparently has decided otherwise at least for time being. Vestron, its Children's Video Library, Karl Video, Media Home Entertainment, NTA Home Entertainment & Family Home Entertainment represent bigger independents, with Master Arts Video, Mastervision and scattering of adult suppliers (including Slave & Master Video) rounding out list. Most interesting newcomer: Simon & Schuster Electronic Publishing.

* * * *

Consumer Electronics Annual Review, published by EIA CED, is now available. Individual copies are free if you send 6x9" 71¢-stamped addressed envelope to EIA/CEG, Box 19100, Washington, D.C. 20036.

In another EIA activity, Newsweek will publish special consumer electronics advertising supplement Oct. 1, produced in conjunction with CED.

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Audio-video processor tops sophisticated new Sansui line. At less than \$350, instrument permits tape dubbing between 2 VCRs, from videodisc player, TV tuner, camera or audio component, has sharpness & detail controls, selectable hue (to change colors in pictures), and controls to intensify outlines, fade picture & sound, horizontal & vertical wipe, synthesized stereo, RF converter. Two new amplifiers at \$800 & \$950 have video processing capability, universal AM stereo decoders, with power of 130 & 100 watts, respectively. Sansui also introduced \$500 CD player.

Sunkyoung, which sells videocassettes and floppy discs under SKC tradename, will add audio tape and begin national marketing campaign this spring. Sunkyoung, major Korean conglomerate, is now offering L-250 & L-500 Beta tapes, T-60, T-90 & T-120 VHS and 5-1/4" floppy discs in 3 configurations. Company's cassettes are labeled "stereo"... JVC's new line of titanium oxide VHS cassettes, designed for VHS Hi-Fi, are advertised at \$22 (T-120), \$20.50 (T-100), \$17.50 (T-60), \$16 (T-40) & \$15 (T-30).

Tatung was only electronics firm in Taiwan's top 10 private enterprises in 1983, ranking 6th, with sales of \$340 million, up 23.5% from 1982. Nan Ya Plastics continued as biggest firm, with sales of \$750 million, up 26.8%.

Videodisc & videotex are combined in information display to go into use May 1 in Toronto promoting attractions of Northern Ontario. System was designed & developed by Genesys Group Inc., Ottawa.

CED'S FINAL BLAST? Collapse of CED should light up marketplace -- perhaps brighter than ever -- before RCA disc format disappears completely. How quickly it fades depends on new disc releases, and there are indications that slowdown has started, in some cases reducing output by 50% or more. RCA and CBS Records meanwhile are still trying to pin down needs of their very skittish customers.

RCA plans to distribute another 40,000 players, from parts still in inventory, and to spend another \$2.5 million on hardware & software ad & merchandising campaign. Independent distributors carrying CED titles obviously will benefit, but main thrust is directed at RCA network that is carrying more & more of program burden (TVD April 16 p16).

Software specialists tell us they're generally limiting purchases to new releases, and only after taking preorders from retail accounts. Inventory will be allowed to wither away, attitude reflected by Warner Home Video, which won't order anything on CED for next several months.

Pressure to release day-&-date with cassette version has been removed, at least for time being. Paramount told us CED now will lag by month, said it will continue to fill catalog orders but won't have RCA press minor releases. Average price remains at \$29.95. Studio claims less than 20% dropoff in distributor requests for new titles.

That's one reason for Media Home Entertainment decision to go ahead with first CED releases. RCA "made us an offer I couldn't refuse," said Vp Paul Culberg, who expects to release 2-3 titles possibly every month until market vanishes. He thinks it will last 3 years. Another enthusiast is Maljack Productions, which has decided to go ahead with A Hard Day's Night on CED. "We'll go out with a blaze of profitable glory," according to Pres. Waleed Ali. Maljack has already sold 6,000 pieces, mostly to RCA distributors, may reorder. Original price was \$29.95, but Ali expects to cut it to \$19.95 before shipment and "look like a hero to everybody."

There may be final resting place for CED after consumer sales have ended. We're told at least one program supplier is examining possibility of granting hospitals public performance licenses to show discs to patients. It would be last stop for excess inventory.

Compact Discs will reach 1,000-title mark early this summer, Compact Disc group announced last week. Group represents 37 companies in CD hardware & software. News conference in N.Y. to introduce 11-member board cited research indicating U.S. market will see 4-5 million discs, 200,000 players sold in 1984.

Public dataphone terminals that fit phone booth are being installed by Quazon Corp. in Chicago & Boston under contract with Ill. Bell & New England Telephone. Each terminal has built-in monitor & keyboard, can accept voice or data calls, accepts credit cards.

MOTOROLA THE WINNER? Motorola's C-QUAM AM stereo system looked increasingly like the winner last weekend. In briefing April 29 at NAB convention in Las Vegas, Pioneer was scheduled to announce its choice.

One week earlier, Motorola & Toshiba announced that latter would become 2nd source for C-QUAM chips. About 100 U.S. stations plus 24 in Canada are now broadcasting using C-QUAM system, and Motorola says more than 141 station excitors have been shipped so far; its target by year's end is 400.

Pioneer, considered the largest aftermarket autosound supplier, will offer deluxe unit with built-in AM stereo, cassette, station presets in \$300 price range, we were told by Pres. Jack Doyle. Pioneer became 10th radio maker to announce for C-QUAM system -- others being Chrysler, Concord, Delco, Jensen, Marantz, McIntosh, Potomac, Samsung & Sherwood. Sansui & Sony are marketing sets designed to tune all 4 AM stereo systems. Such major radio entities as Panasonic & Sanyo are understood to be on brink of moving to C-QUAM -- Motorola says "at least 6 more [radio makers] are preparing C-QUAM-only receivers."

Some radio manufacturers are struggling with problem of whether AM stereo is worthwhile at all. As one put it: "It will add \$10-\$20 at retail, and our marketing department doesn't think we can get this back -- they think it's worth about \$5 extra."

House Copyright Subcommittee debated for nearly 2 hours last week on omnibus copyright legislation woven by Chmn. Kastenmeier (D-Wis.) from 3 pending bills, decided to postpone markup until May 1 at earliest. Bill would require authorization of copyright owner before audio record may be rented or leased. Exempt is non-profit rental (libraries, etc.), and violation is civil, not criminal offense. Bill also gives songwriter share of royalties. On movie rental, bill would allow copyright owner to notify video rental stores that rental, lease or lending of copies for any commercial purpose isn't permitted. However, studio then must make adequate copies of its own available to store. For both audio & video rental, bill would exempt current inventory; rules would expire in 5 years. Most discussed part of omnibus measure is home recording exemption: "Recording of copyrighted audio or audiovisual works is not an infringement of copyright if the recording is made for private use and not for purposes of direct or indirect commercial advantage."

Tech Hi-Fi has filed Chapter 11 reorganization petition in Boston federal court after informal agreements with creditors year ago failed to work out. Retail chain closed 14 more stores, has 41 remaining locations, down from high of 76. Company has 598 creditors, who are owed \$21.9 million, assets of \$17.1 million. Largest creditors are JVC & Pioneer, owed \$1.2 million & \$755,000 respectively. Tech recently increased emphasis on video, started cut-price policy, has been increasing sales.

Consumer Electronics Personals

John Dale resigns as vp-gen. mgr, Fuji Magnetic Products Div., continues as consultant; there are no plans to fill position... Doug Booth advanced to TDK industrial sales dir., replacing Ed Pessara, who joins Ampex as business management dir., Magnetic Tape Div., succeeding Donald Bogue, now gen. mgr... Larry Rallo promoted to BASF consumer & professional products mktg. mgr. for audio, video & computer line, succeeding Mark Dellafera, resigned; John Ziemba advanced from midwest regional sales mgr. to national sales mgr.

Jerry Pearlman, Zenith pres.-CEO, adds title of chmn., succeeding Walter Fisher, who retires May 31; Robert Hansen, exec. vp, elected to board (see report, this issue)... Joseph Dillon, ex-Components Div. gen. mgr., named vp, Panasonic Industrial Co. Audio-Video Systems Group; Steve Yuhas named gen. mgr.

John (Jack) McDonnell, ex-Tymnet, named group vp, EIA Telecommunications Group; Peter Bennett, ex-Northern Electric, ITT & RCA, named staff vp... George Fisher named Motorola senior vp & asst. gen. mgr. of communications sector... Jerry Junkins & William Weber, exec. vps, elected to TI board.

J. Michael Donohew moves from Warner Bros. business affairs vp to Warner Home Video as vp of worldwide acquisitions & development, new post... Robin Montgomery promoted to mktg. vp, Embassy Home Entertainment... Ric Pepin advanced to branch mktg. administration mgr., RCA Records... Richard Khaleel, ex-Wells Rich Greene, named pres. of Scholastic's new Software Group... Wendy Marino, ex-Video Gems gen. mgr., appointed exec. vp & managing dir., Dreamland Home Video, new div. of Four Rivers Releasing.

Rosalba Santaite advanced to new post of duplication & quality control mgr., S/T Videocassette Duplicating Corp... William Hickey, ex-Cambridge Assoc. and Technicolor Videocassette, joins Bell & Howell/Columbia Pictures Video Services as entertainment sales vp, west coast... Stephen Traiman, ex-RIAA vp-exec. dir., joins CES Publishing as dir. of promotion and special events.

Korean color industry is exploring export market diversification to absorb some of impact on sales here that will be caused by loss of color TV dumping case. Under banner of EIA-K, industry is expected to send sales survey teams in search of opportunities in Latin America and Southeast Asia. Korea exported 2.4 million color sets last year, sent 1.9 million, or 79%, to U.S.

Final report on development of high performance TV receiver to permit greater utilization of UHF spectrum by RF Monolithics, Dallas, has been issued by FCC. Copies of "Improved High Performance TV Receiver" are available from ITS Inc., Room 246, 1919 M St. NW, Washington 20445. Additional information: Lex Felker, 202-653-5940.

SONY'S CD WALKMAN: Sony has been demonstrating developmental Walkman version of CD digital audio disc player, could show it at CES either as example of its technology or as product with delivery date -- Sony said no decision has been made. Most exciting aspect of product is not that it can be carried around, but that Sony has reduced all major electronics for CD to single chip -- with significant implications for future cost reductions in conventional CD players.

CD Walkman, as demonstrated, is about 1" thick, about 6" long by about 5" wide, is powered by 9-volt battery, has digital display. One source said Sony was thinking of pricetag just below \$500, although company wouldn't comment on price.

At NAB convention that began last weekend, Panasonic displayed 2 professional CD systems for FM stations. One, an automatic random access player that can accommodate up to 50 discs for access by IBM or Apple computer, was shown in consumer version at Panasonic's sales meeting last week in Honolulu at \$1,500 (see report elsewhere in this issue).

Toshiba is first to announce export plan for home computers designed to Japan's MSX standard. Company said it intends to have model on sale in U.K. this fall. Virtually all major Japanese consumer electronics producers have adopted MSX format and are selling in Japan. System has had only modest success since introduction late last year, but sales are expected to pick up sharply when disc drives become available. Impasse over drive standard was ended earlier this year when producers agreed not to agree on single format, so drives for 3", 3.5" & 5.25" discs will be marketed. Several companies are expected to display MSX computers at Summer Consumer Electronics Show in Chicago.

Cal. is most favored state for new domestic electronics plant investments by U.S. producers, while U.K. is preferred foreign location, according to survey by London-based Electronics Location File. Cal. was choice of 31.4% of surveyed firms that said they were seeking to expand in U.S. N.Y. placed 2nd at 17.3%, Texas 3rd with 15.2%, Ill. 4th with 12.1% and N.C. 5th at 10.9%. For overseas locations, U.K. topped rankings with 28.5%, with Ireland 2nd at 16.9%, edging out West Germany with 16.6%. Mexico placed 4th with 12.5%, followed by Japan at 11.9%, France at 10.2%, Netherlands at 9.5%, Taiwan at 8.8%, Canada at 7.5% and Belgium at 5.8%.

Basic patent on cassette tape-loading system was found valid by Northern Cal. Dist. Court, which ordered defendant Otari Corp. to pay more than \$2.5 million in damages to plaintiff King Instrument Corp., Westboro, Mass. Decision followed 3-1/2 years of litigation and, according to King Pres. William Anderson, patents are "so broad that there are no known non-infringing alternatives for effective automatic loading of audio & video cassettes." With King system, operator can load up to 14,000 audio cassettes in 8 hours vs. 450-500 with manual loading.

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
Avnet			
1984-9 mo. to March 30	1,178,949,000	62,824,000	1.77
1983-9 mo. to April 1	838,602,000	34,453,000	.98
1984-qtr. to March 30	427,697,000	22,881,000	.64
1983-qtr. to April 1	297,600,000	10,485,000	.30
Capital Cities Communications			
1984-qtr. to March 31	206,818,000	27,094,000	2.07
1983-qtr. to March 31	170,128,000	21,116,000	1.58
Commodore International			
1984-9 mo. to March 31	966,900,000	110,700,000	3.59
1983-9 mo. to March 31	469,200,000	65,000,000	2.11*
1984-qtr. to March 31	326,200,000	36,300,000	1.18
1983-qtr. to March 31	189,600,000	25,000,000	.81
Cowles Bcstg.			
1984-qtr. to March 31	5,674,000	832,000	.21
1983-qtr. to March 31	5,208,000	772,000	.19
Craig			
1984-9 mo. to March 31	43,761,000	(1,644,000)	--
1983-9 mo. to March 31	47,744,000	(2,902,000)	--
1984-qtr. to March 31	14,113,000	(566,000)	--
1983-qtr. to March 31	12,950,000	(1,282,000)	--
Electronic Memories & Magnetics			
1984-13 wk. to March 31	20,988,000	826,000	.11
1983-13 wk. to March 26	17,679,000	660,000	.07*
General Instrument			
1984-year to Feb. 29	910,993,000	36,030,000	1.16
1983-year to Feb. 28	974,317,000	102,181,000	3.34
1984-qtr. to Feb. 29	249,966,000	7,392,000	.24
1983-qtr. to Feb. 28	230,735,000	23,360,000	.76
Heritage Communications			
1984-qtr. to March 31	25,900,000	736,000	.05
1983-qtr. to March 31	23,200,000	555,000	.03
Knight-Ridder Newspapers			
1984-qtr. to March 31	390,682,000	26,936,000	.41
1983-qtr. to March 31	340,513,000	19,703,000	.30*
Koss			
1984-9 mo. to March 31	16,275,115	(493,628)	--
1983-9 mo. to March 31	17,282,621	377,848	.10
1984-qtr. to March 31	5,066,162	(523,975)	--
1983-qtr. to March 31	5,568,366	(3,989)	--
Lee Enterprises			
1984-6 mo. to March 31	91,824,000	9,499,000	.69
1983-6 mo. to March 31	84,662,000	8,561,000	.62
1984-qtr. to March 31	42,927,000	3,177,000	.23
1983-qtr. to March 31	38,363,000	2,757,000	.20
Matsushita Electric^c			
1984-qtr. to Feb. 20	4,655,657,000	222,944,000	1.41*
1983-qtr. to Feb. 20	3,736,991,000	149,807,000	.96*
Media General			
1984-qtr. to March 31	130,297,000	9,489,000	1.34*
1983-qtr. to March 31	119,797,000	8,515,000	1.20*
New York Times			
1984-qtr. to March 31	297,293,000	24,506,000	.62
1983-qtr. to March 31	258,417,000	19,824,000	.51*
Regency Electronics			
1984-9 mo. to March 31	78,540,000	6,410,000	.60
1983-9 mo. to March 31	59,737,000	4,597,000	.43*
1984-qtr. to March 31	26,978,000	1,816,000	.17
1983-qtr. to March 31	22,850,000	1,867,000	.18*
Rollins			
1984-9 mo. to March 31	317,778,323	11,186,416	.45
1983-9 mo. to March 31	330,841,469	12,164,382	.47

Company & Period	Revenues	Net Earnings	Per Share
Rollins--(continued)			
1984-qtr. to March 31	105,785,735	2,810,926	.11
1983-qtr. to March 31	102,481,391	1,332,077	.05
Scientific-Atlanta			
1984-9 mo. to March 31	287,804,000	8,223,000	.35
1983-9 mo. to March 31	229,615,000	(4,368,000)	--
1984-qtr. to March 31	95,838,000	2,258,000	.10
1983-qtr. to March 31	80,933,000	1,466,000	.06
Storer Communications			
1984-qtr. to March 31	118,974,000	(14,572,000)	--
1983-qtr. to March 31	101,476,000	(11,012,000)	--
Texas Instruments			
1984-qtr. to March 31	1,339,000,000	79,800,000	3.32
1983-qtr. to March 31	1,174,000,000	7,100,000	.30
Times Mirror			
1984-qtr. to April 1	669,600,000	43,300,000	.63*
1983-qtr. to April 3	567,300,000	29,400,000	.43*
Tribune Co.			
1984-qtr. to March 31	394,389,000	9,966,000	.25
1983-qtr. to March 31	350,509,000	1,056,000	.03
United TV			
1984-qtr. to March 31	14,422,000	616,000	.06
1983-qtr. to March 31	9,627,000	1,359,000	.12
Warner Communications			
1984-qtr. to March 31	726,026,000	30,861,000	.44*
1983-qtr. to March 31	869,399,000	(18,880,000)	--
Wells-Gardner			
1984-qtr. to March 31	5,364,000	(219,000)	--
1983-qtr. to March 31	8,904,000	273,000	.08
Western Union			
1984-qtr. to March 31	260,876,000	14,059,000	.50*
1983-qtr. to March 31	257,872,000	22,479,000	.84
Zenith			
1984-qtr. to March 31	372,700,000	14,000,000	.64
1983-qtr. to March 31	333,100,000	8,300,000	.44

Notes: *Includes special credit. ^aRestated. ^cAt yen's current rate. ^dPer ADR. ^eAdjusted. ^fRecord.

Customs reopened period for comments on COMPACT's bid for change in Tariff Schedule to require imposition of full 15% duty on unmounted color tubes imported as part of kits brought in for final assembly in U.S. plants (TVD Feb 6 p13). Under current rules kits are dutiable at 5% -- COMPACT says that's loophole allowing foreign TV makers to ship tubes to their plants here. Steep rise in kit imports over last 18 months, COMPACT claims, primarily reflects evasion of duty on tube imports. Customs said "that because of the complexity of the issues involved" it has agreed to request for extension of comments period, moved deadline from March 26 to May 21.

China's biggest integrated b&w picture tube plant will be built in Liaoning Province by Japan's Toshiba under \$11 million contract. Facility, which will turn out electron guns and finished tubes, will have capacity for 720,000 17" tubes annually when it goes on stream in 1986. Order is China's 3rd for Japanese monochrome tube plant. Others, to Matsushita & NEC, were for plants to producer smaller tubes. Corning recently completed construction in China of glass plant capable of turning out 4 million b&w bulbs annually (TVD April 9 p18).