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NAB CONVENTION--SMOOTH DESPITE STRIKE: "It all just came together beautifully," previously worried NAB official told us at close of NAB's 62nd annual convention May 2 in Las Vegas. Delegates, NAB executives & board members had been concerned that strike of 4 Las Vegas unions would disrupt proceedings -- but 5-day show went off without any major glitches. "It couldn't have been better," was comment heard repeatedly. Ironically, resort's 2 largest hotels -- Las Vegas & Flamingo Hiltons -- settled with unions day after convention ended and most other hotels were expected to follow.

"There were no troubles on the surface but we were always on the alert," Convention Exhibit Dir. Edward Gayou said. Parking lots around Convention Center were constantly screened for potential troublemakers. Several dozen policemen (with buses to haul off anyone arrested) sealed off all but side entrance of Center Tues. afternoon when what newspaper said were 2,000 strikers gathered in front of Center. There were rumors strikers planned to attempt

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to enter convention area to protest ad campaign urging tourists to come to Las Vegas despite strike, but they left without doing so. Same day, strikers handed out "special bulletin" to broadcasters on strike situation.

NAB Secy.-Treas. Michael Harwood put attendance at record 35,000 -- vs. previous record of 33,000 last year, also in Las Vegas. Frank Sain, exec. dir. of Las Vegas Convention & Visitors Authority, called NAB convention "a real shot in the arm" for city. He emphasized importance of NAB going to Las Vegas during strike: "I am sure the unqualified success of this major convention will refute some of the bad publicity we have received the last several weeks. We... are especially pleased that the broadcasters' convention will be back again next year."

Other than strike, NAB and broadcasters had very little to worry about and many issues causing concern in previous years -- cable, new technology, govt. -- no longer are causing much anxiety. All sessions involving members of Congress were shifted from Hilton to Convention Center so that politicians wouldn't have to cross picket line. Hill people were housed in non-struck hotel. Singer Paul Anka canceled as entertainer at closing lunch because members of his band wouldn't cross picket line. Kingston Trio and comedian Alan King (who flew from N.Y. on less than 24-hour notice) replaced Anka.

Opening general session April 29 featured \$100,000 multi-image presentation seeking to convince broadcasters "You've Got What It Takes" (convention theme) to help educate voters. It had patriotic motif, urged broadcasters to get involved in sponsoring debates on local & state level. NAB released survey of 2,000 adults by Roper that showed most rely on broadcasting as "a major and important source of information on candidates." Survey also found that voters want more debates because "public should be aware of how candidates feel about the issues and hear their platform explained." Half of respondents said debates help voters "get a good feel for the kinds of people the candidates are from watching and listening."

In annual state of industry address, NAB Pres. Edward Fritts praised broadcasters for supporting deregulatory moves, by grassroots lobbying. He encouraged holding candidate debates: "In an election year, broadcasters have a special responsibility to American society. You have an important, indeed a profound, role in the political process. To educate, to enlighten, to inspire the American public... so they can make informed choices on election day."

Accepting NAB's Distinguished Service Award, Elton Rule, retired ABC vice chmn., urged broadcasters to develop close links with their communities. "You don't become an effective broadcaster until you begin to understand the special chemistry that can exist between a radio or TV station and its community," he said. Throughout his career, Rule said, his experience was "the more we took part in the life of our community, the more people liked us, and the more they respected us."

Note: Articles on major sessions at NAB convention appear throughout this issue of Television Digest.

EQUIPMENT--HI-TECH DAZZLE: Equipment display at NAB convention was a digitalized, computerized, LSI, high-definition collection of wonders -- most spectacular in recent memory in both product & presentation -- and most of the hi-tech gee-whiz wonders shown weren't products of indefinite future but scheduled for delivery this year.

Unquestionably, the 2 highlights of exhibition were RCA's CCD camera (TVD April 16 p4) and Sony's entire exhibit, both of which drew huge & appreciative crowds at Las Vegas Convention Center. RCA's tubeless ENG camera, completely proprietary development, appears to be at least 18 months ahead of competition. Best. Systems Div. Vp Dennis Woywood said company had 24 firm orders going into convention, and stated after show that new commitments had been made by news depts., production houses and one network. He said RCA planned to produce 20 monthly, but this could be raised if demand warrants.

In private "new technology" exhibit, RCA showed next generation of CCD camera -- EFP version whose performance gave credence to company's claim that "some day all cameras will be made like this." New camera seemed particularly adaptable to sports because of complete lack of blur in slow- & stop-motion. It differed from ENG version particularly in terms of resolution -- RCA said method was proprietary but did indicate multiple chips were used for one or more colors in slightly offset configuration to double resolution. RCA said it was "reasonably close" to production, but wouldn't say it was due next year. However, it said final member of family -- studio quality CCD -- was at least 2 years off.

Sony exhibit was dazzling -- perhaps most elaborate ever seen at NAB. Main theater section featured synchronized 15-screen color TV presentation fed by fifteen 1" VCRs combined with live-&-tape product demonstrations. Remainder of display consisted of multiple kiosks demonstrating whole range of Sony broadcast & industrial video equipment. Big crowd-pleaser was Sony's introduction of 1,125-line widescreen high-definition video system, for sale for first time -- including 10-ft. widescreen projection system, 3-tube electronic cinematography camera, 4-channel 1" VTR, digital image enhancer, noise reducer, down converter, widescreen HDTV monitors -- aimed, according to Sony, primarily at movie producers for time being. Complete setup costs about \$1 million (for individual prices, see TVD April 9 p5).

(Ikegami also announced 2 HDTV cameras -- 1,125 lines, 5:3 ratio -- and Philips demonstrated high-quality 525- & 625-line systems using videodisc as source.)

Closer to earth, Sony's star performer was computerized bar-code Betacart multicassette system; first unit was sold to CBS for news use in combination with Betacam. Basic price is about \$185,000. Sony added to its Betacam line with complete 1/2" editing-production system and new Newsmaker hand-held camera (which resembled consumer Betamovie), weighing only 9 lb. including battery & lens, to be priced under \$10,000; 20 already have been delivered to NHK.

In hotel suite, Sony displayed only known digital VCR to be demonstrated in Las Vegas last week -- brand new versions called "19mm" -- one using compact U-matic cassette, and compatible one with 3/4" open-reel tape. They presented normal superb digital pictures, had 4-channel digital audio, stop motion, etc. -- obviously Sony's way of saying there's plenty of life in U-matic yet. Almost equally impressive was new analog U-matic recorder incorporating every possible improvement, providing first-generation pictures virtually indistinguishable from 1", and 5th generation tapes of broadcast quality. Sony declined to give delivery dates or prices, but said system also could be retrofitted to existing U-matic machines.

Panasonic showed full line of Recam camcorder equipment, plus new 650-line portable camera at \$18,500 (excluding lens). Although Panasonic plugged hard for Recam systems using 1/2" VHS cassette, Sony claimed it had sold more than 5,000 Betacams -- which would indicate that it has won 1/2" race. Although 1/4" systems were shown by Bosch & others, interest in them seemed relatively low, and some network engineering staffs were beginning to talk about 8mm camcorders as wave of future -- although none were shown at NAB. (ABC's Julius Barnathan said his trip to Las Vegas was "absolute waste of time... There was nothing worth looking at on the floor.")

Computer magic is increasingly manifest in editors and digital graphics equipment. At NAB this year, many broadcasters got first look at completely untraditional editors with complex computer circuitry aimed at making videotape editing easier.

Three units in particular were in spotlight. Designed originally for feature film editing, Lucasfilm's Editdroid was shown by Convergence at \$87,000, using touch controls and "trackball" cursor control for editing from disc or tape in simple, non-technical form. Montage's production editor at \$144,000-\$288,000 uses 22 Z-80 microprocessors, has 14 mini-monitors in 2 horizontal strips, manipulates scenes as word-processor manipulates words.

Accessory to CMX editor added similar simplicity -- "Plus Touch" at \$7,000 has vertical

color screen with 2 strips of 10 pictures each and series of touch commands on screen. Pictures or commands (stop, slow, jog, reverse, transfer) may be touched to accomplish editing job.

Digital video graphics galore were on display. Sony system combined stop-action VTR with palette system, making possible "instant Walt Disney" effects, frame-by-frame, even multi-plane animation. Grass Valley, Quantel, 3M and at least half-dozen others fielded new graphics & painting systems. Ampex returned to digital video graphics market with new version of its AVA, combining still-store & painting.

Videodiscs are becoming new major tool in broadcast & editing equipment, and they abounded at NAB -- highlighted by Panasonic's real-time record system. These will be covered in a future report.

Vernon Collins, vp-domestic bestg. mktg., Continental Electronics, said convention was "as good or better show than any we've ever had. It was a buying crowd, thank God," making up for slow sales so far this year.

FRENCH ADOPT CABLE PLAN: After nearly 2 years of wrangling, France's Socialist govt. has agreed on plan to cable 128 cities by end of decade, starting by wiring 320,000 test homes by next year at cost of \$165 million.

In major victory for PTT, France will use only fiber optics. Mayors of most towns had pushed for cheaper coaxial cable, fearing cities would be assessed bulk of costs. But PTT argued it would facilitate modernization of telecommunications, while throwing lots of business to domestic companies such as CIT-Alcatel and CGCT. Concession to mayors was that PTT will fund most construction.

As concession to Communist ministers, PTT was given construction oversight plus wide powers in programming. To prevent bypass of state-owned telephone network, all transmission by cable will be with PTT's consent. Most controversial part of compromise calls for "mixed economy" in ownership. While PTT will hold controlling interest, private investment is being encouraged. Ownership is expected to vary from town to town.

Govt. opted for slower pace of cabling nation. Earlier plan that called for wiring 1.4 million homes by 1985 was thrown out. Instead, 320,000 homes will receive cable by end of 1985, up to 1.5 million by end of 1987, 6 million by mid-1990s.

To protect film industry, govt. plan calls for 30% of all industry revenues to go into pool that will be used to foster French movie production. Among other program constraints, local shows must make up 15% of schedule, foreign films no more than 30%. Overall, cable systems will be held to same limits on number of films shown as France's 3 national TV stations, decision won by theatre owners.

ABC will reap \$7 million pretax gain on agreement to sell ABC Leisure Attractions (ALA) to Fla. Leisure Attractions, new company owned by 4 former top operating officers of ALA. Price is \$20 million cash and \$5 million 5-year promissory note. ALA consists of 4 outdoor leisure parks.

OLYMPICS WORRY ABC AFFILIATES: Generally upbeat mood is expected to prevail at ABC affiliates meeting in L.A. this week because network's 212 stations can point to healthy ratings and fewer overruns from movies & specials. But there are sore spots, according to some stations -- mostly prospect of summer Olympics preempting 15 straight nights of late local news.

"We look forward to a very pleasant and healthy meeting. We will have a good interchange," ABC TV Network Pres. James Duffy told us. "We truly do understand each other's concerns," he said in predicting successful meeting at Century Plaza Hotel themed: "We're With You."

"We're trying to find solutions to [affiliates'] problems," Duffy added, especially on Olympics preemptions. Plan is being worked out to give affiliates 2-5 min. window to get in some local news around 11 p.m. EDT during Games, which will run 9 p.m.-midnight, he said.

During 29 weeks of prime time last season, ABC finished strong 2nd (17.2 rating) behind CBS (18.1), taking points from NBC (14.9). Tues. & Thurs. nights were soft spots, and ABC will unveil 2 hours of new shows for each of those nights. Dozen shows will get axed, including "Hart to Hart," "Happy Days," "That's Incredible" & "a.k.a. Pablo." In all, 8 new shows will be unveiled for affiliates, who gave network 99% clearance last season.

On preemptions for movies & specials, ABC will tell affiliates that problem has been addressed: "We have discussed that for the past couple of years with affiliates, and it's paying dividends. Those OTO's [one-time-only] are down 17%" in 1984's first quarter, Duffy said.

WSB-TV Atlanta Vp-Gen. Mgr. Fred Barber will succeed Thomas Cookerly, WJLA-TV Washington vp-gen. mgr., as chmn. of affiliates board.

Republicans began fund-raising via satellite April 30. National Committee has contracted with Bonneville to transmit 4 satellite videoconferences.

DINGELL CONTROLS DEREG FATE: Future of broadcast deregulation legislation rests in hands of House Energy & Commerce Committee Chmn. Dingell (D-Mich.), key industry ally Rep. Tauke (R-Ia.) told NAB convention April 30. Tauke said he and ally Rep. Tauzin (D-La.) will press Dingell to take issue up in full Committee, bypassing Telecom Subcommittee, where negotiations over compromise measure have broken down (TVD April 30 p4). Congressional issues dominated convention sessions.

Tauke acknowledged obstacles are formidable to passage of any deregulation measure. Dingell himself could be problem, Tauke said, because chmn. has indicated he won't pursue legislation if it "tampers" with fairness doctrine & equal time rules, and if broadcasters aren't in some way held accountable to public. "I think we can address his problems," Tauke said, suggesting compromise still is possible on those issues.

Short session may be problem. Congress is expected to adjourn early for campaigning, leaving only about 60 legislative days in which to move bill, he said. Final hurdle that Tauke didn't mention is cable bill -- HR-4103 (see story elsewhere in this issue) -- which already is before parent panel and, while still in negotiations between cities & industry, is closer to resolution. Sources said Dingell considers cable bill higher priority, wants to move it first.

Tauke is unperturbed by obstacles, told broadcasters he remains committed to moving legislation in this Congress. But he had caveat: "[While] I am very anxious to have legislation pass this year, I am not so anxious that I would have anything pass in order [just] to get a bill." Warning was signal that Tauke would put brakes on process himself if measure began moving that didn't meet broadcasters' requirements. Measure he & Tauzin think could move is hybrid version of HR-2382 and language that Wirth wants. It includes program quantification standard, but not residual FCC authority to regulate radio, broad prehearing petition to deny, preferences to minorities & codification of personal attack or political editorial rules. On EEO, Tauke & Tauzin would have standards apply to stations with 10 or more employees only.

Tauke was on panel with Subcommittee members, Reps. Oxley (R-O.), Rinaldo (R-N.J.) & Swift (D-Wash.). Three other lawmakers, from Subcommittee & parent panel, were absent, but NAB spokesmen said cancellations weren't all because of strike. Several members, including Swift, had said they wouldn't cross picket lines, so Assn. moved lawmakers out of Las Vegas Hilton to Dunes, which wasn't struck. Number of lawmakers attending was down from nearly 40 to 9 senators, 25 House members.

Republicans expressed bitterness over breakdown in negotiations after 11 months of effort. But they sounded far less upset than Wirth, who in final memo to members April 25 said: "To be blunt, it has become very apparent to me that... [Tauke & Tauzin]

are attempting to substantially alter the underlying premise of all our negotiations while also going back on a series of specific understandings and agreements we had reached." He accused Tauke & Tauzin of taking a "giant step backward from the entire package after all these concessions were made," added: "It comes close to evidencing bad faith."

Tauke defended actions, said "we've run out of debating points and options to look at." He said more negotiations wouldn't be fair to the 235 co-sponsors of his original deregulation bill, HR-2382, co-authored by Tauzin, who canceled NAB appearance at last minute, reportedly because of family problem. NAB Pres. Edward Fritts also refused to accept blame for end to talks. "The holdup wasn't caused by those that support this majority-backed legislation," Fritts said, pointing finger back at Wirth. "Furthermore, NAB has stayed with the negotiations on this legislation for the better part of a year."

None of members would predict what will happen next. Swift suggested that Dingell would continue talks himself; Tauke said alternative he & Tauzin have offered Wirth might be moved in full Committee. Both sides already have talked with Dingell, who hasn't indicated what he'll have done. Wirth aide at convention (Wirth was in Colo. announcing for re-election), Thomas Rogers, called bypassing Subcommittee unlikely because of amount of work already put into effort there. "He [Dingell] wouldn't do that to [Wirth]," Rogers said.

On Must-Carry...

Action on cable must-carry won't come in this session, Sen. Tribble (R-Va.) reported. Tribble, who introduced bill (S-2539) recently to codify FCC must-carry regulations, said "case must be made" in this session, and that while he wants action this year, press of other matters probably will preclude it.

S-2539 would require cable systems within 35-mile radius or within station's grade B contour to carry local signals when requested by station. Bill also would require cable operators to carry distant broadcast station signals that are defined as "significantly viewed." NAB endorses bill as "starting point," Fritts said and broadcasters are planning massive lobbying effort to secure passage. But prospects are slim. Measure has been referred to Senate Commerce Committee, which in past has rebuffed broadcasters on must-carry.

Tribble said he introduced bill because must-carry doesn't pose "significant burden" to cable industry, is important to general viewing public so that cable operators don't act as self-appointed judges on what enters consumers' homes and because it keeps broadcasters from being shut out of TV homes.

NAB panel of 7 members of Congress agreed on need for must-carry law but even S-2539 co-sponsor

(continued on next page)

Sen. Gorton (R-Wash.) couldn't see need for immediate action. "I don't feel the FCC is on the verge of [making] any significant amendments to its own rules," he said. "It's not life or death immediately." Also on panel: Sens. Exon (D-Neb.) & Kasten (R-Wis.) and Reps. Luken (D-O.), Mazzoli (D-Ky.) & Shelby (D-Ala.).

Broadcasters were criticized by Exon for contradictions on cable switches on TV sets. He noted that broadcasters have said so-called A/B switch to allow cable & broadcast reception is good for competition, but NAB must-carry task force opposes switch because of technical & other problems. "You ought to clarify, be for or against [it]," Exon said. Lawmakers urged broadcasters to "tell your story" on must-carry by attempting to get consumers on their side early and hold them.

...And Cable Copyright

Cable copyright panel April 30 was saved by the bell. Key guest, House Copyright Subcommittee Chmn. Kastenmeier (D-Wis.), didn't show until last minute because of flight problems. But he delivered important message, said his new draft omnibus copyright bill doesn't eliminate copyright rate adjustment, as some reported.

Broadcasters gathered for NAB convention seemed committed to fighting change, still would prefer higher (not lower) rate, said David Polinger, senior vp, WPIX N.Y. Polinger said Copyright Royalty Tribunal is due to review rates next year and legislative initiative should wait. But Kastenmeier was cautiously optimistic about prospects for his proposal in this session.

Rep. Synar (D-Okla.) said he was leaning against supporting codifying must-carry rules (before Senate but not part of Kastenmeier draft) because neither it nor syndicated exclusivity requirement has truly hurt broadcasters. Polinger sharply disagreed, said evidence proves distant signal that carries programs already exclusively syndicated in local market fragments viewership. Rep. Sam Hall (D-Tex.) agreed, said he supports syndicated exclusivity vs. expanded distant signal use.

On 7-7 ownership rule, Senate Commerce Committee aide Ward White said Senate won't take up issue. Although Committee Chmn. Packwood (R-Ore.) favors repeal, panel has more pressing legislation to deal with in remaining 60 days of this Congress, doesn't have time for potentially explosive & time-consuming issue, White said. "We'd rather the Commission moved ahead on this as rapidly as possible," he added.

* * * *

Signaling he may have support he needs, Packwood announced May 4 that his Freedom of Expression bill to end fairness doctrine, equal time & reasonable access rules (S-1917) will be on May 8 markup agenda, 9:30 a.m., Rm. 253 Russell Bldg. Also being marked up is S-2292 to commercialize govt.'s land remote sensing satellite system.

FOWLER RAPS BROADCASTERS: Days of "schoolroom finger-wagging" are over for FCC, Chmn. Mark Fowler told closing session of NAB convention May 2. But end to constant govt. oversight won't work unless broadcasters take responsibility for ensuring that public's interests & needs are met, he said. "The future of broadcasting... is freedom. It's new, and it will require a new sense of who you are and who you want to be," he said. His remarks were echoed by Comrs. Dawson & Patrick in separate appearances.

Fowler addressed worries of those who fear FCC is taking deregulation too far and those who say it's not going far enough. "The government is no longer something to be feared... We've tried to scale back the FCC's image," he said. That doesn't mean FCC won't be aggressive in enforcing whatever rules remain: "Enforce we will and enforce we must." Fowler said Commission in his regime already has achieved significant accomplishment in getting word out that TV & radio regulation won't be based on regulators' whims but on public's needs.

Chmn. said it's time industry defined goals better and stuck to them. "With the new freedom of today's broadcast marketplace come new responsibilities... The government will no longer be the primary source of this sense of responsibility," Fowler told NAB. He warned of re-regulation if industry doesn't meet public's needs, said that while there's "no going back" to heavy regulation in his FCC, broadcasters should avoid public outcry that would prompt Congress to reimpose rules.

Fowler criticized broadcast journalism, said industry must improve image. "To me it all comes down to 3 words: Get it right." He declared that "the broadcast media must remind itself, again & again, that there's a difference between being shrewd -- and being rude."

Fowler also said industry should show more concern for winning full First Amendment rights. On children's programming, he said: "Society is robbing children of their childhood. Television is part of that." He doubted TV can meet children's needs "between breakfast and lunch on a Saturday morning." Fowler said broadcasters could "do better."

Message From Commissioners

Annual panel with FCC commissioners (Dawson, Patrick & Rivera; Quello returned to Washington early because of wife's illness) just ahead of Fowler speech broke little new ground. They agreed that Commission has acted responsibly in deregulation, with Rivera adding that "about 5% of the time there have been some extreme actions" with which he disagreed. Dawson said published charges that FCC sometimes is out of control are "nonsense."

Rivera said public interest suffers with 5 commissioners because there're 2 fewer voices to provide input & diversity. A plus, he said, is that chmn. is more accessible to other commissioners. All

3 disputed charge that agency doesn't enforce its own EEO rules, Patrick adding that FCC is "very aggressive" in making sure licensees comply. Rivera noted that 2 stations renewals have been set for hearing on EEO issues and that major MSO has been slapped for EEO transgressions.

Dawson said 7-7-7 ownership restriction is arbitrary, that FCC will consider moving toward eliminating rule with transitional period included to gauge impact on diversity and other issues. Rivera, who dissented to issuing 7-7-7 rulemaking, said it "would be a disservice to the people of this country" to eliminate rule.

"Good performance is going to mean more to your public image than ever before," Dawson said at another panel appearance, echoing comments made by bureaucrats, legislators & reporters at separate session (see story elsewhere). Success will depend on how fast FCC acts to weed out "bad performers," who could hurt credibility of deregulatory effort and spur renewed interest in regulation, she added. Ex-Chmn. Richard Wiley agreed, warned new era means Commission will come down hard on broadcasters who "shade the truth" in dealings with FCC.

Several broadcasters complained about slow pace of processing applications, were told blame rests with Congress. Dawson blamed delays on comparative process, said too often FCC launches new services without finalizing application guidelines or procedures -- practice she called "disgraceful."

But Is TV Dereg Ready?

During another session, ex-FCC Chmn. Charles Ferris said TV hasn't matured enough for total deregulation. "The video marketplace is to a great degree more promise than reality," he said, taking unpopular stand at convention. Until competition is more complete, public's perception of industry as all-powerful will hamper deregulatory efforts, he said. CBS lobbyist John Sturm said deregulation would come faster if industry emphasized that public can substitute other forms of program distribution for over-air TV, and that competition is intense.

When deregulation comes, it will begin with removal of content rules, with technical requirements likely to remain for many years, predicted Dawson aide Robert Pettit. But Sturm warned some content regulations are too political to be candidates for repeal soon. He pointed to equal time & fairness doctrine, which he said incumbent lawmakers covet. Ferris, urging retention of rules, contended that they're blessing for industry: "They keep [broadcasters] from being blamed for favoritism."

NTIA Dir. David Markey said agency study concluded equal time & fairness rules couldn't be justified on First Amendment grounds when compared with freedoms of newspapers. But to win deregulation, Markey said, broadcasters need to

invent new word if they are to shed unfavorable image term implies for many lawmakers. He also counseled broadcasters to target issues better, focusing lobbying on few topics to improve chances of success.

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Metromedia's new owners plan to sell one or more TV stations and other assets to raise \$300 million needed to complete \$1.45 billion leveraged buyout. That information is contained in proxy materials Metromedia filed with SEC and inadvertently made public late last week. Other details disclosed about buyout: (1) Company projects fivefold increase in operating profit from TV and telecommunications outlets over 7 years. (2) Investment of \$3 million by Chmn. John Kluge and 3 other top officers who are taking company private will yield \$47 million profit for each within 5 years. Proxy statements indicate \$1.45 billion won't be enough to conclude transaction: To maintain \$100 million net worth required by bank lenders, Metromedia plans to sell enough assets to raise at least \$300 million after taxes.

Reversing earlier position, NAB Exec. Committee has decided to support bills introduced by Sen. Denton (R-Ala.) & Rep. Bliley (R-Va.) which would permit stations to refuse to air political spots containing pornographic material. In Feb., Committee decided not to support measures on grounds FCC ruling had provided relief. However, NAB Exec. Vp John Summers made strong pitch at April meeting, arguing that refusing spots proposed by Hustler Publisher Larry Flynt wouldn't be First Amendment issue. Summers also argued NAB support would help in seeking Denton & Bliley support on other broadcast legislation.

Consultant agreed with Warner Amex Cable Communications' request to scale down Milwaukee franchise in several respects. "Our analysis & evaluation leads us to the conclusion that the cable system as originally proposed is not economically viable," wrote Cooper Assoc. in 83-page report supporting WACC's argument in asking for rate increases, channel capacity reduction and partnership with neighboring Viacom systems. WACC Milwaukee Senior Vp-Gen. Counsel Richard Berman calls report "thoughtful & comprehensive," though "several features... need clarification and further discussion."

New niche for Paul Klein, ex-Playboy pres., is at new adult pay-TV service called Hilife. It uses old American Hospital Network transponder 10X on Westar 5, will be under Domestidyne, joint venture of Microdyne (encryption & decoding equipment) and Domesticom (pay service in 40,000 hotel & motel rooms). Hilife is planned to begin July 1.

Solomon Islands officials May 4 banned foreign reporters from covering Pope John Paul II's visit. Govt. said it had been warned that terrorists might disguise themselves as reporters to attack Pope. More than 80 reporters had applied for accreditation for visit.

ADVANCED TV PROGRESS: Industrywide Advanced TV Systems Committee (ATSC) is "right about on track" in its work that will lead to new standards, Chmn. William Henry reported to NAB. He said group will have high-definition production standard in time to participate in CCIR discussion this fall.

"Options & demands for improved TV are increasing," said Henry. "Not only broadcasters are interested," but DBS, movie producers and others. He called industry 60-company effort "massive test of self-regulation," adding: "The question is not whether a new system will come, but when -- and whether broadcasters will have a hand in it."

Session heard report of 3 subgroup chairmen. RCA's Kerns Powers, who heads Improved NTSC Subgroup, said first goal was to develop "NTSC Zero" system -- high-performance receiver compatible with standard 525-line transmission. This involves getting rid of interlace and separating chrominance & luminance signals within receiver, for display that "looks like HDTV." High-resolution display, which reduces phosphor dots or stripes by factor of 3, is required. "The jury is still out on 1,050-line or 525-line progressive display," he said. Other features of new receiver would include digital signal processing, ghost reduction, motion-adaptive decoding.

Next step would be "NTSC Zero Plus" system, including compatible changes at network & station -- 1,050-line feed from HDTV camera, converted to 525-line RGB, then NTSC at transmitter. "NTSC One" would add lock & key processing & decoding at transmitter & receiver. Goal, Powers said, is to develop demonstration system this fall incorporating all developments that might be achievable in 5-10 years.

STC's Dan Wells, chmn. of Enhanced 525-Line Subgroup, outlined goal of voluntary national standards incorporating all improvements from transmission to display. These may be achieved by increasing bandwidth, separating chrominance & luminance, multichannel sound, scrambling or encryption, ancillary data capability. Important candidate, Wells said, is time-multiplexed component color system. Subgroup is looking at "half-dozen systems," could pick one or synthesize best features of several. Target is end of 1985 for selection of essentially complete transmission & distribution system, with display & reception systems and other factors developed in interim.

CBS's Renville McMann, reporting for HDTV Subgroup, said agreement was reached that system must have at least 5:3 aspect ratio, at least double current scanning lines, component color system, and must result in "gasp-producing feeling of presence." "Straw man" production system of 80 fields, 40 frames per sec, 5:3 ratio, 1,125 lines, has been developed. Tests will be conducted with SMPTE this summer. Group is looking at 3 proposed systems -- CBS, Philips & NHK -- with complete "straw man" transmission standard planned for summer 1985,

voluntary standard development for fall 1985 or early 1986.

On display floor at NAB, Sony demonstrated first commercially available HDTV system and Philips showed enhanced NTSC & PAL pictures. Details are elsewhere in this issue.

INTERFERENCE TOP FCC PRIORITY: FCC Mass Media Bureau Chief James McKinney was one of busiest bureaucrats at NAB convention -- making luncheon speech, holding "one-on-one" session with broadcasters and news conference with reporters, and appearing on panels. He said limiting interference "is our most important function."

An engineer and former head of Field Operations and Private Radio Bureaus, McKinney stressed technical integrity in speech to engineering conference: "There really was, and is, an unspoken fraternity among all engineers -- that's how we survive in a business overpopulated by attorneys and PR types." During one session, he said "the lawyers do wear me out from time to time." Noting end of 100-mile rule on regional concentration, McKinney said: "The green light is on for those of you interested in forming regional networks." He said duopoly rule will stay but "I clearly don't know which way the Commission is going to go" on 7-7-7.

Regional AM operators raised many questions about increased nighttime hours for daytimers. McKinney admitted FCC took action realizing it would cause some interference to fulltime stations for about 30 min. each evening.

LPTV CP holders who don't build their stations by deadline won't get extensions, McKinney warned. "I'm drawing the line... Those that got CPs on a lottery basis with no intention to build are not going to be able to sit there and warehouse." He expects FCC to issue order on LPTV next week.

McKinney said new meter developed by CBS proves that TV commercials are "deliberately loud" and that it's "bunk" to claim otherwise. "Madison Avenue, the networks and the local stations spend lots of money every year striving to make even the quietest commercial sound loud. So, the secret is out -- the emperor has no clothes. The public was right all along." He said that FCC will issue statement saying commercials are loud but that no regulatory rule will be adopted.

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Congress continued to pressure 3 major networks last week to refrain from projecting elections. In letter April 30 signed by 15 House members, networks were asked to wait for end of Tex. polling & caucuses May 5 before reporting results.

C-SPAN has added 20 cable affiliates, raising subscriber count by about 130,000, officials said. Service is carried by more than 1,200 systems with nearly 17 million subscribers.

'IMAGE' AT CONVENTION: Adversary relationship between govt. & news media is inevitable but broadcasters at NAB convention were warned by lawmakers and former White House officials to guard against cynicism and irresponsibility. Networks' use of election projections & exit polling has hurt news media's image, some said. Holding candidate debates could improve image, broadcasters were told. Usefulness of presidential press conferences was disputed.

Speaking at "TV and the White House: Why Can't We Be Better Friends" session April 30, David Gergen, who recently resigned as White House communications dir., said skepticism among reporters is healthy, as distinguished from cynicism that existed during Vietnam War. Herbert Klein, communications dir. in Nixon Administration, argued there must be mutual trust on both sides, called it healthy trend that print & broadcast reporters are learning to work together. On presidential press conferences, newsmen generally wanted more, ex-White House aides less.

Exit polling issue divided panelists. ABC's Ed Fohy said most elections are won with more than 55% of vote so winner isn't hard to call early. He was quick to add that ABC doesn't use exit polls to project winners. But, he said, nobody has submitted proof that exit polls have had any statistical impact on voters and he said that President normally is elected in eastern & central time zones. CBS's Robert Pierpoint made strong plea for 24-hour voting with all polls in states opening and closing at same time. Gergen said that "the networks seem to be in a box" on exit polling. He said citizens are asking for network restraint, that ABC showed such restraint in reporting winners in Winter Olympics (until its own prime time show went on), so it can do same for elections.

Gergen & Klein said White House made mistake by not letting reporters cover Grenada invasion from start, but Gergen argued reporters shouldn't be in first invasion wave. Fohy, who is leader in Washington discussions with govt. on excluding media, said print & electronic press have joined on issue and have taken "that first step down what I'm afraid is going to be a long road" in fight against govt. restrictions on coverage of overt acts of war.

Congressional Perspective...

At separate April 30 session featuring members of Congress, panelists agreed journalists must avoid being seduced by politicians, at same time avoid being seduced by own overblown self-image. Exit polling may be taking role too far, lawmakers argued.

House Telecom Subcommittee member Rep. Bates (D-Cal.) took unpopular position, asserting there's need to keep fairness doctrine. He warned that continued use of election projections could prompt Congress to toughen doctrine or modify First Amendment. He said he wanted doctrine extended to newspapers and equal time rule required for

newscasts but conceded both are unlikely to be implemented. Repeal of rule also is unlikely, he said.

Sen. Simpson (R-Wyo.) agreed with Bates but said conflicting signals from broadcasters on what they want makes it difficult for Congress to act. Citing U.S. Supreme Court decision restricting libel claims by public figures, he said: "Remember, [lawmakers] are raw meat. You can pick us to pieces and then you come back and ask us about the First Amendment? It's always been a curious thing to me."

Lawmakers took different sides on questions of TV in Senate and coverage of invasion of Grenada. Simpson said he has changed his position on having cameras in Senate chambers, is lukewarm now where before he had supported idea wholeheartedly. He said lack of Senate rules limiting debates could lead to TV-inspired filibusters. But House members disagreed sharply. Rep. Schroeder (D-Colo.) praised C-SPAN coverage of House proceedings & committee sessions, said cameras have proved Congress "isn't fungus and can thrive in sunshine."

Advice on Debates

Sponsoring political debates is good way to improve TV station image, provided station officials are fair and can control situation, according to panelists at April 30 workshop on politics & TV. Nuts & bolts tips on holding debates were timely -- convention had political tone and major political ad season (when \$225 million is expected to be spent on TV ads) is just beginning.

Even with liberalized debate rules, caution should be observed, panelists said. Stations should assure equal exposure to all candidates, air debate in its entirety, retain censorial powers and control debate, they argued. Milton Gross, FCC fairness/political broadcasting chief, told TV stations: "[You] don't have to put anything out on the air that you don't want to." While there are some risks, PR & news image benefits are "very, very great," said Virgil Dominic, WJKW-TV Cleveland.

Confrontational style allowing interplay among candidates is best format, said Thomas Goodgame, WBZ-TV Boston. But candidates must be kept firmly in control and there can't be any sign of favoritism shown, said James Popham of New Orleans law firm Fawer, Brian, Hardy & Zatzkis (and ex-NAB assoc. gen. counsel). Popham said stations could lose their exemption from equal time requirements for such transgressions.

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Supplemental CPB appropriations may be in trouble. Extra \$70 million for FY 84-86, added in Senate April 5 to agriculture bill (H.J. Res.-492), still hasn't gone to conference and no meeting has been set yet. New bill following most of directives made in H.J. Res.-492 has been proposed (HR-5419) by House Appropriations Committee Chmn. Whitten (D-Miss.). Measure doesn't contain CPB funding. Committee sent HR-5419 to floor May 2 without amendment.

BROADCASTING--'HEALTHY FUTURE': Panelists and moderator William Baker, Group W, at May 1 NAB session on new technologies agreed that broadcasting is healthy business. Baker summed up 1-1/2 hour discussion: "The tone of this panel seems to be not to worry too much." That probably wouldn't have been case few years ago, he added. Technologies discussed included cable, DBS, multichannel MDS, VCR.

Outgoing NCTA Pres. Thomas Wheeler, who said he was first NCTA pres. invited to participate in NAB convention, praised new areas of cooperation between broadcast TV & cable, said "we are both doing quite well." However, he put out "red flag," urged broadcasters not to let new rapport blow up by seeking further restrictions on new technologies -- such as teletext must-carry. "That clouds your credibility," he said.

Consultant Paul Bortz said that impact of cable on over-air TV hasn't been nearly as severe as predicted. He expects broadcast TV to remain "preeminent" form of mass communications, with cable as supplement. Ellen Gibbs, Communications Resources Inc., said that ads on pay cable will have impact on TV revenues, but called growth of independents and barter syndication even bigger threats. CBS Vp William Lilley said pay cable has caused networks to reduce airing of theatrical movies and situation comedies, greatly increase miniseries and made-for-TV movies. He said add-on cable services haven't had adverse impact on regular TV.

Bortz said multichannel MDS is "poised" for big move in major unwired markets, with 8-12-channel operations. Major problem for MDS & DBS, he and others agreed, will be getting distinct programming not available elsewhere. Bortz foresaw growth of VCRs as "most important" upcoming development, said VCRs will be big threat to such services as HBO and will be widely used for time shift recording of top network shows. Lilley said CBS study shows VCRs are used mostly to play rental movies, network time shifting, and by women to tape daytime soap operas.

Wheeler said that cable systems are starting to rent programs for home use, that TV stations should consider doing same thing. Gibbs sounded note of caution, warning audience not to "get carried away" with future of VCRs. She compared their predicted growth & impact with earlier forecasts for pay TV, but Bortz said they aren't comparable.

Bortz said DBS will have chance to succeed in major unwired TV markets if entrepreneurs can obtain good programming not already on TV. However, he said DBS will be at "a distinct disadvantage in head-to-head competition with cable." Wheeler pledged cable won't try to stop DBS through courts or legislation but will meet new competition in marketplace because "we have a better mousetrap."

Convention Diary...

CBS announced 10-year agreement with AT&T for transponder capacity for network's distribution to TV affiliates. Announcement had been expected, secures AT&T role as major supplier of distribution to networks. AT&T in Nov. signed 5-year contract for transponders with ABC valued at \$30.3 million. Only broadcast network to defect from AT&T has been NBC, which has signed agreement with Comsat for satellite network to be built around capacity on SBS satellite.

Music video phenomenon has spread to children's TV. Format turned up in demonstration of successful new children's shows, in particular KYW-TV Philadelphia's half-hour Sat. program No. 1 against networks' Benji cartoon and American Bandstand in Philadelphia.

NAB effort to focus attention on U.S. industry productivity is yielding results, NAB reports. Using invoices and industry survey, NAB estimates that \$25 million in time has been contributed since start of campaign year ago. NAB said that 30 public service announcements -- 12 TV, 18 radio -- have been provided to ABC, AP Radio, CNN, Mutual, PBS, Public Interest Affiliates & UPI Audio. Total of 465 TV & 3,940 radio stations are receiving direct distribution of NAB campaign by tape.

NBC's companywide Employee Assistance Program (EAP) is successfully under way, network reported. Program was launched late in March, provides confidential guidance to employees having personal problems.

Storer filed petition in Dist. Court, D.C., seeking average 43% reduction in music license fees paid by its 7 TV stations. Earlier district court decision rolling back rates to 1980 levels saved industry estimated \$26 million last year, reported WIBV-TV Buffalo's Leslie Arries, chmn. of All-Industry TV Station Music License Committee. But creative unions have appealed and Committee Attorney Bruce Rich expects district court to reach decision by summer.

Viability of teletext depends heavily on consumer awareness, built-in TV set decoders and heavy localized news & information, panel of current players told crowded NAB convention session last week. Most panelists were from companies involved in teletext, gave rosy view. As usual, World & NABTS representatives argued over equipment prices, graphics and frame creation time.

AT&T Communications has prepared handbook on impact of divestiture on services for TV & radio. Contact Media Div., 201-234-4085.

"It's time to stop being good losers," RAB Pres. William Stakelin told radio broadcasters. Citing radio's small (7%) share of ad dollar, he urged stations to think more like "industry," making concerted effort to attract more advertising. But

Stakelin had upbeat point: Ad revenues record is improving, 1984 should be banner year for radio sales with 15% increase over year earlier. National spot sales are up 18%, he said. But he said that at end of year, radio still will have won only 3% of national ad business, 11-12% of local spending.

CBS & affiliate WIVB-TV Buffalo said that station is 2nd affiliate to agree to localize Extravision teletext service. James Carruthers, Norpak pres., said company has developed teletext decoder same size as World Systems unit. Norpak decoder costs \$150 or less and Carruthers said firm is talking with several TV set makers about contract for use in sets by 1985 NAB convention. WIVB Pres. Leslie Arries said station will spend about \$75,000 for equipment besides startup contract with Macrotel of Buffalo for page-creation services.

NTIA Dir. David Markey expects Congress to appropriate about 1/2 of authorization sought by public broadcasting in facilities. House bill by Rep. Wirth (D-Colo.) contains PTFP section and is scheduled for markup today.

NAB & Daytime Bestrs. Assn. will merge. DBA will disband, with NAB paying daytimers' outstanding debts. NAB will create committee for daytimers. DBA considered merger with National Radio Bestrs. Assn., but that group couldn't match NAB money offer.

Speaking at radio lunch at NAB convention, CBS correspondent Charles Osgood discussed "why the public appears not to love us [reporters] very much." Said he: "The generation of journalists who came into this business during the Watergate time thought that the whole idea of this business was to get somebody. Find somebody and bring them down... You really don't have to leave somebody in a pool of blood in order to do a good job as a journalist." He said he's concerned because reporters "can make public life so frightful a prospect that able people... stay away from it because they're afraid of being torn apart by a predatory press."

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FEUD AMONG CITIES SLOWS CABLE BILL: Sharp disagreements among several cities is tying hands of National League of Cities (NLC) in negotiating compromise changes in pending cable bill with NCTA, we have learned. We were told that dispute centers on whether cities should accept FCC decision that local govts. can't rate-regulate program tiers offered by cable operators. NLC spokesman denied there's any major internal dispute but admitted it's taking much longer than was earlier projected to reply to NCTA's last proposal, which was transmitted April 2.

"They've [NLC] been saying since Mon. that something would be issued in 24 hours," said cable executive, who expressed frustration that remaining legislative days are dwindling while cities "can't get their act together." As of late last week, no NLC proposal had been received by NCTA.

Franchise renewal -- key issue in talks for much of last 3 months -- mostly has been settled, we were told. "They [NCTA & NLC] have agreed on renewal," source said. Renewal will be mostly same as now written in bill except de novo court review of renewal denial is gone. Cities wanted "arbitrary & capricious" standard, but compromise stands somewhere between 2 positions.

"It's not a case of dissident" cities holding out for stronger language on rate regulation, cities source said. "It's a question of our group dealing with some of the issues. These are complex issues and some cities feel a full airing is required before they sign on the dotted line," source added.

House Energy & Commerce Committee Chmn. Dingell (D-Mich.) refuses to get directly involved in cable-cities negotiations except to keep pressure on for quick resolution. Committee aide said chmn. believes best compromise would be one worked out solely by parties. Aide said Dingell has been willing to talk with groups but message always is same -- he won't let either side think markup is assured without accord, wants settlement before Congress acts.

Issue has drummed up "considerable" interest among panel members' cities, aide said. Since Nov., Committee has been receiving average 40 letters per week from city councils, mayors and other community groups, which has added to pressure on panel to address bill, aide admitted.

Aide wouldn't be quoted on controversial data transmission provision, but well-informed sources have told us language won't be retained in final version. We recently learned that Dingell wants "neutral resolution" approach to provision, which would allow unregulated cable into regulated data transmission business (TVD April 23 p4).

Dingell is aware that cities haven't settled rate regulation question for themselves; we're told 2 of cities represented on negotiating team are feuding, and that one of them is N.Y. Source said consumer price index escalator clause also is at issue. Other cities on team are Charlotte, N.C., Lakewood, Cal., Nashville & Tucson.

Cities also are feeling uncomfortable about position talks have put them in, which is slowing things down, sources said. Since NCTA has made counter offer on rate regulation and other issues that represent significant compromise to industry, cities face prospect of having to give in on regulating rates -- which we're told isn't option for many NLC members. "They're in a difficult position," well-informed source said. "It's tough for them to come to grips with it."

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Senior debt rating for Oak Industries was lowered by Standard & Poor's to B-minus from BB-minus, subordinated debt to CCC from B. S&P said \$166 million 1983 loss sharply reduced equity base, increasing debt to 73% of capital.

MPAA OPPOSES COPYRIGHT BILL: Sounding alarm over provisions that would increase importation of distant signals and restrain Copyright Royalty Tribunal, MPAA last week said it opposes cable provisions in omnibus copyright bill moving in House (TVD April 30 p7). MPAA said it wants complete airing of cable provisions, will oppose swift action on bill. Markup of bill by House Copyright Subcommittee chaired by Rep. Kastenmeier (D-Wis.) is expected this week.

CATA Exec. Dir. Stephen Effros charged MPAA is using cable to deflect political heat being exerted by coalition of video rental store owners. "MPAA once again is using cable as a smoke screen behind which to avoid a major loss they are facing in video first-sale," he said.

MPAA Pres. Jack Valenti said he wants to "work through the legislative process so that the... bill is fully understood by all." Measure introduced April 25 is "far too complex, far too tangled and far too imprecise for the Subcommittee to address swiftly," Valenti said. "Many key elements of the bill have never before surfaced in congressional deliberations," Valenti observed, pointing specifically to cable provisions: "Neither we nor Congress nor anyone else can begin to measure the full consequences of the revised cable provisions. But, based on our assessment to this point, they would be devastating," he said.

MPAA conceded that video retailers "have created a significant degree of opposition -- they're pouring letters into congressional offices." Retailers "are putting up a hell of a fight," official said. But cable provisions worry MPAA more. "There are some aspects in the cable provisions that would drastically reduce the royalties paid by the cable industry, and that's just not right," official said.

NCTA Exec. Vp James Mooney said: "The movie people are merely persisting in their traditional stance of wanting to have it all their own way. Their chutzpah is admirable but their political judgment leaves something to be desired."

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Telefirst, ABC Video Enterprises' latest move into new technologies, is doing poorly or about as expected, depending on who's talking. Estimates of Chicago area subscribers range from 1,500 to 3-4,000. AVE won't release numbers of estimated pool of VCR owners in range of WLS-TV Chicago transmission of late-night scrambled films. Pessimists already are reporting that high disconnect rates and high startup costs (estimated at \$8 million), may mean service will be shut down by end of summer. "They've got to be taking a real serious look at it," First Boston's Richard MacDonald told us. "It was a creative idea, but there's probably too many links in the chain." In Chicago, some optimism surfaced. Marshall Field TV Dept. Mgr. Edward Bielecki said "we're very pleased with the results" of first 3 weeks of decoder sale. Customers can install unit themselves for \$50, vs. \$75 when company does it.

ABC BUYS ESPN: Taking major leap into cable, ABC Video Enterprises (AVE) will pay \$202 million cash for Texaco's interest in ESPN -- \$188 million for 85% equity in sports network Texaco acquired when it bought Getty Oil in Feb. plus \$14 million for uplink facilities and transponder berth on Satcom 3R.

Deal surprised Turner Bestg. System, which had expressed interest in buying ESPN and was finalizing bid. "We thought we were in the running," said TBS spokesman. "We had every intention of submitting a bid next week. We would have thought they would have waited to get another bid to see what we were willing to pay."

"We decided not to wait for Turner," said Texaco spokesman Foster Morgan. "ABC already had 15% and the right of first refusal of any other deal. So this allowed the sale to be completed quickly and cleanly," he said.

ESPN buy firmly establishes ABC as major cable sports network. ABC's other forays into cable mostly have been disappointing. It partnered with Group W in Satellite News Channel, which lost millions and was sold last year for \$25 million to Turner, who shut it down. Its other cable offspring have had to merge with other channels to stay alive. With ESPN buy, ABC corners broadcast rights to U.S. Football League.

Sale price "equates to a value of \$237 million for 100% of ESPN and related assets" Texaco announcement said. Although ESPN is largest cable service, with more than 7,000 systems, it has been in red since launch in Sept. 1979, is expected to break into black by year end.

That ABC -- not Turner -- bought ESPN was welcomed by many in cable industry who feared Turner would acquire service and jack up carriage fees, just as he did with WTBS Atlanta, Cable News Network and CNN Headline News after he eliminated competition.

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Switch to 24-hour voting day "may prove to be the simplest solution" to controversy over election exit polling, according to CBS News Pres. Ed Joyce. In recent speech to Society of Professional Journalists regional conference in Washington, he quipped that problem "could be avoided by outlawing landslide elections, of course." Joyce said he'd seen "no reliable information" that reporting system hurts west coast voting. In 1976 & 1980, he said, L.A. county kept hourly tabulation of voting in sample precincts. Tally showed 1980 voting in landslide was greater during last 5 hours than in 1976 squeaker.

TV station sales: (1) Scripps-Howard Bestg. has reached agreement in principle to acquire KNXV-TV Phoenix from New TV Corp. for \$26 million and additional consideration for covenant not to compete. Independent Ch. 15 started in 1979 becomes 7th Scripps outlet. (2) Gulf Bestg. said it agreed to acquire ABC affiliate KESQ-TV Palm Springs, Cal. from Pacific Media for \$3.8 million.

Personals

NTIA Dir. David Markey is May 17 FCBA luncheon speaker at Touchdown Club, Washington... NBC News restructured: Reuven Frank, ex-pres., named editorial adviser, will oversee convention coverage; John Lane advanced to vp-daily news programs & coverage; Gordon Manning promoted to vp-news projects; Tom Wolzien advanced to vp-production & program development; Art Kent promoted to vp-news operations & satellites; Jo Moring advanced to vp-affiliate news service; Ed Planer promoted to vp-news staffing.

Ron Osborn advanced to pres. & a dir., MacLean Hunter, succeeding Fred Metcalf, who continues as chmn. of cable and U.S. business units... Ronald Harris, ex-CBN Cable Network, named dir.-promotion & advertising, Turner Bestg.... Michael Lerner, ex-KNTV San Jose, becomes ad & promotion dir., Weather Channel... In reorganization at Md. Public TV, Warren Park advanced to gen. mgr., new post; he's succeeded as programming & operations dir. by Michael Styer; Craig Brush, ex-WXXI Rochester, N.Y., named development dir., succeeding William Hallstead, retiring; Clyde Maybee advanced to head promotion & information services, new post... Nessa Forman joins WHYV-TV Philadelphia as communications vp.

David Lapovsky promoted to Arbitron research vp... Margaret Loesch, ex-Hanna-Barbera, named Marvel Productions pres.-CEO... Matthew Miller, ex-Perkin-Elmer, appointed Viacom International science & technology dir.

Charles Shott, recent MBA graduate from Stanford U. and formerly in Washington office of N.Y.-based law firm Dewey, Ballentine, joins FCC as chief of Rules & Policy Div., Mass Media Bureau... Robert Smith, Temple U., elected pres. of Best. Education Assn., succeeding Peter Orme, WHTN-TV New Haven; Charles Sherman, WTRF-TV Wheeling, vp; Christopher Sterling, George Washington U., secy.-treas... Richard Chapin, Stuart Bestg., elected chmn. of ABC Radio affiliates' advisory executive committee.

Frank Batten, Landmark Communications chmn., reelected chmn. of AP board... Karen Klein, ex-Group W Cable, named mktg. mgr., Cable Networks Inc., new post... Stu Samuels advanced to vp-worldwide productions, ABC Motion Pictures... Grant Norlin joins Metromedia Producers Corp. as vp-western div... Grace Gearino promoted to southwest region mgr.-station relations, Mutual Bestg.

Crawford McGill promoted to NBC vp-operations & technical maintenance... Promoted at Fisher Bestg.: Jay Giesa to exec. vp-broadcasting, Seattle; Glenn Gormley to exec. vp-finance & planning and secy.; Robert Plummer to vp-engineering dir; Monty Grau to vp-gen. mgr., KOMO-TV Seattle; Patrick Scott, vp-station mgr., KOMO-TV; Beth Lyman to asst. vp, Fisher, and

personnel mgr., KOMO-TV-AM; Regen Dennis to dir.-community & employee relations, KOMO-TV-AM... James Sefert promoted to pres., Cosmos Bestg.; William Ridings advanced to vp-controller.

Jeffrey Gordon, ex-Jeffrey Gordon & Assoc., named mgr.-CATV/Wideband Services Group, Pacific Bell; Dennis Jones, ex-Group W Cable, appointed mgr.-wideband services development... Brian Godinez promoted to vp-operations, Tex. Cable Network... Daniel Mulholland, ex-Delta TV, named exec. vp, Muller Media Inc.

Frank Baldassare named USA Network controller; Linda Mauskopf advanced to sales-mktg. promotion dir... Nathan Garner named Manhattan Cable TV corporate affairs vp... John Roos appointed CBN Cable network ad & mktg. vp... William Horowitz promoted to ESPN ad sales central region dir.; Howard Flashenberg, creative services ad sales mgr.; Chris LaPlaca, programming information mgr... Stephen Ste. Marie, ex-Viacom, named ATC mktg. vp... Wynn Nathan, ex-Lionheart, appointed RKO Pictures Worldwide TV mktg vp.

John Blair & Co. net earnings for quarter ended March 31 were \$1.06 million (13¢ per share), vs. \$3.86 million (49¢) in 1983, on 1984 revenues of \$134.6 million, up from \$89.9 million last year. Pres. Jack Fritz said earnings for rest of year should surpass those in 1983, that company predicted as early as last Nov. that first quarter earnings would be "significantly" below those of 1983. Decline was attributed to increased competition in coupon marketing, higher N.Y. office rent, higher interest expenses and costs related to restructuring of TV rep division.

Takeover battle for Disney has started in earnest, Reliance Group revealing in SEC filing that it plans to purchase as many as 5.46 million additional shares of Walt Disney Productions' 34.6 million outstanding shares, bringing ownership to 25% at estimated cost of some \$350 million.

Obituaries

Jack Barry, 66, TV game show producer & host, died May 2 while jogging in N.Y.'s Central Park. He began TV career in 1940s with WTTM(AM) Trenton, moved to WOR-TV N.Y. where he established production company with Dan Enright. Barry also owned Jack Barry Cable TV serving L.A. suburban area, was partner in several other cable systems. Wife & 4 children survive.

John Bayliss, 50, veteran broadcaster, was killed April 29 when car he was driving was struck by car going wrong way on freeway near San Luis Obispo, Cal. Bayliss had served in radio management positions with several groups. At time of death, he was gen. mgr. of KSMA(AM) & KSNI(FM) Santa Maria, Cal. and was forming brokerage firm. Wife Alice received multiple injuries in crash; 3 sons also survive.

Consumer Electronics®

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STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended April 20 (16th week of 1984):

	APRIL 14-20	1983 WEEK	% CHANGE	APRIL 7-13	16 WEEKS 1984	16 WEEKS 1983	% CHANGE
TOTAL TV.....	323,465	308,637	+ 4.8	359,196	5,975,588	5,275,941	+13.3
TOTAL COLOR...	264,054*	216,205	+22.1	244,023*	4,584,154*	3,726,351	+23.0
DIRECT-VIEW..	261,174*	214,460	+21.8	241,148*	4,537,205*	3,688,691	+23.0
PROJECTION..	2,880*	1,745	+65.0	2,875*	46,949*	37,660	+24.7
MONOCHROME....	59,411	92,432	-35.7	115,173	1,391,434	1,549,590	-10.2
TV EXCL. PROJEC.	320,585	306,892	+ 4.5	356,321	5,928,639	5,238,281	+13.2
HOME VCR.....	107,350*	45,893	+133.9	113,439*	1,715,284*	866,254	+98.0
COLOR CAMERAS...	7,074*	3,955	+78.9	7,704*	119,660*	88,030	+35.9

Color TV (direct-view) 5-week moving average: 1984--297,486*; 1983--235,880 (up 24.7%).

Home VCR 5-week moving average: 1984--115,657*; 1983--50,424 (up 129.4%).

* Record for period.

MULTICHANNEL TV SOUND TRANSMISSION STARTS: Somewhere in U.S., some TV station may now be laying claim to be first on air with multichannel sound (MTS) and broadcasting to audience of nobody. With publication of order in Federal Register, FCC is now officially permitting broadcasting in stereo and other MTS formats.

MTS was hot topic at NAB convention in Las Vegas that ended May 2. Engineering session on subject drew capacity crowd, despite fact it was held Sat. (April 28), day before convention opened. Equipment manufacturers advertised conversion gear for transmitters as well as studio upgrades for stereo, but indicated most broadcasters were merely looking for what was available, shopping around, not yet ready to buy.

Broadcast equipment, rather than receivers & converters, is likely to be bottleneck in MTS, Zenith system developer Carl Eilers told 2nd NAB panel on subject. He said he expected only a few manufacturers to offer required transmitter modifications, while entire receiver industry is expected to come up as quickly as possible with home equipment.

FCC decision on MTS contained few surprises, mentioned BTSC stereo system by name and protected it by requiring complete use of that system if its 15,734-Hz subcarrier (which switches TV receivers to stereo mode) is used, but at same time left door wide open for introduction of new & better systems if they're developed. Ruling permits use of SAP (separate audio program) for picture-related or completely unrelated encoded material, also permits squeezing non-consumer communications uses into TV sound channels.

ABC & CBS spokesmen at NAB indicated they'll start broadcasting stereo before year is over, using existing material, such as movies, plus such other easy stereo material as sports, with ABC possibly converting Good Morning America to stereo. Both NBC engineer James Gibbings and dbx Engineering Vp Les Tyler demonstrated stereo tapes of Johnny Carson show, which has been taped in stereo since Oct. 1982.

More complicated MTS uses will be slower in coming, it was indicated by panelists. ABC's

Kevin Dauphinee said multilingual broadcasts probably would have to wait until "next rerun season" -- spring 1985 -- because of time required to add lip-sync foreign language soundtrack to tape.

Panel discussions made it clear that there's plenty of learning & experimentation to be done before ideal presentation of TV stereo or SAP can be accomplished by broadcasters or set makers. Already there were suggestions that it would be nice if manufacturers could offer 3-channel sets so that dialog could be kept in center -- something that North American Philips' Lee Hoke said conceivably could come in future generation. Hoke, representing set makers, urged broadcasters to "make their needs known to us so we can accommodate them," indicated that "several generations of MTS sets" could "come quickly."

Gibbings said WNBC-TV N.Y. is now testing MTS during about half of its regular broadcast time, using tones (rather than program material) to prove compatibility. Tyler of dbx demonstrated use of companding in MTS, using Carson tapes to show that system eliminates noise from stereo signal in fringe area, has no effect on mono signal. In answer to our question, he said no licenses had been issued yet and discounted complaints about dbx's royalty scale (TVD March 5 p13) as normal manufacturer "grousing." Tyler announced that dbx would offer circuit cards this month for its companding system to test & broadcast equipment manufacturers and broadcasters for \$300-\$395, depending on quantity.

Urging reconsideration of MTS decision, as he did in petition to FCC, was Isaac Blonder, chmn. of Blonder-Tongue, who pointed out to engineering seminar that MTS-equipped sets could unscramble subscription TV signals. He promised to fight FCC decision in court, saying that BTSC (Zenith-dbx) system was based on his own sound-scrambling system developed 10 years ago, was of marginal quality. He said that if govt. had made specific provision for royalties to inventors of standardized systems, far better sound -- using digital technology -- would have been proposed & adopted.

U.S. TV INDUSTRY PROFITABLE IN 1983: U.S. color TV producers as a group returned to profitability in 1983, but earnings were no more than marginal, and were far from enough to offset collective losses posted in preceding 2 years, according to figures in report from International Trade Commission. Financial data on domestic producers, including U.S. production operations owned by Koreans, Taiwanese & Japanese, is part of ITC report on its determination that dumping of color TVs from Korea & Taiwan has injured U.S. industry (TVD April 9 p14).

Based on response to questionnaires sent to manufacturers as part of its dumping injury investigation, ITC says 17 U.S. color producers had sales of \$2.53 billion in 1983, up just 3.2% from \$2.45 billion of 1982, and well under levels in 1980 & 1981 when sales were \$2.56 billion & \$2.65 billion, respectively. Net income was just over \$6 million, or only 0.2% of sales. However, that was improvement over losses of \$73.2 million & \$41.6 million in 1982 & 1981. But earnings were well below \$14.1 million, or 1.2% of sales, posted in 1980.

While domestic factory dollar sales in 1983 were 3rd lowest in last 4 years, unit shipments apparently were far & away at record high, reflecting impact of continued price depression caused by excessive competition. Though ITC sanitized report to delete some figures, based on other information in report we estimate that responses to ITC's questionnaire put 1983 domestic color factory unit shipments at just over 11.4 million, up 20% from 1982, and imports at about 3.8 million, up 76%, to arrive at overall published consumption total of 15.25 million, up 30.7% from 1982. That would be well within statistical ballpark of EIA's estimate of 15.2 million domestic & imported color sales at factory level last year.

Figures also show 1983 was 4th consecutive year of market share growth for imports. They put import share at 25.2% last year, up from 18.7% in 1982, 15% in 1981, 11.6% in 1980. Major share increases by source countries were Korea at 10.3%, up from just 5.3% in 1982, and Taiwan rising to 6.9% from 3.8%.

With RCA & Zenith as dominant domestic producers, it's not surprising that report shows 2-step distribution most important marketing channel for U.S.-made sets. Distributors accounted for 44% of U.S.-made sales in 1983, against just 12.7% for imports. Most important outlets for imports were direct sales to full-service mass merchandisers, which provided 22.4% of volume while accounting for only 12.3% for U.S. factories. Share provided by other one-step channels for U.S. producers (with share for imports in parentheses): Private label 14.6% (10.8%), discounters 3.5% (20%), department stores 4.7% (6.8%), catalog dealers 0.7% (4.4%), buying groups 5.9% (11.5%), other 13.6% (11.3%).

In report, ITC says injury determination was keyed primarily to downward pressure on pricing & profits caused by undervalued imports. It notes that imports from Korea & Taiwan undersold comparable U.S.-made leader models by 10-19% in 13", by up to 20% in 19", and to lesser but still significant extent in step-up remotes. "Given the upward trends in the key indicators of sales," U.S. color industry "should have rebounded to a reasonable level of profitability" last year, but was kept from doing so by "rapid influx" of dumped imports, report concludes.

During investigation, ITC says, it divided industry's color product into 2 groups, complete receivers and video monitors "not incorporating and not capable of incorporating a tuner, used in connection with component TV systems." It said it excluded from dumping finding monitors imported from Taiwan's Fulei by Proton because there was no evidence of injury, noted that Zenith is only domestic producer of that product. ITC rejected exclusion requests for RCA's Taiwan-made 9" portable and from higher priced sets imported from Taiwan by Hitachi & Sanyo because it believes injury analysis shouldn't "be conducted on a firm-by-firm basis." Also, report says, Commission felt it didn't have enough information "that separate & distinct markets exist" for under-10" or over-20" TVs, so worked on premise that "regardless of screen size, all color TVs are put to the same use."

Exclusion for Proton's monitors could create headache for Customs, as there is no official definition of monitors, although EIA, ITC & Customs have been trying unsuccessfully for 2 years to agree on specifics. Object is to break them away from complete TVs and further to separate them into types suitable for use with TV components and those for professional use only. There's also question over correct import classification for data-only monitors. ITC's official description of monitor, as it appears in final determination, differs from that in discussion area of report by not referring to use as TV component and adding requirement that it be fully assembled. So it would appear that computer monitors that will accept video feed from component TV tuner or VCR could be excluded from finding. For present it appears that Customs examiners will have to use ITC's uncertain guidelines to decide which monitor imports from Taiwan are excluded from finding, and go back to agency for more specifics if classification problem develops.

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Formal antidumping order, requiring cash deposits of potential penalty duties on most color TV and kit imports from Korea & Taiwan, was issued by International Trade Administration last week. Affected importers also are liable for extra duties on imports retroactive to Oct. 19. Duty deposits will be equal to 14.77% of shipment value for Gold Star, 15.95% for Samsung, 13.9% for all other Korean-made sets, except those from Anam & Korea Electronics, which were excluded from finding. Requirements for sets from Taiwan: AOC 3.5%, Hitachi 1.2%, RCA 2.89%, Sampo 23.77%, Sanyo 4.66%, Tatung 8.1%, and all others 5.46%, except for Orion and complete monitors, also excluded.

Taiwan TV producers' plan to adopt unified chassis for all color exports may become casualty of dumping case, according to Industrial Development Bureau. Agency spokesman said industry had planned to ship 300,000-500,000 unified chassis sets to U.S. this year, but low pricing on such export-only models could create dumping problems. He indicated sets would now probably be offered in Taiwan instead. To avoid paying dumping duties in U.S., he said, Taiwan set makers can be expected to reduce prices at home and cut down on complete set exports by increasing output in U.S. assembly plants.

TV HOME CONTROLLER COMING FROM GE: Zenith was first to try to make TV receiver something more than video display device when it introduced Space Phone, to allow hand-held remote control to be used as telephone. GE plans to go step beyond that, turn remote into central control system for household lighting & appliances.

Under agreement with BSR, next year GE is expected to market deluxe TV that connects through remote control to BSR's X-10 microprocessor-controlled electrical outlet command center. X-10, introduced by BSR in 1978, features central control box that plugs into wall socket, sends signals to individual coded remote modules on RF signal fed through electrical wiring. Modules can turn appliances on & off, operate & dim lights.

Original BSR system included keypad-operated controller, plug-in modules. Over years, company has added modules that replace wall plugs and light switches, wireless remote, a programmable controller that can be set to turn lights and appliances on & off at designated times, adaptor that lets controller accept commands via telephone. System can be expanded to provide more sophisticated home security function.

GE deal isn't BSR's first private label arrangement for X-10, nor is it initial step into video arena. BSR has been supplying X-10 systems for own-brand sales to such retailers as Radio Shack & Sears as well as to Leviton, a leading U.S. marketer of wall sockets, light switches and other electrical accessories. BSR also had deal to supply Mattel with X-10 system and software to make it function as peripheral to Aquarius home computer. That plan, of course, was dropped when Mattel pulled out of electronics.

As there already is infrared remote controller for X-10, adapting TV remote control should be easy. RCA, Sony, Panasonic, Quasar and others already have double-duty remote controls handling functions for VCRs as well as TVs. Whether GE will keep system simple, or move to provide such extra features as on-screen control display, couldn't be determined. Basic X-10 non-remote controller, with pair of modules, retails for about \$40, so system should add at least that to cost of TV set.

GE's home command system isn't scheduled for marketing until 1985, so isn't expected to be included among new products shown in N.Y. this week when company unveils 1985-model video line in N.Y. GE will, however, give first demonstration of 8mm Video camcorder it plans to market this year and show its stereo audio color TVs and stereo adaptors.

PIONEER'S LV PUSH: With RCA's CED videodisc player out of running as low-cost competitor, Pioneer Video has launched drive aimed at putting its Laservision player into video market mainstream.

Pioneer reportedly plans to double player exports to U.S. this year to 80,000, figure that may include home units it supplies on private label basis to NAP Consumer Electronics for sale under Magnavox & Sylvania brands. It's estimated that about 120,000 LV players are in use in U.S.

In its first spot TV campaign, Pioneer is pushing Laserdisc as add-on video product for consumers who own VCRs. Commercials, running on network-owned stations in Chicago, Dallas, L.A., N.Y. & San Francisco, stress higher quality video & audio on disc. They feature blind singer Ray Charles who says "Music video? I can't see it. If the music don't sound good, who cares what the picture looks like?" Pioneer's newest disc catalog contains about 700 titles, 272 in stereo, 195 with CX encoding. Not included are X-rated titles, which Pioneer presses on custom basis, doesn't distribute itself.

RCA RECORDS VENTURE: RCA is discussing possible formation of international phono record venture or distribution agreement with Germany's Bertelsmann, marketer of Ariola line, as partner. Tie would strengthen link forged last year when RCA acquired 50% of Arista Records, Bertelsmann's U.S. subsidiary.

Move is believed to be defensive reaction to challenge posed by planned merger of Warner's record business with Philips-controlled Polygram. FTC contends merger would reduce competition in U.S. market. Completion of deal has been held up by Appeals Court injunction (TVD April 16 p15). CBS has said it will be forced to seek international partner if Warner-Polygram deal is allowed to go through.

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Toys "R" Us reported sales rise of 35.9% to \$247 million in first fiscal quarter to April 29, but indicated sales of home computers, videogames and other electronic products slipped about 1.3% to \$39.5 million. Dealer said computer & game software accounted for about 63% of electronics volume.

NAP'S UPBEAT VIEW: Technological changes in consumer electronics "presage a period of unprecedented growth and improved profitability," North American Philips Chmn. Cees Bruynes told holders at annual meeting in N.Y. last week.

Underlying replacement demand "has already begun to stimulate unit sales," and introduction of features, such as stereo sound, digital signal processing and high definition "even with conventional TV signals" will "serve to further fuel demand," he said. With increasing volume "and the pricing premium that can be expected for new features, profitability can be expected to improve." Demand rise, "coupled with gains in our manufacturing efficiencies" should "further improve the profitability" of NAP Consumer Electronics, he said.

Bruynes said electronic & electrical components group is expected to continue record of strong growth. He announced NAP plans to market first computer data storage system based on compact digital audio disc technology in 4th quarter.

IBM plans to "improve, expand & change" PCjr computer to help solve problems with disappointing sales, Chmn. John Opel said at annual meeting in L.A. He said work on PCjr by IBM and outside companies is "just beginning" and "as time passes, we'll be in a better position to determine how successful this product will be." One certain change is expander for present fixed 128K memory. In separate announcement, Lotus Development said it plans June shipments of enhanced version of its \$495 1-2-3 program for PCjr that will require system with memory capacity of at least 192K.

AVX will build ceramic capacitor plant in Bombay, India to meet growing demand for components, Chmn. Marshall Butler said at annual meeting. He predicted earnings would double this year to \$16.8 million on 50% sales rise to \$250 million.

Magnavox divorced video & audio in restructuring designed to help boost audio market penetration. Company has expanded former audio traffic sales operation, which marketed radios and portable tape products through reps, into free-standing department responsible for all audio sales & marketing, including compacts & component systems. Created at same time was separate video sales organization. As result of change, dealers who had been buying full Magnavox line from company's direct sales organization will have to deal with separate reps for audio products, and dealers without video product franchise get access to complete audio line. Magnavox Vp-Brand Mgr. Gary Thorne has assumed video sales responsibility on acting basis, taking some former responsibilities of William Campbell, reassigned to vp post with NAP Consumer Electronics. Magnavox Mktg. Vp James Proud has resigned, won't be replaced. For more details on those and other personnel changes see Trade Personals column in this issue.

SONY DUPLICATOR: Sony will show new high-speed videotape contact duplication system at June CES in Chicago next month, probably hold demonstrations at downtown hotel for press and select list of potential customers. Duplicates are made from tape on reels, which then are cut and loaded into empty cassette shells.

Only Beta system, with 70 times real-time rate, will be shown. Slower VHS version will come later. Though price hasn't been revealed, it's expected to be high enough that only 5-6 largest duplicators are real prospects, and there are some doubts about them.

Fred Fellhauer, vp-gen. mgr. of CBS/Fox Video's Farmington Hills, Mich. plant, told us system is most suited for short runs of 2,000-3,000, is likely to be more expensive to use than regular in-cassette real-time duplication for major titles. His big concerns are number of printers that can be hooked to so-called "mother machine" and longevity of mother tape. He figures tape is good enough only for 300-1,000 copies, requiring steady flow of replacements at still-undetermined cost. Downtime for change also is consideration. Source at Sony thinks mother can handle as many as 10 printers, but Fellhauer puts it closer to 3, though he said "I'm prepared to spend some capital."

Unitary tax study panel appointed by President Reagan last year ended working sessions without coming to agreement on ways to resolve all of controversy caused by states that tax corporations on basis of worldwide earnings. Panel, chaired by Treasury Secy. Donald Regan, consisted of state officials and corporate executives. In report slated to be submitted to President, panel will recommend that state unitary taxes on foreign-owned companies be levied only on their direct U.S. business. Panel divided, however, on question of imposing unitary taxes on dividends U.S. companies received from foreign subsidiaries, and whether U.S. firms that do at least 80% of their business overseas should be treated as domestic or foreign companies. Regan said problem may solve itself as states find they have to repeal unitary tax laws to attract & retain businesses.

Square cornered 20" & 26" picture tubes in color TV line recently introduced by Panasonic in Honolulu, and expected to be included in line sister company Quasar unveils in Maui, Hawaii next week, are being imported from Japanese parent Matsushita Electric. In addition, Panasonic is using conventional Matsushita-made tubes in most of its step-up color models. All of Panasonic's consoles are imported from affiliate Matsushita Canada, while most Panasonic & Quasar portable-table models and Quasar consoles are assembled by Matsushita Industrial Co. in Franklin Park, Ill. Heavy switch to Japanese tubes indicates there will be increase in number of tube-inclusive kits imported through Mexico where MIC has chassis plant. Tubes imported as part of kits are dutiable at same 5% rate levied on complete sets, while rate on tubes alone is 15%.

ACTIVISION OUTLOOK: Though Activision had sharply lower sales and posted losses in final quarter and full year to March 31, and game-computer software market won't be turning around soon, restructuring & cost-cutting have put company on road to recovery, Chmn. James Levy told security analysts and news media in N.Y. last week.

Over 6-8 months, Levy said, Activision has "resized itself" in keeping with industry software sales potential, reduced employment to 220 from 375, closed 3 design centers and reduced breakeven point from about \$135 million in sales to \$50 million. Inventory has been cut more than 50% to \$10.3 million through product selloff; non-recurring costs associated with cutback program represented more than 60% of 4th quarter loss.

This will be year of transition for Activision, which is shifting focus to home computer software, Levy said. Company demonstrated first programs for IBM and Japanese MSX personal computers, and plans to release first games on disc for Commodore 64 computers this month.

Levy said Activision estimates hardware makers sold 10 million units last year, about evenly divided between games & computers, and sees sales of about 8 million this year, with games slipping to about 3 million. Software game sales were estimated at about 85 million in 1983, with 15 million going for computers. Outlook for 1984 is for sales of about 75 million, with computers about 20 million. Problem in game market, he said, is that budget & closeout product should account for about 15% of volume, but it could approach 50% this year as industry is still stuck with large quantities of unsold programs. Levy said it "may take until the fall of 1985 before it clears itself up."

Commodore, he said, is only established home computer company bringing stability to market. There's uncertainty about roles to be played by Apple and MSX models "and a load of questions about Adam." In games, he said he expects Colecovision to "have a fairly good year" and said Atari is expected to introduce 7800 console as step-up version of 2600.

Activision said it brought contract breach suit against Revco drugstore chain charging failure to honor \$8.3 million game purchase agreement. Revco said it withheld payment after finding water damage to first shipment.

Commodore also held meeting in N.Y. last week where officials of software operation were on hand to talk informally about broad expansion of offerings for Commodore 64. Also, we were told, Commodore plans to introduce several new computers at Summer CES, including low-cost model compatible with IBM PC, plus proprietary models with built-in word processing and other software.

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Esmark has agreed to accept \$2.29 billion, \$55 per share, leveraged acquisition offer from N.Y. investment group Kohlberg, Kravis, Roberts. Esmark is parent of Jensen & Diswasher.

NIelsen VCR CHART: Latest VCR usage study from Nielsen credits VHS with 77.2% share of sets in use, Beta 22.8%. It also indicates strong growth in cassette rentals, some signs of pickup in purchases. It released results at N.Y. news conference last week, and we obtained additional details from other sources. Data were gathered Nov. 1983-Jan. 1984 from monthly diaries returned by 3 sets of 360 VCR owners. Response rate was 53%.

RCA, with 22.2% share, was top brand owned, followed by Panasonic 19.4%, Sony 9%, Quasar 7.5%, Magnavox 5.7%, GE 5.2%, Sears 5.1%, Sanyo 5%, with Zenith & Fisher tied at 3.8%. Nearly 1/3 of Panasonic and more than 25% of RCA owners also had video cameras, underscoring strong position those 2 have in portables. More than 35% of those with VCRs have owned them for 1-2 years, 20% 7-11 months, 19% 2-3 years, 19% more than 3 years. Top 10 markets accounted for about 45% of purchases, with northern, southern & Pacific states representing more than 70% of total, east central & west central remainder. About 57% of respondents who owned machine for less than year said availability of recorded cassettes was key factor in purchase decision.

In blank tape, 3M's Scotch label was most recognized, though only 30% had bought brand in last 12 months, slightly under the 35% who purchased TDK. Maxell & Memorex were in 25% range; Sony, Fuji, JVC, RCA, BASF & Ampex 12-16%. Kodak & Polaroid names were recognized by 18% & 10%, respectively, even though neither brand had been introduced then. Spread among tape leaders was relatively slight, TDK on top with 18% share, followed closely by Memorex, 3M & Sony; nearly 60% of blanks, presumably T-120 or L-500 lengths, cost under \$8.

Study shows cassette rental is picking up steam. Nearly 75% of Nov.-Jan. households said they had borrowed tapes some time in preceding year, vs. 49% in 1982 pilot study. More than 80% of those owning machines less than year had rented in last 12 months. Overall average number of tapes rented during Nov.-Jan. was about 5 per month, with more than 15% of sample going to retailer at least once a week. Cassette purchases also showed jump, solely because of arrival of hit titles at \$39.95. Of sample, 24% said they had made purchases in last 12 months, up from 18% 2 years ago. Price isn't always deterrent, with significant number of purchases above \$50, but nearly 50% of tapes were bought in \$25-\$40 range.

About 23% of sample were heavy off-air recorders, taping at least 21 programs a month, and accounted for better than 70% of such activity. Bad news for sponsors, who have been wondering whether their ads get extra exposure when tapes are played back, is that nearly 50% used fast forward to skip most commercials, and about 30% indicated they deleted at least 75% of ads.

Consumer Electronics Personals

Henry (Gary) Thorne, Magnavox vp-brand mgr. at NAP Consumer Electronics, assumes interim direct responsibility for video product sales to create separate audio sales organization; **William Campbell**, former Magnavox sales vp, shifts to NAPCE as vp, advance mdsg. planning; **James Proud**, Magnavox mktg. vp, resigns to pursue other interests; **Stan Veltkamp** advanced from audio traffic sales dir. to audio sales dir.; **James McFalls & Alfred Menozzi** assigned merchandising responsibilities for TV & audio respectively; **Anthony Venafro** advanced from special markets national sales mgr. to premium sales dir., succeeding **Bernard Susens**, who retires June 1 to establish premium broker business.

Robert Frederick, RCA pres., will add post of CEO within year, Chmn. **Thornton Bradshaw** announced at annual meeting... **Kenneth Thomson**, former NAP Consumer Electronics vp, named vp-gen. mgr. of **Almo Sampson Distributing**, Chicago, new venture with distributor **Almo Electronics** of Philadelphia formed to acquire **Sampson**. ASD will handle **Sylvania & Philco** electronics, **Sharp & Gibson** appliances; **Eugene Chaiken**, Almo chmn., adds same post at ASD... **Tony Mirando**, ex-Craig, joins **JVC** as car audio national sales & mktg. mgr... **Bill Schupp** joins **Quasar** as personnel asst. gen. mgr.; **Michael Singer** appointed staff attorney with parent **Matsushita Electric Corp. of America**, serving as counsel to **Quasar**, **Matsushita Industrial & Matsushita Communications**; **Leon Thatcher** named **Quasar** east zone sales & inventory analyst.

Alan Kay, former **Atari** chief scientist, joins **Apple** as research fellow... **Victor Pelson** promoted from exec. vp to pres., **AT&T Consumer Products**, succeeding **Randall Tobias**, advanced to **AT&T** senior vp with responsibility for legislative & regulatory policy... **Richard Kellerman** advanced to mktg. communications mgr., **Bell & Howell Visual Communications group**... **Gregory Lincoln**, ex-Young & Rubicam, joins **Radio Shack's** in-house ad agency as media dir.

Brian Segall moves from **MGM/UA** Entertainment to **MGM/UA Home Entertainment** as business affairs vp, replacing **Benton Levy**, promoted to business affairs & program administration vp... **Diane Keating** named mktg. mgr., **RCA/Columbia Pictures International Video**; **James Tauber**, ex-MGM/UA Home Video, joins as legal & business affairs mgr... **James Lopes** appointed asst. gen. counsel, **CBS/Fox Video**... **Roy Winnick**, pres. of **Best Film & Video**, adds title of home video operations dir., replacing **Meril Fine**, now with **World Northal**.

Linda Foreman, ex-Sound Video Unlimited, & **Rick Buehler** named midwest & western district mgrs., respectively, **Key Video**... **David Solomon**, ex-Commtron, named **ZBS Video** west coast branch gen. mgr... **Marcia Babb** promoted to film acquisition mgr., **Home Theater Network**; **Ruth Rivera** named mktg. coordinator... **Leonard Grossi**, ex-CEO of distributor **Sound Video Unlimited**, joins **Metromedia**

Producers Corp. as administration & planning vp.

Named to **Compact Disc Group** board: **Robbin Ahrold**, **RCA Records**; **John Briesch**, **Sony**; **Chris Byrne**, **Pioneer**; **Paul Foschino**, **Technics**; **Robert Heiblim**, **Denon**; **Issay Levy**, **Sanyo**; **Alan Perper**, **Warner Records**; **David Steffan**, **A&M Records**... **Jay Jennis**, **J&J Corp.**, nominated pres. of **Car Audio Specialists Assn.** for election June 4 in Chicago. He has held post on acting basis since resignation of **James Twerdahl** last year. New vp nominations: **Thomas Graham**, **Pioneer**; **Charles Wendt**, **Blaupunkt**; **Robert Zide**, **Caltex**. Slated as new board members: **Barry Casoli**, **Hammond**; **Kent Friedman**, **CMC**; **Fred Hill**, **American Radio**.

Software notes: **CBS/Fox Video** is first major studio to adopt **Hi-Fi** audio for all **VHS** titles. It will start in June. Company already uses **Hi-Fi** on all **Beta** titles. Other studios, with possible exception of **Embassy Home Entertainment**, are holding back full commitment to **VHS Hi-Fi** until duplicators clarify costs... **Paramount** expects to ship opening order of 250,000-300,000 copies of \$39.95 **Terms of Endearment** next month, 2nd best start for studio release after **Raiders of the Lost Ark**... **Embassy Home Entertainment** has instituted 3-step discount plan in effort to push **Silkwood** to 100,000 mark, offering distributors 3% with initial order, then 5% and 10% for increased quantities... **MGM/UA Home Video**, sole major studio listed as exhibitor for next month's **Summer CES** in Chicago has pulled out. **CES** still will have 40-50 video software exhibitors, about 70% featuring adult product, 30% (including **Thorn EMI Video**) regular features... Music video will be "primary source" of record industry revenues "in the year 2000," entertainment lawyer **David Braun** told recent seminar in L.A. He predicted that within 2 years performers would be able to negotiate separate audio & video contracts.

First-sale revision of Copyright Act to give owners of recorded video & audio programs share of retail rental revenue could be dead issue in this session of Congress unless proposal is separated from omnibus copyright legislation that has lost support of **MPAA**. Studios are expected to oppose bill because of change in **CATV** rules which they feel will cut sharply into royalty income, rather than unhappiness with watered-down provisions for first-sale revision or exemption for home taping (**TVD** April 30 p16). If price for first-sale change is loss of other royalty revenue "we'd just as soon not have it," **MPAA** lobbyist **Dale Snape** told us. (For more details, see **Broadcast** section of this issue.)

Japan's IC makers plan to start full-scale mass production of 256K dynamic RAMs this year. Current industrywide output of those **VLSI** devices, which contain some 600,000 transistor elements, is running about 200,000 monthly, against 6-7 million monthly for 64K RAMs. By year's end, however, **Toshiba & NEC** expect to be turning out 256K **DRAMs** at about million per month, and **Fujitsu** expects 700,000 monthly output.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Activision			
1984-year to March 31	69,981,000	(18,010,000)	--
1983-year to March 31	157,633,000	19,183,000	.64
1984-qtr. to March 31	20,361,000	(6,011,000)	--
1983-qtr. to March 31	44,873,000	5,731,000	.24
Andrea Radio			
1984-qtr. to March 31	1,267,912	159,235	.31
1983-qtr. to March 31	1,258,885	150,964	.30
Audiotronics			
1984-9 mo. to March 31	15,944,000	421,000	.35
1983-9 mo. to March 31	12,626,000	110,000	.09
1984-qtr. to March 31	5,294,000	104,000	.09
1983-qtr. to March 31	3,846,000	(70,000)	--
Chyron			
1984-9 mo. to March 31	14,453,000	3,543,000	.58
1983-9 mo. to March 31	11,816,000	2,951,000	.48
1984-qtr. to March 31	5,362,000	1,234,000	.20
1983-qtr. to March 31	4,245,000	959,000	.16
Cohu			
1984-qtr. to March 31	5,440,174	309,178	.18
1983-qtr. to March 31	4,009,164	167,615	.10
MCA			
1984-qtr. to March 31	392,441,000	21,032,000	.43
1983-qtr. to March 31	430,940,000	39,018,000	.81
Orion Pictures			
1984-year to Feb. 29	154,728,000	7,332,000	.56
1983-year to Feb. 28	136,454,000	6,707,000	.73
1984-qtr. to Feb. 29	34,141,000	1,176,000	.12
1983-qtr. to Feb. 28	37,971,000	1,462,000	.15
Reeves Communications			
1984-9 mo. to March 31	172,858,000	7,097,000	.57
1983-9 mo. to March 31	160,258,000	14,447,000	1.16
1984-qtr. to March 31	60,411,000	1,518,000	.12
1983-qtr. to March 31	53,988,000	5,008,000	.40
Satellite Syndicated Systems			
1984-qtr. to March 31	5,800,000	954,000	.17
1983-qtr. to March 31	931,000	449,000	.09

Note: *Adjusted.

Bose lost final round in 14-year libel suit against Consumers Union last week when Supreme Court voted 6-3 to uphold appeals court dismissal of suit. Bose had been awarded \$210,900 by lower court that found CU had published unfavorable review of company's speakers even though it knew test results contained incorrect information. Appeals court said it found no evidence indicating CU knew it had erred. Issue before Supreme Court was whether appeals court had right to review factual, as well as legal, determinations of lower court. Supreme Court said it did.

Taiwan's Tatung plans to spend \$14.5 million to acquire & equip 400,000 sq. ft. plant on 41-acre site in Telford, U.K. for production of personal computers and other information products. Plant will employ 200 at startup later this year, is being designed for up to 1,000 workers. Tatung has 750 employees in U.K. at former Decca TV plant it acquired from Racal in 1981. It assembles TVs, monitors, TV cameras & computers there.

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Motorola AM stereo system gained another plus at NAB convention in Las Vegas last week, courtesy of competitive Harris system. Harris Corp. announced it was changing its pilot frequency to be compatible with receivers designed for Motorola's C-QUAM system, particularly GM car radios. Motorola reacted angrily, charging reception of Harris system on C-QUAM radios was distorted and would give AM stereo "a bad name," implied it would take some sort of legal action. There have been complaints about quality of all 3 systems. If Motorola wins race -- as now seems likely -- victory probably will have less to do with assets of system than with amount of time, manpower, money & effort company has put behind it.

BSR has cut back sharply on North American operations, dropped plan to act as distributor for non-BSR products, trimmed staff at Blauvelt, N.Y. hq & plant from 170 to 70, will shut down Canadian subsidiary, Chmn. Bill Wyllie told holders at recent annual meeting. U.S. hq, 250,000 sq. ft. building on 14-acre site, has been put up for sale or rent and BSR is looking for smaller facility.

Sharp is seeking site elsewhere in N.J. to build replacement for its 14-year-old hq in Paramus, N.J. Company representative declined comment on report that Sharp was negotiating for location in Mahwah, where Ford recently shut down car assembly plant. However, he said, Sharp's interest would be in vacant portion of 173-acre property, not in any of Ford's factory buildings.

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DEMOCRATS TO TAP C-SPAN MINE: Continuous live House coverage thought gold mine to be exploited in prime time & on campaign trail. (P. 8)

ABC GETS OLYMPIC-SIZE HEADACHE: "These will be different [Olympic] games, but I'm glad to have ABC show these different games," Peter Ueberroth, pres. of L.A. Olympic Organizing Committee, told ABC family in surprise appearance aimed at reducing concerns Summer Games will be less than successful because of boycott by Russia and its satellites. Addressing affiliates & ABC executives at network's 25th annual affiliates meeting last week, Ueberroth, who had flown to L.A. from meetings at White House on Russian withdrawal, admitted that boycott "has hurt the games," but he maintained "these will be great games" even without Soviets.

Most affiliates we talked to were of opinion that while boycott will cause some ratings and advertising headaches, situation is manageable. Although some station managers told us they were contacted immediately by local advertisers who wanted to pull their Olympic buys, majority downplayed commercial importance of boycott; some even predicted it would improve ratings.

Consumer Electronics

COLOR GAINS SLOWED in April, but still at record level. VCR continues to roar. (P. 12)

ZENITH DIGITAL TV scheduled for introduction in Dec., sale early in '85, but GE cools, sends digital chassis back to drawing board. (P. 13)

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MULTICHANNEL SOUND stressed in Zenith line, also featured by GE & Quasar. GE increases low-end prices, Zenith firm in mid-to-high area. (P. 15)

JAPAN VIDEO EXPORTS to U.S. surged in March, with VCRs setting monthly record, color TVs at 5-year high, Finance Ministry figures show. (P. 17)

DRUM-TIGHT HOUSING situation for upcoming CES in Chicago forcing staffers to cut hotel room allocations, require more doubling up. (P. 17)

VIDEODISC FOR COMPUTER deal being discussed in Europe would see Philips adopt Thomson's home computers, Thomson market LV players. (P. 18)

FIRST VCPs FROM FUNAI slated to be received by Portavideo in June. PVI indicates it will wholesale them at \$666 for both rental & sale. (P. 20)

"It will inject controversy, and controversy always builds audiences," station mgr. said. Ueberroth pointed out that as host country, U.S. teams qualify automatically for all competitions: "There will be more Americans participating," he said, factor that ABC News & Sports Pres. Boone Arledge said would mean "more interest by [U.S.] public." Echoing that point, an affiliate said: "People love to see winners. And without the Russians and East Germans, there'll be lots of American winners."

Arledge attempted to rally flagging spirits of affiliates by drawing parallel to troubles during early days of Winter Games in Yugoslavia, saying that time "was a great opportunity for an organization to quit, but we turned it around. And we can do it again." Ueberroth said "we're not closing any doors," noting Russians have until June 2 deadline for all nations to confirm participation. That also apparently will be date when network can reopen negotiations on reducing \$225 million paid to LAOOC for domestic broadcast rights, ABC official said. Network has been making installment payments to LAOOC; final payment of \$70 million is due June 2.

Arledge said ABC won't reduce planned 188 hours of coverage -- even if Russia and its satellites don't participate. Everything for televising games is on schedule, he said, including ad revenue. Other ABC officials confirmed that network has sold about \$428 million of \$440 million in available spots, some of which are going for \$260,000 per 30-sec. spot. From Madison Ave. came word that major corporate sponsors aren't planning to pull out of multimillion-dollar commitments. One reason may be that advertisers don't have clauses in contracts for adjustments in situations like Russian pullout.

Network is covered financially against boycott, having obtained \$200 million insurance policy from Fireman's Fund in 1982 for which it paid \$8 million. Policy would compensate ABC for lost revenue caused by withdrawal of any major nation. Similarly, NBC was compensated \$78 million by Lloyd's of London when U.S. and several other nations withdrew from 1980 Olympics in Moscow, ended up losing about \$30 million -- not to mention huge summertime audiences expected. "We will obviously be disappointed if the Soviets do not participate," was ABC's official word, "but we are confident that the Games will be successful. If the situation is not changed [on June 2], ABC has protection under its contract" with LAOOC.

LAOOC isn't concerned that other nations that already have paid for broadcast rights will seek comparable reductions, LAOOC Vp Michael O'Hara told us. "Only ABC" has such escape clause, he said. Among others, Japan has paid \$18.5 million for games, European Best. Union paid \$19.8 million for rights in several countries and Rupert Murdoch paid \$10.6 million for Australian rights. All told, LAOOC will receive about \$55.4 million for foreign broadcast rights, all non-refundable, O'Hara said. Still, ABC's payment is by far largest part of LAOOC's \$500 million budget, he said.

Soviets have paid about \$3 million for Olympics, which run July 28-Aug. 12, including \$1.7 million to LAOOC for TV rights, about \$1 million to ABC for space at International Best. Center in Hollywood, \$160,000 to Netcom for satellite time and \$86,000 for tickets. It's all non-refundable.

Affiliates gave several standing ovations during network's preview of games. Highlight was appearance of more than 2 dozen present & former U.S. Olympic athletes, some of whom participated in 1932 & 1936 games. Injecting patriotic air was Ray Charles, who sang "America the Beautiful."

Crisis calls attention to rising costs of broadcasting Olympics. ABC paid only \$25 million for U.S. rights to Montreal games in 1976, may have to pay more than \$500 million for '88 summer games in Seoul, network spokesman said. ABC is paying \$309 million for '88 winter games in Calgary.

Russian boycott came just as ABC was solving another Olympic problem: Preemption of 2

weeks of late local news at east coast affiliates, 5 p.m. news at west coast stations. Many station managers had complained about preemptions, and network officials were working out details to allow affiliates "window" of 2-5 min. nightly during Games for local news.

Topic dominated discussion among members of ABC's "This Week with David Brinkley" who were on hand to tout that show to affiliates. "I think [Russians] are fearful their athletes will defect," said Brinkley. Columnist George Will quipped that Russians' absence "at one fell swoop will restore the amateur nature of the Olympics." White House correspondent Sam Donaldson said U.S. started it: "Carter used the Olympics as a way of punishing Russia for Afghanistan. It didn't work then and I don't think it will work now for them," he said.

BROADCAST BILL TALKS TO RESUME: In move everyone's still trying to fathom, House Telecom Subcommittee Chmn. Wirth (D-Colo.) has asked ally Rep. Swift (D-Wash.) to mediate dispute that led to latest breakdown in negotiations for compromise broadcast bill (TVD April 30 p4). First of so-called conciliatory discussions is expected this week, ending -- for now -- possibility that industry proponents Reps. Tauke (R-Ia.) & Tauzin (D-La.) will try to skirt Subcommittee to get some kind of broadcast bill moving. NAB still is exploring other legislative paths and hasn't signed on to new effort for compromise. New attempt to reach compromise reportedly has parent Energy & Commerce Committee Chmn. Dingell's (D-Mich.) blessing.

Resumption of talks is being hailed as breakthrough by Wirth forces. But in interview, Tauke cautioned: "I wouldn't call it that. We've heard no new [proposals] yet" from Wirth camp. Politics surrounding bill have been so uncertain that Tauke warned against reading too much into latest endeavor. He said that doesn't mean he & Tauzin aren't receptive to idea of resuming talks, only: "While both of us are willing to look at new alternatives, it would be unfair to suggest that anything which moves substantially away from what we've done could serve as the basis for compromise."

But Wirth aides are optimistic, believe problems can be worked out. They see major stumbling block as petition-to-deny revisions on which Wirth allies have been pressing for broad prehearing discovery rights for petitioners as way to ensure that broadcasters remain accountable to public once comparative renewal is ended with deregulation. Such discovery rights are adamantly opposed by NAB.

Accountability issue is key to bill's future, both sides agree, largely because Dingell has signaled he wants issue settled before a bill moves in his Committee. Source in Wirth camp said if this question is settled, "we expect the rest to fall into place." Other sticking points include whether to codify political attack & editorial rules, keep residual FCC authority to regulate, number of stations whose performance would have to improve under proposed program standards & EEO.

Hill sources told us Swift has power akin to proxies of both Wirth & Dingell, but Swift said that doesn't amount to carte blanche. "We agree on the objective -- retaining broadcaster accountability -- but [Wirth & Dingell] will have to okay anything we come up with." Wirth & Dingell themselves won't participate in this phase of talks, instead will be represented by aides. Swift said he has "some ideas" on "how to skin the cat differently" but wouldn't disclose details for fear of jeopardizing talks. Big problem is how to allow prehearing discovery without posing potential court challenge to existing case law, he said. Swift, Tauke & Tauzin were to meet late May 10, postponed meeting because full House was acting on controversial foreign aid bill.

NAB is exploring other ways to win at least radio deregulation from this Congress. Pres. Edward Fritts and NRBA Pres. Harriet Kaplan have joined to press for radio-only proposal before adjournment, met May 9 with Senate Commerce Committee Chmn. Packwood (R-Ore.) to discuss options. Packwood aide said broadcasters left meeting without winning promise from

chmn. except that he would consider idea. Options 2 groups are pursuing include attaching language to budget reconciliation legislation when it begins moving in Senate, or to CPB authorization. FCC & CPB appropriations bills also have been mentioned as possibilities, but Senate source said both probably are out of question because of short session and difficulty of winning legislative language in money measures.

NAB source conceded that push for legislation probably is over for this session, given time problems and reticence on part of Wirth forces. But source remarked that NAB isn't too dismayed because at least compromise that group strongly opposed hasn't moved. "There were more dangers [in compromise] than benefits," source said, adding that if new talks bring resolution, "if there's something to bring to the board, we'll bring it to the board."

POLITICKING FIERCE FOR NAB SEATS: Rhetoric is hot & heavy in campaigning for 4 newly authorized NAB directorships -- one each for woman & minority on TV & radio boards. On TV side, there are 6 women candidates, 3 male minorities. Informal canvass of TV board shows that likely favorites are Alvina Britz, gen. mgr. of KTVO Ottumwa, Ia.-Kirksville, Mo., and Robert Munoz, vp-gen. mgr. of KCIK El Paso.

There are 19 women (including 5 who also are minorities) seeking radio seat, 7 male minorities. Former Dir. Willie Davis, pres. of KACE(FM) L.A., is considered likely winner, while female post is said to be between current AWRP Pres. Jeri Warrick (also black), pres.-gen. mgr. of WNJR(AM) Newark, and Linda Parrish, 100% owner of KRLQ(FM) Muskogee, Okla. and 50% owner of KMUS(AM) there.

One candidate ran quarter-page ad (said to be first in an NAB board election) in May 7 issue of Bestg. magazine. In ad, Melinda Read, owner of KSPQ(AM) Spokane, asked radio dirs. to "please consider me for the new female position on the radio board... I look forward to working with you and with all females interested in station ownership and career opportunities." Her husband Thomas is former NAB radio dir. Ballots are due May 14 and winners will be announced May 16.

Meanwhile, NAB Pres. Edward Fritts asked 75-80 NAB staffers who attended recent convention to write memos describing their duties in Las Vegas. Fritts, after May 11 convention debriefing in Washington, said purpose was to start planning for next year. He noted size of convention has doubled in last 5 years and NAB must be in position "to put its best foot forward... and make sure all bases are covered." In addition to staffers attending, NAB hires many others through Las Vegas Convention Center.

Fritts told us year-long decline in radio membership has been turned around -- that 20 radio stations, 2 TV stations and 27 associate members signed up during convention.

Televised FCC meetings will shift from black & white to color May 24. Equipment will be provided by George Mason U.'s Capitol Connection, which has contract to provide gavel-to-gavel coverage of Commission meetings to Washington offices.

Markup of Freedom of Expression bill (S-1917) was aborted last week after author, Senate Commerce Committee Chmn. Packwood (R-Ore.), tested panel sentiment, found it wanting. Some Committee members expressed reservations, particularly to repealing fairness doctrine & lowest unit rate for political commercials. After listening to discussion, Packwood conceded "number" of senators that he contacted oppose repealing doctrine and that there's "strong feeling [on panel] about keeping the lowest unit rate." Expressing misgivings were Sens. Exon (D-Neb.), Ford (D-Ky.), Gorton (R-Wash.) & Pressler (R-S.D.). Sen. Kassebaum (R-Kan.), dir.-vp of KFH(AM) Wichita, announced she'll abstain from voting on bill. Packwood said he'd bring bill up again for markup June 13.

William Putnam, chmn., & Kathryn Broman, pres., of Springfield (Mass.) Bestg., were fired May 5 by new owner Adams Communications, which took over 3 TV station group March 1. Putnam & Broman (latter former NAB TV chmn.) had been with Springfield since its start 32 years ago. Neither had contract and they received no settlement, were given week to clean out offices. Putnam said "we've been made a laughing stock"; Broman called situation "humiliating," but went ahead and hosted WWLP (stands for William L. Putnam) dinner and lunch last week for 2,400 guests in station promotion for mental health funds. "We have acquired legal counsel and plan to sue," Putnam said. New owner is headed by Chmn. Stephen Adams.

Turner Bestg. lost \$5.3 million (26¢ per share) during quarter ended March 31 on \$54.9 million revenues, compared with \$1.99 million (10¢) net income in 1983 period on \$44.5 million revenues. Ted Turner called results "disappointing," said subscription income was depressed because of concessions TBS made to "meet competitive thrust" of SNC, which TBS bought during 4th quarter 1983, then folded. Turner said no further losses were expected in 1984. TBS announced \$10 million profit for 1983, set goal of doubling that for 1984.

Jesse Jackson called on news media to provide fair coverage of his bid for White House, charging "clash between coverers and the covered" has been caused by low minority representation in newsrooms. Speaking to ASNE in Washington May 9, he complained that much coverage hasn't reflected "hope and participation" of his campaign.

'RENAISSANCE IN TV' SEEN: ABC is conquering problem of "advertisers staying away from programs they think are controversial," said ABC-TV Network Pres. James Duffy, development that will allow for more substantive programming and usher in "renaissance of television." In remarks opening ABC's affiliates' 25th annual meeting in L.A. last week, Duffy said: "We clearly are in the midst of a remarkable period in television broadcasting" in which viewers are treated to more controversial shows that spark public debate.

"I really think the tide of opinion is beginning to change," Duffy said, especially at major ad agencies that initially balked at supporting ABC's "Something About Amelia," movie about incest, and "The Day After" on nuclear war. "Just in the past week, some major advertisers have indicated to us that they're ready to support us" in offering more such controversial special programs, he said. This indicates that "we may see a greater measure of trust in the future" by advertisers, he said.

ABC will produce more such movies & specials, Duffy said, and will launch campaign to educate advertisers: "You should know that we are speaking out on this issue... Advertisers have learned something from this experience." They have learned, he said, that unusual TV movies are "great events."

Showing their support for network's hold programming, affiliates honored ABC Motion Pictures Pres. Brandon Stoddard for his role in network's made-for-TV movies. Stoddard was given commendation by ABC affiliates board for bringing "serious, thought-provoking" movies to network.

"Highly visible special event programming" will remain ABC's ratings strategy, said ABC Best. Group Pres. Anthony Thomopoulos, but network has realized that "nobody thrives on a diet of chocolate eclairs." To that end, ABC this fall will air 8 new shows, mainly restructuring Tues. & Thurs. prime time. Unusual is that among 8 (6 hour-long shows, 2 half-hours), only one is sitcom, rest are dramas or talk/informational.

Affiliates expressed general approval of lineup changes during closed meeting, which affiliate told us was "surprisingly quiet." He said: "We really didn't have any major problems to discuss. We did have some concerns about the preemptions [of late local news] for the Olympics, but the network is working on that" by providing 2-5 min. breaks for affiliates to insert local news. ABC executive said affiliates were guaranteed at least 2 min., up to 5 depending on event in progress. Network won't know until couple of hours in advance whether break will be 2 or 5 min., executive said.

ABC is pledged to 3-prong path of "growth in progress," Pres. Frederick Pierce told affiliates May 9. Network's strategy is based on: (1) Divesting businesses "that are not complementary to ABC's goals," as in recent sale of leisure parks. (2) Focusing attention on businesses that "fit the framework of

ABC's general expertise," such as acquisition of ESPN. (3) Assuring "better control [of] ABC's environment by expanding its own TV productions." Goals must be accomplished if ABC is to "better control our costs and to ensure maximum quality and flexibility," Pierce said.

Breaking with tradition, ABC next year will host TV affiliates' convention at N.Y. Hilton. CBS executives and affiliates moved into Century Plaza over weekend for their own 3-day convention through May 16. Features include May 14 party at University Studios, closing banquet starring Barry Manilow.

Storer Chmn. Peter Storer told stockholders' meeting in Miami May 11 that company will show "decided improvement" in operating results for rest of year but conceded it will lose money for 1984. Company lost nearly \$40 million in 1983, \$14.5 million for first quarter this year, blaming high interest rates and depreciation charges associated with cable growth. "We haven't turned it yet, but we can clearly see the corner ahead," Storer said. He cited expected "significant increases" in TV & cable revenues, said that company is negotiating to sell several cable systems and that funds will be used to reduce debt. He said capital spending for cable & TV will total about \$142 million this year, vs. \$325 million in 1982. Storer also increased authorized common shares from 25 million to 50 million to help forestall unfriendly takeover attempts.

Senior Interagency Group (SIG) represents "unsanctioned effort to restructure international communications policymaking functions" of U.S. govt., according to draft of Senate Commerce Committee report we obtained. SIG process is "contravention" of Executive Order No. 12046, which names Commerce Secy. as President's "principal adviser" on telecommunications policy, it concludes, adding recommendation that Commerce authority should rest with NTIA. Report, expected to be released this week, will be first formal pronouncement from Hill on power struggle between Commerce & State Depts. for control of international communications policy.

FCC has denied requests for reconsideration & clarification of its 1983 decision preempting state & local regulation of SMATV systems. Petitions by N.Y. State Assemblyman Joseph Ferris and United Church of Christ were dismissed because neither explained why they didn't participate in rulemaking. Also, UCC petition was filed after 30-day deadline for petitions, FCC said. Commission denied request by Society for Private & Commercial Earth Stations to declare its intent not to regulate SMATV, saying FCC doesn't regulate industry but that it can't predict what it will do.

"Roast & Toast" of Comr. Dawson in Washington last week attracted 250, raised about \$15,000 for Big Sisters of Metropolitan Washington. Chmn. Fowler said Dawson is "one of my most trusted allies -- especially when I [already] have 3 votes."

MUSIC LICENSE TALKS BLOW UP: All-Radio Music Licensing Committee thought it was near agreement with BMI on new license fees until groups got into negotiating session during NAB convention in Las Vegas. As result, there's not only no deal but 2 sides no longer are talking after 30-min. meeting. "There was a pretty bitter exchange of words," negotiator for broadcasters told us.

Committee accused BMI Pres. Ed Kramer of presenting without warning new proposal that incorporated higher rates. Countered Kramer: "There had never been a discussion of rates [in previous negotiations] and when the Committee refused to consider a rate increase even though they acknowledge that we provide more music for radio than Brand X [ASCAP] there was no need in talking any further."

Radio stations pay ASCAP on formula based on 1.725% of revenues, BMI 1.7% -- but discrepancy is much wider because BMI's discounts to stations are bigger than ASCAP's, according to Kramer. BMI seeks parity with ASCAP.

Robert Henley, KGNR(AM) & KCKT(FM) Sacramento and chmn. of radio negotiating committee, claimed that negotiations with ASCAP & BMI are continuing via telephone but that no new face-to-face sessions have been set. Of meeting with BMI, he said Committee thought it had "98% decided" with BMI on agreement, but that in Las Vegas "we were presented with a proposal that we had never even heard of before" and given May 15 deadline to respond.

He said broadcasters can't discuss rates with BMI until it's decided what factors will go into deciding those rates -- and that hasn't been done. Henley added that Kramer's proposed rates "are inflated and we can't agree to them." He said he felt Committee is "quite close" to agreement with ASCAP, although another source thought that was far from case.

Stations' contract with ASCAP expired at end of 1982, with BMI in Dec. 1983. Radio negotiator denied Committee was pressuring BMI to reach agreement first -- even though ASCAP contract expired year earlier. "We were just trying to get one out of the way," we were told.

Things aren't going smoothly on TV music licensing front, either. CBS sued ASCAP & BMI in 1970 for per-performance (as opposed to blanket) license, won in lower court but ultimately lost in 1981 U.S. Supreme Court decision.

In lawsuit filed by TV stations (Buffalo Bstrs. vs. ASCAP) in 1978, stations also are seeking per-performance licenses, claim their case is different from CBS's. Stations won in N.Y. federal court and case was argued last Nov. before 2nd Circuit Court of Appeals, N.Y., which hasn't yet handed down decision. TV stations are paying for music licenses based on 1980 rates at saving of

25-30% per year, and some \$20 million in music payments is sitting in escrow awaiting outcome of case.

CABLE BILL STILL ON HOLD: Although cities last week gave NCTA long-awaited proposal suggesting compromise changes to pending deregulation bill (HR-4103), there apparently are still some key points to be worked out before amended measure acceptable to both parties can move out of House Telecom Subcommittee.

"The significant thing is that the cities finally responded and that there is apparently an attempt on their part to do something rather than the lack of action we've seen before," said industry official who noted NCTA had waited 5 weeks for cities to respond to Assn.'s last offer of concessions in bill. "We're moving together," official said, "but there are still several points where we're not in agreement."

"We consider this real progress" that cities suggested compromises on key issues of rate regulation and franchise renewal, NCTA said. National League of Cities was even more positive: "We viewed that proposal as the basis for an agreement," source in cities camp said.

While parties have made significant progress, it may require action by House Energy & Commerce Committee Chmn. Dingell to achieve final accord. "It's time the congressional people get involved," industry official said. "It's in John Dingell's hands to be the midwife to make this bill happen or not happen."

ESPN has won cable rights for NCAA football in 1984-85 in competitive bidding; TBS had rights in 1982-83. ESPN will air 14 games each fall on Thurs. & Sat. nights, plus weekly highlights and monthly feature on college football. Cable games will be chosen after CBS & ABC have picked games (that's been done for 1984) for TV exposure. Contract is subject to ruling on NCAA football package by U.S. Supreme Court, expected before summer recess starts in June.

ABA & American Law Institute plan to team with Comsat to form national satellite network to save lawyers travel costs & time by airing education seminars, allowing lawyers to take video depositions, counsel clients, hold conferences. ABA board considers plan at June meeting. No overall costs are available, but earth stations for 2,000 receiving sites could cost \$16 million.

Review Board decision granting application of GACO Communications new TV station on Ch. 11 in Houma, La. has been affirmed by FCC. Competing application of Way of Life TV Network (TWL) was denied. Commission agreed that TWL "grossly underestimated" construction costs and "had not demonstrated its ability to meet those expenses."

JOCKEYING FOR NCTA BOARD: Unusually keen interest is developing in selection of 7 at-large NCTA board members to be chosen at convention in Las Vegas next month. Aspirants are jockeying for support from colleagues by sending vote-solicitation letters flying across country.

There are many veterans in group whose terms are expiring: Comcast Pres. Daniel Aaron, Hauser Communications Pres. Gustave Hauser, Prime Cable Senior Vp Jerry Lindauer, Trident Communications Pres. Richard Loftus, Daniels Vice Chmn. John Saeman, Tykeson Managing Partner Donald Tykeson, GE Housewares Vp Robert Wright (ex-Cox Cable pres.).

Saeman isn't expected to seek re-election, interrupting board service that began in 1973. It's also understood that Wright & Hauser won't seek additional terms (they completed terms as officers this year), meaning that 3 slots on board probably will be open. At least 5 newcomers have announced bids and more are expected. NCTA's deadline for nominations to be placed on printed ballot is May 30, but nominations will be accepted from floor. There are 17 at-large positions on 30-member board. Of those seeking 7 seats up for grabs, top 5 vote-getters will be given 3-year terms, next largest will get 2-year term, and 7th a 1-year term.

Executives cited 2 reasons for keen interest: (1) NCTA Exec. Vp James Mooney, who will assume presidency after Thomas Wheeler leaves in July, is expected to depend heavily, at least initially, on board's advice on several issues. (2) With 2 major bills pending in Congress -- cable deregulation measure HR-4103 and omnibus copyright bill introduced by House Copyright Subcommittee Chmn. Kastenmeier (D-Wis.) -- NCTA is expected to turn repeatedly to board for direction to take in compromises with cities and other groups, such as MPAA.

"The board is obviously the key policy group for the industry, and that becomes particularly important this year" when members can have major impact on policy, one executive said. "Since [deregulation and copyright] bills require policy changes and compromises along the way, the board's participation is important," he said, adding: "With the change in NCTA administration, the board becomes more important than in the past because it provides continuity to the association and the industry."

Although competition for votes is keen, several said process is developing in friendly and courteous manner. "There really are no divisive issues in this election at all," incumbent said. "We're all pulling oars in the same direction. There really is a sense of unity on the issues."

* * * * *

Elected NCTA district dirs.: Craig McCaw, pres.-CEO, McCaw Communications, Bellevue, Wash.; Frank Scarpa, pres., Community Cable Assoc., Vineland, N.J.; Charles Dolan, chmn., Cablevision System Corp.'s Partners' Committee, Woodbury, N.Y.; John Evans, pres., Arlington Cable Partners, Arlington, Va.

CBS News Exec. Vp Howard Stringer is quoted on tape expressing doubts about fairness of producer of CBS documentary that accuses Gen. William Westmoreland of lying about enemy strength during Vietnam War. Tape was made by TV Guide reporter during telephone conversation shortly after program aired. Westmoreland filed \$120 million libel suit against CBS because of program. His attorney Daniel Burt gave copies to L.A. Times & ABC. "As you have gathered, we have our own suspicions about [chief reporter] George Crile anyway," Stringer told reporter Don Kowet. Stringer also is quoted as saying that CBS executive Roger Colloff & Stringer "were suspicious" of Crile's report. Stringer said he would take partial blame if Kowet wrote article critical of network "because I should never have hired [Crile] to do it in the first place. I should have known I wouldn't get fair journalism off him." Westmoreland's attorney said comments show malice by CBS: "They didn't believe the broadcast was true."

FCC calendar for May 14-18: Chmn. Fowler chairs U.S.-Canada Niagara III talks May 14; others from FCC attending: Comr. Dawson; James McKinney, Mass Media Bureau chief; Robert Fuchsaner, Private Radio Bureau chief; Janice Obuchowski, Fowler's legal asst.; Thomas Stanley, deputy chief scientist; Ronald Lepkowski, satellite radio branch chief... Peter Pitsch, FCC Office of Plans & Policy chief, addresses May 17 noon luncheon of Ia. State Regulatory Conference, Ia. State U... Fowler addresses Council for National Policy, Williamsburg, Va. May 18... FCC Comr. Rivera speaks at FCC-National Assn. of Regulatory Utilities Comrs. regional meeting, San Francisco, May 18; also attending: Thomas Spavins, Office of Plans & Policy deputy chief, and Stephen Melnikoff, Rivera legal asst... Benjamin Perez, also a Rivera legal asst., addresses seminar on Latinos in telecommunications at Stanford U. May 18.

FCC Review Board has agreed with law judge, dismissed application of James Oyster for new TV station on Ch. 8 Selma, Ala. and renewed license of WSLA there. Oyster admitted he wasn't financially qualified, said: "God will provide [me] with the necessary funds." He argued that Judge Joseph Gonzalez violated his "First Amendment right of religious freedom" in denying application. Responded Review Board Member Norman Blumenthal: "Oyster's relief, if any, must come from a higher authority."

Martin Rubenstein, deposed as pres. of Mutual 12 days ago, opens Washington consultancy, Suite 1004, 1155 15th St. NW, Washington 20005, 212-775-3915. Tom O'Brien, vp-news, and Jerry Wallace, senior vp-corporate services, left Mutual at same time Rubenstein did 2 weeks ago. Jack Clement was promoted to exec. vp-gen. mgr. "responsible for all aspects of Mutual."

WNHT (Ch. 21) Concord, N.H. has gone on air, raising U.S. operating TV stations to 1,157 -- 860 commercial, 297 non-commercial. Frances Shaine is pres.-25% owner of WNHT; Skip Simms is gen. mgr.

DEMOCRATS TO TAP C-SPAN: House Democrats are considering using televised floor debates following presidential addresses as way to get their views across to public. Move is meant to counter GOP "media stars" who already are exploiting TV through rebroadcasts, ads & other uses. C-SPAN is key to both parties' efforts.

Democratic effort stems from favorable report by Boston consultant John Florescu, who, after studying ways party might gain more TV exposure -- without paying for it -- hit upon idea of scheduling speeches on House floor during prime time and helping local stations get tapes from C-SPAN (which provides live daily coverage of House floor & committee proceedings) for their news broadcasts. House members from Fla., Kan., Mass. & N.D. tested idea with "impressive" results, reported Chief Deputy Majority Whip Alexander (D-Ark.) to fellow Democrats. He said results showed "through minimal effort, we [can] increase the number of constituents who [see our] statements on the House floor by 10 to 15 times." Same airtime would have cost about \$4,000 each, Alexander estimated.

Alexander last week recommended to House Democratic Caucus that party debates be held regularly during prime time (most now are in midafternoon). Plan also envisions regular period for commentary from floor on top issues of the day and more frequent use of "special order debates" under which each party may get block of floor time for colloquies. Alexander suggested 10 steps to increase TV exposure, such as having member's office notify local TV news directors & cable operators of when C-SPAN would carry his floor statement, and offering to provide tapes if local station or operators don't get C-SPAN's Satcom 3R feed.

But GOP still is far ahead of Democrats in exploiting TV. Conservative Republicans, led by Reps. Gingrich (R-Ga.) & Walker (R-Pa.), have built national following as result of repeatedly delivering lengthy speeches on House floor. C-SPAN for 5 years has been providing all floor debate live, with carriage by 1,200 cable systems with nearly 17 million subscribers at last count. C-SPAN's coverage has spawned groups such as Watchdogs of Congress, Sioux City, Ia. and Older Citizens of Moore in Moore, Okla. whose meetings center on C-SPAN. GOP also goes beyond exploiting C-SPAN; Senate Republican Conference has Operation Uplink project in which 30 GOP members regularly record on videotape 60-sec. statements that broadcasters can downlink from Westar 4 or Galaxy 1. In April, GOP began fund-raising via satellite videoconferences.

But while C-SPAN is basking in praise for its innovative service, which is available now on 2nd channel because of its growing popularity, some in Congress fear trend could result in limit of one-min. floor speech privileges. In paradox, Democratic leadership plans to offer proposal changing House rules to place additional limits on use of C-SPAN tapes in campaign ads (rules bar only incumbents now). On another front, House Telecom

Subcommittee Chmn. Wirth (D-Colo.) also is pressing for bipartisan task force to examine impact of TV on House. In letter to House Speaker O'Neill (D-Mass.), he argued: "The integrity of the institution, the legislative process and the relationship between the majority and the minority are all involved."

U.K. has unveiled plan to save Unisat DBS scheme from collapse. Home Secy. Leon Brittan outlined plan that would give 3-year monopoly to DBS consortium to be formed by BBC, independent TV companies and independent producers. BBC would have 50% of venture, to be financed by borrowing. Independent TV companies would get 25%, in return for which their lucrative franchises wouldn't have to be advertised (put up for bid) when they expire in 1989. Important string attached: DBS partners would be required to use satellite system being developed by United Satellites (Unisat) consortium.

NTIA budget may be headed for trouble in Congress. House Energy & Commerce Committee last week sent to floor \$16 million authorization for FY '85. Also approved was \$50 million, \$53 million & \$56 million for FY '85-'87 for NTIA's Public Telecommunications Facilities Program. But House Appropriations Commerce Subcommittee later in week refused to appropriate full amount authorized, instead slashed PTFP by half to \$25 million for FY '85. NTIA's operating budget also was set at level lower than recommended -- \$13 million.

Reversing lower court ruling, N.Y. State Appeals Court in 5-2 decision said that TV reporter Richard Beach didn't have to reveal source of secret grand jury report. In first test of state's shield law, court said that in passing measure legislature had made free-speech concerns paramount -- even if disclosure to reporter is criminal act and even if refusal to comply to subpoena hinders grand jury investigation.

Scripps-Howard Bestg. is buying independent KNXV-TV Phoenix (former STV operation) for about \$26 million, plus \$6 million non-compete clause. Sellers are Byron Lasky, Donald Spiegleman & KNXV Pres.-Gen. Mgr. Edwin Cooperstein. Gilmore Bestg. has purchased WLVE(FM) Miami Beach for \$1.5 million, including \$250,000 non-compete clause by seller, Allan Margolis.

NABET, after 15 months of negotiations, has set July 16 strike date against NBC by 2,700 technical & editorial employees. Date coincides with beginning of Democratic National Convention in San Francisco. Latest talks broke off last week without progress, are set to resume May 15. NABET employees have been working at NBC without contract since first of year. Major issue is jurisdiction over new technology.

WBSM(AM) New Bedford, Mass. didn't violate fairness doctrine by "banning" certain members of public from participating in call-in shows, FCC ruled. In affirming Nov. Mass Media Bureau ruling, Commission said doctrine doesn't entitle "a particular person or group to appear on a station."

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Personals

Ex-Presidential Press Secys. **Jerald terHorst**, **Ronald Nessen** & **Hodding Carter** address May 15 NATAS lunch in Washington; reservations: 202-229-4633... TV producer **Frank Zamacona** forms **Zamacona Productions**, 540 4th Ave., San Francisco 94118, 415-751-2345... **Mark Feldman**, ex-DORF/MJH Inc., named PR dir., MBS.

Peter Diaz, ex-Harrington, Richter & Parsons, named KHOU-TV Houston national sales mgr... **Michael Cleary**, ex-TeleRep, appointed Minneapolis office mgr., Avery-Knodel TV... **David Abrams**, attorney, and **Richard Morse**, producer/syndicator, form **Communications Programming International**, production, syndication, distribution & ad firm, 13900 Marquessa Way, Suite A-10, Marina del Rey, Cal. 90929, 213-821-8900... **Steven Symonds**, ex-NPR, forms **Symonds Assoc.** consulting firm, 1920 N St. NW, Washington, D.C. 20036, 202-429-4929.

Ex-FCC Comr. **Anne Jones**, partner in law firm of **Sutherland, Asbill & Brennan**, elected a Motorola dir... **John Evans** promoted to gen. mgr., WESH-TV Daytona Beach-Orlando... **Joseph Volpe** promoted to RCA Best. Systems Div. vp-gen. mgr.

Jenness Brewer, ex-CBS, named vp-west coast print advertising, NBC... **Barbara Hunter**, ex-Goodson-Todman, appointed dir.-daytime programs, CBS Entertainment; **Louise Hallahan**, ex-CBS Washington, moves to N.Y. as mgr.-sales development & promotion, CBS FM National Sales... **Louise Soule**, ex-Satellite News Channel, appointed **Fisher Bestg.** dir.-cable relations... **Len Grossi**, ex-Paramount, appointed **Metromedia Producers** vp-administration & planning... **Robert Wormington**, KSHB-TV Kansas City gen. mgr., elected vp of parent **Scripps-Howard Bestg.**

Stephen Stander advanced to law vp, NBC N.Y.; **John Luma** promoted to vp-west coast on-air promotion, NBC TV... **Richard Berman**, Warner-Amex Cable Communications senior vp-gen. counsel, advances to exec. vp-gen. counsel... **Ronald Castell**, senior vp-mktg., **Satellite TV Corp.**; **Daniel Bean**, vp-corporate development, **SkyVision Corp.**, and **Steven Wechsler**, chmn.-CEO, **Marquee TV Network**, are panelists for May 16 Washington Chapter of **Women in Cable** discussion on competitive technologies, NCTA hq; reservations: 737-2300... **Tim Abhold** advanced to gen. mgr., northwest mobile TV, **King Bestg.**... **Afton Auld**, TV show host, named **KFTV Santa Rosa**, Cal. PR dir.

Frederick Barber, WSB-TV Atlanta, elected chmn., ABC-TV affiliates board, succeeding **Thomas Cookerly**, WJLA-TV Washington; **Joseph Jerkins**, vp-gen. mgr., KVUE-TV Austin, Tex., succeeds **Barber** as vice chmn.; **John Greene**, WRAL-TV Raleigh, secy.; **L.D. Bolton**, WBRC-TV Birmingham, treas... **Eugene McCurdy**, pres.-gen. mgr., WPHL-TV Philadelphia, elected **INTV** chmn., succeeding **Edward Adams**, WCIX-TV Miami retired exec. vp-gen. mgr.

FCC Comr. **James Quello** joins ex-Chmn. **Robert**

Lee and Washington attorney **Jeremiah Courtney** as part of FCC Hour session June 23 at Md.-D.C.-Del. Bcstrs. Assn. convention, Ocean City, Md... **Mortimer Dillon** promoted to NBC-TV dir.-affiliate relations operations; **James Bloom**, ex-Seltel, named regional dir.-affiliate relations.

Ted Turner, Turner Bestg. pres.-chmn., receives **Silver Satellite Award** from AWRT during convention in Chicago May 30-June 2; **Martha Stanville**, NBC-TV vp-affiliate promotion services and AWRT past pres., will be given **Achievement Award**... **George Singleton**, advanced to vp, WSLA Selma, Ala... **James Sanders**, WOTV Grand Rapids pres.-gen. mgr. & supervisor of co-owned **WANE-TV** Ft. Wayne, promoted to vp with parent **LIN Bestg.**; **Frank O'Neill**, KXAS-TV Ft. Worth pres., also named **LIN** vp... **Ronald Jones** advanced to **KLTV** Tyler, Tex. vp-gen. mgr.; **Philip Hurley** joins as station mgr.

Curt Viebranz promoted to vp-financial planning & treas., HBO; **Mary Miller** advanced to vp-strategy development; **Gregg Maday**, ex-CBS, named vp-HBO **Premiere Films**; **Lee deBoer** advanced to senior vp-Cinemax programming... **Terry Dean** promoted to dir.-administration & personnel, **Satellite Syndicated Systems**; **Dean Reese**, ex-Seidman & Seidman, succeeds **Dean** as controller... **Maureen Kvam** promoted to **Avery-Knodel TV** CBS Team vp-sales mgr.

Ex-Rep. **Marc Marks** (R-Pa.), who served on **Telecom Subcommittee**, joins Washington office of Fla.-based law firm **Holland & Knight**... **William Kopacka**, ex-RCA Americom, appointed mktg. vp, **Satellite Gateway Communications**... **Charles Impaglia** advanced to broadcasting dir., **KCET L.A.**, new post.

Marsha Diamond, ex-Viacom, appointed research dir., **Camelot Entertainment Sales**... **Timothy Wright**, ex-Intersat Corp., named western region sales mgr., **Uniden Satellite Technology Group**... **Samuel Davis** advanced to instrumentation vp-group exec., **Scientific-Atlanta**; **James Hart** promoted to broadband communication vp-group exec.

Advances in science & technology R&D have helped create controversy at FCC, said Comr. **Mimi Dawson** May 10 in speech to **Armed Forces Communications & Electronics Assn. (AFCEA)** in Washington. "Perhaps the so-called controversy we have created is a result of this Commission's willingness to meet these challenges head on," she said. Unlike past Commissions that she said slowed technological development through ponderous procedures, FCC under Chmn. **Fowler** is "catalyst rather than impediment" and removes "barriers which prevent" technologies from reaching commercial markets, she said. "It is ironic that in our efforts to move toward enlightened policies which recognize the impact of modern technology, this Commission has been accused of being ideologues. Call it unregulation, reregulation, deregulation or, God forbid, a marketplace approach. It's not ideology -- it's just good plain common sense."

Credibility of USIA Deputy Dir. Leslie Lenkowsky is on line in Senate. In confirmation hearing May 9 before Senate Foreign Relations Committee, Lenkowsky denied he ever intended to fire 2 top aides who now are key witnesses in congressional inquiry into alleged improprieties at USIA. Lenkowsky has been charged by 2 with having hand in decision to destroy key documents & diskette relating to blacklisting of notables from agency's speakers' program abroad. Lenkowsky has maintained innocence in sworn testimony before Senate while several agency officials, all also under oath, have disputed his claims. Conflicting testimony last week led panel members -- Sens. Pell (D-R.I.), Sarbanes (D-Md.) & Zorinsky (D-Neb.) -- to be openly critical of Lenkowsky for first time.

FCC has started inquiry seeking to develop U.S. positions for 1986-88 ITU Region 2 RARC conference to plan broadcasting use of 1605-1705 kHz in western hemisphere. In 1979, WARC allocated band for broadcasting and FCC said "several issues must be explored further regarding broadcasting... particularly since the operational environment and technical situations are different from those in the lower AM broadcasting band." Agency wants to examine such parameters as protection ratios, class & bandwidth emission, calculation of field strengths & curves and power limitations.

Defense Dept. should make greater effort to accommodate news coverage of military operations, but if any reporters violate Pentagon security guidelines they should be barred from further maneuvers. That's conclusion of new report to Joint Chiefs of Staff, prepared after media protested being banned from Grenada invasion last year. Report also urged Defense secy. to consider establishing pool of reporters who could accompany U.S. military on operations at moment's notice, without having to be told where they're going, as security precaution.

May 4 deadline for amended ITFS applications requested by FCC from multisystem applicants passed with no data forthcoming. FCC is investigating complaints that Commission order allowing leasing of excess ITFS capacity has opened door to additional commercial MDS. Source said FCC is interested in quantity of excess capacity ITFS operators will lease. Commission has guideline that ITFS systems must show at least 15 hours of educational programming per week 8 a.m.-10 p.m.

Job turnover rate in broadcast news declined in 1983, according to survey by RTNDA. Turnover dropped from 25% of those employed in TV news in 1982 to 20%; radio rate dropped from 43% to 31%. Average TV news dir. in 1983 had been in same job 2 years, same as previous year. Average news staffs remained about same: 17 fulltime, 2 parttime for TV; 1.3 fulltime, 1.2 parttime for radio.

SSS announced it has signed non-binding letters of intent to buy cable systems serving about 5,700 Ark., Okla. & Ga. subscribers for \$3.9 million. Systems weren't identified.

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Rep. Florio (D-N.J.) and N.J. lawyer Carl Poplar have filed suit against WJAR-TV Providence, claiming station slandered them in reporting that Florio had accepted campaign contributions from companies indicted for illegal toxic-waste dumping. Suit, filed in N.J. federal court, also alleges station said that Florio knew companies were controlled by organized crime figures and that Poplar received contributions, transmitted funds to Florio's campaign. Suit seeks \$4 million in compensatory damages.

Proposed \$3 million public TV national ad campaign failed to draw sufficient support in system vote and has been withdrawn, according to Peter Downey, senior vp. Station vote: 40 in favor, 104 against, 33 didn't vote. Downey said variety of reasons were given by stations for lack of support, including not enough money available this year, no desire to spend that much on ads. Fallback PBS position is to spend \$600,000 on 1/2-page ads in TV Guide.

La. Cablevision serving 7,700 basic subscribers in Lake Arthur, De Quincy and surrounding areas has been sold to Cencom Cable Assoc., Chesterfield, Mo. for undisclosed price. Sellers are Nathan Levine (90%) & Bill Green (10%). Broker was Communications Equity Assoc.

NBC will affiliate with KEVN-TV Rapid City, S.D. and satellite KIVV-TV Lead-Deadwood, S.D. June 24 -- replacing KOTA-TV Rapid City, which announced switch to ABC in Feb.

Consumer Electronics®

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STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended April 27 (17th week of 1984):

	APRIL 21-27	1983 WEEK	% CHANGE	APRIL 14-20	4 MONTHS 1984	4 MONTHS 1983	% CHANGE
TOTAL TV.....	398,375	389,226	+ 2.4	323,465	6,373,963	5,665,167	+12.5
TOTAL COLOR...	309,122*	261,668	+18.1	264,054*	4,893,276*	3,988,019	+22.7
DIRECT-VIEW.	305,653*	259,917	+17.6	261,174*	4,842,858*	3,948,608	+22.6
PROJECTION..	3,469*	1,751	+98.1	2,880*	50,418*	39,411	+27.9
MONOCHROME....	89,253	127,558	-30.0	59,411	1,480,687	1,677,148	-11.7
TV EXCL. PROJEC.	394,906	387,475	+ 1.9	320,585	6,323,545	5,625,756	+12.4
HOME VCR.....	109,603*	91,646	+19.6	107,350*	1,824,887*	957,900	+90.5
COLOR CAMERAS...	4,487	9,842*	-54.4	7,074*	124,147*	97,872	+26.8

Color TV (direct-view) 5-week moving average: 1984--295,668*; 1983--238,120 (up 24.2%).

Home VCR 5-week moving average: 1984--117,392*; 1983--59,582 (up 97.0%).

* Record for period.

APRIL--VCR HOT, COLOR GAINS SHAVED: Color's rate of gain showed some attrition in April, but only in comparison with other 1984 months -- it still was 4th best month in history in terms of seasonally adjusted annual sales (March, Jan. & Feb. 1984 were best, in that order). VCR had 2nd best annual sales rate, just a smidgin under 8 million.

It certainly wasn't bad month for color -- another record and 8th consecutive month to register over million direct-view color sets sold to dealers, with projection color TV up 60% from year earlier. At 1,004,499 direct-view sets sold, it was just 10.9% above April 1983, lowest year-to-year gain in 15 months.

Figure confirmed at wholesale level what became apparent at retail in mid-March -- that color's rampaging gains are slowing down. This probably is just as well, in opinion of some manufacturers, who say component availability couldn't support continuation of first-quarter sales levels.

Dealers bought color sets at annualized rate of about 15.8 million sets in April, down from record 16.6 million level in March. For year's first 4 months, sales ran at rate of more than 16.3 million.

VCRs enjoyed 6 consecutive weeks of 100,000 sales or more in March-April, and their 8 million sales rate in April was just below record 8.1 million of March. For year's first 4 months, VCR sales ran at 7.6 million rate. April traditionally is slowest month of year for VCR sales, 2nd slowest (after May) for color TV.

Color video cameras, though squeaking through record for month, sold only 6% as well as VCRs in April, compared with 10% last April; for year's first 4 months, camera sales were equal to 6.8% of VCR unit sales vs. 10.2% in same period of 1983.

Monochrome TV experienced 3rd consecutive month of declines, was down 11.7% from last year in first 4 months (see State of the Industry). Here are EIA figures on video sales to dealers for April:

Product	April 1984	April 1983	% change	April 1982
Total TV.....	1,323,698*	1,279,971	+ 3.4	1,199,778
Total color...	1,016,381*	913,560	+11.3	817,092
Direct-view.	1,004,499*	906,130	+10.9	810,879
Projection..	11,882*	7,430	+28.2	6,213
Monochrome....	307,317	366,411	-16.1	382,686
TV excl. projec.	1,311,816*	1,272,541	+ 3.1	1,193,565
Home VCR.....	432,596*	228,335	+89.5	116,170
Color cameras...	25,938*	23,454	+10.6	19,125

*Record for any April

ZENITH HOT ON DIGITAL TV, BUT GE COOLS: Zenith & GE, which agree on many things, including foreign trade, have parted company on subject of digital TV. Launching what retiring Chmn. Walter Fisher called "a new era... a rebirth" of TV, Zenith now definitely plans to introduce its first digital TV set to distributors in Dec. for sale early next year, probably in Jan.

GE's plans for digital TV, however, apparently have gone back to drawing board. GE, along with Zenith, was first of U.S. firms to commit to ITT's Digivision signal-processing circuits, showed prototype chassis at 1983 Winter CES and at one time had planned digital debut this year. At N.Y. press showing of 1985 line last week, GE TV-Audio Vp-Gen. Mgr. Jacques Robinson said company "has no interest in running a horse race to see who can be first in bringing a digital TV set to market, [but] when we do deliver a digital TV product, it will be the right product [with] specific features & benefits made possible by digital technology. When we have a firm schedule for the completion of this research & development, and for product availability, we will announce it to you, and we will adhere to it."

Zenith's first plunge into digital TV will be "mind-boggling," Fisher said in answer to question at news conference during Dallas distributor meeting. Not only will it provide better pictures and greater reliability, he said, but it will be replete with new features made possible by digital circuitry. "We are about to obsolete everything ever made in TV... It will shine like a bar of gold in a pile of debris."

Zenith officials declined to give further details but Mktg. Vp Jerry McCarthy indicated company hoped digital TV would use industry's first 27" square-cornered color picture tube, but it's not certain whether Zenith will have new tube in time. He told us 27" may be delayed until Feb., in which case digital TV presumably will be 25" first. Zenith is parting company with rest of industry by going directly to 27" square-cornered tube with conventional curved faceplate instead of 26" first, followed later by 27" flat-faced tube.

GE also is breaking with industry on square-cornered tube -- it has no near-term plans. Asked when GE would adopt concept, Gen. Mktg. Mgr. Richard Williams said "question isn't when, it's why -- we can do it but it costs more" in glass and cabinet redesign, so it "won't be in our line this year." Robinson dismissed new design as "essentially a marketing ploy, a styling improvement [which] doesn't improve the picture like Neo-Vision," GE's blue glass feature. GE makes own tubes, and its OEM customers tell us it isn't offering square-cornered versions to them either.

Where GE & Zenith do agree is on dumping penalties on color sets imported from Korea & Taiwan. Both hailed ITC's ruling, Robinson expressing hope it would "provide relief in pricing pressures" at low end of lines, but warning against complacency, stressing need for "clear & consistent stand against all unfair trade practices by foreign companies & govts.," pledging to "continue to fight against any illegal or unfair trade practices in the video industry." Zenith Mktg. Vp John McCallister said company hoped penalties would produce "much-needed price

stability" in color, but said "we haven't had time to see any reflection of this in the marketplace."

Reaction to Zenith's switch from Beta to VHS has been "phenomenal," said McCarthy, and Zenith will ship more VCRs in June-Aug. than it did in all of 1983. Exec. Mktg. Dir. Bruce Huber recently went to Japan to convince supplier JVC to increase product availability, came back with pledge of 15% more. Asked about possibility of U.S. manufacture of VCRs, McCallister replied: "I would hope that at some point we would be in manufacture of product here." He pointed out that Zenith designed & manufactures remote control transmitters for its VCRs, predicted increase in "amount of Zenith content" in future models.

Zenith's ad campaign on national TV for rest of year will be biggest in history, McCallister said. Company is expecting 50% increase in profit this year.

GE's Robinson called 1984 "landmark year" for company, with sales of video & audio products going "well over the billion-dollar mark." He said GE has invested more than \$50 million in upgrading manufacturing & assembly plants, has committed \$150 million over next 5 years. For improvement in product & market position, he credited GE's "financial strength, technological prowess, and marketing & distribution power."

Asked for comments on consumer electronics industry on eve of his May 31 retirement (he'll continue as consultant), Fisher said: "Our business is change -- that has been the only constant over the last 25 years." Pointing to career that spanned period from introduction of first Zenith color set to birth of digital TV, he added: "Just when you begin to think this industry is cut & dried, it starts all over again. It's an industry which constantly regenerates itself -- a revolutionary, not an evolutionary business. Personally, I'm sorry to bow out, but I'm very proud of Zenith and its new team."

ENTHUSIASM FOR 8MM VIDEO SLACKENING: Whether or not consumers take new 8mm Video format to heart in long run, it seems certain that controversial system won't be bursting onto market like skyrocket this year, as its support appears to be waning, at least in some quarters.

First official format dropout is Tokyo Sanyo, VHS production subsidiary of Osaka's Sanyo Electric. Company said last week it has discontinued development effort on which it already has spent \$2.6 million because it feels system won't find big enough market. Though 8mm Video quality is equal to that of current 1/2" VCRs, price will be substantially higher, and system will have hard time competing, Tokyo Sanyo said. Company said it would concentrate on VHS VCRs, indicated decision means that Fisher, which markets its VCRs in U.S., won't have 8mm Video VCR either.

Story isn't same for parent Sanyo, however. Sanyo will have 8mm Video VCRs on display at Summer CES in Chicago next month, expects to start selling here in 4th quarter, according to Jeff Berkowitz, exec. vp of U.S. sales subsidiary. He said Sanyo would stick with portable deck-only version, similar to models shown at last Winter CES by Sanyo and Fisher, wouldn't be starting off with camcorder concept favored by other 8mm Video proponents. As for Fisher, it's subsidiary of Sanyo Electric, so presumably could buy version from SE and market it even if its regular supplier Tokyo Sanyo is dropping product.

RCA could be next to announce it's backing away from 8mm Video, for this year at least. Its success with 1/2" portables, Japanese production problems with 8mm Video heads and tape and uncertain market reception for high-end product are understood to have caused 2nd thoughts at RCA about need to be among 8mm pioneers this year. RCA showed Hitachi-built camcorder version in Jan., but isn't expected to announce any marketing plans at national sales meeting in Las Vegas this week.

GE, however, is going ahead, though at news conference in N.Y. last week for unveiling of 1985-model line it downplayed market importance of 8mm camcorder it had on display. Built by Matsushita, unit is similar in design to Kodak's high-end autofocus model, differing mainly in cosmetics. However, playback cradle has different configuration. Company tended to soft-pedal 8mm, stressing it was "for the home movie enthusiast who is ready to trade in his super-8 movie outfit" for video. "Uni-Cam" weighs 6.1 lb., is scheduled for summer delivery, will retail in "\$1,500-\$2,000 price range," which, GE said, "targets it to a select group of serious, upscale customers." Including slip-in tuner-timer, it will be priced "under \$2,500."

Kodak, which hopes to use Matsushita-made 8mm camcorders to establish itself in home video hardware market, is expected to have more to say on market plans next week in N.Y., where it's holding series of hands-on demonstrations for media. Kodak originally said it was set for July 8mm rollout, later moved that to July-Aug. Some dealers tell us they're now being told informally not to expect shipment until Aug.-Sept.

Like JVC, Zenith prefers its VHS-C VideoMovie format to 8mm. "It's a far better answer to consumers' photography requirement than 8mm," said Mktg. Vp John McCallister last week. "Time-shift is still the principal function of VCRs; [VHS format] makes sense because it addresses this basic consumer need and 8mm doesn't."

NEW INTROS STRESS MULTICHANNEL SOUND: As befits company that developed chosen transmission system, Zenith plunged most heavily into multichannel sound in its 1985 color TV line, introduced to distributors last week in Dallas, promising to be first with completely equipped MTS sets, probably converters and possibly bilingual-only sets as well. Zenith introduced 20 sets that are consumer convertible to MTS, said more than 3 million of its sets produced since late 1981 are convertible to MTS with "5-min." installation by technician.

GE showed simple plug-in MTS adapter at "less than \$100" that can convert 8 of its 1985 and 8 of its 1984 sets, while Quasar is expected to debut this week its first 26" sets -- 4 consoles, one table model -- all with built-in MTS. Zenith will offer 2 low-cost bilingual-only (non-stereo) sets in Aug. -- 13" at about \$299 and 19" around \$399 -- while Quasar will have low-priced mechanically tuned bilingual 19".

Zenith & GE followed different paths in MTS adapters. GE's is about size of cigar box, attaches to back of set. All adaptable sets have stereo amplifiers and pseudo stereo, with stereo & bilingual buttons on remote control unit, indicator lights on set. Zenith's converter is set-top unit, will list at \$180, contain 2 watts per channel amplifier, bass, treble, volume & balance controls as well as "extended stereo" mode, with output that can be fed back into set's twin speakers, to external speakers or to external stereo amplifier. Converter responds to set's remote control when MTS signal is being transmitted, has indicator lights. Same converter is used for Zenith Redi-Plug, consumer adaptable and video component sets. It also is consumer installable in VHS Hi-Fi VCR -- a first -- permitting not only stereo or bilingual recording off air, but viewing as well (using VCR tuner to control set).

Zenith's decoders and internally equipped MTS sets (2 top-end consoles at around \$1,350) are promised next month, its bilingual sets in Aug., while GE's decoders are scheduled for mid-July to early Aug.

While GE has eliminated all list prices and Zenith most of them, both companies indicated some firming. Zenith promised aggressive stance, but said that in midline & above prices have been increased where features have been added. GE Gen. Mktg. Mgr. Richard Williams said, in answer to question: "We'll give [TV] price increases a little try. Essentially it will be at the lower end," areas affected by dumping determinations on Korean & Taiwanese sets.

Zenith has brought System 3 models down to area just above leaders & step-ups, uses keypad tuning (either buttons or membrane) in every new model above mechanical leaders, has

stereo amplifiers and dual speaker systems on every System 3 Plus model (19" & 25"), all of latter consumer convertible to MTS; Redi-Plug technician conversion is possible with all other sets. All step-up remote controls operate Zenith VCRs as well as TV sets, some have channel blockout feature. One 19" non-remote model features "hot plug" for front connection of videogame, computer or VCR. Almost all sets tune either 178 or 157 channels.

Also added to Zenith line are 4 "cube" TV sets with side-firing speakers -- two 19" claimed to occupy no more space than 13", and two 25" no bigger than 19". Each size is available as regular table model or monitor receiver. Restyled 25" high resolution monitor has been added to component TV series.

Zenith was first to show ultracompact projection set using new U.S. Precision Lens optics -- this one incorporating Zenith's own liquid cooled direct coupled projection tubes plus black matrix screen, claimed to provide almost 100% increase in brightness & contrast, wider viewing angle at suggested list of \$2,795. Dimensions of 45" set are 45" high, 41" wide, 27" deep.

GE & Zenith both stress contrast-improving picture tubes. Zenith has returned to dark-faced 52% light-transmission tube (from 85%), while GE has expanded models with its Neo-Vision "blue tube" system, using glass with neodymium rare earth. Introduced last fall in 9 models, it's in 24 for 1985. So far, only GE & Mitsubishi (which calls it Diamond Vision) use this contrast-enhancing system, which could spread to other brands since it's non-proprietary.

GE continued 3-line strategy inaugurated last year, introducing 53 models -- same number -- in its product lines, designated Performance, Performance Plus and Command Performance. In specialty products, GE added 2 medium-resolution monitor receivers designed for use with computers or as TV sets. A 13" color version has 320-line resolution, with both direct video and split signal (chrominance & luminance) inputs, comb filter, blue tube, fine-pitch screen. Monochrome version is 12" with 450-line resolution. GE also added new 40" projection TV, MTS adaptable, with black matrix screen, remote control that also operates GE VCRs in 1984 or 1985 lines.

GE has exclusive feature on one of its Matsushita-made home VCR decks -- 8-event 21-day "visual programmer" that leads user through programming process via 4 buttons (up, down, left, right), information window showing all programming data simultaneously. At top of line is VHS Hi-Fi model, about \$1,000. GE introduced 4 other home VCRs, 3 portables, top-of-line (\$1,000) 7-lux camera with keyboard character generator for titling, palm-size 2-lb. camera in \$500-\$600 range. Zenith's 5-model VHS VCR line, including VideoMovie, was introduced earlier.

Quasar, in line to be unveiled this week at Hawaii sales meeting, will feature square-cornered tubes in 20" & 16" sizes as well as in 26" MTS units. New 37" rear projection sets have 52% smaller cabinet than 40" predecessor, 33% wider viewing angle. In most leader categories, Quasar prices are down moderately from year ago (summary of line is elsewhere in this issue). Quasar has expanded its VCR line to 13 models & variations, as did Panasonic (TVD April 23 p11), with VHS Hi-Fi home deck at \$1,196, VHS Hi-Fi portable at \$1,600. Four new cameras include high-end model with 2/3" Newvicon, 8X power zoom, 7-lux sensitivity at \$1,300.

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RCA's long-predicted re-entry into audio -- as video accessory -- is scheduled this year, company confirmed in answer to question. Company said it "plans to introduce a line of audio components that enhance a modular video entertainment system to be introduced later this year." Introduction is believed to be scheduled for fall and to include CD digital audio disc player, presumably sourced from Hitachi.

GE TV-home command center combination will be demonstrated and probably brought to market this year, according to company spokesman. BSR will be supplying plug-in electrical modules GE center will use to control lights and appliances, but only as subcontractor.

Technology was developed by GE, isn't direct offshoot of BSR's similarly functioning X-10 system, and "will have applications & capabilities well beyond those of X-10," we were told. It's believed GE system will provide on-screen activity display. GE demonstrated prototype at 1983 Winter CES.

JAPANESE VIDEO EXPORTS SURGED IN MARCH: Japanese video equipment exports turned on steam when it came to shipments to U.S. in March, setting new all-time monthly record for VCRs, new 5-year highs for both complete and incomplete color TVs, Tokyo Finance Ministry figures show.

VCR exports to U.S. nearly tripled in month to 762,600, putting shipments for first quarter at 1.88 million, up 167.5%. EIA-Japan said production in quarter rose 66.8% to 5.59 million, factory shipments to 5.21 million, up 55%. Home market sales rose 29.6% to 846,000, while exports jumped 47.7% to 4.09 million. Exports of complete VCRs to Europe declined 29.1% to 821,000 because of quota restraint and assembly of VCRs from kits by Japanese plants and ventures there.

In TV, total March shipments jumped 107.6% to 200,200, as color climbed 114.8% to 156,800, b&w 84.8% to 43,400. For quarter, total exports gained 122.4% to 528,700, with color up 123.5% to 398,000, b&w up 119.2% to 130,700. In color, month's exports of complete sets soared 158.1% to 97,300, for 3-month total of 255,300. Kit exports were up 68.7% to 59,600 for month, 58.9% to 142,700 for quarter.

Value of Japan's VCR exports to U.S. in quarter topped \$268 million, 134.1% over same year-earlier period on constant dollar basis. TV exports were valued at \$101 million, up 144.4%, as color climbed 148.1% to \$88.1 million and b&w rose 121.8% to \$5.8 million. Value of color set shipments soared 188.5% to \$24.1 million, while kit value rose 63% to \$11.5 million. Figures indicate average price U.S. importer paid for VCR in period was \$333.76, down from \$381.36 in first quarter 1983. Color set average value slipped slightly to \$272.04 from \$272.94, while kits rose to \$130.89 from \$127.54 and b&w TVs increased to \$98.48 from \$97.42.

ROOMS TIGHT FOR CES: Brother can you spare a room? That's question housing staff for Summer CES June 3-6 is asking just about anybody in Chicago area to help make up for what could be shortage of as many as 12,500 hotel rooms if attendance hits predicted 90,000 peak.

In letter to exhibitors, CES says there are 25,000 room requests already and only 17,500 available rooms in Chicago hotels, plus 850 room applications from retailers that haven't been filled. Letter says exhibitor room allocations have been cut 10% below last year and double occupancy requirement doubled to 50% of room assignments. Complication is renovation at giant Conrad Hilton, now 50% closed, deleting 1,250 rooms.

To ease sting for those who have to be housed in suburban hotels, CES says it will run buses from boondocks to McCormick Place in morning, keep return service from downtown Chicago going to 11 p.m.

JVC blames still sluggish audio market, curb on exports of complete VCRs to Europe, for 10.7% decline in unconsolidated net to \$76.3 million in year to March 31. Sales were up 11% to \$2.46 billion, with growth paced by 20% rise for TV to \$246 million, while VCR volume increased 10% to \$1.66 billion.

Annual IEEE International Conference on Consumer Electronics in Chicago will run June 6-8 at Westin O'Hare Hotel. Meeting has been expanded from 15 sessions to 20, will have some 110 technical papers from Europe, Far East & U.S. Coverage includes TV signal processing, video recording & playback, intelligent home entertainment products & computers, audio ICs, TV displays, home management systems, HDTV, digital TV, teletext & videotex, IC & component technology, DBS, CATV, multichannel TV sound, personal communications and electronic imaging. Three evening discussion sessions will cover digital signal processing, HDTV and compatibility issues. For more program details and registration information: Hiro Kawamoto, Sony, 201-368-5157, or Kenneth Barr, RCA, 317-267-5272.

Monsanto hopes to triple its \$250 million silicon wafer business by 1988 through construction of new plants in Europe & Far East. Company said it's committed to build \$50 million plant in U.K. and that it expects to add about \$50 million in sales annually. Monsanto also is considering sites in Korea & Japan for 2 more plants in Far East, currently produces wafers at 2 plants in U.S. & Malaysia.

National Semiconductor broke ground for 70,000 sq. ft. wafer fabrication factory in Israel. Total investment will be \$55 million, substantially financed by Israeli govt.

PHILIPS-THOMSON LINK: Dutch Philips and France's Thomson Group are considering extending their current cooperation in developing & marketing videogames to cover personal home computers and home videodisc players.

Companies, which now have all but divided up Continent's consumer electronics industry, are concentrating first on computer link that would see Philips become marketer of Thomson computers. That could set European standard for home computers, head off inroads by imports from Japan, U.S. and even U.K.

Reports persist that Philips, possibly through North American Philips, is seeking to acquire, or at least form strong home computer tie-up with, Warner's Atari. Involvement in home computers in U.S. presumably would be through NAP's Home Interactive Systems, set up in March as subsidiary totally separate from NAP Consumer Electronics (TVD March 5 p15). If Philips & Thomson get together on home computers for Europe, Thomson probably would get in on U.S. action as well.

Second big step would be Thomson's adoption of Philips' Laservision videodisc player, which would open up market in France. Thomson also would sell in Germany and other European countries, where it markets under Telefunken, Nordmende, Saba & Dual brands. Philips' disc players also are sold by Grundig, German producer over which it exercises management control.

Thomson's joining Laservision ranks would all but slam door on any hopes JVC has for getting its VHD disc system established in Europe outside of U.K. For launch elsewhere JVC would need help of Thomson subsidiary Telefunken, which is partner with JVC and U.K.'s Thorn EMI in European VHS VCR manufacturing venture J2T Holdings.

At one time, J2T had planned to produce VHD players & discs in Europe, was prepared to establish pressing plants in U.K. & Germany, but deal collapsed in Nov. 1982, when JVC announced that all VHD activities in both U.S. & Europe were being halted (TVD Nov 22/82 p9). Before that, JVC had bid for Thomson to join in VHD launch, but couldn't get commitment. Thomson was to be original J2T member, backed away after it was nationalized by govt.

In April 1983, JVC, along with group of other Japanese manufacturers, introduced VHD in Japan, Thorn EMI later began offering players and custom pressing service to potential commercial users in U.K. Earlier this year JVC started testing non-consumer market for VHD in U.S.

With RCA's decision to drop CED players, way again would seem clear for international introduction of lower cost option to Laservision system. But JVC hasn't got clout to go it alone -- even RCA couldn't do that. VHD would need Telefunken's strong brand image for any chance of success in Germany, and without support of Thomson, it would have tough

time even breaking into France. Decision by Thomson to adopt LV system now could produce first wrinkle in so far smooth relations among J2T partners.

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VHD player is used in videodisc jukebox Veejay is launching in U.K. this week. Company says it expects to sell 6,000-15,000, against 60,000 conventional jukeboxes now in use. Veejay is getting players and discs from Thorn EMI, says it picked VHD because of promise of fast disc turnaround (no more than week) against month for Laservision discs from Philips. Thorn's Swindon plant charges about \$3,500 per side for master, about \$35 to replicate each of 10-50 discs, \$10-\$11 for runs of more than 500. Thorn claims it's "very pleased" with VHD's progress in business & institutional market since late 1983 introduction, says it has 15 software projects under way, plans to take same approach in Germany. Among U.K. customers are British Telecom, Health Education Council and Trade & Industry Dept.

Korean color TV makers say they already have reduced home market prices by 1-5% and boosted export pricing by about 2% to minimize impact of International Trade Commission's positive determination that they're dumping in U.S. Producers also plan voluntarily to hold exports to U.S. in 2nd half this year to about same level as in 1983. Dumping case has cut into their home market sales -- Govt. says only about 382,400 color sets were sold in Korea in Jan.-Feb., up only 2.4%, and blames sluggish performance on consumer anticipation of price cuts.

NAP Consumer Electronics had operating income of \$900,000 in opening quarter, against \$7.8 million loss in same 1983 period, North American Philips said last week. NAPCE sales were up 19.8% to \$273.4 million. Company attributes results to higher volume, increased manufacturing efficiencies, end to losses from discontinued Odyssey videogame. Business segment breakdown also shows NAP earnings from electronic & electrical components jumped 40.4% to \$39.3 million on 25.1% sales rise to \$231.9 million.

Copyright law revision to give studios share of retailer rental revenues is all but dead for this year as result of successful holding action by Home Recording Rights Coalition. MPAA acknowledges hope for action this session is slim. "The will is there, but the ability is diminishing," said MPAA source. "Time is simply running out." But studios have no intention of giving up on issue, and are expected to start pressing again in early 1985 after next Congress convenes.

U.S. market for color CRT display systems will jump from 1983's \$4 billion to \$17.5 billion by 1990, according to study by International Competitive Assessments. It predicts that by 1990 there will be demand for at least 2.8 million low-to-medium resolution displays, 2.6 million medium-high resolution systems. Details: ICA, 330 Pearl St., N.Y.C. 10038.

VIDEO DISC LIVES: There were times when NAB convention in Las Vegas looked like First Annual Optical Videodisc Festival, as broadcasters received major indoctrination in use of laser discs for editing & programming.

Panasonic introduced its first commercial full-motion optical disc recorder, which records & plays back up to 24,000 video still frames or 13.3 min. of realtime motion on 8" disc at \$34,900, with play-only version at \$3,975, both to be available in Sept. Panasonic claims fastest access time of any system -- 1/2 sec.

3M made splash for disc replication at NAB, making point of fast turnaround time, now same-day if desired, and agreement to custom-press under Sony label. 3M is pressing discs for Atari Firefox, leading arcade game, says it also will do pressing for RDI's upcoming home videodisc game. 3M is leader in development of erasable read-&-write disc, said Sales & Mktg. Mgr. Frank Price. "That has moved from the Advanced Technology Center to the Optical Disc Project," he said. Added 3M's Dave Davies: "It suddenly looks very feasible for the here & now... You'll see a product announcement very soon."

Several new optical disc mastering & pressing firms are hanging out shingles. Ready to start in few weeks is LaserVideo Inc., subsidiary of Quixote Corp., which had suite in Las Vegas during NAB convention. LVI hopes to have quick turnaround, short runs, CD audio discs as well as videodiscs, from plant in Anaheim. It will make discs compatible with Pioneer LV players, but uses different processes, according to Chmn. James DeVries. Discs are made by contact printing, similar to method used to make semiconductors. DeVries said process has quality & cost advantages, especially in fast-turnaround short-run orders.

Also specializing in quick turnaround is Spectra Image, Burbank, Cal., which makes masters and check discs, has major production equipment and special effects gear. SI has developed video editing system capable of accessing 2 scenes on same disc simultaneously. Also now advertising mastering & replication of optical discs is Technidisc, Troy, Mich.

Videodiscs have become significant new tool in TV & motion picture editing. Because of quick access, discs are increasingly used in combination with such new computer editing systems as Lucasfilm's Editdroid by Convergence. Helping make discs more flexible is EECO's Still-Frame Decoder which expands audio capacity to up to 150 hours on 30-min. videodisc, storing 10 sec. of audio with each still video frame using analog system. It's not first audio-plus-still system; several other manufacturers have demonstrated them, using both digital & analog technology.

Next wave could see videodiscs used for TV programming, already done experimentally on some public TV stations. One new service product demonstrated at NAB was Photo Store, by Picture

Management Systems, offering to supply more than 50,000 stock photos per year to TV stations for on-air use. Photos come on optical videodiscs and may be accessed, by subject, through personal computer. First disc contains 15,000 "slides," claimed to be broadcast quality. Service costs \$10,000 per year, plus \$500 for Image Search software by On Line Computer Systems.

Philips Labs used videodisc as source to demonstrate improved quality NTSC pictures with MAC (multiple analog component) coding at NAB. One part of demonstration showed that picture storage capacity of disc could be doubled by use of system to store 2 pictures per frame of disc. With discs becoming increasingly versatile, will TV stations and cable systems of future hire videodisc jockeys?

Superscope line of portable and moderately priced home audio will bow in Europe early next year, in U.S. by midyear, about same time Marantz re-enters VCR market, according to Superscope Pres. Fred Tushinsky. Also coming in 1985 will be Marantz's first AM stereo (Motorola system) car audio line. At Summer CES, Marantz will be showing its first home receiver with AM stereo at \$630, plus 3 receivers in \$250-\$500 range that will accept plug-in stereo module offered as \$50 option. As for Superscope brand, "we've got the entire car stereo line set, plus some of the portables and audio systems. The line will be finalized during meetings with our European group during the CES, and by Nov.-Dec. we will be shipping to Europe for a 1985 launch," Tushinsky said. At 1985 Summer CES, "we will be reintroducing Superscope products here." Also in works for June, he indicated, is Marantz brand Hi-Fi VCR, probably VHS. Superscope demonstrated Marantz Beta VCR with longitudinal stereo 2 years ago, but didn't follow through with product.

Coleco is suing MCA's Universal Studios to recover \$4.7 million paid as royalties on its Donkey Kong home video games, plus interest. Coleco said it made payments after Universal "knowingly & falsely represented" that Donkey Kong character infringed on copyrights covering King Kong trademark. Universal said it would fight suit, press breach-of-contract counterclaim. Meanwhile, Coleco said it had privately placed \$29 million offering of 5-year 10% convertible debentures, was considering sale of additional \$21 million. Proceeds, Coleco said, would be used for working capital.

Beta audio-video recorder has been introduced in Japan by Sanyo -- hi-fi VCR with built-in FM tuner and timer that can be set for any combination of TV or FM recordings; list price is about \$850... Hitachi, starting VCR production at new Fukushima plant, is boosting output to 400,000 monthly, increase of 14%... TEAC plans to sell consumer Laservision disc players and VHS VCRs to OEMs, buying players from Pioneer, VCRs from JVC. TEAC manufactures commercial LV players.

VC PLAYERS DUE IN JUNE: First shipments of Funai's VHS videocassette players, primarily for sale to video dealers who'll rent them along with recorded videocassettes to non-VCR owning consumers, are due in June, according to Portavideo International, which announced signing of agreement to become exclusive distributor for U.S., Canada & Mexico.

One-year deal, renewable annually at PVI's option, calls for it to buy total of 60,000 players with wholesale value PVI estimates at \$40 million, or about \$666 each. That, PVI says, is 10 times its sales from founding in Oct. 1982 through last Dec.

PVI didn't state what it was paying for industrial grade VCPs, but prospectus issued for planned, but postponed, \$5.83 million, 1.67 million share offering put total tag on buy at \$12 million, or \$200 each (TVD Jan 30 p14). PVI adds plastic carrying case, power supply, cords. PVI was to use most of offering proceeds for letters of credit covering cost of 20,000 VCPs due in first 4 months of contract. Instead, PVI says, it has arranged to raise that \$4 million through private placement.

We noted in our earlier report that prospectus indicated PVI had produced about 1,400 VCP cases in own facilities, neglected to include statement that through Sept. 1983 it had sold 2,800 at \$3.53 million. PVI statement of \$4 million in total sales through end of last year would indicate it moved about 380 more in 4th quarter 1983, assuming it maintained indicated average price of \$1,308.

PVI, founded as VHS answer to Superscope's Beta VCR rental program, originally planned to set up network of franchised outlets. That was dropped in favor of distributorships. PVI says it now expects its VCPs will be both rented and sold through wide variety of outlets, which represents change in most recently announced plan for distributors to retain ownership and place them with dealers in exchange for 85% of rental revenue. However, estimated average daily rental charge of about \$11 presumably would be most attractive to consumers as wholesale price alone is nearly double what leader home VHS VCR decks are selling for at retail. PVI says it also will market VCPs to industrial users.

Kodak is 16th full participant in multicompny high-tech R&D venture Microelectronics & Computer Technology Corp. Kodak said it slipped in under fee-boost deadline, paid \$250,000 to join. Initiation cost now is \$500,000 (TVD April 23 p18). Kodak said its interest is in development of higher density ICs and "this type of research is too costly for us to take on ourselves." Meanwhile, TI & National Semiconductor have agreed to joint development of 32-bit computer microprocessors. Work is expected to center on refining 32-bit MPU already developed by NS. Deal gives TI production rights, putting it in MPU mainstream for first time. TI's entry will provide 2nd source for device, considered a necessity for wide market acceptance. TI said it expects world MPU market to reach \$8 billion by end of decade, represent 15% of semiconductor demand.

VHS HI-FI CHANGES: VHS Hi-Fi VCRs have gone to duplicators at last. After delays brought about by technical problems with test models, mainly audio related, Panasonic said several hundred machines have been installed, claims rate of delivery should accelerate rapidly during next few months.

Panasonic said that difficulty was solely with longitudinal stereo, that audio quality "was not quite enough to meet the highest standard of Dolby," and tapes wouldn't have played back right on non-Hi-Fi stereo VHS VCRs. It solved problem with new semiconductor chip before first units were shipped. Duplicator use of Dolby master encoder would have solved problem, Panasonic said, while acknowledging that most would rather not bother with additional hardware expense.

Panasonic said Hi-Fi track has presented no problems, but at least one software independent said otherwise. Michael Sterling, technical services dir. of Family Home Entertainment, which is expanding duplication facilities, told us that on original slaves audio signal "clipped very badly" at peaks, and that there were cassette loading problems. However, he said, he's been testing new version for 2-3 weeks, thinks all problems have been solved. Machines still sell for \$1,300 each, will add to cost of duplication but "that's something we're going to have to live with."

Panasonic, meanwhile, is getting competition for VHS Hi-Fi slave business from sister company, JVC. Latter said it's now out knocking on duplicator doors looking for business, claims it has had no problems with its units.

Mergers & acquisitions: Milton Bradley has agreed to be acquired by toy maker Hasbro for about \$360 million in cash & stock. Hasbro Pres. Stephen Hassenfeld indicated that under new management MB will deemphasize electronic toys, attributed Hasbro's strong financial position to decision not to get involved in electronics. MB had some early electronic toy hits, but was unsuccessful with electronic board games, hand-held LCD video games and Vectrex videogame console that it dropped at end of 1983 at cost of about \$31.6 million in losses & writeoffs... Mattel, still trying to recover from massive losses from discontinued Electronics Div., has agreed to sell voting control to investment group for \$231 million in new capital... Esmark says it plans to sell off some subsidiaries after going private in \$2.4 billion leveraged buyout (TVD May 7 p20). Company gave no indication whether consumer electronics units (Jensen, Discwasher, Advent, Phase Linear), would be among those put on block.

Jumbotron is Sony's stadium TV display answer to Mitsubishi's Diamondvision and Panasonic's Astrovision. Being developed by Sony for use at Science Exposition in Japan next March is 130-x-82-ft. digitally controlled color TV panel composed of 151,200 tricolor Trinilite CRT cells to provide 453,600 picture elements. Sony says it will spend about \$18 million on project.

QUASAR INTRODUCTIONS: Quasar color line starts with 3.3" AC-DC with audio & video input & output jacks, 91 channels, built-in battery at \$390; 7" AC-DC carryover with jacks & battery is \$440 (up \$10); 10" sets (4 different colors) with electronic tuning and one remote version are open-list, 10" AC-DC holdover is \$370 (formerly open); 13" leader is \$320, electronic tuned stepup \$340 (both down \$10), new remote \$430, stepups at \$460 (unchanged); 15" remote continues at \$480; new 16" FST remote monitor-receiver is \$520.

In 19" series, leader is open, as well as 2 mechanically tuned step-ups, one with SAP; one-knob tuning model is \$440 (down \$20), keypad \$490, remotes at \$560 (down \$20) & \$620; 20" remote monitor receiver \$670, monitor for audio-video center with RGB \$800, remote with stereo amplifier \$950.

First 25" table model, mechanically tuned, is open, with remote versions at \$850 & \$950. Mechanically tuned leader consoles start at \$620 (down \$10), with 2 at \$670, other styles at \$720 & \$770 (last with SAP); keypad consoles are \$670 (down \$50), 2 at \$750 (up \$20); remote models start with series of 6 at \$180 (up \$40), others at \$880 & \$1,250; decorator series remotes are \$900, \$930 (2) & \$970. Table model 26" monitor receiver with MTS is unpriced; audio series remotes with stereo comprise 3 models at \$1,050, top remote 26" console unpriced. New 37" projection sets with stereo are \$2,995 & \$3,195, latter with doors.

Quasar VCRs start with 2-head top-load model 14-day one-event, open list, 2-event version with 107 channels \$590, top-load wireless remote \$610, 4-event front-load \$660, 4-head, 2-program, more special effects \$820, longitudinal Dolby stereo, front-load, 139 channel 8-event, 26-function remote \$950, VHS Hi-Fi, 4 events, 16-function remote \$996, VHS Hi-Fi, 139 channels, 8 events, 4 video heads \$1,196.

Portable VCRs start at \$840 with one-day timer, wired remote; 107-channel version \$980; 139-channel, linear Dolby stereo, 4 heads, 14-day 8-event, video dub \$1,400; similar unit with VHS Hi-Fi \$1,600 (Aug.). Cameras: With 1/3" Newvicon tube, manual zoom, f1.4 lens, 2 lb., \$720; autofocus version f1.2 lens, power zoom, 20 lux, date & time, \$920; with 1/2" Newvicon, 1" viewfinder, 260 lines, title generator, \$1,060; 2/3" Newvicon, 7-lux, autofocus, keyboard title generator, \$1,300.

Sony has now produced 5 million color TVs at San Diego plant it opened in 1972. Sony said plant accounts for about 1/3 of company's worldwide color production, provides 80% of 17", 19" & 26" color TVs it sells in U.S. Plant is expected to turn out 750,000 sets this year, including 150,000 for export, primarily to Canada & Latin America. Sony said plant will be making additional sizes of color sets, is likely to assemble industrial monitors and flat-tube Watchman b&w portables

KLOSS POSTS LOSS: Kloss Video posted loss in opening 1984 quarter on slightly lower sales (see financial table). But, according to Senior Exec. Vp Thomas DeVesto, those results won't be indicative of full-year performance.

Sales in U.S. actually were up in period, with decline caused by absence of \$500,000 in sales made to ITT Europe in same 1983 months, DeVesto told us. Deficit, he said, stemmed from rise in production costs caused by reduced efficiency, higher selling costs. KV now has 15 sales reps getting commissions against only one last year. DeVesto said KV has resolved manufacturing difficulties, and is reducing ad outlay to hold expenses down. KV, he added, traditionally makes its profits in 2nd half, and that "first 2 quarters are normally breakeven-loss periods."

Annual report shows KV sold 7,575 projection systems to dealers last year, up from 5,759 in 1982, easily bettering record 5,875 of 1981. In addition, it had projection kit sales of \$2.87 million to ITT Europe, up from \$1.45 million in preceding year. KV earned \$1 million on sales of \$20.4 million last year.

KV's ad expenses nearly tripled in 1983 to \$923,000, reflecting first use of TV spots. At same time, R&D outlay dropped 67% to \$152,900, because of end to development work on current Model 2 system which accounted for \$4.57 million of 1983 sales.

KV says it's establishing U.K. subsidiary this year to launch sales of new high-end multistandard projector to be built for it by ITT. ITT will continue to sell lower priced consumer models in Europe. Also on international front, KV is negotiating production and technology licensing agreements in China & India.

In U.S., KV says it has leased new 260,000 sq. ft. building in Cambridge, Mass. to house hq and manufacturing operations now in 5 locations. Due for introduction later this year is KV's first professional projection system, Model 2000, which will offer data grade resolution, RGB inputs, with 6.5-ft. screen and tuner as options.

Teletext decoders may be on verge of price reduction, but as of today you still must cough up at least \$900 for NABTS (CBS, NBC) decoder, it was evident at recent NAB convention in Las Vegas, where Panasonic decoders were most prominently displayed. James Carruthers, pres. of Norpak of Canada, said he was negotiating with several set makers about using new NABTS decoder that could sell for \$150 or less. French TV officials displayed Grundig-made decoder for Antiope system which sells in France for \$60 plus tax and which they said could be modified cheaply for use with NABTS, but there seem to be no plans to do so. Meanwhile, proponents of competitive World Systems Teletext said their system has edge because of low cost of decoders, promised circuit boards for \$56, to make possible decoders at \$100-\$200 retail; currently WST decoders are being made by Zenith & Sanyo.

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
John Blair			
1984-qtr. to March 31	134,642,000	1,063,000	.13
1983-qtr. to March 31	88,940,000	3,860,000	.49*
Esquire Radio & Electronics			
1984-qtr. to March 31	10,054,100	484,600	1.00
1983-qtr. to March 31	9,332,600	274,600	.57
Gulf Broadcast Co.			
1984-qtr. to March 31	18,209,000	1,823,000	.04
1983-qtr. to March 31	15,901,000	1,074,000	.02*
Kloss Video			
1984-qtr. to March 31	4,490,971	(327,595)	--
1983-qtr. to March 31	4,206,345	118,279	.07
M/A-Com			
1984-26 wk. to March 31	355,522,000	14,685,000	.35
1983-26 wk. to April 2	303,257,000	12,412,000	.31
1984-13 wk. to March 31	187,048,000	7,610,000	.18
1983-13 wk. to April 2	151,843,000	6,027,000	.15
Malrite Communications			
1984-qtr. to March 31	14,715,000	(499,000)	--
1983-qtr. to March 31	8,806,000	(800,000)	--
Recoton			
1984-qtr. to March 31	6,445,000	450,000	.17
1983-qtr. to March 31	5,073,000	303,000	.15*

Notes: *Adjusted. *Pro forma.

Ad notes: Panasonic will close year with biggest ad campaign in its history, spending \$27 million in last 4 months on video, audio & Technics lines in TV spots and magazines... Mitsubishi Electric America appoints Chiat for new corporate ad campaign... Video Corp. of America assigns Vidamerica home video PR account to Raleigh Group... Viare Publishing discontinues Computer Fun magazine with May issue. Scholastic has acquired Microkids magazine, will add it to its K-Power home computer magazine... Random House Electronic Publishing Div. appoints Martin, Sturtevant, Silverman & Marshall for ads, HWH Enterprises for PR.

Germany's AEG Telefunken returned to black on operating basis last year, posting \$13.2 million profit, though sales were off about 1% to \$4.11 billion. Company attributed improvement to elimination of unprofitable business, including last year's sale of Telefunken's consumer electronics operation to France's Thomson Group. AEG said results also reflect reduced costs, 7% rise in productivity. AEG, however, still has way to go before it pulls out of financial hole. It has \$680 million debt and is required to make \$107 million payment to creditors this year.

Motorola will boost capital spending by about 25% this year to more than \$500 million, plans 12% increase to \$400 million in R&D outlay, company said at annual meeting in Chicago last week. Motorola also announced 3-1 stock split, 20% rise in quarterly dividend to 16¢ on post-split shares.

Consumer Electronics Personals

Paul Bradley, ex-Philips U.K., appointed sales & mktg. mgr., Thorn EMI's VHD operation... Dennis Wratten, ex-KLH, named pres., Frank Jones, ex-Androbot, chosen engineering vp, for Interlink Technology, company they formed to develop & market high-tech consumer electronics products... John Ayer & Barbara Thomson, both from Texas Instruments' discontinued home computer operation, join Philips Home Interactive systems as, respectively, mktg. vp & product mgr... Morton Handel, Coleco exec. vp, isn't standing for re-election as dir., according to proxy statement, presumably as result of shareholder suits charging insiders with stock trading on basis of information not made public... Michael Stone, ex-McKesson, joins Dolby Labs as finance & administration vp.

Harry Smith, former CBS new business development vp, named videotex publishing vp of Trintex, joint home videotex venture of CBS, IBM & Sears; Gene Ryzewicz, ex-Sears electronics & communications planning dir., named mktg. vp; James Hewitt, ex-IBM, appointed systems development vp; Hyde Perce, ex-Sears, named finance & planning vp; George Perry, ex-Kaiser Steel, appointed vp-gen. counsel... Joel Shusterman, former Franklin Computer pres., rejoins as exec. vp and acting pres., succeeding Barry Borden, resigned as pres.-chmn... Frank Scarpone, ex-GAF, joins Sharp as computer national sales mgr.; Louis Feri resigns as national mktg. mgr.

Mary Weisgerber joins CBS/Fox Video as program operations mgr... Ed Loeb and Stephen Kern named midwest and west regional sales reps, respectively, Ingram Video... Devarajan Puthukarai appointed RCA Records direct mktg. vp.

David Fiore, ex-Sony video ad mgr., joins Random House Electronic Publishing Div. as ad & promotion mgr.

Digital home VCR prototype developed by Japan's NHK uses 2-track recording system and metal tape. It uses same compression technique that will permit single channel satellite transmission of HDTV that NHK plans to start later this year. NHK said it would report details on recorder next month. Also on HDTV front, Matsushita & Sony say they will have 26" HDTV home receivers priced at about \$2,700 within 2 years. They said price is keyed to anticipated decline in cost of 256K RAMs they expect to use in 10-megabit memories to be included in sets.

Radio Shack sales in U.S. slipped 4.2% in April, and volume of stores in business more than year was down 6%, parent Tandy said in reporting worldwide sales of \$198.2 million, up just 1%, smallest monthly increase since 1978. Tandy said volume was held down by 4-5% price reductions since April 1983 and chip shortage that has slowed delivery of some new high-demand models.

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

CBS TV PLAYS NEAR PAT HAND for fall, premiering only 3-1/2 hours of new programs. 'Strength of schedule' cited. News' reputation in Washington questioned. Polling defended by Joyce after Group W attacks practice. (P. 1)

NTIA OPPOSES PROJECTIONS: NTIA says projections by networks are not desirable but urges no legislative action. 'Self restraint' urged in letter to Capitol Hill. Network reaction on topic is muted. June 5 is seen as test. (P. 4)

'CAMSCAM' IN HOUSE divides Democrats & GOP, brings rebuke for Speaker. Role of TV in House questioned, with parties considering rule changes. Bitter on-air debate draws attention to C-SPAN but clearly spells doom for any proposed camera activity in Senate. (P.5)

CABLE EMPLOYMENT GREW 13.3% last year, but growth was in field, not at hq units, where jobs declined, according to FCC report. (P. 6)

CPB HILL MONEY PROSPECTS SINKING: Hill considers bill ripe for amendments, including broadcast industry deregulation. (P. 8)

TIME WANTS PIECE OF CORONET, Luxembourg satellite that's drawing ire from European community. (P. 8)

CBS TO PLAY NEAR PAT HAND: Broadcasters representing CBS TV affiliates gathered in L.A. last week for their annual convention in happy frame of mind -- and left the same way. Network had just won its 5th straight prime time season and is sticking with same promotional theme for next year -- "We've got the touch."

CBS executives were even more optimistic than affiliates. Chmn.-Pres. Thomas Wyman and Best. Group Pres. Gene Jankowski were there but didn't speak to affiliates although Jankowski answered questions at closed session.

"We are tremendously excited about the 1984-85 season," CBS Best. Group Exec. Vp Thomas Leahy told affiliates. Added TV Network Pres. Tony Malara: "We start out with a lot of good feeling."

Consumer Electronics

POLAROID IN 8MM, to show Toshiba-made camcorder at CES for sale late this year. Unit weighs 4 lb., has CCD pickup. (P. 10)

RCA'S NEW LINE features 18 sets with multichannel sound, new color processing system, 17 VCRs. Record fall ad drive. (Pp. 11 & 15)

PROFITABLE QUASAR stresses new image, upbeat outlook at sales meeting, with emphasis on ties to parent. Pluckhan warns of color glut. (P. 12)

VCR SALES in 1985's first 19 weeks beat all of '83. B&w in lowest sales week on record. (P. 13)

TATUNG REACTIVATING plan for color TV production at Atlanta plant, expects to be making 19" & 25" at 10,000 monthly rate late this year. (P. 13)

RCA's '84 SALES put at 2.4 million color TVs, 1.2 million VCRs. Industry color sales forecast at 15.7 million, VCR 6.5-7 million. (P. 14)

STEREO TV HANGUP is in transmitter modifications, which could hold up MTS until 1985. NBC announces plans for next year. (P. 14)

VIDEO ON CD audio disc: Matsushita stores 7 min. of motion on 4.5" disc. Plans still pictures with music. 680,000 player sales seen in '85. (P. 16)

Formal presentations stressed unity with affiliates and fact that CBS is returning 5 new hours of programming from 1983-84, adding only 3-1/2 new hours next fall. "That's an all-time record for CBS and speaks to the strength of our schedule," according to Donald Grant, senior vp-entertainment. He said some might accuse network of being too conservative but, in fact, move is "symbolic of unheard-of success" for CBS.

In case some shows falter this fall, CBS has "a vintage crop of pilots" ready to move in, according to Harvey Shephard, senior vp-programs. "Several backup shows will be ordered and will find their way on the schedule," he predicted.

First question of CBS executives during closed meeting with TV affiliates at end of 3-day convention was toughest. In question submitted in writing, affiliate said that all 3 network news operations are held in "low repute" in Washington, charged that CBS's image is lowest of all.

Best. Group Pres. Gene Jankowski, while he admitted there's much fence mending to be done with federal govt., rejected charge. He said he's spending a lot of time in Washington, will spend even more.

Leahy spoke about problems in Washington and various state legislatures -- where 47 measures have been considered already this year to place restrictions on advertising. He cited broadcasters' efforts to fight drug & alcohol abuse, said many critics are operating under "misguided notion" that problems can be solved if beer & wine ads are banned from TV & radio. "We must not allow the 2 issues to be coupled," he said, noting U.S. Supreme Court will rule soon on Okla. law (upheld in appeals court) banning such ads.

Some affiliates objected strongly to signing of Richard Pryor for Sat. morning children's TV show, complained he doesn't present proper image for children. Network responded that Pryor now is avid anti-drug fighter and can tell his story well to children. Affiliates also got commitment from network that they'll get local availabilities in future long-form shows that are singly sponsored, such as 8-hour George Washington miniseries. In past, sponsor has gotten all time with none reserved for local spots.

At one meeting of affiliates without network brass present, Group W urged affiliates' board to adopt resolution opposing use of exit polls by networks in election coverage. Most of those who spoke on subject were against Group W proposal, but no action was taken -- or is expected to be taken.

CBS News Pres. Edward Joyce later defended exit polls and projections of winners, said: "There is no reputable poll that supports the claim of a negative impact on voting because of network calls. Ultimately, we believe that as journalists we have the responsibility to report significant news to our viewers and listeners and I can think of nothing more newsworthy than election news." He told us Group W position is "ill advised."

Throughout CBS, Leahy said, there's increased effort to stay current on -- and keep affiliates informed about -- not only national but also state regulatory matters. He was especially concerned about possible renewed attempts in Washington to require stations & networks to air minimum amount of children's programs.

In videotaped interview, Senate Commerce Committee Chmn. Packwood (R-Ore.) told affiliates: "If I had any piece of advice, I think I would not do exit polling... I would not announce any exit polling during the day... I do think to do it before the polls close probably is not good for the process and it certainly isn't good for the image of broadcasting." Added House Telecom Subcommittee Chmn. Rep. Wirth (D-Colo.): "I think the broadcasters have a responsibility to respect the electoral process and to refrain from broadcasting election results until the polls are closed."

In departure from past procedures, govt. leaders were interviewed on videotape by Donald Wear (who has just moved from CBS Washington corporate vp to vp-policy for Best. Group in N.Y.) for presentation to affiliates. Argued Packwood: "Scarcity? Broadcasting may be a lot of things, but... the thing that it isn't is scarce. So we're going to win over the years on most of the battles about getting rid of the fairness doctrine [etc.]... getting rid of a variety of things that may have made some sense years ago and they make no sense now. All I would tell your affiliates is do not compromise, do not give in too early, too easily, because time's on our side, not against us."

FCC Comr. Rivera disputed Packwood: "A lot of the Commission's actions [on deregulation] have been based on a premise that I don't particularly agree with -- and that is that we have a perfectly competitive environment now, especially in TV... That is coming, but it's not here yet." Comr. Dawson said: "I think we should move as far as we can to saying the market will create a competitive environment and our job is to make sure there are many services and many outlets... You cannot leave broadcasters in a traditional regulation mode and expect them to be able to compete with the unfettered services."

House Energy & Commerce Committee Chmn. Dingell (D-Mich.), who along with Wirth argued that there's not enough diversity now to deregulate TV, said: "I suspect perhaps the area of the weakest performance by broadcasters is in the area of children's programming and educational programming directed particularly at the young." Added Wirth: "In relationship to children's programming, broadcasters often argue... they're already serving the interests of children and, 2nd, for the government to come in and require more is an imposition that may violate the First Amendment. Both of these arguments are incorrect."

Wirth: "If I left the Congress tomorrow and went into broadcasting, the first thing I would do is to join the NAB and make peace. The next thing I would do as a broadcaster would be to look very seriously at... local programming... I think that I would see that that's the trend of the future and focus on that very sharply." Also interviewed was Comr. Patrick, who said: "The FCC really ought not to sit around and worry about what the nature of broadcasting is going to be tomorrow or 5 years from now or 10 years from now... I say it's up to you to determine what the industry is going to look like."

CBS will be delivering U.S. signal to all affiliates by satellite by Jan. 1987, when 45 stations in Northeast are expected to be tied into system, said David White, CBS Best. Group vp for administration, production & engineering. CBS will be using Telstar 301 & 302, shifting from Comstar D3 in Aug., having signed long-term agreement with AT&T April 26, he said.

First 25 affiliates will go on regular satellite transmission about June 1, White said, covering stations from Omaha to Salt Lake City and those with "terrestrial interconnection difficulties" in Tex. Another 16 stations west of Chicago will be added by Oct. 1, and by end of year all of Southwest will be converted to satellite distribution, he said.

Starting in fall, White said, CBS will be increasing satellite reception by 16-20 affiliates per quarter, starting on West Coast and proceeding to Midwest & Southeast. Last to be added will be affiliates in Washington-Boston corridor. He said "in most remote areas" affiliates will be permitted to retain private microwave facilities connecting with nearby station.

President Reagan will do as little campaigning for re-election as possible this fall and "continue doing what he is doing," CBS White House correspondent Leslie Stahl said at luncheon session moderated by Dan Rather. "And what he is doing is staying away from the press," she said. Stahl and other correspondents on panel -- Robert Schieffer, Bruce Morton & Susan Spencer -- predicted that Reagan would be re-elected unless there's huge downturn in economy.

CBS Sports Pres. Neal Pilson said in another session that he sees no real threat to network coverage of sports in new technology. He told affiliates: "The basic cable channels [ESPN, USA, WTBS, etc.] have had absolutely no competitive impact [on 3 major networks] and none is

anticipated." Pilson predicted that "no single cable channel will ever reach more than 40-50% of the over-the-air audience reached by network television... National pay-per-view has been and will continue to be limited to a handful of events, and these events have experienced very little success to date. The only profitable situations have been a few boxing events, which would not have been covered by the networks in any event."

TV Network Sales Vp Jerome Dominus said CBS research predicts network revenues will jump 17% in 1984 (fueled by political campaigns and Olympics), local revenues up 15%, national spot 13%. In 1985, he predicted, figures will drop somewhere to 10% increase for local & network, 11% for national spot.

Like ABC (which is going to N.Y.), CBS will abandon Century Plaza Hotel next year and will hold affiliates convention in San Francisco. NBC affiliates were to begin arriving May 20 for their convention which runs through May 23.

ADMINISTRATION OPPOSES EXIT POLLING: Responding to inquiry from House Telecom Subcommittee, NTIA said in May 16 letter that Administration shares lawmakers' concerns about election projections: "We... do not believe it desirable for projected federal election results to be broadcast when there is reason to believe it has an adverse effect on voter turnout." Legislators hailed letter as victory, but network spokesmen we reached continued to deny election projections harm voter process.

Administration response was cautious. Letter warned Congress & FCC against taking action forcing networks to withhold projections, said that decision should be left with broadcasters to avoid First Amendment conflicts. Administration nevertheless said broadcasters should exercise "reasonable discretion and self-restraint," because "if future experience demonstrates the inadequacy of this approach... Congress might then appropriately consider the need for any remedial legislation." NTIA drafted response and cleared it with OMB, which is voice of White House.

Letter leaves network opponents on Capitol Hill with precisely the opening they're seeking. Subcommittee spokesman said legislators are willing to leave use of projections to broadcasters' discretion. But aide said networks are on notice that last "Super Tuesday" primaries June 5 will be test. Aide said networks will be under pressure to project primaries early: "This one's going to be tough" for them. Legislators aren't likely to take any action until after Nov. elections, aide added, although new hearings this summer, complete with 20-min. videotape of network coverage for year, still are planned. Congressional letter-writing campaign to networks also is expected to continue.

Network executives apparently hadn't seen letter by our deadline, weren't prepared to react. But CBS Vp Gene Mater repeated position News Pres. Edward Joyce has taken in replies to letters from congressional delegations, said: "We feel we have been acting in a responsible fashion and will continue to do so."

Dun & Bradstreet will buy A.C. Nielsen for stock valued at \$1.08 billion. D&B, which reported net income in 1983 of \$167.4 million on \$1.5 billion revenues, will issue 0.875 share of common stock for each of Nielsen's 13.9 million non-voting Class A common shares and 8.5 million voting Class B common shares. D&B will issue 19.6 million common shares that traded at \$55.25 per share on N.Y. Stock Exchange Thurs., giving indicated value. Class C special stock, owned by 2 trusts of which Nielsen family members are beneficiaries, will be acquired for \$61,000. D&B had irrevocable proxies from trusts for more than 50% of voting stock. Nielsen reported net income of \$49.4 million in 1983 on \$680.2 million revenues.

Reagan-Bush '84 campaign May 21 begins \$2-million week-long TV ad blitz. Campaign debuts six 30- & 60-sec. commercials in 27 major media markets coast-to-coast, spending first half of \$4 million Republicans have planned for president's pre-convention TV campaign. Ads were tested in Conn., Detroit, L.A. & Louisville.

FCC renewals of Northern TV's stations in Anchorage & Fairbanks in 1978 were upheld by U.S. Appeals Court, D.C., which rejected petition of Alaskans for Better Media. Petitioner charged stations with improper logging, network clipping, inadequate EEO. Court held that Commission gave charges adequate consideration.

CAMSCAM SKULDUGGERY: Partisan warfare over "proper" use of C-SPAN coverage of House floor proceedings became brawl last week, peaking in Speaker O'Neill's (D-Mass.) being ruled out of order. C-SPAN is delighted with attention, but clash may have sealed fate for proposal to get cameras into Senate.

Fight began week ago when O'Neill ordered normally stationary cameras in chambers to pan floor to show that room always is empty during speech period at end of each day. Move was designed to show C-SPAN's 17 million households that impassioned daily attacks on Democrats by Republicans are designed for home consumption alone. (Previously, cameras focused only on podium [TVD May 14 p8]).

Decision enraged Republicans, particularly Rep. Walker (R-Pa.), who was making speech when cameras began panning floor, called it "cheap political trick." GOP retaliated by proposing that cameras pan floor continuously, which not only would show that chamber also frequently is empty during regular business, but dilute O'Neill's now complete control over cameras. But Democrats beat back efforts, including one close call when Rep. Lewis (R-Cal.) tried to add GOP proposal to an emergency spending bill in committee.

"Camscam" was debated on floor throughout week, turning into confrontation with O'Neill at one point. Two parties were trading bitter denunciations in unusually heated discussion May 15 when O'Neill lost temper, was ruled out of order and had his angry remarks stripped from daily journal of proceedings. (Remarks still can be seen on videotapes that GOP, Democrats & C-SPAN make routinely.)

Both parties met in secret sessions at week's end to discuss floor confrontations. Leadership in both agree situation is out of hand, but GOP leaders say they no longer can control junior members, won't be able to put stop to floor attacks. Sources said members are recognizing power of TV in chambers "for first time" and that there's no going back. Agreed Rep. Williams (D-Mont.): "TV is moving through the House like a steamroller. There's no question it's going to change the way [we] work." Biggest problem leaders see is effect clash is having on efforts to win bipartisan agreements on budget & tax questions.

House lawmakers plan meeting May 22 to discuss stalled compromise broadcast deregulation legislation. Spokesman for Rep. Swift (D-Wash.), who's mediating talks, said meeting is expected to include Reps. Tauke (R-Ia.) & Tauzin (D-La.) and aides to House Energy & Commerce Committee Chmn. Dingell (D-Mich.) & Telecom Subcommittee Chmn. Wirth (D-Colo.). Swift reportedly has ideas on how impasse might be bridged in negotiations over petitions to deny & revoke. Swift aide admitted neither side may have much room to maneuver, but some compromising might be possible on procedural issues, such as setting time limits on petition process.

Daytime-only AM licensees should be given preferences "to the greatest extent possible" in awarding of new FM stations by FCC as result of Doc. 80-90 proceeding, NAB said in comments to implementation rulemaking (Mass Media Doc. 84-231). Preference should be given not only where daytimer is applying for first full-time service in local market, but also where there are existing full-time services on-air, NAB said. In addition, diversification points should be accorded when daytimer is seeking FM license in another market, NAB said, and preference points shouldn't be conditioned on pledge by daytimer to divest his station upon obtaining new facility. On point of FCC's possible move to award Doc. 80-90 FM's by lottery, "NAB takes no position at this time." It noted, however, that "it does appear that the Commission would have to obtain congressional approval" to use lotteries, urged Commission to seek comments before going to Hill with lottery proposal.

Two of 3 transponders on Japan's Yuri 2A DBS bird have failed. Satellite launched in Jan. pioneered use of high-power 100-watt travelling wave tubes provided by France's Thomson CSF, which apparently are directly related to failures. Toshiba Electric is prime contractor for \$260 million program, although satellite design and major components were provided by GE. Japanese planned to use Yuri 2A to broadcast color TV to 420,000 homes that now get poor or no reception. Planned experiments over bird by NHK, Japanese broadcasting company, of HDTV have been postponed. Failure has sparked renewed debate on whether Japanese govt. should allow agencies and private sector to purchase foreign-built satellites.

NCTA has asked Copyright Office to revise rules to permit cable operators to substitute new distant signals for previously carried signals without having to pay higher royalty rates. In comments filed May 16, Assn. said: "For many systems, the dollar amounts in issue are staggering." NCTA argued that "surprising reversal" by CRT of "previously intimated inclination" on issue "will seriously impair the ability of cable operators to implement [business & financial] plans."

Ariz. governor has signed bill increasing penalties for illegal sale or provision of cable TV signal pirating equipment, effective late July. Felony is punishable by 18-month prison sentence, had support of Ariz. Cable TV Assn. ACTA has launched statewide campaign to educate prosecutors & consumers on cable piracy.

James Quello has been nominated by President Reagan to new 7-year term as FCC commissioner, as expected (TVD April 2 p8). Quello, 70, is Democrat, first received full term in 1974, was reappointed in 1981 to complete term of resigning Chmn. Ferris. He's ex-gen. mgr. of WJR(AM) Detroit.

CBS declared dividend of 70¢ per common share, payable June 12 to stockholders of record May 23. CBS also declared preferred stock dividend of 25¢ per share.

CABLE INDUSTRY JOBS GREW 13.3%: Employment at cable systems with 5 or more fulltime workers increased 13.3% in 1983 over 1982, according to annual reports submitted to FCC. Addition of 6,989 field jobs raised industry workforce to 59,453, according to analysis by Commission released last week. However, employment at cable hq units declined from 8,665 to 7,982, evidence of decentralization trend that got under way last year.

While number of minorities working at cable systems increased from 7,998 to 9,030, percentage-wise they barely held their own, remaining at 15.2% of system employees. Gain by minority women from 5.5% to 6.1% was offset by decline in minority men from 9.7% to 9.1%, FCC said after analyzing reports from 2,081 systems. Among cable systems' officials & managers, professionals, technicians & sales workers, it's still a white man's world, representing 71.2% of total.

Cutbacks at hq units severely affected percentage of minority workers. Among all hq workers, number of minority men shrank from 406 to 224 (7.5% to 4.6%) while minority woman dropped from 452 to 363 (8.3% to 7.4%). Among top 4 job categories at 91 hq units with 5 or more employees, where total jobs shrank from 3,232 to 3,066, minorities fell from 11.2% of workers in 1982 to 9% last year, FCC said. But cutbacks at hq units didn't touch white males in top 4 jobs; their numbers increased from 1,917 to 1,985 (59.3% to 64.7%).

Reacting to complaints about "politicization" of U.S. image-building overseas, Senate Foreign Relations Committee has rejected President's nomination of Leslie Lenkowsky to be USIA deputy dir. Lenkowsky is expected to resign shortly as acting deputy dir. In recent weeks, he has emerged as central figure in controversy over blacklisting prominent Americans from agency's speakers program abroad. Key opponent, Sen. Zorinsky (D-Neb.), accused Lenkowsky of lying in his sworn testimony before Committee, said: "I don't believe Dr. Lenkowsky is fit" to serve. Agreeing, Sen. Mathias (R-Md.) called conflicting testimony in 3 days of hearings "tissue of cloudy recollections and curious recantations." Sen. Percy (R-Ill.), who chairs panel, said he believed Lenkowsky was "active participant" in blacklisting, despite denials. But Percy said situation goes beyond Lenkowsky, reflects on Administration, suggests poor policy & management.

CBS was pushing its Extravision teletext service hard at its TV affiliates' convention in L.A. this week, signed up Bonneville stations -- which formerly supported English system backed by Taft Bestg. Albert Crane, CBS vp-Extravision, told affiliates that 7 set manufacturers will be producing built-in teletext decoders next year at cost of \$100-\$200: Panasonic, Quasar, Sony, Hitachi, RCA, Sharp & Samsung. "We see Extravision as the 1980s version of FM radio with potentially as much promise... in the news and information marketplace of the 1990s and beyond," Crane said.

CBS News Exec. Vp Howard Stringer is quoted on tape expressing doubts about fairness of producer of CBS documentary that accuses Gen. William Westmoreland of lying about enemy strength during Vietnam War. Tape was made by TV Guide reporter during telephone conversation shortly after program aired. Westmoreland filed \$120 million libel suit against CBS because of program. His attorney Daniel Burt gave copies to L.A. Times & ABC. "As you have gathered, we have our own suspicions about [chief reporter] George Crile anyway," Stringer told TV Guide reporter Don Kowet. Stringer also is quoted saying that CBS executive Roger Colloff & Stringer "were suspicious" of Crile's report. Stringer said he would take partial blame if Kowet wrote article critical of network "because I should never have hired [Crile] to do it in the first place. I should have known I wouldn't get fair journalism off him." Westmoreland's attorney said comments show malice by CBS: "They didn't believe the broadcast was true."

Canada has agreed to discuss with U.S. "options" for resolving copyright & satellite retransmission disagreements. NTIA Dir. David Markey told Federal Communications Bar Assn. lunch last week that Canadians made concession at Niagara On The Lake bilateral talks. U.S. delegation was headed by FCC Chmn. Fowler. No details are being made available. Markey also briefly reacted to Senate Commerce Committee report endorsing Commerce Dept. as lead agency for international communications policy making (TVD May 14 p5), said report clearly shows "we have strong support" in Congress. Markey contrasted that with NTIA's early years, when agency was purged from White House, then downsized: "NTIA is very much alive and well," and has "strong support" of Commerce Secy. Malcolm Baldrige, he said.

Increasing station ownership limit from 7 to 10 for 3 years might satisfy concerns over FCC's "7-7-7" rules, said National Black Media Coalition Chmn. Pluria Marshall in May 15 letter to Chmn. Mark Fowler. Marshall said option evolved after discussions with citizen groups, FCC commissioners, including Fowler, and FCC staff. Marshall pointed out that Fowler is opposed and urged his reconsideration "in the interest of promoting harmony." Marshall said 3 year period would allow FCC staff to research impact. He pointed out that "less restrictive alternative" would make FCC decision "more likely to survive the inevitable judicial review."

Walt Disney Productions will spend \$200 million to buy Arvida, real estate development firm that owns about 20,000 acres in Fla., Ga., Cal. Arvida had net income of \$30 million on \$320 million revenues in 1983, Disney said. Disney said acquisition, which makes more difficult financier Saul Steinberg's plans to obtain up to 25% of Disney, is subject to provisions of antitrust laws and other unspecified terms & conditions.

Annual Cable Follies of N.Y. Women in Cable chapter is scheduled Sept. 24, Waldorf-Astoria.

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CPB AUTHORIZATION JEOPARDIZED: CPB authorization is becoming political football and chances for passage of significantly increased budget in this Congress could become jeopardized. CPB is seeking funding for FY '87-'89 at levels of \$238 million to \$270 million respectively. Sources say that, as only communications legislation expected to gain ground this year, authorization (HR-5541 & S-2436) is now likely target for effort to secure deregulation for commercial radio broadcasters, to repeal of "content" rules such as fairness doctrine & equal time requirements, further to delay FCC proceeding on network financial interest & syndication, to eliminate rules on political ads & programs and to mandate better children's TV.

CPB money also could become mired in politics over leadership assignments in next Congress or in push for pension guarantees for Bell System workers, sources said. End of session politicking already has begun, speeded up by elections and exacerbated by party squabbles over C-SPAN coverage of House floor proceedings. Some signs: Sen. Wilson (R-Cal.) recently put "hold" on S-607, original FCC authorization that was superseded in House last fall by HR-2755. (Holds are parliamentary privilege moves lawmakers use to delay action on legislation.) Wilson's hold is signal he wants to add language that would tell FCC to delay action on controversial network financial interest & syndication rulemaking for 5 years. Sen. Dole (R-Kan.) also put "hold" on S-607, apparently to keep Sen. Packwood (R-Ore.) from using it to move Bell System pension rights proposal in competition with his own.

Neither proposal has anything to do with CPB measure. But politics of both are expected to spill over onto CPB effort. Packwood probably won't try to move S-607, but industry sources said that Wilson still wants to press his case; CPB is only communications legislation available. Dole & Packwood quests to win pension bill's passage also could find way into CPB measure, we're told. But source close to Packwood said speculation is all "talk," said that Packwood remains committed to more funding for CPB and CWA's interests, would do nothing to jeopardize either.

NAB is pursuing alternatives to win deregulation of commercial broadcasting since breakdown of congressional negotiations and we're told that Assn. believes radio-only deregulation can be won in this session. NAB Pres. Edward Fritts & National Radio Bstrs. Assn. Pres. Harriet Kaplan are cooperating on getting radio-only proposal before adjournment, met recently with Packwood to discuss options. Groups mentioned CPB bill as potential target for attaching radio-only deregulation language.

Packwood also wants to move his "Freedom of Expression" bill (S-1917), which eliminates fairness doctrine & other political broadcasting rules and amending it to CPB authorization is among options he's considering. There's also talk of adding Wirth's children's TV proposal to bill (HR-4097); it would set minimum requirements for commercial broadcasters.

TIME IN LUXEMBOURG SATELLITE DEAL: Time, Inc. will invest in Coronet, which has been granted franchise by Luxembourg govt. to launch medium-powered satellite system to provide cable & DBS to Western Europe, authoritative European source told Television Digest. Time officials couldn't be reached for comment.

Source said Time is one of about 6 companies showing interest in Coronet, which is headed by Clay Whitehead, former pres., Hughes Communications. Identities of other companies couldn't be confirmed at press time, but are thought to include Rupert Murdoch's News International, and W. German publishing group, Bertelsmann.

Two companies whose TV ads might be considered "programmercials" will no longer air them during or near children's shows featuring same characters, National Ad Div. of Council for Better Business Bureaus said. NAD settled complaints against ads for Ice Capades featuring Smurfs, which were aired at start of Sat. Smurfs cartoons, and ads for Toys "R" Us involving announcements for "personal appearances" of characters from cartoon "He Man and the Masters of the Universe" carried during that show. NAD concluded ads had to be moved or modified "to avoid reducing a child's ability to distinguish between programs and advertising." In separate case involving M&M/Mars, ad featuring price claims for Snickers candy was pulled from air although company didn't concede anything was wrong with commercials.

House Energy & Commerce Committee Chmn. Dingell (D-Mich.) gave children's TV advocates boost last week by attacking FCC record on issue in comments in daily record of floor proceedings. Dingell said: "I am astonished at the apparent readiness of the Commission to 'leave it to the marketplace' and pursue overall television deregulation... when the Commission has little data to justify its change in policy." Dingell cited arguments by FCC Chmn. Fowler that other media are meeting need for quality children's programming -- cable TV & public broadcasting in particular. "I do not understand how a person who is incapable of affording cable is benefited by exempting broadcasters from the responsibility to provide programming for children," Dingell said.

FCC has renewed licenses of 2 Tulsa broadcasters challenged on EEO grounds. Tulsa branch of NAACP argued independent KOKI-TV and U. of Tulsa's KWGS(FM) failed to hire enough minorities. Commission dismissed complaint against KWGS, but ordered KOKI-TV to file annual EEO reports after explanatory filing within 30 days.

In rare instance of coordination between NBC and its parent RCA, network announced last week that it would start stereo telecasting next year -- as RCA completed showing line of 18 stereo-equipped color TV sets to its distributors (details in Consumer Electronics section).

Personals

Alan Greenspan, chmn. of President Ford's Council of Economic Advisors, and Frank Jones, MIT urban affairs prof., elected ABC dirs., succeeding Ulric Haynes & Simon Siegel, who didn't seek reelection... Leonard Sawicki, FCC Common Carrier policy office, named asst. dir., economic analysis, Comsat... William Azan promoted to Avery-Knodel TV vp... Dale Brown, ex-PR with Sen. Goldwater (R-Ariz.), joins Senate Communications Subcommittee, succeeding Cynthia Douglass, resigned... Joel Canfield advanced to WDIV Detroit promotion mgr... Donald Williams promoted to sports sales dir., Blair TV market development.

Peter Fannon, vp, National Assn. of Public TV Stations, named acting pres. until naming of permanent successor to Bruce Christensen, who became PBS pres. May 15... Kim Hoggard, ex-TV-Radio News Dirs. Assn. '78-'79, will be appointed asst. press secy. to President Reagan... Neil Austrian, ex-Doyle Dane Bernbach, named Showtime/Movie Channel chmn.-CEO, new post... Richard Berman, Warner Amex gen. counsel, adds duties of exec. vp of cable & satellite entertainment... Michael Camras advanced to dir., participating program sales, NBC TV... Orison Marden advanced to labor relations senior vp, Columbia Pictures filmed entertainment.

John Pascuzzi promoted to operations vp, Cowles Bestg. KCCI-TV Div., Des Moines... Altan Stalker advanced to vp-operations & engineering group, Group W Satellite Communications... Albert Caprioglio, ex-Hughes Communications, named vp-advanced systems center dir., American Satellite Co.

John Lorenz advanced to program business affairs assoc. dir., PBS; Stan Cahill promoted to asst. dir... Laurie Levit, ex-Disney Channel, appointed dir.-movies & miniseries, Columbia Pictures TV... Reporter Pauline Frederick speaks at Washington Professional Chapter of Women in Communications 1984 Matrix Dinner May 22, 7 p.m., Capital Hilton... Joseph Walter, ex-Ernst & Whinney, named McCaw Communications planning dir.-cellular management group; Mikal Thomsen, ex-business consultant, appointed special projects mgr.

Paula Stein, ex-FTC, named ad review specialist, Council of Better Business Bureaus National Ad Div... Mark Kassof advanced to research vp, Reymer & Gersin Assoc... Barry Stigers, ex-Cabletelevision, named managed investments vp, Communications Equity Assoc... Elected to Learning Channel Advisory Board: Chloe Aaron, independent producer; Charles Benton, Public Media chmn.; Les Brown, Channels editor; Kathryn Creech, Council for Cable Information pres.; Edwin Diamond, MIT; Virgil Grillo, U. of Colo.; Irving Harris, Harriseope Bestg. chmn.; Kitty Hart, N.Y. State Council on Arts chmn.; Terry Lawler, media consultant; Jennifer Lawson, drama & arts assoc. dir., CPB Program Fund; Donn Pennebaker, independent filmmaker.

Margaret Stigers, ex-Warner Amex, named vp-gen. mgr., Gulfstream Cablevision of Pinellas County Inc.; Cathy Bosson, ex-Warner Amex, appointed mktg. mgr... Jerry Cooper promoted to Lifetime senior vp-gen. mgr., also heads Professional Program Series... Ana-Mita Betancourt & Susan Weller become associated with Washington law firm of Hamel & Park.

Maureen Nappi, ex-MTV, appointed VCA Teletronics art dir., new post... Barry O'Donnell, ex-Showtime/Movie Channel, named corporate communications mgr., ESPN, new position... Arthur Cooper promoted to senior vp-gen. mgr., Lifetime, new post... Frederick Kennedy, pres.-Cable Communications, N. Augusta, S.C., elected an NCTA dir.

Arnold Satterlee promoted to Comsat vp-satellite programs & asst. gen. mgr., Intelsat Technical Services, new post... Ronald Nessen, President Ford's press secy., named to head MBS News Div... John Detwiler, ex-Group W Satellite Communications, appointed east coast regional mgr., NABU Network; Charles Self, ex-Larkin & Co., named mgr.-affiliate sales & relations... Brian Segall, ex-Orion Pictures, appointed business affairs vp, MGM/UA Home Video; Harry Safter, ex-MCA Home Video, named midwest regional mgr.; Stephen Katz, ex-Shank Assoc., appointed southern regional mgr.

Stephen Stim, ex-Hearst/ABC Video Services, named gen. attorney-business affairs dir., Arts & Entertainment Network; Stephen Humphreys, ex-Newsweek, appointed corporate mktg. dir... Reorganized Urban Communications Corp.: LeRoy Choats, ex-Southern Bell, named pres.; Russell Brooks, ex-Trico Communications, becomes vp with purchase of Trico by UCC; Duane Schierbecker, ex-Arcole Mid-West, named controller; Pamela Nance, ex-Cox Cable, appointed gen. mgr... Producer Richard Berman named development dir., Warner Bros. TV.

Winners of special election to fill newly authorized NAB directorships, one each for woman & minority on TV & radio boards, were announced last week. Joining radio board are Willie Davis, pres. of KACE(FM) L.A., and Sallie Hawkins, pres., WILM Wilmington, Del. Joining TV board are Robert Munoz, vp-gen. mgr., KCIK El Paso, and Donna Zapata, vp-gen. mgr., WHAS-TV Louisville.

Republican National Committee is offering gavel-to-gavel TV coverage of Aug. party convention in Dallas to independent TV stations & cable operators. Feed will be commentary-free, cost GOP \$110,000. Hookup fee of \$250 will be only charge to electronic media. RNC plans 6 TV cameras.

Democratic & GOP parties are considering jointly sponsoring TV debates between presidential candidates, eliminating traditional sponsor League of Women Voters. GOP National Committee Chmn. Frank Fahrenkopf confirmed that he and counterpart Charles Manatt are working out details.

Consumer Electronics®

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STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended May 4 (18th week of 1984):

	APRIL 28- MAY 4	1983 WEEK	% CHANGE	APRIL 21-27	18 WEEKS 1984	18 WEEKS 1983	% CHANGE
TOTAL TV.....	281,834	307,672	- 8.4	398,375	6,655,797	5,972,839	+11.4
TOTAL COLOR...	249,606*	238,031	+ 4.9	309,122*	5,142,882*	4,226,050	+21.7
DIRECT-VIEW..	246,482*	236,087	+ 4.4	305,653*	5,089,340*	4,184,695	+21.6
PROJECTION..	3,124*	1,944	+60.7	3,469*	53,542*	41,355	+29.5
MONOCHROME....	32,228	69,641	-53.7	89,253	1,512,915	1,746,789	-13.4
TV EXCL. PROJEC.	278,710	305,728	- 8.8	394,906	6,602,255	5,931,484	+11.3
HOME VCR.....	125,918*	76,979	+63.6	109,603*	1,950,805*	1,034,879	+88.5
COLOR CAMERAS...	9,285*	7,529	+23.3	4,487	133,432*	105,401	+26.6

Color TV (direct-view) 5-week moving average: 1984--250,196*; 1983--228,443 (up 9.5%).

Home VCR 5-week moving average: 1984--111,703*; 1983--61,063 (up 82.9%).

* Record for period.

POLAROID IN 8MM WITH TOSHIBA CAMCORDER: Polaroid will show 8mm camcorder made by Toshiba at CES, offer it on market late this year. Company's surprise announcement came immediately following final agreement last week with Toshiba for "development & marketing of state-of-the-art home video camera & recording systems."

Polaroid's entry into 8mm camcorder business as direct competitor to Eastman Kodak follows both companies' move into videocassettes and announcements of their dedication to all forms of "imaging," including chemical, electronic & hybrid types. Surprise generated by Polaroid announcement was intensified by fact there was no hint at annual meeting just one week before announcement -- in fact, some officials appeared to denigrate 8mm.

Camcorder to be introduced by Polaroid is similar to that shown privately by Toshiba in hotel suite at Winter CES in Jan. Toshiba says it has no plans to offer it under own name; Polaroid's announcement took Toshiba America officials by surprise, although they knew talks were in progress between the 2 companies.

Polaroid's camcorder will weigh less than 4 lb., as opposed to 5.5-6 lb. given as weight of Matsushita-made camcorders to be offered by Kodak & GE. Light weight is achieved by use of through-lens optical rather than electronic viewfinder and by CCD image sensor instead of tube. It also differs from Kodavision in that it has FM hi-fi audio system on helical track instead of longitudinal one. It's hand-held type with battery in handle, as opposed to Kodavision's shoulder-mount approach, has f1.4 lens, 6:1 power zoom.

Like Kodavision, Polaroid unit has stay-at-home box (Polaroid calls it "playback deck," Kodak's is "cradle") for playing through TV and charging battery. Deck has front panel with controls for play, record, fast forward, reverse, still frame, visual search (6 times normal), pause, stop, with LCD tape counter. Optional accessories are separate tuner for off-air recording, remote control. Recording time is 90 min. on either metal particle or metal evaporated tape.

Camcorder is "first in a series of new consumer video imaging products" to be marketed by

Polaroid, according to Magnetic Media Group Vp Owen Gaffney. Polaroid is still looking for a snappy name (presumably like "Kodavision") for its new product. There's some question whether it will want to revive "Polavision," name it gave to its instant film movie system that met disaster in marketplace.

* * * * *

With film photography companies adopting 8mm approach and consumer electronic manufacturers aiming to stick with 1/2", situation is becoming polarized (or kodakized). Quasar VCR National Sales Mgr. Roger Heuberger said last week at sales meeting that photo firms are looking at 8mm Video as way to break into video market, and that sales of all types of camcorders will be primarily through camera and video speciality retailers, which aren't Quasar's primary outlets. "We'll switch customers" from 8mm to VHS portables "at the retail level," he said.

RCA, which has blown warm, cold, hot & cool on 8mm (in that order), is still in cool stage. Consumer Electronics Vp-Gen. Mgr. Joseph Donahue said last week at distributor meeting that "8mm is still under a great deal of study, including life testing; we have not made a final determination with regard to our actions this year."

MULTICHANNEL SOUND IN 18 RCA SETS: RCA made biggest splash yet in multichannel TV sound (MTS), making it built-in feature in 18 models -- more than of rest of industry combined has introduced to date -- for delivery next month. RCA emphasized technology & innovation in color TV line of 54 sets, of which 25 are monitor receivers, adding new color processing circuit expected to be copied by others.

New line is priced about same as predecessor, RCA officials said -- some models up, some down -- and will be backed by most expensive 2nd-half ad campaign "in the history of RCA and the industry," according to Ad & Sales Promotion Vp William Beres, spending more than twice as much in national TV as IBM spent on introduction of personal computer. RCA obviously thinks it has something to talk about -- at least it didn't waste any modesty on new color set design, calling it "best chassis ever made by anyone on any side of the ocean... most exciting single product introduction in the history of the industry... most significant advance in TV since 1975."

Top of line is now called "Colortrak 2000 Full Spectrum," and all such models have stereo amplifiers, high compliance speakers, separate treble & bass controls, BTSC stereo sound and separate audio program (SAP) reception -- along with National Semiconductor's hiss-reducing DNR (Dynamic Noise Reduction) system that works on broadcasts, videotapes or external audio sources fed into sound system -- accompanied by series of LEDs to indicate activation of stereo, "audio B" (SAP channel), DNR.

For time being at least, RCA is spurning converter approach to MTS. "The history of consumer electronics shows consumers just don't buy converters," said Consumer Electronics Vp-Gen. Mgr. Joseph Donahue. Multichannel sound adds \$50-\$75 to retail price of set, RCA officials estimated, although 25" table model monitor receivers are unchanged in price from last year. Company plans no non-stereo bilingual-only models this year.

Full Spectrum design also includes new color IC claimed to "process 100% of the NTSC broadcast color signal for the first time" -- specifically all of orange/cyan spectrum in picture detail areas, usually carried in b&w. All Colortrak 2000 models also have Video Noise Reduction system ("adaptive coring") to reduce graininess in dark areas of picture, Automatic Color Balance to maintain balanced color during warmup and for life of picture tube (similar to feature introduced last year by Zenith) and RCA's previously introduced CCD Detail Processor, comb filter and noise coring system.

All of these features are on 25" monitor receivers at \$1,100-\$1,560 and on RCA's 3 new projection sets -- two 45" (\$3,000 & \$3,300), one 40" to come in Aug. Projection sets for first

time use RCA electronics, are claimed to have wider viewing angle, 190 ft. lambert brightness. Projectors don't use new compact optic system employed by Zenith (TVD May 14 p16), but RCA indicated it probably would change over later.

Monitor receivers consist of one 15", one 19", twenty 25", 3 projection sets -- 6 of them using new 29-connection panel of audio & video inputs & outputs, including RGB for personal computers. Company will increase number of 25" table models to 6 during 1985 model year, vs. 3 in 1984, will again stress "25-in. the size of 19-in." First RCA 26" set, a monitor-receiver, will be introduced in Aug. RCA has 4 different remote-control systems, 3 of them random access, continues Digital Command Center which controls TV, VCR & videodisc player.

RCA announced total of 17 VCRs -- 10 new basic models with 7 "variations" for key accounts -- including several to come in Aug. Four of the 10 are VHS Hi-Fi, and 4 permit remote programmability from hand-held unit using on-screen instructions (TVD April 2 p13). Broader product line, according to company, represents new stress on midline selling to end situation in which sales are confined to top & bottom products. Camera line has 5 models, including 2 with color viewfinders. (Details elsewhere in this issue.)

Among major upcoming RCA promotions: Joint campaign with Nabisco, offering coupons for rebates up to \$100 on RCA products in over 50 million boxes of Ritz crackers, with appropriate banner on outside of box, starting June 1; \$50 bonus promotion with Olympics tie-in; repeat of cross-selling \$50 rebate on TVs & VCRs using Digital Command Center remote system.

Note: RCA's NBC-TV last week became first network to announce plans for stereo broadcasting, will start next year over 3 owned outlets. For status of TV stereocasting, see separate report in this issue.

QUASAR HAS NEW IMAGE, NEW OUTLOOK: Things are different at Quasar, which until now has been best known as "the other Matsushita subsidiary." Quasar is no longer willing to stand in Panasonic's shadow in front of trade, public or even parent company executives, as was evident last week when it broke precedent of Chicago sales meetings by trooping representatives of branch & independent distributors, along with their wives, to Hawaii for combination line showing and 10th anniversary celebration.

Quasar turned profit for first time last year, group was told by Pres. Jack Pluckhan. That's right on schedule he set down when he moved into job from Panasonic just 2 years ago. Quasar, he said, is on target for overall 41.3% sales gain in first half this year, including 13.5% rise in color, doubling in VCRs, and is looking for significant but lesser improvement in 2nd half. Goal then is for overall 20.3% increase, with color up about 9.7%, VCR by 44.8%.

Industry outlook is rosy for VCR, with sales nearly doubling those of 1984 if there's "good component availability" to producers in Japan, Pluckhan said. In color, sales could hit 15.5-15.7 million, but industry could have problems later this year "if production levels continue at the current rates." Pluckhan, referring to industry's recent factory output annual rate of 17-18 million, said that if it doesn't ease off "inventory levels will build and pressures, tight pressures, will be even greater than they are now" on marketers.

Much was made of new, close relationship Quasar has developed with factories in Japan. "Quasar as a brand has the attention of our [Matsushita] product division now," Pluckhan said, and made point of introducing group of senior executives making first such appearance at company convention. He noted that Quasar, rather than Panasonic, was chosen to introduce several new products in U.S., including CD digital audio disc player (in Technics hi-fi but not Panasonic audio line) plus \$1,300 audio-video center that includes console cabinet, twin speakers, remote 139-channel TV-stereo FM-AM receiver with switchable inputs for VCR, CD player and other audio accessories. Other hardware items are extra cost.

Audio is forming only cloud on Quasar horizon. "Our failure, and it must be recognized as that, to establish a dealer network" for audio is forcing company to consider alternative sales channels, Pluckhan said. He said company already has started working with mail order marketers, and if necessary will adopt something "completely separate from our current [distribution] structure" to improve share of audio market.

As for public concept, Quasar is scheduled to launch major image-building campaign this fall keyed to mystery TV commercial that was much talked about but never detailed. Hype was supplied by representatives from Quasar's agency Needham, Harper & Steers, which promised spot would have same impact as hammer toss in Apple's teaser for Macintosh computer or British Airways spot showing N.Y.C. landing in U.K. In commenting on new ad approach, Pluckhan stuck tongue in cheek to say "some people might say we are slightly ahead of our time" but "we must separate ourselves from the sameness that exists" in industry ads. Later we were told commercial would show product but feature creativity & innovation as theme.

During informal briefing with press, Pluckhan said Quasar now has about 7-8% share of VCR market, though it lags in portables and cameras because of its stress on sales through traditional TV outlets. In color, it has overall share in 4% neighborhood "but our console share is more like 8%." Quasar isn't "going after market share in color TV" as such, though it has unit sales targets and is looking for 10% of console market, he said. As for possibility of even tougher color TV price competition stemming from excessive inventories, "if the market is going to react and be very volatile on price, we are going to have to react," Pluckan said, but added "we may not have the units to get rid of."

Like most companies, Quasar is restricting MTS stereo to highest end of color line, will have it only in 26" (full square) slim table model in \$1,100-\$1,200 range and 26" console at about \$1,400-\$1,500 due late this year. Unlike most, there will be no adaptors. "We feel the only way to do it right is with a low-cost built-in system," we were told by TV Div. Gen. Mgr. Anthony Mirabelli. "We had a lot of discussion on adaptors, and the one thing we know for sure is that in the past all adaptors have failed" in marketplace -- a view also reflected by RCA (see report elsewhere in this issue). Coming in about Aug. will be low-end (about \$360) 19" table model and 25" double-sided console at \$770 with separate audio program channel for foreign language broadcasts. Also introduced was teletext decoder at \$900. Unit is essentially same as one offered by Panasonic.

MORE VCR RECORDS FALL: In just 19 weeks of 1984, VCR sales exceeded those of full-year 1982. Although final figures for 19th week weren't available at press time, we estimate sales to dealers for 1984 through May 11 exceeded 2,050,000, compared with 2,034,797 for full 52 weeks of 1982.

Sales for year's first 19 weeks, in fact, were equal to more than half of total for 1983, despite fact that final 8 months -- still to come -- traditionally total more than 75% of year's VCR sales. As of year's 18th week, VCR was on a roll with 7 consecutive weeks of 100,000-plus sales; longest previous stretch was 6, in Nov.-Dec. 1983. In this year's first 18 weeks, there were 13 in which VCR sales exceeded 100,000, compared with 12 such weeks in entire history before 1984 (all in 1983).

Another record can be found in figures for year's 18th week (see State of the Industry) -- monochrome TV sales to dealers, at 32,228 units, is lowest figure on record for any week, as far as our records indicate. Because EIA hasn't always released weekly sales figures, it's hard to pin down just when a week was lower -- but good guess is that it was more than 30 years ago.

TATUNG'S U.S. PLANS: Taiwan's Tatung has moved to soften impact of International Trade Administration's imposition of dumping penalties on color imports from Korea & Taiwan by reactivating plan to start assembling color TVs at plant it built in Atlanta in 1981.

Tatung, which has been assembling 25" consoles in Long Beach, Cal. since 1980, constructed Atlanta facility at time when color imports from Taiwan were restricted by quota. But when it became apparent quota wouldn't be extended beyond scheduled July 1 expiration date, it canceled production startup, though it has been making electric fans there.

Company now says it will equip plant with 2 assembly lines, start turning out 19" & 25" color sets in Atlanta at 10,000 monthly rate by year's end. Production of 13" also is under consideration. In meantime, Tatung says, it has moved to lower pricing somewhat on color sets it sells in Taiwan, has increased U.S. pricing on its color imports by about 5% in hopes of eliminating any future dumping margins. ITA had ruled that average Tatung set was being sold here at 8.1% below fair value.

THE STATE OF RCA: "Our pioneering days have just begun," Consumer Electronics Mktg. Vp Stephen Stepnes told RCA distributors at Las Vegas meeting last week, as company outlined major new products (see report elsewhere). Stepnes indicated RCA's color TV unit sales this year would be 35% above those of 2 years ago, while VCR sales would be up 233%.

Extrapolating regional figures given by Stepnes, it's indicated that RCA sold 1,763,000 color sets and 369,000 VCRs in 1982 and plans to sell 2,378,000 color sets and 1,230,000 VCRs this year. Industry will sell about 15.7 million color sets in 1984, Vp-Gen. Mgr. Joseph Donahue forecast, while Mktg. Operations Vp David Croner put VCR sales at 6.5-7 million. As for 1975, Donohue saw "modest growth" for color. In VCR, he said, "depth of industry growth hasn't been plumbed," but RCA has lined up "significant increase in supply" for 4th quarter -- its market share having "increased by a great amount" since it switched from Matsushita to Hitachi as supplier.

Digital TV with meaningful features isn't around corner, Donahue said in answer to question at news briefing. It depends on inexpensive frame store, he explained, which is still several years off.

Asked about new emphasis on contrast improving picture tube glass -- such as GE's "blue tube" and 52% light transmission dark glass used by Zenith & others, Group Vp Jack Sauter hinted that RCA had new glare reduction system in works "which might be something different from either 52% or 85%" light transmission.

Rising interest rates are of concern to RCA, particularly in terms of projection TV sales, Sauter indicated -- "we worry less about direct view models, which appeal to a different group." Neither Sauter nor Stepnes saw any long-term relief from tough low-end competition as result of dumping finding on Korean & Taiwanese sets. RCA's sole Taiwan-made color set, 9" AC-DC cube, is now less than \$280 at retail, actually a reduction.

Asked whether RCA eventually would manufacture VCR in U.S., Donahue said heavy capital investment and high interest rates would make it hard to justify. Product Planning and Industrial Design Vp David Daly, asked about our forecast of high resolution 1/2" super VCR (TVD April 23 p10), said it was expected "within the next couple of years." In connection with its introduction of multichannel TV sound receivers, RCA has signed for dbx license, Daly said.

World market for computer software will grow at 80% annual rate to hit \$8.3 billion by 1988, with entertainment programming accounting for about 14%, according to report by Creative Strategies International. CSI estimates U.S. market will be worth \$4.9 billion, up from \$340 million last year. It says entertainment software will provide about 34.6% of U.S. sales in 1988, down from 49% last year.

STEREO TV HANGUP: RCA Consumer Electronics may have biggest line of stereo multichannel TV receivers introduced by anyone to date (see report elsewhere in this issue), but RCA Communications Systems apparently isn't ready to deliver station equipment to make these sets work.

TV stations agree that transmitter modification kits are big holdup in starting multichannel TV sound (MTS) broadcasting. The 2 largest transmitter makers are RCA and Harris.

RCA subsidiary NBC announced last week that it would start stereo telecasting in mid-1985 with Johnny Carson Tonight Show and Friday Night Videos. Michael Sherlock, NBC-TV exec. vp, said that during fall 1985 "NBC anticipates the telecasting of a limited number of sports events, specials and theatrical movies in stereo." At first, stereo broadcasts will be transmitted by network-owned WNBC-TV N.Y., KNBC L.A. & WRC-TV Washington. WNBC-TV is already transmitting FCC-authorized multichannel TV sound (MTS) experimentally around the clock, using 400-cycle tone only.

ABC-TV gave up project to transmit MTS on its WLS-TV Chicago during Summer CES last week when it ran into "serious transmitter problems," according to network source. ABC-TV has indicated that it hopes to transmit some series bilingually during rerun period which begins in spring 1985.

Holdup isn't programming so much as station equipment. Johnny Carson show has been taped in stereo for more than year. Friday Night Videos is transmitted in stereo to NBC-TV affiliates via satellite for simulcasting. All 3 networks are expected to begin occasional stereo and possibly 2-channel sound transmissions this fall, but few affiliates will be equipped to carry them.

Home digital audio recorder due next spring from Compusonics will provide up to hour of record-play time on single sided super high-density 5.25" floppy disc developed by Kodak subsidiary Spin Physics. Recorder is expected to retail for about \$1,200, blank formatted discs \$6 each. Pres. David Schwartz said recorder is aimed at filling high-end market hole that will be left as prices on digital CD players decline. He said player employs special data compression techniques, contains four 32-bit microprocessors. Discs will have capacity "in the tens of millions of bytes." He said players will interface with IBM & Apple computers to provide sophisticated editing & mixing capability, adding that programs could be sold direct to home via cable or telephone.

Atari's first home videogames developed in 2 year-old venture with Star Wars creator Lucas Film will be Ballblazer & Rescue on Fractalus, due in 3rd quarter for Atari computers and 5200 game console at about \$35 each. Atari said it would release versions for Apple, Commodore & IBM computers later in year.

SPECTRAVIDEO REVIVING: With its financing problems about to be resolved through closer link with Hong Kong computer product supplier Bondwell Holdings, Spectravideo will be going all out to build credibility with dealers at Summer CES in Chicago, according to Harry Fox, who will be stepping down as pres., but is continuing on board and retaining marketing & sales responsibilities.

SV, he said, expects to have signed agreements before show opening on deals that will increase BH's ownership to 49%, provide for settlement with creditors and insure needed financial support. "Everything is in the final documentation stage right now" and could be wrapped up in July.

SV's main difficulty was with longterm financing, and that started last June when its prime lender, a South African bank, decided U.S. home computer market was too volatile and withdrew support, Fox said. U.S. banks also shied away, and deal with BH was struck when its Hong Kong bank agreed to help if SV became BH subsidiary, he said.

With BH backing, SV will become dual level computer marketer, offering its own brand computers for consumers, new Bondwell line for professional market. At CES, it will be showing 2 packaged versions of its 64K model 328. One, with cassette recorder, Colecovision game adaptor, joystick and 3 games at \$350, other including 4-slot expansion module with dual disc drives and 80-column display card at \$1,295.

It also will unveil long awaited MSX standard computer using new international standard ROM recently developed by Microsoft, original designer of MSX format. Fox said SV is planning Aug. delivery of MSX console which will list at \$595 with double-sided 5.25" disc drive. While other companies will be showing MSX computers at CES, main marketing effort for standard isn't expected until Winter CES next Jan., Fox said.

Bondwell line will include 64K portable with twin single-sided drives, built-in 9" monitor at \$995; step up with double-sided drives and improved operating system at \$1,395. Coming later is free-standing word processor at \$3,000.

Smith-Corona adds low-cost dot matrix computer printer at \$250, 3 computer compatible electronic typewriters with up to full-line automatic erasure capability at \$549, \$559 & \$599, with computer module.

BASF said its sales of videocassettes had high worldwide growth rate in first quarter, but intense competition continued to depress prices. It also reported rapid sales increase for 5.25" computer discs.

Correction: Profit forecast for Zenith last week was in error; Zenith doesn't forecast profit. In same report, Jerry McCarthy's title was given incorrectly; he's senior vp, sales & mktg. We regret the errors.

HITACHI U.K. CUTBACK: Hitachi U.K. announced plan for larger than anticipated workforce reduction at color TV plant in Wales it took over last month after buying out venture partner GEC (TVD April 2 p15). Hitachi said employment would be cut to 800 from 1,300, most of layoffs coming from production force.

Move is one of series planned by Hitachi to turn plant's financial fortunes around. Original venture, formed 5 years ago on 50-50 basis to run former GEC-owned plant, had some profitable periods but generally operated at loss. Venture was plagued with labor problems, many stemming from attempts to boost production efficiency through automation.

As sole owner, Hitachi has said it intends to increase automation sharply. It also wants to revamp industrial relations and get single union representation, an issue that has gone to arbitration.

While Hitachi is scaling back in U.K. Toshiba is expanding as part of \$10.5 million worldwide increase in microwave oven production capabilities. Toshiba said it will spend about \$5 million to build plant in Plymouth, where it assembles color TVs and VCRs, \$3.5 million to expand factory in Nagoya, Japan, \$2 million to boost output in Lebanon, Tenn. to 400,000 annually from current 240,000. Toshiba said it's aiming for 15% share of world oven market.

RCA'S VIDEO LINE: Largest VCR & camera line in RCA's history, unveiled last week for marketing now and in Aug., stresses VHS Hi-Fi audio in 4 VCRs and remote programmability with on-screen graphics on 4. All models have multi-day programmability.

Lead VCR is 2-head front-load with wired remote, 4-event 14-day timer, 12-position tuner, open list; step-up at \$700 has 105 channels, wireless remote; 3-head version has 80-position voltage synthesis scan tuning with 105 channels at \$769; 5-head unit with 6-event timer is due in Aug.; VHS Hi-Fi, introduced earlier, 6 events, is \$1,000; top-end home deck has VHS Hi-Fi and remote programmability, 8-event one-year timer, 133 channels, at \$1,295; new model with 5 heads is due in Aug.

Portables are 3-head units with 6-event timer, wireless remote, \$899; previously introduced convertible model with remote programmability is \$1,295; coming in Aug. will be VHS Hi-Fi version of convertible.

RCA has 5 video cameras, starting with 1/2" Saticon model with detachable 1" viewfinder, f1.2 lens, 6:1 power zoom, open list; step-up with IR autofocus is \$859; previously introduced MOS Small Wonder palm-held camera is \$1,000; new camera with 1.5" color viewfinder, 4-color character generator with built-in list of 25 commonly used words (birthday, anniversary, football, etc.), 2/3" Saticon, 8:1 power zoom, autofocus, \$1,295; top-end camera, due late summer, is similar but has MOS sensor in place of Saticon tube.

GAMES NETWORK SHAKY: Videogame-computer shakeout may claim Cal.-based Games Network as next victim, according to report it filed with SEC last week. GN, formed to supply games directly to homes via cable TV, said it has run out of money and has lost main computer it needs to store and feed games to subscribers. If GN is forced to shut down, it will be following path of 2 other home-delivery pioneers, Game Line and GI-Mattel venture Playcable, both of which halted operations earlier this year.

GN was scheduled to start operating Feb. 1984. It had equipment installed at 2 cable systems and planned to have as many as 20,000 home terminals, computers supplied by Japan's Shinwa Digital Industries, in consumer hands by year's end. But now GN says it's broke, can't get more financing, missed last 3 payrolls and laid off 90 employees. Others have stayed on job on "voluntary basis." On May 10 it lost 2 key staff inventors in R&D Exec. Vp Stephen Klein and Engineering Vp Barry Megdal, who resigned citing company failure to market certain of their inventions properly and to meet obligation to pay them \$20,000 each.

Perhaps most serious is acquisition of GN's mainframe computer and other assets by investor Leonard Souza in settlement of \$110,000 loan default. GN has until July to raise money needed for repurchase, is exploring fund-raising options. "Should the company fail to recover its VAX computer and other assets sold to Souza," statement said, "the company would be unable to continue its operations."

Despite failure of any home software delivery system to get off ground, pot of gold potential continues to lure new entrants. Among similar services in works are NABU Network, new venture of Canadian & U.S. interests to feed game & computer software via cable; Coleco & AT&T, telephone-based system; Activision & Atari, over-air delivery system with as yet unidentified 3rd partner that may turn out to be N.V. Philips or recently established Home Interactive Systems subsidiary of its U.S. affiliate North American Philips.

FCC modified rule on hearing aid compatibility labeling for phones to require package marking on all new or reconditioned phones shipped on or after June 1, 1984 effective date. Original proposal, opposed by EIA and several marketers, would have required labels on all phones offered at retail from June 1, didn't cover rebuilds. Revised rule also requires marketers to provide retailers with labels or other written information for phones already in store inventory, bans sale of unlabeled phones after Jan. 1, 1985.

Computerland China is joint venture that U.S. retail franchiser has formed with China to open microcomputer retail outlets there. Computerland said it already has received U.S. govt. permission to hold product line exhibition in Beijing, will seek clearance for plans to train technicians & instructors and for sale of several thousand computer systems.

COMPACT VIDEO DISC? Matsushita engineers have experimentally stored 7 min. of moving, full definition video pictures on optical CD audio disc, and Shiuchi Obata, dir. of company's Disc Audio Div. thinks the 4.5" discs eventually will hold 20 min. of video.

Disclosure was made last week at Technics Seminar 1984 in Gleneagles, Scotland, sponsored by Matsushita for European technical journalists. Obata declined to state whether video was in analog or digital form. Matsushita staff demonstrated 3 methods of storing still picture graphics on CD along with digital audio: (1) Simple alphanumerics, such as music lyrics, 4,500 frames per disc at access rate of one sec. per frame. (2) 2-color graphics, 1,800 frames, access rate 2.5 sec. per frame. (3) 16-color pictorial material, 350 frames at 13 sec. per frame. Graphics were displayed with external 256K RAM.

Progress toward car CD player was outlined, revealing some significant barriers. Disc Audio Div. Asst. Gen. Mgr. Terry Yosumi said prototype auto player was being tested in Japan, with sales planned for next year. Player currently can withstand up to 0.75G shock without affecting sound; minimum of one G will be required for car player, he said, with up to 3G for some countries with bad roads. Life of semiconductor laser may be problem in sunlight dashboard environment, he indicated; diode life is rated at 5,000 hours at 50 degrees C (122 degrees F), every additional 10 degrees C (18 F) halves life. Discs pose no problem -- they're stable up to boiling point.

Matsushita currently is pressing up to 10,000 discs per day, with goal of getting cost down below \$2.80 per disc including plastic case. Disc prices are coming down rapidly from about \$20 when first introduced. It's understood Pickwick will be introducing classical CDs in Europe pressed by Polygram at about \$8.50 each.

Matsushita estimated disc production last year at 1.6 million average per month, this year at 4 million. Player sales last year totaled 310,000 worldwide, of which 40,000 were sold in U.S., 160,000 Europe, 80,000 Japan, 30,000 elsewhere. This year, total is expected to be 680,000 -- 250,000 in U.S., 220,000 Europe, 130,000 Japan, 80,000 elsewhere.

Seagate Technology has put on hold plan to open new 5.25" disc drive plant in Watsonville, Cal. in favor of expanding output at plants in Bangkok & Singapore. Company said all production of full-height drives is being moved to Far East in cost-cutting effort, and that new half-height drives will be shifted there by early next year. Seagate said it has frozen hiring in U.S., and has no firm start-up schedule for Watsonville plant, which had been slated to begin operating in 2nd quarter this year.

Taiwan exports of electronic & electrical appliances jumped 50.9% in first quarter to \$1.3 billion, govt. reports.

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

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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
Certron			
1984-6 mo. to April 30	13,997,000	157,000	.05
1983-6 mo. to April 30	11,842,000	118,000	.04
1984-qtr. to April 30	7,770,000	118,000	.04
1983-qtr. to April 30	5,755,000	30,000	.01
Comcast			
1984-qtr. to March 31	23,810,000	2,204,000	.26
1983-qtr. to March 31	19,179,000	1,454,000	.20
Electrohome*			
1984-13 wk. to March 30	30,900,000	(100,000)	--
1983-13 wk. to April 1	35,200,000	(700,000)	--
Emerson Radio			
1984-year to March 31	183,029,000	9,084,000	.64 ^a
1983-year to March 31	95,051,000	3,133,000	.23 ^a
1984-qtr. to March 31	46,556,000	1,437,000	.10
1983-qtr. to March 31	23,634,000	4,276,000	.31 ^a
Metromedia			
1984-qtr. to April 1	140,095,000	(434,000)	--
1983-qtr. to April 3	121,529,000	9,351,000	.32 ^a
Oak Industries			
1984-qtr. to March 31	105,203,000	(12,490,000)	--
1983-qtr. to March 31	106,625,000	(24,342,000)	--
Philips NV^d			
1984-qtr. to March 31	3,900,000,000	91,400,000	--
1983-qtr. to March 31	3,280,000,000	39,600,000	--
Superscope			
1984-qtr. to March 31	9,076,000	(798,000)	--
1983-qtr. to March 31	7,825,000	(916,000)	-- ^a
Taft Bcstg.			
1984-year to March 31	453,824,000	39,156,000	4.03
1983-year to March 31	380,955,000	38,035,000	3.83
1984-qtr. to March 31	66,337,000	5,959,000	.63
1983-qtr. to March 31	56,094,000	3,993,000	.43
Tele-Communications			
1984-qtr. to March 31	101,323,000	13,009,000	.29
1983-qtr. to March 31	76,755,000	9,169,000	.21 ^a
Telepictures			
1984-qtr. to March 31	18,890,700	1,177,500	.18
1983-qtr. to March 31	9,640,300	554,800	.09
Video Corp. of America			
1984-9 mo. to March 31	23,962,000	2,294,000	1.35 ^a
1983-9 mo. to March 31	16,294,000	586,000	.35 ^a
1984-qtr. to March 31	9,838,000	1,356,000	.80 ^a
1983-qtr. to March 31	5,831,000	419,000	.25 ^a

Notes: ^aIn Canadian dollars. ^bIncludes special credit. ^cAdjusted. ^dAt guilders' current rate. ^eRestated.

Consumer Electronics Personals

Steve Shafer, ex-Timex & Sharp, joins Sanyo Consumer Electronics Div. national sales mgr., succeeding Pat Reardon, resigned... Conrad Jutson, Atari Products senior planning & distribution vp, named acting sales chief, replacing Exec. Vp Don Kingsborough, reassigned to special duties under Chmn. James Morgan. Kingsborough, expected to leave Atari, reportedly is negotiating for slot at Coleco... Jon Passini, ex-Sampo, appointed Jensen Home Audio Div. vp-gen. mgr... Walter Kane, ex-Kane Mktg., onetime Corning, appointed Sony Consumer Products national incentive sales mgr.

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Jack Townhill advanced at RCA Videodiscs (U.K.) from mktg. dir. to managing dir., replacing Steve Bernard, now devoting full time to post of managing dir., RCA/Columbia Pictures Video (U.K.)... Barrett Guisinger named vp & technology dir., Sony Technology Center... Harvey Gillis resigns as Activision finance vp.

Brian Segall, ex-Orion Pictures, appointed MGM/UA Home Video business affairs vp; Janet Ehman & Stephen Katz named midwest and southern regional mgrs., respectively... Brown Johnson, ex-Showtime/Movie Channel program planning dir., named vp of east coast film acquisitions, Vestron Video... Joseph Annechino advanced at CBS/Fox Video from merchandising mgr. to product mgmt. dir. of Key Video, new venture... Jack Silverman, ex-Commtron chmn., named chmn. of Continental Video, newly formed program supplier; James Silverman becomes pres.-CEO, Dan Conora named controller, Eric Parkinson appointed product mgr... Roy Trakin, ex-Showtime/Movie Channel, named PR dir. for RIAA and RIAA/Video.

Semiconductor shipments by U.S. & European producers are expected to hit \$15 billion this year, rise of 37% from \$11.04 billion of 1983, according to SIA's World Semiconductor Trade Statistics Committee. Sales are seen rising about 24% next year to about \$19 billion, increasing by 19% to about \$22.5 billion in 1986. Group said it plans meeting with Japanese this summer to make estimates for total world market.

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MAY 28, 1984

VOL. 24, NO. 22

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

TINKER HONEYMOON EXTENDED by NBC affiliates who give network more time to improve ratings; \$1 billion committed to entertainment shows. Grossman promises No. 1 in news. (P. 1)

NCTA CONVENTION 'CELEBRATION' of cable's coming of age. Preregistration is up from 1983, with 329 exhibitors expected. (P. 4)

NCTA MAY BYPASS CABLE TALKS with cities to move stalled cable bill: "Obviously we will not negotiate indefinitely." (P. 5)

CANADIANS OKAY COPYRIGHT TALKS: NTIA's Markey says possible modification of Canadian law would provide long sought compensation for U.S. broadcasters. (P. 5)

STEREO CONVERSION KITS for TV transmitters due from Harris in Aug., RCA by new year. Conversion costs 'minimal,' they say. (P. 6)

TURNER EYES RECORD YEAR for 1984, despite 'disappointing' 4th quarter loss & projected loss for first quarter 1984. (P. 6)

FCC RESPONDS TO HOUSE PANEL QUESTIONS, in thick document comments on wide range of issues from radio deregulation to FCC public complaints bureau. (P. 8)

TV AFFILIATES GIVE NBC MORE TIME: NBC Chmn. Grant Tinker's continued honeymoon with network's TV affiliates was ensured after closing session of affiliates' convention in L.A. last week. Near-unanimous attitude of station executives, as expressed by veteran affiliate: "Give them a little more time... They know what their problems are and they're attacking them." Same sentiment was expressed by other affiliates, who had very mild closed Q-&-A session with network executives. And Tinker fortified them ahead of closed meeting, saying it was first time he could speak with "real optimism" on prime-time programming.

Following affiliates-only gripe session day earlier, long-time affiliate told us: "It was the quietest meeting of NBC stations I've ever attended. There seemed to be a consensus that Tinker and his people are attacking the network's [programming problems] and know what they are doing." Outgoing affiliates Chmn. Fred Paxton, WPSD-TV Paducah, agreed, said stations

Consumer Electronics

KODAK 8mm DELIVERIES to start Sept. 1, sales in full swing by 4th quarter, company says. Dealers reassured that 1/2" sales won't be hurt. (P. 10)

VIDEO IMPORT SURGE sees new shipment records for color TVs, VCRs, cameras and disc players set in March and first quarter. (P. 11)

NAPCE GOING HEAVILY into stereo in Magnavox, Sylvania & Philco lines with MTS built-in and adaptable TVs. Sees market for 15.7 million color TVs, 6.5 million VCRs this year. (Pp. 12 & 16).

POCKETABLE COLOR TV with 2" LCD display due for marketing here under Seiko & Epson brands this fall at about \$550. Wrist TV being dropped. (P. 13)

ATARI PUTS ANOTHER HOLD on entry into high-tech phone market, introduces 7800 videogame console at \$150. Talks with Philips. (P. 14)

PROBE INTO GRAY MARKET imports and their impact launched by Commerce & Customs. (P. 14)

VIDEODISC PLAYERS to get share of CES spotlight by Pioneer, RDI & JVC. RCA ending CED player output in June, still pushing discs. (P. 15)

SCES SCHEDULE has video and computer-games panels June 3, audio and phones on June 4. (P. 16)

wanted to give NBC time to turn situation around. Added member of affiliates' board: "Tinker's got at least one more programming season... It will very likely be a different situation if we're still a poor 3rd when we come back to the Century Plaza next year."

On other hand, several affiliates expressed concern about "lowest common denominator" of new programming NBC will be offering in fall. Where are such quality innovations as a St. Elsewhere or Cheers, they asked. Several affiliates called new schedule "commercial" -- with sex & violence -- and some complained about both elements in new shows Hunter and Miami Vice.

In luncheon speech just before closed meeting, Tinker signaled change in past programming decisions since he became chmn. 3 years ago. "Instead of running a boutique which attracts only people with the same taste as ours," he said, "we're running a giant department store... Our target audience is everyone who watches television. While that doesn't mean we should be providing lowest common denominator programming, it surely doesn't mean we should be contemptuous of shows that great numbers of people enjoy watching... Our job is to get all America into our tent and we're going to be doing that with programs that have great appeal."

In his first appearance before TV affiliates as pres. of NBC News, Lawrence Grossman listed his priorities. First "is to be number one with each of our regularly scheduled news programs -- no ifs, ands or buts... We expect to mount an aggressive, competitive, winning news effort... If we can't come up with fascinating and successful new programs, there must be something radically wrong with all of us."

Grossman said that NBC News will pursue "an aggressive course" in development of new programs and that News Division has commitment from top management for new prime-time programming. "We've already begun talking about developing such projects, for instance, as a major new hard-news weekly magazine, an off-beat 'vox pop' news series... or perhaps even a news game show. I can tell you that idea raised some eyebrows both inside and outside the News Division." He said that for first time news is producing pilots "and full treatments so that we can compete with the Entertainment Division for air time."

First such new program will be 11-part series Summer Sunday USA, starting July 1 at 7 p.m. (opposite CBS's 60 Minutes). Grossman said it will feature "provocative interviews, reporters' stories and a probing look at the week ahead." Sun. after political conventions, program will be turned over to correspondent Roger Mudd "to focus on the Democratic and Republican Party tickets as only Roger can do."

Grossman expressed concern about "apparently widespread mistrust of news media today... There are too many occasions in which some of us in television news are guilty of arrogance, of showing off, and of intruding unnecessarily and offensively into private lives. On occasion, those of us in news have a tendency to act as if we are beyond honest criticism and above the people we cover and the audiences we serve. We must take care not to hold up the First Amendment as a shield for our own inadequacies. The news is a privileged profession, but it is not a priesthood. We need more self-examination, more self-criticism, more awareness of our weaknesses and our deficiencies."

To help in this area, Grossman has reestablished NBC News Editorial Board, which meets each morning "to examine what we are covering, what we should be covering, what we are overlooking, whether we are being unfair on any story, what we should follow up." Among board members are correspondents Tom Brokaw & John Chancellor.

Grossman acknowledged there's been much concern -- inside & outside NBC News -- about hiring of Frank Magid Assoc. as consultant "to help us research new opportunities for the Today show... These concerns are understandable. But my own conviction is that we ought to take help from anyone whose experience, judgment and insights might be of use." Magid firm was hired before Grossman joined NBC and its first recommendations on Today are due next month.

NBC told affiliates it will start coverage of Democratic & Republican conventions at 9 p.m. EST, will provide "window" at 11 p.m. for local news. Paxton said that affiliates' board and its news committee were unanimous in opposing resolution presented by Group W against exit polling. During next programming cycle (picking shows for Fall 1985 season), NBC will consider programs best suited for stereo broadcast, according to TV network Pres. Pierson Mapes.

Group Exec. Vp Raymond Timothy told opening session that network has increased entertainment budget to more than \$1 billion. He said 44 movies for TV and 12 miniseries are in development or production. Convention opened with party at NBC's new Studio 11 in Burbank -- "aptly named because it cost \$11 million," Timothy said. He said studio is proof of NBC's & parent RCA's "commitment... to keep our partnership [with affiliates] vital, profitable and exciting to the end of this century and beyond."

Mapes made standard pitch for clearances by affiliates, put best light possible (through use of graphics) on NBC's perennial 3rd-place finish in prime time. He said that network is "virtually sold out" for 3rd quarter and that "upfront September [sales activity] has started very early." He said that NBC is serving 22 TV affiliates with programming fulltime via SBS-3 Ku-band satellite, that all affiliates will be receiving NBC programming via satellite by Jan. He added that NBC will be "years ahead of ABC and CBS" in satellite delivery. Network said there have been 12 weather-caused outages at stations during testing of Ku-band satellite delivery to affiliates, estimates that stations can expect to lose about 53 min. in satellite reception per year. NBC is leasing Harris receive stations from Comsat for 10 years, with option to buy.

Disagreeing with CBS Sports Pres. Neal Pilson (who told CBS affiliates week earlier that new technology isn't real threat to major sports events on network TV), NBC Sports Pres. Arthur Watson said: "There's no sugarcoating to it -- the numbers for everything are down. On ABC, on CBS, on NBC... And this is a stark reality." Reason, he said, is "competition from basic cable, pay cable, from syndicators, superstations, and to some extent from ourselves [networks vs. affiliates]... And, it is the reality of overexposure which most fundamentally threatens the future of network sports TV."

In formal speech, Tinker concentrated on "entertainment programming, an understandable choice because it's the first time I've been able to get up here with real optimism." Introducing NBC's fall prime-time schedule just ahead of Tinker's speech, Entertainment Pres. Brandon Tartikoff told affiliates "it is our turn."

Tinker said: "It may seem like an odd time -- given the Nielsen results of this season [with NBC finishing a poor 3rd] -- to be so upbeat, but I am." He said network's prime-time schedule for fall (which includes 7.5 hours of new programming, 14.5 hours of carryover shows) is "exciting... It has admittedly taken time to right the boat after our dismal program choices of last fall..."

"I am optimistic about our schedule, primarily because it is in tune with the times from an audience standpoint. The shows within it... are clean, clear, simple. Nothing's fuzzy, subtle or obscure. It's the kind of programming that makes its presence known, that reaches out and grabs the viewer and says 'look at me.' As we look toward the fall... I have difficulty maintaining a demeanor of calm and detachment. That's because for the first time we have the horses. In short, we're ready."

In his only departure from programming, Tinker stressed "stability" of NBC's top executives. "There were times -- not long ago -- that NBC seemed equally unable to keep programs on the air and executives in their jobs. I am happy to note that both trends have been reversed and we are a far stronger company because of it." He said that 6 NBC executives who report directly to him have "a total of 95 years of NBC experience." Tinker didn't mention Robert Mulholland, who had more than 20 years at NBC and was forced out as pres. this spring.

Tartikoff was applauded when he told affiliates: "Once and for all, it is our turn and we are finally going to get out of 3rd place... We will not be denied any more." He claimed that Madison Ave. feels that NBC has "hit a bull's-eye" with its fall schedule and that network is in "best competitive shape in years." NBC's fall promotional theme is "Let's All Be There" and Tartikoff gave affiliates broad overview of schedule intended to keep NBC "as the comedy network." He said emphasis is being given to improving Fri. & Sat. night schedules -- with 3 new hour shows on Fri., 2 on Sat.

Involved in long-standing contract dispute with NBC, members of National Assn. of Best. & Electronic Technicians picketed opening day of network's TV convention at Century Plaza Hotel and Studio 11. NABET has been operating without contract for months, authorized strike (if there's no settlement) to start just before July Democratic convention in San Francisco. Major issues are job security & new technology.

Very much in evidence throughout affiliates' convention were RCA Chmn. Thornton Bradshaw & Pres. Robert Frederick (designated by Bradshaw as RCA's next CEO), but neither spoke. Convention ended with banquet starring Johnny Carson and Loni Anderson & Lynda Carter; latter are stars of NBC's new "Partners In Crime."

STAGE SET FOR NCTA GATHERING: NCTA convention will be "celebration" of cable's coming of age, outgoing Pres. Thomas Wheeler said at preconvention news conference last week. Cable subscriptions have picked up to estimated 400,000 new buys per month, and Wheeler forecast that by end of 1985 cable will be in 50% of America's households. Industry focus finally has shifted from building new systems to marketing; shakeout has happened; many cable operators are in black, "new era" is here, Wheeler said.

NCTA members gather June 3-6 in Las Vegas for 33rd annual convention. Preregistration is running ahead of last year, has topped 10,000, Wheeler said. Final attendance at 1983 Houston convention was 15,600. NCTA expects 200,000 sq. ft. exhibit hall to sell out, has paid orders for 183,000 sq. ft. from 329 exhibitors, with orders still coming in, he said.

Figures are slightly below 1983 levels, but Wheeler denied that show may be losing appeal, said industry shakeout has had minimal effect. He said 60 new exhibitors are signed on, which will help to compensate for loss of some booths to mergers, such as Movie Channel & Showtime. NCTA hopes that moving convention to Las Vegas, and having it simultaneously with International Cable Society & National Cable Programming Conference meetings also in city, will boost attendance, which was down last year. Wheeler said 12 countries will attend international meeting.

Twelve technical sessions are scheduled, with 50 papers to be presented, but no controversial technical issues are expected. As sign of cable's growth, once hot addressability issue will be discussed in session titled "Addressability: Coming of Age." More than 250 panel participants are scheduled, including 33 legislators whose honoraria NCTA refused to reveal. Senate Communications Subcommittee Chmn. Goldwater (R-Ariz.) & House Telecom Subcommittee Chmn. Wirth (D-Colo.) are major speakers. C-SPAN will provide live coverage. Net revenues are expected to be about \$1 million.

Hotel workers' strike should be settled before convention, although MGM Grand still was negotiating late last week. Even if strike continues, NCTA officials didn't expect convention to be disrupted, noted that NAB show there in April went smoothly.

Storer Communications is selling 3 cable TV systems in D.C. suburbs for \$49 million that it will use to reduce corporate debt & aid capital needs, official said. Company is selling systems in northern Prince George's County, Md., Leesburg, Va., & Ft. Belvoir, Va. with total of 25,000 subscribers to group of Washington area investors.

Pirating cable TV signals drew \$34,000 total fines for 8 defendants under ruling by N.Y. Supreme Court judge. Four taverns were fined \$5,000 each and 4 individuals \$1,000 each for pirating signals of Cablevision Systems of Woodbury. They also were fined total of \$10,000 to cover cost of cable service and removing illegal equipment.

BYPASSING CABLE TALKS POSSIBLE: NCTA might yet bypass negotiations with cities if that's what it will take to move stalled cable bill in House, Assn. officials said. Although NCTA "deeply wants" to reach agreement with National League of Cities for new compromise HR-4103, "obviously we will not negotiate indefinitely," Pres.-Elect James Mooney told reporters at news conference last week. Solo press for action in House Energy & Commerce Committee is option that "we're not ruling out," he said.

But Thomas Wheeler, outgoing pres., believes compromise still is possible and is convinced he'll have "something more specific" to disclose about talks in his opening remarks at NCTA convention. NCTA members gather June 3-6 in Las Vegas for 33rd annual trade show, where Wheeler intends to be "very specific on what's happening and where we are" on legislation "if forces are working right." He wouldn't give details, but NCTA reportedly is considering cities' offer to relinquish local control over rate regulation in exchange for tougher franchise renewal standards (TVD May 1 p6).

Under proposal, cable operators would be able to raise rates for existing tiers by 5% per year for 4 years, when limits would end and operators could set levels free of local regulation. FCC would retain ability to put cap on increases. In return, cities want burden of proof to be on cable operators in disputes over denied franchise renewals. Wheeler remains hopeful that cities' proposal can lead to final accord for HR-4103: "There is motion, there is momentum, the sides are coming together."

But time isn't on cities' or industry's side. Congressional campaigns plus fact this is presidential election year are combining for short session. Both houses plan 3-week breaks in July & Aug. for conventions as well as May 25-31 Memorial Day recess. Oct. 4 is adjournment target -- not enough time for a controversial HR-4103 to make headway but certainly time enough for compromise to reach President, Mooney said. But some lobbyists & Hill aides we talked to are skeptical, said if accord doesn't reach Committee by mid-June, bill is bound to die. One lobbyist predicted most congressional activity will come to halt after week of June 24: "The bill must be done by then or it won't get done."

If NCTA officials are concerned, they aren't showing it. NCTA has buckled down for convention, sidetracking almost everything else (see story elsewhere in this issue). Mooney & Wheeler fly to Nev. Fri. & Sat. before June 3 convention opening, which some are taking as sign no legislative surprises are expected then. Wheeler also plans extended July vacation, and formal passage of authority to Mooney Aug. 1 should go "as hoped" with HR-4103, he said.

U.S. Supreme Court ruled newspapers may be barred from publishing information they obtained as result of pretrial court order in libel case against them. But Court noted information may be printed if obtained from sources other than judge's order.

Canada has agreed to discuss options with U.S. to resolve copyright & satellite retransmission disagreements. NTIA Dir. David Markey told FCBA that Canadians made concession at Niagara On The Lake bilateral talks. U.S. delegation was headed by FCC Chmn. Fowler, included Markey & State Dept. Coordinator for International Communication & Information Diana Dougan. Canadian delegation was headed by Deputy Minister of Communications Dept. Robert Rabinovitch. Markey said chances that Canada will modify its copyright law to meet U.S. objections appear improved. He said White Paper was submitted to House of Commons May 2 supporting copyright protection for all primary transmissions, including pay TV. At issue is lack of copyright compensation to ABC, CBS, NBC & PBS, whose signals are picked up by Canadian Satellite Communications Inc. and retransmitted for fee to Canadian cable systems. Markey said Americans learned that company now wants to sell signals to Alaskan cable operators -- still without paying royalties. Other issues discussed included U.S.-Canadian efforts to reach accord on satellite transmission of business services, Canada's involvement in Mobilsat (U.S. partner is required and Mobilsat wants to use 800 MHz band already dedicated to terrestrial services), and increasing telecommunications trade with U.S. manufacturers.

Reorganization is being considered for Office of International Communications & Information at State Dept., headed by Diana Dougan. Plans under consideration call for upgrading office to bureau level, giving dir. new title of asst. secy., or putting office under Under Secy. for Economics & Business Affairs, giving coordinator new title of deputy asst. secy. for international communications plus ambassadorial rank. But given turf war with Commerce Dept. over who's in charge (see stories elsewhere in this issue), Hill sources believe beefing up Dougan's office is unlikely to win congressional approval.

Sexual harassment lawsuit was filed last week against ABC & 3 top executives, including Corporate Vp James Abernathy, in U.S. Dist. Court, D.C., by Cecily Coleman, who until May 1 headed network's advisory committee on voter education. News conference was held in Washington to announce lawsuit that seeks \$1 million punitive damages, lawyers' fees. Suit also accuses ABC of retaliation against her because of her complaints, intentional infliction of emotional distress and defamation. Richard Connelly, ABC PR vp, said: "Ms. Coleman's claims have been fully reviewed and we have concluded there is no merit to them."

FCC said last week Phil Donahue's TV show is exempt from Sec. 315 of Communications Act as "bona fide news interview program." Media Access Project had objected to exemption. However, after Multimedia Entertainment, producer of program, filed supplement to its request, MAP filed statement of conditional support. Multimedia's supplement amplified steps being taken to ensure that program couldn't be manipulated to benefit any candidate.

MTS FOR STATIONS: Equipment to retrofit transmitters for multichannel TV sound (MTS) will be available in Aug. from Harris. RCA is "uncertain" about its dates, but expects conversion kits by new year. Both say conversion requires "minimal" investment.

Harris "already has some orders," according to TV RF Products Mktg. Mgr. Gaylen Evans. Harris's 10-50-kw transmitters, installed over last 5 years, require only single minor modification to aural exciter -- replacement of narrow audio band circuit with wide band for transmission of full 120 kHz baseband, Evans said. That's done through swap of circuit cards at cost of \$850.

RCA's current models also are easy to adapt, RCA Best. Div. Mktg. Vp Dennis Woywood said. "Anyone with a relatively new transmitter could probably be converted by this fall," he said. He added that RCA was working with stations on "one-by-one" basis, had no orders yet. For generation equipment, Woywood said, RCA is sending customers to Modulation Sciences, Brooklyn, which is offering \$13,000 stereo TV generator with 90-day delivery, \$3,750 "TV Sidekick," separate audio program (SAP) generator with 60-day delivery, and precision aural demodulator at \$3,000.

White House is "very near" decision to recommend approval of alternative satellite systems in competition with Intelsat, sources said. But Intelsat's competitive position would be strengthened. We understand that White House is likely to accept Commerce Dept.'s strong recommendation that Intelsat agreements be reexamined with eye toward permitting more flexible pricing of its services allowing it to meet competitive challenge. Change would have to be made by renegotiating Intelsat agreements to allow global satellite organization to charge different rates on different routes. Also under discussion and expected to be part of final White House recommendation is extended public comment period at FCC, which would have to be finished before competitors could launch services. Issues were discussed at meeting last week attended by State Dept. Deputy Undersecy. William Schneider, Presidential adviser Craig Fuller & NTIA Dir. David Markey.

Cable industry is at "threshold of substantial growth," but still will go through "a wrenching period," according to Dennis Leibowitz, cable analyst with Donaldson, Lufkin & Jenrette. In past years, cable construction was ahead of product availability, now material for systems is abundant and construction is playing catch-up, Leibowitz told Washington Metropolitan Cable Club. Main problem is that "new franchise bids went too far" in promising services that couldn't be delivered, Leibowitz said.

Lifetime said it's available on 1,818 cable systems with 18.6 million households, up 2.6 million & 218 systems since Feb. 1 launch. It projects reaching 24.5 million households by year end.

TURNER SEES 1984 RECORD YEAR: Turner Bestg. is "now in a position to maintain profitable operations on an annual basis" despite "disappointing" \$5 million loss in 4th quarter 1983 and projected loss for first quarter 1984, according to annual report. Company predicts 1984 will be "record year" for profits.

WTBS is cash cow, with 40% increase in revenues in 1983, almost all of which came from ad sales. Turner revenues were \$224.5 million -- including \$136.2 million from broadcasting, \$65 million from cable productions, \$21 million from sports.

CNN & CNN Headline News had 11% increase in subscriber fees, but overall average rate per subscriber declined "due to intense competition among cable programmers for limited amount of available channel capacity."

Despite profits, company couldn't generate sufficient cash flow from its operations during 1983, had to restructure bank loans. Current funds are expected to be sufficient for 1984, report says, but "company faces several uncertainties that could arise out of normal operations" -- and Turner has "no assurance" that it could come up with further financing.

Major TV networks should pay attention to public unhappiness with their election reporting and stop projections, American Assn. for Public Opinion Research was told last week in Delavan, Wis. Rep. Swift (D-Wash.) appealed to group to speak out against what he said was unethical use of exit polls for projections; joining Swift was pollster Burns Roper. But ex-CBS News Pres. & ex-NBC News Vice Chmn. Richard Salant countered: "Journalism isn't holding up your finger to see which way the popular wind is blowing." He called claims that projections discourage western voters from going to polls "a very large fuss about a very few people." Most registered voters vote and do so long before they can hear any projections, he said. Taking Salant's side was Floyd Abrams, who represents 3 networks, N.Y. Times & Everett (Wash.) Herald in federal suit seeking to have Wash. law against exit polls declared unconstitutional.

CBS has filed 378-page brief in U.S. Dist. Court, N.Y., seeking dismissal of Gen. William Westmoreland's \$120 million libel suit arising from 1982 program that claimed he conspired to underreport enemy troop figures during Vietnam War. CBS said truth of its report was adequate libel defense, also argued that program contained no malicious mistakes and that reporting of charges concerning conduct of war cannot be basis of libel suit by American commander of that war.

Seminar on U.S. Constitution as children's programming subject in 1987, document's 200th anniversary, is planned by Action for Children's TV June 6-7 in Washington. Among participants are Fred Friendly, prof. emeritus, Columbia U.; Michael Fuchs, HBO pres.; Raymond Timothy, NBC group exec. vp; Ward Chamberlin, WETA-TV Washington pres.

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FCC RESPONDS TO HOUSE INQUIRY: In detailed document, FCC last week answered 66 questions from House members. Questions were submitted April 13 by House Telecom Subcommittee Chmn. Wirth (D-Colo.), grew out of issues raised at Feb. 8 oversight hearing by panel (TVD Feb 13 p3), contained no surprises. Everything from fairness doctrine to public affairs complaint bureau were addressed, with emphasis on FCC's record in processing applications & handling complaints.

Commission said it expects final decision on remaining LPTV issues this fall, that rural applications remain priority, but that larger markets also are getting attention now. FCC remains hampered by backlog of applications, has 25,000 applications pending from March 5 filing, about 6,000 from earlier filing. New computer system has expedited processing, which FCC said can't move any faster because facilities are at limit, and that there's no more room at hq for staff or terminals that might be used in data entry.

Subcommittee expressed concern over impact of deregulation on radio services, was assured that FCC remains vigilant, won't let services slip, but hasn't had need to make special inquiries: "Since there has been no particular indication that radio licensees have fallen short in serving the needs of their communities." As evidence of Commission's monitoring industry for shortfalls, FCC said it has 9 complaints & petitions to deny pending. But Subcommittee's worries were bound to be exacerbated by FCC's admission that 3 license renewal denials have been reversed by commissioners or Review Board since Chmn. Fowler's arrival. Commission said it will rely on complaints & petitions to deny from public in deciding whether deregulation is working.

Using lottery, cellular radio licenses are expected to be granted in all top 90 markets by first quarter of FY '85, all other markets by 3rd quarter. On WVEU(TV) Ch. 69, Atlanta interference problem stemming from land mobile radio stations, Commission said it was fully apprised of case's details before issuing its controversial "newcomer preference" decision. FCC said future construction permits for Chs. 69 & 14, where interference also can be problem, now are being issued on condition all "objectionable" interference is eliminated first.

Fairness doctrine policy, FCC complaint process, ethnic stereotyping & minority issues, satellite competition & common carrier-related subjects also were discussed. Questions came from Wirth & Reps. Biaggi (D-N.Y.), Byron (D-Md.) & Swift (D-Wash.).

GTE Spacenet 1 was launched May 2 on Ariane rocket from Arianespace launch center at Kourou, French Guiana. Spacenet 1 is first in \$300 million, 3-satellite system being developed by GTE Spacenet. Hybrid satellite, which carries 18 C-band and 6 Ku-band transponders, will provide C-band service to 50 states and Ku-band to continental U.S.

Decrying influence of PAC money on Congress, NCTA Pres. Thomas Wheeler suggested that TV & cable industries should sell only limited amounts of political advertising time at rock-bottom rates. Addressing International Radio & TV Assn. luncheon in N.Y., he said: "Why don't the broadcasting and cable industries petition the federal government to establish limits on the amount of political time which will be made available and agree to special lower rates for that limited time?" Unless industries voluntarily limit political advertising, Wheeler said, day will come when "campaign reform will impose its own ideas, its own limits, its own rules on the electronic communications industry, further limiting our rights beyond what we know even today." He said that NCTA's PAC contributes more than \$100,000 to congressional candidates every 2 years.

Commerce Dept. is in charge of U.S.'s international communications policy, argues report by House Energy & Commerce Committee. But that doesn't mean State Dept. should bow out, only that its role is providing "foreign policy perspective." Report acknowledges that Executive Branch organization is confusing as to who's responsible, Executive Order on roles also is perplexing, causing "duplication and confusion." Report appears to blame State for turf war, chastises Dept. for failing to cooperate with Commerce on developing recommendations for White House on competition to Intelsat. Committee warns of "remedial legislation" if feuding persists.

New TV station is KQFB (Ch. 20) Tacoma. Owned by Family Bestg. Co., it began operating March 30. Paul Gray is pres., has 11.11% interest, as do 8 other investors. Address is 2607 Bridgeport Way W., Suite 2K, Tacoma, Wash. 98466, 206-565-7770.

Obituaries

Joseph Klapper, 67, leading researcher on effects of TV on behavior, died in N.Y. May 17. Cause wasn't immediately known. He authored "The Effects of Mass Communications," considered leading textbook in communications research, and conducted many studies on effects of TV on children & adults. He was CBS dir. of social research at his death. Wife survives.

Donald McGannon, 63, retired chmn. of Group W, died May 23 in N.Y. of Alzheimer's disease after illness of several years. He served as asst. dir.-bestg. & gen. mgr. of DuMont TV Network's stations 1952-1955, moved to Westinghouse Bestg. as vp-gen. exec., subsequently serving as pres. and later chmn. until Nov. 1981 retirement. Known for strong stands on broadcast issues, McGannon lobbied for & won FCC's prime-time access rule. Under his administration, Group W stations banned cigaret ads before it was required by law, later withdrew from NAB TV Code and established stricter programming standards. In 1965, Group W pioneered all-news radio. Among his awards were Emmy, NAB Distinguished Service, 1984 Peabody. He's survived by wife, 7 daughters, 6 sons, 9 grandchildren.

Personals

James Lynagh, Multimedia Bestg., elected chmn. of NBC TV affiliates' board, succeeding Fred Paxton, WPSD-TV Paducah, who served 5 years; C.E. Cooney, KPNX-TV Phoenix, and James Edwards, WJAC-TV Johnstown, Pa., chosen vice chmn.; William Faber, WXFL Tampa, re-elected secy.-treas.; Eric Bremner, King Bestg., and Bruce McGorrell, Me. Bestg., elected dirs., succeeding Bazil O'Hagan, WNDU-TV South Bend, and Francis Martin, Chronicle Bestg.

Thomas Railsback, ex-Rep. (R-Ill.) & ex-exec. vp of MPAA, now attorney with Washington law firm Blum, Nash & Railsback, has been retained by NAB to represent it on copyright matters in Congress through end of this session... Jane Hartley promoted to corporate communications vp, Group W, succeeding Billie Brown, resigned to form PR firm.

Leonard Lucas promoted to production planning & services vp, NBC operations & technical services; Bernard Gehan advanced to vp, west coast labor relations; Jack Harris, H&C Communications, honored by NBC Chmn. Grant Tinker at affiliates meeting for 4 decades of service... Ed Turner advanced to exec. vp, Cable News Network... Joseph Martelle, ex-Martelle & Co., appointed WDIV Detroit sports operation mgr... Donald Latham, deputy undersecy. of defense, will be nominated by President Reagan to be asst. secy. defense-command, control, communication & intelligence, new post.

George Milne, ex-Ford Aerospace, named pres.-COO, Satellite Gateway Communications... Jan McDaniel, ex-CBS News, named Washington bureau chief, Chronicle Bestg... Brian Belgane, ex-Home Sports Entertainment, named WTHR Indianapolis mktg. mgr... Annette Guerrieri advanced to Avery-Knodel TV vp; Patty Lynch named vp... Andrew Viterbi promoted to M/A-Com chief scientist-senior vp... Thomas Willett advanced to senior vp-mktg. & programming, Continental Cablevision... John Tamerlano, ex-WPGH-TV Pittsburgh, appointed WRGT-TV Dayton gen. sales mgr.

Douglas Holladay advanced to business affairs vp, Weather Channel, succeeded as vp-affiliate sales & mktg. by Sandy McGovern, ex-Rainbow Programming; Cj Sartor advanced to affiliate promotion dir... Oak Media Mktg. Dept. reorganized: Cliff Lucas, ex-ON TV, named mktg. dir.; Alice Rose, ex-Showtime, appointed mktg. services mgr.; Peter Starr, ex-R&R Mktg., chosen PR mgr... James Boyle, ex-Eastman Radio, named national sales mgr., Cabletelevision Ad Bureau, new post.

At Time Inc. Video Group: Jeff Bewkes promoted to senior strategy development vp; Glenn Britt to senior finance vp; Philip Lochner to senior vp-gen. counsel... William Berman, Comsat senior vp-gen. counsel, retires; Francois Giorgio promoted to vp-gen. mgr. of Intelsat technical services... Louis Lauer becomes member of N.Y. office of law firm

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Paskus, Gordon & Hyman... Bart Tessler advanced to Mutual Bestg. news dir.; Bruce Goodman to senior vp-gen. counsel; James Kozlowski to corporate development dir.-telecommunications mktg... John Schulman named vp-gen. counsel, Warner Bros.

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Harriscopes stations have rejoined NAB. They had left after election of Edward Fritts as pres., not objecting to Fritts but to way he was chosen. Last year, Harriscopes exec. Jack Rosenthal received NAB's Grover Cobb Award, even though company wasn't member at the time.

Queens Inner Unity Cable Systems II is partnership formed by Cox Cable Queens Inc., and Queens Inner Unity Cable Systems to build & operate Queens, N.Y. system. Agreement supersedes announcement last Dec. 22 that said Cox was minority partner.

WTBS Atlanta is near finalizing contract for exclusive cable TV rights to National Basketball Assn. games. Station official said \$20 million is "in the ballpark" for contract covering next 2 years.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended May 11 (19th week of 1984):

	MAY 5- MAY 11	1983 WEEK	% CHANGE	APRIL 28- MAY 4	19 WEEKS 1984	19 WEEKS 1983	% CHANGE
TOTAL TV.....	325,642	239,137	+36.2	281,834	6,981,439	6,211,976	+12.4
TOTAL COLOR...	232,466	169,528	+37.1	249,606*	5,375,348*	4,395,578	+22.3
DIRECT-VIEW..	229,254	167,364	+37.0	246,482*	5,318,594*	4,352,059	+22.2
PROJECTION..	3,212*	2,164	+48.4	3,124*	56,754*	43,519	+30.4
MONOCHROME....	93,176	69,609	+33.9	32,228	1,606,091	1,816,398	-11.6
TV EXCL. PROJEC.	322,430	236,973	+36.1	278,710	6,924,685	6,168,457	+12.3
HOME VCR.....	102,741*	54,766	+87.6	125,918*	2,053,546*	1,089,645	+88.5
COLOR CAMERAS...	8,082*	5,003	+61.5	9,285*	141,514*	110,404	+28.2

Color TV (direct-view) 5-week moving average: 1984--256,742*; 1983--222,600 (up 15.3%).

Home VCR 5-week moving average: 1984--111,810*; 1983--62,908 (up 77.7%).

* Record for period.

KODAVISION DELIVERIES START SEPT. 1: "Basically a 4th-quarter product" is Kodak's current description of its 8mm camcorder marketing debut. Consumer/Professional & Finishing Markets Planning Dir. Richard Lorbach told us last week that Sept. 1 would be starting date for deliveries. He denied that there had been any slippage since Jan. announcement of summer start (TVD Jan. 9 p12), commenting that introductory plan had been changed from series of regional rollouts to single national premiere.

Kodak sought to calm dealers' fears that 8mm would hurt 1/2" VCR sales by stressing synergism between the 2 formats at press demonstrations last week. "8mm Video and 1/2-in. VCRs -- the Start of a Happy Marriage" was heading of one press release, which explained that 8mm Video is "plug-in compatible with any of the 1/2-in. VCR formats or equipment."

"We don't see that there is any cause for... concerns" about 8mm's effect on 1/2", Lorbach says in release, pointing out that 1/2" VCRs are selling well and that most people buy them for time shifting and for viewing prerecorded programs, while few are buying 1/2" portables & cameras. "We anticipate that the current population of 1/2" VCR owners will be among the first wave of buyers for Kodavision... Once they find out that 8mm Video is plug-in compatible with the VCRs they already own, there is going to be no holding them back... I think many of the people who are most concerned about 8mm Video today will be happily selling them tomorrow."

Lorbach conceded 8mm is competitive with portable recorders & cameras, pointing out that it offers existing 1/2" system owners an alternative to buying new deck & camera for portable use -- but at same time he said Kodavision owners would become candidates for buying 1/2" VCRs for "albuming" electronic movies made in 8mm. Lorbach said programmers had shown some interest in providing recorded software, and discussions on subject were in progress.

Kodak has signed up "several thousand" dealers, about equally divided between photo & video stores, Lorbach said, adding that it would be premature to assess distribution before CES, when company announces merchandising plans -- but "we will be in all video & photo outlets."

First deliveries, he said, will be "adequate to provide a good level of inventory." Kodavision presumably will still beat Polaroid's Toshiba-made 8mm to market; latter has "late 1984" target (TVD May 21 p10).

Kodak introduced 2 new accessories. Small converter-charger accomplishes most of functions of playback cradle, converting signal to RF for feeding to TV and charging 2 batteries simultaneously, lists at \$180, vs. \$199 for cradle. Cable for playback of camcorder output through TV monitor or 1/2" VCR's video input is \$40; it also permits dubbing from 8mm to 1/2" or vice versa.

Metal powdered (MP) and metal evaporated (ME) cassettes will be available from start of marketing in 30-, 60- & 90-min. sizes, said Lorbach. Prices will be announced at CES this week -- MP-90 will be roughly competitive with VHS T-120 cassette. Suggested list prices announced in Jan. are \$1,599 for leader camcorder, \$1,899 for autofocus model, \$300 for tuner-timer that slips into \$199 cradle.

Journalists were invited to operate autofocus Kodavision at last week's briefing. Model was easy to operate, produced pictures with excellent color & resolution in outdoor shots from terrace atop N.Y.'s St. Moritz Hotel.

Traditional consumer electronics manufacturers' reasonably solid front against 8mm applies to North American Philips Consumer Electronics, Pres. Frank Lann made clear last week. "We're prepared if and when the time comes," he said in answer to question. "We'll wait and see, but we don't think it's a very good buy for the consumer." New Magnavox 2.2-lb. hand-held camera and dockable portable decks, he said, "will make it even less of a buy."

VIDEO IMPORTS SET MARCH & QUARTER RECORDS: Video hardware imports set records across board for March and first quarter, paced by VCRs, which hit all-time monthly high, according to Commerce Dept. figures.

VCR shipments climbed 148.1% in month to 671,900, breaking record of 611,600 set last Dec. Imports for quarter of 1.68 million were up 150%, but fell short of all-time quarterly high of 1.78 million in 4th quarter 1983. TV cameras were up 71.7% in March to 57,900, with color up 80.8% to 46,800, b&w up 41.5% to 11,100. For quarter, total imports of 158,800 were up 58%, led by 68.9% rise in color to 132,600, while b&w, at 26,300, was up 19.3%. Videodisc players were ahead 78.7% for month to 13,000, up 272.6% for quarter to 37,000. Imports of projection TVs climbed 68.2% in March to just under 7,000, for 3-month total of 16,500, up 59%.

In TV, total March imports rose 14.1% to 934,700, as 42% rise for color to 653,200 more than offset effect of 21.7% decline in b&w to 281,600. Total imports for quarter were up 40.2% to 3.27 million, with color up 58.8% to 2.06 million, b&w up 16.2% to 1.21 million. In color, imports of complete sets rose 86.2% to 409,100, with major gains posted by Japan, Korea, Malaysia & Hong Kong. That left quarter at 1.29 million, increase of 86.6%. Imports of incomplete color rose just 1.6% to 244,000 for month, ended quarter at 767,500, ahead 27%.

TV import screen size breakdown shows bulk of color unit growth came in 13" & 19", with 13" and low-volume 15-16" being only size classifications with large enough increases to improve share of import mix. In b&w, only real strength in quarter was in tinyvisions, particularly 6"-&-under. Overall 10"-&-under imports jumped 124.2% to 463,200, to account for 38.3% share of mix, up from 21.5% in same quarter last year. Total minicombo imports rose 57.1% to 155,000, for 12.8% share, up from 9.6%, while TV-only minis jumped 151.2% to 308,200 for 25.5% share, up from 11.9%.

Here's breakdown of color and b&w TV imports for the first quarter:

	Total	% change	% Share of Import Mix	
			1984	1983
Color				
Combinations.....	900	-94.5	0.1	2.4
10"-&-under.....	125,000	+50.1	9.7	12.1
11-12".....	20,900	-64.1	1.6	8.4
13".....	662,500	+153.0	51.4	37.9
14-15".....	28,100	+73.3	2.2	2.3
16-17".....	7,900	+205.5	0.6	0.4
18-19".....	368,500	+76.1	28.6	30.3
20"-&-over.....	74,700	+75.0	5.8	6.2

Monochrome

6"-&-under.....	237,700	+222.6	19.7	7.1
6"-&-under, comb.	151,000	+68.7	12.5	8.7
7-8".....	7,500	-22.9	0.6	0.9
7"-&-over comb...	4,000	-56.1	0.3	0.9
9-10".....	63,000	+60.4	5.2	3.8
11-12".....	703,500	- 7.6	58.2	73.9
13-17".....	9,500	+53.8	0.8	0.6
18"-&-over.....	32,900	-21.1	2.7	4.0

NAP CONTINUES STEREO TV PARADE: There's no doubt TV set makers are going to prime multichannel TV sound pump, even if broadcasters drag feet. North American Philips last week formally previewed its 3 lines with heavy emphasis on stereo TV sets and adaptables, all for actual marketing in Aug.-Sept. Magnavox line has 11 sets with built-in MTS, Philco has 5 built-ins and 10 adaptables and Sylvania 7 adaptables with more to come when bulk of line is shown in Aug.

Stereo converters, not shown, will cost about \$100, plug into back of sets. Stereo-inclusive sets in Magnavox line start with top-of-line 19" at \$829 and move to 25" sets at \$829 & up. Philco stereo sets are still unpriced. Sylvania has 7 sets with stereo amplifiers and plugs for adapters. Of Philco's 10 "stereo-capable" sets, some have stereo amplifiers, others will require external hi-fi systems. NAP officials said prices of new sets were about same as last year, built-in stereo adding about \$100.

Lines feature new selection of highly integrated chassis and first use of Philips' narrow-neck CFF tube, competitor to RCA's COTY-29, claimed to produce smaller spot size for increased sharpness & focus. As industry's new contrast race steps up, Magnavox adds 52% light transparency tube; this has been feature of Sylvania line for some time, was added this spring by Zenith, with GE, of course, pursuing its blue-tube version, and RCA promising to add own "different" version (TVD May 21 p14).

Brand new feature in Magnavox line and one Sylvania set is "velocity modulated scan," which improves detail, small-area contrast and apparent focus by changing scanning velocity during black-to-white and white-to-black picture transitions in some 19" & 25" sets. This feature was first introduced by Sony in large-screen sets under name of "variable velocity scanning."

Magnavox sets once again feature sound, with 7- & 10-watt stereo amplifiers. Projection TV line is unchanged except for addition of jacks for MTS adapter. Some Magnavox sets have 3 antenna connectors, switchable by remote control for VCRs, pay cable, etc. Only small portion

of Sylvania line was shown -- 60% of it is due in Aug. -- but highlight is new "Superset II," 19" model with 7-watt per channel stereo amp, 2 outboard movable speakers, velocity scan, same deluxe features as high-end Magnavox sets, at \$999. In Philco line, old one-knob tuners have been replaced by up-down 82-channel scanning in table models, brand new single-knob 82-channel tuners in consoles. Philco remote consoles are covered by new 5-year tube, one-year labor warranty.

Magnavox unveiled 9 new VCRs and 3 cameras; high-end portable, available in Sept., has VHS Hi-Fi, docks automatically to tuner-timer when placed on top of it (\$1,499). Palm-held cameras weigh 2.2 & 2.4 lb., have 10-lux sensitivity, at \$749 & \$999, latter accepting 35mm camera lenses (details of NAP lines next week). Magnavox & Sylvania are continuing existing Laservision videodisc players at \$699, will add net models in Aug. Although company isn't promoting them extensively, it's believed to be staying in market in anticipation of eventual new uses, such as interface with home computers.

Sylvania brand name appears to be here to stay, at least for foreseeable future. It's understood NAP has discontinued search for new name, is willing to pay escalating scale to GTE for use rights in belief it's valuable franchise -- even though Sylvania brand name appears on light bulbs competitive with NAP's own brand. (For details on NAP philosophy and marketing plans, see related report elsewhere in this issue.)

'POCKET' COLOR TV: First consumer LCD color TV to go on market is scheduled for sale here this fall under 2 brand names -- Seiko & Epson. Both names are owned by affiliates of K. Hattori & Co. Hattori Seiko Co. demonstrated "pocket color set" in Tokyo last week. It will be shown this week in N.Y. under Epson label and at CES under Seiko brand.

Color set with 2" screen will sell in U.S. for \$550 when it appears in late Sept. or early Oct., we were told by Shoji Hosono, gen. mgr. of new Consumer Electronics Div. of Hattori Corp. of America, Compton, Cal. Epson & Seiko models will have different cosmetics, but otherwise will be identical.

TV itself measures about 6.3" long, 3.15" wide, 1.2" thick, weighs just under 1 lb., including 5 AA batteries. It's equipped with built-in fluorescent lamp for viewing in dark, will operate 5 hours on set of alkaline batteries without lamp, 2.5 hours with lamp. Set has video & audio input jacks.

LCD display is twisted nematic type with 52,800 pixels, each driven by a thin film transistor (TFT). Production will be about 10,000 monthly, it was announced in Japan, where set will retail for about \$365 starting in late Aug. Maximum size attainable in this type of TFT display is 4", Seiko officials said, but price increases exponentially as size goes up.

Seiko wrist TV, introduced last year at \$495 in U.S., has been discontinued after production of 70,000 units; Seiko conceded it wasn't a success. New color TV has twice resolution of b&w watch TV, which was cumbersome because pocket power pack & tuner were connected to screen by cord that traveled up wearer's sleeve (TVD May 16/83 p16).

Hattori Seiko and its U.S. affiliate said they planned to offer more consumer electronic products, including video & sound equipment, TV-radio & TV-VCR combinations, communications gear, etc.

New labor contract about to be put into effect by Hitachi U.K. at its Wales color TV plant designates Electrical & Plumbing Trades Union as sole worker representative, contains ban on wildcat strikes or other job actions by employees, lockout by management, requires all disputes be settled through negotiation (TVD May 21 p15). It specifies that plant, which Hitachi took over early this year by buying out partner GEC, is "almost bankrupt" and that its "standards & efficiencies are the worst in the U.K." in color industry, and gives Hitachi right to make drastic changes necessary to correct situation. Workers agreed to perform whatever jobs they're assigned, to put in overtime when required. All employees, from top to bottom, will wear company uniforms and name badges. To sweeten deal, Hitachi awarded 7% pay boost. Contract is being appealed to Trade Unions Congress by white collar, building & engineering unions that have lost right to represent their members.

Zenith is building 200,000 sq. ft. plant in Chihuahua, Mex. for production of power supplies and magnetic components for color TVs and data display monitors. Facility will employ about 600 when it begins at year's end, could triple that with full production. Plant primarily will serve Zenith's OEM customers, but it also will be 2nd source for Zenith, which was nearly forced to halt color output at Springfield, Mo. plant last year when workers at existing power supply plant in Reynosa, Mex. staged 4-day strike (TVD Nov 21 p16). Zenith also is considering start of power supply production in Taiwan to serve monitor OEMs in Far East. Last year, Zenith acquired plant in Ireland for color monitors and power supplies.

Taiwan's Tatung expects its exports of computer products to jump to \$250 million this year from \$75 million in 1983. Tatung said color monitors have been its biggest export items, is adding disc drives and printers to line this year.

ATARITEL ON HOLD: Another hold has been put on Ataritel, Atari unit developing sophisticated home telephone equipment. Brake is understood to have been applied by Pres. James Morgan in belief Atari hasn't financial resources needed to develop appropriate distribution & marketing effort. He had expressed concern with Atari's telephone equipment program last Jan. during meeting at Winter CES, where at same time he announced company would follow more conservative approach to market (TVD Jan 16 p17).

In keeping with that, Atari said it backed out of agreement to market computer-controlled robots supplied by Adrobot, one of several high-tech companies launched by Atari founder Nolan Bushnell after he left in 1978. Atari didn't explain reasons, but there were indications robots didn't meet performance expectations.

Also, Atari & N.V. Philips again confirmed they're in discussions that could lead to some form of business combination (TVD Jan 16 p18). New this time is acknowledgment from several sources that possibility of Philips' acquiring up to 50% interest in Atari has been considered. Talks are outgrowth of Atari parent Warner's agreement to merge its record business with Philips' Polygram, though that deal is being held up while FTC prepares to appeal lower court dismissal of suit charging merger would reduce competition in U.S.

At annual meeting last week, Warner Chmn. Steven Ross said all assets of company were being considered for redeployment, promised Warner would be profitable in 2nd half, indicated some income could come from sale of unspecified operations. He also said Atari is continuing to reduce overhead, expects to slash operating costs to 25% of what they were at peak last year.

Meanwhile, Atari announced July launch for 7800 videogame console. New game features enhanced graphics, will accept cartridges for original 2600, sell for about \$150, come with road racing game. Individual cartridges will retail for about \$30. In 4th quarter, Atari plans to have 4K keyboard adaptor, expandable to 16K, that turns 7800 into entry level computer, special adapter for 5200 console cartridges. Price of 2600 console is being cut to about \$60, non-compatible step-up 5200 console to \$90, latter likely to be discontinued.

Japan will designate Applied Research Labs of Miami as first U.S.-based organization authorized to test electronic & electrical appliances & materials for compliance with its product safety & quality standards. ARI, which will check products and plants, will be able to authorize U.S. manufacturers to use T-mark label on items they export to Japan. Label is required on all electrical products sold there, and inability to have needed certification available on local basis has been viewed in U.S. as non-tariff trade barrier. Other U.S. testing organizations, including UL, are expected to seek similar designations.

GRAY-MARKET PROBE: Preliminary investigation into need to revise Tariff & Trademark Acts to put damper on gray-market imports has been launched by Commerce & Customs on behalf of Cabinet-level Working Group on Intellectual Property. Other agencies involved include Justice, State, OMB, Office of U.S. Trade Representative.

Gray-market imports, sometimes known as parallel, are foreign-brand products brought in and marketed by someone other than U.S. trademark owner. Such unauthorized imports, generally limited in electronics to portable video & audio products, video & audio cassettes and watches, are legal under U.S. law when both U.S. & foreign brand rights are effectively owned by same company, such as Sony, TDK or Seiko. Gray-market importers generally don't buy direct from factory, but from authorized 3rd country distributors who use re-export sales to boost their volume and obtain extra discounts.

Gray-market sales at low prices have severely disrupted U.S. market for several brand-name companies here, and have created some customer relations problems, as such products frequently aren't covered by factory warranty. But official U.S. response to complaints has been that foreign manufacturers could clear up situation by being more discriminating in their non-U.S. export sales.

Questionnaire being sent to interested businesses and consumer groups seeks general information on products involved, countries of origin, pricing differentials and share of market obtained by parallel imports. Trademark owners are being queried on impact such products are having on sales & pricing, and how they are reacting to competition. Gray importers are asked about sales, business policies, and what impact would be if they had to change or erase brand names. From consumers, questionnaire seeks information on purchase motivations and repair experience.

While probe is part of overall study, it could lead to specific recommendations on whether change in laws would be in public interest. Details from: Sam Orandle, U.S. Customs Service, Office of Regulations & Rulings, 1301 Constitution Ave. NW, Washington, D.C. 20231 or Barbara Luxenberg, U.S. Patent & Trademark Office, Commerce Dept., Crystal Plaza 3, Room 11E10, Washington, D.C. 20231.

World's thinnest radio, just 5/32" and otherwise about size of credit card is due from Panasonic in Sept. at \$100. Unit is stereo FM-AM, price includes charger for built-in nicad battery and in-ear headphone. It utilizes RHCs (Radio High-Density Circuits), 3D multilayer network containing ICs, capacitors & resistors, announced last Jan. and employed in mini stereo-FM headphone radio brought to market earlier this year (TVD Jan 16 p18).

Korea's Samsung plans to float \$30 million bond issue in Europe, using proceeds to finance expansion into large-scale ICs.

VIDEODISCS AT CES: Though no longer considered mass market product, videodisc players will be much in evidence at Summer CES opening in Chicago this week, with optical Laservision getting most attention and VHD making reappearance.

Pioneer Video promises most activity on floor with theater-like exhibit to show off latest in LV, including first twenty 8" discs. Emphasis will be on music video, with discs expected to retail for \$10-\$15. Same programs will be demonstrated on PV's new \$5,000-plus video jukebox and sing-along package that will be marketed as jukebox accessory.

New convert to LV is RDI Video Systems, which had considered using RCA's interactive CED player for its disc-computer system (TVD Feb 20 p19). RDI said it will have 5 games on display. Meanwhile, CES debut of new LV player manufacturer and disc replicator is being rumored.

JVC is bringing VHD back to CES both on & off floor. It will feature system at exhibit as part of "audio-video computer system of the future," hold demonstrations in hotel suite for potential business & institutional customers. There's also possibility JVC will resume its aborted shot at U.S. home market. While there are "no precise plans" for U.S. launch, source told us, VHD has had reasonable success in Japan and "we still have an interest," in U.S. market.

As for CED, RCA as announced will halt player production in June, remain in what Videodisc Vp-Gen. Mgr. Arnold Valencia calls "transition phase, changing to a software business [serving] over 700,000 customers." Valencia told distributor meeting in Las Vegas that "nothing has been diminished" in support of programming effort.

RCA has induced studios to continue releasing new major titles on CED, expects at least 18 this spring including such hits as *Silkwood*, *Fanny & Alexander* and *Terms of Endearment*. RCA is mailing catalog of 1,200 titles to all player owners, has new free preview disc for dealers. "The disappointment touched all of us," Valencia said of RCA's CED player phaseout. "Our job is not completed. Now is not the time to back off on videodisc."

Valencia said RCA is shipping additional 40,000 machines (about 50% of parts inventory) to help distributors move software, also providing \$2.5 million in ad & promotion funds. He encouraged distributors to buy non-RCA software, claimed disc sales are moving again. However, he quashed idea someone will come along to rescue player. "We have had a number of calls from venture capitalists who wanted to buy our tooling," but "when we give them our numbers they begin to lose interest," he said. "We don't think it's credible because prices are predicated on high volume." Some distributors are trying to make arrangements to buy from Hitachi, which is still selling CED players in U.S. & U.K. Many distributors are expected to be out of players by June, most by 4th quarter, with big chunk of machines sold to rental market.

New home will be needed for such Esmark subsidiaries as Jensen, Discwasher, Advent & Phase Linear if Beatrice Foods completes planned \$2.5 billion takeover. BF officials say that if they acquire Esmark they'll help pay for deal by selling off Esmark units that don't fit in with its plan to become world's largest marketer of food and related products. BF didn't always feel that way. In 1977, it spent \$105 million to get into consumer electronics through acquisition of Harman International, but it lost money and BF sold Harman-Kardon unit to Japan's Shin-Shirasuna in 1979 and rest of operation, primarily JBL, to founder Sidney Harman in 1980. Meanwhile, Esmark said business segment that includes consumer electronics, automotive & industrial products had 71.3% drop in first operating earnings to \$2.04 million in quarter to April 28 on 10.2% sales rise to \$188.3 million.

Ad notes: Coleco appoints Ketchum Adv. for electronics, including Adam computer, Colecovision game and table-top arcade games, replacing Richard Edwards, which will retain responsibility for other toys & games... Sanyo is doubling ad spending to \$18 million this year, large portion of increase earmarked for new Ultrix audio component line. Also changing name is Wards, Richmond, Va. retail chain operator and parent of N.Y. area Lafayette Radio. Holders will be asked to approve switch to Circuit City Stores at June 20 meeting... Scholastic scrubbed plan for magazine dedicated to Coleco's Adam home computer, will instead supply Adam buyers with copies of *Family Computing*... EIA Consumer Electronics Group hires pianist Peter Nero as a spokesman.

Videodiscs haven't rejuvenated coin-op videogame market, according to Williams Electronics, which said it took \$4 million writeoff of inventory costs and other expenses relating to *Star Raider* game it introduced at end of last year. Williams said game "suffered from the general lack of market acceptance of laser disc games." Writeoff, continued weakness in coin-op videogame market and "a substantial reduction in royalty income" from licensing of home versions were cited by Williams as cause of \$3 million loss in 2nd quarter to March 31 that boosted 6-month deficit to \$6.2 million.

Mattel is back in computers, this time as software rights licensor to Epyx, which plans Sept. release of disc-based unstructured play programs based on Barbie doll and Hot Wheels cars geared to 4-10-year-olds. Youngsters will change clothes, hair & accessories on doll, redesign and move cars around on screen in same way they play with regular toys. Epyx has 3rd program, based on Hasbro's G.I. Joe, in works... Thorn EMI Software has acquired worldwide marketing rights to programs from Perfect Software.

At least retailers are cashing in on current consumer electronics market boom. In prospectus for planned \$27 million public offering, N.Y. discounter Crazy Eddie says net jumped 223.6% to \$3.1 million in 8 months to Jan. 31, on 26.7% sales rise to \$95.3 million.

CHANGES AT NAP: Company's consumer electronics will grow in next 5 years from \$22 million to \$30-\$40 million business, in opinion of North American Philips Consumer Electronics Pres. Frank Lann. Speaking at press showing of new lines at Knoxville hq, he forecast change from "a 2-3 product business to an 8-10 product business," with consumer segment "leading the whole electronics business."

Lann said U.S. business can learn from Japan to become employee-oriented, listing these 8 objectives for NAP: (1) Quality. (2) Orientation toward people. (3) Product-driven. (4) Service. (5) Consistent profit. (6) Low-cost production. (7) Multiple brands. (8) Productivity. Senior Mktg. Vp Don Johnstone gave these 1984 industry forecasts: Color TV factory sales 16 million, sales to dealers 15.7 million, with major growth in 13" & 25" table models, MTS stereo about 5% of sales this year, 15-20% next year; remote control moving to 40% this year, 44% next year, projection TV up 40% to 200,000 this year.

Color TV inventories are starting to grow, Johnstone said, noting they were up 10% in April, about 15% in May, now constitute about 14 weeks' supply, indicating industry "won't be limited by production capability -- there are enough inventories for sales of more than 16 million sets -- there's more open-to-make than open-to-buy." He saw b&w continuing in 5-5.5 million range, with b&w monitor business at about 2 million, up some 15% this year (total monochrome monitor business is about 4.5 million including units built into computers); VCRs 6.5 million, limited by component availability, with portables down in share only "because table models offer such value." VHS Hi-Fi will be only "a couple of percent" of VCR market this year, limited by software availability. Camera sales will be about 600,000, he forecast. CD digital disc players will sell about 200,000 this year, he said, conceding sales had been "a little disappointing" in first half.

Magnavox's marketing direction is changing, Johnstone said, with decision to sell audio through reps while continuing direct sales of TV. He said NAP's 3-brand approach will give it increasing flexibility. Asked about effects of dumping determination on Taiwanese & Korean color TV, Johnstone said it would serve mainly to prevent further price erosion at low end, and "at the very highest it will raise prices a couple of percentage points." As for Philips' work on digital frame storage for consumer TV sets, he indicated it was "a couple of years away at least" from use in picture-in-picture TV sets and other special features. He said NAP was still looking into various square-cornered & flat-faced tubes, will adopt approaches with "high consumer appeal."

Correction: Indicated RCA VCR and color TV sales for 1982 and forecasts for 1984, as obtained at its recent national meeting in Las Vegas (TVD May 21 p14), reflect only products sold to dealers by distributors and don't include factory-direct shipments to national accounts. So actual total company unit sales would be somewhat higher.

CES CONFERENCES: Conference schedule for Summer CES, which opens in Chicago next week, starts with overview session at 3 p.m. opening day, June 3, with presentations on govt. by Rep Thomas Foley (D-Wash.), Wall St. by Harold Vogel of Merrill Lynch and general market conditions by William Boss, RCA.

June 4 Video Conference, at 8:30 a.m., will be keynoted by Frank Lann (NAP Consumer Electronics). Hardware panel: Rick Williams (GE), Yong Nam (Gold Star), Allan Wallace (Hitachi), Stan Hametz (Panasonic), retailers Trevor Glanger (Videoland) & J.J. Grasson (Video Encounters). Software panel: Bill Gallagher (MGM/UA), Tim Klott (Paramount), Shakeel Mozaffar (Polaroid); John O'Donnell (Sony), retailers Sid Rodanski (Precision A/V) & Lou Kwiker (Wherehouse Entertainment). John McDonald (Casio) will keynote Computer & Games Conference starting at 2 p.m.. Hardware panel: Jack Whalen (Epson), Kay Nishi (Microsoft), Arthur Lambert (Zenith), retailers Mike Schaunghnessy (Computer Depot) & Charles Corcoran (Commtron).

June 5 Audio Conference 8:30 a.m. will have Jim Twerdahl as keynoter. Home & Personal Audio panel: John Koss (Koss), Chris Byrne (Pioneer), Richard Shahinian (Shahinian Acoustics) Barry Goldman (Teac), retailers Lester Cohen (Audio Exchange) & Jim Wallace (Opus I). Car Audio panel: Reese Haggott (Alpine), Phil Christopher (Audiovox), John Crawford (Delco), Steve Girod (Yamaha), retailers Mel Belsky (Federated Group) & Rich Inferrera (Rich's Car Tunes). Telephone Conference 2 p.m. will be keynoted by Al Franks (AT&T). Panelists: Bob Winkler (Teleconcepts), Marty Levine (GTE), Dick Lindenmuth (ITT), Dean Ruelle (Sanyo), retailers Ron Rosberg (Phone Company) & Kenneth Levin (Portable Store).

"The Beta Makers" -- Aiwa, NEC, Sanyo, Sony, Toshiba -- start trade ad campaign emphasizing "our commitment to the Beta format is stronger than ever and Beta business is stronger than ever" and stating that "all Beta VCRs provide measurably better video, better audio, better function controls..." Ad stresses BetaMovie & Beta Hi-Fi and promises "there's even more Beta equipment on the way; some new ideas from the Beta makers that will mean an even greater opportunity to sell more Beta..."

Quasar Microsystems, marketer of home telephones & answerers, becomes QT&T on June 1, in keeping with 2-year-old settlement of copyright infringement suit brought by Matsushita on behalf of TV marketing subsidiary Quasar. Along with name change, QM will form 2 operating units, QT&T Div. handling telephones, Record-O-Fone Div. for answerers and accessories.

Mitsubishi is 5th projection TV manufacturer to acquire design copyright license for one-piece front-projection system from Theatervision. Other licensees are Hitachi, Matsushita, Sanyo & Sony.

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

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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.

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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.

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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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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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Consumer Electronics Personals

Carl Michelotti promoted at Zenith from consumer products engineering vp to senior vp and pres. of Zenith Data Systems, with added responsibility for Heath operations, assuming duties of Donald Moffet, resigned... Richard Wheeler advanced from Sony Communications Products service administration vp to national service operations senior vp of Sony Consumer Service Co.; Nobuyuki Oneda promoted to Sony Consumer Products Co. administration vp... Paul Miller, ex-Konica, one-time Maxell, joins Gold Star as mktg. mgr.

Anthony Bruehl resigns as pres. of Atari's International Div... Alexander Haig, former Secy. of State, joins Commodore as board member and consultant... Paul Peters promoted at Jensen subsidiary Discwasher from exec. vp to pres., succeeding founder Bruce Maier, resigned... James Zinn advanced at Pioneer Video from Carson, Cal. disc plant mgr. to Industrial Div. media services mgr... John Kitzie promoted to pres. of N.Y. retailer Savemart, succeeding founder Benjamin Blank, who continues as chmn... Thomas Friel, ex-Warner Technologies, one-time Advent, joins EIA Consumer Electronics Group as staff vp.

Joseph Valenti, ex-Montgomery Ward TV & stereo national retail sales mgr., joins National Video as national mdse. mgr... David Shulman joins Family Home Video of America as operations mgr... John Begg named gen. mgr., Video Classics Ltd., N. Sydney, Australia; Alan Herbert becomes financial controller, Peter Fenley mktg. mgr., Peter Bain-Hogg music products mgr., Sue Raye product mgr. for Electric Blue line... Barbara Kedzierski appointed product mgr. for overseas territories, Embassy Home Entertainment in U.K.; Mktg. Mgr. Chris Halford adds PR responsibilities... Michael Harrison joins Thorn EMI Videodisc in U.K. as senior producer.

Fuji Photo blamed videocassette cost cutting for 10.5% drop in parent-only net to \$91.7 million in fiscal first half to April 20. Company said videocassette revenues fell 20% though units increased 15%. Overall sales of magnetic tape fell 7.4% to \$1.18 billion, and earnings from tape were down as falling prices more than offset effect of improved production efficiency. Fuji said that though it sees videocassette price cutting to continue through 2nd half, it's retaining full-year forecast calling for 10% sales rise to \$2.58 billion, 6.5% decline in net to \$197 million. Videocassette discounting has become so severe in Japan that Fuji, along with TDK & Maxell, have joined Matsushita & Sony in discontinuing setting suggested retail prices.

General Instrument is boosting investment in Taiwan to \$13 million from \$10 million to increase production of such TV & monitor components as flybacks, yokes & tuners as well as TV converters, semiconductors and relays. GI said it expects to increase employment there by 900.

Japan filed formal complaint with GATT over EEC's doubling to 19% its import duty on CD digital audio players & discs to protect European industry from foreign competition. Japan said boost, effective last Jan. 1, was unfair, created impediment "to the development of the tremendous and far-reaching potential of a new high-technology product." High tariff has kept industry "from full-scale commercial production" of CD players & discs, Japanese said, adding that it would take 2-4 years for laser system to catch up with conventional records & phonos in market. Japanese agree they are production leaders, but say that's only because Dutch Philips was slow in getting to market. Had Philips been more efficient, they complain, there would have been no need for import restraint.

Taiwan is asking President Reagan to veto recommendation for ban on imports of computers that infringe Apple patents. Taiwan Electric Appliance Mfrs. Assn. says that while it has no objection to Apple's getting appropriate protection from unfair imports, International Trade Commission went too far when it included in proposal for exclusion computers that have no operating systems and contain circuitry that isn't identical to Apple's. As written, TEAMA complains, order could create confusion that will cause importers to give up buying even legitimate computers from Taiwan.

Emerson expects to report earnings of \$1.4 million in quarter to March 31, against loss of \$2.4 million in same period last year, earnings of \$9 million for fiscal year. Company said sales about doubled to \$45 million for quarter, \$180 million for year. Emerson said more than half of earnings came from consumer electronics operation, which lost \$550,000 in preceding fiscal year, credited improvement to entry into video products. It forecast 50% increase in sales, 17% in profits this year.

NEC is getting state unitary tax exemption for \$62 million communications & fiber optic plant it will start constructing in Hillsboro, Ore. in Aug. When full 5-year building program is complete, NEC expects plant to employ 500, generate sales of \$172 million annually. State is allowing NEC to form local corporation that won't be covered by unitary tax reporting requirements. Separately, Ore. Gov. Vic Atiyeh said he is asking legislature to repeal unitary tax law.

ITT will boost R&D and capital spending in Europe 50% to \$4.8 billion over next 5 years, has earmarked half that outlay for electronics & telecommunications. Most of ITT's high-tech electronics operations are in Europe; company said building up strength there will enable it to make further inroads in U.S. market.

Coleco placed privately an additional \$14.5 million of 10% convertible notes, bringing cash raised this month to \$43.5 million. Coleco had said it planned to raise up to \$50 million through such placements to boost working capital.