

TELEVISION DIGEST®

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With Consumer Electronics

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UA BUYING GE CABLE PROPERTIES for \$132 million cash, 37% of stock. Acquisition will raise UAC to 11th largest MSO. (P. 8)

PACKWOOD MAY OFFER RADIO-ONLY 'freedom of expression' proposal at June 13 markup. Still no deal on House dereg bill. (P. 9)

WHEELER GOING OUT ON HIGH NOTE: Delivering on his final promise, outgoing NCTA Pres. Thomas Wheeler will tell membership today (Mon.) that negotiations with cities have been successful in producing compromise forming basis of national cable policy. Wheeler, who is becoming pres. & CEO of NABU Network, long has said he wanted to achieve deregulation legislation before leaving NCTA. In his last appearance before membership as pres., he's expected to say that goal is at hand, development which should dominate and invigorate Assn.'s 33rd annual gathering.

"Now there will be a national policy in place of a hodge-podge of local policies," Wheeler will say in describing accord during opening general session in Las Vegas Convention Center. "Now the cable industry will be able to operate in the consumer marketplace instead of the

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'TECHNICAL PROBLEM' involving tape to head interface delays GE's 8mm entry. (P. 15)

GRUNDIG'S VHS, first 'non-Japanese' design, patterned after V-2000, may be imported here next year, could be shown at CES. (P. 16)

NEW COLOR SUPPLY AT RECORD 4.25 million in first quarter, analysis of EIA & Commerce figures indicates. Are figures too low? (P. 16)

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ATARI BELT TIGHTENING extended to Far East where Hong Kong plant is closing, as is home videogame sales subsidiary in Japan. (P. 22)

political marketplace. Now, finally, the cable industry will be able to meet its competition on a level playing field."

Some 15,000 are expected to attend 4-day convention, about even with last year in Houston and below more than 16,000 who came to Las Vegas in 1982. Outside of hoopla over accord with cities, convention is expected to follow in recent trend of less hype, more businesslike atmosphere, at Assn. gatherings. More than half of 44 sessions deal with cable as maturing industry (12 sessions) and as eager to engage in tough public policy battles (also 12 sessions). More than 250 speakers will participate in panels and 4 general sessions, including 29 House members & 4 senators. FCC Comr. Rivera will be at convention, as will Comr. Patrick, who will speak at Tues. breakfast (NAB had all 5 commissioners at its convention). Other FCC officials attending are Managing Dir. Edward Minkel, Mass Media Bureau Chief James McKinney and Common Carrier Bureau Chief Jack Smith -- less than third number of FCC staffers at NAB convention.

House Telecom Subcommittee Chmn. Wirth (D-Colo.) will address today's luncheon while Senate Communications Subcommittee Chmn. Goldwater will speak by satellite at Tues. luncheon. Taped remarks by President Reagan will be shown Mon.

Laser light show will highlight opening session, where attendees will see review of industry's history projected on 100-ft. screen. On dais with Wheeler will be Convention Chmn. Gustave Hauser, outgoing board Chmn. Monroe Rifkin and NCTA Pres.-elect James Mooney. All are expected to drive home message that, like theme of convention, cable is "consumers' choice" over competing entertainment delivery systems.

Different this year is that National Cable Programming Conference becomes part of convention rather than stand-alone event. It will take up Wed. with 2 general sessions, 4 break-out panels concentrating on programming, production costs, co-productions. Convention Center floor will be filled with more than 200,000 sq. ft. of exhibits open for 27 hours.

With improved marketing still at top of industry's agenda, much attention will center on Opinion Research study commissioned by NCTA to be unveiled today. It concludes that cable will continue to dominate competitors because of its lower installation charge and greater channel capacity. Wheeler is expected to say that report provides "strong evidence that not only is cable the consumer's preferred choice, but whatever small [market] share is available to the alternative distribution systems, they will be fighting among themselves, not us, to get it."

But without any major new programming ventures or advances in technology expected at be announced at convention, spotlight will fall on agreement with cities, several industry leaders said. It came about suddenly on Memorial Day, climaxing months of tense negotiations when city negotiators proposed and NCTA officials accepted changes in pending cable deregulation bill (HR-4103). Accord, which mainly addresses controversial issues of franchise renewal and rate regulation, was sent to House Energy & Commerce Committee Chmn. Dingell (D-Mich.), who praised effort. Agreement should be nailed down soon with required approval by boards of National League of Cities (NLC) & U.S. Conference of Mayors (USCM). NCTA board will pass on it Tues. (Major provisions of compromise are reported elsewhere in this issue.)

Pressure from Dingell was said to be crucial to breakthrough. Chmn., who had ordered parties back to bargaining table 4 months ago (TVD Jan 30 p6) pressed NLC & USCM to be more flexible. Accord was reached after cities on May 25 called emergency meeting for Memorial Day in Washington. City negotiators agreed to concessions on franchise renewals and rate regulation, relayed proposal to Mooney & Wheeler. Mooney met with cities' representatives later that day, accepted compromise then.

Part of Dingell's statement praising accord led many to believe he planned hearing on cable/telco question. But Committee source denied that is case. Chmn. appeared to indicate more hearings when he said "some interests not represented at the negotiating table, such as

the telephone industry... also have vital interests at stake in this legislation; they will have full opportunity to have their views heard and concerns addressed prior to Committee markup." "Full opportunity" means we aren't going to rush to markup and ram this through," source said.

"We have a very good deal," NCTA official said about accord. Immediate problem is turning it into statutory language, task which should take couple of weeks, NCTA said. Hill sources said markup of HR-4103 amended to reflect agreement should be in late June. But whether measure will get to House floor and to House-Senate conference (where compromise with companion S-66 would be worked out) before July recess can't be predicted, given crowded legislative calendar.

In meantime, Dingell & Wirth aides, who already have discussed problem with telco language, are planning to meet to work out compromise that would avoid battle with telephone industry on data transmission. Aides won't discuss possible solutions, but we understand they're considering middle ground that would limit definition of cable service in HR-4103, leaving difficult telco question to future legislation.

Showtime/Movie Channel may eclipse HBO this year as convention's most lavish host, will feature Pointer Sisters and comedian Gallagher at bash tonight. S/MC is expected to unveil \$8 million ad blitz themed "We Make Excitement." Movie service also will be introducing new Chmn. Neil Austrain to NCTA crowd. He comes to S/MC from Doyle Dane Bernbach, where he was pres. & CEO. Convention will conclude Wed. with dinner-dance with entertainment by singer Paul Anka. Industry's national ACE awards also will be presented then.

MULTICHANNEL SOUND ON AIR THIS FALL: Despite silence of networks and inconclusive comments of equipment makers (TVD May 21 p14, May 28 p6), there will be both stereo and separate audio program (SAP) broadcasting on air by this fall -- and probably as early as summer. Much of early programming is expected to be local, rather than network, but network experimentation could start this summer as well.

West Coast is expected to be hotbed of stereo early, with 2 topnotch stations among first on air -- KIRO-TV Seattle & KTLA L.A. -- at least those represent first 2 binding orders for generation equipment from Modulation Sciences Inc., Brooklyn. It's believed multichannel TV sound (MTS) broadcasting will start region by region -- that is, when one station starts in an area, competitors will come in as quickly as possible.

TV networks are playing it very close to chest. All 3 are quietly planning to get into act as soon as possible while making bland statements to throw competitors off track, so not much should be expected in way of network announcements until they're ready to throw switch. Even then, only some network-owned stations and a few affiliates will carry MTS programs because of necessity to modify transmitters, buy other equipment. (NAB Science & Technology Dept. will publish series of newsletters designed to help stations get started with MTS.)

KIRO-TV, CBS affiliate in Seattle, hopes to be first on air with extensive schedule of stereocasts, with Aug. target date. Vp-Gen. Mgr. Glenn Wright told us station has transmitter relatively simple to modify, has equipment on order, is equipping studio, plans to switch as much local programming as possible to stereo, including movies, taped programs and local productions as well as high school football games and later Sonics basketball.

KTLA, major L.A. independent, will go both stereo & bilingual as soon as new transmitter installation is complete this fall, probably in Oct. "We hope to have a complete schedule," said Vp-Gen. Mgr. Steven Bell. Station already has had success with stereo simulcasts of South Pacific and 2001, plans stereo movies, sports, local programming, is seeking clearances for Spanish-language versions of movies and other programs.

ABC is expected to start technical tests of MTS in Aug. on KABC-TV L.A., possibly using

stereo movie late Sun. nights, accompanied by use of SAP channel. It's good guess that KABC-TV will be first ABC-TV station to go to regular MTS programming. L.A., always good market for avant garde products (it was early best VCR market), is expected to be hottest MTS area with at least 2 stations broadcasting before year is out, and with large Hispanic population for bilingual programs.

ABC Best. Operations & Engineering Pres. Julius Barnathan told us it was impossible to say when network would be into MTS. "We're obviously studying it, getting the costs, learning about rights, residuals, union requirements" in terms of both stereo & bilingual. "We're looking at all kinds of clearances, legal & technical problems -- including what stereo means and how to put it on."

NBC already has said it will have MTS programs next year and CBS makes no comment, but it's believed at least one network is placing orders to equip all of its owned stations. NBC's WNBC-TV N.Y. is testing SAP channel during regular programming hours. Spokesman for PBS, which already supplies 11 hours of stereo weekly to its affiliates for simulcasting, told us: "We're trying to get our act together -- discussing it, formulating a reasonable plan of action."

WNJT Trenton, flagship of N.J. Public Bestg. Authority, has completed 2-week test of SAP channel to broadcast non-TV-related readings for State Library for the Blind, could eventually convert its 4 stations if it gets contract for regular service in competition with FM stations' subcarriers. Where new TV stations start up now, at least some can be expected to go stereo from start.

SHARP RISE IN CABLE SYSTEMS, BASICS & PAY UNITS: There were exactly 6,400 cable systems in U.S. this spring, as detailed in latest Cable & Services volume of the TV & Cable Factbook, published by Television Digest Inc. -- and now coming off presses. Figure is up 652 from last year's volume.

Number of basic subscribers served was 29,889,490, vs. 26,517,906 in preceding volume, and pay-TV units totaled 19,838,275, compared with 15,384,242. Since system operators report totals as of varying times during year, total basics as of June 1 are estimated at just about 32 million, pay units about 21,500,000.

There are now 72 systems with 50,000 or more subscribers, vs. 57 last year; 271 with 20,000-49,999, vs. 239. Largest group remains those serving 1,000-3,499 -- 1,634 systems, vs. 1,573 last year.

Channel capacity is increasing rapidly. Here's breakdown (last year's figures in parentheses): 54 channels or more, 275 systems (183); 30-53, 1,999 (1,442); 20-29, 1,113 (1,017); 13-19, 298 (263); 6-12, 2,180 (2,295). Balance is minor figure or unreported. Largest group of subscribers is served by systems with 30-53 channel capacity -- 51.15%. Next largest group is served by those with 20-29 capacity -- 21.12%.

Volume runs 1,738 pages, up 178, and cable section alone is 1,293, up 114 pages. Edition contains traditional broad variety of data: Directories of TV & cable program sources & services, cable group ownership, associations, attorneys, engineers, brokers, management consultants, ARB & Nielsen county statistics, equipment manufacturers, etc.

* * * * *

Specially prepared for NCTA convention is our authoritative compilation of top 100 cable system operators -- tabulated below. Compared with our last survey 7 months ago, printed in our Cable Business Fact Finder, it shows top 50 had 24,839,292 basics, 2nd 50 had 3,287,740, as of April 1, vs. Sept. 1, 1983 figures of 22,718,124 for top 50, 3,098,533 for 2nd 50.

Compilation includes basics for each group owner, plus pay-cable units, homes passed, homes in franchised area, miles of plant, miles of construction planned. If you don't have our Cable Business Fact Finder in your files for comparison, give our Circulation Dept. a call -- 202-872-9200.

FIRST 50

Rank	System Operator	Number of Subscribers	Pay-Cable Units	Homes Passed by Cable	Homes in Franchised Areas	Miles of Plant	Miles to be added in 12 months
1.	Tele-Communications Inc.	2,766,000	1,949,000 ^a	3,650,000	N.A.	33,254 ^b	N.A.
2.	American TV & Communications Corp.	2,400,000	2,200,000	4,400,000	4,863,983 ^c	38,580	3,000 ^d
3.	Group W Cable Inc.	1,979,000	1,556,000	3,475,000	4,300,000 ^c	34,950 ^c	N.A.
4.	Cox Cable Communications Inc.	1,494,008	1,573,136 ^a	2,578,706 ^f	2,984,048 ^f	25,834 ^f	1,565 ^f
5.	Storer Cable Communications	1,413,000	1,410,000	2,647,000	3,344,000	35,000	N.A.
6.	Warner Amex Cable Communications Inc.	1,374,716	1,251,000	2,978,000	3,098,000 ^g	27,070	5,125 ^c
7.	Times Mirror Cable TV ^c	867,855	667,446	1,722,703	2,260,000 ^h	10,293 ⁱ	3,112 ^c
8.	Continental Cablevision Inc.	859,000	951,000	1,630,000	1,870,000	17,600	1,500
9.	Newhouse Bcstg. ^c	750,516	1,011,495	1,242,967	1,433,467	15,332	7,865
10.	Viacom Communications	725,722 ^j	584,494 ^j	1,341,200 ^c	1,567,800 ^c	11,790 ^c	450 ^c
11.	United Cable TV Corp.	641,000 ^k	546,000 ^k	1,074,000 ^c	1,136,000 ^c	N.A. ^c	N.A. ^c
12.	Sammons Communications Inc.	590,456	454,271	955,005	1,000,000	9,400	600
13.	Rogers Cablesystems Inc.	515,800	698,000	1,054,000	1,288,900 ^c	5,261 ^b	500 ^c
14.	Cablevision Systems Development Corp.	490,000	1,266,000	1,026,000	3,015,000	9,939	2,000
15.	Comcast Corp.	455,000	467,000	816,000	924,000	8,700	300
16.	TeleCable Corp.	410,000	435,000	675,000	690,000	8,308	900
17.	Jones Intercable Inc. ^l	387,088	311,432	629,410	772,242 ^c	8,919.4	N.A.
18.	Heritage Communications Inc.	376,496	263,891	697,351	738,470	8,302	500
19.	Capital Cities Communications Inc.	353,041	252,864	535,439	546,676	6,728	N.A.
20.	United Artists Cablesystems Corp.	346,000	321,000	623,000	725,000	6,710	150
21.	General Electric Cablevision Inc.	328,500	203,000	520,000	520,000	4,500	50
22.	Tele-Media Corp.	307,800 ^m	157,900 ^m	332,500	501,000	4,544	1,000
23.	Wometco Cable TV Inc.	286,000	235,000	504,000	700,000 ^d	1,100	500
24.	Prime Cable Corp.	269,366	286,381	599,035	630,000	5,508	N.A.
25.	Multimedia Cablevision Inc.	256,908	272,116	449,268	456,151	4,900	200
26.	TCA Cable TV Inc.	242,100	77,500	316,000	330,000	4,730	200
27.	Centel Cable TV Co.	241,947	196,647	382,850	433,839	5,763	670
28.	Daniels & Assoc. Inc.	239,264	248,058	453,175	1,096,000 ^c	5,198	N.A.
29.	Maclean Hunter Cable TV Ltd. ^c	225,000	298,000	460,000	487,000	4,100	434 ^l
30.	Service Electric Cable TV	210,000	60,000	280,000	330,000	8,200	100
31.	Century Communications Corp. ^b	192,000	151,000	325,000	350,000	2,100	150
32.	Scripps-Howard	189,198	255,874	362,689	N.A.	N.A.	N.A.
33.	Communications Services Inc.	183,500	125,357	266,357	277,000	3,649	280
34.	Adelphia Communications Corp.	183,306	134,612	279,665	341,723	3,700	300
35.	Colony Communications Inc.	180,000 ⁿ	179,000 ⁿ	326,082 ^c	390,000 ^c	3,199 ^c	600 ^c
36.	Cablevision Industries Inc.	176,600	158,940	224,600	275,000	3,568.3	1,500
37.	American Cablesystems Corp. ^c	172,000	190,000	323,000	423,000	1,750	2,000
38.	Rollins Inc.	170,940	139,500	287,560	351,920	3,465	380
39.	Cabletelevision Inc.	163,134	73,513	225,449	N.A.	2,408	N.A.
40.	Tribune Cable Communications Inc.	159,520	148,200	326,445	677,820	4,674	1,262
41.	Harron Communications Corp. ^c	153,642	163,529	212,000	250,000	3,457	500
42.	Western Communications Inc.	148,713	72,631 ^a	199,716	200,000 ^c	1,807	50 ^c
43.	McDonald Group	139,585 ^o	87,028 ^o	146,000 ^c	153,700 ^c	2,500 ^c	600 ^c
44.	Adams-Russell Co. Inc.	127,998	139,874	229,045	300,125	2,862	112
45.	Midcontinent Cable Co.	127,644	67,918	206,417	206,417	N.A.	N.A.
46.	Midwest Video Corp. ^c	118,102	30,364	200,000	230,000	2,012	50
47.	McCaw Communications Co. Inc.	117,000	58,800	179,900	243,000 ^c	2,297	N.A.
48.	Sutton Capital Group	112,850	117,537	206,821	225,000	2,500	300
49.	NYT Cable TV	111,987	116,434	220,240	250,000	2,750	50
50.	Falcon Communications Inc.	110,000	165,000	245,000	335,000	1,900	900
Total—Top 50		24,839,292	22,778,742	43,364,595	47,521,281	421,111.70	39,755

SECOND 50

Rank	System Operator	Number of Subscribers	Pay-Cable Units	Homes Passed by Cable	Homes in Franchised Areas	Miles of Plant	Miles to be added in 12 months
51.	Televents Inc.	108,797	71,227	149,317	150,000 ^c	2,182	130
52.	Gill Cable Inc.	104,000	148,000	196,000	236,000	1,600	N.A.
53.	Harris Cable Corp.	98,000 ^p	76,000 ^p	176,000 ^c	325,000 ^c	1,525 ^c	N.A.
54.	Scott Cable Communications Inc. ^c	95,486	74,469	156,000	159,000	1,530	70
55.	Buckeye Cablevision Inc.	95,000	35,704 ^a	150,000	220,000	1,100	100
56.	Armstrong Utilities Inc.	93,429 ^q	64,984 ^q	131,294 ^c	150,000 ^c	1,774 ^c	100 ^c
57.	Multi-Channel TV Cable Co.	93,339	44,820	120,000	120,000	1,400 ^c	40
58.	Lenfest Group.	89,208	77,331	187,000	230,000	2,074	120
59.	Summit Communications Inc.	86,841	69,000	146,060	205,978	2,733.19	256
60.	Palmer Communications Corp.	84,689	48,832	99,650	111,820	1,271	40
61.	UltraCom Inc.	83,559	68,004	185,868	218,853	1,732	N.A.
62.	US Cable Corporation.	83,000	124,500	150,000	215,000	2,500	600
63.	McClatchy Newspapers/Cable Div.	82,588	88,950	178,733	250,000	1,200	0
64.	King Videocable Co.	80,500	48,500	111,000	125,000	1,400 ^c	100 ^c
65.	Perry Cable TV Corp.	80,000	35,000	130,000	N.A.	1,400	150
66.	National Telecommunications.	76,450	35,575	103,050	186,000	1,608	192
67.	Greater Media Inc. ^c	74,075	46,780	138,745	N.A.	1,602	N.A.
68.	WEHCO Video Inc.	74,000	42,900	126,000	130,000	1,650	50
69.	The Essex Group.	72,587	36,191	113,224	N.A.	2,230	N.A.
70.	Acton Corp.	70,281	62,230	210,490	425,000	2,676	100
71.	Cablevision of Baton Rouge.	68,873	56,330	118,542	230,000	1,310	75
72.	Omega Communications Inc.	67,704 ^j	13,033 ^j	90,000 ^c	95,000 ^c	N.A.	N.A.
73.	Susquehanna Bcstg. Co.	65,622	54,431	103,675	110,000	1,150	40
74.	Tribune Publishing Co.	63,406 ⁿ	70,028 ⁿ	106,630 ^c	140,000 ^c	1,359 ^c	250 ^c
75.	Sonic Cable Television.	62,949 ⁿ	33,888 ⁿ	96,892 ^c	99,000 ^c	959 ^c	30 ^c
76.	Pencor Services Inc.	62,831	23,879	69,010	78,500	1,750	75
77.	Wabash Cablevision Inc.	62,641	64,463	146,642	156,000	1,760	125
78.	Booth American Co.	62,500	37,550	103,086	125,000	1,594	1,944
79.	CableScope Inc. ^c	60,000	39,500	137,000	154,148 ^c	600 ^l	
80.	Twin County Cable TV.	55,000	14,000	100,000	125,000	1,600	300
81.	Coaxial Communications Inc.	54,130	51,618	99,000	99,000	830	100
82.	Selkirk Communications Ltd.	54,000	57,000	112,200	134,450	600	0
83.	Clear TV Cable Corp.	53,290 ^p	25,265 ^p	71,949 ^c	75,173 ^c	1,073 ^c	1.43 ^c
84.	Daily Press Inc.	53,000	52,000	88,000	100,000	1,600	25
84.	The Adam Corporation/Group.	53,000	32,000	96,067	101,200	1,395	20
86.	Marsh Media Inc. ^c	52,850	31,000	N.A.	N.A.	N.A.	N.A.
87.	Omni Cable TV Corporation.	52,509 ^p	29,189 ^p	89,200 ^c	130,000 ^c	N.A.	N.A.
88.	Southern Connecticut Cablevision ^c	48,600	60,750	93,000	110,000	1,000	140
89.	Television Systems Inc.	47,287	35,937	72,015	75,000	550	N.A.
90.	Simmons Communications Inc.	46,328	21,744	63,481	68,000	1,000	50
91.	Verto Cable TV.	45,682	10,010	80,000	56,000	518	0
92.	R. R. Donnelley.	45,213	23,870	82,957	83,000	759	800
93.	Dickinson Communications Ltd.	44,969 ⁱ	71,275	134,342	183,017	1,135	300
94.	Helicon Corp.	42,871	17,712	67,700	75,000	1,106	40
95.	Donrey Media Group Inc.	40,399	22,613	61,500	64,000	620	20
96.	Richard Treibick ^e	40,000	30,000	70,000	90,000	853	135
97.	Joseph Gans ^f	39,997	11,315	55,000	63,890	740.81	50
98.	Lawrence Flinn ^f	39,860	46,800	69,973	75,000	1,400	200
99.	Combined Cable Corp.	38,500	29,200	66,000	76,000	1,300	1,400
100.	Marcus Communications Inc.	37,900 ^a	11,500	50,200	51,000	666	N.A.
Total—Second 50		3,287,740	2,376,897	5,552,492	6,480,029	64,415	8,169.43
GRAND TOTAL—Top 100		28,127,032	25,155,639	48,917,087	54,001,310	485,526.7	47,924.43

^aPay subscribers. ^bAs of April 1, 1983. ^cAs of Sept. 1, 1983. ^dEstimate. ^eAs of Sept. 1, 1982. ^fAs of Dec. 1, 1983. ^gAs of Jan. 1, 1983. ^hAs of April 30, 1983. ⁱAs of March 22, 1982. ^jAs of Feb. 29, 1984. ^kAs of Feb. 28, 1984. ^lAs of April 30, 1984. ^mIncludes imminent purchases. ⁿAs of Feb. 1, 1984. ^oAs of June 1, 1983. ^pAs of Dec. 31, 1983. ^qAs of Jan. 31, 1984. ^rIncludes Huntington Beach, CA system held in partnership with Rogers Cablesystems. ^sIncludes pending acquisitions.

NCTA-CITIES ACCORD DETAILED: Following is summary of accord reached by NCTA and cities which will be included in pending cable bill (see page 1):

Franchise renewal: 30-36 months before franchise expires, city will begin identifying community's future cable needs, reviewing operator's performance. City then will ask for refranchising proposal. Operator & city then will square off in administrative proceeding in which operator will have full due process rights (as city will) to present evidence, call & cross-examine witnesses.

City then will decide to deny or renew franchise based on whether operator: (1) Substantially complied with material terms of franchise and applicable law. (2) Provided service of reasonable quality. (3) Had financial, legal & technical ability to provide services promised in renewal proposal. (4) Promised new services reasonable to meet community's needs in light of cost of meeting those needs. Denial must be accompanied by statement specifying where operator failed.

Rate Regulation: Regulation of basic service rates generally would end in 4 years, but until then operator -- unless rates are frozen in franchise -- can automatically raise rates 5% annually, or more by negotiating with city. In 180 days, FCC would promulgate standard defining effective competition in local video marketplace. That standard would be used to justify rate regulation of basic service (defined as all tiers containing local TV signals) after 4-year period in any market that doesn't meet competition test. Competition is now defined in HR-4103 as presence of 4 Grade B signals, including all 3 commercial networks.

Services, Facilities & Equipment: City can enforce existing franchise requirements relating to services, facilities & equipment, whether cable-related or not, subject to negotiation. In new franchises & renewals, city can establish minimum facility & equipment requirements in RFP, but can't require information services.

Contract Modifications: Operator can negotiate changes in franchise relating to facilities & equipment if he can show it has become commercially impracticable to provide them. Denial of modification request can be appealed, with burden of proof on operator under commercial impracticability doctrine in Uniform Commercial Code.

Operator can alter channel lineup, excluding access channels, by showing changes will maintain general mix, quality & level of service. Operator can rearrange, replace or remove particular service on 30-days' notice any time such service is no longer available or when copyright charges assessed by CRT become drastically higher than when service was first offered.

Franchise Fees: City can charge 5% franchise fee and use money for any purpose. Most costs of

access channels & equipment won't be included in determining franchise fee, but operator can show fee as separate item on subscriber's bill.

Buy-back: City will pay fair market value for any ownership interest it acquires, unless existing franchise includes different method.

WHO IS DELOY MILLER? Little-known Tenn.-based oil wildcatter Deloy Miller is attracting lots of attention in LPTV circles, in part because of his luck at winning FCC's LPTV lotteries. In previous lotteries, he won 5 permits, added substantially to that number May 30 by winning 3 of 5 markets in which he was competing. In 4th draw, he withdrew bid at last minute because of site problems -- only to see winning number come up. Many other bidders have been in several lotteries and have yet to win one.

Miller plans to have 2 stations on air by July 15 -- in Portland, Ind. & Hancock, Mich. -- according to his consultant Frank Camoro. By year end, Miller plans to have all 8 on air and intends to team with another LPTV entrepreneur, Benjamin Moore, to form network of 25-30 satellite-connected stations, Camoro said, all offering programming from Country Music TV. Cost of building so many stations apparently is no problem for Miller, 39, Camoro said: He's pres. of Miller Petroleum, Livingston, Tenn., and is known as successful driller of oil & gas wells in Midwest.

Camoro said he attended recent NAB convention, where he shopped around for turnkey studio & transmitter packages. "We put together a package deal of all new equipment, everything we needed to put a station on the air, for \$46,000," Camoro said. That includes everything but towers: "Hey, he's in the drilling business and he has lots of drilling rigs he can use for towers," Camoro said.

Markets Miller won last week are Eagle Pass, Tex., Bisbee, Ariz., & Norfolk, Neb. He lost in Bigfoot, Mont., withdrew from Mullin, Tex. It was FCC's 7th lottery, raised to 192 number of LPTV permits awarded by luck of draw. Next lottery will be June 29, 9:30 a.m.

Assn. for Best. Engineering Standards has asked FCC to stay April order permitting daytime AM stations to operate post-sunset with reduced power. ABES also asked Commission to reconsider order, claiming agency's action was based on "unsubstantiated submissions" of Daytime Bests. Assn. "DBA's sole policy argument [for extended hours] was a fleeting reference to the need of communities for local service after sunset," ABES told FCC. "No support or examples of this need have been cited."

Cablevision Industries of Fla. has acquired Deltona (Fla.) Cablevision, system serving 4,900 subscribers over 100 miles of plant -- price unreported.

CABLEPAC WEIGHS IN: NCTA "Cablepac" supported Sen. Hollings (D-S.C.) for Democratic nominee for President with \$2,000 contribution directly to candidate's presidential campaign coffers, \$3,000 to his Senate reelection committee. Cablepac also backed Seattle Mayor Charles Royer for Democratic nod for Senate seat with maximum \$5,000 contribution permitted. Details are contained in latest Federal Election Commission (FEC) records.

Hollings, who is ranking Democrat on Senate Commerce Committee, dropped out of presidential bidding after poor showing in Feb. N.H. primary. Royer (who is ex-pres., National League of Cities and helped write compromise Senate cable deregulation bill) also was loser, to Rep. Lowry (D-Wash.) who himself lost Senate seat in Nov. special election to Sen. Evans (R-Wash.). After string of bad bets, NCTA finally picked winner, backing Evans against Lowry with \$1,000, FEC records show. Cablepac also has contributed \$1,000 to Senate bids of Reps. Gore (D-Tenn.) & Markey (D-Mass.). Gore is expected to win; Markey dropped out in April.

Cablepac typically doles out about \$100,000 to congressional candidates, this year already has contributed \$69,691 to campaigns. Incumbents are main recipients, particularly cosponsors of HR-4103 cable deregulation measure, and House Energy & Commerce Committee members. Contributions totaled \$44,516 last year during first part of 1984 election cycle, \$25,175 more for first quarter this year. Records show Cablepac with \$95,861 still available March 31.

Noticeably absent from list of recipients are House Telecom Subcommittee Chmn. Wirth (D-Colo.) and Senate Commerce Committee Chmn. Packwood (R-Ore.). But NCTA remembered House Energy & Commerce Committee Chmn. Dingell (D-Mich.) with \$1,050 and Senate Communications Subcommittee Chmn. Goldwater (R-Ariz.) received \$2,000.

Cablepac also dipped into coffers for Senate Commerce Committee members: Gorton (R-Wash.) \$3,000; Exon (D-Neb.) \$550; Heflin (D-Ala.) \$3,000; Pressler (R-S.D.) \$3,000; Stevens (R-Alaska) \$1,000.

House panel members receiving Cablepac money: Bates (D-Cal.) \$3,250; Coats (R-Ind.) \$1,000; Collins (D-Ill.) \$500; Dowdy (D-Miss.) \$250; Eckhart (D-O.) \$950; Florio (D-N.J.) \$250; Leland (D-Tex.) \$2,250; Mikulski (D-Md.) \$500; Nielson (R-Utah) \$1,000; Oxley (R-O.) \$250; Richardson (D-N.M.) \$750; Rinaldo (R-N.J.) \$1,000; Swift (D-Wash.) \$2,000; Tauzin (D-La.) \$1,250; Walgren (D-Pa.) \$150; Waxman (D-Cal.) \$2,500.

Commerce Secy. Baldrige and FCC Chmn. Fowler will appear at House Telecom Subcommittee hearing on international telecommunications June 12-13. Subcommittee still is awaiting response from State Dept., which so far has promised only "an under secretary," Subcommittee aide reported. Hearings will be 9:30 a.m., room to be announced.

UA TO ACQUIRE GE CABLE PROPERTIES: United Artists Cablesystems will nearly double in size by acquiring GE Cablevision for \$132 million in cash plus 37% of UAC stock in surviving MSO, companies announced June 1. UAC will add GEC's 328,500 basic subscribers to its 346,000, will jump from 20th-ranked group to 11th in largest such acquisition this year. GEC was 21st largest group, has been in cable business 20 years.

UAC intends to retain all GEC management at Schenectady hq plus about 550 system workers (raising number of UAC employees to 1,250), said UAC Pres. Robert Rosencrans. He said UAC, with hq in Westport, Conn., has no immediate plans to alter or upgrade GEC properties, that review had found most are relatively modern, high-capacity systems. GEC's largest system serves about 80,000 in Grand Rapids, while UAC's largest is in Wayne, N.J. with about 130,000.

UAC move reflects desire to return to scale it enjoyed before split last year with Rogers (TVD Feb 7/83 p6). "There are some economies of operations and purchasing that we had become accustomed to before the split that we realized would be beneficial to have again," Rosencrans said. He declined to place value on 37% of MSO's stock GE will own. Question many were asking is why GE decided to sell its cable properties, especially since Robert Wright returned to GE several months ago from post as Cox Cable pres. Many thought Wright's return signaled GE's intention to expand in cable.

"We feel that the merger strengthens both companies' position in the cable industry," GE spokesman said. "We're not getting out of the cable business; we're becoming investors in a larger company with greater opportunities," he added. He declined comment on what GE would do with cash from sale.

Merger is subject to FCC approval and ratification by respective boards. Transaction is expected to close late this year.

FCC, NTIA, Board for International Bestg. & USIA FY '85 appropriations suffered 4% across-the-board cuts in House May 31. But agency supporters can consider that something of victory since only FCC spending had been authorized by House. Money for others could have been blocked on simple point of order by any member. With cut, FCC will receive \$94.1 million; BIB \$96.96 million; NTIA \$12.96 million; USIA \$800.8 million, including \$8.2 million for Radio Marti. Public Telecommunications Facilities Program administered by NTIA also was affected, will receive \$24 million. FCC funding includes \$200,000 for managing spectrum use by satellites.

Biarritz is site of \$71 million French govt. pilot project to use fiber optics for video phone, TV & home computing into 1,500 homes by end of 1985. Monthly fee will be \$8.

NO PROGRESS TOWARD DEAL: Last-ditch efforts to win comprehensive broadcast deregulation legislation in House or at least radio-only measure in Senate continue, although time is fast running out on this session of Congress. Scaled-down freedom of expression measure applying only to radio broadcasters is in works from Senate Commerce Committee Chmn. Packwood (R-Ore.), should be proposed at June 13 markup, sources said. Meanwhile, Reps. Tauke (R-Ia.) & Tauzin (D-La.) have suggested way around impasse on compromise House bill.

Packwood's proposal would repeal at least fairness doctrine & equal time rules for radio, is designed to give lawmakers extra time to consider more extensive deregulation of content regulations. Original Packwood measure (S-1917) also would have applied to TV but had little support in Committee (TVD May 14 p4). Packwood hopes new version will pick up needed momentum to get through Senate in this session.

Conciliatory talks continued May 31 in House between Tauke, Tauzin & Rep. Swift (D-Wash.) over ways to free stuck House measure. Lawmakers are considering idea suggested by Tauke & Tauzin for resolving petition to deny impasse. Proposal would codify 1978 federal court decision which held that faced with case of factual uncertainty, FCC is obligated to make investigation or allow petitioner time for what amounts to prehearing discovery, we were told. Proposal is intended as way to avoid legal entanglements that may result from extensive changes proposed for petition to deny.

Few on either side believe House talks will lead to compromise in time for measure to be enacted this year, particularly now that it's more than month since original talks broke down with House Telecom Subcommittee Chmn. Wirth (D-Colo.) (TVD April 30 p4). Well-informed source told us NAB is skeptical of efforts in both chambers, no longer thinks any broadcast deregulation legislation has chance in this session because proposals tend to be controversial, would take more time to move than Congress has left in schedule.

Tauke, also perhaps Tauzin & Rep. Broyhill (R-N.C.), nonetheless meet with Packwood June 7 to discuss strategy for attaching radio-only provisions as amendment to still unidentified legislation in Senate, in hopes it can substitute for bill stalled in House.

Other unions involved in TV-radio have asked AFL-CIO to censure Las Vegas local of NABET because members crossed picket lines during strike against hotels there. "NABET... has betrayed all trade principles of union solidarity and should be dealt with accordingly," said Council of Motion Picture & TV Unions. Council and IATSE also demanded that NABET order Las Vegas local to stop supplying videotape engineers & technicians to hotels while IATSE stagehands and other unions are on strike.

NEW INTELSAT COMPETITION: Satellite system to serve Western Hemisphere has become latest proposed alternative to Intelsat. Pan American Satellite (PanAmSat -- no relation to air carrier) filed application with FCC to launch \$155 million hybrid satellite system to serve U.S./Latin American/Caribbean Basin/South American markets. PanAmSat would launch bird in 1987, but plans to start service in early 1985 with leased capacity from other carriers.

PanAmSat principals include officials of Spanish International Network (SIN) and Televisa, Mexican commercial TV network. System will be owned 20% by PanAmSat Corp. as general partner and 80% by limited partners "to be solicited either by private placement or public underwriting" within 9 months of FCC approval, application said. PanAmSat Corp. is owned 80% by RFW Satellite Systems and 20% by Emilio Milmo, pres. of Televisa. RFW is partnership owned by Reynold (Rene) Anselmo (60%), William Stiles (20%), Frederick Landman (20%), all SIN officers.

Hybrid bird will be based on Hughes HS-393 satellite, will carry 36 transponders. Domestic satellite service in Latin America will be provided with 24 transponders; other 12 will be used for "subregional" video and audio distribution satellite service between N.Y. & Miami and Latin American countries.

PanAmSat asked for 57 degrees west slot. It also plans to procure ground spare. All transponders will be sold or leased on "selective, non-common carrier basis" to TV & radio networks, international news organizations, countries & other entities.

ACT hosts symposium June 6 & 7 at National Academy of Sciences in Washington with goal of encouraging broadcasters to use Constitution as subject for children's programming during U.S. bicentennial year 1987. Symposium will be financed through grants from National Endowment for the Humanities, Markle Foundation & Benton Foundation. Among participants: Ex-CBS News Pres. Fred Friendly, HBO Pres. Michael Fuchs, ex-FCC Comr. Tyrone Brown, NBC Group Exec. Vp Raymond Timothy, U.S. Civil Rights Comr. Mary Berry, Columbia Law School Dean Benno Schmidt, N.Y. Times columnist Anthony Lewis, WETA-TV Washington Pres. Ward Chamberlin.

FCC accepted 4 more DBS applications for filing last week: Advanced Communications, Hughes Communications Galaxy, National Exchange, Space Communications Services. They were filed before Jan. 12 deadline and bring to 7 total number of 2nd round DBS applications accepted by FCC.

"When I heard that, I started to laugh," ACT Pres. Peggy Charren said when asked about charges of another group that programming on Disney Channel is too violent. She said she couldn't believe that anyone could consider Donald Duck cartoons unsuitable for viewing by children.

JOYCE SUPPORTS WOMEN IN NEWS: "Women can be just as good reporters, editors, camera people, managers and executives as men -- and sometimes better -- and the notion that they belong in some special, sheltered and underpaid category is sheer nonsense." That's message CBS News Pres. Edward Joyce delivered to convention of AWRT last week in Chicago.

Joyce said he's "sensitive to the particular frustrations of women" who claim they have been neglected by broadcast news, added: "I have a responsibility to see that words about the rights of women are translated into deeds in the... operations of CBS News around the world... In its relative slowness to promote women... journalism in general has done more than transgress the concept of equal rights. It has also squandered an enormous amount of talent."

Joyce said cause of women's rights in radio & TV "is an especially compelling one... Unfortunately, we have too often been guilty of what author Fanny Hurst referred to when she wrote 'a woman has to be twice as good as a man to go half as far'... It has been particularly galling to women... that they have not been readily granted equal access in a profession which is supposed to be more rational than most, more objective than most, and more vigilant than most concerning the principles of a democratic society... Too many men in our profession are prisoners of sexual attitudes that belong in the 19th Century, not the 20th."

Joyce noted that CBS News has only one female vp -- Joan Richman, vp-dir. of special events -- but that "47% of what might be termed middle-management positions at CBS News are already occupied by women... I might also suggest to other [news] executives that they look at those numbers, at the rather large number of women in key positions at CBS News; and in so doing they might bear in mind that CBS News remains No. 1."

FCC Comr. Dawson spoke about programming creativity for new services, announced Commission will co-sponsor 2nd Women in Communications Symposium in Sept.

Sen. Gorton (R-Wash.) is considering amendments for his sports franchise protection bill (S-2205) that include restriction that in effect would limit amount of sports programming pay TV outlets could purchase. Sources said he may propose cap at 50% when bill goes to markup in Senate Commerce Committee June 13. Proposal is intended as protection for traditional over-the-air TV and if pursued will lead to all-out battle with sports & cable interests, we're told.

Women in Cable is celebrating 5th year of existence, will kick off observance at NCTA convention in Las Vegas with June 5 breakfast featuring Liz Carpenter, author and former Lady Bird Johnson press secy. WIC now has 23 chapters.

NAB STUDIES FAIRNESS DOCTRINE: Preparing to file comments in FCC inquiry on future of fairness doctrine, NAB Exec. Committee last week authorized 3 studies designed to show "chilling effect" of doctrine and to dispute scarcity argument for its retention. Two of studies will be done in-house: (1) Analysis of 100-150 markets at various stages of development in broadcast area. (2) Market-by-market survey of stations looking for instances where broadcasters have been less than robust in news coverage because of fear of repercussions caused by doctrine.

As yet unselected outside firm will be commissioned to survey startup and operational costs for 3 years of newspapers, TV & radio stations. Study is targeted at no more than \$7,500, and NAB hopes it will show that economics, not scarcity, is controlling factor.

In other actions, Exec. Committee: (1) Met with newly elected board members, who will take office at start of June 19-22 meetings in Washington. Staff also briefed new dirs., and candidates for board leadership posts made pitches. Only contested race is for radio vice chmn. between Edward Giller, WFBG-AM-FM Altoona, Pa., and Clyde Price, WACT-AM-FM Tuscaloosa, Ala.

(2) Approved klystron project designed to double power output efficiency of UHF TV stations. NAB's share of project is \$200,000, all but \$35,000 already raised in contributions from members. Other participants are PBS, NASA and Varian Assoc., which is conducting project in Cal.

(3) Decided to appeal distribution of 1979 copyright funds by Royalty Tribunal in attempt to get some payment for commercial radio stations -- which so far have been shut out by Tribunal. (4) Approved concept of minority fellowship in research, although there's no money for post in current budget. (5) Raised maximum for research grants from \$1,400 to \$5,000 -- although total amount spent each year for such grants will remain at \$15,000.

Seminar on "Minority Ownership of New Best. Stations" is planned June 28 at Washington Marriott Hotel, with special emphasis on FCC Doc. 80-90, which created several hundred new FM assignments. Free seminar is being organized by FCC, NTIA and Minority Business Development Agency. Co-sponsors include NAB, Best. Capital Fund, National Black Media Coalition, NRBA. Contact: Zora Kramer, 202-632-7260.

Council for Cable Information has voted to proceed with final testing & production of \$6 million national image-building campaign for cable. CCI Chmn. Daniel Ritchie, chmn. of Group W Cable, said production of TV ads by McCann-Erickson will begin after final tests in June. If all goes well, ads will begin airing in Sept. in 4 test markets. Timetable calls for national rollout in first quarter of 1985, Ritchie said.

Backdoor effort to win year delay of Copyright Royalty Tribunal's (CRT) 3.75% royalty rate for some imported distant independent TV station signals was blocked May 31 in House Appropriations Legislative Subcommittee. NCTA sought language in report accompanying measure for legislative branch spending that would contend CRT may have wrongly interpreted law in forbidding signal substitutions, and suggest so-called "CATA loophole" was permissible. "CATA loophole" plan would permit cable systems to carry up to 30 distant signals from independent TV stations as substitutes for permitted & copyright-exempt specialty (primarily religious & foreign language) stations, without paying 3.75% royalty rate. Report wouldn't have had force of law but could have been used in court challenges to explain Congress's intent in establishing CRT. Opponents didn't get wind of NCTA effort until recently, were preparing to accept compromise worked out by Rep. Fazio (D-Cal.) that would have made clear that only grandfathered distant signals could be substituted. But opponents -- NAB, MPAA and sports interests -- with help of House Appropriations Committee Chmn. Whitten (D-Miss.) & Reps. Boland (D-Mass.), Conte (R-Mass.) & Yates (D-Ill.) were able to convince panel issue was inappropriate item for that bill. Learning about action on House side, sister Senate Appropriations Legislative Branch Subcommittee at our press time also refused to include NCTA-backed language in report for companion money bill.

New trade group, Cellular Communications Industry Assn., has started operations with 20 companies as members. CCIA is 2nd in cellular industry to organize this year. Earlier, Cellular Radio Communications Assn. held organizational meeting, elected dirs. Dale Nicholson, dir. of business relations for GTE Mobilnet and pres. of newest association, said CCIA was formed because "there were some problems with the way CCRA was organized."

NBC/NYC and Videostar Connections have signed agreement under which Videostar will provide satellite networking services for NBC's Rockefeller Center videoconference studio. Videostar also has signed agreement with Marriott Hotels & Resorts to expand Marriott Teleconference Network to all continental U.S. Marriott properties. New Marriott links will be concentrated in metropolitan areas, will provide services in both C- and Ku-bands.

TV cameras have been expelled from trial of several L.A. residents charged with more than 200 felony counts of child sex molestation. Municipal Judge Aviva Bobb at first allowed cameras, but reversed decision May 30 on motion of defense attorney.

United Video will begin marketing Cable SportsTicker, 24-hour satellite-fed teletext sports information service, July 15. UV has exclusive marketing license from Commodity Quotations. Information for teletext service will come from CQ's SportsTicker service.

U.S. Ambassador Mike Mansfield has informed USIA Dir. Charles Wick that there will be no "armored limousine" or special police escort for Wick during visit to Japan -- as had been requested. "Regrettably, the post [Embassy] does not have an armored limousine nor are any known to exist in the rental market," Mansfield cabled. Wick will meet with Mansfield and Japanese officials after attending conference with USIA officials in South Korea. Meanwhile, several members of Senate Foreign Relations Committee are somewhat put out that Leslie Lenkowsky will be acting dir. of USIA during Wick's trip. In May, Committee rejected Lenkowsky as deputy dir. and, after being asked by Wick, several senators agreed that he could stay in post as acting deputy until June 15.

President Reagan is expected to nominate George Nesterczuk to be Deputy Dir. of USIA. Nesterczuk is President's 3rd choice for post, is serving now as assoc. administration dir., Office of Personnel Management. Senate Foreign Relations Committee rejected original nominee, Leslie Lenkowsky, after he was tied to controversial agency speakers blacklist. President's 2nd choice was Asst. Secy. of State Elliott Abrams, who told White House he didn't want job.

Federal Appeals Court (6th Circuit) Judge Robert Krupansky has overruled lower court, issued temporary restraining order stopping 4 Detroit bars from telecasting Detroit Tigers baseball games via satellite. Order will remain in effect until full Circuit Court rules. Dist. Court Judge Robert DeMascio had denied injunction against telecasts sought by Pro Am Sports System, which feeds Tiger games to cable systems. Noting signals weren't scrambled, DeMascio said Pro Am should "cope with technology and get into the 20th century."

License of Pillar of Fire for WAWZ(FM) Zarephath, N.J., has been renewed in initial decision by FCC Judge Thomas Fitzpatrick, who denied application for new station on WAWZ's frequency (99.1 MHz) by WRNJ(AM) Hackettstown, N.J. Judge said that preference for WRNJ on integration and its auxiliary power proposal is "offset by demerit for its misleading promotional... activities concerning the coverage area of WRNJ." Fitzpatrick said WAWZ's "past performance has been substantial."

National University Teleconference Network (NUTN) said it has reached agreements for continuing education teleconferences on medical & technical topics with IEEE and Symposiums International. NUTN said it had added 4 members, for total of 110.

Taft Bestg. board authorized purchase of 300,000 its common shares on open market. New shares are in addition to purchase of 150,000 authorized in Feb., of which Taft has bought 117,000. Taft closed May 30 on N.Y. Stock Exchange at 56-1/2, up a point.

Best. Financial Management moves June 4 from downtown Chicago to Suite 1010, 701 Lee St., Des Plaines, Ill. 60016, 312-296-0200.

Personals

HBO Chmn. Frank Biondi speaks at June 26 National Press Club lunch, Washington... Bradley Holmes, ex-N.Y. law firm Arps, Slate, Meagher & Flom, appointed legal asst. to FCC Comr. Dennis Patrick; Mary Anne Lanchantin joins as confidential asst.

Richard Wyckoff, NAB vp-broadcast liaison, named Pa. Assn. of Bstrs. exec. dir... Martin Lafferty, ex-Group W Cable, appointed mktg. dir., Turner Cable Sales & Mktg... Steven Seidenfrau promoted to NBC product operations vp... Martin Appel advanced to WPIX Inc. PR vp; Meryl Karp promoted to secy... Andrea Bear promoted to WLS-TV Chicago news operations mgr.; Jeanne Fisher to business mgr... Jennifer Davies promoted to WNEV-TV Boston media & community relations mgr... Gary Madderom, ex-North American Publishing, named mktg. dir., Television Digest Inc., succeeding Barbara Pratt, now ad & exhibits mgr., Telocator, Washington.

Jack Clements, exec. vp-COO, MBS, appointed to RAB board, succeeding former MBS Pres. Martin Rubenstein... Harold Tamburro, ex-MAI Communications, appointed finance vp, AM Cable TV Industries... Jerry Dixon, ex-WTVN-TV Columbus, O., named WDCA-TV Washington chief engineer... Gene Bormann, ex-Group W TVSC, appointed vp, Netcom Syndication & Programming, new Netcom div.

Michael Green, ex-Syntex Ophthalmics, appointed gen. mgr.-Coaxial Cable Div., Scientific-Atlanta... Mary Clunis advanced to AP broadcast membership dir. for 17 central states... Marvin Blecker, ex-RCA Labs, named dir.-systems engineering & development, Comsat Satellite TV Corp.; Daniel Kurlander, ex-CBS, appointed program administrator... Yong Lee advanced to pres., M/A-Com MVS... Harvey Lehman named senior vp-west coast personnel & administration, Columbia Pictures... Charles Eldon, Hewlett-Packard, voted pres.-elect, IEEE, succeeding late Donald King... Stuart Schwartz, ex-consultant, named corporate mktg. dir., Lee Enterprises.

Nicole Browning, ex-Rainbow Programming Services, appointed regional sales mgr.-affiliate sales & mktg., Weather Channel... Hyman Gail promoted to dir.-new product introduction & special products, Siemens Communication Systems... Carolyn Reynolds joins Arts & Entertainment Network as mktg. services mgr.; Patricia Kehoe, ex-Entertainment Channel, named mktg. dir.; Burt Berliner, ex-ARTS, PR dir.

Lois Schiffer, ex-Justice Dept., named gen. counsel, NPR, succeeding Michael Glass, resigned... Burton Wides, ex-Senate Judiciary Committee counsel, becomes of counsel to Washington firm Arent, Fox, Kintner, Plotkin & Kahn... Ellen Davidson, ex-Royal Ontario Museum, named First Choice PR mgr.

Gary Fereno, ex-Western Union International,

appointed telecommunications policy specialist, NTIA office of international affairs... Richard Reisberg, pres., MGM/UA TV, resigns; Lynn Loring, ex-Aaron Spelling Productions, named senior vp-programming & production... Sy Salkowitz, Viacom Productions pres., resigns... Susan Laine promoted to WJLA-TV Washington PR dir.; Penny Micklebury to asst. news dir... Tracy Tynan promoted to mgr.-independent sales L.A., Blair TV; Philip Kirk promoted to asst. mgr.-NBC sales.

Douglas Greenlaw promoted to ad sales vp, CBN Cable Network... Ronald Lichtman promoted to vp-chief financial officer, Times Mirror National Mktg... Peter Froeb, ex-Weyerhaeuser, appointed gen. mgr., Continental Satellite Systems; Roger Blummer, ex-Wespercom, named sales & mktg. mgr.

RAB board has adopted 3-year business plan, set new directions for 3,800-member Assn., approved staff reorganization. Chmn. Richard Chapin, Stuart Bestg., said: "We have restructured RAB to get the most bang for each buck." RAB also created "President's Council" to participate in sales presentations aimed at chief executives of major advertisers. Under reorganization, several departments involved in servicing members and soliciting new members will be combined under Exec. Vp Wayne Cornils. In another move, RAB hired Lord, Geller, Federico & Einstein (subsidiary of JWT) to develop national ad campaign for radio, starting in fall.

Turner Bestg. has filed amended petition asking U.S. Appeals Court, D.C., to repeal cable must-carry rules or to order FCC to reexamine rules (83-2050). Revised petition involves Commission's April 16 decision rejecting Turner's request for rulemaking and reaffirming must-carry rules.

Gulf Bestg. is buying independent UHF's KTXA Dallas & KTXH Houston for about \$125 million from KTXH Inc., whose Pres. Milton Grant is expected to remain with stations under new owner. Outlet Bestg. originally had "handshake deal" to buy Tex. stations, but it fell apart.

With start of KIDY (Ch. 6) San Angelo, Tex., there now are 1,159 TV stations on air in U.S. -- 297 non-commercial, 862 commercial. Pres. Raymond Schindler owns 82% of KIDY, Gen. Mgr. William Carter 2%. Ron Adkins is operations mgr., Ed Mateo chief engineer.

Rupert Murdoch's Sky Channel cable service has penetrated Sweden. Channel now is being carried on 1,000-subscriber Lund system, with several others expected to sign up soon. Sky Channel claims more than 1.3 million subscribers in U.K. and Continent.

C-SPAN will send crews around country for 2-month special election program. Sponsored by 14 cable companies, C-SPAN will visit 14 cities to spend 3 days doing call-in shows & interviews with local, state & federal officials, journalists, residents.

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Consumer Electronics®

A Section of Television Digest with Consumer Electronics

STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended May 18 (20th week of 1984):

	MAY 12-18	1983 WEEK	\$ CHANGE	MAY 5-11	20 WEEKS 1984	20 WEEKS 1983	\$ CHANGE
TOTAL TV.....	319,043	266,015	+19.9	325,642	7,300,482	6,477,991	+12.7
TOTAL COLOR...	245,701	198,690	+23.7	232,466	5,621,049*	4,594,268	+22.3
DIRECT-VIEW..	242,629*	196,674	+23.3	229,254	5,561,223*	4,548,733	+22.3
PROJECTION..	3,072*	2,016	+52.4	3,212*	59,826*	45,535	+31.4
MONOCHROME....	73,342	67,325	+ 8.9	93,176	1,679,433	1,883,723	-10.8
TV EXCL. PROJEC.	315,971	263,999	+19.7	322,430	7,240,656	6,432,456	+12.6
HOME VCR.....	102,004*	66,674	+52.9	102,741*	2,155,550*	1,156,319	+86.4
COLOR CAMERAS...	7,812*	5,703	+37.0	8,082*	149,326*	116,107	+28.6

Color TV (direct-view) 5-week moving average: 1984--257,038*; 1983--214,900 (up 19.6%).

Home VCR 5-week moving average: 1984--109,523*; 1983--67,192 (up 63.0%).

* Record for period.

'TECHNICAL PROBLEM' DELAYS GE 8MM DEBUT: Second consecutive CES is being thrown into uproar by developments in 8mm Video. Saga took another strange turn last week when GE postponed availability of its Matsushita-built camcorder because of "technical problem affecting the interface of hardware & software."

Camcorder had been scheduled for marketing this summer. GE said problem "surfaced during recent life testing of the system" and it no longer has "definitive timetable" for sale of the product. Eastman Kodak, whose camcorder is virtually identical to GE's, told us it had experienced no such problem and its units are still scheduled for sale starting Sept. 1. Polaroid, scheduled to introduce its own Toshiba-made 8mm camcorder this week at CES, also said it had no problems. Both Kodak & Polaroid said it was their policy not to comment on other companies' statements.

"There's nothing wrong with the tape and nothing wrong with the head -- they just don't work together," is how one GE official put it, adding that problems involved jamming of tape, and "the tape not working right with the heads." Problems of head-to-tape interface in 8mm have been widely reported, latest such reports having appeared here in April (TVD April 16 p12, April 23 p10). System will accommodate both metal evaporated and metal particle tape, but latter is said to cause head problems and former to have tape problems.

GE said it has used all available brands of tape in its life testing. Kodak is buying its tape from TDK; Polaroid said it's in process of selecting tape supplier. Matsushita had no comment on tape interface situation at press time.

"We will not offer an 8mm Video system or any video product until the quality and reliability meet GE standards," said Video & Audio Vp-Gen. Mgr. Jacques Robinson. "We do not have a definitive timetable at this point, but we expect the problem to be corrected soon. As soon as it is, we will make the product available to consumers." GE was careful to point out that recently introduced line of 1985-model VHS recorders wouldn't be affected.

GRUNDIG'S VHS MAY COME HERE: First truly "non-Japanese" VHS recorder was unveiled in London last week by Grundig, and there are plans to import this highly regarded piece of work into U.S. next year. Also last week, Grundig's controlling partner, N.V. Philips, said it would start selling VHS VCRs on Continent this fall.

Grundig unit built in West Germany for export is claimed to have 96% European content, meaning that Grundig learned to make own head drums in only 7 months -- process that Japanese had said would require 2 years.

Biggest surprise about new VHS unit is that it closely resembles Grundig's V2000 recorder -- in fact, it virtually is V2000 modified to run VHS cassettes. Although it's compatible with tapes recorded on machines with standard VHS M-wrap head drum, it uses U-wrap like V2000. It has other V2000 features, too. For example, its readout window automatically computes playing time on tape inserted. V2000 cassettes have special notches designed to tell recorder amount of tape in cassette. For VHS cassettes, Grundig supplies stick-on bar-code label -- and as cassette is inserted in recorder it passes bar-code scanner that automatically adjusts readout.

Another feature is security system. User punches own 4-digit ID code into machine, which thereafter will work only if same code is entered. After cassette is inserted, not only won't cassette play, but it can't be removed from machine unless code is entered. A user who forgets code can have machine unlocked only by taking it to authorized Grundig technician with proof of purchase. Grundig plans to make available stickers notifying would-be burglars that VCR is useless without security code.

In England, Grundig's VHS machine will sell for 449 pounds (about \$630) including value-added tax. Robert Moore, pres. of Display Devices Inc., which assembles Grundig TV sets in U.S. (TVD Nov 7 p11), told us last week he expects to have multistandard Grundig VHS VCR at CES exhibit, but it hadn't arrived by press time. He added that he hoped to offer the German-made recorder in U.S. next year. DDI will show first American-style Grundig consoles at CES, Moore says. Grundig, which originally had said it would offer VHS format in export market only, reiterated last week that it would continue to make V2000 format, which it said in long run would continue to represent 33-40% of its overall VCR production.

Philips, which climbed on VHS bandwagon under license agreement with Japan's Matsushita last year and has been insisting it would offer format for export only, announced last April that U.K. would be first market, with sales starting this spring. It now says it will begin offering format in other European markets by 4th quarter, continues to insist that its own V2000 VCR system won't be dropped. Philips at first will import complete VCRs from Matsushita, eventually go into production on its own.

Also in England, unusual OEM deal came to light: Sony is now making all Thorn EMI Ferguson audio equipment. Pact apparently prevents Sony from selling identical products in U.K. under own name. Thorn's VCRs, all VHS, are made by JVC.

COLOR SUPPLY AT RECORD IN 1ST QUARTER: Record domestic production combined with sharply increased complete set imports to set new quarterly color supply high in Jan.-March, figures from EIA & Commerce indicate.

U.S. & foreign-owned color plants here together turned out nearly 2.96 million new color sets in quarter, up 29% from same period last year, shattering previous quarterly record of 2.85 million set in opening quarter of 1981. Imports jumped 86.6% to 1.29 million, setting new first-quarter high, and 2nd in size only to 1.5 million that poured into U.S. in 4th quarter last year. Overall new color supply total of 4.25 million was up 42.3%, eclipsed standing record of 4.2 million, also set in 1983's final quarter.

Rise in U.S. output was strong enough to snap 18-month streak of regular

Quarter-to-quarter color market share increases that had been racked up by imports. Figures indicate imports accounted for 30.4% of new supply in quarter, which, while up significantly from 23.2% share in first quarter last year, is down from 35.7% in 4th quarter. Included in domestic production are tube-inclusive color TV kits imported for assembly here. They totaled 179,900 in quarter, up 115%; crediting them to imports instead would give foreign-made sets 34.6% share of market in quarter, up from 25.9% in same period last year, though still well below 40% in 4th quarter.

Here's breakdown of how domestic factories and imports performed opening period this year:

1984 FIRST QUARTER U.S. TOTAL TV SUPPLY

		U.S.- Produced*	% change	Imports	% change	Total Supply	% change
Total TV	1984....	2,957,000	+29.0	2,498,000	+45.1	5,455,000	+35.9
	1983....	2,293,000		1,722,000		4,015,000	
Color TV	1984....	2,957,000	+29.0	1,289,000	+86.6	4,246,000	+42.3
	1983....	2,293,000		691,000		2,984,000	
B&W TV	1984....	--	--	1,209,000	+17.3	1,209,000	+17.3
	1983....	--		1,031,000		1,031,000	

* * * * *

While EIA's indicated domestic factory production is well up, in keeping with sales figures, there's growing concern actual output is substantially higher than estimated. This is reinforced by EIA's own figures for color tube sales to U.S. producers -- about 3.1 million in quarter. From our derived domestic production total must be subtracted kit imports plus imports of about 25,000 tubes, which would reduce apparent OEM tube consumption to 2.75 million, or 350,000 fewer than were reported sold.

Situation is similar for 1983 figures. EIA data indicated domestic production of about 9.84 million, and when imports of some 800,000 kits & tubes are factored in, there was apparent OEM consumption of just over 9 million tubes. But other EIA figures put OEM tube sales at about 10.7 million. Review of International Trade Commission's report on Korea-Taiwan color TV dumping case (TVD May 7 p16) turned up figures that indicate its questionnaires to domestic manufacturers showed 1983 U.S. production at just over 11.5 million, 16.9% higher than indicated by EIA figures, and right in line with tube sales and tube & kit imports.

Based on EIA figures as they stand, top color marketers already have started expressing concern over impact current excessive production rate and rising inventories will have on pricing later this year. Worries will intensify if it turns out EIA's current new supply totals are indeed low by as much as 8%. Issue of color TV figures, as well as other statistical programs, will be reviewed at special meeting of EIA's Mktg. Services Committee in Chicago this week during CES.

1984 TV BRAND RANKINGS SHOW FEW CHANGES: All TV brands showed gains in unit sales in 1984 model year, thanks to increase in total sales, but major changes in rankings were rare, our 17th annual survey of TV market share shows. Major trends indicated in survey are continued increase in shares of Korean & Taiwanese brands and decline in market share of top color brands.

In our annual survey, we ask manufacturers to rate their competitors in terms of brand market share, omitting their own brands, for model year just closing (in this case, period from July 1983 through June 1984).

In color, this year's top 10 rankings are identical to last year's. However, the 8 leading brands are down in share, with Nos. 1 & 2 RCA & Zenith each declining full percentage point. For 1984 model year, top 8 represented 71.6% market share, down from 75.7% in 1983. Most changes in rankings below that are relatively minor, but noteworthy is fact that Samsung doubled its share, moving to 17th from 20th. Newcomers to color rankings are Emerson, Capehart, NEC, AGC, JVC & Fisher.

In monochrome, first 8 rankings are unchanged, but Samsung vaulted to 9th place from 13th, and in 2nd tier Philco pushed up to 11th from 15th. Only new company in monochrome was Emerson. It's likely K-mart would have ranked above some of those listed in both color & monochrome if it had been included in our form -- it was written in by a few, will be included on form next year.

Rankings & shares are by brand, not manufacturer. In table below, market shares are medians of estimates -- where brands were tied in medians, we decided rankings on basis of averages. "Range" indicates lowest & highest estimates in usable replies.

SHARE OF U.S. MARKET BY MODEL YEAR

COLOR

Rank	Brand	1984 % share	Range	1983 % share	1982 % share	1981 % share	1980 % share	1979 % share
1	RCA.....	19.0	18.0-21.0	20.0	20.0	20.0	21.0	21.0
2	Zenith.....	17.5	16.0-19.0	18.5	19.4	20.5	20.5	20.5
3	GE.....	7.6	6.9-8.2	8.1	8.0	7.7	7.5	6.9
4	Sears.....	7.1	6.5-8.0	7.1	7.25	7.2	7.5	7.9
5	Sony.....	6.5	5.9-8.0	7.0	7.0	7.0	6.5	6.5
6	Magnavox.....	5.7	4.0-6.2	6.0	6.5	6.9	7.0	7.2
7	Sylvania.....	4.2	3.4-5.0	4.5	4.0	4.0	4.0	3.9
8	Quasar.....	4.0	3.4-5.0	4.5	5.0	4.9	5.0	5.0
9	Panasonic.....	4.0	3.0-4.7	3.56	2.5	2.1	2.0	2.2
10	Hitachi.....	2.7	2.0-3.0	2.5	2.25	2.0	1.7	1.85
11	Sharp.....	2.5	1.5-3.0	2.0	1.5	1.5	1.5	1.5
12	Mongtomery Ward	2.45	1.8-3.0	2.25	2.5	2.7	2.25	2.1
13	Mitsubishi.....	2.0	1.0-2.5	1.7	1.5	1.2	1.0	1.0
14	Sanyo.....	1.55	1.5-2.0	1.5	1.5	2.0	2.0	2.0
15	J.C. Penney....	1.5	1.0-2.0	1.5	1.5	1.5	1.5	1.5
16	Toshiba.....	1.4	1.0-3.0	1.3	1.4	1.1	1.0	1.0
17	Samsung.....	1.2	0.4-2.8	0.6	0.45	0.4	--	--
18	Curtis Mathes..	1.2	0.9-2.0	1.2	1.2	1.0	1.0	1.0
19	Philco.....	1.0	0.5-1.4	1.0	1.0	1.2	1.2	1.2
20	Gold Star.....	1.0	0.7-1.3	0.8	0.75	0.8	--	--
21	Emerson.....	1.0	0.3-1.4	--	--	--	--	--
22	Sampo.....	0.6	0.3-1.0	0.55	0.5	0.5	--	--
23	Capehart (NATM)	0.6	0.1-1.0	--	--	--	--	--
24	Portland.....	0.5	0.3-1.0	0.38	0.35	--	--	--
25	NEC.....	0.5	0.1-0.7	--	--	--	--	--
26	Teknika.....	0.4	0.1-0.6	0.5	0.5	--	--	--
27	AOC brand.....	0.4	0.1-0.5	--	--	--	--	--
28	Tatung.....	0.3	0.1-0.5	0.3	0.3	--	--	--
29	JVC.....	0.3	0.2-1.0	--	--	--	--	--
30	Fisher.....	0.25	0.1-0.6	--	--	--	--	--

MONOCHROME

Rank	Brand	1984 % share	Range	1983 % share	1982 % share	1981 % share	1980 % share	1979 % share
1	RCA.....	15.0	11.4-16.0	16.0	16.5	16.0	14.85	14.5
2	Zenith.....	14.0	12.2-16.0	15.0	15.8	16.0	16.0	16.05
3	Sears.....	9.0	8.0-10.0	9.1	9.12	9.0	9.0	9.4
4	GE.....	8.55	6.5-10.0	8.7	9.0	9.0	10.0	10.0
5	Panasonic.....	6.5	5.0-8.5	6.6	6.5	7.0	6.65	7.4
6	Sony.....	4.0	3.0-6.0	4.0	4.3	4.2	4.2	4.1
7	Sanyo.....	3.5	3.0-4.0	3.35	3.5	3.7	3.2	2.9
8	Gold Star.....	3.5	3.0-5.0	3.0	2.0	1.5	--	--
9	Samsung.....	3.0	2.1-5.0	2.0	1.5	0.5	--	--
10	Quasar.....	2.8	2.0-4.0	2.67	3.0	3.5	3.5	4.0
11	Philco.....	2.5	1.7-5.0	1.88	1.85	2.0	2.0	2.2
12	J.C. Penney....	2.5	1.4-3.0	2.5	2.85	2.8	1.9	1.9
13	Montgomery Ward	2.5	2.0-4.0	2.5	2.5	2.5	2.5	2.5
14	Emerson.....	2.5	0.4-3.2	--	--	--	--	--
15	Portland.....	2.0	0.5-5.0	1.2	1.0	--	--	--
16	Magnavox.....	2.0	1.0-3.0	2.0	1.5	1.5	1.5	1.7
17	Sylvania.....	1.8	1.0-2.0	1.95	2.0	2.0	2.0	2.1
18	Sampo.....	1.7	0.5-4.0	1.5	1.0	1.1	--	--
19	Sharp.....	1.3	1.0-1.6	1.3	1.1	1.4	1.65	2.0
20	Hitachi.....	1.0	0.2-1.5	1.13	1.5	1.6	1.75	2.0
21	Mitsubishi.....	0.9	0.4-1.0	1.0	1.0	1.0	0.5	0.45
22	Tatung.....	0.65	0.4-1.5	0.5	0.5	--	--	--
23	Teknika.....	0.5	0.3-1.5	0.5	0.3	--	--	--
24	Curtis Mathes..	0.5	0.2-1.0	0.8	0.8	--	--	--
25	Toshiba.....	0.45	0.2-1.0	0.5	0.5	0.7	0.5	0.5

SONY'S CES INTRODUCTIONS: Betamovie with autofocus, first CD digital audiodisc players for cars, multichannel TV sound (MTS) converter and color sets with MTS built in were announced by Sony this week as CES opened in Chicago.

Autofocus Betamovie removes objection some users had to first model -- difficulty of focusing using through-lens viewfinder. New version weighs 6 lb. & 10 oz. with battery, has f1.2 lens, requires 35 lux of light, has CCD through-lens autofocus system. It will be available in Sept., pricing to be announced at that time.

First car CD players -- with & without AM-FM -- are designed to European DIN auto installation size, with laser optic assembly 1/3 size of home units. They have "Automatic Music Sensor" button for skipping selections in either direction, will be available & priced in fall.

Sony also announced immediate availability of MTS TV sound decoder for stereo & SAP broadcasts, priced at \$200. Decoder includes two 5-watt-per-channel stereo amplifiers for direct connection to loudspeakers, or it can be connected to separate hi-fi amplifier. This fall, Sony will add one 19" and two 26" color sets with stereo amplifier systems and built-in decoders.

PIONEER PROFITS: Sales growth in home video and car audio more than made up for sluggish home audio market, helped Pioneer show \$20 million consolidated profit in fiscal half to March 31 on 5.7% sales gain to \$720 million. In same 1983 period, it had \$8 million loss.

Pioneer said video sales, primarily optical discs & players, jumped 126.5% for full period to \$113 million, while car audio volume edged up 5.2% to \$243 million. Home audio, company's largest business segment, declined 10.2% to \$308 million. Sales in Japan climbed 13.8% to \$268 million, while overseas volume rose just 1.4% to \$452 million.

Emerson earnings tripled to \$9.08 million in year to March 31, including \$4.14 million gain on sale of stock in subsidiary. Sales jumped 93% to \$183 million. Emerson said consumer electronics business had \$7.17 million profit for year, somewhat offset by \$2.22 million in losses from its medical equipment subsidiaries.

Prototype home VCR for recording high-definition TV has reportedly been developed by Japan's NHK. VCR uses signal compression technique, high-density metal evaporated tape, 2-track recording format.

RCA & NAP VIDEO LINES: RCA's TV line is substantially changed at middle & high ends, prices increased where such new features as multichannel TV sound (MTS) have been added.

Color line once again starts with 9" AC-DC, classified this year as XL-100 (last year it was Colortrak), open listed but priced to sell at under \$280, which could be reduction of about \$20; 13" starts with 2 open-list models, mechanical & varactor (latter formerly \$360), with signal-seek tuning model \$330, keypad \$360, Colortrak scan remote \$420 (down \$10); keypad remote \$430. Sole 15" portable is new keypad remote monitor receiver at \$500, replacing former scan remote without monitor features at \$460; there are no 17" models (last year there was one).

The 19" line starts with 4 open-list units, 2 mechanical, one single-knob, one keypad, with first series of 5 Colortrak keyboard sets at \$450, two XL-100 scan remotes at \$520, keypad remote \$550 (all unchanged); top-end new series of 6 keypad remotes at \$570, with monitor receiver also at \$570 (last year's sole 19" monitor receiver was \$730).

In Colortrak 2000 series, keypad remote 25" table model is \$1,000 (up \$40), with 2 top-end MTS remote monitor receivers at \$1,100 (up \$50 from last year's non-MTS models). Consoles start with 7 open-list standard sets, followed by 4 XL-100 models at \$720 replacing 4 Colortrak models at same price last year, with 6 Colortrak keypad models at \$820, four XL-100 keypad remotes \$870, 12 Colortrak monitor receivers at \$880. Colortrak 2000 remote monitor receiver consoles with MTS start with 2 at \$1,050, then 4 at \$1,100, three at \$1,230, two deluxe door models at \$1,560. Projection TV 45" monitor receivers with MTS are \$3,000 & \$3,300 (latter with doors), with one 40" projection and 2 more MTS monitor receivers due in Sept. (For RCA VCR & camera line, see TVD May 21 p15).

Magnavox introduced 29 new color sets, of which 11 will have built-in MTS (TVD May 28 p12). Line starts with 9" at \$299, down \$80 from AC-DC predecessor; 13" starts with carryover at \$269 (formerly open list), step-up at \$299 (down \$41 from predecessor), with remote control monitor receiver \$599. The 19" line begins at \$369 (formerly open list), one-knob at \$399 (down \$31), remote \$499 (down \$81 from last year's cheapest 19" remote), Star model with MTS, 7 watt per channel amplifier, velocity modulated scan \$829.

Console 25" models start with 3 at \$679 (former line had 3 open-list and one at \$700), 3 remotes at \$749, 3 non-remote MTS stereo models \$829, 3 remote MTS units at \$899. Star models with 10-watt amplifiers, MTS at \$1,200, 3 at \$1,250. Projection TV sets, MTS adaptable, all 40" are \$2,500 (2 models) & \$3,000. All MTS models have Sept.-Oct. delivery dates; other new sets may be introduced then. Magnavox introduced 9" AC-DC b&w at \$99 and 19" b&w at \$149.

Magnavox's 9-model VCR line starts with

leaders at \$549 & \$599, with 4-head 4-event 107-channel unit with 14-function wireless remote at \$899; high-end home deck is VHS Hi-Fi, 139 channels, keypad tuning, 29-function remote at \$1,399. Leader deck is \$849 with AC adaptor, no tuner-timer. Lightweight deck (just over 6 lb.) is \$899 with wired remote tuner-timer; deluxe deck with linear stereo, 12-function wired remote is \$1,099; unit with docking tuner-timer is \$1,299; VHS Hi-Fi portable with docking deck, 8-event programmer, 26-function wireless remote is \$1,499.

Video cameras include 2.2-lb. palm-held version with 1/2" Newvicon tube, 10-lux sensitivity, bayonet lens mount at \$749; autofocus version \$999; top end unit, with 2/3" Newvicon, 8-lux, character generator, 2-speed 8:1 power zoom, is \$1,199.

Sylvania 9" AC-DC is \$319; 13" is \$279; 19" starts at \$659, with monitor-receiver at \$659; 19" Superset II has all deluxe features, including 7 watt per channel stereo amplifier, velocity modulated scan, 2 separate stereo speakers, designed for plug-in MTS adaptor, at \$999. In 25" table models, compact sets adaptable to MTS are \$689 & \$779 (remote), remote monitor version with 450-line resolution, one-day one-event clock timer at \$879. Consoles: 3 each at \$679 & \$759, remotes 3 each at \$779 & \$859; 12" AC-DC b&w is \$89.

Sylvania VCRs start with 14-day one-event 107-channel model with 5-function wired remote, open list; front-load 2-event with 14-function wireless remote is \$599; 4-head model with added special features, 4-event timer is \$799; VHS Hi-Fi with 8 events, 139 channels, 29-function remote is \$1,399. Portables are \$949 (wired remote, one-event timer) and \$1,299 (4 heads, wireless keypad remote, 139 channels, 8 events). Palm-held autofocus camera is \$949, deluxe camera with 2/3" Newvicon \$1,299.

Philco color TVs, not yet all priced, will have 5 with built-in stereo. Starting with 13", line moves to 19" keypad remote at \$499, with 3 other 19" sets planned. There will be 16 sets in 25" line starting at \$569, first remote at \$719. Front-load VCR with linear stereo, 4 events, wireless remote is \$839, with 2-piece portable at \$899, leader model open. Palm-held autofocus camera is \$999.

JVC introduces 5" AC-DC color monitor receiver at \$370; 19" color with sleep timer, 108 channels, on-screen display, \$480; 19" remote with 142 channels at \$550.

Sharp introductions at CES: 13" at \$300, scan remotes \$430, keypad units with 140 channels, dual antenna inputs, 7-year limited warranty \$520; 19" starts at \$370, with 105-channel remote at \$550, dockable 140-channel remote with dual antenna connectors at new low of \$600, dual-speaker version with on-screen channel & sleep timer display, keypad remote \$660; 25" console line, completely restyled, starts at \$590, with 105-channel remotes at \$770, 140-channel monitor receiver at \$900 (July), scan remote at same price (Aug.), stereo adaptable remote

set with all deluxe features, stereo amp, \$1,000. Production has been increased on 45" projection TV at \$3,495. Sharp also is introducing 12" b&w in 4 cabinet colors at \$110.

Sharp's "Visual Integration" component video series now starts with 5" & 9" AC-DC monitor receivers at \$400 & \$390; 13" is \$440; 19" is \$600; new 20" flat square tube model adaptable to stereo, with 142 channels, keypad remote, RGB input is \$760.

Sharp expanded VCR line to 6 models starting at \$550, with 9-function remote cable-ready version at \$600; slimline model with 14-function wireless remote, only 3.75" high, is \$730 (June); 4-head stepup with 16-function remote, 5-event timer, is \$950 (Aug.); VHS Hi-Fi, 142 channels, 8 events, keypad tuning, is \$1,400. Complete one-piece portable with tuner-timer, weighing 13.2 lb., is \$900; with new 1.63 lb. camera it's \$1,300, a combination already being offered in American Express credit card promotion. Camera itself, which appears similar to Konica unit, is \$900; top-of-line camera with character generator, f1.2 lens will be \$1,050 (June).

* * * *

Consumer electronics industry will grow in next 5 years from \$22 billion to \$30-\$40 billion business, North American Philips Consumer Electronics Pres. Frank Lann has forecast. This statement was garbled in last week's issue as result of a transmission problem.

Discovision Assoc., IBM-MCA partnership which quit producing optical disc players and discs in 1982, is still alive & well as technology licensor, according to Pres. James Fiedler, who also heads MCA's videogame operation and programming joint venture with Thorn EMI. DVA, he said, won't exhaust licensing possibilities of its video & audio patents for another 3-4 years. It already has 500, equal number pending, enough to cover "every CD player made," Fiedler said. Among licensees for both technologies are Dutch Philips and Sony. Fiedler said no one is being sued for patent infringement, however claims several information storage systems that don't have optical disc appearance "are using the technology... That's what we're talking to [manufacturers] about."

Infsoft has closed down, reportedly is preparing to file for bankruptcy. Firm was prime developer of home & personal computer operating systems, designed original word processing program built into Coleco's Adam system. Coleco, however, had to revise program after it changed high-speed tape drive formats, has since revised it again. Infsoft, it's understood, wasn't involved in revisions, ended up settling for about 50% of estimated \$500,000 Coleco had agreed to pay for job.

Name change: Wards, Richmond, Va. electronics 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 annual meeting.

EPSON 'ELF' COLOR: Epson America hopes to sell its 2" LCD color TV over next 12 months in numbers "approaching 6 figures," Exec. Vp Jack Whalen said last week at premiere U.S. showing at N.Y.'s Museum of Bestg. Same unit, unveiled in Japan week earlier (TVD May 28 p13), will be sold here under label of Seiko, Epson's sister company.

Tiny set, to sell for about \$500, had good, pastel color -- slightly grainy appearing, but completely satisfactory when fluorescent backlight was used, certainly a better picture than those displayed on b&w LCD sets. Epson said set uses new type of LCD twice as fast as those in b&w. It's light transmissive, not reflective, system. For daylight illumination, door in back of set may be opened. As we viewed set, indoor light as well as outdoor light on gray morning was inadequate to provide good picture, but built-in fluorescent backlight gave good results; however, it cuts battery life in half (to 2.5 hours for 5 AA cells).

Unit had mini-jack connectors for video & audio, continuous VHF & UHF tuners, brightness & contrast controls. As displayed, it was fed from U-matic VCR; midtown N.Y. direct broadcast reception difficulties made it impossible to check off-air capability.

Whalen said Elf was first of Epson's consumer electronic products, declined to name others, but in answer to question said it was "logical to assume we'll be into consumer computer products." He indicated computer screens using color LCD were long way off.

Basic standard for magnetic discs to be used for electronic snapshots in still cameras has been recommended by 32-company Electronics Still Camera Standardization Committee. Japan-based committee is international, includes Kodak, RCA & 3M of U.S., Europe's BASF & Philips among members. Proposed standard, which will be submitted for approval to such groups as EIA-Japan, Japan Camera Industry Assn. and SMPTE, calls for use of 1.87" metal media disc housed in 2.36x2.13x.14" protective cover equipped with dust shutter and mechanism to prevent double exposures. Disc, now named Still Video Floppy, will hold 50 TV fields or 25 full frames. Standardization group was formed in 1983 following demonstrations of still electronic camera systems first by Sony then by several other Japanese manufacturers.

Superscope posted loss of \$798,000 in opening quarter, including \$300,000 special charge to cover loss on operation & disposition of Marantz Piano Co. Superscope said it has agreed to sell MPC to Anthony Blazina, vp of subsidiary, for \$3.2 million in cash & notes.

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

MORE ATARI BELT-TIGHTENING: Atari is continuing to consolidate operations in effort to cut overhead, reduce production costs. Latest moves: (1) Another round of layoffs, this time among white-collar workers. (2) Shutdown of Hong Kong computer manufacturing venture and transfer of most computer production to owned plant in Taiwan. (3) Winding down of home game & computer sales effort in Japan.

Between now and end of month, Atari will be trimming 1,000 from clerical and management staff, including several at vp level, reducing workforce to about 1,500. Layoffs are part of reorganization being supervised by Robert Morgado, former aide to ex-N.Y. Gov. Hugh Carey, who is now on staff of Steve Ross, chmn. of Atari parent Warner. Morgado is one of group of Warner executives charged with cutting Atari's employment and operating scope, and unit is no longer direct responsibility of Warner Co-CEO Emanuel Gerard. Resizing could make Atari more attractive as investment to N.V. Philips, which has been discussing purchase of equity interest or some other form of business combination with Warner (TVD May 28 p14).

Being folded at end of month is Atari Wong, which has been producing home computers & videogames. Atari's partner, Wong Electronics, will continue assembling disc drives and other peripherals. In addition, Atari reportedly is going to phase out contract under which Hong Kong's Chelco Sound has been assembling computers. XL800 computer production is being shifted to Taiwan, where owned plant now turns out 2600 game consoles & cartridges. New step-up 7800 game console, as well as computer & game software, will continue to be produced at plant in El Paso.

Atari International Nippon, set up just year ago to market version of 2600 game in Japan and serve as spearhead for home computer market entry, is being phased out. Atari's game will continue to maintain presence there through its coin-op marketing unit, Far East Arcades. Atari had very limited success in Japanese game market, which is dominated by Nintendo with 50% share achieved by Family Computers. FC sells for about \$60, or half suggested list of Atari's game. Atari plan to sell home computers there was effectively squashed by Japanese industry agreement on MSX standard.

Atari's home computer sales here in first quarter are understood to be down by about 35%, due to market softness and to price boosts implemented at start of year. Atari has rolled increase back on XL800, while low-end XL600 is believed candidate for discontinuance. Now uncertain is future of XL1450 high-end computer with built-in disc drive that Atari showed, dropped, then revived last year. Unit has been penciled in for late fall introduction, but that could be changed.

Not helping competitive situation any is report Tandy is preparing to launch new high-end all-in-one Radio Shack home computer system that will include

64K memory, single disc drive and printer at \$799. Computer is expected to hit market this summer, drop in price to \$699 in Christmas sale book.

CROSLEY BRAND COMEBACK: One of very oldest names in TV, Crosley, is now newest, bowing at Consumer Electronics Show in Chicago this week in exhibit of QT&T (formerly Quasar Microsystems), which has formed subsidiary Crosley Electronics to market TVs, radio & stereo. Line will be expanded next year to more sophisticated products, company says.

Heading up CE as pres. is industry veteran Phil Baird, who has kept Crosley name alive in market by selling promotional products on special order basis to mail-order marketers, mass merchandisers, discounters. Baird said he picked up consumer electronics rights to brand when it slipped into public domain following Ford's sale of Philco consumer electronics business to GTE Sylvania in 1976.

Baird said short TV line would feature b&w from Korea, 13" & 19" color from Hong Kong. He declined to specify sources, but it's believed its color sets are produced by Conic, which now markets own brand here. During his multifaceted career, Baird acquired Conic's U.S. operation from Hong Kong parent, later sold it back.

Crosley was among original TV brands to hit market just after WWII; Crosley also made appliances, and founder Powell Crosley introduced Crosley car. Company also owned Crosley Bestg., one of pioneering broadcasters. Crosley operation was acquired in 1947 by Avco. Historically, Crosley brand did much better in appliances than in TV, though it made major splash in 1952 with introduction of Super V, 17" semiportable b&w with low tube count, listing at then bargain price of \$140.

Avco shut down TV-appliance unit in 1956, and brand was picked up by Philco, which had been Crosley private label customer for washing machines & refrigerators. Philco, of course, later was acquired, then liquidated, by Ford. Consumer electronics brand rights were sold to GTE Sylvania, and GTE later transferred both Sylvania & Philco brands to North American Philips.

Matsushita has licensed Ampex under its patents to make & market thin film metal evaporated videotape. Non-exclusive license is 3rd to be granted, others having been taken out by 3M & BASF last year. Metal evaporated tape, currently being made for 8mm Video format, permits development of tape only 10 microns thick, compared with 21 microns for standard VHS videotape.

Taiwan production of CRT display monitors is expected to double this year, according to estimates of Philips Taiwan, island's major tube glass producer. It expects manufacturers there to turn out about 3 million monitors valued at \$200 million this year -- 700,000 color, 2.3 million monochrome.

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.

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- 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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Stan Velcamp, ex-traffic audio mktg. & sales dir., appointed Magnavox audio sales vp. Other Magnavox appointments: Eugene Ridings, ex-Litton Microwave Products national accounts dir, becomes Southeast Div. gen. mgr., Magnavox sales, with hq in Atlanta; Christopher Wise, ex-Pickwick International retail ad & sales promotion dir., becomes mktg. services dir.; Ralph Coker, ex-portable audio product mgr., named audio mdsg. mgr... Akio Morita, Sony chmn., elected EIA-Japan pres.

John Passini promoted from Jensen Home Audio Div. vp-gen. mgr. to International Jensen sales & mktg. senior vp responsible for Jensen Home & Car Audio Divs., Discwasher, Phase Linear & Advent... James Fiedler, pres. of MCA Video Games and Thorn EMI-MCA programming venture and ex-pres. of MCA Videodisc, named pres. of Discovision Assoc.; which licenses patents assigned to former MCA-IBM operation... Steve Van Rooy, ex-RCA Sales Corp. retail mdsg. mgr., joins Epson America as sales mgr. for special consumer products, with new pocket portable LCD color TV as first responsibility... Philip Welch, ex-Contratech, joins Furniture Concepts International as national sales mgr.

Vic Pacor advanced at JVC to hi-fi asst. national sales & mktg. mgr.; Donn Barclay appointed to same post for portable audio; Tom Corona promoted to east coast sales mgr., car audio; new JVC sales

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Acton			
1984-qtr. to March 31	7,464,000	(904,000)	--
1983-qtr. to March 31	6,735,000	405,000	.07
Movielab			
1984-qtr. to March 31	8,165,777	(536,556)	--
1983-qtr. to March 31	8,430,180	(332,236)	--
Tocom			
1984-9 mo. to March 31	13,100,000	(11,521,000)	--
1983-9 mo. to March 31	19,579,000	(3,565,000)	--
1984-qtr. to March 31	3,906,000	(2,681,000)	--
1983-qtr. to March 31	4,529,000	(2,376,000)	--

administrators are Charlotte Fischer, magnetic tape, and Barbara Piller, consumer video... Michael Standley resigns as Maxell consumer audio products national sales mgr... Frank Harrell, ex-Atari mfg. engineering mgr., joins computer printer producer Alphacom as engineering vp; Gary Blondefield, ex-Atari, appointed sales & mktg. vp with responsibility for retail & OEM sales; David Wilson, ex-Atari, named customer relations dir... Morton David has resigned as Mura chmn.

Jan Jordan appointed pres. of UA Video, new home video arm of United Artists Communications... Nancy Steingard, ex-Walt Disney Telecommunications, named Family Home Entertainment programming vp... Barbara O'Sullivan advanced at Warner Home Video from ad & promotion dir. to ad vp... Joe Fleischman named sales & mktg. dir., Trans World Entertainment (USA)... James Schwartz, Schwartz Bros., elected vp, National Assn. of Video Distributors; Lee Cowen, Source Video, named secy.-treas.; new board members: Ron Eisenberg, East Texas Periodicals, Marty Gold, Artec; Glen Halvorsen, Video Products; Gene Silverman, Video Trend.

Dick Lehrberg advanced at Activision from project development dir. to affiliated labels vp, new post responsible for mktg. & distribution of computer software supplied by other companies; Tom Oswald named finance vp; Ed Roffman appointed U.S. business operations vp; Mike Gennaro named controller... Richard Stearns advanced at Parker Bros. to pres. from exec. vp for consumer electronics.

Richard Khaleel, ex-Wells, Rich, Greene, joins Scholastic as pres. of new Software Group; Al Froio named national sales dir... Kathleen Hurley, ex-Intentional Educations, joins Grolier Electronic Publishing as microcomputer software vp... Dwight Norwood forms Neon Software, marketer of non-game computer programs; Carl Wennerstrand, ex-BSR, joins as exec. vp; Marie Norwood appointed customer relations vp.

Multichannel TV sound broadcasting now seems certain to start this summer or early fall, with first activity possibly on west coast. Details are in report in broadcast section, this issue.

TELEVISION DIGEST®

The Authoritative Service for Broadcasting, Cable, Consumer Electronics and Allied Fields.

With Consumer Electronics

JUNE 11, 1984

VOL. 24, NO. 24

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

NCTA TURNS OFF HYPE: Less hoopla, emphasis on business issues create workman-like convention. Attendance, number of exhibitors decline. (P. 1, convention diary P. 7)

CABLE BILL SHOULD PASS HOUSE but industry can't bet on it without big lobbying effort, lawmakers warn. (P. 3)

KEEPING CUSTOMERS HAPPY is new emphasis by cable operators concerned about churn. (P. 4)

CABLE-READY TV SETS attacked by NCTA board. New Chmn. Allen appoints committee heads. (P. 4)

CABLE-ONLY COPYRIGHT BILL PROMISED, also separate audio first-sale legislation. Home taping issues are dead. Kastenmeier sees action this month. (P. 5)

POLITICAL EXPERTS GIVE TIPS on improving cable industry lobbying at state level. (P. 5)

PROGRAMMERS HAD QUIET NCTA, spent time worrying about VCR growth. (P. 6)

QUELLO HAS EASY TIME at Senate confirmation hearing. (P. 8)

GOLDWATER & PACKWOOD in dereg accord. (P. 8)

LESS SIZZLE, MORE MEAT, AT NCTA: Determined to put shakeout period behind it, cable industry gathered in Las Vegas last week for workmanlike NCTA convention marked by industry's much greater emphasis on marketing. Self-confidence still was high, fueled by heady talk of political wins and improving financial conditions. Attendance was down and number of exhibitors was off; there were fewer product & program unveilings than in past, but more substantive panel sessions at which earnest efforts were made to address issues.

NCTA said 14,473 registered, down from more than 15,000 expected and off by more than 2,000 from 2 years ago in Las Vegas. Some, especially exhibitors, were skeptical attendance was that much -- they estimated 12,000 or fewer. Number of exhibitors, 329, was more than 100 under last year's in Houston. Convention floor wasn't sold out and there were several thin

Consumer Electronics

MAY SALES SOAR, with color's annual rate at all-time high, but warnings are heard about inventory levels, potential dumps. (P. 11)

CES ATTRACTS 98,271 to mythical audio-video nuptials. Some caution amid euphoria. (P. 12)

JAPANESE VCR EXPORTS to U.S. topped 810,000 in April. Color, b&w shipments also were up. (P. 13)

KOREAN COLOR MUSCLE flexed at CES with help of 2 new majors, KTV and Hyundai. Samsung sets to be assembled here by Harvey Industries. (P. 13)

DIGITAL TV SETS now being made by 4 plants. ITT sees 10 by year's end. (P. 14)

CES HIGHLIGHTS

8MM TURN-ONS & turn-offs. (P. 15)

\$250 VHS VCRS seen next year. (P. 16)

BATTLE OF MINI-TV's -- & big ones, too. (P. 17)

COMPUTER SOFTWARE GLUT evident. (P. 18)

PHONE MARKETERS optimistic. (P. 20)

8" VIDEODISCS introduced by Pioneer. (P. 21)

spots. While some exhibitors said traffic was good and were writing orders, others complained of sitting idly all day in booths.

Impressive & expensive special effects lighting & props plus top-dollar facilities marked hitch-free convention, caused some executives -- given low attendance -- to question whether Assn. made nearly as much money as in past. "I understand they paid more than \$100,000 for that laser light show [at opening general session] and more than \$50,000 just for carpeting," said one executive. "If that and other expenses I heard about are close to the mark, it wouldn't surprise me if the profit is way down this year," he said. Such "window dressing" can be expected to diminish: "I think that with [James] Mooney [as new pres.] and Ed Allen [as new chmn.] we'll see a lot less of those bells & whistles next year," another executive said.

Politics was atop agenda when convention opened June 3 with Assn. board ratifying industry's compromise accord with city regulators on HR-4103 (TVD June 4 p7). Board members cast secret ballots on pass-fail basis. NCTA Pres. Thomas Wheeler wouldn't say whether there were any "fail" votes. Outgoing NCTA Chmn. Monroe Rifkin had little enthusiasm for accord: "To the extent I could have equated more 'gets' than 'gives,' I would be more enthusiastic." But Wheeler called compromise worth waiting for, said that while it wasn't everything industry wanted, "our position all along was one of asking for the whole pie. The decision the board had to make was on the size of the pie." (See story below on congressional issues.)

"A creative, competitive and growing cable television industry" gathered at Las Vegas Convention Center "on a note of increasing prosperity and of realistic optimism about its future," said Convention Chmn. Gustave Hauser, Hauser Communications pres., during opening session. He attacked critics who charge industry has matured or is declining. Cable is "a successful growth business" that "will not leave any vacuum or opportunity to be seized by another, more enterprising industry," he said.

Many industry leaders went on offensive at convention to counter recent spate of downbeat press stories about cable. At one session moderator John Saeman, Daniels & Assoc. vice chmn., said: "The values of cable, particularly in the private market, are as strong as ever. It's the strongest for sellers I've ever seen." Several other leaders repeated charge that industry is being treated unfairly by news media.

Cable will continue growing because industry is learning marketing techniques, new funding methods and overcoming problems with customer service, according to several panelists. Jones Intercable Pres. Robert Lewis said Jones has raised \$200 million in limited partnerships, and he saw no letup in growth. With "smarter marketing," he predicted average home would be paying double current \$18 per month within 4 years, "and Wall St. and the press will become believers again." But operators were urged to improve customer service to prevent churn as way to stabilize growth as franchising period ends (see report on customer service elsewhere in this issue).

Industry found much to boast about in NCTA-commissioned Opinion Research Corp. study released June 4 comparing cable, DBS & multichannel MDS. Study asked 757 consumers to rate 3 delivery systems by installation charge, monthly price, number of basic & premium channels and reception. Cable came out way on top, mainly because low installation charge quoted -- \$25 for cable compared to \$150-\$300 for DBS, \$150-\$415 for MMDS -- was deciding factor consumers cited most often. Because of that advantage, cable will dominate in markets where all 3 compete, study said in projecting that, in classic 12-channel markets, DBS & MMDS at best will get 8% of market; their share would fall to 2-4% going against 36-channel cable systems.

Wheeler was praised repeatedly for his leadership of last 8 years, but he maintained low profile outside of official convention functions. There was no public "golden handshake" for Wheeler, who leaves soon to head NABU Network. Successor Mooney also played low-key role, spending much time with new board members.

CABLE BILL'S PROSPECTS BRIGHTEN: Congress will pass cable deregulation bill (HR-4103) this summer because industry showed willingness to consider public interest as well as own concerns in writing measure, House Telecom Subcommittee Chmn. Wirth (D-Colo.) told NCTA. In address laced with criticism of NAB for failing to compromise on own deregulation measure stuck in his subcommittee, Wirth commended NCTA for reaching agreement on HR-4103 with National League of Cities & U.S. Conference of Mayors, said accord should help speed measure to President's desk before Nov. elections. Bill is expected to be marked up week of June 25 in House Energy & Commerce Committee, reach House floor July 22-Aug. 8, after Democratic convention.

Optimistic view was buttressed June 8 when NLC committee ratified accord in unanimous vote. Board is being polled this week, is expected to okay committee decision. Mayors are expected to approve accord June 18.

Wirth nonetheless issued call to arms, said industry must lobby Congress hard to keep telephone companies from winning provisions that would restrict cable's involvement in data transmission. Broadcaster's also can be expected to attempt amendment codifying must-carry rules, Wirth said, adding that he would strongly oppose such effort.

Key House & Senate aides were less optimistic, at different NCTA session admitted that leased access, grievance procedures, guaranteed access to apartment dwellings and inclusion of SMATV systems under definition of cable systems may generate enough controversy to kill HR-4103. Even bigger hurdle to passage will be question of letting unregulated cable compete with regulated telephone industry in data transmission, aides agreed. "I'd give the bill no more than a 50-50 chance of passing," said House Telecom Subcommittee GOP Counsel Rodney Joyce.

Addressing "Washington Insiders" session, Joyce said that while most GOP members of House Energy & Commerce Committee are likely to back cable-cities accord for bill (TVD June 4 p1). But provision requiring that some channels be set aside for lease to 3rd parties "sets up new regulatory standards" that make Republicans uneasy, he said. Joyce claimed GOP lawmakers don't want to jeopardize bill, but warned "there's some interest in seeing that regulation stripped. I expect it will... be tried."

At least one Committee member made clear his opposition to allowing cable into data field. At separate session, Rep. Lent (R-N.Y.) said that cable shouldn't be in business unless telephone companies are similarly deregulated: "I object to the idea of granting preferential treatment," he declared. "Dominance [of telcos] isn't a justification for not regulating cable's entry into data transmission."

Most other legislators at convention agreed cable should be allowed into data field. But in effect they counseled industry to "forget it," said that pressing issue in HR-4103 ensures battle with telephone companies that cable almost certainly can't win. Warned Subcommittee member Rep. Tauke (R-Ia.): "You can't expect to get this bill through this Congress given the limited time frame... while taking on the telephone companies head on. Let's face it -- the telephone industry has a lot of clout." Lawmakers revealed that they've already heard from telcos, expect all-out lobbying effort to block entire bill if data provision is included.

Outgoing NCTA Pres. Thomas Wheeler was optimistic in his June 4 address. He called accord with cities "watershed event" for industry, but repeated Wirth's warning on battle with telcos: "I believe that eventually the cable television industry and the telephone industry must reach a rapprochement, but I do not see that coming until the current policy uncertainties are resolved."

Senate Communications Subcommittee Chmn. Goldwater (R-Ariz.), in luncheon speech delivered from Washington by satellite June 5, promised to "use all of the resources at my command" to ensure that FCC deregulates cable "and preempts state and local regulation to the maximum extent allowed" if Congress doesn't pass legislation.

KEEPING CUSTOMERS HAPPY: Cable operators should worry less about winning new customers, devote more energy to keeping current subscribers happy. That concept dominated talk at last week's NCTA convention.

At 3 panel sessions June 5-6, operators were urged to take immediate steps to resolve problems with current subscribers. Panelists said this can be done as simply as by installing multiple-line phone systems to ensure all customer calls are answered and by training sales people to be courteous, clean & helpful. Key is concentrating emphasis at installers & customer service representatives, who have most contact with public.

Every operator should inventory company policies on customer relations, said Rogers Cablesystems Vp Robert Clasen. Training programs then should be initiated, supported by simplified billing practices and more information to subscribers, he said. Many major MSOs have begun taking problem seriously and are training thousands of employees in IBM-like schools.

Effective program to improve customer relations should reduce churn from 2.5% to 2% monthly, American Express' Kenneth Scott said in drawing parallel to situation at his credit card company. For system of 100,000 subscribers, that translates to 4,500 more subscribers at year end, \$650,000 revenue increase.

Underlining need to keep subscribers happy was major NCTA-commissioned study that contains good & bad news for industry. Study by International Communications Research of 1,501 cable households found 83% satisfied. But, perhaps as many as half of those would disconnect if they experienced poor service or had unpleasant incident with system personnel, said ICR's Rolf Wulfsburg.

Other findings of study put smiles on many faces at sessions: (1) Most who cancel service later regret decision. (2) More than half of former subscribers say they now miss it. (3) Slightly more than 3% of current subscribers will disconnect in next 6 months; just over 18% of former subscribers will reconnect, 6% of potential new customers will subscribe. Result will be net 2% increase in penetration in wired areas, study concluded.

Executives of Cox, Heritage and ATC described customer satisfaction programs they've instituted, said efficiency and courtesy are key factors. "Our customer contact people know our subscribers best," said ATC's James Cottingham. He and other panelists said their companies need installers who are sincere & competent, and who make eye contact with customer. Wag in audience observed that industry seems to be "looking for Mr. Goodcable."

GTE Spacenet I, launched May 22, has reached assigned orbital location of 120 degrees west, company said. Following on-orbit testing, satellite is expected to begin service by July 1.

NCTA TAKES ON CABLE-READY SETS: Reflecting industry's growing concern with so-called "cable-ready" TV sets, NCTA board voted June 7 to ask FTC to require warning label on such sets describing their limitations. They aren't necessary to receive cable service, owner doesn't get cable free. Board members decided to meet with city officials and TV set retailers to acquaint them with industry's growing concern with cable-ready sets. Meeting ended NCTA convention.

In session presided over by new NCTA Chmn. Edward Allen, Western Communications pres., board voted to file comments with FCC supporting request that Commission reaffirm that pole attachments must be offered without undue restrictions. But board decided to oppose another part of that petition by attorney Harold Farrow suggesting that franchise isn't required before gaining access to poles.

Appointed by Allen as committee chmn.: Tribune Cable Pres. Douglas Ditttrick, public policy; TCI Pres. John Malone, copyright; Hauser Communications Pres. Gustave Hauser, telephone; Warner Amex Vp Scott Kurnit, ACE awards; Centel Cable Accounting Dir. Richard DeMarco, accounting; Scientific-Atlanta Pres. John Levergood, associates; Viacom Cablevision Pres. John Goddard, audits; Sammons Vp-Corporate Development William Strange, awards; ATC Chmn. Trygve Myhren, convention; Crestview Cable Pres. Patsy Smullin, election & by-laws; UA Cablesystems Vp-Engineering Robert Luff, engineering; Ajo Cable TV Service Pres. Bryan Blow, independent operators; Buena Vista Cablevision Pres. David Ochoa, minority affairs; HBO Chmn. Frank Biondi, satellite programmers.

Potential health hazards of radiation from broadcast signals is getting more attention within Environmental Protection Agency (EPA), and proposals are being considered for dealing with issue. Agency is trying to determine if there are health hazards, their severity and need for regulation. NAB is concerned that if restrictions are proposed, with scientific studies continuing and effects of radiation being strongly debated within scientific community, proposals will be unnecessarily restrictive. But disagreements within EPA and opposition from other federal officials could maintain status quo. N.Y. Times story June 7 said EPA would seek limits, perhaps 10 times more stringent than voluntary guideline established by American National Standards Institute.

Reliance Group Holdings has increased by \$5 (to \$72.50) its offer for Disney Productions shares, said that bid is for all outstanding shares instead of 49% it had said it wanted to acquire. In June 8 letter to all Disney dirs., Reliance Chmn. Saul Steinberg said offer is contingent on termination of Disney offer to acquire Gibson Greeting Cards. "It is our sincere hope that reason will now prevail and that you and your colleagues will act in the best interests of all Disney shareholders," Steinberg said.

CABLE-ONLY COPYRIGHT BILL PROMISED:

Omnibus copyright reform legislation is dead for this Congress, House Copyright Subcommittee Chmn. Kastenmeier (D-Wis.) disclosed during NCTA convention. But he promised that separate audio first-sale & cable copyright bills will be moved in his subcommittee this month. He expects both to pass in House but was uncertain of Senate sentiment. Video first-sale & home taping exemption will be abandoned, he said.

Sen. Leahy (D-Vt.) said Senate Copyright Subcommittee plans hearing for June 20 on S-1270 (cable copyright measure by Sen. DeConcini [D-Ariz.]). Announcement signals renewed interest in copyright legislation, with stepped-up attention expected to carry over into next Congress. Leahy said Senate panel plans additional hearings on "broad range" of cable issues later this session & next.

Bill that Kastenmeier plans apparently would come straight out of omnibus draft. He said audio bill would repeal first-sale doctrine for audio cassette industry, allowing recording artists bigger slice of resale pie. Cable copyright bill will break out omnibus draft language reconstituting Copyright Royalty Tribunal (CRT) with 3 rather than 5 members, and authorizing budget for general counsel & economist. Measure also would allow cable operator to import 3 distant signals, paying flat 1.15% royalty regardless of market, higher rate for additional signals. Market would be defined as area of dominant influence, as proposed by CATA, and guidelines for national cable networks would be spelled out.

Consumer protections would be embodied in public interest guarantees that would require CRT to take into account cost & availability of programming to consumers when setting royalties. Subcommittee member Rep. Kindness (R-O.) told us at later session that he plans amendment that would allow cable operators to substitute some distant signals.

Kastenmeier called on operators to launch intense lobbying. Tight legislative calendar -- there are only about 25 days left in session -- means bill must move in June or wait for next year. Kastenmeier conceded there may not be enough time to wring cable bill out of Senate, certainly not enough for compromise to be worked out in subsequent House-Senate conference. But he wants Subcommittee at least on record as way to signal congressional sentiment to CRT. Subcommittee member. Rep. Synar (D-Okla.), who appeared on same NCTA panel as Kastenmeier, said that bill is within one vote of winning passage in Subcommittee, 3 votes in parent panel.

Metromedia Chmn. John Kluge got \$97.2-\$101.2 million from sale of 2.7 million shares of company. Kluge is part of group trying to acquire Metromedia in \$1.19 billion leveraged buyout. Shareholders are scheduled to vote June 20 on deal. Kluge owned total of 7.2 million shares, 25% of total.

CABLE GETS POLITICAL ADVICE: Cable industry has failed to transfer successful lobbying tactics at federal level to state legislatures, needs to become more sophisticated, NCTA convention-goers were told last week. Govt. affairs experts said industry is managing to keep most state proposals considered detrimental to business from becoming law but needs to improve personal contacts with lawmakers, participate in local elections, contribute more money to political campaigns.

State legislative activity on cable issues has grown enormously in recent years, said Group W Cable Chmn. William Bresnan. He said 78 cable bills were introduced in state legislatures in 1981, 394 last year. Of 1983 total, 50 were signed into law, ranged from subscriber privacy protection to theft of service penalties, he said. Thirty bills were supported by regional & state cable industry associations; only 8 were actively opposed.

Growing number of state proposals reflects lawmakers' reaction to FCC deregulation, said Cal. State Sen. Joseph Montoya: "There's a feeling the federal govt. has opted out." Also contributing to increase are industry's growing visibility, belief that "glamorous" cable business is source of state revenues, and growth & increased activism of regional & state industry organizations, said John Gault, chmn. of N.Y. State Cable TV Assn. There are 41 state & 4 regional associations.

Experts had some tips: (1) Endorse candidates and roll out votes. (2) Contribute, but in small amounts, to local political campaigns. (3) Encourage operators to contribute directly to local campaigns, both through money and appearances on local cable shows.

(4) Relax relations. Industry officials frequently treat lawmakers too formally, said Orlando Brilliant, vp-ATC/Fla. Div. (5) Treat lobbying more as education process, less as influence peddling, said Daniel Shields, vp & gen. counsel, United Cable TV: "Never consider 'lobbying' a dirty word." (6) Designate people who'll stay in frequent touch with local lawmaker and use them to coordinate group visits to legislators by operators. (7) Get subscribers involved, particularly through letter-writing campaigns. (8) Hire at least one fulltime employee for state cable association.

Cable also needs to change image from glamorous entertainment business to serious industry that can contribute to local economy, Montoya said.

FCC has approved Comsat's application to participate in launches of Intelsat's next 5 Intelsat VI satellites, but expressed concern as to whether growth that Intelsat projects for system can be justified beyond first 5 birds. Since application was filed for Intelsat VI primary and spare satellites, "growth in demand for international telecommunications satellite services has been less than anticipated," FCC said.

PUNCHLESS PROGRAMMING: Cable programmers had little to say when they got together at back-to-back meetings of National Cable Forum in Phoenix and at NCTA, with Turner Bestg. acquisition of 75 NBA games for \$20 million only major announcement. TBS Pres. Robert Wussler said he would follow up NBA coup with \$60 million bid for USFL, competing against ESPN.

Prompted by new owner ABC Video Enterprises, ESPN plans to scramble signal to cable operators by mid-1985, already has upset systems with its 20¢ monthly per-subscriber fee, effective Jan. 1, 1985. "We're now paying for any channel we really want," United Cable's Charles Townsend said at Las Vegas session.

Question asked at both events was how cable could compete successfully against fast-growing VCRs & recorded cassettes. NCTA panel didn't have any easy answers, suggested greater emphasis on pay-per-view. VCR sales have 3-1 lead over pay additions, said Roger Cablesystems' Philip Lind, and "at this rate, our market will be permanently reduced."

At day-long session in Phoenix June 2, HBO announced upcoming slate of 8 made-for-pay Premiere films, 3 new series, one "original drama," 3 children's dramas and 5 music & comedy specials in what Pres. Michael Fuchs called "dramatic step forward and a coming of age for HBO programming."

At NCTA, Cinemax got most-favored-service treatment. HBO papered convention with senior executives pushing Cinemax in face of company's flat subscription growth thus far in 1984. At entertainment analysts' session June 4, HBO Chmn. Frank Biondi explained discounted rate card for Cinemax: "Our strategy at Cinemax has always been to be low cost to operators -- that is its principal attribute."

Showtime/Movie Channel Pres. Mike Weinblatt said Cinemax "has been aggressive -- in my terms, desperate" in its new push to operators: "We've been considerably successful in fighting a low-priced, inferior service." He also said Showtime/Movie Channel's potential is greater than HBO's since 55% of HBO homes are single pay.

Industry has perpetrated "fraud" by misleading consumers on magnitude of difference among pay-TV services, Time Inc. Exec. Vp Nick Nicholas told operators. In remarks that clearly surprised audience for "Meet the Press"-type program carried live on C-SPAN, Nicholas said all pay TV is pretty much same. Situation must change if cable is to improve penetration, achieve lasting role in marketplace, he said.

Criticism of Turner's programming grip & rates received sympathetic audience, drawing applause when Turner Pres. Robert Wussler was challenged on rapidly rising rates. But, alluding to ESPN, he noted that sports channel charged a comparable 20¢ per

subscriber and that Turner Bestg. had invested \$125 million in CNN & CNN Headline services, must look for return.

Panelists differed on cable's growth prospects. Wussler pointed to rapid CNN rise as proof cable has increasing appeal, noted that in Sept. 1982, WTBS had 20 million subscribers, CNN 8 million, with figures now 32 million & 29 million, respectively. But Nicholas was pessimistic, said that while some predict that within decade cable will reach 60-65 million subscribers, he expects numbers to be 40-45 million. Differences of opinion reflect worry that pay-TV growth can stall, and that MSOs no longer can sell multiple pay services to consumers.

International Communications Research study released at convention contains some gloomy news for pay programmers. It found only 7% of all subscribers in wired areas will add at least one pay channel in next 6 months, while 10% of all pay subscribers expect to drop at least one pay channel. Bottom line, then, would be virtually no change in pay penetration in wired areas in near future.

Denver residents approved award of city & county franchise to Mile Hi Cablevision. In June 4 ballot, which attracted 10% of registered voters, tally was 27,605 for award to Mile Hi, 6,116 against. Special election was required when Denver Dist. Court ruled that awarding of cable franchise in Denver, a home rule city, could not be done by city council because cable was considered monopoly & utility. Said Mile Hi Pres. Fred Dressler: "For nearly 3 years, Mile Hi Cablevision has been working hard to build the best cable system in the country. And for most of those 3 years, all we've gotten were complaints. This vote is a clear indication the people of Denver like what Mile Hi has done."

NAB & NRBA are aiming high for first joint Radio Convention-Program Conference (RCPC) Sept. 16-19 in L.A.: They've asked national political committees to send presidential candidates for debate to be hosted by NAB & NRBA. RCPC plans to use 4 downtown L.A. hotels, with Bonaventure as hq. Theme is "Up With Radio" and singing group Up With People and singer Irene Cara will perform. NAB Radio Chmn. Martin Beck said he expects "4,000 paid registrants," which would be up considerably from combined total of separate radio program conferences in 1983. Beck is co-chmn. of RCPC, along with NRBA Pres. Bernard Mann.

Full supplemental appropriation for CPB was included in 1984 supplemental bill by House Appropriations Labor Subcommittee. Measure now goes to Appropriations Committee. Supplemental would provide CPB with \$15 million more for FY '84, \$23 million more for FY '85, \$32 million more for FY '86.

Full FCC advisory committee on technical standards for DBS will meet June 15, 9:30 a.m., Rm. 330, Washington hq.

CONVENTION DIARY: TCI Pres. John Malone said his company is developing cable-delivered information service that would "get the home computer out of the closet where it's gathering dust." Home modulator could be manufactured for \$50, Malone said... At his first NCTA convention, FCC Comr. Patrick criticized cities for making excessive demands on operators, and operators for making outlandish promises to win franchises.

Affiliations: CBN will be carried on Cox's San Diego system... Tribune Cable extended for 3 years agreement to carry Cinemax in 8 states, with potential audience of 371,300 homes passed... American Christian TV System owned by Southern Baptists has signed 75 cable systems representing more than 2 million homes.

Equipment: Zenith announced 2 contracts worth \$15 million for Z-View 2-way interactive hardware -- TeleCable for Richardson & Plano, Tex. and Group W Cable for Skokie, Ill... NABU said it would have universal adapter capable of interfacing with IBM PC, Commodore 64, Apple and MSX standard personal computers by first quarter 1985... AM Cable TV Industries won \$10 million contract to build systems in Minn. & Wis. for TDS Cable Communications and in Chicago & Ramsey, Minn. for Group W Cable... Toshiba and ATC will jointly sell Toshiba subscriber terminal and other cable products... Magnavox and Catel will jointly manufacture & distribute headend equipment... Star Ship Stereo, pay-audio service of Satellite Syndicated Systems, said it will buy 100,000 Wegener Communications block converters... General Instrument said it's developing digital stereo & video processing technologies for addressable converters.

Satellites: Turner Bestg. is negotiating lease on Intelsat to carry CNN to Europe where signal will be used by members of European Bestg. Union... HBO expects to complete transition to Hughes' Galaxy 1 by Oct. 1 for eastern U.S. feeds of HBO & Cinemax... ESPN Exec. Mktg. Vp Roger Werner said ABC-owned ESPN plans to begin scrambling in "first half of 1985."

New programming: Professional Education Network will debut Sept. 3 with 2 hours of programming, 2 days per week, until Jan. 1 when PEN plans increase to 6 days per week... SportsTicker, 24-hour sports text service, will be launched in mid-July by United Video... Richard Clark, ex-vp of Manhattan Cable, has formed Satellite Concert Network, will offer 8-12 commercial-free audio services in 2nd quarter of 1985... Movietime, basic cable service featuring movie trailers and movie industry news & features, will be launched Jan. 1 by Mruvka Entertainment, Hollywood... Pacific Cable Network plans Sept. startup. Ad-supported service will be free, consist of news, talk shows, movies & specials offered 24 hours daily.

Briefly: Cable viewership grew 17% last year, with cable-originated programming gaining most at 35%, according to Nielsen data released by CAB. Subscribers watched cable average 18.5 hours weekly

between April 1983-April 1984, Nielsen found... CAB expects \$1,304,000 operating revenue increase for 1984. Budget last year was \$1,367,000, down from previous year's \$1,444,000. Pres. Robert Alter said that in 1983 about \$10 million was generated in local ad sales... Games Network avoided bankruptcy by obtaining \$4 million from Mik-Mar Investment Group in return for up to 3.09 million common shares. Network plans start by end of summer...

Programming & cable system PR executives are organizing trade group. About 25 attended organizational meeting in Las Vegas. CTAM has offered to administer group at start.

Cableshop will start on Satcom 4 in Jan. with 2- & 7-min. "infomercials" and "consumer videos"... CBN Group Vp Timothy Robertson estimated network will earn \$2-\$5 million on \$35 million in revenues through March 1985... Typical woman in cable has college degree, earns at least \$30,000. In half of all cases, she is working on advanced degree and is employed by MSO; many have title of pres. or vp, according to Women In Cable.

Elected at-large NCTA board members:

Comcast Pres. Daniel Aaron, Storer Communications Pres. Terry Lee, Rogers U.S. Cablesystems Pres. Philip Lind, Prime Cable Senior Vp Jerry Lindauer, Group W Cable CEO Harry Murray, United Cable Chmn. Gene Schneider, Times Mirror Pres. Larry Wangberg. Lind will serve 2-year term, Lindauer one year. Five others as top vote-getters win 3-year terms. Times Fiber Chmn. Larry DeGeorge becomes junior associate dir., HBO Network Group Pres. Winston Cox junior alternate assoc. dir. Bryan Blow, Ajo TV Service pres., was elected a dir. representing Independent Operators' Board. NCTA's Vanguard Awards winners: Tribune Cable Pres. Douglas Dittrick and Staunton Video Gen. Mgr. Sally Davison. Challenger Award: Arlington (Va.) Cable Partners Pres. John Evans. Associates Award: M/A-Com Vice Chmn. Frank Drendel; State/Regional Assn. Award: Cable TV Gen. Mgr. George Gardner, Carlisle, Pa.; Mktg. Award: HBO Network Group Pres. Winston Cox.

European cable market is fragmented & confused, but poised for growth nonetheless, foreign experts told NCTA. Keys to successful U.S. industry involvement will be patience & perseverance, they added. John Bird, business development mgr. for Mackintosh International, London, cited company's recent study that examined cable industry in 15 European countries, found that at current growth pace, 35 million European homes should be passed by early- to mid-1990s. Study estimates cabling cost at conservative \$700 per home, meaning \$15 billion investment in next 10-15 years. Gustave Moreau, gen. secy. of Alliance Internationale de la Distribution Par Fil, pointed out that industry's growth in Europe has been slow, has 10 million subscribers dominated by 3 countries with more than 2 million each -- Belgium, Netherlands & U.K. -- vs. about 35 million in U.S.

DEREG & FAIRNESS ACCORD CLAIMED: Senate Communications Subcommittee Chmn. Goldwater (R-Ariz.) says he & parent Commerce Committee Chmn. Packwood (R-Ore.) have reached agreement to attach controversial radio deregulation & "Freedom of Expression" amendments to S-2436, Senate authorization for CPB. He told us agreement reverses earlier decision not to attach controversial amendments to CPB bill (TVD June 4 p9).

Goldwater told us that he & Packwood talked on Senate floor June 6, and that he agreed to Packwood's request because he wanted to get public broadcasting authorization moving. What's unclear is whether bill would go to floor already equipped with or without amendments, or with understanding that they would be offered & accepted later. Either way, CPB authorization appears headed for rougher than expected treatment. Senate aides we contacted for confirmation were surprised by Goldwater comments, were skeptical that agreement had been reached.

Packwood also met June 7 with Rep. Tauke (R-Ia.) & other legislators concerning radio deregulation measure. They discussed possible amendments and ways to get them into bill. Tauke wouldn't comment on Goldwater-Packwood agreement. On broadcast deregulation talks, Tauke said formal & informal meetings have been held with Rep. Swift (D-Wash.), but that there's been no resolution. Sides remain divided on petition-to-deny issue.

Charging 2 of its former officials received "cash, automobiles, trips, the favor of women and other gifts," from William B. Tanner Co., food marketer Thomas J. Lipton Inc. has sued 2 former Lipton executives, Tanner Co. and its former Pres. William Tanner. Suit alleges payoffs in 1975-82 were made to Norman Osborn, former media dir. for Lipton, and Osborn's ex-asst. Stuart Kaufman. Lipton charged that, in return for agreeing to purchase spot time solely through Tanner, Osborn received "substantial" cash payments, 2 Ford Granadas, airplane tickets, clothing, at least 5 TV sets and a VCR. Suit alleges Kaufman was given cash totaling at least \$350,000, Cadillac, jewelry, clothing, TV sets, stereo, gun, microwave oven and 5 exotic birds. Suit seeks unspecified treble damages. In 1982, Tanner was acquired by Media General -- before FBI raided broadcast barter operation in summer 1983 -- and company now is called Media General Best. Services.

Cal. Appeals Court has ruled that 3% fee on gross receipts that city of Alameda levied against MDS operator Premier Communications Network violates "First Amendment guarantees of freedom of speech and press." Court said that "differential taxation of the press... places such a burden on the interests protected by the First Amendment that we cannot countenance such treatment." However, court said that it wasn't ruling that every TV "subscription service business" is entitled to same protections as MDS operator, added that propriety of cable franchise fees isn't involved in case.

QUELLO HAS EASY HEARING: Democratic FCC Comr. James Quello had easy time June 7 during Senate confirmation hearing for 2nd Commission term that will expire June 30, 1991. Hearing attracted only 2 senators -- Goldwater (R-Ariz.), who chaired session and asked a few polite questions, and Riegle (D-Mich.), who praised Mich. native Quello. Quello, FCC member for 10 years, easily handled questions on what FCC will do with "7-7-7" station ownership and on his views on cable deregulation.

Quello said he has open mind on both issues, supports "thrust" of Goldwater's cable bill. Goldwater said he will poll other Committee members on confirmation but foresaw no problems. "I'm sure you're going to be reconfirmed... There's no question about it," senator said.

Quello, 70, stressed his support of current FCC deregulatory moves, which he described as effort "to discard excess regulatory baggage." Quello said he's for elimination of equal time rules and fairness doctrine. Quello's net worth is \$872,000, financial statement said.

Shareholders in Coronet S.A., company being formed in Luxembourg to operate medium-powered satellite system for TV distribution, include, according to an authoritative European source: (1) Time Inc. (5%). (2) Bertelsmann, W. German publishing group. (3) Beta-Gruppe, also German. (4) German Philips. (5) Rediffusion. (6) News International (Murdoch). (7) Canale Cinque (owned by Silvio Berlusconi, Italian media entrepreneur). (8) Thorn-EMI (British media & electronics firm). Satellites will be manufactured either by Hughes or RCA. Launch most likely will be via Arianespace. Telesat Canada is handling ITU coordination. TV will be receivable throughout western Europe with 1-m antenna costing \$400-\$500.

Rebuffed in first attempt to get Justice Dept. to declare Arbitron radio ratings a monopoly -- so that radio stations could negotiate rates as a group -- RAB All-Industry Ratings Committee is trying again. In May, DoJ declined to approve joint negotiations, said it couldn't determine whether Arbitron ratings constituted "a natural monopoly." In followup letter last week, Committee asked Justice to "get off the fence... and determine with confidence whether or not the monopoly that exists [with Arbitron] is natural or unnatural..." Committee said that some stations face Arbitron rate increases "exceeding 150%."

FCC has extended deadline for comments on inquiry into fairness doctrine from Aug. 6 to Sept. 6, replies from Sept. 5 to Oct. 9. Media Access Project had sought extension to Nov. 16 & Feb. 6, arguing that "an unusually lengthy period of time for comments" is necessary "due to the extraordinary nature" of inquiry. Agency stressed it has "no intention to alter or change any existing policies or laws" as result of inquiry -- that further rulemaking will be issued if it proposes changes.

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Personals

Gene Jankowski, CBS/Bcst. Group pres., addresses Federal Communications Bar Assn. luncheon June 21, Touchdown Club, D.C.... Catherine Bostron, ex-Paul, Weiss, Rifkind, Wharton & Garrison, appointed asst. gen. attorney, ABC corporate legal affairs... Norman Stephens, ex-Krost/Simon Productions, named movies & miniseries vp, Warner Bros. TV... John Dorkin, ex-Corinthian, appointed WOR-TV N.Y. program dir.

William Kerstetter, ex-L.A. law firm Pollock, Bloom & Dekom, appointed vp, HBO film licensing... William Ryan, pres.-gen. mgr. of Post-Newsweek's WFSB Hartford, assumes same post at co-owned WPLG Miami; Barry Barth, WSFB station mgr., succeeds Ryan... Samuel Francis, ex-WMHT Schenectady, appointed pres.-gen. mgr., WLIW Garden City, N.Y., succeeding late Arthur Gillick... Richard Lerner, ex-press secy. to Sen. Bradley (D-N.J.), appointed KESQ-TV Palm Springs news dir.

James Mooney, NCTA pres.-elect, speaks June 18 at N.Y. Women in Cable seminar at Viacom Conference Center; reservations: 212-949-6440, 212-708-1791... Daniel Burke, Capital Cities Communications pres., will receive Ida B. Wells award, for creating opportunities in media for minorities, June 20 in Washington from National Conference of Editorial Writers, National Best. Editorial Assn. & National Assn. of Black Journalists... Harvey Dickerson, CPB administration vp-controller, leaves at year end.

Richard Cignarelli, D.L. Taffner Ltd. gen. sales mgr., resigns effective June 11; Neil Russell succeeds him... Panelists for HRTS luncheon June 12, Beverly Wilshire Hotel, L.A.: Dick Ebersole, NBC; Les Garland, MTV; Irving Azoff, MCA Records.

Thomas Hohman promoted to national affiliate relations mgr., CBN; Thomas Rogeberg advanced to senior vp-administration & operations... Harold Tamburro, ex-MAI Communications, joins AM Cable TV Industries as vp-finance... Pat McCarthy, ex-KMBC-TV Kansas City, appointed KYW-TV Philadelphia news dir., replaced by Michael Sullivan, promoted from exec. producer... Jorge Mas, pres.-CEO of Church & Tower of Fla., named chmn. of advisory board for radio broadcasting to Cuba by President Reagan.

Sharon Metcalf, ex-Satellite News Channel, appointed NBC Washington press representative, new post... Kathleen McCampbell promoted to WRC-TV Washington program dir., succeeding David Ulrich, now WETG Hartford station mgr... John Silvestri promoted to ad sales vp, USA Network; Donald Lawlor to regional ad sales vp; David Bender, ex-Hearst/ABC-Viacom Entertainment Services, named research vp. Appointed regional affiliate relations dirs.: Betsy Dirnberger, ex-UPI, eastern; E.A. Hassett, ex-Warner Amex Satellite Communications, central; Barbara Kirbach, ex-Times Mirror Spotlight, western.

Elected Cabletelevision Ad Bureau officers:

Jack Clifford, Colony, chmn.; Burton Staniar, Group W, vice chmn.; Robert Alter reelected CAB pres.; Larry Howe, ATC, secy.; Kay Koplovitz, USA Cable, treas.; Tom Burchill, pres., Lifetime, elected a dir... Arthur Sando promoted to corporate communications vp, Turner Bcstg.; Malenka Warner, ex-Ga. Radio News Service, appointed sales promotion mgr.; Benita Baird, ex-Atlanta firm Rogers & Hardin, joins Turner as asst. gen. counsel... Dale Snyder, ex-Seltel, appointed independent stations research mgr., Avery-Knodel TV... John Howkins, InterMedia editor, named exec. dir., International Institute of Communications.

Jack McBride, Neb. Educational TV Commission, reelected Central Educational Network chmn. Others elected: Kay Ingram, WKAR-TV E. Lansing, vice chmn.; David Fornshell, Ohio Educational Bcstg. Network, treas.; Nancy Bauer, Wis. Educational TV Network, secy... Elected officers of Pacific Mountain Network: Burnill Clark, KCTS-TV Seattle, chmn.; Maynard Orme, KTEH San Jose, vice chmn.; Fred Esplin, KUED Salt Lake City, secy.; Elmo Sackett, KAKM Anchorage, treas.

John Frazee, Centel Video Services Group vp, elected C-SPAN chmn., succeeding Edward Allen, Western Communications... Michael Lerner appointed dir.-advertising & promotion, Weather Channel... Promoted to senior vps, ATC: Thomas Binning, cable investments; Gary Bryson, mktg.; James Doolittle, cable operations; June Travis, cable development; Kevin Rorke named pres. of Fla. div... Will Horton, founder & exec. dir., Minorities in Cable & New Technologies, becomes full-time exec. dir. June 15.

Robert Babbe promoted to dir.-advanced development operation, Ford Aerospace & Communications Aeronutronics Div., succeeding Allen Gates, advanced to asst. gen. mgr., new Space Information Systems Div... John Hampton, Australian Intelsat gov., named Intelsat deputy dir. gen. for operations & development, succeeding late William Woods... Anthony Scudiero, ex-Shackelford & Assoc., appointed field operations dir., Private Satellite Network; Jay Volts, ex-Compucon, named senior program mgr... Lorainne Guglielmini appointed mktg. services administrator, Starnet, new post.

"Blueprint for Success" is theme of June 26 TV station acquisition seminar hosted by NAB at Sheraton Centre, N.Y. Among panelists are John Backe & Martin Pompadur, both in forefront of leveraged buyouts of stations. Cost is \$300; contact NAB Senior Vp-TV Dick Hollands, 202-293-5110.

Harvard U. has established Frank Stanton Professorship of First Amendment in its John F. Kennedy School of Govt. CBS, of which Stanton was pres., contributed \$500,000, which was matched by corporations, foundations and friends & colleagues of Stanton.

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STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended May 25 (21st week of 1984):

	MAY 19-25	1983 WEEK	% CHANGE	MAY 12-18	5 MONTHS 1984	5 MONTHS 1983	% CHANGE
TOTAL TV.....	417,688	332,114	+25.8	319,043	7,718,170	6,810,105	+13.3
TOTAL COLOR...	353,623	232,273	+52.2	245,701	5,974,672*	4,826,541	+23.8
DIRECT-VIEW..	350,880*	230,105	+52.5	242,629*	5,912,103*	4,778,838	+23.7
PROJECTION..	2,743*	2,168	+26.5	3,072*	62,569*	47,703	+31.2
MONOCHROME....	64,065	99,841	-35.8	73,342	1,743,498	1,983,564	-12.1
TV EXCL. PROJEC.	414,945	329,946	+25.8	315,971	7,655,601	6,762,402	+13.2
HOME VCR.....	130,125*	73,685	+76.6	102,004*	2,285,675*	1,230,004	+85.8
COLOR CAMERAS...	7,121	6,808	+ 4.6	7,812*	156,447*	122,915	+27.3

Color TV (direct-view) 5-week moving average: 1984--274,980*; 1983--218,029 (up 26.1%).

Home VCR 5-week moving average: 1984--114,078*; 1983--72,750 (up 56.8%).

* Record for period.

MAY SALES SOAR, BUT DUMP WORRIES ABOUND: Color TV sales hit highest annual level in history in May, but mounting inventories gave rise to strange air of caution at CES -- concern lest even slight sales downturn could result in uncontrollable dump. Even as VCRs completed another hot sales month, worries began to extend to possibility of quick transition from shortage to glut as Japanese increase production and new firms enter field.

Sales numbers for May provide no cause for complaint: It was 10th consecutive million-plus month in color -- previous longest string was 4 months -- and 11th in 12 months. Seasonally adjusted, color sales for May were at annual rate of more than 17,160,000 -- highest in history (previous high was 16,630,000 in March). For 5 months of 1984, cumulative sales ran at 16,460,000, according to our seasonal figures. May traditionally is year's slowest month in color TV sales to dealers.

VCR sales, at 460,788, were best in history for any 4-week month, including 10th consecutive over-100,000 week (big 130,125 in month's final week). Annual rate in May was just under 7.5 million, down from 8 million in April and 8.1 million in March, but still 3rd highest in history. In year's first 5 months, annual rate was 7,570,000, just under record 7.6 million of first 4 months.

Inventories of color TV sets at end of May totaled nearly 3.3 million at factory plus distributor levels, up 23% from year earlier -- almost exactly same increase as sales to dealers -- but nevertheless a 14-week supply. VCR inventories, at 542,000, are up 65%, as opposed to 85.8% sales increase -- less than 5 weeks' supply at current sales rate. Discussing color, RCA Consumer Electronics Vp-Gen. Mgr. Joseph Donahue said industry "should be very careful of inventories -- they're not out of line, but creeping up."

"A bloodbath could come in color," Hitachi Sales Corp. Exec. Vp Robert O'Neil warned. "I'm scared," he told us. "Too much euphoria has set in. Nobody's really looking at the inventories. They may be too high now" at 14 weeks' supply -- "16 weeks is much too much. We don't know what's happening at retail." As for VCR, he expressed concern as well. "Right

now half of the orders are backup orders -- they can disappear fast.* After a couple of good years, O'Neil said, "people forget this industry has ups & downs... We'll continue to have ups & downs." As for 1985, "I'll be happy to see it flat, no matter how this year comes out."

Also taking swipe at inflated forecasts and their effect on production was Sony America Pres. Neil Vander Dussen, who told press breakfast at CES he too was "concerned about inventory levels" in color. "Forecasts of 17 million color sets are high by 1-1.2 million," he said, and "6.5 is more realistic for VCR in 1984 than 7 million." Unrealistic predictions, he said, "will cause too much building -- new manufacturers & others will build more than the industry can absorb," leading to "good possibility of dumping this fall," when he sees some slowdown in economy. EIA consensus forecasts, which consistently have been on cautious side, put 1984 color TV sales at 15.8 million, 1985 at 15.9 million, VCR sales at 7 million this year, 8 million next (details elsewhere in this issue).

Here are EIA video sales figures for May, showing records for month in every product except monochrome TV, which reached lowest level for any month in modern history:

Product	May 1984	May 1983	% change	May 1982
Total TV.....	1,344,207	1,144,938	+17.4	1,149,498
Total color...	1,081,396*	838,522	+29.0	725,688
Direct-view.	1,069,245*	830,230	+28.8	720,614
Projection..	12,151*	8,292	+46.5	5,074
Monochrome....	262,811	306,416	-14.2	423,810
TV excl. projec.	1,332,056*	1,136,646	+17.2	1,144,424
Home VCR.....	460,788*	272,104	+69.3	109,148
Color cameras...	32,300*	25,043	+29.0	25,822

*Record for any May.

CES--A WEDDING WITH 98,271 WITNESSES: Very few people really believed they would live happily ever after, but 98,271 went to hot, sunny Chicago last week to witness what was billed as nuptial ceremony of audio & video, also known as Summer CES 1984.

What actually happened is that audio manufacturers re-christened their products "audio-video," hoping that some of video's glamor would rub off, and video manufacturers renamed their products "audio-video" hoping that they could raise prices. As at most weddings, euphoria was fairly rampant.

There were some purveyors of gloom who warned that good times couldn't last forever and industry may be producing its way into glut of TV, possibly even VCR. But with background of soaring sales in virtually every product category, and hi-fi stereo coming to TV as well as to VCR, it was difficult to sustain any note of sobriety for too long.

Attendance set records and showgoers overflowed Chicago hotels into such places as Elgin, Aurora & Joliet. According to official figures, there were 18% more people than a year ago when 83,311 attended, and Chicago show outdrew Las Vegas 1984 Winter CES which attracted 91,245 -- indication that next year's Las Vegas event will pass 100,000.

Included in attendance were 2,000 members of editorial press, who helped make CES major media event through continuous exposure on TV and on front pages. Considering high attendance, it was remarkably easy to get around floor of expanded show.

Not everybody was ecstatic. Last week's CES may have been last straw -- and last show -- for remaining video software exhibitors, judging by their reactions. Relegated to hot and sometimes windblown tent on mall level of McCormick Place, some talked of "insult" and of

being treated as "2nd-class citizens." Independent software producers seemed to be victims of battle between EIA and major studios, not one of which exhibited and few of whose executives were seen at show. But fact is retailers jammed tent aisles, and this week, after they check out order books, independents may think differently about abandoning CES ship.

For all the hoopla, there were few surprises; highlights are recorded in separate reports in this issue.

JAPAN VIDEO EXPORT SURGE CONTINUED IN APRIL: Japanese continued assault on video equipment export record book in April, setting 3rd consecutive all-time monthly record for VCR shipments to U.S., hitting 65-month high for total TV shipments, Finance Ministry reports.

VCR shipments to U.S. climbed 93.7% in month to 810,900, putting 4-month total at 2.69 million, up 140% from same period last year, and topping export total for all of 1982 by some 190,000. If Japanese keep up current pace, exports this year will pass full 1983 total of 5.43 million in July. Producers in Japan are doing their best to keep up with demand, broke through 2 million monthly output level in April with 57.9% production jump to 2.28 million, which nearly equals production for all of 1979.

In TV, total shipments to U.S. jumped 86.2% in April to 203,900, as color rose 63.8% to 144,100, b&w climbed 178.3% to 59,800, setting 3-year high. For full period, total exports of 732,600 rose 111%, with color up 103.7% to 542,100, b&w up 135% to 190,500. In color, exports of complete sets climbed 124.7% in month to 92,100, for 4-month total of 347,400, up 169%. Color chassis & kit exports edged up 10.8% in April to 52,000, ended full period at 194,700, up 42.2%.

KOREANS FLEX COLOR MUSCLE AT CES: Dumping or no, Korean color producers showed no signs of easing off at last week's Summer CES in Chicago, and in fact signaled that as group they would be even tougher competitors with help of 2 new majors that debuted lines at show.

Taking full advantage of its status as Korea's only dumping duty-free color producer was Korea Electronics, through 50%-owned U.S. distributor KTV Inc. Formerly marketer of small-screen color here, KTV has branched out with broad range of 13" & 19" models at highly promotional prices, with shipping to dealers to start this summer. Representation wasn't limited to own exhibit, either -- several new regional private label marketers popped up at show, most of them featuring KTV product. In dumping margin determination issued earlier this year, International Trade Administration said it found Korea Electronics with no sales at less than fair value, so importers of its sets are excluded from general requirement that cash bonds be posted to cover antidumping duties on color sets brought in from Korea (TVD Feb 17 p10).

Making first appearance here was Hyundai Electronics, subsidiary of giant Korean conglomerate that launched crash in-house electronics development program 2 years ago. Hyundai, too, had broad range of promotional models, but was using show primarily to introduce itself rather than make sales. Company, we were told, will be entering market here this year as private label supplier, doesn't plan to start shipping own-brand sets to dealers until 1985.

Samsung has lined up U.S. assembler to ease color TV supply problem while it works toward Aug. startup of own color plant now under construction in N.J. Harvey Industries, which has been running former Curtis Mathes plant in Athens, Tex. as contract producer since CM quit as manufacturer (TVD Aug 2/82 p8), will be building Samsung sets using chassis & cabinets supplied from Korea, U.S.-made color tubes. Samsung official told us cabinets would be imported until its plant here goes on stream, then would be sourced in U.S. Shortly after dumping case was finalized, Samsung said it was looking for temporary tie-in with U.S. assembler (TVD April 9 p14). Gold Star, in process of doubling color production capacity at facility in Huntsville, Ala., was doing business as usual, though company acknowledged its supplies would be tight for a while.

4 PLANTS MAKING DIGITAL TV--10 NEXT YEAR? It's more of an ooze-through than a breakthrough, but TV finally is moving into digital age. ITT says 4 manufacturers now are producing sets using its digital signal processing LSIs -- and production or preproduction models of 3 of them were visible in & around Chicago CES last week.

Total of 10 TV manufacturers will be turning out digital TV sets by year's end, we were told by Lubo Micic, father of digital TV and managing dir. of ITT Semiconductors Worldwide, at International Conference on Consumer Electronics (ICCE), IEEE-sponsored engineering meeting last week at Chicago's Westin O'Hare Hotel.

Only digital set shown at CES was Toshiba's, scheduled for Oct. 1 sale -- now almost certain to be first in U.S. (TVD April 16 p12). Its principal feature is picture-in-picture (PIP), which superimposes smaller picture 1/16 or 1/4 size of screen in any corner of 20" FST picture. Since set has only one tuner, either main or subsidiary picture must be from video input. Small picture may be frozen; set has 256K memory.

Toshiba set also has multichannel TV sound (MTS), video & computer inputs & outputs including 8-pin RGB connector (computers) and 21-pin RGB interface "for high-resolution applications of the future, including direct hookup to videotex, teletext & satellite DBS reception." Company officials estimated set would sell in U.S. for around \$1,200. It's believed Japanese version will be introduced this summer.

Displayed in McCormick Inn suite was Panasonic digital set, scheduled for Aug. marketing in Japan at about \$1,100, with similar PIP feature (but with only one small-picture size) and with freeze for smaller picture. U.S. version, due next spring, will have features similar to Toshiba unit, including MTS. One other Japanese firm is believed to be starting production of digital TV set now.

Production sets by ITT's Standard Elektrik were used for demonstration at ICCE hospitality suite, where ITT Semiconductors showed latest chips for digital TV. Interestingly, prominently demonstrated was "NTSC picture chip," combining VIR with automatic brightness, contrast, saturation & fleshtone controls. GE, main user of VIR, last month declared itself out of "horse race to see who can be first" with digital set (TVD May 14 p13) -- but said it eventually would have one with features & benefits made possible by digital technology.

ITT demonstrators showed NTSC line-elimination chip that doubles scan rate of interlaced picture to 1,050 lines and improves white level, containing only 1-1/2 line storage, at claimed basic cost of about \$10; it was recommended to improve picture in projection TV. New NTSC comb filter processor also was demonstrated, engineer changing set from PAL & SECAM to NTSC merely by changing chip.

Company still maintains digital approach is cheaper than analog because it eliminates many discrete components, lends itself to automatic production. "We must compete with the cheapest analog solution, and we believe we can be less expensive," spokesman declared. In long run, he added, "digital is the only way to a single-chip TV."

System is now debugged, "all problems are solved [and] we are surprised how good our yield is," ITT's Micic told us. By year's end, he said, company will start shipping samples of 2nd generation digital TV chips that will reduce basic circuits from 5 main VLSIs to 3.

First U.S. TV producer to offer digital set is still expected to be Zenith, which plans to show model to distributors in Dec. for sale in Jan. The 2 other major U.S.-owned TV manufacturers -- RCA & GE -- have said they're working with ITT, among others, toward digital signal processing, but both also have said, in almost same words, that they won't introduce digital sets until they can boast better pictures & features than current analog sets.

8MM TURN-ONS & TURN-OFFS: New 8mm Video format continued to be lively subject at CES last week, with pro & con sides shifting, as usual. RCA's latest attitude is "count us out -- maybe," while Sony apparently has shifted to "count us in -- sooner or later."

As expected, Polaroid demonstrated its Hitachi-made 8mm camcorders (TVD May 21 p10), but provided little new information. Company said it would be in market "well before year's end," offering product to existing photo channels as well as video dealers. Price will be "competitive." Lightweight Polaroid unit gave good pictures in relatively low light. It primarily uses metal particle (MP) tape with amorphous heads, as opposed to Kodavision camcorder, which has sendust heads, appears to be optimized for metal evaporated (ME) tape.

RCA last week made it semiofficial in an unofficial way when Product Planning & Industrial Design Vp David Daly told press dinner that "8mm may well be one race with too many runners [and] more problems than opportunities." Although study is continuing, Daly said: "I suggest you put RCA in the uncommitted column."

At same time, Sony seemed to be moving closer to committed column. In interview with several Japanese newspapers, Chmn. Akio Morita is quoted as saying Sony is "ready" to proceed with 8mm, plans simultaneous launch in foreign & domestic markets under own brand. No specific date is given, but implication is that debut could come soon. Morita referred to 8mm as "next generation," with quality as good as 1/2" right now, expected to be superior in future. He added that Sony will make 8mm tape.

Sony's annual worldwide strategy meeting, scheduled for Vienna next month, will look at long-range future of 8mm, according to Sony America Consumer Products Pres. Neil Vander Dussen. "We fully intend to introduce 8mm," he said -- "we see a long-term future for that format. More product development will allow us to introduce a product with more advantages. We need more than 90 min. [playing time] -- it must be at least 2-1/2 hours, preferably 3 hours, for recorded software."

Canon joined 8mm ranks at show as Fisher officially dropped out. Canon showed unpriced portable deck with separate remote-controlled tuner -- not camcorder -- made no delivery promises, but said it was first VCR to be made by Canon itself. Deck has built-in RF, as well as video & audio outputs. Sanyo displayed same 2-speed portable deck with separate tuner that it unveiled last Jan. Toshiba, which is making 8mm for Polaroid, didn't display one at show.

GE had its Uni-Cam in booth, despite announcement preceding week that delivery would be delayed until head & tape bugs were ironed out (TVD June 4 p15). Video Gen. Mktg. Mgr. Rick Williams told us problems could be solved in time for 4th quarter introduction, "but we would have to check

dealer interest before offering it that late in the year."

Although Fisher is out of 8mm, Pres. Howard Ladd said company could be getting into VHS VideoMovie. Tokyo Sanyo, which supplies Fisher's VHS VCRs, has abandoned 8mm development (TVD May 14 p14). Ladd said Tokyo Sanyo has been working on VideoMovie and should have model for delivery next year -- "but we don't expect to be showing it at CES in Jan.; we're not sure we want it at all."

Kodak said random survey of 17 stores selling its videocassettes showed more than half planned to handle 8mm camcorder.

Kodak became first to price 8mm videocassettes, offering 6 varieties. Minimum order will be 5 of each item, with lowest dealer net reached when 50 are ordered in any mix, or when 40 cassettes in any mix of Beta, VHS & 8mm are bought. Suggested list prices (with lowest net in parentheses): MP tape -- 30 min. \$13 (\$7.25); 60 min. \$14 (\$8.22); 90 min. \$16 (\$9.90). ME tape -- 30 min. \$19 (\$11.90); 60 min. \$22 (\$13.55); 90 min. \$24 (\$15.45).

List prices of Kodavision hardware: Basic camcorder \$1,599, autofocus \$1,899, playback cradle \$239, tuner-timer \$300, converter charger \$180. Dealer prices indicate low-margin outlets could sell basic camcorder at about \$1,250, autofocus \$1,500. For rest of year, Kodak is offering 5% co-op allowance, deferred billing or free 90-day floor planning, will give \$70 retail camera case free with each camcorder ordered for delivery by Sept. 25.

Two-week test of multichannel TV sound system's 2nd audio program (SAP) has been completed by WNJT (Ch. 52) Trenton, flagship of N.J. Public Bestg. Authority (NJPBA) at request of N.J. State Library for the Blind. Library seeks to determine whether it would be more economical to broadcast reading service via SAP channels of N.J.'s 4 public TV stations or FM subcarriers, is now studying results. Material isn't TV program-related. NJPBA Chief engineer George Hoover says he doesn't know when system will convert to stereo; he says expense of conversion will be quite high, and equipment isn't ready yet. NBC's WNBC-TV N.Y. remains only station known to be broadcasting MTS, although it's only in test mode.

Safety standard for coin-op arcade videogames and pinball machines and modification kits is being developed by Amusement Game Mfrs. Assn. as anti-piracy ploy. AGMA plans to adapt current UL standards for data processing and vending machine equipment, could apply to Consumer Product Safety Commission to have it declare official industry voluntary standard. AGMA says imported pirate games, which it claims account for about 1/3 of market, often use low quality power supplies, aren't up to U.S. safety standards, pose hazard to public.

\$250 VHS COMING? CES last week foreshadowed explosion of VCR supply next year, when that product moves into market mainstream and becomes commodity handled by secondary brand importers. Koreans will be permitted to float VCRs on world market beginning in 1985, under terms of their licenses, and Japanese already are re-engineering their basic models to remove cost so they can compete.

Korean suppliers are gearing up for push to start next March after expiration of ban on exports that Sony & JVC placed on foreign licensees. Both Gold Star & Samsung had several VHS VCRs on display, Samsung also showed VHS play-only model that spokesman said would sell for about 25% below leader recorder. Importer Unitech displayed 2 Korean VHS models it said would be priced at \$350 & \$700 (remote), promised remote stereo at \$800. Hyundai showed basic Beta VCR, but spokesman said company may sell VHS when it enters market next year. Korea's other Beta licensee, Daewoo, had none on view at exhibit, but was telling customers it would be showing VCRs at CES in Jan.

Units shown by Korean manufacturers were low-run production models being offered at home. Word picked up at show is that they're working at lining up major U.S. private label accounts that would let them increase output, lower costs enough to enable them to offer first \$250 VHS models here in fall 1985. That in turn would put additional pricing pressure on leader Betas, now retailing here in \$270-\$290 range.

TMK, which sells primarily through mail order & catalog houses, offered Japanese 2-speed (2 & 6 hour) VHS to retail at about \$350, step-up remote at \$699. Lloyds promised July delivery for VHS models listing at \$400 & \$500. First tunerless VHS, intended for use with TVs that have video-audio outputs, was displayed by K&K Merchandising at \$320. Emerson, which has been offering pair of Mitsubishi-made VHS VCRs listing at \$699 & \$895 (remote), had drop-in remote expected to retail for about \$750.

Japanese are sharply aware of competition next year in VCR price market. Sony Consumer Products Pres. Neil Vander Dussen, conceding "under-\$300 VCRs already have had impact," said last week: "We recognize there is an under-\$300 market and will do everything we can to have a product to reach that potential without sacrificing reliability or quality." Impending rough-&-tumble price competition also is major factor in propelling Japanese toward new 8mm Video standard and new 1/2" super VCRs it's developing (TVD April 23 p10).

Panasonic Consumer Video Div. Gen. Mgr. Stan Hametz told CES seminar that VCRs could drop to \$300-\$399 within 12-15 months. "In the next 3-5 years, I expect to see them selling at over 10 million a year -- they could hit 12 million. Everybody will be able to afford it -- I see it becoming almost like color TV and telephones in the home."

First VHS Hi-Fi stereo VCRs with built-in

multichannel sound (MTS) tuning capacity were announced by Mitsubishi & Harman Kardon at show. Mitsubishi said unit should be available late this year, sell in \$800-\$850 range. HK unit, also due later this year, was unpriced -- company said it was sourcing deck from outside, adding own electronics, indicated it would be first of line of audio-related video products.

Also branching out was Akai, with its first nonportable VHS decks. Programmable, wired-remote leader is \$630. Unpriced is upcoming VHS Hi-Fi 4-head wireless remote with 139-channel tuner with both on-TV screen and on-set programming display. Added feature is video mute switch that allows VCR to be used as audio-only recorder-player. As we forecast last week (TVD June 4 p16), Grundig's first VHS recorder was shown on CES floor by Display Devices Inc. Unit shown was PAL-SECAM European prototype; DDI said it expects to have NTSC VHS Hi-Fi version next year.

Interactive optical home videodisc game from RDI Video Systems will list at \$2,000, is scheduled for 5-city rollout in Sept. Price of Halcyon system includes player, keyboard, main control unit and microphone headset for voice activation. Those who already own Laservision players with computer ports can buy the other parts for \$1,300. Not included are game packs -- disc, cartridge & overlay -- which will sell for \$80-\$100 each. RDI Pres. Rick Dyer said company will introduce computer interface early next year, allowing hookup to most home units, further reducing cost. Company is spending \$1 million for each of 5 titles being prepared for 1984, according to Dyer, who will limit Halcyon availability to top-of-line outlets. Four of games (Thayer's Quest, Shadow of the Stars, Orpheus, Voyage to the New World) are animated, 5th (Spirit of the Whittier Mansion) is live action. Dyer promised average of one release per month during 1985, all to be pressed by Pioneer Video, said RDI development of arcade game Dragon's Lair was "really a sideline" to Halcyon, which has 1,000-word vocabulary, can be programmed to respond to foreign languages.

Infsoft has closed, reportedly is preparing to file for bankruptcy. Firm was prime developer of home & personal computer operating systems, designed original word processing program built into Coleco's Adam system. Coleco, however, had to revise program after it changed high-speed tape drive formats, and has since revised it again. Infsoft, it's understood, was not involved in revisions, ended up settling for about 50% of estimated \$500,000 Coleco had agreed to pay for job.

Tandy's Memtek Products, which markets Memorex video & audio cassettes outside Radio Shack retail chain, plans to challenge GE in rechargeable battery market. Company is introducing 9-volt, D, C, AA & AAA batteries in \$9-\$10 range, with charger. GE is estimated to hold 75% of rechargeable market which accounts for about 7% of overall annual battery sales of about \$2.3 billion.

BATTLE OF MINI-TVs: One of few surprises at CES was LCD pocket color set by Citizen with larger screen and at lower price than model being fielded by Hattori under Seiko & Epson brandnames (TVD May 28 p13, June 4 p21).

Citizen model has 2.7" picture (vs. 2" for Seiko/Epson), will retail at \$350 (vs. \$500), weighs 11 oz. (vs. 16). It's promised for next April (vs. this fall for Seiko/Epson). Display is mounted in flip-up lid with translucent back that allows light to pass through, is viewed by looking down into mirror. Fluorescent light, powered by own battery, mounts atop lid for night viewing, will be optional extra.

Citizen promises fall delivery for b&w version in same configuration, with AM radio, at \$200. Company said it's now developing LCD color sets with 3.5", 4.9" & 7" screens.

U.S. market entry of Sinclair's long-promised 2" flat-tube b&w at \$100, due this summer, has been delayed again, presumably by continued production yield problems. Representative at CES exhibit said there now was no target date for debut, indicated set may arrive some time in 1985.

Among new conventional sets at CES: Pioneer introduced unique "expandable TV monitor" -- 25" unit with stereo amplifier at \$1,200, with plug-in tuner module at \$150, RGB module for personal computer at \$70, singalong karaoke module with reverb amplifier and microphone jacks at \$70. Also introduced by Pioneer was complete new 25" component TV system including monitor, amplifier, video control tuner, speakers, at \$2,499.

High-end audio manufacturer NAD, which previously had offered video systems identical to those of Proton, sourced through Taiwan's Fulei, showed new 20" FST monitor receiver that it said was made in U.S.

In back room of its display, GE showed prototypes of 14" & 20" square-cornered tubes, scheduled for May-June 1985 and 26" due next Jan.

Rent A Movie Machine (RAMM) is newest franchising marketer of VCRs for rental. Founded by former Port-A-Video executives, RAMM is offering distributorships at \$129,000 each, including 80 VCRs, 400 cassettes. It's using modified Matsushita-made VHS portables that it buys from various marketers, houses them in lockable case. At CES, RAMM also was showing VHS player-only sourced from Korea's Samsung but, we were told, isn't recommending it at this time, provides no warranty.

Kaypro was official supplier of computers for services at CES in Chicago last week. Computers, programmed to supply international visitors with names of exhibitors interested in export sales, and media representatives with lists of new products on display, in past years were provided by Toshiba. Oki supplied printers.

LATEST FORECASTS: Current video hardware & software sales boom caused massive upward revision in industry's 1984 sales estimates for mainstream products. That's shown by comparison of consensus figures released by EIA at CES in Chicago last week with those Assn. issued at Winter CES in Las Vegas last Jan. (TVD Jan 9 p16).

Against those at start of year, industry sales estimates are up 13.6% for color TV, 24.1% for projection TV, 27.2% for VCR, 18.2% for color cameras, 23.4% for blank and 32.1% for recorded videocassettes. But market conditions also resulted in some reduced forecasts. New b&w estimate is down 8.6%, computers off 22% for hardware, 37.9% for software. In videogames, latest hardware estimate is down 20%, software forecast is 12.2% lower.

Here's rundown on sales outlook for 1984 and 1985 as issued by EIA last week:

	Units*		\$ Value*		Avg. Price*	
	1984	1985	1984	1985	1984	1985
Total TV...	21.28	21.00	6,130	6,220	--	--
color....	15.80	15.90	5,400	5,500	342	346
monochrome	5.30	4.90	400	370	75	76
projection	.18	.20	330	350	1,833	1,750
VCR.....	7.00	8.00	3,440	3,760	491	470
deck.....	6.00	6.80	2,680	2,880	447	424
portable..	1.00	1.20	760	880	760	733
Camera.....	.65	.75	460	510	708	680
V'cassette..	113.50	156.50	1,165	1,515	--	--
blank.....	95.00	120.00	720	860	8	7
recorded..	18.50	36.50	445	655	24	18
V'disc play	.23	.10	55	40	244	400
V'disc.....	8.00	8.00	120	120	15	15
blank.....	95.00	120.00	720	860	8	7
recorded..	18.50	36.50	445	655	24	18
Computers..	5.30	6.50	2,200	3,000	410	470
Software...	55.00	80.00	1,000	1,450	18	18
V'games....	4.00	3.00	300	200	75	66
Game softw.	65.00	61.00	975	800	15	13
Audio system	3.05	3.07	630	610	207	199
CD player..	.20	.40	80	120	400	300
Radio.....	40.00	40.00	550	530	14	13
V'disc play	.23	.10	55	40	244	400
V'disc.....	8.00	8.00	120	120	15	15
Port. tape.	26.00	26.50	1,170	1,190	45	45
w/radio...	15.00	15.60	860	960	57	57
tape-only.	11.00	10.90	310	300	28	28
Headset port#	19.00	20.00	500	510	26	26
Audio cass.	250.00	260.00	260	270	1	1
Telephone..	31.10	34.50	1,240	1,475	40	43
wired....	25.00	28.00	750	975	30	35
cordless..	6.10	6.50	490	500	80	77
Answerer...	2.70	3.50	200	290	74	83

*Units & value in millions. Value & pricing at factory level. #Headset audio also included with radios and portable tape.

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

CES COMPUTER SCENE: Just as June 1982 CES showed how marketer proliferation was setting stage for chaos & dropouts in videogame cartridge business (TVD June 7 p13), so last week's Chicago event offered promise of major computer software shakeout.

Where obvious collapse is going to come is in over-fat ranks of educational software producers, particularly those offering to help pre-kindergarten youngsters learn everything from alphabet to nuclear physics. Home management field also is rapidly getting overcrowded, and while panelists at software conference cheered obvious growth of industry, there were first signs of concern that there's no way market will be able to support all entrants.

News on hardware front came from 4 introductions for fall. Commodore unveiled \$300 64K console with built-in word processing, data base, spreadsheet & graphics programs, but it's not compatible with its current best-selling model 64. Sinclair demonstrated its \$500 QL, said it would start by selling via mail order, move to retail stores in mid-1985 when that's justified by demand. Sinclair, of course, lost its prime distribution earlier this year when Timex left market.

Atari Pres. John Farrand, at press briefing to introduce peripherals & programs for new 7800 game console, said company has indeed scrapped original step-up 1450XL computer, but would introduce new model with even better performance late this year. Unit will be compatible with existing computer, contain high-density disc drive, accept expansion cards for 80-column display and to enable it to run non-Atari software. He indicated that cards also will be made available for 800XL. He didn't give price, but \$800 is considered to be in ballpark.

Shown privately was \$1,000 high performance computer due in Dec. from Amiga. Unit has separate microprocessors for generating video display, leaving CPU free to concentrate on on-screen movement.

But pricing & marketing plans may just have to be changed as result of IBM price cutting announced after show closed. IBM reduced list of leader PCjr \$70 to \$600, expanded memory version \$270 to \$1,269, reduced PC models and most peripherals by 18-23%. It also announced it was giving extended credit terms to dealers.

Much heralded Japanese MSX format got little in way of exposure, but word is "wait till next year." At private briefing, MSX format developer Microsoft told software suppliers and hardware marketers that Japanese producers will hit European market this fall, launch coordinated introduction effort here next spring.

Computer-controlled BSR X-10 home command system, developed for Aquarius dropped by Mattel, has been revived for use by Radio Shack color computers. System provides on-screen display of module locations and programming instructions fed

by computer to separate central controller. Controller runs system after being unhooked from computer. Computer package, including controller, programming cartridge and couple of modules, is expected to retail for about \$100. BSR said it planned to offer system for other computers.

Despite current bad publicity, "the home computer business is alive & well, and we're selling twice as many as we did a year ago," we were told by John Roach, chmn. of Radio Shack parent Tandy. Computers are becoming useful home systems "and aren't just for playing games," he said. RS has strong market position, but that isn't generally recognized, Roach said. Because all sales are through RS stores "we're not out there competing for shelf space" with independent dealers, and "some people forget we exist." To help get utility message across, next month RS will offer free home demonstrations in 13 markets. Basic package, including computer, controllers, modem and selected programs, will go for \$1,475, step to \$1,975 with printer and word processor.

Meanwhile, Coleco is putting new push behind its computer. In current ads announcing "The 1984 Adam Is Ready," Coleco talks about its new parts suppliers, service organization, software and 6-month warranty. It offers free collection of 32 education & game programs to those buying complete system or Adam expansion set for Colecovision game consoles by Sept. 15.

Sony has agreed to build laser disc replication plant in Terre Haute to provide duplication for govt., industrial & education customers, company announced last week. Sony said plan is contingent on its getting tax exempt financing and urban development grant. Plant is expected to cost \$15-\$20 million, employ 100 when operational in fall 1985. Terre Haute is site of CBS/Sony digital audio CD disc plant, now under construction. Sony said decision on location came after Ind. Gov. Robert Orr issued legislature-backed resolution calling for repeal of state's unitary tax in 1985. Sony Chmn. Akio Morita has been leading Japanese industry battle to have such taxes abolished. States with unitary taxation base levy on worldwide profits of international corporations.

Games Network says it's getting \$4 million in new working capital from investment group in exchange for up to 3.09 million shares of common stock. GN has been unable to repay loans, was threatened with loss of central computer it uses to store computer games it feeds to homes via CATV systems (TVD May 21 p16). Network now says it plans to start service by end of summer.

RCA hiked quarterly dividend to 26¢ per share from 22.5¢, left payout on preferred unchanged. Chmn. Thornton Bradshaw said "we felt this was the time to share" with holders RCA's financial turnaround "and to express our thanks to them for staying with us through a difficult period."

CONSUMER ELECTRONICS VIDEO DATA BOOK

1983 Edition

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

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

Among statistics in this everyday ready-reference book:

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

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

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PHONES AT CES: Evolution of home phones to commodity item was highly evident at CES in Chicago last week, where dozens of marketers were battling for limited dealers. But action was there as phones are still selling briskly, though at low prices.

Biggest marketer headache at show was excessive inventory of old cordless product, making dealers hesitant about committing to purchases of new and higher priced 46-49 MHz models. But marketers were generally holding back on dumps, though older models priced at less than \$30 wholesale weren't hard to find. Innovative approach to clearance is upgrade offer by Cobra. Consumers who buy old model between July 1 and end of year will get option to trade it in for new one for \$50 more.

Home phone market continues bright, though not up to generally believed levels, according to AT&T Consumer Products Retail Accounts Sales Vp Alfred Franks, who delivered keynote address at telephone seminar. He said AT&T estimates sales will jump 56.4% this year to 26.9 million, though price cutting will hold down gain in sales dollars, which are expected to rise 47% to \$1.4 billion. By type, AT&T sees basic phones rising 56% to 9.8 million, one-piece up 44% to 7.5 million, cordless up 91% to 5.5 million, functional units up 56% to 2.8 million, decorator models up 30% to 1.3 million.

Phone market should hold good through end of decade, with sales averaging 27-35 million units and generating \$1.5-\$1.8 billion at retail annually in 1985-89 period, Franks said. Cellular phone volume should run 100,000-200,000 units at \$260-\$460 million this year, with demand restricted to business professionals as they are "the ones who can afford" it, he stated. While year 2000 could see 30-40 million cellular units in use, representing 20-25% penetration of automobile market, "the greatest potential for the retail market will occur when cellular phones become truly portable." That, Franks said, may seem "Buck Rogers-ish, but we see that day coming before too long."

Industry's newest communications offering, cellular radio telephones, got full share of attention from dealers, though high prices, complexity of installation, discovery that repairs must be left to certified servicers, all helped quash any thoughts average TV-audio dealers had about getting into market today. But upcoming secondary suppliers were urging retailers to keep product in mind for later when prices plummet and make it true consumer item.

Established cellular marketers showing cellular included AT&T, Fujitsu, GE, Hitachi, Mitsubishi, Motorola, NEC, Panasonic, Western Union. Most interest was generated by crop of newcomers, who plan to shun direct-to-user sales channels and work through retailers. Audiovox, ARA, Alpine & Grundig were among traditional car stereo marketers adding cellular to line, along with such home phone companies as Mura & Pathcom.

Radio Shack is adopting true retailer attitude

toward its entry into cellular, according to John Roach, chmn. of parent Tandy. Market will be small for short term because of high prices, but "as the industry evolves our goal is to put it within reach of more consumers." With low cost -- \$500 to \$1,000 "is a reasonable expectation" -- and expectable drop in prices of phones and service, Roach said "I don't see why anybody would want a corded phone." As for service charges, "I hope that over the next few years [they] will come into line with conventional rates at about \$10 to \$15 per month," Roach said.

Building up of competition isn't worrying Radio Shack, Roach indicated. "Any time somebody starts developing a market, everybody jumps in. But how many of them are manufacturers? How long will they last?" Tandy will start by buying complete phones, shift quickly into product through joint venture it's launching with Finland's Mobira. "We'll have an excellent product with exciting features," Roach said. He declined pricing specifics, but indicated \$2,000 would be reasonable starting point. Roach said prices should be in \$1,000-\$1,200 range within year, "and I think there is room for improvement beyond that."

PHONE IMPORTS RISE: There's no relief in sight for telephone inventory pileup, if Commerce's import figures are reliable guide. They show first quarter shipments of wired & cordless phones rose 33.7% to just under 7 million.

Bulk of increase came in cordless phones, which registered 96.3% jump to 2.12 million, possible indication foreign manufacturers are attempting to unload supplies of older single channel instruments. Imports of wired phones edged up just 17.4% to 4.14 million.

Probability of cordless phone dumping is underscored by figure showing value of imports rose 64.1% to \$94.3 million, which indicates average unit value fell 16.3% to \$44.57 from \$53.30 in same period last year. In contrast, value of corded phones jumped 73.6% to \$113.9 million, which indicates average value rose 48% to \$23.41 from \$15.82, and is sign that supplies of cheap one-piece electronics may be starting to dry up.

Import figures also show strong growth and pricing stability for telephone answering machines. Unit shipments jumped 128.2% to 783,300, while value climbed 113.7% to \$43.2 million, for indicated average value of \$54.46, down 6.3% from \$58.15.

New Japanese entry in VLSI production is NMB Semiconductor, being established as venture by ball bearing producer Minebea with financial companies as partners. Minebea will start with 18% stake in \$11 million venture, eventually expand holding to 59%. New plant south of Tokyo will start producing 256K dynamic RAMs next year at 200,000 monthly rate, eventually expand to million per month. Minebea said it has goal of securing 10% of world market by 1987.

PIONEER'S 8" DISCS: Pioneer Video exhibited new 8" discs and video jukebox at CES press conference, as expected. Missing, though, was CD-Laservision player, which had been rumored to be making first appearance at show. Only comment from PV Pres. Ken Kai, in response to question, was that it "might come some day."

Kai was predictably upbeat about LV prospects, said operation was "turning into the black" here and in Japan. Disc yields have reached 96-97%, he added. First 8" discs are due in fall at \$10.99 with 3 music video selections on single side in CAV format, allowing freeze frame, slow motion, etc. Pioneer Artists Pres. Barry Shereck said goal is to release up to 20 a month, maintains "every record company" will have selections out by Christmas. Shereck told us turnaround time for replication at Kofu plant is less than 3 weeks, with production at newly expanded Carson, Cal. facility expected to get under way early next year.

Other use for 8" is karaoke, or singalong selections, produced by PV, that adds character-generated lyrics at bottom of picture. "We're doing the work for now," according to Vp Ronald Rich. "We're staking it." Singalong discs are in CLV format, can take as many as 5 selections per 20-min. side, retail for \$14.95; about 20 are ready for general release.

Name given 8" consumer line is Pioneer Artists Musicvideo -- as opposed to Pioneer Artists Musicvideos for sales to commercial video jukeboxes, priced at \$7,000. Unit at CES had capacity for 60 selections.

JVC had demonstrations of VHD videodisc system at both booth and hotel suite, stressing use with computers for games and industrial-commercial applications. Company said showings were merely to gauge reaction, and that it still had no definite plans for U.S. marketing.

And for high-end product with a vengeance, there was JVC's \$6,000 "Crossmedia" audio-video system containing 19" remote monitor receiver, VHS Hi-Fi, 80-watt amp, digital FM-AM tuner, front-load turntable, CD player, dual cassette deck, digital audio processor for making digital tapes on VCR, graphic equalizer, display system to show sound waveforms on TV screen, switcher, speakers.

Ad notes: Magnavox video & audio account reassigned by North American Phillips Consumer Electronics to Doyle Dane Bernbach from Campbell-Ewald. Billings are estimated at \$10-\$15 million. DDB also handles Sylvania, another NAPCE brand... Polaroid appoints Ogilvy & Mather for 8mm camcorder, Ally & Gargano for computer discs. O&M also has Polaroid videocassette account... Thorn EMI Computer Software has \$2.5 million 10-month budget for ads to introduce new line... Hattori appoints Bentley, Barnes & Lynn for Seiko Consumer Electronics Div.

Creative Video Services, Canoga Park, Cal. is first customer for Sony's high-speed tape duplication system known as Sprinter, which makes copies 80 times faster than conventional VCRs. Agreement was reached last week at CES in Chicago, where Sony showed system in hotel suite. CVS, part of NBC Entertainment Group that includes Family Home Entertainment, Monterey & USA labels, will get delivery of test unit this month, production version by fall. Complete Sprinter costs \$205,000, \$80,000 for mirror mother VTR, \$125,000 for printer and tape winder. Communications Vp-Gen. Mgr. Robert Mueller, said other deals "are cooking" among major duplicators. Key to success of any high-speed system is proliferation of short music videos, point not made clear at Sony demonstration which emphasized that single tape pancake holds equivalent of 13 two-hour movies. "Mirror mother" tape used in high-speed runs is guaranteed to survive 3,000 passes, could last as many as 7,000. Sony has VHS version in works, hasn't quoted delivery date.

EIA-Japan sees 8mm Video as no more than modest long-term threat to 1/2" in home VCR market. It's forecasting sales of only 35,000 in U.S. this year, 90,000 in 1985, climbing to 3 million in 1990. In Japan it expects sales of 50,000 next year, 1.25 million by end of decade. As for videodisc players, it predicts sales of 850,000 in U.S., 400,000 in Japan this year, growing to 2.6 million and 1.22 million for those countries by 1990. On another high-tech front, EIA-Japan says sales of high definition color TVs will start in 1985, with 50,000 moved in U.S., 30,000 in Japan, climbing to 3.3 million and 2.06 million in those countries by 1990.

Higher yen value is expected result of currency internationalization & liberalization agreed to by Japan. By year's end, non-Japanese will be allowed to borrow yen outside of Japan, and more Japanese & non-Japanese companies will be permitted to issue yen-denominated bonds. Also, Japan will gradually lift domestic interest rate ceilings and limits on bank certificates of deposit. Over next 2-3 years moves should result in up to 18% increase in value of yen against dollar, make Japan's exports more expensive, its imports cheaper, and reduce size of Japan's foreign trade surplus.

Toshiba consolidated all color TV, VCR, cable system and DBS receiver production in Japan at Fukaya Works northwest of Tokyo. Complex, which turned out 1.5 million color sets last year, now is producing VCRs at 100,000 monthly rate. That, Toshiba said, is highest level for any single facility in Japan.

Tandy is adding 55 Radio Shack Telephone Centers in owned computer stores in 20 markets between July 1 and Sept. 30, boosting number of phone centers to 84.

Canon is expanding its 114,000 sq. ft. computer disc drive plant in Misato, Japan to 570,000 sq. ft., plans to boost production 5-fold to 1.2 million annually by end of 1986.

Consumer Electronics Personals

Yuzuru Kovayashi promoted at Hitachi Sales (U.S.) from exec. vp to vacant post of pres... Peter Skerlos advanced at Zenith from color TV engineering group RF & digital control systems dir. to consumer products engineering exec. dir., assuming former duties of Carl Michelotti, now senior vp responsible for Zenith Data Systems and Heath... Atsushi Matsumoto named Maxell Corp. of America pres., succeeding Tadao Okada, advanced to International Dept. gen. mgr. of Hitachi-Maxell in Japan; Nobuo Yamada named chmn. of MCA and tape manufacturing affiliate Maxell America Inc.

John O'Donnell advanced to dir., Sony Video Software Operations in reorganization establishing 4 groups (replacing audio & video groups) reporting directly to Sony Consumer Products Pres. Neil Vander Dussen. Other groups: Beta, now headed by Vp Osamu Naka; color TV, under Dick Komiyama, who also is in charge of new business planning; audio, under Thomas Steckbeck... Dave Lewis, ex-Sony, joins Pioneer Video as west zone mgr., Dave Marinello named for central zone, Stuart Oram for east... Morris Pennington, Citizen Watch Clock Div. gen. mgr., adds mktg. & sales responsibility for new Consumer Electronics Div.

Stephen Milam, ex-American Video Tape Mfg., returns to Bell & Howell/Columbia Pictures Video Services as exec. vp... Amy Rabins, ex-New World Pictures, joins Media Home Entertainment as production dir... Appointments at Video Form in U.K.: Clifford Watson, special project chief; Terry Huxtable, financial controller; Michael Hitches, sales executive; Dierdre Dawes, head of new music racking operation... William Mapes, ex-chmn. & pres. of fast food franchisor Wemar Corp., named pres. of National Video, replacing Ron Berger, now chmn.; Tom Todd, ex-Fred Meyer retail chain, appointed special projects purchasing mgr.; David Steinman becomes northeast regional dir., will be named international development mgr. later this year.

Richard Layman resigns as mktg. dir., RDI Video Systems... Fred Simon, Atari vp for computer hardware & software, and John Hahn, hardware mktg. dir., have left company... Jack Tramiel, Commodore founder, launches Tramiel Technology, new personal computer company... David Pierce, ex-Vestron Video, joins K-tel Video Software as national sales mgr.; William McMahon named mktg. dir... Adam Chowaniec appointed Commodore asst. vp-technology; John Kelly named controller; David Greenbaum chosen as treas... Kent Didriksen named personal computer products mktg. development supervisor, 3M Magnetic A/V Consumer Products Div.

Richard Ziff leaves 3M to become PR vp, Frank Barth agency... William Silverman, ex-Leisure Time Electronics magazine, joins Video Software Dealers Assn. as dir. of communications & member services... William McGorry resigns as publisher of Mart and Telecommunications Retailing magazines for same post at Best. Management/Engineering... Stephen

WEEKLY

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with
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Bentkover, ex-Leisure Time Electronics publisher, moves to Dealerscope.

China is getting more help with color TV production from Japan. Latest to get involved is JVC, which has agreed to provide Shanghai Best. Equipment Co. with \$1 million of production equipment plus know-how for production of 100,000 sets annually at new plant. JVC also will help SBEC double production at existing plant to 300,000 a year, and through trading company Nishi Iwai supply technical assistance to convert 10 other plants in China from b&w to color, with combined output of million sets annually. Matsushita said it will help with conversion of 2 different plants to give each capacity for producing 150,000 color sets per year. China is expected to produce only about 800,000 this year, but should top 3 million in 1986.

Insider trading complaint was settled with SEC by Atari International Pres. Dennis Groth, who agreed to turn over about \$270,000 in cash, shares & stock options. That's about amount he came out ahead by selling shares of Atari parent Warner in weeks preceding Dec. 8, 1982 announcement that game-computer company had racked up massive loss. SEC will hold money in escrow pending outcome of suits filed by shareholders. Anything left over goes to U.S. Treasury. Similar settlement was made last year by Raymond Kasser following his resignation as Atari chmn. Both settlements were made without admission of wrongdoing.

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JUNE 18, 1984

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

TELEFIRST DYING with fewer than 5,000 subscribers. ABC racks up \$15 million loss. Granath blames failure on cheap rentals because Congress failed to pass Fair Marketing Amendment. (P. 1)

CABLE-TELCO TALKS? NCTA & telcos could find themselves at bargaining table, possibly this week, to work out compromise on data transmission language for HR-4103. Dingell proposal dead. (P. 2)

'FREEDOM OF EXPRESSION' KILLED: Radio-only version of Packwood's S-1917 rejected in 6-11 vote by Senate Commerce Committee. (P. 4)

NAB BOARD GATHERS in Washington this week for 4-day meeting. TV board considers district representation. (P. 4)

MORE TROUBLE FOR U.K. CABLE: British Telecom & Thorn EMI reassess plans in light of gloomy market forecasts, higher construction costs. (P. 5)

COMSAT PUT ON DEFENSIVE: Battle with Rep. Markey over proposed reorganization sees Goldstein defend Comsat. (P. 6)

CBS CLEARED IN COMPLAINT: FCC rejects allegations CBS News distorted and staged 60 Minutes report on car insurance fraud. (P. 8)

ABC CLOSES DOWN TELEFIRST: Five months after its start, ABC Video Enterprises has decided to end Telefirst Entertainment Recording Service trial in Chicago. System, which uses ABC-owned WLS-TV Chicago broadcasts to transmit scrambled signal to decoder-equipped VCRs, will vanish June 30 at closedown cost of \$15 million to ABC. Sales through Marshall Field department stores, started couple of months ago, were encouraging, but not enough to make difference.

"The basic concept was faulty," acknowledged AVE Pres. Herbert Granath, with fewer than 5,000 subscribers, each paying \$25.95 a month for service that consisted of movies, special interest programs, etc. Price included 4 major films, made available about same time they were released on cassette. AVE claims most subscribers took whole package, even though viewers got \$2 reduction for each key title they rejected.

Consumer Electronics

2-CHANNEL TV SETS for cable, VCR, games, etc., approved by FCC under all-channel rules in response to 2-year old Sanyo petition. (P. 10)

SONY MOVING INTO 8mm cassette production, to turn out million monthly, Japan reports say. (P. 11)

VCR SALES GROWTH was greatest in hinterlands last year. EIA market figures show geographic sales pattern is moving into line with color. (P. 11)

ITA PUTS FACTORY VALUE of blank video & audio cassette sales at \$925.8 million for 1983. Videocassette sales up 125% last year. (P. 12)

COLOR TUBE IMPORTS fell sharply in first quarter, though gains were registered in new 14" & 20" sizes. Projection tubes up 400%. (P. 14)

HITACHI NET ROSE 11% in fiscal 1983 on strong gains for VCRs, semiconductors & computers. GI says videogame slump hurt IC business. (P. 14)

NEW PROJECTION TV system uses single lens, no convergence. Four makers have super compact projection. GE still seeks home for Talaria. (P. 16)

RCA TO MERGE worldwide audio & video music operations with Ariola unit of Germany's Bertelsmann. Atari-Philips link near. (P. 18)

Granath told us big cause of Telefirst demise was inability of Congress to rewrite first-sale amendment to give studios control over rental prices. Without control by so-called Fair Marketing Amendment, retailers could cut fees well below \$4 a night that he said Telefirst needed to stay competitive. Cheap rentals have always been bane -- and hallmark -- of highly competitive home video market, but Granath saw bad situation getting worse, decided to get out now. "It was a fair test, but we didn't see enough light at the end of the tunnel."

Granath is still sanguine about prospects for electronic downloading, despite failures in recent months, including Game Line and Playcable and shaky situation of Games Network, rescued from bankruptcy last week. He thinks it will be "big business," claims AVE has been approached about prospects for legal & medical programs, but said greater VCR population "has to be accumulated" before real demand can be tapped. "It's just as well that we're out of it," he said, but added that if new downloading opportunity develops, AVE will be ready. "We'll wind up with a pretty good stockpile of very sophisticated decoders," Granath said. Hardware is being written off this quarter.

AVE is trying to make departure as painless as possible, will attempt to find employment within corporation for the 100 Telefirst employees. Subscribers have option of keeping Sony decoders to unscramble all programs except hit movies, which are unplayable because of code changes, or returning them for refund of \$50-\$75 paid for decoders & installation. VCRs supplied by Telefirst either were bought outright or are on Household Finance payment plan.

Telefirst is latest in series of AVE setbacks that includes Satellite News Channel, disappointing starts of Daytime and Arts basic cable services. One bright spot has been sales of home video rights of Silkwood and The Day After, worth total of about \$2 million in guarantees. Would AVE consider entering market with own label? Granath said it's possible, claims company needs "critical mass" of titles before making decision.

Sony said ABC decision will have no effect on its balance sheet. Sony said its potential losses would involve only unamortized expenses relating to development of scrambling system and settlement that may have to be worked out as result of ABC's cancellation of decoder orders -- ABC said provision for cost of terminating decoder purchase contract is included in its \$15 million reserve. Spokesman said Sony believes "there are other applications for the technology developed for this system," and said they'll be explored.

CABLE-TELCO TALKS? Cable & telephone industries could find themselves at bargaining table, possibly this week, to work out compromise for data transmission provision of cable deregulation bill (HR-4103), we've learned. No formal proposal for talks has been made by either side but sources on & off Hill told us that idea of cable-telco negotiations broached during NCTA convention (TVD June 11 p3) has won wide support. Talks apparently would have to occur this week because House Energy & Commerce Committee is expected to begin markup next week, sources agreed.

At same time, telephone industry pressure appears to have killed accord proposed 2 weeks ago by Committee Chmn. Dingell (D-Mich.) as way to resolve data issue quickly (TVD May 7 p11). Industry instead is lobbying hard in Congress for "cable-only" measure that would avoid data issue entirely. Ex-Bell Operating Cos., apparently led by Pacific Telesis, are seeking support for version of bill that would limit definition of cable services to one-way video. They also want cross-ownership & pole attachment restrictions stricken.

Telco approach apparently is picking up support in Congress, judging from recent "dear colleague" letters. Energy & Commerce Committee members Eckart (D-O.) & Swift (D-Wash.) got at least 8 signatures from among panel colleagues for letter to Dingell that contends: "With Congress and the FCC still sorting out the implications of [changes in] long distance telephone service and local phone rate hikes, it does not seem appropriate to deal with telephone regulatory policy in the Cable TV bill." Eight Cal. House members, including Democratic leader

Rep. Coelho, also sent chmn. letter arguing "we question whether this is the time or place to make significant changes in telephone regulatory policy."

Dingell sought to placate members and avoid showdown between industries with compromise he circulated among telcos while NCTA leaders were at convention June 3-6. His proposal would have kept cable free of federal, state & local regulation, but have cable service "be functionally defined as either (1) the transmission of video programming, including interaction related to program selection, or (2) the one-way delivery of information that a cable company has produced or obtained and offered to all subscribers generally, together with the interaction needed to select information." Videotex services offered by cable systems also wouldn't be regulated under Dingell proposal, which added that one-way information services were "sufficiently like video programming to warrant a similar regulatory exemption."

Telcos managed to get leg up on cable industry in lobbying against Dingell proposal. Because plan was circulated when cable industry leaders were preoccupied with convention, telcos were able to meet with Dingell & other House aides in unimpeded lobbying effort that apparently has prevailed. We understand Dingell staffers aren't pressing issue, are waiting to see what results from telco lobbying.

There's also much skepticism about whether industry talks will happen in time to get bill moving. Two top aides to Senate Commerce Committee are in Japan, observing NTIA-FCC talks with high level trade officials, and key House GOP aide is said to be out of town until June 23. House committee still hopes for markup week of June 25 and apparently must stick to schedule -- both houses are now considering adjourning for entire month of July.

Meanwhile, cable bill is facing attack from inside industry. Century Communications Pres. Leonard Tow is trying to drum up industry opposition, said in open letter last week to industry that accord "in a single stroke turns back the clock, and reverses all the gains we have made," leaving cable "hostage to local governments... Let me assure you that there is not one significant benefit for cable television in the entire compromise agreement." Tow, who isn't NCTA member, urged repudiation of accord.

But last week new cable-cities compromise for bill (TVD June 4 p7) was ratified by CATA board. Pres. Peter Athanas said that, while not all board members agreed with overall accord, strong majority felt compromise was necessary for bill to pass. As expected (TVD June 11 p3), NLC board by mail ballot last week also ratified cable-cities accord. U.S. Conference of Mayors is expected to accept compromise June 18.

FCC has stopped accepting applications for fulltime U.S. AM stations on 6 Canadian clear channels -- 690, 740, 860, 990, 1010 & 1580 kHz. Commission said action was necessary "to avoid precluding possible uses" of channels within 650 miles of Canadian border. Present rules prohibit such stations, but new agreement signed in Jan. will permit AMs on Canadian clears within 650 miles of border after 6-month waiting period. FCC is seeking comments (Doc. 84-281) on allowing stations closer to border.

PBS & C-SPAN have agreed to provide public TV stations with free coverage of Democratic & Republican conventions. Extent of coverage depends on transponder availability, according to PBS, which couldn't afford cost of hooking into commercial network feeds during conventions.

Senate confirmed nomination of FCC Comr. Quello to new 7-year term June 15.

State Dept. has misinformed Congress on role NTIA plays in international policy, Commerce Secy. Malcolm Baldrige charged in letter last week to OMB Dir. David Stockman. Responding to May 30 letters State sent Congress, which argue that language in NTIA authorization (HR-5947) will "have an unfavorable impact on the conduct of foreign affairs," Baldrige contended that State Dept. "greatly understated" Commerce's authority in international telecommunications policy and asked Stockman for retraction to "correct the misimpression." New feuding between the Depts. has chilled negotiations over coordinated policy recommendations on Intelsat competition requested by White House, we were told.

N.Y. Commission on Cable TV amended rules to require companies to provide 15 days' written notice to landlords before installing cable TV on their property. Decision gave landlords 4 months to apply for hearing to determine just compensation for use of their property.

'FREEDOM OF EXPRESSION' KILLED: Modified version of Sen. Packwood's (R-Ore.) "Freedom of Expression" bill (S-1917) was killed June 13 in 6-11 vote by Senate Commerce Committee; defeat was largely expected. Earlier effort by Chmn. Packwood to move bill (TVD May 14 p4) had run into quick opposition. Even with his last-minute offer scaling down proposal so it would apply only to radio, comments of Committee members at markup made clear legislation wouldn't pass.

Packwood revised S-1917 before offering it for markup, as expected (TVD June 4 p9) removed language repealing rules requiring reasonable access & lowest unit rate for political commercials. He also proposed that bill be in effect for only 5 years as experiment, after which Congress would be required to reconsider it. Packwood conceded that broader language repealing political editorial rules for both TV & radio was "quite controversial." But he staunchly defended ending rules for radio, argued industry has "reached the stage when [rules] are no longer needed."

Senior Committee Democrats Hollings (S.C.) & Long (La.) sharply disagreed, rejecting Packwood premise that broadcasters should be treated same as newspapers. Democrats claimed rules were designed to protect rights of public, not of broadcasters, "and what little right to justice I've got with those people, I'd like to retain," Long argued. Vote subsequently mirrored Committee split, with Democrats lining up behind Hollings & Long against bill, most GOP members behind Packwood. However, 3 Republicans joined Democrats in opposition -- Danforth (Mo.), Kassebaum (Kan.) & Tribble (Va.). Two others on GOP side, Gorton (Wash.) & Pressler (S.D.), also expressed reservations during 30-min. discussion about extending repeals to TV, said they were more comfortable with radio-only version.

Who took what positions will be important in next Congress. Key Packwood aide said chmn. plans to continue deregulation effort in 1985, considers this part of long-term effort. Packwood won't attempt to attach S-1917 radio-only or TV versions to CPB authorization (S-2436), aide added.

NAB Pres. Edward Fritts confirmed that given tight congressional calendar, Assn. allies won't press for proposal: "We're not likely to see anything more this year." Fritts said Committee debate made it clear that spectrum scarcity question remains hurdle to passage. Last week's action was "important first step," he added. He didn't rule out possibility of attempt in this Congress to move some other version of radio deregulation, although effort hasn't progressed in House (TVD June 11 p8). NRBA Senior Vp Abe Voron said group was disappointed "because we felt that the Committee would be more sympathetic." NRBA promised to press for proposal in next Congress.

Gorton didn't offer anticipated amendment to his sports franchise protection bill (S-2205) that

would have limited amount of sports programming pay TV outlets could purchase (TVD June 4 p10). Proposal proved too controversial, appeared likely to touch off all-out battle with sports & cable interests that would have endangered rest of bill.

NAB BOARD GATHERS: Four-day meeting of 46-member NAB board beginning today mixes business with politics, with members expected to hear from President Reagan or Cabinet member stand-in on June 21. Also on agenda for semi-annual meeting is dinner cruise on Potomac June 20, reception at NAB hq tonight.

On agenda is review of several congressional & regulatory issues, mainly cable copyright, status of must-carry and failure of TV deregulation legislation (see story elsewhere on "Freedom of Expression" bill). Board is expected to hear "very healthy" financial report on recent NAB convention.

Major item for TV board is decision on recommendation that board members (except network representatives) be assigned to represent districts. Members still would be elected nationally. Otherwise, there aren't any major decisions facing TV or Radio boards, we're told.

Board's Cabinet-level briefing at Executive Office Bldg. may or may not see President attend. Two years ago, members received briefing from Treasury Secy. Regan, then Regan dropped in for few minutes. Same may occur this year, we're told.

On today's agenda are meetings of First Amendment, Congressional Liaison and Bylaws Committees. Reception follows. Joint Board meeting is slated for 9 a.m. June 19. Radio board meets at 9 a.m. June 20, TV board at 9 a.m. June 21. Joint Board meets again June 22, 9 a.m.

FCC is slapped hard by U.S. Appeals Court, D.C., in remand of case of WVCA(FM) Gloucester, Mass. Owner Simon Geller lost license to Grandbanke Corp. on ground that airing classical music 99% of time failed to provide informational programming. Geller's 1975 renewal was approved by FCC administrative law judge, but Commission in June 1982 reversed, agreed with Grandbanke that WVCA's lack of informational programming meant station wasn't serving public. Court in June 15 decision rejected FCC conclusion that Geller didn't qualify for diversity of ownership preference because of station's format. FCC had said: "With no news, no editorializing and virtually no public affairs programming, Gloucester does not hear a separate information voice -- indeed it hears no information at all." Court rejected that conclusion: "Inherent in [Commission's] conclusion is a wholesale abandonment of the presumption that diversity of ownership is the litmus test for diversity of viewpoints. Ignoring this well-established presumption, the Commission assessed the diversity of views that each broadcaster would air."

MORE TROUBLE FOR U.K. CABLE: Earth moved under U.K.'s interim cable operators recently when word leaked out that British Telecom (BT) & Thorn EMI are reassessing their commitment to fledgling industry in light of gloomy market forecasts and tougher tax laws.

BT is investor in or has contracted to build 5 of 11 interim systems, has told licensees privately that they may be charged higher tariffs or must accept less sophisticated, cheaper technology. In domino effect, Thorn -- an operator, but more significantly a major program provider -- asked BT to clarify its intentions, said any lessening of BT's commitment would cause similar move by Thorn.

BT and Thorn concerns are based on 2 factors: (1) March decision by Thatcher govt. to change tax law by disallowing 100% depreciation of capital costs. That had severe impact on BT's plan to laying cable in underground ducts. (2) Continuing gloomy forecasts of cable penetration in light of high VCR use and stagnant economy. BT last week issued statement reaffirming long-range commitment to cable, but said: "We look on the increasing difficulties with anxiety."

"We have continued over the last week or so to get increasingly negative inputs about the whole business," Thorn executive was quoted as saying in U.K. press. "In fact, we have not had one encouraging input for several months," executive added. In recent speech, Thorn EMI Chmn. Peter Laister said tax law changes had caused "substantial damage" to cable, and "we shall balance the pace [of development] according to the economics."

"I would accept neither option" of higher tariffs or simpler system, Westminster Cable Chmn. Brian Deutsch told us from London. Although he conceded that "BT's costs have gone up [and] they have to be compensated in some way," Deutsch said he felt situation would improve. Another operator was irritated whole matter had been disclosed: "This is something that shouldn't have been disclosed to the press. It was a private matter."

* * *

U.K. pay cable movie channel Premiere received boost June 12 with carriage contracts from several existing systems, including Greenwich Cablevision in southeast London, BT systems in Milton Keynes, Bedfordshire & Washington. Service also will be offered by Thorn systems in Medway & Swindon. Premiere, which became available June 1, is 51% owned by Thorn; other partner is TV Entertainment Group composed of Columbia Pictures, Goldcrest Films, HBO and 20th Century-Fox.

United Cable TV subsidiary HEN has sold WBTI Cincinnati and associated STV operation to Stephen Kent, gen. mgr. of station, and 2 others. Price wasn't disclosed. Terms include 10% retained interest for United's subsidiary, United Entertainment Network. New owners plan to continue subscription service.

Blonder-Tongue Labs filed expected petition for reconsideration of multichannel TV sound (MTS) transmission decision (Doc. No. 21323). It said decision, which mentioned BTSC stereo system by name and included provisions to protect it, was "abuse of Commission discretion." Protection should be eliminated as "precisely the sort of regulatory 'freezeframing' of technology that Commission has stated it would eschew." Blonder-Tongue is objecting because BTSC would conflict with B-T's STV system. Petition asked decision be delayed 5 years.

Senate cleared CPB's FY '85 authorization (S-2436) June 15 without amendments. Sources said strong-arming by Sens. Hollings (D-S.C.) & Metzenbaum (D-O.) and usual CPB allies, principally Weicker (R-Conn.), helped get measure on floor calendar under unanimous consent rules that bar amendment. Measure was targeted for long list of controversial changes, including radio-only deregulation proposal. Bill authorizes \$238 million for CPB in FY '85, \$253 million in FY '86 & \$270 million in FY '87.

Mike Weinblatt resigned as Showtime/Movie Channel pres. last week, said he was pursuing other ventures. Move had been expected since early May when S/MC hired Neil Austrain as chmn. & CEO, new posts. Weinblatt, who had been Showtime pres.-COO since June 1980, joined company from post as pres. of NBC Enterprises, before that was pres. of NBC Entertainment. Showtime merged with Movie Channel in Sept. 1983, and Weinblatt was named pres. of merged services then.

FCC FY '85 appropriation was approved at \$94.1 million by Senate Appropriations Committee late June 12. Committee also approved \$100.5 million for Board for International Bestg.; \$815.6 million for USIA; \$12 million for Radio Marti; \$13.9 million for NTIA; \$30 million for Public Telecommunications Facilities Program. Except for FCC appropriation, amounts are higher than those approved by House. Measure could reach Senate floor by June 19.

Arbitron's May estimate of cable penetration is 40% or 33,572,200 households. That's up from 38.8% (32,546,800 households) in ratings service's Feb. estimate. Markets showing greatest percentage increase in penetration include, according to Arbitron: Providence-New Bedford, 32% from 17%; Cincinnati, 39% from 26%; Las Vegas, 23% from 10%; San Antonio, 57% from 45%.

NRBA has asked FCC to reconsider order requiring radio broadcasters to compile quarterly program issues list. NRBA said it would be sufficient to continue compiling annual list of issues of community importance addressed in programming.

Storer has completed sale of cable system serving St. Cloud, Minn. to Marcus Communications, Greenwich, Conn., for undisclosed price. System serves 12,000 basic subscribers over 208 miles of plant, has 14 channels.

COMSAT PUT ON DEFENSIVE: Comsat was put on defensive June 13 in House Telecom Subcommittee hearing when Comsat Pres. Irving Goldstein and Rep. Markey (D-Mass.) battled over proposed reorganization of company. Goldstein said Comsat opposed legislation proposed by both Markey and Rep. Broyhill (R-N.C.) (HR-4464 & HR-5724, respectively) that would alter Comsat structure. Goldstein said Comsat is "extremely small company, not a large monopoly" and shouldn't be broken up.

Witnesses, who included representatives of International Relay, International Satellite, Orion Telecommunications, M/A-Com & Magnavox, threw their weight behind measures. With exception of Comsat General Telesystems, companies agreed that secrecy of govt. process of providing instructions to Comsat before Intelsat meetings must be changed. They aired views at first of 2 Subcommittee hearings intended to call attention to international telecommunications issues (2nd hearing is expected in July). Neither bill is expected to become law in this session.

Goldstein disputed virtually every statement by Markey & others, among them that Comsat: (1) Earned more than \$50 million from excessive rate of return on regulated business during last 4 years. (2) Competitive ventures (SBS, Satellite TV Corp., Comsat manufacturing companies) have lost \$100 million since 1980.

Attention also focused on how U.S. instructs Comsat on Intelsat matters. Both lawmakers & witnesses appeared confused about procedure, prompting FCC Chmn. Fowler to explain: Before Intelsat board meetings, Comsat receives tentative agenda that's distributed to 16 officials at FCC, Commerce (NTIA) & State Depts. Just before board meets, more documentation is circulated, then FCC, State & NTIA officials gather to discuss govt. position, followed by meeting with Comsat. Depts. work out instructions to Comsat before board meeting. Instructions are formally transmitted to Comsat by letter from State Dept. 7 to 10 days before meeting.

Broyhill & Markey bills would have govt. representative included in Comsat delegation to Intelsat to monitor compliance with govt. instructions. Comsat opposes plan because other Intelsat signatories "could [then] play off one part of the representative team against the other," said Goldstein. U.S. govt. representative at Intelsat meeting also would "politicize" consortium, interfere with its ability to operate commercially, he added.

U.S. Satellite Bestg. has selected RCA Astro Electronics to build DBS system, source said June 15. We were unable to reach USSB officials for confirmation before our deadline. Others that bid on USSB system were British Aerospace, Hughes, GE/Eurosattelite. Also ready to sign up DBS contractor is Videosat, which source said is leaning toward Hughes.

NBC will bid no more than \$300-\$400 million for TV rights to 1988 Olympics, NBC Pres. Grant Tinker said June 14 during network's annual June press tour in L.A. Any greater amount would be "unrealistic," he said. In other remarks, he said it's NBC's "intention to be out of 3rd place by the end of this year." "This year we have the horses," he said. Clearances by affiliates remain difficult problem, he said. Network is devoting most effort to improving daytime programming clearances, he said, because daypart is "real profit center."

House Telecom Subcommittee Chmn. Wirth (D-Colo.) and allies, including Rep. Swift (D-Wash.), have asked Democratic platform committee to include plank that requests networks to avoid projecting outcome of elections in Nov. until all polls have closed. Swift also plans to push his resolution (H. Con. Res. 227) seeking voluntary network ban to passage on House floor before June 29 recess. Swift plans amendment that would extend ban to network "characterizations" of races as well as projections based on exit polling data.

Walt Disney Productions defeated hostile takeover attempt by financier Saul Steinberg, but at great expense. After calling halt to trading in stock June 11, Disney Chmn. Ray Watson said company would repurchase 4.2 million shares (11% of outstanding stock) from Steinberg's Reliance Financial Services at \$70.83 a share (\$297.4 million), also pay Reliance \$28 million for expenses incurred in takeover attempt. Parties agreed to end litigation, and Steinberg pledged not to buy any Disney shares for 10 years.

Nippon Telegraph & Telephone engineers have developed transponder with 10-year life, breakthrough that will advance Japan to level of U.S. and European satellite builders, Japanese reports said. New transponder was announced at space technology conference in Tokyo last week. Japanese-built transponders now are limited to 5-year life.

White House has announced President will nominate Diana Dougan to be Coordinator for Communications & Information Policy at State Dept. now with permanent rank of ambassador. Dougan already is coordinator, had won appointment in 1983 from Secy. of State and temporary personal rank of ambassador that didn't require Senate approval.

M/A-Com has bought addressable cable TV converter & remote control unit technology from Cox Cable. Cox placed \$19 million order with M/A-Com for delivery of converters through 1986. Hardware will be manufactured in Japan, where field trial is under way.

Search for pres. of National Assn. of Public TV Stations has lost one of frontrunners -- David Brugger, CPB vp-telecommunications, who withdrew June 13.

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Today:

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

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

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

AT&T DETAILS ACCESS CHARGE RATE STRUCTURE in meetings with telcos. USITA opposes AT&T's position on pooling. (P. 4)

ACCESS CHARGE IS HOT POLITICAL ISSUE, speakers at AT&T set Chmn. Fowler supports target subsidy. (P. 5)

GAO CLEARS NTIA of most malfeasance charges although report about management practices. (P. 6)

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

Cable Interests

STAY CRT DECISION MAY BE during House Appropriations markup to stay Copyright. Though

CBS CLEARED IN COMPLAINT: CBS News received FCC clearance June 15 on allegations it had "deliberately distorted" and staged 60 Minutes report on car insurance fraud in 1979. Action came in application for review filed by Dr. Carl Galloway of Mass Media Bureau ruling Feb. 3, 1984. Case was subject of well-publicized slander trial last year that CBS won.

In another fairness case, Commission rejected equal time complaint of Stephen Koczak against U. of N.H., licensee of N.H. Public TV, and WGBH Educational Foundation, Boston. Koczak, who was on N.H. Democratic primary ballot as presidential candidate, claimed he was denied equal access by not being invited to participate in debate televised by 2 stations.

FCC denied amateurs' request to prohibit cable TV systems from operating on frequencies assigned to Amateur Radio Service. Commission said request was excessive but noted both sides "have made a commitment" to coexistence and have had meetings. "Unless cable TV operators make diligent efforts to resolve interference, the Commission will have no choice but to levy fines for violations," FCC said.

In another cable action, Commission said it was cutting "unnecessary waste" of resources by eliminating requirement that cable operators file registration statements when they add broadcast stations to systems.

Commission denied petitions for reconsideration by NAB & National Black Media Coalition (NBMC) of 2nd Report & Order on table of FM allotments. Order dealt with priority list to be used to evaluate changes in table of allocations. NAB had argued for set of priorities different from those adopted by FCC. NBMC had requested inclusion of minority ownership eligibility criteria for new FM stations. FCC also approved inquiry on issues to be addressed at 1987 World Administrative Radio Conference for Mobile Services. In DBS area, Commission approved modifications to CPs for CBS and Dominion Video Satellite, but said both must still meet "due diligence" requirements before July 17.

Commission also upheld reassignment of license of KGNS-TV Laredo, Tex. from Gulf Coast Bestg. to Burke Bestg., rejecting petition to deny by Century Development Corp.; denied request by citizens to reconsider renewal for station WKHK(FM) N.Y.C. after station changed program format; denied West Coast Media permission to sell KIFM(FM) San Diego on distress basis and to continue operating until another licensee has been selected.

NBC will air minimum of 2 hours nightly of Democratic & Republican conventions. Prime-time coverage will be live, will go longer during important events such as nominating speeches. Other 2 commercial networks are expected to offer similar coverage.

Zenith Electronics and Ill. Institute of Technology have formed joint R&D venture to develop protocol for 2-way interactive cable systems. Zenith Cable Products Div. Pres. James Faust said aim is to enhance transactional services market by developing defined set of technical rules for transmissions. IIT Prof. Graham Campbell is supervising test facility at Chicago campus that will be functioning by year end, said Faust. Test facility will use hundreds of microprocessors -- each simulating activity of person trying to retrieve & transmit information -- to permit real-time testing of various protocols, according to Faust.

Extended deadline for FCC fairness doctrine inquiry has won support of House Telecom Subcommittee Chmn. Wirth (D-Colo.) & panel member Swift (D-Wash.). In letter May 29 restating their view that FCC can't under law repeal doctrine, they argue present deadline is too close for nonprofit public interest groups to meet: "The notice actually appears to place the burden on the public to justify the continuation of the fairness doctrine -- an outrageous proposition." Some 40 citizen & public interest groups have asked FCC to extend deadlines 90 days to Nov. 16 for comments, Feb. 6, 1985 for replies.

Rep. Schroeder (D-Colo.) is co-chairing committee to raise funds for legal fees for Cecily Coleman, ex-exec. dir. of ABC's Advisory Committee on Voter Education, who has sued network and 3 top executives alleging sexual harassment. Although said not to be actively campaigning for Coleman, Schroeder has lent name to her cause and joined others in signing June 9 letter soliciting guests for fund-raiser reception in Washington June 27.

Elton Rule has resigned as an ABC dir. to form theatrical & film production partnership with Martin Starger, who was an ABC programming executive 1968-1975. Rule, 66, had retired as ABC vice chmn. in Feb., retaining spot on board and becoming consultant to network, post that was to pay him \$100,000 annually through 1985.

ABC Radio is selling WXYZ(AM) Detroit to newly formed Fritz Bestg. for about \$6 million in cash & notes. Network will then own 5 AMs, 6 FMs. Fritz principals are Charles Fritz, WXYZ(AM) vp-gen. mgr., and his brother Jack, who is John Blair & Co. pres. ABC will continue owning WXYZ-TV & WRIF(FM) Detroit.

Malrite Communications is buying 50-kw WDGY(AM) Minneapolis-St. Paul from Storz Bestg. for \$3.5 million and is selling KLBB(AM) there to Newsystems of Minn. for \$500,000. Malrite also is selling WNYR(AM)-WEZO(FM) Rochester, N.Y. to Grace Bestg. for \$7.4 million.

SEC is investigating possible insider trading of Disney stock relating to proposed hostile takeover of company by financier Saul Steinberg.

Personals

David Batalsky promoted to special events vp, Showtime/The Movie Channel; Nora Ryan advanced to mktg. dir. Movie Channel; Dennis Johnson, ex-ComWorld TV, named current programming dir... Jack Devlin, ex-Brand Advertising, named creative services dir., Tribune Entertainment; Dale Laackman, ex-WBNS-TV Columbus, O., appointed production mgr.

Bill Fine advanced to WCVB-TV Boston national sales mgr... Richard Landesman, ex-CBS Radio Network, named Blair/RAR research dir... Virgil Wolff promoted to regional sales dir., MGM/UA TV Southeastern Div.

Carlos Herrera de La Rosa elected Intelsat chmn.; Joel Alper vice chmn. David Miller, ex-WCMH-TV Columbus, O., named WRGT-TV Dayton gen. mgr... Scott Hayner advanced to KOMO-TV Seattle gen. sales mgr., succeeding Monty Grau, promoted to gen. mgr.

Buffy Shutt promoted to mktg. exec. vp, Paramount motion picture group, succeeding Gordon Weaver, resigned... James Cunningham, ex-Preformed Line Products, named construction vp, Times Mirror Cable TV; Martha Fransson advanced to northeast regional vp-development, new post; John Calvetti promoted to pres. of subsidiary Hartford CATV Inc... Lynn Ashley advanced to systems engineering dir., Mutual Bestg.; David Wilcox promoted to project administrator; Gretchen Bock, ex-Henry J. Kaufman & Assoc., appointed distribution traffic coordinator... Judith Kurtich promoted to chief, FCC News Media Div.

Western Communications Pres. Edward Allen, new NCTA chmn., addresses Washington Metropolitan Cable Club lunch June 27, 12:30 p.m., Vista Hotel... Joel Kaswell becomes partner in Washington law firm Fisher, Wayland, Cooper & Leader; Barry Gottfried & Carroll Yung become associates; firm's new address: 1255 23rd St. NW, Suite 800, Washington, D.C. 20037.

David Forier, ex-KHJ(AM) L.A., named western regional sales mgr., Lifetime... Mark Fitzpatrick, ex-CTS National Sales, appointed sales dir., WBBM-TV Chicago; Joanie Schwabe, ex-Playboy Enterprises, named press mgr... Paul Few, Neb. ETV, elected chmn., Public Telecommunications Financial Management Assn... Joshua Darsa, ex-Japan Bestg. Corp., named assoc. dir.-news & public affairs, Corp. for Public Bestg. Program Fund... Charles Dutcher, ex-WTOG St. Petersburg-Tampa, appointed vp-gen. mgr., Hubbard Bestg. subsidiary Conus Communications... Paul Heldenbrand becomes assoc., Washington law firm of Pepper & Corazzini.

Eastern Cable Show has signed entertainer Neil Sedaka to perform Sept. 7 during Atlanta convention sponsored by Southern Cable TV Assn.

WEEKLY

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Obituary

Ernest McFarland, 89, onetime Senate Communications Subcommittee chmn., died of respiratory failure June 8 in Phoenix. A senator 1940-1952 and Senate Majority Leader under Truman, McFarland was defeated in try for 3rd term by Sen. Goldwater (R-Ariz.). After defeat, he founded KTVK Phoenix. Survivors include wife, daughter Jewell Lewis, KTVK pres.

ABC now has lock on USFL games. ABC-owned ESPN last week outbid Turner Bestg., offering \$70 million to Turner's \$60 million for rights for 3-year package of Sat. & Mon. night games. ABC paid \$18 million for 1983-84 rights to Sun. afternoon games, has exercised option for additional season at price now under negotiation.

In first distress sale permitted under authority delegated to chief of Mass Media Bureau, FCC has approved assignment of WTJH(AM) East Point, WJIZ(FM) Albany & WMJM(AM) & WFAV(FM) Cordele, all Ga., to Silver Star Communications, which is 51% minority owned.

USIA Dir. Charles Wick has repaid govt. for \$4,436 in home telephone costs he charged to govt. General Accounting Office investigation found phones were used partly for personal calls. Meanwhile, George Nesterczuk will be nominated USIA deputy dir., White House said last week.

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STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended June 1 (22nd week of 1984):

	MAY 26- JUNE 1	1983 WEEK	% CHANGE	MAY 19-25	22 WEEKS 1984	22 WEEKS 1983	% CHANGE
TOTAL TV.....	280,889	345,198	-18.6	417,688	7,999,059	7,115,303	+12.4
TOTAL COLOR...	236,956*	211,644	+12.0	353,623*	6,211,628*	5,038,185	+23.3
DIRECT-VIEW..	234,415*	209,753	+11.8	350,880*	6,146,518*	4,988,591	+23.2
PROJECTION..	2,541*	1,891	+34.4	2,743*	65,110*	49,594	+31.3
MONOCHROME....	43,933	133,554	-67.1	64,065	1,787,431	2,117,118	-15.6
TV EXCL. PROJEC.	278,348	343,307	-18.9	414,945	7,933,949	7,105,709	+11.7
HOME VCR.....	103,492*	59,192	+74.8	130,125*	2,389,167*	1,289,196	+85.3
COLOR CAMERAS...	7,885*	6,551	+20.4	7,121*	164,332*	129,466	+26.9

Color TV (direct-view) 5-week moving average: 1984--260,732*; 1983--207,997 (up 25.4%).

Home VCR 5-week moving average: 1984--112,856*; 1983--66,259 (up 70.3%).

* Record for period.

FCC APPROVES 2-CHANNEL TV SETS: Whole new type of TV monitor may have been born at week's end when FCC, in 3-2 decision, freed manufacturers to make sets capable of picking up one or 2 broadcast channels.

Decision came on almost-forgotten 1982 petition by Sanyo Mfg. Co. for waiver of all-channel rules to permit set that could tune only to Ch. 3 & 4 for attachment to cable TV, VCRs, home computers, etc. (TVD Jan 4/82 p12). FCC actually went beyond Sanyo's request, ruled no waiver was necessary because all-channel requirements didn't apply to such a set, which was designed only as display device and not as TV set, so long as it was made to receive "only one or at most 2 channels."

Commission noted ruling was "intended to apply narrowly to a 2-channel receiver, marketed without an antenna and not intended to receive over-the-air broadcast signals." Key word is "intended" -- Robert Unger, FCC Office of Science & Technology noted that by connecting VCR to Sanyo set, consumer could have inexpensive TV set that would receive over-the-air broadcast signals.

Comr. Quello, one of 2 dissenters (Comr. Rivera was other), said he'd been told that VCR connection would make 2-channel set an all-channel receiver and it "didn't impact me." Quello said top priority for most Americans is TV set, not VCR. He also questioned whether FCC approval would favor foreign competitor, said that proposed set "violates spirit" of all-channel requirement and that it hampers low power TV. (Actually, Sanyo Mfg. is U.S. manufacturer, in Forrest City, Ark., formerly Warwick Mfg. Co., with majority ownership by Japan's Sanyo Electric, minority by Sears.)

Chmn. Fowler, in majority, likened 2-channel set to TV monitor "with an extra channel capability," said it would be used in home entertainment center. He added that average U.S. home has 3 TV sets. Comr. Patrick, voting with majority, said FCC's principal concern had to be the public. He hailed decision as "good, solid regulatory act," said 2-channel set would serve public by its flexibility, reliability and cheaper cost.

When it filed petition in 1982, Sanyo had argued that simple 2-channel switch on set could save customer \$30-\$40 per set, provide higher reliability, perhaps improved performance, save new cable subscribers \$300-\$400 million over 3-year period. This was based on fact that most modern cable systems supply own multichannel tuning boxes, feeding set through either Ch. 3 or 4, same channels used by VCRs, videogames, videodisc players, home computers.

However, monitor receivers are far more prevalent & inexpensive now than they were 2-1/2 years ago, and all VCRs, most videodisc players and personal computers have video (or RGB) outputs for feeding directly into monitors, completely bypassing RF channels. While VCR's tuner could be used to make 2-channel set into broadcast receiver, viewers couldn't watch one channel while taping another (unless program they wanted to watch was on Ch. 3 or 4).

Principal use of such a 2-channel set presumably would be for cable. As such, it's new type of "cable-ready" set -- that is, ready for cable tuning box. Whole issue of which set is more cable-ready -- 2-channel or 156-channel -- may be so difficult to explain to consumers that set makers might not even bother with 2-channel sets. But you can bet they'll be studying idea.

SONY NEXT IN 8MM TAPE PRODUCTION: Sony is moving strongly into 8mm tape, according to reports from Japan that it will be turning out million 8mm cassettes a month by fall. Sony neither confirmed nor denied reports that followed Chmn. Akio Morita's statement to reporters that company is "ready" to proceed with simultaneous launch on domestic & foreign markets of 8mm -- presumably meaning hardware (TVD June 11 p15).

Tape will be made in Sony Magnetic Products' Sendai plant, with initial production of metal particle (MP) tape, according to report. Although Sony will sell tape under own brand, it's believed likely that it also will make it for Polaroid brand. Sony's Dothan, Ala. plant already is OEM supplier of Polaroid Beta tape. Polaroid's 8mm camcorders, demonstrated at CES, used MP tape. Only other known mass-producer of 8mm tape is TDK, which apparently is specializing in metal evaporated (ME) tape for Eastman Kodak. Polaroid officials were unavailable at week's end, and Sony executives declined to answer questions.

Introducing its autofocus Betamovie system in Japan, one week after debut here at CES, Sony announced it already had manufactured 300,000 Betamovies. JVC, meanwhile, is ready to start exporting VHS-C VideoMovie camcorder to U.S. & Europe, says it plans to ship 2,000 monthly to each of those markets, hopes to export 20,000 this year. Autofocus Betamovie is seen as attempt to stay step ahead of JVC. Where 8mm hardware fits into Sony plans could unfold soon.

WHERE THE VIDEO ACTION WAS: Heartland America set the pace for dramatic growth in VCR sales last year, according to EIA's geographic breakdown of sales to dealers, which show volume increase in more cosmopolitan northeastern & western areas failed to keep pace with national average.

VCR sales in all submarkets throughout south and north central areas last year were more than double those of 1982, while no markets in northeast, and only mountain states in west, were able to match industry's overall 101.1% sales rise. Figures provide evidence that, as generally believed, VCRs last year indeed moved into industry's marketing mainstream, now appeal to much broader consumer demographic group.

But figures themselves may not be telling whole story. Importance of transshippers declined last year as prices were relatively stable, and distribution was improved, while several companies took direct action to cut off supplies to resellers. Also, changes in Latin America to allow more direct imports or startup of local VCR final assembly plants, reduced re-exports. Many such underground subdistributors & re-exporters are located in N.Y. & Cal., and their

sales usually are credited to the markets in which they operate rather than those to which they ship. So relative decline in those businesses also may be reflected in changing geographic market shares.

National distribution pattern for VCR sales continues to move more into line with that of color TV, which represents more traditional market. As mature market product, color TV sales tend to be more stable on geographic basis. Last year, only 2 submarkets, west south central and Pacific, had sales share change of as much as 1%, while 5 submarkets, or fully half, had more than 1% sales share change in VCRs. Here's breakdown:

U.S. SALES TO DEALERS BY REGION
(add 000)

Region	1983 Mkt. Share	1982 Mkt. Share	1983 Units	1982 Units	% Change
VCR*					
Northeast.....	24.9%	25.9%	1,019	527	+ 93.4
Mid Atlantic..	19.4	20.0	794	407	+ 95.1
New England...	5.5	5.9	225	120	+ 87.5
South.....	29.3	27.3	1,199	555	+116.0
S. Atlantic...	14.6	13.5	597	275	+117.1
E.S. Central..	4.7	4.4	192	89	+115.7
W.S. Central..	10.0	9.4	409	191	+114.1
North Central...	21.6	20.0	884	407	+117.2
E.N. Central..	16.4	14.9	671	303	+121.5
W.N. Central..	5.2	5.1	213	104	+104.8
West.....	24.2	26.8	990	545	+ 81.7
Pacific.....	19.6	22.2	802	452	+ 77.4
Mountain.....	4.6	4.6	188	93	+102.2

COLOR TV*

Northeast.....	23.3%	23.4%	3,105	2,518	+ 23.3
Mid Atlantic..	17.7	17.8	2,359	1,913	+ 23.3
New England...	5.6	5.6	746	605	+ 23.3
South.....	33.2	34.8	4,424	3,760	+ 17.7
S. Atlantic...	16.6	17.3	2,212	1,869	+ 18.4
E.S. Central..	5.8	5.7	773	616	+ 25.5
W.S. Central..	10.8	11.8	1,439	1,275	+ 12.9
North Central...	24.4	23.8	3,251	2,572	+ 26.4
E.N. Central..	17.8	17.1	2,372	1,848	+ 28.4
W.N. Central..	6.6	6.7	879	724	+ 21.4
West.....	19.1	18.0	2,545	1,945	+ 30.8
Pacific.....	14.5	13.5	1,932	1,459	+ 32.4
Mountain.....	4.6	4.5	613	486	+ 26.1

*VCR sales: 1983--4,091,321; 1982--2,034,797 (up 101.1%).

Color sales (excluding institutional): 1983--13,324,759;
1982--10,805,772 (up 23.3%).

TAPE SALES NEAR \$1 BILLION IN 1983, SAYS ITA: Blank video & audio cassette tape sales in U.S. at factory level fell just short of \$1 billion last year, and while there was overall growth, it was accompanied by continuation of intense pricing pressures, figures released last week by ITA show. ITA figures reflect factory-level sales to consumer & industrial markets and include

pancakes shipped to loaders. They are derived by combining actual sales results supplied by members with average of member estimates for sales by non-reporting companies.

Value of total video-audio cassette market rose 37.9% last year to \$925.8 million, with 70.4% of that coming from videocassettes, which registered 58% rise to \$651.8 million. Audio cassette value was up 5.8% to just under \$274 million. In 1982, videocassettes accounted for 61.4% of industry dollar volume. Videocassettes set growth pace on unit level as well, rising 125.2% to 87 million, while audio cassette sales were up 7.3% to nearly 240 million.

VHS was leading videocassette format gainer, posting 140% climb in units to nearly 65.9 million, 61.4% value jump to \$500.3 million. Beta, however, logged respectable 88.9% unit increase to 21.2 million, 48.1% rise in value to \$151.5 million. That gave VHS 75.7% share of videocassette unit sales last year, up from 71% in 1982, but share of dollar sales edged up to only 76.8% from 75.2%.

While VHS was most popular videocassette format, it also suffered most from price competition. ITA figures indicate average factory price for VHS videocassette fell 32.7% last year to \$7.60 from \$11.30 average in 1982. Beta average pricing also fell, but only by 21.5% to \$7.16 from \$9.13. For audio cassettes, indicated pricing average slipped just 1.6% to \$1.14 from \$1.16.

Good news for videotape marketers is reversal of declining trend in ratio of cassette sales to VCR sales. ITA figures show average sales of 9.24 cassettes for each of total 9.41 million home VCRs sold to dealers in 1975-1983, up from 7.26 in 1982 and 8.6 in 1982. Total is highest since 10.1 per VCR in 1981, first year for which ITA released sales data. Credit for gain goes to combination of sharply increased demand for recorded cassettes, doubling of VCR sales last year to nearly 4.1 million. Market studies indicate newer VCR owners are biggest customers for blanks and have more interest in renting & buying recorded cassettes. Here are ITA's 1983 sales results, with 1982 sales for comparison:

ITA 1983 VIDEO & AUDIO FACTORY TAPE SALES ESTIMATES (add 000)

	Units		%	Value		%
	1983	1982	change	1983	1982	change
Videocassettes....	87,013	38,630	+125.2	\$651,831	\$412,342	+58.1
VHS.....	65,857	27,429	+140.1	500,341	310,043	+61.4
Beta.....	21,156	11,201	+88.9	151,490	102,299	+48.1
Audio cassettes...	239,960	223,730	+ 7.3	273,976	258,855	+ 5.8

Audio-only Fair Marketing Amendment to Copyright Act could move through House Copyright Subcommittee this week, get full House approval before summer adjournment. But Senate action is questionable. Measure would permit copyright owners to ban rental of audio records & tapes or require retailers to share with them portion of rental revenue. Similar FMA for recorded videocassettes & discs is considered dead issue.

First digital TV set on market in Japan is by Matsushita -- same model shown in Panasonic suite at CES (TVD June 11 p14). The 20" set, with 5" picture insert and remote control that also activates VCR & videodisc player, lists at 249,000 yen (about \$1,073). Matsushita is producing 3,000 monthly; U.S. version is due next spring.

Thorn EMI Ferguson of U.K. is purchasing CD players and supporting hi-fi system from Sony on OEM basis, company said. "We purchase audio from many other sources," said Managing Dir. D.B. Hewitt, commenting on our June 4 report (p16). He also pointed out that company's VHS recorders are supplied by J2T, joint venture of Thorn EMI, Thomson & JVC, and that Thorn EMI Ferguson makes JVC color TVs on OEM basis for U.K. market.

Korea will lift restrictions on imports of color TVs with screens smaller than 9" July 1 as part of liberalization program. However, it declined U.S. request to remove import ban on personal computers.

Superscope will change corporate name to Marantz if holders approve at June 19 meeting.

TV TUBE IMPORTS: Imports of color TV picture tubes as component parts dropped sharply in first quarter, and while that decline was offset by growing number of imported tube-inclusive kits, overall shipments were up only slightly, Commerce figures show.

Color tube imports totaled 97,800 in quarter, down 43.9% from same period last year, though value was off just 15.9% to \$7.83 million. Addition of kits, imported mainly from Mexico, Japan & Singapore, raises tube import total to 277,700. Overall color tube imports represented only 9.4% of consumption by U.S. color factories in period, down from 11.3% in first quarter last year.

Helping maintain color tube import value total was general rise in indicated average prices. Average price of tubes 12"-&-under rose to \$60.43 from \$55.20, while 14-15" increased to \$55.93 from \$49.19, 18-19" climbed to \$84.34 from \$59.65 and 20"-&-over rose to \$73.25 from \$64.78. Exceptions were 13", which rose only modestly to \$43.90 from \$41.94, and 16-17", down from \$112.86 to \$96.15. Relatively large increases in 14-15" & 20"-&-over pricing probably reflects addition of flat square cornered tubes. Likely cause of price rise in 19" on major volume decline is shift in mix to improved resolution tubes.

Up sharpest of all were imports of projection TV tubes. While sales of projection TVs gained only 15.1% in quarter, last year marketers were selling off excess inventories built up in 1982, while this year they are in full production. Average pricing held level at \$49.02.

In b&w, unit imports dropped 18.1% to 43,600, while value fell 24.2% to \$717,600. Average price of 12-16" tube slipped to \$15.58 from \$17.09, while average for other sizes edged down to \$16.81 from \$17.88. Here are results:

U.S. FIRST QUARTER 1984 PICTURE TUBE IMPORTS

Type	Units	%chg.	\$ Value	%chg.
Color				
12" & under	12,049	-33.1	728,125	-26.8
13".....	22,107	-63.2	959,508	-61.9
14-15".....	19,778	+20.9	1,106,267	+37.5
16-17".....	1,698	-18.4	163,270	-30.5
18-19".....	29,211	-48.1	2,463,630	-26.6
20" & over.	32,925	+52.3	2,411,879	+72.3
w/TV kits..	179,927	+115.1	n.a.	--
Monochrome				
12-16"....	12,199	+97.7	190,000	+80.2
Other....	31,378	-33.3	527,602	-37.3
For projection TV				
	51,567	+415.6	2,527,697	+413.0

HITACHI NET UP: Hitachi credited electronics, particularly VCRs, semiconductors & computers, in reporting 11% increases in both sales & earnings in year to March 31 on consolidated basis. It predicted net will rise 11% again in current fiscal year to \$778 million.

At meeting in N.Y. last week to announce results, Hitachi said VCR sales jumped 78% in fiscal year to about 2.5 million, with U.S. accounting for 55%. Major rise stemmed in good part from RCA's switch last year to Hitachi from Matsushita as source for its VHS VCRs. Hitachi said sales of semiconductors rose 29% last year, put computer growth at 22%.

Hitachi expects to join other Japanese manufacturers in launch of MSX personal computers next spring, will offer high-end system priced at about \$2,000. Hitachi didn't say whether computers would be offered under both Hitachi and private brands.

General Instrument's annual report says sluggish videogame market was primarily responsible for 89.7% (\$40.3 million) drop in operating profit from its semiconductor operations in year to May 30 to \$4.7 million. Sales were down only 17.7% to \$233.5 million. GI said results stemmed from declining demand for videogame and cartridge ICs and costs associated with transition to new IC production process. That represented 35% of GI's \$113.9 million decline in overall operating net, which was off 61.6% to \$71.1 million. GI component products operation suffered \$2.6 million loss because of development & start-up expenses for line of switching power supplies. Much of rest of profit decline stemmed from broadband communications segment, which had 53% drop to \$51.8 million because of reduced demand and price competition in CATV equipment area.

Coleco expects to be profitable in 2nd quarter, company told holders at annual meeting last week. Company said it has \$400 million order backlog, 75% of that represented by Cabbage Patch Kids doll line. Electronics products, including computers, video & tabletop games, will account for only about 1/3 of sales this year, against about 60% in 1983.

Problems with VHS Hi-Fi duplication are exaggerated, according to CBS/Fox Video Vp-Gen. Mgr. Fred Fehlauer, who is responsible for in-house duplication. There's "no inherent machine problem affecting the quality of the audio signal" in either Panasonic or JVC slave VCRs, provided equipment is "designed to handle the exceptional audio qualities," he said. "We in the video industry are doing ourselves a disservice by tainting the introduction of VHS Hi-Fi with incomplete & inaccurate reports." CBS/Fox so far is only program supplier to commit entire line to VHS & Beta Hi-Fi formats.

Polaroid's 8mm camcorder is made by Toshiba, not Hitachi, as reported last week. We regret error.

SEEING THE FUTURE: Consumer electronics' technological future was plotted in more than 100 papers at biggest IEEE International Conference on Consumer Electronics (ICCE) yet, as 2nd event in consumer electronics week in Chicago area. "International" in title was stressed -- papers being divided evenly among North American, European & Far Eastern origin. Some highlights:

Digital TV -- On basis of production in Europe, ITT said manufacturing time (including test & repair) of digital TV set had been reduced from 490 min. in Aug. 1983 to 428 min. in Dec., to 364 min. in March 1984, forecast 315 min. in Aug 1984, 291 min. in Aug. 1985. Comparable analog set takes 350 min. to assemble; indicated crossover point in costs thus would occur between March & Aug. 1984.

ITT gave this digital timetable: (1) Current generation with 5 chips containing basic features, improved sound & video. (2) New generation of 7 chips, with ghost-free teletext, SECAM, integrated service computer. (3) Next year, it's hoped, addition of still frame, picture-in-picture, zoom. (4) By 1987, flicker-free capability with "lower manufacturing cost per function in a 2-chip solution."

Other ITT papers discussed new chip to sharpen picture by correcting east-west, horizontal linearity and convergence distortion, and chips for teletext. Motorola paper treated single-chip NTSC, PAL & SECAM chroma, luma & timebase processor. Toshiba presented paper on digital TV in which 2-line memory contributes to higher picture quality in PAL & NTSC. Philips discussed 317 Kbit CCD field memory for multistandard picture enhancement and features; digital sync & deflection processor; FM detector; computer control of TV during manufacturing, operation & servicing -- paper noting increasing importance of software in TV design.

Laser discs -- Pioneer discussed its development of analog-digital optical videodisc system that permits 40 bytes of digital data to be stored in invisible area of frame, making possible advanced interactive system. Philips described how CD audio disc has been made into 600Mbyte ROM, equal to 1,000 floppies; Philips will have sample product in about 6 months.

TV displays -- Sanyo described 5" LCD flat-screen color set, back-lighted, composed of 250x666 dot matrix, or 166,500 pixels (as compared with 52,800 for 2" Seiko unit, 38,400 for 2.7" Citizen).

Signal processing -- Philips reported on economical 2-chip color TV set, one chip performing all functions of b&w TV except tuner & output stages, other being PAL or NTSC decoder.

Video recording -- Another Philips paper described multistandard (PAL, SECAM, NTSC) set of chips for VHS VCRs. There were 6 papers on 8mm systems and other camcorders.

Home computers -- Paper from U. of Erlangen,

Germany, described "modified digital recording system" that can store 20Mbytes of data on standard audiocassette.

HDTV -- Papers by Philips, U. of Dortmund, NEC, Spar Aerospace (Quebec), IBA (U.K.), principally dealing with systems and compatibility.

Home management systems -- Invited paper, presented by Matsushita, described EIA standardization effort on home bus system to control such devices as heating, air conditioning, humidity, airflow, room-occupied sensors, lighting, small & large appliances, video & audio, power distribution using remote controls. Paper by Nippon Telegraph & Telephone described experimental home terminal system with more than 50 features. NEC discussed integrated home network system for voice, video & computer information.

Many papers at ICCE will be published in Aug. issue of IEEE Transactions on Consumer Electronics; single copies available from Publication Sales, IEEE Service Center, 445 Hoes La., Piscataway, N.J. 08854. Digest of ICCE technical papers is available at same address.

Korea's Anam is 3rd color TV manufacturer to win exclusion from Korea-Taiwan color TV dumping case. Following recalculation of pricing & expense information, International Trade Administration reduced margin of dumping on TVs exported to U.S. by Anam from 0.82% to less than 0.05%, which is maximum permissible level for exclusion. Dropping of Anam from case will have no significant impact, as firm supplies only limited quantities of small-screen color models, and sells primarily to single customer, Panasonic. Eliminated from case earlier by ITA were Taiwan's Orion and Korea Electronics. Also given earlier exclusion, but by International Trade Commission, were tunerless monitors produced in Taiwan by Fuleit and marketed here by Proton. ITC said there was no evidence of injury to domestic TV industry from sales here of high-price monitors even though they were priced at less than fair value.

Sony Spain, 20% owned by local interests, will start producing Beta VCRs & Trinitron color TVs in Nov. Company, which had \$93 million sales last year, has restricted manufacturing activities to hi fi. Plan is for monthly production of 3,000 VCRs, 2,000 TVs, with output gradually increasing to triple that over next 5 years. Under agreement with govt., 25% of production will be exported to EC and Scandinavian markets.

Activision has licensed Pony as exclusive Japanese distributor for MSX format versions of its computer games. Company said it will have at least 8 titles available by fall, estimates there will be million MSX computers in use in Japan by end of first quarter next year... Thorn EMI Computer Software has acquired exclusive distribution rights to Hesware line from Human Engineers Software.

NEW PROJECTION SYSTEM: Armed with what he considers basic patents & applications and \$227,000 in development over last 5 years, resulting in operating breadboard, screen manufacturer Marv Hodges now seeks to commercialize what he calls completely different & superior type of projection TV.

Hodges claims system can make possible 50-62" front projection in fold-front cabinet only 11" deep -- system that requires no convergence, has high resolution, double brightness, higher contrast, than traditional methods. He says system can be applied to rear as well as front projection.

Secret of Hodges' system is fact that it uses single lens, with 3 tubes converged in dichroic mirror. Dichroics' well-known light attenuating properties are avoided, Hodges says, by liquid immersion, which also greatly increases contrast & resolution. Phosphor faceplates of the 3 tubes are concave (as viewed when facing front of tube), which Hodges claims doubles luminous efficiency. He says his system is capable of 1,000-line resolution, 30 ft.-lamberts from 10-gain screen. Single lens system functions in manner similar to slide or movie projector, he says, so size of picture may be varied merely by changing throw distance & focus -- no convergence is involved.

Hodges claims TV manufacturers have ignored principles he developed because they traditionally haven't worked in optical field. One optical specialist we contacted was noncommittal, but said "dichroics are tricky." Hodges' optics for developmental models were made by Schott in Germany.

Hodges says his system is ready for production. He estimates that, in runs of 10,000 units, his projectors can be built for \$705 each, with \$2,000 consumer projector completely feasible. At one time, Hodges engaged in preliminary negotiations with RCA to deliver model, but now seeks to sell rights to invention to company seeking to enter or diversify in consumer electronics. Hodges, who spent 25 years with Eastman Kodak, heads Marv Hodges Inc., 50 W. Easy St., Simi Valley, Cal. 93065, 213-884-2321

* * * *

More compact projection TV systems are beginning to show up, employing U.S. Precision Lens's new "Compact 7" lens system, with 4 brands in evidence at CES in Chicago. As already noted (TVD May 14 p16), Zenith introduced 45" set 27" deep. GE & Panasonic showed own versions of compact system at CES, and NEC displayed 3 upcoming new models in its suite, 2 of which use USPL optics. Most compact was 37" model only 19" deep; 46" model was 21" deep, and non-USPL 40" unit 22".

Kloss Video displayed first professional video projector under Videobeam name, which it acquired from Advent. Using high-resolution tubes, it has light output of 250 lumens, 6.5-ft. high-gain screen, at \$6,000. Kloss also introduced new ceiling-mount

projection monitor at \$4,000 for use with 6.5-ft. high-gain screen, \$4,200 for flat 10-ft. picture.

GE says it's making progress toward consumer version of its Talaria lightvalve projection system. New industrial version was introduced recently at \$35,000, compared with standard \$50,000 model. Video Gen. Mktg. Mgr. Rick Williams predicted to us that "by the end of the decade we'll have a Talaria at \$5,000 or less."

Software notes: RCA/Columbia Pictures Home Video is telling distributors that RCA Records will be setting up parallel distribution for its videocassettes & discs this summer. Move is far from unprecedented -- Warner's WEA Records handles Warner Home Video line -- but means independents will face stiff competition for record retailer accounts... Video Communications is running direct-mail magazine ads for cassettes offering lowest price on record -- \$9.95, plus \$2.95 for shipping & handling -- for each of 4 vintage films, dating from late 1930s to 1951. Titles are Flying Deuces, Human Monster, Chamber of Horrors & South of the Rio Grande... Marquee-Home Viewer is new monthly planned by Ingram Video and Home Viewer Publications for distribution through IV's retail accounts. It's expansion of IV's current Marquee magazine, now with bimonthly circulation of 50,000.

In-store film-to-tape transfer system, introduced last year by Henry Froehlich Assoc., Larchmont, N.Y., has been upgraded with new model. It can transfer 8mm, super 8 & 16mm movies and slides, prints & negatives onto Beta, VHS, 3/4" & 8mm cassettes, offering such options as stereo or mono background music, titles, special effects, dissolves, wipes, etc. Console contains 3 telecine players, slide, negative & disc film transfer unit, optical print transfer unit, character generator, special effects generator, color corrector, Sony color camera, Sony Betamax and Panasonic VHS recorders, "provisions for 8mm Kodavision," Sony Profeel 19" monitor with speakers, Sony stereo audiocassette recorder, prerecorder music & sound effect cassettes. Cost, including installation & training, is \$23,900.

Video display terminals in themselves haven't been found to pose any specific health hazards, according to National Institute of Occupational Safety & Health. Agency said it has discovered no excessive radiation from VDTs, nor indication that use causes birth defects, eyestrain, cataracts or other physical problems. However, it noted, poor equipment and furniture design have created difficulties associated with glare and muscular discomfort. Many health complaints, NIOSH indicated, stem from worker perception that VDTs are unsafe and from increased stress resulting from concerns about job skills and security that arise when VDTs are installed. Agency reached similar conclusions decade ago.

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THORP—Thorp Cablevision Inc., 405 N. Washington St., Thorp 54771. Phone: 715-869-5301. County: Clark. Population: 1,600.
TV Market Ranking: Below 100. Franchise expiration date: 1995. Began: Sept. 1982.
Channel capacity: 40 (plans 2-way). Channels available but not in use: 23.
Basic Service
Subscribers: 245 (7/1/83). Potential: 450.
Programming (received off-air): WEAD-TV (N) Eau Claire; WBBT (C) La Crosse; WHWC-TV (E) Menomonie; WAOW-TV (A) & WSAW-TV (C) Wausau; Allstate PM programming (via satellite); WTBS (I) Atlanta; CNN; Christian Base; Network; ESPN; USA Network.
Current origination (hours weekly): Massage Wheel (168-shared); community bulletin board (568-shared); public access channel (168-shared); educational access channel (168-shared); government access channel (168-shared). Planned origination (hours weekly): State weather (168-shared); local live (5-shared); tape (5-shared).
Fee: \$10 installation, \$8.50 monthly.
Tier 1
Subscribers: 45 (7/1/83). Began: Sept. 1982.
Programming (via satellite): AGN-TV (I) Chicago; ARTS/Nickelodeon; Cable Health Network; Modern Satellite Network.
Fee: \$3.50 monthly.
Tier 2
Subscribers: 100 (7/1/83). Began: Sept. 1982.
Programming (via satellite): Home Box Office Inc.
Fee: \$7.50 installation, \$8.99 monthly.
Tier 3
Subscribers: 15 (7/1/83). Began: N/A.
Programming (via satellite): ESPN Plus.
Fee: \$7.50 installation, \$5.25 monthly.
Security System
Planned services: Burglar alarm; fire alarm.
Local advertising: Planned.
Equipment: Scientific Atlanta headend; Sylvania amplifiers; Comin/Scope cable; Texcan character generator & set-top converters; Pic traps; Scientific Atlanta satellite receivers; Microsyn satellite antenna.
Miles of plant: 15. Additional miles planned: 5. Homes passed: 600. Total homes in franchised area: 600.
Manager: David A. Keating.
City fee: 3% of gross.
Ownership: Thorp Telephone Co., 100%.
Other interests: Thorp Telephone Co. has undisclosed telephone holdings.

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Corporate owner and cross-ownerships

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1984 TELEVISION & CABLE FACTBOOK Highlights

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

Instructional TV
International TV Directory
Labor Unions & Guilds
Low Power TV Stations
Management & Technical Consultants
Manufacturers
Market & Audience Research Organizations
Market Rankings
Multipoint Distribution Service
Networks
Program Sources & Services
Public Relations & Promotion
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RCA RECORDS MERGER: RCA has tentatively agreed to form worldwide video & audio music venture with Germany's Bertelsmann. Detailed terms weren't disclosed, and completion of deal is subject to certain unspecified conditions, approval by both boards. That some form of link-up was under consideration was announced by RCA last month (TVD May 7 p18).

Combination would involve audio records & tape, music video and music publishing operations of RCA Records and Bertelsmann's Ariola Records. Venture would have annual sales in \$800-\$850 million range. Companies would retain creative control over their respective businesses, have joint manufacturing, distribution & administrative operations. RCA & Bertelsmann already are tied through joint ownership of Arista Records.

RCA-Bertelsmann venture formation is considered to be reaction to similar plan that would link Warner Records and N.V. Philips' Polygram. But that deal, which would create world's largest music organization, has run into snags in both U.S. & Germany. Merger of U.S. operations is being challenged in court by FTC as anticompetitive, while antitrust objections have been raised by Germany's Cartel Office.

Another Warner-Philips tie, which would give Philips share of Warner's computer-game subsidiary Atari, is getting close to completion and, insiders say, announcement could come this month. While Chmn. James Morgan is attributing most recent round of shutdowns & layoffs at Atari to resizing company in keeping with sales & profit levels, there's growing belief at least some of cutbacks are intended to eliminate duplication of effort & facilities that will result from link with Philips.

Most recent moves by Atari were closing of Grass Valley, Cal. R&D lab that was center for design of computers, games and dedicated ICs, and 50% cut in staff at separate semiconductor design group. Also, control of Ataritel Div., formed last year to spearhead Atari's entry into advanced home telecommunications products, has been taken over by Warner Communications, and operation now reports directly to co-COO Emanuel Gerard.

In other merger activity, Beatrice Foods said it acquired about 48% of Esmark common, plans merger after tender offer expires June 30. BF has said it intends to sell off all Esmark units that don't fit in with its food-related business. That indicates buyer will be sought for Esmark's Jensen, umbrella organization for Jensen, Discwasher, Advent & Phase Linear consumer electronics units... Uniden acquired Bearcat scanner radio operation of Electra, terms undisclosed. Scanner production will be transferred from Puerto Rico to Uniden's plants in Japan. Uniden said it considered, then rejected, also acquiring Electra's cordless phone business... Midland-Ross acquired electronic connector producer Stanford Applied Engineering for \$24 million in shares.

NEW CES PRODUCTS: It was virtually impossible to see everything exhibited at Chicago's Summer CES. Any showgoer attempting to spend equal amount of time at each of the 1,381 exhibits during the 33 show hours would have 86 sec. to see each exhibit -- and that doesn't take into account walking time, eating, resting, attending seminars or other vital functions.

Although most new TV & VCR lines had been introduced before show, several made debut in Chicago. Among them:

Hitachi premiered new 13" color line using one PC board, reduced from 3, with 480 parts vs. 670 in previous models, with claimed increase in reliability. Line starts with open list model, steps up to woodgrain mechanically tuned unit at \$330, with 106-channel keypad model at \$400, keypad remote \$450; 6 new 19" models start with open list, move to 106-channel at \$460, keypad at \$520, keypad remotes \$550 & \$590. FST 26" models, all multichannel sound equipped, with keypad remote, due in fall, start with compact table model, step to pedestal console and to 139-channel 40" wide monitor receiver, all unpriced. New 45" projection sets are \$2,895 & \$3,295, latter with doors.

Six new Hitachi VCRs start with 3-head 105-channel 4-event wireless remote unit at \$795, 6-event special effects model at \$995 (Aug.), VHS Hi-Fi model is \$1,095, with on-screen programmable 8-event one-year model, unpriced; 5-head portable with keypad tuning is \$1,195 (Aug.). New palm-held MOS camera with 2/3" sensor, 300 lines of resolution at 35 lux, auto white balance, 6:1 zoom, weighing just over 2 lb., is \$895 (July).

Grundig line was introduced formally by DDI Inc., featuring 13 sets -- all remote models being monitor receivers and all available now except as noted: 13" with 16 pushbuttons at \$379, keypad remote \$449; 19" with 16 pushbuttons \$499, keypad remote \$599, MTS stereo remote \$699, more deluxe model \$799; 21" remote stereo \$749, version with 20 watts per channel \$899; 25" stereo table models \$999 & \$1,049 (Sept.), 25" consoles at \$799, \$1,095, two at \$1,399 (Sept.).

Tatung moved into video monitor receiver age with 25" line, starting with keypad remote table model at \$769, stereo monitor receiver version at \$829, console at \$779, monitor console \$860; 19" stereo remote monitor with outboard speakers is \$630; 11 TVs and 2 VCRs are carried over.

NEC added 13" monitor receiver with RGB input, 134 channels at \$599, FST 20" deluxe monitor receiver, keypad remote, sleep timer, dual antenna inputs, unpriced (Aug.); autofocus Betamovie, unpriced; high-end VHS Hi-Fi at \$1,400.

Microwave oven shipments by factories & importers rose 53.6% in April 611,500, closed 4-month period at 2.52 million, up 85.5%, AHAM reports.

GE AUDIO EXPANDS: Though GE's Audio Dept. is generally overshadowed by high-tech activities of sister Video Div., it has new product growth plans of its own and is moving into TV & hi fi in limited way while expanding in telephones and other audio areas.

First TV product is 5" b&w FM-AM radio combo introduced at \$200. It's part of Kitchen Companion line, comes with bracket for mounting under kitchen cabinet and above counter workspace. First hi-fi offering will be digital CD player to be test marketed in several cities this year. (GE Video Div. is expected to be in CD this year, offering player along with other audio components as part of packaged video-audio system.)

Though they put GE Audio in new product classifications, introductions don't signal basic philosophy change, according to Gen. Mgr. John Trani. Its TV, he said, "is a traffic item at a traffic price point," and unique styling takes it out of competition with sets sold by Video Div. CD player shouldn't be viewed as start of expansion into true component audio, he said. He said GE already has audio "at about the same price point" player will be -- GE just introduced pair of portable mini systems at \$250 & \$500. "We are talking about the player as just being the upper end of our line and giving dealers a reason to carry GE Audio. You won't see hi-fi components from us in 1984-84."

GE Audio isn't ignoring its core businesses. Trani said he believes it's No. 1 in home-portable radios, strong No. 2 in tape. Contrary to reports of other marketers, "GE sales in stereo tape are up in all categories, minis, personals and boom boxes," he said. As for new competition from Korean & Taiwanese firms, "it's too early to tell about their impact, but low-priced competition has been here forever," and they will have to have something besides price "as a reason for their market entry and to get dealers to take on new brands," he said.

GE Audio made highly successful entry into home telephone market last year, has expanded line considerably for 1984-85. GE is, of course, feeling effect of competition, Trani said. This is particularly true in cordless where, he said, "excess industry inventory is going to hurt the business for some time." However, he said, "we haven't had to slash prices, and the goods are moving, though not as fast as we would like." GE, he said, didn't start year "with hundreds & hundreds of thousands of [cordless] phones, so we don't have the unit problems of some of our competition."

Supplier shakeout still has a long way to go, Trani said, and he estimates it will get "down to 5 or 6 manufacturers as the market slows up." Next big wave, he said, will be 2nd time buyers who bought cheap one-piece phones and find they don't do job. "They will be looking for quality and that's where we are positioning ourselves." GE has broken wired phone line into 2 groups it calls Mainfone and Extension, with former containing such step-up

features as 2-way speakers and memory. GE estimates of phone sales this year are about in line with those of AT&T (TVD June 11 p20), run 22-25 million for wired, about 6 million for cordless.

* * * *

In Japan, Toshiba announced it's selling CD players to GE, already has shipped 3,000 of 20,000-30,000 it expects to supply this year. Toshiba said GE is scheduled to begin marketing in Aug.

Consumer Electronics Personals

Robert Shaw, ex-A.T. Kearney, appointed Jensen International pres... Manfred Andreas appointed Thomson-Brandt Germany gen. mgr., with responsibility for consumer electronics activities... Morton David, ex-Mura, named pres., Franklin Computer, succeeding Barry Borden, who left in May... Yuzuru Kobayashi is new Hitachi Sales pres.; name was given incorrectly in last week's report... Philip Restaino named Atari group dir. for home computers in restructuring. Other new group dirs.: Joel Oberman, videogames; Linda Gordon, learning systems; Robert Lindsey, Atarisoft.

Dean Miller advanced at Nakamichi from national sales mgr. to Home Audio Div. dir.; Donna Hass, ex-ESS, named Mobile Sound Div. dir... Lee Adams promoted from corp. mktg. mgr. to corp. mktg. dir.; Jun Sakamoto & Michael Silber named mktg. services mgrs. for HAD & MSD respectively; Ken Manson appointed MSD national sales coordinator.

Dennis Hedlund, ex-Coastal Video, joins Video Communications as head of national sales & mktg... Ian Ralfini, ex-Alive Video, joins Vestron Musicvideo as vp... Richard Triche, ex-pres. of recently acquired Tricom, joins VCA Duplicating Southwest as senior mktg. operations mgr.; Keith Andoos appointed electronic maintenance mgr., VCA Teletronics... Diane McGhee-Terry, Embassy Home Entertainment program scheduling mgr., adds responsibility for special events; Denise Nakashima named product development coordinator, Michael Hitchcock staff copywriter.

James Ramich promoted at Corning Electronics to worldwide sales & mktg. mgr., succeeding Norman Garrity, now Electrical Products Div. gen. mgr... Raymond Rarey appointed ITT Electron Tube Div. employe relations dir... Larry Berk promoted at Radio Shack to business telephone products buyer.

Takehiro Kakizaki & Yasuharu Kubota, both Sony, named co-recipients of IEEE 1984 Vladimir Zworykin Award for development of Tricon single-tube color TV camera system... Elizabeth Hartnett, ex-Deloitte Haskins & Sells, joins EIA as controller... Susan Matthews appointed asst. publisher at Merchandising.

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
Hitachi*			
1984-year to March 31	18,880,000,000	722,300,000	2.56 ^a
1983-year to March 31	17,050,000,000	650,700,000	2.31 ^a
Microdyne			
1984-26 wk. to April 29	14,025,332	988,523	.22
1983-26 wk. to May 1	11,741,751	755,012	.17
1984-13 wk. to April 29	7,019,757	485,804	.11
1983-13 wk. to May 1	6,018,975	334,562	.07
TCA Cable TV			
1984-6 mo. to April 30	12,954,000	1,764,000	.26
1983-6 mo. to April 30	10,185,000	1,415,000	.23
1984-6 mo. to April 30	6,611,000	914,000	.14
1983-6 mo. to April 30	5,332,000	735,000	.12

Notes: *At yen's current rate. ^aPer ADR.

Summer CES could move to N.Y.C. in 1986, but is just as likely to stay in Chicago, according to EIA Consumer Electronics Group Exec. Vp Jack Wayman. At recently concluded 1984 event, exhibit space shortage required use of 4 different locations for displays, and lack of hotel rooms meant double & triple occupancy for many, use of suburban hotels for others. While that makes shift attractive, Chicago is considering building major annex to McCormick Place, and that would be followed by construction of 3-5 new hotels, according to Wayman. He said Chicago convention officials claim everything could be in place by June 1986 if city gives go-ahead in time for construction start in Aug. New York's new convention center, now being built on west side, will be big enough to hold entire CES under one roof, also is scheduled to be finished in time for 1986 show. Representatives of both cities will be making presentations to CEG in Aug. & Sept., with board scheduled to make decision on move at Oct. meeting in L.A. during EIA's annual convention. Among other ideas under consideration is moving show from first to 2nd week in June to increase time between winter & summer events, possibility of alternating summer CES between Chicago & N.Y. every 2 years. Meanwhile, CEG has closed CES office in Chicago, moved staff to hq in Washington.

Sony loss resulting from ABC's decision to discontinue Telefirst, its over-air service that delivered movies to decoder equipped VCRs, will be minimal. Sony said its potential liabilities would involve only unamortized expenses relating to development of scrambling system and settlement that may have to be worked out as result of ABC's cancellation of decoder order. ABC said provision for terminating contract with Sony is included in \$15 million reserve it set up to cover cost of ending Telefirst. Spokesman said Sony believes "there are other applications for the technology developed for this system. (For more on Telefirst shutdown see related report in Broadcast section of this issue.)

CELLULAR DUMPING MARGINS: International Trade Administration set stiff 40.63% preliminary dumping margins on cellular site transceivers exported to U.S. by Japan's Kokusai Electric and stiffened potential penalty by making liability retroactive to imports from last March 10. Transceivers involved are base stations used to relay calls from mobile or portable cellular phones.

Issuance of ITA's preliminary margin finding, result of investigation made following International Trade Commission's tentative determination that dumping is likely cause of injury to domestic producers (TVD March 12 p15), is in effect order for Customs to start collecting cash or bonds on imports to cover extra duties that may be assessed when case is finalized.

But ruling, published in June 12 Federal Register, also includes unusual finding of what Antidumping Act terms "critical circumstances" that permits Customs to collect bonds for past imports. Such circumstances exist when importer knew or should have known products were priced at less than fair value and there were massive imports in short period of time.

Kokusai was importer as well as exporter and, because of margin size, should have known it was dumping, ITA said. It said that since Jan. Kokusai had shipped nearly all 4,000 transceivers AT&T ordered, and considered that to be massive in relation to relatively small market size to date.

As AT&T was Kokusai's sole customer, ITA couldn't use usual fair value test by comparing export to home market pricing. Instead, it used alternative constructive value method, which involves calculating estimate for actual production & shipping costs, adjustment to eliminate excessive start-up costs, imposition of minimum 10% for general overhead expenses and 8% for profit.

Though Kokusai was only exporter, ITA finding applies to all shipments from Japan and at same bonding level. Case now goes back to ITC for final injury determination, and if that's positive ITA will issue final margin ruling. Barring deadline extensions, case should be over by end of Aug. Original dumping complaint was filed by E.F. Johnson last Dec.

VCR celebrated 11th consecutive week of 100,000-plus sales to dealers in year's 22nd week (see State of the Industry). For year to date, sales are running at average of 108,598 units weekly. Total color TV sales (including projection) for first 22 weeks exceeded total color sales for any full calendar year before 1972.

Thorn EMI is bidding \$14 million for about 10% interest in U.K.'s govt.-backed IC maker Inmos. Offer, which has govt. support, would value Inmos at \$140 million, dwarfing \$50 million AT&T has said it's willing to pay to acquire company's assets.

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JUNE 25, 1984

VOL. 24, NO. 26

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

CABLE PREEMPTION VINDICATED by U.S. Supreme Court in striking down state & local programming restrictions. (P. 1)

'CALMEST' NAB IN YEARS: Turmoils in Maui are dimly remembered as Fritts & Schmidt are reelected, TV Board members are assigned to districts during fuss-free session. (P. 3)

CABLE-TELCO TALKS START to settle dispute over data transmission language in HR-4103. Dingell staff referees. (P. 5)

COPYRIGHT BILLS GAIN IN HOUSE: Kastenmeier Subcommittee approves new cable copyright & audio first-sale measures. Prospects still dim for final action this session. (P. 6)

POLE ATTACHMENTS REBUFFED by FCC, which orders Wis. Bell to allow troubled cabler on additional poles. (P. 7)

MTV & NICKELODEON SPUN OFF as public company by WASE, which hopes to raise \$80-\$90 million in stock offering, borrow \$75 million to cover assets bought from parents. (P. 8)

GAO CRITICAL OF DOUGAN OFFICE efforts at RARC '83. Better preparation urged for future ITU sessions. (P. 8)

OKLA. BAN ON CABLE WINE ADS STRUCK DOWN: FCC cable preemption policies have been recognized by unanimous U.S. Supreme Court in decision packed with language that many said will further restrict state & local control over cable system operations. In striking down Okla. ban on wine & liquor ads on signals carried by cable systems, Court for first time recognized Commission's original jurisdiction over cable -- not simply as ancillary to broadcasting -- and said local police power to regulate cable doesn't supersede broad federal policies. Decision is major victory for cable & broadcast industries, for FCC and specifically for petitioner Capital Cities Cable, whose Okla. systems had been threatened with criminal prosecution for failing to cut out wine commercials.

Okla. outlawed advertising of alcoholic beverages, mainly wine, on in-state TV stations and print media in 1959; in 1980, state attorney gen. extended ban to cable. Ban put cable systems,

Consumer Electronics

COLOR TV IMPORTS jumped sharply in April despite dumping finding against Korea & Taiwan. VCR shipments at record 754,200. (P. 11)

MULTICHANNEL SOUND gets heavy emphasis by Sears, with converter at \$100, stereo & SAP sets. (P. 12) Fall-winter catalogs. (P. 15)

SHAKEOUT IN VCR market seen as inevitable as soon as demand levels off, following parallel of color TV -- 100 brands before bloodbath? (P. 12)

VIDMAX SUING ATARI for \$2.05 million, charges breach of arcade agreement. RDI has new arcade game. Bally continues NFL game. (P. 14)

SONY NET TRIPLED in both 2nd quarter & first half. Beta sales rose 16.9%. BASF says video paced growth in consumer products. (P. 16)

AUDIO FMA CLEARED by House Subcommittee, due for floor vote this fall. EIA won't lobby against it as long as video stays excluded. (P. 16)

LOWERED FLOOR PRICE on VCR exports to EC being asked of MITI by Japanese producers. Sluggish market creates price war worries. (P. 17)

HITACHI MOVES UP to No. 3 or 4, passing Sony, perhaps JVC, in Japan VCR production. (P. 18)

particularly those near state lines with Mo. & Kan. must-carries, in no-win situation: FCC signal carriage rules, as well as industry's compulsory license agreement, prohibit operators from tampering with content of signals in any way.

Supreme Court ruled only on preemption question in holding that cable programming can't be limited by state & local govts. without confronting contentions that ban violated cable's First & 14th Amendment rights. In reversing 10th U.S. Appeals Court, Denver, that ban was lawful restraint of commercial speech, high court held (*Capital Cities v. Crisp*, No. 82-1975) that curb couldn't stand in face of contradictory federal policies and isn't saved by 21st Amendment allowing states to regulate importation & sale of liquor.

"By requiring cable television operators to delete commercial advertising contained in signals carried pursuant to federal authority," Justice Brennan wrote for Court, "the state has clearly exceeded its limited jurisdiction and has interfered with a regulatory area that the FCC has explicitly preempted." Ban is impractical as it relates to plethora of satellite signals because operators have no advance notice when wine or liquor ads will run, Court noted.

"This is a very important case with implications reaching across the whole spectrum of regulation of cable by state and local governments," said NCTA Pres.-elect James Mooney. He said Assn. would study decision carefully but "for now, however, we are absolutely delighted." FCC Gen. Counsel Bruce Fein said decision "vindicates the Commission's moves to make cablecasting and broadcasting of program signals uniform nationwide." NAB had no comment.

Washington attorney Jack Matthews, whose firm argued case for intervenors Cox, Sammons and Multimedia, said decision is "one which could justify further FCC preemption actions with respect to state and local regulation of CATV." Of perhaps greatest import, said a cable executive, is that "for the first time, the Court has clearly indicated the FCC's jurisdiction over cable is original jurisdiction, not merely ancillary to broadcasting." Commission's authority to regulate cable had stemmed from its Communications Act power over TV stations (1968 *Southwestern* case, amplified in *Midwest Video* in '72). Said one attorney: "There are important consequences to that because it suggests the FCC's preemptive authority [over cable] is not limited to matters which are broadcast-related."

Court flatly stated: "If the FCC has resolved to preempt an area of cable television regulation and if this determination represents a reasonable accommodation of conflicting policies that are within the agency's domain, we must conclude that all conflicting state regulations have been precluded." More subtly favorable to industry is language seeming to limit use of state & local police power to regulate cable: "When federal officials determine, as the FCC has here, that restrictive regulation of a particular area is not in the public interest, states are not permitted to use their police power to enact such a regulation."

Ruling may have some bearing on pending cable deregulation bill (HR-4103) and concessions NCTA made to cities in exchange for their support of measure. Said NCTA: "We're in discussions about how this impacts on 4103. [We are assessing] the legal status of that which might be in conflict with that which we agreed to. This is relevant to the legislative situation." National League of Cities was displeased: "We are concerned this [decision] would encourage the FCC to do things it would not otherwise do. It may give them a much more confident feeling about their jurisdictional authority." Said FCC official: "It's an understatement to say this decision gives us confidence" to consider other cable preemptions.

Ruling opens door for Okla. Bestrs. Assn. & Okla. Press Assn. to press their cases against state ban on wine & liquor advertising, lawsuits that have been on hold pending outcome of *Capital Cities* case. Decision presents opportunity for them to claim equal protection under federal policies, according to attorneys involved in cases.

"We feel it addresses only cable TV," said Okla. First Asst. Attorney Gen. Robert McDonald about Supreme Court ruling, indicating state will fight move by broadcasters & publishers to

extend ruling to them. Okla. news media apparently haven't carried wine & liquor ads during injunction against state, but billboards have sprung up bearing such ads, said McDonald, who argued case before Supreme Court. "Those will have to come down," he said.

Ruling may have immediate impact on 15 states that impose entry barriers to TV & radio stations using subcarriers for commercial purposes such as paging, teletext and multichannel sound, attorneys said. FCC's recent preemption of state regulation of subcarriers has been appealed by Telocator, trade association of radio common carriers. NAB believes Supreme Court's strong language supporting FCC preemption policies will weigh heavily in outcome of that case before U.S. Appeals Court, D.C.

But Supreme Court carefully avoided First Amendment questions in Okla. case, setting stage for suit arising in Miss., which has liquor ad ban almost identical to Okla.'s. In that case, some 52 media outlets, including TV & radio stations, newspapers, magazines & billboard companies, are challenging state law solely on First Amendment grounds. Supreme Court may hear that case soon on appeal from 5th U.S. Appeals Court, New Orleans, which upheld state law.

NCTA official offered this optimistic view: "I think it's pretty clear that either as a consequence of regulatory action, judicial action or congressional action or maybe all 3 together, we are nearing the end of the age of extensive cable regulation by state & local governments. The remaining question is exactly how all of this is to be sorted out -- how is the disengagement process to work."

'CALMEST' NAB BOARD MEETING IN YEARS: Turmoils in Maui last Jan. seemed dim memory as NAB board members gathered in Washington for week-long session at which Pres. Edward Fritts appeared back in most everyone's good graces, hardly any complaints were heard about staff, and only controversial item -- assigning TV board members to represent districts -- sailed through without heated discussion. "After going through the hell we had in Maui [TVD Jan 23 p1, Jan 30 p1], this meeting is as refreshing as this breeze," said a TV board member as about 100 members & spouses glided down Potomac on dinner cruise June 20. "This was the calmest, dullest and easiest meeting in years," NAB official said.

"This has been a productive meeting; we all seem to be pulling together again," said TV Board Chmn. Jerry Holley, Stauffer Communications, Topeka, who was unopposed for reelection, as was Joint Board Chmn. Gert Schmidt, Harte-Hanks senior vp, who begins his 2nd year at helm. KCAU-TV Sioux City Pres. William Turner was reelected TV Board vice chmn. On radio side, Ted Snyder, KARN(AM) & KKYK(FM), Little Rock, Ark., was elected chmn. to succeed Martin Beck, whose 4-year term ends. Edward Giller, pres. of WFBG-AM-FM Altoona, Pa. was chosen vice chmn. over Clyde Price, pres. of WACT-AM-FM Tuscaloosa, who entered race late.

Complaints about NAB top management, which dominated Maui meeting and led to shift of John Summers, then exec. vp-gen. mgr., to govt. relations chief, were few and remained below surface. Six months ago, angry board said it wanted to see improvements in way Assn. is run. Last week, it professed satisfaction with progress, reelecting Fritts unanimously and praising job Summers is doing with lobbying. "It's obviously working much better having Eddie clearly in control and accountable," said member of exec. committee. But another member said: "Don't be fooled; he's [Fritts] not out of the woods yet, but he did need some breathing space, some more time, and it seemed in our best interests to do that."

President Reagan praised broadcasters during brief session with them June 21 in Exec. Office Bldg., called attention to their efforts to curb drunk driving. In briefing broadcasters also heard from Defense Secy. Weinberger, Transportation Secy. Dole, Treas. Katherine Ortega and Press Secy. Larry Speakes. Broadcasters should "take in account the new realities and give a fair reading of events," Reagan told group.

Suggestions that composition of exec. committee be expanded by including radio networks representative and by deleting TV networks representative were shelved after much discussion. "Everybody agreed it's working well now, so if it ain't broken don't fix it," explained Schmidt.

"The board recognized in Maui that some slight modifications in the organization and staff were in order," said Fritts, adding: "From all indications, that plan is working well. Staff morale is high; we're all marching in the same direction. I don't think I've observed the board as unified in 7 or 8 years."

Here are TV districts and members assigned to them: (1) Me., Vt., N.H., Mass., Conn., R.I. -- Turner. (2) N.Y., Pa. -- Leslie Arries, Buffalo Bestg. pres. (3) N.J., Del., D.C., Md., Va., W.Va. -- Peter Kizer, Evening News Assn. exec. vp. (4) O., Ky., Tenn. -- Donna Zapata, WHAS-TV Louisville vp & station mgr. (5) N.C., S.C., Ga. -- Wallace Jorgenson, Jefferson Pilot Bestg. pres. (6) Fla., P.R., Virgin Islands, Ala. -- William Dunaway, WTHR-TV Indianapolis vp-gen. mgr.

(7) Wis., Ind., Mich. -- Michael McCormick, WTMJ-TV Milwaukee pres. (8) Minn., Ia., Ill. -- James Dowdle, Tribune Bestg. pres. (9) Okla., Ark., La., Miss. -- Gregory Stone, WSOC-TV Charlotte vp-gen. mgr. (10) Tex., N.M. -- Robert Munoz, KCIK El Paso vp-gen. mgr. (11) Kan., Mo., N.D., S.D., Neb. -- William Bengtson, vp-gen. mgr. KOAM-TV Pittsburg, Kan. (12) Mont., Wyo., Colo., Ariz., Utah -- Holley. (13) Wash., Ore., Alaska, Ida., Nev. -- Crawford Rice, Gaylord Bestg. exec. vp. (14) Cal, Hawaii, Guam -- Wallace Dunlap, Westinghouse Bestg. & Cable senior vp. TV board members still will be elected nationally, appointed to districts after they're seated. Radio board for years has elected members by districts.

TV board actions & recommendations to Joint Board: (1) TIO Committee was expanded from 9 to 11 members. Joining board are Thomas Dargan, exec. vp of KATU Portland, Ore., and Jack Rosenthal, Harriscope Bestg. pres. (2) TV Board recommended (as did Radio Board) that Committee on Local TV & Radio Audience Measurement (COLTRAM) be re-established and that Research Committee be expanded. Research & Legal Depts. were instructed to study recommendations and report to exec. committee. (3) TV board also suggested that number of NAB members on Electronic Media Rating Council be studied and considered at Jan. board meeting. (4) TV Board voted to release annual TV Financial Survey only on market-by-market basis.

Resolution urging FCC to reverse decision to stop arbitrating call letter disputes was adopted. Meeting was first time in memory of many that all 46 members attended.

FBI is investigating N.J. firm selling STV decoders by mail to consumers in Washington area, according to official of Super TV, which operates Washington-area STV. Official told us that he expects civil & criminal actions to be brought against A.B. Kaufmann Assoc., Livingston, N.J. company that mailed flyer offering boxes "enabling you to view all phases of Super TV -- a \$30 monthly service -- for \$225 outright." Kaufmann official told us June 19 that promotion was "mistake," that future mailings will make clear that buyers are required to pay for STV service.

Denver police have formed special crime unit to track down murderer of KOA(AM) talk show host Alan Berg, who was shot June 18 in driveway of his home. Station has offered \$10,000 reward for information in slaying of Berg, personality at KOA since 1981 who was featured in Feb. 60 Minutes segment. Acid-tongued Berg had received flood of hate mail and threatening phone calls, police said.

FM broadcasters are more likely to be affected adversely if broadcast radiation tolerance levels are lowered by factor of 10 under proposal being studied by Environmental Protection Agency. Current voluntary workplace standard is 1,000 microwatts per sq. cm of human skin, set by American National Standards Institute (ANSI). FCC Office of Science & Technology spokesman said level for general public probably will be lower, but proposed level of 100 microwatts would cause problems for only few broadcasters. EPA expects to make recommendation this summer.

Minority ownership conference will be held June 28 at Marriott Hotel, D.C., organized by NTIA's Minority Telecommunications Development Program, FCC and Minority Business Development Agency. Co-sponsors are BROADCAST, National Black Media Coalition, NAB, NRBA. NAB Pres. Edward Fritts will speak at luncheon, BROADCAST Pres. John Oxendine at morning session.

NCTA & TELCOS BARGAIN: Cable & telephone industries, as anticipated (TVD June 18 p2), began bargaining in effort to settle dispute over data transmission language in cable deregulation bill (HR-4103). Modified bill incorporating agreement between cable & cities (TVD June 4 p7) on other hot issues also began circulating. House Energy & Commerce Committee markup begins June 26. But there was still major question late last week whether cable-telco bargaining could lead to compromise quick enough to keep markup from becoming embroiled in 11th-hour controversy. At our deadline, 2 sides were working under gun on cable industry-proposed accord.

Proposal is revised version of compromise language Committee Chmn. Dingell (D-Mich.) circulated earlier in month (TVD June 18 p1). Proposal was being kept secret, but we learned it wouldn't let cable into unregulated data transmission. Sources described plan as "slightly" modified version of Dingell's 2-pronged cable services definition that included transmission of video programming and interactive services related to program selection, and one-way information delivery, such as stock reports. It left unsettled how to handle restrictions on cross-ownership and pole attachment rights.

If approved, new language would be victory for telcos. But Committee ultimatum angered telcos, which believe cable industry was given better deal (more time) to reach accord with cities than they're getting for agreement with cable industry. "It smacks of unfairness," said telco source. Telcos planned to ask for weekend meetings to discuss 2 remaining issues, but it wasn't clear at our deadline whether request would be honored. Hill sources said that Dingell staffers purposely excluded ownership & pole issues as signal compromise should go no further, and that weekend meetings weren't likely. Most Committee members have said they would prefer that HR-4103 didn't deal with data issue, but killing other provisions could cause controversy.

Industries met formally at least 3 times during week in sessions ordered by Dingell aides after Committee member Rep. Swift (D-Wash.), in own meeting with telcos, won promise of their cooperation. At bargaining table were NCTA Pres.-elect James Mooney & 4 top Assn. officials, and lower level representatives for Bell Communications Research, U.S. Telephone Assn., Communications Workers of America, National Assn. of Regulatory Utility Commissioners, and National Telephone Cooperative Assn. Top aides to Dingell refereed.

There was much skepticism throughout week over whether discussions were serious, fueled by disparity between types of representatives 2 sides sent and absence of some key players. Although telcos said they were united, they didn't send top officials to talks. "[Their] reps don't have clear authority to cut a deal," Hill aide complained. NCTA

showed strong interest in negotiating by sending Mooney & 4 top officials. There also is strong resentment on Hill toward telcos, which were blamed for holding out on entering talks until it was absolutely clear HR-4103 was going to move, regardless of what their industry did.

ABC will seek "fair" reduction in Olympic TV rights fee, but amount probably will be less than \$60 million widely rumored, News & Sports Pres. Boone Arledge said at L.A. news conference last week. He said ABC preferred to assess damage caused by Russian boycott after Games end on Aug. 13 when final ratings are known. But Arledge said he would try to negotiate reduction before Games begin because L.A. Olympic Organizing Committee needs to know its exact budget. Network has paid all but \$65 million of \$225 million fee, with \$20 million installment due July 1, \$30 million Aug. 1, final \$15 million Sept. 1. If rebate agreement hasn't been reached by July 1, ABC will pay first installment, Arledge said.

Several major TV issues will be considered by FCC June 27, including: (1) Possible rulemaking to control loud commercials; we're told Commission is likely to issue warnings but terminate inquiry. (2) Allotment of UHF channels to N.J. while at same time considering effect of network affiliation practices, low-power TV and STV on TV market in state. (3) Revision of programming & commercialization policies, ascertainment and program log rules for commercial & public TV stations. (4) Challenges to several TV & radio station licenses by National Black Media Coalition, on EEO grounds. (5) Reconsideration of recent FCC decision to stop arbitrating assignment of call letters.

Action for Children's TV has asked FCC to prohibit arrangements whereby, in return for airing particular program, TV stations share in profits from sale of products bearing name of program, its characters or devices appearing on show. Petition stems from recent offer by Telepictures to give TV stations share of profits from sale of Thunder Cats toys in exchange for airing animated children's series of same name, ACT Pres. Peggy Charren said. Petition for rulemaking is circulating in Congress, calls Telepictures plan "a perversion of programming incentives" and "an attempt to pay off stations for running program-length commercials."

Zenith has signed licensing agreement with W. Germany's Robert Bosch. Bosch will use Zenith's Z-Tac baseband addressable technology as part of new addressable cable hardware it's designing for European standards.

Televised proceedings of U.K.'s House of Lords is coming closer. Senior MPs say they're developing guidelines that would allow cameras to cover major debates beginning this fall. House of Commons last fall approved plan to let cameras into that chamber.

COPYRIGHT BILLS MOVED: House Copyright Subcommittee June 19 in 8-6 vote approved cable copyright reform bill (HR-5878) introduced only days earlier by Chmn. Kastenmeier (D-Wis.) & panel members Kindness (R-O.) & Synar (D-Okla.). Legislation reflects Kastenmeier promises (TVD June 11 p5) and omits controversial signal "substitutability" or moratorium provisions. Also approved by voice vote was draft bill repealing first-sale doctrine for audio recording industry. Kastenmeier is expected to introduce audio measure soon.

HR-5878 would reconstitute Copyright Royalty Tribunal (CRT) with 3 rather than 5 members, create fulltime CRT staff, and set guidelines for royalty rate review (TVD March 19 p4). Kastenmeier allies beat back most efforts to dilute bill, accepted only amendments by Reps. Glickman (D-Kan.), Hyde (R-Ill.) & Morrison (D-Conn.). Glickman amendment, adopted 9-4, would require CRT to consider impact that royalty rates would have on cable competition with over-the-air TV. Hyde proposal, approved on voice vote, would require CRT to consider potential increase as well as decrease that additional distant signals might have on value of cable system.

Morrison amendment made most significant change. Passed 8-6, it scrapped language that would have allowed operators to import 3 distant independent stations if there were no local independent station in system's market. New language would permit operators in every market to import 2 distant independent stations regardless of number of independents present.

In major defeat for Turner Bestg., Subcommittee rejected 4-9 promised Kindness proposal that would have allowed operators to substitute some copyright-exempt specialty stations (primarily religious & foreign language programming) with other distant independent station signals without paying usual 3.75% rate. His proposal would have benefited Turner's WTBS Atlanta and other "superstations" by increasing number of outlets that could afford their programming. Amendment also would have grandfathered existing imported distant signals at lower royalty rate. Also rejected was amendment by Rep. Berman (D-Cal.) to delay next CRT rate review until after July 1985.

Audio bill would require authorization by copyright owner before record could be rented or leased; nonprofit rentals would be exempt. Violation would be civil offense. Bill also would give songwriter right to share of royalties from rentals in proportion to that received from distribution (TVD April 30 p7). Because it's noncontroversial, audio bill should get speedy markup, probably in first week of July, Kastenmeier said. Hyde said more controversial cable measure has little chance of reaching floor because tight legislative calendar won't give House time it will need to debate hot issue.

ABC Video Enterprises has completed acquisition of ESPN, paying \$202 million to Texaco.

FCC's postcard license renewal form was upheld by U.S. Supreme Court June 18. Without comment, Court left intact Oct. 7 ruling by U.S. Appeals Court, D.C., that rejected Black Citizens for Fair Media challenge to 5-question forms adopted by Commission in 1981. Challengers had alleged that form provided insufficient information for Commission to determine whether licensee had met public interest obligations. In other actions, Court: (1) Cleared way for trial of \$60 million antitrust suit against HBO & Showtime by now-defunct Crimpers Promotions company which put on unsuccessful 1981 trade show in Las Vegas. Crimpers alleges that 2 cable networks organized boycott of show to stifle competition, that HBO & Showtime threatened not to buy movies from any supplier who attended show. (2) Let stand U.S. Appeals Court, L.A., ruling that closed-captioning of TV programming is sufficient to meet rights of hearing-impaired. Class action suit on behalf of Greater L.A. Council on Deafness claimed rights of hearing-impaired were violated by lack of open captioned programming on federally funded public TV. Case was filed against public TV station KCET L.A., CPB & PBS.

"Mutually destructive confrontation" may be on horizon for electronic information technology and philosophy of news media freedom, said Gene Jankowski, CBS Bestg. Group pres. "We have at least as many reasons to be concerned about reregulation as about the proclaimed goal of deregulation," he said in FCBA luncheon speech. For example, he said: (1) Westmoreland libel suit, where "ability of press to investigate government conduct at the highest levels... without fear of crippling penalty" is at stake. (2) Grenada invasion, where media were excluded. (3) Failed efforts at deregulating broadcasting. (4) Two Democratic platform planks on telecommunications policy -- one requests media in presidential races to "refrain voluntarily from projecting winners or characterizing races" while polls are open; other has party trying to "justify government intervention" by using goals of access, diversity & opportunity.

D.C. City Council's cable committee has recommended Capital City Cable to full council as franchisee for Washington. Capital City, headed by former Howard U. law school dean Wiley Branton, was favored in 3-1 vote over District Cablevision (in which Black Entertainment TV Pres. Robert Johnson is a principal and which would have C&P Telephone build & own system) and District Telecommunications. Full City Council, which isn't bound by recommendation, is expected to choose franchisee before July 14 summer recess. Capital City is joint venture of Potomac Cable Access, Percy Sutton's Inner City Cable and Viacom.

Scripps-Howard Bestg. has signed definitive agreement to acquire KNXV-TV Phoenix from New TV Corp. for \$26 million and noncompetition covenant. Agreement in principle was announced last month. Acquisition raises to maximum 7 TV stations owned by Scripps.

POLE ATTACHMENTS REBUFFED: Wis. Bell's entry into cable business in suburban Milwaukee has been slowed by FCC order that it must continue granting pole attachments to cable company that local officials are trying to kick out of town. If telco could have limited expansion by troubled RVS Cablevision by denying new pole attachments, it would have eased Wis. Bell's entry into local cable market via leaseback with cabler TeleNational Communications. TeleNational was granted 2nd franchise by Milwaukee suburb of Brookfield after town took action to revoke RVS's earlier franchise (TVD Oct 31 p8).

Wis. Bell already had committed to build Brookfield system for TeleNational when RVS approached it last Nov. asking for additional make-ready permits. Telco refused, citing resolutions by town council against RVS as evidence it no longer held valid franchise.

In narrow ruling June 15, FCC Common Carrier Bureau Chief Jack Smith sided with RVS, gave telco 10 days to grant additional attachments. Absent any definitive town action or court injunction, Smith concluded, RVS legally remains in business, can't be denied pole attachments.

While FCC order plows no new ground in controversial pole attachment field, it's seen as signal that Commission remains wary of phone industry as gatekeeper to cable market via attachments. "The FCC said the telco can't kick him [RVS] while he's down, especially when the telco has a vested interest in seeing him dead," concluded one communications attorney.

Later in week telco said it hadn't "made a determination as to how we will proceed" in light of FCC order. Spokesman said Wis. Bell believes FCC acted on outdated information when it concluded RVS still holds valid franchise. He said telco still plans to build 108-channel system. Also, it was learned that principals in RVS have resigned in face of mounting debt. Pres. Richard Steffan, his wife and 2 other officers of company quit 2 weeks ago.

Rep. Gore (D-Tenn.) & allies are seeking co-sponsors for HR-5176 affirming legality of private satellite TV reception. In 2-page "dear colleague" letter June 15, Gore & original co-sponsors Mitchell (D-Md.), Rose (D-N.C.) & Tauzin (D-La.) argue "home television viewing does not infringe any copyright... and after the Sony-Betamax decision by the U.S. Supreme Court, we do not believe any court" will find that it does. Letter mirrors one Sen. Goldwater (R-Ariz.) is circulating for companion S-2437.

ABC TV Affiliates Assn. board voted to underwrite closed-captioning of one network program for fall. Assn. asked National Captioning Institute to select program through suggestions from hearing-impaired viewers.

Satellite Business Systems is about to sign sale & leaseback deal on its SBS-4 satellite, scheduled for launch via space shuttle Discovery on Aug. 29, according to authoritative sources. SBS asked FCC last week for expedited approval of request to modify SBS-4 with 40-watt spotbeam transponders for use by Satellite TV Corp. in its early-entry DBS service. Request for approval is pro forma: In reality, satellite already has been modified, is now at Kennedy Space Center awaiting processing. SBS noted in filing that it needs formal approval of modification so that it can complete new financing arrangements for SBS-4. If sale-leaseback is completed, it would mean injection of cash for SBS. Company wouldn't identify prospective purchaser of SBS-4 or its price. However, based on current trends, value of transaction to SBS probably is in \$200-\$300 million range.

U.S. Satellite Bestg. (USSB) Pres. Stanley Hubbard wouldn't reveal details of contract with RCA Astro to build DBS satellites except to say deal was "firm, binding" agreement for construction of 2 birds. USSB's FCC filing last week attempted to show due diligence in launching system, asserted slots requested -- 101 & 148 degrees west -- were now uncontested. FCC later ruled that CBS hadn't yet met diligence requirements showing it intended to go ahead with its system. CBS also had filed for those slots, has until July 17 to meet requirements. Hubbard said that USSB wouldn't build spares unless it needed them, that reliability of satellites was such that "they probably won't be needed." Contract between companies was signed June 19.

"Emergency grant" of \$30,000 has been made by National Endowment for Humanities Chmn. William Bennett to conservative watchdog group Accuracy in Media to help fund 2-hour assessment of Vietnam series that aired on PBS. Series, which received \$1.2 million from NEH & \$300,000 from other federal agencies, repeats on PBS beginning July 3. AIM tape will be offered to public TV stations as close to rebroadcast as possible. Bennett said NEH received 300 letters complaining of biased & inaccurate reporting during original broadcasts. AIM film has budget of \$80,000-\$90,000. Dick Ellison, exec. producer of series, said he wasn't aware of errors or serious distortions, but said 5 "small" corrections were incorporated into PBS tape for rebroadcast.

C-SPAN is scaling back some live coverage of Congress -- but only for annual Democratic-GOP baseball game. Daunted by last year's 5-hour, 17-17 tie, C-SPAN decided to skip this year's game played June 20. Game telecast last year was part of C-SPAN plan to expand coverage to include lawmakers at work & play.

American Space Foundation wants "space plank," endorsing permanent manned space station, included in both Democratic & GOP platforms. Plank also would call for increased commercialization of space and recognition of strategic importance of space as vital to national security.

MTV & NICKELODEON GO PUBLIC: Long-awaited attempt by Warner Amex Satellite Entertainment (WASE) to spin off MTV & Nickelodeon as public company has come to pass with stock offering by new venture MTV Networks Inc. Company expects to sell about 5.1 million shares at \$16-\$18, should raise \$80-\$90 million, in meantime plans to borrow \$75 million to cover assets purchased from WASE partners American Express & Warner Communications.

Partners have invested more than \$100 million in WASE, would get \$67.7 million and retain 66.1% ownership of MTV Networks, 90.7% of voting rights. MTV Networks was incorporated Feb. 22, according to prospectus filed last week with SEC, with Drew Lewis as chmn., John Schneider as pres.-CEO and Robert Pittman as exec. vp-COO -- same posts 3 held at WASE; Mark Mitzner moves from vp-treas. to senior vp-chief financial officer.

Spinoff is timed to take advantage of change in fortunes of MTV & Nickelodeon, which racked up combined losses of \$82 million before 1984. Now each is in black. For 3 months ended March 31 (including pre-incorporation figures), MTV had pretax income of \$2.8 million on sales of \$20.5 million, compared with \$5.9 million loss on revenues of \$8.6 million during same period last year. In fact, first-quarter sales were 40% of entire 1983 total, almost equaled \$23.3 million for all of 1982.

MTV is more productive of 2 services, with ad sales (\$10.8 million), cable operator fees (\$1.7 million) and miscellaneous (\$386,000) accounting for more than 60% of Jan.-March results. Nickelodeon's numbers: \$540,000, \$5 million and \$56,000, respectively. Operating profit at MTV was \$3.4 million, at Nickelodeon \$498,000. Prospectus paints bright picture for MTV this year, claims service generated \$21 million in ad revenues during first 5 months, has additional \$29.1 million in bookings & commitments. Income is evenly spread -- last year, no one client category had more than 15% share.

Major new expense for MTV is price for exclusive use of record companies' video clips. Agreements just reached with 4 suppliers -- reported to be CBS, RCA, Geffen & MCA -- supposedly will cost \$4.1 million in 1984. Among fixed costs assumed by MTV Networks are transponder tariffs worth \$23.2 million during 1984-88 period.

Cable Networks will sell national advertising for Conn. Cable Interconnect serving 7 Conn. systems with about 300,000 subscribers. Cable Networks said agreement raises to 4.5 million number of subscribers in systems it represents.

NBC affiliate WDIV Detroit has contracted with CNN to excerpt continuous news feed for use in local newscasts. Post-Newsweek station becomes 158th TV station to take CNN feed, said Turner Program Services.

GAO CRITICAL OF STATE: Much-ballyhooed State Dept. "home team" for 1983 Regional Administrative Radio Conference (RARC) comes under fire in draft General Accounting Office (GAO) report we obtained. It questions "extent of telecommunications expertise" in Office of Coordinator for International Communications & Information at State headed by Diana Dougan, urges changes, including better preparation for future International Telecommunication Union (ITU) technical sessions. But draft agrees with State Dept. allies that international telecommunications policymaking should rest there, not at Commerce Dept.

Commenting on coordinator's performance at RARC, draft notes that most of State's preparatory work for session was initiated before Dougan was appointed and that office was understaffed. But special "home team" of agency experts that Dougan considers significant achievement actually contributed little to success of RARC, it said: "The home team was asked for little support."

Feud between Commerce & State Depts. is soft-pedaled. But draft, in contending that authority for international telecommunications policy should rest with State, recommends Dept. take lead by better defining coordinator's role. Preparations for future ITU sessions must be improved, draft asserts, including involving State political experts in preparations early, having them as members in U.S. delegations to sessions.

Lawrence Grossman, NBC News pres., repaid former employer PBS June 12 for \$125,000 interest-free loan he was given in 1982 to help finance purchase of house in Washington. PBS board said loan was made as incentive to keep Grossman from taking other job offers. He left PBS in mid-Feb., had 2 years to repay loan. Salaries of presidents of PBS, CPB and NPR are capped at cabinet member levels -- \$82,900. Disclosure of loan led Congress to pass law prohibiting such loans within public broadcasting.

ABC will sell ABC Entertainment Center in Century City, L.A. to Entertainment Center Assoc. for undisclosed price, officials said June 22. At same time, network inked leaseback agreement with ECA under which ABC will continue to occupy its offices in complex, which encompasses 600,000 sq. ft. of offices, restaurants, theaters & shops. ESA is affiliate of Pacific Financial, diversified real estate group centered in Beverly Hills.

ABC assets increased slightly in quarter ended March 31 from about \$2.09 billion to \$2.13 billion, according to SEC filing. Quarterly revenues, aided by steep climb in broadcasting (from \$588 million to \$747 million), rose to \$837 million from \$663 million in 1983 period. Earnings were up 72% to \$23.9 million from \$13.9 million in 1983 period (81¢ vs. 48¢) but cash dividend remained at 40¢.

Proposed reforms of FOI Act (S-774 as modified by Sen. Leahy [D-Vt.]) are "too controversial" to win passage this year, predicted Govt. Information Subcommittee Chmn. English (D-Okla.). Proposal would sharply limit public access to law enforcement records, lengthen time limits for govt. agency responses to FOIA requests, permit businesses to block release of information about them at least temporarily and set high fees for copies of files. English said Subcommittee might introduce scaled-down version containing only widely supported business review language.

Backe Communications, whose acquisition of WJIM-TV Lansing, Mich. and WKBT LaCrosse, Wis. will close on July 13, today will name James King, former pres. & CEO of Corinthian Bestg., to positions of Backe pres. and gen. mgr. of Lansing station. King left Corinthian when Dun & Bradstreet sold group owner to A.H. Belo. Peter Good will continue as vp-gen. mgr. of LaCrosse station, company will announce, according to authoritative source. Backe, using financing from Bank of Montreal, plans other acquisitions this summer, source said.

Cowles Bestg. will be merged into H&C Communications, with Cowles stockholders paid \$46 per share in deal valued at \$182.5 million, companies said June 22. Acquisition of Cowles' 2 TV stations (WESH-TV Daytona Beach/Orlando, Fla. & KCCI-TV Des Moines) puts H&C, which already owns 6 stations, over FCC limit. H&C has agreed to sell WTOK-TV Meridian, Miss. to reduce number of outlets to allowable 7. Meeting of Cowles shareholders to consider sale will be held this fall. H&C is privately owned with hq in Houston.

Cable universe expanded by just over one million subscribers from Feb. to May, according to Nielsen's latest estimate. Nielsen puts penetration as of May at 42.5% or 35,783,000 homes. Nielsen Feb. numbers were 41.2%, 34,740,300 homes. Arbitron has estimated penetration as of May at 40% or 33,572,200, up from Feb.'s 39% or 32,546,800. Television & Cable Factbook puts universe of basic subscribers at 32 million as of June 1; figures are based on questionnaire returns from systems serving 98% of subscribers.

Democrats were expected on June 23 to adopt as part of platform plank pushed by Sen. Hart (D-Colo.) delegates that "we support the Fairness Doctrine and equal time requirements, along with other laws & regulations on the electronic media which encourage or require responsiveness to community needs and a diversity of viewpoints."

PBS stations have 50% more time to display credits of program underwriters. PBS executive committee increased time allowed to 15 sec. from 10 sec. June 22 during D.C. meeting. Stations and corporate supporters also will consider tentative guidelines to govern process, draw fine line between commercials and public TV's enhanced underwriting.

FCC will forbear from regulating tariffs of Southern Satellite System's point-to-point terrestrial microwave facility connecting WTBS Atlanta with SSS uplink facility in Douglasville, Ga. Commission previously decided to streamline regulation of such non-dominant carriers, grant forbearance on case-by-case basis. SSS petitioned for forbearance; there was no opposition, and Common Carrier Bureau Chief Jack Smith granted petition June 19.

TELEVISION DIGEST & CHASE ECONOMETRICS LAUNCH COMPUTERIZED CABLE DATABASE

Television Digest Inc. and Chase Econometrics of Bala Cynwyd, Pa. announced last week that they have entered into a joint venture to offer Fact-Track, a new, computerized cable TV database. Fact-Track will be a regularly updated, on-line computer service affording access to the cable TV information published in the Television & Cable Factbook and will be offered on a subscription basis.

Fact-Track will feature cable TV market research and industry analysis in a flexible format not available elsewhere and will be useful to people involved in all aspects of the industry. Subscribers will be able to select from a wide range of criteria to create current, customized reports on the status of cable TV in the U.S. Demographics from the 1980 census, as well as information not published in the Factbook, also will be available.

"Fact-Track will be an invaluable source of information for executives making the serious decisions used to position their companies in the very volatile cable television business," said Albert Warren, editor & publisher of Television Digest. John Zamzow, general manager of Chase Econometrics, said: "Fact-Track is an ideal application of our on-line capabilities for cable television planners."

Television Digest has been covering the growth of cable TV since 1949. Television & Cable Factbook is widely recognized as the leading source of information on U.S. cable systems, broadcast TV and allied fields. Chase Econometrics, a subsidiary of Chase Manhattan Bank, offers an array of consulting services including economic forecasting, software development and data distribution.

For more details and information on becoming a charter subscriber to Fact-Track, please contact Lynn Levine, director, Factbook Research, at 202-872-9200.

Personals

Brandon Tartikoff, NBC Entertainment pres., reelected pres., Hollywood TV & Radio Society; elected officers: Andrea Baynes, 20th Century-Fox TV, vp; David Braun, Wyman, Bautzer, Rothman, Kuchel & Silbert, secy.; Charles Fries, Fries Entertainment, treas... Colin O'Brien, ex-General Instrument, named pres.-CEO, Times Fiber Communications effective July 1, succeeding retiring William Lynch as pres., and Lawrence DeGeorge, former CEO-chmn., as CEO; DeGeorge remains chmn.

Elected Federal Communications Bar Assn. officers: Jonathan Blake, pres.; Gene Bechtel, vp; Raul Rodriguez reelected secy.; Thomas Carroccio, asst. secy.; Erwin Krasnow, treas.; elected to exec. committee: James Hobson, Sally Katzen, Richard Zaragoza... Walter Schaar advanced to gen. mgr., Cox Cable, Yakima, Wash... Marsha Greenberg promoted to east coast dir.-ads, promotion & publicity, Warner Bros. TV... Larry Howe, new business development vp, American TV & Communications, appointed exec. committee chief of staff.

HBO Chmn. Frank Biondi addresses National Press Club June 26 on "Cable & the First Amendment"... Howard Cosell will receive special award at Sept. 16-19 Radio Convention & Programming Conference in L.A. for his "long-term involvement and continuing contribution to the radio industry"... Julie Alex, advanced to programming vp, WPIX N.Y., succeeding Donna Hutchinson, resigned; Liz Goldberg advanced to succeed Alex as operations vp... Richard Rheingold, ex-WJZ-TV Baltimore, appointed news dir., WMAQ-TV Chicago... George Boggs, ex-KAYU-TV Spokane, named WRGT-TV Dayton operations mgr.

William Gamble advanced to deputy assoc. administrator, Office of Spectrum Management, NTIA... Elliott Abrams, ex-Abrams & Zeiger consulting, named exec. vp-acquisitions, ITC Entertainment... Promoted at Malrite Communications: Jim Wood to radio programming vp; Dean Thacker to vp-gen. mgr., WHTZ(FM) Newark; James Gregori to vp-gen. mgr., KPPL(FM)/KLAK(AM) Lakewood, Colo.; John Bailie to vp-gen. mgr., WAWS-TV Jacksonville... Sarah Kraft advanced to affiliate relations mgr., Turner Program Services... Marc Giattini, ex-National Public Radio, joins Washington law firm Baraff, Koerner, Olender & Hochberg... Robert Diorio, ex-Orcatech, named Washington, D.C. area sales mgr., New Media Graphics... Michael Morin advanced to vp, Comsearch Mass Media Services Div... Claude Macrina, ex-Cygnus Satellite, named domestic sales mktg. mgr., Hero Communications.

Ex-FCC Comr. Abbott Washburn elected a dir., Telepictures Corp... Reagan Ramsey promoted to KGW-TV Portland, Ore. news dir... Peggy Keegan, ex-Rainbow Programming Services, named Viacom

Cable PR mgr... Richard Platt, ex-Australian Ch. 10 network, appointed Sky Channel programming head... Howard Burkat, ex-Entertainment Channel, appointed station relations district mgr., ABC TV... Walter Flynn, ABC TV spot sales vp, reelected chmn., TvB national sales advisory committee; David Allen, Petry TV pres., reelected vice chmn.; Neil Kennedy, MMT sales, elected a dir.

Charles Warren, WNET N.Y. senior vp-gen. counsel-chief administrative officer, resigned June 15 to seek seat of Republican state Sen. Roy Goodman; Gary Knell named acting gen. counsel... Ellen Rodman, ex-NBC, named Group W corporate communications dir... Elected International TV Assn. officers: Steve Mulligan, Allstate Insurance, pres.; Louise Coats, BDM Corp., vp; Tim Donovan, Wausau Insurance, secy.; David Smith, U. of Tex., treas.

Richard Stamberger, NCTA special projects dir., named White House Fellow for 1984-85... James Cofer, ex-Harris, named antenna products line mgr., Scientific-Atlanta... Pat Hazan advanced to station services dir., AP Bestg. Div., succeeding Sofia Mannos... William Judge promoted to senior vp-worldwide licensing, Children's TV Workshop Products Div.; Anna Hays advanced to CTW Products editorial dir.; Pat Tornborg moves up to product development dir.

Joe Kreder promoted to WDIV Detroit asst. sales mgr... Frederick Harris advanced to senior vp, Dow Jones, remains chief financial officer... Earl Gomersall, ex-Motorola, named Nielsen vp-technical development dir., new post; Ralph Bartolotta advanced to dir.-universal product code development, new post... Arnold Huberman, ex-Entertainment Channel, appointed ACTV senior vp-programming/mktg... Samuel Labate, Bolt Beranek & Newman dir. & ex-chmn., elected a dir., Epsco... Jack Christian, National Radio Bcstrs. Assn. development vp, resigns June 30... John Cook, WIQI(FM) Tampa pres.-gen. mgr. and Gannett Radio Div. vp-national program dir., promoted to programming senior vp of division, continues at WIQI(FM); Gerald DeFrancesco, KITS(FM) L.A. programming vp, adds Div. contemporary programming vp title.

Attorney Rafe Engle appointed pres.-CEO, Selkirk Communications, succeeding J.S. MacKay, who becomes chmn... Robert McConnell promoted to Infomart pres.-CEO, succeeding William Hutchison, interim pres... Merrell Hansen advanced to pres.-gen. mgr., KUSA(AM)/KSD(FM) St. Louis... David Persson promoted to Electronic Media publisher, succeeding Gerard Byrne, who is advanced to N.Y. Business publisher; Ronald Alridge advanced to editor, succeeding Robert Harris, promoted to N.Y. Business editor.

SFN will buy Western Bestg., which owns WJBF Augusta, Ga., WTVM Columbus, Ga., WAPA-TV San Juan, and 3 Mont. radio stations, for undisclosed price.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

STATE OF THE INDUSTRY

Sales to dealers, from EIA, for week ended June 8 (23rd week of 1984):

	JUNE 2-8	1983 WEEK	% CHANGE	MAY 26- JUNE 1	23 WEEKS 1984	23 WEEKS 1983	% CHANGE
TOTAL TV.....	389,876	375,665	+ 3.8	280,889	8,388,938	7,530,968	+11.4
TOTAL COLOR...	217,345	243,832*	-10.9	236,956*	6,428,976*	5,282,017	+21.7
DIRECT-VIEW..	214,280	241,701*	-11.3	234,415*	6,360,798*	5,230,292	+21.6
PROJECTION..	3,065*	2,131	+43.9	2,541*	68,178*	51,725	+31.8
MONOCHROME....	172,531	131,833	+30.9	43,933	1,959,962	2,248,951	-12.8
TV EXCL. PROJEC.	386,811	373,534	+ 3.6	278,348	8,320,760	7,479,243	+11.3
HOME VCR.....	98,773*	60,349	+63.7	103,492*	2,487,940*	1,349,545	+84.4
COLOR CAMERAS...	4,860	9,102*	-46.6	7,885*	169,192*	138,568	+22.1

Color TV (direct-view) 5-week moving average: 1984--254,292*; 1983--209,119 (up 21.6%).

Home VCR 5-week moving average: 1984--107,427*; 1983--62,949 (up 70.7%).

* Record for period.

TV & VCR IMPORT RECORDS SET IN APRIL: Whatever impact Korea-Taiwan color TV dumping finding is supposed to have on incoming shipments, it certainly didn't show up in April. Surge in imports from those countries and from Japan helped set new all-time monthly highs for TV, Commerce figures show. Also hitting record were VCR imports.

Total imports of color & b&w TV in complete & kit form doubled in April to 1.71 million, breaking previous monthly high of 1.29 million set last Oct. Total color rose 88% to 874,400, topping former high of 826,700 of last Dec., while b&w soared 124.3% to 840,500, shattering record of 640,600 that had stood since Oct. 1978. In year's first 4 months, total imports gained 57.2% to 4.98 million, with color ahead 66.5% to 2.93 million, b&w up 45.7% to 2.05 million.

While overall color import record set in April came from strong increases in both complete & incomplete sets, neither of those categories set new highs. With help of more than doubled shipments from Korea & Taiwan, and nearly doubled imports from Japan, imports of complete color jumped 112.4% to 533,600, 2nd highest monthly total on record (after 567,800 of last Dec.) That put 4-month total at 1.82 million, up 93.5%. Chassis & kit imports rose 59.3% to 340,000, also 2nd best (record of 350,200 was set in Sept. 1979). For full period, imports of incomplete color were up 35.5% to just over 1.1 million.

Reason behind major rise in b&w is something of mystery considering sluggish performance so far this year as reflected in EIA's sales to dealers, which show volume off 11.7% to 1.48 million in first 4 months, and even steeper decline in May. In complete sets, EIA said April gains were registered across board, with imports of 10"-&-under nearly tripling to 236,900, larger sizes (primarily 12") doubling to 603,400. In tinyvision, growth was led by TV-only models, up 252.4% to 150,200, while minicombos jumped 123.3% to 86,700. For full period, total 10"-&-under rose 131.2% to 700,100, with TV-only ahead 177.3% to 458,400, combos up 75.8% to 241,700. Imports of bigger screen sizes gained 22.9% to 1.35 million.

VCR monthly import record of 671,900 set in March was erased from books in April, when shipments hit 754,200, up 178.3% from same month last year, putting 4-month total at 2.44

million, up 158.1% and only about 200,000 short of total for all of 1982. In other video equipment imports, total camera shipments rose 68.8% to 49.3%, as color gained 87.9% to 40,300, b&w edged up 16.1% to 9,000. Full period camera imports of 208,200 were ahead 60.4%, with color at 172,900, up 72.9%, b&w at 35,300, up 7.6%. Month's imports of videodisc players rose just 15% to 8,300, lowest total of any month this year, still were up 165.9% to 45,400 for full period. Shipments of projection TVs climbed 135.8% in month to 5,500, were up 58.9% to 20,200 for 4 months.

* * * * *

Korean color TV makers got half a loaf from International Trade Administration in response to request for expedited review of latest color TV export pricing. Average dumping margins assigned to individual companies, which are used to determine size of cash bonds importers must post on incoming shipments to cover dumping duties that may be assessed, are based on investigation of pricing on sets imported before last Oct. 19. If pricing review of later imports shows reduced dumping margins, bond requirements would be lowered accordingly. Current bonds are 14.77% of import value for color sets exported by Gold Star, 15.95% for Samsung, 13.9% for all others except Anam & Korea Electronic, both excluded from determination.

ITA agreed to speed up review and, barring need for postponement, has set Oct. 31 for completion of pricing evaluation on imports through April 30, 1984. However, it declined to designate process as formal expedited effort. That would have lifted burden of posting cash bonds from importers, allow Customs to accept lower-cost performance bonds instead. While Taiwan producers haven't pushed as hard for quick review, it's understood they'll get same treatment from ITA.

SEARS HEAVILY IN MULTICHANNEL TV SOUND: Sears will begin catalog sales of \$100 multichannel TV sound (MTS) converter July 16. Its fall-winter catalog features 2 sets with built-in MTS stereo & SAP (separate audio program) capability at \$690, available July 16 & Aug. 15, as well as 19" bilingual mono set with SAP at \$460, just \$20 higher than same set without SAP. Dozen models starting at \$490 have MTS jacks.

It's understood Sears expects to offer later a stand-alone set-top MTS adaptor (basically a TV-tuning radio); similar adaptors are expected from Radio Shack, Recoton, many others. Sears' TV decoder, listed as "imported," is described as "compatible only with TVs that have stereo adaptor output jack," plugs into TV and home stereo system. Simple decoders in \$100 range have been shown by GE and announced by NAP. Zenith decoder-adaptor has built-in 2-watt-per-channel stereo amplifier, remote control receiver, is \$180. Sony unit has 5-watt-per-channel amp, lists at \$200. RCA currently has no decoders, adaptors or adaptable sets, but introduced 18 sets with built-in MTS.

Sears' built-ins: 19" remote with stereo sound system, VIR, comb filter, 4 speakers, 140 channels, due July 16; 20" remote monitor receiver with stereo sound system, side-firing speakers, 112 channels, due Aug. 15; both \$690; 19" SAP set with on-set keypad tuning, \$460. Neither Penney nor Ward fall-winter catalogs mentions MTS. (Highlights of fall-winter catalogs are elsewhere in this issue.)

Some combos just aren't meant to be. Sears' new catalog features closeout of combination microwave oven, 5" color TV and stereo cassette player at \$599.99; when introduced just 2 years ago, it was priced at \$1,600.

THE COMING SHAKEOUT IN VCRs: When TV boom started in 1950, more than 100 domestic manufacturers of monochrome TV sets were poised to take advantage of a business that was to grow far beyond even their own high expectations. In 1964, when color boom began, there were 30 left. By 1972, after 8 unprecedented years of soaring color sales on top of continued good b&w business, there were 10 left, plus 3 new ventures owned by Japanese manufacturers. Of

original 100-plus, and the 10 remaining in 1970, only 4 still survive as manufacturers. Of those, GE, RCA & Zenith were only ones to make it on their own, while Magnavox continues as unit of North American Philips.

Analogy of TV to VCR isn't perfect -- because there are no U.S. manufacturers of VCRs -- but it's good enough, with close to 40 marketers offering or preparing to offer own-brand VCRs. As boom continues & accelerates, more companies will be entering field and price competition can be expected to intensify. Things should really get hot next year when Korean & Taiwan manufacturers start exporting after expiration of licensing provisions that limit their VCR sales to home market.

Koreans in particular are looking to build volume quickly. To get it, they can be expected to follow same course they took in color and line up new group of private label customers whose initial volume demands aren't big enough to interest Japanese majors. So it's easy to envision as many as 100 brands in hectic, confusing & anarchic marketplace of 1985-86.

We've frequently commented on analogy of color TV's booming buildup days to current period in VCR. Resemblance is remarkable in terms of unit sales when years 1959-1966 in color are juxtaposed with 1976-1983 in VCR. To refresh your memory:

Year	Color TV	Home VCR	Year
1959	90,000	55,000	1976
1960	120,000	160,000	1977
1961	147,000	401,000	1978
1962	438,000	475,396	1979
1963	747,000	804,663	1980
1964	1,366,301	1,360,988	1981
1965	2,746,618	2,034,797	1982
1966	4,702,463	4,091,321	1983

Pattern has been broken in 1984. In this year's first 4 months, some 2,489,000 VCRs were sold, 44% greater than the 1,731,300 color sets sold in same period of 1967. This year will end with sales of 6-7 million VCRs, as compared with 5.2 million color TVs in 1967. Does this mean VCR has kicked over the traces and will now continue to soar in the exponential increases needed to support 40-100 brands?

It seems doubtful. Look at differences between 1967's color and 1984's VCR. U.S. population is up, providing larger universe. But more significantly, in 4 years from 1979 to early 1984, average VCR import price declined almost 40%, while in 4 years to 1967, average color TV factory price increased 5%.

Thus declining prices and larger universe could keep fueling VCR sales increases for next couple years, extending rapid growth period. But to go back to color analogy: Color stagnated in 1968-71, years analogous to 1985-88. It stayed in rut (or plateau, depending whether you're pessimist or optimist) of 5-6 million annually, while large & small TV brands either left business or were preparing to do so. Once market reaches plateau, there's inevitably cutthroat battle for market share and bodies start piling up.

At end of 1966, when sales began to level off, color TV had penetration of just under 17% of U.S. homes. Given continued high sales, this level could be reached in VCR by end of this year. Followers of VCR-color analogy may find some portent in this fact.

Booming business is great lure to bring new companies into field, but no guarantee of profits. Slight economic hiccup can bring disaster to many in overcrowded field. Witness those pioneering firms that helped build up the ever-booming TV industry, now either defunct or

operating under totally unrelated ownership: Admiral, Bendix, Capehart, Crosley, DuMont, Emerson, Hallcrafters, Hoffman, Motorola, Olympic, Packard-Bell, Philco, Pilot, Sylvania, Warwick, Westinghouse -- plus 80 or 90 that were less well-known. How many of today's household video/audio names will be trivia quiz answers of the future?

VIDMAX SUES ATARI: Vidmax, developer of Mysterydisc, first interactive home videodisc game, charges Atari with contract breach in \$2.9 million suit filed in U.S. Dist. Court, Cincinnati. Action alleges Atari pulled out of agreement to produce & market coin-op TV game Robot Rebellion being developed by Vidmax.

In suit, Vidmax says Atari agreed March 27 to make staged payments of up to \$600,000 as advances against royalties to fund game development expenses, first due April 2. In return, Vidmax was to deliver finished master videotape of game in Sept., give Atari home & computer game version rights, first refusal on all coin-op games it developed through 1986. Vidmax says it relied on Atari agreement in incurring substantial start-up costs but was put off when it requested scheduled April 9 payment of \$170,000. On May 2, brief states, Atari said it was dropping out of deal.

No reason was given for Atari's decision, but current depressed state of coin-op business is good bet. Also, under new Chmn. James Morgan, Atari is in middle of cost & project cutting effort, has adopted highly conservative approach to new products that centers on low risks and quick returns. Arcade game unit accordingly has been trimmed and is being moved from Cal. to Tex. After making big splash when introduced last year, disc-based arcade games quickly slipped in popularity, are now in as depressed a state as rest of coin-op videogame industry.

Atari "put us in a very serious position," we were told by Vidmax CEO Robert Robbins, who said "time is short" for company to find \$600,000 needed to finish program. He said he still has faith in industry, however, and is seeking to raise \$2.5-\$3 million. Vidmax needs to finance plan for 2 of 5 disc arcade games it wants to have on market by mid-1985, including one company calls convertible arcade game jukebox. "We're not looking for a Band-Aid," Robbins said.

Also still searching for more coin from coin-ops is RDI Video Systems, which has developed arcade version of Thayer's Quest game it used to demonstrate its \$2,000 home Halcyon computer-disc game system at Summer CES (TVD June 11 p16). It has installed single machine at Yellow Brick Road in San Diego, same location it used last year to test its, and industry's, first disc game, Dragon's Lair.

Bally too is continuing sales effort, and is sticking with interactive NFL Football arcade game that uses CED disc, according to Advanced Video Pres. Richard Fisher, pres. of developer Advance

Video. Although RCA has halted CED player production, it's understood Bally has enough inventory to forge ahead. We're told fewer than 4,000 units have been installed so far. Fisher says Bally will come out this summer with new Dallas Cowboys-Washington Redskins disc with improvements that overcome glitches that affected earlier releases.

Poor performance in arcades will be subject Fisher will discuss in talk at U. of Neb. annual videodisc symposium in Aug. "It's definitely a bad situation," he told us. Biggest problem has been inability of programmers to provide interchangeable discs that would revive player interest, greatly extend life of hardware.

Meanwhile, AV and Perceptronics, its hardware knowhow partner in NFL game effort, are working on home disc game version for release next year. They've formed venture, Home Video Games Partners, that is seeking \$500,000 to finance development.

Phone-Mate, which earlier this year choked on, then unloaded excessive inventory of cordless phones and became marketer of answerers exclusively (TVD March 19 p14), is getting infusion of capital from its Japanese supplier. Asahi has agreed to provide \$9 million in loans & financing, price reduction on future purchases. In return, P-M Pres. Richard Hillman has agreed to sell Asahi his entire 553,800-share holding for undisclosed price. Asahi will seek to acquire additional 155,000 shares through tender offer to outsiders. Stock purchase, valued at about \$1.77 million at current price, would increase Asahi's ownership of P-M from 9% to 42%. Last year P-M lost \$11.3 million on sales of \$45.5 million. Technicom also is being hit hard by phone market glut. Company said it expects to show \$11 million loss in quarter to June 30 because of cordless & wired phone inventory writedown by subsidiary Mura.

Japan's Toshiba will provide Samsung with technology & software for Korean language word processor. Toshiba also will cooperate with Samsung in major appliances. It's first such link between those companies. In past Samsung has relied most heavily on Japan's NEC for electronics knowhow, while Toshiba's Korean connection was Taihan, which sold its electronics & appliance business to Daewoo last year.

Mostek is spending \$8 million to expand production at IC plant in Dublin, Ireland. Company said new equipment being installed there is expected to be operational by year's end and plant workforce is being doubled to 800.

FALL-WINTER CATALOGS: Sears' prices are down on some color TVs and VCRs in new catalog, as compared with spring-summer version. Book now features 5 VHS recorders, 3 Beta VCRs.

Beta VCRs begin at \$320 (down \$60 from spring book), front-load stepup at \$490 (down \$30), Beta Hi-Fi, one-event 7-day timer, wireless remote \$690. VHS recorders start at \$470 (down \$30), front-load stepup \$490, 4-event version with wireless remote \$640, VHS Hi-Fi 6-event \$990 (Aug. 1). Single VHS portable is \$940, with new 2.75-lb. autofocus Saticon camera at \$790. CED stereo videodisc player at \$240 is down \$100. Videodiscs are listed, mostly \$19.99.

Sears color TV begins with new, shorter line of small-screen sets -- 5" AC-DC at \$270; 9" at \$230; 12" at \$260 (up \$10); 13" leader at \$290, scan remote \$340, monitor receiver with RGB & video inputs \$340. Leader 19" is \$290 (down \$10), keypad model \$340, ladder tuned set \$400, keypad model with 112 channels \$440, same with SAP bilingual sound \$460, scan remote \$440, keypad remote with 111 channels and MTS jack (2 models) \$490; 2-sided stereo 140-channel keypad remote with built-in MTS is \$690; 20" MTS monitor receiver \$690.

Table 25" is \$590, with remote kit \$50, lowest console \$540, keypad remote starting at \$578, with various consoles with MTS jack at \$680-\$980. Front projection 50" set returns to book, now at \$1,979. Sears has 5 monochrome sets, including 12-in. at \$98 with 80-character capability for computer display. Caption adaptor continues at \$280.

J.C. Penney 9" AC-DC color is \$300; 13" leader \$300, scan tuning stepup \$320, keypad remotes \$350 & \$380, keypad remote monitor receiver \$400; 19" starts at \$350, VIR 112-channel model \$480, scan remote \$470, keypad remote \$600, keypad remote monitor receiver with stereo amplifier \$650.

Table model 25" with keypad tuning, scan remote is \$700, monitor-receiver with stereo amplifier, keypad remote \$900, scan remote console \$700, keypad remote swivel console \$850. Penney now offers caption adaptor made by Sanyo Mfg. Co. (25% owned by Sears) at \$280.

Penney VCR line, which in spring book started with closeout VHS leader at \$500, now begins with carryover at \$600, stepping up to 4-event version at \$650, with 6-event 4-head version cut \$190 to \$700, new 2-event model \$800, deluxe Dolby stereo model \$1,200. Portable is \$1,300, high-end captioning autofocus camera \$1,200 -- together are \$2,000, saving of \$500. Penney has discontinued CED videodisc player.

* * * *

There are no videogame consoles or software in either Sears or Penney books, and Penney has no computers. Penney cut back on computers in spring-summer catalog, retaining only Atari 600XL & 800XL models. Coleco Adam computer and computer add-on for Colecovision game console are gone from

new Sears book, but Atari models, which were missing in spring-summer edition, are back. Sears has Atari 600XL at \$188, 800XL at \$230. It continues Commodore 64, but at \$200, down \$30 from spring-summer, has added portable Executive 64 with built-in 5" color display and disc drive at \$1,000. Sears offers savings of \$30 for buying Commodore 64 with either \$280 disc drive or \$250 dot matrix printer, \$60 with 3-piece set. Atari buyers get \$30 off console with purchase of \$350 printer, \$50 with \$380 dual-density disc drive, \$100 with 3-piece set.

Computers are in estimated 5.8 million U.S. homes for penetration of about 7%, and nearly 75% were purchased last year, according to study by Link Resources of sample 4,000 households. About half of owners spent less than \$300 on console, some 25% spent more than \$1,000, and 13% of owners said they plan to upgrade this year. Study shows 40% have hand controls for games, 34.6% own disc drives, 25% have printers. While only 12.5% have modems, more than 20% of respondents said they intend to buy them this year. They're not, however, big spenders. Nearly half said they have spent less than \$100 on software, and about same number said they won't spend that much this year. Owner demographics are upscale, about 50% having college degrees and holding professional or management jobs. Of nonowners looking to buy computer this year, 50% said they had no brand preference. Apple was choice of 40% who had specific model in mind, followed by IBM with 25%. Market leader Commodore was choice of 11%, while Atari came in with 5%.

Ad notes: Network TV ad spending on computers & software rose 12% to \$43.8 million in first quarter, according to TvB, but gain was centered primarily on personal, not home, models. IBM was outlay leader with 22% rise to \$11 million, followed by Apple's 16-fold jump to \$6.1 million. For home marketers, Coleco spent \$4.3 million, against nothing in 1983, but Commodore had 18% decline to \$5.1 million, Atari was off 14% to \$2.45 million... N.V. Philips assigns \$4.5 million U.K. TV & VCR account to Ogilvy & Mather... Datasoft names Eisaman, Johns & Laws for computer software, replacing Richard Levin & Assoc... SCM appoints Rosenfeld, Sirowitz & Lawson for computer printers & typewriters, replacing Warning & LaRosa on \$3-\$5 million account... Mitsubishi International appoints Keller-Crescent for cellular phones.

Computer software distributor SKU, now subsidiary of McKesson, is boosting discounts about 10% on sales to retailers to 50% of suggested list and absorbing shipping costs. Other side of coin is end to 90-day inventory balancing policy that allowed retailers to return slow-moving titles. SKU said there are too many titles on market, cost of handling returns was becoming excessive. Company said it hoped policy change would force retailers to be more realistic about what they stock and manufacturers to give more thought to actual salability of programs they offer.

SONY NET SOARS: Sony consolidated net more than tripled in 2nd quarter and first half on respective sales gains in those periods of 13.8% and 13.5% (see financial table). Sony said sharp earnings improvement resulted from increased production-capacity ratio, cost cutting, reduced interest expense. Also, Sony had foreign exchange gains of \$5.4 million in quarter, \$8.6 million for half, against losses in same 1983 periods.

Sony said economic recovery in U.S. was primarily responsible for 15.1% rise in sales overseas for full period to \$1.91 billion, while sales in Japan were up 9.6% to \$775.2 million. Video equipment, including tape, set overall sales growth pace, rising 15.9% to \$1.14 billion, led by 16.9% increase for Betamax VCRs to \$587.3 million. TV volume gained 9% to \$291.3 million, as color edged up 3.8% to \$522 million, b&w jumped 250% to \$34.6 million, projection systems climbed 78.1% to \$32.1 million and "other," including components, rose 50.3% to \$32.8 million. Helped by continued growth in Walkman personal portables, audio segment had 8.8% sales rise to \$280.6 million. Other products, including office automation equipment, computers and service parts, showed 29.4% increase to \$199.1 million.

Sony said that although consumer electronic sales are at high level, market still suffers from intense price competition. Despite uncertainties in world economy stemming from possible increase in U.S. interest rates, problems with debt of developing countries and conflict in Middle East, Sony said it expects business results to show continued growth in 2nd half with help of such new products as magnetic discs & semiconductors and through further efficiency improvements.

BASF annual report says consolidated sales of consumer products rose 9.1% in 1983 to \$1.78 billion, to account for 13.9% of total volume, up from 13.7% in 1982. Videocassettes provided bulk of volume gain "although harsh competition depressed prices and burdened earnings," report says. It also says company has started work on production of metal evaporated tape. BASF is metal tape technology licensee of Japan's Matsushita.

Doldrums set in with a vengeance in year's 23rd week, according to EIA figures on sales to dealers. Color TV sales for week, at 214,280, were down 11.3% from comparable week last year -- only 3rd (and by far largest) decline this year -- while video camera sales plunged 46.6%. Home VCRs ended 11-week streak of 100,000-plus sales with 98,773 (still up 63.7% from same week last year). Only other weekly record was set by projection TV, up 43.9%. Monochrome TV sales reversed recent pattern, were up 30.9% for week.

Microwave oven shipments by U.S. factories & importers rose 45.9% to 718,600 in April, bringing 4-month total to 3.24 million, up 75%, AHAM reports.

AUDIO FMA CLEARED: Though it started as tail wagged by video dog, audio-only Fair Marketing Amendment to Copyright Act, to give rights owners share of dealer rental revenues, could be law by year's end. Audio FMA is restricted to sound recordings, doesn't apply to music videos or film clips.

Measure got voice-vote approval by House Copyright Subcommittee last week, should go to Judiciary Committee this week, could be voted out before July 4 recess, be on calendar for full House consideration this fall. It requires dealers to get copyright owner permission before renting audio records or tapes, calls for sharing portion of rental income with songwriters, includes exemption for rentals by libraries and other nonprofit organizations. Similar measure cleared Senate last year.

EIA Consumer Electronics Group, which waged successful fight to block video FMA, isn't actively lobbying in opposition to audio version, though it spoke against it during hearings. There's no major audio rental activity in U.S., as there is with videocassettes. Videocassette rental opportunity now ranks among leading reasons why consumers buy VCRs, and EIA feels video FMA might result in fewer rental titles and higher fees, adversely affect hardware sales. As for audio FMA, spokesman said: "Our feeling is that it's unnecessary legislation, an imperfect solution to a nonexistent problem."

While audio FMA in itself is of little concern to EIA, it does set precedent that movie studios could use next year when they're expected to renew push for video legislation. Though it's unlikely any attempt will be made to tack video-inclusive amendment on audio FMA as it moves through House, it's still a possibility "and it's something we'll be watching like a hawk," EIA spokesman said.

Audio FMA had been longtime back-burner project of RIAA, and drive for it was renewed about 3 years ago when movie studios started push for video FMA. RIAA said it had no comment on its apparent incipient legislative victory.

Rise in cost of producing color TVs in U.S., price decline for offshore makers, is likely result of recent International Trade Commission ruling that domestic producers of refined copper need protection from rising imports. ITC will decide next week on type of relief it will recommend to President Reagan, who then will have 60 days to decide on action. Usually either import quotas or higher tariffs are called for. Industry analysts are looking for quota, estimate it would result in copper price increase of up to 5¢ per lb. in U.S., force foreign producers to sell surplus output in overseas markets at lower prices.

Up-to-the-minute book on video, just published, is "Home Video Equipment" by Marjorie Costello & Michael Heiss (HP Books, Box 5367, Tucson, Ariz. 85703, \$9.95).

LOWER EC VCR PRICING: Japanese VCR exporters are asking MITI to lower minimum pricing on shipments to Europe and, if that isn't successful, they may well ask that unit export quota be abolished at end of this year, one year ahead of schedule.

Japanese agreed to establish pricing floor voluntarily, set 4.55 million unit quota for 1983 in Feb. of that year to eliminate source of trade friction. Rapid growth of VCR exports had added to EC's trade deficit with Japan, while Philips had joined with other marketers of V2000 VCR format in filing antidumping complaint. Last Nov., following round of negotiations, quota for 1984 was set at 5.05 million and Japan agreed to continue policing prices.

Exporters now say that EC export pricing, reportedly 10-15% higher than on VCR exports to U.S., has resulted in inflow of low-end gray market VCRs from Middle East and Southeast Asia. Such re-exports aren't included in quota.

Meanwhile, combination of market slowdown in U.K. and buildup of Japanese-owned and joint venture VCR assembly operations has started taking its toll on complete VCR exports. Through first 4 months this year, Japan's VCR exports to EC were down 18.9% to 1.14 million. Dropoff stems from 52.9% fall to 342,000 in shipments to U.K. Decline of nearly 305,000 was offset only partially by 24.9% rise to 624,000 in exports to Germany and 76.1% increase to 79,000 in shipments to France, Japan's other 2 leading VCR customers.

While MITI is said to be expecting export pickup in 2nd half, some manufacturers feel they won't get enough orders to fill quota allocation for this year. Even with lower exports, VCR inventories have started to build in Europe, raising concern over possible revival of intense price competition there later this year, particularly after Philips' Matsushita-made and Grundig's home-made VHS models hit market.

Kodak could become official supplier of blank videocassettes to NFL under agreement being worked out with NFL Films Video. Company already has such a deal for movie film. NFL Films Video also is talking to Kodak about possibility of buying up to 50,000 copies of 55-min. highlights tape Superstars of the Superbowl, now scheduled for home video release in Oct. Cassette, which will carry \$40 list, would be offered at discount by Kodak to consumers buying 5 or more of its videocassettes. NFL is willing to postpone retail introduction until Jan. so Kodak promotion could be included in 36 million newspaper inserts NFL Properties plans to distribute just before Superbowl.

Prototype HDTV receiver with 40" tube for 5:3 ratio pictures using NHK's 1,125-line system, 30 MHz channels, digital convergence, has been developed in Japan by Mitsubishi. Toshiba has displayed similar tube.

MARCH TV IMPORTS: Possible impact of color TV dumping is shown in reduced growth rate of complete set imports from Korea & Taiwan. Even so, shipments set records, both for month and first quarter, Commerce figures show (TVD May 28 p11).

Despite decline in month for b&w shipments, total TV imports from Korea passed million mark in first quarter, 2 months ahead of 1983 schedule. In complete color Korea is full quarter ahead of last year, not having hit half-million level until June.

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

Total TV				
	Month	%chge.	3 months	%chge.
Japan				
total...	226,200	+64.5	589,800	+59.2
color...	162,400	+52.8	453,200	+68.5
b&w....	63,800	+104.3	136,600	+36.9
Taiwan				
total...	207,800	+ 1.4	827,200	+25.1
color...	107,600	+37.7	354,200	+62.3
b&w....	100,200	-21.0	473,100	+ 6.8
Korea				
total...	294,000	+10.2	1,151,300	+61.3
color...	180,700	+136.2	576,900	+128.2
b&w....	113,400	-40.4	574,400	+24.7
Singapore				
total...	51,200	+25.6	212,400	+48.4
color...	51,100	+47.7	211,800	+59.8
b&w....	100	-98.6	700	-93.8
Malaysia				
total...	10,400	+83.6	54,500	+48.4
color...	10,400	+194.7	48,000	+95.2
b&w....	--	--	6,500	-46.4
Hong Kong				
color...	5,600	+5567.6	12,500	+171.9
Canada				
color...	8,500	+16.1	19,500	+14.1

Complete Color

Japan...	129,000	+170.4	313,400	+79.5
Taiwan...	92,000	+26.0	311,400	+60.6
Korea...	147,300	+99.1	523,800	+124.2
Singapore	16,400	+36.5	72,500	+82.8

Color Chassis & Kits

Japan....	33,400	-43.0	139,700	+45.5
Taiwan...	15,700	+201.3	42,800	+75.7
Korea....	33,400	+1236.0	53,100	+176.6
Singapore	34,700	+53.7	139,300	+50.0
Mexico...	126,900	-16.4	392,400	+ 5.6

Recoton is developing its first major electronic accessory product -- stand-alone TV multichannel sound converter. Set-top unit is essentially stereo radio designed to receive both stereo & SAP sound channels of MTS broadcasts.

Consumer Electronics Personals

Darrell Carter, Sanyo Mfg. color TV operations exec. dir., and Charles Green, microwave oven operations exec. dir., named vps... Pete Frederiksen, former Jensen Car Audio Div. vp-gen. mgr., named vp-gen. sales mgr. for all Jensen & Advent consumer products in reorganization under Senior Sales & Mktg. Vp Jon Passini; George Pariza advanced to planning & product development vp; Rick Kruger appointed consumer products mktg. vp; Herman Miedema appointed administrative services dir.; Lee Drady, former Jensen Video Div. sales & mktg. vp, reassigned to evaluate distribution & sales of Phase Linear products.

Evan Fisher, ex-Pioneer Video, appointed RCA/Columbia Pictures Home Video national sales mgr.; Ken Kamins, ex-MGM/UA, named accounts mgr... Dale Rosenberg joins VCL Communications, U.S. arm of London-based VCL International, as creative service vp; Suzanne Morden named controller, Susan Cahill business affairs administrative asst., Niel Chamberlin dir. of film & tape traffic... Brett Markel, ex-Disney Channel acquisitions mgr., named programming vp, U.S.A. Home Video & Monterey Home Video... Candice Barth joins Key Video as eastern district mgr... Andre Macaluso named gen. mgr., Audio Plus Video International.

Frederic Boswell, E.F. Johnson pres., adds duties as CEO, replacing Richard Horner, appointed pres.-CEO of parent Western Union's Personal Communications subsidiary, newly formed cellular radio subsidiary... William Aylesworth, Texas Instruments vp-treas., adds duties as principal financial officer June 30, succeeding Vp James Fischer, retiring.

Stanley Frank, ex-CBS Educational & Professional Publishing Div. pres., appointed Encyclopaedia Britannica exec. vp, will be named pres. of new division responsible for developing home educational video & computer programs... Robert Rosenbaum, ex-Coleco electronics sales vp, joins software marketer MicroLab as sales vp... Daniel Flystra, Visicorp chmn., adds post of pres., succeeding Terry Opdendyk, resigned... Stephen Lesser, Jeannine McDowell & Thomas Mendehall named region mgrs. for TDK computer discs.

Lyle Pirnie, ex-Corning, joins Sprague as Distributor Div. dir., succeeding Bernard Shine, who took early retirement and is setting up rep firm... George Wells, pres. of GE subsidiary Intersil, adds post of gen. mgr. for GE semiconductor operations; Stephen Pletcher, ex-RCA Semiconductor European mktg. dir., joins GE Semiconductor Business Div. as European sales & mktg. dir.; Takuo Mimura, ex-National Semiconductor, appointed Far East sales dir... Vijay Marathe, ex-Fairchild Semiconductor, appointed Oki Semiconductor as operations gen. mgr.

HITACHI MOVES UP: Rapid expansion of Hitachi's VCR production apparently will push it from No. 4 to No. 2 or 3 producer in Japan, according to Japanese press reports. Hitachi's sales have soared since it became sole VCR supplier to RCA, which our market share survey showed as No. 1 brand in U.S. with 16% of market in 1983; Hitachi brand was No. 11 with 4% (TVD March 12 p12).

It's indicated that Hitachi, which early this year was producing 250,000 VCRs monthly, will boost production to 400,000 by end of this month, at least 6 months ahead of schedule. This would push it ahead of Sony, which has been No. 3 producer at nearly 300,000 monthly, and possibly even above JVC, believed to be turning out VCRs at 330,000 monthly rate, but which has scheduled increase to more than 400,000 by Aug. Matsushita continues as top producer, with about 550,000 monthly.

Public performance licensing of videocassettes has become profit center for MGM/UA Home Video, which is selling rights to schools, hospitals, other institutions, ships, & oil rigs through its Ancillary Rights Div. Company says business won't generate more than few million dollars per year at best, but will at least equal revenue from old 16mm film rental business. Detailed terms weren't available, but they involve blanket license covering all showing of MGM/UA cassettes rented or purchased, with amount keyed to number of viewers. One new licensee is La Mancha hotel in Palm Springs, Cal., which rents discs to guests for use with CED players in all rooms. MGM/UA, however, isn't extending licensing offer to bars & restaurants.

ABC's decision to shut down Telefirst, its experiment with sending scrambled movies over air to subscribers with VCRs and decoders (TVD June 18 p1), was apparently made quickly and with eye to clearing books of money-losing project before start of 2nd half of financial year. Though service ends June 30, program guide lists Terms of Endearment, Scarface, D.C. Cab & Unfaithfully Yours as major coming attractions for July. ABC said Telefirst had fewer than 5,000 subscribers; executive of studio that had been supplying films told us service never had more than 2,500.

Computer parts shortage has forced Franklin to lay off 160 of its 275 employees. Company said supply problem, particularly with disc drives, has forced 2-month delay in shipment of new CX personal computers. Company said first units won't go out until sometime in July, and volume deliveries aren't expected until Sept.

Videocassette rights battle could lead to strike by Directors Guild of America. Negotiations with producers on terms for renewal of contract that expires June 30 have bogged down over DGA demand for residual payments on movies made available on cassette.

CONSUMER ELECTRONICS VIDEO DATA BOOK

1983 Edition

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

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

Among statistics in this everyday ready-reference book:

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

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

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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
Cable TV Industries			
1984-qtr. to April 30	7,690,000	133,000	.04
1983-qtr. to April 30	7,864,000	165,000	.06
Chris-Craft Industries			
1984-9-mo. to May 31	123,969,000	5,589,000	.76
1983-9-mo. to May 31	63,157,000	1,651,000	.17*
1984-qtr. to May 31	44,645,000	2,587,000	.36
1983-qtr. to May 31	22,531,000	(1,761,000)	--
General Instrument			
1984-13 wk. to May 27	238,705,000	9,251,000	.30
1983-13 wk. to May 29	219,517,000	15,300,000	.49
National Semiconductor			
1984-year to May 31	1,655,126,000	63,960,000	.75
1983-year to May 31	1,210,499,000	(14,176,000)	--
1984-qtr. to May 31	470,807,000	24,413,000	.28
1983-qtr. to May 31	320,895,000	7,757,000	.11*
Sony^b			
1984-6-mo. to April 30	2,609,900,000	150,300,000	.65 ^c
1983-6-mo. to April 30	2,299,700,000	47,000,000	.20 ^c
1984-qtr. to April 30	1,284,600,000	76,200,000	.33 ^c
1983-qtr. to April 30	1,129,200,000	21,300,000	.09 ^c

Notes: *Adjusted. ^bAt yen's current rate. ^cPer ADR.

Blank computer disc sales rose 66.7% at factory to 219.6 million last year from 131.7 million in 1982, and value of shipments increased 55.8% to \$447.5 million from \$287.1 million, ITA said in releasing first statistical report on that product. Runaway best seller was 5.25" format used in personal computer, with units up 100.7% to 164.4 million from 82 million, and value up 164.6% to just over \$316 million from \$159.9 million. Sales of 8" discs rose 10.7% in units to 55 million from 49.7%, edged up 5.5% in value to \$131.5 million from \$121.2 million. Figures show factory pricing held relatively steady, with 5.25" slipping to average of \$1.92 in 1983 from \$1.95 in 1982, and 8" dropping to \$2.39 from \$2.44.

Karaoke singalong tape playback system marketed by Hal Roach Studios is being promoted in fliers by Sears, which also will feature it in Christmas catalog. HRS has several models, ranging from \$200 unit designed to plug into home hi-fi to \$3,000 pro model intended for bars & clubs. Sears is offering self-contained home model at \$250, music tapes at \$6.95. HRS estimates that 35,000 karaokes were sold industrywide in U.S. last year.

RCA was named Taiwan's top exporter of 1983, with shipments valued at \$182.8 million, up 11% from 1982. Among other U.S. electronics firms similarly cited: TI for \$124.4 million, General Instrument for \$120.1 million. In terms of overall sales, Tatung was island's largest electronics company again last year with \$340.3 million, up 23.4%.

TUBE PRICE MUDDLE: Picture tube industry is "heading for disaster," in words of head of one of major manufacturers. "We've had 3 years of continuous price decreases in face of continuous cost increases. The investments being asked are huge" -- particularly in square-cornered tubes -- "for trivial reasons."

Echoes another tube maker: "We desperately need price increases, particularly in view of the substantial investment" in tooling for square-cornered tubes.

RCA & GE are reported to have made very minor upward price adjustments in April but there have been no meaningful increases since 1981. New square-cornered tubes, which most of industry -- both tube & set -- privately regard as more of nuisance than real advance, are expected to be priced at significant premium over conventional tubes. This isn't only because they're substantially more expensive to manufacture but also because tube makers are determined to price them realistically to help recover additional costs. Even so, tube & glass makers see little chance of recovering conversion & start-up costs for long time.

While tube makers ponder whether they can successfully increase prices Jan. 1, they're looking nervously to glass manufacturers, who may be preparing their own increases for then.

Whirlpool & Litton have discontinued talks on Whirlpool's acquisition of Litton's microwave oven business.