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With Consumer Electronics

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INTERNATIONAL BCSTG. CONVENTION in U.K. dominated by digital video & audio, HDTV and enhanced DBS transmission systems. (P. 6)

NCTA & CITIES REACH ACCORD ON CABLE BILL: HR-4103 climbed out of grave again last week, given new life by last-minute compromise between NCTA & cities characterized by shorter transition to rate deregulation and significant changes in franchise renewal. Accord was sealed Sept. 26 when National League of Cities (NLC) & U.S. Conference of Mayors (USCM) representatives, who had been meeting with key House & Senate leaders and NCTA officials, accepted 2-year transition period (bill had specified 4 years) and language grandfathering operators who already have taken advantage of FCC's Nev. rate preemption decision.

Bill may go before full House as early as Oct. 1 under suspension of rules that would limit debate and preclude amendments. Procedure probably would mean final vote Oct. 2, permitting conference with Senate on compromise with S-66 so bill could go to President by time Congress adjourns later this week. At our deadline, House leadership hadn't approved plan to bring up bill under suspension procedure, but approval was expected.

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INDUSTRY AD LEADER in 1983 was RCA with \$212.3 million outlay, Ad Age says. GE & Sony also included in national Top 100 list. (P. 17)

CD PLANTS OPEN in U.S. & U.K., first outside Japan & Germany. CBS/Sony venture here will press 300,000 monthly. Nimbus opens in Wales. (P. 18)

TUBE PRICE RISE explored by manufacturers, feeling out set makers on 10% hikes. (P. 18)

Unclear was what kind of fuss telephone Regional Holding Cos. might put up. We learned that some telephone companies were unhappy that their House allies would be precluded from offering amendments. They were working Senate last week to win modifications in cross-ownership language that would loosen restrictions on telco-cable ownership, but that effort looked as if it would be unsuccessful. Apparently, they want at least to win codification of FCC procedure that allows telcos to apply for waiver of Sec. 214 CPs. Pacific Telesis remains committed to HR-4103, last week met with NCTA and was reassured of continued support of cable industry & Communications Workers of America for accord on provision to permit restricted cable competition in data transmission business.

NCTA's more flexible position on legislation was adopted by 16-8 vote Sept. 24 during board's 3rd meeting in Washington this summer. Meeting resulted from pressure by House Energy & Commerce Committee Chmn. Dingell (D-Mich.) to reconsider cities' final offer (TVD Sept 24 p2). Board backed off from demand for automatic 5% annual rate increase tied to right to pass through to subscribers any rise in programming costs. It settled on language allowing 5% automatic hike plus right to drop services that escalate dramatically in price. In 2nd reading of final offer, board swung 20-2 in favor of compromise along those lines.

Among 8 board members who at first voted against accord last week were Charles Dolan (Cablevision Systems), Jerry Lindauer (Prime), Gene Schneider (United), Philip Lind (Rogers), Amos Hostetter (Continental), Frank Scarpa (Community Cable Assoc.). "Dolan will oppose the bill, you can count on that," one executive said. Dolan didn't return our calls by press time, and most board members we reached refused official comment.

Details of deal were spelled out in Sept. 27 letter to Dingell from NCTA Pres. James Mooney, NLC Exec. Dir. Alan Beals and USCM Deputy Exec. Dir. Thomas Cochran. They said: "We will support the agreement... as modified... through the House and the House-Senate conference." Added as statutory language were some favorable parts of Committee report on bill (TVD Aug 6 p2), but significant changes are made in franchise renewal portion of measure.

More than 100 systems would be grandfathered on rates, according to several operators we talked with. Approximately that number of systems have been retired or have unilaterally raised rates since Nev. decision went into effect in 1983, executives estimated. MSOs holding new, big-city franchises are mostly ones opposing accord.

Three changes would significantly alter franchise renewals: (1) Operator & city can agree to bypass administrative process governing renewal and determine their own way to proceed. (2) City must determine that it won't renew franchise before administrative proceeding is triggered. (3) Language taken from Committee report states that purpose of administrative process is to protect interests of operator.

Complex administrative proceeding governing renewals thus basically becomes appeal process that many expect to be used only in situations where operator & city have major rifts. "The renewal provisions really created an adversarial proceeding where everyone was calling witnesses and cross-examining witnesses and discovering documents," one attorney said: "It was felt that that kind of atmosphere and setting should be reserved for the truly bad situations where the parties need some kind of framework to keep from ripping each other's throats."

If city denies renewal, operator has 120 days to file court appeal, instead of 60 days as bill originally specified. There also are some financially beneficial changes in franchise fees. Bill always has allowed city to collect prepaid and lump sum franchise fee payments over life of franchise so long as total payments don't exceed 5% of gross revenues. Now, interest that operator would have earned on money paid in advance to city can be counted toward that 5% cap. That can be tidy sum, especially in major cities such as Chicago, where operators have prepaid up to \$3 million in franchise fees.

Other changes: (1) Program content can't be considered when evaluating operator's

customer service. (2) City would be prohibited from considering program content in making renewal judgment.

Mooney characterized agreement as virtually identical to content of bill his board had said it would accept. "We're happy with it. It comports in every way with what our board instructed us to get." NLC spokesman called agreement victory for both sides. CATA Exec. Dir. Stephen Effros at first didn't want agreement, but changed his mind after he and his board examined new accord. In speech to Great Lakes Cable Exposition Sept. 24, he had called for taking no action "when the industry is as split as it is right now." By week's end, he said CATA was satisfied bill was as good as industry could get.

Meanwhile, Equal Employment Advisory Council (EEAC) in Washington has issued report highly critical of EEO standard in HR-4103. EEAC provides labor advice & legal aid to about 170 major companies, official said. Report to members by attorney Jeffrey McGuinness warns HR-4103 is broader than drafters realize, could be construed to apply to parent cable TV companies (Time Inc., for example), not just regional or national hqs as intended. Parity requirements that would force cable company to hire women & minorities in numbers equal to 60% of their availability in total workforce is vaguely written so that, in fact, standard would require cable companies to hire to meet quota and not for skills, report says: "It would appear... that the requisite skill limitation is to be read so broadly that it would no longer provide any real protection to an operator."

CONFRONTATION CERTAIN ON CPB FUNDING: Stage has been set for another confrontation in House with Administration over federal spending for public broadcasting. House is expected this week to approve S-607, new money bill for CPB (TVD Sept 24 p3) which already has passed in Senate. White House opposition in House is promised and 2nd veto is very likely, we're told.

In meeting last week, OMB Dir. David Stockman reiterated Administration opposition to Sens. Packwood (R-Ore.), Goldwater (R-Ariz.) & Stevens (R-Alaska). Senators said they were committed to S-607, want to let "House work its will," GOP Hill source said. Stockman said another presidential veto is "certainly a possibility," we were told. First CPB bill (S-2436) was vetoed in Aug. (TVD Sept 3 p1).

Congress is racing toward adjournment this week, has such tight calendar that only priority legislation is being scheduled. House Republicans tried to derail S-607 in Rules Committee Sept. 26, claiming it wasn't priority legislation, but were overruled. Telecom Subcommittee Chmn. Wirth (D-Colo.) defended measure at Rules Committee hearing, said that public broadcasters aren't able to get enough support from fund-raising efforts, must rely on federal govt., had to have S-607 now.

House passage of alternative CPB funding earlier in week added to fodder Republicans used to try to stop action on S-607. On Sept. 25, House accepted amendment by Rep. Conte (R-Mass.) to emergency govt. funding bill that would extend current CPB funding of \$159.5 million into FY 1987. Amendment wasn't intended to undermine S-607, Conte said, was meant only as insurance in case House doesn't enact regular authorization. But Republicans used it to argue that House already has assured adequate funding for CPB, as Wirth apparently feared GOP might. Wirth tried to dissuade Conte from offering amendment, we learned, for fear it would jeopardize Rules Committee decision.

Rules Committee recognized controversial nature of S-607, decided to give GOP critics chance to offer funding levels that Administration prefers during House floor debate. Committee set one hour of open debate, made clear that GOP amendment to be proposed by Rep. Oxley (R-O.) would be in order. Oxley wants CPB budget \$81 million below levels in S-607, which White House has signaled it wouldn't veto. OMB told key House GOP opponent Rep. Broyhill (R-N.C.), in letter Sept. 21, that S-607 is "unacceptable," said Administration

would work with Oxley in adoption of lower levels. Stockman said S-607 would give CPB \$439 million more than \$300 million President requested from Congress for FY 1985-87. Also in S-607 is FY 85-87 funding for Public Telecommunications Facilities Program administered by NTIA.

CITY CABLE OFFICERS FACE REALITY: Cities' attitude toward cable must change radically in light of FCC preemption, court decisions and impending legislation that spell death of extensive local control of cable TV, municipal cable officers were told last week. Some speakers at 4th annual convention of National Assn. of Telecommunications Officers & Advisers (NATOA) in Tucson even questioned whether cities would need cable officers in 5 years.

Traditional city control over cable rates & services will end soon, doomed by FCC's Nev. rate preemption decision and Miami franchise fee limitations, said panelist Henry Geller, dir. of Washington Center for Public Policy Research. "The FCC pendulum is swinging down on the necks of cities," echoed Washington attorney Nicholas Miller.

"The chance of cities winning [Nev. decision] on appeal are very small," Geller said of case pending in U.S. Appeals Court, D.C. He told cable officers that Commission's preemption decision "will become the governing standard. It's probably correct and it's good policy." Geller urged cities to be more innovative in approach to cable regulation and less focused on collecting franchise fees and dictating services.

"Cable wants the cities to think their prospects at the FCC are very bleak," said Miller, "and in the short term, that's true." Miller, a legal adviser to National League of Cities (NLC) on cable matters, laid some of blame on cities themselves: "The fact is, cities have virtually abdicated the FCC to the industry."

Most cable administrators we interviewed grudgingly accept deregulation of industry. Some even said they are glad not to have control over rates & services. Said NATOA Pres. John Hansman, Montgomery County, Md. cable officer: "I think we've realized that rate regulation is gone, one way or another, either through FCC preemption or through legislation. We're moving on to other things like fostering local access and stressing how cable can serve the community."

Miller criticized FCC, said it had issued "a series of ad hoc decisions [that] makes it evident the Commission has not really thought through where these decisions are leading." There's been "a lack of direction from the 8th floor which allows the bureau chiefs to step in and issue preemptions rather than set policy."

People for the American Way launched \$1 million national TV & print ad campaign Sept. 26 to counter "rhetoric of today's fundamentalist right" and merging of religious & political issues. Group was founded by TV producer Norman Lear 4 years ago.

HBO TO SUPPORT BET: Predicting Black Entertainment TV (BET) will have glowing future when all major urban areas have cable, HBO Chmn.-CEO Frank Biondi said Sept. 25 that pay-cable service has become "equity owner" in BET. HBO isn't putting up any money but is furnishing transponder time on Galaxy TR 17, which BET now leases from HBO.

Speaking at Washington seminar cosponsored by NCTA and National Assn. of Minorities in Cable, Biondi also said HBO has "under very serious consideration" removing its ban on selling directly to MDS, SMATV & home earth stations. However, he said, cable systems always will get first shot but there are some markets where "we cannot afford to be shut out."

HBO Senior Vp Don Anderson (onetime NCTA), who reports directly to Biondi, will work fulltime on BET project, Biondi said. BET Pres. Robert Johnson controls 55% of BET; rest will be held equally by HBO and earlier partners Taft Bestg. & TCI. He said some HBO shows will "fit comfortably" on BET, but probably not movies.

Biondi acknowledged there's been "abrupt and substantial" reduction in consumer demand for pay-cable services last couple of years. "Our cycle has slowed down a lot," he said. "We're now growing 15-20% a year" -- compared with 50% in late 1970s.

Speaking at same seminar, Daniels & Assoc. Chmn. Bill Daniels traced growth of cable industry, said: "We thought we might have something; otherwise all those [TV, telephone & regulators] would not be fighting us." Most of those "enemies are now friends of this industry and an important part of it," he said.

NAMIC Chmn. Gayle Greer, ATC exec. vp, said "minorities have a major role to play in this industry [but] we still have far to go." She said NAMIC provides "a perfect forum for expression of [minorities'] full professional participation" in cable industry.

Promised final hearing on network projections in 1984 elections is scheduled for Oct. 3, 9:30 a.m., Rm. 2123, Rayburn Bldg., by House Telecom Subcommittee and House Task Force on Elections. ABC, CBS, NBC & Westinghouse Bestg. will be represented, along with pollsters, other campaign officials. Film of network anchors using projections during spring presidential primaries is to be shown in effort to add pressure on networks not to use projections in Nov. Meanwhile, Rep. Swift (D-Wash.) at AWRT luncheon Sept. 25 urged group to impress upon its members seriousness of Congress's request for voluntary ban on election projections in Nov.

WHCT-TV RENEWED, UP FOR SALE: In closed FCC meeting last week that was described as "rather bizarre" by participant, Commission renewed license of Faith Center's WHCT-TV Hartford, conditioned on sale of station within 60 days. FCC already had approved 2 distress sales of WHCT-TV by Faith Center (which lost license for KHOF-TV San Bernardino, Cal. because of charges of fraudulent fund raising by religious station and refusal to comply with FCC discovery), but in both cases prospective buyers dropped out.

Bizarre part came about when: (1) Zora Kramer, asst. dir. of Office of Public Affairs for minority enterprise, sent unauthorized memo to commissioners outlining her views. Memo wasn't considered officially, we're told, was read in only 2 commissioners' offices, was rejected as "improper" by other 3. Some at Commission said it constituted improper ex parte contact.

(2) During discussion of Kramer memo at closed meeting, Daniel Brenner, legal aide to Chmn. Fowler, suggested that Commission needs to establish mechanism whereby views of bureau officials who disagree with those of bureau involved could be brought to attention of commissioners. (3) After commissioners had voted unanimously to overturn staff and renew WHCT-TV license conditioned on sale (FCC's action is expected to be announced today [Oct. 1]), staffer John Riffer, who prepared item for Gen. Counsel's Office, reportedly told commissioners they had made mistake and would be reversed in court.

Filed last June, and still pending at Commission, was distress sale of WHCT-TV for \$3.1 million to Astroline Communications, owned 20% by a Hispanic. Last Dec., white-owned Shurberg Bestg. filed competing application for station's Ch. 18. Commission has refused even to give Shurberg file number, and prospective applicant has been to court twice trying to force FCC to accept application. FCC had asked for, and received from court, permission to wait until Oct. 1 to act on WHCT-TV case. Shurberg also lost last-min. request to have item considered in public meeting.

WHCT-TV is pioneer UHF, going on air as WGTH-TV in 1954. CBS purchased station in 1956, took it off air 3 years later. Station was acquired by RKO General in 1960 and became first over-the-air, albeit unsuccessful, pay-TV station. Faith Center bought WHCT-TV from RKO in 1972.

RTNDA is expecting records in attendance and sale of exhibit space for Dec. 4-7 convention in San Antonio. For first time, RTNDA is moving into a convention center because it has outgrown most hotels. CBS newsman Douglas Edwards will keynote; luncheon speakers are ABC correspondent Sam Donaldson and NBC News Pres. Lawrence Grossman. Ralph Renick, vp-news, Wometco Enterprises, will receive Paul White Award and speak at closing banquet.

FOWLER TO SHIFT HILL LIAISON: Stung by violent reaction in Congress to FCC relaxation of station ownership restrictions, plus fact his relations never have been very good on Hill, Chmn. Fowler is about to make 2 moves to try to improve situation: (1) Legislative affairs efforts, now lodged in Gen. Counsel Office, will be shifted to Office of Public Affairs under Chief William Russell. (2) Chmn. will add professional to his personal staff to work primarily on Hill relations.

FCC legislative efforts are headed by Jackson Lee, a nonlawyer formerly active in Republican politics in N.C. He has professional staff of 3 others -- including Kent Wells, son of ex-Comr. Robert Wells. Shift of Lee's shop to Public Affairs reportedly was suggested by Russell, who we're told has become one of Fowler's closest advisers.

New FCC Gen. Counsel Jack Smith didn't oppose loss of congressional office, which some at Commission told us was "a mistake." Another added: "It's just a power play by Russell." Shift of Hill operations hasn't been approved by full Commission yet. Also shifting to Russell's office will be operation now in Fowler's office, headed by Ellen Rafferty, that responds to congressional mail & inquiries.

Fowler said move was being made because it "makes more sense to put your public affairs and congressional relations in the same office and enable more attention to be targeted to both." Another reason is that "the general counsel has so many other responsibilities that span all issues and he has not always been able to devote enough attention to congressional matters," he said. "This move is designed to target more attention to our congressional relations."

Fowler hasn't had person on his staff to work Hill since David Markey left in March to become chief of NTIA. Markey was there only few months, was brought in for express purpose of working to improve chmn.'s Hill relations, which at time were at very lowest. Markey, one-time NAB lobbyist, moved to Commission from staff of Sen. Murkowski (R-Alaska).

ABC settled \$10-million libel suit Sept. 24 -- same day trial was to start in Fairfax, Va. court -- on case brought 3 years ago by head of govt.'s witness protection program, Howard Safir, who reportedly was paid \$235,000 by network. While admitting no fault, ABC said it settled "to avoid a lengthy trial" and because it would come at "a very inappropriate time" during presidential campaign. Program in question (20/20) was aired in Oct. 1980, contained accusation by correspondent Geraldo Rivera that Safir had been "badly misinformed or [was] intentionally lying" about how many witnesses had died while under protection. Safir charged ABC with intentionally distorting his statement by editing out a portion.

BLACK COMMUNICATORS ANGRY: Rep. Leland (D-Tex.) told one group of minorities in communications Sept. 26 that President Reagan's appointment of Mark Fowler to FCC was "disastrous." Later same day, speaking to another group half mile away, FCC Comr. Rivera said that majority of commissioners has "attitude" of opposing "special efforts to help minorities [and] I have been singularly unsuccessful in helping minorities who ask for my assistance."

Leland & Rep. Mitchell (D-Md.) spoke to National Assn. of Minorities in Cable seminar, cosponsored by NCTA (see story elsewhere in this issue). Both (as did Rivera) made pitches for passage of Minority Telecommunications Tax Act of 1983 -- HR-2331 in House (introduced by Leland) and S-2987 in Senate. "I'm insisting on minority participation [in cable ownership and management] under law," Mitchell said. "You just can't rely on good faith anymore... Those who are in cable and follow a deliberate practice of excluding us are cutting their own throats."

Mitchell said he wasn't optimistic about blacks making headway in cable ownership because "a hard antipathy has developed in this country toward black business development." Leland charged that since Fowler became chmn., "FCC has become one of the most insidious federal agencies in implementing policies that have a negative impact on economically and politically dispossessed groups."

Rivera, speaking to National Assn. of Black Owned Bstrs., explained his concurrence in FCC order expanding maximums on station ownership: "My concurrence... was rather narrow, my dissent broad... It is ironic that this proceeding, which I initially found so inimical to minority concerns, may actually provide an affirmative vehicle for involving more of us [minorities] in media ownership." This is so, he said, because of congressional sentiment to allow parties to exceed ownership caps if doing so would further minority ownership. "Bills in both houses specify 50% minority ownership... so I think it will be difficult for the Commission to specify less."

Speaking to Congressional Black Caucus "Communications Braintrust" Sept. 28, Fowler described steps taken by FCC to increase minority ownership -- tax certificates, distress sales, relaxation of financial showing for new stations, waivers, comparative merits & workshops across country -- said: "We have come a long way [to help minorities]. We have a long way to go, and while we sometimes find ourselves in disagreement about which is the best way to go forward, I think we all here today want the same thing. That is a system of broadcasting and telecommunications free of racial discrimination."

NATPE moves hq to 342 Madison Ave., N.Y. 10173, 212-949-9890.

DIGITAL TV & AUDIO HIT IN U.K. Digital TV, stereo TV sound & HDTV were focus of interest at International Bestg. Convention (IBC) in Brighton, England, last week. Although little startlingly new was shown in broadcast equipment, exhibitors were generally pleased with attendance & business climate.

One hit of show, as it was at NAB convention (TVD May 7 p2), was RCA's tubeless CCD camera, shown for first time in PAL version, and company put definite Jan. delivery date on NTSC model. Also in repeat of NAB performance, Sony demonstrated 1,125-line HDTV with some improvements and superb picture on 120" projection screen, announcing it would take orders for equipment but not guaranteeing it would conform to HDTV standards selected for future.

Sony demonstrated digital VTR, showing excellent 20th generation pictures, said it was proposing system as standard for digital video recording. It didn't talk about delivery dates or prices, but in panel discussion Sony & Ampex representatives seemed to agree that digital VTRs would be ready for delivery in 2-3 years. In meantime, improved models of analog VTRs were widely demonstrated, including Ampex's new VPR-6 (TVD Sept 3 p7) -- first 6 units were sold to Swiss PTT -- and Sony's new enhanced U-matic system.

Enhanced TV for use in DBS drew attention, with Philips, RCA & others demonstrating versions of MAC systems that transmit chrominance & luminance channels separately. Scientific-Atlanta displayed B-MAC system just chosen by Australia for DBS, revealing many new bells & whistles, including stereo sound, digital on-screen titles of musical selection or type of program, etc.

BBC demonstrated proposed stereo sound for TV, using digital stereo track folded into sync signal, with no change in standard mono analog track. Demonstration featured music sent by landlines from London to Vienna & back, going through 24 amplifiers en route. There was talk of using PCM encoding for stereo track, along with some reason to believe European broadcasting authorities are looking at digital system developed by Dolby and being pushed by Scientific-Atlanta, similar to one Australia will use in DBS system.

Major conference theme was digital studio equipment -- whether future would be dominated by analog component, digital component or full digital gear. Consensus emerged that all 3 would develop as major factors within next decade as broadcasting moves gradually toward full digital technology.

CBS must stand trial in \$120 million libel suit by retired Gen. William Westmoreland. U.S. Dist. Judge Pierre Leval ruled in N.Y. Sept. 24 that CBS wasn't able to show there is no "genuine issue" for jury to consider. Trial now is scheduled to start in N.Y. Oct. 9.

RCA LOOKS TO DBS 2ND ROUND: RCA Americom, which didn't press first-round DBS application, has formally asked FCC to consider its filing in 2nd round. Meanwhile, other firms whose applications were considered in first round -- DBS Corp. & Graphic Scanning -- are fighting to hold their authorizations.

"Extensive negotiations with a major company" have yielded "interest" from unnamed firm in acquiring capacity on RCA's planned DBS system, company told FCC. In letter to Mass Media Bureau Chief James McKinney, RCA acknowledged that plan to defer launch until 1989 would mean application would "be considered as a part of the next DBS processing group." In fact, by not meeting Commission's July 17 first-round deadline either to begin construction or have construction contract for satellites, RCA in theory forfeited its authorization. FCC sources told us it's not a given that original application will simply be passed along to next round.

RCA argued that broad "modifications" it had made in first application could be accommodated in 2nd round "without prejudicing the rights of any of the first or 2nd round of applicants." RCA acknowledged negotiations would lead to "contractual arrangement" only if it were in position to deliver DBS system by a "date certain."

Another first-round straggler, Graphic Scanning, filed letter with Commission saying it had confirmed "principal terms and conditions" of construction contract with RCA Astro Electronics and that formal agreement was imminent.

DBS Corp. is trying to persuade skeptical Commission that it has met due diligence requirements. Pres. Wilbur Pritchard, in letter to Chmn. Fowler, contends that submissions DBSC has made already should have met such requirements and any further financing effort is hindered by FCC's withholding certification. If FCC were to deny final approval of DBSC, "you will kill our company with a stroke of your pen," Pritchard wrote.

Two deadlines have passed for companies to prove they have met FCC requirement to show due diligence in financing & building system. Only STC, U.S. Satellite Bestg. and Dominion have met that test, but Commission has yet to revoke formally authorizations of any companies in first round. That was item on FCC agenda Sept. 26, but it was pulled at last minute. We're told that Commission was set to wrap up all DBS matters pertaining to first-round applications, but that Comr. Dawson had further questions about DBSC. FCC source told us item would "undoubtedly" appear on Oct. 17 meeting agenda.

Local radio billings increased 19.6% in June, 15.3% for first half, according to RAB. National spot radio sales rose 18.2% to \$605.2 million for first 6 months of 1984, up considerably from 15% predicted earlier by RAB.

FCC FUSS SLOWS NTIA MONEY BILL: Congress may adjourn this week without enacting NTIA authorization for \$16 million in FY 1985, \$16.8 million in FY 1986. House & Senate staffers working out changes to companion measures HR-5497 & S-2535 were unable to agree on amendments that would shorten 2 FCC commissioners' terms and have FCC conduct extensive study of impending White House recommendations on satellite competition.

Effort to move compromise version stopped Sept. 26 when most staffers wouldn't consider study idea being pressed by aides of House Energy & Commerce Committee Chmn. Dingell (D-Mich.). Aides to Telecom Subcommittee Chmn. Wirth (D-Colo.) & Sen. Hollings (D-S.C.) of Senate Commerce Committee adamantly opposed plan. Dingell proposal would require FCC to review impact of international satellite competition on U.S. telecommunications users, communications service providers, Intelsat, Comsat & others. FCC also would be instructed to take maximum of 10 months to review & implement whatever international satellite competition policy White House recommends.

Plan to shorten 2 of FCC commissioners' 7-year terms was proposed by Wirth aides and apparently had support of many staffers, including some from GOP. But no one at FCC was happy with plan. Hill aides wanted to shorten 2 terms so that President elected in 1988 would have opportunity to make appointments.

Under existing appointment schedule and 7-year terms, there will be no vacancies in 1989 or 1990 unless there are resignations. Plan called for shortening term of seat now held by Chmn. Fowler, whose term ends in June 1986; or shortening term of seat now held by Comr. Patrick, which ends next June; or retroactively shortening new term of Comr. Quello, which ends in 1991. Commissioners were approached with plan and, we're told, opposed it.

FCC term proposal could resurface in final hours of Congress as amendment to some other bill, we're told. Aides also had agreed on other changes, some affecting FCC, that could resurface.

"Mirror" tax bill (S-1940), which would forbid tax breaks to American advertisers buying time on Canadian stations unless Canadians start giving Canadian advertisers tax breaks when buying time on U.S. stations, cleared Senate Sept. 20 as amendment to miscellaneous trade legislation. Proposal goes to House-Senate conference, where final version will be worked out. Companion House bill doesn't contain "mirror" provision, but opposition isn't expected.

Majority of Americans turn to radio as first source of news, according to survey of 1,000 adults Sept. 14-16 by R.H. Bruskin Assoc. for RAB. Radio was named by 52% of respondents as first morning news source, TV by 31%, newspapers by 13%. Another 56% said they would turn to radio first for news in time of emergency; 43% said TV.

U.K. SHUNS U.S. CABLE IDEAS: Britain has little to learn from America's experience with cable TV technology, according to Stuart Young, chmn. of BBC board of governors. Addressing International Institute of Communications Conference in Berlin Sept. 21, Young joined growing number of Britons who are saying that cable in U.K. was stillborn.

Young said DBS is superior medium because it offers opportunity for universal service. Discussion of cable impact in Britain "has been bedeviled by comparisons with the United States" where poor program and technical quality of terrestrial broadcasting have created demand for an alternative, he said.

If cable is to succeed in Britain, it will be as interactive medium, Young said. He said that cable's problems in Britain represent "a faltering in the supposedly inexorable advance of the media & information society."

Masato Kawahara, pres. of Japanese Bestg. Corp. said: "There is no doubt that satellite broadcasting has almost unlimited potentialities for the future." He said HDTV "will soon develop into an epoch-making system with an impact as great as 70mm movie film" and that there's urgent need to establish international HDTV standard.

Coaxial cable, not fiber optics, is best way to wire Germany, according to Christian Schwarz-Schilling, minister for posts & telecommunications, who devoted portion of speech to justifying his govt.'s policy to eschew optics. Cynics in audience pointed out that Schwarz-Schilling had reason to be defensive: His wife owns major interest in company that manufactures coaxial cable.

"NBC is determined to be part of the solution to the problems society experiences with drug and alcohol abuse," according to Group Exec. Vp Raymond Timothy. Speaking at Washington conference of National Federation of Parents for Drug-Free Youth, he described NBC initiatives in entertainment programming to increase public awareness of drug abuse, said: "Drug use is not a basis for humor and addiction is presented only as a destructive habit." Meanwhile, NRBA-founded Freedom of Advertising Task Force said it would place emphasis on "education and treatment, not prohibition" of alcohol advertising on TV-radio. "The committee unanimously agreed there is a problem with alcohol abuse," Chmn. Robert Duffy, pres. of Christal rep firm said. "Prohibition, however, has not and will not be effective in solving the problem."

Australia has chosen B-MAC transmission system for DBS broadcasts from Aussat satellite to outback beginning in 1985. MAC stands for multiple amplitude compandored, refers to manner in which system separates color from b&w. B-MAC was developed by Scientific-Atlanta in cooperation with Plessey.

FCC PROPOSES CH. 19 SHARING: L.A. County Sheriff Dept. would be permitted to use Ch. 19 "or some frequencies thereof" for public safety land mobile use under rulemaking issued last week by FCC. Broadcasters object to proposal, which had been expected (TVD Sept 24 p8).

Sheriff's need "for portable radios, coupled with unique aggravating factors present in the Los Angeles basin of expansive geography and diverse topography, constitute sufficient basis for initiating the proceeding," Commission said. Dept. currently uses 39 MHz & 470 MHz, which are insufficient, Commission concluded, and all other land mobile spectrum allocated to L.A. already is assigned. Also, FCC said, with Ch. 18 KSCI-TV San Bernardino sending signal into parts of L.A., Ch. 19 station couldn't be assigned in that city.

In other actions, FCC denied: (1) Request for reinstatement by 44 low-power TV applicants whose filings for Ch. 7 Honolulu were considered incomplete. (2) Review of delegated decision denying Service Electric Cable TV request for waiver of must-carry rule for its 12-channel Sparta, N.J. system. Service objected to carrying Spanish-language WXTV Paterson. (3) Petitions for reconsideration by several broadcast groups of FCC decision allowing Monterey Peninsula TV Cable to relocate must-carry UHF station to basic tier.

Commission also set for hearing variety of charges & issues pertaining to Jesse Williams, licensee of WJRL(AM) Calhoun City, Miss. & WCSA(AM) Ripley, Miss. Charges pertain to Williams' character as well as allegations of misrepresentation & fraudulent billings.

Hughes Communications' Galaxy 3 satellite was launched on schedule Sept. 21 on Delta rocket. Solar panels & antennas also were deployed on schedule, and bird is orbiting at 93.5 degrees east, Hughes said. MCI owns 12 transponders on bird. Satellite will provide variety of service offerings, including videoconferencing, TV & radio distribution and voice & high-speed data. Galaxy 3 was last scheduled commercial payload on Delta booster.

Cable TV Industries net income more than doubled in quarter ended July 31 to \$102,000 (4¢ per share) from \$67,000 (2¢) in same period 1983, company reported. Sales totaled \$7.6 million, compared with \$7.3 million in same quarter of 1983. For 6 months ending July 31, company reported \$235,000 net income (8¢) on \$15.3 million revenue, compared with \$232,000 net income (8¢) on \$15,163,000 in same period of 1983.

Cable MSO Colony Communications (180,000 subscribers) is buying KZAZ Tucson & KGSW Albuquerque (stations have interlocking ownership), price not announced. Colony, subsidiary of Providence Journal, also owns WPHL-TV Philadelphia. Ted Hepburn Co. was broker.

Personals

FCC Chmn. Mark Fowler addresses Oct. 10 HRTS lunch, Beverly Wilshire Hotel, L.A.... Michael Eisner, ex-Paramount Pictures, named chmn.-CEO, Walt Disney Productions, succeeding Raymond Watson, who remains a dir.; Frank Wells, ex-Warner Bros., appointed pres.-COO... Promoted to Dun & Bradstreet exec. vps: James Rutter, David McBride, Richard Swank, David Fehr... Lawrence Busse, ex-WLUK-TV Green Bay, moves to exec. vp-Best. Div., Gillette Communications, recent buyer of Post Corp. stations; Frank Jonas moves from WLUK-TV to station mgr., Post-owned KTVO Ottumwa, Ia.-Kirkville, Mo.; Jonathan Murray shifts from WKYC-TV Cleveland to Post-owned WOKR Rochester, N.Y.

Harold Niven, NAB vp-conventions & meetings, moves to pres. of Best. Education Assn.; he will handle 1985 convention for NAB, continue to use office there, and NAB will pay a little more than half his salary for 2 years... NAB Senior Vp-Gen. Counsel Henry Baumann named a dir., NAB's Broadcap and subsidiary small business minority investment company Best. Capital Inc., succeeding Erwin Krasnow... Madi Ferencz joins Rainbow Programming Services as mktg. senior vp.

Bruce Fein, ex-FCC gen. counsel, joins Gray & Co. communications & information group as vp; he had been expected to join Central Intelligence Agency... Jane Wallace, ex-WAVY-TV Norfolk, appointed KTVV-TV Austin, Tex. gen. mgr... David Reaban, ex-KOLD-TV Tucson, named vp-gen. mgr., KPOL-TV Tucson... David Rosenbaum, consultant, appointed planning dir., Metromedia TV stations... Lew Freifeld, ex-WPTY-TV Memphis, named WFTS Tampa pres.-gen. mgr... Bradley Roberts, head of B.H. Roberts & Assoc. and retired as vice chmn. of Needham, Harper & Steers, appointed exec. vp of AAAA and dir. of Washington office, succeeding Charles Adams, retiring.

Ronald Den Bleyker, ex-Epson America, named mktg. mgr., Siemens Communications Systems... Cheryl Fiumara, ex-Salkin Assoc., named mktg. services mgr., Arts & Entertainment Network... Arthur Jones, London lawyer, named assoc. European antipiracy counsel, MPAA, succeeding Percy Browne... Betsy Vogel advanced to mkt. tracking mgr., Showtime/Movie Channel; Patricia Trosclair, ex-VariCom Inc., appointed western region sales mgr... Michael Murphy, Turner Bestg. Sales vp, & Steve Eden, CNN Headline News broadcast sales mgr., resign to form Entertainment Media Co., media buying service dealing exclusively with cable & syndicated TV programming, 47 E. 44th St., N.Y., 212-972-0421.

Philip Harding promoted to vp-Office of Social & Policy Research, CBS Best. Group... Edward Wollock advanced to vp-central div. sales, ABC TV... William Hynes, ABC telecommunications dir., discusses Summer Olympics

at Oct. 3 meeting of Southern Cal. Chapter of Society of Satellite Professionals, Sheraton Universal Hotel, L.A.... Al Dunning, ex-WMAQ-TV Chicago, named WTMJ-TV Milwaukee dir.-promotion & advertising... Raymond Krafft, ex-Moyer-Diebel, appointed special projects dir., Lionheart TV... Kate Kelleher, ex-Ferrari Inc., named MCA TV dir.-operations & creative services, new post.

NCTA Pres. James Mooney speaks Oct. 10 at NATAS lunch on "Cable: Where We Are as an Industry and a Regulated Business," Copacabana Club, N.Y.... Promoted to senior vps, WETA-TV Washington: Joyce Campbell, station & programming mgr.; Michael Cunningham, finance; Robert Ruggiero, operations & engineering; Sally Wells, development; advanced to WETA-TV vps: Ricki Green, news & public affairs; Ruth Kaplan, promotion & advertising; Susan Richmond, membership; Tamara Robinson, cultural programming... Ardie Bialek, national sales mgr., Katz TV Continental, adds title of div. vp.

National Black Media Coalition Chmn. Pluria Marshall addresses Oct. 1 Capital Press Club meeting, 6:30 p.m., NAB hq... William Sanders, ex-Warner Bros. TV, named vp-original series programming, HBO west coast; Laurie Goldstein, ex-Daniel Edelman Inc., appointed eastern region affiliate PR mgr... Michael Mathews, ex-KPIX San Francisco, named network operations dir., Private Satellite Network.

Joseph Flaherty, vp-engineering & development, CBS Operations & Engineering, will receive Progress Medal Award from SMPTE Oct. 30 in N.Y.; Richard O'Brien, retired managing dir.-planning, CBS Operations & Engineering, receives David Sarnoff Gold Medal Award at same luncheon... Katie McEnroe advanced to central region vp, Rainbow Programming Services.

Sally Roslow, ex-Viacom Enterprises mktg. strategy dir., appointed CBS TV Network affiliate relations mktg. mgr... William Hoffman, Warner Amex Cable senior counsel & asst. secy, promoted to vp; Wayne Hill, ex-Meeker-Mayer PR Inc., named community relations vp., National Div.

Norman Levy, 20th Century-Fox Film vice chmn., will relinquish position in early 1985 but remain in unspecified capacity... Eric Braun, ex-Telepictures, appointed consulting vp for Reymer & Gersin Assoc. TV news client stations & groups... Robert Gillespie, ex-General Foods, named D.L. Taffner/Ltd. vp... Elected to Mutual Bestg. advisory board: Kim Colebrook, WERE(AM) Cleveland; Karen Maas, KIUP(AM) Durango, Colo.; Donald Schrack, KMJ(AM) Fresno.

Lawrence Gordon advanced to pres.-COO of newly formed 20th Century-Fox TV & motion picture entertainment group... David Roland, ex-WQED Pittsburgh, named exec. vp, Blackwell Corp., TV & radio production company.

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Analysis of consulting fees paid to Albert Halprin, incoming FCC Common Carrier Bureau chief, supports his contention that he worked for opposing telecommunications interests. Halprin said his consulting fees from AT&T amounted to \$75,000 since he left Commission in spring of 1983. More than \$94,000 paid last year to Halprin and then-partner Leon Kestenbaum includes payments to both partners and expenses, Halprin told us. Most of his time was spent working for American subsidiary of Northern Telecom, biggest client, with \$85,000 in fees, Halprin said. Among other clients he named are Cable & Wireless (\$35,000), Western Union (\$25,000, although most of work was done by Kestenbaum), Ameritech (\$35,000), Nynex (\$5,000). IBM and Nippon Telegraph & Telephone also were clients, he said. Daniel Armstrong, FCC assoc. gen. counsel for litigation, has been assigned task of making in-house investigation of Halprin's business relationships and recommending to commissioners whether there would be conflict. His report is due Oct. 5.

FCC made first awards under new incentive program Sept. 25. Managing Dir. Edward Minkel received Gold Medal for Distinguished Service as creator of current management-by-objective system. Receiving Silver Medals: (1) Deputy Assoc. Gen. Counsel John Ingle, FCC's chief appellate lawyer. (2) Daniel Grosh, attorney in Common Carrier Bureau Tariff Div., for work on access charge-related tariffs. (3) Marilyn McDermott, Mass Media Bureau asst. chief, for work in reorganizing Bureau. Under new program, only one Gold Medal is awarded each year and employees may win only once in FCC career.

WNAB(AM) Bridgeport, Conn. has been fined \$5,000 by FCC for 602 violations of lowest unit rate rule for political advertising. Commission criticized station for "repeated failure to respond adequately to our letters of inquiry," charging "disparate rates among various candidates for the same classes of time." Agency also ordered WNAB to advise Commission within 20 days what actions station has taken to rebate \$6,312 in political ad overcharges.

CBS Nightwatch viewers who have personal computers and are subscribers to The Source may interact with live news program beginning Oct. 4. Charge for connection is \$7.75 per hour, Source's usual off-peak user rate. Program now has 20 telephone toll lines for call-ins but program spokesman said lines are "constantly busy." Listings for Nightwatch will be available in Source databank.

Obituary

Thad Holt Sr., 86, died Sept. 24 of heart ailment in Washington. Former deputy dir. of Works Progress Administration in Roosevelt Administration, Holt left WPA in 1937 and had been TV & radio executive in Birmingham since. He was TV consultant to VOA during 1950s. One son, Samuel, is former senior vp-programming, NPR. Other survivors are wife, another son.

ABC Chmn. Leonard Goldenson is again pressing for greater broadcaster contribution to voter education projects. Speaking at IRTS luncheon in N.Y. Sept. 24, he said ABC is undertaking "most ambitious voter education project in our history" -- involving all its operations, with spots by Dinah Shore, Reggie Jackson, Coretta King, Henry Kissinger, specials, documentaries, etc. He commended CBS, NBC and broadcast groups for similar efforts. He also urged Sun. voting, 24-hour voting, simultaneous poll closings, network sponsorship of Presidential candidate debates, support by networks for gavel-to-gavel coverage of conventions by PBS.

Metromedia, which went private last spring in \$1.13 billion leveraged buyout by 4 top executives, said it will make public offering of up to \$1.3 billion in debt securities to be backed by company's TV & radio stations. Proceeds will be used to retire bank debt accrued in buyout and for other corporate purposes. Metromedia didn't name underwriters, said it would file prospectus with SEC in mid-Oct.

WQXR(FM) N.Y. ex-controller John Leo has been arrested on charge of stealing \$145,000 from N.Y. Times station. Indictment charges him with buying that amount of electronic equipment, clothing & other items for his own use and billing station over 2-1/2 years.

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STATE OF THE INDUSTRY

Sales to dealers, from EIA, for 3rd week of Sept. and year to date:

	SEPT. 8-14	1983 WEEK	% CHANGE	SEPT. 1-7	37 WEEKS 1984	37 WEEKS 1983	% CHANGE
TOTAL TV.....	418,431	411,855	+ 1.6	339,650	13,729,386	12,673,901	+ 8.3
TOTAL COLOR...	316,002*	300,819	+ 5.0	279,822*	10,609,290*	8,961,266	+18.4
DIRECT-VIEW.	311,770*	296,379	+ 5.2	276,613*	10,493,657*	8,876,252	+18.2
PROJECTION..	4,232	4,440*	- 4.7	3,209*	115,633*	85,014	+36.0
MONOCHROME....	102,429	111,036	- 7.8	59,828	3,120,096	3,712,635	-16.0
TV EXCL. PROJEC.	414,199	407,415	+ 1.7	336,441	13,613,753	12,588,887	+ 8.1
HOME VCR.....	140,132*	77,941	+79.8	121,821*	4,339,416#	2,437,602	+78.0
COLOR CAMERAS...	10,623*	6,477	+64.0	9,373*	293,335*	246,834	+18.8

Color TV (direct-view) 5-week moving average: 1984--317,654*; 1983--277,026 (up 14.7%).

Home VCR 5-week moving average: 1984--132,222*; 1983--81,547 (up 62.1%).

* Record for period. # Exceeds full-year record.

N.Y.C. OUT FOR 1986 SUMMER CES: Though decision won't be made official until Consumer Electronics Group board votes during EIA's Oct. 8-10 fall conference in L.A., it's all but foregone conclusion that N.Y.C. has lost its chance to replace Chicago as site of 1986 Summer CES, though it still could be considered for later date.

Big Apple shot itself down at home last week during meeting at N.Y. Hilton where representatives from N.Y.C. & Chicago made convention pitches. While there was variety of reasons why N.Y.C. made itself seem less than desirable, key was inability of officials to guarantee that defect-plagued Convention Center, already year behind in construction schedule, would be fully functional by June 1986. On top of that, it was indicated that even if facility were ready to open, no more than 650,000 sq. ft. of usable roofed exhibit area would be available. CES will fill 800,000 sq. ft. at winter event in Las Vegas Jan. 5-8, and space requirements for summer usually are larger. Among other unresolved problems were doubts over availability of enough Manhattan hotel rooms for anticipated 100,000 attendees and difficulty of moving showgoers to & from Center's relatively remote Hudson River shoreline location.

Survey of CEG members who attended meeting turned up unanimous opposition to move from Chicago to N.Y. And that wasn't softened one bit even by appearance of Mayor Edward Koch at pre-WCES press party later that afternoon. "There's no way we can make a commitment to N.Y. now and take that chance they won't be ready for us," one company representative told us. It wasn't that N.Y.C. didn't mount major effort. As another attendee put it: "They showed up with a whole group and a 300-page presentation, but Chicago won out with 2 people and a couple of mimeographed sheets." As for show space requirements, "we were told we could put exhibits outside on the docks. We had the video software people in an outdoor tent at the show last June and you know the furor that caused."

Helping Chicago's position is promise that McCormick Place expansion, to be built over neighboring railroad tracks, will be open in time for 1986. Also, completion of Conrad Hilton Hotel remodeling and scheduled construction of new hotels will ease lodging crunch.

Meanwhile, CEG said Winter show in Las Vegas is now sellout, with some 1,275 space applications in and 60 on waiting list. Conferences will cover usual product areas, but with new format. Sessions will feature moderated discussion panels where, it's planned, representatives from manufacturers, retailers & media will debate industry issues. Video hardware-software & telephone conferences are set for Jan. 6, audio & computers Jan. 7. Opening day will have traditional presentation of 1984 sales figures and 1985 industry consensus forecasts, while final day will feature results of surveys of consumer buying trends & habits.

FEW STEREO STATIONS SEEN BEFORE '85: Quick survey of stations that had 1984 target dates for adding stereo sound shows most have now slipped to early 1985. Principal reason: Slower than expected delivery of equipment needed for multichannel sound broadcasting.

Four stations are known to be broadcasting regularly in stereo -- latest addition to our list being WTXN (Ch. 20) Waterbury, Conn., which serves New Haven & Hartford areas and has been stereocasting since Sept. 12. Station is converting all programs to synthetic stereo, sending out 2-channel sound fulltime; only actual stereo program is syndicated This Week's Music. We do find 6 more stations that still think they will be able to start stereo before year's end. If targets are met, there will be 3 stations covering Hartford area with stereo, 2 covering Seattle, 2 in L.A.

MTS timetable below provides evidence of postponements by at least 5 stations from 1984 to 1985. Broadcasters generally blamed slow delivery of equipment. Koplars stations, which had planned to be stereocasting in early fall from KPLR-TV St. Louis & KRBK-TV Sacramento, says its outlets are Nos. 4 & 5 on stereo generator manufacturer's list, but still had to postpone to next year.

Modification of transmitters also is extremely slow process. Eric Small, engineering vp of Modulation Sciences, manufacturer of stereo generators, told us many reasonably modern transmitters require little or no modification. "I've checked lots of transmitters," he told us, "and I haven't found one yet with a direct FM exciter that won't pass stereo." However, he added that he hasn't seen single transmitter -- including new ones -- that can carry both stereo & separate audio program (SAP) simultaneously.

Despite major holdup in stereo generators, which aren't yet in production by any of the 3 manufacturers, "some of the problems aren't so insurmountable as we first thought," said Engineering Vp Larry Ocker of Chicago's public TV WTTW, which has been broadcasting full time in stereo since mid-Aug. (Stations now broadcasting stereo are using homemade generators or preproduction prototypes.) Although there has been little testing, first reports indicate many cable TV systems can pass stereo audio on to viewers in unaltered form. There will certainly be more discussion of subject this week, in comments on FCC's proceeding on whether cable systems should be required to pass on multichannel sound of received TV stations along with video signal.

Other big gap in stereo TV is programming. Increasingly, this will be filled. World Communications Satellite TV Network, which delivers syndicated programs to stations, has added stereo & SAP channel capacity (TVD Sept 24 p4), with Solid Gold music show as first offering. Other music shows -- This Week's Music, WABC-TV's N.Y. Hot Tracks, NBC's Friday Night Videos -- already are beginning to establish pop music videos as one of first stereo categories. Of the 30 stations listed in our MTS timetable, 10 are independents specializing in music videos.

MTS TV sets are beginning to show up on open market -- WTTW says it has one Mitsubishi, one Sanyo, finds them good. More sets are being announced in new fall introductions. So far, North American Philips has record in sheer number of MTS-inclusive models announced as available -- total of 43 as it fills out abbreviated lines it introduced last spring (see report elsewhere in this issue).

MTS TIMETABLE

Now broadcasting regularly in stereo:

KOMO-TV Seattle (ABC)
 WTIC-TV Hartford (independent)
 WTTW Chicago (PBS)
 WTXN Waterbury, Conn. (ind.)

Now testing stereo & SAP:

WNBC-TV N.Y. (NBC)

Scheduled to start in Oct.:

KABC-TV L.A. (ABC)
 KIRO-TV Seattle (CBS)
 KTLA L.A. (ind.)
 WNJT Trenton (PBS), SAP programming
 for blind

Scheduled to start in Nov.:

WFSB Hartford (CBS)
 WZTZ-TV Boston* (ind.), 24-hour music

Planning early 1985 start:

KMSG Sanger-Fresno, Cal.* (ind.)
 KNBC L.A. (NBC)
 KPLR-TV St. Louis (independent)
 KRBK-TV Sacramento (ind.)
 KRLR Las Vegas (ind.)
 KWHY-TV L.A. (ind.)
 WHYY-TV Wilmington-Phila. (PBS)
 WMAQ-TV Chicago (NBC)
 WNET N.Y. (PBS)
 WRC-TV Washington (NBC)

WTBS Atlanta (ind.)
 KSMW Spokane* (ind.)
 KWHP Boise* (ind.)
 new station, Idaho Falls* (ind.)

Reportedly planning 1985 start:

WFBN Joliet, Ill. (ind.)
 WGNX Atlanta (ind.)
 WJTC Pensacola, Fla.* (ind.)
 WLXI-TV Greensboro, N.C. (ind.)
 WPWR-TV Aurora, Ill. (ind.)

Network plans:

ABC -- Plans intermittent stereo
 broadcasting this winter, stereo &
 SAP programming in spring.
 CBS -- Says it's committed to
 stereo broadcasting.
 NBC -- Networking 2 programs in
 stereo, plans regular start in
 spring 1985 on N.Y., Chicago & L.A.
 owned stations.
 PBS -- Now networking most music in
 stereo; hopes to convert all
 affiliates in 1985.

(This table will be updated in future
 issues as information becomes
 available.)

*Construction permit, not yet on air.

Projection TV sales failed to set weekly record in year's 37th week -- only 2nd week such a mark wasn't set in 1984 (see State of the Industry). In first 3 weeks of 5-week Sept., VCR sales were 75.2% ahead of Sept. 1983. If same margin continues, month's sales will total 800,000 units vs. previous record of 601,787 set in Dec. 1983. Color TV is 14.1% ahead for month. This pace, if maintained, would result in sales of 1.8 million sets in month, compared with current record of 1,577,000 for any month, established in Sept. 1983.

Video camera rental program will be offered dealers by Konica before year's end in response to dealers' success with renting little 1.6-lb. unit. National Sales Mgr. Mitchell Ravitz of Audio-Visual Div. says simple camera has become hot rental item, often becoming "profit center after only 20 consumer rentals."

Canada's sales tax goes up from 9% to 10% today (Oct. 1), in budget deficit reduction move. Increase in tax, levied on manufacturers & importers, is slated to stay in effect until Dec. 31, 1988.

Time shift remains major use of VCRs in U.K., where penetration has reached 22%, according to study by AGB Research. Company placed diaries in 300 households, found 81% recorded at least one TV program weekly, and on average taped 5. It found 80% of off-air tapes are watched at least once, and 92% of playbacks occur within week of recording. It says such playbacks account for 10% of TV viewing time in VCR homes.

HDTV Colloquium sponsored by Canadian govt. is set for May 13-16 in Ottawa's Congress Centre. Papers covering any aspect of improved TV systems will be considered. Summaries by Nov. 15 to: Program Chmn. Elmer Hara, Dept. of Communications, 300 Slater St., Ottawa, Ont., Canada K1A 0C8.

Gold Star Tele-Electric, Korean disc drive producer accused of unfair import competition in Tandon complaint filed with International Trade Commission, is not member of Lucky-Gold Star Group, parent of TV marketer here. GST-E is subsidiary of unrelated Gold Star Communications.

CED DIES IN U.K.: Last window for CED has been closed. RCA & Hitachi say they halted production of Selectavision videodisc players & discs for U.K. at end of Aug. Demise of format in Europe was considered inevitable, following RCA's April 4 decision to give up making & marketing players here (TVD April 9 p12).

British venture had slogged on, but ran up against same problem it faced here -- inability to compete profitably against VCRs. Big difference is disc availability. RCA is continuing to press new NTSC standard discs for U.S. player owners, actually has had to expand production to fill back orders and will keep turning out titles at least until end of 1985. However, replication of PAL programs for U.K. "is effectively over," RCA Videodisc Vp Arnold Valencia said. "We're not going to support [U.K.] with new releases," he told us. U.K. library thus will come to standstill at 250-275 titles.

Valencia estimates 5,000-10,000 machines have sold through, with another 24,000-29,000 in pipelines. To help clear out inventory, RCA & Hitachi have slashed player price to \$220-\$230 and given retailers free prepack of 20 discs with each machine purchase. There's been no indication that either Hitachi or GEC, which also has been marketing Hitachi players, will compensate owners of orphaned players by giving trade-in or discount allowance on purchase of VCR or other video products. No such offer has been made here by RCA.

Paramount-3M tie-up in recorded videocassette promotion isn't likely to trigger massive change in way industry does business, according to top executive at one leading tape supplier. 3M is getting ad blurb on cassette wrapper plus ad flyer inside package in exchange for providing cassettes at cut rates for Paramount's \$24.95 pricing on 25 major titles (TVD Sept 24 p17). "We may see other studios and tape manufacturers doing something similar, but it won't become a way of life," he said. Reason is "we deal in a whole range of special [cassette tape] lengths, and somebody is always out of something. So the studios and their duplicators just can't deal exclusively with a single supplier -- there's too much risk involved."

Fidelity Electronics, one of last locally owned independent U.K. consumer electronics producers, has agreed to \$17.6 million offer for outstanding shares from Caparo Industries, which already holds 32.4% interest. Caparo, conglomerate with \$2.4 billion annual sales, is owned by Indian businessman Swraj Paul. Fidelity makes TV, audio equipment & cordless phones. U.K.'s only other domestically owned TV manufacturer is Thorn EMI.

Axlon Games is latest, though nonelectronic, home entertainment venture of Atari founder Nolan Bushnell. Axlon, unit of Bushnell's holding company Catalyst Technologies, is introducing 8 trivia games at \$17 each.

U.S. JVC EXPANDS: JVC has completed expansion of color TV assembly operation at U.S. hq in Elmwood Park, N.J. that will more than double capacity, increase production employment by 40%.

JVC began assembling color sets in U.S. 2 years ago in line installed in 30,000 sq. ft. section of warehouse area. Now, according to plant Gen. Mgr. T.M. Lee, JVC moved warehouse operation to leased facility to make room for new line, which takes up another 50,000 sq. ft.

New line is "up-to-date free-flow type" with monthly capacity for 10,000 sets. While it represents addition to older manual line that has capacity of 7,000-8,000 sets, only new one is running now. Lee told us JVC doesn't plan to have both lines going until next March, when production employment will be hiked by about 20 to 71.

Facility started with production of 19" sets, later added 25". Lee said no new sizes are scheduled. JVC, he told us, has been importing most of its picture tubes from Japan but will start using U.S.-made tubes next year when it begins operating at capacity.

RCA will supply dealers with computer program that puts its \$5,000 Dimensia video-audio systems through its paces for on-floor demonstrations, but dealers will have to get needed Commodore 64 computer on their own (TVD Sept 24 p16). RCA said it feels it would be simpler for dealers who want computer to pick one up from local Commodore dealer or distributor. As alternative to automatic computer control, all Dimensia 26" monitor receivers have built-in RAM for generating descriptive message about system that crawls across bottom of screen.

China-U.K. draft agreement on future of Hong Kong, as expected, stipulates there will be essentially no change in economic or trade conditions for at least 50 years after China regains control in 1997. China pledges to let Hong Kong remain free port, with no restraints on flow of capital, will honor land leases & international trade arrangements. Many fine points are still to be resolved, and accord is subject to ratification by Britain.

Japan's Fujitsu will acquire 10% interest in General for \$7.9 million. General is partner in U.S. marketing venture Teknika Electronics. Aim of buy-in is understood to be to help financially ailing General's effort to broaden involvement with computer & telecommunications products, rather than give computer maker Fujitsu foothold in consumer electronics.

TI's failure to adequately test millions of ICs sold to govt. contractors is subject of criminal investigation being conducted by Defense Dept. (TVD Sept 17 p14) Agency spokesman said it would turn over to Justice Dept. any evidence of criminal action.

from the editors of
Television Digest with Consumer Electronics . . .

Consumer Electronics VIDEO DATA BOOK

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And since all of these statistics have been drawn from the publication Sony Chairman Akio Morita called "the leading U.S. trade journal" and required reading in Japan (as he referred to *Television Digest* in his interview in *Playboy*), you can be *certain* that the information you receive is *accurate*.

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CHRISTMAS CATALOGS: Large-format 50-page Christmas catalog of American Express features more electronic products than any other category, while Sears, Penney & Ward yule books offer reduced prices on regular merchandise but few new items.

Amex catalog has wide assortment of TVs, from 2" Sony Watchman to 45" Mitsubishi projection, generally at or around list prices. Other TV brands are GE, RCA, Sampo, Sharp, Toshiba. Portable & home VCRs are from GE, JVC, Pentax & Toshiba. Audio equipment is from Fisher, Kenmore, Magnavox, Marantz, Randix, Sansui, Sharp, Technics, Toshiba, Yorx.

Sears holiday book has lowest catalog price yet for VCR -- \$299 for top-loading Beta model, with top-loading VHS with 9-day timer, 9-function wired remote at \$390 (down \$110 from special camera catalog), front-load VHS with similar features but wireless remote \$440 (down \$150), portable with 6-program timer, wireless remote \$790 (down \$150), miniature autofocus camera with 6:1 zoom f1.2 lens, Saticon tube, \$690 (down \$100), shoulder mounted camera with stopwatch, f1.4 lens, fade, \$790 (down \$100). Featured for first time in a Sears general catalog is VHS Video Movie at \$1,600. Also new is telecine converter at \$50.

Sears color TVs: 5" AC-DC \$270; 13" leader at \$215 (down \$75), ladder tuned remote \$290 (down \$50), monitor receiver with RGB input \$340; 19" 112-channel with keypad tuning is \$340 (down \$100), similar set with SAP \$400 (down \$60), scan remote \$390 (down \$100), keypad remote monitor receiver \$590 (down \$100); 25" swivel console is \$540; 2 remote-ready consoles \$570, remote versions \$620 (all down \$110), double-sided consoles with channel blackout, sleep timer \$680 (down \$120), 140-channel double-sided consoles with stereo adaptor jack \$880 (down \$100); one-piece 50" front projection set with keypad remote \$1,580 (down \$400). Monochrome sets are 5" with AM-FM stereo (with headset) \$98; 12" at \$75 (down \$43), 12" with computer input \$98.

New Commodore computers in Sears book are model 16, upgraded replacement for discontinued Vic 20 with 16K memory, built-in basic at \$100 and Plus 4 at 64K, with built-in basic, word processor, spreadsheet, file management & graphics programs, lists at \$300. Videogame consoles include Atari 2600 at \$45, Coleco's Gemini version of 2600 at \$60, Atari's discontinued 5200 at \$80 (down \$70 from spring price), Colecovision with 2 cartridges at \$110 (down \$20). Making apparent final appearance is discontinued Magnavox Odyssey with 4 cartridges at \$50 (down \$17), and voice module adaptor with 3 cartridges at \$40 (down \$30). Odyssey cartridges, formerly \$20-\$45 each, are \$6-\$13.

Montgomery Ward holiday catalog prominently features brandname video products -- GE, Magnavox, Panasonic, RCA, Sanyo, Sony. Sony Beta VCR with wired remote is \$370 (down \$130), as is Ward's own brand VHS with same features. Ward VHS with 105

channels, 5-event timer, 14-function wireless remote is \$450 (down \$150). Sanyo 8-event 3-head Beta with wireless remote is \$470 (down \$60), RCA VHS Hi-Fi wireless remote 6-event, \$800 (down \$100). GE portable VHS ensemble is \$650 (down \$100), docking 4-head 8-event version \$1,000 (down \$150); GE palm-held camera \$500 (down \$150), high-end character generator autofocus camera with 8:1 zoom, \$900 (down \$100).

In TV, Ward's 13" color leader is \$189, ladder tuned version \$200 (down \$50), RCA scan tuning model \$230, Magnavox monitor receiver with keypad remote \$280, RCA & Panasonic keypad remotes, each \$350. In 19" models, RCA Colortrak is \$300, Ward keypad model \$330, Panasonic ladder model \$340, Ward keypad remote \$390 (down \$50), Sony keypad \$500, high-end Sony with game jack, "HIT" button \$600.

Ward 25" models, all keypad remotes except as noted, start at \$480, dual antenna model with channel lockout at \$600 (down \$100). Consoles start with 2 Ward nonremote keypad models at \$500 (down \$100), include 2 RCA Colortraks at \$639, pair of double-sided Ward color averaging models at \$650, 2 Magnavox MTS adaptable models at \$700, Ward double-sided comb filter at \$750 (down \$150), topped by 26" Sony double-sided MTS adaptable console at \$1,050.

Ward also has Commodore Plus 4 at \$300, features 64 portable with built-in disc drive & 5" color display at \$900, continues regular 64 at \$220. Atari 800XL is \$230 when bought alone, drops to as low as \$150 when purchased with peripherals. Coleco Adam computer is \$650, complete with free software package and 4-year \$500 scholarship to qualified buyers; Adam add-on for Colecovision game console is \$530. Zenith 13" color monitor is \$300, green monochrome version is \$119. In videogames, Colecovision is \$100, Atari 2600 is \$60.

Penney starts VCRs at \$400 for front load VHS with 4-event timer (down \$250), with 4-head 2-event wireless remote model \$600 (down \$200), 8-event model \$900 (down \$290), Dolby stereo version \$1,000. Portable with tuner-timer is \$900, palm-held camera \$900 -- both together for \$1,400 (saving of \$400). Docking portable with 8-event timer is \$1,400, deluxe shoulder camera \$1,200, both units together \$2,000 (saving of \$600).

Penney color TV: 9" AC-DC at \$250 (down \$50); 13" keypad remote \$270 (down \$80), remote monitor receiver \$350 (down \$50); 19" leader \$280 (down \$70), scan remote \$350 (down \$100), keypad remote monitor receiver \$400 (down \$250); 25" keypad remote table model \$600 (down \$100), monitor receiver with simulated stereo \$800 (down \$100); scan remote console \$600 (down \$100), swivel keypad remote console \$700 (down \$150). Monochrome sets are 5" AC-DC with AM-FM at \$90

(cont.)

(down \$40), 12" AC-DC \$69 (down \$30). Penney has no computers or videogames in Christmas catalog.

* * * *

North American Philips now has 43 models with built-in multichannel TV sound (MTS), at least nominally, adding those introduced last spring (TVD June 4 p20) to last week's extensive drop-ins. Current score now is 20 models in Magnavox line, 17 in Sylvania, 6 introduced last spring by Philco. Lowest priced of newly introduced MTS models is Sylvania 19" at \$550.

Magnavox 17-set fall introductions add 8 MTS models to former 12, to total 20 stereo sets. New color TV introductions start with 13" remote at \$399, two 19" sets at \$399 & \$419, with MTS set at \$569, remote non-MTS set \$549, remote MTS models \$649 & \$699, with Star system monitor receiver including 7-watt stereo amplifier at \$969. Console drop-ins start at \$579 with 2 stepups at \$599, remote versions \$679, topped by one Star system model with 10-watt amplifier at \$1,100, three others at \$1,190.

Also introduced were 2 NAPCEC 12" monochrome computer monitors with 900 lines of horizontal resolution, to be sold through Magnavox dealers, at \$149 & \$159.

Sylvania introduced 33 new color TV models, 17 of them with built-in multichannel TV sound (MTS), majority of remaining ones adaptable to MTS. Six consoles introduced last spring now appear in MTS versions at additional cost of \$70 (now \$830 for nonremotes, \$930 for remotes). Top-of-line 19" set with 7 watt per channel stereo amp, outboard dual speakers, random access remote, MTS capability, is now \$930, actual decrease of \$69 from price originally announced for same set without MTS.

Sylvania color additions start with 13" remotes at \$380, \$430 & \$580. New 19" sets start at \$390 & \$430, with remotes \$460 & \$530, nonremote \$470, remote \$560, MTS Superset with keypad tuning \$550, remote version \$630. New 25" sets start with table model at \$550, 3 consoles at \$590, three MTS sets at \$830, two at \$870, three remote non-MTS models at \$670, two remote MTS sets at \$930, two more at \$970, line being topped by 4 MTS Superset II models with 10 watts per channel, remote, all deluxe features, 3 at \$1,215, one at \$1,295.

Sylvania also introduced VHS Hi-Fi portable VCR with 8 events, 139 channels at \$1,400, CD players at \$450 and \$600, latter with wireless remote control.

Kodavision was demonstrated at Britain's International Bestg. Convention (IBC) in Brighton last week, but in NTSC version. Next big European exposure to Kodavision will be Photokina in Germany this month, but Kodak representative at IBC said PAL version won't be shown until this time next year. Kodak has said it will start Kodavision sales in world markets next fall.

AD LEADERS: Trio of U.S. TV marketers are among companies ranked in Ad Age's list of nation's top advertisers. Highest ranked was RCA, placing 29th on roster with total corporate spending of \$212.3 million. GE was 32nd at \$196.5 million, Sony 70th at \$97.2 million.

Sony is new to chart this year, and in effect replaces North American Philips, which was dropped, as representative from consumer electronics industry. Top advertiser, Procter & Gamble, spent \$773.6 million, while 100th ranked ABC anchored roster with outlay of \$49.2 million. Overall expenditure totals include outlays in measured media along with estimates for promotion programs, display materials and trade shows.

RCA increased measured media ad budget for color TV 27% last year, spent \$7.1 million, boosted outlay for VCRs 584% to \$3.9 million. But largest budget was \$9.6 million for now discontinued videodisc system, and that total is down 3% from 1982. Partnership, RCA/Columbia Pictures Home Video, is said to have spent \$100,000.

No breakdown was given for GE consumer electronics outlays, but electronic products are featured in many of company's multi-product ads. Sony's biggest ad backing went to Betamax, though outlay was down from \$6.34 million in 1982 to \$6.2 million last year, including \$986,000 for Betamovie. Color TV received \$5.9 million, up 55%, and Walkman products got \$4.6 million, up from just \$914,000 in 1982.

Among other industry-related companies placing on list (with outlays in \$ millions): Warner 25th at \$251; Mattel 36th at \$179.9; Tandy 40th at \$156.7; Texas Instruments 51st at \$129; Canon 95th at \$58 and Coleco 98th at \$55. Electronics retailer Tandy placed 40th on list with \$156.7 million in ad spending. Tandy, TI & Coleco, like Sony, were newcomers to list.

Upheaval in computer-game business will be felt in terms of reduced spending by ad community this year. TI spent \$23.4 million on discontinued 99/4A home computer, Mattel spent \$120 million for its discontinued Intellivision videogame, Aquarius computer and electronic toys, while as subsidiary of Warner, Atari spent about \$66.3 million. Coleco, which is continuing in computer & game business, spent \$14.5 million on Colecovision videogame and cartridges, about \$18 million for Adam computer.

IBM shot down speculation it would reverse PCjr marketing gears, again position it as computer for consumer home use. Company introduced upgraded keyboard, new sales program aimed at more professional buyers 2 months ago (TVD Aug 6 p14). Responding to reports it was about to start selling unit through K-mart outlets, IBM said it has "no plans to expand its distribution channels to include mass merchandisers," is satisfied with existing network of computer specialty dealers.

2 NEW CD PLANTS: In span of less than one week, U.S. & U.K. both saw formal openings of their first Compact Disc pressing plants, first major facilities outside Japan & Germany. Digital Audio Disc Corp., subsidiary of CBS/Sony, cut ribbon in Terre Haute Sept. 21. Nimbus plant in Wales followed last week.

DADC plant, built for \$21 million, opened with 100 workers, will employ 150 by year end, when it's scheduled to have capacity of 300,000 discs per month on 6 presses. Eventually, operation will expand to 24 presses, capable of turning out 1.2 million a month. No timetable has been set for move to that level -- step will be dictated by market for discs, DADC Gen. Mgr. & Vp James Frische told reporters at dedication. CBS Records provides "prime part" of plant's business, but 12-15 labels have placed custom orders. In fact, DADC has enough orders in hand to run at capacity, Frische said.

Tour of high-tech plant turned up interesting fact -- packaging of discs isn't automated, appears to employ major portion of operation's 100 workers. Frische admitted this was so, said it was because flexibility is needed to pack discs several different ways. Plans for expansion were confirmed by tour, which showed huge amount of unused space.

Frische couldn't predict impact of U.S. disc manufacturing on domestic CD prices, but said it would cut 2 weeks' delivery time off pressing in Japan. "It's very difficult to run a record business on an import-export basis," said CBS/Records Group Pres. Walter Yetnikoff. On CD player market, officials predicted sales of 200,000 units in U.S. this year, 500,000 in 1985, with disc purchases per player around 30. Also present for opening were Sony Pres.-COO Norio Ohga, Sony/CBS Chmn. & DADC Pres. Toshio Ozawa and Sony Dir. Michael Schulhof. Appropriately, first disc pressed in U.S. was Bruce Springsteen's *Born in the USA*.

Nimbus, which presses its own classical label & custom discs for others, started up Welsh CD plant with one press and one metallizer, will add 5 more presses, 2 metallizers. Total cost of plant was \$2.5 million. Once 6 presses are installed & running at end of next year, plant will operate at same capacity as CBS/Sony -- 300,000 discs per month. First 4 weeks of trial pressing produced 70-75% yield rate.

Plant pressed first pop disc, Screen Gems, by EMI artist Elkie Brooks. Title will be released on CD first, with LP month later -- called "true test of CD's potential" by Nimbus official. Nimbus plant's hardware is from Germany, except for laser mastering equipment, which company built itself, wouldn't show to reporters on tour.

Magical \$299.95 price for CD player was reached in Montgomery Ward Christmas catalog, which shows Magnavox programmable unit. If Ward is blazing price trail in players, it seems to be behind times in discs, which it offers at \$19.95 each.

TUBE PRICE RISE: Picture tube manufacturers are feeling out set-making customers on price rises effective Jan. 1. Discussions are centering on 10% increases -- subject to change.

The change could involve pressures both up & down. Tube makers started talking with customers about raises even before hearing from glassmakers, from which they fully anticipate substantial cost hikes for 1985. Both tube & glass manufacturers have been operating under increasing cost pressures. One tube company official said that if glass companies announce 10% boost, he would be forced to revise his own increase substantially upwards. Glass companies are expected to start putting out price feelers in next few weeks.

Last glass price increase was about 2 years ago, while tube manufacturers haven't had meaningful hike since 1981. Like TV set prices, glass & tube increases are announced frequently, but often don't stick. This year, glass & tube manufacturers complain that there are so many new tube types and glass compositions that their problems are further compounded by uneconomical short runs.

A 10% increase in price of 19" tube could be translated into about a \$20 rise in list price of a color set.

Custom OEM business has been upgraded in status by North American Philips Consumer Electronics. New Technical Products Div. has taken responsibility for contract manufacturing formerly handled through Materials Dept.'s component & specialty group. NAPCE's private label sales continue as responsibility of Special Mktg. Div. TPD has own design, engineering & quality control staff, will funnel production to NAPCE plants in Greenville, Tenn. & Juarez, Mexico. In past, NAPCE OEM output has included color TV chassis, color monitors, electronic games, power supplies and subassemblies for automotive, communications & navigation equipment.

Vidmax says contract breach suit against Atari's Coin-op Div., still owned by Warner Communications, has been given April trial date by San Francisco federal court (TVD June 25 p14). Complaint charges that Atari failed to fulfill its obligations to finance development of Laserdisc arcade game *Robot Rebellion*. Arcade business wasn't included in Atari assets Warner sold to Commodore founder Jack Tramiel just after suit was filed. Meanwhile, Vidmax told us Canadian investors may supply R&D funds it needs to keep operations going.

Computer software shakeout has caused Broderbund to drop plans for separate business programs unit. Newly launched Trapeze Software was folded because of inability to get potential investors interested in line of recreational programs. CBS Software cut prices 37% on 14 children's learning programs to \$25-\$30 from \$38-\$40.

RADAR FOR CARS: If American motorists are willing to pay \$100 or so for radar detectors to warn them of speed traps, will they shell out \$550 for complete radar system to warn of impending collisions? Vehicle Radar Safety Systems of Mt. Clemens, Mich. thinks so, and plans to try to tap market, if FCC grants its request for waiver from power emission standard for field disturbance sensors.

System is result of 40-year independent development effort of engineer George Rashid, according to Charles Rashid, a brother and VRSS spokesman. He said company has own manufacturing capability, is ready to start production for distribution through custom & aftermarket channels as soon as FCC gives go-ahead. Trucking companies already have expressed interest in running road tests, he said.

In operation, Rashid told us, as soon as vehicle speed hits 10 mph, radar starts emitting narrow beam and one of 4 display panel lights goes on. When radar senses any solid object in front of car it activates 2nd light. Other lights, and warning buzzer, operate in relation to degree of danger, based on distance to object and speed. System reacts to other cars, poles, walls, pedestrians, etc., but ignores such nonhazards as cardboard cartons. Rashid said radar could be made to activate brakes, but because of complications that would entail, idea has been dropped for now. Also, he said, it could be used with CR tube to present visual indication of road conditions.

FCC concern centers on interference in general that might be caused by host of mobile radars installed on vehicles, and in particular with problems it could create for police radars. However, it might get speeders to slow down, as signal would trigger alert in older model radar detectors.

No hearing is being held by International Trade Administration on its proposed upward revision of average dumping margins on color sets imported from 3 Korean producers. Hearing is optional, and neither Koreans nor complainants -- group of unions plus GE & Zenith -- had requested one. Koreans, it's understood, decided instead to make their cases for margin rollbacks in written comments, which are due for submission Oct. 12. Unless it extends proceeding, ITA will issue final revised dumping margins Oct. 31. In preliminary determination last month, ITA shocked Koreans with proposal to hike margin for Samsung from 13.9% to 52.5%, raise Gold Star to 20.08% from 15.95% and boost Daewoo to 25.09% from 14.77% (TVD Sept 17 p10).

American Home Video lost \$5.9 million in year to July 28, down from \$9.9 million deficit in preceding year, and sales rose from \$131 million to \$155.8 million, according to Jack Eckerd Corp., parent of AHV which runs 198-store Videoconcepts chain in 30 states. Eckerd said it expects AHV will show operating profit in fiscal 1985.

'TOTAL REMOTE CONTROL': Expandable audio video system completely operable from single remote control unit will be marketed in Japan this month by JVC. As in RCA's Dimensia (TVD Sept 17 p11, Sept 24 p16), same hand-held wireless remote unit operates all components. But principle of operation appears to differ rather markedly.

Heart of JVC's system is AV Media Center (about \$330) that combines remote control switching for all components with 45 watt per channel audio amplifier. It has 9 input terminals (6 audio, 3 audio video), 4 output terminals (3 audio, one AV), permits user to combine pictures & sound from different sources. Media Center with universal remote control costs about \$330 in Japan.

Components for basic system are Media Center, AM-FM tuner, audio twin-cassette deck, phono turntable, speaker system, listing at about \$1,256 together. Add-on components include 20" color TV monitor receiver, VHS Hi-Fi VCR, VHD videodisc player, CD player, digital audio processor, graphics synthesizer, graphic equalizer. Entire package containing all components would cost about \$5,400. Package comparable with RCA's complete Dimensia system would cost about \$3,765 in Japan.

JVC says more than 30% of VCR sales in Japan this year -- 1.5 million out of 4.8 million -- will be of Hi-Fi type. Approximately 73% of Hi-Fi VCRs are connected to stereo equipment, according to JVC research. JVC forecasts sales of 250,000 videodisc players in Japan this year, says 81% of player buyers already own VCRs.

Intense competition in OEM market for personal computer disc drives has racked up 2 casualties in CTS & Shugart. CTS says it will close or sell subsidiary Micro Peripherals Inc. it acquired just last year, take \$20 million charge in 3rd quarter. MPI had been successful in marketing 8" and 5.25" drives, but for new generation of microdrives it first backed 3", then 3.25" formats, while industry has generally adopted 3.5" as standard. CTS said that MPI lost \$4.7 million in first half this year and that investment of \$10 million would be needed to turn company around. Shutdown will mean little employment loss in U.S., as MPI completed transfer of all production activities to plant in Singapore last spring. Shugart, subsidiary of Xerox, said it was shutting plant in Roseville, Cal. where it makes 8" & full-height 5.25" drives, dismissing 270 production workers. Company said market demand has shifted to 3.5" drives it makes in Sunnyvale, and to half-height 5.25" drives it imports from Japanese venture with Matsushita.

Telecommunications Group will become Information & Telecommunications Technologies Group in restructuring expected to be approved by EIA board at Oct. 8-10 Fall Conference. ITTG will break down into 4 product divisions covering mobile radio, customer premises equipment (phones), network equipment & fiber optics.

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
Koss			
1984-year to June 30	20,300,000	(5,900,000)	--*
1983-year to June 30	21,594,638	(49,095)	--
1984-qtr. to June 30	4,025,000	(5,406,000)	--*
1983-qtr. to June 30	4,312,017	(426,943)	--
National Semiconductor			
1984-16 wk. to Sept. 16	529,000,000	35,900,000	.40 ^b
1983-16 wk. to Sept. 18	432,500,000	10,900,000	.14 ^c
Regency Electronics			
1984-year to June 30	109,469,000	2,026,000	.19*
1983-year to June 30	87,344,000	6,961,000	.65 ^c
1984-qtr. to June 30	30,928,000	(4,384,000)	--*
1983-qtr. to June 30	27,607,000	2,364,000	.22 ^c

Notes: *After special charge. ^bIncludes special credit. ^cAdjusted.

Video gambling could become bigger business than videogames ever were for coin-op industry, if local govts. go along. Ill. test of instant video lottery machines, offering payoffs of up to \$5,000, is being hampered by opposition in Chicago suburbs, even though machines are made by Chicago-based Bally. Arlington Heights, Niles & Schaumburg have passed ordinances banning games, and Chicago itself may follow suit. Video gambling is outlawed in N.J., except in Atlantic City casinos, and while it's legal now in Neb., it won't be after Jan. 1. In Westchester County, N.Y., police arrested group of game and location owners in crackdown on video poker. Coin-op games were supposedly for amusement only, and were rigged so they wouldn't pay off themselves. But they kept running scores, and winners collected from location employees. Police said some games were taking in \$10,000 weekly.

Certron has opened 7,800 sq. ft. plant in Anaheim, Cal. for production of 5.25" computer discs, is launching national own-brand retail marketing effort as well as starting sales to computer OEMs, duplicators and software producers. Move follows test marketing by Certron using discs sourced from outside producers.

Obituary

Warren Birkenhead, 77, one of founders and former pres. & chmn. of Ampex of Japan, died Aug. 18 of heart attack at his home in Haleiwa, Hawaii. He retired as Navy commander after Korean war in 1951, living in Japan and establishing Ampex there, later helping found Toamco, joint venture with Toshiba, and serving on Toshiba board. He later became Japan consultant to several U.S. electronics firms, including Magnavox, established technical & business translation service and headed Television Digest's Tokyo office and news bureau 1967-1971. In 1972 he moved to Hawaii but continued to serve as Japan representative and consultant to Cetec Electronics. He's survived by wife, son, daughter.

Consumer Electronics Personals

Enrico Policicchio advanced at North American Philips Consumer Electronics to vp for new Technical Products Div., with responsibility for OEM manufacturing activities; no replacement has been named yet for his former post as Philco Div. vp-brand mgr... Bob Barman advanced at Quasar from Seattle branch mgr. to west zone mgr., succeeding Dave Chess, who left to pursue other interests... Frederic Tauber advanced at Sony to Consumer Products Div. counsel... Victor Pelson, former AT&T Consumer Products pres., named pres. of new Consumer & General Business Systems unit formed in reorganization... Tim Prouty advanced at Dolby Labs to national product mgr.

Michael Eisner, ex-Paramount Pictures, and Frank Wells, ex-Warner Communications, named chmn.-CEO & pres-COO, Walt Disney Productions... David Solomon, former gen. mgr. of distributor ZBS Video's west coast branch, joins International Video Entertainment as national sales mgr... Barry Bindell, ex-Panasonic, appointed Agfa-Gevaert Magnetic Tape Div. Pacific region technical sales rep... Arthur Jones, London lawyer, named assoc. MPAA European antipiracy counsel, succeeding Percy Browne... Robert Wilson advanced to asst. gen. mgr., Ampex Audio-Video Systems Div., new post.

Brian Moreno, ex-Sega Computer Software Div. mktg. dir., named Active Home Video sales & mktg. vp... Patricia Armstrong, ex-Children's TV Workshop, and Drew Pollack, ex-Mattel, join CBS Software as mktg. dirs.; Kathleen Ard advanced to retail services dir... James Schuyler, former Designware pres., named gen. mgr., new Development Div. at Designware's new parent Peachtree Software.

Laurence Himelfarb, ex-Southeastern U., appointed mgr. of Mktg. Services Information Center, statistical library being set up by EIA Consumer Electronics Group; Eric Schimmel, ex-Masco Electra Div., joins EIA Information & Telecommunications Technologies Group as staff vp, primarily responsible for mobile & personal communications activities as well as Land Mobile Communications Conference & Show, to be held in New Orleans next year.

Microwave oven shipment growth slowed somewhat in Aug., with domestic manufacturers sending out 715,800, up 33.2% from same month last year, AHAM reports. Through 8 months, shipments were up 62.7% to 5.29 million.

Coleco registered \$55 million issue of 5-year 11% convertible debentures with SEC, said it will seek to have them listed on NYSE. It recently sold those debentures privately to banks.

Ad notes: Sony moves \$3 million audio account from Ammirati & Purvis, consolidates it with TV at McCann-Erickson... Mitsubishi Electric is spending \$4 million on current corporate TV & print campaign.

TELEVISION DIGEST®

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OCTOBER 8, 1984

VOL. 24, NO. 41

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

CABLE BILL TRIPPED BY EEO: House-passed measure runs into Senate opposition to EEO provisions. Newspaper cross-ownership is out, other changes are made. (P. 1)

VETO LOOMS ON CPB BILL: House passage of new Goldwater bill in raucous session may mean 2nd presidential veto. (P. 3)

FCC NEV. DECISION IS LIMITED to nonbasic service tiers, New Orleans federal court holds in disallowing Cox's re-tiering plan. (P. 4)

SUNSHINE SOUGHT IN WHCT-TV CASE: Court asked to look at tape of FCC closed meeting. FOI request filed for staff memo. (P. 5)

STEREO MUST-CARRY comments argue whether MTS is integral part of broadcast, cost of cable system conversions. (P. 6)

NETWORK ELECTION PRACTICES SCORED in last House hearing. Videotape of nightly newscasts is 'evidence.' (P. 7)

FCC HOLDS 11TH LPTV LOTTERY: Neighborhood TV wins 3 markets, Meredith one. (P. 7)

MASS MEDIA'S FALL AGENDA: Technical deregulation of broadcasting tops list of several items, McKinney says. (P. 8)

EEO LAST HURDLE FOR CABLE BILL: Revised HR-4103 passed House last week and agreement in principle on compromise over differences with companion S-66 had been worked out by key House and Senate legislators. But final approval from each chamber was blocked at week's end by objections from GOP conservatives in Senate who saw EEO guidelines as requiring quotas. Objections would have sunk bill Oct. 5 if Congress had adjourned as planned, but extension of session into this week to finish other emergency legislation will give supporters time to try to end stalemate. Some major elements of bill have been changed or dropped, but cities-cable accord was retained.

Key lawmakers reached informal agreement Oct. 5 on final version of measure they hoped to submit to both chambers for vote and to President for signature, which is expected. Accord

Consumer Electronics

SAMSUNG SEEKING EXTENSION of deadline for imposition of higher dumping margins. High Court asks U.S. view of Japan antitrust case. (P. 11)

FUJI SHOWING 8mm CAMCORDER from Sony, still-photo disc player in Germany this week. Toshiba to add VHS VCRs to line in Japan. (P. 12)

JAPAN'S VCR EXPORTS to U.S. rose 120.3% in Aug., but failed to top July shipments. MITI orders 10% cut in VCR shipments to Europe. (P. 13)

MTS STEREO TV to be in 4% of homes by end of next year, 18% by 1989, EIA study forecasts. First results in our station stereo survey. (P. 13)

JAPAN ELECTRONICS SHOW sees 6" LCD color by Casio, CD and video laser disc developments. (P. 16)

FIRST PORTABLE HEADPHONE CD player, along with pair for cars, unveiled by Sony. (P. 16)

COLUMBIA SHUTS Mylstar video arcade game disc unit in sagging market. But disc players score in other industrial markets. (P. 17)

KODAK AND NFL LINK in cross promotion for blank and recorded videocassettes. (P. 17)

NEC PICKS GA. SITE for construction of \$12.3 million U.S. color TV assembly plant. (P. 19)

retains cities-cable compromise (TVD Oct 1 p1) and restrictions on cable competition with telephone industry in data transmission business (TVD June 25 p5). But lawmakers' agreement couldn't be formalized because GOP senators' objections were holding up appointments to formal conference needed to seal deal. Legislators hope conferees will be named Oct. 9, when Congress reconvenes, if senators' objections can be resolved. We're told House and Senate Commerce Committee members who negotiated final version of bill won't agree to removing EEO provision but are willing to clarify in accompanying report and during last floor debates that quotas aren't intended.

Cable industry also apparently has approached Administration in effort to get White House pressure put on dissenting GOP senators to end objections. It wasn't clear at our deadline whether effort would be successful, although we learned that staffers for many conservative GOP senators met with Commerce Committees' aides to discuss EEO problem and that at least 2 senators had withdrawn their objections.

Before negotiations began on final version of bill, House removed language guaranteeing cable access to apartments. Action came at last minute and was among changes made in effort to ease bill's passage in House Oct. 1. NCTA and House Telecom Subcommittee Chmn. Wirth agreed to drop that section to appease National Assn. of Realtors and SMATV industry. In other efforts at compromise, amendments were added to clarify legality of backyard dish reception and to codify FCC rules on telco-cable cross-ownership. Also added was language grandfathering for 2 years existing state public, educational and govt. access channel laws, such as R.I.'s requiring mandatory 7 channels of public access. Negotiators later added other language clarifying that cities can't require nonvideo leased access in requests for proposals but, if it's offered, could accept and later enforce it.

House passed bill on voice vote, and its differences with companion S-66 had been expected to be quickly resolved with bill ready for President by end of week. That hope evaporated when Sen. Hatch (R-Utah) put "hold" on bill, blocking further Senate action until his concerns were addressed. His objection -- that he thought bill put operators under hiring quotas -- was resolved after talks with Commerce Committees and intense NCTA lobbying. But Sens. Helms (R-N.C.) and Nickles (R-Okla.) later raised same complaint, putting new holds on bill. NCTA had worked out EEO language with Rep. Leland (D-Tex.) that calls for cable to meet 60% of parity in top 4 job categories.

But there were other brushfires to fight. American Newspaper Publishers Assn. lobbyists attacked HR-4103's ban on newspaper's owning cable system in market where it publishes, and found ally in Senate Commerce Committee Chmn. Packwood (R-Ore.). He also opposed codifying FCC rule on broadcast cross-ownership. Newspaper cross-ownership ban isn't in final legislative compromise, although both broadcast and telephone company ownership bans have been retained, we learned.

Negotiators rebuffed Senate effort to change provision restricting cable's involvement in data transmission. Packwood and other senators wanted FCC jurisdiction over state regulation of data business more clearly stated, we understood, but finally agreed it was enough that House Energy and Commerce Committee report in Aug. on HR-4103 said bill "maintains existing regulatory authority over all other communications services by a cable system, including the lucrative private line voice and data transmission services."

Industry remained divided on HR-4103 to very end. Leaders of Cal. Cable TV Assn. (CCTA), which had problems with various aspects of bill (TVD July 23 p1), lobbied Hill all week for amendment specifically grandfathering Cal. rate deregulation law. CCTA board had voted 13-10 to support bill only if it were amended to recognize Cal.'s deregulated climate in statutory language. Bill's handlers and NCTA eventually agreed to include language that would explicitly grandfather existing state deregulation laws, without specifically mentioning Cal. and Mass., only 2 states with comprehensive deregulatory statutes. CCTA now supports bill. Mich.

Cable TV Assn. wasn't so lucky in lobbying House Energy and Commerce Committee Chmn. Dingell (D-Mich.) to retain access to apartments provision.

NCTA Pres. James Mooney said after House vote that end of rate regulation in 2 years should prompt quick development of new cable programming, which he argued has been "constrained" by "inhibitive" rate regulation (TVD Oct 1 p1). "The House has passed a good cable deregulation bill which will help the growth and development of the cable industry," Mooney said, adding: "The bill reflects all the changes requested by our board and is very satisfactory to us."

HOUSE PASSES CPB BILL, INVITING VETO: Threat of veto didn't deter House on Oct. 5 from passing, 308-86, new CPB budget to replace proposal that President rejected (TVD Sept 3 p1). GOP effort to slice another \$81 million from bill was rebuffed, 167-233, making 2nd veto of public broadcasting funding almost certain, GOP argued.

President hasn't flatly said new bill (S-607) will be vetoed, stimulating speculation that White House will try to avoid confrontation with sponsor, Senate Communications Subcommittee Chmn. Goldwater (R-Ariz.). Office of Management and Budget has strongly hinted at possibility, which House GOP opponents claimed they've confirmed in conversations with White House aides and OMB Dir. David Stockman. President will have until about end of month to make decision and, if carried out, veto would be his 25th since taking office.

House votes on S-607 and GOP alternative were almost identical to balloting in July on original HR-5541, which Democratic aides insisted was sign of Congress's resolve to win higher funding for CPB. In July, vote on final passage for HR-5541 was 301-92 vs. 308-86 this time. GOP amendment, offered both times by Rep. Oxley (R-O.), was defeated 176-217 in July vs. 167-233 last week. Democratic aides said votes in both chambers signify overwhelming support for public broadcasting and should be taken as warning by Administration.

But warning may be idle. Congress probably won't have chance to attempt to override another veto because adjournment soon is almost certain.

Debate nearly turned into brawl, with legislators from both parties raising their voices. At one point, chair had to caution some lawmakers for going too far with denunciations. Debate consumed most of day and included strong statements in support from Energy and Commerce Committee Chmn. Dingell (D-Mich.) and Rep. Conte (R-Mass.), ranking GOP member on Appropriations Committee whose effort to ensure CPB funding in earlier stopgap govt. spending measure nearly derailed S-607.

GOP alternative would have reduced proposed CPB budget ceilings in S-607 from \$200 million in FY 1987 to \$186 million, from \$225 million in FY 1988 to \$214 million, and from \$250 million in FY 1989 to \$246 million. S-607 levels are \$145 million below HR-5541 (passed in Senate as S-2436). Republicans also wanted budget for Public Telecommunications Facilities Program administered by NTIA reduced from \$25 million in FY 1985 to \$14 million, from \$35 million in FY 1986 to \$16 million and from \$40 million in FY 1987 to \$18 million.

All-Industry TV Music Licensing Committee will seek en banc rehearing by U.S. Appeals Court, N.Y., of decision that music blanket license fees issued by BMI and ASCAP are legal. Following Oct. 3 meeting of committee in N.Y., Chmn. Leslie Arries, WIVB-TV Buffalo, said Court "totally ignored" dist. court decision ruling blanket licenses violated antitrust laws. "We have the money to fight it and we intend to fight it in every way," clear to U.S. Supreme Court, he said.

Sales & transfers: Telepictures Corp. buys KSPR Springfield, Mo. from Ferrell Jones & others... Doubleday Bestg. buys WHN(AM) N.Y. from Mutual Bestg. for \$13 million... SFN Cos. acquired in leveraged buyout by SFN executives, E.M. Warburg Pincus & Co. and Drexel Burnham Lambert for \$420 million. SFN owns WFTV Orlando and Western Bestg.

Jerrold's N.Y. office has moved to 31 W. 34th St., N.Y. 10001, 212-760-1700.

COX LOSES NEW ORLEANS TEST CASE: FCC didn't preempt local control of basic service in its much-heralded Nev. decision, and to extent that Commission purports to have done so it's going beyond its regulatory power, U.S. Dist. Court, New Orleans, ruled in disallowing Cox Cable's move to split off 22 channels from basic service there into expanded tier. Opinion by Judge Veronica Wicker, released Oct. 4, concludes that whatever freedom Nev. decision gives operators is strictly limited to nonbasic tiers.

"Because [Nev.] did not change prior FCC precedent, local govt. franchisors are not preempted from regulating re-tiering of a basic subscriber service tier, but may hold a cable operator to its contractual duty to provide all promised stations on this tier," judge wrote in 40-page opinion. A conclusion that some cable attorneys found unusual, and said may even plow new legal ground, was judge's finding that city power over re-tiering also stems "from its express FCC-granted authority to choose the franchisee."

Cox implemented re-tiering plan Sept. 1, reducing 31-channel basic to 11 channels, 7 of which are must-carries (TVD Aug 27 p4). Rest were put on expanded tier for \$3. Cox spokesman said there are no plans now to drop expanded tier, also said no converter boxes had been removed from subscriber homes after re-tiering.

"There is nothing in [Nev. decision] which would indicate that [local control of] basic service... should be read in a new fashion so as to consist exclusively of must-carry signals, as Cox contends," opinion reads. Besides, even if Nev. were read to allow operators to re-tier basic service, "it would still not forbid cable companies from contracting away this right," which Cox has done in New Orleans franchise, judge said.

FCC would be exceeding its authority to maintain that in Nev. it established new policy on basic service because it was bureau decision, not rulemaking, judge said. She remanded to state court that part of case in which city is suing Cox for breach of contract.

Cox "seeks to ride the coattails" of U.S. Supreme Court's Crisp case that struck down Okla. law banning beer and wine ads on cable (TVD June 25 p1), opinion said. Crisp case doesn't support operator claiming Nev. power to re-tier, judge held.

Court decision was anticipated by cable-cities compromise in "lawfully" language of provision grandfathering operators who eliminated, re-tiered or repriced services under lower court ruling, sources said.

New Orleans judge took swipe at FCC lawyers, said in footnotes referring to 2 friend-of-court briefs Commission filed supporting Cox that lawyers' argument that FCC has preempted re-tiering "is not

in keeping with either the FCC's rulemaking or with its opinions. Nor can the staff counsel, without signatures of the Commissioners, speak for the FCC, particularly when counsel purports to make a rulemaking."

Cinemax's estimated gain of 170,000 subscribers during 2nd quarter are "in the ballpark," officials at pay channel have confirmed, adding that service now has "in excess" of 3 million homes. During April-July, Cinemax added more subscribers than Showtime and Movie Channel combined, according to Mktg. and Sales Senior Vp Dick Beahrs. Senior Vp Larry Carlson added that 1984 so far has brought pay channel more than 300,000 new customers -- about 11% increase for first 8 months of year. Cinemax called in reporters to meet service's newest management team and tout success since revamp announced in March. However, it was vague on numbers -- figures were last reported by parent Time Inc. in Dec. when service had 2.7 million subscribers. Beahrs did say that growth rate in 2nd quarter was twice that of any other service. Cinemax is now 3rd largest pay service, moving in front of Movie Channel in 2nd quarter, he said.

Charging "unethical conduct" because lawyers Henry Goldberg and Philip Spector hold 5% each in Tampa 50 Ltd., on behalf of one of 12 applicants for new TV station on Ch. 50 in Tampa, Washington law firm Verner, Liipfert, Bernhard & McPherson (which represents competing applicant Gulfwind Bestg.) has asked FCC Law Judge Joseph Gonzalez to disqualify Goldberg & Spector. Gulfwind also is asking that character issue be added against Tampa 50 because of law firm's alleged "unethical conduct." Responded Goldberg & Spector: "Gulfwind's motion most likely was not filed in good faith" since it failed to note that both were members of Verner firm until Sept. 1983 (when they established own firm) and that Goldberg has sued Verner firm for "in excess of \$50,000" in Washington federal court.

New subscribers to TIO: KETV Omaha, KFDA-TV Amarillo, KGGM-TV Albuquerque and WHBF-TV Rock Island, Ill. Joining board are Jack Rosenthal, Harriscope Bestg. pres., and Thomas Dargan, Fisher Bestg. exec. vp, in expansion of board from 9 to 11.

Television Digest and news consultancy McHugh & Hoffman plan 2nd annual Business of TV News conference March 11-12, Vista Hotel, Washington. Conference will feature panels on news promotion, audience research, viewing trends, direction of news & information programming. Speakers include: Peter Hart, Peter Hart Assoc.; Paul Lenberg, ASI Research; Cliff Abromats, WABC-TV N.Y.; Ron Tindiglia, CBS Owned Stations. Contact: Deena Anderson, 202-872-9200.

CLOSED HEARING ON WHCT-TV ATTACKED: U.S. Appeals Court, D.C., has been asked to order FCC to deliver videotape or transcript of Sept. 26 closed meeting at which Commission renewed license of Faith Center for WHCT-TV Hartford, conditioned on sale of station within 60 days (TVD Oct 1 p5). Request was made by Shurberg Bestg., which was turned down by FCC in last-minute request to have meeting open and which is attempting to get agency to accept its application for Ch. 18, licensed to WHCT-TV. Shurberg told Court it should view tape in secret, then decide what portions of meeting should be made public.

Shurberg charged meeting was improperly closed, and that it has learned that its fears of improper ex parte contacts with commissioners "may not have been misplaced." To support that contention, applicant included articles from Television Digest and our companion publication Communications Daily reporting on Commission's action before it was announced publicly. Shurberg said that it "continues to be in the dark as to precisely what happened" at closed meeting and that "its concerns about possible improprieties... may indeed have been well founded... Shurberg believes that the published reports... provide further support for the relief requested."

At FCC, Shurberg filed FOI request seeking "any and all documents, notes, or other materials relating in any way" to: (1) Anything concerning any party to case, including "any communications" written by Zora Kramer, asst. dir. of Office of Public Affairs for minority enterprise; (2) anything relating to proposed distress sale of WHCT-TV to Astroline Communications; (3) anything involving Shurberg application; (4) "those items [on case] in Ms. Kramer's possession" and copies from all commissioners and all "decision-making personnel" who received Kramer memo.

Meanwhile, Assoc. FCC Gen. Counsel John Riffer told us that he didn't make statement attributed to him at closed meeting. Statement said FCC was making mistake by renewing Faith Center's license. "I made no such statement to the Commission," Riffer said. "I did not take the action attributed to me in the earlier report." Asked if statement was made by someone else, he said he doesn't discuss what is said at closed meetings. Commission official who attended meeting told us again Oct. 3 that statement was in fact made at meeting but official couldn't remember who said it.

In announcing WHCT-TV renewal Oct. 1 in form of staff instructions, FCC said "official, final action" hasn't been taken, that "instructions are subject to Commission review and revision." Commission said that if conditions aren't met by WHCT-TV and proposed buyer Astroline Communications, Faith Center will be required to file supplemental renewal application and that "all other timely filed applications [including that of Shurberg] would be designated for a comparative hearing."

LIFETIME BROADENS SCHEDULE: Following path blazed by several other cable networks, Lifetime has opted for programming with broader appeal, thus "is abandoning its position as the champagne of cable TV," Pres.-CEO Thomas Burchill said recently in announcing \$25 million programming and ad budget for 1985.

Commitment of \$25 million from Lifetime partners ABC Video Enterprises, Hearst and Viacom ends speculation for now that they planned to let ax fall on basic channel, which is available in 20 million homes but has had little success attracting viewers.

Taking page from radio programming book, Burchill said Lifetime is going to become "2-way talk and information TV" service in effort to make programming entertaining as well as informative. "We want to add entertainment -- and I can't stress that word enough -- to our informational" programming. Service will try to appeal to men & women after 4 p.m. Other services that have moved to grab broader audiences include CBN Cable Network and USA Network.

Spending commitment will give Lifetime \$20 million for new programming, \$5 million for first-ever consumer ad campaign. New evening schedule will stress call-in shows on lifestyle, money matters, health & sex. Prototype is "Good Sex! with Dr. Ruth Westheimer," which began on network last month. In 3 weeks, show has doubled ratings of previous show in time period and, during live call-in 2 weeks ago, attracted calls from 47 states and Virgin Islands. New "interactive" evening schedule, which includes more than 70% new programming 4 p.m.-midnight, will show up in Jan., along with ad campaign put together by Lifetime's new agency Ogilvy & Mather.

Lifetime will take in \$20 million in ad revenues during 1984, which is ahead of business plan, Burchill told news luncheon Sept. 24. He said service is "right on schedule" in plan to reach profitability in 1986. Big name advertiser, probably General Foods, was signed recently for 5-year, \$5-million commitment, he said.

Elissa Dorfsman, gen. sales mgr. of WCAU(FM) Philadelphia, has filed \$1 million sexual harassment suit against owner CBS and Eli Kaufman, until recently vp-gen. mgr. of sales for CBS FM stations. Dorfsman, daughter of CBS Corp. Vp Louis Dorfsman, said incidents occurred at Sept. 1982 dinner in N.Y. for CBS FM sales executives attended by 30-40 people. She said suit was filed after CBS refused to censure Kaufman publicly.

WJLA-TV Washington has become 8th station to sign on with Hubbard Bestg.'s CONUS venture. CONUS spokeswoman told us "several" more "major market" stations would be signing up and receiving remote satellite video van as part of membership in loosely affiliated network.

MTS MUST-CARRY COMMENTS: Are stereo and bilingual soundtracks integral part of TV program or mere enhancements? Is modification of cable systems to pass multichannel TV sound (MTS) a petty-cash problem or crippling investment? Answers to these questions by broadcasters and cable operators differed, as might be expected, in comments filed last week in FCC's MTS must-carry proceeding.

Broadcasters generally expressed willingness to back NAB-MST "middle-ground proposal," which would claim must-carry only for program-related sound, and only when cable operator could do so without causing interference or degradation that would require significant capital expenditure to correct (TVD July 30 p8). Cable operators and Zenith -- which not only developed MTS system but is in cable TV equipment business -- opposed both must-carry and middle-ground proposal.

In addition to arguing that new sound channels aren't integral part of TV signal, NCTA estimated that cost for cable industry to retrofit existing equipment to carry MTS would exceed "staggering" \$700 million, which subscribers eventually would pay whether or not they wanted or could receive MTS. NCTA said tests with stereo from WTTW Chicago showed "MTS transmissions cannot be handled without substantial problems for cable systems" -- interference to scrambling systems, transmission of inferior MTS signal as result of scrambling systems and headend processing equipment, and inferior or deleted MTS signals from set-top and baseband converters.

NCTA called middle-ground proposal vague and unenforceable, said it would impose severe burden on FCC. It asserted that MTS was untested service that at best wouldn't be receivable in majority of homes before 1992.

Comments by NAB & MST, as well as those by the 3 TV networks, argued that copyright precedents make stereo or bilingual sound integral part of program and that cable systems could use their "monopoly power" to keep broadcasters' signals out of many of nation's homes. Petition said broadcasters will spend \$45,000-\$280,000 each to modify station to carry MST, consumers \$100-\$200 for adaptor and \$500-\$1,000 for new set, while cable systems' expense would come to about \$1,000 per channel.

NAB & MST proposed defining "significant" expenditures in middle-ground proposal as \$1,000 per channel for modification -- and noted in footnote that cable operator couldn't receive exemption from must-carry if broadcaster was willing to pay any of cable costs over that. They also added to middle-ground proposal proviso that if cable systems carry any of own programming in stereo or 2nd language, they must carry MTS supplied by local stations in at least same technical quality "by any feasible means" -- meant to cover such cable stereo techniques as using FM for audio.

EIA Consumer Electronics Group took no position on must-carry, submitted results of manufacturer survey indicating it would take about 3.5 years for MTS capability to reach 12.5% penetration of TV markets. Zenith commented that even assuming 10% penetration within 2.5 years as envisioned by EIA, it saw "no need or justification for requiring cable operators to carry MTS program signals to all subscribers when most of them are incapable of utilizing such signals."

Meanwhile, there were some indications of break in logjam of stereo broadcast equipment availability. Modulation Sciences Inc., which makes stereo generators, told us it would deliver 25 units this year. MSI last week signed OEM agreements with transmitter makers Comark and Larcen to distribute its generators. It already had similar deal with Philips.

TV stations' heavy interest in MTS is evident in first results of Television Digest survey of all stations and CP holders. List of 48 stations planning to broadcast MTS and initial survey results will be found in Consumer Electronics section, this issue.

U.S. Supreme Court has let stand appellate court ruling permitting advertisers to use findings of Consumer Reports in ads. Magazine had filed suit against vacuum cleaner manufacturer claiming copyright protection for its product comparison surveys. Consumers Union said it would continue to challenge such claims in future ads. In other actions at start of new term, Court: (1) Refused to hear Mass. appeal of ruling that struck down state law prohibiting charities from soliciting contributions on telephone if those seeking contributions were paid. (2) Agreed to determine how far states can go in regulating advertising by lawyers. Case originated in Ohio, where lawyer was reprimanded for running ads about rights of women to sue manufacturers of birth control devices. (3) Accepted case from Wash. on whether state's obscenity law is too broad because of its definition as anything that "excites lasciviousness or lust."

Management shakeup at Satellite TV Corp., partnership DBS venture of Comsat, Prudential and Douglas Ruhe, has brought resignation of Richard Bodman, former pres. of what had been Comsat subsidiary. Michael Alpert, former exec. vp, now is acting head and Senior Mktg. Vp Ronald Castell has been replaced. Bodman said he will continue to work for Comsat in undetermined post. Partnership has tentatively chosen as dept. heads Edmond Bartlett, administration & finance; James Badaracco, field operations; David Beddow, engineering; Warren Zegar, legal; David Gordon, marketing. Comsat spokesman said that talks had concluded it would be best to locate venture in N.Y. area.

Britain's lawyers now are advertising on TV. Law Society ban fell months ago, but first TV ads began last week.

NETWORK 'SNAP TALLIES' SCORED: ABC and NBC practice of obtaining vote tallies from local election officials before ballots are sealed for official counting was called interference with election process at Oct. 3 House hearing. Legislators said they believe practice is unethical, perhaps illegal, and suggested House investigation. Network officials defended practice as not new, argued it was started by newspapers in cooperation with local authorities to ensure fast and accurate reporting, said it was limited to key precincts.

Congressmen didn't have much information about practice, appeared unsure whether they had case against networks. They nonetheless said that "snap tallies" delay official counting of ballots and announcements of winners and may even be vote tampering. Practice gives ABC and NBC at least 30-min. jump on official announcement, said House Telecom Subcommittee Chmn. Wirth (D-Colo.). CBS official at hearing didn't say whether that network also uses snap tallies.

"It's an open-and-above-board arrangement," ABC News Vp George Watson said. NBC Exec. Vp Thomas Pettit called practice "common." Wirth said it was "an interruption of the voting process." Practice was discussed in what was intended to be last congressional hearing this year on networks' exit polling and election projections.

Hearing, by House Telecom Subcommittee and House Elections Task Force, was meant to put pressure on networks to refrain from projecting or characterizing Nov. election results before polls close nationwide. Lawmakers apparently saw snap tallies issue as leverage they need to convince networks to hold off on projections. They also showed 19-min. videotape of network nightly newscasts on primaries to emphasize that broadcasters promise not to declare winners before polls close, but do so nevertheless.

CBS News Senior Vp Robert Chandler said: "We are not unsympathetic... However, as journalists we are caught in a dilemma. Deliberately withholding information [would] ultimately undermine our own credibility." Networks said they will project winners state by state after majority of polls close in each and describe or "characterize" voting trends based on exit polls or other information as it comes in.

Meanwhile, House Speaker O'Neill (D-Mass.) released Congressional Research Service (CRS) report that found TV networks, especially CBS, haven't been providing Democrats adequate opportunity to reply to TV addresses by President Reagan. Report implies that networks are letting Reagan take advantage of presidential prerogative to win access to TV time.

Reagan has made 15 requests for simultaneous air time on 3 major networks, was turned down only once, by ABC for Oct. 1982 "stay the course" message. "Because in each instance, the President's

address was broadcast simultaneously on all 3 networks, while the rebuttals were not, the President reached larger overall audiences than did the opposition," report said.

FCC HOLDS 11TH LPTV LOTTERY: Allstate Insurance-backed Neighborhood TV, which this year unsuccessfully challenged FCC's low-power TV rules and procedures, won 3 markets during Commission's 11th LPTV lottery Oct. 3. Neighborhood, which had filed for translator licenses in 141 markets before FCC adopted LPTV rules, won in L.A. (Ch. 16), Salt Lake City (Ch. 67), Lincoln, Neb. (Ch. 61). But Phoenix-based Neighborhood lost in bids for Pittsburgh, Orlando, San Diego, Omaha. Total of 35 tentative winners were chosen by luck of weighted draw, raising number of licensees chosen by lottery to date to 272.

Other multiple winners were Russell Communications, Fullerton, Cal., picked for Rawlins, Wyo. (Ch. 7) and Ponca City, Okla. (Ch. 12); Ponyland Bestg., Santa Monica, for Columbia, Mo. (Ch. 47) and Reno (Ch. 45); Women's Low-Power Stations, Knoxville, for Cape May, N.J. (Ch. 15) and Moorehead, Okla. (Ch. 61). Parties avoided lotteries by reaching settlements in Marco Island-Miami, Fla. area (Ponyland Bestg.-Meycom, Ch. 21) and in Lufkin, Tex. (Tel Radio, First Assembly of God, Attaway Bestg., Ch. 2). Attaway owns 3 radio stations.

Meredith Corp., parent of Meredith Bestg., which owns 7 TV stations, was only broadcaster to win in lottery, picked for Phoenix. Its grant is for Ch. 27. Roy Park, who owns 7 TVs and 14 radio stations, lost bid for Watertown, N.Y. Channel 9 of Orlando, licensee of WFTV Orlando, lost for Western Citrus, Fla.

Besides Allstate, other principals in Neighborhood are Marshall Carpenter, William Sauro and Lyle Mettler, who have other broadcasting interests, mainly independent KUSK, Prescott, Ariz. Neighborhood previously had been selected in Huntington, W.Va., Detroit, Savannah, Syracuse, is unopposed in Norfolk.

Next LPTV lottery will be Oct. 31, 2:30 p.m., in Commission meeting room. Twenty markets are up for grabs, including Nashville, Tampa, Memphis, Wichita, Rochester.

Copyright Office has scheduled hearing Oct. 12 to reconsider its position on cable copyright liability for carriage of LPTV stations. Office has taken position that because LPTV doesn't qualify for must-carry status, it isn't local service, therefore is distant signal. Hence, for cable system to carry local LPTV station, it must pay 3.75% of gross revenues in copyright fees. LPTV interests have complained to House Copyright Subcommittee Chmn. Kastenmeier (D-Wis.), who has pressed Copyright Office to change its stance.

FALL AGENDA FOR MASS MEDIA BUREAU: "This will be a year when we do a lot of technical deregulation of broadcasting," FCC Mass Media Bureau Chief James McKinney told us in reviewing major items from his Bureau that will be sent forward for Commission action in next 3 months. First major technical item will be audio proof of performance and overall operations for all classes of services, he said. This will be followed by rulemakings for individual services (AM, FM, TV, others).

As for reconsideration of relaxed multiple ownership rules, "we'll have to do it this quarter" because FCC promised Congress new rules would be ready for Hill consideration in Jan. Both Congress and FCC have put moratorium to April 1 on increasing number of TV stations that single licensee could own from 7 to 12; however, increased ownership rule now is in effect for radio. In reconsideration, Commission is expected to add audience percentage cap in addition to numerical limit.

"I can't promise it will" reach commissioners this quarter, McKinney said of inquiry in works looking toward removing program content regulations -- item being pushed by Comr. Dawson. He said it's likely to be combined with existing inquiry into fairness doctrine and personal attack rules, which are being considered by Gen. Counsel's Office.

Other major items, roughly in order they'll be presented to commissioners, from Mass Media over next 3 months: (1) Controversy over renewal of KTTL(FM) Dodge City, Kan., which has programmed racist statements. Local group has protested renewal and Commission is facing "a sticky First Amendment issue," according to non-Bureau official. (2) Court-ordered designation order on renewal hearings for RKO-owned TV and radio stations. "It's been a tortuous process," said McKinney. Many competing applications have been filed against RKO renewals in nearly all markets where it owns stations.

(3) Interference by educational FM stations to Ch. 6 TV stations, plus FM blanketing. Commission is expected to come up with compromise in which "nobody will win," we were told. (4) Reconsideration of order denying Moody Bible request for low-power FM stations. FCC is expected to make only minor changes in earlier order. (5) Order on how to handle processing of next round of LPTV applications -- should FCC establish "window" for filing of competing applications or stick with current cut-off process. Also expected in order is language to attempt to control copying of engineering exhibits by potential competitors.

(6) Several rulemakings to implement cable deregulation if bill passes Congress (see separate story). (7) Readdressing daytime hours under regional agreements with Mexico and Canada. (8) FM "omnibus" proceeding under Doc. 80-90. This will include whether daytimers should receive preference

in applying for some 640 new FM stations. "Will Commission establish lottery system or continue with comparative hearings? We don't know the answer," McKinney said. FCC will begin accepting applications for new stations by "midwinter." (9) Reconsideration of ownership attribution rules, with how to treat limited partnerships as main issue.

Oct. 21 Reagan-Mondale debate in Kansas City has been moved up hour to 8 p.m. because of Mon. night football game between Dallas and New Orleans. Game has been shifted from 9 to 9:30 p.m. ABC's Barbara Walters was to moderate first debate Oct. 7 from Louisville, retired NBC correspondent Edwin Newman will moderate Oct. 21 in Kansas City, ABC's Sander Vanocur vice presidential debate Oct. 11 from Philadelphia. Meanwhile, Commission voted late last week, in upholding Mass Media Bureau ruling, that debates don't have to include candidates of Citizens Party. Citizens' presidential candidate Sonia Johnson argued debates aren't exempt from equal time and fairness doctrine because, rather than being bona fide news events, they're initiated and orchestrated by media. Bureau said complaint "contained no valid grounds for any Commission action," noted that in 1976 similar requests by candidates Eugene McCarthy and Lester Maddox were denied. Commission's vote was 3-0 with Patrick absent and Rivera not participating.

With 4 new TV stations recently going on air, U.S. operating total now is 1,174 -- 876 commercial, 298 noncommercial; 644 VHF, 530 UHF. New starts: (1) WDBB-TV (Ch. 17) Tuscaloosa, Ala; David DuBose is pres.-gen. mgr., 68.8% owner; David Baughn (9.3%), vp-engineering dir.; Richard Brennan (11.9%), dir.-station affairs; Michael Hood, gen. sales mgr.; Al Whitaker, news dir. (2) WTIC-TV (Ch. 61) Hartford; Arnold Chase is pres.-97% owner; Bruce Mayer, vp-gen. mgr.; David Jrich, operations mgr. (3) WNEG-TV (Ch. 32) Toccoa, Ga.; Pres.-Gen. Mgr. Roy Gaines owns 50.25%; David Austin, gen. sales mgr.; Thomas Shockley, chief engineer; Connie Gaines, program dir. (4) WRGT-TV (Ch. 45) Dayton, owned by Henry Posner Jr. Group; David Miller, gen. mgr.; George Boggs, operations mgr.; John Tamerlano, gen. sales mgr.; Miles Ptacek, chief engineer.

Several church groups have asked U.S. Appeals Court, D.C., to overturn FCC ruling that CBS segment on 60 Minutes, The Gospel According To Whom? didn't cover controversial issue of public importance. Commission refused to order CBS to provide groups time to respond under fairness doctrine. Groups charged program attacked their honesty and integrity by asserting that their denominations were supporting 3rd world revolutionary groups.

FCC's request for en banc rehearing on July decision that DBS constitutes broadcasting under terms of Communications Act, must be regulated as such, was denied Oct. 4 by U.S. Appeals Court, D.C.

"Unprecedented" jury verdict that N.Y. restaurant Mr. Chow was libeled by unfavorable review is being appealed in 2nd U.S. Appeals Court, N.Y., by broadcast, print, consumer and writers' groups. Review by free-lance critic in French guidebook published by Gault-Millau said that Mr. Chow's Chinese cuisine lacked authenticity, service was poor and food served was cold, greasy and heavy. Jury awarded Mr. Chow \$20,000 in compensatory damages, \$5 in punitive damages. Joining in appeal were TV networks, NAB, Assn. of American Publishers, Consumers Union, Magazine Publishers Assn., National Book Critics Circle, N.Y. Drama Critics Circle, N.Y. Film Critics, N.Y. News, Mimi Sheraton (food critic), Time Inc., Group W.

Teletext service isn't planned by 62% of TV stations, according to preliminary report on NAB Feb.-March survey of 561 stations. Local participation is key to future of teletext, according to Albert Crane, CBS Extravision vp. About 7% of stations have teletext plans and have spent average of \$66,250 on operation, according to Richard Ducey, NAB dir.-audience research and technology planning, in speech to Electronic Imaging Conference and Exposition in Boston. Remaining 31% of stations aren't sure. Teletext issue is part of broader study, results of which will be released within next 6 weeks, Ducey said.

WNYC(AM) N.Y. must drop nighttime operation, U.S. Appeals Court, D.C., ruled in upholding earlier FCC decision. "This is a rational determination [by FCC], supported by substantial evidence, and we cannot displace it," unanimous 3-judge court ruled. WNYC is licensed as daytimer on 830 kHz, frequency of Class 1-A clear channel WCCO(AM) Minneapolis -- which has been trying to get WNYC off nighttime operation since 1954. Commission gave WNYC authority to operate until 10 p.m. in 1943 "to help keep [N.Y.] City residents informed about the war effort."

About 80% of 2,100 NBC news and technical employees represented by NABET have voted to accept network's newest contract offer. However, NBC said it's "disappointed that some small associated units rejected the proposal [which] will delay implementation of the new contract for the vast majority who accepted the offer." NABET and NBC have been negotiating more than 18 months; union members have been working without contract.

Paul Evans, gen. mgr. of Bonneville's teletext operation in Salt Lake City, takes issue with report that Telecue Systems has first free videotex service (TVD Sept 17 p16). He reports that KSL-TV announced start of free service Sept. 14, 1983, says: "The service functions successfully today."

Bob Hope will entertain at Jan. 13 IRIS Awards ceremony during Jan. 10-14 convention of NATPE, Moscone Center, San Francisco. Keynoter Jan. 11 will be MPAA Pres. Jack Valenti. A featured panel will be on "The Future of Children's TV."

FCC isn't required to compel broadcasters to hire handicapped or promote ownership and management opportunities for disabled, U.S. Supreme Court ruled Oct. 1. Dispute stemmed from 1977 petition to FCC by Cal. Assn. of Physically Handicapped, which wanted Commission to adopt rules that broadcasters can't discriminate against handicapped and should be forced to promote access to facilities. After FCC refused petition, group in 1980 sued, joined by Cal. Paralyzed Veterans Organization. Suit claimed employment discrimination against handicapped should be treated same as bias against blacks and women.

FCC Comr. Patrick has "presumption that government regulation of speech is forbidden by the Constitution." Speaking to Fla. Assn. of Bestrs. in St. Lucie, he said "any exceptions to the general prohibition must be narrowly drawn and supported by compelling interest" and that doesn't exist simply because programming is contrary to popular viewpoint or "because the broadcast material is not exactly what we regulators would have you broadcast." He said First Amendment isn't needed to protect majority viewpoint -- "it is needed precisely to protect the minority; to protect the viewpoints that are unpopular."

CJOM(FM) Windsor, Ont. has been given special waiver of Canadian program content rules by CRTC to permit it to compete for audiences with Detroit stations. CRTC regulations require FMs to devote at least 40% of programming to "spoken word" -- news, public affairs, human interest, etc. -- restrict music to 50%, 20% of which must be Canadian. "Some days I have to force myself to listen to my own station with all the good stations next door in Detroit," said CJOM Gen. Mgr. George Ferguson.

NBC International has been granted permission by Canada to open business office in Toronto. Office will be used to service Canadian clients, according to Vp-Sales Mike Perez, and is "a major step in NBC International's plans for expansion." Division is foreign distributor of entertainment, news and sports programming. Said Perez: "Permission for foreign businesses to open new offices in Canada is not always easy to receive."

Planned Sept. seminars by NAB 100-Plus TV Committee in Boston and L.A. were canceled because of poor timing and low advance registration, according to NAB Senior Vp for TV Dick Hollands. However, Committee will try again -- scheduling seminar for early spring in Chicago. Earlier seminars in Atlanta and Denver last spring were considered successful.

NAB has scheduled 4 seminars on "The Revitalization of AM Radio:" St. Louis Oct. 23-24; Portland, Ore. Oct. 25-26; Orlando Feb. 26-27; Charlotte Feb. 28-March 1. NRBA plans "Radio Sales University" Nov. 16-18, John Carroll U., University Hts., O.

Personals

FCC calendar, Oct. 8-12: Chmn. Mark Fowler addresses U.S. Telephone Assn. Oct. 8 at Sheraton Waikiki, Honolulu; Comr. Mimi Dawson participates on USTA panel on impact of new technology and services, Oct. 9; Comr. Dennis Patrick is on panel Oct. 9 on industry opportunities in changing telecommunications market, USTA; Daniel Brenner, legal asst. to Fowler, addresses communications seminar at Stanford U. Oct. 9.

Betty Hudson advanced to NBC vp-corporate relations and advertising; Elaine Conway promoted to corporate projects vp; Frank Pintauro appointed NBC corporate ad & promotion vp; Robert Cornet, corporate affairs & communications vp... Raymond Strassburger, govt. relations rep for Times Mirror, Washington, rejoins FCC as special asst. to Chmn. Fowler, with primary duty congressional liaison.

John Harr promoted to vp, ABC Best. Group Office of Communication, new post; Clayton Brace, KGTV San Diego vp-gen. mgr., named chmn. of ABC Affiliates Assn. board for remainder of term ending in May 1985, replacing Frederick Barber, who resigned as WSB-TV Atlanta vp-gen. mgr.

Lawrence Harris, pres. of Metromedia Telecommunications Div. and onetime chief of FCC Mass Media Bureau, resigns to start own firm... Michael Barry, govt. affairs for National Telephone Cooperative Assn. and onetime NAB lobbyist, resigns. David Ladd, U.S. Register of Copyrights, and top aide David Leibowitz will become partners in Washington law firm Wiley & Rein Jan. 1.

Edward Planer promoted to deputy vp, NBC daily news coverage & programs; Raymond Lockhart advanced to vp-worldwide news & services... Lance Taylor, ex-ABC, named current programs vp, Columbia Pictures TV... Copyright Royalty Tribunal Comr. Mario Aguero has been confirmed by Senate for 7-year term... William Chapman promoted to creative services dir., Turner Bestg. System's Cable Music Channel.

Anne Gemunder advanced to programming operations supervisor, WDVM-TV Washington, new post... Andrew Fisher, ex-KCBS-TV L.A., named vp-gen. mgr., WSB-TV Atlanta, succeeding Frederick Barber, resigned... William Logan, ex-WOTV Grand Rapids, named station mgr., WAVY-TV Portsmouth-Norfolk-Newport News, Va... Henry Ingham promoted to KIEM-TV Eureka, Cal. station mgr... William Zortman, ex-KVII Amarillo, named news operations vp, WDAM-TV Laurel, Miss... Larry Walker advanced to news dir., WJCL Savannah... Ronald Bilek, ex-WCMH-TV Columbus, O., named news dir., WKYC-TV Cleveland... Thomas Houghton, ex-ABC, appointed programs dir., NBC TV Stations Div., L.A... Stephen Salyer advanced to senior vp, WNET N.Y. Education Div.; Ruth Burns promoted to a vp.

John Hayes appointed vp-gen. mgr., WNBC(AM) N.Y... Robert Maher, House Telecom Subcommittee senior policy analyst, becomes exec. dir. of new Cellular Communications Industry Assn. after Congress adjourns... Joseph Chairs, Outlet Bestg., and Walter Liss, Cox, elected RAB dirs... Richard Groat, WOTV Grand Rapids, elected chmn., TvB Sales Advisory Committee, succeeding James Keeley, KTRK-TV Houston; Clark Wideman, WEAU-TV Eau Claire, named co-chmn.

Leo Korman promoted to Nielsen vp-treas. and chief financial officer and elected a dir., effective Dec. 1 upon retirement of Jack Wennerstrom... Thomas Saldi, ex-C-COR, appointed pres.-COO, AM Cable TV Industries, succeeding Maqbool Qurashi, who remains chmn.-CEO.

John Lazarus, ABC vp-sports mktg. & sales, resigns... Olaf Aase promoted to national credit mgr.-credit & collections, ABC TV Operations... Olin Morris advanced to vp, dir.-mktg. & client services, WREG-TV Memphis; Denise Sims promoted to public affairs dir... Harry Wise, Seltel vice chmn., retired Oct. 1, remains consultant... Gregory Gush, ex-TeleRep, returns to Katz TV as sports sales dir... Graham White, ex-Australian Bestg. Co., appointed managing dir., RKO Pictures' Australian-based subsidiary... Paul McGrath, asst. attorney gen., Justice Dept. Antitrust Div., addresses FCBA luncheon Oct. 18, Touchdown Club, Washington.

Appointments at HBO: Ellen Rubin promoted to original programming publicity dir.-east coast; Brian Lindquist to west coast media relations mgr.; David Rodriguez to Mountain States regional dir.; Jeff Bricmont, ex-Martin Poll Productions creative affairs vp, named original comedy & drama programming dir.

Viacom International Vp Jeffrey Reiss forms Reiss Media Entertainment to buy & operate cable systems... Rob Corona advanced to gen. sales mgr., MGM/UA TV... Thomas Campbell, asst. managing dir. of FCC for operations, will join Office of Secy. of Defense as deputy asst. for resource management.

Arthur Horan, ex-NBC, named business affairs vp, Warner Bros. TV... Al Ittleson, ABC Circle 7 Productions vp, resigns to become mgr.-news and program development, McKinnon Bestg.; Alfred Smith advanced to daytime sales vp, ABC... William Wells promoted to dir.-dramatic program development, CBS Entertainment... Robin Prince promoted to program mgr., KHOU-TV Houston; Alan Parcell, ex-WFAA-TV Dallas-Ft. Worth, named news dir.; David Earnhardt advanced to operations mgr.

Speaking at N.Y. State Bestrs. Assn. convention Oct. 22-24, Albany: NAB Pres. Edward Fritts; FCC Comr. Mimi Dawson; talk show host Phil Donahue; CBS Vp-Engineering & Development Joseph Flaherty...

Consumer Electronics®

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STATE OF THE INDUSTRY

Sales to dealers, from EIA, for 4th week of Sept. and year to date:

	SEPT. 15-21	1983 WEEK	% CHANGE	SEPT. 8-14	38 WEEKS 1984	38 WEEKS 1983	% CHANGE
TOTAL TV.....	407,683	436,319	- 6.7	418,431	14,137,069	13,110,220	+ 7.8
TOTAL COLOR...	332,386	312,228	+ 6.5	316,002*	10,941,676*	9,273,494	+18.0
DIRECT-VIEW..	327,164	308,855	+ 5.9	311,770*	10,820,821*	9,185,107	+17.8
PROJECTION..	5,222**	3,373	+54.8	4,232	120,855*	88,387	+36.7
MONOCHROME....	75,297	124,091	-39.3	102,429	3,195,393	3,836,726	-16.7
TV EXCL. PROJEC.	402,461	432,946	- 7.0	414,199	14,016,214	13,021,833	+ 7.6
HOME VCR.....	163,646*	87,328	+87.4	140,132*	4,503,062#	2,524,930	+78.3
COLOR CAMERAS...	9,353*	7,774	+20.3	10,623*	302,688*	254,608	+18.9

Color TV (direct-view) 5-week moving average: 1984--321,915*; 1983--295,054 (up 9.1%).

Home VCR 5-week moving average: 1984--142,217*; 1983--87,178 (up 63.1%).

* Record for period. ** Highest week on record. # Exceeds full-year record.

SAMSUNG SEEKS DUMPING CASE DELAY: Breaking ranks with other 2 Korean color TV manufacturers specifically covered by dumping finding, Samsung, with Korean govt. backing, is asking Commerce Dept.'s International Trade Administration to hold off finalizing its review determination that would result in increased margins and higher cash bonding requirements on future shipments to U.S. (TVD Sept 17 p10).

In preliminary ruling issued last month, ITA said that, based on recent data, it found Samsung was undervaluing its color exports to U.S. by average of 52.5%, up from 13.9% set as margin in April. Gold Star's margin was hiked to 20.08% from 15.95% and Daewoo's was set for first time at 25.09%. ITA indicated at that time that substantial increase stemmed primarily from inability of Koreans to supply adequate backup material to support adjustment claims that would bring high home market prices more into line with those charged here.

Samsung has asked ITA to extend its self-imposed Oct. 31 deadline for making its new margin official long enough for company to compile new documentation for its claims, and for ITA to send verification team to Korea. Korean govt. representatives have visited senior Commerce officials to express concern over case and desire for more time. As of week's end, however, there was no evidence to indicate any official Korean govt. request for delay had been made, and there's speculation that bid was being held up until Congress adjourned to head off any postponement counterpressures that might come from legislators.

ITA staffer told us that if Samsung's request is approved, other involved Korean companies could be expected to seek delays. However, they aren't backing Samsung at present: "They seem to feel they will be able to get their margins reduced through regular procedures and without a delay." Whatever margin outcome is set, Koreans will have to live with it for long time. ITA normally takes about year to conduct regular review, won't start next one on Korean color pricing until May 1985.

Situation is, of course, more critical for Samsung than other Koreans. Its N.J. plant won't be fully on stream until next summer at earliest, and then will be able to meet only about 50%

of company's needs. Gold Star, however, expects to be meeting all its U.S. color requirements from Huntsville, Ala. plant around Jan., when expansion there is complete. As for Daewoo, it's relatively small player in U.S. market, hasn't as much at stake.

Japanese dumping-related problems were back in news last week when Supreme Court invited Reagan Administration to submit brief on whether it should review Appeals Court order reinstating \$3 billion Zenith-NUE antitrust suit against Japanese industry. Action, first brought 14 years ago, was ordered dismissed by U.S. Dist. Court, Philadelphia, in 1981, but that ruling was overturned on appeal last Dec. Among basic issues Supreme Court is being asked to decide are nature of evidence needed to support allegations of conspiracy, degree to which testimony of expert witnesses can be relied on, application of U.S. antitrust laws against foreign companies acting on direction of their own govt. Court apparently has accepted for consideration filing by Japanese govt. saying TV makers there were required to follow its orders on minimum or check prices for sets exported to U.S. Suit alleges floor pricing agreement was part of conspiracy to undermine U.S. industry, though apparent effect was to keep Japanese TV prices up.

FUJI TO SELL SONY-MADE 8mm AND 'MAVICA:' Two major products originally started by Sony will be brought to market in Japan early next year by Fuji -- 8mm camcorder and microfloppy disc still photo TV display adapted from Mavica electronic snapshot technology. Export plans haven't been made for either product. Fuji's 8mm system will be first to be built by Sony, is first to be announced using solid-state pickup instead of tube.

Fujix-8 camcorder was announced at last week's Japan Electronics Show in Tokyo, will be shown this week at Photokina in Cologne, Germany. Unit weighs 4.2 lb. without cassette or battery, has 2/3" CCD image sensor, f1.4 lens, 20 lux sensitivity, 6:1 power zoom, 1" electronic viewfinder, with built-in playback, rechargeable nicad battery for 60-min. operation. It measures about 5.2"x7.1"x13.4", takes ME or MP tapes.

Sony-Fuji arrangement is familiar type by now, following pattern adopted by Matsushita with Kodak and Toshiba with Polaroid -- Japanese manufacturer using photo camera firm without previous VCR product as stalking horse to test pull of 8mm instead of fielding one under own name. Fuji, major film and photography firm, also is leader in tape and one of pioneers in developing metal 8mm tapes. Sony was first to suggest idea of minicamcorder that later became 8mm system after specs were standardized by 128-company conference.

Another development first demonstrated by Sony -- electronic still photography (Mavica) -- also standardized by industry group in Japan, bears first commercial fruit in Fujix Video Floppy system, which uses 1.85" metal-particle disc that holds either 50 single-field or 25 full-frame color pictures. System introduced by Fuji initially doesn't have electronic camera, but is for TV playback of still pictures taken with standard film camera.

Playback unit, which attaches to TV, will be priced in Japan at around \$210. Owner will take regular color negatives or prints to local Fujicolor photofinisher, who will transfer them to disc at \$4-\$8 per disc pack, depending on types of originals and number of pictures. Fuji foreshadows complete electronic photography by pointing out system is compatible with "standard videodiscs exposed by electronic still cameras to be expected in the future." Dimensions of playback unit are about 8" wide by 4" high by 12" deep. It has forward-and-reverse speed search, with access time of 1-8 sec. Although not confirmed, it's believed Sony is making disc drive system.

Other 8mm developments: Polaroid's camcorder will be introduced before year's end in "selected test markets," according to company. Regional availability will be expanded to national marketing through 1985, spokesman said. Locations of first markets aren't available. Spokesman stressed that test involves marketing approach, not product concept. GE announced it will start shipping its Uni-Cam 8mm camcorder in mid-Nov. Unit, which is made by

Matsushita and resembles Kodak's Kodavision, "underwent a series of design refinements," according to GE. "We now have a product that meets GE's quality and reliability standards," said Gen. Mktg. Mgr. Richard Williams. Meanwhile, we've learned that Kodak plans to show new electronic product later this month which it's understood has both home and commercial applications.

* * * * *

Toshiba is planning to start producing VHS VCRs in Japan, following lead of other Beta makers, NEC & Sanyo. Reports from Japan say Toshiba, which last spring started assembling VHS VCRs in U.K. for sale in Europe, will begin turning them out in Japan next month, offer them for sale there before year's end. Company is gearing up for production of 30,000 monthly. Move is considered prelude to Toshiba's start of selling VHS along with Beta VCRs in U.S. Sanyo's VHS production is by Tokyo Sanyo under Fisher brand, and like NEC's VHS, is for export only. When it starts VHS output, Toshiba will be first company in production of all 3 VCR formats, including 8mm Video (for Polaroid), leaving Sony as only Beta-only producer.

JAPAN BOOSTS VIDEO TO U.S., CUTS BACK ON EC: While Japanese video equipment exporters continue to hike U.S.-bound shipments of VCRs and TVs sharply, they're preparing to comply with "administrative guidance" request from Ministry of International Trade and Industry (MITI) that they cut back on already regulated level of VCR exports to Europe.

Japanese VCR makers exported just under 1.05 million to U.S. in Aug., up 120.3% from same month last year, according to Finance Ministry. But total was down from 1.14 million shipped in Aug., so string of all-time monthly record shipments, started in Feb., was snapped at 6. In 8 months, VCR exports were up 122.2% to nearly 6.79 million.

In TV, total exports were up 59.1% in month to 268,500 for 6-year high, with color up 63.8% to 8-year peak of 218,600. Though month's b&w total of 49,900 was up 41.4%, it was well below year's monthly high of 72,900 hit in July. For full period, total TV shipments rose 104.4% to 1.74 million, with color up 91.2% to 1.3 million, b&w up 156.4% to 440,500. In color, Aug. exports of complete sets rose 60.3% to 128,100, for 8-month total of 795,800, up 120.4%. Shipments of chassis and kits were up 69% to 90,500 for month, ahead 57.9% to 500,100 for 8 months.

MITI said it has formally requested exporter cutback on VCR shipments to EC of at least 10% for rest of year to avoid excessive inventory buildup and intense price competition there in wake of slackening demand. It told industry last month to expect move (TVD Sept 3 p10). Order shouldn't be too hard for manufacturers to swallow, as shipments to EC this year are currently running about 12% behind 1983, when Japanese about filled voluntary export quota of 3.95 million. Also, it doesn't affect shipments of VCR kits to EC assembly plants.

Announcement of MITI action was timed to coincide with meeting of EC and Japanese officials and business leaders on international electronics trade issues slated to be held in Tokyo last week (TVD Sept 17 p16). Export cutback is generally viewed as attempt to offset any objections by European manufacturers to MITI decision last Aug. to reduce by \$21 its minimum export pricing on EC-bound VCRs.

FIRST RESULTS OF STATION STEREO SURVEY: Preliminary results of Television Digest survey of all 1,600 TV stations and construction permit holders indicate that stations in all major markets are hoping to add stereo sound by end of 1985. They also show that separate audio program (SAP) for bilingual or other sound broadcasting will come along much more slowly than stereo.

MTS TIMETABLE

Arranged alphabetically by city
within timeframe category.

All stations stereo, non-SAP, unless
otherwise indicated in footnote.

Now broadcasting regularly in stereo:

WTTW Chicago (PBS)
WTIC-TV Hartford (independent)
KOMO-TV Seattle (ABC)
WTTX Waterbury, Conn. (ind.)

Now testing:

WNBC-TV N.Y. (NBC)^a
Planning fall 1984 start:
WZTZ-TV Boston* (ind.)
WFSB Hartford (CBS)
WTLV Jacksonville (ABC)
KABC-TV L.A. (ABC)
KTLA L.A. (ind.)
KATU Portland, Ore. (ABC)
KRBK-TV Sacramento (ind.)
KPLR-TV St. Louis (ind.)
KIRO-TV Seattle (CBS)
WNJT Trenton (PBS)^b
WDBB-TV Tuscaloosa, Ala.* (ind.)
low-power TV, Alaska

Planning winter 1984-85 start:

WBZ-TV Boston (NBC)
KSAT-TV San Antonio (ABC)^c

Planning spring 1985 start:

WTBS Atlanta (ind.)
KWHP Boise* (ind.)
WMAQ-TV Chicago (NBC)
WCET Cincinnati (PBS)^a
KMSG Fresno (Sanger), Cal.* (ind.)

new station, Idaho Falls* (ind.)
WFYI Indianapolis (ind.)
KRLR Las Vegas (ind.)
WIYE Leesburg, Fla. (ind.)
KNBC-TV L.A. (NBC)
KWHY-TV L.A. (ind.)
WLCT New London* (ind.)
WNBC-TV N.Y. (NBC)
WPSD-TV Paducah, Ky. (NBC)
Philadelphia -- see Wilmington
KETC St. Louis (PBS)
KSMW Spokane* (ind.)
WRC-TV Washington (NBC)
WHYY-TV Wilmington-Phila. (PBS)

Planning start in 2nd half 1985:

WGBH-TV Boston (PBS)^a
WNJS Camden, N.J. (PBS)^d
WKBD-TV Detroit (ind.)
KVIA-TV El Paso (ABC)^a
WNJM Montclair, N.J. (PBS), N.J.^a
WNJB New Brunswick, N.J. (PBS)^d
WOFL Orlando, Fla. (ind.)^a
WNJT Trenton (PBS)^e

Planning 1986 start:

WSBK-TV Boston (ind.)

Planning stereo, no date:

WNUV-TV Baltimore (ind.)
KFYR-TV Bismarck, N.D. (NBC)
WNET N.Y. (PBS)

* Construction permit, not on air.

^a Stereo & SAP

^b Nonprogram-related SAP only

^c SAP only

^d Stereo and nonprogram-related SAP

^e Adding stereo to SAP

MTS set sales won't grow that rapidly, according to survey of its members filed by EIA Consumer Electronics Group with FCC last week in proceeding on whether cable systems should be required to pass broadcast MTS signals along to their viewers (see Broadcast-Cable section). CEG said estimates varied widely but presented these average forecasts: Sets with built-in MTS totaling 10% of color TV shipments by mid-1986, 30% by mid-1987, leveling off at 45% of total sales in mid-1988. Adaptor jacks in 10% of sets sold by mid-1985, 20% in mid-1986, reaching peak of around 30% in mid-1988, then declining slightly.

MTS set penetration will reach about 4% at start of 1986, according to CEG projection, 8% at start of 1987, around 12% in 1988, nearly 18% in 1989. EIA also submitted EIA-J data on stereo sound sets in Japan, showing that sets with adaptors reached peak of more than 75% of sales in 1980, while built-in stereo never went higher than 25% and that both dropped to about 20% of mix in 1983, with total penetration close to 40%.

Analyzing early results of our station survey -- just the first 58 replies -- we find only 19% of stations said they had no plans to add MTS. Some 39.7% had definite plans to convert and 41.4% were undecided. Of the 23 stations with plans for MTS, all except 3 said they'd start before end of 1985. Total of 4 said they planned both stereo and program-related SAP, one SAP only.

Based on our survey and other reliable data, we have updated our MTS Timetable to show plans of 48 stations. Scheduled to go on air today (Oct. 8) in stereo is new WDBB, independent UHF in Tuscaloosa, Ala. Other imminent stereo starter is ABC affiliate WTLV Jacksonville, Fla., due to begin MTS Oct. 20. Meanwhile, stereo generator supplier Modulation Sciences Inc. says it will deliver equipment for 25 stations before year's end, helping break logjam that has been keeping number of outlets from converting to stereo. We'll have further results of our survey in future issues.

Software notes: Disney's 3rd home video release of animated film classic will be Robin Hood, due in stores in Dec. at \$80 for cassette, \$35 on Laserdisc and \$25 on CED. Previously issued were Alice In Wonderland and Dumbo... CBS/Fox Video is expected to move 175,000-200,000 copies of Empire Strikes Back in U.S. Distributors say price competition is fierce, with title regularly quoted to retailers at just \$2-\$3 above their \$50-plus cost... Taiwanese apparently are just like everyone else. They like X-rated movies, but don't want to admit it. Recent survey conducted in greater Taipei area by Harvard Management Services found 19.4% of customers interviewed at video stores said they were frequent renters of porn. However, retailers said number was closer to 80%... Copyright infringement is most serious trade problem faced by home video program suppliers, according to report by CBS. Importation of videocassettes and discs into countries where distribution rights have not been granted is "beginning to cause significant revenue loss to motion picture companies," study said. It urges U.S. to press for tighter international controls at GATT.

Video projection in theaters is goal of Essaness Theatres, Chicago, which has installed prototype equipment in suburban Chicago theater. Company says it has invested \$1 million in developing proprietary technology in joint venture with GE and Matsushita. In one-month test, theater is showing special video programming, including Sophisticated Ladies, Bolshoi Ballet, rock concerts and videos, claims picture quality close to 35mm. Chain's long-term aim is movie distribution by satellite. Japan now has chains of video theaters using widescreen high-definition projection systems. Essaness owns Campus Network, plans to beam programming by satellite to 100 colleges by first quarter 1985, hopes some day to do same to theaters.

Video cruncher is star of international Frankfurt book fair that opened in Germany last week. Fighting back against electronic media encroachment on reading time, fairgoers are encouraged to bring in their TVs and feed them to Kultigator, machine that crushes them. Recommendation is that compressed sets be taken home, painted and hung on wall as work of modern art.

Electra's phone business has been sold by parent Masco to Southwestern Bell Telecom, putting that telephone company into consumer phone market. Acquired for undisclosed sum were design, development and marketing operations. SBT said its prime interest is in Electra's cordless Freedom Phone, which will continue to be marketed nationally through independent retail outlets. Company said it would be first of complete line of phone equipment it will offer for home and business customers. Phones will carry SBT's logo, be marketed through new Consumer Products Div. being headed by Sam Martin, former Electra product planning mgr. CPD will hq in Indianapolis, where Electra was located. Masco earlier this year sold Electra's Bearcat scanner and most other lines to U.S. marketing subsidiary of Japan's Uniden, which had been major private label supplier of Electra products.

Home satellite dishes, while not exactly outlawed now, would get formal legalized status under amendment to House version of cable TV deregulation legislation still being written in Congress. Measure would end any uncertainty over basic right to buy and use dish, impose penalty of up to \$1,000 and 6 months in jail for unauthorized use of descrambler or unauthorized reception of unscrambled signals. Section on marketing signals has observers scratching heads. It would require that dish owners become paying subscribers before tuning in any service, whether or not scrambled, that has established marketing and fee collection system. Presumably dish owners will be expected to voluntarily own up and pay up.

BULLETIN

Biggest week in history of color TV & VCR sales is expected in EIA's report for final week of Sept. For first time ever, more than half million color sets were sold to dealers in single week -- close to 529,000. Industry sold more than 294,000 VCRs same week, bringing Sept. sales to nearly 1,760,000 color sets, 873,000 VCRs.

JAPAN ELECTRONICS SHOW: Size barrier in LCD color displays apparently has been broken by Casio, which showed 6" flat-screen TV at Japan Electronics Show. Company officials indicated large size was breakthrough, said set would be "surprisingly economical." Conventional wisdom has been that price of color LCD screen increases exponentially as size goes up.

Picture on backlight screen, as we viewed it at Tokyo show, was quite good, eminently viewable. Casio gave no price or introductory date for 6", but did show 2" LCD color set it said would be available next spring. Seiko and affiliate Epson have introduced 2" LCD color sets, and Citizen showed 2.7" version at CES, saying it was developing 3.5", 4.9" and 7" versions.

Elsewhere at JES, most excitement revolved around new variations of optical recording technology. Sony gave evidence of deeper involvement in consumer laser disc when it showed combination CD audio disc and videodisc player similar to one demonstrated by Pioneer. Pioneer makes Lasermix consumer videodisc player that Sony sells in Japan. (See related story on Sony videodisc activities elsewhere in this issue.)

Sony showed erasable CD recording system with 30-min. recording time, compatible with standard CD system, as well as CD system for recording and storage of digital graphic computer data in 16 colors with 60 min. recording time; system will play back CD audio as well. No availability dates or prices were given. Also demonstrated by Sony was developmental HDTV optical disc using NHK's Muse system, with 3-beam pickup device, capable of 30-min. recording.

Moving to optical scene, meanwhile, is Japanese high-end audio equipment manufacturer Nakamichi, which says it will demonstrate "first commercially available optical memory system capable of recording and reproducing a variety of optical recording media" in N.Y. Oct. 23. Company declined specifics, but indicated product was primarily for audio and data applications.

At JES, Mitsubishi demonstrated color version of its digital color TV printer, using 3-color process, which lays down colors one at a time, producing complete picture in one min. Seen as having major implications in electronic photography, company said printer would be available next year at about \$825, roughly 3 times cost of its monochrome printer. Pictures had good quality, with excellent apparent resolution. Printer measures about 5.5" high, 12" deep, 10" wide.

Add Fairchild Publications' Computerware to list of specialty computer magazines being folded. Material in publication, formerly slick monthly insert to HFD, will be included now as part of HFD's regular coverage.

SONY'S PORTABLE CD: It doesn't have catchy name like Walkman or Watchman, unless D-5 does something for you, but Sony's new, and industry's first, battery portable CD digital audio disc player is designed for headphone use, and at \$300 list is well under company's \$500 target when product was in development stage last spring (TVD April 30 p17).

D-5 is slightly over 5" square, only 1.5" high, weighs in at 1.3 lb., plays 5 hours on 6 C cells. It has single IC handling most digital functions, minilaser assembly just 1/3 size of that used in Sony home models. LCD shows track being played, elapsed time, battery condition.

Plastic carry case with built-in rechargeable battery is \$50 option. While case is needed for using D-5 while walking, wow produced by quick hand-held swinging test of model on demonstration last week indicates it probably isn't suitable for joggers. Other options include car cord and AC adaptor. Unit has output jacks for linking into home hi-fi. Sony said it will start shipping D-5 in Nov., have it available in 8,000 retail stores by early 1985.

D-5 introduction overshadowed Sony's other, and generally expected, CD first -- car players. It unveiled 2 in-dash models, player only at \$600, version with electronic tuned stereo FM-AM radio at \$700. Those too will be on market next month.

Sony will push CD line in \$3 million promotion that includes TV and print ads and giveaways in cooperation with MTV, in-store tie-ins including coupon booklet good for up to \$500 off on purchase of other Sony audio components. Buyers of Sony CD players also will get offer to purchase up to 30 CBS CD titles at \$8 each.

Matsushita was 6th largest importer in U.S. last year, bringing in products and parts worth \$2.4 billion, according to estimate in recent issue of Business Week. Most of its imports are consumer electronics and commercial equipment sold under Panasonic and Quasar brands. GE, only other consumer electronics manufacturer on list, ranked 15th at \$1.4 billion. Also placed were 3 major retailers: K mart 8th at \$2 billion, J.C. Penney 11th at \$1.8 billion, Sears 14th at \$1.4 billion. Other slots on 16-company list were filled by new car OEMs and Japanese trading companies.

Vending machines for recorded videocassettes, flop in past trials, are being given another market shot. This time, Credit Vending, div. of Merrill Communications, Phoenix company with cable and broadcast interests, is stepping in. It has acquired rights to credit-card-operated machine based on German design being produced by Essex Engineering, Essex, Conn. CV says it has 70 in place, will ship 100 this month, start shipping 300 monthly in Jan., hopes to move 40,000-60,000 units in the next 3-5 years. CV offers units for sale at \$13,000 each, also has leasing deals, and provides customers with cassettes.

COLUMBIA FOLDS MYLSTAR: Arcade game business has lost one of its oldest players, in part because of inability of laser disc arcade games to live up to their hype. Late last month, Columbia Pictures decided to close Mylstar Electronics (formerly D. Gottlieb), effective Sept. 31, leaving rearguard staff including Pres. Boyd Brown to clean up final details.

Last year Mylstar registered record earnings on success of home version of Q*bert and M.A.C.H. 3, its first disc entry. Company, late arrival in videogames, bought about 7,000 Pioneer Video (PV) players for coin-op use, 2nd only to 9,000 purchased by Cinematronics for Dragon's Lair. It seemed to be at forefront of disc technology that was going to revive stagnant arcade market.

Disc didn't take off, and revival didn't either. Laservision applications for arcade games are "zero," according to PV Industrial Vp Ronald Butler: "That's done, that's behind us." Amusement and Music Operators Assn. meanwhile detects only slight improvement in "the no-buying mode" among arcade operators. Internal memo from Columbia issued at time of closing announcement said that "serious deterioration" had lasted much longer than expected and that business was at "all-time low." Studio and parent Coca-Cola aren't willing to invest "substantial additional risk capital" necessary to turn situation around.

Nonconsumer discs, including a few CED, seem to be thriving elsewhere, however. Butler puts installed base at about 50,000 players, nearly 8,000 more than most recent survey, claims PV accounts for 70% of total. Sony is thought to be 2nd at close to 21%, followed by Magnavox at 8-9%, rest divided among RCA, North American Philips industrial and Hitachi. About 40% of PV's 35,000-unit share was sold in 1984, and Butler predicts sales of another 15,000-20,000 nonconsumer players in 1985, although "I don't think we'll hit the numbers we hit with the arcades."

Next big opportunity could be provided by disc-based jukeboxes, 4-6 of which will be displayed at AMOA show in Chicago Oct. 24-27. However, Butler thinks any jump in player sales won't occur until mid-1985. Given game experience, "we're taking a wait and see attitude." Off in future is another possible major market application -- navigation. Chrysler has shown system that could use orbiting satellite to pinpoint location of car or boat with 300-ft. accuracy on video display of map generated by optical player. Chrysler said disc could hold 13,000 maps, indicated system could be ready in 2-4 years.

Plans to buy color TV were down in Sept., according to monthly survey by Conference Board. Of 5,000 households surveyed last month, 6.9% planned to buy set within next 6 months, down from 7.7% in Aug. and 8.2% in Sept. 1983. Intentions to buy b&w sets dropped to 0.6% in Sept. from 0.7% in Aug. and 1.1% in Sept. 1983.

KODAK-NFL TAPE TIE: Kodak and NFL Properties signed exclusive videocassette promotion rights agreement that stops just short of giving Kodak same official supplier designation it holds with NFL for film products.

Kodak will run ads on TV during Mon. night football and in NFL's Pro magazine to boost its mail-in 4-for-3 videocassette offer and its sweepstakes. Consumers who mail in wrappers for free cassette are entered in drawings for some 300 prizes to be given during Mon. games starting Nov. 12, including Kodavision camcorder, RCA color TVs, \$100 checks and trip for 4 to Super Bowl.

They also get certificate good for \$25 off NFL's new 50-min. highlights cassette Superstars of the Superbowl, which carries \$40 list. Kodak spokesman said Kodak brand cassettes would be used for duplication. Industry estimates are that Kodak expects to move up to 50,000 copies (TVD June 25 p17).

Also moving into videocassette promotion wars is TDK, with its first rebate offer. TDK will give back \$3 for purchase of 3 T-120 or L-750 cassettes of same grade between now and year's end, with limit of \$12 per household.

Spectravideo has agreed to sell controlling interest to its 16% owner and product supplier, Hong Kong's Bondwell. SV said it has reached preliminary debt restructuring agreement with committee of unsecured creditors, is awaiting final approval. Inability to work out deal with creditors was reason Bondwell withdrew from earlier acquisition agreement. Bondwell, it's understood, will become owner of up to 80% of SV, provide company with new financing. Still unresolved is status of Fanon Courier agreement to buy control of SV. That arrangement supposedly fell apart because of creditor difficulties and uncertainty over FC's plans for SV home computer and game accessories lines. FC's prime interest was in distribution rights to Bondwell's IBM-compatible portable computers. SV says FC has indicated its intention to enforce buy-in agreement, while it and Bondwell are moving to have it rescinded.

Consumers Union said it will continue policy of banning commercial use by manufacturers of ratings published in Consumer Reports despite U.S. Supreme Court refusal to consider action Union brought against appliance producer. Highest Court declined to review Appeals Court dismissal of CU's challenge, on grounds of copyright violation, of General Signal's use of its ratings of Regina vacuum cleaner in TV ads. Appeals Court said facts as such can't be copyrighted and their use in ads wouldn't significantly damage CU's reputation for impartiality. CU is one of 2 in Supreme Court cases this year. Last spring, Court upheld ruling dismissing award of \$210,900 in damages Bose had won in libel suit filed after its speakers got unfavorable review (TVD May 7 p22).

SONY, JVC EXPAND V-DISCS: Uncertainty over videodisc market isn't stopping expansion plans for either in U.S. or Japan, to judge from announcements from Sony and JVC.

Sony said it has received \$650,000 HUD grant toward construction of \$15-\$20 million laserdisc pressing plant it will start building in Terre Haute this year (TVD June 11 p18). Locale is same as CBS/Sony CD digital audio disc facility that just went on stream, was picked because state has pledged to repeal unitary tax system that bases levy on worldwide income of multinational corporations doing business there. Sony said plant will have capacity to turn out million discs annually at startup next year, is expandable to 3 million annually, will employ more than 100.

While Sony originally indicated plant would press only for its customers in govt., education and industry, it's seemingly now not ruling out orders from home video market. In statement, Sony said it sees "growing need for lasers discs in video and data storage applications," estimates there will be 300,000 players in use by end of this year, more than million by end of 1987. Those presumably are estimates of worldwide industrial and consumer players. Sony's move into disc pressing here increases speculation it might introduce home player next year.

JVC in Japan introduced its first 3 computer-linked interactive VHD videodiscs. Discs contain instructions in standard VHD language that JVC said can be fed to any computer through interpreter, making it unnecessary to turn out separate disc versions for different home computers. Discs, which combine TV pictures with computer animation and graphics, include motorcycle race, casino (poker, roulette, slot machine, etc.) and collection of chemical experiments. They list at \$40 each, and JVC said it plans to introduce one new one each month.

JVC also said it has completed development of companion video-audio AHD 10" discs that can provide up to 2 hours of digital stereo audio (16 hours with compression) plus 3,000 still video pictures from adapted VHD players. JVC said it has complete mastering and pressing facility in place, will accept volume custom orders for commercial, industrial and institutional users.

Also on videodisc front, while it isn't likely to force RCA to change its mind about discontinuing CED system, there's apparently still healthy call for discs. When RCA said it was dropping players last spring, N.Y. software chain Video Shack attracted national attention by cutting CED disc prices to \$9.99. Video Shack moved own inventory, picked up additional stock at cost from other scared dealers and distributors. But with demand continuing unabated, chain has taken advantage of windfall by raising prices to \$13 for older titles and \$20 for new releases.

SMC NET SLIPS: Sanyo Mfg. Co., Forrest City, Ark. color TV and microwave oven producing venture of Japan's Sanyo and retailer Sears, suffered 2nd consecutive quarterly earnings decline in fiscal 3rd period to Aug. 31. Company reported net off 40.3% to \$273,000, though sales were up 18% to \$94.2 million. Despite declines, it had 64.6% rise in net for 9 months to \$1.52 million on 24.3% sales gain to \$253.1 million.

SMC said sales were aided by continued strong demand for its products, but said pricing competition "remains very strong" and had negative impact on profit margins. Also reducing earnings, SMC said, was boost in interest expense stemming from increased borrowing and higher rates. Company said its fixed costs remain relatively stable.

Radio Shack parent Tandy said sales rose 2% to \$596.1 million in fiscal first quarter to Sept. 30, but that it expects to report reduced earnings for period. Company said that while its unit computer sales are up, competition is keeping margins down.

Paramount's home videocassette operation had improved sales and earnings and was among units contributing to Gulf & Western's better results for fiscal 4th quarter and year to July 31, G&W said.

Verbatim, which earlier this year indicated it may not be profitable in opening fiscal quarter to Sept. 28, now says it expects to report \$10-\$12 million loss for period. Problem stems from cancellation of orders for floppy discs from its largest OEM customer (understood to be IBM), which normally accounts for 10-15% of sales. Verbatim says it's working on specification difficulties that led to cancellation, hopes to resume shipments this month.

Illegal video gambling machines are getting attention from Congress, which is considering need for legislation beyond current rules limiting interstate shipments. Senate Investigations Subcommittee hearing examined local law enforcement problems, involvement of organized crime, graft and size of underground economy it creates. Witnesses estimated revenues ran \$4,000-\$10,000 weekly per machine. Newburg, Md. truck stop owner Roger Baldwin, whose 5 video poker machines were seized by police, said he took in about \$100,000 a year.

China will use agreement with U.K. on regaining sovereignty over Hong Kong as base for renewed push for reunification with Taiwan. Though Taiwan has expressed no interest in talks, and has called on Hong Kong residents to revolt and seek union with Taiwan instead, China's Foreign Ministry said it will continue effort to reach accord. Agency spokesman said that with Taiwan it would follow same "one country, 2 systems" line it's taking with Hong Kong, but would expand offer to let Taiwan retain its own defense force.

SATELLITE STORE CHAIN: First of what Brooks Satellite Inc. hopes will be many "Brooks...The Satellite Store" retail shops are set to open this month in Matawan, N.J., and Ft. Myers, Fla. Chmn. Jack Grumet told us Brooks hopes to sell 10-20 franchises for home satellite system stores by end of Oct., have 100 operating in year.

Brooks, which has been in backyard dish business as N.J.-based dealer, appears to be first to attempt to set up franchised chain of stores. Until now, retailing in industry has been dominated by single-owner stores, some set up as sideline in owner's garage. Curtis Mathes agreement to sell Amplica systems (TVD Sept 10 p16) is another sign retailing may be moving away from Mom-and-Pop operations.

Grumet estimates each franchise will average sales of \$500,000 per year, for total revenues of \$50 million at 100 stores Brooks hopes to open in next year. Franchise costs \$25,000, paid in \$5,000 installments over 5 years. In addition, franchisee must pay 5% of sales as royalty and additional 2% for national ad fund. Stores will sell private label TV receive-only (TVRO) systems, Grumet said, but he wouldn't disclose suppliers' names. Satellite systems won't be Brooks stores' only product. Company has signed deal with Hitachi for VCRs, projection TVs and other home video equipment. And while he doesn't expect each Brooks dealer to become "a TV store or Curtis Mathes," Grumet guessed 20% of each store's sales will be in TVs and other home video equipment.

Company is working on plan to provide 3-year warranty on equipment, scarce commodity in TVRO business. Brooks also is negotiating with GE Credit Corp. to set up Brooks credit card so consumers can charge purchases.

Brooks recently raised \$500,000 in working capital from private placement, plans eventually to go public. Grumet said he isn't concerned about big-name retailers such as Radio Shack or Sears moving into business. Selling backyard dish systems requires installation, something major retailers can't do, he said.

Last week, company announced David Bondon, former mktg. vp for M/A-Com's Cable Home Group, joined company as pres. Founder Fuller Brooks moved up from pres. to vice chmn. as result of change, will handle marketing of franchises. Bondon, with 21 years in microwave business, brings engineering and marketing experience. He currently serves as pres. of Direct Best. Satellite Assn., Washington-based trade group.

At Radio Shack, meanwhile, company continues to look at TVRO business, but isn't ready to make move, Pres. Bernie Appel told us. "Severe installation problem" -- where dish will work on one street, but not on another -- is holding company back, he explained. Also, company is worried about

pay cable services scrambling their signals, move that could reduce appeal of dish. RS got taste of business recently as sales agent for United Satellite Communications' DBS service. Retail stores took orders for service, RCA installed dishes. RS people were pleased with way program was going, but merger of USCI and Comsat (TVD Sept 10 p5) has put program on hold, Appel said.

NEC'S U.S. TV PLANT: NEC will become 15th foreign, and 10th Japanese, color TV maker with U.S. assembly plant next July when it's scheduled to open 84,000 sq. ft. facility in McDonough, Ga.

NEC said it will invest about \$12.3 million in plant that will employ 200 at start, turn out some \$18 million of color TVs, monitors and projection TV systems in first year. Since 1982, when JVC opened N.J. color plant, NEC has been one of only 2 Japanese color producers without factory here. Other, Teknika, has sets assembled here by Wells-Gardner. NEC said fact Ga. has no unitary tax system was among major factors in site selection.

Japanese are dumping VCRs in Taiwan, but not in usual sense, according to complaints filed with govt. there by local producers. Though VCR imports are banned, Japanese models are being smuggled in, selling for about \$525, or \$30 under average charged for locally assembled models. Smuggled VCRs accounted for about 30% of 120,000 units sold in Taiwan last year, are expected to take larger share of estimated 180,000 market this year. Taiwan producers said they've had to cut prices by 30% to meet illegal VCR competition, will have to cut production to avoid excessive inventory buildup.

Insider trading suit filed against 2 current and 2 former Texas Instruments employees charges they netted nearly \$750,000 by selling TI shares or options last June, just before company disclosed it had incurred \$100 million loss on home computer business. SEC alleges they acted with advance knowledge and asks federal court in Lubbock, Tex. to order that their profits be given up and that they be enjoined from future securities laws violations.

NARDA formed new independent arm, National Assn. of Service Dealers, with Stan Sims, Electronic Service Unlimited, as pres. Through NARDA, NASD will provide full range of computerized business services, extended service contract program, reduced rate credit card and credit union service. First NASD national meeting is set for Nashville, March 30-April 3.

Samsung enters computer monitor market with 2 IBM compatible 12" monochrome models (green and amber) at \$200. Company says they are first of own-brand series of 9", 12" and 14" color and monochrome monitors it plans to market for IBM and Apple computers this year. Samsung has been active as monitor supplier to computer OEMs.

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Consumer Electronics Personals

Kyoshi Seiki, former pres. of Matsushita subsidiary National do Brazil, named pres. of Matsushita Electric Corp. of America, succeeding Keiichi (Tex) Takeoka, who is retiring from post, but continues as senior managing dir. of Japan parent... Jon Strom advanced at Sony Consumer Products to sales & mktg. mgr. for new Consumer Communications Products Section formed to handle telecommunications line that company plans to introduce early next year... Sam Martin, ex-Electra, named pres. of Southwestern Bell new Consumer Products Div... John Trani, recently appointed GE Mobile Communications gen. mgr., named vp.

James Guinan, former pres. of Federated's Bloomingdale's unit, joins Associated Dry Goods as Caldor pres.-CEO, succeeding David Williams, now ADG pres... Dominic Mangone named Montgomery Ward planning vp... Robert Meyers resigns as American Express merchandise services senior vp to join unspecified direct-mktg. venture.

Leonard White advanced from sales and mktg. senior vp to pres. of CBS/Fox Video's Consumer Products Div... Gary Khammar advanced to senior sales vp, RCA/Columbia Pictures Home Video... Paul Culberg resigns as Media Home Entertainment mktg. and sales vp to become exec. vp-gen. mgr. of New World Video, new subsidiary of New World Pictures... Michael Heiss promoted at Bell & Howell/Columbia Pictures Entertainment Services to west coast entertainment sales dir., new post... Michael Olivieri promoted to sales and mktg. vp, Vestron Video... Lawrence Gordon named pres.-COO of newly formed 20th Century-Fox entertainment group; Norman Levy resigns as Fox vice-chmn... Jeffrey Katzenberg will leave Paramount Pictures to become pres., Walt Disney Productions motion pictures and TV, succeeding Richard Berger, resigned.

Ralph Giuffre advanced at Activision to mktg. vp; Richard Lehrberg, affiliated labels vp, adds responsibility for editorial development, replacing Senior Vp Thomas Lopez, resigned; Lawrence Probst resigns as national sales mgr... Nikki Hardin, ex-Prentice-Hall, named publisher of Ashton-Tate's new home computer software and book line... Philip Grannan appointed pres. of Dennison TRG, office equipment producer's Elephant brand computer disc marketing unit... Warren Ames, ex-CBS, joins Visage as interactive videodisc mechanical designer, new post.

Obituary

Charles Young, 84, retired RCA Labs assoc. dir., died Oct. 2 in Princeton, N.J. Medical Center following long illness. He was pioneer in development of facsimile, held many patents in field. He was son of late Owen Young, one-time GE chmn., who became RCA's first chmn. in 1919, holding post 7 years.

Bootlegging tapes, presumably video as well as audio, is federal offense and can't be prosecuted under stolen property laws in state courts. That's U.S. Appeals Court ruling that Supreme Court declined to review last week. Case involved Fla. bootlegger sentenced to 5 years by state court for making and selling taped copies of phono record without paying royalties. In overturning verdict, U.S. Appeals Court said theft has to be of something physical, and copyright doesn't qualify.

U.K.'s Acorn Computer plans to take its education-oriented line into national distribution in U.S. but has hit stumbling block. Firm, which has been selling directly to schools, attempted to work out deal with independent reps that handled Apple line until this year when they were replaced by factory sales force. Acorn says that though it had reached understanding with reps, negotiations have been discontinued, and different marketing route is being developed.

Winter CES has lost one scheduled video software exhibitor but picked up another. Thorn EMI Video is listed as attendee on latest list, but Pres. Nick Santrizos told us he has decided otherwise. "Our present plans don't call for us to be an exhibitor," he said. However, Best Film and Video isn't listed but will exhibit, according to Pres. Roy Winnick.

TELEVISION DIGEST®

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

With Consumer Electronics

OCTOBER 15, 1984

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TIME INC. SACKS BIONDI, citing 'policy differences.' HBO hands reins to Fuchs. (P. 8)

TCI NEARS PITTSBURGH DEAL: Citizens panel recommends transfer, with minor changes. City Council vote seen soon. (P. 8)

CABLE BILL PASSED BY HOUSE AND SENATE: Last-minute accord on EEO standards saved cable deregulation legislation from what seemed certain death last week. House and Senate passed bill on voice vote Oct. 11 after authors cemented deal with GOP Senate opponents to eliminate requirement that cable operators hire women and minorities at 60% of parity. Bill instead codified current FCC EEO policies, also added annual and 5-year comprehensive employment investigations of cable industry. Public participation guarantees also were included. Bill now goes to President, whose signature is expected.

Measure appeared dead Oct. 10 because Congress was racing to much-delayed adjournment and stalemate over EEO was nowhere near settled, Hill aides admitted. Accord didn't come until 11 a.m. Oct. 11, with adjournment set for afternoon (it later was postponed to Oct. 12). Deadlock was broken by House Telecom Subcommittee Chmn. Wirth (D-Colo.), whose aides

Consumer Electronics

SEPT. WAS BIGGEST sales month in history for color and projection TV, VCR. Single-week record set in color, VCR, projection, cameras. (P. 10)

SONY'S 8mm VCR entry seen next spring, possibly along with videodisc player. Company expands software to include discs, explores 8mm. (P. 11)

114 TV STATIONS indicate plans for MTS in first 254 responses to our survey. (P. 11)

COLOR TV AND CAMERA imports hit highs in Aug., Commerce figures show. VCR and b&w shipments are at near-record levels. (P. 12)

JOHNSTONE REPLACES LANN as NAPCE pres., indicating greater stress on marketing. (P. 14)

GRUNDIG CHALLENGING JAPAN in VCR export market, will supply kits for China assembly. (P. 14)

PIONEER SHOWS FIRST videodiscs with digital audio for use with new LV-CD player. (P. 15)

ITA PANELISTS TO COVER video hardware, software, tape at Nov. 20 seminar. (P. 15)

TANDY'S FASTEST GROWTH in 1984 came from non-Radio Shack operations, according to annual report. (P. 16)

crafted compromise that won support of chief opponent, Sen. Hatch (R-Utah). Hatch, critic of civil rights legislation, managed bill on Senate floor. In further table turning, Rep. Leland (D-Tex.), chmn.-elect of Congressional Black Caucus, praised Hatch cooperation on House floor later that day.

Under agreement, all references to controversial parity requirements were stripped from bill. Existing 50% of parity standard at FCC -- adopted Jan. 1 following uncontested rulemaking -- would thus prevail. But lawmakers beefed up existing 3-year industry reporting requirement, making statistical filings annual, and requiring Commission to determine whether operators' record shows that they are making best effort to meet minimum guidelines. At least 20% of operators would have to file yearly and all would be reviewed comprehensively every 5 years in investigations that could include field inspections.

False statements in filings or hiring violations would be punishable with \$200 per day fine, denial of auxiliary license and eventual loss of franchise under bill, all of which would make new rules tougher than present FCC policy. Franchise renewal expectancy would be tied to compliance. NCTA tried to break deadlock with separate proposal, supported by parent Senate Commerce Committee Chmn. Packwood (R-Ore.) and Senate Communications Subcommittee Chmn. Goldwater (R-Ariz.) to establish EEO office at FCC instead of requiring minimum employment levels. Proposal wasn't considered.

EEO language was less than Leland and Wirth wanted but helped avoid Black and Hispanic Caucuses fights in House that were promised if measure came over from Senate without minimum hiring levels. They had to bow to Senate critics, whose hand was strengthened by letters from Justice Dept. and U.S. Commission on Civil Rights that concluded provision would set precedent (TVD Oct 8 pl).

Cable industry since Jan. 1 has lived under 50% parity rule for total workforce and top 4 job categories, same as broadcasters, following uncontested Dec. 1983 FCC rulemaking raising it from 25%. Current FCC rules state that each of 4 job categories doesn't need to reach 50% of parity, only in aggregate, apparently weaker than original language in bill requiring a level of parity for each of top 4 jobs.

FCC Mass Media Bureau Chief James McKinney said Commission would have to move quickly to live up to new requirements. He said rulemaking would be issued this quarter, taken before Commission for adoption next quarter in order to live up to mandate of imposing new rules in 180 days. He said rulemaking necessarily would reflect "very precise, very narrow reading of the law." While he hadn't read final language in bill, McKinney estimated that Commission would need \$1-\$2 million supplemental appropriation to implement new duties under legislation.

Washington cable attorneys were scrambling to learn exact EEO language, with some saying that this provision more than any other will mean problems for operators. "I think it's an improvement [over parity provision] and for those people that get audited and reviewed, it probably will mean additional burdens," one attorney said.

Sen. Metzenbaum (D-O.) was key figure in debate. Lawmaker had put "hold" on bill, objecting to plans to weaken EEO provision and to 11th-hour addition of language permitting franchise renewal deals to be made without implementing administrative procedures. Metzenbaum wanted public participation in process guaranteed, won provisions ensuring public would be given adequate notice and opportunity for comment in every franchise renewal.

Many were saying it was Charles Dolan, Cablevision Systems Development general partner, who persuaded Metzenbaum to put hold on HR-4103. Dolan, one of only 2 NCTA board members to vote against pursuing passage of revised bill (TVD Oct 1 pl), has "extremely angered a large segment of the industry" by creating barrier to NCTA's legislative goal, one of his colleagues told us. Cablevision Systems officials didn't return our calls, but there was

criticism on and off Hill of Dolan's alleged blocking efforts, which apparently included aborted attempt through Sen. D'Amato (R-N.Y.).

On point of mandating public participation in franchise renewal outside of legislation's administrative proceeding process, attorneys thought there would be no major impact on industry. "I'm told it doesn't give public groups legal standing," another cable attorney said, adding: "If that's the case, it's not a big change, because in practical terms, some public participation occurs in most renewals now."

Newspaper-cable cross-ownership ban also was stripped from bill, but telco- and broadcast-cable cross-ownership bans remained. Last-minute NAB opposition to broadcast ban wasn't successful, largely because of differences within NAB over role Assn. should play in 11th-hour cable bill negotiations. NAB backed off under pressure from members with cable holdings and from others who supported increase in station ownership limits and see cross-ownership ban as bolstering their argument, we're told.

Language restricting unregulated cable activities to one-way video plus noninteractive, menu-driven text services (TVD Aug 6 p2) also was retained. NABU won amendment protecting cable-provided computer software from piracy. Two of controversial amendments sought for now-dead NTIA authorization (TVD Oct 1 p7) also were included to create special study commission that would examine telecommunications policy in U.S. and abroad, and to authorize FCC participation in U.S. Telecommunication Training Institute administered by Commerce Dept. Former is broader version of controversial earlier plan to require extensive FCC review of satellite competition policy proposals due from White House soon.

Said NCTA: "This was a victory for the cable industry, which in recent weeks has given the landmark bill strong, unified support. This new law will bring economic stability to our industry and is good news for shareholders and cable viewers." National League of Cities spokesman Cynthia Pols said: "We are very pleased that at long last the battle is over, that Congress has established a national cable policy."

Said Packwood, only lawmaker to issue formal statement: "Not only is this a good bill, it's a fair bill. It permanently displaces the current patchwork of federal, state and local regulation, while [striking] a balance between the interests of cities and cable companies." Goldwater, original author of S-66, designation used for final version of HR-4103 that went to White House, was in Ariz. when bill finally reached House and Senate floors.

FRAUD QUESTION ADDED IN RKO LICENSE RENEWAL BATTLE: RKO General's hold on its 13 broadcast licenses became more tenuous Oct. 11 when FCC Law Judge Edward Kuhlman added 5 new issues to 7 already under consideration in proceeding to determine whether RKO is fit licensee. Granting motions of Fidelity TV and Adwave, Kuhlman enlarged case to consider whether RKO committed fraud by allegedly deliberately destroying internal audit probing improper barter transactions during early 1970s.

Arthur Young accountants reviewed barter transactions of RKO's broadcast stations for 5 1/2 years up to May 31, 1976. Review was conducted for parent GenCorp's Special Review Committee, composed of 5 independent board members, probing irregularities in company practices. That report is only now being considered in RKO license renewal proceeding because RKO resisted requests to produce document until Aug. 28, Kuhlman order said.

Fidelity argued that report raises 3 issues pertinent to RKO's qualifications: (1) Whether RKO attempted to destroy 1974 internal audit report on barter and trade transactions to prevent its coming to Commission's attention. (2) Whether RKO Controller John Fitzgerald, in testifying about destruction of RKO barter and trade documents, gave false or incomplete answers. (3) Why Special Review Committee omitted account of destruction of 1974 audit from its report to GenCorp board.

RKO agreed that withholding information about improper billings, as outlined in Arthur Young report, is valid license qualification issue, as Fidelity alleges, but it argued that consideration of whether it was improper to withhold that information should be considered only after final determination of company's fitness as a licensee. It also argued that FCC rules against false billings don't apply to networks run by licensees. Law judge said he found neither reason persuasive, designated Fidelity's 3 claims and 2 other related questions to license renewal proceeding.

Kuhlman order also said that amount of allegedly false ad billings by RKO Radio Network, initially thought to be about \$4 million, now is believed to be about \$7 million (TVD July 2 p7).

Assessing withholding of Arthur Young report, law judge concluded that "RKO's complete response to this issue is altogether too similar to its past response to issues raised about its behavior. While the filing of various 'informational' items gives the appearance of complete revelation, in material respects relevant information is identified but not provided or explained."

N.M. CABLER SHUNS DATA: Citing high cost of litigation, Los Alamos (N.M.) Cable TV has thrown in towel and shut off its experimental data and 2-way video dedicated plant linking Los Alamos National Laboratories with local school. Decision follows ruling by N.M. State Corporation Commission (SCC), as sought by Mountain Bell, that almost everything but one-way video entertainment programming is telephone service for which operator must obtain certificate of public convenience and necessity (TVD Aug 20 p7).

Mickelson Media's Los Alamos system, along with Tribune Cable Communications' Albuquerque Cablevision and 2 other N.M. operators, have asked N.M. Supreme Court to review SCC's broad definition of telephone service. Briefs in that case are due Oct. 20.

Los Alamos system recently asked SCC for some form of interim authority to continue operating experimental data link, but bid was denied because of telco opposition. Because service was being provided on experimental basis at no charge, Los Alamos Cable TV "found it could not afford to continue to litigate with the SCC and Mountain Bell," according to its Washington attorney, Charles Helein.

While TV evangelist James Bakker was pleading for money from viewers, he and his wife bought a home near Palm Springs for \$449,000, a 1953 Rolls Royce for about \$55,000 and a 1984 Mercedes Benz for \$45,033, according to documents obtained by The Charlotte (N.C.) Observer. Bakker said Oct. 11 he bought house with own money, not with funds from PTL program. AP said several creditors have filed liens and lawsuits in Charlotte and in York County, S.C., saying PTL owes them \$324,000.

About 3% of ABC News employees will be dropped in what Roone Arledge, network News and Sports pres., called "pruning." No names were released, but 5 or 6 of 50 employees slated to be laid off are on-air correspondents, Arledge said. Div. has about 1,400 on staff. No shows will be cut.

Broadcast financials: Chris-Craft Industries lost \$17.9 million in fiscal 4th quarter, compared with 1983 4th-quarter profit of \$2.3 million. Losses for fiscal year were \$12.3 million, vs. 1983 profit of \$4 million (-\$1.88 vs. 39¢ a share). Losses are attributed to C-C's 22.5% equity interest in Warner Communications. Fiscal year income declined to \$4.63 million from last year's \$6.08 million (58¢ vs. 79¢ a share). Operating revenues at broadcast division nearly doubled to \$166.4 million and operating income rising to \$33.4 million from \$12.4 million.... **Multimedia** said it expects to report dip in 3rd-quarter earnings because of losses associated with its Sports Time regional cable channel, which will pull down Multimedia shares by 20-30¢ each.

FCC's 12-12-12 ruling was "proconsumer" decision, not antinetwork, and "an appropriate next step in allowing new ventures to form in broadcast programming," Chmn. Fowler told Hollywood TV and Radio Society Oct. 10. He stressed that Commission objective wasn't to favor any group of broadcast owners. Fowler said Hollywood is "new industrial West exporting U.S. film and video products to a waiting and satisfied world." He said Commission has aided Hollywood by "emphasizing freedom of expression in the media and expanding the number of video channels for the American public." Fowler appeared near apologetic in urging audience to understand that FCC takes its best shot at policy and sometimes one group is benefited more than others.

Reagan-Mondale debate Oct. 7 on all 3 TV networks attracted 46.7% of U.S. TV homes (70-80 million viewers), according to Nielsen -- down from 58.9% for Carter-Reagan debate in 1980. However, debate audience was nearly double that of average for top-ranked CBS show Dallas. Debate also was good news for CNN, which said its audience doubled during debate (also carried by CNN), tripled during networks' postdebate analysis.

Oak Media and Vision Entertainment Ltd. have agreement to provide ON Satellite TV service, formerly SelecTV, to 7,000 STV subscribers in San Francisco area.

ATTENDEES LIKED NAB CONVENTION: Survey shows that 93% of broadcasters attending NAB's 1984 convention in Las Vegas rated it good or better than 1983 gathering. And more than 40% of attendees bought or ordered products from exhibitors, NAB said.

More than half of all TV station representatives who placed orders at convention bought equipment costing \$250,000 or more, while about 13% of radio station attendees bought equipment that costly, survey said.

Meeting in Washington last week, Convention Committee voted to add Sat. morning sessions on radio programming, Wed. morning session for TV stations in markets smaller than top 100, and joint session Mon. on alcohol and drug abuse. (NAB is surveying all U.S. TV stations and 2,100 radio stations to determine how many programming and public service announcements are being aired to fight alcoholism, drunk driving, drug abuse.) Until last year, Sat. before convention start had been reserved for meetings of broadcast-related groups, but NAB moved into that period last spring with well-attended engineering sessions.

Committee increased fees for exhibitors from \$10 to \$12 per sq. ft. -- expected to boost convention revenues some \$500,000-\$600,000 for already highly profitable annual affair. Registration fee for NAB members will remain \$175. Some exhibitors next April will be housed in new 70,000 sq. ft. Hilton Hotel Pavilion in Las Vegas.

Also meeting last week, NAB Exec. Committee expressed concern over distortion of ratings that can be caused by use of "hot call letters" by radio stations. Hot letters are those released by one station, picked up immediately by another in same market -- now permissible since FCC (over protest of NAB) stopped regulating assignment last spring. Edward Giller, NAB radio vice chmn. and chmn. of Arbitron Radio Advisory Council, said use of hot letters "is a very serious problem... and could cause serious distortions in ratings." He said survey of 1,171 Arbitron radio subscribers (with 49% response) showed that "great majority" favored delisting such call letters in rating books for unspecified time period. NRBA has asked Electronic Media Rating Council to seek 6-month delisting and Giller said Arbitron is likely to go along with whatever EMRC recommends.

"There doesn't seem to be any other solution" except delisting, according to Giller. He said Arbitron Council and NAB Exec. Committee couldn't decide how long delisting should last, however.

NAB Pres. Edward Fritts said association is going ahead with plan for 2nd Radio Conference/Program Conference (RCPC), jointly sponsored with NRBA. "It's a green light to go," he said. First RCPC last month in L.A. was moneymaker despite conflicts between 2 sponsoring groups. NAB is surveying radio stations (similar to

convention survey above) on how they liked RCPC and what should be added or deleted next year.

Fritts has written NAB TV members telling them it's "essential" to continue to maintain program logs for benefit of advertisers and agencies, even though FCC no longer requires them. All station executives we've talked with said they would continue to keep such records so that they could certify that spots ordered by advertisers had actually been carried.

Also meeting last week was NAB's Children's TV Committee, which will sponsor "major event" at NATPE Jan. convention in San Francisco. "What we're trying to do is to get to the programmers," said Fritts. FCC Comr. Rivera -- strong critic of TV programming for children -- already has accepted invitation to participate. NAB session at NATPE will replace children's program seminars previously sponsored by NAB.

RCA's CCD camera has received favorable reviews and wide exposure during World Series. Sports version of tubeless camera, equipped with 1/500th sec. shutter, was used primarily to show rotation of pitched ball as it travels to batter. NBC announcers made boastful comparisons with similar Sony Super Slo-Mo camera ABC is using in sports telecasts, calling RCA camera "Super Duper Slo-Mo." "I think it really looks good. It's fantastic compared to the Super Slo-Mo," said RCA Bestg. Systems Vp Dennis Woywood. Deliveries of RCA camera, which sells for \$37,500 without lens, will begin in Jan., Woywood said, adding that RCA already has order backlog. Shipping of new orders will begin in March, he said. CCD camera has had 2 previous network uses, but World Series is debut in major sporting event, Woywood said.

RTNDA has warned members about secret tape recording of interviews, said it's "an area of press law which is particularly unsettled." Citing "little-noticed decision" by 6th U.S. Appeals Court, Cincinnati, RTNDA counsel Laurent Scharff said it overturned lower court ruling that ABC's 20/20 hadn't violated federal wiretap statutes. In case, it was alleged that an Ohio judge granted leniency to defendants in return for sexual favors. Woman consented to off-camera interview in her home, didn't know ABC was filming it with hidden camera. Appeals Court ruled woman's claim that recording of interview caused her "insult and injury" should be presented to jury.

NAB has asked U.S. Appeals Court, D.C., to reverse and remand Copyright Royalty Tribunal's final determination in 1980 cable copyright royalty fund distribution proceeding as it relates to commercial radio, TV-produced programs and to scheduling and promotion of TV stations' program schedule (compilation). NAB argues in case (84-1230 et seq.) that Tribunal's decision to give TV stations 4.5% of cable royalty fund in 1980, as it did in 1979, was arbitrary and isn't supported by evidence.

CBS POSTS 46% EARNINGS JUMP: Strong performances by Best. and Records Groups led CBS to 46.1% rise in 3rd-quarter earnings to \$48.8 million (\$1.64 per share, up from \$1.12 in same 1983 period) on 16.7% revenue increase to \$1.19 billion, company announced Oct. 9. For 9 months, net jumped 60.4% to \$176.3 million (\$5.93 from \$3.70), on 15.2% revenue gain to \$3.58 billion. On continuing operations basis, net rose 41.4% for quarter, 58% for 9 months. Full period earnings were affected by \$16.9 million in operating and disposition losses from discontinued CED videodisc pressing plant, but that was about offset by \$16.6 million gain on sale of land in N.Y.C.

CBS Chmn. Thomas Wyman credited improvement to strong competitive performance and improved profit margins in company's base businesses. With TV Network as prime contributor, Best. Group had 34.4% rise in pretax net to \$64.8 million on 15.6% sales gain to \$568.4 million for quarter. For 9 months, unit's earnings climbed 56.8% to \$276 million on sales of \$1.88 billion, up 16.4%. With help of new hit releases, Records Group had particularly strong earnings gain in quarter, 52.3% to \$16.3 million, as sales rose 15% to \$297.3 million. Earnings for 9 months were up 37.6% to \$104 million on 14.5% sales increase to \$953.3 million.

Last year's departure from domestic videogame business helped Columbia Group cut losses for both periods, but CBS said it continues to suffer deficits from videogame market overseas and from musical instruments business.

Loss was trimmed to \$8.3 million from \$15.7 million for quarter, and to \$11.5 million from \$13.3 million for full period, on revenue increases of 40.5% to \$108.1 million and 28.3% to \$261.1 million for those periods, respectively. Publishing Group, however, was contributor to improvement, with earnings up 24.5% to \$47.3 million on 10.3% sales gain to \$202.4 million for quarter, and 21.8% rise in 9-month earnings to \$41.9 million on 6.7% revenue gain to \$457.1 million.

Financial News Network will lay off 37 writers and editors, 30 of them based in L.A., as cable channel changes format, consolidates most operations in N.Y. New format will rely more on "ticker-tape" method where on-air personalities read directly from stock wires and market information sources. Gone will be researched stories and trend reporting. Changes are aimed at reducing losses averaging \$500,000 monthly.

FCC Review Board has granted Urban Telecommunications Corp. new UHF station on Ch. 14 Washington, provided sole owner Theodore White disposes of his interest in WCAY-TV Nashville -- as White had promised in order to prevent diversification from being added as comparative issue. Action affirms initial decision by FCC Judge Edward Kulhman, denied 6 competing applications.

SIN FIGHTS INTELSAT FORMS: Spanish International Network (SIN) has complained to State Dept. that Intelsat board's "form" for approving network's transborder satellite services to Mexico is "inadequate and inconsistent" with company's request to offer service without using Intelsat satellites. At issue is board's recommendation that service, using Hughes Galaxy 1 satellite, should be favorably coordinated because its "incidental and peripheral" use of U.S. domestic satellite won't cause Intelsat economic harm.

SIN attorney Norman Leventhal bristled at designation "incidental and peripheral." He wrote Diana Dougan, State Dept. coordinator for international communications and information policy, that terms represent "new and previously unaccepted tests for coordination which must be rejected." SIN doesn't even know what Intelsat means by terms, used in board document giving favorable recommendation to network's request, Leventhal said. He told Dougan company had tried to obtain copy of BG-60-11, board document that supposedly defines terms, but that Comsat had refused to release it.

Given inability to determine what Intelsat means by "incidental and peripheral," SIN is assuming that designation is "intended to restrict U.S. to Mexico transmissions" in manner "inconsistent with SIN's application" to FCC, Leventhal letter said.

Leventhal told us State Dept., in move to make it easier to get Intelsat approval for U.S. transborder applications, had accepted "incidental and peripheral" designation as test for all transborder services coordinations. Leventhal said State had "no authority to sign away our authority" on that score, complained that similar favorable coordinations for use of Spacenet 1 in transmitting to Mexico might be jeopardized as result.

Upcoming industry conventions: (1) TvB Nov. 7-9, Hyatt-Regency Hotel, Chicago -- selling TV, to include presentations by TvB and Chmn. William Moll, Harte-Hanks, Pres. Roger Rice and Station Representatives Assn. (2) Society of Professional Journalists Nov. 14-17, Indianapolis Convention Center -- freedom of information issues, along with appearances by correspondents Robert Schieffer, CBS; Sam Donaldson, ABC; John Chancellor, NBC; White House press spokesman Larry Speakes. (3) RTNDA Dec. 5-7, San Antonio Convention Center -- Donaldson, NBC News Pres. Lawrence Grossman, Ralph Renick, Wometco Enterprises vp and recipient of Paul White Award, plus meetings of station news dirs. with news executives of their networks.

All of Viacom's international businesses will be merged Nov. 1 into Viacom World Wide, formed in 1982 mainly to direct company's foreign cable ventures and overseas program marketing. Viacom Entertainment Group will be enlarged to encompass activities of Viacom World Wide, said Chmn. Ralph Baruch.

FCC CLEARS DBS APPLICANTS: FCC gave new lease on life to Direct Best. Satellite Corp. (DBSC) venture last week by accepting firm's DBS launch application, subject to removal of "uncertainty" over construction schedule. Ruling also gave final launch authority to Satellite TV Corp., Dominion Video Satellite and Hubbard's U.S. Satellite Bestg. (USSB), granting most of companies' requests for permit modifications.

While DBSC may have "misinterpreted FCC's meaning" of "complete contracting for construction" contained in due-diligence requirements for firm launch and building contracts, it has signed launch services pact with Arianespace and has made "significant and continuing efforts to advance" system, Commission said. FCC said it will withhold final channel and orbital location assignments until DBSC completes funding arrangements, which gives company until March 31, 1985 to finalize credit line.

FCC order made it "eminently clear" that contract with contingency clause, such as one between DBSC and Ford Aerospace, won't meet due-diligence requirement in future. To approve such a deal again would "eviscerate the important concept of the due-diligence standard." Permittees, if allowed to make contingency arrangements as matter of course, could postpone systems indefinitely until market looked most favorable to entry, contrary to public interest, FCC said.

As expected, 3 other applications were dismissed -- CBS, Graphic Scanning Corp., Western Union. CBS and WU had withdrawn from first round of applicants, but GS had asked Commission to extend deadline because complications in another business had held up final agreement with satellite builder RCA Astro. Since GS didn't even succeed in drafting "contingent commitment," FCC decided it would be "unfair" to grant extension.

RCA Americom will have to wait in line behind 7 applicants in next DBS round, FCC also decided. Commission accepted RCA application, with changes that would scale down size of system and assigned new file number (DBS 84-06), but canceled company's conditional construction permit since RCA "has not attempted to meet the due-diligence condition."

Also taking back-of-line position are requests from Dominion and USSB for more channels than originally sought. Both wanted 2 more channels for total of 8 apiece. Requests will be considered after next round; FCC source said that doesn't mean there will officially be 3rd round, only that applications will be dealt with in some way after next round is completed.

Outlet Communications is buying WPDS-TV Indianapolis, independent UHF station, for \$22 million from USA Communications. Outlet is subsidiary of Rockefeller Group, has announced plans to acquire an Atlanta TV station. Indianapolis purchase would give Outlet 7 stations.

CABLEVISION, DISNEY SIGN PACT: In what many said was unprecedented deal, Disney Channel and Cablevision Systems Development Corp. last week signed \$75 million, 10-year contract calling for Disney to be offered on pay tiers on all of 14th largest MSO's systems. Figure can go even higher if Cablevision signs up undisclosed number of Disney subscribers, and to compensate for inflation.

It's most that Cablevision has ever committed to a programmer, possibly record for cable industry, Gen. Partner Charles Dolan said. He estimated 250,000 Cablevision homes will be getting Disney by year's end, 750,000 within several years. "We're betting on our own growth," Dolan said, adding that commitment is gamble for company, which hopes addition will attract new subscribers and help cut churn.

Disney will roll out on some of Cablevision's N.Y.-area systems Nov. 1, company officials said. Disney Channel Pres. James Jimirro told reporters channel wants to sign more such "joint venture" agreements, which he characterized as step above buying and selling that occurs in cable business.

CBS faces yet another libel trial after Judge Charles Haight, U.S. Dist. Court, Manhattan, Oct. 10 threw out 9 of 11 issues in lawsuit filed against network by retired Army Lt. Col. Anthony Herbert. Judge ordered CBS to stand trial on remaining 2 issues resulting from 1971 60 Minutes broadcast that cast doubt on Herbert's assertion that he was stripped of battalion command after charging that superior officers were covering up war crimes in South Vietnam. He seeks \$22.2 million from CBS, correspondent Mike Wallace and producer Barry Lando. Meanwhile, \$120 million libel trial of Gen. William Westmoreland against CBS opened in U.S. Dist. Court, Manhattan, last week with Westmoreland's attorney claiming network "rattlesnaked" his client by being better prepared for program interviews. Westmoreland contends he was falsely accused on 60 Minutes of deceiving President Johnson and Joint Chiefs of Staff about enemy troop strength in year before Tet Offensive at end of Jan. 1968.

United Cable TV had fiscal 1984 revenue of \$140.7 million, up 22% from \$115.3 million last year. Net income for 11th largest MSO was \$8.2 million, major jump from 1983's \$2.6 million. Chmn. Gene Schneider said in annual report that United will seek to raise basic rates: "The cable industry has underestimated the popularity of basic cable programming services, and has underpriced these services to the consumer." United's average 1983 revenue per subscriber, \$19.55, already is above industry average of \$18.29.

ABC Chmn.-CEO Leonard Goldenson will make rare TV appearance Dec. 4 on Arts and Entertainment Network's "Reith," profile of BBC founder Lord John Reith.

TIME INC. DROPS BIONDI: In announcement that stunned pay-TV world, Time Inc. announced Oct. 12 that, as a result of unspecified "policy differences," it was dismissing HBO Chmn.-CEO Frank Biondi and was handing reins to Pres.-COO Michael Fuchs. Fuchs retains title of pres., adds CEO status.

N.J. Nicholas, Time Inc. exec. vp-video operations, said Biondi "contributed to all facets of the business and is one of the principal builders of HBO. We are in Frank's debt and he leaves with our greatest respect."

No executive at HBO would comment on Biondi's leaving; he and Fuchs were unavailable and all questions were referred to parent. Said Michael Luftman, Time Inc. corporate press officer: "[Biondi] and the management of Time Inc. have disagreed on policy matters. I don't have anything more to say, other than to tell you the change is effective immediately." "It's an understatement to say this comes as a surprise," said harried HBO staffer, who said he and rest of N.Y. staff learned of top-management change at midday.

Commenting on Fuchs's appointment, Nicholas said he "is one of the pioneers who helped build this business... He is a natural leader and a natural programmer" who "possesses the knowledge, experience and creative imagination to guide HBO through what may be one of its most challenging years."

"That's the operative statement," one observer said in pointing to Nicholas's reference to HBO's "most challenging years." That observer and other HBO-watchers noted that company's growth -- once the engine that drove entire cable industry -- has declined dramatically this year, with no prospects for improvement soon.

"Subscriber growth has come in at only about half the level [HBO] expected," said Drexel, Burnham Lambert analyst John Reidy. While HBO has never made public its growth projections, Reidy said "we were projecting an add-on of roughly 2 million subscribers a year. But it's probably running at half that level." Most recent figures from HBO in early summer put subscriber base at 13.5 million, roughly one million above 1983 level.

Biondi's disagreements with Time Inc. management apparently erupted just since March, because it was then that he was given additional title of chmn. That position, at least for now, will remain vacant, Luftman said.

Some analysts said Time Inc. made change as way of applying budget scalpel to pay-TV subsidiary. "There's only 3 things HBO spends money on -- programming, promotion and personnel," Reidy said. "Programming is a sticky area to get costs down because they have to stay competitive with Showtime and the others. That leaves promotion and personnel, and those apparently aren't [Biondi's] strong points."

TCI NEARS PITTSBURGH DEAL: Pittsburgh's cable advisory committee voted 8-0 last week to recommend approval of transfer of city's cable franchise from Warner-Amex to TCI in \$93.4 million buyout. Committee then reported its overall acceptance of TCI's cable plan to City Council, which is expected to vote Oct. 22 to accept transfer.

"We are working with city officials to resolve only a few specific issues," said TCI Senior Vp John Sie. "We plan to negotiate with the city over the next few days and produce a final document [Oct. 15] which we feel confident will satisfy the council," he said.

Advisory committee's recommendation was contingent on some clarifications and minor changes in TCI's proposed franchise agreement, mostly request that No. 1 MSO assure that funding for public access continue for life of franchise, that a proposed channel for health and educational institutions not be shared with any other program channel, and that TCI make every effort to provide cable service to every city resident. Some right-of-way problems have prevented cable being offered to 700 residents.

Sie continues to warn that any delay by Pittsburgh in approving transfer past Oct. 31 -- when TCI's agreement with Warner expires -- will mean TCI will walk away from deal (TVD Sept 24 p7). "We have told our banks that we will let them know by Oct. 31 if we want the [\$60 million] loan," he said. Referring to Oct. 31 expiration of Warner agreement, Sie said "there is little hope we can change the deadline."

NAB joined opposition to Mobilesat radiodetermination satellite service (RDSS), saying Commission had no authority to accept and process applications before rulemaking establishing service was resolved. NAB said in filing it's concerned that spectrum now used by local TV broadcasters for electronic news gathering will be reallocated, said it's "unlikely" that many ENG users will be able to find needed spectrum for relocation.

Leonard Press, Ky. Educational TV exec. dir., told our companion publication Public Broadcasting Report that he has withdrawn from consideration for presidency of NAPT, didn't give reason. Eastern Educational Network Exec. Dir. John Porter, considered one of top contenders, also told PBR he isn't candidate.

First Camera Video has been formed in San Francisco (540 4th Ave., 94118, 415-221-8062) as supplier of broadcast video equipment and support systems, camera personnel, technicians. Founders are Frank Zamacona of Zamacona Productions and Vaughn Kilgore.

ABC Video Enterprises will insert 6 min. of commercials in regular 30-min. news and sports programs on selected Western Airlines flights.

Consumer Electronics Personals

Stephen Jacobs promoted to NAB vp-congressional relations with primary responsibility for House; Michael Berg advanced to senior assoc. gen. counsel... NCTA Engineering Dir. William Riker resigns to become exec. vp, Society of Cable TV Engineers... Kim Dawson advanced to current programming dir., Showtime/Movie Channel... Gordon Weaver and Stephen Rose, both ex-Paramount Pictures, named pres. and exec. vp, respectively, of new Young & Rubicam USA entertainment unit... Ned Tanen, ex-Universal, appointed pres., Paramount Pictures Motion Picture Group.

Kerry McCluggage promoted to vp-production, Universal Pictures... Sylvester (Pat) Weaver, retired NBC pres., addresses Corp. for Public Bestg. local program awards banquet Oct. 30 in Seattle... Richard Violette promoted to asst. chief, News Media Div., FCC Office of Public Affairs... James Clark promoted to Central Div. mgr., United Cable... Anthony Frank, ex-Phelps Dodge Communications, appointed plant mgr., General Cable Fiber Optics Div., North Adams, Mass.

Robert Wallen advanced to vp-prime time sales proposals, ABC TV... Joseph Seaver, ex-Chronicle Bestg., named vp-finance and business affairs/chief financial officer, KCET L.A., succeeding Sheldon Auerbach, who resigns to become chief financial officer, Center Theatre Group of L.A... Joseph Tirinato advanced to pres., MGM/UA TV Distribution... Jane Stark, WMGM-TV Wildwood-Atlantic City, N.J. gen. sales mgr., also named station mgr... Samuel Glick, ex-WNBC-TV N.Y., appointed dir.-ads and promotion, KTLA L.A... Patty Gilhooly advanced to vp-financial services, John Blair & Co. TV and radio representative divisions.

William Liss, ex-ABC, appointed Ohlmeyer Communications corporate relations senior vp, new post... Kiplyn Farmer named International Div. vp, Satellite Program Network... Michael Fahn promoted to syndicated sales vp, D.L. Taffner/Ltd., new post... Mark Bykowski, ex-Interior Dept., appointed NCTA dir.-research and policy analysis; Katherine Rutkowski advanced to technical services dir.; Ann Dorman, NCTA consultant, named industry affairs dir.

Daniel Aaron named vice chmn., Comcast Corp.; Robert Clasen and Daniel Gold elected vps of parent and chmn.-CEO and pres.-COO, respectively, of subsidiary Comcast Cable Communications... Diana Dougan, State Dept. coordinator for international communications and information policy, addresses Oct. 26 luncheon of Washington chapter, AWRP, National Press Club... Stuart Stringfellow, ex-Columbia Pictures TV, appointed Midwest Div. mgr., King World, new post.

Gregg Burton promoted to Rainbow Network Communications technical services vp, new post...

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Trygve Myhren, ATC chmn., named chmn. for June 2-5 1985 NCTA Convention Committee in Las Vegas... Anita Wallgren, ex-Taft Bestg., appointed telecommunications policy specialist, NTIA Office of Policy Analysis and Development... Albert Gallick, ex-General Cable, named mktg. dir., Conrac Alston Div.

Obituary

Donald S. Moeller, 62, pres.-gen. mgr. of KYTV Springfield, Mo., died Oct. 9 following heart attack. Moeller spent 32 years in broadcasting, starting with WGAN-TV-AM-FM Portland, Me. He had been at KYTV last 15 years, was former member of NBC TV affiliates' board. Wife, 2 sons, survive.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

STATE OF THE INDUSTRY

Sales to dealers, from EIA, for 5th week of Sept. and 1984's first 9 months:

	SEPT. 22-28	1983 WEEK	% CHANGE	SEPT. 15-21	9 MONTHS 1984	9 MONTHS 1983	% CHANGE
TOTAL TV.....	673,269	659,774	+ 2.0	407,683	14,810,838	13,769,994	+ 7.6
TOTAL COLOR...	528,714**	481,593	+ 9.8	332,386	11,470,390*	9,755,087	+17.6
DIRECT-VIEW.	522,887**	477,651	+ 9.5	327,164	11,343,708*	9,662,758	+17.4
PROJECTION..	5,827**	3,942	+47.8	5,222*	126,682*	92,329	+37.2
MONOCHROME....	144,555	178,181	-18.9	75,297	3,339,948	4,014,907	-16.8
TV EXCL. PROJEC.	667,442	655,832	+ 1.8	402,461	14,683,656	13,677,665	+ 7.4
HOME VCR.....	294,410**	132,041	+123.0	163,646*	4,797,472#	2,656,971	+80.6
COLOR CAMERAS...	29,854**	8,292	+260.0	9,353*	332,542*	262,900	+26.5

Color TV (direct-view) 5-week moving average: 1984--350,732*; 1983--315,493 (up 11.2%).

Home VCR 5-week moving average: 1984--174,635**; 1983--91,267 (up 91.3%).

* Record for period. ** Highest week on record. # Exceeds full-year record.

SEPT.--BIGGEST SALES MONTH IN HISTORY: You name it -- color TV, VCR, projection TV -- Sept. was best month ever chronicled by EIA's statistics on sales to dealers (color cameras missed all-time record by fewer than 300 units). Final week of month (see State of the Industry) -- ditto: Color, first week ever with sales of more than half a million; VCR, 294,410, better than any full month before Dec. 1982; cameras, all-time high, up 260% and about same as all 4 weeks of April this year; projection TV, 16.8% above previous all-time record for single week, set in 1982.

Color direct-view sales of 1,753,658 in Sept. were 11.4% above previous highest month, Sept. 1983. Color's 9-month sales, at 11,343,708, were greater than those of any full year before 1982. Third-quarter sales exceeded 4 million for first time. But full-year rate of increase becomes much more difficult to maintain in year's last 4 months, and seasonally adjusted annual sales figure for Sept. comes out to just over 15.7 million, down from close to 17 million in Aug. In 3rd quarter, annual sales rate was 15,760,000 -- exactly same as in 2nd quarter -- and for first 3 quarters it came to just a hair over 16 million.

Final Sept. week usually is harbinger of 4th quarter in color. It's interesting fact that in 14 of last 18 years that week has turned out to be equivalent to 9-11% of the following quarter's sales (average of 10.4% for all 18 years). Using that rule of thumb, year's sales would come out between 16.1 and 17.15 million -- or applying average 10.4%, they would be 16.37 million.

Sept. sales of 873,175 VCRs compares with previous top of 601,797 units for any month last Dec. If pattern of preceding 5 years holds up -- Dec. sales almost 31% above those of Sept. -- Dec. will be first month with sales of more than million VCRs. Sept.'s annualized rate comes out to 7,653,000; 3rd-quarter sales of 1,886,559 translate to annual pace of 7,335,000, and 9-month results represent annualized 7,531,000 units.

Inventories of color TV at pipeline level (factory plus distributor) showed first sign of seasonal decline, dropping 0.2% during Sept. to 3,684,300 from all-time high of 3,692,900 at end of Aug. There were some reports of spotty cutbacks in color output. Color inventories total

about 8-1/2 weeks' supply at current sales rate -- not alarming, but hardship to carry at today's interest rates. Pipeline inventories were up 41.3% from year earlier, while factory stocks rose 54.6% to 2,229,000 and distributor stocks 24.8% to 1,455,300. Factory inventories declined by 4.3% during month, distributor inventories rose 0.1%.

VCR inventories rose inexorably toward million-unit level, but pipeline of nearly 957,000 still represents less than 5 weeks' supply at current sales levels. This figure was 73.7% above year earlier and increase of 14.2% in month. Factories continued to load distributors in anticipation of hot 4th quarter, with distributor inventories standing at nearly 488,000 at end of Sept., up 131.1% from year ago and 3.2% from end of Aug. Factory inventories totaled just over 469,000, up 38% in year, 16.3% in month. Here are EIA's figures on sales to dealers for Sept.:

Product	Sept. 1984	Sept. 1983	% change	Sept. 1982
Total TV.....	2,221,594	2,167,168	+ 2.5	1,827,581
Total color...	1,775,959**	1,593,897	+11.4	1,242,803
Direct-view.	1,753,658**	1,577,467	+11.2	1,226,854
Projection..	22,301**	16,430	+35.7	15,949
Monochrome....	445,635	573,271	-22.3	584,778
TV excl. projec.	2,199,293	2,150,738	+ 2.3	1,811,632
Home VCR.....	873,175**	456,334	+91.3	243,123
Color cameras...	69,948*	39,409	+77.5	26,864

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

SONY'S 8mm ENTRY SEEN NEXT SPRING: Sony is expected to enter 8mm VCR market under own brand next spring, and mounting evidence indicates it's strongly considering offering consumer videodisc player here (TVD Oct 8 p18). In consumer software, it's active on both fronts as it broadens program catalog, planning to offer laser discs and exploring prerecorded 8mm cassettes as well.

Sony, which is making 8mm camcorder for Fuji (TVD Oct 8 p12), will firm up own-brand hardware plans in next 2 months, we were told by Video Software Operations (VSO) Dir. John O'Donnell last week at First Music Video Festival in St. Tropez. "If there's a market [in 8mm cassettes], I'll be in it," said O'Donnell, who was prime mover in establishing Beta Hi-Fi cassettes by making slave units available to duplicators on easy terms -- strategy Sony could repeat in 8mm.

Sony VSO plans to add first consumer optical videodiscs by spring, initially pressing for U.S. market in its Japan plant, moving operations to U.S. when Terre Haute plant comes on stream at end of 1985. In Japan, Sony will offer same combination Laservision-Compact Disc player as Pioneer, which plans to introduce it in U.S. at Jan. CES (see story elsewhere in this issue). O'Donnell wants to follow tried-and-true practice of tape and disc release, possibly starting with series of six 90-min. animated features now in broadcast syndication.

Extended software plans include addition of considerably more children's programs to its recorded cassette catalog, feature films by early 1985. Sony isn't aiming at blockbusters, O'Donnell made clear, but bread-and-butter programs that might be sold as low as \$19.95.

114 STATIONS INDICATE PLANS FOR MTS: Our survey of all TV stations and construction permit holders shows 114 of first 254 respondents plan to add multichannel TV sound (MTS), at least 107 of them to broadcast in stereo. Only 58 say they have no plans for MTS, rest being undecided.

This translates to 44.9% of respondent stations planning MTS, 32.3% considering it, 22.8% with no intentions. Percentages of the 1,174 TV stations now on air and 331 permittees actually planning or considering MTS probably are lower because we consider stations with plans more likely to return survey questionnaires than those that are uninterested.

Nation's 5th stereo outlet went on air last week -- new independent WDBB-TV Tuscaloosa, Ala., equipped for stereo from its debut Oct. 8. Station is synthesizing stereo on most programs until availability of syndicated product. Other outlets have stereo on air in Chicago, Seattle, Hartford and Waterbury, Conn. (TVD Oct 8 p14).

This week should see at least 2 more stations start stereocasts -- WFSB Hartford, 3rd in that area, scheduled to begin today (Oct. 15), to be followed on Sat. (Oct. 20) by WTLV Jacksonville. Also planning to start this month is KSL-TV Salt Lake City. Expecting to begin this fall are WEDH, Hartford area's 4th stereo station, KTLA L.A. and outlets in St. Louis, Toledo, Boston, 2nd Seattle station.

Survey responses to date have come from 10 outlets expecting to be broadcasting in MTS this fall, 12 planning to start in winter, 14 more next spring, another 40 in 2nd half next year, 14 in 1986, another 24 after 1986 or not giving dates. Thus 36 indicate plans to start before mid-1985. Actual number by that time could be at least double that figure if equipment is readily available, on basis of information in addition to survey responses.

Bilingual and other 2nd audio program (SAP) uses of MTS will be much slower in coming than stereo. Of the 114 stations planning multichannel broadcasting, 76 envisioned transmitting stereo only, at least to start. Another 22 said they planned to broadcast both in stereo and program-related SAP, such as bilingual sound (4 of those said they also would have nonprogram SAP, i.e., paging services, radio-type broadcasting on TV soundtrack), 3 didn't indicate mode of broadcast. Nine outlets expect to have stereo plus nonprogram SAP, 4 plan program-related SAP without stereo.

We'll print complete list of prospective MTS stations and their plans, derived from our survey and other sources, in updated timetable in future issue.

VIDEO IMPORTS SOARED AGAIN IN AUG.: Video equipment imports surged in Aug., month that saw new all-time highs hit by color TV and color cameras, near-record performance by VCRs and b&w TV, Commerce figures show.

VCR shipments jumped 92.3% in Aug. to 970,400, but fell just 1,300 short of all-time monthly high of 971,600 set in July. In 1984's first 8 months, VCR imports were up 115.7% to 5.8 million. Also ahead sharply in month were imports of videotape players, soaring 371% to 9,200. Aug. also marked start of Portavideo imports of VHS videocassette players from Japan's Funai. For 8 months, overall player shipments totaled 24,600, up 25.1%. However, videodisc player imports ran counter to general video trend in Aug., falling 43.4% to just under 5,000, to put full period total at 78,600, up 101.9%.

Total TV camera shipments were up 623.6% in Aug. to 80,300 as color units set monthly import record at 80,200. While color total was up 12-fold from same month last year, comparison is somewhat deceptive since imports in Aug. 1983 were at abnormally low level. B&w cameras were up 62.1%. For 8 months, total camera imports of 495,000 were up 98.3%, as color climbed 114% to 422,300, b&w 39.2% to 72,700. Projection TV imports slipped 2.8% to 3,900 in Aug., putting 8-month total at 40,300, up 48.9%.

Imports of complete and incomplete TVs climbed 75.2% in Aug. to 1.67 million, 2nd only to 1.71 million total of last April, as color jumped 88.6% to record 916,100 and b&w rose 61.1% to 750,400. Overall 8-month TV import total of 10.5 million was up 48.2%, with color ahead 54% to 5.97 million, b&w 41.2% to 4.51 million.

In color, imports of complete sets shot up 132.4% to 539,800, falling just short of 567,800 record set last Dec. Despite dumping case, shipments from Korea and Taiwan more than doubled in month, and sizable increases were posted by imports from Japan, Singapore, Malaysia, Hong Kong. For full period, complete color imports were up 68.8% to 3.71 million. Imports of color chassis and kits rose 48.5% to record 376,300, stood at 2.26 million at end of 8 months, up 34.7%.

In b&w, month's gain was led by 176.8% leap in minicombs to 139,600, while other tinyvisions rose 145.7% to 159,400, and sets with screens 11" and larger were up 28% to 447,700. Leading b&w increase for 8 months were noncombo small-screen models, up 174.9% to 992,800, while combos were up 75.9% to 641,200 and others rose 16.8% to 2.87 million.

New Panasonic industrial video equipment: Solid-state camera with charged priming device pickup weighs less than 2.9 lb., has 1" viewfinder, zoom lens, VCR controls, \$1,400; 4 new 2/3" Newvicon cameras with 7-color character generators, 0.7 ft. candle sensitivity, including one with color viewfinder, autofocus at \$1,600; others are \$1,195, \$1,300, and \$1,375. Three-speed VCR with front-load see-through mechanism, remote control, with 107-channel tuner is \$895; portable 3-speed VHS with wired remote, 4 motors, \$950. Professional video production system includes 2/3" Saticon camera and special effects generator for \$2,900.

Donkey Kong may climb buildings and hold pretty girl captive at top, but any similarity between videogame character and movie ape King Kong ends there, so there's no likelihood of confusion in public's mind, U.S. Appeals Court ruled in upholding dismissal of infringement suit brought by Universal City Studios. Universal had sued Donkey Kong's developer Nintendo of Japan which had licensed arcade videogame rights to Atari and home rights to Coleco. Appeals Court didn't rule on secondary finding by lower court that Universal had no legal trademark interest in King Kong to protect.

Low-cost TV memory chip is being sampled to equipment manufacturers by NEC in Japan. Chips could be used for noninterlaced high-resolution, still pictures, zoom, ghost and noise reduction on TV sets, better special effects on VCRs. NEC says its short-term plans call for production of 200,000 monthly. Eight chips are required for storage of one TV picture field. Sample prices are about \$20-\$25 each; in production, price is expected to be around \$12, dropping to \$8 next year.

Software Arts will receive \$500,000, all rights to its Visicalc program plus customer lists and other related material, from Visicorp, its former marketing licensee, in settlement of contract breach suit filed earlier this year after VC brought out its own spreadsheet program.

Sony's portable CD player (TVD Oct 8 p16) may be assembled in Europe starting next summer. From Japan plant, company hopes to sell 20,000 monthly initially in U.S. and Japan, rising to 50,000 by mid-1985.

Tandy will get back \$5,700 plus interest on disputed shipping charges for Radio Shack computer joysticks it imported in 1982, under arbitration decision handed down by Federal Maritime Commission. Tandy said its joysticks should have been classified as parts of toys and games, instead were treated as miscellaneous electrical parts and subjected to 40-60% higher ocean freight rate. FMC ruled that intended end use, as game-playing adjunct, should have been determining factor.

Commodore has agreed to sell Dallas R&D plant for about \$3.5 million. Purchaser is group headed by former Mostek Pres. Vincent Prothro, now heading new IC manufacturing venture, Dallas Semiconductor. Commodore had used facility for development and production of speech synthesis and robotics devices, but is putting those on hold to concentrate on expanding production of ICs and disc drives.

TEAC is latest hi-fi marketer to seek FTC revision of 1975 consent order in which it agreed not to restrict transshipping by its dealers. TEAC is asking FTC to modify order so it can set new franchising agreements with retailers, exercise more control over how, and by which stores, its products are sold. Over last 2 years FTC has agreed to similar requests from several marketers, including Pioneer and Magnavox.

Japan's Sansui has contract to develop recordable optical videodisc system for U.S. aircraft maker McDonnell Douglas. Basic design for system, which uses transmissive film-type disc, was developed by MD. Sansui's job will be to engineer it into commercial product for data storage and training markets. Sansui is primarily audio hardware manufacturer, but demonstrated own optical disc recorder at Japan Audio Fair last year.

Ore. is quickly becoming Silicon Valley North. Latest in string of high-tech companies eyeing locations there is National Semiconductor, which said it has option to acquire 90-acre site near Portland for construction of IC plant. Earlier this year NS set up R&D facility in same area. Company said it will go ahead with plant if certain conditions are met.

RCA has renewed sponsorship of Space Mountain ride at Disney World.

NEW CHIEF AT NAPCE: In sudden changing of guard, Donald Johnstone last Tues. became pres. of NAP Consumer Electronics, succeeding Frank Lann, who resigned for personal reasons.

Johnstone joined NAPCE last year as senior vp-mktg. after 3 years as mktg. vp for Litton microwave ovens. He's 22-year veteran of GE (1958-1980), having served in variety of sales and planning posts in TV and major appliances.

Lann moved from Sylvania lighting operations in 1976 to top post of GTE Entertainment Group vp-gen. mgr., which he left in 1979 to become senior vp responsible for operations of NAP's Magnavox Consumer Electronics. In this position, he was instrumental, along with now NAP Exec. Vp Kenneth Meinken, in engineering NAP purchase of GTE consumer electronics operations (Sylvania and Philco) in 1980. After purchase he became exec. vp of NAPCE; in 1982 he succeeded Meinken as pres.

Although last week's change was sudden, there were indications for some time of mutual desire to sever ties, according to inside sources. Lann, a dynamic industry leader and self-described "7-day 24-hour guy," intimately supervised every facet of operation. "Under Frank Lann, we achieved all of our goals," according to insider, and any difficulties involved "chemistry." It was known that there were morale problems in organization -- some associates felt smothered by what one source termed Lann's "hands-on philosophy," which they saw as unwillingness to delegate authority. "Nobody pulled the trigger," said source, "but things had to change."

Lann told us he had also been considering change for some time. "I came to the crossroads. This is a great company, but I want to be in a business that I can have a piece of." He said he was evaluating several opportunities in other industries where possibility of ownership and other rewards are greater than in consumer electronics.

New leadership at NAPCE represents major change in philosophy. Since formation of company from Magnavox, Sylvania and Philco, it's been manufacturing-driven under Lann, whose forte is production and operations. Under his regime new modern plant was structured to turn out 3 different brands with high rate of efficiency. Now, as mantle is passed to Johnstone, it's obvious that new phase of strong market orientation is beginning.

Lann, who has served for last year as vice chmn. of EIA Consumer Electronics Group and chmn. of its Video Div., had been scheduled to be elected CEG chmn. at EIA fall conference last week in L.A. Instead, group reelected Pioneer's Jack Doyle.

Signetics has opened \$50 million, 128,000 sq. ft. R&D facility in Sunnyvale, Cal. New Signetics Technology Center also will house west coast research lab of parent U.S. Philips, subsidiary of Dutch Philips.

GRUNDIG VCRs TO CHINA: Japan is facing VCR competition in Far East, and it's coming from unexpected source -- Germany's Grundig. Grundig, only company outside Japan with integrated in-house VHS VCR production capability, says it has agreed to supply China with VCR manufacturing technology and kits for VHS assembly. Shipments, in unspecified quantities, are expected to start early next year.

Grundig, like affiliate Philips -- both of which originated V2000 format -- bought VHS license and started producing VHS VCRs for sale in Europe earlier this year. But unlike Philips, which is assembling from kits sourced from Japan's Matsushita, Grundig uses its own designs and parts.

Grundig's VCR deal with China is extension of existing video agreement under which it helped build color TV plant in Canton Province. Last year Grundig received \$6.5 million contract to supply plant with 40,000 color kits, and last week it said it got order for 70,000 color TVs, put value at \$9.8-\$13 million.

While Grundig appears to be successfully challenging Japanese for export business on their own doorstep, Japanese have made VCR inroads into China of their own. Sony earlier announced agreement to provide plant there with kits to provide 300,000 Beta VCRs over next 6 years, while Matsushita is understood to be about to close deal to supply VHS kits.

* * * *

NEC received \$53 million order for kits to make 250,000 color TV sets in China over the next year. Hainan Administrative Region Trade Co. will assemble sets in 2 plants for marketing, principally in China. Deal works out to about \$212 per kit. Demand for color sets is expected to reach 1.5 million units, up from 500,000 last year. NEC says it's also negotiating with Chinese govt. to produce personal computers there, presumably for Chinese market.

Texas Instruments settled shareholder class action by agreeing to set up \$12 million fund to compensate those who lost money on trades in company shares March 1-June 10, 1983. Holders claimed they acted on basis of optimistic forecasts TI gave at April annual meeting that year, even though 2 months later it announced it would suffer \$100 million 2nd-quarter loss on home computers. Contention was that TI knew, or should have known, computer business was in trouble. TI said it agreed to settlement to avoid further legal expenses, added that it will have no significant financial impact on balance sheet.

Casio will follow its 6" flat-screen LCD color set, shown at Japan Electronics Show, with 12" model, according to Japanese report, which says set will cost about \$400 on Japanese market. Picture was claimed to be of same quality as that on conventional tube.

PIONEER LV-CD PROGRAMS: First original programming for Pioneer's combination Laservision video and CD digital audio disc player saw light of day at International Music Video Festival in St. Tropez last week. Four one-hour shows, titled The Other America Series, are joint venture of Pioneer's Laserdisc subsidiary with 2 U.S. firms, Windham Hill Productions and Dream Video.

Series has digital soundtrack, first for videodisc, will seek to fill what Pioneer terms "rising popularity" of background video. Discs, at \$25 each, go on sale in Japan Oct. 21. U.S. introduction won't come until after LV-CD players go on sale here next year. Dream Video holds cassette rights to \$500,000 production, hopes to market same titles in VHS and Beta Hi-Fi.

LV-CD player, meanwhile, got off to fast start in Japan -- first month's production of 5,000 units has sold out, according to Laserdisc A&R Producer Daihei Shiohama, who told us player has subcode output terminal that eventually will allow playing of CD discs encoded with still pictures. He says there are about 150,000 LV players in use in Japan, claims disc sales of 2,500-3,000 for average title are about equal to recorded cassette volume, often are several times higher.

Pioneer also is stepping up its video jukebox efforts, may be close to hiring U.K. firm Diamond Time to organize and clear rights for disc library. Diamond Time head Bruce Higham claims deal could be worth \$6-\$7 million. Higham now supplies 1,000 videotape jukeboxes -- 100 in U.S., 150 in Australia, rest in U.K. -- with monthly cassettes of 40-120 clips drawn from 2,500-title catalog, growing at 150 every 3-4 weeks. Higham told us he's in midst of search for \$4-\$5 million funding that Diamond Time needs to crack U.S. market. Rowe Video already claims jukebox foothold in States with 300 Video/Music Entertainment Center installations, expects 3,500 by end of 1985, 10,000 two years later. Machines hold 40 clips (changed monthly) and 160 audio selections. To defray hardware costs Rowe has begun offering up to 40 advertising spots at cost of \$400 per month per location.

Hearing damage caused by overloud ring through earpiece of cordless telephone is worth \$150,000, according to St. Louis federal court jury that awarded sum, including \$125,000 in punitive damages, to psychiatrist Will Gearhart in suit against Uniden. Case is first of kind to go through trial, although others are pending and some additional ones have been settled out of court. Hearing damage hazard is restricted to older model phones, as newer ones have ringer in handset and away from earpiece. Food and Drug Administration, which has authority to regulate sound as well as radiation emissions from electronic products, says it has received about 120 cordless phone complaints from consumers. Agency said that it's looking for industry to establish voluntary program to warn consumers about earpiece ringing hazard and that no product recall program is planned.

ITA SEMINAR: Current Status and Future Trends of the Audio, Video and Magnetic Media Industry is theme of one-day seminar for ITA members and guests Nov. 20 at Sheraton Centre Hotel, N.Y.

Speakers from video arena include RCA Mktg. Vp Stephen Stepnes on hardware, MGM/UA Home Video Exec. Vp William Gallagher on software, Ampex Media Products Vp Stanley Faught on blank tape, Technicolor Videocassette Div. Exec. Vp William Hickey on duplication, Sony Video Communications Vp-Gen. Mgr. Robert Mueller on industrial video.

In audio, Compact Disc Group Dir. Leslie Rosen will look at CD market and CBS Records Operations Mktg. Vp Cal Roberts will cover cassette duplication. Computer discs and tapes will be topic for BASF Computer Media Mktg. Dir. Sigmar Tullman. On tape materials, ICI Magnetic Recordings Mgr. Robert Reen will cover base films and DuPont Magnetic Products Sales Mgr. William Oskin will discuss oxides and pigments.

Lower cost digital audio technology was demonstrated by Dolby Labs at Audio Engineering Society convention in N.Y. last week. Proposed as substitute for conventional PCM type, Dolby says it reduces cost of home digital decoding equipment by 80%. System has been adopted for cable TV satellite transmission by MTV's 2nd network (VH-1), for DBS by Australia, is being considered by BBC for stereo TV and by Comsat for DBS in U.S., can be used by any other sound media, Dolby says. Dolby says system is less prone to transmission degradation, doesn't require elaborate error correction, uses at least 25% less bandwidth. Dolby also reported recording studios' widespread use of new HX Pro technology that it says can result in prerecorded cassette capability surpassing 7.5" master tapes.

Tiny b&w camera, weighing only 8.9 oz. and measuring 1.1x1.7x5.7", was introduced by Sony Video Communications for industrial market. CCD camera draws only 2.9 watts, is priced at \$1,350 with f1.4 lens. Other new Sony industrial video products: (1) High-resolution projection system capable of 250" picture, designed for video theaters, etc., to be available early next year; (2) portable U-matic VCR 35% smaller and 30% lighter than previous model; (3) Graphics Management System to link computer graphics with video technology, for use with video editors to produce characters, animation, color painting, etc., at \$1,500.

Sharp introduces MTS adaptor with 3-watt stereo amplifier, volume, treble, base and balance controls, headphone jacks for stereo and SAP, input and output connectors, AC outlet, at \$200. New 20" remote monitor receiver with 2 antenna inputs, comb filter, stereo amplifier, built-in MTS is \$1,000; two 13" monitor receivers with keypad remote, \$450. New high-end VHS Hi-Fi VCR with wireless remote with linear Dolby stereo is \$1,100.

TANDY REPORTS: While computer products continued as backbone of Radio Shack's operation, communications-related devices provided largest sales increases, according to annual report of parent Tandy for year to June 30. It also shows biggest growth came in sales outside RS retail stores.

Tandy's consolidated sales were up 10.6% in year to \$2.73 billion, and while those through RS stores rose 6.3% to \$2.47 billion, outside sales -- including Memorex brand video and audio cassettes, O'Sullivan electronics furniture and Lika printed circuit boards -- jumped 62.6% to \$250.6 million. O'Sullivan became Tandy subsidiary in fiscal 1984.

Radio Shack sales breakdown in report is based on retail value of warehouse shipments to stores, so actual volume by product group can't be determined precisely. However, figures indicate biggest growth came in CB, walkie-talkies, scanners and PA systems, which rose 19.4% to \$135.8 million, while volume from phones and intercoms was up 18.3% to \$219.7 million. Parts, batteries and test equipment sales increased 10.4% to \$338.2 million to provide only other double-digit growth segment.

In computers, RS prime business, volume rose just 3.3% to \$829.4 million, including 8.5% gain for home computers to \$85.4 million. Radios, phonos and TV accounted for \$212.3 million in sales, gain of 6.3%, while audio products and accessories provided \$439.4 million, up 4%. Slowest growth was 1.2% rise to \$293.7 million for segment including toys, security devices, timers and calculators.

Report notes that self-manufactured products accounted for 54% of sales in 1984, down from 57% in preceding year, attributes decline to computer pricing pressures. Tandy said its Memorex unit had good sales growth, but suffered from price deterioration in videocassettes. Report says Tandy is looking for continued market growth in video and communications products, including minor comeback for CB. On negative side, it says "AM stereo has not had -- and will not have -- any effect on the audio market" because of standards confusion. While home satellite dishes could become real consumer business, because of legislation on satellite spacing, "scrambling and other marketing problems, the potential is questionable."

Sharp closed deal for site in Mahwah, N.J. where it will build new hq and distribution center. Earlier this year company said it had outgrown facility in Paramus, N.J., was looking at locations for expansion and indicated it would prefer remaining in state (TVD May 7 p22). Sharp bought 65 vacant acres from developer that had paid Ford \$20.5 million for 172 acres and idle automobile plant.

Matsushita is one of 4 new nonexclusive licensees signed by Drexler Technology for its optical laser card technology. Others signed include Ciba-Geigy, Nipponcoin and unidentified U.S. insurance company.

GE, NAP RESULTS UP: GE and North American Philips posted improved sales and earnings in quarter and 9 months to Sept. 30, both receiving boost from their consumer electronics operations (see financial table).

GE said overall earnings from consumer products in quarter were substantially better, though sales were up only slightly because of disposition earlier this year of housewares business. It reported video operation broke even for period on strength of higher VCR sales and improved manufacturing efficiencies, which offset impact of lower selling prices. Audio earnings rose as result of moderately higher sales and improved productivity.

GE said outlook is for continued growth in sales of consumer durable goods but at a slower rate and at a pace that trails economic growth in general. It also expressed optimism that inflation rate will continue to be low.

NAP said consumer electronics business benefited from strong demand for video and audio products and that volume increase, combined with operating efficiencies and end to losses from discontinued videogame business, resulted in improved earnings. NAP said it also had higher sales and earnings from electrical consumer goods and electrical and electronic component operations.

Verbatim reported \$8.9 million loss on 14% sales drop to \$34.8 million in quarter to Sept. 30. Earlier, computer disc producer said it expected to show deficit for period because of standards problem that caused temporary halt in shipments to major OEM customer.

Motorola said posttax operating earnings rose 30% to \$86 million in 3rd quarter on 28% sales gain. It reported semiconductor sales were up 36% and order backlog up 62%, though new orders were down 2%. It said sales of communications equipment advanced 30%, while automotive and industrial electronics volume rose 7%.

Prince Philip is proud owner of one of first 3 PAL-format JVC Video Movie camcorders in U.K. First advance samples of unit, which goes on British market this week, went to the 2 TV broadcasting authorities, BBC and ITV, and 3rd was bought by Philip. Price in U.K. will be about \$1,340 at current exchange rate, including shoulder frame, cassette adaptor and dubbing cable. Thorn EMI Ferguson starts marketing own version at about same time for \$1,225 but without the accessories.

Ad notes: Verbatim appoints Grey Adv. for \$3 million floppy disc account, replacing Battenberg, Filhardt and Wright... 3M appoints Vloom Business Agency for Electronic Products Div... Marketing World, marketing consultants, and PR firm Thoma, Dillon and Mooney form Business Communication Management, specializing in internal communications and PR for consumer electronics companies.

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DIRECT MAIL GOLD: Who is 25th largest electronics retailer in U.S? Look in your wallet. See that little green -- or maybe gold -- card? That's right, American Express, company consumer shouldn't leave home without, is busy furnishing that same home with all manner of TVs, VCRs and other electronics equipment.

Amex will do \$125 million in electronics business this year, up from \$90 million in 1983 and \$11 million back in 1981, Mdsg. Vp Stan Krangel told us. So sales of Electronics by Design, Amex's name for electronics marketing category, will account for more than half of Merchandise Services unit's expected total \$220 million in mail-order business. Within electronics, home video will bring in \$50 million, audio \$45 million. Krangel said video is Amex's dominant electronics category, will continue to grow as share of total business. And it's all being done through mail, using slick brochures, bill stuffers and catalogs (TVD Oct 1 p16).

Most striking aspect is types of items people buy by mail. Sharp sold 48,000 VCRs in 1983-84 through Amex for total of \$26 million. Of that, 18,000 were sold from just one billing insert in April 1983 -- testimonial to quality of Amex mailing list. Company already has picked up 1,000 orders on mailing 4 weeks ago for Minolta autofocus camera and portable VCR, either as combination or separate items. Price for combination is \$2,598. Further, Beta Hi-Fi is getting tremendous response, and Krangel feels stereo VCRs will "fuel the replacement market for the first time."

Results of other Amex marketing efforts include: (1) 1,000 Sony projection TVs sold in 4 weeks as result of mailing in Aug. 1983. (2) 7,000-8,000 orders for Sharp 25" color console, at \$897, in 6 months through Feb. 1984. (3) Based on projections from mailing in Aug., company will sell 3,000-4,000 b&w 10" "designer" sets by year's end. Amex does have interest in much-heralded marriage of video and audio -- Krangel told us he plans test mailing for Fisher audio-video system in \$3,000 range, expressed interest in RCA's Dimensia (TVD Sept 17 p11).

Entire mail-order division owns about 20% of what it sells, and officials have said Amex will increase inventory. At Electronics by Design, Krangel wouldn't disclose level of inventory, but said unit will take on product when it will maximize profits. Company recently put up warehouse facility in Columbus, O.

Overall success of Electronics by Design is result of several factors, Krangel believes, not least of which is option that allows consumer to pay for product over period of months without interest charges. Amex just divides total cost of item by number of months involved, then bills each payment on regular charge card statement. Company can absorb cost of free financing because direct-mail business doesn't impose overhead retailer would have, Business and Public Affairs Vp Larry Klein said. It's

also obvious most of Amex's prices are at manufacturer's suggested list.

Product selection and combination of Amex reputation with top brand names contributes to success, Krangel said. Mail order, even for big-ticket items, also seems to work for Amex because of type of consumer company deals with. "Many of our people have disposable income, but don't have disposable time," Krangel said.

While Merchandise Services unit has become machine cranking out mail-order sales, unit is bound for some changes now. Robert Meyers resigned as division senior vp last week to become principal in direct-marketing venture. Meyers, former Bonniers and Bloomingdale's executive, joined Amex in 1975, built small merchandise entity into \$220 million business it is today. Krangel said Meyers didn't just run operation -- he "is the mail-order business" at Amex. Replacement has yet to be named.

Duty-free treatment for eligible imports from 140 designated less developed countries would be continued through 1993 under comprehensive trade legislation passed by Congress last week and sent to President. Proposed amendment that would have dropped Hong Kong, Korea and Taiwan from LDC roster because of volume of their industrial exports was defeated in House. Measure eases rules under which import-impacted industries can seek relief in form of quotas or higher duties. In antidumping and countervailing duty cases, it gives International Trade Administration more latitude on scope of investigations, allows it to consider sales that are likely to take place, while requiring International Trade Commission to consider effect of imports from all countries when deciding whether U.S. industries are being injured. It also broadens President's power to retaliate against countries with "unreasonable" or "discriminatory" trade policies.

Kodavision autofocus camcorder, in first N.Y. ad, is offered by Bi-Rite Photo at \$1,335 for autofocus model that lists at \$1,889 and has net single-unit dealer cost of \$1,405. Tuner-timer, listing at \$300, is offered at \$215, same as Kodak's listed dealer cost. Olden Camera, which advertised Kodavision without price, quoted these prices on phone: Autofocus camcorder \$1,499, manual focus \$1,259. Latter lists for \$1,599, carries single-unit dealer cost of \$1,179. Olden salesman said store ordered 130 units, got 5 of each model.

Interactive videodisc and computer instructional course, New Electronic Technologies, produced by Eastman Kodak, will be marketed on 6 laser discs with computer interface card and computer program on floppy disc by J.A.M. Inc. at \$6,750... Videodisc, Optical Disc, Compact Disc Conference and Exposition, expected to draw 600, will be held Dec. 4-7 in Washington. Contact: Meckler Communications, 11 Ferry Lane West, Westport, Conn. 06880, 203-226-6967.

NEW DUPLICATION GIANT? Third time looks like charm for Video Corp. of America, which last week accepted merger bid from privately held MacAndrews & Forbes. Definitive merger agreement puts increased value on company, and, if it's completed, will make M&F nation's undisputed 2nd largest commercial videocassette duplicator. In addition to normal stockholder and Justice Dept. antitrust review, there's fly in ointment in form of suit to block merger brought in Del. state court by shareholder group that controls 22% of VCA stock.

Under agreement, M&F, which acquired Technicolor in 1982, will pay \$20 per share for VCA, or \$33 million. Earlier this year VCA tentatively accepted, but later turned down, leveraged buyout offer of \$16 per share, or \$27.2 million, from First Capital. In 1982 VCA and Viacom International were talking merger, but that fell through.

M&F Chmn. Ronald Perelman will become chmn. of new subsidiary that will own VCA, while VCA Pres. Alfred Markim will be pres.-CEO of subsidiary, companies said. VCA Duplicating, VCA's videocassette duplicating subsidiary, and Technicolor Videocassette will not link operations and top management, Markim told us, and operations at VCA will remain unchanged.

Antitrust consideration stems from possible reduction of competition in videocassette duplication that could result from merger. Technicolor Videocassette has about 18-20% of duplication market, putting it in tie with CBS/Fox for 2nd place in size, according TV Exec. Vp William Hickey. He estimates VCA Duplicating ranks 3rd with 15-18% share. So combination could give M&F at least 33-38% of market, for firm hold on 2nd place behind industry leader Bell & Howell/Columbia Pictures, credited with about 45% share -- but at least one industry source thinks new combine would tie B&H/C for first at 45%.

Acquisition comes at time when both VCA Duplicating and Technicolor Videocassette are in middle of expansion efforts. Technicolor is finishing plant addition that will double number of its VCR slaves to 4,000, while VCA is scheduled to open its 5th duplicating plant in Ill. later this month. Newest VCA plant will start with 1,000 machines, has room for 3,000.

In other merger activity, Telex Communications has agreed to acquire audio equipment marketer Altec for \$12 million in cash and debt assumption. Altec has been operating under Chapter 11 bankruptcy protection since 1983, and deal is subject to court approval. Altec reported loss of \$752,000 on sales of \$16.4 million in 9 months to July 1... Ziff-Davis seeks to sell off its stable of consumer magazines, including Stereo Review... Mergers and acquisitions involving electronics companies rose 16% to 167 deals in first half this year, and value of transactions more than doubled to \$3.92 billion, according to consultant W.T. Grimm.

JAPAN-EC VCR QUOTAS: Cut in Japanese VCR shipments to Europe for 1985 as well as 1984 is being urged on Japan's Ministry of International Trade and Industry (MITI) by European Community. Negotiations in Tokyo resulted in agreement to cut back 3.95 million unit voluntary export quota, but no amount has yet been specified.

MITI already has requested exporters to cut back at least 10% for rest of year (TVD Oct 8 p13), but exact amount of reduction for this year and EC's request for cuts in 1985 will be discussed when talks resume next month. Agreement affects complete VCR shipments only, not VCR kits to European assembly plants.

EC said VCR demand in Europe this year has been revised downward by more than 40%, from 6.35 million to 4.5 million. Shipments from Japan have dropped 12% in year's first 8 months. MITI last Aug. reduced by \$21 its minimum export pricing on VCRs to EC.

IC mask designs will get 10-year copyright protection under measure passed by Congress last week and sent to White House for signature. Measure designates designs as intellectual property subject to copyright, making it unnecessary for manufacturers to seek patents. IC makers sought change because designs often became obsolete during 2-3 year patent processing period. Bill would deny copyright to mask designs developed in countries that don't offer same protection, and as result Japan is expected to rush similar legislation through Diet when it reconvenes in Dec.

Electronic still camera using CCD pickup and standardized 1.85" micro floppy disc was demonstrated by Matsushita last week at Photokina in Cologne, West Germany. Matsushita claimed high-speed picture taking capability of up to 7 shots per sec., 10-30% increase in resolution. Companion unit provides playback on TV set. Marketing plans weren't stated. As reported last week (TVD Oct 8 p12), Fuji next year will offer service of transferring color negatives or prints to microfloppy for TV playback.

K-tel filed Chapter 11 bankruptcy petition following call by banker for immediate payment of \$12 million note. K-tel, mass merchandiser of records, tapes and computer and video software, said its banks had agreed to provide interim loan so it could continue operating while it develops reorganization plan. Company lost \$33.8 million in last fiscal year to June 30, said \$15.8 million of that represented deficit of subsidiary, Candelite Mktg. In fiscal 1983, K-tel lost \$4 million.

Sylvania is using "best picture" survey in its advertising for 8th consecutive year. Results of consumer comparison, made with only TV screens visible, as released by Sylvania: Sylvania 73%, Zenith 11.9%, Sony 10%, RCA 4.8%.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
CBS			
1984-9 mo. to Sept. 30	3,580,900,000	176,300,000	5.93 ^a
1983-9 mo. to Sept. 30	3,107,000,000	109,900,000	3.70 ^b
1984-qtr. to Sept. 30	1,189,800,000	48,800,000	1.64
1983-qtr. to Sept. 30	1,019,200,000	33,400,000	1.12 ^b
Chris-Craft Industries			
1984-year to Aug. 31	166,406,000	(12,304,000)	-- ^a
1983-year to Aug. 31	84,408,000	3,997,000	.49 ^c
1984-qtr. to Aug. 31	42,437,000	(17,893,000)	--
1983-qtr. to Aug. 31	21,251,000	2,346,000	.32 ^c
Craig			
1984-year to June 30	50,243,000	(5,958,000)	--
1983-year to June 30	50,105,000	(6,895,000)	-- ^b
Gannett			
1984-39 wk. to Sept. 23	1,390,113,000	149,425,000	1.87
1983-39 wk. to Sept. 25	1,226,535,000	130,890,000	1.64 ^c
1984-13 wk. to Sept. 23	473,227,000	54,903,000	.69
1983-13 wk. to Sept. 25	412,579,000	46,130,000	.58 ^c
General Electric			
1984-9 mo. to Sept. 30	19,970,000,000	1,628,000,000	3.59
1983-9 mo. to Sept. 30	19,369,000,000	1,445,000,000	3.18
1984-qtr. to Sept. 30	6,723,000,000	564,000,000	1.24
1983-qtr. to Sept. 30	6,547,000,000	499,000,000	1.10
Motorola			
1984-9 mo. to Sept. 30	4,049,000,000	300,000,000	2.53
1983-9 mo. to Sept. 30	3,060,000,000	149,000,000	1.28 ^c
1984-qtr. to Sept. 30	1,377,000,000	124,000,000	1.04
1983-qtr. to Sept. 30	1,075,000,000	66,000,000	.56 ^c
North American Philips			
1984-9 mo. to Sept. 30	3,077,549,000	89,022,000	3.09
1983-9 mo. to Sept. 30	2,679,500,000	58,617,000	2.08 ^c
1984-qtr. to Sept. 30	1,068,085,000	32,695,000	1.14
1983-qtr. to Sept. 30	946,162,000	22,426,000	.78 ^c
Owens-Illinois			
1984-9 mo. to Sept. 30	2,641,500,000	98,300,000	3.43
1983-9 mo. to Sept. 30	2,607,300,000	30,400,000	1.08
1984-qtr. to Sept. 30	890,400,000	38,700,000	1.31
1983-qtr. to Sept. 30	885,600,000	(5,600,000)	--
Raytheon			
1984-9 mo. to Aug. 31	4,428,000,000	153,600,000	1.82 ^c
1983-9 mo. to Aug. 31	4,162,000,000	226,750,000	2.68 ^b
1984-qtr. to Aug. 31	1,411,000,000	85,900,000	1.01
1983-qtr. to Aug. 31	1,404,000,000	76,200,000	.90 ^b
Sanyo Mfg. Co.			
1984-9 mo. to Aug. 31	253,099,000	1,520,000	.20
1983-9 mo. to Aug. 31	203,583,000	923,000	.13
1984-qtr. to Aug. 31	94,167,000	273,000	.03
1983-qtr. to Aug. 31	79,804,000	456,000	.06
Scripps-Howard Bcstg.			
1984-9 mo. to Sept. 30	84,254,000	11,788,000	1.14
1983-9 mo. to Sept. 30	71,167,000	12,158,000	1.18
1984-qtr. to Sept. 30	27,141,000	3,667,000	.35
1983-qtr. to Sept. 30	23,981,000	3,789,000	.37
United Cable TV			
1984-qtr. to Aug. 31	39,749,000	2,101,000	.15
1983-qtr. to Aug. 31	32,515,000	2,038,000	.15
Westinghouse			
1984-9 mo. to Sept. 30	7,375,800,000	375,300,000	2.13
1983-9 mo. to Sept. 30	6,935,500,000	312,200,000	1.76 ^c
1984-qtr. to Sept. 30	2,546,300,000	130,600,000	.75
1983-qtr. to Sept. 30	2,264,800,000	115,500,000	.65 ^c

Notes: ^aIncludes special credit. ^bRestated. ^cAdjusted.
^dAfter special charge.

Consumer Electronics Personals

Samuel Murphy Jr., ex-Gulf senior vp-gen. counsel, joins RCA Dec. 1 as gen. counsel, will be elected senior vp at board meeting Dec. 5; he succeeds Exec. Vp-Gen. Counsel Eugene Beyer Jr., who will be on special assignment for Chmn. Thornton Bradshaw until his retirement next Sept. ... Donald Johnstone promoted at North American Philips Consumer Electronics from mktg. senior vp to pres., succeeding Frank Lann, resigned (details elsewhere in this issue)... Barry Feinberg of Philadelphia Silo chain elected pres. of NATM Buying Corp; George Seala, Lechmere, is vp; Jack Luskin, Luskin's, secy.-treas.

David Rubenstein, ex-Agfa Gevaert, joins Sony Tape Sales Co. as national sales mgr. for industrial tape; Rodger Winchell advanced at Sony to Video Communications federal mktg. programs dir... Roxanne Brown, ex-Viacom International Home Video Div., joins Worldvision Home Video as sales and mktg. dir., responsible for home video and pay cable markets.

Rick Geiger, ex-Apple, joins Commodore as gen. mgr. of new technology group for development of advanced home computer; Girard Bucas, ex-Docutel/Olivetti, joins in new post of business machines development dir.; David Baraff, ex-Northern Telecom, named to head flat panel display development effort... Frank Alfieri, one-time RCA finance exec. vp, resigns as Coleco senior vp and chief financial officer to join financial services firm; he'll continue with Coleco as consultant; Judith Smith, ex-AP Parts, joins as customer service vp.

Christopher Chan, vp of Hong Kong's Bondwell, named pres. of U.S. computer marketer Spectravideo following Bondwell agreement to acquire controlling interest in SV; Chan succeeds Harry Fox, who, along with Treas. Alex Weiss, resigned and will continue as consultants... Ann Watson joins Angelsoft as editorial dir. for new adult computer software div... Garner Lester, ex-H.J. Heinz, joins Micro Education Corp. of America as sales vp... Garry Kappenman, cofounder, returns to Eagle Computer as pres.-CEO, succeeding Ronald Mickwee, who continues as chmn. without "operational management" duties... Mitchell Kapor named chmn.-CEO of Lotus Development, succeeded as pres. by former mktg. and sales vp Jim Manzi, who also becomes COO.

IC knowhow swap has been set by Signetics and Linear Technology. Signetics gets LT technology for high-performance linear ICs, type most commonly used in consumer electronics, while LT is acquiring high-density packaging capability to produce compact ICs needed for computers. Signetics has right to share new knowledge with parent N.V. Philips, which should improve position of both as IC supplier to consumer electronics operation of affiliate North American Philips.

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IN THIS ISSUE: Targets of 172 stations planning broadcasts in multichannel TV sound (P. 16).

OCTOBER 22, 1984

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast - Cable

CPB BUDGET BILL AGAIN VETOED for FY 1987-89, setting stage for another confrontation with Congress next year. (P. 1)

CABLE BILL SUMMARY: 'Bedrock' is no common carrier treatment, Mooney says. Sections, provisions analyzed. (P. 2)

JAPAN'S CABLE CONUNDRUM: Govt. offers wide mandate but network technology is puzzle. Americans advise tree-&-branch approach. (P. 4)

ABC FINANCIAL RESULTS BEST EVER: Olympics coverage pays off with 'substantial' increase. NBC has good results. (P. 6)

TURMOIL CONTINUES AT RKO: Top executives resign; more expected to leave. Lyman named pres. of Radio Div. (P. 6)

HBO HURTING TIME REVENUES, according to 3rd-quarter financial report, more than offsetting ATC gains. (P. 7)

PBS HQ BURNED IN FIRE: Four-alarm blaze in Washington's L'Enfant Plaza knocks PBS off air briefly, ruins transmission equipment. (P. 8)

LPTV FILING 'WINDOWS' ADOPTED by FCC, which refuses priority for translators. (P. 8)

CPB BUDGET BILL VETOED FOR 2ND TIME: Following through with threat (TVD Oct 8 p3), President Reagan for 2nd time vetoed CPB budget bill (S-607) for FY 1987-89. Action came late on Oct. 19 as we went to press, apparently hinged on White House determination to win federal spending limits for public broadcasting at least \$81 million below levels approved by Congress in vetoed bill.

Word of veto came from OMB, which said that President preferred budget levels proposed by Rep. Oxley (R-O.) during House debate Oct. 5 that would have lowered proposed CPB budget ceilings from \$200 million in FY 1987 to \$186 million, from \$225 million in 1988 to \$214 million, and from \$250 million in 1989 to \$246 million. For Public Telecommunications Facilities

Consumer Electronics

DIGITAL TV LINE introduced by Sony -- 2 monitors, noninterlace scanner for doubling lines, 26" set with flat-face 'Black Trinitron.' (P. 12)

SAMSUNG SEEN GETTING color TV dumping ease deadline extension from ITA this week, though bid lacks support of other Korean makers. (P. 13)

MULTICHANNEL TV SOUND plans of 172 stations listed, covering most of top 100 markets; 39 eye SAP broadcasts. EIA cool to PBS stereo fund plea. (P. 14)

JAPAN'S VCR SHIPMENTS worldwide should rise 14% next year to 29.5 million, with U.S. providing bigger share of market, study says. (P. 15)

COMPUTER SOFTWARE SHAKEOUT turning into rout as big-name companies go bankrupt, merge and cut back. (P. 18)

CES STAYS IN CHICAGO for next 3 years, CEG board decides. Lobbying will continue against VCR copyright fees and first-sale change. (P. 18)

'CABLE-READY' dispute results in joint EIA-NCTA task force after NCTA threatens complaint to FTC. First meeting Nov. 8. (P. 19)

AKAI TO BUILD VCR PLANT in France at cost of \$3.6 million, turn out 100,000 units annually. (P. 19)

Program administered by NTIA, GOP proposed lowering levels from \$25 million in FY 1985 to \$14 million, from \$35 million in 1986 to \$16 million, and from \$40 million in 1987 to \$18 million.

President vetoed first version of CPB budget Aug. 29, which was \$145 million higher than S-607 (TVD Sept 3 pl). Oct. 19 veto is 3rd for a CPB authorization; in 1972, President Nixon rejected \$45 million for public broadcasters. Veto won't immediately threaten CPB, which has appropriations through FY 1986.

Oxley wasn't available for comment at deadline. Nor could original S-607 sponsor, Sen. Goldwater (R-Ariz.), be reached. But spokesman said to expect Congress to come back roaring for fight next year over levels. Spokesman for House Telecom Subcommittee Chmn. Wirth (D-Colo.) said veto "has nothing whatsoever to do with budget balancing but is, rather, a clear attempt to decimate the nation's excellent public broadcasting system. This will result in denying... Americans quality educational... cultural [and] children's television programming."

National Assn. of Public TV Stations Acting Pres. Peter Fannon said public broadcasters were "very disappointed" in rejection of "sensible compromise" crafted by Congress to meet President's concerns. Fannon said veto felt like "knockout punch," coming as it did shortly after devastating fire at PBS hq (see story elsewhere in this issue) and amid public broadcasting's usual difficulties in raising funds and providing service.

New CPB Chmn. Sonia Landau promised to continue to work on budget acceptable to Congress and White House, said compromise is "essential" to preserving forward funding process. NAB Pres. Edward Fritts said: "We are deeply disappointed. We think that public broadcasting [fills] a unique niche in American lives and would like to see it be able to operate at adequate levels." Fritts reiterated NAB support for higher CPB budget.

NCTA ASSESSES CABLE LEGISLATION: "Bedrock" of S-66 cable deregulation bill that passed Congress Oct. 11 is language that cable can't be treated as common carrier or utility, NCTA Pres. James Mooney said last week in analyzing measure for reporters. Other point he stressed is that bill requires anyone providing cable service to first obtain a franchise, which he said means industry will be less vulnerable to video competition from telcos. That doesn't prevent leasebacks, however.

Bill was declared dead so often during 98th Congress that it "makes Lazarus look like a piker," Mooney said. "Only through a series of miracles and a concerted push from the industry" was it able to survive last-minute challenges in Senate, he said. "The reason it passed was that in the end nobody wanted to take responsibility for killing it."

Within 180 days FCC must promulgate rules allowing regulated basic service rates in markets that don't offer effective competition to cabler. At one point in journey through Congress, cable bill defined such competition as presence of 4 Grade B TV signals. "I don't buy that," Mooney said of 4-signal standard. "In my opinion, the Commission ultimately will arrive at a standard significantly less than 4 Grade Bs," he said, predicting standard will be hybrid measure of TV signals, theaters, DBS, MDS, other such video delivery systems. Even if 4 Grade B signals become standard, about 90% of industry would be rate-deregulated for basic service, Mooney said.

Franchise renewal standards established in legislation won't come into play in vast majority of cases, Mooney said, because there's no dispute between city and operator. While effect is to give operator presumption of renewal, he said, there still remains question of allowable tax depreciation of cable plant. IRS in some cases has contended that cable plant can't be depreciated because franchise is perpetual. "This bill doesn't settle that," Mooney said, "but it doesn't hurt us" on that issue.

Analyses of who won or lost in cable bill still were coming in last week, but consensus was

that industry comes out winner. It certainly pleases investment community, which feels legislation will stabilize industry. Here's summary of major provisions of bill:

Rate regulation: Cities will continue to control rates for basic cable service (defined to include any tier that contains local broadcast signal) and any expanded basic tier for 2 years, but operator can automatically raise rates by 5% annually unless rates are specifically frozen in existing franchise. Operator is free to drop any service if he can show dramatic escalation in cost. Also during this transition period, cities can control installation and converter box rental charges. FCC will prescribe regulations allowing cities, after transition period, to continue regulating basic service rates in markets where operator doesn't have effective competition, and FCC must define what competition is. Presence of 4 Grade B TV signals generally is thought to guarantee competition. Within 6 years, Commission must send Congress report on cable rates and recommend legislation in that area.

Franchise fees: Cities can collect 5% of gross revenues, can mandate upfront or lump-sum franchise fees, can defer payments, can require payments to support public, educational and governmental (PEG) access. But over life of franchise, total fees can't exceed 5% of operator's gross revenues. If operator does make upfront or lump-sum payments, he can count interest he would have earned on that money against 5% cap. Operator can designate franchise fee as separate item on customer bills.

Franchise renewal: This establishes administrative proceeding similar to civil court action in which operator defends past performance and presents renewal proposal. City must consider that proposal, grant renewal unless it concludes one of following: (1) Operator didn't materially comply with franchise terms. (2) Operator provided service -- excluding programming -- that was unreasonable in light of community needs. (3) Operator isn't financially qualified to continue service. (4) Operator's renewal proposal isn't reasonable in light of community needs. Operator and city can agree to bypass that procedure, consider renewal on any agreed terms. Bill states that a main purpose of franchise renewal process is to protect rights of operator.

Franchise modifications: Operator can negotiate with city to change contract provisions covering facilities and equipment, including PEG, but bears burden to prove franchise terms are commercially impractical. In new franchise, city can specify facility and equipment requirements.

Grandfathering: As of Sept. 26, systems that lawfully retiered or repriced offerings since FCC's Nev. decision can't be required to go back to former prices or tiering arrangements. All existing PEG access requirements are grandfathered. All state rate deregulation statutes (mainly Cal. and Mass.) are grandfathered.

Commercial leased access: Systems with 36-54 activated channels are required to set aside 10% of activated capacity under operator's control for unaffiliated commercial lessees; systems with 55-100 channels must set aside 15%. Operator can set leased access price, terms and conditions, but those terms can be challenged in court. Set-aside for nonvideo channels would be optional for operators, rather than franchise requirement.

Cross-ownership: Newspapers can own cable systems in cities where they publish, but TV stations are prohibited from owning systems in their markets. Telcos are banned from owning systems in most of service areas except where no cable company is willing to build system. State or local govts. can own systems but can't control program content. With help of Sen. Packwood (R-Ore.), and to consternation of Rep. Wirth (D-Colo.), American Newspaper Publishers Assn. was successful in getting ban against newspaper cross-ownership removed. NAB also jumped in, attempting to remove ban against TV cross-ownership. However, after some of its major group owners who also are cable MSO's (notably Cox and Storer) expressed concern that NAB efforts could kill entire bill, Assn. backed off.

Piracy: Civil and criminal penalties are established in U.S. Code for unauthorized cable reception. Conviction could bring \$1,000 fine and 6 months in jail. Also, operators are required to maintain confidentiality of current customer records. Backyard dish owners are allowed to receive any unscrambled signal not directly marketed to subscribers.

EEO: Cable operator must file employment records annually with FCC and undergo Commission investigation every 5 years to determine whether company is making best effort to hire women and minorities. False statements in yearly filings or failure to hire significant numbers of women and minorities would be punishable with \$200 per day fine, denial of CARS license, eventual loss of franchise. Franchise expectancy would be tied to EEO compliance.

Data transmission: Industry would be restricted to one-way video plus noninteractive menu-driven text services. Two-way switched telephone service by cable is prohibited. Regulation is left largely to states.

JAPANESE CABLE CONFUSION: Cable TV in Japan may be poised for takeoff during remainder of this decade, but how it may fit in with other new media is unclear. At our Cable Summit Japan in Tokyo Oct. 11-12, it was evident that confusion continues to retard Japanese cable activity. Japanese speakers carefully hedged specifics in discussing plans, were especially vague on whether to build high-technology interactive cable networks or traditional one-way systems.

American speakers at conference, sponsored by Television Digest Inc. and Tokyo's Research Institute for Telecommunications & Economics (RITE), advised Japanese to avoid expense of building interactive networks, instead to concentrate on development of adequate satellite capacity to supply backbone program distribution and tree-&-branch style video networks.

Conference proceedings reflected continuing uncertainty about future role of: (1) DBS. Home dishes already are being sold in the Akihabara, Tokyo's electronics district, but Yuri-2 broadcasting satellite launched last year has only one operational traveling wave tube (2 others failed soon after launch), meaning that DBS service still is experimental. (2) Nippon Telegraph & Telephone scheme to upgrade Japan's telephone system to integrated digital network said in theory to be capable of transmitting TV. (3) SMATV. Some in Japan are starting to wonder whether lots of tiny SMATV systems may be cheaper to build than comprehensive urban systems. SMATV possibility has been highlighted by disclosure of likely 1988 launch of Japan's first private telecommunications satellite -- 20-channel, medium-power Ku-band system proposed by consortium of Hughes, Mitsui and C. Itoh.

Japanese industry, which is used to taking its cue from govt., may not get specific guidance in case of cable. Minister of Posts & Telecommunications Kiwa Okuda promised only that govt. will produce "legislative groundwork... for a new jump ahead" as Japan converts "from an industrial to an information society." Futoshi Shirai, counselor of Okuda's secretariat for cable and broadcast policy, suggested that govt. will give cable broad freedom to develop. He said govt. "cannot mandate the direction, must not nip off the buds."

Audience of more than 250 Japanese executives at Tokyo's Keidanren conference center heard clear advice from American speakers. At session on financial and technological issues, Sidney Topol, chmn.-pres. of Scientific-Atlanta, emphasized that while interactive services may eventually be profitable, they've not been so in America, where "entertainment is the basis." Some Japanese were inclined to agree. Masao Matsumoto, managing dir., Furukawa, noted that coaxial cable still is superior to fiber optics for analog video distribution, said it was his personal view that cable shouldn't founder on discussion of its technical possibilities but should meet the needs of "the public and communities."

At programming session, Fred Judge, Hughes Communications vp, described how development of cable in America was linked to open skies for satellites. He said that satellite

distribution could "benefit the cable industry here in Japan as it has in the U.S." Yosikazu Tsukamoto, dir. of New Electronic Media Div. of Dentsu, said that Japanese law contains no compulsory license to allow cable systems to retransmit output of existing broadcasters; therefore, cable must negotiate with each terrestrial TV network to obtain rights to programs. But he said that there still is "large potential" for new programs, mentioning music, education, health and community TV as fruitful areas.

Thomas Wheeler, pres. of NABU network and former NCTA pres., told marketing session that interactive systems are economic burden, insisting that "consumers buy programs -- they do not buy 2-way or other fancy esoteric applications -- and they do not care how it gets to them." Hisashi Ikegami, dir., Hakuhodo, presented highly technical marketing analysis in which he concluded that cable is medium that is becoming more relevant amid structural change in market environment. He said that while traditional TV broadcasting has been suited to era of mass consumption, cable addresses market trend toward "diversification and individualization."

Management practices were discussed by CATA Pres. Stephen Effros, who said that American experience in "trying to force technology on to consumers does not work." He warned Japan against "overexpectation," advised it to build cable same way it builds cars: "To meet consumer needs." Yasuo Nakamura, senior managing dir., Nihon Network Service, biggest cable operator in Japan, said Japan was "a backward country" with only 7 TV channels -- "far too few."

Future of cable TV was seen by Kevin Rorke, ATC senior vp, as "not that much different" from present. He said programming services will stabilize and grow as more major markets are franchised, but "although 2-way interactive systems will be tried and tried again, most of the U.S. will depend on one-way addressable systems... and this will continue until we can confirm consumer demand for viable 2-way products."

Mitsufumi Yanagida, managing dir., Tokyu Corp., said Japanese "do not have to be overly pessimistic because of problems in the U.S.," although he acknowledged that "we do not yet have the economic viability worked out for our system." He noted that Tokyu, giant conglomerate that operates commuter railroads, department stores, etc., is also in property development, building housing for 330,000 people. To install cable in these homes to make them more attractive "has merits, even if it is not profitable," he said.

Ei Shikiba, dir. general of Nippon Telegraph & Telephone's business information network service bureau, predicted "a merger of telecommunications and broadcasting services" in his description of NTT's developing digital telecommunications network. He said cable must be developed in context of need to create a broad telecommunications system for future.

Cable Summit Conference was sponsored by Television Digest and RITE in cooperation with Japanese Ministry of Posts & Telecommunications, Nippon Telegraph & Telephone, Japanese Cable TV Assn. and Nihon Zeizai Shimbun.

Multichannel TV sound transmissions are planned by 47.3% of the 349 stations replying to survey conducted by Television Digest, while 33.8% are undecided and only 18.9% say they don't plan MTS. List of 172 stations planning MTS, including 6 now broadcasting it, derived from survey and other sources, appears in Consumer Electronics section of this issue. Modulation Sciences Inc., maker of MTS stereo generators, meanwhile has signed technology pact with M/A-Com to develop system for sending stereo generator output to transmitter via STL, thereby making it possible to install generator in studio rather than at transmitter site.

NATPE moves N.Y. hq to Suite 933, 342 Madison Ave. 10173, 212-949-9890.

Charging Republicans have "perpetuated a massive fraud," Mondale Campaign Chmn. Robert Beckel has demanded that TV commercials be taken off air which claim that Democratic candidate's tax plan would raise taxes of average American family \$157 a month. He said that even after details of Democratic tax plan were made public, Republicans "went ahead and flooded the airwaves with an ad which they know to be patently false." Beckel asked networks to pull ads if Republicans don't act voluntarily.

FCC has fined Bulan (Ky.) Cable TV \$7,500 for unauthorized use of aeronautical frequencies. System is owned by Communications Corp. of America.

ABC POSTS RECORD RESULTS: With broadcasting operations leading way, ABC racked up record sales and earnings for 3rd-quarter and 9-month periods, company reported Oct. 18. For quarter, earnings climbed 46.8% to just under \$46.7 million (\$1.61 per share vs. \$1.08 in same 1983 period), on 64.3% revenue gain to \$1.08 billion. Net for 9 months rose 29.6% to \$142.9 million (\$4.91 vs. \$3.76), as revenue increased 33.6% to \$2.77 billion.

Helped by "substantial incremental revenues" from Summer Olympics, Best. Group sales jumped 72.2% in quarter to \$980.9 million and pretax net 40% to \$100.3 million. Full-period earnings increased 24.2% to \$319.1 million on 35.7% sales rise to \$2.49 billion.

ABC said Olympics coverage contributed to improved performance of TV unit and particularly helped owned TV stations post sharp profit gains for quarter. Radio profit margin expanded significantly, particularly at network level, ABC said. Overall Best. Group gains were held down by higher news costs related to coverage of political conventions and campaign.

Loss at ABC Video Enterprises was trimmed to \$3.47 million from \$11.8 million in quarter and to \$37 million from \$37.5 million for 9 months. Results reflect elimination of losses from discontinued Satellite News Channel and Telefirst, first-ever quarterly profit at ESPN and improved performance at Lifetime and Arts & Entertainment Network. Revenues jumped nearly 10-fold in quarter to \$22.9 million, about tripled to \$31.2 million for 9 months, including \$20.1 million from ESPN, which ABC acquired in June. ESPN isn't expected to be profitable in 4th quarter or for full 1985, ABC said, but July-Sept. results "provide a basis for future optimism."

ABC motion picture and scenic attraction segment had \$1.8 million loss for quarter against year-earlier net of \$2.1 million, but for 9 months had leap to just under \$3 million. Revenues sank 96% for quarter to \$459,000, were off 25.8% to \$20.1 million for full period. Dramatic swing in results stems from sale of park operations last April and delayed release schedule for movies. Earnings from publishing rose 17.5% for quarter to \$9.21 million on 9.2% sales gain to \$78 million, were up 29.7% to \$23.5 million for 9 months on revenue rise of 16.1% to \$232.4 million.

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NBC sales rose 9.6% in 3rd quarter to set record for period, but earnings declined because of high costs of covering election campaign and conventions, RCA said in financial report. Largest revenue rise came from TV network, with all operations contributing to increase. Sales were up, but to lesser degree, in TV Stations and Radio Divs. RCA said loss from Best. Systems Div. was reduced significantly. (For details on RCA, see report in Consumer Electronics section).

TURMOIL CONTINUES AT RKO: At least 3 top RKO General executives resigned last week and departure of another was announced in in-house memo that was circulated, then withdrawn same day. There also is speculation, not denied by RKO, that Chmn. Thomas O'Neil and Vice Chmn. Herbert DeLynn are "considering retirement."

Leaving are Kenneth Frankl, vp-gen. counsel; John Fitzgerald, vp-chief financial officer; Robert Williamson, pres. of Radio Div. Resignation of Vice Chmn. Frank Shakespeare was disclosed to staff Oct. 16, but RKO official said he would stay in post. Jerry Lyman, RKO vp-govt. relations and gen. mgr. of WGMS-AM-FM Washington, succeeds Williamson as pres. of Radio Div. RKO official denied that O'Neil had taken early retirement or that more than dozen RKO employees had been fired earlier this week.

FCC Law Judge Edward Kuhlman 10 days ago enlarged issues in RKO renewal hearing to consider whether company officials committed fraud by allegedly destroying internal audit probing improper barter transactions in early 1970s (TVD Oct 15 p3). RKO spokesman said "there was absolutely no connection" between FCC hearing and timing of resignations. Some at RKO said changes reflect style of William Reynolds, pres. of parent company GenCorp only since Aug., moving from TRW Inc. Frankl had headed internal RKO investigation as to whether company knowingly overbilled radio network advertisers by about \$7 million.

"Ideological bent" of FCC Chmn. Fowler caused Commission to delay once again action on license renewal for KTTL(FM) Dodge City, Kan., according to James Weitzman, attorney for group of citizens attempting to take over station. "We can't help but believe that the chairman's ideological bent is somehow coloring his handling of this matter because it has now been a year and 5 months and the Commission still hasn't taken any action," Weitzman said. Station is under attack at FCC because of repeated racist remarks it broadcast. Staff reportedly has recommended that renewal be set for hearing, but Fowler took item off agenda at last week's FCC meeting; Fowler aide said item couldn't be readied in time for Oct. 26 agenda. Meanwhile, KTTL has changed its call letters to KMCS, effective Oct. 22, dropping country format in attempt to "change our image," according to station executive Joseph Blackburn. He said controversial co-owner Nelly Babbs has moved to Mo. and no longer is involved in running station.

Media General has filed \$75-million suit against Touche Ross & Co., charging accounting firm with negligence in 1982 audit of William Tanner & Co., acquired by Media General in 1982. Suit was filed in state court in Memphis, where Media General also has sued Tanner and several former employees for \$230 million, charging fraud. Federal grand jury also is investigating Tanner and former associates for alleged income tax fraud and payment of kickbacks.

BATTERED AT BOX OFFICE: Abrupt dismissal of Home Box Office Chmn.-CEO Frank Biondi (TVD Oct 16 p8) continued to rattle HBO and rest of pay-TV industry last week. Rumors of bloodbath were frequent, but few hard facts emerged as Time Inc. and HBO officials made themselves scarce. Executive at major MSO called it "one of the most buttoned-up situations that I've encountered in the cable business."

Time Inc. did report higher earnings and revenues for 3rd quarter, led by strong performance of publishing operations. However, numbers also told story of HBO's continuing problems maintaining past profit levels. Pretax profit at Time's Video Group, which includes HBO and No. 2 MSO ATC, slipped 2.8% to \$56 million from \$57.6 million in year-ago period. Slowed subscriber growth and higher programming costs at HBO dragged down earnings, parent said, despite boost in ATC profits. HBO costs are climbing at 14-15% rate, while subscriber base is growing at only half of rate company expected, one analyst told us.

Third-quarter drop in pretax earnings was marginally better than 2.9% decline in 2nd quarter, when Video Group's well-publicized profitability slide began. In 9-month period, pretax earnings rose from \$161.2 million to \$164.2 million. However, Time may have altered accounting practices to mask HBO problems. First Boston analyst Richard McDonald said that from 2nd to 3rd quarter of 1984, VG pretax earnings climbed \$3.1 million and revenue \$5 million. He said VG thus had incremental profit margin of 62%, which means "something had to happen" -- such as change in amortization schedule for HBO's original programming costs.

Biondi was at HBO last week clearing up severance agreement, should have announcement soon about plans. It's known several movie studios and at least one TV network have contacted him about going to work. Others at HBO are expected to follow Biondi's departure -- possibly in droves. Estimates of layoffs among 1,700 HBO employees range from 170 to 400 or even higher.

Speculation is strongest about upper level changes, suggesting arrival of ATC Chmn. Trygve Myhren or Pres. Joseph Collins, with Time Corporate Planning Vp Winston Cox, ex-HBO Network Group pres., returning as internal consultant to revive marketing. Myhren and Collins were at Time board meeting in N.Y. Oct. 18 to make presentation on undisclosed subject. New HBO CEO Michael Fuchs will need help at top. With Biondi's former responsibilities combined with those he continues to hold as pres., Fuchs now has 13 HBO units reporting directly to him.

Problems at HBO had their roots in decisions made 3 years ago. It had choice then of going exclusive or nonexclusive route. Former was expensive, but would have clearly differentiated service and gotten higher rates from subscribers;

latter was less costly, but required cut-rate marketing in face of heavy competition. HBO made big noise about exclusivity -- to tune of estimated \$1 billion spent on movie rights -- but ended by straddling fence.

Biondi was shepherd of HBO efforts to move into DBS and home video, 2 projects thought to be relegated to back burner now. However, we're told HBO and Thorn EMI have formally agreed to establish cassette joint venture, involving HBO Enterprises Senior Vp David Meister.

Another unknown is impact of current confusion on Tri-Star Pictures' recently announced 4.5 million-share public offering. Plans to spin off 25% of company to public -- rest would be held by partners HBO, CBS and Columbia Pictures -- were announced day that axe fell on Biondi. Tri-Star reportedly will price shares in \$15-\$18 range, seeking to raise as much as \$84 million for "general corporate purposes," including debt reduction.

Neither candidate for President had veto power over reporter-questioners for 2nd debate Oct. 21 in Kansas City, according to League of Women Voters. There was considerable criticism after candidates rejected nearly 100 reporters proposed for first debate. Meanwhile, dispute erupted among broadcast reporters over whether debates should even be held. Appearing on panel before newspaper critics in N.Y. hosted by ABC, network's correspondent David Brinkley said: "I don't think there should be debates at all... It's a poor art form... I'm not sure what the debates are supposed to show us." He said drama critics, not reporters, should critique candidates' performances. Brinkley's boss, ABC News and Sports Pres. Roone Arledge (as did Sander Vanocur of ABC and Roger Mudd of NBC), took other side, saying debates enable challenger to reach same audiences incumbent enjoys. Network execs. estimate 3 televised debates will cost networks \$15-\$20 million in lost ad revenues.

"Defeating efforts to prohibit" advertising of beer and wine on radio has been given top priority by NRBA in Exec. Committee action during meeting in Atlanta. Anti-alcohol abuse spots and campaigns against drunk driving "will remain the keystone of NRBA's program to meet the problems caused by alcohol abuse," Committee said. It also instructed Task Force on Freedom of Advertising to "confront a basic issue -- whether it is right for government to prohibit the advertising of a perfectly legal product." NRBA also voted to sponsor jointly with NAB 2nd radio programming conference next year. First such joint conference last month in L.A. was labeled success by both groups.

Pittsburgh City Council voted 8-0 with one abstention Oct. 17 to approve transfer of cable franchise from Warner-Amex to TCI for \$93.4 million. Preliminary vote will be repeated Oct. 22 in final action.

PBS HQ BURNED IN FIRE: PBS staff remained locked out of watersoaked L'Enfant Plaza hq in Washington last week following 4-alarm blaze that roared through structure's upper floors early morning Oct. 16. Most employees remained on call on paid leave. By late last week, PBS officials were advised that network's transmission equipment was destroyed and computers probably were ruined also.

But, thanks to quick work of technicians when blaze was discovered, public TV signal was maintained for all but 10 min. Technicians preset transmission equipment to operate until 3 a.m. sign-off before they evacuated structure. They also rescued tapes of programs for Oct. 16-17 schedule. Remainder of tapes in hq subsequently were retrieved.

PBS Pres. Bruce Christensen lauded technicians, said they "did a superb job and kept us in business." Signal went dark only when firefighters cut power to building at 2:50 a.m. Oct. 16. Blaze started on upper floor in Postal Service section of building, destroying office of Postmaster General and forcing USPS to set up offices in nearby L'Enfant Plaza Hotel. At week's end, officials said cause of \$100 million blaze remained under investigation.

After tour through offices, Christensen said there appeared to be extensive water damage in 5th and 6th floor corporate offices. He said that in basement, where most of hardware was housed, water was dripping into 2 mainframe computers that stored financial data and program logs, and there were 4-5 inches of standing water. Basement also is location of millions of dollars worth of transmission equipment.

To keep operating, PBS used microwave link at WNVN in suburban Goldvein, Va., lone non-PBS member public TV station, to send programming to Main Origination Terminal (MOT) in Bryn Mawr, Va., then to Westar 4 for nationwide distribution. Technical operations normally based at hq were transferred to MOT, spokesman Mary Jane McKinven said. Uplink facilities at various locations nationally were being used to redistribute programs for time zones.

ABC provided help, as Best. Engineering and Operations Pres. Julius Barnathan sent remote van equipped with 5 videotape machines for PBS use at MQT, Christensen said. Other 2 networks were contacted but weren't needed because ABC aid was sufficient, Christensen said. Remote van also was sent by AF Assoc. Video Rentals company, McKinven said.

Senior PBS management was working out of space provided by Comsat across street from PBS hq. Christensen had an office, with rest of staff, in conference room. Legal staff was given space by Washington law firm Arent, Fox, Kintner, Plotkin & Kahn, McKinven said, and financial staff was offered space on 2nd floor of CPB hq and use of CPB computer system.

REVISED LPTV RULES ADOPTED: FCC adopted final low-power TV processing rules Oct. 17, concluding at end of 10-month rulemaking that TV translator bidders won't get any preference over LPTV hopefuls, decision opposed by Comr. Dawson. Commission also rejected cutoff lists for inviting competing applications to those judged grantable, opting instead for filing "windows."

Preferences for translators, backed by NAB and other TV interests, would require "new regulatory restrictions that would impair the present flexibility for providing new originating services," FCC said. In dissenting to that part of order (Rivera concurred), Dawson said: "I'm not of the opinion it can't be done. I never thought it should be the case to make translators secondary to low-power."

Requirement for site certification and use of filing windows are changes aimed at reducing copycat filings by "paper factories" that duplicate applications already on file, officials said. Last cutoff list of about 3,400 bids drew some 30,000 competitors, many of them copied, according to FCC official, who said 25,000 of those remained on file.

Filing windows will be 30 days or less, probably won't be ranged according to market size (tiers) but maybe by regions to reduce paperwork. Grantable applications on file will be placed on cutoff list on last day of first filing window, Commission said. FCC rejected terrain shielding considerations for projecting interference that proposed LPTV station might cause other broadcast outlets, said it would be impossible to calculate effect in each case.

There now are 268 LPTV stations on air (198 VHF, 70 UHF) plus 305 outstanding construction permits (96 VHF, 209 UHF), according to FCC LPTV Branch Chief Barbara Kreisman, for total of 573.

In other Mass Media Bureau actions, FCC: (1) Rejected NRBA petition to reconsider part of 1981 radio deregulation order calling for stations to prepare quarterly issues/program list. NRBA wanted annual reports. (2) Deleted provisions holding some unlimited-time AM stations to same daytime power as proposed for nighttime operation, meaning such stations can use greater power in day than they are authorized to use at night.

FCC decided to stick by its order of last year calling for reduced satellite orbital spacing of 2° but is trying to make it easier for dish makers to adhere to tighter antenna reception standards that accompanied order. Commission will allow leeway in such areas as testing and verification procedures to determine whether earth stations are in compliance with 2° equipment standards. To help implement order and smooth out transition for dish makers into more interference-prone domsat scheme, FCC also established industry advisory committee. Group will seek to develop standards for judging nonconforming antenna's lack of interference potential (i.e., whether antenna practically meets standard that it may fail to adhere to on paper).

DBS STANDARDS EFFORT CLEARED: Antitrust Div. of Justice Dept. has cleared way for DBS Assn. to recommend technical standards for direct broadcast satellite equipment, but coming up with consensus on those recommendations is another matter. DOJ said work of group's Standards Committee "may well result in competitive benefits" for DBS industry.

DBSA's Standards Committee now will "move rapidly" to devise standard, with early next year as target date. If it can't agree by then, de facto standard will exist because leading DBS firms will have little incentive to backtrack on systems they already have designed for operation by late 1985.

Some companies, such as Satellite TV, are well along in developing equipment; others have said they're not much interested in any DBSA recommendation on standard since it would be only voluntary and might not be adopted by all manufacturers. Meanwhile, DBSA is soliciting proposals for whole and partial systems from U.S. and foreign firms. Next committee meeting is Oct. 29; first presentations will be entertained Nov. 15 and 16.

Hopeful sign in search for standards was concession by STC's Michael Alpert that newly reorganized firm is willing to discuss compromise on criteria, though it is "very far along" in developing own standard and it "wouldn't be prudent to make substantial changes" in plans. Dennis Fraser, exec. vp, Alcoa-NEC, which has STC equipment contract, took optimistic approach to standard, said much of its development was in software that could be adapted more easily than hardware in production.

M/A-Com source said his company is looking to HBO to establish de facto standard. HBO has chosen M/A-Com encryption package for C-band that M/A-Com hopes DBS industry also will accept, source explained. If M/A-Com takes its ball and goes home, so to speak, "it's the customer's loss," another DBSA member said.

NBC News documentary unit is shutting down. Department now will look for prime-time news documentaries to come from Today Show and Nightly News staffs, said NBC News Pres. Lawrence Grossman. Recent layoff of 66 staffers throughout news division included roughly half of documentary unit, with rest being placed with regular news shows. Grossman said week-long intensive examinations of single subjects, like recent series on "Star Wars" defense by Today Show and Nightly News, will continue. Next up is series on new immigrants to U.S., to run at Thanksgiving time. Discussion with group of women laid off from documentary unit produced "much clearer understanding," Grossman said of meeting with 9 who accused network of discrimination. On balance, equal numbers of men and women were dropped during layoffs, he explained, adding that it just happened that majority of persons in documentary unit were women.

FCC appearances Oct. 22-28: 22 -- Chief Scientist Robert Powers addresses Convergence '84 VTS-IEEE conference, Hyatt Regency Hotel, Dearborn, Mich. 23 -- Chmn. Fowler, Comrs. Dawson and Rivera, Office of Plans & Policy Chief Peter Pitsch (plus NTIA Dir. David Markey, others) participate in Managing the Long Distance Revolution conference, Plaza Hotel, Washington. 24 -- Dawson appears before N.Y. State Bestrs. Assn. convention, Americana Inn, Albany; Mass Media Bureau Chief James McKinney addresses O. Assn. of Bestrs., Hyatt Hotel, Columbus; Robert Cleveland, Office of Science & Technology, speaks at conference on Managing the Electromagnetic Environment, Pocono Hershey Resort, White Haven, Pa. 25 -- Pitsch speaks at TeleStrategies conference on The Equal Access Transition, Watergate Hotel, Washington. 26 -- FCC open meeting. 27 -- Fowler legal asst. Thomas Herwitz appears on MMDS legal issues panel sponsored by MDS Industry Assn., Sheraton Washington Hotel. 28 -- Fowler addresses Tex. Assn. of Bestrs. luncheon, Hyatt Regency, San Antonio.

RAB board meets Oct. 22-24 in Carmel, Cal. "to set the tone and directions of the RAB for 1985," according to outgoing Chmn. Richard Chapin, Stuart Bestg. Major subjects include approval of next year's budget, new ad campaign plan seeking new advertisers for radio, and election of officers -- to include as dirs. first female (Barbara Crooks, Selcom) and first black (Glenn Mahone, Sheridan Bestg.). Vice Chmn. Richard Harris, Group W radio, is unopposed in bid to succeed Chapin; all other candidates also are uncontested, although nominations may be made at Carmel. Slate consists of James Arcaro, Capital Cities, for vice chmn., and, for board, Kenneth Hatch, Bonneville International; William Clark, Shamrock Bestg.; Walter Liss, Cox Communications; Joseph Chairs, Outlet Communications; Tony Brooks, Sandusky Bestg.

Relaxed TV ownership rules won't have adverse impact on competition for national or local advertising, Paul McGrath, Justice Dept. Antitrust Div. head, told FCBA lunch Oct. 18. "Even if the unlikely happened and the networks bought all their affiliates and required them to run all network programming, as a matter of simple mathematics, the incremental amount of national advertising that could be affected is very small," he said. In spot advertising, "the Commission's 7-station rule currently plays no role in preventing concentration in local markets, and is not needed to protect healthy local competition," McGrath said.

FCC will conduct largest LPTV lottery to date Nov. 16 when it will decide 34 markets by luck of weighted draw. There are 78 mutually exclusive bidders for Coos Bay-Klamath Falls, Ore. area scheduled to be in lottery, 27 for Twin Falls-Boise, Ida., 92 for Twin Falls-Pocatello, Ida. FCC LPTV Branch Chief Barbara Kreisman said such large lottery groups will become common as Commission disposes of defective applicants and concentrates on valid bidders.

Quarterly financials: United Cable TV revenues rose 22% to \$39.7 million, operating income was up 18% to \$15.3 million, net earnings increased slightly to \$2.1 million (15¢ a share, unchanged)... Media General revenues rose 6% to \$132.7 million, net income was \$8.9 million (\$1.25 vs. \$1.14 per share)... Cox revenues rose 24% to \$186.5, while net income rose 7% to \$18.9 million (67¢ vs. 62¢ a share). Bestg. Div. revenues advanced 24% to \$66.2 million, operating income was up 26% to \$23.9 million. Cox Cable revenues gained 21% to \$104.3 million, operating income rose 23% to \$14.2 million... Oak Industries omitted dividend for 3rd quarter, now hasn't had payout in 7 quarters... Washington Post Co. net income rose 21% to \$15.1 million (\$1.08 vs. 86¢ a share). Post-Newsweek TV stations rose 14% for quarter, 16% for 9 months... General Instrument declared 12.5¢ dividend, payable Jan. 5... LIN Bestg. net income rose 42% to \$7.4 million on revenue of \$36.1 million, up 38% (33¢ vs. 24¢ a share).

EEO problems at several Tex. TV and radio stations have led to short-term license renewals or imposition of reporting conditions, FCC said. Responding to petitions to deny by National Black Media Coalition, Commission: (1) Found no problem and unconditionally renewed KBUC-AM-FM San Antonio, KYKS(FM) Lufkin, KYKX(FM) Longview, KLRU Austin, KEAN-AM-FM Abilene. (2) Renewed subject to annual reporting conditions KIPR-AM-FM Diboll, KSEL-AM-FM Lubbock, KTSM-AM-FM El Paso, KFDX-TV Wichita Falls. (3) Granted short-term renewals through Feb. 1, 1987, subject to EEO reporting conditions, to KFYO(AM) Lubbock, KRLB-AM-FM Lubbock, KTON-AM-FM Belton.

Independent Democrats for LaRouche (IDL) has asked FCC for expedited reconsideration of staff ruling that TV networks aren't required to sell presidential candidate Lyndon LaRouche 30 min. simultaneously on all 3 networks. "By acceding to [President Reagan's] request that a specific time and date be made available... (thereby ensuring simultaneous presentation throughout the nation by all three networks)," networks have similar obligation to grant LaRouche's request, IDL maintained. Group said it would "seek review" in U.S. Appeals Court, D.C., "if the staff ruling is not promptly reversed."

Golden Jubilee Commission on Telecommunications' first conference will cover impact of govt. regulation on new technologies, Dec. 18, Mayflower Hotel, Washington. Speakers include William Baker, Bell Labs; Robert Reuss, Centel Corp.; Glen Robinson, former FCC member; Henry Geller, Washington Institute for Public Research; Julius Barnathan, ABC; keynoter still is to be named.

"Mirror tax" penalizing U.S. advertisers who buy time on Canadian TV and radio stations for ads aimed primarily at American audiences passed Congress as part of trade reform legislation sent to President. Proposal mirrors law Canada adopted in 1976 which provides tax disincentives to Canadians buying ads on American stations.

FCC shouldn't adopt "windows" for accepting applications for vacant commercial channels in FM and TV table of assignments, NAB said in comments (Doc. 84-750). Using such processing system, as Commission has decided to do with LPTV, for new stations and modifications of existing stations "would create uncertainty and fear among potential and existing broadcasters," causing "artificial increase in the number of speculative applications [and] corresponding increase in the filing of 'defensive' applications by existing broadcasters." NAB said FCC should adopt firm limits on new station construction and consider additional safeguards against abuse of application process.

Sales & transfers: TCI has spun off 4 Wis. UHF TV stations, acquired in purchase of Liberty Bestg. cable systems, to Wis. TV Network (Sharad Tak, pres.) for \$22 million. Stations are: WKOW-TV Madison, WXOW-TV La Crosse, WAOW-TV Wausau, WQOW-TV Eau Claire... Outlet Communications is buying WPDS-TV Indianapolis for about \$22 million from USA Communications... Stauffer Communications is buying NBC affiliate KCBJ-TV Columbia, Mo. from brothers Richard and Robert Koenig for about \$5 million... Abell Communications will sell 6 radio stations to Stephen Seymour, ex-CEO of company, for undisclosed price.

U.S. Football League has sued NFL for \$1.3 billion, charging, among other things, that NFL TV contracts violate antitrust laws. Suit asks that 2 NFL conferences each be "limited to maintaining a network television contract with only one of the 3 major networks." Currently, NFL has contracts with all 3 TV networks, situation that USFL alleges has blocked it from playing in fall. USFL now has contracts with ABC and ESPN for spring games. Suit was filed in U.S. Dist. Court, N.Y.

Metromedia, which went private last spring in leveraged buyout, has filed statement with SEC seeking to raise \$1.3 billion through public sale of 4 classes of debentures. All but \$50 million of proceeds would be used to retire bank debts incurred in buyout, Metromedia said. Lead underwriter is Drexel Burnham Lambert.

"Advertising in the Year 2000" is title of Oct. 24 presentation by major ad groups to FTC. Presentation is 11th in series by advertisers, but for first time press is being invited to 10 a.m. session.

Obituary

Mark J. Woods, 82, former exec. at NBC and ABC and onetime associate of Thomas Edison, died Oct. 7 in Osprey, Fla. He was with WEAF(AM) N.Y. when NBC purchased station from AT&T, rose to pres. of NBC Blue Network. Woods helped form ABC and became its pres. in 1942 when FCC ordered NBC to spin off one of its radio networks. He became chmn. in 1950 when Robert Kintner was elected pres., retired in 1953 shortly after ABC merger with Leonard Goldenson's United Paramount Theatres. Wife, daughter survive.

Personals

Patricia Matson promoted to vp-corporate communications, ABC, new post, with responsibility for corporate, Video Enterprises, publishing and Washington PR, reporting to ABC Pres. Frederick Pierce; Best. Group PR Vp Richard Connelly given added responsibilities for Visual Communications and Awards Divs., also has responsibility for TV, entertainment, news, sports and radio, reporting to Anthony Thomopoulos, pres. of ABC Best. Group; Ellis Moore, ABC Inc. vp-public affairs, will retire Jan. 1, remain as consultant; Edmond Ryan promoted to regional sales vp, ABC TV; Cynthia Vanden Heuvel advanced to special projects mgr., ABC TV, and Office of Communication, ABC Best. Group; Anne Kissel advanced to dir.-meetings and presentations, ABC Best. Group Office of Communication, new post.

Garth Ancier named vp-current comedy programs, NBC Entertainment; Randall Bongarten, NBC Radio pres., named network's representative to NAB radio board, replacing ex-Pres. Michael Eskridge; Marie Quick promoted to children's programs dir., NBC Entertainment... Teddy Reynolds promoted to vp-research dir., Petry TV.

Mimi Rothman, ex-Lawrence Schiller Productions, named mgr.-drama program development, CBS Entertainment... Eugene Falk advanced to HBO midwest region dir.; Karen Hendel, ex-NBC, appointed casting vp, HBO Premiere Films... Ann Stookey, ex-NPR, named dir.-special projects and public affairs, Studioline... Jerry Copeland promoted to gen. mgr., Scientific-Atlanta Video Communications Div.

USA Network Pres. Kay Koplovitz addresses Washington Metropolitan Cable Club luncheon Oct. 23, Washington Marriott... Scott Smith promoted to vp-controller, Tribune Co., succeeding William McNally, who becomes exec. vp-COO of subsidiary Ontario Paper Co. Ltd.; Donald Grenesko, advanced to treas... Promoted at Oak Communications Cable TV Div.: Michael Shaughnessy to vp-div. gen. mgr.; Rj Smith to vp-sales and mktg.; Anthony Wechselberger to vp-systems engineering... Daniel Ritchie, Group W chmn.-CEO, addresses luncheon of Advertising Women of N.Y. Oct. 24, Pierre Hotel... Robert King, King/World Productions, Alan Bennett, Bennett Group, and Columbia Pictures form new TV distribution company named The Program Source... Baryn Futa promoted to gen. counsel, National Assn. of Public TV Stations.

James Murphy promoted to controller, Comcast... Joseph Orso, ex-WBBM-TV Chicago, named midwest regional vp-ad sales, USA Network; named regional affiliate relations mgrs.: Alice Rose, ex-Oak Media, western; James Kauss, ex-Keefe-Saffron Sales, central... Harry Davis advanced to sales service supervisor, TV Videotape Satellite Communications of Div. of Group W...

Timothy Noonan, ex-Golden West TV, named sales mgr., Metromedia Producers southwest div... Patricia Hamilton, ex-N.J. Network, named publicity mgr., WOR-TV N.Y., succeeding Cindy Rakowitz, promoted to media dir., RKO General Corporate Communications... Richard Groat, WOTV Grand Rapids sales mgr., elected chmn., TvB Sales Advisory Committee.

Harry Stecker advanced at Petry TV to senior vp-mktg. dir... Randy Sanders promoted to chief financial officer of United Cable TV's new Southern Cal. Div... Robin Johnson joins Southern Educational Communications Assn. as finance dir.

Newly elected DBS Assn. board: Dennis Brownlee, USSB; Warren Zeger, Satellite TV; Harley Radin, DBSC; Allan Davis, HBO; Roger Rusch, Ford Aerospace; Jack Frohbeiter, RCA Astro-Electronics; Robert Morrell, Alcoa-NEC; Brian Garrett, M/A-Com... Emanuel Gerard, Warner Communications co-COO and member of Office of Pres., resigns... Evelyn Sias advanced to local ad sales mgr., Group W Satellite Communications.

Cynthia Work, ex-FCC Tariff Div., appointed special asst. to Common Carrier Bureau Chief Albert Halprin... Michael Brandman, ex-Lorimar, named Playboy Programs pres., new post, replacing Paul Klein, who left 9 months ago... Former CBS News Pres. William Leonard appointed chmn. of Alfred I. duPont-Columbia U. Best. Journalism Awards, succeeding Marvin Barrett, retired... Christopher Irwin, ex-BBC, named to head U.K. Satellite Bestg. Authority.

Ed Trimble, BMA Best. Group corporate vp-sales and mktg., named gen. mgr. of its KDVR Denver, succeeding George Sandoval, appointed corporate vp-community and govt. affairs... James Behling, ex-WITI-TV Milwaukee, named vp-gen. mgr., WCGV-TV Milwaukee... Fran Idaspe appointed vp-gen. sales mgr., KPOL Tucson... Henry Kavett, ex-ABC, forms communications holding company, The Independent Group of Companies, 212-206-7789.

Producer David Wolper receives Founders Award of International Council of National Academy of TV Arts & Sciences Nov. 19 in N.Y... Sandra Holmes, ex-WLS-TV Chicago, named program mktg. mgr., KCET L.A... Thomas Kuelbs, ex-KHOU-TV Houston, appointed news dir., WLWT Cincinnati... Edward Shumsky promoted to dir., FTC N.Y. office.

Steve Gordon, ex-gen. mgr., KMDY(AM) Thousand Oaks, Cal., named Viacom Enterprises program development dir... Robert Ferraro advanced to exec. vp, Blair Radio, remains head of eastern sales; William Coury promoted to senior vp-midwest gen. mgr... Mildred Baptista, ex-General Federation of Women's Clubs, named dir.-special projects and resource development, AWRT.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

STATE OF THE INDUSTRY

Sales to dealers, from EIA, for first week of Oct. and year to date:

	SEPT. 29- OCT. 5	1983 WEEK	% CHANGE	SEPT. 22-28	40 WEEKS 1984	40 WEEKS 1983	% CHANGE
TOTAL TV.....	338,705	370,868	- 8.7	673,269	15,149,043	14,140,862	+ 7.1
TOTAL COLOR...	271,352	297,704*	- 8.9	528,714**	11,741,742*	10,052,791	+16.8
DIRECT-VIEW.	266,728	293,751*	- 9.2	522,887**	11,610,436*	9,956,509	+16.6
PROJECTION..	4,624*	3,963	+17.0	5,827**	131,306*	96,282	+36.4
MONOCHROME....	67,353	73,164	- 7.9	144,555	3,407,301	4,088,071	-16.7
TV EXCL. PROJEC.	334,081	366,915	- 8.9	667,442	15,017,737	14,044,580	+ 6.9
HOME VCR.....	155,844*	80,985	+92.4	294,410**	4,953,316#	2,737,956	+80.9
COLOR CAMERAS...	10,099*	8,777	+15.1	29,854**	342,641*	271,677	+26.1

Color TV (direct-view) 5-week moving average: 1984--341,033*; 1983--322,201 (up 5.8%).

Home VCR 5-week moving average: 1984--175,171**; 1983--88,166 (up 98.7%).

* Record for period. ** Highest week on record. # Exceeds full-year record.

SONY INTRODUCES DIGITAL TV LINE: Going on sale in Japan this week are first 2 models of Sony's digital TV line. Component video system is first offered commercially to use noninterlace scanning that doubles apparent resolution, and 26" model features new "Black Trinitron" with flat screen and square corners.

Component system has 13" monitor at \$500, to be followed by 20" version in Jan. Both are designed to accept Sony's existing component TV tuner and upcoming digital scan converter, unpriced, to be available in mid-Dec. Converter doubles number of scanning lines by digital interpolation, eliminating line flicker, operates on both video and RGB signals, therefore will increase resolution from such inputs as computers and teletext, videodisc players and VCRs as well as broadcast TV.

Development of scan converter presumably signals availability of consumer priced digital memory for TV. Sony declined to give details of converter memory, such as type and capacity. Nevertheless, early availability must be considered breakthrough since most estimates had indicated such memories were at least couple years off. Only memories for TV announced so far at near consumer prices have been from Philips and NEC, neither said to be in actual production stage.

"Multiscan color monitors" in 13" & 20" sizes are designed to accept double-speed noninterlace scan from converter. Sony says they have "Auto Tracking Scan System" accepting scanning frequencies of 15-34-KHz (double-speed scanning is 31.5 KHz). Monitors can be used as display for personal computer or teletext. They have both analog (21-pin.) and direct digital (8-pin.) RGB inputs, audio-video input for games, etc., separate video input, audio and video outputs. The 20" monitor can display up to 4,050 characters from 24-KHz personal computer.

Large-screen digital set, priced in Japan at about \$1,360, doesn't have noninterlace scan but does employ some memory, adding such features as storage for up to 32 phone numbers, TV-video program timer for up to 5 events, calendar, etc. Sony says system digitally processes basic function signals for video and deflection circuitry and controls (audio processing apparently is analog). It uses digital comb filter and incorporates two 8-bit microprocessors. It

has multiple inputs and outputs. Sony says new picture tube is fine pitch, but gives AG-pitch width as 0.73mm, which some engineers describe as only medium. Screen can display up to 2,000 characters.

Last Aug., Sony demonstrated prototype digital sets, one with 30" screen and noninterlace scanning (TVD Aug 22 p13). At that time, system converted incoming analog signal to digital immediately after tuner, changing it back to analog before RGB processing, processed chrominance and luminance signals separately, and digital comb filter compared 3 instead of 2 lines. Sets demonstrated used ITT as well as proprietary chips.

Sony gave no indication of export plans, but company officials have been talking of unique set scheduled for introduction here next year.

Note: Sony hasn't set "specific timetable for entering the 8mm market," spokesman said last week in commenting on our report that company was expected to field own-brand model next spring (TVD Oct 15 p11). Spokesman also said Sony America hasn't reached decision to market consumer videodisc player in U.S. Report reflected our own conclusion based on mounting evidence.

SAMSUNG GETTING DUMPING REPRIEVE: Commerce Dept.'s International Trade Administration this week is expected to grant Korea's Samsung the extension it has been asking for in Oct. 31 deadline for finalizing sharply increased color TV dumping margins. How long stay will run and whether similar extensions will be given 2 other Korean color makers involved were still under negotiation at week's end.

Of Koreans, Samsung will be in most awkward position if ITA sticks to schedule. Because Samsung supplied inadequate documentation to support its comparisons of export vs. home market pricing, company's dumping margin, and cash bonding requirement on future color imports, will shoot to 52.5%, while Gold Star's will rise to 20.08% and Daewoo's to 25.09%.

However, latter 2 apparently think they can get margins rolled back to more bearable levels through routine procedures and within original ITA schedule. As result, and perhaps for competitive reasons, neither has asked for extension or backed Samsung's request. Daewoo has made no official comment on extension bid, while Gold Star requested its case be treated separately from Samsung's. Emerson, major private label color customer of Gold Star, told ITA it should retain Oct. 31 deadline.

Samsung does have major backer -- Korean govt., which sent letter to Commerce supporting extension and has been exerting diplomatic pressure on Administration through office of U.S. Trade Representative. Korean-USTR meeting was scheduled to run into evening last Fri. Korean govt. is walking fine line because dumping cases are considered to involve dealings of private businesses, thus aren't supposed to be subject of govt.-to-govt. negotiations. Situation is different when ITA is looking at a countervailing duty case where complaint relates to unfair foreign govt. support for exporters. Korean govt. is understood to have tried to get other companies to go along with Samsung, but was unsuccessful.

Pressure against stay is being exerted from another direction as well -- U.S. Senate. Sen. Percy (R-Ill.), Foreign Relations Committee chmn., has written 2 letters about case to Commerce, latest stressing that Koreans were given opportunity to support claims for reduced margins when ITA agreed to expedited review last April, but failed to do so. Letter expresses concern over subjecting domestic industry to distortion of trade laws and says that if any extension is given, it should be restricted to Samsung. Staffer told us Percy was responding to letter and contacts from Zenith Chmn. Jerry Pearlman.

House Ways and Means Committee Chmn. Rostenkowski (D-Ill.) also is keeping eye on case, but has limited involvement to informal contact with Commerce. "Our concern isn't so much

the outcome as how the results came about," staff member told us. "We want to be sure the laws are being implemented the way they are supposed to be."

When ITA released proposed higher margin rates last month, agency staff members indicated little willingness to go along with any kind of delay. So length of extension should give indication of relative clout of opposing forces. It's also critical to Samsung's position. ITA would need at least 90 days to conduct another full-scale review, including again sending verification team to Korea. Anything shorter would merely give Samsung a little more time to argue against ITA's existing tentative margin determination.

172 STATIONS PLAN MULTICHANNEL SOUND: Majority of top 100 markets are represented on list of 172 TV stations planning to broadcast in multichannel TV sound (MTS) derived from our mail survey of all outlets and from other sources. List on Pp. 16-17 is revised MTS Timetable, which we think will be good guide to TV set trade in assessing market areas and probable starting dates.

Six outlets actually are broadcasting now in MTS -- all in stereo -- latest being KIRO-TV Seattle, which began regular stereo transmissions last week, joining competitor KOMO-TV. Major L.A. independent KTLA is testing both stereo and separate audio program (SAP) bilingual transmissions, plans to be on fulltime basis Oct. 29. Imminent starters are WFSB Hartford (which will be 3rd in area to broadcast in stereo), KSL-TV Salt Lake City, WTLV Jacksonville, WMHT Schenectady, with PBS flagship WNET-TV expected to be first stereo outlet in N.Y. within next 45 days. WNJT Trenton expects to be first SAP-only outlet Nov. 1, broadcasting readings for blind, hopes to add stereo service next year.

We received survey replies from 349 stations, of which only 66 (18.9%) have no plans for MTS. Positive replies were received from 165 (47.3%), remaining 118 (33.8%) being undecided. Of those planning MTS, 15 are either on air or plan to start this fall, 14 more this winter, 21 next spring, 54 in 2nd half of next year, 17 in 1986 and 41 listing dates after 1986 or not giving definite starting dates. There most certainly will be many other starters in addition to the 172 stations listed in our timetable -- some stations are playing it close to the chest, and the 382 respondents represent only 22% of the nearly 1,600 TV stations and permittees surveyed.

All except 4 of the 172 stations plan to broadcast in stereo (3 plan program-related SAP only, one plans nonprogram-related SAP only). Total of 39 will broadcast in both stereo and SAP, 23 of them airing program-related SAP (such as bilingual), 10 nonprogram SAP (anything from radio programs to paging services), 6 planning both program and nonprogram SAP.

Affiliates of PBS, only network with substantial stereo programming, are most numerous on list -- 47, as compared with 22 ABC, 27 CBS, 23 NBC, one unidentified. Twenty of those listed aren't broadcasting at all, plan to go stereo from startup. Many of other respondents indicated they planned to add MTS when they replace existing transmitters. Starting dates often are indefinite, respondents indicating they're subject to availability of station equipment, receivers, or -- particularly in case of PBS affiliates -- funds.

Request by PBS for grant from EIA to equip affiliates for stereo (TVD Aug 20 p12) was met with silence at Consumer Electronics Group board meeting in Las Vegas -- some manufacturers are still smarting from effort by some in 1960s to finance public broadcasting with tax on TV sets. CEG official told us PBS letter would be answered "eventually."

One broadcast equipment manufacturer, meanwhile, warned set manufacturers against using first stereo broadcasts for testing and adjusting MTS receivers. He pointed out that some of early broadcasters are starting with homemade equipment that doesn't emit regulation signal.

UPBEAT OUTLOOK FOR VCRs: Japanese VCR manufacturers expect prosperous 1985 with help of continued high demand in U.S. and in their home market, despite anticipated slowdown in world VCR market growth, price reductions and new competition from low-cost Korean VCRs, according to study by Fleming Group, international investment firm.

Japanese, study said, should be able to keep up profitability in 1985 as high-value VCRs, including hi-fi and camcorder models, move into product mainstream. At same time, it said, Japan's superiority in design and production technology, along with abundant supplies of quality components, should enable its manufacturers to compete on price against low-cost producers in Korea. While predicting no overall dramatic price decline, seeing average off about 10% this year and next, study anticipates some Japanese manufacturers will be ready with super low-priced VCRs designed to retail in \$205-\$225 range.

Projected Japanese VCR shipment growth of 15% for 1985 is less than half of that seen for this year and while U.S. growth rate will be down sharply, it will account for slightly increased share of shipments -- 42.4%, up from 42% in 1984. Japanese market will provide outlet for 19.3% of shipments, up from 18.5%; Europe 12.2%, down from 14.6%; other areas 26.1%, up from 24.9%.

Here's rundown on destinations of Japanese VCR shipments for 1983, along with Fleming's estimates of results for 1984 and 1985 (units in 1,000s):

	1983	1984	% change	1985	% change
Japan....	3,659	4,750	+29.8	5,700	+20.0
U.S.....	5,438	10,800	+98.6	12,500	+15.7
Europe...	4,651	3,750	-19.4	3,600	- 4.0
other....	5,155	6,400	+24.2	7,700	+20.3
TOTAL	18,903	25,700	+36.0	29,500	+14.8

Paramount's opening orders for 25 videocassette movies it's promoting at \$25 list each are shaping up stronger than expected, according to Home Video Sales Vp Tim Clott. But so is price cutting by distributors, some of which are selling tapes at \$15.50 each, 50¢ above wholesale. Clott expects to ship 500,000 of 600,000-700,000 cassettes before first point-of-sale material reaches stores, is confident final total will reach at least million, considered maximum number that could be duplicated and moved when program was announced last month. Trick now will be to "try to get beyond" maximum, he said. Other software marketers are looking for ways to increase volume without reducing prices. Prism Entertainment is trying gift promotion, retailers' choice of various houseware items for increased purchases. RKO Home Video is going direct to consumer. It has hired telemarketing firm Helinwest to take phone orders from consumers responding to ad campaign it plans to launch next year. Buyers will pay retail list plus \$3 for shipping.

Philips and Siemens have launched joint R&D and manufacturing effort to produce memory ICs with storage capacity in 1-4 megabit range. Companies indicated they'll be investing more than \$1 billion in venture over next 7 years, will get additional financial support from Dutch and German govts.

Video components are expected to be added to Panasonic's high-end Technics hi-fi line next year. Though company declined comment, move is understood to be reaction to changing hi-fi marketing scene. While undisputed leader in sales of components through traditional audio outlets, Technics is relative newcomer to industry's growth segment -- rack systems sold through department stores. Fisher is considered top ranked there and has complete video-audio line. Other Japanese hi-fi companies such as Sansui, already with foot in video via VCRs, also can be expected to add monitors and tuners next year. Technics' move isn't expected until spring. Only new products slated for introduction this year are digital audio CD disc players, with leader at \$400, remote step-ups at \$500 and \$600. More competitively priced CD player is expected to be introduced by Panasonic later this year or early next.

ITT trimmed 800 (10%) of employees from domestic telecommunications operations. Those laid off were involved in production and marketing of phones, business telecommunications equipment, personal computers. Company said it was reacting to soft market conditions in U.S. and impact of strong dollar on sales in Europe. ITT also is reducing staffs at corporate hqs in U.S. and Brussels.

MTS TIMETABLE

Arranged alphabetically by city
within timeframe category.

All stations stereo, non-SAP, unless
otherwise indicated in footnote.

Now broadcasting regularly in stereo:

WTTW Chicago (PBS)
WTIC-TV Hartford (independent)
KIRO-TV Seattle (CBS)
KOMO-TV Seattle (ABC)
WDBB-TV Tuscaloosa, Ala. (ind.)
WTXX Waterbury, Conn. (ind.)

Now testing:

KTLA Los Angeles (ind.)^a
WNBC-TV N.Y. (NBC)^a

Planning fall 1984 start:

WZTZ-TV Boston* (ind.)
WEDH Hartford (PBS)
WFSB Hartford (CBS)
WTLV Jacksonville (ABC)
KABC-TV L.A. (ABC)
KTLA L.A. (ind.)^a
KMSO-TV Missoula, Mont.* (CBS)^f
WNET N.Y.-Newark (PBS)
KATU Portland, Ore. (ABC)
KRBK-TV Sacramento (ind.)
KPLR-TV St. Louis (ind.)
KSL-TV Salt Lake City (CBS)
WMHT Schenectady-Albany-Troy (PBS)
WTVG Toledo (NBC)
WNJT Trenton (PBS)^b
KPOL Tucson* (ind.)^f
low-power TV, Alaska

Planning winter 1984-85 start:

KTVA Anchorage (CBS)
WBZ-TV Boston (NBC)
KERA-TV Dallas (PBS)^a
KOOD Hays-Russell-Gt. Bend, Kan.
(PBS)
KVVU-TV Henderson-Las Vegas (ind.)
WIUD Lakeland, Fla.* (ind.)
WMFP Lawrence, Mass.* (ind.)
WPBT Miami-Ft. Lauderdale (PBS)
WYES-TV New Orleans (PBS)
WEDN Norwich, Conn. (PBS)
KTIE-TV Oxnard, Cal.* (ind.)
WPSD-TV Paducah, Ky. (NBC)
WEEK-TV Peoria (NBC)
KSBW-TV Salinas-Monterey, Cal. (NBC)

KUED Salt Lake City (PBS)^a
KSAT-TV San Antonio (ABC)^c
KQVR-TV Stockton-Sacramento (ABC)
WFSU-TV Tallahassee (PBS)

Planning spring 1985 start:

WTBS Atlanta (ind.)
WJZ-TV Baltimore (ABC)^a
WTO Birmingham-Homewood, Ala. (ind.)
KWHP Boise* (ind.)
new, Cedar City, Utah*
WMAQ-TV Chicago (NBC)
WCET Cincinnati (PBS)^a
KHBS Ft. Smith, Ark. (ABC)^e
KMSG Fresno (Sanger), Cal.* (ind.)
WXII Greensboro-High Point-Winston-
Salem, N.C. (NBC)
WITF-TV Harrisburg, Pa. (PBS)
new, Idaho Falls* (ind.)
WFYI Indianapolis (ind.)
KRLR Las Vegas* (ind.)
WIYE Leesburg, Fla. (ind.)
KNBC-TV L.A. (NBC)
KWHY-TV L.A. (ind.)
WBFS-TV Miami* (ind.)^a
WMVS Milwaukee (PBS)^a
WMVT Milwaukee (PBS)^a
WLCT New London* (ind.)
WNOL-TV New Orleans* (ind.)
WNBC-TV N.Y. (NBC)^a
Philadelphia -- see Wilmington
WCFE-TV Plattsburgh, N.Y. (PBS)^a
WXXI Rochester, N.Y. (PBS)
KETC St. Louis (PBS)
KSMW Spokane* (ind.)
WACO Waco* (ind.)
WRC-TV Washington (NBC)
WHYY-TV Wilmington-Phila. (PBS)

Planning start in 2nd half 1985:

KNME-TV Albuquerque (PBS)^f
KOAT-TV Albuquerque (ABC)
KTUU-TV Anchorage (NBC)
WATL-TV Atlanta (ind.)
WCBB Augusta-Lewiston-Portland, Me.
(PBS)
WSKG Binghamton (PBS)^a
WGBH-TV Boston (PBS)^a
WNEV-TV Boston (CBS)
WNJS Camden, N.J. (PBS)^e
WKYC-TV Cleveland (NBC)
KLBY Colby, Kan.* (ind.)
WCMH-TV Columbus, O. (NBC)

MTS TIMETABLE (Cont'd)

WOSU-TV Columbus, O. (PBS)
 WTVN-TV Columbus, O. (ABC)
 WJBK-TV Detroit (CBS)^a
 WKBD-TV Detroit (ind.)
 WTVS Detroit (PBS)^f
 WXYZ-TV Detroit (ABC)
 KTSM-TV El Paso (NBC)
 KVIA-TV El Paso (ABC)^a
 KJEO Fresno (ABC)^c
 WLRE Green Bay (ind.)
 KHOU-TV Houston (CBS)^a
 WJXT Jacksonville (CBS)
 KATV Little Rock (ABC)
 KHJ-TV L.A. (ind.)^a
 WMAZ-TV Macon, Ga. (CBS)
 WCIX-TV Miami (ind.)
 WCCO-TV Minneapolis-St. Paul (CBS)^f
 WNJM Montclair, N.J. (PBS), N.J.^e
 WNJB New Brunswick (PBS)^e
 WEDY New Haven (PBS)
 WNYC-TV N.Y. (PBS)
 KETV Omaha (ABC)
 WOFL Orlando (ind.)^a
 WXEX-TV Richm'd-Petersb'g (ABC)
 KTSO-TV Phoenix (CBS)
 WPBO-TV Portsmouth, O. (PBS)
 KBYU-TV Provo (PBS)
 new, Sacramento (ind.)^a
 KSDK St. Louis (NBC)^e
 KRON-TV San Francisco (NBC)^f
 KTEH San Jose, Cal. (PBS)^e
 WSJU San Juan, P.R.* (ind.)^c
 WMHT Schenectady-Albany-Troy (PBS)
 WVIA-TV Scranton-Wilkes Barre-
 Hazleton (PBS)
 KREM-TV Spokane (CBS)
 WEDU Tampa-St. Petersburg (PBS)
 KCEN-TV Temple-Waco (NBC)^a
 WNJT Trenton (PBS)^a
 WILL-TV Urbana-Champaign (PBS)^e
 KMPH Visalia-Fresno (ind.)
 WPEC West Palm Beach (ABC)^a

Planning 1986 start:

WSBK, Boston (ind.)
 WUFT Gainesville, Fla. (PBS)
 WJKS-TV Jacksonville (NBC)
 WFMY-TV Greensboro-High Point-
 Winston-Salem (CBS)
 KSHB-TV Kansas City (ind.)
 WHA-TV Madison, Wis. (PBS)
 WFTV Orlando (ABC)
 KDNL-TV St. Louis (ind.)

WGGB-TV Spfld.-Holyoke, Mass. (ABC)

Planning start after 1986:

KMTF Fresno (PBS)
 WLFI-TV Lafayette-Kokomo, Ind. (CBS)
 WNMU-TV Marquette, Mich. (PBS)
 WITI-TV Milwaukee (CBS)
 WTSP-TV St. Petersburg-Tampa (ABC)
 KVIE Sacramento-Stockton (PBS)^a
 KCTS-TV Seattle (PBS)

Planning MTS, no date:

WNUV-TV Baltimore (ind.)
 WRBT Baton Rouge (NBC)
 WBNG-TV Binghamton (CBS)^e
 WBMG Birmingham (CBS)
 KFYZ-TV Bismarck (NBC)
 KTVB Boise (NBC)
 KMGH-TV Denver (CBS)^a
 WGPR-TV Detroit (ind.)
 WFIQ Florence, Ala. (PBS)
 WSWP-TV Grandview, W.Va. (PBS)
 KHON-TV Honolulu (NBC)
 WISH-TV Indianapolis (CBS)
 WJCT Jacksonville (PBS)
 KHGI-TV Kearney-Hastings, Neb. (ABC)
 KARK-TV Little Rock (NBC)
 KTHV Little Rock (CBS)^e
 KCET L.A. (PBS)
 WISN-TV Milwaukee (ABC)
 WTVF Nashville (CBS)
 WDSU-TV New Orleans (NBC)
 new, Pensacola* (ind.)
 KAET Phoenix (PBS)
 KOLO-TV Reno (ABC)
 KXTV Sacramento-Stockton (CBS)
 KPBS-TV San Diego (PBS)^a
 KPIX San Francisco (CBS)
 KSAF-TV Santa Fe, N.M. (ind.)
 WSLA Selma, Ala. (CBS)
 KOLR-TV Springfield, Mo. (CBS)
 WTOV-TV Steubenville, O.-Wheeling,
 W.Va. (NBC, ABC)
 KAH-TV Wailuku, Hawaii (NBC)
 KAUZ-TV Wichita Falls, Tex. (CBS)

* Construction permit, not on air.

^a Stereo & program-related SAP

^b Nonprogram-related SAP only

^c Program-related SAP only

^d Adding stereo to SAP

^e Stereo and nonprogram-related SAP

^f Stereo, program and nonprogram SAP

COMPUTER SOFTWARE ROUT: Shakeout in ranks of home, educational and business software marketers that started soon after last June's CES in Chicago is turning into full-scale rout involving some of biggest names in business.

Knoware, upscale educational software developer launched last year with millions in venture capital financing, with former AT&T exec. Archie McGill as chmn., last week filed for liquidation under Bankruptcy Code. Company had single \$95 program on market, and while it was considered among best sellers, actual volume was small. Ovation Technologies, which has spent \$5 million over last 2 years on as-yet unreleased integrated software package, says it will liquidate if it can't find buyer.

Management Science America, considered to be one of largest broadbased software companies, says it's looking to sell off its Peachtree Software operation and related units. On block along with PS is U.K.-based PS International and pair of home software businesses MSA acquired only this year -- Designware and Eduware.

On home software front, Human Engineers Software has filed Chapter 11 bankruptcy petition as protection from creditors while it negotiates acquisition by publisher Avant-Gard. HES showed liabilities of \$5 million, receivables, mostly uncollectable, of \$1.5 million. Activision, market's largest game-computer software independent, is continuing cutbacks started late last year, and in most recent move dismissed 30 employees, reducing workforce to 150. Datasoft, which became 40% owned affiliate of Gillette earlier this year, let go 25% of staff. Meanwhile, pair of top name marketers linked up, as Broderbund acquired substantial equity interest in Synapse.

Industry's basic problems involve too many marketers offering too many similar programs to too few consumers. Situation is particularly severe in home market, where home videogame collapse has affected computer sales. Aggravating conditions include: (1) Management switchover at Atari that slowed both supply and demand for 800XL. (2) IBM's repositioning its PCjr as semibusiness rather than pure home computer. (3) Continued sluggish sales of Coleco's Adam.

At best, future doesn't look bright for software makers, even if home computer market enjoys Christmas pickup. New hardware generation just introduced by Commodore isn't compatible with programs designed for its best-selling model 64 and new line, as well as upcoming models planned by Atari, comes with most popular programs built in, such as word processing, spreadsheet, file system. And while Coleco is putting major pre-Yule promotional push behind Adam, company's sales effort continues to be hampered by statements of financial analysts that drive is final shot and that by year's end Coleco will take major writeoff and leave market.

CES IN CHICAGO THROUGH '87: EIA Consumer Electronics Group voted to commit Summer Consumer Electronics Show to Chicago and winter show to Las Vegas for next 3 years. Chicago vote was foregone conclusion since last month, when CEG members got pitches from both N.Y. and Chicago (TVD Oct 1 p11).

Following vote at L.A. EIA Fall Conference, CES Vp-Show Mgr. Dennis Corcoran explained that "N.Y. cannot satisfy the space requirements" of enlarged show, and decision to stay in Chicago was based on assurances that new 525,000 sq. ft. facility would be ready in time for 1986 show, bringing available total to million net sq. ft.

In N.Y., Convention Center official acknowledged that it would have taken crash effort to open on time for June 1986 show and that even then available floor space would have been inadequate. But, he added, "we've now got 3 years to be ready" for next opportunity to have show in Big Apple.

With winter show growing to 800,000 sq. ft. and attendance expected to exceed 90,000 in Jan. 1985, Las Vegas event is becoming as large as Summer CES, which EIA says is now largest trade show in U.S. While 1985 winter show will run Sat.-Tues. (Jan. 5-8), next 2 years will be Thurs.-Sun. (Jan. 9-12, 1986, and Jan. 8-11, 1987). Chicago shows will be Sun.-Wed. (June 2-5 next year, June 1-4, 1986, and May 31-June 3, 1987).

CEG board also voted "continued financial and staff support" for Home Recording Rights Coalition (HRRRC), which successfully fought royalty fees on audio and video tape recorders and cassettes as well as repeal of first-sale doctrine. Group expects MPAA to continue lobbying efforts in opposite direction, with introduction of new legislation and "other restrictive proposals" in new Congress that convenes in Jan.

At Las Vegas meeting following EIA conference, CEG board voted to: (1) Continue underwriting New Tech Times TV show on PBS. (2) Fund new documentary film on consumer electronics. (3) Allocate "substantial additional funding" for electronic bus study to develop standard home audio-video interconnections and for study on interference immunity. (4) Increase activities in electronic technician training and recruitment. (5) Start series of market research programs of consumer buying habits.

Parent EIA voted to produce film on job opportunities in electronics. Clem Arnold was elected EIA chmn. and Jack Doyle was reelected CEG chmn. (for other officers and awards, see Personals).

EIA-Korea has opened its first U.S. office at 1030 15th St. NW, Suite 1776, Washington, D.C. 202-898-1250.

'CABLE-READY' TALKS: EIA and NCTA have formed task force to discuss problems created by TV sets, VCRs and converters that tune to cable channels. After series of preliminary talks, first meeting of group of set manufacturer and cable TV representatives is scheduled Nov. 8 in Washington.

Differences between industries' views are great. NCTA board voted June 7 to ask FTC to require warning label on cable-tuning sets describing their limitations (TVD June 11 p4). EIA contacted NCTA following vote and asked to talk it over, and task force was result. However, NCTA still says it will go to FTC if talks are unproductive.

Among NCTA gripes, as outlined by representative: (1) Public doesn't understand that cable-ready set isn't needed to receive cable. (2) Some cable operators have been putting unscrambled pay tiers on midband channels. Availability of cable channels on new TV sets has forced systems to scramble or trap these channels, thereby creating ill will when formerly "free" channels are removed. (3) Some retailers misrepresent cable-tuning sets as providing pay TV free.

EIA Consumer Electronics Group has been studying situation, already has urged members to drop "cable-ready" description, preferring "cable-compatible." CEG also has prepared fact sheet on cable for distribution to dealers and public describing what cable-tuning sets can and can't do.

Privately, CEG officials are irked by NCTA's repeated insistence that cable compatibility adds \$150 to price of TV set -- assertion made in N.Y. Times article widely distributed by cable systems. Actually, most middle and high-end TV sets now have cable channel tuning -- which was in 45% of sets sold in 1983 -- that adds no measurable amount to cost of set with electronic tuning.

Meanwhile, EIA engineering study on universal TV set with standard ports for such auxiliary services as cable TV, pay cable, VCR, etc., was said to be "close to a breakthrough" by committee source. Field tests of proposed design are scheduled to begin next month.

Sharp introduces MTS adaptor with 3-watt stereo amplifier, volume, treble, base and balance controls, headphone jacks for stereo and SAP, input and output connectors, AC outlet, at \$200. New 20" remote monitor receiver with 2 antenna inputs, comb filter, stereo amplifier, built-in MTS is \$1,000; two 13" monitor receivers with keypad remote, \$450. New high-end VHS Hi-Fi VCR with wireless remote with linear Dolby stereo, \$1,100.

First projection TV billboard is outdoor system in Kansas City using Sony 600-line projector to throw 7.5x9.5-ft. picture from U-matic player, with 20-sec. message for Helzberg Diamonds. Gannett Outdoor created display, is exploring other locations with advertisers.

AKAI EXPANDING IN FRANCE: Japan's Akai, which last year threatened to shut down video and audio manufacturing operations in France as protest over govt. blockade of VCR imports, will spend \$3.6 million to expand VHS VCR production there instead.

Outlay will go for construction of new plant in western French community of Honfleur, where existing facility has been in operation since early 1982. As incentive, Akai will get about \$110,000 in regional financial support, additional funding from national govt. and payroll tax exemption. New plant will employ 300 when operational next year, have capacity for assembling 100,000 VCRs annually. Akai said it decided to stay in France rather than build at site it was considering in U.K. because of good labor relations and high productivity at Honfleur.

Akai said it has sales of about \$50 million annually in France, claims it holds about 12% market share there for both audio and video products. Plant will be France's 2nd dedicated to VCR output. Thomson-Brandt opened one last year, also is producing subassemblies for sale to JVC-Telefunken-Thorn EMI venture J2T Holdings, and could become supplier to Akai.

IC manufacturers are riding wave of record sales, but it may be cresting, in part because of end of massive demand from videogame and cartridge producers and slowdown in personal computer market. Semiconductor Industry Assn. says that although shipments of solid state devices by U.S., Japanese and European producers hit all-time monthly high of \$1.17 billion in Sept., incoming order rate slowed. SIA said industry book-to-bill ratio was 0.84 for month, marking first time it has dropped below 1.0 since Dec. 1982. SIA said that it now estimates industry sales will be up only 22% next year, against 48% rise expected for this year, and that much of 1985 growth will come in first half.

Toshiba will spend about \$82 million over next year to expand VCR production capability in Japan, including equipping for addition of VHS models to Beta line it now makes there (TVD Oct 8 p13). Toshiba said it acquired VHS license from JVC and has placed parts orders. First VHS models, due by year's end, are expected to sell in \$550-\$570 range. Company plans to start VHS output at 30,000 monthly rate, boosting overall VCR production to about 150,000 monthly. By end of 1985, when expansion is completed, capacity will be 300,000 monthly.

Cut of 10% in Japan's VCR exports to Europe next year (TVD Oct 15 p19) isn't steep enough to ensure equitable sharing of market, according to Dutch Philips. In statement, company said original quota of 3.95 million was keyed to expectation that sales in EC would reach 6.95 million, but they actually will fall short by some 40%, come in at around 4.5 million. "On that basis, the maximum importation of Japanese VCRs" should also be reduced around 40% to about 2.5 million, company said.

RCA, ZENITH, EMERSON RESULTS: Intense competition took bite out of profits for RCA and Zenith in 3rd quarter, companies said in issuing financial results last week (see financial table). Smaller competitor Emerson, however, doesn't seem to be suffering from same problem.

RCA 3rd-quarter sales rose 9.1% to record and net rose 28.9%. For 9 months, earnings were up 56.6% on 12.7% revenue rise to \$7.32 billion. From continuing operations, RCA net doubled in quarter, was up 55.1% to \$146.6 million for 9 months, excluding \$94.5 million provision for discontinuing videodisc business and \$75.7 million gain from accounting change.

In electronics, RCA said Consumer Div., like industry, had significant rise in VCR and color TV sales, but "extremely competitive pricing... put pressure on operating margins." Solid State Div. had higher sales and earnings.

Zenith had 58.6% increase in 3rd-quarter net on 27.8% sales rise, but that included \$12.5 million in tax adjustments and credits, and pretax operating income was down 23.2% to \$19.8 million. For 9 months, sales gained 23.5%, net rose 60%, and operating income was up 20.9% to \$75.6 million.

Zenith said consumer electronics sales rose 15.4% in quarter to \$270 million from \$234 million, all of increase coming from increased shipments of new VCR line, as color TV sales and earnings were down. Zenith said it began color price reductions "in response to additional actions by competitors during the 3rd quarter." For 9 months, consumer sales were up 10.7% to \$745 million.

Zenith's fastest growth came in computer systems and components segments, with sales up 80.6% to \$130 million for quarter, up 60.2% to \$330 million for 9 months. Company said it had higher 3rd-quarter shipments of personal computers and of monochrome monitors to computer and terminal OEMs. Cable product sales edged up just 2.8% in quarter to \$36 million. Zenith experienced slowdown in sales of addressable decoders and has started transferring Canadian assembly operations to Mexico to reduce costs. For 9 months, CATV product sales were up 31.9% to \$157 million.

Emerson earnings from consumer electronics jumped 216% to \$4.74 million from \$1.5 million in 2nd fiscal quarter to Sept. 30, were up 210.6% to \$7.3 million from \$2.35 million for half. Consolidated net for both periods is after \$4.39 million gain on investment in medical electronics subsidiaries.

Tandy, as expected, reported reduced earnings on modest sales rise in opening fiscal quarter to Sept. 30. Company had said results would be down because of intense price competition faced by its Radio Shack computer line.

Corning said its 3rd-quarter results were aided by continued strong sales of TV bulbs and electronic components.

Apple said personal computer sales surge in fiscal final quarter to Sept. 28 gave it 75% revenue increase, 6-fold jump in net. While sales for year were up more than 50%, earnings were down 16%, reflecting high R&D and marketing costs for new models.

Knight-Ridder said loss this year from Viewtron videotex service it's offering in Fla. will be "somewhat less" than previously estimated \$17 million.

GTE blamed "continuing adverse effects of excessive residential telephone inventory" and delay in delivery of new products for \$16 million 3rd-quarter loss in communications products business. Last Aug. GTE dumped 500,000-unit inventory of low-end phones and answerers through liquidator, but said it didn't show loss on deal (TVD Sept 3 p16).

Pioneer's production of combination Laservision video-CD audio digital disc players in Japan is 3,500 monthly, not 5,000 we reported last week. Company hopes to be at higher level soon, according to Laserdisc Corp. Pres. Yasuo Aomi. He said combo accounts for 40% of its total player demand, which indicates output of video-only players is running at 100,000 annual rate. Pioneer intends to raise videodisc capacity to 800,000 monthly by next April, including boost in current 100,000 monthly capability of plant in Carson, Cal. Aomi said company will be pressing 1-2 pure digital titles a month for combo player, about 5% of usual output of 25-30 programs. LV sales in U.S., he acknowledged, "suffered greatly" with CED pullout earlier this year but are "picking up, I think." Arrival of first 8" discs this month from Pioneer Artists should help.

Market research breakthrough: R.H. Bruskin Assoc., which surveys consumers on virtually any subject, recently took on VCRs and found one in "just about every 5 U.S. homes." This comes out to nearly 17 million VCR homes, exceeding by 2.5 million the total sales to dealers since first unit was imported in 1975. Bruskin apparently was drinking same potion as Newsweek, which last week estimated VCR population at 16 million. We estimate VCR homes at about 13 million, or about one of every 6.5. Going out on limb, Bruskin concludes that "VCRs will probably become a force to contend with."

Latest addition to Ore.'s growing electronics industry is Seiko subsidiary Epson, which announced plan to build \$10 million computer printer plant near Portland. Facility is expected to be operational in spring 1986, will employ 140, eventually expand to production of personal computers. Epson also said it and affiliate Suwa Seikosha are considering same area for semiconductor plant and R&D facility.

Consumer Electronics Personals

T. Nagai, Sharp (U.S.) exec. vp, adds responsibility as head of new Corporate Planning Div.; John Shea, former Appliance Div. gen. mgr., named corporate mktg. dir.; Daniel Infanti, ex-Consumer Electronics Div. mktg. communications mgr., appointed corporate communications and mktg. mgr.; Harry Okamoto named corporate planning dir.; Jim Wei, ex-General Instrument, joins restructured Components Div. as national mktg. mgr.; James Sunderlin, ex-Omni Sales, appointed national sales mgr. of new semiconductor and optoelectronics unit, assuming some former duties of David Mathews, who continues as national sales mgr. for display and electromechanical devices.

Emanuel Gerard, Warner Communications executive who was responsible for Atari operation, has resigned as co-COO, will continue as consultant; considered likely top management successor in pending restructuring is Robert Morgado, former aide to N.Y. Gov. Hugh Carey, who joined Warner last year as special asst. to Chmn. Steven Ross and took over Atari just before its consumer business was sold to Commodore founder Jack Tramiel... Edward Gerrity advanced at ITT to exec. vp and named corporate relations asst. to Chief Exec. Rand Araskog; Vp Juan Cappello named corporate relations and ad dir., succeeding Gerrity.

Craig Simonin, ex-Federated Group, joins Pioneer Video as Laserdisc southwest district mgr.; other sales staff additions: Robert Timmons, ex-Magnavox; Edward Verdi, ex-Sony; Bryan Mitchell... Robert Heiblim, Denon national sales mgr., named vp; Stephen Baker, ex-GTE, and William Muster, ex-Koss, join as regional sales mgrs... Joan Towers, ex-BRK Electronics, appointed Jensen International credit dir.

Fred Fehlauer promoted to Commercial Products Div. senior vp, CBS/Fox Video... Michael Murphy promoted at MGM/UA Home Video to international mktg. vp... Gregory Johnson, ex-Bear Stearns, joins Vestron Video as corporate development dir., new post, responsible for strategic planning and corporate acquisitions... Kathie Van Brunt named product development vp, Media Home Entertainment.

Jack Doyle, Pioneer, reelected chmn. of EIA Consumer Electronics Group at EIA Fall Conference that saw Clem Arnold, McDonnell-Douglas, elected chmn. of parent EIA, succeeding RCA's William Boss, who continues as CEG industry vp; Bruce Carswell, GTE, was elected EIA vice chmn., Travis Marshall, Motorola, treas.; Jack Pluckhan, Panasonic, elected CEG Video Div. chmn., succeeding Frank Lann; John McDonald, Casio, CEG vice chmn. and chmn. of Computer Div.; Richard Williams, GE, Video Div. vice chmn. In CEG Audio Div., Don Palmquist, Yamaha, is chmn.; David Karon, Fisher, vice chmn.; named subdiv. chmn.: Daniel Peterson, Kenwood, for Car Audio, Robert Burnett, 3M, for Blank Media.

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Jack Isken, TRW Components, receives EIA Distinguished Service Award; James Pezzi, Allen-Bradley, Marketing Services Award; Philip Arneith, IBM, Engineering Award... Karen Bell, ex-Video Insider editor, joins Video Software Dealers Assn. as regional activities dir.; Betty Taylor becomes special projects dir... Thornton Bradshaw, RCA chmn., elected chmn. of Center for Communication.

James Barry promoted at DealerScope to publisher; Frederick Newell, ex-Atari, joins Simon & Schuster as Electronic Publishing Group national sales mgr... Andrew Scott, ex-CBS Cable and Hill & Knowlton, named to head new Entertainment PR Div. of HWH Enterprises.

BSR will produce RF modulators for VCRs in U.K. under license from Japan's Mitsumi. Company plans to start assembling from parts supplied by Mitsumi, gradually shift to locally sourced components. Mitsumi will collect 3% royalty on sales, which are expected to grow to million per year. Japanese manufacturers now ship about 3 million modulators annually to European VCR assembly plants. Availability of U.K. source will enable factories to increase European-made content of VCRs assembled from Japanese kits, help reduce trade friction.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
American Bcstg. Cos.			
1984-39 wk. to Sept. 29	2,774,780,000	142,947,000	4.91
1983-39 wk. to Oct. 1	2,077,569,000	110,264,000	3.76
1984-13 wk. to Sept. 29	1,084,064,000	46,659,000	1.61
1983-13 wk. to Oct. 1	659,639,000	31,783,000	1.08
AT&T*			
1984-9 mo. to Sept. 30	24,777,000,000	1,000,000,000	.91 ^b
1984-qtr. to Sept. 30	8,010,000,000	317,000,000	.28
Andrea Radio			
1984-9 mo. to Sept. 30	3,558,299	319,998	.63
1983-9 mo. to Sept. 30	3,332,318	340,431	.67
1984-qtr. to Sept. 30	1,131,337	79,039	.16
1983-qtr. to Sept. 30	950,774	81,656	.16
Arvin Industries			
1984-39 wk. to Sept. 30	571,117,000	21,648,000	2.78
1983-39 wk. to Oct. 2	431,145,000	10,626,000	1.36
1984-13 wk. to Sept. 30	202,930,000	7,047,000	.91
1983-13 wk. to Oct. 2	152,571,000	4,026,000	.51
Bell & Howell			
1984-39 wk. to Sept. 29	524,689,000	25,339,000	2.31
1983-39 wk. to Oct. 1	495,049,000	33,646,000	2.94 ^c
1984-13 wk. to Sept. 29	182,627,000	12,616,000	1.18
1983-13 wk. to Oct. 1	167,933,000	16,337,000	1.42 ^c
Corning Glass Works			
1984-40 wk. to Oct. 7	1,328,600,000	83,400,000	3.95 ^c
1983-40 wk. to Oct. 9	1,212,200,000	75,900,000	3.60 ^c
1984-16 wk. to Oct. 7	500,100,000	17,600,000	.83 ^c
1983-16 wk. to Oct. 9	479,100,000	22,400,000	1.06
Cox Communications			
1984-9 mo. to Sept. 30	540,454,000	58,885,000	2.08
1983-9 mo. to Sept. 30	441,992,000	52,583,000	1.85
1984-qtr. to Sept. 30	186,488,000	18,879,000	.67
1983-qtr. to Sept. 30	150,900,000	17,707,000	.62
Craig			
1984-qtr. to Sept. 30	12,195,000	453,000	.26
1983-qtr. to Sept. 30	10,791,000	(469,000)	-- ^d
Emerson Radio			
1984-6 mo. to Sept. 30	159,670,000	6,153,000	.43
1983-6 mo. to Sept. 30	82,877,000	5,543,000	.38 ^a
1984-qtr. to Sept. 30	98,220,000	4,105,000	.29
1983-qtr. to Sept. 30	51,844,000	5,402,000	.37 ^a
GTE			
1984-9 mo. to Sept. 30	10,654,490,000	806,919,000	4.02
1983-9 mo. to Sept. 30	9,392,575,000	686,626,000	3.61
1984-qtr. to Sept. 30	3,579,981,000	277,059,000	1.36
1983-qtr. to Sept. 30	3,301,949,000	235,943,000	1.22
LIN Bcstg.			
1984-9 mo. to Sept. 30	105,582,000	19,785,000	.89 ^c
1983-9 mo. to Sept. 30	75,190,000	15,554,000	.70
1984-qtr. to Sept. 30	36,064,000	7,427,000	.33 ^c
1983-qtr. to Sept. 30	26,072,000	5,247,000	.24
Media General			
1984-9 mo. to Sept. 30	404,253,000	29,325,000	4.13 ^c
1983-9 mo. to Sept. 30	373,176,000	26,806,000	3.78 ^c
1984-qtr. to Sept. 30	132,737,000	8,902,000	1.25
1983-qtr. to Sept. 30	124,933,000	8,074,000	1.14
Meredith			
1984-qtr. to Sept. 30	113,732,000	10,381,000	1.10
1983-qtr. to Sept. 30	107,436,000	10,453,000	1.11 ^c
3M			
1984-9 mo. to Sept. 30	5,825,000,000	566,000,000	4.84
1983-9 mo. to Sept. 30	5,283,000,000	504,000,000	4.28
1984-qtr. to Sept. 30	1,991,000,000	198,000,000	1.70
1983-qtr. to Sept. 30	1,801,000,000	178,000,000	1.51

Company & Period	Revenues	Net Earnings	Per Share
Orion Pictures			
1984-6 mo. to Aug. 31	102,440,000	781,900	.06
1983-6 mo. to Aug. 31	78,006,000	4,063,000	.29
1984-qtr. to Aug. 31	51,440,000	259,000	.02
1983-qtr. to Aug. 31	44,055,000	2,016,000	.14
Park Communications			
1984-9 mo. to Sept. 30	76,349,000	8,964,000	.97
1983-9 mo. to Sept. 30	67,688,000	7,119,000	.85
1984-qtr. to Sept. 30	25,669,000	2,945,000	.32
1983-qtr. to Sept. 30	22,981,000	2,290,000	.27
RCA			
1984-9 mo. to Sept. 30	7,318,800,000	238,200,000	2.27 ^a
1983-9 mo. to Sept. 30	6,492,900,000	152,100,000	1.23 ^a
1984-qtr. to Sept. 30	2,472,200,000	78,000,000	.74
1983-qtr. to Sept. 30	2,265,000,000	60,500,000	.53 ^a
Tandy			
1984-qtr. to Sept. 30	595,773,000	37,391,000	.41
1983-qtr. to Sept. 30	583,429,000	59,639,000	.57
Time			
1984-9 mo. to Sept. 30	2,216,332,000	149,707,000	2.31
1983-9 mo. to Sept. 30	1,953,917,000	114,002,000	1.79 ^a
1984-qtr. to Sept. 30	751,027,000	46,033,000	.72
1983-qtr. to Sept. 30	657,858,000	30,272,000	.47 ^a
TRW			
1984-9 mo. to Sept. 30	4,486,400,000	207,200,000	5.55 ^a
1983-9 mo. to Sept. 30	4,111,600,000	152,600,000	4.12
1984-qtr. to Sept. 30	1,509,100,000	78,400,000	2.10 ^a
1983-qtr. to Sept. 30	1,318,900,000	58,800,000	1.59
Zenith			
1984-9 mo. to Sept. 29	1,232,400,000	52,300,000	2.37
1983-9 mo. to Oct. 1	998,100,000	32,700,000	1.64 ^a
1984-qtr. to Sept. 29	435,700,000	21,900,000	.99
1983-qtr. to Oct. 1	340,900,000	13,800,000	.66 ^a

Notes: *Comparative results unavailable. ^aAfter special charge. ^bIncludes special credit. ^cRestated. ^dAdjusted.

Subscription TV audio receivers built for Wometco Home Theatre are being modified by N.J. Library for the Blind (NLB) to receive separate audio program (SAP) channel on multichannel TV sound transmissions from N.J. PBS stations. First nonprogram-related SAP transmissions, consisting of readings for blind, are expected to start from WNJT Trenton Nov. 1, followed by WNJS Camden and WNJB New Brunswick. NLB told us modifications cost about \$10 per receiver, with 440 receivers to be processed in first batch. Wometco is understood to be seeking to dispose of 50,000 receivers built for discontinued Philadelphia STV service.

Laservideo, Quixote subsidiary with proprietary photo-based method of turning out low-cost optical videodiscs, is officially in business, has started accepting orders for output of one-of-a-kind discs. Company says it will produce nonreplication Lasermaster discs on same-day basis directly from 1" or 3/4" videotape masters for \$1,200 each. Company said it expects to be able to accept orders for production runs of replicated discs later this year.

Home VCR sales in 1984 passed 5-million mark in week ended Oct. 12, on basis of EIA data, eclipsing sales of full year 1983 by about million units. Five-week moving average was at all-time high of 175,171 in week ended Oct. 5 (see State of the Industry). Cumulative sales since start of home VCR marketing in 1975 exceed 14.5 million.

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OCTOBER 29, 1984

VOL. 24, NO. 44

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FCC GEN. COUNSEL OUT OF POLICY BIZ except when proposals cross bureau lines. Smith to focus on advanced legal research and special projects for Fowler. (P. 6)

FCC UPHOLDS FAIRNESS DOCTRINE COMPLAINT: WTVH Syracuse violated fairness doctrine by airing 182 min. of spot ads advocating construction of nearby nuclear power plant as "sound investment" without adequately presenting contrasting viewpoint, FCC decided Oct. 26 after much debate. Station has been given 20 days to tell Commission how it will correct imbalance caused by ads, paid for by N.Y. State Energy Assn.

Officials said it was first time in 5 years that Commission had found TV licensee in violation of fairness doctrine, and comes amid controversial inquiry into whether doctrine is required under Communications Act. Chmn. Fowler voted with majority of Comrs. Rivera and Quello (who concurred), while Comr. Dawson dissented vocally and Comr. Patrick said he would vote later on circulation.

Consumer Electronics

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PHILIPS NOW MAKING VHS VCRs on integrated basis, will stop using Matsushita-made decks next year. (P. 14)

CD ROM IS HERE as 3M expands to produce low-cost optical computer discs, Philips and Nippon Columbia offer disc drives. (P. 15)

Commission was told Meredith station ran series of ads in July-Sept. 1982 supporting construction of power plant, while allotting 22 min. to those opposing continued work on \$4.2 billion facility. Commission concluded that each ad presented one-sided viewpoint on economics of continued construction on plant, that licensee was unreasonable in determining that economic issue wasn't addressed in ads. Complaint was filed by Syracuse Peace Council (SPC).

Fairness/Political Best.g. Branch Chief Milton Gross told commissioners that, counting all air time devoted to issue, station's programming supported Nine-Mile II power plant 13-1 in frequency, 9-1 in total time. Bureau made no recommendation on case, which went directly to commissioners. Gross said that last time Commission found TV station in violation of doctrine was in 1979, involved 12 Cal. stations. Issue then also centered on nuclear power plant. Three staff rulings in 1980 held stations in violation of doctrine, Gross said.

In determining that nuclear power plant issue was controversial and of public importance, Commission cited several articles in local newspapers and complaints filed with N.Y. State Consumer Protection Board. Station contended issue wasn't controversial.

"We have no recourse but to grant this," Rivera said. In past fairness doctrine cases, he said, FCC repeatedly has told complainants they failed to make case for one reason or another. Drawing parallel to shell game, Rivera said "we keep moving the pea around" on complainants, "and this time they found the pea." He said SPC, represented by Media Access Project's Andrew Schwartzman, "obviously has read all those previous cases and presented a very cleverly pled case." In concurring, Quello said that he didn't see this as "egregious violation. I don't think the licensee was so far out of line."

Dawson and Patrick said they didn't think SPC had proved that power plant was controversial, especially given way licensee framed issue. Fowler disagreed, cited petition signed by 20,000 residents calling for halt on construction as evidence. "This is only the first or 2nd time we haven't accepted the broadcaster's framing of the issue," Dawson said.

Mass Media Bureau Chief James McKinney said station, Ch. 5 CBS affiliate, must inform Commission in 20 days what programming it will run to balance its coverage of issue. Said WTVH Gen. Mgr. John DeRoache: "I can't give you much of a comment because we have not had an opportunity to study the Commission ruling. We don't want to say anything until we get the full Commission comments."

McKinney said it was his conclusion that there was issue of controversy surrounding Nine-Mile II plant and that ads supporting plant fueled controversy, which continues. He said finding against station won't have any impact when its license comes up for renewal. Commission won't monitor station's programming, McKinney said, instead will rely on SPC to complain if group believes WTVH isn't complying with order.

FIRST-EVER CONTEST FOR BMI BOARD SEATS: Several major TV groups are in forefront in running what one called "dissident" slate to elect 4 new members to BMI board -- and from all indications they have been highly successful in gathering proxies. All 16 current BMI dirs. (maximum allowed under bylaws) also have been nominated for reelection. Nominated by outside group: David Henderson, Outlet Communications; Thomas Bolger, Forward Communications; Fred Walker, Broad St. Communications; James Yeager, Spartan Radiocasting.

Annual shareholders meeting is Oct. 30 at BMI hq in N.Y., when new dirs. will be elected. It will be preceded night before by meeting of Exec. Committee, when various options to handle situation "harmoniously" will be discussed, according to BMI Chmn. Robert Pratt, KGGF(AM)-KQQF(FM) Coffeyville, Kan. It's likely 4 current members will be dropped from ticket and management will go before shareholders with unanimous slate that will include 4

"dissidents," we're told. In relation to board elections, Pratt said stockholders' interests are paramount and must come first. "There is no fight on behalf of the current board members," he told us.

BMI is engaged in long and bitter fights with TV and radio stations over fees for music rights. Organization, which is nonprofit and owned by broadcasters, won major decision from U.S. Appeals Court, N.Y., last month that overturned lower court ruling that blanket fees didn't constitute antitrust violation (TVD Sept 24 p5). TV All-Industry Music Licensing Committee, headed by Leslie Arries, WIVB-TV Buffalo, has asked Court for en banc reconsideration. That action left case under jurisdiction of Dist. Court, which ruled Oct. 26 that TV stations could continue paying BMI and ASCAP at rates to be negotiated. Since Feb. 1983, stations have been paying at 1980 rates (subject to retroactive adjustment) under court order that was to expire Nov. 1.

Leaders of group putting forth new slate are critical of BMI in several areas -- most notably charge that Pres. Edward Cramer has been operating without proper board supervision. "There's just too much polarization by management" without any control by board, we were told by one industry leader. But couple of board members were quick to come to Cramer's defense, said he hadn't been operating without authority.

There's also criticism because several members of BMI board are retired (generally, once you become a dir. you stay until you die or choose to leave). "They've been out of the music and broadcasting businesses so long they have no idea what is going on," said dissident. Added another: "It's time the board was filled with active broadcasters who know what's going on on a day-to-day basis." On other hand, lawyer close to situation said: "A lot of [dissidents] don't know what they're getting into... I don't know what those new guys can do when they get on the board." As example, he said, BMI board has been forced to stay out of music negotiations (since BMI is owned by very people it licenses) on advice of counsel because of antitrust and other legal implications (TVD July 23 p6).

BMI was formed in early 1940s by stations and networks (networks sold their stock in 1959 while govt. inquiry into their ownership was under way) during the "I Dream of Jeannie Days" when ASCAP was sole music licensing authority and for couple of years refused to grant performance rights. As result, only music played on radio was in public domain.

BMI dirs. are paid \$200, plus expenses, for board meetings. According to Dec. 31 stockholder list, largest single BMI owner is Multimedia (whose Chmn. Wilson Wearn is a BMI dir.) with 3,145 shares. Other major owners with number of shares: Capital Cities 2,039, Taft Bestg. 1,231, WGN Continental 1,196, Gaylord Bestg. 933, Hubbard Bestg. 625, Nationwide Communications 613, Storz Bestg. 613, Stauffer Communications 591. BMI is nonprofit, forbidden by bylaws to pay dividends.

"Special attention" must be given to broadcasting in effort to increase minority ownership and involvement, according to Susan Stuebing, deputy asst. secy. of NTIA. "The underrepresentation of minorities in broadcasting is a special problem because of the central role the industry plays in forming and reflecting American experience," she told Dallas seminar on minority ownership of new stations.

William Small has filed \$10.2 million lawsuit against UPI, claiming breach of contract, fraud and libel for dismissing him as pres.-COO Sept. 4. Small, ex-pres. of NBC News, is seeking punitive damages, court costs, legal fees. He maintains he was fired in violation of contract guaranteeing employment through 1989.

Rep appointments: WCLQ-TV Cleveland, recently purchased by Channel Communications, appoints MMT Sales; WNUV-TV Baltimore names Independent TV Sales; WPDE-TV Florence, S.C. switches from Seltel to Blair TV; appointing Avery-Knodel: WLTZ Columbus, Ga., KMTR-TV Eugene, Ore., KLMG-TV Longview-Tyler, Tex., WENY-TV Elmira, N.Y., WJKA-TV Wilmington, N.C.

Municipally owned WNYC(AM) N.Y. will ask U.S. Supreme Court to reverse FCC order that station stop broadcasting at night to protect WCCO(AM) Minneapolis. U.S. Appeals Court, D.C. last month upheld Commission mandate. WNYC has been operating until 10 p.m. on WCCO clear channel frequency (830 kHz) since 1942 under "special temporary authority."

NEW CH. 6 INTERFERENCE RULES: Adopting what it called "balanced approach," FCC placed new restrictions on noncommercial educational (NCE) FM stations Oct. 26 in effort to limit interference that such outlets often create for Ch. 6 TV stations. Future high-powered NCE-FM stations operating on Chs. 88.1-89.1 MHz from transmitter not colocated with Ch. 6 tower may have to pay to resolve all interference complaints, Commission said.

Meanwhile, consideration of using lotteries to award Multichannel Multipoint Distribution Service (MMDS) licenses was pulled from agenda again. We're told Chmn. Fowler deleted item at request of Gen. Counsel Jack Smith in order to "bolster legal arguments." Commission is split 3-2, with Comrs. Rivera and Quello favoring lotteries, with preferences for minorities. Fowler, Dawson and Patrick are said to oppose MMDS lotteries.

In NCE-FM case, Commission rejected as impractical suggestions that it adopt NCE-FM assignment table and that it mandate improvements in TV sets allowing receivers to reject Ch. 6 FM interference. But it said it will encourage manufacturers to develop own receiver standards and noted that it's working with EIA to develop voluntary interference resolution standards.

FCC mandated that same power and height limitations that apply to commercial FM stations now apply to NCE-FM. Existing NCE-FM stations operating above commercial maximums will be grandfathered.

Under new rules, NCE-FMs can choose FCC-recommended power level or maximum level. Recommended power is based on NCE-FM's causing interference to no more than 65 homes within Ch. 6 station's Grade B contour. If NCE-FM is colocated with Ch. 6 outlet (within 1/4 mile), it can operate at up to 100 kw. Because interference increases with distance from Ch. 6 transmitter, NCE-FMs located as far away as 51 miles will be limited to 500 watts, and at point of maximum interference -- 51-64 miles from Ch. 6 transmitter -- no new NCE-FMs will be allowed. FCC Mass Media Bureau Chief James McKinney described this restriction as "dead zone."

NCE-FM stations choosing maximum power levels will assume full financial responsibility for eliminating Ch. 6 interference complaints, FCC said. This could be through use of vertically polarized antenna, installation of TV translator, putting filters on individual TV sets or by choosing transmitter site that offers terrain shielding.

In another FM matter, Commission adopted rules clarifying FM station's responsibility for blanketing interference. New rules mostly: (1) Define FM blanketing as area where signal strength contour is 115 dBu. (2) Require licensee at his cost to satisfy all blanketing complaints within a year.

Commission mandated that cable systems using aeronautical frequencies offset them so that exact

frequency used falls at midpoint between 25 MHz blocks assigned to aeronautical use. Comr. Patrick described action as "regulatory item," said cable interference to airlines is example of "where the marketplace won't operate."

Going out on what he called "one short but very stable limb," FCC Mass Media Bureau Chief James McKinney predicted last week that FCC wouldn't require cable must carry of TV stereo, teletext or vertical blanking interval (VBI). "I have seen nothing in comments, nor heard anything in discussion with commissioners which would lead me to believe they are likely to offer any must carry protection of unrelated use of the auxiliary services," he told O. Assn. of Bestrs. convention in Columbus. He said 3 issues will be decided same day by Commission toward end of year. On another subject, McKinney said that even after deregulation, "you'd be surprised how often broadcasters -- and your esteemed broadcast attorneys -- still ask what programs, spot ads, or other broadcast matter meets the definition of sustaining, paid, etc., for logging purposes." Logs, he noted, no longer are required of either TV or radio stations.

"Obvious conclusion" is that FCC, on reconsideration of 7-7-7 rulemaking, will "look toward a combination of reach and numbers" in relaxing TV station ownership restrictions, predicts Comr. Dawson in speech prepared for Oct. 29 delivery to N.Y. Chapter of FCBA. She says: "I continue to have problems with a number of station limitations [she dissented on that ground in July when FCC raised restrictions to 12-12-12 (TVD July 30 p2)] but such limitation no doubt will be a part of any Commission formula." She also predicted that, "given the concerns of Congress," FCC will do away with sunset provision upon reconsideration, although it "would generally be my preference" to keep concept. Sunset provision would abolish all limitations on ownership after 6 years.

Cost is primary factor in stations' hesitancy to convert to multichannel TV sound (MTS), followed closely by considerations of viewer demand, with availability of receivers ranking 3rd, according to our recent survey of stations and CP-holders (TVD Oct 22 p14). Other considerations cited, in order: Stereo program availability, station equipment availability, concern about cable carriage. Equipment availability is critical for stations wishing to start stereocasting soon. Only one company -- Modulation Sciences Inc. -- is known to be delivering stereo generators. Latest results in our continuing survey of MTS prospects will be found in Consumer Electronics section.

Best. Education Assn. plans Nov. 15-16 seminar on political broadcasting, NAB hq, Washington. Panels: Former FCC chairmen; media coverage of candidates; media strategies, including panel with campaign consultants; polling; local and network debates. Registration is \$50. Contact: Harold Niven at NAB, 202-293-3510.

WALL ST. BRAKES SPORTS ZEAL: Wall St. is acting as brake on network excesses in bidding for important sports events, according to CBS Best. Group Exec. Vp Neal Pilson. That's because sports divisions are becoming increasingly important to analysis of network performance: "What we're doing in the sports divisions now is very much the subject of review and analysis" by brokerage houses, he told conference on TV sports business in N.Y. last week.

Networks sometimes lose sight of best interests when they bid for big events such as Olympics, Pilson said: "It becomes a test of strength, a test of macho ability to capture something." That happened in Switzerland when networks bid for 1988 Winter Olympic rights, he said. However, in what seemed warning directed at NFL in particular, Pilson said that it's becoming more and more difficult for networks to pay escalating rights fees and that cable and other alternative media won't be able to take up funding slack for at least next 5 years.

Senior Corporate Vp Barry Frank of International Management Group, which is negotiating with networks on TV rights for Seoul Olympics, said fees haven't hit peak. He said network bids for winter games in Calgary exceeded even his own expectations.

Frank criticized group of cable MSOs he said he tried to get to band together to show key Olympic events as pay-per-view presentations. "To get these companies to pull together as a group was impossible," he said, adding that cable systems are like TV stations, must learn to form network.

In some of first comments since he joined ESPN board after Nabisco's purchase of 20% of cable sports network from ABC, Ohlmeyer Communications Chmn. Don Ohlmeyer said cable and broadcast can coexist, noted ESPN's main programming hours are when networks aren't broadcasting sports. In endorsing ESPN's nightly one-hour sports news show, he said there's room on channel for sports magazine show like ABC's Sports Beat.

Despite speculation by some, Ohlmeyer insisted Super Bowl and World Series never will switch to pay TV because those big events are too important to leagues as promotional tools.

In what Time Inc. called "second phase of management reorganization" at pay-TV unit, Michael Fuchs last week was given title of chmn., and Joseph Collins, ATC pres., was moved to pres. of HBO, replacing Fuchs. ATC Chmn.-CEO Trygve Myhren adds title of pres. Moving Collins to No. 2 at HBO from No. 2 at ATC is apparent effort by Time to bolster relations with cable operators, several observers said.

Jack Daniels, gen. mgr. of WHVW(AM) Hyde Park, N.Y., won award from N.Y. State Bests. Assn. for outstanding public service announcements in campaign against drunk drivers.

CRITICISM FOR CPB VETO: "Outrageous" is how Sharon Rockefeller, a CPB dir., described veto of CPB authorization by President Reagan (TVD Oct 22 p1), 2nd such veto in 2 months. Ex-CPB Chmn. Rockefeller hailed bill, S-607, as "responsible, prudent and even restrained federal investment" that benefits both children's and public affairs programming. She said authorization of \$238 million (in constant dollars) in FY 1987 would represent same federal funding to public broadcasting as in 1977, \$103 million.

Public TV and radio stations will "be bewildered and dismayed by this misguided veto," Rockefeller said: "I urge Congress to redress this mistaken public policy." Veto of authorization "will not reduce the deficit one nickel," she said.

Statement contrasted tone of that released by new CPB Chmn. Sonia Landau, who is aide in Reagan-Bush reelection campaign. Landau said CPB would continue to work with Administration and Congress to reach "mutually acceptable authorization," said advanced-year funding was essential to public broadcasting. PBS Pres. Bruce Christensen said veto was "another serious blow" that hit PBS in same week its Washington hq was badly damaged by fire.

In message accompanying veto, President said that public broadcasting has important role but that authorization would increase "dramatically" under S-607 and funding levels called for by bill "are incompatible with the clear and urgent need" to cut federal spending. Message said public broadcasting isn't at risk because funds for FY 1987 are part of Labor, Health and Human Services and Education appropriations passed by both houses. Reagan said he would support legislation such as GOP alternative offered by Rep. Oxley (R-O.) that seeks "realistic and reasonable" federal funding levels and that provides public broadcasters with "means and incentives to explore alternative revenue sources."

President Reagan said local TV stations provide "a valuable training ground for young journalists and broadcasters" during brief remarks Oct. 24 to Ohio Assn. of Bests. He said expansion of local TV news operations "promises, I think, greater variety in terms of what stories get covered and from what points of view." Reagan said: "We've lost an awful lot of daily newspapers in this country in the last few decades. And if it turns out that with time local TV and radio fill the gap in terms of offering alternative news outlets, then that will be a very good thing indeed." Appearance was added to Reagan's schedule at last minute.

About 30 TV stations -- including 13 network affiliates -- have agreed to carry commercials, rejected by networks, for female contraceptive Today, starting next month. Commercials for Encare vaginal suppository began running on several TV stations last summer.

CHILDREN'S TV IN CONGRESS IN 1985: Senate Juvenile Justice Subcommittee Chmn. Specter (R-Pa.) wants panel to examine children's TV issues next year with eye toward developing legislation, he told congressional hearing Oct. 25. Specter said he was concerned about kind of programming youngsters watch, particularly networks' daytime soaps and cable's X-rated movies, and predicted Congress will pass bill. Proposals range from mandating program content to tax incentives to sponsors.

Hearing rehashed continuing debate over whether TV violence affects the young. Children's TV advocates, led by Robert (Capt. Kangaroo) Keeshan (and accompanied by preschool youngsters), cited studies linking TV violence and aggressive behavior.

Defending industry was Philip Harding, CBS Best. Group vp for social and policy research, who repeated broadcasters' arguments that there's no "convincing" evidence linking TV violence to crime in real world, which he said was crux of issue. Harding criticized studies that explored alleged links between TV and aggressive behavior, noting that opinions differ on what constitutes aggression and whether that's same as saying behavior is violent.

All witnesses agreed that parents must play central role in regulating children's viewing. But critics also endorsed legislation such as proposal in last session by House Telecom Subcommittee Chmn. Wirth (D-Colo.) for minimum of 5 hours a week of educational and informational programming for children plus tax incentives to encourage corporations to sponsor such shows.

Critics also supported draft bill being pushed by Media Access Project, National Coalition on TV Violence, Telecommunications Research & Action Center and others. Proposal would require broadcasters to provide free air time for public service announcements warning viewers of effects of violent programming; these would have to be equal to time they provide for spots promoting their own shows that contain violence.

Three networks petitioned FCC last week to reject or suspend and investigate Comsat's proposed tariff revisions pertaining to its policies on cancellation of service orders for occasional TV use. Comsat wants to lengthen time over which customers are liable for cancellation charges from 25 hours to 100 days, petition said. Networks claimed Comsat violated Commission's rules by failing to provide any justification for new charges it wants to levy on those who cancel contracted service. Revisions also aren't related to Comsat's own charges for service, they argued.

C-SPAN now can be seen in 19.3 million cable homes, public affairs network said. Increase of about 175,000 subscribers comes from addition of 20 systems, largest of which is Oceanic Cablevision, Honolulu.

FCC GEN. COUNSEL MODIFIES ROLE: Believing that policymaking at FCC should be left to bureaus involved, new Gen. Counsel Jack Smith told reporters Oct. 25 that agency's top legal office is immediately getting out of business of recommending policy to commissioners except where rulemaking's cross bureau lines. Thus, he said, Office will concentrate on advanced legal research, special projects assigned by Chmn. Fowler (none yet) and legal memos within agency.

As result of new policy, several rulemakings have been shifted to Mass Media Bureau, including licensee character qualifications, rules and guidelines on licensee responses to FCC inquiries (pending more than 6 years), proposed cable fairness and political rules, comparative renewal policy statement. Gen. Counsel also had handled first go-round on 7-7-7 rule, but upon reconsideration it was shifted earlier to Mass Media. Smith said he had discussed plan with Mass Media Chief James McKinney, will provide whatever "horsepower" is needed by Bureau to get items -- some of which are partially prepared -- before commissioners for vote. He said his office is keeping such policy matters as lotteries, preferences for minorities and environmental issues because they cross bureau lines.

Unlike his predecessor Bruce Fein, Smith said he planned to write very few articles for legal reviews, etc., and "I don't anticipate taking a high profile on the Hill." He also said Fowler's decision to move Legislative Div. from Gen. Counsel's Office to Office of Public Affairs under Dir. William Russell was right step.

William Groome has resigned as mgr. of Cox Cable New Orleans, financially ailing system that's battling city over retiering of basic service (TVD Oct 8 p4). We learned Groome is to be replaced Nov. 19 by Arthur Gregg, retired 3-star Army general who has no background in cable. Some New Orleans city officials described Groome as "fall guy" for Cox, which lost suit in federal court over splitting 20 channels off basic into \$3 tier. Cox intends to appeal court ruling that it can't retier basic service without city approval, will do so when Judge Veronica Wicker issues signed decision, attorneys said. Cox is negotiating compromise with city over tiers and rates, in meantime has restored basic to 31 channels but says it has raised rate from \$7.95 to \$10.95.

Importance of First Amendment rights to U.S. is stressed in 30-sec. spot by Walter Cronkite, released by TIO. Spot was produced in cooperation with KPIX San Francisco and is available free to TIO members, \$30 to nonmembers. Contact: Steven Miller, 212-759-6800.

Cable deregulation measure (S-66) is expected to be signed by President Oct. 30 without fanfare. We understood Reagan would forego traditional Rose Garden or Oval Office signing ceremony because of campaign schedule. Bill cleared OMB last week. Deadline for signing is Oct. 30.

Rediffusion and Visionhire last week said they are withdrawing from cable business in Britain, sending shock waves through U.K.'s already troubled cable industry. Both cited high capital investment required, uncertain regulatory climate, questionable profits. Rediffusion and Visionhire for years have operated dozens of 4-channel systems retransmitting BBC and Independent TV channels, and were pursuing franchises for switched star systems under U.K.'s pro-cable development policy. Rediffusion will be sold to Pergamon Press, major newspaper publisher controlled by Robert Maxwell, for about \$13 million. Business, said to be largest cable company in Britain, includes about 50 classic 4-channel systems that have been upgraded somewhat under conversion allowing them to carry nonbroadcast channels, plus another 75 small systems that haven't been upgraded and still carry only BBC and ITV. Visionhire is looking for buyer for its systems.

Dittler Bros. has sued ABC for \$5 million, accusing network of conspiring with now bankrupt Robert Landau Assoc. to defraud Dittler of \$1.5 million it loaned Landau to finance ABC parties during Summer Olympics. In suit filed in U.S. Dist. Court, Atlanta, Atlanta-based printing firm claims it had letter from then ABC Vp-Sports Mktg. and Sales John Lazarus authorizing payment of funds due Landau directly to Dittler. Dittler also asked court to determine whether ABC is aware of "sale or use of cocaine, marijuana or any other narcotic or illegal drug" during Olympic parties. ABC asked that suit be dismissed, said that it paid Landau for services provided at Olympic parties and that it has no obligation to pay Dittler. ABC also denied it has any knowledge of sale or use of drugs during party.

Advertising will change very little by 2000, although TV advertisers will have to be content with reaching smaller, more selective audiences because of new technologies, panel of ad executives told FTC Oct. 24 in discussion of "Advertising in the Year 2000." TV networks no longer will be able to control what viewers watch and when and audiences for off-air programs will be much smaller because of cable, VCRs, direct broadcast satellites and other still developing technologies, with cable "the technology most responsible," according to Jayne Zenaty of Leo Burnett Agency. Biggest fear, she said, is increasing use of VCRs and their ability to eliminate commercials.

ABC morning news programs will be closed-captioned under 3-year \$5.3-million contract with Dept. of Education, bringing total of close-captioned news programs to 20 hours weekly, compared with 2.5 hours a week last year. Beginning Oct. 29, World News This Morning will be captioned, with Good Morning America beginning Dec. 3. Contract also continues closed-captioning for ABC World News Tonight, 20/20.

Cable Music Channel, Turner Bestg.'s entry in cable music video field, launched at noon Oct. 26 with potential 2.5 million subscribers.

Quarterly financials: Times Mirror revenues were \$680.6 million, up 10% from 1983 period, but net income was about static at \$46.8 million (68¢ vs. 66¢ a share). TV Group profit rose 5% to \$13.4 million. Cable profits nearly tripled to \$8.1 million... Tribune Co. revenues were \$432 million, up 11%. Net income increased 123% to \$27.9 million. Profit from broadcasting and entertainment segments rose 14% to \$14.4 million while revenues climbed 27% to \$78 million. Cable segment lost \$1.4 million... Viacom revenues were \$78.5 million vs. \$79.7 million last year, but net earnings rose to \$6.8 million from \$4.3 million (49¢ vs. 31¢ a share). Viacom's 50% ownership of Showtime/Movie Channel resulted in gain of \$3.6 million... Storer revenues climbed 18% to \$133.3 million and losses were cut in half to \$7.5 million (-45¢ vs. -92¢ a share). Cable Div. revenues climbed 22% to \$91 million, with income of \$7.5 million. TV station income was \$10 million, up 5%.

Charge that Democratic Presidential candidate Walter Mondale is Soviet agent, allegation made by independent candidate Lyndon LaRouche on 30-min. paid telecast on CBS TV Oct. 24, prompted hundreds of protesting phone calls by viewers. Spokesman for Mondale responded that "I don't think anyone takes Lyndon LaRouche's opinion very seriously and for good reason." KCCI-TV Des Moines received 100 calls with viewers "expressing anger at us [as to] why we didn't just pull the plug" on telecast. LaRouche campaign paid \$250,000 for network time, another \$240,000 for 30-sec. spots promoting programming. LaRouche has protested to FCC because 3 networks refused to sell him simultaneous time, as they did when Reagan announced his candidacy for reelection.

Nationwide Communications upped its complement of FM stations to 10 Oct. 26 with purchase of 8 radio stations (5 FMs, 3 AMs) from Western Cities Bestg. for more than \$40 million. Nationwide Pres. Clark Pollock said acquisition "is part of a major, long-range plan of growth." Nationwide already owns 5 FMs, 2 AMs, 3 TVs. Purchased from Western: KZAP(FM) Sacramento, KWSS(FM) San Jose, KZZP-AM-FM Phoenix, KNST(AM)-KROZ(FM) Tucson, KMJJ(AM)-KLUC(FM) Las Vegas. Kalil & Co., Tucson, was broker.

Pittsburgh City Council unanimously approved transfer of ailing local cable franchise from Warner Amex to TCI on Oct. 22. Vote was 9-0, with lone dissenter in preliminary voting week earlier joining majority. Action came just days ahead of Oct. 31 deadline that TCI had given for withdrawing from \$93.4 million deal if City Council failed to approve it.

Presidential debate Oct. 21 was provided live to 16 cities around world by USIA. Using Euronet satellite system, debate was beamed to U.S. embassies and cultural centers, including to Beijing and Belgrade. Feed was declined by Soviets, who relied on reports from Tass. Delayed broadcasts in English and French were provided to African nations.

Personals

FCC calendar: Comr. Mimi Dawson addresses luncheon of N.Y. Chapter of FCBA, Harvard Club, Oct. 29, speaks that evening at Detroit chapter, AWRT at Sheraton of Southfield; Comr. Dennis Patrick addresses luncheon of Press Club of Twin Cities on broadcast deregulation, public interest and First Amendment, North Star Hotel, Minneapolis, Oct. 29; Comr. Henry Rivera attends U.S.-Mexico Bilateral Meeting, Mexico City, Oct. 30-31.

Edward Bleier, Warner Bros. TV exec. vp, elected pres., IRTS, succeeding Ralph Baruch, resigned... Caesar Kimmel, Warner Communications exec. vp and a cofounder of company, resigns "to pursue personal interests"... Stanley Pederson promoted to vp-gen. mgr., KYTV Springfield, Mo., succeeding late Donald Moeller... Michael Van Dorn, ex-Bonneville Media Communications, named mktg. dir., KSL-TV Salt Lake City... Hugh Beath, ex-Del Monte, appointed exec. vp-operations, John Blair & Co., new post... Anthony Garcia, ex-Creative Systems Group, appointed assoc. at Executive TV Workshop... Peter Duran, ex-Katz TV, named sales mgr., Seltel Boston office; Daniel McCarthy, ex-Multimedia Entertainment, appointed vp-southwest regional mgr.

Patricia Kehoe, ex-Arts & Entertainment Network, named communications dir., Council for Cable Information... Matthew Endsley advanced to CATV district mgr.-Atlanta, Anixter Communications... Brad Krohn promoted to director of Tex. AP Radio Network; Mark Siebert, ex-Learning Channel, appointed AP national cable exec.-central U.S.

Senate Majority Leader Howard Baker (R-Tenn.) elected a Gannett dir. effective Jan. 5 when he leaves Congress, increasing board size to 16... Kathryn Broman, ex-Springfield (Mass.) Bestg., resigns as chmn. of TV Information Committee, which oversees operations of TIO... Bonni Lee, ex-MGM/UA Entertainment, named creative affairs vp, Warner Bros... FCC Comr. James Quello addresses Nov. 17 luncheon of Radio Executives Conference Nov. 16-19, Montego Bay, Jamaica.

Sen. Robert Packwood (R-Ore.), Senate Commerce Committee chmn., and Charles Ferris, ex-FCC chmn., debate First Amendment, broadcast content and repeal of fairness doctrine Jan. 7 at Cal. Bestrs. Assn. convention, Palm Springs... Michael Isaacs appointed dir.-corporate development-western U.S., Providence Journal Co. Bestg. & Cable Div.

George Cain advanced to vp-eastern sales mgr., ABC TV... Timothy Miller, ex-WABC-TV N.Y., named dir.-Cinemax on-air promotion, HBO Inc... Detroit Archbishop Edmund Szoka appointed chmn., Catholic Telecommunications Network of America, succeeding Providence, R.I. Bishop Louis

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Gelineau... Charles Courtney, acting USIA assoc. dir.-programs, nominated for job by President Reagan, succeeding Scott Thompson; Ernest Pell, VOA deputy dir., nominated to head VOA, succeeding Kenneth Tomlinson, who returned to Reader's Digest in Aug... Eric Sorenson promoted to news dir., KCBS-TV L.A., succeeding Andrew Fisher, now gen. mgr. of WSB-TV Atlanta.

Greg Ballard, Turner Bestg. System asst. gen. counsel, leaves Nov. 9 to become consultant for Boston Consulting Group, Menlo Park, Cal... Kelly Goode promoted to current programs mgr., Columbia Pictures TV; Kay Dangaard, division vp-publicity and promotion, adds vp-advertising title... Michael Ferrel promoted to vp-gen. mgr., WGMS-AM-FM Washington, succeeding Jerry Lyman, promoted to pres. of parent RKO General Radio Div.

William Fouch, ex-WTWC Tallahassee, appointed regional dir., NBC TV affiliate relations... Michael Ogiens advanced to vp-comedy program development, CBS Entertainment; Enid Moore promoted to press information dir., succeeding Harry Feeney, who retires Jan. 18 after 42 years with network... Phyllis Eagle promoted to exec. dir.-administrative services, NCTA.

Anita Klever, ex-Gannett/Telepictures, named vp-dir. news services, Conus Communications.

Consumer Electronics®

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STATE OF THE INDUSTRY

Sales to dealers, from EIA, for 2nd week of Oct. and year to date:

	OCT. 6-12	1983 WEEK	% CHANGE	SEPT. 29- OCT. 5	41 WEEKS 1984	41 WEEKS 1983	% CHANGE
TOTAL TV.....	417,589	467,593	-10.7	338,705	15,556,632	14,608,455	+ 6.5
TOTAL COLOR...	312,028*	294,929	+ 5.8	271,352	12,053,770*	10,347,720	+16.5
DIRECT-VIEW.	306,648*	291,281	+ 5.3	266,728	11,917,084*	10,247,790	+16.3
PROJECT ION..	5,380*	3,648	+47.5	4,624*	136,686*	99,930	+36.8
MONOCHROME....	105,561	172,664	-38.9	67,353	3,512,862	4,260,735	-17.6
TV EXCL. PROJEC.	412,209	463,945	-11.2	334,081	15,429,946	14,508,525	+ 6.4
HOME VCR.....	151,650*	94,538	+60.4	155,844*	5,104,966#	2,832,494	+80.2
COLOR CAMERAS...	7,265	8,809*	-17.5	10,099*	349,906*	280,486	+24.7

Color TV (direct-view) 5-week moving average: 1984--347,039*; 1983--333,583 (up 4.0%).

Home VCR 5-week moving average: 1984--181,136**; 1983--94,567 (up 91.5%).

* Record for period. ** Highest figure on record. # Exceeds full-year record.

21 BRANDS NOW IN 'DIGITAL TV FAMILY': Still the only source for chips for complete digital TV set, ITT Semiconductors says 21 companies representing 83-85% of world TV production have signed on as at least potential users of its chip set. Toshiba last week formally announced it would start marketing 20" digital set (\$1,199 list) here in Dec., which most likely will make it first in U.S., although ITT was No. 1 worldwide, Matsushita first in Japan, followed by Sony.

ITT has been supplying production quantities of chips to Matsushita and Sony since June, we've learned, while Toshiba, Sharp, Gold Star and Zenith now are getting sufficient quantities to produce sets by year's end. Showing that they're abreast of technology, 11 Taiwanese TV manufacturers displayed prototype digital stereo TV sets at this month's Taiwan Electronics Show, backed by govt. task force formed to move island into digital TV age. Taiwan govt. says actual production should begin in June.

ITT says it's accelerating production at its Intermetall semiconductor plant in Freiburg, W. Germany. Although it declined to give current output, official told us that production a month ago was 6,000 chip sets a week, "when we were our main customer." "We" is ITT TV set plant in Bochum, W. Germany, which now says one of its 5 final assembly lines is turning out 400 digital sets a day. Since capacity of each line is 1,000 conventional sets daily, production obviously hasn't reached stage where it's as simple as analog sets. Digivision represents about 8% of ITT's TV set production, is scheduled to rise to some 20% in one year.

Some 60,000 digital sets have been turned out by ITT plant since production started late last year, all for sale in Germany and Britain. In U.K., 25" Digivision sets sell for about \$780 at current rate of exchange, premium of \$120 over similar conventional ITT set. We've learned that standard chip set for complete TV, performing functions of 250,000-300,000 transistors, now sells in production quantities for about \$25. Yield of chips is now said to be about 40%.

In response to requests from U.S. TV makers -- and complaints about picture quality -- ITT now is offering new video processing chip with digital comb filter that pushes NTSC luminance

bandwidth to 4 MHz, improves definition, is said to eliminate cross-color. New chip is option, presumably adds to cost of set. Both old and new color processing chips are claimed to be capable of handling all of world's color systems, making possible single worldwide TV set.

ITT's current digital sets include teletext, but not on VLSI chip. Next major development will be universal teletext chip that will handle all European systems except French Antiope and its derivatives (which include U.S. NABTS and Canadian Telidon). It will work with WST teletext used in some U.S. installations.

Alignment and factory adjustment of digital sets is accomplished in Bochum completely by programming electrically erasable EPROMs -- which ITT calls "electronic screwdriver." Same system can accomplish many repairs without removing back of set.

Many early problems with digital set design have involved applications of chips rather than chips themselves, since set makers themselves decide how chips are used, what other circuits to add. One problem, however, was interference to reception caused by clock chip, which now has been redesigned. Although one of major advantages frequently cited for digital TV is capability of adding storage to increase lines in NTSC color and reduce flicker in European sets, ITT won't offer memory chips, leaving development of such storage devices to companies like Philips, which has digital CCD storage system, and NEC, which uses RAM. Sony's new digital monitors, which went on sale in Japan last week (TVD Oct 22 p12), will accommodate upcoming scan converter for high-resolution noninterlaced picture using memory from unstated source.

KOREANS GET 45-DAY DUMPING CASE DELAY: All 3 Korean color TV makers involved in TV dumping case will be getting 45 additional days to press cases for lowering of margins proposed in tentative determination by Commerce's International Trade Administration last month (TVD Sept 17 p10). And they'll get extra time whether they want it or not. ITA had been scheduled to finalize new margins, up sharply from those issued in April, on Oct. 31.

Under terms of extension, which was expected to be announced by Commerce Dept. at week end, ITA in mid-Nov. will send reverification teams to U.S. and Korean offices of Daewoo, Gold Star and Samsung, produce final determination by Dec. 17. Procedure will give manufacturers 2nd opportunity to show how differences in operating costs justify their selling color TVs in U.S. for less than they do in Korea.

Only one of the 3 pressing for extension was Samsung, which saw its proposed dumping margin, and cash bonding requirements on future imports, balloon to 52.5% under proposed ruling, while Gold Star's went to 20.08% from 15.95% and Daewoo's to 25.09%. While Gold Star opposed extension and Daewoo took no official position, both apparently feeling they could achieve equitable result through normal procedures within deadline, Samsung did receive strong support from Korean govt.

Extension plan had opposition, too. When issue first arose, Senate Foreign Relations Committee Chmn. Percy (R-Ill.), acting on information received from Zenith, sent letter to Commerce suggesting delay not be granted. In letter to Commerce last week, House Ways and Means Chmn. Rostenkowski (D-Ill.) expressed "strong belief that a grant of this request is neither warranted nor appropriate" and urged that agency "not be influenced by the involvement of the Korean government." But he backed off from absolute opposition, saying that if Commerce decides more time is needed "in order to confirm existing facts, I would expect that it would take no longer than 30 days."

Extension length apparently is compromise between longer delay sought by Samsung and period deemed acceptable by Rostenkowski. In letters to Commerce, both Korean govt. and Samsung refrain from setting out specific time period, but note that 6 months devoted to last review turned out to be insufficient for what they consider fair and accurate determination. In letter last week, Samsung said it was told by ITA staff member it would take at least 60 days

for company to put together material needed to resolve one key area of dispute, to which would have to be added time for ITA to evaluate submission. So it would seem Gold Star and Daewoo, which didn't want extension, and Samsung, which did, all are disappointed to some degree.

Extension, however, wasn't opposed by group of unions that were original complainants in case. While they obviously have no desire to make life easier for Samsung, they told Commerce they wouldn't object to delay of up to 45 days because there are "a number of factual issues which would benefit from an extension of time." Resolution of those issues presumably could result in stronger case, or higher penalties, against Koreans.

EUROPE EYEING HIGHER ELECTRONICS DUTIES: Pressures on Japanese to increase VCR export production and exports by hiking sales in U.S. will rise next year if European Commission goes along with request by France's Thomson-Brandt (T-B) for higher duty rates.

T-B said it and other European manufacturers had joined in request for tariff increases for hi-fi equipment as well as VCRs because market hasn't been performing up to expectations. Request is apparent industry rejection of Japan's attempts to exercise voluntary export controls on exports of sensitive items to Europe. It recently instituted 10% cutback in 1984 quota for exports to Europe of VCRs, is likely to hold level down again next year. It also exercises guidance over shipments of color tubes and audio equipment to keep shipments at reasonable levels.

VCRs are becoming increasingly divisive issue in Japan-Europe trade relations. There, as in U.S., VCRs are most profitable segment of industry, and Japan's market domination becomes less bearable as Europeans develop own production capability. Most vocal in anti-Japan arena has been Philips, which earlier this year succeeded in getting Europe's tariff on imported digital audio CD players and discs doubled. More recently, Philips complained that as Japan's VCR export quota was based on anticipated industrywide sales, its 10% cutback was inadequate when market would be 40% below target.

Main beneficiaries of VCR duty hike would be Philips, affiliate Grundig and T-B. Grundig already is in full-scale integrated production of VHS VCRs and Philips has started producing some VHS transports on its own, expects to be self sufficient next year (see related story elsewhere in this issue). T-B, while partner through subsidiary Telefunken (along with JVC and Thorn EMI) in European video equipment manufacturing venture J2T Holdings, is developing own integrated VHS manufacturing capability in France.

Last week, T-B moved to consolidate control over Telefunken through management replacement following dispute over policy. It installed Group Exec. Bernard Gilliot as new CEO, succeeding Josef Stoffels, who resigned along with other 2 members of managing board. Telefunken had been left to run itself relatively independently since T-B, now 100% owner, acquired controlling interest in 1983. But more recently T-B has been trying to exert more direct control, and Telefunken managers have balked. Situation reportedly came to head when Telefunken officers rejected T-B proposal for change in accounting and profit transfer arrangements and resisted pressure for adoption of T-B chassis for its color TVs. There's concern among workers that although Telefunken returned to profitability last year, T-B's management takeover will result in job losses as production is coordinated with its other German subsidiaries, Dual, Nordmende and Saba.

COLECO CUTS ADAM PRICE BY \$200: In what many view as beginning of end for system -- but what company insists is push to increase share of unstable home computer market -- Coleco last week effectively trimmed wholesale price of its Adam by \$175 to \$475, enabling dealers to retail it at \$500, representing doubled rollback of \$100 increase imposed at start of year.

Coleco says it's leaving official wholesale price of system -- including computer with built-in tape drive, word processor and printer -- unchanged, is accomplishing reduction by offering free software and giving dealers privilege of selecting titles. Objective secondary to boosting hardware sales is to get more of 60-odd software programs -- including cartridges compatible with Colecovision game -- to dealer shelves.

Even so, program is being kept flexible, and dealers have alternative of getting \$175 in peripherals instead of software. Coleco this month started shipping disc drive and modem for Adam. If Adam sales take off, drive availability could get independent software suppliers more interested in putting out titles for system. Only current options are tapes and high-cost cartridges, and tape duplication being handled by Loranger has been chronically behind schedule.

Coleco said price cut would have no effect on current offer of 4-year \$500 college scholarship to qualified Adam buyers. Other major promotion, \$100 software package giveaway, has expired. Company said it had no comment on industry estimates that it will sell fewer than 300,000 Adams this year. It sold about 95,000 in 1983, said at start of year it had resolved all production problems and was geared to turn out 140,000 monthly. Meanwhile, officials insist Coleco has no intention of getting out of computer business.

Adam's prospects were viewed somewhat less brightly by software marketers attending best-of-year awards presentation hosted in N.Y. last week by Games magazine. Consensus of those we spoke with was that there was some market for Colecovision-Adam game cartridges, but when it came to true computer programs, dealers were interested only in stocking titles for Commodore 64. Atari apparently still hasn't gotten ball rolling, and as for Adam, "the only dealers I found handling it are those buying in so they can get [Coleco's] Cabbage Patch Kids dolls," one marketer told us.

While overall software market may be ailing, there still are some healthy areas. Epyx Pres. Michael Katz said company sold more than 90,000 copies of its Olympics-themed Summer Games for Commodore 64, and has just come out with versions for Atari and other computers. During short panel discussion, Katz said "games have once again come to the fore as the biggest category for computer software," reversing what had been trend to pure utility or educational programs. In keeping with that, Scholastic Software Pres. Richard Khaleel said company would be cutting back on new educational titles in 1985. Commodore Entertainment Software Dir. John Mathias said there was growing dealer concern over carrying excessive number of titles, indicated his company too would be putting out fewer new ones next year.

One possible answer to that problem could lie in double-sided dual-format approach being tried by Warner Software affiliate First Star Software. Disc for new game due next month, Spy vs. Spy at \$30, will have program designed to run on Atari computers on one side, for Commodore 64 on other, eliminating need for dealers to carry separate stocks for different formats. Upcoming is IBM-Apple version. Other marketers said they'll consider following First Star's lead if idea wins dealer acceptance.

Wafer tape strikes again next month, when Entrepo is slated to start selling \$80 Microwafer drive for its high-speed 1/4" tape cassette data storage and retrieval system for Commodore 64 and Vic 20 computers under Quick Cassette logo. Each cassette has 128K storage capacity, will feed data at 21K per sec. Two years ago, Entrepo had lined up Coleco and Texas Instruments as OEM customers for drives, but ran into quality problems. TI dropped out of home computers, and Coleco switched to different format. Last year, Coleco cited need to adapt Adam to new drive as one reason it failed to get its computer system to market on time. This time around, drives are being made in Hong Kong by BSR subsidiary Astec, and Entrepo is handling own marketing.

Researchers at Columbia U. are watching 15 hours daily of live Russian TV thanks to 11-ft. dish that follows movements of Molniya satellites. Dish is mounted on roof of campus building, tracks USSR's random orbit satellites. W. Averell Harriman Institute for Advanced Study of the Soviet Union is getting "remarkably sharp color pictures and clear sound," Columbia said. USSR uses modified SECAM color system, 625-line picture.

BASF has halted production of audio cassettes in Japan, will switch sales emphasis to videocassettes. Company said it has seen demand for its audio cassettes there drop 50% from peak of 500,000 per month. BASF has its cassettes assembled there by contractor.

FST IN EUROPE: European manufacturers are cranking up flat-faced and square-cornered color tubes, with Philips planning some unique variations.

However, first European-made square picture set, to be made by ITT, uses 20" Toshiba FST tube in product just going into production in German plant. Output will go first to U.K., where it will sell at about \$25 premium, followed by German market. (Tube sizes in this report are translated into U.S. viewable diagonal, or "V" sizes.)

Philips, which has strongly backed 22mm narrow-neck-tube approach, announced European tube plans for 1985-86, starting with wider 29mm neck and integral yoke approach, espoused here by RCA. New "45 AX" family will be produced at Philips tube plants in W. Germany, France, Austria, Britain. First size will be 25" 110° in first half 1985, to be followed by new 110° 22" or 23" size (59 cm overall diagonal) and 20" 90° in mid-1985, with 110° 20" coming in first half 1986. Other types, including 22mm neck versions, are scheduled for later in 1986.

Thomson's Videocolor, Europe's No. 2 tube producer, will use RCA Coty 29 approach, its first 3 types being FS (full square) with square corners but traditional curvature of surface, to be followed later by SP (square planar) tube in 27" size in 1986. Videocolor will produce black matrix tube, a first for Europe.

Tour of Videocolor's Italian plant showed completely reconstructed, highly automated facility employing 2,100, with current annual capacity of 2.5 million tubes, to be expanded to 3 million by end of 1985. Investment in Italian and French plants, latter with 1,100 employees and capacity for 800,000 tubes and 2.4 million yokes, has been \$125 million in last 2 years. Glass comes from Corning France and Schott of Germany.

East German color tube plant near Berlin, built with assistance of Toshiba after breakdown of negotiations with RCA, will be on stream by year's end, with starting capacity of 600,000, later 1.2 million annually. First tubes will be 15", 20" and 25". Samples of new tubes were shown in prototype Friedrich Engels brand TV sets at recent Leipzig Fair. E. Germany currently buys tubes from Soviet Union, Czechoslovakia, Italy (Videocolor) and W. Germany (ITT).

Cal. has largest collection of high-tech electronics and information technology firms, and 13 of its cities are ranked among 25 most popular locations for such companies in compilation by American Electronics Assn. Top 5, and 7 of top 10, are in Cal. Leader is Sunnyvale with 331 companies, followed by Santa Clara at 316, San Jose with 296, San Diego at 253, Mountain View at 208. First non-Cal. location is N.Y.C. with 190, Minneapolis is next with 155, then Palo Alto at 146, Dallas at 142, with Irvine, Cal. and Portland, Ore. tied for 10th with 124 each.

TV-CABLE INTERFACE: EIA Consumer Electronics Group is attempting to defuse smoldering dispute with NCTA over cable compatible (formerly cable-ready) TV sets and VCRs (TVD Oct 22 p19), and set marketers are revising their practices to be certain that consumers aren't misled by presence of cable channels in video tuning apparatus.

CEG fact sheet is being distributed to manufacturers and marketers and anyone else who asks for it. It's headed "Important Points to Consider When Purchasing a TV Set for Use on a Cable System." At outset it rebuts charges that inclusion of cable channels adds substantially to cost of set, pointing out that cable tuning is just part of package of deluxe features that "offer an outstanding consumer value even in noncable areas or where the direct cable tuning compatibility cannot be used."

Fact sheet says that while there's little standardization among the 6,000-plus cable systems, in most cases cable-compatible sets can receive "unscrambled basic service channels" (last 3 words are italicized and underlined). It adds that some cable systems "scramble all channels or require a converter-decoder to be used even for unscrambled basic channels." Fact sheet briefly discusses use of VCRs on cable, pointing out that switching systems are available for purpose, adding that some cable companies may not permit addition of switches, or may charge for them.

Sheet specifically warns that consumer must subscribe to cable to receive service and that there are heavy penalties for theft of service. It notes that industry is working toward uniform standards for full compatibility, should "overcome remaining difficulties in the coming years."

Set manufacturers and marketers are expected to start adding disclaimers to their literature. Sony, for example, is now using this footnote: "Cable reception is only available to customers subscribing to cable service. Cable-compatible models will tune in most nonscrambled cable channels without the need for an external converter box. Scrambled pay-TV services may require an additional descrambling box. Check with your local cable company for compatibility and any additional requirements."

U.S. market for blank and recorded videocassettes should grow to \$3 billion at retail by 1988, as unit demand jumps from 107.3 million this year to 211.6 million, according to study by Venture Development. It sees demand for blanks at 90 million in 1984, rising to about 150 million by 1988, while recorded cassettes increase from about 17 million to nearly 62 million. Survey says sales account for only about 17% of retailer revenue from recorded cassettes, with rest coming from rental, but indicates ratio could change through increased sales as \$25 list price becomes norm. Details on study, Blank and Pre-recorded Video Cassette Markets from VD, 1 Washington St., Wellesley, Mass. 02181.

NEW FROM SONY: Sony introduced 6 VCRs, including first Beta Hi-Fi with MTS jack, its first 3 TVs with built-in MTS, 3.7" Profeel monitor and group of accessories including combination wireless headset and remote control.

New VCRs in E-Z Beta series start with model featuring 14-button remote and 7-day 6-event programmability at \$570; step-up has 132 channels, clean special effects, remote that operates both VCR and Sony TV at \$650; high-end model has keypad remote 21-day 9-event program at \$750. Two new models convertible to Beta Hi-Fi with addition of \$250 processor (TVD April 9 p16) are 132-channel unit with special effects at \$700 and 169-channel model with 21-day 9-event program at \$800. Beta Hi-Fi with MTS jack has VCR-TV remote, clean special effects, at \$850.

Three remote stereo color TVs with built-in MTS, cable tuning, sleep timers are \$900 for 19", \$1,250 and \$1,300 for 26", both of which have program timers, channel lockout, status readout on screen. First portable Profeel monitor has 3.7" screen at \$470; compact clip-on TV tuner is \$150. New tuner for other Profeel models has 181 channels, MTS convertibility, switch for access to pay-cable box, remote that also can operate VCR, at \$450. Unique accessory for remote Trinitron and Profeel TVs is combination wireless stereo headphone system and remote tuner at \$220. Programmable remote with clock timer can turn set on at desired time or be used as alarm; it's \$111.

Sony formally introduced 4" b&w Watchman with audio-video input at \$200 (TVD Sept 24 p15) as well as new 2" version with AM radio at \$230.

In audio, Sony announced 2 new Walkman models, highlighted by unique binaural version with microphones built into headphones for making on-location superrealistic recordings at \$150; new play-only Super Walkman has Dolby, auto-reverse, weighs only 9.2 oz. with battery.

Recorded cassette sales last year topped LPs in both units and dollars for first time. This year, they're running away with growing market, according to first-half figures from RIAA. They show manufacturers shipped 312.5 million tapes and discs in period, up 17.7% from Jan.-June 1984; value, at suggested retail list, rose 15.3% to \$1.93 billion. Cassettes were runaway growth leader, as units jumped 44.5% to 143.5 million, and value increased 36.3% to just over \$1 billion. LP and EP, now industry's 2nd largest business segment, were off 0.4% in units to 99.2 million, down 6.2% in value to \$735.6 million. Unit sales of singles edged up 1.9% to 64.8 million, worth \$141.2 million, off 0.3%. Bouncing back on strength of direct marketing, according to RIAA, were 8-track cartridge sales, up 12.9% to 3.5 million in units and 58.8% to \$18.9 million. Entering statistical lists for first time were digital audio CD discs at 1.5 million units at \$30.6 million list.

PHILIPS' VHS LAUNCH: Philips entered VHS VCR arena with startup order with Matsushita for 70,000 complete units and 100,000 transports, will start totally integrated production next year, according to William den Tuinder, company's video marketing chief.

Decks are being mated with Philips electronics at plant in Krefeld, Germany, while Vienna plant produces own transports. Each plant turned out first 6,000 last month. Next year, Vienna will supply transport requirements of both facilities. As VHS format has double track size of V2000 VCR format Philips had been manufacturing, "making VHS turned out to be easy," den Tuinder said.

Philips' VHS product won't be 100% domestic, however. Den Tuinder said Matsushita will continue to supply VHS Hi-Fi home decks and portables. Europe's other integrated VHS VCR manufacturer, Philips affiliate Grundig of Germany, says it's now producing 3 VHS models for each V2000 it makes.

Meanwhile, European Bureau of Consumer Unions says Japan's voluntary agreement to limit and set minimum prices on VCR exports to EC is hurting consumer by limiting competition. It says prices are being kept artificially high to benefit local producers Grundig and Philips. Also working against consumer is market fragmentation caused by differing TV systems or performance standards in various countries. Bureau says pricing is lowest in U.K., Netherlands and Germany, highest in Denmark and Greece. But because of varying operating requirements, VCRs can't be shipped freely across borders.

Buy videocassettes by price, not quality grades, to get best deal. That's advice in latest issue of Consumer Reports, which rates 22 national brand T-120 VHS cassettes. It found top 10 were about equal in video performance, but varied markedly in audio. Best in that group was Scotch regular, followed by Scotch HGX, BASF HG, TDK EHG, BASF, Konica, Maxell HGX, Minolta, RCA, Sony. CU cautions buyers that no-name cassettes that don't meet quality requirements for VHS or Beta licenses are likely to perform poorly, cause head damage. CU said it ran VCRs 2,500 hours with quality tapes, found no need to clean heads. It added that sudden appearance of noisy picture on all tapes may indicate dirty head, advised making single pass with head cleaning tape. If that doesn't clear up picture, then VCR should be taken in for service.

Control Data Corp. is joining growing list of 5.25" floppy disc drive makers seeking to reduce costs by moving production overseas. CDC said subsidiary Magnetic Peripherals will shift output from Oklahoma City to facilities it owns in Hong Kong and Taiwan. Move will mean halt to MP's output of such drives in U.S. by year's end, result in loss of 450 jobs. Plant's remaining 1,600 workers will continue turning out hard disc drives.

CD ROM IS HERE: Manufacturers are losing no time in staking claims to new personal computer peripheral made possible by this year's standardization of data-carrying version of 4.75" Compact Disc, and there were forecasts last week that the 550-megabyte read-only systems could be widely available next year from computer companies, including "those with 3 initials."

Major announcement came jointly from North American Philips and 3M. NAP is supplying CD ROM mastering facility to 3M's Optical Recording Project in Menomonie, Wis. and is ready to take orders from OEMs for drive systems for quantity deliveries next year. Nippon Columbia also announced it will be offering CD ROM drives, and Sony and others are expected to come along soon.

CD ROM doesn't duplicate any existing peripherals in that it has tremendous storage capacity -- equal to up to 1,000 conventional floppy discs -- with extremely rapid access, but has no recording capability. Discs and drives are both relatively low-cost products, largely because of mass production generated by digital audio Compact Discs.

3M Optical Recording Project Mgr. David Davies speculated that system could replace computer documentation by putting detailed instruction book on disc with program, and in many cases replace telephone-accessed data bases: "Imagine sending a thin disc instead of 100,000 pages of text by Federal Express." He and NAP Vp John Messerschmitt also forecast possibility of combining some aspects of audio Compact Disc, digital pictures and diagrams and text on CD ROM, creating new categories of consumer products.

3M announced 100,000 sq. ft. expansion of optical media production facility to be completed next March, mainly for industrial and data recording systems, including larger (5.25") optical ROM, as well as DRAW (write-once) and E-DRAW (erasable) optical media.

Japan's Nakamachi, best known as high-end hi-fi marketer, last week in N.Y. gave first U.S. demonstration of its \$80,000 laser optical disc recording system. Developed under contract from KDD, Japanese telecommunications company that came up with own magneto-optic disc material last year, recorder is designed for use as test and reference device by disc developers. Nakamachi unit has variable power laser, making it usable with any read-only or erasable disc, and can record to digital audio CD standard. In Japan, both Sony, also under contract with KDD, and Hitachi are working on similar systems, while Sanyo has demonstrated prototype CD recorder.

Tandy's Radio Shack retail operation has moved into digital audio CD disc player market with \$400 model sourced from Hitachi. Hitachi's other U.S. CD player customer is RCA, which has remote control version as part of its recently introduced \$5,000 Dimensia video-audio component system.

KODAK GOES ELECTRONIC: In news conferences in 5 cities, Eastman Kodak last week announced major commitment to electronic media. First project is large-scale production and marketing of floppy discs via coating plant in Rochester and finishing and formatting facility in Guadalajara, Mex.

Company also will develop and sell disc drives. Until facilities are operating, Kodak will buy discs from outside sources as well as relying on current limited production of its subsidiary Spin Physics. Retail outlets will be served by company's Consumer Markets Div., medium and large corporations by Business Systems Mktg. Div. and computer trade by Spin Physics.

Kodak sees worldwide flexible disc market exceeding \$4 billion by 1990, more than double today's sales, and expects eventual large role by mass marketers, who sell less than 5% of discs today. Company plans to be producing high density magnetic discs within year, and to start producing other electronic media products such as optical discs in year or so.

Although Kodak stressed major commitment to magnetic media, plans don't include making magnetic tape. Consumer/Professional and Finishing Markets Planning Dir. Richard Lohrbach told us shrinking margins on tape make it "difficult" to realize profit.

Lohrbach said Kodak is still exploring possibility of entering 8mm software market, noting that 2-hour cassette is due next year. Kodak starts major print ad campaign for Kodavision camcorder system Oct. 30 with 2-page ad in Wall St. Journal, followed by ads in video hobby magazines and such upscale publications as Time, Newsweek, Money, National Geographic, Sports Illustrated.

Meanwhile, Polaroid is talking with Fuji as source of tape for its 8mm camcorder launch, scheduled on test-market basis before year's end.

MCA sued Warner Communications in Cal. state court alleging Warner owes \$17 million in royalties and fees for home video and computer game licenses. Rights to E.T. and 3 other MCA films were acquired by Warner on behalf of its game-computer subsidiary, Atari, sold earlier this year to Commodore founder Jack Tramiel. Similar suit by United Features Syndicate alleges Atari owes \$250,000 for rights it bought to Peanuts comic strip characters, while Audits & Surveys has gone to court seeking \$225,000 it claims Atari failed to pay for market research.

Battery Ventures is new \$34 million high-tech venture capital firm formed in Boston by local bankers, with Howard Anderson, founder of research organization Yankee Group, as general partner. BV will specialize in communication, information and automation systems companies. Among other investors: Aetna Life, Chemical Bank, Dow Chemical, Merrill Lynch, NYNEX, Sears.

MATSUSHITA NET UP: Matsushita credited strong demand for VCRs, components and office automation equipment for 35.6% earnings rise in fiscal 3rd quarter to Aug. 20 on 20.2% sales increase. For 9 months, company said net was up 33.9% as sales rose 19.9% (see financial table).

For quarter, home market provided fastest revenue growth, with sales up 21.7% to \$2.47 billion, while sales overseas rose 18.6% to just under \$2.4 billion. But overseas markets provided largest increase for full period with 23.6% gain to \$6.84 billion, as sales in Japan increased 16.5% to \$7.31 billion.

For 9 months, Matsushita's video equipment sales were up 18.5% to \$5.03 billion, paced by 24% increase for VCRs, which company said make up its biggest single product line. Electronic components was fastest growing business segment, up 48.8% to \$1.64 billion, while communication and industrial equipment rose 38.8% to \$2.39 billion. Audio equipment sales edged up just 1.3% to \$1.44 billion.

On strength of 9-month performance, Matsushita said it revised earlier fiscal 1984 forecast of 21% growth in earnings, 14% in sales. Company says it now expects full year net to rise at least 26% to \$954.4 million on minimum sales gain of 18% to \$19.5 billion. Matsushita also announced it would issue 10% stock dividend Jan. 10 to holders as of Nov. 20.

Wells-Gardner posted 3rd consecutive quarterly loss in period to Sept. 30, putting 9-month deficit at \$509,000. Sales were off 19.7% and 28.9% for respective periods. W-G attributed loss to "what appears to be a bottoming out for coin-operated dedicated video arcade games." Company is largest independent supplier of arcade game consoles.

Company said sales of new line of data display monitors jumped 81% for quarter, were up 316% for full period to about \$5.8 million, accounting for 40% of total revenue, against just 7% in same 1983 months. Sales of TVs, assembled for Teknika under contract, were down 27% in quarter, 10% for 9 months. Earlier, Teknika said it was going offshore for 13" color portable line that W-G formerly assembled in U.S.

Warner Communications moved strongly back into black in 3rd quarter, aided by 27.3% revenue rise for music operation to record \$237.2 million. Continued strong growth by Warner Home Video helped filmed entertainment post record sales of \$274.2 million, up 24.3%. Overall net from continuing operations more than tripled in quarter to \$24.4 million. Year-earlier period included \$127.3 million loss from discontinued operations, primarily Atari.

Warner put carrying value of notes and warrants received from Jack Tramiel in exchange for assets of Atari consumer computer and videogame operation at \$135 million, or 44.2% less than \$240 million face value announced at time of sale last July (TVD July 9

p12). Company said revision reflects estimated resale value in current market, after unspecified adjustments in selling terms. Atari and Warner, it's understood, are still finalizing matters as to responsibility for Atari debts incurred before Tramiel's takeover, as well as actual value of Atari receivables. Warner said actual value of notes and warrants depends on Atari's future profitability and cash flow, and so is "not fully determinable at this time."

QT&T (formerly Quasar Microsystems) blamed increased general expenses for 9.8% decline in pretax operating income to \$465,600 in year to June 30. Sales rose 30.1% to record \$19.8 million. Net for year was held down by \$341,400 debt writeoff, partially offset by tax credit. Earnings for fiscal 1983 were boosted by tax credit, plus \$300,000 payment from Matsushita Electric Corp. of America in return for QT&T's name change from Quasar Microsystems. Company said it expects sales in current fiscal year to be helped by introduction of its Crosley brand line of consumer electronics.

Dart & Kraft said earnings from consumer products rose 16% in 3rd quarter on strong worldwide sales gains for Duracell alkaline batteries, which offset reduced results from appliances and health care products.

Coleco net jumped 65.2% in quarter on 58.3% sales rise. Company said 85% of sales in period came from Cabbage Patch Kids products. Earnings were after \$30 million in promotion costs for Adam computer system and write-off in carrying value of certain electronics products in inventory. Coleco last week effectively cut price of Adam system to spur sales (see details elsewhere in this issue).

Japan's MSX home computer format will make official U.S. debut at Winter CES in Las Vegas Jan. 5-8, but status of actual product launch is still very much up in air. Variety of computers and software will be on view in exhibit being put together by Microsoft, original developer of operating system, on behalf of MSX group in Japan. Microsoft spokesman told us it isn't certain yet just how many system supporters actually will supply equipment for display or whether U.S. software developers will be getting involved. Microsoft, he said, is working with companies in Japan, with no effort being made to coordinate group showing with individual exhibits of Japanese manufacturers' sales subsidiaries here. Though several Japanese companies have introduced MSX computers in Europe, none has announced plans for sales in U.S.

Microwave oven shipments by U.S. producers and importers jumped 54.1% in Sept. to 887.5 million, setting all-time monthly high, AHAM figures show. Shipments for 3rd quarter were up 44.2% to 2.27 million and 9-month total was up 10.4% to 6.56 million, topping record full-year total of 6.11 million set in 1983.

Consumer Electronics Personals

Masaaki Tezuka former Sony (Japan) Domestic Finance Group mgr., appointed Sony (U.S.) treas.; Philip Cathcart promoted at Sony Video Communications to NW region sales mgr.; Philip DeSantis, ex-Lexicon, joins Professional Audio Div. as national sales mgr. Caesar Kimmel resigns as exec. vp, Warner Communications... Juergen Dormann named chmn. of American Hoechst, succeeding Rolf Sammet, who returns to parent in Germany... Joel Smilow resigns as Beatrice consumer products exec. vp... Bruce Bengtson and Paul Friedlander elected North American Philips vps; Jacob Kanter advanced to tax administration dir., succeeding Friedlander... Jack Pluckhan, new EIA CEG Video Div. chmn., is Quasar pres. Company affiliation was incorrectly indicated here last week.

Stephen Diener, pres.-CEO of Heron Communications, named chmn., Media Home Entertainment; 2 companies are subsidiaries of Heron International... Susan Wood, CBS/Fox Video management information systems dir., named vp; others advanced to vp at Farmington Hills, Mich. facility: Larry Parent, credit, and Nelson Phillips, controller for domestic operations. New vps at N.Y. hq: Ronald Heide, controller, international, and Bart Morrison, strategic analysis; Gerald Sobczak named administration vp, Consumer Products Div; Leon Falk advanced to creative development dir... Dave Ingoldsby appointed operations dir., Disney Telecommunications & Non-Theatrical Co... Suzanne Roach named sales and mktg. exec. vp, Program Hunters, replacing Philippe Hartley, who resigned to become independent producer; company changes name next month to World Video Pictures... William Daines, ex-Coast Video, appointed national key accounts mgr., Video Gems; Robert Diamond rejoins company as asst. sales and mktg. dir... Debra Majka leaves RCA Video Productions to become mktg. services mgr. for consultant Herbert Mendelsohn... James Fisher appointed gen. mgr., Coast Video.

Gerald Johnson appointed mkt. development supervisor for Video Products Mktg. group of 3M's Magnetic Audio/Video Consumer Products Div.; Keith Mitchell named an area sales mgr; Ewald Lehrmann appointed mktg. operations mgr. for professional markets... Thom Balistrieri advanced at JVC Magnetic Tape Div. from midwest region mgr. to key account mgr... Patrick Murray promoted at Sony Tape from consumer national sales mgr. to sales dir. responsible for all video and audio tape and computer disc products; John Check named mgr. of VCA Duplicating's Dallas center, new post.

John Yeager named technology vp-gen. mgr., Union Carbide Battery Products Div... Edward Verbeek, ex-GE, named RCA Solid State Div. European mktg. dir., succeeding Mike Musso, who has left company; Norman Yeung, ex-Centralab, named AVX Asian sales and mktg. dir... James Clardy, ex-Harris Semiconductor, named pres. of Crystal Semiconductor, new Austin, Tex. telecommunications

IC producer launched by Mostek founders Berry Cash and L.J. Sevin... Veronica Haggart, ex-International Trade Commission, joins Motorola as international trade relations dir. with hq in Washington.

First bilingual broadcasts start this week when KTLA L.A. officially begins multichannel TV sound (MTS) transmissions. Station will broadcast Love Boat reruns and News at 10 with English and Spanish soundtracks. Love Boat uses Spanish track designed for Latin American syndication, News uses simultaneous live translation. KTLA also starts stereo broadcasting with 4 movies this week. We're adding 7 more stations planning MTS broadcasting to our list of 172 printed last week (TVD Oct 22 p16): Planning start this winter -- WGNX-TV Atlanta (independent), WVIZ-TV Cleveland (PBS), KPHO-TV Phoenix (ind.). Spring 1985 -- KCRA-TV Sacramento (NBC), WOIO Shaker Heights, O. (ind. permittee). Second half 1985 -- KSCH-TV Stockton-Sacramento (ind.), KUAT-TV Tucson (PBS). Note: WNOL-TV New Orleans was erroneously listed in tabulation last week as a permittee. Station is on air, plans stereo start in spring 1985.

Ad notes: RCA is again sponsoring annual \$45,000 Designing for Video contest in cooperation with Designer magazine, with prizes going to professionals for creation of original designs for placing video products in homes and offices... IBM and Procter & Gamble Computerific sweepstakes features 750 PCjr and 250 PC computers as prizes, offers \$100 off purchase of PCjr in exchange for proof-of-purchase coupons. Promotion is being backed by 45 million home mailing, TV and print ads... Fuji Photo's pre-Christmas promotion offers \$1 rebate for single videocassette purchase, \$5 for 4, with \$25 per household limit.

RCA's 1984 VCR shipments through Oct. 24 reached 1 million, more than double same period last year, company reported. Based on estimated industrywide shipments of about 5.4 million in same time frame, RCA had 18-19% share, up from 16% it was accorded for 1983 by industry respondents to our annual VCR market share survey (TVD March 12 p12).

Obituaries

Frank Moch, 76, NATESA exec. dir., died Oct. 22 in Oak Forrest, Ill. hospital, where he was being treated for stroke suffered last June. Moch founded servicer's group as local organization, TESA, in Chicago in 1946, turned it into national association in 1950. Wife, son survive.

G. Wallace Crawford, 84, electron tube authority and radio pioneer, died Oct. 22 at his home in Englewood, N.J. He started career in 1918 at GE's Harrison lamp plant, which was acquired by RCA in 1930. He was plant mgr. 1953-1959, also helped establish tube plants in Italy, France, Poland, Sweden, India, Spain and Germany. He retired in 1965. His wife survives.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Avnet			
1984-qtr. to Sept. 28	432,431,000	19,897,000	.56
1983-qtr. to Sept. 30	355,458,000	18,682,000	.53
A. H. Belo			
1984-9 mo. to Sept. 30	257,085,000	45,021,000	3.89*
1983-9 mo. to Sept. 30	171,455,000	20,673,000	2.21
1984-qtr. to Sept. 30	86,132,000	6,441,000	.56*
1983-qtr. to Sept. 30	58,492,000	7,074,000	.76
Capital Cities Communications			
1984-9 mo. to Sept. 30	680,213,000	104,599,000	8.04*
1983-9 mo. to Sept. 30	548,150,000	79,959,000	5.94
1984-qtr. to Sept. 30	229,827,000	38,150,000	2.94*
1983-qtr. to Sept. 30	184,004,000	26,302,000	1.95
C-COR Electronics			
1984-qtr. to Sept. 30	6,894,000	202,000	.07
1983-qtr. to Sept. 30	3,894,000	300,000	.09
Cohu			
1984-9 mo. to Sept. 30	17,258,835	1,237,868	.71*
1983-9 mo. to Sept. 30	13,816,041	849,575	.49*
1984-qtr. to Sept. 30	5,853,316	554,613	.32*
1983-qtr. to Sept. 30	5,372,714	475,202	.27*
Coleco Industries			
1984-9 mo. to Sept. 29	534,000,000	13,400,000	.82
1983-9 mo. to Oct. 1	421,000,000	27,600,000	1.71
1984-qtr. to Sept. 29	181,300,000	3,800,000	.23
1983-qtr. to Oct. 1	114,500,000	2,300,000	.14
Comsat			
1984-9 mo. to Sept. 30	322,036,000	36,826,000	2.04
1983-9 mo. to Sept. 30	332,686,000	41,356,000	2.30
1984-qtr. to Sept. 30	109,918,000	12,757,000	.71
1983-qtr. to Sept. 30	114,301,000	12,714,000	.71
Conrac			
1984-9 mo. to Sept. 30	116,480,000	12,896,000	2.09*
1983-9 mo. to Sept. 30	106,364,000	5,132,000	.88
1984-qtr. to Sept. 30	40,517,000	10,167,000	1.68*
1983-qtr. to Sept. 30	33,380,000	1,698,000	.27
Cowles Bcstg.			
1984-9 mo. to Sept. 30	19,759,000	3,605,000	.91
1983-9 mo. to Sept. 30	17,455,000	3,172,000	.80*
1984-qtr. to Sept. 30	6,496,000	1,095,000	.28
1983-qtr. to Sept. 30	5,867,000	1,074,000	.27*
Gulf Bcstg.			
1984-9 mo. to Sept. 30	62,465,000	8,058,000	.18
1983-9 mo. to Sept. 30	52,251,000	3,856,000	.09*
1984-qtr. to Sept. 30	20,245,000	2,072,000	.04
1983-qtr. to Sept. 30	16,930,000	172,000	.01*
Heritage Communications			
1984-9 mo. to Sept. 30	89,180,000	4,181,000	.41
1983-9 mo. to Sept. 30	75,498,000	3,692,000	.35
1984-qtr. to Sept. 30	32,560,000	1,303,000	.12
1983-qtr. to Sept. 30	24,510,000	879,000	.07
Jones Intercable			
1984-qtr. to Aug. 31	3,019,300	519,600	.06
1983-qtr. to Aug. 31	2,187,000	433,900	.05
Knight-Ridder Newspapers			
1984-9 mo. to Sept. 30	1,213,000,000	94,626,000	1.45
1983-9 mo. to Sept. 30	1,062,336,000	79,112,000	1.19*
1984-qtr. to Sept. 30	402,934,000	30,082,000	.46
1983-qtr. to Sept. 30	355,039,000	26,454,000	.40*
Matsushita Electric*			
1984-9 mo. to Aug. 20	13,979,000,000	682,900,000	4.31*
1983-9 mo. to Aug. 20	11,655,100,000	509,900,000	3.25*
1984-qtr. to Aug. 20	4,810,200,000	237,200,000	1.50*
1983-qtr. to Aug. 20	4,001,300,000	174,900,000	1.11*

Company & Period	Revenues	Net Earnings	Per Share
New York Times			
1984-9 mo. to Sept. 30	893,009,000	72,605,000	1.83
1983-9 mo. to Sept. 30	793,186,000	57,763,000	1.48*
1984-qtr. to Sept. 30	289,105,000	20,372,000	.51
1983-qtr. to Sept. 30	250,699,000	14,622,000	.37*
QT&T			
1984-year to June 30	19,774,282	327,791	.03*
1983-year to June 30	15,169,090	801,531	.12*
Regency Electronics			
1984-qtr. to Sept. 30	27,664,607	1,382,153	.13
1983-qtr. to Sept. 30	24,827,395	2,312,901	.22*
Rollins Communications			
1984-qtr. to Sept. 30	23,661,722	2,721,876	.18
1983-qtr. to Sept. 30	20,345,769	2,942,474	.20
Satellite Syndicated Systems			
1984-9 mo. to Sept. 30	16,629,000	3,072,000	.54
1983-9 mo. to Sept. 30	15,580,000	2,214,000	.43
1984-qtr. to Sept. 30	5,442,000	1,088,000	.19
1983-qtr. to Sept. 30	5,300,000	895,000	.17
Storer Communications			
1984-9 mo. to Sept. 30	389,232,000	(23,152,000)	--*
1983-9 mo. to Sept. 30	331,118,000	(31,564,000)	--*
1984-qtr. to Sept. 30	133,290,000	(7,449,000)	--*
1983-qtr. to Sept. 30	113,437,000	(15,002,000)	--*
Times Mirror			
1984-9 mo. to Sept. 30	2,056,159,000	148,966,000	2.17
1983-9 mo. to Oct. 2	1,801,009,000	117,853,000	1.71*
1984-qtr. to Sept. 30	680,638,000	46,795,000	.68
1983-qtr. to Oct. 2	617,552,000	45,318,000	.66*
Tribune Co.			
1984-9 mo. to Sept. 23	1,292,999,000	67,075,000	1.66*
1983-9 mo. to Sept. 30	1,147,983,000	35,236,000	.99*
1984-qtr. to Sept. 23	432,277,000	27,938,000	.69*
1983-qtr. to Sept. 30	389,955,000	12,546,000	.35*
Viacom International			
1984-9 mo. to Sept. 30	231,189,000	20,794,000	1.55*
1983-9 mo. to Sept. 30	242,814,000	13,285,000	.99
1984-qtr. to Sept. 30	78,482,000	6,808,000	.50*
1983-qtr. to Sept. 30	79,652,000	4,300,000	.32
Warner Communications			
1984-9 mo. to Sept. 30	1,488,142,000	(382,397,000)	--*
1983-9 mo. to Oct. 2	1,223,812,000	(424,663,000)	--*
1984-qtr. to Sept. 30	540,856,000	24,362,000	.36
1983-qtr. to Oct. 2	434,863,000	(122,366,000)	--*
Washington Post			
1984-39 wk. to Sept. 30	700,694,000	51,266,000	3.64
1983-39 wk. to Oct. 2	623,454,000	39,750,000	2.80
1984-13 wk. to Sept. 30	225,046,000	15,061,000	1.08
1983-13 wk. to Oct. 2	202,928,000	12,260,000	.86
Wells-Gardner			
1984-9 mo. to Sept. 30	14,418,000	(509,000)	--
1983-9 mo. to Sept. 30	20,281,000	84,000	.02
1984-qtr. to Sept. 30	2,990,000	(291,000)	--
1983-qtr. to Sept. 30	3,725,000	(275,000)	--
Western Union			
1984-9 mo. to Sept. 30	844,863,000	3,867,000	--
1983-9 mo. to Oct. 2	775,386,000	66,672,000	2.50
1984-qtr. to Sept. 30	299,605,000	(15,490,000)	--
1983-qtr. to Oct. 2	260,918,000	16,628,000	.60

Notes: *Includes special credit. *Pro forma.
 *Restated. *At yen's current rate. *Per ADR.
 †Adjusted. †After special charge. †Excluding
 Showtime/The Movie Channel.

Monsanto plans to sharply boost its current 2% share of Japanese market for IC silicon wafers by setting up production there. Company says it will spend about \$105 million on facility to be located north of Tokyo.