

# TELEVISION DIGEST®

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

With Consumer Electronics

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### Broadcast - Cable

**KEY HOUSE AND SENATE MEMBERS** expected to be reelected. Democratic leaders warn networks on election projections, file suit on GOP ads. (P. 1)

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**S-A QUILTS U.K. CABLE VENTURE:** Stagnant British market means no demand for switch. (P. 5)

**VIEWTRON'S APPROACH BLAMED** for poor showing in Miami, observers say. Service cuts staff. (P. 6)

**PPV MOVIE SERVICE PROPOSED** as possible substitute for Hilife's adult channel. Studios said to be committed. (P. 6)

### Consumer Electronics

**COLOR SALES DROP** in Oct. Some GE layoffs in set and tube plants. Glass price increased. Philips moving all color tube output to Ohio. (P. 8)

**REELECTION EXPECTED FOR KEY LEGISLATORS:** Several races will be close but none of lawmakers from Commerce Committees up for reelection Nov. 6 is expected to lose. Biggest impact election is likely to have on committees will come from leadership changes in Congress.

All House and 33 Senate seats are being contested. Of 17 seats on Senate Commerce Committee, 5 are at stake, including those of Pressler (R-S.D.) and Stevens (R-Alaska) who sit on Communications Subcommittee. All 5 are well ahead in opinion polls. House Energy & Commerce Committee will lose Rep. Gore (D-Tenn.), who's favored to win Senate seat of retiring Majority Leader Baker (R-Tenn.). Gore sits on Telecom Subcommittee.

Vacancies are likely on parent House panel if Reagan sweeps Midwest. Most vulnerable include Rep. Sikorski (D-Minn.) who was being eyed for Gore vacancy by Telecom

**SONY 8mm DUE IN U.S.** in spring, according to Japan report, which gives camcorder weight at 3.75 lb., says Sony also will supply Yashica, Pioneer. (P. 8)

**REACTIONS TO STEREO TV** by public and dealers in pioneer Chicago market are mixed, survey shows. 182 stations plan MTS, 2 more start. (P. 9)

**JAPAN'S VCR EXPORTS** to U.S. hit record 1.24 million in Sept., Finance Ministry reports. Color set shipments rose 57.5%, b&w exports declined. (P. 10)

**AUG. COLOR TV IMPORT** rise shared by all major source countries, figures show. (P. 11)

**ELMER ENGSTROM** dies. Headed U.S. b&w, color TV development, served as RCA pres. (P. 11)

**AMIGA ACQUISITION** completed by Commodore, which plans 32-bit computer next year. (P. 12)

**KOREAN COLOR TV** makers get 45-day extension of deadline for seeking dumping margin cuts. (P. 12)

**VCR IMPACT 'NEGLIGIBLE,'** NBC says, finding home taping equivalent to 0.06 rating point. (P. 13)

**FRANKLIN COMPUTER** plans liquidation, Harper & Row shutting software marketing unit. (P. 13)

**ITA BOOSTS MARGINS** on Kokusai's dumped cellular transceivers to 59.9%. (P. 14)

Subcommittee Chmn. Wirth (D-Colo.). (Second Subcommittee vacancy from possible loss by Rep. Markey [D-Mass.] isn't anticipated now). Seats of Committee Chmn. Dingell (D-Mich.) and Wirth are considered safe. House Copyright Subcommittee member Rep. Morrison (D-Conn.) is in race too close to call. No one on companion Senate panel is up for reelection.

Potential for big Reagan win has Democrats worried about losing current wide majority in House. In effort to strike back, Democratic Congressional Campaign Committee on Nov. 2 filed suit in U.S. Dist. Court, D.C., seeking to have some GOP TV and radio ads removed immediately. DCCC charged Republicans are violating federal spending limits by targeting last-minute media campaigns to districts already saturated by GOP and single-issue groups' spending.

House Speaker O'Neill (D-Mass.) and Senate Minority Leader Byrd (D-W.Va.) also telephoned network anchors, bureau chiefs and presidents Nov. 2 warning that early projections of Reagan or Mondale win could affect outcome of other races. They demanded that broadcasters hold off on projections until west coast polls close, warned of backlash in Congress.

Real effects of election will come in congressional leadership changes and party balances on panels. In last House, Democrats held 267 seats, Republicans 168. Republicans are hoping to gain back most of 26 seats they lost in 1982 so that party, with help of conservative Democrats, can become force again. Polls are giving GOP good chance of achieving goal, which means Republicans may be added to Energy & Commerce Committee. Senate Republicans, who picked up 12 seats in 1980 Reagan landslide, may lose ground Nov. 6 but are expected to retain control. There are 17 Republican and 12 Democrat senators seeking reelection, and 2 open seats being contested. Gore is considered Democrats' only sure bet to pick up new seat.

Senate Commerce Committee faces likelihood of most change. Senate Finance Committee Chmn. Dole (R-Kan.) is running hard to succeed Baker as Majority Leader. Commerce Committee Chmn. Packwood (R-Ore.) is in line for Finance chmn., which he's said to want, if Dole is successful. In line as Packwood successor is Sen. Danforth (R-Mo.), chmn. of International Trade Subcommittee. Also candidate for Majority Leader is Stevens, now Majority Whip. His success would leave Commerce seat available. Sen. Goldwater (R-Ariz.), chmn. of Communications Subcommittee, is taking over lead post at Armed Services Committee. It's not clear yet whether he'll give up Subcommittee post, but if he does, Packwood is thought likely to take it, particularly if he succeeds to Finance job.

Changes in House lineup should be less dramatic. Speaker's job may be available soon (O'Neill has announced he won't run again in 1986 and has indicated he may resign before then) and current Majority Leader Wright (D-Tex.) wants it. Dingell is said to be among candidates for Majority Leader, which would leave Committee post open. Best bets to succeed Dingell are said to be Wirth and Telecom Subcommittee member Rep. Waxman (D-Cal.).

Whether indecent or obscene cable programming should be outlawed will be submitted to voters in Utah and in Vista, Cal. In Utah, Initiative A would impose criminal penalties on cable operators or broadcasters who "knowingly distribute within this state any obscene or indecent material." Conviction could result in suspension of franchise or business license for a year. "It truly boils down to one basic question," said Utah Cable TV Operators Assn. Pres. Jim Bunnell: "Who is the expert in deciding what is appropriate for me and my family to watch on television? Is it the state government, is it a citizens group or is it me?" Bunnell said early polls showed voters about evenly divided, but after advertising blitz against Initiative A by operators and programmers, voters seemed to be leaning against measure.

Ballot measure aimed primarily at Playboy Channel will be put to voters in Vista, Cal., near San Diego. Measure would make it illegal to cablecast any indecent programming, has been subject of some harsh advertising.



**CABLE OPERATORS ASSESS IMPACT OF S-66:** Automatic rate increases for basic service allowed under deregulation bill S-66 will widen cable industry margins significantly over next 2 years, executives predicted at last week's Atlantic Cable Show, but many operators attending first industry gathering after bill's passage voiced concerns that those greater revenues may be eaten up by higher operating and programming costs. They applauded news that President Reagan had signed bill Oct. 30, meaning that effective date is Dec. 29.

S-66 dominated talk at 3-day show in Atlantic City, attended by about 2,400, but what operators and vendors were interested in learning was practical impact of deregulation. Panelists addressing topic could give only general answers, tended to agree that it may be several years before all ramifications are known. "It's like dropping a stone in a pond. Now we wait to see how the ripples spread," said panelist Stephen Effros, CATA exec. dir.

Practical tips on how to benefit from deregulation were scarce, mainly because consensus was that some sections of bill may be interpreted by courts following challenges by cities and operators. Effros offered some pointers for operators: (1) Invoke administrative proceeding governing renewals as way to put city on notice that law must be followed. Operator later can agree to separate renewal proceeding. (2) Pay close attention to section of bill requiring annual notice to all subscribers disclosing what use has been made of their customer records.

Speaking on keynote panel, Daniels & Assoc. Exec. Vp Philip Hogue didn't give any estimates but pointed out that 5% annual rate increases allowed in S-66 over next 2 years are greater than 3.8% average advances in last 3 years. He estimated that legislation will increase industry revenues significantly above last year's \$6 billion, probably also boost price buyers must pay for systems.

General Instrument Chmn. Frank Hickey, another keynoter, was less sanguine about future. "The industry has some current appearance of a plateau," he said, but that should change. "I believe we're on the cusp of another expansion." But equipment makers may not share in it. "Suppliers have had a difficult time in recent years, and it isn't clear what the upturn would do" to them, Hickey said.

Some operators, though, were worried that increased revenues under S-66 will only offset higher programming and operating costs. "ESPN alone raised my rates by half," said Pa. operator who asked not to be named. Another operator echoed comments of many others when he said: "Every vendor I have knows I'll be getting 5% more in rates. Do you think they're dumb? Don't you think they'll be raising their prices, too?"

There still is widespread disagreement about how much cable industry won in bill. "It's a horror to some, a blessing to others," said Effros. "It's not a good bill, but it's not a bad bill," said panelist John Matthews, Washington attorney. He complained that because of many revisions, bill is full of "conflicts, confusion, vagueness and omissions" on some important points, making it difficult to give pat answers to complex questions.

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NCTA has reiterated opposition to must-carry status for multichannel TV sound (MTS), charging in FCC reply comments that it would cost industry \$700 million to retrofit headends to handle MTS. AMST and NAB dispute NCTA, contend that under what they call middleground proposal no cable system would be required to spend more than \$2,000 on retrofitting to accommodate MTS for each local must-carry station. AMST-NAB comments also contend that failure to grant must-carry status to MTS "would constitute partial repeal of the must-carry rules themselves."

WVEU Atlanta has appointed Independent TV Sales rep.

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TV coverage of political campaigns "has become so crucial... that we must do everything we can to ensure that what it presents to the electorate is reality -- and not deception," Westinghouse Bestg. and Cable Chmn. Daniel Ritchie said last week in speech to Advertising Women of N.Y. He said that TV is "peculiarly susceptible to manipulation."

Local radio advertising in July increased 18.6% over same month last year in 16 markets surveyed, according to RAB. For Jan.-July, local radio sales were up 15.9%. If trend continues, local ad total for full year 1984 will be about \$4.3 billion, up about 16%, according to Kenneth Costa, RAB vp-mktg. information.

**PACs POUR MONEY INTO CAMPAIGNS:** Federal Election Commission records for period ended Oct. 17 showed House Telecom Subcommittee Chmn. Wirth (D-Colo.) getting last-minute contributions from communications industry, particularly from movie interests. But both NAB's TARPAC and NCTA's CablePAC were continuing to withhold contributions from Wirth.

NAB announced last Feb. it wouldn't give to Wirth, and NCTA spokesman told us that CablePAC had been withholding contributions "for appearances' sake" because Wirth was managing industry deregulation measure (HR-4103/S-66). Spokesman didn't know whether CablePAC was planning later contribution to Wirth.

TARPAC gave \$2,000 to House Energy and Commerce Committee Chmn. Dingell. It also would have contributed to another lawmaker key to industry's legislative interests, House Copyright Subcommittee Chmn. Kastenmeier (D-Wis.), except he refuses campaign money from groups with bills before his panel. TARPAC spent \$99,325 on 125 candidates through Sept. 30, including Reps. Rinaldo (R-N.J.) (\$3,000), Swift (D-Wash.) (\$2,250), Tauke (R-Ia.) (\$2,500) and Tauzin (D-La.) (\$2,000). We learned that TARPAC has turned down plea from Swift for more money.

CablePAC contributed \$128,400 to 108 candidates, including \$1,050 to Dingell. None of key House cable copyright reform supporters has received CablePAC contributions except Rep. Morrison (D-Conn.), who's in tough reelection battle and got \$250. CablePAC's biggest contribution was \$5,000 to House Minority Leader Michel (R-Ill.), who's also in tough race. CablePAC gave \$3,000 to Rep. Bliley (R-Va.), foe of X-rated cable, and \$3,000 to Rep. Fields (D-Tex.), who helped real estate interests remove SMATV provision from cable deregulation bill.

Executives who have contributed to Wirth include Cal. Cable TV Assn. head Spencer Kaitz (\$250), Viacom Cable Pres. John Goddard (\$250), Continental Cablevision Pres. Amos Hostetter (\$1,000), Time Inc. Vp Brian Conboy (\$400), ex-Manhattan Cable TV vp Susan Greene, now with HBO (\$400), United Cable TV PAC (\$250), Warner Amex Cable PAC (\$400), ex-FCC Chmn. Richard Wiley (\$200), NBC Chmn. Grant Tinker (\$400). Turner Bestg. gave \$800 to Wirth but nothing to Dingell.

Movie industry has been providing steady flow of money to Wirth campaign, with MGM/UA (\$3,000), MCA (\$3,000), MCA Chmn. Lew Wasserman and several family members (\$3,000), Viacom Chmn. Ralph Baruch (\$500), Warner (\$800), Lorimar (\$250), Falcon Communications (\$250), Fox (\$1,000) and MPAA (\$2,000) among contributors. MPAA contributions totalled \$80,098.

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FCC and NAB once again are running free phone-in services to help broadcasters answer

political questions during campaigning that ends with Nov. 6 elections. Commission's service is much busier. Milton Gross, chief of FCC Fairness/Political Bestg. Branch, and 4 other attorneys have been handling 50-75 calls daily, about same as in 1982, covering wide range of problems. Calls have "increased dramatically last couple of weeks," with more than 100 handled Oct. 30, Gross told us.

William Ray (who formerly held Gross's job at FCC) is manning phone on 800 number at NAB -- as he did for 1980 and 1982 elections. He said that more than 500 calls were handled in 1982 through election eve and that figure probably won't go above 400 this year. Majority of questions, by far, have to do with requirement that stations charge candidates lowest unit rate, he said.

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BMI shareholders elected 4 new board members at annual meeting in N.Y. Oct. 30 and created new category of "honorary director" for 4 being replaced. New to board: Fred Walker, Broad St. Communications; David Henderson, Outlet Co.; Thomas Bolger, Forward Communications; James Yeager, Spartan Radiocasting (all except Yeager attended board session following shareholders meeting at which they were elected). Avoiding threat of proxy fight for seats, 16-member board met during recess in shareholders meeting. Dir. Dwight Martin moved that 4 oldest members of board remove their names from management slate for reelection. Motion passed. The 4 were Martin, John DeWitt, Merrill Lindsay and E.R. Vadeboncoeur -- all retired broadcasters. They later were named honorary dirs. "It was a real display of class," BMI Chmn. Robert Pratt, KGGF(AM)-KQQF(FM) Coffeyville, Kan., told us. "They made what could have been a tough situation palatable... There's peace in the ranks." Move for proxies to elect 4 new dirs. was led by major TV groups on theory that more persons active day-to-day in broadcasting should be on board (TVD Oct 29 p2). All of BMI stock is owned by stations.

NAB will survey members by telephone after Nov. 6 elections, compile report on local coverage, etc. During Oct., Republican Party spent more than \$7 million on "generic" TV and radio ads (which didn't mention specific candidates but urged voters to support party ticket), heavily outspending Democrats. Said Robert Hirschfeld, Democratic National Committee media specialist: "We've got some good ads, but we don't have the money to get them on the air... They've out-financed us tremendously." Terry Wade of Republican National Committee said GOP will spend about \$11 million total on TV-radio. "We're spending all we can," he said. "The coffers are dry at this period and that's the way it should be at this time of the year."

TvB convention Nov. 7-9 has attracted 840 preregistrants, vs. previous record 742 last year. TvB said it's expecting more than 1,000 at Hyatt-Regency, Chicago, and that it will unveil new presentation "Television: The Results Medium."



**B-MAC, S-MAC AND SMPTE:** B-MAC satellite transmission system by Scientific-Atlanta was demonstrated at SMPTE technical conference in N.Y. Oct. 30. S-A announced that Australian govt.'s choice of system for DBS and other satellite program distribution starting next spring has been followed by first \$1 million-plus order for more than 200 B-MAC decoders by Telecom Australia.

S-A officials said decoders would be available by Christmas, forecast that MAC (multiplexed analog components) technology would replace NTSC, PAL and SECAM color standards for satellite distribution. Chmn. Sidney Topol made it clear S-A is pushing B-MAC not only for DBS but for satellite program distribution to TV stations and cable systems as well. S-A demonstrated 525-line version (Australia's is 625-line) that's understood to be under consideration by Comsat's STC.

Another MAC system -- S-MAC (S for "studio") will be proposed by SMPTE working group as analog system for worldwide internal studio production, Chmn. Merrill Weiss announced. System uses component video rather than composite format, is easily converted to world standard broadcasting systems. One of advantages is that system may be transmitted by satellite and pictures from 2 different locations may be combined by Chromakey. Demonstration, using equipment supplied by major manufacturers, showed system in operation.

Equipment highlights of SMPTE exhibits focused on battle of slo-mos -- RCA's CCD camera vs. Sony's Super-Motion. RCA moved quickly to develop 2nd version of its CCD camera -- "sports model" with self-contained shutter mechanism at \$42,500 vs. \$37,500 for standard model formally unveiled at NAB convention this year. Nisus Video, Albuquerque, demonstrated modifications it's making to both Sony and Ikegami cameras to install special shutters for good slo-mo, pricing entire package at \$17,000.

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"Fowler years" will be remembered for increased awareness by regulators "of the proper -- and improper -- roles of government" in broadcast regulation, FCC chmn. said in Oct. 28 speech to Tex. Assn. of Bestrs. He said it would be "sad... nearly tragic" if momentum of last few years toward reduced regulation is lost. "What's interesting is that so many in Congress and elsewhere start from the presumption... that the government has unquestionably the right to regulate the broadcaster from the point of view of content," he said. Fight for First Amendment parity for broadcasting ultimately lies with broadcasters themselves, he said: "That's your fight... Don't trade away fundamental freedoms for federal freebies."

"After careful consideration," Turner Bestg. said it wouldn't accept hard liquor ads on CNN or WTBS Atlanta. Factors in decision were legal implications and "considerable amount of negative public reaction," according to Turner Vp-Sales Gerry Hogan.

**S-A ENDS U.K. CABLE VENTURE:** Stagnant British cable market has prompted Scientific-Atlanta and Plessey to end their joint venture to develop and sell sophisticated headend switch for interactive switched-star systems preferred by U.K. govt. They developed prototype switch -- which allows cable system to operate much like telephone network -- at cost of several million dollars at Nottingham plant but hadn't sold single unit when company was disbanded last week, officials said.

U.K. market "didn't develop as we thought it might," said S-A Pres. Jay Levergood. Senior Vp Harry Topliss said: "We both are very disappointed that the [U.K.] cable marketplace hasn't grown and we see no need to continue this in place." He said that S-A and Plessey will continue selling cable equipment individually in U.K., and that technology transfer agreement between companies remains intact. Employees of PSA, as it was called, had been loaned by parent companies and will return to former jobs, Levergood said.

S-A becomes 2nd major American cable manufacturer to bow out of joint venture with U.K. partner. General Instrument, citing need to "further assess the [British] market potential," last spring ended talks with GE of England on jointly developing switched-star technology. Demise of PSA is all the more disconcerting to S-A because it was to be American manufacturer's beachhead in European markets.

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TV violence is "unquestionably contributing" to family violence and should be curbed, Justice Dept. task force concluded in recent report that urged broadcasters to voluntarily curb amount and kind of violence. Report also recommended system of TV ratings similar to movies'. "Evidence is becoming overwhelming that just as witnessing violence in the home may contribute to normal adults and children learning and acting out violent behavior, violence on TV and the movies may contribute to the same result," said report, submitted to President by Attorney Gen.'s Task Force on Family Violence. It said best solution would be for networks, affiliates and cable industry to limit violent programs voluntarily. Report is available from DoJ, 202-724-5933.

FCC is expected to order divestiture in 5 "egregious" cable-TV station cross-ownership cases, all small market, at Nov. 8 meeting. Commission officials say they'll be carrying out mandate of cable bill signed last week by President, which bans such cross-ownership. Stations involved: KLOE-TV Goodland, Kan.; WKYH-TV Hazzard, Ky.; KXGN-TV Glendive, Mont.; KSWO-TV Lawton and KTEN Ada, both Okla.

N.Y. World TV Festival Nov. 16-20 at Roy and Niuta Titus Theatre II will emphasize children's programming. All sessions are free. Information: 212-586-6808.



**VIEWTRON CUTS STAFF:** Viewtron videotex service in Miami is firing 41 staffers, 20% of total, and has only 2,800 subscribers, far short of 5,000 goal. Many said Knight-Ridder (K-R) service is overpriced, others say there's low consumer acceptance. Viewtron spokesman Frank Hawkins said sales have "picked up markedly in the fall buying season."

Depth of staff cut surprised James Dolan, exec. vp-publisher, Keycom Electronic Publishing, whose Keyfax videotex system began ad campaign Nov. 1 in Chicago and also has undergone 20% staff cut in last month. He said K-R is "long view" company and doesn't foresee its dropping service. He said he wondered why Viewtron waited so long to reduce staff, now at 169 fulltimers.

Keyfax will avoid some pitfalls Viewtron fell into, Dolan said, because it can sustain personal computers as well as dedicated videotex terminals and because marketing area is triple size of Viewtron's Miami base. By cutting back when it did, Dolan said, Keyfax lopped full year off projected loss period.

Because it was first consumer videotex service, Viewtron was closely watched and highly touted. But John Borden, Yankee Group analyst, said he wasn't surprised by staff cuts, pointing to fact that in first year Viewtron went through 3 ad agencies, is on 2nd marketing director, and he said service remains overpriced at \$39.95 monthly. Viewtron hasn't approached personal computer markets, another mistake, Borden said, nor has it provided adequate market research data, at least to some advertisers.

Viewtron is example of what not to do, according to spokesman for subsidiary of Affiliated Publications, owner of Boston Globe and potential New England partner in venture. Affiliated's Viewtron/New England Project Dir. Robert Phelps wasn't discouraged even though his firm is postponing decision on whether to enter videotex business until after full year of Fla. service. Phelps said he would "love to start next fall," said Miami service is overpriced and has taken "blunderbuss" approach of offering a little data to many people rather than targeting offerings.

Cable Music Channel faces first-year losses of \$5-\$10 million and could continue to generate red ink indefinitely, according to preliminary prospectus for planned Turner Bestg. offering of \$125 million in notes, plus shares and warrants. Despite earlier prediction that CMC will break even in 3 years, filing asserts that competition from MTV Networks means "there can be no assurance that operating losses will not exceed projected levels or that Cable Music Channel will ever operate profitably." Loan agreement TBS signed in June to restructure bank debt places specific restrictions on company investment in CMC, filing also reveals. Turner's loans or investments in CMC can't exceed \$1.5 million this year, \$7.5 million in 1985, \$5 million in 1986.

**HILIFE PLANS PPV SERVICE:** First nightly pay-per-view service offering major motion pictures will launch Dec. 1 as joint venture of Microdyne and Domesticom, same companies that started adult PPV service Hilife in July. MGM/UA, 20th Century-Fox, MCA and Columbia Pictures have agreed to supply films to new venture 4-12 months in advance of pay cable services.

One movie per night will run at 8 p.m. in east and 5-8 films will rotate during month. Consumer will pay about \$4 to watch each movie. Announcement at Atlantic Cable Show in Atlantic City last week also indicates Microdyne and Domesticom may deemphasize or drop Hilife, which is offered on one cable system and in 10,000 hotel rooms.

Computer Addressable TV Systems Inc. (CATS) is name of joint venture running new PPV effort, but service itself doesn't have name yet. That will be one of first jobs for Jeffrey Reiss, former Showtime pres. and Cable Health Network vice chmn., brought in month ago by Microdyne and Domesticom as consultant for Hilife and new service.

Lyndon LaRouche, independent presidential candidate, lost twice to NBC Nov. 1 in U.S. Dist. Court, Alexandria, Va. Jury of 3 men and 3 women deliberated 8 hours before throwing out LaRouche's \$150 million libel suit against network, then ordered him to pay NBC \$3 million in punitive damages, \$2,000 in actual damages, for attempting to disrupt its news operations. Commented NBC News Pres. Lawrence Grossman: "[Verdict] supports the right and obligation of journalists to gather news and report the facts." LaRouche calling decision "a rotten verdict," said he would appeal. He is on ballot for presidential election in 18 states and D.C.

**Clarification:** In speech to Ohio Assn. of Bestrs., FCC Mass Media Bureau Chief James McKinney didn't predict FCC won't require must-carry for TV stereo or teletext, as reported (TVD Oct 29 p4). What he did say was: "I would have a difficult time getting 3 votes for either side of the [must-carry] issue right now." He also said, as reported, that "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 auxiliary services," such as vertical blanking interval.

Much to CBS's consternation, and on protest by NBC, Nielsen refigured prime-time ratings for week ended Oct. 28 to factor in overrun of NFL football games. As result, NBC jumped from 16 rating to 16.5, beating CBS's 16.4. ABC remained 3rd at 15.3. CBS is protesting recount.

Acton Corp. will sell 9 Cal. cable systems to Daniels & Assoc. for \$17 million. Franchises east of L.A. have about 14,000 subscribers. Acton also is selling Brooksville and Springhill, Fla. systems, with 3,100 subscribers, to Centel for \$3 million.



## Personals

NCTA Pres. James Mooney received National Public Affairs Award from Atlantic Cable Show sponsors Oct. 30 in Atlantic City... Jeff Baumann, NAB senior vp-gen. counsel, and Brenda Fox, NCTA gen. counsel, address Nov. 15 FCBA luncheon at Touchdown Club, Washington... Black Entertainment TV Pres. Robert Johnson receives Pioneer Award Nov. 10 at Capital Press Club's 40th anniversary dinner at National Press Club, Washington.

FCC calendar: Daniel Brenner, senior legal asst. to Chmn. Fowler, addresses Spanish journalists and professors at USIA, Nov. 7; Edward Jacobs, FCC Office of Science & Technology international staff chief, participates in multilateral discussions for 1985 Space WARC, England, Belgium, Switzerland, Nov. 7-21; Comr. Rivera addresses Ariz. Bestrs. Assn. convention, Phoenix, Nov. 9... Lloyd Hand, ex-TRW and protocol dir. during Johnson Administration, becomes partner in Washington law firm Verner, Liipfert, Bernhard & McPherson, which adds Hand to firm's name... Herman Land, pres. of INTV, has informed board he will retire at end of 1985, will be consultant and write 2 books.

Lawrence Fried advanced to vp-news sales dir., ABC TV... Casey Clair promoted to west coast print ads vp, CBS Entertainment... Peter Greenberg, ex-CBS, appointed dramatic development vp, Paramount Network TV, new post... Carole Coates-West advanced to current programs vp, Columbia Pictures TV... Tad Barajas, ex-Warner Bros., appointed human resources mgr., Group W Productions... Clark Morehouse, ex-Group W, named media sales vp, Tribune Entertainment, new post... Lisa Cowles advanced to coordinator of mktg. and programs, Arts & Entertainment Network.

John Valentine, pres. of ADVO System Inc., recently acquired by John Blair & Co., named to newly consolidated post of senior vp-operations, ADVO and John Blair Mktg., succeeding Robert Hemm, who remains consultant at Blair Mktg.; James Hilliard promoted to senior vp-radio representation and owned stations; Chester Tart advanced to vp-programming/mktg., Blair Radio.

Peter Ferrara, ex-Ferrara, Fulton & Lauroesch financial advisory firm, appointed exec. vp, NRBA, succeeding Thomas McCoy, resigned... Eric Perbohner promoted to CATV western dist. mgr., Anixter Communications.

Eileen Salmas appointed mktg. dir., newly formed Elbac Cable Services Ltd., cable and pay TV software development and marketing company, 1751 S. Douglass Rd., Anaheim, Cal. 92806, 714-634-8467... Named at WFTS Tampa: Lewis Freifeld, ex-WPTY-TV Memphis, pres.-gen. mgr.; Paul Wilson, ex-WDIV Detroit, business mgr.; Fran Tivald, ex-Katz Independent TV, gen. sales

mgr.; Diane Appleyard, ex-WPMI Mobile, program dir.; Joseph Logsdon, ex-WTTV Indianapolis, creative services dir... George Carpenter promoted to vp, Palmer Communications... Fred Prociase advanced to gen. mgr., WTSG Albany, Ga.

John Haynes, ex-Warner Amex Dallas, appointed programming dir., Weather Channel... Robert Barnes advanced to corporate information systems dir., Turner Bestg. System, new post... Terri Thompson promoted to telemarketing dir., Cox Cable's new Field Mktg. Dept.; Steven Berman, ex-Pepsi-Cola, named field mktg. dir.; Charles DiToro, ex-AT&T Communications, appointed sales development dir.; Gretchen Shine, ex-AT&T Communications, named customer service development dir... Timothy Frame, ex-Blair TV, appointed national sales mgr., WATE-TV Knoxville.

FTC Chmn. James Miller addresses Nov. 27 National Press Club luncheon, Washington, on President's regulatory accomplishments... James Jones promoted to vp-employee relations, Gannett; Peter Pritchard, assoc. editor, USA Today, appointed chmn., Society of Professional Journalists FOI Committee, succeeding Anthony Mauro, Gannett News Service; James Jones advanced to employee relations vp, Gannett.

Randy Young, ex-M/A-Com, appointed vp-sales and mktg., S.A.L. Communications; named regional sales representatives: Leonard Price, ex-Cablevision of Boston, New England; Rhett Millsaps, ex-Anixter Communications, southeast; Martin Miller, mid-Atlantic.

Leola Gorius promoted to vp-business affairs talent negotiations, CBS Entertainment; in reorganization of CBS Entertainment Press Information: Monica Lahey advanced to dir.-affiliate relations and national press, specials and series; Michael Silver promoted to motion pictures dir.; Susan Schulman, ex-Susan Schulman & Assoc., named miniseries dir.; Janet Storm advanced to daytime programs dir.; Annita Zaccaro promoted to dir.-administration and finance, new post... Timothy Duncan advanced to sales planning dir., Metromedia Producers Corp., new post.

Sandra Rogers, ex-Tocom, named corporate mktg. mgr., Cableguard... John Crane, ex-Vision Cable Communications, Morehead City, N.C., appointed gen. mgr., First Commonwealth CableVision... James Lewis, ex-KERA-TV Dallas, named gen. mgr., WGBY-TV Springfield, Mass., succeeding Jerry Franklin.

John Topol, ex-Lexington Best. Services, appointed programming vp, Jack Hilton Productions... Lisa Morrison, ex-WJAR-TV Providence, named dir.-retail development department, new Blair Radio unit... Robert Furnad promoted to CNN vp-senior exec. producer... John Duvall promoted to broadcast operations vp, WLEX-TV Lexington, Ky.

# Consumer Electronics®

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## STATE OF THE INDUSTRY

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

	OCT. 13-19	1983 WEEK	% CHANGE	OCT. 6-12	42 WEEKS 1984	42 WEEKS 1983	% CHANGE
TOTAL TV.....	514,960	533,484	- 3.5	417,589	16,081,592	15,141,939	+ 6.2
TOTAL COLOR...	374,868*	368,250	+ 1.8	312,028*	12,428,639*	10,715,970	+16.0
DIRECT-VIEW.	370,021*	363,895	+ 1.7	306,648*	12,287,105*	10,611,685	+15.8
PROJECTION..	4,847*	4,355	+11.3	5,380*	141,533*	104,285	+35.7
MONOCHROME....	140,092	165,234	-15.2	105,561	3,652,954	4,425,969	-17.5
TV EXCL. PROJEC.	510,113	529,129	- 3.6	412,209	15,940,059	15,037,654	+ 6.0
HOME VCR.....	182,430*	100,051	+82.3	151,650*	5,287,396#	2,932,545	+80.3
COLOR CAMERAS...	9,031	9,976*	- 9.5	7,265	358,937*	290,462	+23.7

Color TV (direct-view) 5-week moving average: 1984--358,690\*; 1983--347,087 (up 3.3%).

Home VCR 5-week moving average: 1984--189,596\*\*; 1983--98,989 (up 91.5%).

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

**SOME LAYOFFS AS COLOR SALES COOL:** With Oct. sales expected to show first year-to-year decline in color sales to dealers for any month in last 25, set makers were watching inventories closely, and first reports of layoffs began to surface.

Details are lacking, but it's understood that GE is furloughing some workers at Portsmouth, Va. color TV plant and Syracuse picture tube facility. Company officials were unavailable for details last week.

Philips ECG, meanwhile, is moving all color TV picture tube manufacturing to Ottawa, O. plant next year, reserving Seneca Falls, N.Y. facility for color data displays. Pres. John Torre said move was part of planned program following phaseout of monochrome tubes. Torre told us Philips' color tube production was still limited by availability of parts, particularly shadow masks and glass.

Note: Glass manufacturers Corning and Owens-Illinois have notified tube makers of long-anticipated Jan. 1 price increase, which one tube manufacturer described as varying from "small to excessive." Tube manufacturers, in turn, are negotiating with set-maker customers about possible rise in tube prices.

**SONY'S MOVE TO 8mm RAISES QUESTIONS:** More details of Sony's commitment to 8mm, both under own brand and as private label supplier, surfaced in Japan last week, with unconfirmed reports that it would market lightweight low-cost camcorder in U.S. and Japan next spring. In Japan and U.S., Sony reiterated that it hadn't yet made decision on timing and locale of 8mm marketing.

Leak in Japan, through usually reliable Nihon Keizei Shimbun (Japan Economic Journal), paralleled our report of Sony's own-brand 8mm debut in spring (TVD Oct 15 p11) and hinted at some remarkable achievements. It stated that Sony's "first" 8mm product will be camcorder



weighing some 3.75 lb. -- making it lightest to date. Machine, which will both record and play back, will undersell Betamovie at hot \$940 on Japan market, according to report.

Sony will switch one Betamax production line at its Koda plant to 8mm, according to report, at rate of 20,000 units monthly to start. In addition to producing for its own brand, it's indicated that Sony will make camcorders for Kyocera, for sale under Yashica brand, as well as its already reported manufacture of similar product for Fuji (TVD Oct 8 p12). Sony also will supply basic components for Pioneer brand tabletop 8mm deck. Report adds that Sony will supply 8mm cassettes with "more than 90 min." recording time. (Eastman Kodak has announced 2-hour cassettes for next year.)

Report said that Sony will make final decision in Dec. on exact timing of U.S. and Japanese introductions, but that launch probably will be scheduled between March and June. Sony America said it stands by its statement that it has set no "specific timetable" for 8mm (TVD Oct 22 p13). Sony now is only VCR manufacturer with no VHS production, and some Japanese observers see it putting heavy emphasis on 8mm as "new generation," surpassing old 1/2" designs. While pledging loyalty to Betamax, Chmn. Akio Morita said last Dec.: "In the long run, 8mm will be the final solution."

**EARLY STEREO TV REACTIONS MIXED:** Public awareness of multichannel TV sound (MTS) is still spotty, and whether people are breaking down doors to get stereo sets or haven't even heard of them depends on who you talk to. That's result of minisurvey last week in Chicago, nation's first stereo TV market, where PBS's WTTW has been broadcasting stereo and synthesized stereo full time since Aug.

"We've surveyed 4 of our key dealers, and they indicate that 80% of their TV set customers have questions about stereo," we were told by distributor of TV brand that's heavily into MTS. "We can't keep full stereo sets in stock -- they go out the door as fast as they come in. We've had some cancellations on nonstereo, nonconvertible consoles. We also find that the Spanish-speaking population is very conscious of bilingual TV," although none is yet on air in Chicago. "I never thought [demand] would come as fast as it did."

About 1/3 of TV customers who come into his store are aware of stereo as feature, we were told by Dale Plass, Plass Appliances & TV. "What we are selling is top of the line with stereo broadcast capability," he said. "We impress upon our customers when they make the purchase that TV stations will most likely be in stereo within the next 6 months." Plass, who also has store in Elgin, city with high Spanish population, added: "We have no indication that these people know anything about bilingual TV."

Most other dealers we queried say they've found little demand for stereo TV so far. Michael Moore, Town House TV, said there's too little stereo programming to cause demand. "Sure, some people know there's such a thing as stereo TV, but they're not asking for it. There might be more sales action as we get closer to Christmas because we are only now getting stereo models. All we had until 30 days ago was stereo-ready -- nothing was capable of playing stereo without adaptors and these weren't always readily available. Once we get more factory-equipped stereo sets and there are more programs on the air, I feel sales will start to pick up."

Major mass merchandiser flatly told us public just isn't aware of stereo TV. Asked whether top-of-line customers ask for stereo, he said people just don't know it exists. Electronics buyer for a top department store chain concurred -- "the customer doesn't know anything about stereo TV. What's needed are promotions to make people stereo TV conscious and then we'll have sales."

Two more stations have started MTS transmissions, meanwhile, bringing on-air total to 9. KTLA L.A. formally inaugurated stereo and bilingual broadcasts last week (TVD Oct 29 p17),

while WNJT Trenton, N.J. (PBS) completed tests of nonprogram SAP and officially begins broadcasting for blind today on audio channel; it plans to add stereo in 2nd half of 1985.

There now are 182 stations known to be planning MTS, as more returns arrive in our station survey (TVD Oct 22 p14&16). In addition to those reported last week (TVD Oct 29 p17), KIFI-TV Idaho Falls (NBC), permittee WVSU-TV Humacao, P.R. and KTBS-TV Shreveport, La. (ABC) plan to start in 2nd half 1985.

**JAPAN VCR, COLOR EXPORTS AT HIGH IN SEPT.:** Japan's video exporters closed out 3rd quarter with all-time monthly high VCR shipments to U.S. and 6-year peak in exports of complete color TVs, according to Finance Ministry figures.

VCR exports, which had taken breather in Aug. following 5 consecutive monthly records, picked up pace in Sept. at 1.24 million, up 128.6% from Sept. 1983, topping previous high of 1.14 million set in July. That put 9-month total at 8.02 million, up 123.2%. July-Sept. was first quarter in which each month's shipments exceeded million, period coming in at 3.43 million, up 123.6%. EIA VCR U.S. distributor sales figures show 1.89 million were sold to dealers in 3rd quarter, or 1.54 million fewer than Japanese shipped in period. However, estimated 10-15% of Japan's VCR exports are nonconsumer types or are consumer models re-exported to Canada or Latin America, so not all of excess represents inventory buildup here.

In TV, month's total exports of 230,900 were up 37%, all of gain in 55.3% rise for color, as b&w dropped 33.9% to 22,800. It was 2nd straight month of declining b&w shipments from year's peak of 72,900 hit in July, may indicate start of decline in demand for mini b&ws, product generally credited with starting Japan's b&w export revival that began in Aug. 1983. For quarter, total TV exports were up 61.3% to 765,200. Color rose 60.8% to 619,500, and while b&w shipments were up 63.4% to 145,700, total was well below 186,900 shipped to U.S. in 2nd quarter. Through first 9 months, Japanese total TV exports of 1.97 million jumped 93.2%, with color up 85.3% to 1.5 million, b&w up 124.6% to 463,300.

In color, exports of complete sets gained 57.5% for month to 130,200, highest since 1976 when Japan first started reporting chassis and kit shipments separately. Set exports rose 58.8% to 357,500 for quarter, closed 9 months at just under 926,000, up 108.8%. Exports of color chassis and kits were ahead 51.7% to 77,800 for month, up 63.5% to 261,900 for quarter and up 57.1% to 578,800 for 9 months.

Japan's 9-month TV exports to U.S. were valued at \$337 million, up 97.5% from same period last year on constant-dollar basis. Color set value jumped 103.9% to \$107.9 million, kits rose 71.2% to \$75.7 million, and b&w contributed \$41.3 million, up 123.4%. TV total however, was all but dwarfed by VCR value, which rose 94.3% to \$2.34 billion.

Figures indicate average value of VCR shipped in first 9 months, at current exchange rate, dropped 12.9% to \$291.18 from \$334.27 in same period last year. Value of average color set slipped 2.3% to \$237.65 from \$243.33, while average b&w price declined slightly to \$89.11 from \$89.60. Going other way was chassis-kit average, rising 9% to \$130.78 from \$120.01. Valuation, however, doesn't reflect 4% decline in value of yen against dollar since last year. Factoring that in shows actual price paid in dollars for average VCR was off 16.4%, raises decline for color set to 6.3% and for b&w to 4.6%, while reducing rise for color chassis-kit to 4.5%.

FTC has reactivated probe into whether Federated Dept. Stores engaged in anticompetitive behavior and pushed suppliers to give it larger ad allowances than were being offered to competing retailers. FTC opened limited investigation in 1980, now is looking at all product lines Federated's outlets handle.

U.K.'s Acorn Computer has formed subsidiary, Acorn Video, to market interactive Laservision videodisc-computer system for training, education, library and in-store use. Company says it will offer separate systems for users and for those who want to create own interactive materials. System will be priced in \$3,700-\$4,900 range.



**AUG. TV IMPORTS:** Color TV importers bounced back from relatively sluggish performance in July by approaching record levels for incoming shipments in Aug., according to Commerce figures.

All major source countries got piece of increased action in complete sets, with Hong Kong, Korea, Malaysia and Taiwan all more than doubling results of same month last year; imports from Japan and Singapore also rose significantly. In color chassis and kits, imports from Mexico provided exception to rule of generally sizable increases.

Month saw cumulative total TV imports from Korea just hit 4 million mark, while Taiwan passed million for total color. Aug. also set stage for complete color from Japan and Taiwan to top million in Sept., which will put those countries in class with Korea, which passed 7-figure level in July.

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

#### Total TV

	Month	% chg.	8 months	% chg.
<b>Japan</b>				
total...	343,500	+166.5	1,996,800	+86.9
color...	258,100	+162.0	1,472,000	+81.3
b&w.....	85,400	+181.3	524,800	+104.7
<b>Taiwan</b>				
total...	413,300	+65.6	2,562,700	+31.6
color...	158,200	+213.7	1,105,300	+79.2
b&w.....	255,100	+28.1	1,457,300	+ 9.6
<b>Korea</b>				
total...	662,700	+102.3	4,000,000	+68.6
color...	259,600	+158.1	1,530,500	+76.5
b&w.....	403,100	+77.6	2,469,500	+64.1
<b>Singapore</b>				
total...	54,900	+72.2	474,700	+28.7
color...	54,900	+72.2	470,600	+33.7
b&w.....	--	--	4,100	-75.9
<b>Malaysia</b>				
total...	27,500	+348.6	147,700	+28.2
color...	27,500	+1037.2	136,500	+70.4
b&w.....	--	--	11,200	-68.2
<b>Hong Kong</b>				
color...	18,700	+414.8	86,200	+370.1
<b>Canada</b>				
color...	10,100	- 9.8	54,900	- 6.1

#### Complete Color

Japan...	125,200	+68.7	962,100	+75.0
Taiwan...	132,500	+166.4	972,800	+68.2
Korea...	205,600	+140.5	1,320,000	+68.2
Singapore	18,400	+97.1	157,500	+29.1

#### Color Chassis and Kits

Japan...	132,900	+446.5	509,900	+94.6
Taiwan...	25,700	+3593.4	132,500	+245.2
Korea...	54,000	+258.0	210,500	+156.3
Singapore	36,500	+61.9	313,100	+36.2
Mexico...	126,300	-32.9	1,098,700	+ 3.1

**RCA'S ENGSTROM DIES:** One of nation's leading scientists and engineering administrators, whose talents received recognition in his election to presidency of RCA, Elmer Engstrom, 83, died Oct. 30 in Hightstown, N.J. after long illness.

Engstrom, who was accorded every major award in electronics engineering, was key figure in developing early radio transmitting and receiving systems for GE and RCA, then supervised RCA's R&D in monochrome and later color TV.

He served as RCA pres. 1961-1965, as chmn. of exec. committee and CEO for next 2 years, relinquishing CEO title in 1968 and retiring next year, but continuing on board and as consultant until 1971. He joined GE in 1923, worked on development of radio transmitting and receiving equipment. After 1930, when GE's radio engineering activities were transferred to RCA, he was assigned to radio receiver engineering and production.

Shortly thereafter, he supervised RCA's TV development and later, as head of RCA Labs, performed same function in directing development of color TV system. In 1942 he became dir. of general research and in 1955 senior exec. vp. He was involved in virtually every research activity of RCA. Affable and highly regarded by electronics engineers everywhere, administrative talent of "Shorty" Engstrom (nickname was a mystery -- he was at least 5 ft. 6 or 7) showed up on many intra-industry organizations, including first and 2nd NTSCs, which developed standards for b&w and color TV.

He is survived by wife, son, granddaughter.

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**Ad notes:** Verbatim appoints D'Arcy MacManus Masius for \$4 million computer disc account, replacing Grey Adv. West Coast, which had been given account just last month. Grey is understood to have resigned to avoid conflict with N.Y. office, which has 3M video and audio tape account and handles billings for disc ads created by Chiat/Day... Video Now is new monthly home video magazine due this month from publisher Bernard Cerrone of N.Y., claiming startup circulation of 300,000, to be distributed through video stores at 49¢ cover price... Apple is borrowing promotional idea from car makers, offering consumers chance to "test drive" Macintosh computer. It's making units available to dealers for overnight loan to customers. Promotion is being run in U.S. and U.K.

China will try to revitalize Hong Kong's financially ailing Conic Investment through financial reorganization and capital infusion. Conic will revalue its existing shares to reduce capitalization on books to \$19.8 million from \$66.1 million, offer new shares representing 32.6% interest to existing holders to raise additional \$37.7 million. Chinese govt.-owned Sin King Enterprises, which put up \$22.7 million in Jan. to acquire 34.8% interest in Conic, has agreed to purchase any new shares not bought by other holders, so is likely to end up with 67.4%.



**COMMODORE BUYS AMIGA:** Commodore said it completed previously announced acquisition of upscale computer producer Amiga for undisclosed amount (TVD Aug 20 p16).

Commodore's interest in Amiga centers on Apple-compatible low-cost 32-bit personal computer company developed and displayed privately at last Summer CES in Chicago. Unit has separate microprocessor for generating high-quality color graphics, freeing CPU for on-screen movement. Amiga has said unit would sell for less than \$1,000 and could easily be adapted to run IBM PC software.

Link with Amiga also had been sought by Atari, which filed \$100 million damage suit against Amiga after acquisition agreement with Commodore was announced. Suit is still pending. Prior to ex-Commodore head Jack Tramiel's acquisition of Atari from Warner Communications, Atari gave Amiga \$500,000 to develop 3 graphics ICs. Amiga later returned cash, saying it couldn't come up with chips. Atari alleges Amiga did indeed use Atari funding to develop ICs, then fraudulently tried to sell them elsewhere. Commodore said suit would have no effect on its plan to introduce advanced personal computer next year based on Amiga design.

In other computer merger activity: VisiCorp said it plans stock-swap merger with Paladin Software, company launched last year by former VC employees. Details weren't announced, but Paladin will be surviving company and VC cofounders Chmn. Dan Flystra and Mktg. Vp Peter Jennings won't have operating responsibilities. VC, once among leading software marketers, hasn't had successful product since severing of licensing agreement with Software Arts, developer of VC's popular VisiCalc spreadsheet program... Xidex, microfilm equipment producer, has agreed to acquire computer disc maker Dyan in stock-swap merger that would give current Dyan holders 40% of combined company. Price wasn't disclosed. Dyan earlier announced plan to terminate disc drive business at cost of \$20-\$40 million, said it will show significant loss in quarter ending Nov. 3.

Acquisition of Video Corp. of America by Technicolor parent MacAndrews & Forbes has received green light from Justice Dept., source close to VCA told us. Clearance was needed because both companies are majors in videocassette duplicating business. Still unresolved, however, is lawsuit filed by VCA shareholders unhappy with buyout price... Lorimar said it completed previously announced acquisition of home video software marketer Karl Video. It said KV will soon introduce line of feature-length children's programs Lorimar has been developing in cooperation with Scholastic Productions.

Korea's Hyundai has started production at \$40 million IC facility in Santa Clara, Cal. Plant employs 150, expected to rise to about 400 by end of next year. First output is of memory ICs for sale to U.S. small computer OEMs.

**TV DUMPING DELAY:** Commerce Dept.'s International Trade Administration last week gave Korean color TV makers expected 45-day extension of its Oct. 31 deadline for finalizing proposed higher color TV dumping margins (TVD Oct 29 p9).

Extension announcement was due Oct. 26, but agency held off so it would have chance to supply advance word to Sen. Percy (R-Ill.) and Rep. Rostenkowski (D-Ill.). Both had contacted Commerce to state their opposition to any unnecessary delays in case. As indicated here last week, postponement covered all Korean color companies in case, though of 3 directly involved only Samsung wanted delay. Gold Star actually opposed extension and Daewoo took no official position. ITA will send team to Korea again to verify any new information companies submit in support of claims for lower margins.

Congressional aides to Percy and Rostenkowski said there would be no reaction to extension. However, they said they'd keep in contact with ITA to check on progress and to make sure no additional delays are contemplated.

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Knight-Ridder is trimming 41 from staff of Viewtron home videotex service in Fla., reducing full-time employment to 169. Company said move was part of cost-cutting effort. Viewtron is expected to show loss of less than \$17 million this year, and K-R hopes to reduce that in 1985. K-R said subscriber sign-up has been slower than expected but in recent weeks "has picked up markedly" and usage "in several key categories" of information services provided has "been growing month by month." Viewtron has about 2,800 subscribers, against first year target of 4,500. K-R said it will explore potential of delivering Viewtron to personal computers, so subscribers won't have to pay \$600 for terminal or rent one for \$40 a month. K-R said it also will look into development of specialized communications services for businesses.

Hitachi bought nonexclusive license to produce laser recorded and read Ovonic optical memory discs from Energy Conversion Devices. Matsushita and IBM are earlier licensees. Ovonic discs are coated with amorphous material which, when irradiated by laser, undergoes structural change that modifies reflective properties. They can hold 10 times as much information as comparably sized magnetic discs and, depending on nature of material used, can be erased and rerecorded. Though prime initial application is expected in computers, ECD says discs have low enough cost potential to be used in home video or computer disc recorders.

Plans to buy color TV sets in next 6 months were indicated by 7.5% of those surveyed in Oct. by Conference Board, up from 7% in Sept. but below the 8% of Oct. 1983. Survey showed 0.5% planned to buy b&w set, down from 0.7% in Sept. and 1% in Oct. 1984.



**VCR IMPACT 'NEGLIGIBLE':** Concern about zapping of commercials by VCR owners is unwarranted, according to NBC Research analysis of unreleased preliminary Nielsen study of VCR activity, which indicates home recording of TV shows is minuscule. As NBC Research Vp William Rubens put it: "The impact of VCR recording [on networks] is negligible."

Based on Nielsen TV Index on VCR activity in metered households in June-Aug. 1984, covering the 8% of Nielsen sample that owned VCRs, prime-time VCR recording worked out to 0.06 of a rating point for all homes (VCR and non-VCR) in average minute, vs. average network prime-time rating of 12.1. One rating point, equal to 1% of TV households, represented 838,000 homes at that time, indicating that only about 50,000 VCRs were recording during average prime-time minute. This works out to only 0.7% of all VCRs, on basis of Nielsen projections.

In prime-time analysis, VCRs recording with set turned off represented 0.02 rating point in all TV households; recording with set tuned to different channel, 0.01 point; half of all recording was done while same channel was being watched (0.03 point), when it's virtually impossible to zap commercials. NBC concludes that size of audience that could potentially zap commercials "is far below Nielsen's reportable standards."

Even among VCR households only, ratings of recording totaled only 0.3 of a point per average minute in prime time. In daytime, ratings of recording in VCR households came to 0.43 point. Daytime ratings of all households showed average minute VCR recording rating of 0.04 -- with set off 0.03 point, of channel being viewed 0.01, with set tuned to different channel "virtually zero."

In view of fact that nearly 90% of VCR owners say they bought recorder for time-shifting, data will raise some eyebrows -- as well as question of what owners are doing with their VCRs.

One clue may be size of Nielsen's sample and whether it's statistically adequate. Nielsen has meters in 1,700 homes, of which 8% had VCRs in period measured -- thus only 136 VCR homes are included in sample. More light should be shed on subject later this month when Nielsen releases VCR study.

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Next VCR usage survey to come from Nielsen Home Video Index will be first in continuing series to be issued quarterly, Research Mgr. Paul Lindstrom told us. Decision wasn't unexpected, means Dec. report covering July-Sept. activity will be followed by Oct.-Dec. study due in March 1985. HVI has further refined questions for survey now under way, will try to track movie attendance in relation to recorded cassette usage, purchase of regular and high-grade blank tape, rental price changes, closed captioning, and whether acquisition of VCR before or after pay TV is important. HVI also hopes to offer

more data on hardware and blank-tape brand preferences, difference in behavior of Beta and VHS users.

**MORE COMPUTER DROPOUTS:** Another pair of companies joined personal computer casualty roster last week, one quitting hardware side, other software.

Franklin Computer, which last Jan. agreed to pay Apple \$2.5 million and discontinue selling certain hardware products to settle copyright infringement suit, said it plans to liquidate and be out of business within year. Company, which had \$100 million in sales of Apple-compatible computers in 1982-83, has been unable to come out with new products to replace those it was required to drop. It filed Chapter 11 bankruptcy petition in July, listing assets of \$33.9 million, liabilities of \$22.8 million, laid off bulk of employees. Company said liquidation proceeds would go to creditors.

Harper & Row is latest to throw in towel on educational software. Company blamed market glut in announcing closing of separate unit formed last year to market programs and books. Company said it planned to sell off some assets, including software, and would continue marketing some computer material through other divisions. Loss on disposition would be offset by profit from sale of textbook unit, H&R said.

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Recorded videocassette sales boom can't go on forever, according to Fairfield Group partner Stephen Wilson. He expects 1984 cassette deliveries to reach 22 million, believes that "far exceeds demand in terms of actual number of users." By year's end, about 30-33 million cassettes will be spread among stores, at least 7-10 million more than retailers need to achieve best profits, FG estimates. Sellthrough is only way to keep lid on numbers, "and we don't see this happening," Wilson said, adding: "The harsh reality is that rental does not consume much inventory" and rise of even 50% in VCR sales next year wouldn't eliminate problem. "It wouldn't surprise me if fewer [cassette] units were sold [in 1985] than this year."

Hearing on impact of reducing or eliminating duties on high-tech electronic components and parts is slated for Nov. 15 in Washington by International Trade Commission. Specific products being considered include transistors, diodes, rectifiers, ICs, crystal components, semiconductor parts and parts and assemblies of data processing equipment, all of which are being considered for duty-free treatment.

RCA Taiwan is being challenged by Tatung for ranking it's held for last 2 years as island's top exporter. Tatung's exports for first 9 months of 1984 were valued at \$170 million, and are expected to exceed \$200 million for full year. RCA shipments in 1983 were placed at \$182 million. Tatung says 77.5% of its overseas sales come from information products, including computers, monitors and disc drives.



**CELLULAR DUMP PENALTY HIKED:** In one of roughest cases against foreign manufacturer charged with exporting products to U.S. at less than fair value, Commerce's International Trade Administration finalized determination that Japan's Kokusai dumped cell site transceivers here, set substantially higher dumping margin than expected. Cell site transceivers are pole-mounted 2-way radios that relay calls from mobile cellular phones.

In preliminary ruling last June, ITA upheld dumping allegations in complaint filed last year by E.F. Johnson, said Kokusai transceivers were being sold to AT&T at average of 40.63% below fair value, which in this case was based on production and related marketing costs. In final ruling, margin was hiked to 59.9%. Margin represents potential dumping penalty that will be assessed against shipment value, and importer is required to post cash bonds on imports to guarantee payment.

Increased margin came as surprise to industry. ITA final determination had been due in Aug., but agency postponed deadline 60 days at Kokusai's request. Company said it wanted ITA to conduct more complete review of its production cost information, and general assumption was that Kokusai had developed material that would help its case. Instead, new data presumably showed costs were higher, not lower, than ITA originally believed. Trap Kokusai fell into is similar to one that snapped shut on Korean color TV makers, which face increased margins as result of expedited review they asked ITA to conduct (see related story in this issue).

ITA stiffened penalty against Kokusai even further by accepting E.F. Johnson assertion that case involved "critical circumstances," meaning Kokusai had reason to know it was dumping. As result, finding is retroactive to cover imports entered as of March 7. Kokusai started shipping in Jan., and by June, when preliminary ITA ruling was issued and liability for penalty assessment would normally have begun, it had delivered nearly all of 4,000 transceivers AT&T had ordered. Without critical circumstances ruling, actual dumping duties owed by Kokusai would have been minimal. Case now goes to International Trade Commission for final ruling on whether dumping has injured domestic producers. In preliminary ruling in Feb., ITC found likelihood of injury.

With dumping margin so high, it's not likely Kokusai will get much in way of future orders. In addition, as Kokusai was nation's sole exporter, same margin bonding requirement will be imposed automatically on imports from any new Japanese suppliers, though they, of course, can avoid any actual dumping penalties by showing their products are priced fairly.

This is 3rd successful dumping case pressed against Japanese by domestic communications equipment companies. And like others, which involved pocket pagers and satellite earth station

components, it comes just as market is getting off ground. It indicates U.S. producers aren't planning to wait for imports to build to critical level before fighting back against what they see as unfair competition.

Fourth case, also involving new industry -- mobile cellular phones -- is understood to be in planning stage. While no U.S. producers will confirm specific involvement, feelers from trade lobbyists and attorneys have been put out already among ITA and ITC staff members. What's being watched closely are wholesale prices of imported phones, which have dropped as much as 50% over last 6 months.

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Eastman Kodak's commitment to electronics (TVD Oct 29 p15) is underscored by formation of new Ultra Technologies Div. to "produce electronic products." New operation will be situated in 217-acre site with 3 buildings Kodak is acquiring in Newark, N.Y. Kodak says total employment potential will be more than 100 in first several years, hiring to begin in mid-1985. James Moxley, former consumer product planning dir., is pres. of Ultra, which will operate as division of Kodak subsidiary Eastman Technology Inc. Kodak official said company planned to "keep the nature of the business and the product proprietary." He added that it was separate from Kodak's plans to manufacture computer discs and other electronic media.

Japan's electronics factory output rose 32.3% in first half this year to \$31.4 billion, EIA-Japan reports. It put value of consumer electronics production at \$8.83 billion, up 22.8%, while industrial products and computers rose 31.2% to \$11.5 billion and value of parts and component production jumped 42.1% to \$11.6 billion. Value of nation's electronics exports was up 32.7% to \$16.2 billion, aided by 22.1% rise in consumer products to \$5.83 billion. Exports of industrial products climbed 42% to \$4.46 billion, and overseas shipments of parts and components was up 37.9% to \$5.87 billion.

French venture to produce color liquid crystal information display panels for automated, office automation and communications equipment markets is being launched by Renault and Japan's Stanley Electric. Renault has been buying LCD panels for its cars from Stanley. Venture, which will be joined by other French companies, plans to construct \$21.8 million facility, begin panel production at 30-40,000 annual rate next year.

Corrections to our table of multichannel TV plans of stations (TVD Oct 22 p16): Among 2nd-half 1985 starters, correct call of Phoenix station is KTSP-TV; new call assigned to Sacramento independent is KTXL. Among stations with plans, but no starting date, Pensacola permittee is now WJTC, and Selma, Ala. outlet has changed call to WAKA. Additions to starting list are reported elsewhere in this issue.



## Consumer Electronics Personals

Harvey Schneider, ex-Sharp national accounts mgr., named Marantz senior sales and mktg. vp... Frank Grzelecki, ex-Lenox, joins Beatrice Cos. as exec. vp for consumer products, succeeding Joel Smilow, resigned; Gene Manning, ex-Charmglow, joins subsidiary International Jensen as consumer products vp-gen. sales mgr... Donal Kobes, ex-Pioneer, named Samsung national ad mgr... Cliff Burgett appointed AOC International national service mgr., new post... James Moxley, former Kodak photo consumer product planning dir., appointed pres. of Ultra Technologies, new Kodak unit formed to produce unspecified electronic products in Newark, N.Y.

Barry Shereck resigns as pres. of Pioneer Artists, videodisc program acquisition arm of Pioneer Video, will continue on occasional consulting basis... Gary Jones, ex-Sound Video Unlimited, joins NTA Home Entertainment as sales and mktg. dir... Michael Kory advanced to controller, Warner Home Video... Fred Hirsch named pres. of All Seasons Entertainment, new home video subsidiary of producer and duplicator Sunrise Video Corp.; Kathleen Clinton joins as mktg. and distribution vp... Merle Gordon, ex-Hearst/ABC Video, appointed RKO Videogroup business affairs operations dir... Howard Klein advanced from national sales mgr. to sales vp, Caballero Home Video... John Topol named program vp, Jack Hilton Productions, responsible for syndication, pay and home video markets... Ronald Garrett, ex-pres. of Amaray Sales Corp., joins Vidicopy as mktg. vp; Thomas Anderson becomes client services mgr.

Stanton Bauer promoted from national sales mgr. to div. mgr., Fuji Magnetic Tape... Ewald Lehrmann advanced at 3M to Magnetic Audio/Video Products Div. mktg. operations mgr... James Owen promoted at Code-A-Phone to pres., succeeding John Daly, reassigned to unspecified post with parent, Conrac; Paul Newman, former Consumer Products Div. mktg. vp, advanced to vp-gen. mgr., succeeding Owen... Edward Rudnic, ex-Abex, joins Video Corp. of America as information systems mgr.

Sigmund Hartmann resigns as Commodore Software Div. pres., reportedly as result of disappointing sales, plans and successor unannounced... David Cole resigns as chmn.-CEO of software publisher Ashton-Tate to take post with unnamed software company in N.Y. area. Cole is being replaced on interim basis by Carmelo Santoro, Silicon Systems chmn. and an A-T dir... Alan Miles, ex-Macmillan Publishers (U.K.), joins Sinclair Research as Middle East sales mgr.; John Durnford, ex-Commodore, named Southeast Asia sales mgr.

"Notebook Watch" due from Seiko next year at \$195 will record and display appointment calendar of 43 events over 31-day period, erase each day's schedule at midnight. Another mode has 1,000-character notebook memory for phone numbers or other data. Input is through separate keyboard.

**ANDREA BOWS OUT:** Andrea Radio, one of oldest names in U.S. consumer electronics industry, officially bowed out last week when it auctioned off all TV, radio and stereo assets at Long Island City, N.Y. hq.

Founded by Frank A.D. Andrea in 1920s, its Fada radios won strong market acceptance. Company was among pioneers in TV set manufacturing, marketed 5" b&w model in 1938.

Andrea survived industry shakeout of 1950s, continued as producer of deluxe TV and stereo consoles, was among exhibitors at first Consumer Electronics Show in N.Y. in 1967. Company discontinued production and marketing of consumer electronics about 5 years ago to concentrate on what's now its main business, intercom systems for military aircraft.

Spokesman told us auction was of parts and equipment no longer being utilized. "It seemed to be the best way to get rid of it." Put on the block were electronic components, TV tuners, speakers, circuit boards and hardware, along with test gear and production machinery. Also sold off were 400 TV and stereo cabinets carrying such defunct Andrea designations as Theatre in the Round, Viscaya, Space 80 and Colonial Dry Sink.

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Motorola got 8th independent audio marketer backing its C-Quam AM stereo system in Sparkomatic, which announced plan to show 3 car cassette-FM-AM models, priced \$150-\$250, at Winter CES in Las Vegas. Already lined up are Concord, Jensen, Kenwood, Marantz, McIntosh, Pioneer and Samsung. Chrysler, Ford and GM are offering C-Quam radios as optional equipment for some new car models, and Sansui and Sony are selling multisystem receivers.

Another videocassette vending machine is due to check in this month with 50 test installations at still undetermined locations in southern Cal. Manufacturer is L.A.-based Movie Mart, which says it spent more than \$1 million over last couple of years developing machine. It stores up to 460 cassettes, automatically reloads returns, will accept tapes from any other location. Company will buy cassettes from distributors to stock test, expects to source direct from studios when service goes national.

Leading Edge Products has signed long-term computer products agreement with Korea's Daewoo. Daewoo will produce IBM-compatible computers and peripherals for sale by Leading Edge in U.S., Europe, Latin America and Australia, and firms will market jointly in Africa and Asia.

Chinese venture to produce and market solar cells is being formed with govt. there by Sovonics Solar Technology (SST), venture of Energy Conversion Devices and Standard Oil. SST has similar venture in Japan with Sharp, producing cells for solar powered calculators and watches.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>Activision</b>			
1984-6 mo. to Sept. 29	13,770,000	(8,807,000)	--
1983-6 mo. to Oct. 1	39,452,000	(3,892,000)	--
1984-qtr. to Sept. 29	7,555,000	(5,184,000)	--
1983-qtr. to Oct. 1	13,247,000	(4,119,000)	--
<b>Commodore International</b>			
1984-qtr. to Sept. 30	244,200,000	27,700,000	.90
1983-qtr. to Sept. 30	209,300,000	24,300,000	.79
<b>CTS</b>			
1984-39 wk. to Sept. 30	248,750,000	(7,479,000)	--
1983-39 wk. to Oct. 2	176,004,000	7,342,000	1.30 <sup>a</sup>
1984-13 wk. to Sept. 30	85,407,000	(15,553,000)	--
1983-13 wk. to Oct. 2	64,854,000	2,110,000	.36 <sup>a</sup>
<b>Dynascan</b>			
1984-9 mo. to Sept. 30	92,243,000	(10,558,000)	--
1983-9 mo. to Sept. 30	129,136,000	7,137,000	1.58 <sup>b</sup>
1984-qtr. to Sept. 30	36,535,000	(245,000)	--
1983-qtr. to Sept. 30	52,783,000	3,056,000	.66 <sup>b</sup>
<b>Electronic Memories &amp; Magnetics</b>			
1984-39 wk. to Sept. 29	63,108,000	1,529,000	.15 <sup>c</sup>
1983-39 wk. to Sept. 29	56,945,000	2,215,000	.26 <sup>c</sup>
1984-13 wk. to Sept. 29	19,293,000	(683,000)	-- <sup>d</sup>
1983-13 wk. to Sept. 24	20,112,000	870,000	.11 <sup>d</sup>
<b>Esquire Radio &amp; Electronics</b>			
1984-9 mo. to Sept. 30	10,368,100	719,100	1.49
1983-9 mo. to Sept. 30	38,751,300	1,023,700	2.12
1984-qtr. to Sept. 30	193,800	163,900	.34
1983-qtr. to Sept. 30	15,643,300	369,700	.77
<b>Kloss Video</b>			
1984-9 mo. to Sept. 30	14,247,686	(555,425)	--
1983-9 mo. to Sept. 30	13,832,184	659,456	.38
1984-qtr. to Sept. 30	5,287,268	(79,574)	--
1983-qtr. to Sept. 30	5,300,963	331,557	.19
<b>Koss</b>			
1984-qtr. to Sept. 30	5,326,268	(1,430,400)	--
1983-qtr. to Sept. 30	5,156,853	104,220	.03
<b>MTV Networks*</b>			
1984-9 mo. to Sept. 30	75,028,000	7,365,000	.49
1984-qtr. to Sept. 30	28,777,000	3,023,000	.20
<b>Multimedia</b>			
1984-9 mo. to Sept. 30	220,462,000	24,248,000	1.46
1983-9 mo. to Sept. 30	195,701,000	24,084,000	1.48
1984-qtr. to Sept. 30	75,401,000	6,479,000	.39
1983-qtr. to Sept. 30	68,013,000	8,926,000	.54
<b>Oak Industries</b>			
1984-9 mo. to Sept. 30	315,126,000	(29,462,000)	-- <sup>c</sup>
1983-9 mo. to Sept. 30	322,850,000	(99,569,000)	-- <sup>c</sup>
1984-qtr. to Sept. 30	95,397,000	(9,576,000)	-- <sup>c</sup>
1983-qtr. to Sept. 30	102,390,000	(5,918,000)	--
<b>Reeves Communications</b>			
1984-qtr. to Sept. 30	46,189,000	(2,878,000)	--
1983-qtr. to Sept. 30	53,865,000	2,945,000	.24
<b>Taft Bcstg.</b>			
1984-6 mo. to Sept. 30	202,415,000	28,810,000	3.09
1983-6 mo. to Sept. 30	274,857,000	21,933,000	2.21
1984-qtr. to Sept. 30	113,649,000	13,999,000	1.50
1983-qtr. to Sept. 30	167,225,000	15,213,000	1.55
<b>Texas Instruments</b>			
1984-9 mo. to Sept. 30	4,225,800,000	251,500,000	10.43
1983-9 mo. to Sept. 30	3,280,500,000	(222,900,000)	1
1984-qtr. to Sept. 30	1,422,700,000	85,800,000	3.54
1983-qtr. to Sept. 30	1,006,700,000	(110,800,000)	--

Notes: \*Restated. \*Adjusted. \*Includes special credit.  
<sup>a</sup>After special charge. <sup>b</sup>Comparative results unavailable.

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With Consumer Electronics

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Sprague expanded Far East manufacturing involvement last week with official opening of \$12 million, 60,000 sq. ft. plant in Hong Kong. Sprague said about 7% of its annual sales of about \$600 million are from Far East, expects that to rise 35% annually, predicts area will provide up to 14% of volume by 1988. Plant has 80 manufacturing employees now, will boost that to 300 by 1987. It's turning out 2 million capacitors and semiconductors weekly, is scheduled to increase figure to 6.7 million weekly by end of next year. Sprague already has plants in Taiwan and Philippines and is looking in Thailand and other areas at sites for 4th Asian facility. Company said production growth in Far East probably means leveling off of employment at plants in U.S. and Europe.

TV sales boom is being enjoyed by manufacturers in India, who can't make sets fast enough to meet demand generated by spread of telecasting there. About 1.8 million sets will be sold this year, triple 1983 total, and demand for 1985 is estimated at up to 4.2 million. Production is scattered among several small companies, each turning out 10,000-150,000 sets annually. Color output is being held down by shortage of tubes. Korean producers Gold Star and Samsung are expected to supply combined total of about 70,000 this year. Japanese are busy filling orders from China, which is engaged in color production expansion of its own, and plans to produce up to 7 million color sets next year.



# TELEVISION DIGEST®

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

With Consumer Electronics

NOVEMBER 12, 1984

VOL. 24, NO. 46

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**TV: THE RESULTS MEDIUM** is theme of record-setting 30th TvB convention. Rice predicts \$40 billion in TV billings in 1990. (P. 3)

**STATE BAN ON EXIT POLLING UPHOLD:** Appeals Court sides with Washington state but wonders what's intention of ban. (P. 5)

**TBS CORRECTS SUBSCRIBER NUMBERS** for Cable Music Channel. Service launched with 350,000 subscribers, not 2.5 million as claimed. (P. 5)

**DATA TRANSMISSION ON TV VBI** authorized by FCC, which gives licensees wide latitude for commercial uses of VBI and subcarriers. (P. 6)

**WESTERN CABLE SHOW** panels to assess S-66, copyright, telco competition. (P. 6)

**DoJ REFEREES TV ALCOHOL AD FLAP:** Series of meetings brings networks and trade groups together with critics. (P. 7)

**VENTURE EYES CABLE STEREO:** Sanyo and Westinghouse to produce converter boxes and remote control unit. (P. 7)

**NETWORKS CALL PRESIDENTIAL RACE EARLY:** Although TV networks were generally cautious in characterizing election races Nov. 6, ABC, CBS and NBC came under criticism next day for projecting presidential outcome before polls were closed. At 8 p.m. EST, CBS declared Reagan had won reelection when vote results were known in only 16 states, ABC followed 13 min. later, NBC 31 min. later. CNN waited until 11:07 p.m. EST after west coast polls closed, was praised. Meanwhile, all lawmakers on Commerce Committees seeking reelection won, while state cable TV programming initiatives were defeated.

Reagan landslide made it impossible to dispute networks' claims that holding back on projections would be to ignore reality. But west coast politicians expressed anger. Ralph Munro, Wash. Secy. of State, said it was "terrible," estimated that about 500,000 registered voters in state hadn't gone to polls when CBS announced winner. Ore. Secy. of State Norma Paulus said projections "make the people out here feel that their votes simply don't count."

### Consumer Electronics

**COLOR & VCR SALES** pace wobbled in Oct. Color in first dip since Sept. '82. VCR annual rate down. Projection sales for 10 months top all of '83. (P. 9)

**RCA CONSUMER ELECTRONICS** to be headed by troika of Donahue, Stepnes & Valencia. (P. 10)

**FULL-TIME STEREO** by WNBC-TV N.Y., start in Jacksonville bring MTS station total to 10. (P. 12)

**AM STEREO BATTLE** over, NRBA indicates, with Motorola seen as victor. (P. 13)

**DBX HIGH ON STEREO**, claims it can make MTS components 'as fast as stations want them.' (P. 13)

**CELLULAR PHONE DUMPING** charged in Motorola complaint against Japanese. Firm says imports hold 50% of \$125 million market. (P. 14)

**POLYGRAM AND WARNER** drop plan for worldwide record business merger, cite FTC opposition. (P. 14)

**ANOTHER ATARI CUT** in 800XL computer price expected. Coleco termination of printer supplier fuels speculation Adam is on way out. (P. 15)

**HOME ELECTRONIC DELIVERY** of computer games gets another shot as CVC launches MasterLine and NABU lines up financing. (P. 15)

Networks had made no bones about their unwillingness to exercise kind of restraint Congress requested in resolution (TVD Oct 8 p7). They promised to wait for polls in each state to close before projecting presidential winner there (which they later violated) but used exit polls and results from sample precincts to track trends. Full-page ads NBC bought in major dailies expressed networks' sentiments: "NBC News will project winners in each state only after interviewing tens of thousands of voters nationwide, and after actual results have started to come in. Whether or not that's the fastest way, we think it's the responsible way."

NBC polled 50,000 voters as they left voting places at 1,800 locations. CBS with N.Y. Times questioned 10,000 voters and ABC did exit polling in 48 states. CNN used News Election Service, budgeted \$3 million for broadcast. ABC, CBS and NBC spent estimated \$20 million on election coverage, with CBS expenses including 10,000 employees. ABC had 500 persons in N.Y., 6,000 in field, NBC more than 5,000 total. (In Washington state, where appeals court Nov. 2 upheld ban on exit polling within 300 ft. of voting places, networks revised survey practices. See story elsewhere in this issue.)

Stepped-up pressure from politicians (TVD Nov 5 p1) prompted networks to urge viewers repeatedly during newscasts to go vote. They reported receiving telephone complaints nonetheless. CBS News Pres. Edward Joyce told reporters problem wasn't broadcasters but "[four] 20th-century communications system [and] 18th-century voting system. Until all of us move toward uniform poll closings, this is a problem that will not go away."

Election night survey in Ore. by George Washington U. Prof. William Adams found few people who didn't vote because of projections. Interviewees frequently cited projections as annoying, but only 3% of 639 nonvoters surveyed said they didn't go to polls because networks already had called Reagan winner. Few of those already at 80 precincts monitored left without voting after networks made projections, study said.

ABC was criticized for stating day before elections that it wouldn't call presidential race early in any state, then announcing shortly after 6:30 p.m. EST next day that N.H. was first state to go to Reagan. Most N.H. polls still were open. It also didn't help ABC relations with other networks that House Telecom Subcommittee Chmn. Wirth (D-Colo.) earlier had commended network and CNN for promising not to characterize or project results in state races until polls there closed.

Wirth said promises meant that ABC and CNN coverage would be "in stark contrast" to CBS and NBC, "both of whom continued to demonstrate a real disregard for the integrity of the electoral process [and] put the whims of a handful of network news executives above the rights of millions of American voters." Wirth campaigners later sent "flying squads" to voting places to encourage people to stay in line and cast their ballots after ABC joined CBS and NBC in projecting presidential winner before Colo. polls closed. Wirth predicted Congress would seek legislative remedy next year.

Networks had new competition for election night viewers from cable and independents. Besides C-SPAN (TVD Nov 5 p1), Financial News Network, cable service that didn't exist 4 years ago, offered 12 hours of election coverage with business slant. CNN began nonstop coverage before networks, at 5 p.m. EST. SIN provided news reports, analysis and commentary to U.S. and Latin American viewers. U.S. Information Agency's Worldnet satellite system had 20 live shows for journalists to watch in U.S. embassies in Europe, Africa, Latin America and East Asia.

Aggressive counterprogramming by independents siphoned off viewers from networks. Nielsen audience estimates showed that average of 29.7 million homes, 35% of 84.9 million U.S. households with TVs, watched networks. In 1980, average was 36.4 million homes, or 45.5% of 79.9 million TV households. CBS won largest audience 7-11 p.m. nationally, with 12.2 rating/18 share, according to Nielsen. ABC had 11.4/17, NBC 11.3/17. But Nielsen overnights in 9 major cities gave ABC News 13.4/21, NBC 10.6/16, CBS 9.3/14 (with no Walter Cronkite for first time



since 1952 because of dispute over role he would play). CNN posted 1.2/2 for same hours.

Strike by NBC news writers was averted at last minute Nov. 6 when network and NABET reached tentative contract agreement 2 hours after 5 p.m. EST strike deadline. Contracts cover 250 newswriters, 150 maintenance workers and messengers.

None of key lawmakers on Commerce Committees lost reelection bid although early returns gave scare to Sens. Heflin (D-Ala.) and Exon (D-Neb.), and Reps. Luken (R-O.), Sharp (D-Ind.), Slattery (D-Kan.) and Sikorski (D-Minn.), all in close races. Both key chairmen up for reelection, Rep. Dingell (D-Mich.) of parent Energy and Commerce Committee and Wirth of Telecom Subcommittee, won. But Wirth's usual wide margin (in 1980 he had 62% of vote) was reduced -- 53% vs. 45% for GOP challenger Michael Norton. Wirth margin was smallest of 39 incumbents on full Committee.

Telecom Subcommittee member, Rep. Gore (D-Tenn.), handily won bid for Senate seat being vacated by retiring Majority Leader Howard Baker. Also winning easily was Sen. Stevens (R-Alaska) of Senate Commerce Committee, who got 71% of vote, says he's now "one of the top 3 contenders" for Baker's leadership post. Rep. Morrison (D-Conn.) of House Copyright Subcommittee squeaked by.

Surprise defeat of Sen. Huddleston (D-Ky.) by Republican state official Mitch McConnell will mean change on Senate Appropriations Independent Agencies Subcommittee, which controls FCC spending. Huddleston, ex-part owner WLBK(AM) Lebanon, Ky. and former Ky. Bdstrs. Assn. pres., was senior Democrat on panel.

Bonneville's KIRO-TV Seattle political commentator, Republican John Miller, won seat of retiring Rep. Pritchard (R-Wash.). Ex-TV talk show host for KTLA L.A., former Rep. Robert Dornan, was returned to House, defeating incumbent Rep. Patterson (D-Cal.). Republican Jan Meyers, wife of Louis Meyers, KTVC Ensign, Kan. station executive, won seat of retiring Rep. Winn (R-Kan.). Republican Jim Lightfoot, KMA(AM) Shenandoah farm editor, replaces Rep. Harkin (D-Ia.), winner in Senate race against Sen. Jepsen (R-Ia.).

Losing were Summit Bestg. owner Stuart Epperson, Republican, who sought House seat from N.C., and Frank Venner, veteran news anchor at Storer's WTVG Toledo, who lost bid against Rep. Kaptur (D-O.). W.Va. Radio Corp. Pres. John Raese, another Republican, lost to Gov. Jay Rockefeller (whose wife is CPB board member Sharon Rockefeller), in bid for W.Va. Senate seat. Raese is contesting vote because tally differed from networks' exit polls. Utah and Vista, Cal. voters rejected proposed bans on sexually explicit cable TV programming.

U.S. Dist. Court, D.C. Nov. 2 refused to direct Federal Election Commission (FEC) to act before balloting on Democratic Congressional Campaign Committee complaint that GOP was exceeding federal spending limits in buying TV-radio time in some congressional districts. Court agreed with FEC that agency has 120 days to act before lawsuit can be filed. FCC Nov. 5 denied to review Mass Media Bureau ruling rejecting Independent Democrat Lyndon LaRouche's equal time complaint against ABC, CBS and NBC. LaRouche said he didn't get equal time to respond to Sept. 11 Reagan paid political broadcast aired simultaneously on all 3 networks. FCC concluded Reagan campaign negotiated simultaneous airtime buys and that major networks made good-faith effort to offer LaRouche response time. White House announced that Reagan's Sat. radio speeches being carried by Mutual would be discontinued for rest of year.

**TvB CONVENTION UPBEAT -- EXCEPT FOR NATIONAL SPOT:** Only cloud on horizon at last week's 30th annual meeting of TV Bureau of Advertising in Chicago was universally soft national spot market for local stations. Record 1,100 attended, including 940 from TvB member companies, up from 742 last year in Las Vegas.

TvB is predicting that 1984 will end with advertisers spending \$18.99 billion on TV, up 14% over 1983, with local spot up 18%, national 14%, network 20%. For 1985, local is expected to increase 14% to \$5.81 billion, national spot 11% to \$6.07 billion, network 10% to \$9.26 billion for \$21.14 billion total. TvB Pres. Roger Rice predicted that TV billings will total more than \$40 billion in 1990.

Every station executive we talked with said national spot for 4th quarter is way below projections. "National spot sucks. It's up only 1%," executive of small TV group told us. Most blamed combination of barter and network rate cutting. Unlike most industry conventions, TvB gave govt. regulation only a bare mention, with Station Representatives Assn. calling on licensees to lobby Congress for continuation of FCC's cable must-carry rule.

One of liveliest panels was on barter -- with station executives decrying practice, program suppliers saying it's a necessity. "We're stuck, plain stuck," and at mercy of suppliers, according to Outlet Pres. David Henderson. "These people get a free ride." He said programmers set all rules on barter and there's nothing left to negotiate. Kenneth Bagwell, Storer Communications, said barter "is becoming rapidly more of a problem."

Lawrence Gershman, pres. of MGM/UA TV, said primary reason for growth of barter in selling of syndicated programming is that Hollywood production costs "are totally out of sight." He cited MGM's Fame, which he said cost \$800,000 per episode. "We can't pass that on to stations," he said, and many stations can't afford to pay cash for programs. If there were no need for barter, then it wouldn't be successful method of buying and selling programs, he said. Daniel Greenbelt of Lexington Bestg. said only way most weekend shows have chance to get on air is through barter because advertisers don't budget for them. He said barter currently is about \$500 million annual business, expects its growth closely to parallel that of TV in general.

Rice and TvB Senior Vp Harvey Spiegel made plea for more stations to cooperate in TvB time sales surveys. For 3rd quarter, 373 stations sent figures to TvB. "This is a very valuable sales tool and it's a shame we don't get 100% station cooperation," Spiegel said. Pointing to slow growth of 15-sec. spots, he said they represent only 2% of network commercials and .03% of all TV spots.

Rice cited growth of TvB in 10 years he's been pres. -- from 278 members in 1974 to more than 600 today, and from annual budget of \$1.8 million to \$6.4 million. "TvB is larger, stronger, more aware of your needs, and better related to your business," he said.

Barbara Hughley, vp-mgr. of spot TV for Ogilvy & Mather, complained about "unacceptable" trend toward overcommercialization. She said that in top 50 markets over last 2 years, 35% (70 stations) ran more than 8 nonprogram min. per half hour. "More disturbing is that the number of stations airing more than 10 minutes per half hour has increased," she said.

TvB has 7 programming companies as associate members, most of which showed up in Chicago. However, couple that aren't members -- Lorimar and Paramount -- also attempted to attend TvB's opening reception and were ordered to leave, according to Rice.

WDVM-TV Washington aired apology and complete exoneration of Vietnam Veterans Memorial Fund Nov. 7 one year after station began broadcasting controversial 4-part series regarding Fund's financial dealings. Station also gave \$50,000 to Fund for maintenance of memorial in Washington.

CBS news crew was fired on by Nicaraguan soldiers Nov. 8 while filming Army convoy taking crates to Managua from port where Soviet freighter was docked, CBS said. No one was hurt, but crew was detained 2 hours.

Richard Green leaves NAB Advanced TV Systems Committee to become PBS senior vp-engineering and operations, effective Dec. 1. PBS Pres. Bruce Christensen said Green accepted PBS offer 6 hours before fire in U.S. Postal Service hq that resulted in destruction of technical center.

NAB has distributed \$1.7 million in cable copyright royalty fees to more than 400 commercial TV stations. Money is the portion of 1982 fund allocated by Copyright Royalty Tribunal to commercial TV.



**STATE EXIT POLLING BAN UPHELD: U.S.**

Appeals Court, Seattle, Nov. 2 upheld Washington state ban on exit polling within 300 ft. of voting places, prompting ABC, CBS and NBC to change their survey plans there for election day. CBS and NBC decided not to poll in state while ABC stationed polltakers well away from ballot boxes, according to spokesmen. Appeal to U.S. Supreme Court is expected.

Court rejected appeals of state statute by ABC, CBS and NBC, Everett (Wash.) Herald (owned by Washington Post) and N.Y. Times. They had argued that ban violated their constitutional rights. But Court concluded merits of case couldn't be addressed until factual questions were resolved, remanded case to district court for trial. Court said key questions involve motivation behind ban. It wants answers to whether ban was intended to minimize disruption at polls or to prevent network election projections before polls close in state and thus violates First Amendment rights by suppressing news reports. Court said evidence didn't foreclose possibility that state wanted to suppress news reports.

"Exit polling" also needs to be better defined, along with whether surveys create disturbances and whether telephone polls can be used instead, Court said. Networks and newspapers argued phone calls wouldn't be as accurate. Court also wants to know if polling by major media would discourage small outlets from doing same and what minimum distance from voting places is appropriate for polling.

Judge William Norris dissented, said case may pose constitutional questions but decision is too speculative and unsupported. Norris sided with pollers, said surveys are highly accurate and require that voters be questioned near voting places. He said barring nearby polling would make results unreliable, harm newsgatherers' rights.

Decision came day after Hawaii Attorney Gen. office ruled that news reporters would be barred from questioning voters within 1,000 ft. of polling places. Deputy Attorney Gen. Russell Suzuki said action was taken to protect secrecy of balloting and to prevent interference with voting.

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Chris-Craft and United TV agreed in principle Nov. 7 to transfer all assets of Chris-Craft TV to United in exchange for 17.9 million new common shares (TVD Sept 24 p4). Result of combination is that BHC, Chris-Craft majority-owned subsidiary, will own 81% of United TV common stock, up from 50.1%. United TV also will hold securities representing 11.3% of Warner Communications, and BHC will retain 17.4%. Transfer involves Chris-Craft's KCOP L.A. and KPTV Portland, Ore. as well as 2,559,500 shares of WCI, 1.2 million shares of WCI series B preferred and almost 6.7 million shares of WCI series C preferred. Liability is primarily \$145 million incurred by Chris-Craft in buying WCI securities earlier this year.

**TURNER RETRACTS NUMBERS:** Cable Music Channel (CMC) had 350,000 subscribers when it launched Oct. 26, not 2.5 million as owner Turner Bestg. System had maintained. In statement retracting earlier claims, Exec. Vp Robert Wussler, CMC pres., didn't give any explanation why TBS had inflated subscriber numbers, which had been widely doubted. Music TV Networks recently surveyed MSOs, said it could find no more than 500,000 CMC subscribers.

It was "in-house misinformation that we discovered to be wrong," TBS spokesman Arthur Sando said. "We discovered the mistake and we moved to correct it. It's embarrassing and it's a bitter pill to swallow, but we want the correct number out there," he said.

In Nov. 1 news release, TBS Vp-Cable Sales & Mktg Nory LeBrun said: "In just 2 months from the time creation of [CMC] was announced, we launched with 2,309,874 subscribers in systems all over the country." That statement, Wussler said Nov. 7, isn't true.

CMC has picked up about 50,000 subscribers since launch, Wussler said, adding that TBS has "no present estimates of future growth levels" for its competitor to MTV. He said previous estimates that CMC would have 5 million subscribers by year end, 10 million by July 1 "cannot be assumed."

Reiterating information in SEC filing covering \$125 million TBS debt offering (TVD Nov 5 p6), Wussler said it's anticipated CMC will lose \$5-\$10 million in first year "and may continue at this level thereafter," adding that "there can be no assurance that operating losses will not exceed projected levels or that [CMC] will ever operate profitably." When first announced, service was named Music Video Network but soon was renamed.

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Cable franchise fee is illegal tax, Fond du Lac County (Wis.) Circuit Court ruled in case brought by CATA Chmn. Peter Athanas, who operates Ripon Cable in county. Court held that imposition of franchise or license fee under municipal law can only be for purpose of regulation, not revenue raising as city of Ripon does. Word of decision came last week as Athanas was chairing regular CATA board meeting in Washington. CATA Exec. Dir. Stephen Effros hailed ruling: "We have advocated for a long time the theory that cities are exceeding their police powers in regulating cable. This case was based on simple, strict, straightforward municipal law. We believe it's applicable to many states around the country."

Dow Jones has joined group of investors in bidding \$112 million for Des Moines Register & Tribune, which besides newspapers owns KHON-TV Honolulu, WQAD-TV Moline and 4 radio stations. Investor group includes Gary Gerlach, Register publisher.



**VBI FREED FOR MANY USES:** TV stations can use their vertical blanking interval (VBI) to transmit data, computer software, paging or most any other digital or analog service, FCC decided Nov. 8 in extending earlier decision allowing transmission of teletext on VBI. Commission said licensees should have broadest possible discretion and least possible regulation in choosing VBI services.

FCC also denied reconsideration of decision preempting state entry regulation of radio common carrier services offered on FM subsidiary communications authorizations (SCAs) (TVD April 30 p5). With Comr. Rivera dissenting in part, Commission said it had adequate record to conclude that several states are impeding commercial development of SCAs.

VBI services are ancillary use of main channel, FCC said, meaning those services, including teletext unrelated to main channel program, won't be subject to fairness doctrine, political broadcasting requirements or public service obligations. Common carrier uses of VBI are allowed, but broadcaster must certify, without receiving separate authorization, that service is permissible under Commission rules. Freedom to use VBI for almost any purpose also extends to public broadcasters, FCC said.

Commission designated for hearing on standard comparative issues RKO and 13 mutually exclusive applications for WHBQ-TV Memphis. It also designated for hearing on consolidated basis renewal applications of RKO for its 12 radio stations and 149 mutually exclusive applications. Pending outcome of inquiry into RKO's fitness as licensee of KHJ-TV L.A., Commission directed law judge to begin receiving evidence on qualifications of 149 competing bidders. When that evidence is received, law judge shouldn't act further until he receives guidance as to how to proceed on RKO's fitness, Commission said.

In other actions, FCC: (1) Expanded on license trafficking rules by extending one-year holding period requirement to initial permittees chosen through comparative proceedings on grounds of minority or diversity preferences. However, initial permittee can sell station before first year is up if sale is to another minority, FCC said. (2) Ordered divestiture in 5 small markets where only TV station in town owns only cable system there, gave licensees 3 years to comply. They are KLOE-TV Goodland, Kan., satellite of KAYS, Hays, Kan., WKYH-TV Hazard, Ky., KXGN-TV Glendive, Mont., KTEN Ada-Ardmore, Okla., KSWO-TV Lawton, Okla.

(3) Affirmed \$5,000 fine against WCRV[AM] Washington, N.J. for violating lowest unit rate rule. Alpha Bestg. station was ordered to refund \$3,191 in overcharges. (4) Affirmed staff ruling renewing license of Golden West TV for KTLA L.A. and dismissing complaint by Cal. Assn. of Physically Handicapped.

(5) Concluded 1983 rulemaking to eliminate

unnecessary broadcast technical rules by removing those dealing with receiver frequency stability, selectivity, desensitization and image frequency rejection of auditory assistance devices (Part 15); and those dealing with minimum transmitter modulation capability, audio harmonic distortion, audio frequency response and preemphasis characteristics, carrier-amplitude regulation, noise levels and video signal characteristics (Part 73). In concurring, Comr. Quello said: "There are specific instances in this document where we have gone too far."

**WESTERN CABLE SHOW PLANS SET:** Two hottest topics in cable -- programming costs and impact of deregulation -- will be addressed during major panels at Western Cable Show at Anaheim Convention Center Dec. 5-7 (Wed.-Fri.). Projected attendance of about 9,000 is nearly 1,000 below last 2 years, but exhibit space is sold out and sponsors Cal. and Ariz. cable associations say that, because of higher rates, show will be profitable.

Cable deregulation law (originally S-66) will be assessed in 3 sessions Dec. 6. NCTA Exec. Vp Bertram Carp and Gen. Counsel Brenda Fox will anchor session on S-66, followed by 2 breakout panels that afternoon -- "Rates, Franchise Fees and Commercial Access" and "Franchise Terms and Renewals."

"Basic Programmers and Cable Operators: How Much Is Too Much" will be closing panel in debate format moderated by Black Entertainment TV Pres. Robert Johnson. Representing operators will be Falcon Communications Pres. Mark Nathanson and Cablevision Systems Gen. Partner Charles Dolan. Representing programmers will be MTV Networks Pres. David Horowitz and Turner Bestg. Exec. Vp Robert Wussler.

Dec. 6 keynote panel will feature Colony Communications Chmn. Jack Clifford as moderator. Panelists Paramount Pictures Pres. Melvin Harris, Showtime/Movie Channel Chmn. Neil Austrian and NCTA Pres. James Mooney will discuss dynamics of industry forcing changes in way operators do business. NCTA Chmn. Edward Allen, Western Communications, will speak at Thurs. lunch; MPAA Pres. Jack Valenti will be Fri. luncheon speaker.

No FCC commissioners will be at convention because there's agenda meeting scheduled for Dec. 6, but Mass Media Bureau Chief James McKinney is slated to give major policy address Dec. 5. Other key FCC personnel are scheduled to attend, CCTA said.

About 200 exhibitors have bought out all space in Anaheim Convention Center even at higher rate of \$8 per sq. ft. (\$7.50 last year). Registration fee of \$225 is above 1983's \$200. HBO and Showtime plan parties Dec. 7. Major entertainment will be "Best of Cable Follies," highlights of "Cable Follies" show put on each year in N.Y. by Women In Cable.



**DOJ REFEREES ALCOHOL AD DISPUTE:** Office of Juvenile Justice & Delinquency in Justice Dept. is seeking to help resolve escalating dispute over beer and wine advertising on TV by sponsoring series of meetings bringing together TV networks, trade groups and wide array of critics. Several critics of alcohol advertising, including YMCA, Big Brothers and Sisters, Mothers Against Drunk Driving, will meet at DoJ Nov. 13-14 to air complaints. They also will view videocassette produced by NBC defending ad practices of all 3 networks.

DoJ wants networks and critics "to work together to combat the problem," said spokesman Anne Voight. "We certainly hope the networks will listen to their critics," she said, adding that Justice position on TV alcohol advertising is that "it's better to get the private sector to turn some resources on the problem without an infusion of government money or resources." Some sort of "conciliation" may result from face-to-face meetings, she said, mentioning as one solution "possibly limiting or removing alcohol advertising during prime time or on those shows that are very popular with young people."

Last month, networks, NAB and representatives of breweries and distilleries met at Justice Dept. to present their side of argument. Third DoJ meeting is scheduled for Jan., at which doctors, counselors and others in medical and educational fields will assess scope of problem, especially among teenagers. Voight said that Dept. hopes to hear from every affected group, including insurance companies, whose rates are forced upward by drinking teenage drivers.

NAB supports DoJ effort at compromise, said Exec. Vp John Summers. NBC Vp-Advertising & Promotion Betty Hudson, who is representing views of all 3 networks at meetings, couldn't be reached for comment.

DoJ plan calls for each of 3 interest groups to form steering committee. Early next year, those committees will meet to discuss proposals, which could run gamut from removing all alcohol advertising to doing nothing, Voight said.

NAB Pres. Edward Fritts told Ariz. Bestrs. Assn. Nov. 8 in Phoenix to beware of efforts to restrict alcohol ads: "You can be sure that 1985 will see a new wave of restrictive advertising proposals," he said. He said NAB plans to: (1) Educate public on dangers of driving while drunk or drugged. (2) Use public service announcements, scripts and editorials to demonstrate to Congress broadcaster concern. (3) Lobby Congress.

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Warner Amex will sell 25 suburban St. Louis cable systems to Cencom Cable Assoc. for about \$45 million. Systems have about 37,000 subscribers. Warner Amex also cut 10% from 248-person staff, said it would relocate most of MSO hq operations to Philadelphia. CEO Drew Lewis and other top management will remain in N.Y.

**VENTURE EYES CABLE STEREO PRODUCTS:** Sanyo and Westinghouse have formed joint venture to produce cable converter boxes and add-on attachment that will make some existing boxes capable of passing stereo sound, companies said. Venture also is developing remote control unit that, when used with new add-on unit, tracks stereo frequency as channel is changed, eliminating need to tune stereo frequency separately.

Products will be unveiled at Western Cable Show in Anaheim next month, will be field tested in Group W Cable system beginning in Jan. before becoming available in mid-1985. Companies said prices will be determined later.

Sanyo will manufacture products at Osaka facility for distribution and sale by Westinghouse, which has exclusive U.S. rights. Addressable RF box has 70-channel capacity, several convenience features and is compatible with Jerrold's StarCom 450 box.

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U.S. Appeals Court, N.Y. has overturned FCC regulations designed to limit access to "dial-a-porn" services, one of which had been operated by Carlin Communications. Court based decision largely on First Amendment grounds and suggested alternate ways FCC might limit access to such services. Decision didn't remand rules to FCC to be redrawn, simply set them aside. FCC regulations required that dial-a-porn service operate only between 9 p.m. and 8 a.m. Eastern Time or that payment for service be made by credit card before message would be transmitted. Carlin said it would resume dial-a-porn service "shortly."

Portable 2-oz. TV camera made by Optical Resources, Sloatsburg, N.Y., will be used by Turner Bestg. this fall in coverage of National Basketball Assn. games on WTBS Atlanta. Experimental camera, called "midgicam" and said to be size of cigarette pack, is wireless, uses 4-oz. battery-powered transmitter. TBS said it probably will be placed behind backboard but may also be worn by referee. Optical Resources engineers Arnold Reif and Allen Meis developed camera.

Annenberg Schools of Communications Washington Program will sponsor Dec. 3 seminar on S-66, Cable Communications Policy Act of 1984. Faculty includes several who were instrumental in negotiating compromise between NCTA and National League of Cities and counsels of House Commerce Committee and Telecom Subcommittee. All-day session at Annenberg Washington hq costs \$35, includes lunch. Reservations: Yvonne Zecca, 202-484-2663.

FCC "Anniversary Log" -- chronological history of agency's first 50 years -- is available for inspection at FCC Library (Rm. 639), can be purchased from International Transcription Services, 2100 M St. NW, Washington 20036, 202-857-3800.



## Personals

FCC calendar: Nov. 13: Peter Pitsch, Office of Plans & Policy chief, addresses conference on common carrier issues, Washington Marriott Hotel. Nov. 14: Daniel Brenner, senior adviser to Chmn. Fowler, addresses NCTA State Leadership Conference, Washington Marriott; Janice Obuchowski, legal asst. to Fowler, participates in Georgetown U. series on communications Law. Nov. 15: Comr. Dennis Patrick participates in discussion of Space WARC-1985, Loews L'Enfant Plaza Hotel. Nov. 16: Robert Foosaner, Private Radio Bureau chief, addresses Radio Club of America, N.Y. Athletic Club.

Elected to TvB: Harold Crump, H&C Communications; Ward Huey, Belo Bestg.; James Linen, Media General; James Sefert, Cosmos Bestg.

Robert Stone, exec. vp, Columbia Pictures, retires Jan. 1, will remain consultant... Joyce Brotman, ex-HBO, named comedy development vp, Paramount Network TV Production... Kevin Senie moves from HBO senior vp-finance and planning to asst. controller at parent Time Inc., is succeeded by Glenn Britt, who moves from Time Inc. Video Group... Annette Bergh, ex-Viacom Enterprises, appointed research dir., D.L. Taffner/Ltd., new post... Richard Hammer, ex-Mutual, returns to CBN Cable as eastern sales mgr.; John Fernandez promoted to special projects dir.

Josh Kane promoted to vp-programs, N.Y., CBS Entertainment; William Allen advanced to comedy program development dir. Promoted in Press Information Dept.: Marcella Garvin to affiliate press relations mgr.; Olga Orchu to administration mgr.; Rena Terracuso to national press mgr... Daniel Jensen advanced to station mgr., KCPQ Tacoma-Seattle... Stewart Park, program dir., KNTV San Jose, adds national sales mgr. duties effective Jan. 1... Robert Shaw promoted to operation mgr., WCMH-TV Columbus, O... Gary Shipley advanced to national sales mgr., Knight-Ridder owned WKRN-TV Nashville; William Lamb moves from co-owned WJRT-TV Flint to become local sales mgr... Roger Moody promoted to local-regional sales mgr., WOWT Omaha... Paul Cadieux advanced to gen. mgr., Canadian Bestg. Corp. marketing unit Enterprises/Les Entreprises Radio-Canada.

Telepictures reorganized: Scott Carlin advanced to vp-gen. sales mgr., Telepictures Perennial; Jody Shapiro promoted to eastern sales vp; Thomas Straszewski, ex-KNBC L.A., named western sales vp; Michael McHugh western sales mgr.; Robert Barnett western sales dir.; Alicia Windroth shifts to Dallas office dir.

Donna Sparks advanced to Nashville Network PR mgr., new post... Eileen Peters promoted to Seltel vp-dir. of computer services... Thomas

Griscom, aide to Sen. Baker (R-Tenn.), named Gannett public affairs dir., effective Dec. 1... Robert Foss, ex-Fla. Institute of Consulting Engineers, named exec. vp-Fla. Assn. of Bestrs... R.E. (Ted) Turner, Turner Bestg. System chmn.-pres., addresses Academy of TV Arts & Sciences luncheon Dec. 4, Century Plaza Hotel, L.A.; NBC Chmn. Grant Tinker discusses TV with Dinah Shore Nov. 14 at Samuel Goldwyn Theatre.

Speaking at Nov. 14 Washington Chapter, AWRT-sponsored Women at the Top program at NAB: FCC Comr. Mimi Dawson; Linda Cincinnati, onetime FCBA pres. now with Justice Dept.; ex-FCC Comr. Anne Jones, now Washington lawyer; Mary Jo Manning, ex-communications counsel to Senate Commerce Committee, now in Washington law practice. Moderator is Lenore Ehrig, former chief administrative law judge at FCC, retired... Former President Gerald Ford addresses Jan. 7 luncheon of Cal. Bestrs. Assn. convention, Sheraton Plaza Hotel, Palm Springs... Douglas Friedman promoted to dir.-ads and promotion, KTLA L.A.

Elected to national board of Best. Pioneers: Eleanor Applewhaite, CBS; James Greenwald, Katz; William Stakelin, RAB... Otto Silha, retired chmn. of Cowles Media, retained as consultant by Gannett and USA Today... Carolyn Reynolds advanced to community development dir., Arts & Entertainment Network... Keith Jones, ex-SEC, named corporate accounting mgr., Comcast.

Alan Sternstein, ex-Satellite TV Corp., becomes associate in Washington law firm Dilworth, Paxson, Kalish & Kauffman... Virginia Carson and Miriam Cowan, both ex-Anderson, Hibey, Nauheim & Blair, become of counsel and associate, respectively, with communications group in Washington office of law firm Skadden, Arps, Slate, Meagher & Flom... Mary Fisher, ex-Bresee, Smith & Assoc., appointed promotional media dir., Group W Productions, new post... James Ganley promoted to vp-controller, Lifetime; Robert Heath advanced to vp-administration.

Andrea Miller advanced to southeast region dir., HBO affiliate sales and marketing support... Wayne Watson, ex-Hisand Inc., appointed gen. mgr., United Cable TV of Treasure Valley, Boise... Elected officers of SMPTE: Harold Eady, Novo Communications, pres., succeeding Leonard Coleman, Kodak; Carlos Kennedy, Ampex, exec. vp; Howard La Zare, Deluxe Labs, editorial vp; Charles Ahto, Tape-Film Industries, conference vp; Stephen Kerman, Tektronix, secy.; Irving Rosenberg, CBS, treas.

Don Flora promoted to sales vp, Comsat... Norbert Auerbach, ex-United Artists, named pres., Carrousel Productions, new TV distribution and production firm... James Wasilko promoted to vp-daytime sales.



# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for 4th week of Oct. and 1984's first 10 months:

	OCT. 20-26	1983 WEEK	% CHANGE	OCT. 13-19	10 MONTHS 1984	10 MONTHS 1983	% CHANGE
TOTAL TV.....	617,224	577,924	+ 6.8	514,960	16,698,816	15,719,863	+ 6.2
TOTAL COLOR...	433,003	458,800*	- 5.6	374,868*	12,861,641*	11,174,770	+15.1
DIRECT-VIEW.	427,969	454,024*	- 5.7	370,021*	12,715,074*	11,065,709	+14.9
PROJECTION..	5,034*	4,776	+ 5.4	4,847*	146,567#	109,061	+34.4
MONOCHROME....	184,221	119,124	+54.6	140,092	3,837,175	4,545,093	-15.6
TV EXCL. PROJEC.	612,190	573,148	+ 6.8	510,113	16,552,249	15,610,802	+ 6.0
HOME VCR.....	230,259*	122,909	+87.3	182,430*	5,517,655#	3,055,454	+80.6
COLOR CAMERAS...	14,398*	12,216	+17.9	9,031	373,335*	302,678	+23.3

Color TV (direct-view) 5-week moving average: 1984--378,851\*\*; 1983--376,120 (up 0.7%).

Home VCR 5-week moving average: 1984--202,919\*\*; 1983--106,105 (up 91.2%).

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

**COLOR, VCR SALES RATES WOBBLE IN OCT.:** Color sales in Oct. were down 2.3% (2% if projection sets are included) in first decline from preceding year since Sept. 1982. VCR sales set all-time record for any 4-week month at 720,000 (up 80.7% from Oct. 1983) but annual sales rate dipped. Projection TV sales in 1984's 10 months passed previous record for any full year, hitting 146,567 units, as compared with 143,506 for all of calendar 1983.

**Nov.-Dec. sales are expected** to continue at high level, but color and VCR sales for full year, while exceeding early-1984 forecasts, won't hit most optimistic goals mentioned around midyear. Direct-view color TV sales for Oct. ran at seasonally adjusted annual rate of about 14,570,000 and for 10 months were at 15,860,000, both lowest of year. If sales strengthen in Nov. and Dec. to run 15% ahead of last year's same month, full year will come in at 16 million; if they continue at Oct. pace, number will be around 15.6 million.

**Oct. VCR sales were at annual rate** of 6,960,000, but for 10 months they came out to 7,450,000, dipping below 7.5 million cumulatively for first time since March. To reach 7.5 million, VCR sales for next 2 months must run 91.4% above sizzling numbers of Nov.-Dec. 1983.

**Inventories continued to set records** in both color and VCR, and there's indication of imbalance in color mix, as all manufacturers watch numbers carefully and make adjustments to avoid glut of some models. GE layoffs (TVD Nov 5 p8) are in direct response to this imbalance, Consumer Electronics Vp-Gen. Mgr. Jacques Robinson indicated. Some 100 workers out of 1,300 at Portsmouth TV plant will be furloughed in Dec. as GE realigns inventory, he told us, correcting imbalance "primarily in small-screen area." Smaller number of employees at Syracuse tube plant are involved.

**Color TV inventories at pipeline level** (factory plus distributor), which should have started dropping in Oct., went up 2.3% during month, for total of nearly 3,370,000, up 40.7% from year earlier at time when year-to-date sales are up less than 15%. At factory level, inventories climbed 58.6% over last year to nearly 2,242,000, up 0.6% in month, while distributor stocks at 1,527,500 were ahead 20.6% in year, 5% in month.

In VCR, pipeline inventories exceeded million in Oct. for first time, ending month at more than 1,130,000, up 114.4% over year earlier, 18.1% increase during month. Some 596,000 of these were at factories, annual increase of 92.9% and rise of 27.1% during Oct., while distributors held 534,000, gain of 144.8% and 9.5% for year and month, respectively.

Five-week moving average for both VCR and color TV hit record highs at end of Oct., buoyed by all-time record week at end of Sept. (TVD Oct 15 p10). As shown in table, projection TV and color cameras as well as VCRs set records for any Oct. Figures for all 3 products were best for any 4-week month in history; for VCRs and projection TV it was 2nd best month ever, for cameras 3rd best.

Product	Oct. 1984	Oct. 1983	% change	Oct. 1982
Total TV.....	1,888,478	1,949,869	- 3.1	1,618,994
Total color...	1,391,251	1,419,683*	- 2.0	1,089,623
Direct-view.	1,371,366	1,402,951*	- 2.3	1,075,241
Projection..	19,885*	16,732	+18.8	14,382
Monochrome....	497,227	530,186	- 6.2	529,371
TV excl. projec.	1,868,593	1,933,137	- 3.3	1,604,612
Home VCR.....	720,183*	398,483	+80.7	207,750
Color cameras...	40,793*	39,778	+ 2.6	23,451

\*Record for any Oct.

**TROIKA TO RUN RCA CONSUMER ELECTRONICS:** Fortifying its Consumer Electronics Div. for fastest sales rate, intensive product innovation and toughest challenges in period immediately ahead, RCA will soon announce realignment of management into 3 components, to be headed by Joseph Donahue, Stephen Stepnes and Arnold Valencia, all reporting directly to Group Vp Jack Sauter.

New leadership troika will divide responsibilities, each member heading up own business entity within Consumer Electronics -- Vp-Gen. Mgr. Donahue in charge of operations, including manufacturing, engineering, procurement, finance, employee relations; Mktg. Vp Stepnes heading up all marketing and with responsibility for RCA Sales Corp.; Valencia adding RCA Distributing Corp. presidency and responsibility for Canada and international, and keeping title of Videodiscs vp-gen. mgr.

Donahue was promoted to vp-gen. mgr. from operations vp in March 1982. Valencia was mktg. vp, pres. of Sales Corp. and Distributing Corp. until Aug. 1983, when he assumed current post to close out disc operations. At that time, he was succeeded by Stepnes, who joined RCA from Eastman Kodak, where he held top consumer marketing job. Sauter continues to be responsible for Video Components & Display Devices (picture tubes, etc.) and Distributor & Special Products as well as Consumer Electronics.

"Onslaught of technology, pressures on the development cycle" for new products including everything from "DBS to stereo," changing manufacturing technologies, major shifts at retail in future are putting heavy burden on management effort, Sauter noted in connection with decision to divide responsibilities.

**SANYO 8mm AT SEARS; POLAROID POSTPONED:** Expanding its brand-name electronics line, by early next year Sears will be offering VCRs in all 3 formats under 4 brands. Already being marketed through catalogs are Sony Betamovie and JVC VHS-C Video Movie camcorders, to be followed in spring-summer catalog next Jan. by Sanyo 8mm portable deck.



Polaroid, meanwhile, deferred market debut of its 8mm camcorder until early 1985 when "supply reaches a sufficient level." Company originally had scheduled test marketing late this year. Group Vp Owen Gaffney said he expects "sufficient supplies... to meet initial marketing requirements" early next year. He added that Polaroid was "extremely pleased with progress made on the joint development of the system" with Toshiba.

Sony's commitment to 8mm is far greater than we reported last week (TVD Nov 5 p8). Reports from Japan indicate company plans initial production of 200,000 8mm decks monthly at Koda plant -- or rate of 2.4 million annually. Transmission error put number at 20,000 in our report. Although Sony hasn't decided on exact date of launch for its 3.75 lb. camcorder, Fuji version made by Sony is said to have tentative March marketing target in Japan.

Sanyo 8mm portable deck -- not a camcorder -- has been shown at last 2 Consumer Electronics Shows in nonworking prototype. Weighing 4.6 lb., production version will have built-in 140-channel tuner with 7-day 5-event timer, picture search, freeze, 13-function remote. Sears will offer it at \$1,200 along with Sanyo's 2.5-lb. MOS autofocus camera that it will price at \$1,300. Sanyo currently is selling same camera at \$1,000 list, is closing out manual focus version at \$700. Sanyo says it will offer 8mm deck in first quarter.

Sears' new policy is indicative of strength of brand names in electronics market. Spokesman pointed out company had dropped own-brand videocassettes for Memorex and TDK and said general rule is that "if a national brand is stronger than our house brand, we will take it on." Sears continues to offer own brand Beta and VHS recorders, has priced Betamovie and Video Movie at \$1,600 each. Montgomery Ward for several years has had wide variety of makes in its national brands program.

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Mitsubishi is joining digital TV club, will offer set in Japan next fall capable of monitoring 9 channels simultaneously, presumably using single tuner. Screen can be divided into 9 sections, show time-lapse still pictures with each image renewed at 4-sec. intervals. Like Toshiba and Panasonic digital sets, it also can be used for monitoring VCR or other video device by inserting smaller picture in any corner of screen. Added feature is ability to put 9 sequential images on screen from same video feed (such as VCR), with variable time delay (minimum 1/30 sec.) between shots.

Software notes: Pioneer Video plans to begin custom pressing 8" Laservision discs next year, expects to announce agreements with at least 6 record labels later this month. Though all of 8" disc output is handled now at plant in Kofu, Japan, facility in Carson, Cal. will start turning them out before year end. Thorn EMI Video expects to move million cassettes this year at average wholesale price of \$40, thinks \$40 million gross will give it 5% share of U.S. market, level it hopes to maintain in 1985, according to Pres. Nick Santrizos... 3M appears ready to give direct-mail recorded software marketing a try in 1985. Company has employed Grey Direct and Fla.-based consultant Robert King to assemble program catalog. Simon & Schuster also is in wings with negative-option club, has HBO among program suppliers. We're told S&S and pay service will coproduce documentaries, each keeping rights to respective markets. Among first projects is said to be children's sex education program.

Combination LV-CD disc player was introduced in Japan last week by Sony at \$1,030, same price as unit by Pioneer, which manufactures Sony players. Initial supply will be 1,000 a month. Sony says it has made no decision on marketing LV players in U.S.

Hong Kong govt. financing of 5-year effort to upgrade area's electronics technology has been recommended by Productivity Council there. Govt., which has general policy of not getting involved in business activity, earlier turned down group's plan calling for spending \$5.1 million annually to improve electronics capabilities. Budget for revised program would be subject to negotiation. Electronics is Hong Kong's 2nd biggest export earner, but much of activity involves no more than assembly of watches, phones and audio equipment. There's concern that without high-tech capability Hong Kong will start losing jobs in electronics as much of that kind of production is shifted to lower wage free zones being set up in neighboring China.

Flat panel speaker using plastic piezoelectric film just .004" thick has been developed by Mitsubishi Petrochemical, which says it's seeking to sell material to audio equipment manufacturers. Company said panels can be made to any size, come with built-in circuit for connection to amplifiers. While speakers work well for reproducing voice and most musical instruments, MP said it's trying to modify material to improve response at lower frequencies.



**NBC N.Y. GOES STEREO:** First network owned station to broadcast regularly in multichannel TV sound (MTS) opened up N.Y. market last week as WNBC-TV started fulltime operation in synthesized stereo. As of last week, 10 stations were broadcasting in MTS, as ABC affiliate WTLV Jacksonville also started fulltime stereo synthesis.

Ironically, although NBC has 2 stereo programs -- Johnny Carson and Fri. Night Videos -- network feed to N.Y. is in mono awaiting installation of channel switcher next spring.

WNBC-TV's synthesizer uses comb filter, places speech sounds in center, uses frequency division to spread musical sounds. Station is still using equipment it developed jointly with RCA, will switch to commercial equipment when available. Station's engineers report that one of Manhattan's 2 cable systems, Group W, is passing satisfactory stereo signal along to subscribers. Other system, Manhattan Cable, picks up WNBC-TV programs directly from master control before synthesized stereo is added.

NBC TV network's formal target for inauguration of true stereo transmission to affiliates is next spring. Currently, 90 stations are on its satellite hookup, with 5 being added weekly toward ultimate goal of 190 of its 220 affiliates.

Phone check of starters with 1984 target dates revealed that equipment delivery is still bottleneck (see report on dbx elsewhere in this issue). Among next to start stereocasting will be Hartford area's 3rd outlet, WFSB (CBS), which hopes to begin in next 2 weeks. Hartford's PBS station WEDH plans to start next month.

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Disney has joined growing list of former Atari suppliers and licensors filing suits charging they were shortchanged when Warner sold home game and computer operation to Commodore founder Jack Tramiel. In Cal. state court action that names Warner, its retained coin-op unit Atari Games and new Atari as defendants, Disney charges companies failed to live up to terms of 1982 agreement under which Warner bought videogame rights license to Disney characters. It says that license isn't transferable, that sale of Atari reduced Disney's potential licensing revenue and alleges Warner owes \$1.25 million in annual license fees. Disney is asking for \$5.8 million in actual damages, \$20 million in punitive damages.

First under-\$100 VCR offer, from Poppingo Video retail chain, comes with software string attached. Promotion in about 20 midwestern cities features Sony Betamax for \$99 but only to customers who first pay \$299 in advance for 160 videocassette movie rentals. Beta Hi-Fi and VHS machines are available for up to \$249. PV expects to move several thousand, has already reordered from local hardware distributors, said Beta-VHS split is about 50-50 at present.

**TUBE PRICES RISING:** Picture tube producers hope to get 5-6% more from OEMs for their existing products after Jan. 1, although some are asking 10% or more. New square-cornered tubes will be priced at outset at hefty premium over conventional types.

Tube glass manufacturers Corning and Owens-Illinois have indicated they want substantial increases next year; one tube maker said their "first trial balloon is outrageous."

Traditionally, there's lots of negotiating between glass and tube makers and tube and set makers over announced price hikes, and they usually end up lower than first requests. In many past years, what started as price increase frequently has ended as wash or effective reduction. In new sizes, asking prices are designed to help recover high development and investment costs as well as added material costs.

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Japanese IC makers presumably are unconcerned, or unaffected, by U.S. inventory pileup and market sag that's started to cut into earnings of producers here and led to predictions of marked slowdown in industry growth. Japan Economic Journal compilation of 5 largest producers there shows their combined planned production in year ending March 1985 is expected to be up 59% to \$8.8 billion, against original target of 42% rise to \$7.75 billion. Their first half sales output was up 68.8% to \$4.24 billion. Journal reports Japan's IC manufacturers plan to spend \$2.8 billion in current fiscal year to expand production, up 84% from last year. At start of year, they were budgeting for 50% rise in capital outlays.

Major marketing effort for RCA's Dimensia \$5,000 audio-video component system has been launched in Cal. Mktg. Vp Stephen Stepnes explained that consumer electronics sales are disproportionately higher on West Coast, particularly in new products, citing fact that nearly 25% of all VCRs sold in 1979 went to Cal. and that state accounted for more than 36% of RCA's monitor receiver sales in 1982. Cal. campaign, which began Nov. 5, will use nearly 100 TV commercials in L.A. and San Francisco plus heavy newspaper advertising.

Speaker change for ITA's Nov. 20 video-audio-tape seminar at N.Y.'s Sheraton Centre Hotel will see Thomas Hitzges of Matsushita America's Corporate Technical Liaison Div. appearing as replacement for Technicolor Videocassette Exec. Vp William Hickey (TVD Oct 15 p15). Hitzges will talk on duplicating in VHS Hi-Fi format. Hickey withdrew following registration with SEC of planned bond issue by parent MacAndrews & Forbes, which will use proceeds to finance acquisition of Video Corp. of America.

World market for semiconductors should rise 46% this year to \$26.6 billion, reach \$65 billion by 1990, according to Motorola Semiconductor European Vp Dede Saban.



**AM STEREO BATTLE OVER:** "Every major radio receiver manufacturer plans to include AM stereo capability in its 1985 product line," according to survey by National Radio Bstrs. Assn., which indicates all but 3 will use Motorola chip that can receive only Motorola's C-QUAM system. Commenting on NRBA report, Oscar Kusisto, Motorola's special AM stereo consultant, exulted: "We can say with confidence that the 'infamous' AM stereo battle is over. The rest will be easy." NRBA report listed these manufacturers and their activities (all C-QUAM only except as noted):

**Chrysler --** Will "aggressively promote" AM stereo, projecting that 1/3 of 1985 receivers will include it. It will be standard equipment on top models and available on all, and Chrysler expects it to be on majority of 1986 models. It will add \$20-\$40 to consumer cost.

**GM --** Will be available on all models except where space doesn't permit, will be factory installed on all AM-FM equipped Buicks and top models of other lines. GM dealers will have radios in inventory. Prices for AM stereo-equipped radios in 1985 will be about \$60 lower than 1984 models.

**Ford --** Will have C-QUAM receivers available for entire line, but only on dealer-installed basis. VW -- Available for entire 1985 line, factory installed on many models at no extra cost. Mitsubishi -- Its Hyde Automotive Div. expects 10-15% of 1985 production will have AM stereo, including mid-priced models. Div. makes radios for Volvo, VW, Chrysler, American Motors, Mitsubishi.

**Arvin --** Its higher priced tuners will have AM stereo, which will increase prices by \$20-\$40. Among its customers are Sears and J.C. Penney. Sherwood -- Will have 2 car models, constituting about 20% of its auto radio output, home receivers in future. Pioneer -- One car radio in 1985, more dependent on consumer interest; additional consumer cost about \$40.

**Marantz --** Majority of its new component models will include AM stereo, some with plug-in adaptability, decoder costing dealer about \$20. McIntosh -- Will include it in 15-20% of output in '85, eventually extending it to all models.

**Sony --** Has 2 multisystem models. Sansui -- Committed to multisystem models. Kahn Consumer Products -- Offering multisystem receivers.

Conspicuously absent from list are Panasonic and GE. In addition to those mentioned, Nissan is now importing cars with built-in C-QUAM AM stereo. NRBA estimates that 158 stations are broadcasting in Motorola system, 120 in Kahn, 110 Harris. Australia has selected C-QUAM as its single AM stereo standard, broadcasting expected to start about Dec. 1.

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New 9" & 19" color sets with wired remotes, designed for hospitals and nursing homes, have been introduced by RCA Service Co.

**DBX HIGH ON STEREO:** Our list of 182 TV stations planning multichannel TV sound (MTS) broadcasting (TVD Oct 22 p16) "will be an understatement by the end of 1985," in opinion of Les Tyler, engineering vp of dbx, whose companding system is required in MTS.

Although number of stations broadcasting MTS has been limited so far by equipment availability, dbx said bottleneck isn't in the companding circuit boards it makes. Although company's output is sold out through year's end, after that "we'll be able to make them as fast as stations want them," with capacity now reaching 250 per month. Boards are necessary for both stereo and separate audio program (SAP) programming.

OEM/Licensing Sales Mgr. Bill Allen said dbx already has shipped nearly 600 boards, mostly to TV set manufacturers for use in test transmissions in factory -- mainly in Japan -- but including 50 to broadcast equipment manufacturers for use in stereo and SAP generators. Each station requires one board for stereo, 2nd for SAP -- plus one or more spares. Boards contain dbx chips made by Matsushita or NEC plus precision circuitry. Tyler conceded one batch of boards wasn't up to specs, but said all problems are corrected and dbx now has designed 3rd generation board -- "not a trivial engineering achievement."

As for MTS TV sets, dbx has tested many of them, according to Allen, and "it's surprising how well they work." While system parameters specify 20dB channel separation, most sets beat that, coming in at 30-40dB, he said. Chips currently used are same as those required for dbx audio noise reduction system, but new IC is being designed specifically for TV, which will "save components and real estate," helping manufacturers move MTS down to lower priced models.

Most TV manufacturers have taken out dbx licenses, said Allen. Company offers them 2 types: Basic license permits use of technology, optional trademark license for use of dbx name and logo. Under terms of trademark license, manufacturers must submit samples of sets or converters for testing by dbx.

Tyler believes problems of MTS relay by cable will be solved and that competition will force cable systems to carry signal whether or not FCC makes it must-carry.

One move aimed at solving cable MTS problems is new joint venture of Westinghouse International and Sanyo to manufacture cable audio converters compatible with major cable equipment systems to permit carriage of MTS sound on cable and use of MTS receivers by cable subscribers (details in Broadcast-Cable section).

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Analog Devices is investing \$44 million to build IC R&D and wafer fabrication plant in Ireland. Company said it expects project to be completed early next year.



**CELLULAR PHONE DUMPING:** Anti-import battle waged by U.S. communications equipment producers escalated a notch Nov. 6 with announcement by Motorola that it had lodged antidumping complaint charging Japanese were selling mobile cellular phones in U.S. at less than fair value. U.S. makers already have successfully pressed 3 communications-related dumping cases against Japanese; forecast that cellular phones would be next on agenda appeared here last week.

In filing with Commerce Dept.'s International Trade Administration, Motorola charged that margins by which Japanese were dumping phones here ranged from 30% to 100% at wholesale level. It said virtually identical models that were being sold recently in Japan for more than \$2,000 each were available to dealers here for less than \$1,500, and that prices in some instances were under \$1,000 on large orders by major wholesalers.

Specifically cited in complaint as actual or potential Japanese exporters of cellular phones were Fujitsu, Hitachi, Japan Radio Corp., Kokusai, Matsushita, Mitsubishi, NEC, Oki, Toshiba. Kokusai is company charged by E.F. Johnson with dumping cell site transceivers here and is facing imposition of penalty dumping duties of up to 59.9% of shipment value in still-pending case. Matsushita and NEC were found to be dumping pocket pagers last year in another case instituted by Motorola, and NEC was ruled to be selling parts of satellite earth stations here at less than fair value in yet another recent case.

Motorola said it believes that Japanese suppliers accounted for about 50% of some 50,000-60,000 cellular phones it estimates now on air in U.S. and that their unfair price competition has cost American industry tens of millions of dollars in lost sales and profits. Company said it sees demand for sale of 125,000-175,000 units here in 1985 and warns that all of that could be captured by Japanese makers, which it said have indicated cumulative capacity to produce 250,000 just for export to U.S.

Based on those figures, and current prices, cellular phones represent retail market of about \$125 million this year, and that could grow to as much as \$325 million in 1985.

Invasion of undervalued imports from Japan, Motorola said, would mean "lost jobs for U.S. workers, tremendous lost capital that has been invested in this industry, and yet another U.S. market lost to less than fair-value sales." Over last 14 years, Motorola said, it has invested more than \$150 million to develop cellular products.

E.F. Johnson already has said it will join as party to complaint, Motorola spokesman told us. There's been no word on participation by another U.S. producer, GE, but it's expected to join, too. GE showed its willingness to get involved in such cases last year when it became complainant in antidumping

case filed against Korean color TV manufacturers by group of labor unions.

If, as expected, ITA accepts case for investigation, International Trade Commission will conduct parallel probe to determine whether dumped imports have injured domestic industry. Both unfairly low pricing (generally meaning pricing exports at less than that of similar products sold in home market) and injury must be found before penalty dumping duties can be assessed, a process that takes year if all goes smoothly, 2 years or more if serious complications develop.

**POLYGRAM-WARNER SPLIT:** Prospect of long court fight with FTC has forced Warner Communications and Polygram to give up plan to join forces and create world's largest marketer of phono records and tapes.

Planned merger of Polygram, joint venture of Dutch Philips and Germany's Siemens, with Warner's music operation was announced in July 1983, and while it received acceptance in Europe, it drew immediate fire from FTC on ground it would reduce competition in U.S. Aim of proposal was to improve international marketing of Warner Records, give Polygram strong foothold in U.S., where venture would have held about 26% of market. Warner was to own 80% of U.S. operation, 50% of international arm.

Merger plan won approval from French and U.K. officials, hadn't yet been cleared by Germany's Cartel Office. In U.S., hope for go-ahead was buoyed last summer when L.A. federal court refused FTC request for injunction to block consummation while its investigation continued. But ruling was reversed on appeal last month, putting everything on hold (TVD Sept 24 p14).

In brief joint statement, prospective partners said that "as a direct consequence of the opposition of the FTC" to U.S. aspect, "it has been decided to abandon the entire transaction."

Polygram, which said it expects to lose \$15 million on U.S. business this year, is now faced with choice of pulling out of U.S. or finding another suitable partner. One in running is MCA Records, which has said it would be interested in tie if Warner-Polygram deal fell through. Merged MCA-Polygram record company would control about 8% of U.S. market.

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Iran is losing Japan's Toshiba as venture investor. Company, which has been in negotiations with officials there over payments and other matters since revolution, said it established reserve of \$7.9 million to cover loss on sale of its interest. Toshiba is 40% partner in 3 Iranian companies producing consumer electronics, rice cookers and fluorescent bulbs.



**MORE COMPUTER SHIFTS:** Prospects for another round of general computer price cuts, another sign Coleco is getting ready to abandon its Adam, and more layoffs hit home computer market last week.

First price cut in new series is due from Atari, which retailers say will be reducing 64K 800XL console wholesale tag to \$105 soon. Atari acknowledged "redirection in pricing and marketing strategy" is on way, insisted it's not an attempt to clear out inventory in preparation for launch of new models next year. Atari said plants in Ireland and Taiwan making 800XL's are running at capacity.

Shortly after Commodore founder Jack Tramiel took over Atari from Warner, price on 800XL was trimmed, reducing retail on street to \$180 from about \$230. New cut would reduce that by \$60-\$70. Commodore said it doesn't intend to respond by lowering price of its popular model 64, noted it didn't react to Coleco's recent \$200 reduction for Adam (TVD Oct 29 p11).

Atari also announced it's taking over hardware distribution in Canada, as it has in U.S. Former distributor Irwin Toy will retain exclusive marketing rights to Atari's game and computer software.

Coleco, meanwhile, terminated supply contract with its daisy wheel printer supplier, Japan's Chinon, and reportedly is in negotiations to settle outstanding contracts with other parts vendors. Coleco said it gave Chinon \$13 million, primarily as payment for products already received, and denied move was prelude to liquidating Adam.

Inclusion of low-cost letter quality printer is what makes Adam stand out from competition, but supply has always been something of problem for Coleco. It launched system using model it sourced from U.K., but reportedly ran into quality problems. It then began producing its own, and fact that it later had switched to Japanese supplier came as news to some in industry.

While Coleco was profitable in last 2 quarters and posted \$13.4 million net for first 9 months, company says losses from consumer electronics this year "might offset earnings" from profitable toy business. In 1983, it was in black for 9 months, ended up with \$7.4 million deficit for year after taking \$35 million loss on electronics in 4th quarter.

Floppy disc maker Verbatim said it was laying off 175 U.S. nonproduction workers to reduce costs; last Jan., company dismissed 300. While Verbatim tries to regain profitability, competition is heating up. Xidex Magnetics is launching promotion offering free \$40 game, Trivia Fever, to buyers of 10-disc packs, and Polaroid is preparing national launch of own disc line. Polaroid already has starting shipping to distributors but won't break supporting ad campaign until early next year. Company is listing 5.25" single-sided discs at \$10.50 for 2, will offer \$7 disc holder for \$2 to purchasers of 10 discs.

**CVC, NABU REVIVING:** In somewhat modest boosts for concept of electronic home delivery of computer games and programs, Control Video Corp. said it's going back into business with 4-city test of new MasterLine phone-fed service, and U.S. arm of floundering CATV-linked NABU Network claims it has found needed new financing, will separate from Canadian parent and continue operations.

Though CVC is back in business, its planned partner, BellSouth, apparently has scrubbed plan to play along. Earlier this year, CVC discontinued GameLine service that supplied programs over phone to Atari 2600 videogame consoles equipped with special plug in module, and BellSouth said it had acquired exclusive nationwide sales and marketing rights. As detailed then, phone company was to sign up subscribers and supply modem for games that CVC would continue to supply from its head-end computer. BellSouth said it would run 6-month test starting in summer.

All that has been changed drastically, even basic purpose of service. MasterLine will be for computers -- Apple II and Commodore 64 only at start -- not game consoles, and is to function primarily as preview service. Subscribers, who at first will have to find out about MasterLine from computer retailers, will pay \$15-\$20 monthly for unlimited access to most of 20 available programs but will be able to run loaded program only once. Monthly magazine will describe offerings. Object is to get users to purchase titles they try. CVC says it has programs from 28 software houses.

Though startup announcement says BellSouth will distribute necessary modems, its actual involvement is limited to supplying them to CVC. Modems presumably were ordered by BellSouth for its own test that apparently it has decided to abandon. Subscribers will get modem free, but CVC will charge \$95 to those who cancel out and don't ship it back. Test is slated to start this month in Atlanta, Houston, L.A., Washington.

NABU, currently running test on cable system in Alexandria, Va. where it claims 5% penetration, or about 1,400 of 28,000 potential subscribers, said that it had reached spinoff agreement with parent and that U.S. cable companies "will play a major role" in its refinancing arrangement. Details "will be announced shortly," NABU said.

As independent operation, new NABU will have exclusive U.S. consumer license to Canadian firm's high-speed digital broadcast technology and rights to sublicense technology for consumer and nonconsumer applications. NABU said it still intends to expand service in U.S. next year and plans to introduce universal interface adaptor that will enable hookup to all personal computers. Meanwhile, NABU of Canada is continuing search for new financing (TVD Sept 24 p15).



**JVC NET UP, OUTLOOK DOWN:** JVC reported 36.7% rise in net to \$36.7 million for fiscal half to Sept. 30 on 18.9% sales rise to \$1.27 billion but lowered its earnings forecast for full year because of reduced demand for VCRs in Europe and worldwide price competition.

JVC said sales of video equipment (primarily VCR) rose 21.2% to \$853 million, helped by sharp rise in exports to U.S., due in good part to shipments to new private-label customer Zenith. TV sales climbed 45% to \$146.6 million and audio volume was flat at \$210.5 million. JVC said sales of phono records and recorded tapes rose 19.6% to \$17.5 million and other products provided \$37.8 million, up 8.3%. Exports rose 10.1% to \$820.3 million and sales in Japan were up 39.3% to \$445.3 million.

Company now expects full year pretax profit of \$171.4 million, down from original target of \$187.8 million. It sees sales for year rising 14% to \$2.57 billion, after-tax net of \$73.5 million, up 4.8%.

Toshiba credited strong VCR and microwave oven sales for 14% rise in consumer product volume to \$1.48 billion in fiscal first half. Net was up 38% to \$140.4 million. Company said VCR sales overseas rose 34%.

Hitachi net in fiscal first half rose 22% to \$204.5 million, helped by 40% increase in electronic products to \$2.35 billion. Hitachi expects total VCR sales to reach 4.3 million this year, up from 2.3 million in fiscal 1984, said it will boost output from 400,000 monthly to 450,000 by Jan. RCA, Hitachi's prime private-label customer, recently announced sale of its one-millionth VCR this year. That indicates RCA accounts for something over 25% of Hitachi's production.

N.V. Philips posted earnings of \$72.3 million in 3rd quarter, \$235.5 million for 9 months, both more than double those of same 1983 periods. Company said it experienced strong market for electronic subassemblies and ICs, noted earnings from North American affiliates were up sharply. In Europe, Philips said, difficult market situation put continued pressure on profits from consumer electronics.

Marantz moved into black for first time this year in 3rd quarter as sales from continuing operations rose 39% (see financial table).

Commodore showed that there's still money to be made in home computers but that profits aren't as easy to come by as they were in past year. It reported 14% rise in net in opening fiscal quarter to Sept. 30 on 16.7% sales rise (TVD Nov 5 p16). In fiscal 1984, Commodore averaged 91% rise in quarterly sales, 58% in earnings. Company said opening quarter is traditionally slowest and it expects stronger 2nd-period gains.

Dynascan, which sharply reduced loss in 3rd quarter, said it completed \$75 million revolving

credit arrangement with banks, would use credit for general corporate purposes.

Texas Instruments said shipment delays and other costs stemming from improper testing of ICs shipped to military contractors reduced pretax net by about \$13 million. It said sales also were impacted by general softening of market demand for semiconductors.

**RCA IN VIDEOTEX PROJECT:** Second powerful videotex combine may be in offing -- with RCA, Citicorp and J.C. Penney as its members -- following announcement earlier this year that CBS, IBM and Sears would pursue videotex under Trintex banner (TVD Feb 20 p17). The 3 latest firms set up study team several weeks ago to explore opportunities and compatibility of participants, said Stuart MacIntyre, Penney's dir.-videotex service. He said team has no deadline for reporting, but indicated it's pursuing home and small business applications.

RCA set up Home Information Services Group in July, with former NBC Radio pres. Michael Eskridge as vp-gen mgr. to explore involvement in home information businesses (TVD Aug 6 p18). Citicorp, nation's largest bank holding company, last month began offering personal computer owners on-line access to Focus cash management accounts, continues to experiment with home banking. Citi's participation is somewhat odd in that bank traditionally likes to do things on its own. J.C. Penney, 3rd largest retailer, bought videotex pilot project, FirstHand, from First Bank System Inc. of Minneapolis last year, owns bank in Del.

Videotex field has been sagging lately, with Knight-Ridder's Viewtron laying off 20% of staff, similar cuts at Keyfax (TVD Nov 5 p6). Boost might come, we're told, with announcements from AT&T and Chemical Bank, which runs Pronto home banking service in N.Y. and has sold franchises nationally. But AT&T said "nothing's true until it's all signed, sealed and delivered." AT&T is looking at "just about everything" in videotex field, he said. AT&T was involved in extensive home videotex test with CBS.

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Tandy is challenging IBM in personal computer market with compatible model priced about \$1,000 below IBM PC and only \$200 higher than PCjr. New Tandy 1000 at \$1,200 has 128K memory, built-in disc drive, comes bundled with software for Basic plus Tandy's own Workstation program that provides word processing, spread sheet, filing, telecommunications and other functions. Step-up version with 256K and color monitor will be about \$2,100.

Brazilian floppy disc plant is among projects BASF is considering as part of \$150 million expansion of its involvement in that country. Brazil has ban on foreign ownership of computer-related projects, but it applies primarily to computers, high-tech peripherals and semiconductors.



## Consumer Electronics Personals

William Delaney, ex-Nikon, onetime Sharp, joins Samsung as sales and mktg. vp, post vacant since resignation of Exec. Vp Robert Branscomb last April... Art Westburg, ex-Le-Tel, onetime Sanyo, named sales and mktg. vp, Brentwood Electronics, Cal.-based marketer of audio and small-screen TV products preparing for national launch... Joseph Reddington advanced at Sears Mdse. Group to administration and planning senior vp, succeeding Robert Wood, named corporate planning vp; Wayne Holsinger appointed SMG mktg. vp, replacing Reddington... John Burlingame, GE vice chmn., named a Kodak dir.

Eric Bromley resigns as Coleco advanced R&D exec. vp, will continue as consultant... Adam Chowaniec promoted at Commodore International from asst. vp to vp, technology; Frank Corso, ex-Brown Bovari, joins Commodore Business Machines as finance vp, succeeding John Kelly, now Commodore International controller... Steven Solomon named mgr., Fuji Photo's new Computer Media Div.

Jim Hansen promoted at Sony Video Communications to national sales mgr... John Dale, ex-vp, Fuji's Magnetic Products Div., joins Video Services Corp. as pres. of subsidiary Videotape Distributors... Steve Russell, ex-Disney Home Video, joins VCA Duplicating as gen. mgr. of new Naperville, Ill. plant... Joseph DeVita named engineering dir., Color Systems Technology; William Holton becomes video services dir.

L.D. DeSimone promoted at 3M from Life Sciences sector exec. vp to Industrial & Consumer sector exec. vp, succeeding Allen Jacobson, named U.S. operations pres... Bruce Pharr, ex-Fortel, named Ampex Magnetic Tape Div. mktg. communications mgr... Phil Boyer appointed ABC Video Enterprises vp responsible for projects relating to new technologies... Alan Grunblatt promoted at RCA Records to market research dir.

Jay Press named Thorn EMI Video sales and mktg. vp. Other new vps: Lucinda Anthony-Kimball, communications; Philip Narowlansky, technical-production... Steve Vincent, King of Video pres., named chmn.-CEO, succeeding Henry Cartwright, who resigned in Aug... Yvette Kalina named CBS/Fox Video production operations mgr... Alan Kaupe promoted at Embassy Home Entertainment from European vp to pres. of new EHE-International; Robert Cook resigns as vp-gen. mgr. of EHE's discontinued Strategic Business Development Div... Shane Kinnear, ex-Astral Video, joins Vestron Video as Canadian regional sales mgr.; Dawn Kennedy appointed Canadian mktg. coordinator.

David Lee, Qume founder and group exec. for parent ITT's Business Information Systems unit, adds interim duties as Qume pres., succeeding Roger Gower, resigned to become pres.-COO of disc drive

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maker Miniscribe... William Luden, ex-Micropro, joins Pacific Telesis as pres. of new computer retail store operation... Peter Walsh, former EIA Components Group services dir., named Components & Industrial Electronics Group staff vp.

Trade with China contributed \$178 million to coffers of Japan's Matsushita in fiscal first half that ended in Sept. Bulk of revenue, \$132 million, came from sales of complete consumer electronics and appliances, including \$4 million of VCRs. Rest was represented by \$33 million of color TV production equipment, \$12 million of color TV parts and components.

Japan's Alps has picked site northwest of London for previously announced U.K. VCR components plant. Company said \$6.2 million facility will start operations next Sept. with 100 employees, increase to 250 within 2 years. Plant will produce tuners, RF modulators and other parts primarily for sale to Japanese companies now assembling VCRs in Europe. Alps said it expects sales of \$8.3 million in first year.

Digital audio CD disc player population in U.S. should hit 645,000 by end of next year, according to estimate from Compact Disc Group. Industry estimate is that 35,000 were sold in 1983, and outlook is for about 200,000 this year, so CDG apparently is anticipating sales of at least 410,000 in 1985.



## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>Audiotronics</b>			
1984-qtr. to Sept. 30	4,961,000	68,000	.06
1983-qtr. to Sept. 30	5,546,000	200,000	.16
<b>Blair, John</b>			
1984-9 mo. to Sept. 30	588,804,000	8,237,000	1.03
1983-9 mo. to Sept. 30	286,196,000	12,708,000	1.62
1984-qtr. to Sept. 30	229,625,000	2,844,000	.36
1983-qtr. to Sept. 30	97,109,000	3,844,000	.49
<b>Chyron</b>			
1984-qtr. to Sept. 30	5,337,000	922,000	.10
1983-qtr. to Sept. 30	3,902,000	1,083,000	.12
<b>Electrohome<sup>a</sup></b>			
1984-39 wk. to Sept. 28	95,246,000	(1,081,000)	-- <sup>c</sup>
1983-39 wk. to Sept. 30	104,340,000	(3,392,000)	-- <sup>c</sup>
1984-13 wk. to Sept. 28	29,759,000	(1,183,000)	-- <sup>c</sup>
1983-13 wk. to Sept. 30	35,224,000	(1,589,000)	-- <sup>c</sup>
<b>Lee Enterprises</b>			
1984-year to Sept. 30	189,926,000	26,749,000	1.95
1983-year to Sept. 30	172,557,000	22,774,000	1.64
1984-qtr. to Sept. 30	48,106,000	10,653,000	.78
1983-qtr. to Sept. 30	43,148,000	8,558,000	.62
<b>M/A-Com</b>			
1984-year to Sept. 29	768,449,000	38,200,000	.90
1983-year to Oct. 1	637,279,000	29,664,000	.72
1984-13 wk. to Sept. 29	214,840,000	12,810,000	.30
1983-13 wk. to Oct. 1	174,163,000	8,910,000	.21
<b>Malrite Communications</b>			
1984-9 mo. to Sept. 30	53,822,000	1,209,000	.15
1983-9 mo. to Sept. 30	32,620,000	4,452,000	.64 <sup>c</sup>
1984-qtr. to Sept. 30	19,099,000	728,000	.09
1983-qtr. to Sept. 30	11,985,000	4,631,000	.66 <sup>c</sup>
<b>Marantz</b>			
1984-9 mo. to Sept. 30	29,552,000	(1,597,000)	--
1983-9 mo. to Sept. 30	23,716,000	5,153,000	2.23 <sup>c</sup>
1984-qtr. to Sept. 30	11,697,000	24,000	.01
1983-qtr. to Sept. 30	8,398,000	311,000	.13 <sup>c</sup>
<b>MCA</b>			
1984-9 mo. to Sept. 30	1,154,291,000	76,353,000	1.57
1984-9 mo. to Sept. 30	1,189,115,000	122,270,000	2.54
1984-qtr. to Sept. 30	412,661,000	35,368,000	.72
1984-qtr. to Sept. 30	406,801,000	46,097,000	.95
<b>MGM/UA Entertainment</b>			
1984-year to Aug. 31	706,902,000	34,697,000	.69
1983-year to Aug. 31	723,043,000	41,873,000	.83 <sup>c</sup>
1984-qtr. to Aug. 31	138,377,000	2,139,000	.04
1983-qtr. to Aug. 31	217,565,000	10,952,000	.21 <sup>c</sup>
<b>MGM/UA Home Entertainment</b>			
1984-year to Aug. 31	197,248,000	46,552,000	1.58
1983-year to Aug. 31	160,722,000	39,255,000	1.40
1984-qtr. to Aug. 31	51,420,000	13,062,000	.44
1983-qtr. to Aug. 31	46,767,000	11,264,000	.38
<b>Recoton</b>			
1984-9 mo. to Sept. 30	18,322,000	1,208,000	.45
1983-9 mo. to Sept. 30	15,533,000	1,001,000	.49
1984-qtr. to Sept. 30	6,182,000	404,000	.15
1983-qtr. to Sept. 30	5,576,000	377,000	.18
<b>United Artists Communications</b>			
1984-year to Aug. 31	407,970,000	15,750,000	1.52 <sup>c</sup>
1983-year to Aug. 31	337,245,000	17,744,000	1.66 <sup>c</sup>
1984-qtr. to Aug. 31	128,078,000	7,997,000	.79 <sup>c</sup>
1983-qtr. to Aug. 31	112,074,000	9,073,000	.86 <sup>c</sup>
<b>United Television</b>			
1984-9 mo. to Sept. 30	54,347,000	(1,772,000)	--
1983-9 mo. to Sept. 30	35,949,000	4,834,000	.41

Company & Period	Revenues	Net Earnings	Per Share
<b>United Television (cont'd)</b>			
1984-qtr. to Sept. 30	18,403,000	(5,103,000)	-- <sup>a</sup>
1983-qtr. to Sept. 30	14,033,000	1,070,000	.09
<b>Video Corp. of America</b>			
1984-qtr. to Sept. 30	9,599,000	1,100,000	.65
1983-qtr. to Sept. 30	6,100,000	371,000	.22 <sup>c</sup>

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

Japan's electronics factory output rose 32.3% in first half this year to \$31.4 billion, EIA-Japan reports. It put value of consumer electronics production at \$8.83 billion, up 22.8%, while industrial products and computers rose 31.2% to \$11.5 billion and value of parts and component production jumped 42.1% to \$11.6 billion. Value of nation's electronics exports was up 32.7% to \$16.2 billion, aided by 22.1% rise in consumer products to \$5.83 billion. Exports of industrial products climbed 42% to \$4.46 billion, and overseas shipments of parts and components was up 37.9% to \$5.87 billion.

Dallas home satellite dish show, Nov. 18-20, under sponsorship of Satellite TV Technology Intl., is expected to be 2nd largest ever, after Nashville event held jointly with SPACE last Sept. (TVD Sept 10 p16). Some 5,000-6,000 attendees and 400 booths are scheduled to pack Loew's Anatole Hotel, which already is booked solid for event. Terry Emerson, legal asst. to Sen. Goldwater (R-Ariz.), and Thomas Rogers, staff counsel for House Telecom Subcommittee, are joint keynoters. For details: STTI 800-654-9276.

Justice Dept. is taking friendlier attitude toward joint ventures between competitors, even in concentrated industries, according to Antitrust Div. head Paul McGrath. At recent conference in Mass., he said agency is aware that such ventures can provide gains in efficiency and generate new products, resulting in economic benefits that could outweigh anticompetitive effects. In 1978, Justice rejected as anticompetitive GE-Hitachi plan to form joint U.S. color TV manufacturing venture.

First Sony Sprinter high-speed videocassette duplicators are being delivered this month to Creative Video Services and Technicolor Videocassette. We're told each is buying one mastering system plus 2 printers and tape winders. Printer-winder turns out cassettes at 80 times real speed. Basic package, including mirror image master recorder, printer and winder is \$205,000, extra printer-winder is \$125,000.

"Notebook Watch" due from Seiko next year at \$195 will record and display appointment calendar of 43 events over 31-day period, erase each day's schedule at midnight. Another mode has 1,000-character notebook memory for phone numbers or other data. Input is entered through separate keyboard.



# TELEVISION DIGEST®

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

With Consumer Electronics

NOVEMBER 19, 1984

VOL. 24, NO. 47

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast - Cable

**NETWORK NEWS AD REVENUE** will hit \$900 million next year, according to ABC, which estimates own share at \$370 million. (P. 1)

**NCTA PAYS S-66 PIPER:** Board votes 20% special dues assessment to cover \$1 million lobbying expenses for cable bill. (P. 2)

**LICENSING FLAP KILLS NABU:** Canadian parent said to renege on week-old pact. Termination of business imminent. (P. 3)

**HBO REDUCES STAFF** by slightly less than 150. Pink slips go to all departments, but firings less than expected. (P. 3)

**ALCOHOL ADS DEBATED** by bestrs. and citizens groups in meetings with Justice Dept. (P. 4)

**PPV GOING NOWHERE FAST:** Experiments proliferate, but MSOs prefer shoring up basic cable operations. (P. 5)

**KEYCOM OUT OF KEYFAX** teletext venture, says it's consolidating resources on Keyfax videotex. SSS to continue service. (P. 5)

**REAGAN FOI POLICIES HIT** by SPJ panelists, who describe Administration efforts to stifle flow of information. (P. 6)

**ABC'S AD REVENUE FROM NEWS CLIMBING:** Ad revenues from all 3 networks' news programs will total \$900 million in 1985, according to William Breen, ABC TV Network news sales vp. Breen and 3 other ABC executives met in N.Y. with reporters Nov. 15 to discuss outlook for ABC news sales in 4th quarter and next year.

News sales at ABC will reach \$370 million in 1985, said Breen, who indicated large proportion of revenues still comes from World News Tonight, despite fact that ABC, with 22% of its network time devoted to news, has considerable news inventory. In fact, Breen said, sales for World News will represent 28%, or \$103.6 million, of all news sales next year.

ABC is currently in 2nd place behind CBS in evening news ratings battle but a little ahead of CBS in sales because of better audience demographics, ABC officials said. Sponsors want to

### Consumer Electronics

**FIRST KOREAN BRAND VHS VCRs** to bow at WCES. Leader list set at \$399 by Gold Star, \$349 by Samsung, well above current street prices. (P. 8)

**TV PRICING CRISIS** erupts as color leaders drop to new low; Koreans seen leading decline, but RCA frequently is cited as domestic pace-setter. (P. 9)

**RCA CITES FIGURES**, indicates it doesn't react specifically to others' pricing but acts on basis of market segments, inventories. (P. 10)

**ATARI STOCK SALES** to raise \$150 million due in 1985-86. 2 public offerings planned. 800XL list set at \$120, with 1985 model advanced computers priced under \$1,000. Sinclair eyes return to U.S. (P. 12)

**KODAK REORGANIZES**, sets up Consumer Electronics Unit headed by Dan Carp to handle Kodavision and consumer videocassettes. New Mass Memory Unit will market computer discs. (P. 12)

**JAPAN VCR CUTBACKS** beginning as domestic market becomes saturated, along with drop in European demand, U.S. inventory build-up and Korean competition. (P. 13)

**SANYO EXPANDING** Chinese consumer electronics venture to include output of 400-500,000 Beta VCRs annually. (P. 13)

spend 80% of their ad dollars reaching 25-54 age group, said News Sales Dir. Lawrence Fried. However, he said CBS top-of-pile ratings include block of those over 65, traditional news-watching group. As result, Fried contended, ABC season-to-date has outdelivered CBS by 3% in 25-54 age group. Advertisers will pay premium prices for demographic groups World News Tonight commands, he said.

Fried also said prices for spots during evening news shows are up 16% in this year's 4th quarter compared with same period last year. Since available time is always same, that means total sales also will be up by that much. However, local stations aren't optimistic about spot sales. At recent TvB meeting (TVD Nov 12 p3), national spot in 4th quarter was said to be way below projections.

ABC executives released results of survey that found, Anchorman Peter Jennings's exposure during Olympics and political conventions this year increased viewers' awareness of him. Survey comparisons with rival networks' anchors produced findings that "are not that positive" for others, said Mktg. & Research Services Vp Marvin Mord.

Meanwhile, ABC released Nielsen numbers for Election Night coverage that network says mean it won ratings war. For common coverage period (when all 3 networks were on air), Nielsen shows ABC with 10.1 rating, 18 share; CBS 9.9/17; NBC 9.8/17. Measuring audience for duration of coverage (with EST hours in parentheses), Nielsen numbers are: ABC (7 p.m.-1:14 a.m.), 10.0 rating, 18 share; CBS (7 p.m.-1:53 a.m.), 9.2/17; NBC (7 p.m.-1:15 a.m.), 8.7/16. In prime time, however, CBS came out in first place.

ABC took ratings even step further in analyzing audiences for both political conventions and elections (but excluding debates). For "political year wrapup," as network calls it, ABC comes out tied with CBS at 7.9 rating, 15 share. NBC had 7.3/13, ABC said.

**IT'S TIME FOR NCTA TO PAY S-66 PIPER:** Special dues assessment has been levied on members by NCTA board to cover unbudgeted expenses incurred by Assn. this year in support of S-66 cable deregulation bill. Board earlier had given NCTA carte blanche to expend funds for lobbying and legal costs in support of cable bill. While all bills haven't yet come in, we're told NCTA spent roughly \$1 million for lobbying and legal services as part of that effort.

Assessment is one-time-only levy on members, amounts to about 20% surcharge on each member company's 1984 dues. Actual dues structure, which generated about \$5 million for NCTA this year, was unchanged.

Meeting Nov. 12-13 in Palm Springs, Cal., NCTA board also adopted fiscal 1985 budget of \$6.7 million. Budget doesn't reflect any major change in staff, revenue or expenses from current year, but slight increase in revenues is needed to offset declining profit from national convention and for expected costs of lobbying for copyright relief in next Congress.

Viacom International Chmn. Ralph Baruch was commended by NCTA board in resolution thanking him for chairing Assn.'s Public Policy Committee 1977-84. In other actions, board: (1) Approved resolution establishing academy that will oversee local and national Awards for Cablecasting Excellence. (2) Endorsed idea of Cable Pioneers Museum and Archives to be established at Pa. State U., which will donate space.

Myrtle Beach, S.C. would receive 2nd TV allocation under FCC rulemaking released Nov. 16. Rulemaking proposes amending TV table of allocations to assign Ch. 32 to resort town, is result of petition by Moore Best. Industries, which says it will apply for Ch. 32 if it's assigned there.

U.S. Supreme Court Nov. 13 upheld without comment FCC's 1982 license renewal of RKO's WOR-TV N.Y., provided station moved to Secaucus, N.J. Court ruling ended 12-year fight by Multi-State Communications, which filed on top of WOR-TV's 1972 renewal application.



**LICENSING FLAP KILLS NABU:** Week-old pact between NABU Network and its former Canadian parent (TVD Nov 12 p15) has come apart, and Canadian company now is refusing to license high-speed digital broadcast technology to U.S. offspring. Without license, NABU can't continue and effectively was out of business as of Nov. 16, source close to company told us.

"We've had the rug pulled out from under us," source said. NABU U.S. is "left without a penny, not even the money that was owed us" by Canadians, source added.

Twenty employees of NABU, which is headed by ex-NCTA Pres. Thomas Wheeler and has been undergoing field trial in Alexandria, Va. cable system, have been told service can't continue and that there's no money for salaries as of this week. There was much confusion at NABU's Alexandria offices because decision by Canadians to refuse technology license wasn't conveyed officially and because word came without explanation or guidance as to how to proceed. Wheeler wasn't available for comment.

Source told us decision to back away from agreement allowing Wheeler to operate NABU U.S. as separate business is "power play" by major investor Robert Campeau, Canadian real estate magnate. It could be, source said, that Campeau wants to hold on to as much of crumbling business as he can to salvage his investment. NABU was imperiled when Campeau refused to put up \$27 million additional investment in business (TVD Sept 24 p6). It was then that Wheeler, with several members of his U.S. board, began effort to spin off American wing. Canadian board agreed to that division last week, along with pact licensing technology to NABU U.S.

It was unclear when NABU would cease operations over Tribune's Alexandria cable system. "There's no shutdown plan," official said, adding that Canadians' actions may result in legal entanglements and probably some difficulties with U.S. Customs.

Reversal "is all the worse because we were so close to raising the money to continue operating as a separate business," source said. Wheeler has said he has raised more than \$3 million of \$6 million required to operate business as separate entity for next year.

Ten STC employees were let go Nov. 9 as part of "consolidation in force" before final DBS deal between Comsat and partner Prudential. Out are management staff in marketing, PR and broadcast engineering. Five or more others due to be cut switched to jobs at Comsat. We're told all who aren't part of new partnership team will be out by Jan. 1, with "transition team" support staff having until Jan. 4. Former USCI Pres. Nathaniel Kwit is lobbying hard to head new company born from ashes of his company and STC. Also reportedly in running for top job is former HBO head Frank Biondi.

**HBO CUTS STAFF:** Memo announcing dismissal of slightly fewer than 150 HBO employees was circulated at programmer's N.Y. hq Nov. 16. Staff reduction hit all departments but no single unit was eliminated. Firings are less than 10-20% of staff figure favored in rumors circulating since departure of Chmn.-CEO Frank Biondi.

"There are no plans for additional staff reductions," source told us. HBO Enterprises nominally remains in business, although Senior Vp David Meister and Exec. Vp Michael Lambert will be leaving at year end. Memo was signed by Chmn.-CEO Michael Fuchs, sources told us, and also called for cost cutting at HBO, including major tightening on expense accounts.

Meanwhile, HBO continues to prepare to scramble signal next March. Company has begun notifying cable operators about rollout plans to ensure systems get number of M/A-Com descrambling units they need. Plans call for shipment of units to begin by mid-Dec. to HBO affiliates in western half of U.S., then in east.

While company still is closemouthed about DBS sales, recent news release said scrambling "will protect its HBO and Cinemax signals from interception by owners of backyard satellite antennas." HBO has scrambling "hot line" for operators: 212-512-5666.

HBO said that in Sept., for 2nd consecutive month, performance measures fell in key areas. Total satisfaction score dropped 13% from Sept. 1983, weekly reach 3%, 24-hour rating 13%, prime-time rating 16%, viewing hours 8%. In HBO homes, total cable viewing was up 9%, while network ratings were down 2%.

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ASCAP and local TV stations missed Nov. 15 deadline for negotiating interim license fee, and matter is headed to Judge William Conner of U.S. Dist. Court, Southern Dist. of N.Y., for action, we're told. ASCAP rebuffed all TV station efforts to negotiate and threatened to file suit for infringement, said Bruce Rich, counsel for TV station group All-Industry TV Music Licensing Committee. ASCAP spokesman had no comment. Committee Administrator Jack Zwaska said TV stations continue to be licensed. As for BMI, Zwaska said he's "extremely hopeful and confident" that agreement on interim fee will be reached by end of Nov., date to which BMI extended old fee. BMI Gen. Counsel Edward Chapin wasn't as hopeful, has adopted "wait-and-see" attitude. Since 1982 federal judge's ruling that ASCAP and BMI licensing practices violated antitrust laws, stations have paid fees based on 1980 rates. Interim fee was intended to cover period of appeals of decision, its subsequent overturning by U.S. Appeals Court, N.Y., and denial of rehearing. Stations have until Dec. 8 to appeal to U.S. Supreme Court. In meantime, Zwaska said appellate court granted stations' request to stay its decision until Supreme Court rules.



**ALCOHOL AD ISSUE AIRED:** Broadcasters and some citizen groups that oppose airing ads for alcohol squared off over issue Nov. 13 in Washington (TVD Nov 12 p7). Justice Dept. Office of Juvenile Justice & Delinquency sponsored 2-day meeting that ended Nov. 14 in continuing effort to solve juvenile substance abuse problem. Next meeting was scheduled for Nov. 27-28 in Waldorf Astoria, N.Y., with corporations. Broadcasters and citizen groups will make presentations.

DoJ is seeking cooperation of 4 segments of society: (1) Broadcasters, who receive \$700 million in alcohol ad revenues out of total ad revenues of about \$19 billion, and other media, advertisers, alcohol manufacturers. (2) Citizens groups such as Elks, Lions, Girl Scouts. (3) Businesses. (4) Professionals, such as doctors, state and federal govt. officials. Meeting of professionals hasn't been scheduled, but we're told it probably will be week of Dec. 10. Final meeting, of 4 steering groups, is tentatively scheduled for Jan.

NBC Vp-Corporate Relations and Ads Betty Hudson told us that she believes substance abuse problem won't be solved by banning ads. At Washington meeting, she made presentation, main part of which was 40-min. taped report on networks' side of story. She said that if aim of groups that wanted alcohol ad ban was to get network's attention, "they've got it." One such group is Center for Science in the Public Interest, whose SMART (Stop Marketing Alcohol on Radio & TV) project is trying to get million signatures on petitions urging legislative ban on alcohol ads.

George Hacker, SMART national coordinator, said talks were productive but that citizen groups had "general revulsion" to thrust of broadcaster-advertiser-alcohol manufacturer meeting that drug abuse and alcohol abuse be considered as separate items. He lamented that DoJ moved off alcohol ad issue too quickly in Nov. 13 session, apparently in bid for cooperation. "I don't think [alcohol ad issue] been buried. There's too much awareness" among citizens groups, he said.

Meanwhile, National Beer Wholesalers Assn. created \$500,000 political action committee to oppose ban movement. Virginia Knauer, head of U.S. Office of Consumer Affairs, opposes ad ban, says way to cut abuse is to educate public. As part of NAB education program, Assn. is sending promotion kits to stations with ideas for Dec. 9-15 National Drunk & Drugged Driving Awareness Week. Radio executives in Baltimore pledged to air \$200,000 worth of public service announcements during holiday season on dangers of drinking and driving. KOMO-TV-AM Seattle plans month-long campaign on alcohol abuse Dec. 16-Jan. 12.

**Clarification:** Removing beer and wine commercials from TV during prime time or from programs that are popular among young people is position being taken by some critics of such

advertising, but that isn't position of Dept. of Justice's Office of Juvenile Justice & Delinquency, as may have been inferred from our earlier report (TVD Nov 12 p7). DoJ official said agency is taking no position on issue, is only making its good offices available for those interested in issue to discuss concerns in orderly fashion. NAB said it supports idea of open discussions on issue but opposes moves to limit such commercials.

Calling TV in courtroom "show business" and "most destructive thing in the world," U.S. Supreme Court Chief Justice Burger vowed there would be no TV cameras in Supreme Court chambers as long as he's on bench. During news conference in Tampa, he said "show business and judicial business just don't mix." Paradoxically, Burger wrote 1981 decision that TV coverage didn't automatically interfere with defendants' rights and that state courts were free to experiment with TV coverage. Also last week, Cable News Network said it will appeal to U.S. Supreme Court lower court decisions barring CNN courtroom coverage of Gen. William Westmoreland's libel trial against CBS. Appeal is on grounds that public's constitutional and common-law right to attend trial is "trivialized" if limited to physical access to courtroom. Westmoreland trial probably will be over by time high court decides whether to hear appeal.

In light of continuing doubt about FCC's authority to discontinue enforcement of fairness doctrine, NTIA suggests in reply comments in rulemaking that Commission "should defer to Congress" on question of whether doctrine should remain on books. However, Commission is free to establish, refine or change the means it uses to implement doctrine, such as relying on ancillary Cullman doctrine, political editorializing and personal attack rules, NTIA said. Agency urges parties to rulemaking to consider: (1) Whether abuses of Cullman doctrine cause stations to refuse to sell time. (2) Whether mandatory access under personal attack rule is most effective way for individual to get fair treatment. (3) Whether political editorializing rule has discouraged stations' endorsement of candidates.

**Golden Jubilee Commission** on Telecommunications has postponed to Feb. 13 from Dec. 18 its conference on govt. regulation of new technology. To be conducted at Mayflower Hotel, Washington, conference will include as speakers former Bell Labs Pres. William Baker, former FCC members Tyrone Brown and Glen Robinson, Henry Geller, dir., Washington Institute for Public Policy Research, former FCC common carrier chief Bernard Strassburg, Scientific-Atlanta Chmn. Sidney Topol.

Broadcast equipment makers Orrox and ADDA have terminated merger negotiations, said Orrox Chmn. Sam Goodman. Orrox, based in Santa Clara, mainly produces videotape editing equipment, while ADDA, in Los Gatos, concentrates on digital processors.



**PPV, WHERE ARE YOU?** Cable has yet to translate enthusiasm for pay-per-view into real action. PPV is seen as technology capable of successfully battling home video, but despite such talk, cable so far seems content simply to toy with experiments while population of addressable converters, currently at about 4 million, continues to grow.

Operators insist they're waiting for wholesaler to come on scene and package PPV film service for industry. Event TV, consortium formed by 4 of largest MSOs and Caesar's World Productions, is considered likely candidate but has been slow to get started. Scott Weeker, mktg. dir. of Event TV partner TCI, admits experiment "hasn't really been the most successful thing since sliced bread."

PPV will remain peripheral to cable industry, now confronting more basic problem of how to sell its wares to disillusioned consumers. While it struggles with difficulties, "we're certainly not going to jeopardize" existing home video business, said Andrew Wald, pres. of 20th Century-Fox Pay TV Group, who also questions claims of 4-5 million addressable converters. Fox is ready to help with PPV, "but the big boys don't want to do it," Wald said. Studio won't make titles available at same time they're released to home video, unlike Paramount, which has tried day-&-date with couple of titles.

TCI would seem to be MSO in best position to make PPV push. Company has installed 900,000 addressable converters, can address all from central office in Denver, will try PPV in newly acquired Pittsburgh system. Why hasn't it put its considerable weight behind technology? "I would like to go full bore right now," said Weeker, but TCI is more interested in ensuring proper operation of its basic business.

Experiments abound, nevertheless, such as pair initiated by ABC Video Enterprises. One is Reserved Seat Video Productions, which is supposed to offer boxing events. However, after single effort in 1983, 2 matches were scrubbed earlier this year and unit hasn't done anything else. RSVP "remains an entity looking for a project," spokesman told us.

AVE also experimented for 18 months with continuous movie service called First Ticket, joint venture with Cox Cable. Trial ended in March, and Cox will decide whether or not to continue it by year's end.

Also still in test phase is World Video Library. According to Programming Vp Gerry Jordan, 200-family test in Rochester, N.Y. showed: (1) Impulse buying is important, 85% of consumers placing orders 15 min. before show. (2) Six or 7 titles a month will generate most of revenue, so schedule of 10-20 movies isn't necessary. (3) Consumers will watch R-rated titles at all times of day. WVL will be demonstrating service at Western Cable Show in Anaheim next month.

Biggest roadblock for PPV may be that no matter how service is set up, it still must be sold by individual cable systems. Cable operators have always been content to let HBO and Showtime do cable's marketing, Wald said, and that kind of attitude extends to new service.

**KEYCOM PULLS OUT OF KEYFAX:** Teletext pioneer Keyfax has essentially been discontinued as Keycom Electronic Publishing sold its share in 2-year-old service to partner Satellite Syndicated Systems (SSS). Sale is expected to be finalized in early 1985.

SSS will continue venture as "freebie" teletext service called Electra that will be offered to cable operators and broadcasters using U.K. World System. Material will be generated by Taft's WKRC-TV Cincinnati and will be carried on VBI of WTBS Atlanta just as Keyfax service was, according to Selman Kremer, SSS exec. vp.

Keycom gave up on teletext to consolidate resources for new interactive videotex service that's also called Keyfax and was launched last month in Chicago area, Keycom spokesman Thomas Ray said. Videotex service has about 200 subscribers, uses telephone lines of Centel, majority owner of Keycom. Ray said Keycom's "hands are full" and it was unable to give "proper amount of care and feeding" to teletext. He said it would be "misreading" of situation to see Keycom departure as no-confidence vote on teletext, although company's interest has waned since original partner Field Enterprises sold out.

SSS continues to see bright future for teletext 10-15 years hence, Kremer said, and isn't concerned with making money on service in short term. "Nobody's trying to tell the world that this is the greatest thing since sliced bread," he said. He estimated company has invested \$3-\$5 million in Keyfax teletext.

With Zenith and a few others expected to include teletext decoder in TV sets for next year, Kremer said SSS sought arrangement with WKRC-TV for 50-page national and international news teletext magazine. (Station currently airs local teletext service also called Electra.) Another 50 pages aimed at "detailed" interests could follow. Kremer said service has been held up by delay in obtaining data lines from AT&T to send teletext signal from Cincinnati to Douglasville, Ga. and SSS uplink, but lines should be installed by Dec. 20.

Keyfax had about 340 paying customers in June 1984, said Sarina Klaver, SSS spokeswoman, and was generating "insufficient revenues." It carried suggested subscriber rate of \$19.90 a month, she said, with about \$5 of that going to cable system operator, \$9.95 for decoder maker and rest split by Keycom and SSS.



**SPJ HITS REAGAN POLICIES:** Society of Professional Journalists (SPJ), at annual convention in Indianapolis last week, widely criticized what members described as repeated attempts of Reagan Administration to stifle free flow of information to public. And panelists at session on FOI predicted it will get worse during Reagan's next 4 years.

"The Administration's signal is crystal clear," according to Ronald Ostrow, Washington bureau of L.A. Times. He predicted "chilling" effect will get worse during Administration's 2nd term. Motto of White House, he said, is: "When in doubt, cut it out." Nancy Monaghan, USA Today, complained that Administration is "providing less and charging more" in responding to FOI requests. She predicted response to such requests will get "slower and slower."

Society once again issued its "Reagan Report Card" on Administration relations with news media. Govt. got only 2 passing grades: For FCC Chmn. Fowler's campaign "for the repeal of govt. regulations that impinge upon First Amendment rights of broadcast journalists"; for State Dept.'s resisting UNESCO efforts to license journalists. Administration failed on 9 points dealing with openness of govt.

Keynoter Robert Schieffer, CBS correspondent, and luncheon speaker Thomas Pettit, NBC News exec. vp, disagreed on impact Westmoreland libel suit has had and will have on TV news. Schieffer said it already has had "enormous impact" because CBS News executives had to devote "an enormous amount of time" preparing for trial and more important newsgathering functions weren't done. Pettit contended there will be no impact, said networks "are willing to spend a lot more money on lawyers than they are on news."

SPJ released study of public attitudes toward First Amendment that showed "little or no support for increased govt. regulation of the press." Study compiled for SPJ by Clark, Martire & Bartolomeo, found public believes news media often are insensitive, have tendency to sensationalize and stress negativism, show arrogance and often are guilty of invasion of privacy.

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Washington can have cable service without telephone company involvement, NCTA told FCC last week in disputing opposing contention by NTIA. Said NCTA: Because of past anticompetitive practices of telcos in providing cable channel service, and because Chesapeake & Potomac Telephone's Washington proposal is first such major-market bid in more than decade, Commission should scrutinize proposal carefully "to determine whether the competitive safeguards established in the early 1970s are adequate in today's environment."

Hawaii is calling TV network affiliates' boards: CBS board met last week on island of Hawaii, NBC affiliates meet Nov. 27-29 on same island, ABC affiliates' board on Maui Dec. 2-6.

Newspaper-cable cross-ownership fight in Conn. has been settled, with Times Mirror agreeing, after 4-year legal battle with State Dept. of Public Utility Control (DPUC), to sell Hartford CATV, keep Hartford Courant paper, state's largest. DPUC, which regulates cable in Conn., in 1980 ordered TM, which bought Courant year before for \$106 million, to sell Hartford CATV (58,000 subscribers) and TeleSystems of Conn. 18 miles away in Meriden (25,000 subscribers). TM fought order up to state Supreme Court, which earlier this year upheld DPUC and returned case to lower court for trial. Compromise announced Thurs. calls for TM to find buyer for Hartford CATV by Sept. 4, 1987, allows MSO to keep newspaper and Meriden cable system.

NBC's new contract with NABET is important step toward "automated newsrooms," according to network, with nonunion personnel permitted to operate computerized equipment. Pact recognizes that nonunion news personnel also must be familiar with electronic equipment and greatly reduces required time to set up cameras, other equipment. Contract also requires fewer technical employees in news operations, but NBC said staff will be reduced through attrition and no NABET members will be fired.

Timex is buying 2-min. blocks of TV ad time in major markets to promote products during Christmas buying season. Ads, by Grey Adv., bow this week. Such longer spots are common on some cable channels; General Foods runs longer ads on Lifetime but uses most of time to offer cooking tips. Timex ads will showcase 11 watches.

### Obituaries

Jack Wrather, 66, Wrather Corp. chmn.-pres., onetime owner of TV stations in Bakersfield, San Diego and Tulsa, and onetime CPB member, died of cancer in Santa Monica Nov. 12. Among his corporate properties are TV rights to series Lone Ranger, Lassie and Sgt. Preston of the Yukon. He once was major stockholder in Teleprompter. He was close friend of President Reagan and was member of 1981 transition team. Surviving are wife (ex-actress Bonita Granville), one son, 2 daughters.

Joseph Brumbaugh, 60, retired chief of FCC Industrial & Public Safety Facilities Div., died Nov. 12 after heart attack. He joined FCC in Buffalo, N.Y. in 1951, transferred to Washington in 1952, retired in 1978. He's a past pres. of Yellow Dog Society. Surviving are mother, 3 children.

Ralph Harmon, 79, former engineering vp, Westinghouse Bestg., died of heart attack Oct. 15 in Ryebrook, N.Y. In 1930s, he was in charge of Westinghouse radio operations in Pittsburgh, added responsibility for broadcast transmitters in 1940. He was named engineering mgr. for radio division in 1942 in Baltimore. After retiring in 1965, he was consultant to RCA until 1971. Surviving are wife, 2 daughters.



## Personals

Robert McConnell resigns as asst. attorney gen., Justice Dept. Office of Legislative Affairs, to become CBS vp, Washington, succeeding Donald Wear, named vp-policy, CBS Best. Group, N.Y... Ex-Treasury Secy. and onetime Tex. Gov. John Connally elected chmn., Cable Advertising Systems, Tex. marketing and ad group... Walter Annenberg, Triangle Publications CEO, assumes chmn. post effective Jan. 1, will be succeeded as pres. by ex-outside counsel William Henrich of Philadelphia law firm Dilworth, Paxson, Kalish & Kaufman. Henrich also becomes gen. counsel and a dir... J.W. (Bill) Knodel, chmn.-CEO and founder of Avery-Knodel TV, retires Nov. 30, successor not named... Jack Petrik advanced to exec. vp-gen. mgr., WTBS Atlanta.

Dean Waite, ex-CTAM, appointed Disney Channel eastern region vp... Margaret Wade, MTN vp-PR, resigns, is succeeded by Donald Bridges, ex-Champion International... Richard Wolfe, ex-Premiere, named vp-technology, Satcorp... James Greeley becomes of counsel to Washington office of law firm Bryan, Cave, McPheeters & McRoberts; Michael Jankowski, who formerly practiced with Greeley, becomes associated with firm.

Sen. Robert Packwood (R-Ore.) voted First Amendment Award of Society of Professional Journalists... Douglas Streff appointed ABC TV Network business development vp-mgr.; Frank Gaff named management and technical controls vp, ABC Management Information Systems... Katz TV Continental names Howard Vose mgr., San Francisco sales office, and John Wall, Silver Sales Team mgr. in Chicago sales office, as div. vps... Norman Black, AP communications reporter for last 5 years, named Pentagon correspondent; replacement hasn't been determined... Dean Kapneck, ex-Seltel, named national sales mgr., WBFS-TV Miami... Farrell Meisel, ex-Media General Best. Group, appointed vp, programming dir., Seltel.

Larry Hartsook advanced to Meredith Corp. corporate controller... Henry Hubbard, ex-Newsweek Washington deputy bureau chief, named a vp, Gray & Co... David Minnery promoted to International Group pres., Varian Assoc.

Stephen Flaks advanced to CEO, Video Communications... Kim Meltzer, ex-Corinthian Bestg., appointed asst. treas., Price Communications... Craig Baumgarten, exec. vp-asst. to pres., Columbia Pictures, resigns.

Susan Kerr, ex-Gulf & Western, appointed assoc. dir., CBS Sports information... Showtime/Movie Channel Chmn. Neil Austrian will speak at Washington Cable Club lunch Nov. 28, Washington Marriott... Sarah Frank, ex-Entertainment Channel, named BBC dir.-U.S.

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coproductions, succeeding John Stringer, who returned to BBC-London... Gerald Aiello, ex-Warner Communications, appointed USA Network personnel dir.

Malcolm Cheek appointed vp-corporate development and investor relations, Burnup & Sims... Steven Kabatsky, ex-Arbitron, named Radio Ad Bureau research mgr... Michael Senkowski, ex-McKenna, Wilkinson & Kittner Washington law firm, becomes member of Washington firm Wiley & Rein... Kimithy Vaughan, ex-Netcom Enterprises, appointed network development dir., Private Satellite Network... Jacques de Suze and Roy Meyer advanced to vps, McHugh & Hoffman consultants.

Guy Sousa promoted to east coast ad sales dir., USA Network... Thomas Gilchrist, retired exec. dir., Fla. Cable TV Assn., received special recognition award from NCTA Nov. 15 in Washington... Changes at Frazier, Gross & Kadlec: Janice Orman, ex-NAB, and Dennis Eckout, ex-MCI, named financial analysts, Economic Studies & Valuation Group; Jonathan Intrater promoted to coordinator for intangible asset development; John Sanders and Kimberly O'Neill advanced to senior financial analysts; Timothy Pecaro promoted to asset appraisals dir.

Michael Botein, ex-N.Y. Law School, becomes of counsel to Washington law firm Verner, Liipfert, Bernhard & McPherson.

# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for first week of Nov. and year to date:

	OCT. 27- NOV. 2	1983 WEEK	% CHANGE	OCT. 20-26	44 WEEKS 1984	44 WEEKS 1983	% CHANGE
TOTAL TV.....	609,429	511,653	+19.1	617,224	17,308,245	16,231,516	+15.0
TOTAL COLOR...	437,407*	392,102	+11.6	433,003	13,299,048*	11,566,872	+15.1
DIRECT-VIEW.	432,325*	388,378	+11.3	427,969	13,147,399*	11,454,087	+14.8
PROJECTION..	5,082*	3,724	+36.5	5,034*	151,649#	112,785	+34.5
MONOCHROME....	172,022	119,551	+43.9	184,221	4,009,197	4,664,644	-14.1
TV EXCL. PROJEC.	604,347	507,929	+19.0	612,190	17,156,596	16,118,731	+ 6.4
HOME VCR.....	237,253*	103,589	+129.0	230,259*	5,754,908#	3,159,043	+82.2
COLOR CAMERAS...	11,170*	9,005	+24.0	14,398*	384,505*	311,683	+23.4

Color TV (direct-view) 5-week moving average: 1984--360,738\*; 1983--358,266 (up 0.7%).

Home VCR 5-week moving average: 1984--[91,487\*]; 1983--100,404 (up 90.7%).

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

**KOREANS SET FOR U.S. VCR LAUNCH:** Made-in-Korea VCRs are headed for U.S., with official unveiling scheduled at Winter CES in Las Vegas Jan. 5-8, where 2 VHS format producers, Gold Star and Samsung, expect to make them centerpieces of their exhibits. However, those who have been expecting dramatic rock-bottom pricing will be in for disappointment, at least until pencils are sharpened.

Samsung may be Korean price leader at show, offering basic front-load model with wired remote for March delivery at suggested \$349, against similarly featured Gold Star unit, with aluminum chassis, carrying list of \$399. But those prices are, of course, subject to discounting, and either one could easily show up at retail in \$300 range. Wireless remotes with 105-channel tuning will list at \$449 from Samsung, \$499 from Gold Star. Samsung 4-head stepup will carry \$499 list, and high-end model with 139-channel tuner, due in 2nd half, will list at \$599. No hi-fi models appear to be on schedule.

Gold Star will undercut Samsung by being first manufacturer to introduce own-brand nonrecording videocassette player. Top-load unit with pause control and tape counter is unlisted but priced to be in \$299 range. Company also will be showing prototype of high-end VCR it will ship later in year.

Its color TV market expansion timetable skewed by uncertainty of dumping case, Samsung probably won't be showing any new color models at CES, according to new Sales & Mktg. Vp William Delaney. Decisions on marketing plan can't be made until mid-Dec., after International Trade Administration completes 2nd look at review that resulted in raising company's dumping margin to staggering 52.5% of shipment value. While Samsung's flexibility is thus hampered, it's maintaining presence in market, primarily on strength of production in U.S., both at its new plant in Roxbury Twp., N.J., and by contractor Harvey Industries, which runs former Curtis Mathes facility in Athens, Tex. Samsung supplies Harvey with Korean-made chassis and other parts.



But Gold Star will use CES to move up into high-tech TV, showing 13", 19" and 25" monitor receivers, prototypes of which were displayed at Summer CES in Chicago last June. Gold Star's 2nd color plant in Huntsville, Ala. is now on stream, boosting its U.S. color output capacity from 400,000 sets annually to about million; the 2 plants are expected to account for 95% of its U.S. color sales. Gold Star originally planned to use 2nd plant for microwave oven production but switched to color TV because of dumping case. Company has broken ground for 3rd Huntsville plant, earmarked for ovens, but that too could be used for color instead if demand warrants, spokesman told us.

\* \* \* \* \*

Even if Korean VCRs come in at discount prices, they won't be setting any market precedents. In N.Y., \$300 VHS price barrier has been broken already, with pair of discounters offering Lloyd's (at Alexander's) and TMK (at Lafayette) at \$299.99. Biggest name-brand bargain in town is Gimbel's offer of 175 "recartoned" Fisher top-load wireless remote VHS VCRs at \$299. Excluding such special deals, branded VHS price leader is basic Sharp model, generally available at \$317. In Beta, Sanyo's leader is down to \$240, and Sony's low-end is being offered at as low as \$277.

**TV PRICING CRISIS--ACCUSATIONS FLY:** Despite record sales, color TV prices now are lowest in history. At many manufacturers, boom in VCRs -- on which profits still are good -- is subsidizing main product, color TV, and crisis atmosphere of finger-pointing prevails in the business, which has seen at least 3 industrywide reductions in price-sensitive areas this year alone.

Average national dealer prices for 13" leader color sets have declined by \$65 for top-priced brands, \$92 for bottom-priced since 1980 (without considering effect of inflation), and in 19" leaders, \$67 for top brands, \$114 for bottom, according to one manufacturer's records. This represents decreases of 25-43% on 13", currently bottoming out at \$123, and 21-39% on 19" whose dealer price low is now \$175.

"There is nobody in the chain making money at these prices," said one top TV manufacturer. Another told us: "We're doing the numbers, but we can't make money on the numbers. What do we do when the consumer turns us off? That will be a nightmare." From another major: "The situation is exceptionally unhealthy. In 1982, the industry took a bath. Now we're selling over 50% more volume" without more profit. A 4th manufacturer put it this way: "These cuts injure everyone. There are tough times ahead for profitability in the next 12 months -- real problems are coming."

In past, manufacturers haven't agreed on who or what caused price collapses in color. This year, there's general agreement that while Koreans have led way in declines, domestic manufacturer most responsible for aggressive pricing has been RCA. (For RCA comments, see next story.) Here's how different manufacturers put it: "I'm firmly convinced that Indianapolis [RCA TV hq] is at least the price leader in our [domestic] business. When RCA makes a move they force everyone else down because that's the only way to make market share. It's incredible -- much of this has been done in the face of product shortages and the highest demand level in our history."

"They started cutting in May and June, and even up to now," says another manufacturer. "This injures everyone. They're too involved in numbers. They're not picking up share, and Zenith and the others must follow them." A 3rd put it this way: "The original price pressure was on 13" and lead 19" by the Koreans, who bit off a piece of the market through mass marketers. The big retailers then offered burn prices. RCA started to lose share and got hysterical. Who is leading the price cuts now, other than RCA? We occasionally get one-shot [reductions] from others, but when RCA makes a move they change 7-8 models." From still another: "They're trying to close the market-share gap and taking everyone else with them."

By implication, most American and Japanese manufacturers show at least some willingness to abandon low-end 13" and 19" markets to Koreans, can't understand why RCA pursues that

part of business at expense of losses to entire industry. All manufacturers say they're working strenuously on circuit innovation and production efficiencies to reduce product cost. There's general agreement that dumping findings against Koreans won't affect current market situation but may prevent erosion in higher priced models in future. Noting that both GE and Zenith 3rd quarter financial reports indicated that any video profits came from VCRs rather than TV, they look with trepidation to what will happen when bloom fades from video rose.

**TV PRICING CRISIS--RCA'S REBUTTAL:** RCA marches to different drummer in pricing from rest of industry, it became apparent in exhaustive interview with top officials in Indianapolis, including Group Vp Jack Sauter and Consumer Electronics Mktg. Vp Stephen Stepnes.

While rest of industry reacts to major competitors' pricing, RCA officials made it clear they act -- rather than react -- on basis of inventories and market share in specific product categories after making decision whether to participate at all in that area. "Our prices aren't the lowest," said Stepnes. "We have heard people say they have to be X dollars below RCA." But, he added, "when merchandise starts to build and prices in general are lower than ours, we take action to stabilize inventories and production rates."

RCA made its own pricing analysis available to us, showing top and bottom priced models for each period, based on average national dealer prices:

Period	13" leader					19" leader				
	High		Low		Gap	High		Low		Gap
1980....	Zenith	\$264	GE	\$215	\$49	RCA	\$323	GE	\$289	\$34
1981....	RCA	242	GE	199	43	RCA	308	GE	279	29
1982....	RCA	244	Sharp	186	58	RCA	295	GoldStar	213	82
1983....	RCA	213	GoldStar	151	62	RCA	277	GoldStar	196	81
May 1984	RCA	213	Portland	148	65	RCA	277	GoldStar	196	81
Aug '84	RCA	199	Daewoo	123	76	RCA*	256	Emerson	175	81
						*Oct. '84				

\*Oct. '84

Is RCA playing game of no return -- chasing Korean prices where it can't actually hope to compete? RCA says it isn't, but low end is segment of market it can't afford to ignore -- "now not only the junk stores, but even the department stores are featuring lowball Korean sets," said Sauter. In some cases, he added, RCA sets are being footballed in ads by dealers who are selling for as little as \$3 over lowest wholesale cost but still well above Korean brands.

RCA's pricing philosophy is best expressed by Sauter's recounting of recent history: "At the end of July 1984, our inventories [at low end] were out of line, our market share weaker. We faced the question of whether we should cut back and get out, or whether we wanted to participate in that segment of the market. RCA had no interest in leading a price decline. We develop a product with a high potential -- and then we have to ask ourselves what is the potential and at what price it will sell."

Why not drop out of low-end market? "It's true we can't be all things to all people, but we must participate in the mainstream of various categories," said Sauter. "There's no way we could get out of the 13-in. business -- dealers have a limited number of lines," and they want full lines. "We don't have to compete in each product category, but we must be in each segment of the products we are in."

"We made some careful choices. We decided we didn't have to be in videogames, but we'd be in trouble if we hadn't gone into VCR." He recalled shock that greeted RCA's first VCR, introduced at below \$1,000 when others were selling at \$1,400 -- "but this got consumer interest and made the mass market, and now our lead VCR is priced substantially above competition. We did it with 13-in. -- we said it belongs at \$399. We were in there using valid



historical data together with our own performance record to meet price and performance objectives. Where we don't meet this, something has to change."

Asked about complaint that RCA's price cuts often reach up into middle of line, Stepnes said: "There are times when, based on the going rate, we move on several different categories at one time. If we're hung up on several models at once, putting these moves together gives the distributor maximum flexibility. It's sometimes better to get the entire problem out of the way at once." Stepnes added that "people with the largest share have the most to lose by cutting prices." RCA maintains it wasn't buying share, noting that its share actually contracted in 2nd & 3rd quarters.

Sauter doesn't completely agree that VCR is subsidizing color. "Profitability of color is definitely below the level that would make it an interesting investment if somebody came in new. But there are other benefits -- VCR has enhanced profitability of all manufacturers who are significantly involved in both VCR and color. We are not happy with the pricing levels color is generating." He indicated that it's against RCA's policy to make preemptive price strikes: "We don't see a competitive threat before it happens." Stepnes agreed: "We won't chase share at any price. The extent we participate is dictated by many factors" as industry changes. Industry's tough competition isn't for the weak -- and, as Stepnes put it, "there are no fringe companies in this business, only fringe brands."

Sauter indicated sharp changes are coming in color TV business. He said acceleration of offshore penetration builds up total sales and changes mix as well as decreasing market share of existing companies. He cited introduction of 20-in. set as "a way to separate ourselves from the clutter of 19-in. product." Classic example of adaptation to changing market conditions is growth of 25-in. table model. "We tried but couldn't get a higher share of 19-in., so we went with the idea of a 25-in. in the size of a 19 so attractive it would step people up," and others followed, creating new market. But most segments of lines are vulnerable, and "anyone who thinks there's shelter in any one segment of the business is deluding himself."

Sauter denied that RCA has vastly increased its direct-sale business. He said only large national accounts are sold direct; sales to buying groups are "semidirect" with participation of distributors. He added, however: "I think there is going to be a change in some of the ways 2-step distribution operates. I believe the advantage of 2-step can be adjusted to meet changes at retail for the benefit of all concerned." He declined to elaborate but pointed out that "distributors are valuable for local know-how, product availability and implementing promotions. We need brands with strong, disciplined dealer networks."

Inventories currently are "higher than we'd be happy with," said Sauter, although sales rate continues "quite strong, but we don't know how well inventories are balanced among manufacturers." As for this year, he thinks "industry will have to struggle to get 16 million" set sales if current trends continue. "Sales are above what we planned" in early part of year "but down from what we thought they could have been" last spring.

EIA and NCTA will conduct consumer information campaign on "cable-ready" TV sets, it was decided at meeting of staff members of both groups and executives of cable and TV set industries. Working group was formed to prepare publication to help consumers better understand relationship between new generation of TV sets and reception of cable programming. Agreement came out of meeting called to defuse dispute between TV set and cable industries over cable compatible sets (TVD Oct 22 p19, Oct 29 p13).

Jensen introduces high-end VHS Hi-Fi VCR with longitudinal as well as hi-fi stereo, 8 speeds plus search, complete wireless remote at \$1,399.

NABU Network apparently will fold due to decision by former Canadian parent to withhold license for high-speed digital broadcast technology. Development contradicts agreement reached recently (TVD Nov 12 p15) whereby NABU U.S. would be split off and would have exclusive U.S. use of technology. For details, see story in Broadcast-Cable section of this issue.

Revolutionary loudspeaker will be introduced Dec. 1 by Bose in \$649 portable stereo. Nondirectional woofer uses organ-pipe principal, consists of tiny plastic pipe 80" long with speaker 20" from end, folded and snaked into cabinet; midrange and high speakers are conventional.



**ATARI GOING PUBLIC:** Jack Tramiel moved to dispel any doubts over his long-term commitment to survival of Atari home computer and videogame business last week at news conference where he announced plan to raise \$150 million over next 18 months through public and private stock sales. Tramiel, in first open appearance since he acquired Atari operation from Warner last summer, indicated company would make private placement first, followed by pair of public offerings.

Funds generated would be used for working capital, plant modernization and possibly acquisitions, it was indicated. Purchase of all or part of semiconductor firm is believed to be top priority. When he headed Commodore, Tramiel was quick to recognize he wouldn't be able to compete in calculator, watch or computer markets against end-product makers such as Texas Instruments, which also produced own ICs. In his years, Commodore developed IC design and production capability that made it leader and profitable survivor in home computer market.

Tramiel said \$60 price cut on 800XL computer (TVD Nov 12 p15) stemmed from cost reductions, wasn't attempt to raise quick cash, stressed model isn't going to be discontinued. Atari reportedly is turning out 150,000 800XLs monthly in Taiwan, up from 20,000 when Tramiel took over, and will have capacity for 500,000 monthly next June. Atari says it will have shipped 500,000 in June-Dec. period.

Revamped Atari will bring "new life, new excitement" to computer business that "was becoming very dull" because there have been no price reductions or technical improvements, Tramiel said. He repeated prediction Atari will be operating profitably by year's end, said it wasn't suffering cash squeeze, though company acknowledged it has been able to recover only about \$50 million of some \$300 million in receivables on books at time of acquisition.

Atari will continue to be consumer company, won't be chasing Apple and IBM for business customers. Tramiel said upcoming advanced computers due next year will be priced at under \$1,000 and offered through mass merchandisers. Also, Atari will continue marketing programs for other systems through its Atarisoft operation.

Atari went public in another way last week, with first corporate ads. Full-page ads in national newspapers promoted 800XL at new \$120 suggested retail, said system including joysticks, cassette recorder, letter quality printer and word processing cartridge can now be bought for less than \$500. Ad has special advice for consumers: "Some stores may sell for less, so comparison shop."

Commodore, Atari's main competitor, has said it won't match price cut, but it didn't make any promises about special promotion. It's now breaking ads offering 2 free software programs, selectable

from list of 50, to buyers of model 64 computers. Ads say offer is worth about \$40.

In U.K. meanwhile, Sinclair is considering another shot at U.S. computer market and Applied Computer Techniques is lining up investors for Apricot Inc., \$20 million marketing venture being established here. Sinclair, effectively out of U.S. market since last spring when its distributor Timex left business, plans to begin marketing its \$500 QL home computer by mail order late next year, and has earmarked \$2.5 million for ad effort. Sinclair's past production problems with QL apparently have been solved, and it now ranks 2nd to Commodore in sales in U.K.

ACT says it has signed up group of former Apple reps to market line, expects to have 250 dealers when its business and education oriented computer goes on sale here in Jan. ACT is following in steps of another U.K. firm, Acorn, which has spent about year in unsuccessful attempt to crack U.S. school market. Recently, Acorn tried but failed to negotiate sales agreement with Apple rep group now allied with ACT, currently is working on new marketing plan.

New low in personal computer pricing is \$498 for Japan-made Royal system offered by Minneapolis liquidation specialist C.O.M.B. Price includes 64K console, 320K disc drive, 12" monochrome monitor plus Peachtree word processing, spread sheet and graphics software.

**KODAK REORGANIZES:** Eastman Kodak will establish Consumer Electronics Business Unit under sweeping realignment of its current Photographic Div. along worldwide product lines. New unit at start will handle Kodavision products and consumer videocassettes, will be headed by Gen. Mgr. Dan Carp, now sales mgr. of subsidiary Kodak Canada. Carp has wide marketing background.

Kodak's expanded production and marketing of computer discs will fall under Mass Memory Unit headed by Peter Giles, now gen. mgr. of a manufacturing unit.

Consumer Electronics Business Unit, expected to undergo expansion as Kodak increases presence in that field, will come under new Photographic Products Group, headed by Group Vp Wilbur Prezzano as gen. mgr. Other new general managers within new Photographic and Information Management Div. (PIND, formerly Photographic Div.), which accounts for 80% of company's total revenues, are Vp Lawrence Matteson, Commercial and Information Systems Group, and William Fohle, Diversified Technologies Group. Exec. Vp Phillip Samper continues as gen. mgr. of newly named PIND.

Group Vp Cornelius Murphy is gen. mgr. of worldwide mfg. and support operations, and Vp Frank Strong heads customer and mktg. support operations, both new units. Group Vp Richard Kleinhans continues as gen. mgr., mfg.-equipment.



**JAPAN VCR CUTBACKS:** Some signs of cutback in VCR production plans, at least for rest of year, are showing up in Japan as shock of slowdown in domestic market sales this fall followed sharp declines in European demand, inventory buildup in U.S. and concern about competition from Korea next year.

Japanese electronic trade group has revised its estimate of domestic VCR production this year downward to 25.7 million from 27 million units. Last year's production was 18.5 million.

After large gains, Japanese domestic VCR sales in Sept. dropped 6.3% from year earlier, first decline in more than 5 years, while Oct. sales were up only 3%. With 35% VCR penetration of Japanese homes, some sources think plateau has been reached, while others attribute slowdown to publicity for 8mm Video and other upcoming technological improvements.

European sales have been sluggish, off as much as 40%. Also in prospect is start of Korean exports; there are forecasts that Korea will produce 2 million units next year, mostly earmarked for export to U.S.

Japanese parts suppliers already are said to be feeling impact of leveling off of orders from VCR makers. Exports to U.S., where pipeline inventories now exceed million units and are climbing, represented 50% of Japan's production in July and Aug. Unit factory prices reportedly have declined 12-15% since 1983.

There's still optimism in Japan over VCR's long-term future. Sharp is building \$16.6 million plant in Tochigi Prefecture, scheduled to go on stream in Feb., to double monthly capacity to 300,000 units. Company expects to produce 3.6 million VCRs next year, compared with 2.7 million in 1984.

U.S. CRT makers are losing yet another customer for display type tubes. Harris is ending domestic production of data display terminals, expects to source future needs from outside suppliers in Far East, though setting up own plant there is possibility. Combination of production halt and consolidation of its Distributed Products and Interactive Products Divs. into single unit will mean loss of 120-150 U.S. jobs. Harris said it's negotiating with potential terminal suppliers in Hong Kong, Singapore and Taiwan, expects agreement soon. Company attributed move to high U.S. production costs, said it had to make change to meet prices of competitors who already have shifted to offshore sourcing.

Tandy was added to credit watch list by Standard & Poor's. Placement on list indicates S&P is considering changing its rating for company's securities. S&P said Tandy's listing stems from "highly competitive conditions" in computer market and possible financial impact of Tandy stock repurchase program.

**SANYO VCRs FOR CHINA:** Sanyo plans to expand its already significant consumer electronics manufacturing venture in China to include output of Beta VCRs.

Sanyo and Huaqiang Electronics are slated to build VCR facility in Shenzhen industrial zone north of Hong Kong, where they already are partners in venture producing color TVs and audio recorders. Sanyo will supply key parts for output expected to start late next year. Plant will have capacity to turn out 400,000-500,000 VCRs annually.

Sony already has agreed to help set up Beta plant in Xiamen zone, somewhat farther north, and Matsushita is in negotiations to supply China's first VHS VCR factory.

Helmet radios to let football players hear quarterback over crowd noise are being considered by NFL. Radios wouldn't be turned on until players get set at scrimmage line, would be shut off as soon as play starts. Only quarterback would have transmission capability, while all offensive and defensive players would have receivers, giving both sides equal access to signals being called. System could be broadened to include dual frequency receivers, so coaches could send in plays, or to let them or quarterback talk to players while play is in action. NFL passed rule against electronic play-calling from sidelines some 30 years ago when Cleveland Browns experimented with it. System is being developed by Telex's Communications Div., which hopes to have prototype ready for testing next year.

American Home Video sales rose 37% in opening 1985 fiscal quarter to Oct. 27 and it "should show its first operating profit" this year, according to parent Jack Eckerd Corp. It said AHV increased number of Videoconcept stores from 179 to 198 in fiscal 1984, will have 204 by Christmas. Annual report for year ended July 28 shows AHV cut operating loss to \$5.9 million from \$9.9 million, while revenues jumped nearly \$25 million to \$155.8 million. It says problems of home computer market were balanced by improved sales of large-screen TVs, VCRs and audio equipment, much of it sold under company's Videoconcepts label. Cassette rental club has grown to almost 200,000 members.

Error in translation led to our report last week citing Japanese sources as saying Sony plans initial production of 200,000 8mm VCRs monthly. Our original report preceding week said company was expected to produce 20,000 monthly (TVD Nov 5 p8). That report was based, as we noted, on article in usually reliable Nihon Keizai Shinbun; last week's report cited incorrect translation of same article. In Japan, Sony continued relative silence on plans, stating only that "8mm video is a viable product but Sony has not announced launch date, price, production, market date or contracts with any other company except Fuji." We regret the mixup.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>Acton</b>			
1984-9 mo. to Sept. 30	20,300,000	(5,476,000)	--
1983-9 mo. to Sept. 30	19,793,000	1,459,000	.25
1984-qtr. to Sept. 30	6,748,000	(2,100,000)	--
1983-qtr. to Sept. 30	7,402,000	685,000	.12
<b>AM Cable TV Industries</b>			
1984-6 mo. to Sept. 27	13,875,000	(2,857,000)	--
1983-6 mo. to Sept. 30	12,564,000	(1,277,000)	--
1984-qtr. to Sept. 27	7,804,000	(1,199,000)	--
1983-qtr. to Sept. 30	5,641,000	(1,179,000)	--
<b>Comcast</b>			
1984-9 mo. to Sept. 30	75,807,000	7,965,000	.63
1983-9 mo. to Sept. 30	60,714,000	5,993,000	.53*
1984-qtr. to Sept. 30	26,322,000	3,084,000	.24
1983-qtr. to Sept. 30	20,961,000	2,439,000	.20*
<b>ITT</b>			
1984-9 mo. to Sept. 30	9,171,877,000	273,187,000	1.81*
1983-9 mo. to Sept. 30	9,000,217,000	396,355,000	2.64*
1984-qtr. to Sept. 30	2,968,534,000	115,595,000	.77*
1983-qtr. to Sept. 30	2,895,756,000	103,828,000	.69*
<b>Tele-Communications</b>			
1984-9 mo. to Sept. 30	325,747,000	18,843,000	.43
1983-9 mo. to Sept. 30	243,932,000	20,766,000	.47*
1984-qtr. to Sept. 30	113,670,000	5,329,000	.12
1983-qtr. to Sept. 30	86,694,000	269,000	.01*
<b>Telepictures</b>			
1984-9 mo. to Sept. 30	63,264,500	5,442,700	.78
1983-9 mo. to Sept. 30	46,278,500	3,479,800	.54
1984-qtr. to Sept. 30	24,246,300	3,131,200	.41
1983-qtr. to Sept. 30	25,514,700	2,453,400	.38
<b>Walt Disney Productions</b>			
1984-year to Sept. 30	1,655,977,000	97,844,000	2.73*
1983-year to Sept. 30	1,307,357,000	93,160,000	2.70
1984-qtr. to Sept. 30	463,198,000	(64,007,000)	--
1983-qtr. to Sept. 30	363,038,000	24,496,000	.70

Notes: \*Adjusted. \*Includes special credit. \*Restated.

named to new post of corporate development vp, Simon & Schuster; Claudia Stone appointed Electronic Publishing Group publicity dir... Bernard Herman and Arthur Bach, partners of distributor Star Video, named pres. and vp, respectively, of affiliated Convenience Video, which publishes Coming Attractions, monthly videocassette guide.

E.J. Oshins promoted at Karl Home Video to development vp; Harold Weitzberg advanced to national sales vp; Pierre Loubet named new markets dir.; Mark Lambert appointed creative services dir., Edward Hanlon appointed national account exec... Allyson Johnson, ex-Arts & Entertainment Network, named video promotion mgr., CBS/Fox Video; Nancy McGeorge joins as contracts administration dir... Dena Wholey named creative services dir., New World Video... Allen Jackson named pay TV and home video sales dir., Carrousel Productions, new TV distribution and production firm... Arlene Klein promoted to video sales promotion dir., Columbia House division of CBS Records.

Les Smith named gen. mgr., U.K. distribution of movies, video and TV, Thorn EMI Screen Entertainment... David Risner appointed head of BBC Video... Colin Campbell named national sales mgr., Warner Home Video in U.K.; Gary Shoefield appointed mktg. head; Judy Kneale named publicity coordinator.

James Paton advanced at Shure Bros. to ad and sales promotion mgr... Jerry Birnbaum, ex-Technicolor, appointed consumer sales mgr., Audec, marketer of voice-operated telephones... George Safiol, ex-American Biltrite, returns to General Instrument as senior vp responsible for Clare, Computer, Lamp and Optoelectronic Divs... Robert Sarnoff, former chmn., RCA, elected exec. committee chmn., Kaufman Astoria Studios.

## Consumer Electronics Personals

Dan Carp, sales mgr., Kodak Canada, named gen. mgr. of Eastman Kodak's new Consumer Electronics Business Unit under Photographic Products Group headed by Group Vp Wilbur Prezzano in major restructuring of Photographic Div. (details elsewhere in this issue)... Murray Singer promoted at Sony Consumer Products to national incentive sales mgr.; Andrew Schofer advanced at Sony Video Software to national sales mgr.; Bruce Wilkinson named international sales mgr.

Sigmund Hartmann, former Commodore Software Div. pres., joins Atari as pres. of Atarisoft Div., marketer of software for non-Atari formats... Daniel Black, ex-Columbia Pictures, joins Paramount Video as business & legal affairs vp... Richard Asher, one-time CBS Records pres., joins Warner Records as senior vp.

Susan March resigns as HFD electronics editor, plans unannounced... Jon Harden, ex-McGraw-Hill,

Japanese cellular phone dumping complaint filed by Motorola (TVD Nov 12 p14) has been accepted for investigation by International Trade Administration and International Trade Commission. ITC has opened preliminary probe to determine whether dumping of Japanese-made phones and subassemblies, if it does exist, poses threat of serious injury to domestic industry. ITA won't open its investigation into allegation of sales at less than fair value unless ITC finds probability of injury. ITC has Dec. 20 deadline for reaching preliminary finding, set Nov. 28 for conference at which both sides will have chance to present case. E.F. Johnson has said it will support Motorola petition. GE, which hasn't yet taken public stand on case, last week signaled that its cellular phone sales boom may have peaked already. GE said it was laying off 750 at its Lynchburg, Va. communications plant because of slowdown in demand for its line of cellular and mobile phone equipment. Company didn't indicate whether falloff stemmed from market slowdown or from increased competition.



# TELEVISION DIGEST®

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

With Consumer Electronics

NOVEMBER 26, 1984

VOL. 24, NO. 48

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast - Cable

**NAB BUDGET TO TOP \$11 MILLION:** TV station membership at record high. Convention profit \$102,879 below expectations. Senior execs. to get financial perks. (P. 1)

**CONGRESS GETS WAY ON MMDS LOTTERIES:** FCC reluctantly agrees to authorize license awards by lottery, with minority preferences. (P. 2)

**CABLE PIRACY TARGET OF COALITION** being formed by cablers, programmers and studios. New group will act as clearinghouse. (P. 4.)

**NABU N.Y. SOFTWARE ARM** still in business. Lexica, receiving funding from Canadian parent, plans to diversify. (P. 4)

**GROSSMAN RECOMMENDS TASK FORCE** to study election projections because public perceives they're problem. (P. 5)

**PHILLY COMPLETES CABLE DEALS:** In 5th round of bids since 1964, city picks Rollins, Wade, Comcast, Greater Media. (P. 5)

**CBS PAYS \$362.5 MILLION** for Ziff-Davis consumer magazines. (P. 6)

**STEREO SOUND FORMATS** studied by networks. Nondirectional movie system considered. (P. 7)

**NAB BUDGET TO TOP \$11 MILLION FOR FIRST TIME:** NAB Exec. Committee meets Dec. 12-13 to put finishing touches on new budget that will top \$11 million for first time. Current budget calls for \$10.1 million income, \$9.9 million in expenses, for year ending March 31. New budget will be approved by full board in Jan.

Profit from 1984 convention in Las Vegas was \$2,297,130 -- \$102,870 below expectations, mainly because of higher than expected expenses, including some \$100,000 cost of moving opening session out of Las Vegas Hilton because of strike. As result of extra expenses, Exec. Committee told Pres. Edward Fritts and Secy.-Treas. Michael Harwood to keep closer tab on expenditures for 1985 convention, also in Las Vegas. NAB has upped exhibitor charges from \$10 sq. ft. to \$12, also will charge \$250-\$500 (depending on size) to associate members with hospitality suites. Member preregistration will remain \$175, while nonmembers will be charged \$410. Persons who participate on panels will be charged \$100 registration fee.

### Consumer Electronics

**35" COLOR TUBE** to be introduced in Mitsubishi set. Other makers study giant sizes. (P. 9)

**NEW DUMPING MARGINS** for Korean color TV imports due for preliminary release from ITA this week. Taiwan easing import barriers. (P. 10)

**VCR PRICES HOLDING** in strong holiday season. Manufacturers see reductions early next year, minimize effects of Korean entry. (P. 10)

**HEFTY SEPT. VIDEO IMPORTS** resulted in new quarterly highs for shipments of color TVs, VCRs and cameras, Commerce figures show. (P. 12)

**TAIWAN CUTTING OFF** govt. incentive aid for standard color TV production, will continue to support digital TV development efforts. (P. 13)

**HI-FI STEREO VCRs** to get major sales push in 1985. RCA says hi-fi should account for about 10% of industry 1985 sales, Sony says 25% (P. 14)

**STANDARD CASSETTE VHS camcorders** due in 1985, RCA acknowledges at ITA seminar. GE shipping 8mm camcorders to retailers. (P. 14)

**GE DROPS PRCS**, its low-cost consumer mobile phone alternative to cellular radio. Service faced strong opposition at FCC. (P. 15)

Fritts told us he has completed evaluation process of senior executives whereby they are graded on "point" system and can use points acquired for tax-free incentives -- such as leased car, country club memberships, estate counseling, reimbursement of Social Security taxes, enhanced deferred compensation, life insurance, etc. Points were awarded 75% for performance, 25% on tenure. Fritts said incentives are "logical way to reward" senior executives and will be funded through revision of pension plan and actually will result in about \$150,000 saving for NAB.

(Note: Fritts himself was hired a little over 2 years ago at \$150,000 base pay, now makes about \$160,000, we're told. He doesn't have, and hasn't asked for, deferred compensation plan as did his predecessor Vincent Wasilewski. TIO Dir. Roy Danish is paid slightly more than Fritts, having received 7% increase in Jan. to \$166,813.)

Fritts has been interviewing outside firms to be brought in to "evaluate communications efforts to the general public and to the membership," according to mandate of Exec. Committee. Consultant will study efforts of Public Affairs Dept. headed by Senior Vp Shaun Sheehan, will report back before Jan. board meetings. "The wheel isn't broke," Fritts said. "What we're talking about is a fine-tuning by a professional organization." Study will be "very narrowly focused and [it's] not to be construed as wide-ranging and far-reaching." He said it will help NAB react to changing of priority from seeking legislation (deregulation) to fighting off "negative legislation" on beer and wine advertising. NAB will make major presentation in Feb. to National PTA on beer and wine ads. (Burson Marsteller wanted to make presentation for NAB job, wasn't permitted to because it represents MPAA-backed Committee for Prudent Deregulation which is fighting FCC rulemaking to relax TV station ownership restrictions.)

After 2 successful telethons soliciting new members in Tex. and Va., NAB TV membership now is at all-time high. At end of Sept., Assn. had 4,300 radio members, 732 TV members (figures don't reflect results of telethon, which picked up 11 radio members in Va., 66 radio and 4 TV in Tex.). Fritts said telethons will be repeated in other states, are result of new marketing effort by NAB to place less reliance on regional mgrs. visiting stations because so much time is lost in travel. Membership Committee meets Dec. 6, will reclassify TV dues that would result in some stations' paying more, some less, and will consider dues structure for LPTV stations.

NAB also is undertaking study of its committee structure. Several board members have complained that goals of committees are unclear, that there may be too many and that sunset provision should be built into most committees. TV Chmn. Jerry Holley is chairing study, with NAB Chmn. Gert Schmidt and Radio Vice Chmn. Edward Giller as members.

**FCC APPROVES MINORITY PREFERENCES FOR MMDS LOTTERIES:** Bowing to wishes of Congress, FCC last week approved preferences for minority and ethnic groups in lotteries to select multichannel multipoint distribution service (MMDS) licensees, much as it already does in low-power TV. But Commission majority, which had pulled MMDS lottery item from agendas of several recent meetings, didn't give in without venting its anger. Chmn. Fowler objected to granting lottery preferences to minorities: "Grants according to skin color are wrong," he said, echoing comments of Comrs. Patrick and Dawson. However, no dissenting votes were cast.

Last summer, several key House members, led by Commerce Committee Chmn. Dingell (D-Mich.), wrote Commission to remind it that statute requires MMDS lotteries to include ownership and minority preferences (CD July 25 p2). "We expect that the Commission's action will be consistent with the law," members warned in letter, referring to 1982 FCC authorization that contains language calling for "any system of random selection... for any medium of mass communications" to include preferences for minority applicants. While MMDS technically is common carrier service, licensee may act like broadcaster or cable operator in exercising editorial control over programming, letter to FCC said. Fowler conceded at last week's meeting that MMDS licensee "may well have some editorial control."



Spokesman for Rep. Wirth (D-Colo.), chmn. of Telecom Subcommittee, said congressman is pleased with Commission action. "We were surprised earlier this summer when we heard there was some question whether the statute required preferences," he said. Aide said MMDS preference will "help ensure that minorities are active participants in the communications revolution." Commission's MMDS order should be released in 30 days or so, with first lottery occurring about 60 days after that. FCC expects to grant about 1,000 MMDS licenses, 2 in each market of 4 channels each. It has backlog of about 16,500 applications.

MMDS service relies heavily on leasing ITFS excess channel capacity. Commission's first MMDS order reallocated 8 channels from ITFS use in each market and allowed ITFS licensees to lease excess capacity to MMDS operators.

In other Mass Media actions, Commission: (1) Upheld Bureau decisions returning as unacceptable applications for LPTV stations in Paso Robles, Cal. and Seattle because they would interfere with local full-power TV stations. (2) Denied petition by Long Island Coalition for Fair Bestg. to delete VHF TV assignment from N.Y.C., reassign it to Long Island. (3) Denied reconsideration of Moody Bible Institute request to expand uses of low-power FM translator stations. Moody had asked that such translators be permitted to operate with 10 watts, originate programming, and use TV auxiliary microwave frequencies. (4) Issued rulemaking proposing to reserve additional space in 896-902 and 935-941 MHz bands for private land mobile use.

FCC decided not to appeal decision of 2nd U.S. Court of Appeals, N.Y., throwing out Commission rules that had limited hours dial-a-porn services could be offered and imposed other conditions. FCC Gen. Counsel Jack Smith said Commission instead will solicit additional comments on Court's concerns on plans to limit Dial-a-Porn offerings. Issue probably will be on agenda early next year, he said. Also, Smith said, FCC won't appeal decision from U.S. Appeals Court, D.C., that overturned Commission rules on DBS. Next step would be to ask U.S. Supreme Court to hear case, but instead FCC will start proceeding to comply with Appeals Court's mandate. Notice of rulemaking will be issued early next year, he said.

CIA complained to FCC Nov. 21 that ABC violated fairness doctrine in reporting in Sept. that agency tried to assassinate Honolulu investment counselor Ronald Rewald. Filing of complaint followed ABC's notifying CIA that story, which aired Sept. 19-20, would be clarified on World News Tonight Nov. 21. CIA had denied reports Sept. 26, said they were "totally false" and "insulting" not only to CIA but to U.S. justice system. ABC "deliberately distorted the news" and violated fairness doctrine by erroneously claiming CIA had conspired to assassinate Rewald, agency alleged in complaint to FCC. CIA asked Commission to conduct inquiry, make findings, and determine what corrective action ABC should take. ABC World News Tonight anchor Peter Jennings read statement Nov. 21 saying network had been unable to corroborate Scott Barnes claim that CIA had asked him to kill Rewald and that when Barnes was asked to take lie detector test he refused.

Group W Cable has sold cluster of 5 systems in Upper Peninsula of Mich. to Bresnan Communications, new company headed by William Bresnan, until Aug. chmn. of No. 3 MSO Group W cable operations, for undisclosed price. Bresnan is managing partner in venture jointly owned by himself and TCI. Systems have roughly 28,000 basic subscribers, 8,000 pay customers in Escanaba, Iron Mountain, Ironwood, Calumet and Sault Ste. Marie.

Capital City Cable (CCC), losing bidder for Washington cable franchise, filed antitrust suit Nov. 20 in U.S. Dist. Court, D.C., alleging that Chesapeake & Potomac Telephone conspired with prospective winning bidder District Cablevision (DCI), Mayor Marion Barry, members of City Council and (as coconspirators) its Cable Design Commission to ensure that telco would have pivotal role in city's cable system. CCC seeks \$41.9 million (trebled to \$125.7 million under antitrust statutes) that it claims represents net income it would have earned from Washington system over 10 years. CCC is joint venture of several local businessmen, Inner City Bestg., Viacom Cablevision and Percy Sutton. Suit charges C&P "formulated a plan under which it would have a substantial presence in any cable franchise granted by the District of Columbia in order to protect its monopoly position" in providing telecommunications services and facilities.

Tradition and recognition that "there are many ways of being human" are key values to communications industry and to strong society, said ABC Pres. Frederick Pierce in accepting Sherill Corwin Human Relations Award of American Jewish Committee Nov. 18 in N.Y. He challenged broadcasters to make note of significance of these values and be "very sensitive" to them. Tradition and pluralism are "so intertwined that one cannot exist without the other," he said.



**CABLE THEFT TARGET OF NEW GROUP:**

Coalition Against Signal Theft (CAST) is new ad hoc group being formed by major cable companies, pay and basic programming services, studios and hardware manufacturers to battle cable piracy. Agreement to set up organization came last week in N.Y., where representatives from 75 companies met to seek solution for cable's serious theft-of-services problem.

MPAA will coordinate steering committee for CAST, which eventually will collect dues from members and hire one or 2 staffers, according to Edward Bleier, Warner Bros. TV exec. vp. CAST will act mainly as clearinghouse for information but also may lobby for stronger state statutes and seek to buttress enforcement of piracy provisions in recently signed federal cable deregulation law, he said.

"The basic cable industry and the pay industry are being severely shortchanged by the illegals," Bleier said. Time has come to "organize an ad hoc group to coordinate many of the efforts that are going on" in industry, he added. Impetus for Coalition came from Warner Bros.; MPAA and NCTA helped set up organizational meeting.

\* \* \* \*

Meanwhile, R.I. Cable Operators' Assn. has launched major drive to stop piracy of cable signals, will hold seminar on subject Dec. 12 in Providence. "We plan to address the misconception that cable theft is a victimless crime and to help all cable operators learn how best to assist law enforcement in combating this crime," according to Peter Jones, exec. vp of Assn.

Also in R.I., David Farrucci of East Greenwich is to go to trial Nov. 28 on charges of pirating cable signals, while Deborah Roy was arrested on same charge and is scheduled for Dec. 4 hearing. Roy is 5th person arrested for stealing cable signals under R.I. law that provides for fine of up to \$3,000 and/or 3 years in prison.

Society of Professional Journalists at convention in Indianapolis adopted resolutions that: (1) Call on Congress to pass legislation banning police officers and federal officials from impersonating reporters. (2) Urge Defense Dept. to follow recommendations of Sidle report on coverage of invasions and "to increase, not decrease, press access to military operations." (3) Request legislation to prohibit Administration from imposing "prepublication review contracts" on writings of federal employees and to nullify any such contracts now in force. (4) Oppose in "strongest possible terms" efforts of SEC to regulate financial press and any attempt by govt. to require reporters to disclose financial interests held in companies they write about. (5) Praise Congress for turning back "attempts to weaken the Freedom of Information Act" over last 4 years and asked for passage of legislation "that will strengthen its effectiveness by increasing the amount of information... that can be released."

**NABU ARM STILL OPERATING:** Although U.S.-based NABU Network was driven out of business recently when Canadian parent refused to let it license software delivery technology (TVD Nov 19 p3), another U.S. affiliate, Lexica, remained in business, thanks to continued investment by NABU Canada. Lexica is N.Y.-based software company set up as independent of NABU operations in U.S. and Canada, although NABU Canada in past provided funding and held majority interest.

Lexica had "separate agreement" with Canadian parent, continues to receive funding from NABU Canada while it sought some \$3 million needed to stay in business, according to Lexica Pres. Peter Gross. Gross, former HBO gen. counsel, wouldn't say how much money NABU Canada had committed or how long parent would support Lexica. "We are in the process" of putting together small group of companies that will provide new capital for Lexica, Gross explained. He declined to say who new investors would be.

Lexica's 20 staffers were still at work in N.Y. office last week, Gross said, and efforts continued on company projects, with first programs possibly on market before targeted 1985 2nd quarter. Lexica has broadened focus from developing computer software for both electronic delivery and floppy discs, he said, to include efforts in consulting, computer graphics, systems design, videotex and teletext. Lexica obviously won't concentrate "as much of our efforts on a particular service," Gross said, meaning NABU's cable-based delivery system.

Gross speculated that NABU was unable to put together licensing proposal "which Campeau was willing to buy." However, while NABU Canada was supposed to go out of business Nov. 13, Gross said company was still operating, may change focus and take technology into business, rather than consumer, marketplace.

St. Louis Board of Aldermen Pres. Thomas Zych and 5 other local political leaders surrendered to federal authorities last week after being indicted on 11 counts of conspiracy and attempted extortion from a cable franchise bidder in 1982. Named in indictment in addition to Zych are Democratic politicians Eugene Slay, Sorkis Webbe Jr., Sorkis Webbe Sr., Leroy Tyus, James Cullen. Webbe Jr. was alderman until he resigned 3 weeks ago, citing legal difficulties. The 6 are alleged to have conspired to extort stock and cash from TCI in return for influencing Board of Aldermen to favor franchise bid. U.S. Attorney Thomas Dittmeier said that no cash or stock changed hands, that TCI cooperated with authorities in what has become wider probe into political corruption.

PBS has had 2nd bout with fire. Staff was evacuated briefly from temporary offices in Washington Nov. 19 when minor fire broke out. PBS hq was ruined by major fire on Oct. 15.



**ELECTION TASK FORCE ASKED:** Question of network election projections should be discussed because public perceives they're a problem, even if broadcasters disagree, said NBC News Pres. Lawrence Grossman in calling for formation of task force to study issue. In speech at NATAS in N.Y., he recommended journalists, political scientists, broadcasters and politicians participate in task force.

Grossman said he doesn't believe projections are problem, but since public thinks they are, "dialog" is needed, promised NBC cooperation.

Meanwhile, public and congressional indignation at networks for reporting results of exit polls was refueled by Curtis Gans study showing voter turnout may have been down in West because of network projections.

"Noticeable pattern of decrease in voter turnout" was reported in study by nonpartisan Committee for the Study of the American Electorate, group that Gans heads in Washington. Study found in 25 states where Reagan win was projected by networks before polls closed, 19 states had lower voter turnouts than in 1980 elections; only 6 showed increases.

Meanwhile, ABC and CBS were contesting election night ratings. ABC claimed victory in overnights based on 9-city Nielsens (CD Nov 8 pl). CBS claimed laurels day later after national figures that included rural areas put Dan Rather team on top in prime time (7-11 p.m. EST). Now, ABC is declaring it was real winner in nationals because election night coverage ran later than ratings period CBS is citing. ABC is arguing that coverage spanned 7-11 p.m. EST and 11:30-1:14 a.m., last minute all 3 networks were on simultaneously. Only time up to then should be counted, ABC says. Nielsens show ABC first, CBS 2nd, for those periods. CBS says prime-time numbers are most important.

"People who used to claim they almost never watched TV -- except public TV on rare occasions -- are beginning to realize that it isn't fashionable to lie like that anymore," according to John Severino, ABC TV pres. Speaking to Ariz. Bcstrs. Assn. in Phoenix, he said: "For years, critics... treated television as though it were some kind of stepchild... But, during the past year something happened. Important comment began to appear in influential newspapers and magazines that spoke of television in a different light -- that spoke of television as a medium that has come of age." FCC Comr. Rivera told Ariz. broadcasters that agency must show it can be trusted -- and at same time help cause of deregulation -- by enforcing rules still on books.

Tocom has \$2.8 million deal with Multimedia Cablevision for addressable subscriber and headend control equipment. Tocom will supply baseband addressable converters, remote control units, addressable decoders for Multimedia systems in Wichita and Greenville, N.C.

#### PHILADELPHIA FINALLY GETTING CABLE:

Mayor Wilson Goode has signed cable franchise ordinances with 4 companies, ending city's 5th round of bidding to obtain cable service, process that began in 1964. Ordinances he signed call for negotiations between City Council and prospective franchisees to be wrapped up in 6 months, construction to be completed in 4 years. Ordinances stipulate 82-channel systems.

In its 4th Philadelphia franchise bid since 1966, Comcast was picked unanimously by City Council for Area 4, which covers northeast part of city. "We believe the Area 4 cable system will be an excellent property," said Comcast Chmn. Ralph Roberts. Rollins Cablevision got Area 3, northwest Philadelphia. Rollins was chosen over Cablevision Systems, while Comcast won over Rollins and Cablevision for Area 4.

Greater Philadelphia Cablevision was chosen for Area 1, central and south Philadelphia. Greater Media owns 12 radio stations, 2 of them in Philadelphia, plus other cable properties and newspapers. Wade Communications, mostly owned by Philadelphian James Wade, former state official, got Area 1 -- West Philadelphia, Roxborough and Manayunk.

Franchises are for 15 years. Each includes roughly 155,000 homes. City's last try at awarding franchises, in 1982, resulted in stand-off between City Council and then-Mayor William Green. Other efforts dating back to 1964 were unsuccessful for various reasons, mainly that franchisees selected couldn't obtain financing. City in 1965 awarded 10 franchises, but only part of one was built.

Worst-kept secret in home video is official at last. HBO and Thorn EMI Screen Entertainment last week announced U.S. joint venture called Thorn EMI/HBO Home Video. Thorn EMI Video Pres. Nick Santrizos becomes pres.-COO of new venture, awaits addition of chmn.-CEO "in the near future," HBO said. Board members from HBO include Steve Sheffer, Robert Kreek and Neil Braun; 3 from Thorn weren't known at press time, but Screen Entertainment Chmn. Gary Dartnall probably is among them. Thorn staff under Santrizos remains intact, will handle sales and marketing in U.S. and Canada, with Screen Entertainment taking charge of HBO product considered suitable for release overseas. HBO brings to venture 13 new Orion titles and 20 from library, acquired through earlier Time-Life Films deal. Pay service's U.S. cassette and disc rights to Silver Screen output haven't been resolved, Sheffer told us, although Screen Entertainment already is responsible for foreign video and theatrical distribution. First HBO programs probably won't appear in Thorn/HBO schedule until Feb. or March -- Jan. titles are set, we're told. In addition to 1985 titles mentioned several weeks ago, Thorn has *Holocraft Covenant*, *Plenty*, *Manhattan Project*, *Dreamscape*, *Dream Child* and *Morons from Outer Space*.

**SND NEEDS CASH FOR TELETEXT:** Satellite Network Delivery needs about \$18 million to launch planned Business Teletext Network venture by Sept. 1985, Anthony Barnett, chmn.-CEO said in recent interview. Startup by that date is "iffy," he conceded, saying next few months of work on financing is key. Unnamed "major" corporation is being approached as partial investor, Barnett said, with rest to be sought from private and public offerings. SND recently received \$2.5 million from private placement by Cralin & Co., investment banking and retail brokerage firm.

Project needs 2 lines of vertical blanking interval (VBI) at about 20 more TV stations, Barnett said, to gain 80% coverage of U.S. He said SND already has signed contracts giving it coverage of 65% of country, including 25 PTV stations. He wants to have contracts and financing wrapped up by end of Jan. at latest. In exchange for 2 lines of VBI, stations will gain share of gradually escalating revenue pool that company says will reach \$24 million by end of 10th year. SND has leased space on transponder on Westar 4 and has 10-year lease on uplink in N.J., Barnett said.

SND teletext plans call for delivering financial news wire services and newsletters, Barnett said. He wouldn't identify potential customers but said transmitting stock quotes isn't being considered because they are available from other sources. Stock quotes and other stock information on VBI of PBS member stations is being considered for yet-to-be-finalized high-speed data venture with Merrill Lynch and IBM. Barnett said SND also is interested in satellite transmission of computer software, despite demise of American branch of Canadian NABU Network, which delivered computer software by satellite and cable.

Teletext decoder is being produced in Far East by manufacturer using Norpak design that Barnett wouldn't name, and incorporates NABTS standard with encryption and addressability at wholesale cost of about \$200. SND hasn't determined whether decoder will be sold or leased.

Profit margins of TV and radio stations declined 15% over last 5 years even though revenues grew at 12.3% compound annual rate, along with 7.7% annual compound increase in pretax operating income, according to study by N.Y. investment banking firm Veronis, Suhler & Assoc. For 1983, pretax operating margin was 17.4%, up slightly from 17.1% in 1982. Revenue in 1983 grew 12.8%, same as previous year and higher than 12.3% average for 5 years. Pretax operating income was up 14.4% last year, almost doubling 7.7% rate for 5 years. In terms of pretax operating income margins, Times Mirror Co. led with 53.2%, followed by Capital Cities with 52%.

Jones Intercable is planning \$200 million limited partnership, Cable TV Fund 12, to be offered in Jan.

**CBS BUYS ZIFF-DAVIS MAGAZINES:** CBS reported Nov. 20 that it had agreed to pay \$362.5 million for "business and assets" of Ziff-Davis's (Z-D) 12 consumer magazines. CBS said it expects to close deal early in 1985. All 12 are profitable, according to CBS Chmn. Thomas Wyman. "This is a rare opportunity to acquire a very successful, well-managed business and to meet our strategic growth and leadership in consumer magazine publishing," he said.

Magazines acquired by CBS, which will be placed under Peter Derow, pres. of CBS Publishing Group: Backpacker, Boating, Car & Driver, Cycle, Flying, Modern Bride, Popular Photography, Skiing, Skiing Trade News, Stereo Review, Runner, Yachting. CBS currently publishes Family Weekly (Sun. newspaper supplement), American Photographer, Audio, Cycle World, Field & Stream, Mechanix Illustrated, Road & Track, TV Crosswords, Woman's Day, Woman's Day Specials, World Tennis.

Day after CBS buy, Rupert Murdoch announced his News Corp. Ltd. is buying 12 business publications from Z-D for \$350 million cash. Magazines include Car and Driver, Modern Bride, Aerospace Daily, Hotel and Travel Index, Meetings and Conventions, Business and Commercial Aviation and Popular Photography. Murdoch said "we wanted the whole lot [Z-D publications]" and made offer for consumer magazines acquired by CBS. Several other companies also made bids for Z-D publications but CBS said it didn't submit bid for business magazines. Z-D said it will retain 11 computer-oriented publications and software company Strategic Information.

In little-noticed policy change, FCC Mass Media Bureau now won't start counting time allocated for construction of stations until permittee actually receives construction permit. Formerly, permittees were given 12 months to complete construction of radio stations, 18 months for TV -- and time started when grant was announced, not when permit was received, which often was delayed up to 4 months. In such cases, Commission often granted extension. However, last summer it warned permit holders (particularly for low-power TV) that it would hold rigidly to construction timetable. More lenient policy was outlined in letter (not publicly released) from Bureau Chief James McKinney to Washington lawyer Lee Peltzman.

FCC order streamlining LPTV application and processing rules was released Nov. 19. Changes include adoption of filing windows, elimination of applicant financial data and denial of preference for translators. In statement accompanying order, Comr. Rivera said he disagrees with treating translator applicants same as LPTV bidders: "Such a position reflects a lack of sensitivity to the fact that to the rural citizen with no TV service, any service now is much more useful than service later that might be superior because of origination capacity."



**BRITISH OPPOSE DBS TREATY:** U.S. officials who returned recently from bilateral talks in London report that Britain is opposing incorporating Region 2 (western hemisphere) DBS agreement into ITU radio regulations. At FCC, officials said that British, with some support from other countries in W. Europe, believe that agreement worked out to govern DBS in western hemisphere isn't compatible with earlier pact to regulate broadcast satellites in Europe decided at 1977 WARC. New agreement was reached at 1983 Regional Administrative Radio Conference.

Opposition to RARC '83 is expected to be raised at next year's WARC-ORB (WARC on satellite orbit), meeting called for by WARC '79 to allow for further consideration of broad issues relating to use of geostationary orbit and satellite communication frequencies. While U.S. had hoped that WARC-ORB could agree to incorporate results of RARC '83 into radio regulations, British believe that WARC-ORB lacks authority to do so as it's only first session of what will be 2-part space-planning exercise.

U.S. doesn't believe U.K. position represents insurmountable problem, but situation is seen as damaging because: (1) Dispute comes just as U.S. must solidify alliances with Europeans to present united front against demands from developing countries for a priori assignments of orbital locations and spectrum. (2) Dispute, if it causes delay in incorporation of RARC '83 plan into ITU regulations, could mean U.S. broadcasting satellites would enjoy less protection from interference. (3) Dispute could frighten financial sources, which may be reluctant to fund DBS development in absence of concrete regulatory scheme.

Because of secrecy surrounding exclusivity deals, it's unclear whether MTV's new sister service, VH-1, will have access to videos that are picked for exclusive airing on MTV itself. Contracts with 5 record companies, most of which were signed before VH-1 was announced, could keep new service from airing videos for 6 months -- same effect it's having on those trying to compete with MTV. Citing confidentiality clauses, company executives decline to comment on whether contracts bar VH-1 from showing MTV-exclusive videos. Justice Dept. inquiry into exclusivity pacts continues. Executive at competing company spent 2 hours recently being interviewed by DoJ agents. Meanwhile, VH-1 said it already has 3 million subscribers committed by cable operators for Jan. 1 launch. Service also said it has signed 13 advertisers.

U.K. Cable Authority expects to grant 5 franchises in early 1985, then 5 more every 4 months thereafter, Chmn. Richard Burton told Cable TV Assn. of Great Britain. In other developments, U.K. Home Office named James Ring, Imperial College physics prof., deputy chmn. of authority. Appointed members were Peter Paine, a dir. of Independent TV Publications and Bestrs. Audience Research Board; Paul Johnson, a writer; Elizabeth MacDonald-Brown, mktg. dir. of Knight, Frank & Rutley real estate firm.

**THE STEREO ILLUSION:** Exactly how should stereo sound be broadcast on TV? TV screen is too small for directional effects -- so what advantages can stereo bring? These questions are being pondered by networks in what is virtually a rerun of movie companies' deliberations in early days of widescreen.

Movie producers then found directional sounds distracting in theaters, settled on complex comb filter system that directs all speech to center of screen, provides surround effect for music and other sounds. This is same system WNBC-TV N.Y. is using now in its full-time synthesized stereo (TVD Nov 12 p12).

WNBC-TV is using stereo converter system made by Kintek, Waltham, Mass., which is now being considered by all 3 networks, according to Mktg. Mgr. John Bubbers. He says system works both with stereo and mono originations, has no effect on sound coming from mono TV set. System "makes sound a part of the picture," he says, giving illusion it's coming from screen rather than speaker.

Bubbers says system is particularly effective in sports, where announcer's voice comes from screen, but crowd noises provide surround effect. The \$7,500 system uses sensing circuits that discriminate between dialog and other sounds, including music, background noise, etc. Effects can be transmitted over network lines as processed stereo or added to mono or stereo originations by local stations.

NBC movie *Fatal Vision* figured in Ill. trial of man accused of killing his wife and 3 children. Presiding judge ordered night sessions Nov. 18 and 19 so jurors couldn't see movie when it was aired by NBC. Prosecutor said there were "striking" similarities between Ill. case and events depicted in movie. Nothing was reported about possibility of jurors seeing videotapes of program.

Peter Peterson, Lehman Bros. Kuhn Loeb board ex-chmn. and Secy. of Commerce under President Nixon, has formed PJH Cable Ventures to develop and operate SMATV systems. Other principals of company, of which Peterson is chmn., are investment banker Eli Jacobs and Paula Herzmark, latter well known as CEO of major SMATV operator Solar Satellite Communications.

### **Obituary**

James E. Greeley, 64, Washington attorney, died Nov. 19 of leukemia in Georgetown Hospital, Washington. He received law degree from Catholic U. in 1944, joined Washington office of Cahill, Gordon & Reindel. After practicing on own, he became associated with Wilner & Bergson (now Wilner & Scheiner), leaving in 1973 again to open own law firm. On Nov. 1, he became of counsel to Washington office of Bryan, Cave, McPheeters & McRoberts (TVD Nov 19 p7). Surviving are wife, 2 sons, daughter (children by first wife).

## Personals

FCC calendar -- Nov. 26: Comr. Henry Rivera is member of U.S. delegation to Tokyo for consultation on international communication and information issues, through Nov. 30; Comr. Dennis Patrick attends NARUC convention, Westin Bonaventure Hotel, L.A., is guest of honor at UCLA Communications Law Program Alumni Dinner at UCLA. Nov. 27: Michael Marcus, Office of Science & Technology, presents paper at IEEE Global Communications Conference, Atlanta Hilton. Nov. 28: Peter Pitsch, chief of Office of Plans & Policy, speaks at IEEE conference on consumer view of AT&T divestiture. Nov. 29: Chmn. Mark Fowler addresses NARUC conference, 9 a.m.; Chief Scientist Robert Powers is on federal navigation policy panel at Position, Location & Navigation Symposium, San Diego. Nov. 30: Common Carrier Bureau Chief Albert Halprin addresses National Conference of State Legislatures, Fairmont Hotel, New Orleans.

William Baker, pres., Group W TV, appointed chmn., TV Information Committee that oversees TIO, succeeding Kathryn Broman, ex-Springfield Bestg... William Guttman promoted to Time Inc. gen. counsel, succeeding Gabriel Perle, retired; Thomas McEnerney advanced to asst. secy... Edwin Conrad, ex-Belo Bestg., named finance vp, Jefferson-Pilot Bestg... Nick Freeman advanced to vp-video and technical operations and production services, KIRO-TV Seattle... Russ Smith, ex-Independent Journal, Gannett-owned daily in Marin County, Cal., appointed exec. dir., Best. Designers' Assn., in new hq at 251 Kearny St., Suite 602, San Francisco, 94108, 415-788-2324.

Robert Epstein, ex-WTLV Jacksonville, appointed vp-dir. of mktg., Blair TV; Tony Brown advanced to senior vp-gen. sales mgr., Blair Entertainment... Jan Pearce advanced to sales vp, Home Theater Network.

Charles Johnson, ex-Peters Johnson & Roberts, named human resources vp, Showtime/Movie Channel; Jay Larkin advanced to senior publicist, consumer public relations; John Canington, ex-Activision, appointed dir.-national accounts, south central region... Donald Neil, ex-KBMT Beaumont, appointed gen. mgr., WTCW Tallahassee... Robert Lee, ex-WTVM Columbus, Ga., named vp-gen. mgr., WDEF-TV Chattanooga... David Cavileer advanced to gen. mgr., KNAT Albuquerque.

Steven Friedheim, ex-WNOL-TV New Orleans, appointed vp-gen. mgr., KEKR-TV Kansas City... Jan Stager advanced to public affairs dir., WNEV-TV Boston... David Eggers advanced to vp, Scientific-Atlanta... Michael Rubin promoted to central div. vp-sales mgr., ABC TV... Thomas Arnost advanced to KTLA L.A. gen. sales mgr., succeeded as local sales mgr. by Rick Gold.

Rick Sklar, ABC Radio, resigns to form Sklar

Communications, program and management consulting firm, 154 E. 46th St., N.Y., 212-370-0077... Elected ANA officers: Chmn. Spencer Boise, Mattel, succeeding Robert Goldstein, P&G; Vice Chmn. Herbert Baum, Campbell Soup, succeeding Boise; Treas. Richard Jewett, Pitney Bowes... James Ackerman, ex-Becker Communications Assoc., named vice chmn., Communications Equity Assoc.

Robert Sarnoff, ex-RCA and NBC chmn., elected Exec. Committee chmn., Kaufman Astoria Studios... Richard Novik, WPUT(AM)/WRVH(FM) Brewster/Patterson, elected N.Y. State Bestrs. Assn. pres.; James Boaz, WXXA-TV Albany, vp... Ed Trimble, ex-WPGH-TV Pittsburgh, appointed vp-gen. mgr., KDVR Denver; Robert Clark, ex-WTAF-TV Philadelphia, named operations/program mgr.; Robert McCaughey advanced to gen. sales mgr.

Frank Scarpa, National Video Systems, elected pres., Cable TV Network of N.J... James Watson advanced to dir.-new business development, CBN... Lawrence Barnett, ex-Labatt Brewing, named vp-NBC International Sales Services, Toronto... Joseph Preschutti, ex-C-COR, appointed vp-gen. mgr., AM Cable E-Com Products Div... Richard Harris, Group W Radio, elected RAB chmn. beginning Jan. 1, succeeding Richard Chapin, Stuart Bestg.; James Arcara, Capital Cities, named vice chmn., new post; Carl Wagner, Taft Bestg., Finance Committee chmn.

Warner Bros. mgrs. add vp titles: Floyd Brethour, midwestern div.; Richard Hill, western; J.R. Motley, southern; Robert Miller, eastern... Carolie Collins (daughter of ex-NAB Chmn. Donald Thurston), ex-New England Bell, becomes exec. in RAB Membership Dept... Robert Hallahan, NAB news bureau dir., adds duties as editor of weekly Highlights, succeeding Susan Kraus, who remains dir. of media relations and becomes chief speech writer... Marvin Eisner, S.A.L. Communications pres., resigns for personal reasons; Chmn.-CEO Alan Scheinman also becomes pres... Peter Barton promoted to corporate vp and a dir., TCI.

Charles Morgan promoted to senior vp, MCA Universal City Studios, new post... Meredith Woodyard, ex-NBC, appointed vp-dir. affiliate services, RKO Radio Networks... Basil Kehoe promoted to national sales mgr., Scientific-Atlanta Broadband Communications Group.

Canada and U.S. have agreed to immediate implementation of working agreement affecting FM stations within 320 km of border. New agreement replaces one signed in 1947, affects all applications processed after Nov. 20.

"The New Sell" is theme of 10 regional sales conferences next winter and spring sponsored by TvB, starting Feb. 27 in Orlando.



# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

## STATE OF THE INDUSTRY

Sales to dealers, from EIA, for 2nd week of Nov. and year to date:

	NOV. 3-9	1983 WEEK	% CHANGE	OCT. 27- NOV. 2	45 WEEKS 1984	45 WEEKS 1983	% CHANGE
TOTAL TV.....	481,250	478,300	+ 0.6	617,224	17,789,495	16,709,816	+ 6.5
TOTAL COLOR...	343,225*	316,551	+ 8.4	437,407*	13,642,273*	11,883,423	+14.8
DIRECT-VIEW.	338,683*	313,151	+ 8.2	432,325*	13,486,082*	11,767,238	+14.6
PROJECTION..	4,542*	3,400	+33.6	5,082*	156,191#	116,185	+34.4
MONOCHROME....	138,025	161,749	-14.7	172,022	4,147,222	4,826,393	-14.1
TV EXCL. PROJEC.	476,708	474,900	+ 0.4	604,347	17,633,304	16,593,631	+ 6.3
HOME VCR.....	128,541*	97,086	+32.4	237,253*	5,883,449#	3,256,129	+80.7
COLOR CAMERAS...	6,535	8,463*	-22.8	11,170*	391,040*	320,146	+22.1

Color TV (direct-view) 5-week moving average: 1984--375,129\*; 1983--362,146 (up 3.6%).

Home VCR 5-week moving average: 1984--186,027\*; 1983--103,635 (up 79.5%).

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

**GIANT 35" COLOR TUBE HERE NEXT YEAR:** Forerunner of new series of giant-screen direct-view color sets will be unveiled at Jan. CES in Las Vegas by Mitsubishi -- luxury console with 35" tube, for sale here next fall. Other manufacturers also are considering sets with jumbo tubes.

First Mitsubishi 35" console probably will be priced around \$3,000, according to TV Product Mgr. Leo Delaney, with variety of lower priced models tentatively targeted year later if reaction to initial offering is good. Horizontal TV stereo monitor receiver console will be about 25.2" deep, less than 3" deeper than 25" console.

Tube itself is 22.4" deep, weighs 110 lb., has center brightness of 170 ft.-lamberts with resolution comparable to Mitsubishi's best 25" -- 330 lines on broadcast TV, 400 on video input. Power consumption of set will be 180 watts vs. 160 watts for 25". Tube has 110-degree deflection, square-cornered face with same curvature as standard tube (1R). For implosion protection, it will revert to old system of safety glass laminated to faceplate.

New set will be displayed alongside Mitsubishi's 36" projection TV, now selling in \$2,100-\$2,150 range, but probably somewhat less next year. Direct-view 35" set will have standard analog chassis -- Mitsubishi will sell digital set in Japan next fall, probably will have U.S. version in spring 1986.

Giant TV will be assembled at Mitsubishi's Santa Ana, Cal. plant with U.S. cabinet. Tube is scheduled to go into production in Japan around midyear, will be offered on OEM market. Mitsubishi hasn't announced any plans to introduce 35" set in Japan.

Many manufacturers are now breaking 25" barrier with larger tubes. Sony for years has had 26", and new varieties of square-cornered tubes are being introduced in that size -- RCA was first U.S. brand to do so (in Dimensia system). Zenith plans 27" tube next year, and RCA has scheduled 27" Square Planar (SP) tube. Other Japanese manufacturers -- Sanyo, Sharp and Sony are most prominently mentioned -- also may bring out jumbo-sized direct-view sets.

Sony is only company that actually has offered set in U.S. with color tube bigger than 26". Its 35th anniversary "limited edition," carried list price of \$10,000 when introduced in May 1981. At that time, Sony said it would make only 1,000, withdraw offer at year's end (TVD May 11/81 p11). Apparently Sony never sold 1,000 -- set has been spotted recently at \$1,800.

**NEW KOREAN DUMPING MARGINS DUE:** Revamped proposed antidumping margins on Korean color TVs are due from International Trade Administration this week. ITA verification teams last week wrapped up reexamination of data provided by involved manufacturers, after visiting offices in U.S. and Korea, and are slated to release preliminary margins Nov. 28. That will give manufacturers only week or so to study results, present any points in opposition. Final margins are due to be set Dec. 15, but probably won't be issued until Dec. 17.

ITA first established dumping margins for Koreans last April, and at request of manufacturers conducted expedited review during summer. Revised preliminary findings issued by ITA in Sept. would have resulted in sharply higher margins, plus Customs cash bonding requirements against 3 Korean producers, were to be finalized Oct. 15. But Samsung, with support from Korean govt., asked for delay and reinvestigation. Samsung was company most severely impacted by review results. Its margin was to be boosted to 52.5% of value from 13.9%, while Gold Star would have risen to 20.08% from 15.95%. Margin for Daewoo was put at 25.09%. ITA agreed to take 2nd look at data, but put 45-day limit on probe. That indicates agency sharply restricted scope of follow-up.

Whatever outcome of ITA's latest investigation, Koreans already are feeling pinch. Korea's Economic Planning Board said last week that as result of dumping case and trade barriers elsewhere, nation's color exports this year will fall some \$200 million short of expectations.

\* \* \* \*

Taiwan, also involved in dumping case, plans to entice domestic color TV manufacturers to cut sharply the prices they charge local consumers by opening market to import competition. Economic Affairs Ministry indicated it soon intends to lift embargo on color TV imports from Japan, said it feels Taiwan manufacturers should be able to maintain price-competitive edge.

Govt. is reacting in part to complaint by consumer group there that its study shows sets made by one domestic producer sell for 60-130% more in Taiwan than they do in foreign markets, and that similar spread exists for other companies. Group said that in addition to lifting ban on color imports from Japan, govt. should sharply reduce current 45% duty rate.

**VCR PRICES HOLDING, HOLIDAY BOOM SEEN:** Despite splashy price leader ads, most major marketers agree VCR prices will hold up through year's end for smash holiday season. But many see sharp price cuts for 1985, led by Korean manufacturers' entry into market.

"We're pleased with what we currently see as some degree of price stability in the VCR business," Zenith Pres. Gerald McCarthy told us. "Last May and June, we thought that the industry's price position wouldn't hold through the fall selling season" -- but it has been maintained, largely "due to the tremendous demand for the product. Thanksgiving and most of December will be incredible." He said he was "delighted" with acceptance of Zenith's VHS line, particularly Video Movie: "I haven't had a conversation with a retailer that didn't begin, 'How can we get more Video Movie?'" McCarthy expects 1985 VCR sales to be in 9-9.5 million range, expressed hope that industry "will look on VCR [pricing] more realistically, less emotionally than some have been looking at the color business."

RCA Group Vp Jack Sauter sees strong Christmas for VCR, adds that pricing and trends are "tougher to predict than TV simply because we have no insight into manufacturers' production." He added, however, that "so far the demand level and consumer interest have managed to stay a little ahead of deliveries."



"Price stability to February, when new models will trigger a decline" is foreseen by GE Consumer Electronics Vp-Gen. Mgr. Jacques Robinson, who predicted "couple of years of extreme turmoil." Problem, as he sees it, is that "Far East vendors are working on an 11 million [1985] forecast for the United States, while 9-9.5 million is realistic -- they're gearing up for production which is much too high."

VCR sales have been "excellent," said Sony Senior Sales Vp Ed Adis. VCR shipments set company record in Aug. that then was broken in both Sept. and Oct.

Hitachi Exec. Vp Robert O'Neil sees no major price drop through year's end: "There's not a lot of pressure on the major part of the line. Portables and hi-fi models aren't doing too bad, and prices are holding." Although there are more than million units in pipeline inventories, "we'll have a million-unit month in December. In January, inventories will be around 1.6 million. If we can hold out till January, I think we'll see lead models going down \$25 then."

O'Neil thinks Korean VCRs' potential effect on prices has been "exaggerated." "There will be some \$299 VCRs," he said, "but even if a million units come in from Korea, that's still only 10-12% of a 9-million unit market. Maybe the menace is a little exaggerated -- we can live with that -- because we'll see sales of 750,000 a month next year," with Korean models merely coming in on top of same number of Japanese units sold this year.

"Cost prices have relatively stabilized" since drop in Sept., according to Quasar Pres. Jack Pluckhan. Most recent price moves have been at retail, he noted, suggesting that some dealers have heavy inventories, and he sees "no drastic additional cost reductions" this year. Actually, he pointed out, Sept. price drop didn't really cost importers too much since they had yen exchange in their favor: "They bought at 225 [to the dollar] and now at 240 they have a windfall." He thinks VCR is headed for "good first quarter," but it will require "all kinds of pressure to keep prices where they are" in view of mounting industrywide inventories. Like others, he's concerned about Koreans' impact but doubts that they can ship more than 1.5 million units in 1985. He sees sales of more than 9 million VCRs next year.

"Prices of leader models have been reasonably stable in the last 5-6 weeks," said one major city distributor. "The pressure for reduction is all coming from dealers. We're seeing smaller, more frequent orders -- those who used to buy 100 a month are now ordering 10 or 12 every few days, always asking 'current' price. We do have a glut in lead models and not enough stepups. Ads for VHS Hi-Fi are paying off. Dealers are using them to demonstrate stereo TV, and we sometimes have problems getting them."

Surprisingly, "our really hot model is a portable deck without tuner at a dealer cost of \$570. We can't keep enough in stock -- the [tape] rental people are buying them at 3,000-4,000 a month." Same distributor forecast Matsushita-made videocassette player in Feb. or March, which with short margins ("a \$5 or \$10 bill") could sell at \$249-\$299: "This could put pressure on VCR and mean disaster to everybody's stock of high-priced equipment. Top-loaders are now \$330-\$340 from all VHS brands, and there's a lot of feeling that they'll go to \$250-\$290 after the end of the year. The Japanese will program to compete with the Koreans -- and with dealers checking the price every day, the pressure certainly is there."

\* \* \* \*

As result of increased VCR competition in 1985, "across the board we should see some beneficial effect to consumers" in form of lower prices, according to RCA Consumer Electronics Mktg. Vp Stephen Stepnes. While color TV market is now contested by some 39 brands, "there are 60 or so when it comes to VCRs," Stepnes said. Although entry of Koreans with low-end VHS VCRs at end of first quarter could be disruptive, he said, their shipments probably will be limited and industry won't "feel their impact until 1986." Stepnes said RCA expects 1985 U.S. VCR market of 10 million or more, vs. 7.5 million for 1984. Larger rise next year could create availability problems, so "it remains to be seen what VCR pricing will be" in 1985. Beta will continue as format price leader, Stepnes said. He indicated that although studies show VHS now has more than 75% market share, lower pricing should help Beta recapture portion.

**VIDEO IMPORTS SURGED IN SEPT., 3RD QUARTER.:** Continued strong growth in video equipment imports in Sept. capped 3rd quarter that saw new all-time quarterly highs in incoming shipments of VCRs and complete color TVs, as well as color cameras, videocassettes and videotape players, Commerce figures show.

In VCRs, Sept. was 3rd consecutive month in which imports topped 900,000 level, but while total of 927,700 was up 222.6% from same month last year, it was down from 970,000 of Aug. and 971,700 of July. Quarter's imports of 2.87 million were up 123.9%, easily eclipsing previous 2.18 million record set in April-June this year. Full 9-month shipments of 6.73 million were up 126%.

Also on video hardware front, total TV camera imports rose 75.6% to 98,800 as color climbed 78.2% to all-time monthly high of 84,700, and b&w increased 61.3% to 6-year high of 14,200. For quarter, camera shipments were up 154.7% to 268,800, paced by 171.2% jump for color to 232,600, while b&w increased by 83.1% to 36,200.

Through 9 months, total imports of 593,900 were up 94.2%, as color gained 107% to 507,000, b&w rose 42.4% to 86,900. Bolstered by consumer models, videotape player imports shot up 355.6% in month to 4,400, and quarter's shipments were ahead 181.1% to 16,600, topping by 4,000 import total for first 6 months. Videotape player imports for 9 months were up 40.4% to just over 29,000.

Running counter to strong growth trend were imports of videodisc players, with 19.5% decline for Sept. to 6,300. For quarter, shipments of 21,800 were up just 4.7%, for 9 months, rise was 81.6% to 84,900. Disc player growth rollback in 3rd quarter presumably reflects drying up of demand for players by video arcade game producers and end to imports of models designed for RCA's now defunct CED system. Imports of blank videocassettes jumped 155% in Sept. to 8.32 million, were up 72.2% in quarter to 21.8 million, and rose 86.2% to 57.6 million for 9 months. Projection TV imports climbed 103.7% in Sept. to 7,800, rose 60.4% to 18,700 for quarter, ended full period up 54.8% at 48,100.

TV importers barely held their ground in Sept., with total incoming shipments of 1.29 million up just 0.9%, as color slipped 8.8% to 700,200, while b&w rose 15.4% to 591,000. Despite month's relatively weak performance, total imports in quarter were up solid 40% to 4.46 million, color rising 38.3% to 2.43 million, b&w increasing 42% to 2.03 million. For 9 months, total TV imports rose 41% to 11.8 million, which is higher than imports for any full year except record 12.3 million of 1983. Color was up 44.5% to 6.67 million, and Oct. results should put 10-month total over full-1983 record of 6.97 million. B&w stood at 5.1 million, up 37.6%.

In color, Sept. imports of complete sets declined 8.9% to 457,300, first such falloff since July 1982. Bulk of drop was represented by 86,700 reduction in shipments from Korea, which could be sign of dumping-related general export cutback. Quarter's imports of 1.52 million rose 39.2% to just barely top previous record of 1.5 million set in final period last year.

Shipments for 9 months of 4.16 million were up 54.3% and just short of record 1983 total of 4.2 million. Imports of color chassis & kits also slipped in Sept., declining 8.6% to 242,900. However, for quarter they were up 36.7% to 908,200, and ended full period at 2.51 million, up 28.7%.

Color import breakdown by screen size shows 13" was unit growth leader in first 9 months, and only size to account for significantly increased share of mix. In b&w, growth story can be summed up in single word, tinyvision. Imports of sets with screens 6"-&-under totaled 1.69 million, up by 156.1% or 1.03 million units, to account for 73.6% of overall b&w increase.

Here are details of TV import mix for first 9 months:



	Total	% change	% Share of Import Mix	
			1984	1983
<b>Color</b>				
Combinations.....	12,600	-54.0	0.3	0.1
10"-&-under.....	417,000	+45.0	10.0	10.7
11-12".....	110,100	-37.0	2.6	6.5
13".....	1,983,300	+77.4	47.6	41.4
14-15".....	131,900	+59.9	3.2	3.1
16-17".....	27,100	+332.3	0.7	0.2
18-19".....	1,217,400	+47.2	29.2	30.6
20"-&-over.....	265,400	+51.3	6.4	6.5
Total.....	4,164,800	+54.3	100.0	100.0

**Monochrome**

6"-&-under.....	966,300	+247.5	19.0	7.5
6"-&-under, comb.	725,400	+89.6	14.2	10.4
7-8".....	21,100	+25.3	0.4	0.5
7"-&-over, comb..	15,300	-43.5	0.3	0.7
9-10".....	155,400	+13.4	3.1	3.7
11-12".....	3,069,500	+14.4	60.2	72.6
13-17".....	25,100	- 7.7	0.5	0.7
18"-&-over.....	116,900	-17.5	2.3	3.8
Total.....	5,095,100	+37.9	100.0	100.0

**TAIWAN CUTS TV AID:** Color TV isn't considered strategic industry in Taiwan any more, and govt. said it no longer will make aid available to encourage production there of conventional sets, according to Industrial Development Bureau.

In recent years, govt. provided major assistance for projects aimed at boosting production capabilities for ICs and improved resolution picture tubes, and reducing color TV production costs through development of uniform chassis. Those all have been completed.

But govt. will continue support for manufacturers working on digital color TVs, IDB said. Producers are being granted 5-year duty exemption on imports of special parts and equipment needed for digital TV manufacturing.

Electronic still camera and color printer were demonstrated at Hitachi Technology '85 exhibition in Tokyo's National Science Museum. Printer took about minute to make standard size (4x5") color print of excellent quality from tiny magnetic disc. No price or introduction date were given. Selected items from exhibition will be shown at N.Y.'s World Trade Center Dec. 6-7.

Paramount cancelled its membership in ITA, first trade association to court program suppliers to home video market. It's first and thus far only software dropout, according to ITA executive Charles Van Horn.

**Mergers & acquisitions:** CBS has agreed to acquire Stereo Review and Popular Photography, plus 10 other consumer-oriented magazines, from Ziff-Davis for \$362.5 million. CBS already owns Audio and American Photographer magazines... David Hafner Co. has agreed to acquire bankrupt esoteric hi-fi equipment maker Acoustat, subject to court approval... Japan's Matsushita has reportedly made bid to acquire all or part of U.S. disc drive maker Shugart. Matsushita supplies Shugart with 5.25" disc drives, is understood to be interested in taking over sales organization... Stake in Fotomat is being increased from 20% to controlling 60% by Japan's Konishiroku Photo (Konica), marketer of photo and VCR hardware and software. Move will be made through additional \$10 million investment and conversion into stock of \$13.5 million debt issue KP already owns... TG Industries, producer of joysticks and other game and computer peripherals, has been acquired by Personal Peripherals, terms undisclosed... Electrolux received agreement from banks and unions for proposed \$172 million takeover of Italy's financially troubled appliance maker Zanussi. Excluded from deal is Zanussi's money-losing consumer electronics business, which was spun off as separate corporation earlier this year.

**Hands-free mobile cellular phone** from Motorola will be offered as \$3,000 option on luxury cars by Ford next year. Activated by buttons on console between front seats, system has microphone located above windshield, feeds incoming sound through radio speakers. Next step, Ford said, is voice control for both answering and dialing.

**HI-FI VCR PUSH:** With VHS backers gearing up for strong push on both hardware and software fronts for so-far slow moving Hi-Fi format, and with Beta Hi-Fi backers planning to capitalize on undisputed success they achieved this year, 1985 is shaping up as year that top-quality stereo audio will be as important as pictures themselves in high-end VCR market.

Longest road to market acceptance lies ahead of VHS Hi-Fi format, which has suffered from software shortage. VCR sales have been "less than awe inspiring" because there have been few recorded cassettes to lead way, Matsushita America OEM Accounts Mgr. Thomas Hitzges told ITA Update Seminar in N.Y. last week. Hitzges described new breed of player as "the first VCR product that's software driven... I can't stress that enough."

Part of problem has been continued skepticism about quality of VHS Hi-Fi sound, and Hitzges admitted that "we have not done the best job" of responding to criticism. Matsushita sought to correct attitude with 5 technical experts, in addition to Hitzges, attending seminar and suite at Sheraton Centre where company held demonstrations.

Though there was slow start in delivery of VHS Hi-Fi duplicating equipment, there's now no lack of slave units to turn out cassettes of 600 available titles, according to Hitzges. He said there now was base of 12,000 VHS Hi-Fi slaves, vs. 8,000 standard machines a year ago. Output capacity, even at 50% efficiency, is close to 20 million tapes, one executive told us.

Lower VCR prices will help ease way, Hitzges predicted. VHS Hi-Fi at \$600 retail "is in sight, and market pressures could push manufacturers to even lower price points" next year, he said.

Bright prospects were echoed by RCA Consumer Electronics Mktg. Vp Stephen Stepnes, who predicted that at least million Beta and VHS Hi-Fi VCRs would be sold in U.S. next year, or something under 10% of expected total market. "Sight and sound together is the new frontier," he told group, adding that in Japan, Hi-Fi or Hi-Fi-compatible VCRs now account for 40% of sales.

Later, Stepnes told us VHS Hi-Fi ball was dropped this year on both hardware and software fronts. He said 200 titles had been expected for VHS by now, but total is only about 150. However, he said, 250 should be out by first quarter next year.

VCR marketers turned in disappointing promotional effort this year, Stepnes said. "We thought the format would just walk in" on strength of Beta Hi-Fi consumer awareness effort, but that didn't happen. RCA, he said, had successful VHS Hi-Fi VCR sales tie-in with Paramount's Footloose, but he indicated one-shot deal isn't enough. He told us RCA hopes to line up similar, but stronger, promotions with studios next year. But groundwork

apparently hasn't started — none of suppliers we contacted have been approached.

Meanwhile, Sony has most optimistic Hi-Fi outlook of all. Betamax Mktg. Vp Osamu Naka said Hi-Fi format will account for fully 30% of Sony VCR sales this year, estimated it already represents 8-10% of total VCR market, or close to 750,000 — Sanyo, Sears, NEC, Radio Shack and Toshiba are among other Beta Hi-Fi marketers. He said Sony expects Hi-Fi to account for more than 45% of its volume in 1985, and predicts that more than 25% of all VCRs sold next year will be Hi-Fi, either Beta or VHS.

**RCA CAMCORDER COMING:** Though it's been open secret since our first report last spring (TVD Apr 16 p12), RCA last week became first marketer to formally acknowledge plans to introduce camera-VCR combination using full-sized VHS cassette.

Speaking at ITA Update Seminar in N.Y., Consumer Electronics Mktg. Vp Stephen Stepnes said company has been conducting consumer study by showing "next year's camera options, like the all-in-one VHS with standard 1/2-in. cassette." Study showed that while at first only 7% expressed interest in buying camera over next several years, number more than tripled to 22% when camcorder option was displayed.

Stepnes said largest percentage selected VHS camcorder as being of prime interest, 2nd biggest response was for hand-held camera only. Other camcorders (8mm Video and Betamovie) and larger cameras finished further down line. It's understood study shows length of playing time is most important factor in consumer choice of camcorder format.

Industry is expected to sell more than 500,000 cameras this year, and total next year (including camcorders) could double, Stepnes said. He discounted speculation that declining share of VCR market is downbeat sign for camcorders. "Portable sales are up by 23%, and a 23% gain in any industry bespeaks further progress," he said.

Meanwhile, GE says its Matsushita-made 8mm camcorder is being shipped to dealers. In Wales for 10th anniversary of start of Matsushita TV production there, Matsushita Pres. Toshihiko Yamashita was asked about 8mm Video format. "It is not wise to bring another format into the marketplace," he replied. "We must be very careful."

Commodore holders last week approved proposal that would give Chmn. Irving Gould right to reject any takeover offer made by suitor holding at least 24% interest in company. It also would prohibit any potential acquirer owning 10% or more from voting on purchase proposal. Holders also voted in favor of doubling number of Commodore's authorized shares to 90 million.



**OCT. STRONG AT RETAIL:** Although color sales to dealers, as reported by EIA, showed first decline in 25 months in Oct. (TVD Nov 12 p9), retail sales were strong during month. That's conclusion reached by Television Digest's monthly Early Warning Report (EWR) retail research service in Nov. 15 issue.

EWR, now completing its 11th year of showing retail trends, also foreshadowed strong sales of color, VCRs and stereo for Nov. In color, dealers in Early Warning Network reported median Oct. color TV gain of 15% in unit sales, 12.8% in dollars over strong Oct. 1983. In VCR, gain of 50% in units matched best month this year (June), but dollar sales were up only 35%, indicating heavy price attrition.

Stereo figures provided major surprise. Although stereo sales have been well up throughout year, Oct. figures gave hint that sales of higher priced product are accelerating -- unit sales were up 14% over Oct. 1983, while dollar volume rose by nearly 20% -- perhaps indicating greater percentage of rack systems in mix.

Projection TV sales were up 10% in Oct., with prices seemingly tracking last year, while monochrome TV and portable VCRs continued to be flat.

Major feature of EWR is "short-term sales trend," appraisal of whether sales in each product rose, declined or stayed same in latter part of month -- frequently indicator of following month's sales. In this respect, VCR trend was particularly hot, 83% of dealers reporting uptrend. Majority also saw favorable trends in color and projection TV and stereo, downtrend in b&w, with inconclusive returns in portable VCR.

EWR also measures monthly inventory changes. Significant feature of each monthly EWR issue is summary of results of each of past 51 months' surveys in color and monochrome TV, home VCR and stereo for historical data base use. (Information on subscriptions to monthly EWR is available from our circulation dept., 1836 Jefferson Pl. N.W., Washington 20036; phone 202-872-9200.)

Stereo effects on TV are likely to be quite different from those provided by audio systems. One proposal being considered by networks is use of complex comb filter system similar to that employed in movies, which concentrates dialog in center of screen, providing surround effect for other sounds. System, developed by Kintek, Waltham, Mass., is being used now by WNBC-TV N.Y. to synthesize stereo, but it also can be used with stereo signal. (Details are in Broadcast section.)

Emerson says it doesn't have 19" color set at national dealer price of \$175, as shown in recent RCA price comparison (TVD Nov 19 p10). "If we had one at that price," said TV Sales Vp Rick Bond, "nobody else would sell any sets at all."

**GE SCRUBS PRCS:** Although its application for authorization is officially still pending at FCC, GE has quietly buried its request to launch new low-cost consumer mobile telephone service. Called Private Radio Communications Service (PRCS), it would have allowed consumers to have mobile phones linked by radio direct to base stations connected to their home or office.

PRCS, announced about 3 years ago, was to be packaged system, including mobile phone and base station, that could be marketed for \$300-\$400, would make it possible for consumers to make or answer calls over 3-5 miles with no extra phone charges. GE estimated that local repeater service could boost range to 15 miles for \$10 monthly per subscriber. GE said then that its studies indicated potential of at least 12 million customers.

Now, GE says it decided not to proceed after it "carefully evaluated this business opportunity in relation to other consumer electronics opportunities." But indications are that PRCS was victim of lack of interest by revamped management at GE's Consumer Electronics Business Operation, which now combines video and audio businesses. Not helping situation was strong opposition at FCC.

**ZENITH CITES KOREANS:** Zenith, in 3rd-quarter letter to shareholders, lays blame for depressed U.S. color TV market pricing at door of Korean manufacturers.

In releasing financial statement for period last month (TVD Oct 22 p20), Zenith had said it reduced its color prices in quarter "in response to additional actions by competitors." Just-issued letter, however, says cut was "in response to decreasing industry pricing levels caused by dumping of color TV sets by Far East manufacturers." It says cumulative effect of several reductions Zenith implemented in first 9 months of 1984 "represents a larger percentage decrease than for any full-year decrease in the last 10 years."

Zenith pointedly notes U.S. govt. has "still taken no action to enforce collection" of dumping duties on Korean color sets and has granted 45-day extension for further review of margins. Until collection starts, Zenith says, "it is unlikely that the U.S. industry can expect any relief from the downward spiral in already depressed color TV prices."

**Film classic** *Gone With the Wind* will hit U.S. home video market next March, 3 years ahead of planned schedule, according to MGM/UA Home Video Exec. Vp William Gallagher, who said 2-cassette release will list at close to \$100. To get clearance for U.S., studio had to buy out home video portion of contract that gives CBS exclusive TV rights through 1988. MGM's hand was forced by gray market imports of legitimate copies of film being sold on cassettes and Laservision discs in Japan.

## Consumer Electronics Personals

Nick Santrizos, Thorn EMI Video pres., named pres.-COO, Thorn EMI/HBO Home Video, new venture with HBO... John Kese, former GE Audio Product Dept. mktg. mgr., named to same post at Mobile Communications Products Div., now headed by former APD chief John Traini, who recently shifted to GE Consumer Products Sector... Jack Peiffer advanced at GE from GE Supply vp to exec. management staff senior vp, succeeding Theodore LeVino, retiring; Edward Skiko ex-IBM, joins as corp. information systems vp... Bill Kiya, ex-Pioneer Electronics General Audio Div. exec. vp, named pres., Pioneer Industrial Components; Soichi Yamada, PE Home Audio exec. vp, adds Kiya's former responsibilities... Harry Bloom, ex-GE Video Div., joins Bose as corporate mktg. dir.

David Pierce, ex-K-Tel, one-time Vestron and MGM/UA Home Video, joins New World Video as national sales dir... Jeff Dalla Betta, Embassy TV finance vp, named senior vp-chief financial officer, Embassy Home Entertainment... Sheldon Rabinowitz promoted to Vestron Video treas., new post, succeeded as controller by Joseph Brady, former asst. controller... Stephen Flaks advanced to CEO, Vision Communications, parent of duplicator American Videotape... Jan Pearce promoted to Home Theater Network sales vp.

Edgar Sack, one-time General Instrument Microelectronics Div. vp-gen. mgr., more recently responsible for GI Business Systems and Energy Management Divs., joins IC maker Zilog as pres.-CEO... Laurence Hootnick advanced at Intel from finance and administration dir. to corp. mktg. dir., replacing Senior Vp William Davidow, resigned... Bernard Johnson promoted at TRW to Capacitor Div. vp-gen. mgr., succeeding Loren Kolste, leaving for health reasons.

RCA doesn't have policy of refunding purchase price of videodisc players, company said in commenting on broadcast and published reports. Spokesman said company is continuing to emphasize availability of software, pointing to 16 new RCA releases for Nov.-Dec., as well as new discs by other programmers, noting that player owners have option of mail order direct from Indianapolis in areas where program availability is limited. He added that RCA considers requests for refunds on case-by-case basis "as we do with any product." He said owners appeared satisfied with continual flow of software and RCA had made refunds or provided credit for less than 100 players out of total of 650,000 in consumer hands.

Color TV recovered from Oct. doldrums in first 2 weeks of Nov., with sales to dealers up 9.9% for period. However, 2nd week of Nov. was relatively slow for VCR, with sales up only 32.4% (for the 2 weeks they rose 82.3%). Color cameras registered 22.8% decline in 2nd week, but were up 1.4% for the 2 weeks.

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**Ad notes:** Panasonic is spending \$21.4 million on ads for TV, video and audio products in 4th quarter, bringing year's outlay to more than \$28.7 million vs. \$19.9 million in 1983. Company said it also has increased jackpot for winner of annual Panasonic Las Vegas Invitational annual golf tournament next March to \$171,000 from \$162,000 this year. PLVI is richest tournament on PGA tour, with total prizes of more than \$1 million... Compact Disc Group appoints Zagoren Group for ads, PR and promotional projects... Hyundai Semiconductor selects Imahara & Keep as its first U.S. agency... Bell & Howell names Michael Meyers & Assoc. for Visual Communications Group ad and PR account.

Further cut in Adam prices is indicated in full-page Coleco-sponsored newspaper ads headed "Adam. Now Only \$499" that broke day after Thanksgiving. Adam's \$500 college scholarship offer is included. Same day saw full-page ads by Commodore offering any 2 of 50 software programs free with purchase of model 64 (retail value \$40, computer price "about \$200"), and by Atari ("Atari 800XL Now Under \$120").

**Stock dividends:** Emerson declares 1-for-10 payout, effective Dec. 26 to holders of record Nov. 26... Sanyo will pay 10% stock dividend to holders Nov. 30.