

March 31, which will give interested parties more time than customary to file petitions for reconsideration. But Chairman Burch, who spoke at a news conference in connection with the release of the CATV document, indicated he did not expect the commission to change its mind. Considering the amount of time and the volume of material the commission has already consumed in reaching its decision, he said, "We don't anticipate anything new" in the way of comments.

However, Chairman Burch was the only one of six commissioners voting—H. Rex Lee is recovering from a coronary—who did not express considerable misgiving. Commissioner Robert E. Lee dissented, and Commissioner Nicholas Johnson concurred in part and dissented in part, while Commissioners Robert T. Bartley, Charlotte Reid and Richard E. Wiley simply concurred. And all but the chairman issued statements.

Commissioner Johnson teed off on the compromise agreement among broadcasters. CATV operators and copyright owners that made commission action possible, accusing Chairman Burch of engaging in "secret bargaining sessions designed to bind his fellow commissioners" and claiming that the resulting agreement would deny cable service to 40% of the American people. "those who live in the largest cities." (The report and order went to great pains to describe the commission's detailed discussions of the compromise agreement.)

Commissioner Lee, too, talked of "a serious procedural flaw," but his concern was the compromise agreement's impact on broadcasters, not the cable operators. He said the rules would result in a sharp reduction in the "quality and the quantity of local television broadcast service."

Commissioner Bartley, long a supporter of untrammelled CATV development, saw the action as "another freeze in many markets." But, he said, "There is enough thaw around the edges" to warrant adoption of the rules. And Commissioners Reid and Wiley felt the real choice was the rules under consideration, or none at all, although Mrs. Reid also labeled the rules "a step in the right direction."

In those statements there is material for court suits certain to be brought by broadcasters or CATV operators who feel aggrieved by the new rules. But those expected suits are not the only possible obstructions confronting the commission in its effort to implement its new rules.

A more critical problem involves congressional adoption of copyright legislation which affects CATV. Such legislation is regarded as essential to CATV's growth; indeed, the rules are keyed to it. The compromise agreement

pledges the parties who signed it to support legislation under which CATV operators would be given compulsory licenses for the signals the rules permit them to carry.

Chairman Burch, at a news conference held in connection with the release of the CATV document, expressed the hope that adoption of the rules would facilitate passage of copyright legislation. Copyright legislation is also regarded as essential in eliminating the uncertainty that impairs the cable industry's ability to attract the capital needed for substantial growth.

And Senator John L. McClellan (D-Ark.), chairman of the Senate Subcommittee on Copyrights, has indicated the panel would resume its consideration of the subject "upon the imple-

Stocks get shot in arm

Cable television stocks tended upward last Thursday (Feb. 3) in response to the FCC's issuance of the new CATV rules (see accompanying story).

Stock prices for CATV showed perceptible gains on the date of the formal FCC action. Teleprompter went from 133¾ on Feb. 2 to 135¼ on Feb. 3—a rise of 2½ in one day. In the same period Viacom climbed 2½ to 22¾, Communications Properties 1 to 14½, Cypress Communications ¼ to 14¾, LVO Cable Inc. ⅝ to 14½, American TV & Communications ⅞ to 39¾, and Cox Cable ⅝ to 31¾, among others. Analysts expressed the view that since many of the new rules were anticipated it will take a few days before the real effects will be evidenced on cable stocks.

mentation of the commission's new cable rules."

But a subcommittee source said last week he "cannot conceive of copyright legislation getting through both houses in this session of Congress." He said Senator McClellan appears likely to have a primary battle on his hands when he seeks renomination this spring—Representative David Pryor is the expected challenger—and that preoccupation with the primary could cause Senator McClellan to postpone consideration of the copyright measure until May or June. By that time, the source noted, Congress will be concerned with adjourning ahead of the Democratic and Republican national conventions.

Chairman Burch said last week that, if Congress does not act on copyright matter, "our problem is acute." Besides drawing the linchpin from the commission CATV rules it would give parties to the compromise agreement grounds for abandoning it. National Association of Broadcasters President Vincent T. Wasilewski last week made a point of

emphasizing that an agreement on draft copyright legislation is essential "to the implementation of the compromise agreement."

And Richard W. Jencks, CBS Washington vice president, flatly predicted: "The copyright bill will not be passed in my lifetime." CBS is pressing a copyright suit against Teleprompter Corp., which it is confident of winning. If it does—and should Teleprompter be held liable for full copyright compensation—broadcasters might decide they would have more protection under existing copyright law than under the proposed legislation. And, as Chairman Burch has noted, CATV copyright legislation cannot be enacted without the support of broadcasters and CATV operators as well as copyright owners.

There is no certainty that the compromise agreement—engineered by Office of Telecommunications Policy Director Clay T. Whitehead—will not fall apart for other reasons. The parties signed with the understanding that the rules would reflect the agreement accurately and fairly. And Chairman Burch conceded last week that, "if anyone wants to fancy up a reason for walking away from the agreement, he can find one." He noted that the agreement was "a bare-bones" statement that the commission had to interpret and implement.

And lawyers for broadcasters and CATV operators were reviewing the voluminous documents with meticulous care last week, to determine just what it was that the commission had wrought—and how close it had come to the provisions of the compromise agreement. The board of the Association of Maximum Service Telecasters (one of the parties to the compromise) will hold a special meeting in Dallas Friday (Feb. 11) to review that question.

The future of the commission's CATV policy, as spelled out in its rules and report and order, is threatened, also, by work now being done by a presidential committee that is formulating the administration's long-range CATV policy. Mr. Whitehead, who is chairman of the committee, endorsed the commission's proposals. But he has also told Congress that it must establish the guidelines for CATV development, and should do so before the character of CATV is set by the commission's rules. The committee is preparing legislation for submission to Congress.

In general, at least, the rules do follow the proposals the commission outlined to Congress in an Aug. 5 "letter of intent," as modified by the compro-

Full text of FCC's cable rules, less sections on relay stations, is reproduced on pages 21 through 36; story continues on page 40