

Philadelphia circle is complete

Surprise 5-0 FCC decision charges NBC with wrongdoing and orders network to trade back for WBC's Cleveland station within 60 days

The FCC wrote a surprise ending to its Philadelphia story last week. Until then, the plot dealt with NBC's struggle with Philco Broadcasting Co. for channel 3 in Philadelphia. But as the commission provided the finish, it will be Westinghouse Broadcasting Co. that gets the facility.

The commission, by a 5-0 vote, handed down this decision in a case on which the attention of the entire broadcasting industry has been fixed:

NBC's applications for renewal of WRCV-AM-TV Philadelphia are renewed—on the condition that the network exchange those stations for WBC's Cleveland properties, KYW-AM-TV. NBC was given 60 days to file assignment applications.

The aim of the decision is to unscramble a trade-sale agreement completed in 1956 between NBC and WBC, and thereby strip the network, the commission said, "of the fruits of its wrongdoing." NBC gave its Cleveland stations, plus \$3 million, in exchange for WBC's Philadelphia properties.

Right the Wrong ■ But the FCC held—as the Justice Department has charged—that the network used its power to grant or withhold affiliations to coerce WBC into making the original agreement. Its decision, the commission said, would right "the resultant wrong."

The commission would permit WBC to keep the \$3 million because, the decision said, NBC has earned greater profits from its Philadelphia properties than has WBC from its Cleveland stations. The grant of license renewals was made conditional on there being no negotiations concerning the \$3 million or the repayment of profits by NBC to WBC.

The commission held that the network threatened to withdraw affiliation from WBC's WBZ-TV Boston and to withhold it from KDKA-TV Pittsburgh, which Westinghouse was then proposing to buy from DuMont. The commis-

sion also said the network held out network affiliation as an inducement as well as a threat in connection with other markets where Westinghouse might acquire stations.

Regarding the Cleveland-Philadelphia exchange, the commission said, "we do not have here a bargain between a willing seller and a willing buyer. What occurred was . . . a clearly improper use by NBC of its network power in order to secure private advantage in the field of broadcast station ownership."

"Here, in order to bolster its competitive position," the commission said, "NBC used the limited monopoly power inherent in its ability to grant or deny network affiliation to coerce Westinghouse into an agreement to transfer the Philadelphia license—an agreement which clearly would not otherwise have been forthcoming."

Valuable Properties ■ The value of WRCV-AM-TV, in the nation's fourth-ranking TV market, has been estimated at \$35 million. The value of KYW-AM-TV, in the nation's eighth market, was put at \$20 million. Estimates were by station brokers in Washington last week.

The commission denied Philco's application for a new station on channel 3 because, the decision said, the company has "at all times subordinated its commitment to broadcasting in Philadelphia to its larger interests in manufacturing and electronics."

And the commission dismissed as moot the proposed swap of NBC's properties in Philadelphia for Boston properties of RKO General Inc., WNAC-AM-TV and WRKO-FM. But it granted renewal of WNAC's license.

NBC proposed the swap with RKO because of a consent decree entered in

Busy week before commission's vacation

For weeks, FCC staff members have been working feverishly to prepare items for commission consideration that have been hanging fire for months. Last week—in the final meeting before the August vacation recess—the fruits of that activity were apparent. The commission acted on some of the most important cases to come before it since the first of the year.

And in at least one, the decision was one of the most newsworthy in several years. That was the ruling in the NBC-Philco case in which the network's Philadelphia licenses are renewed on condition NBC exchange the properties for the Westinghouse Broadcasting Co. stations in Cleve-

land (See story this page).

Other major actions included:

Approval of sale of Goodwill Stations properties to Capital Cities Broadcasting Corp. for \$21 million (see page 52).

Approval of purchase of KOVR (TV) Stockton, Calif., by Metromedia Inc. by McClatchy Newspapers for \$7.8 million (see page 52).

Renewal of WLBW-TV license on channel 10 Miami and the denial of three competing applications for that facility (see page 54).

Issuance of proposed rulemaking to place noncommon carrier microwave relay facilities serving community antenna systems in a new class of service (see page 69).