N.Y. CATV, Garden make sports deal

Manhattan Cable Television and Madison Square Garden Center, New York have signed an estimated $300,000, one-year contract for presentation of 125 sports events on the CATV's New York City system starting in the fall.

Principals of the two companies refused, however, to discuss the rights costs paid by Manhattan Cable for the package. Charles Dolan, Manhattan Cable president, said last week that revealing the rights costs "might set precedents that wouldn't be applicable in the future," for the contract is essentially experimental. Other sources estimated rights costs at $300,000.

The programs will include home games of the New York Rangers hockey team and the New York Knickerbockers basketball team, college basketball games, boxing and wrestling matches, horse and dog shows, and tennis and karate tournaments. Home playoffs of the Knicks were carried by Manhattan Cable in an "experiment" earlier this year (BROADCASTING, Feb. 3). The new contract does not interfere with WOR-TV and WHN broadcasts of the Knicks and Rangers games.

"No additional charge is made for the bonus programs," Mr. Dolan emphasized. The monthly service charge of $5 plus $1 for the use of the converter will remain the same, he said, and thhe company cannot seek advertising support. Under present city regulations governing cable franchises, the CATV operators are not allowed to carry commercials.

Manhattan Cable hopes to recoup the added costs through an increase in subscribers. Currently 13,000 homes are connected, with service available on request in 50,000 homes. Mr. Dolan projected subscriptions of 25,000 by October and 40,000 by April 1970, with a service potential of 150,000.

Manhattan Cable, 55% owned by Sterling Communications Inc., also plans to microwave the Madison Square Garden presentation to other Sterling-owned systems now under construction on Long Island.

A new control room and four color cameras will be installed in the Garden by Manhattan Cable by September.

The CATV principals acknowledged they were negotiating with New York football officials to carry home games of the Giants or Jets. "Contracts with the network now preclude cable," Mr. Dolan reported, "but that may change in 1970." New pro football contracts will be written starting with 1970.

Four other cable systems outside New York City, and Teleprompter Corp., franchised in the northern half of Manhattan, also expressed interest in the sports package, a Garden spokesman noted. The terms of the contract with Manhattan Cable leave the Garden free to make similar arrangements with other cable companies in the New York area.

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grate" CATV into the national television structure "in a manner which does not undermine television broadcast service and at the same time secures for the American people the greatest benefits of diversity which the new service offers." Mr. Hyde, flanked by Henry Geller, FCC general counsel, at the witness stand, time and again used the term "unfair competition" in explaining why the FCC must require CATV's to carry local stations and forbid them to duplicate the same program from distant markets. Also in the same vein, he referred to the fact that CATV could bring programs in from distant stations that local or nearby stations had bought from copyright holders—and that CATV pays nothing.

On a pro-CATV basis, he said, the commission proposes in its Dec. 13 rulemaking and inquiry to require CATV to originate local programs to serve as an additional or only outlet for local expression.

Also, he said, the FCC proposes to establish a "go-no-go" system on the importation of distant signals—such as 35-mile rule, and the prohibition on leapfrogging (CATV must take the nearest signal in a state or region, in preference to a distant signal far away).

In major markets, the whole thrust of the proposed rules is to protect UHF, he said.

Also the FCC must consider, he said, those who are not on the cable and cannot be at present—those who cannot afford payments, and those outside concentrated population areas.

Mr. Hyde said that after a couple of years of experience, the commission decided to issue revised rules; the Dec. 13, 1968, proposal is the result. Basically, he declared, the new rules are designed to eliminate the unfair competition resulting from importing distant signals in the top-100 markets by requiring CATV's to secure permission of the station originating a program in order to carry a program within 35-mile radius of the principal market. This parallels, Mr. Hyde said, the retransmission rule (Section 325[a]) of broadcast regulations.

On interim procedures, Mr. Hyde claimed they provide a basic approach for handling requests for waivers under existing regulations. This is premised on the experience the FCC has had, he contended.

Chairman Macdonald noted that the May 16 revision had only four favorable votes, two dissents and one abstention. He asked: "How long will this report remain in effect?"

Mr. Hyde assured the subcommittee chairman that he expects the next step will be adoption of substantive regulations, following commission consideration of comments and replies.

Mr. Geller, in reply to questions about the charge that the Dec. 13, 1968 proposal and interim procedures did not permit interested parties to participate before issuance, claimed that technically, CATV operators and broadcasters are still operating under the Second Report and Order, but that the FCC's experience has given it the expertese to handle matters according to the outlines of Dec. 13, 1968 proposal.

Douglas A. Anello, general counsel of the National Association of Broadcasters and the first broadcast industry witness, coupled CATV and pay TV as the ultimate result if cable TV is not rigorously regulated.

"The NAB believes, without qualification," he said, "that if either advertising or mass appeal programing is permitted to be originated by CATV systems, the inevitable result will be a system of CATV-pay TV which will cause a significant decline in the amount and quality of free radio and television on broadcasting available to the American public. If both advertising and mass appeal programing are allowed, the impact on free broadcasting service will be felt in the American home much sooner and with much more devastating effects."

He also stressed that CATV is using the very product [TV signals] that it wants to compete against. "We are not dealing here," he said, with an entity which produces its own commodity and strives to compete in the marketplace for that product. Rather, we are confronted with the unique case of an entity which uses the product of the very medium against which it is competing." And, again: "Broadcast television programs are the indispensable ingredient for CATV operation. If there were no television, there would be no CATV."

And he continued: "While we do not believe any form of pay TV to be in the public interest, to permit it to be built upon the back of free TV would constitute the most extreme form of unfair competition."

The commission, he declared, must keep a rein on distant-signal importation, otherwise the national table of TV