

Sides drawn on N.Y. cable plans

Pro and con views are heard on 20-year franchise proposals

The hearing on New York City's cable-television proposals last Thursday (July 23) turned into a five-hour debate centering primarily on the city Board of Estimates' plan to grant two Manhattan franchises under 20-year contracts.

The contracts had been proposed for the existing franchise holders for Manhattan, Teleprompter Corp. and Sterling Communications Inc.'s Manhattan Cable Television (BROADCASTING, June 22). The contract terms were negotiated privately, but the city proposed to put similar franchises for other boroughs on a competitive-bid basis.

Some 40 participants were heard. Opponents contended that 20-year contracts would freeze CATV and stifle cable growth short of its full potential, while proponents argued that 20-year contracts were entirely realistic and even necessary and that other provisions in the agreements provide whatever flexibility may be needed to attain full potential.

Some prominent names were arrayed on each side. Fred W. Friendly, TV consultant to the Ford Foundation and chairman of New York Mayor John V. Lindsay's 1968 Advisory Task Force on CATV, called for a six-month delay in issuing contracts and intensive further study on the grounds that precipitate action could create "electronic thickets" virtually impossible to untangle.

He called it a "fatal error" that the

city had not followed the task force's recommendation to set up an office of telecommunications to draft a blueprint for and then supervise CATV. He was advised by a city representative at the hearing, however, that steps had been taken last week to correct that omission through legislation introduced to create just such an office.

Two former FCC chairmen—Frederick W. Ford, Washington attorney and former president of the National Cable Television Association, and E. William Henry, now chairman of Management Television Systems Inc., a closed-circuit TV service—were among those appearing in support of the 20-year contracts.

Mr. Ford said CATV franchises for 10 to 20 years were "not unusual," particularly in view of the large commitments involved in setting up a cable system. He called the contract terms "restrictive" and predicted that experience would show that some of the "onerous" provisions would have to be relaxed.

Mr. Henry called the contracts "forward-looking documents," "thorough and up to date," and, in cautioning against postponement of action on them, cited "two things I learned at the FCC": that "delay, more often than not, brings new complexities and more entrenched operating patterns," and that "a bidding or comparative-hearing process can result in a more rigid licensing structure and leave less room for the

continued exertion of regulatory power" than the "negotiating process" used in the Teleprompter/Manhattan Cable cases.

Archer S. Taylor of Malarkey, Taylor & Associates, Washington CATV consultants, called the New York proposal the "most realistic and forward-looking" document he had seen. The plan, he said, would provide a laboratory in which to test such unknown factors as the willingness of the public to use and pay for the channels set aside for public service or to support, as taxpayers, services on the channels set aside for city use.

Stephen Unger of Columbia University and some other witnesses claimed the contract requirements that Teleprompter and Manhattan Cable expand their present 12-channel services to 17 channels by July 1971 and to 24 channels within three years were considerably behind "the state of the art."

Within the next five years, Mr. Unger maintained, 40-channel systems will be feasible.

Earle K. Moore, counsel for the National Citizens Committee for Broadcasting and the United Church of Christ, but appearing at the hearing on behalf of the citizens union, feared 20-year grants would foreclose many opportunities for CATV service. The "state of the art" will permit delivery of newspapers by cable now, he said, and many other services will be avail-

include Eller Electric Sign Co. in Detroit, Phoenix and Kansas City, Mo.; Eller Outdoor Advertising Co.'s of Michigan, Arizona, Kansas City, Mo., and Kansas City, Kan.; and *Arizona Wildlife Sportsman* and *Phoenix* magazines and *Sports News Weekly*.

The vote was 4-to-0, with Commissioners Nicholas Johnson, Robert T. Bartley and Robert Wells not participating. Broker: R. C. Crisler & Co., Cincinnati.

Radio fund set

The National Association of FM Broadcasters has contributed between \$7,000 and \$8,000 to the All-Industry Committee for Radio All-Channel Legislation which is mounting a drive to insure passage of a bill requiring that all radio receivers be equipped to receive all aural broadcast.

Nicholas Johnson finds new forum

Before Kennedy committee he makes well-worn claim that FCC ignores public

FCC Commissioner Nicholas Johnson last week denounced reports of a "bold, new activism" at the FCC since the advent of Chairman Dean Burch.

Many of the FCC's bold actions, Commissioner Johnson said, "have been in the form of the most tentative proposals—put forward as possible actions for the future—which carry with them the strong possibility of long delay and substantive reversal."

He was speaking before Senator Ed-

ward Kennedy's Administrative Practice and Procedure Subcommittee, considering legislation to establish a Public Counsel Corp. which would represent the interests of the "unrepresented public" before federal agencies. The corporation, which Senator Kennedy (D-Mass.) proposed (S-2544), would be a nonprofit agency funded by the Congress and directed by a bipartisan group of presidential appointees.

FCC Commissioner Johnson was asked to testify, according to a subcommittee aide, because of his longstanding advocacy of public participation in governmental decision making.

Mr. Johnson cited the FCC as an example of a regulatory body that had failed to meet the needs of the public. He said that the commission, in fact, had acted in a number of cases in ways which "are clearly designed to frustrate