Down to the bone in Kaiser's news

UHF group gives notice to 50 air journalists in sharp economy move

Kaiser Broadcasting Corp., one of the nation's leading UHF group owners, is cutting back sharply—at least temporarily—its expenditures for news and public-affairs programing at five of its six TV stations. It indicated that continuing difficulties in turning the outlets into profitable enterprises leave it no other choice.

Kaiser disclosed its decision in papers filed with the FCC on Thursday describing generally its plans for news and public-affairs programing at WKBD-TV Detroit, WKBS-TV Burlington, N.J.-Philadelphia, and WKBF-TV Cleveland. Statements regarding KBHK-TV San Francisco and WKBG-TV Cambridge, Mass., were to be filed on Friday (Nov. 13). No change was indicated for KBSC-TV Corona-Los Angeles, whose news and public affairs programing has not been as heavy as the other stations.

The Kaiser announcement came at a time when the commission is showing renewed interest in station performance in news and public-affairs programing, and also when citizens groups, particularly those representing blacks, are demanding more local programing tailored to their needs.

These factors are likely to sharpen the psychological blow Kaiser's announcement is bound to be for UHF operators generally who are having difficulty turning a profit. The subsidiary of the vast Kaiser Industries complex is regarded as one of the licensees most equipped, at least in terms of resources, to make UHF profitable.

The Kaiser filings indicated that each of the stations would continue to carry some public-affairs programing to meet the needs of its community in general and those of blacks in particular.

But the filings said that Kaiser cannot afford to sustain the kind of news and public-affairs effort at the stations that, the papers said, has cost a total of $6 million over the last three years. Some $3 million of that was divided between WKBF-TV and WKBS-TV, while WKBD-TV spent $1.4 million. The Detroit station is understood to be returning a 1% profit while the five other stations remain in the red.

Kaiser did not reveal the expenditures it intended to make after its cutback. But the filings said news and public-affairs programing would be moved out of prime time and indicated that staffs that had been assembled in an effort to make the five UHF stations competitive with network-affiliated VHF outlets in news and public affairs would be slashed sharply. Entertainment strips are being moved into the vacated time.

Kaiser, in its statement regarding WKBF-TV programing, said "at least one highly trained and experienced newsman" will be retained at each station to serve "as a center of production effort in the informational field." A Kaiser official told BROADCASTING that 50 "pure" news people are being laid off.

Kaiser stressed that it does not intend to refrain from a "full-fledged effort" in news and public affairs permanently. Its filings described the cutback as the start of a "hiatus" and said that the newsman being retained would serve "as the nucleus for a larger staff when the hiatus has come to an end."

In the meantime, Kaiser plans to use its resources in an effort to make its stations "viable enterprises." Kaiser is seeking or implementing construction permits to beef up the power of its stations in an effort to make them fully competitive.

Kaiser, which acquired its stations over the past five years—it bought its interests in the Cambridge and Cleveland stations and put the others on the air—told the commission in its filings that, "unlike most operators of independent stations (UHF or VHF)," it decided to provide an informational service of considerable magnitude long before any of its stations could be expected to be self-sustaining.

But it said two factors caused it to change its mind about investing substantial sums in broadcast journalism while its operations were losing money—a policy it once considered reasonable as a matter of business judgment and a means of fulfilling its license obligation.

One was its conclusion that the initial period of loss operation for independent UHF stations will be longer than anticipated. And Kaiser assigned primary responsibility for the delay in commercial development of UHF to the problems in UHF tuning and receiver antennas. The commission has adopted rules aimed at bringing UHF equipment in line with that built into VHF sets. But Kaiser pointed out that those "partial steps" will not be fully effective as to receivers shipped in interstate commerce until mid-1974.

The other factor leading to the news reduction is the national economy. Kaiser said even small ripples in the economy are felt sharply by media, especially independent UHF stations that are not yet established as advertising vehicles.

"At the same time," Kaiser added, "general economic conditions make it extraordinarily costly to invest substantial liquid resources in uses which neither produce a present return nor move the Kaiser stations perceptibly towards a self-sustaining status." Kaiser said that while it looks for changes in the next few years, "it would not be prudent to anticipate a sharp reversal of current trends in the near future."

U.S. Communications U gets Phillies rights

WPHL-TV Philadelphia, a UHF station, has acquired TV coverage rights to the Philadelphia Phillies baseball games for the next three years, it was announced last week. The move ends the team's 21-year association with WFIL-TV, a VHF in Philadelphia.

The rights switch was accomplished by the purchase of Prime Sports Inc., holder of the radio and TV rights, by the U.S. Communications Corp. (WPHL-TV's owner) for an estimated $8 million. Prime Sports was owned by the Phillies owner, Robert Carpenter.

A three-station network in Pennsylvania—WNEP-TV Wilkes-Barre, WGAL-TV Lancaster and WLYH-TV Lebanon—will continue to pick up the feeds, which include 70 live telecasts.

WCAU(AM) Philadelphia, which has carried the games for three years, will continue to provide radio coverage. WCAU will feed 182 live broadcasts, including exhibition games, to an expected lineup of 24 stations.

A full sponsor schedule has not been announced, but participations have been purchased by Arco Refining Co. and C. Schmidt & Sons Inc.

CATV gets five-year TV sports contract

But subscriber sues over delay in getting events on Manhattan cable system

A five-year contract calling for Sterling Manhattan Cable Co. to carry home games of New York professional basketball and hockey teams plus other entertainment events at Madison Square Garden was announced last week. Terms were not disclosed, but rights costs for the package were estimated at $1 million to $1.5 million.

Coincident with the announcement, a suit, which the plaintiff described as a class-action filing, was initiated in New York supreme court against the cable company. It asks $3,025,030.40 in damages for a "breach of agreement." The suit claims Sterling Manhattan had deprived subscribers of sports events they bargained for because Manhattan Cable TV Services Inc., former name of Sterling Manhattan, failed to present pro-