way communication, which will enable guests to dial their choice as in conventional TV selection.

The fee for first-run theatrical features will be \$3 per showing and live coverage of major sports events will be priced according to the value of the contest, according to Mr. Klein.

Mr. Shepley was asked if there was an inconsistency in Time's heavy emphasis on hotel pay TV while one of its affiliates, Sterling Manhattan, had protested to the FCC that Trans-World Communications was feeding feature films to hotels in New York in an area that is franchised for cable TV. Mr. Shepley said there was a difference: Trans-World, he explained, is using telephone lines to transmit programing from a central point to various hotels, while CTI will feed its programing from the premises of the hotels to the rooms.

CTI systems now are operating in hotels in New York; Chicago; Orlando, Fla.; Phoenix; Virginia Beach, Va.; Anaheim, Calif., and Newark, N.J.

Trans-World Communications, a division of Columbia Pictures Industries, ran newspaper advertisements last week in New York, Chicago and Los Angeles, saying its pay-TV system has been installed in 29,210 rooms in 64 hotels.

It was also a busy week for Time Inc. in other areas of pay TV and cable TV. Reorganization of the executive staffs at Sterling Communications Inc., New York, group CATV systems operator, and at Home Box Office Inc., New York, payTV programing company, also were announced. Time Inc. owns 66.5% of the shares in Sterling and, together with Sterling, owns Home Box Office. Sterling plans to distribute its stock in Home Box Office to Sterling shareholders, and following the distribution, Time Inc. will own more than 75% of Home Box Office shares.

The big news at other Time-affiliated companies was that Charles F. Dolan, president of both Home Box Office and Sterling Communications, had resigned. No reason was given for Mr. Dolan's departure. He was reported to be on a vacation cruise last week and could not be reached for comment. A spokesman for Time Inc. said there was no truth to a report that Mr. Dolan and left because of policy differences with Time management. He noted that Mr. Dolan will continue to serve as a board member at both Home Box Office and Sterling Communications.

Gerald M. Levin, vice president for programing at Home Box Office, succeeds Mr. Dolan as president and chief executive officer there. Rhett Austell, group vice president of Time Inc., was named chairman of Home Box Office.

Richard M. Galkin, who has been president of Downe Broadcasting Inc., succeeds Mr. Dolan as president and chief operating officer of Sterling Communications. Barry Zorthian, president of Time-Life Cable Communications Inc., is chairman and chief executive of Sterling Communications.

## Equipment & Engineering

## **American Satellite** plans operation start by fall of this year

First stage calls for leasing services of Canadian satellite; later phases include ASC's own bird and earth stations

American Satellite Corp., Germantown, Md., disclosed last week a fall 1973 target date for its entry into domestic communications-satellite operations. Service would be implemented through ASC's leasing of up to three full-period and three occasional-use transponders from the Telesat Canada satellite already in orbit. The arrangement is subject to the FCC's granting of ASC's request for permission to use the Telesat facilities.

ASC, a joint venture of Fairchild Industries and Western Union International, is one of six interests that are awaiting approval of applications to construct and operate a domsat system. The Western Union Telegraph Co. received such an authorization last January. Introduction of ASC's system on the Telesat facilities would constitute phase one of the firm's planned three-stage entry into the domes-tic satellite field. The second phase, which has a fall 1974 target date, would involve ASC's launching of two 12-transponder satellites. Phase three, which ASC officials project as being from four

