

said. That involves Time's acquisition of 260,000 ATC common shares and ATC's assumption of certain debts. Time and ATC placed a value of about \$11 million on the deal (BROADCASTING, May 21).

Two subsidiary plans involved in the Warner deal—redemption of Sterling's \$3-million outstanding 6% convertible special debentures due in 1980 and Time's conversion of its Sterling notes to equity—are being reappraised in light of the failure of the basic deal, a Time spokesman said. The conversion of notes to equity would increase Time's holdings in Sterling from 70% to "just under 80%."

The missing link

FCC certificate to Texas system cites need for local regulation

In view of an FCC scheme for regulating cable television that assumes there will be regulation at the local as well as the federal level, the commission is likely to find itself in an awkward situation where there is no local authority. The commission pointed that out last week in an appeal to states to fill such gaps in the regulatory structure.

The commission granted a certificate of compliance to Coastal Cable Inc., in Port O'Connor, Tex., an unincorporated community located outside of any television market, with no local governing body authorized to issue cable-TV franchises. Coastal Cable, which proposes to carry 12 television signals, presented what the commission said was an "acceptable alternative proposal" in place of a franchise—construction will be completed in six months, the initial monthly rate will be \$8.50, local business office will be maintained, and all local, state and federal laws will be observed.

But the commission said it "has great concern with situations . . . where there is no local governmental body with jurisdiction to issue cable-television franchises." It said its hope for "structured dualism" is "somewhat emasculated where the local governments are not able to undertake their portion of the regulatory framework."

The commission noted some "gaps" in the regulatory scheme that the Coastal

Westward tilt. Statistically, at least, there were more sellers than buyers at the National Cable Television Association convention in Anaheim, Calif., two weeks ago (BROADCASTING, June 25). First reports from a computerized registration system that monitored the meeting indicated that representatives of manufacturers and suppliers outnumbered systems operators 2,571 to 1,782. Among other contingents: 333 brokers, attorneys, consultants and financial specialists; 87 educators; 82 government officials; 46 students; 135 press, and 240 miscellaneous, principally from foreign countries. In all, there were 5,276 in attendance, a number that would be a certified record were accurate records available for earlier meetings.

Cable case points up. One is that although the company says it will not change its rates without first holding a public hearing, "we are not clear on the forum for such a hearing," since there is no franchise authority.

Accordingly, the commission urged the states "to move quickly to remedy the situation in these areas where they have not as yet designated what appropriate governmental body is vested with authority to regulate cable television."

County seeks cable control

A cable-television study commission in Prince George's county, Md., has recommended establishment of a public-service-type organization to regulate cable television. In an interim report the commission recommended the county, which borders on the District of Columbia, be divided into local CATV service areas rather than to award a single franchise. The recommendation would bar the county's 28 municipalities from awarding franchises independently. However, William Gullett, the county executive who established the commission last July, posed an obstacle: He said the county cannot legally bar independent awards. An aide to Mr. Gullett said the county will authorize \$25,000 for a consultant who would answer this and other legal questions.

Aftermath. In wake of National Cable Television Association convention came these observations last week from President David Foster: that speeches by Office of Telecommunications Policy Director Clay Whitehead and FCC Chairman Dean Burch (BROADCASTING, June 25) were particularly encouraging in their approaches to cable problems. Mr. Whitehead's was "much more conciliatory in tone than in months past" and, in Mr. Foster's view, gave moderate hope that anticipated "cabinet committee" report on cable's future "would not upset the cable appletart." Mr. Burch's stance was viewed as encouraging, although Mr. Foster noted that his laissez-faire approach to the competition for pay-TV programming was either "threat or promise." He meant that whereas cable might be better able to compete against broadcasters or theaters it would itself be denied exceptional protection from alternate forms of pay transmission.

Mr. Rice's TV guide. At least one broadcaster was asking for order at NCTA convention. Roger Rice, West Coast VP for Cox Broadcasting and head of Independent Television Association, said INTV was preparing guide of programs carried by its member stations from which cable operators might shop when they're looking for distant signals. Mr. Rice noted that WPIX(TV) New York is now carried on 1.1 million cable homes, that KTVU(TV) Oakland-San Francisco—of which he is general manager—is on 610,000 cable homes and that Los Angeles independents are on more than 480,000 cable homes.

CAB? "Cable might turn out to be the best advertising medium yet," thinks Eric Selch of J. Walter Thompson, New York. Mr. Selch, speaking at marketing services workshop at NCTA convention, backed up his enthusiasm with ultimate sign of media arrival: suggestion that industry form Cable Advertising Bureau to carry its commercial message to agencies, advertisers in major markets.

NCTA awards. E. Stratford Smith, Washington lawyer and first general counsel of NCTA, received Larry Boggs award for outstanding service to cable industry. Mr. Smith is pioneer in CATV law. He was counsel for successful CATV defendant in landmark case that established, by Supreme Court decision, that cable TV was not liable for copyright payments for TV programs received off-the-air and relayed to subscribers. Other awards went to Joseph F. Gans, president of Northeastern Pennsylvania TV Inc., for outstanding contribution through state and regional association activity, and to Drex Hines, director of broadcast services for the National Foundation/March of Dimes, for special achievement in public service through CATV. Leading parade of award winners for cablecasting was Teleprompter, whose systems won first place, silver awards in public affairs and political affairs (both Elmira, N.Y.), children (Newburgh, N.Y. and Newport

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