fore has lower error rates than current systems, which operate in the VHF band, according to Goldmark sources. Field tests of the system are expected to start shortly.

The system was described by one of its co-developers, Dr. Joseph Garodnick, staff consultant at Goldmark Communications, at the National Telecommunications Conference, sponsored by the International Electrical and Electronics Engineers Nov. 26-28 in Atlanta. Co-developer with Dr. Garodnick was Dr. Jeffrey Aron, Goldmark seminar engineer.

CATV study focuses on medium's educational potential

Cable growth linked to diversification, according to Aspen Institute study, which sees educational use of medium redounding to benefit of systems

If cable television is to continue to grow, it will have to look far beyond the broadcast airwaves in bringing diversified communications services into the home. And one service that could be of benefit both to the medium and the public it serves is the transmission of educational material. So says the Aspen Institute for Humanistic Studies in a 190-page volume entitled "Aspen Notebook: Cable and Continuing Education," to be published next month.

The study written by Richard Adler and Walter S. Baer, is the latest in the institute's Aspen Notebook series, which previously has explored government and the media, media research, organizations and publications. It is based in part on the findings of an Aspen seminar on the cable-education relationship which was held last March. Participants in that meeting included National Cable Television Association Chairman Amos Hostetter and W. Bowman Cutter, director of the Cable Television Information Center.

Despite cable's seemingly boundless potential and the interest it has attracted in both the public and private sectors, the notebook concludes, "cable remains today essentially a broadcast reception service. The nature of the thinking about cable has changed more than the actual uses of cable. It seems clear, however, that if cable is to continue to grow, cable programing will have to be diversified." This, the authors contend, is particularly true in the major markets, where television service is adequate without the presence of wire in the home.

For educators, the notebook asserts, cable offers four basic benefits. The multiplicity of channels available allows the possibility of "narrowcasting" to specialized audiences. The FCC-required educational channel, which new cable systems must offer free until 1977, provides a ready vehicle for the distribution of instructional programing. Cable technology makes controlled access to certain channels possible, which in turn creates the feasibility of subscription educational programing. And cable's two-way potential will eventually permit individualized instruction with the aid of computer terminals.

But while the promise is there, so are the obstacles. The notebook lists seven of them: faculty resistance (sometimes born of "ignorance or inflexibility" but at other times justifiable to a professor wary of "technological displacement"), legal and copyright problems, pricing inequities, lack of an effective distribution network, lack of marketplace statistics, shortages of qualified specialists in the field, and shortage of money. The last problem, the authors indicate, overshadows the others. For if a series of about 500 post-secondary courses are to be offered initially, "we are looking at an initial investment of $25 million to $50 million over the next five to 10 years." State and local educational officials would appear to be the "obvious" sources for these funds, the notebook observes, but conceding the problems inherent in such a program—notably lack of uniformity —"a strong case can be made for support from the federal level."

The volume will be published by Praeger Publishers, New York.

Conspiracy charge tossed at Time Inc.; $97 million in damages sought in N.Y. suit

Former Sterling stockholders claim improper evaluation of bought stock

A suit asking damages of $97 million was filed last week against Time Inc. and various officers by 15 former shareholders of Sterling Communications Inc., now owned completely by Time.

The class action, brought in U.S. Southern District Court of New York, accused Time and its officers of "conspiracy" to depress the value of Sterling stock so that Time could acquire Sterling at a "forced sale at a value far less than its true value." Time owned 79% of Sterling stock and obtained the remainder in September at a cost of $6.2 million.

The class action maintained that Time acquired the remaining 21% of Sterling stock at $2.625 per share and said this represented a loss to stockholders of about $4.35 a share. The plaintiffs charged that "if normal growth patterns had been properly evaluated, it is submitted that the stock involved would have doubled in value . . ." Walton Bader, general counsel of the Independent Investors Protective League, is representing the dissident shareholders though the League is not part of the action.

Time denied the charges and said "an overwhelming majority" of Sterling shareholders had approved the sale of the assets to Time and also had voted to dissolve Sterling and distribute cash to its stockholders. Time added that those who dissented had the right under New York state law to have the fair value of their shares appraised. The company said Salomon Brothers, New York investment firm, voiced the opinion that a distribution of $2.625 a share was fair value.

The Sterling assets bought by Time consisted of Manhattan Cable TV Inc. in New York City; Home Box Office Inc., a program-supply company for pay cable, and several cable franchises located on Long Island.

Birmingham's council does a turnabout: Warner out, ATC in

However, city's cable situation may be complicated by challenge from group unhappy about minorities' small role

For the second time in as many months, the Birmingham, Ala., city council has changed its mind as to who should supply cable television to the city's potential 110,000 subscribers. At a meeting last Tuesday (Nov. 27), the council awarded a 15-year franchise to Birmingham Cable Communications, a firm controlled by American Television & Communications, Denver. In so doing, the council reversed a previous decision to give the contract to Warner Cable—the operator for which it stated a preference after a previous offer to Teleprompter Corp. was withdrawn (BROADCASTING, Oct. 29).

This time the choice appears final. Birmingham Cable has 30 days to formally accept the franchise; there is no indication that it will decline. However, the cable situation in Birmingham is clouded by threats of a local black group to go to the FCC over an alleged lack of minority participation in the operations of Birmingham Cable.

According to City Councilman Richard Arrington, chairman of Birmingham's cable committee, the council's tentative choice of Warner was reversed when the firm submitted a revised franchise ordinance last week, the terms of which it said were "nonnegotiable." The new provisions Warner wanted written into the franchise, Dr. Arrington said, included a clause that the city would have no authority to pass subsequent cable ordinances without Warner's prior consent; removal of a Warner obligation to presubmit its construction plans for the council's scrutiny; withdrawal of commitments to provide two-way cable service and minority training; increase in subscriber fees from $6 to $8 monthly, from $10 to $35 for installation, and from $3 for $15 for additional hookups; and a decrease in the gross receipts tax Warner would have to pay the city from 5% to 2%. The last provision is particularly significant, Dr. Arrington said, because the city had planned to "contest" the FCC-imposed limitation on the amount cable systems must pay to the franchising authority.

The new development followed a Nov. 13 hearing at which Warner representatives had asked for an extension of time in which to submit its proposed franchise terms. The move came after Gustav M. Hauser was elected Warner's new