Broadcasting Jul1
Vol. 87 No. 1

Closed Circuit®

Winners circle. Court-prompted cutback in prime-time network programing for next season should prove to be one of those rare situations that boost profits for almost everybody involved. Improved prospects for syndicators and network affiliates are obvious — and even independent stations may benefit indirectly: Affiliates in top-50 markets will still be forbidden to program off-network material against them in access periods. What is less apparent is that networks, though they'll have less inventory to sell, will almost certainly enjoy higher profits than if cutback had not been made. Main losers then are producers, casts and crews of shows being dropped, and even they occupy positions almost unique among dropped programs: Instead of consigned to network oblivion, as cast-offs usually are, they stand virtually at head of lists for "return" to networks at first opportunity.

Some network officials estimate loss of hour of Sunday entertainment time alone will cost networks approximately $15 million in sales in fourth quarter, apart from whatever revenue losses result from pre-emptions to accommodate specials originally set for Saturdays. But they expect lost revenues to be more than offset by combination of factors. One is savings in production costs and allied consideration that new shows normally do not make much money, if any, in their initial outings anyway. Another is that reduction in inventory should result in higher prices for what's left or, at worst, keep prices up and make it even less likely than it had been that distress merchandise will develop as air time approaches.

Busy, busy. While attention has been focused on actions of National Association of Broadcasters to revise TV code in response to FCC Chairman Richard E. Wiley's call for tighter standards in children's television (see page 20), Mr. Wiley and FCC staffers have been meeting with representatives of noncode subscribers. Officials of Independent Television Stations, number of whose members are outside code, initiated meetings but haven't yet come up with means of aligning everybody with new advertising time limits proposed by NAB code board. Chairman Wiley has repeatedly said government action would be headed off on showing of 100% cooperation in tightened self-regulation.

Chairman Wiley was said to have been pleased by revisions NAB code board proposed at its meeting last week. But he was said to be reserving comment until NAB television board takes action on code board's recommendations at its meeting scheduled for today (July 1).

Prime-time and reruns. Modified prime-time access rule may be modified further as result of U.S. Court of Appeals decision directing FCC to set new effective date (*Broadcasting*, June 17). Commission last week began discussing what its reaction to court opinion should be, and it was evident it will be more than mere compliance with bottom-line directive to postpone effective date at least one year from next September. Court's opinion was critical of commission order modifying rule, and commission will have to decide how much patching of that action is necessary. In process, changes could be made in substance. Expectation is that, for openers, commission will ask parties to comment on points raised by court. Whatever commission does is likely to be done fast. Chairman Wiley would like action completed by September.

Another programing matter on agenda is notice of inquiry on old reruns issue. Matter had been up several months ago, then put off until restoration of commission to full strength. That is now almost done (see page 23); in any event, there has been congressional pressure on issue. Principal question to be resolved in inquiry is whether there is reasonable basis for commission to extend its regulatory writ to reruns.

Fairness on trial. First test of applicability to broadcast media of last week's unanimous Supreme Court opinion demolishing Florida's right-to-reply-to-newspapers law (see page 40) may be in wings. R. Peter Straus, owner of WMCA(AM) New York and advocate of aggressive broadcast journalism, has locked horns with FCC over $1,000 fine assessed because of incident involving Representative Benjamin S. Rosenthal (D-N.Y.). FCC held station violated personal attack rule because it failed to offer reasonable time to answer moderator who had called congressman coward. Incident occurred in March 1973 after Mr. Rosenthal had refused to appear on show to discuss meat boycott, of which he was a leader.

Cohn & Marks, law firm that represented *Miami Herald* in Florida case, also represents WMCA, along with Benno Schmidt, Columbia University law professor. WMCA is said to be in mood to appeal all the way, if necessary.

New voice. Major reorganization of United States Information Agency and its Voice of America is among proposals under consideration by special panel of experts assembled by Georgetown University's Center for Strategic International Studies. Panel chairman is Frank Stanton, retired CBS vice chairman, now chairman of American Red Cross. Among 19 other members: Leonard Marks, Washington attorney and chairman of Advisory Commission on International, Educational and Cultural Affairs, and J. Leonard Reinsch, chairman of Cox Cable Co., Atlanta, former chairman and now member of advisory commission.

One recommendation before Georgetown panel advocates separation of Voice of America from USIA to improve Voice's credibility. Model would be British Broadcasting Corp.'s overseas service. USIA under that plan would be absorbed by State Department. Panel hopes to complete report this year.

Peculiarities in pay. New York's Sterling Manhattan Cable TV, authorized by city last week to commence leased-channel pay cable operations (see page 39), won't get started until October at earliest. When it does, peculiarities of New York marketplace will necessitate unique pay arrangement. Sterling, which must lease out pay channel, will likely rent facility from itself. Pay programing would be supplied by another Time Inc. subsidiary, Home Box Office Inc.

Package will differ from other HBO operations because New York cable subscribers already receive some traditional pay programing free on regular origination channels. Price will also be higher than usual — $8-$9 per month — due to marketing, disconnect and possible piracy problems. Per-program charges are not feasible in immediate future.

Broadcasting is published 51 Mondays a year (combined issue at yearend) by Broadcasting Publications Inc., 1735 DeSales Street, N.W., Washington, D.C. 20036. Second-class postage paid at Washington. Single issues $1. Subscriptions: one year $25, two years $45, three years $60. Add $52 yearly for special delivery, $65 for air mail, $4 for Canada, $6 for all other countries. Subscriber's occupation required. Annually: Broadcasting Yearbook *$17.50,* Cable Sourcebook *$10.*