

## Top of the Week

**Bureaucratic censorship?** Chief Judge David Bazelon, minority of one to request rehearing in *Sonderling Broadcasting case*, warns against "raised-eyebrow" regulation by FCC, cites misuse of obscenity statutes. Page 21.

**Crossownership sitting tight.** Deadline is April 1 and Justice Department is still considering appeal of FCC's new rule. American Newspaper Publishers Association files major petition seeking partial reconsideration, clarification. Page 22.

**Higher ceiling.** Government would match 40% of amount Corporation for Public Broadcasting raises itself, not to exceed \$88 million in 1976, in bill passed from Senate Commerce to Senate Appropriations Committees. Page 23.

**Good reception.** Advertising's image has improved since 1964 assessment, says study by American Association of Advertising Agencies. Useful, credible ads win favor, but "upscale and intellectual" 16% of audience remains skeptical. Page 28.

**Chow time.** Figures unleashed by Television Bureau of Advertising show cats and dogs have it all over baby. Page 30.

**After three years.** CATV's hard times, uneasy pay cable partnership, internal strife over copyright and FCC frustrations are viewed in retrospect by David Foster. Page 34.

**New Orleans in April.** National Cable Television Association has finalized management and technical program agendas for its 24th annual convention. Page 36.

**Still on top.** CBS-TV continues to lead other networks five nights a week. Statisticians scan Nielsens, weighing chances for second-season survivals. Page 41.

**Another round on 'Pensions.'** Confusion reigns over state of NBC's fairness doctrine scuffle. This time, after reinstating the first decision, three-judge panel will consider whether issue is moot. NBC thinks it's glad. Page 43.

**"Hangover of suspicion."** Ron Nessen, addressing Washington chapter of Sigma Delta Chi, traces current criticism from reporters to Watergate era; some liken him to "the other Ron." Page 43.

**Peabody people.** University of Georgia School of Journalism picks 22 to honor for public service. Page 44.

**Revenue optimism.** Goldman, Sachs & Co., Wall Street, gives the edge to publicly owned group broadcasters, predicts 5%-7% gains in station revenues for year. Page 45.

**Going to market.** MCA and Philips officials demonstrate their baby: home video-disk systems, priced comparably to color TV sets. Page 46.

**In search of self.** Rock/pop incursion into country music and performer cross-overs fueled debate between reformers and traditionalists at sixth annual Country Radio Seminar in Nashville. Page 47.

**Youngest of the best and brightest.** At 34, Bob Duffy is type-cast for his role as president of The Christal Co. From pro basketball to radio-rep management, winning, he says, is matter of attitude. He's still shooting to score. Page 65.

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## FCC issues anticipated rules on pay cable; major cable companies seek court appeal

FCC on Thursday completed work on its controversial package of pay cable and over-air pay television rules — and on Friday group of eight cable industry companies filed notice of appeal in U.S. Court of Appeals in Washington. Terrence A. Elkes, of Viacom, one of companies in suit, said group decided to go to court rather than seek reconsideration because it regards further appeal to commission as "futile." Other companies in suit are Home Box Office, American Television and Communications Corp., Manhattan Cable Television Inc., U.A.-Columbia Cablevision Inc., Warner Communications, Teleprompter Corp. and Theatrevision.

Mr. Elkes said group believes rules conflict with established antitrust principles by inhibiting competition, exceed commission's authority and, in regulating content of programming, violate First Amendment.

Broadcast industry representatives, including network executives and National Association of Broadcasters officials, have also been extremely critical of rules since information on direction they were taking became known two weeks ago (*Broadcasting*, March 10). Broadcasters feel rules on films are virtually meaningless as protection against siphoning by pay cable. "The private interests of the program suppliers are being served while the public interest is being ignored," said Donald Zeifang, NAB's vice president for government relations.

Besides adopting new rules for pay cable and pay TV, commission initiated two spinoff inquiries. One will check into alleged practice by networks of "warehousing" feature films; commission said public interest may require measures which limit or prohibit television from denying subscription industry access to programs. Other inquiry is to obtain data on whether further changes should be made in rules governing subscription's use of series-type programs. New rules permit pay operators to exhibit series not previously exhibited on free television.

Commission vote on new rules was 6-to-1, with Commissioner Glen O. Robinson dissenting in part and concurring in part. He issued statement describing rules governing pay operators' use of films as "protectionist." He agreed broadcasters have reason to fear pay operations, but said commission does not sit to "protect broadcasters' profits." Commission, he said, must protect public interest, and that is "served by the free and open development of pay cable." However, in view of "importance of certain live sporting events, . . . and the absence of a competitive mechanism to expand their numbers if they are appropriated," he said, he concurs in placing some "siphoning" restrictions on sports — although he regards them as unduly complex.

Package of rules commission adopted conforms basically to information that became available two weeks ago, although there are some modifications and some gaps have been filled. For instance, market so far as pay cable rules are concerned includes all conventional television stations cable system must carry under commission's cable rules. Pay television station's market includes all conventional stations that place Grade A contour over community in question.

Rules on films that Commissioner Robinson finds "protectionist" — and which broadcasters say are hopelessly inadequate — will permit pay cable and pay television operations to bid on films less than three years old, more than 10 years old if they have not been shown in market in preceding three years, and films of any age if they are under contract to station in market or to network with affiliate there. In addition, subscription exhibition of any film will be allowed if pay entrepreneur can demonstrate that, even absent subscription television, it would not be