

yet been decided.

The third among cable operators to embark on earth station planning is Jones Intercable Inc., a Denver-based CATV management firm with systems in two suburban counties outside of Denver, and in Lake County, Calif. (in the San Francisco Bay area). According to Glenn R. Jones, president, the company plans to file for an earth station in Denver "within a couple of months." The twin-county areas served by the Denver system, Colorado Intercable, account for only 500 subscribers at present, but Mr. Jones feels the Home Box Office product "will really make the market."

In comparing terrestrial microwave with satellite stations, Mr. Jones said: "It's like owning your own house instead of renting." Furthermore, he said that—unlike terrestrial microwave relay, where each "hop" (or point where a signal is received, boosted and then retransmitted) can degrade the signal—satellite transmitted signals would be "more reliably clear."

No contracts with equipment manufacturers can be finalized before FCC approval is given to a cable operator's application for an earth station. Nevertheless, negotiations looking toward those contracts are well under way. Scientific-Atlanta and Collins Radio are the two front runners in the earth-station business so far, and all of the three cable systems that have made definite plans to file applications with the FCC noted they have been in negotiations with one or both. As of last Wednesday, only Scientific-

Atlanta Inc. has quoted a price—\$75,000 for the installation of one earth station (announced two weeks ago at the NCTA convention). Howard Crispin, vice president of Scientific-Atlanta, said as of last week he had talked with 30 cable companies and believed "well over half" are "very serious." He anticipates meeting with 15 to 20 additional cable firms by the end of this week.

Collins Radio declined last week to make any comment regarding the number of prospects it has lined up so far or how soon it would be ready to install a receive station.

Optical Systems moves out with microwave plan

It's about to open Texas system and is already in California with pay-cable licensing deal

Notwithstanding the recent news about satellite distribution of pay cable programs, there's still considerable action right down on the ground. Consider Optical Systems Corp., the Los Angeles-based pay cable firm, which reports it's moving steadily ahead.

On May 1, it begins serving San Angelo, Tex., where Texas Cablevision serves over 15,000 subscribers. And in and around that West Texas region there are another half-dozen CATV systems with

an estimated 75,000 subscribers that Optical hopes to sell on its Channel 100 service.

This is being done by leasing a channel on the West Texas Microwave common carrier system that serves the area (Abilene, Midland, Odessa, San Angelo and Lubbock among others).

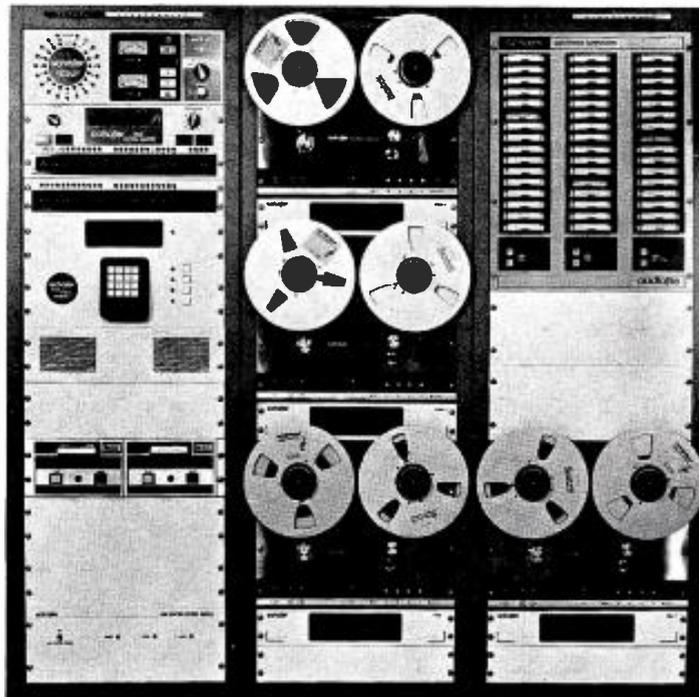
The Texas move is not the first that Optical has taken to engage in a new trend in pay TV marketing—licensing. It already has started in northern California where it leased a channel from Microwave Transmission Corp. to serve an area from Monterey northward to the Bay Area and eastward to Stockton. There are, Optical executives figure, 30-odd cable systems serving 350,000 customers in that zig-zagged shaped region—again all potential pay-TV customers. Optical already has begun its Channel 100 service in Concord and Walnut Creek in that area.

All of this is the fruition of plans first mentioned last year by founder-president Geoffrey M. Nathanson: the combining of cable communities via microwave to establish a mass market for pay cable. Mr. Nathanson, however, resigned his post last January, although retaining his 10% interest in Optical.

The company's fortunes are now under the direction of Alan H. Greenstadt, 28, formerly vice president of the firm.

Optical, which is a public, over-the-counter firm, is principally owned by Pioneer Systems Inc., a New York-based manufacturer of airplane subassemblies and parts. Optical now serves 32 markets

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