

## Top of the Week

### Pay cable's horizons expand even farther

This time it's an agreement between HBO and Teleprompter for regional service this summer, but with plans for eventual national feeds via satellite

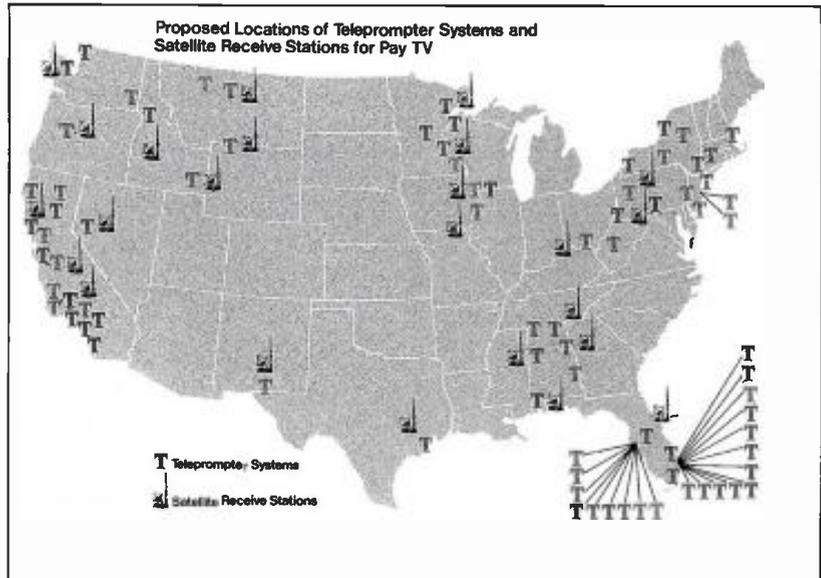
Portending giant strides for pay-cable television, Teleprompter Corp., and Home Box Office Inc. last Thursday (May 29) announced an agreement in principle for HBO to supply about 800,000 cable subscribers nationally with pay-cable programming.

Teleprompter, the nation's largest cable TV operator with 141 systems and 1,060,000 subscribers, said the proposed agreement covers 81 systems in 21 states. The first service under this agreement will begin in the summer of 1975 to Teleprompter systems in northern Manhattan; the four New Jersey systems of Ventnor, Ocean City, Vineland and Wildwood, and in Danbury, Conn., and Elmira and Jamestown, N.Y.

Initially, these systems will be served by HBO's current terrestrial microwave system but the agreement contemplates that, for the most part, pay programming will be transmitted to Teleprompter's cable systems via satellite. Gerald M. Levin, president of HBO, New York, said his company is proceeding with plans to launch domestic satellite service this fall, as announced last April (BROADCASTING, April 14). Russell Karp, president of Teleprompter, said preliminary studies show that 24 earth stations will be required to serve the systems expected to receive the HBO network service.

He noted that during the past year, four Teleprompter systems with 76,000 subscribers have been offering pay cable to subscribers and said a total of 870,000 would have such service when the new HBO facility is fully operative. Mr. Karp added that other Teleprompter systems may be added as the progress of pay cable is further evaluated.

Both parties expect to sign a definitive agreement within the next few weeks. Mr.



**New pay cable alliance.** Heralding an agreement in principle under which Home Box Office Inc. will supply pay programming to 81 cable systems serving 800,000 subscribers of Teleprompter Corp. are (l to r) William J. Bresnan, president of Teleprompter's cable division; J. Richard Munro, vice president of Time Inc., HBO's parent company; Gerald M. Levin, president of HBO, and Russell Karp, president of Teleprompter. At top: the nationwide aspect of Teleprompter's plan.

Karp said the service probably would be implemented nationally sometime in 1976, subject to receiving FCC approvals.

HBO, which is owned by Time Inc., supplies about 70 hours a week of current motion pictures, live sports and special interest programs, all without commercials. It has 120,000 subscribers on more than 50 systems, including three owned by Teleprompter. (The other Teleprompter system in Los Angeles is programming its pay service independently). Monthly charges for the HBO service are set by the system and range from \$6 to \$9 monthly.

The first cable MSO (multiple system

operator) to sign on for HBO's satellite service was UA-Columbia Cablevision, which plans earth stations in seven markets from the Northeast to the Northwest. The application for its first—in Fort Pierce, Fla.—is pending at the FCC. It hopes to have that system operational by Oct. 1 this year.

The second to sign was American Television and Communications, which plans an earth station in Orlando, Fla., to serve several of its systems in that state.

Jack Kent Cooke, chairman of Teleprompter said that at the four systems with pay cable, more than 44% of subscri-