

form to commission standards. The FCC noted the delay and financial costs to the applicant as reasons for the proposed change.

The commission also proposed that to the extent any franchise fee is above 3% of gross annual subscriber revenues, the excess fee would similarly be void.

As to its over-all approach to three-tiered regulation, the commission said that it will maintain its subject-matter approach to cable regulation it has taken in the past, until legislative guidelines can be substituted. That approach was based on the distinction between regulations regarding the use of streets and rights-of-way and the regulation of the operational aspects of cable communications. In the FCC's eyes, the former is within the jurisdiction of the states and their political subdivisions, while operational aspects came under commission auspices.

The commission said it would also continue to work toward a cooperative solution to the problem of multiple systems of accounts being developed by various states. The FCC hopes a voluntary adoption of a uniform accounting system would result.

The commission's inquiry into duplicative cable regulation was adopted some nine months ago in response to recommendations by the Federal-State-Local Advisory Committee, formed by representatives of the cable industry, local governments and public interest groups. The majority of the committee recommendations by the Federal-State-Local nonfederal authority or delegate all authority to constituent cities and towns.

The FCC in terminating the proceeding now, however, said that "while non-duplicative regulation is a worthy objective," the "jurisdictional impediments" for the FCC without clear congressional guidance would present major difficulties.

Comments on the proposed changes are due Sept. 22.

Cable Briefs

Review sought. National Association of Broadcasters has petitioned U.S. Court of Appeals for District of Columbia Circuit for review of FCC's decision that denied NAB's request for reconsideration of revised pay cable rules. Other parties, both broadcasters and cable operators, currently have appeals pending before same court of pay cable rules. While NAB motion is technically separate case, it could be consolidated with parties that filed prior appeals.

Clamping down. New York State has adopted law that would make person guilty of "theft of services," in connection with pay cable, subject to criminal prosecution.

Sold. Telesonic CATV Inc., which serves seven communities in western Pennsylvania, has been sold to Tele-Media Company of Addil for a price close to \$1 million. Paul Jones and John Beatty are sellers of system that serves 3,050

subscribers in communities of Cresson, Gallitzin, Randolph, Brockport, Parker, Pleasantville and Emlenton. Telesonic passes some 5,100 homes with 96 miles of plant. Buyers are Bob Tudek and Everett Mundy, who operate cable systems in Ohio, Pennsylvania and West Virginia. Firstmark Financial Corp. and Fidelity Bank in Philadelphia financed the sale; broker was Daniels & Associates.

Coalitions petition. Philadelphia Community Cable Coalition and National Black Media Coalition last week jointly petitioned D.C. Court of Appeals for review of FCC order that cancelled March 31, 1977, cable rebuild deadline (BROADCASTING, July 14). Citizens Communications Center, which represents coalitions, said pleadings will charge that commission was procedurally in error, did not have sufficient data and did not satisfy court decision regarding active solicitation of comments.

Ford, live and on cable. GE Cablevision's system at Peoria, Ill., will deliver live coverage of President Ford's address on domestic and economic issues at Peoria Hilton on Tuesday (Aug. 19). Program will be part of CATV system's local origination effort and will be relayed to non-commercial WTVP(TV) Peoria.

Strike threat. Theta Cable Television, Los Angeles-based CATV system that serves more than 77,000 subscribers in greater Los Angeles area (and that has 33,000 paying extra for its movie-special features Z channel), is facing possible strike of 250 employees. Theta has been in negotiations with Local 11502 of Communication Workers of America for three months, after employees of Theta Cable voted in NLRB-supervised 1974 election to have CWA union represent them. Major issues reportedly are wages and fringe benefits.

Another to Hilliard. Teleprompter Florida CATV Corp. has sold its Pahokee, Fla., system to Bob Hilliard of Southeast Cablevision Inc. for approximately \$200,000. System passes 2,000 homes with 17 miles of plant and serves 1,025 subscribers. Financing was handled by Firstmark Financial Corp. and Pahokee purchase is continuation of Southeast Cablevision's draw-down of \$1,680,000 line of credit. Company earlier purchased systems in St. Augustine, and Belle Glade, both Florida. (BROADCASTING, July 7).

Iowa beckons HBO

Home Box Office Inc.'s pay programming package will enter the North Central region "early next year," when Heritage Communications Inc. picks up the service for its Des Moines, Iowa, cable system. The system, which serves 16,000 subscribers, is in the process of completing some 800 miles of plant that will eventually serve nearly 90,000 homes.

Heritage also announced tentative plans for additional affiliations with HBO in order to bring pay cable to another 20,000 subscribers at its systems elsewhere in

Iowa, Colorado and Minnesota.

An application to the FCC for an earth station to serve the Des Moines system is being prepared.

AT&T, NCTA in waiting game

Pole attachment issue no closer to settlement as both sides differ on whether firm offer has been made

The long and strained negotiations between AT&T and cable television looking towards a settlement on the pole-rate attachment issue are hung up on semantics. As of last week, AT&T was "still waiting" for a rate proposal from the National Cable Television Association and NCTA was awaiting AT&T reactions to the latest rate schedule based on the FCC staff's formula.

The latest rate schedule (BROADCASTING, Aug. 4) is a result of the NCTA providing the "mechanical calculations" requested by FCC Chairman Richard Wiley to fill in the nonspecific rate formula drawn up by the commission's staff last April. According to Amos (Bud) Hostetter, chairman of the NCTA pole rate committee, the resulting schedule must still be "sold" to the cable industry. There are substantial increases, he said, that affect cable systems in states where the hardest fights against such increases have taken place. The NCTA committee nevertheless, supplied the numbers to fulfill its commitment to the FCC, Mr. Hostetter explained.

However, according to Bob Sanderford, AT&T legal counsel, the NCTA was committed to come up with a proposal and since this latest schedule lacks NCTA endorsement, AT&T does not feel that it should comment on the numbers.

The numbers, which supposedly reflect a 10-15% over-all decrease in existing rates, were transmitted to AT&T by letter last week. That letter, signed by Mr. Hostetter, emphasized "that the list of prices is not to be considered an offer either of the NCTA ad hoc committee (on pole rates) or the NCTA board."

"We're surprised that the letter doesn't constitute an offer," Mr. Sanderford said, "as we were under the impression it would."

Those sentiments were relayed back to NCTA in a letter mailed by AT&T later last week. That letter explained that AT&T "does not necessarily agree with the validity of the data or the underlying assumptions" in the latest rate schedule and "disputes the implication that the FCC staff's formula should be used." AT&T, according to Mr. Sanderford, agreed to look at any range of numbers the commission's staff devised but did not agree to accept any broad formula suggestion.

So AT&T is still waiting.
And so is NCTA.