

More for less
Button firm puts together
bulk buys of earth-station
equipment for cables

Transcommunications Corp., cable and broadcast consultant firm, is in the process of putting together earth station deals designated to bring down unit costs.

Robert E. Button, who with Hubert Schlafly set up Transcommunications last March, said that most cable companies cannot afford individually to go into the satellite networking venture (Teleprompter is an exception). Transcommunications, which is working with Scientific-Atlanta, an earth station manufacturer, hopes to assemble individual companies to place a bulk order at reduced costs.

The quoted \$75,000 per unit price drops to \$66,500 on orders of 20 earth stations, noted Mr. Button, and down in the "low sixties" for even larger orders.

At present, Mr. Button claims to have between 20 and 30 clients for which he is trying to assemble bulk earth station buys. At least four of those clients are multiple cable system operators, said Mr. Button. The standard Transcommunications contract calls for one-third of the savings gained through a bulk sale to go to TC, with the remaining savings to benefit the companies directly involved.

Transcommunications' clients include American Television & Communications, Telesis Corp., Daniels Properties, UA-Columbia Cablevision, Target Network Television, Home Box Office Inc. and Television News Inc.—although not all are necessarily potential earth station buyers.

Cable Briefs

Another breather. Community Cable Corp., CATV operator in Naples, N.Y., has obtained second reprieve from state commission order to shut down system, postponing date to Sept. 1.

Fraud charged. Securities and Exchange Commission has filed complaint against

Intertie Inc., Irvine, Calif. cable television syndicator, and International Securities Corp., Newport Beach, Calif. broker and their principal officers for violating securities laws in sale of CATV partnerships to more than 400 investors across the country. Complaint alleged fraud and misrepresentation with regard to Intertie's practice of selling cable systems to limited partnerships it set up for purpose of leasing facility back to Intertie subsidiary. Partnership interests were unregistered securities, SEC complaint said.

New in the pay world. Formation of pay cable consulting firm headed by Rick Lubic, former president of Home Theater Network (owned by Time Inc.), and its acquisition of pay TV rights to 20 first-run feature movies distributed by American Films of Hollywood, has been announced. Associated with Mr. Lubic are Diane Welles, former assistant to president of Downe Communications and former marketing director of Sterling Manhattan Cable, New York, and Richard Spears, financial consultant. Firm, Welles, Rich & Lubic, Marina Del Rey, Calif., has sold films to American Movie Hosts, Los Angeles, for hotel distribution, and to Selective Entertainment Systems, also Los Angeles, for CATV use. Among movie titles are "The Second Gun" on assassination of Robert Kennedy in Los Angeles, as well as "Shriek of the Mutilator," "Miss Melody Jones," "No Place to Hide," "Aspen Summer."

Construction. Jerrold Electronics has signed agreement with Florida Cable Video to construct CATV system to serve Mulberry, Fla., and adjacent Polk county. Turnkey construction project including installation of all active and passive cable distribution devices will be handled by Jerrold. System will use push-pull amplifiers, full spectrum distribution equipment and will provide 12 channels. Florida Cable is owned by Gill and William M. Roberts and is part of Cable Video group, with other systems in Charleston, S.C. area. Financing was provided through Jerrold's turnkey division.

Pa. sale. Allegheny Valley Cable Co., which serves 1,500 subscribers in nine

northwestern Pennsylvania communities, was sold by Dean Kiner to Tele-Media Co. of Addil. Buyer is headed by Bob Tudek and Everett Mundy who also own several cable systems in Ohio and West Virginia. Allegheny purchase would bring subscriber count to 45,000. Cash transaction was brokered by Daniels & Associates. Towns served by Allegheny system include: Jamestown, Rimersburg-Sligo, Tionesta, Althom, East Hickory, Henry's Bend, Garland Bend and Walnut Bend.

Minnesota Cable
takes pot shot
at state cable
commissioner

McDonald is target of resolution
asking for his replacement or
resignation; failure to help
local cable prompts request

"We're using a rifle rather than a shotgun approach," said Hal Brown Jr., executive director of the Minnesota Cable TV Association, in explaining how the cable people in his state are taking aim at Robert J. McDonald, executive director of the Minnesota Cable Commission. The shot fired by the association was a resolution passed earlier this month asking for Mr. McDonald's resignation or replacement.

According to Mr. Brown, it has seen Mr. McDonald's failure to help develop cable in the state that led to the resolution's passage. Since May 23, 1973—when the state cable commission was set up, argued Mr. Brown, there have only been three new CATV franchises granted. Those franchises account for a total of approximately 500 subscribers—hardly in keeping with the commission's mandate to develop CATV in the state, added Mr. Brown.

Mr. McDonald believes the charges against him are "totally without foundation." According to his estimates, some 20-30 franchises have been granted under his administration. (That includes those in operation before the commission was established.) The commission has tried to be an "instrument of help" in various cable issues, explained Mr. McDonald, but the industry's response has been zero. "They [the cable industry] just didn't want the law that established the state commission in the first place."

The cable association has not taken issue with the seven-man part-time commission, but feels the full-time executive director is "substantially responsible" for the present state of things.

A copy of the resolution has been sent to various state political figures, the most important being Richard L. Brubacher, state commissioner of administration, whose office could fire Mr. McDonald. As of last week, Mr. Brubacher's office said no action was contemplated. Ted Melby, chairman of the cable commission, said he has taken the resolution "under advisement."

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