



From Manila for pay. The Ali-Frazier fight, live from half-way around the world, was the software, UA-Columbia's Fort Pierce-Vero Beach, Fla., cable system's earth station was part of the hardware as satellite networking for pay cable became a reality last week. Some of the men involved in the project (l-r): Bruce P. Sawyer, executive vice president, Home Box Office, whose pay-cable service arranged the network; Howard L. Crispin, vice president, Scientific Atlanta, whose earth station brought down the signal from the satellite; J. Richard Munro, vice president, Time Inc., parent of HBO; Robert M. Rosencrans, president, UA-Columbia Cablevision, whose Florida CATV system was one of two to receive the bout; and Gerald M. Levin, president of HBO.

purchased from Don King Productions in exchange for the use of HBO microwave facilities in the New York area to feed closed-circuit theaters, plus an undisclosed cash amount.

Down-to-earth cable issues featured at Pennsylvania meeting

Fall convention in state where CATV was born is less concerned with satellites than with day-to-day problems of rates and regulation

The magic of pay-cable networking, a dominant theme at the national cable convention, took a back seat at the Pennsyl-

vania Cable Television Association's fall meeting last week to the problems of rate regulation and renegotiation of franchises to bring them into compliance with FCC standards by March 1, 1977.

Pennsylvania, which has the most systems in the country—over 300 systems accounting for nearly one million subscribers—has only some 27,000 pay subscribers. Accordingly, the pay-cable panel at the Hershey, Pa., convention reflected more the nuts-and-bolts interest in pay-cable security—the outside tap vs. the scrambling decoder in the home—than an emphasis on satellite networking.

The issue of rate regulation, however, drew heated debate. Pennsylvania cable people are faced with a special problem in that second-class townships do not have rate-regulating authority under state law. "How do we get local governments to act

that neither have the legal authority nor the political inclination to grant rate increases?" asked various cable operators. Pennsylvania has the lowest average subscriber rate—\$4.50—claimed Joe Gans, Cable TV Inc., Hazelton.

On top of rate problems, Pennsylvania operators, like those across the country, face certain obligations by March 1, 1977, when they must have renegotiated local franchise agreements (granted before March 1972 or those that will expire before March 1977) to comply with FCC rules. Those rules include provisions for a local rate-making mechanism along with minimum equipment to be made available for community access, and a franchise fee not to exceed 5% of a system's gross revenue receipts. If the rate-regulation problem is not met, said operators, then as a "practical matter" it will be impossible for the industry to comply with FCC rules by 1977. There are some in the association who believe regulation under the state's public utility commission would be the best way in which to coordinate CATV rules.

Robert Schmidt, president of the National Cable Television Association, took up two other regulatory issues which have a special impact on Pennsylvania. The nationally negotiated \$3.25 pole-rate for Pennsylvania system that attach to AT&T poles, said Mr. Schmidt, should be considered a "ceiling" and should not prejudice the state against trying to work out a better position on its own. Mr. Schmidt also said there were "excellent chances for change in the present copyright bill before the Congress." Pennsylvania had taken a different view on copyright than NCTA in opposing copyright payments on local signals in a minimum distant signal compliment (story below).

Cable may get break in Senate's version of copyright

There's a chance provision will be inserted that would hold off first review of royalties by tribunal for three years

The cable industry may obtain some relief from the Senate Judiciary Committee when the committee marks up the copyright bill (S. 22) Tuesday, but will fail in its quest to strip from the proposed copyright tribunal the power to revise cable royalty fees, a committee source said last week.

Lobbying on the Senate side of Capitol Hill by cable and broadcast interests reached a near fever pitch last week in anticipation of this week's markup. Although none of cable's amendments had been introduced in the Senate the end of last week, some "preliminary sparring" among committee members and staffers last week indicated some changes will be attempted by committee members.

The issue of greatest concern to cable is the proposed copyright tribunal, which