N.Y. tightens grip on pay-cable rate regulation

Failure of some systems to observe old mandate prompts order to file for rate approvals by April 30

The New York State Commission on Cable Television has reaffirmed its jurisdiction over rates charged for pay cable services. All rates, including ancillary pay services, must be negotiated as part of the local cable franchise and approved by the state, the New York commission declared in a policy statement last week.

The announcement is a reiteration of a 1973 policy formulated at the conclusion of a case that involved Teleprompter Corp.'s Mount Vernon, N.Y., system. At that time, however, no specific action was taken by the commission since pay cable's growth was still relatively small—16,000 plus subscribers. The 1973 ruling served only to underline the commission's position that New York state law specifically places jurisdiction over all cable rates within the commission.

Last week's announcement goes one step further in ordering all existing pay cable operations to file by April 30 for appropriate pay rate approvals with the local franchise. Very few of the 29 pay cable systems operating in the state have in the past sought approval for pay rates, according to a commission spokesman. As of last December, there were 142,500 pay cable subscribers in New York covering 40 municipalities. Typical pay rates range from $7 to $10 monthly.

The latest policy statement stemmed from the failure of cable systems to comply with filing requirements, the commission spokesman said. Cable systems have unilaterally raised pay service rates where they have been denied basic service rate increases and in some cases have used the lure of pay cable as a negotiating point to demand higher basic monthly rates from the local franchise authority, reported the spokesman.

Cable operators have argued that the FCC pre-empts state and local regulation of pay rates. The FCC however is now reviewing the whole issue of subscriber rate regulation (Broadcasting, Feb. 9; Jan. 5). And while the FCC's position is uncertain, said a New York state commission official, the state laws expressly require state approval of all cable subscriber rates.

HBO goes to California. Home Box Office's pay cable satellite network this week expands into California (state with greatest number of CATV subscribers) with March 8 turn-on of earth station at United Cable's Hayward system. New York-based HBO network became coast-to-coast operation last December when Teleprompter systems in Seattle and Tacoma, Wash., affiliated.

Over to RCA. RCA's Satcom I satellite has completed its test phase and is now serving Home Box Office pay cable network. Twenty-two earth terminals now in operation by HBO affiliates reoriented their antennas Feb. 28, with no difficulties reported. RCA has been providing HBO network service on transponders leased on Western Union's Westar II satellite.

Channel 100. Optical Systems Corp., Burlingame, Calif.-based pay cable program supplier, has added 13-movie American Film Theater package to its programming schedule. AFT package, sold by Irving Kahn, Broadband Communications, had already been purchased by Home Box Office (Broadcasting, July 14, 1975). Films will preview this month on both HBO and Optical Systems cable affiliates.

South Bronx assistance. New York State Commission on Cable Television has signed agreement with newly incorporated South Bronx Communications and Media Access Center Inc. to provide technical assistance to develop video communications capability in community. Assistance was made possible by state legislation, sponsored by Assemblyman Jose E. Serrano, that appropriated $50,000 to cable commission for support of media center.

Regrets. John Eger, acting director of Office of Telecommunications Policy, has advised National Cable Television Association he will not attend association's April 4-7 convention. NCTA had counted on Mr. Eger and publicized his appearance on Monday session, "Cable Regulation: A Government Forum." But according to OTP spokesman, Mr. Eger had never made firm commitment and only agreed to participate at convention barring any other circumstances. Commitment in area of international telecommunications policy has out a recommendation by the FCC's Cable Television Advisory Committee, which is intended to aid the commission in developing technical rules for CATV (Broadcasting, May 26, 1975).

The Washington consulting firm of Malarkey, Taylor & Associates will coordinate the project, with Robert E. Welch Jr., of the university, as principal investigator.

Involved is a psychometric testing procedure to measure the viewer's perception of TV picture quality in the presence of random noise, intermodulation, synchronous crossmodulation and discrete frequency interference.

Getting the CATV picture

The National Science Foundation has granted $208,000 to the University of Missouri at St. Louis to test cable television picture quality. The study will carry...