get cable problems corrected, they pointed out. CCAP and PCCC urged the commission to establish uniform accounting services for the cable industry to help local governments make informed judgments regarding rate increases.

ABC suggested the FCC encourage cable subscriber rate regulation at the state level, rather than the local level, since smaller communities may not have the power or resources required. ABC deplored the commission's "haphazard approach" of refashioning cable rules by following "regulatory momentum from one proceeding to the next," after having adopted a "carefully balanced set of rules in 1972." It said, "if the commission desires to realign public interest determinations reached in 1972, it should initiate a comprehensive proceeding directed to that end." Various individual television licensees supported ABC's views.

American Television and Communications Corp., a multiple system cable operator, endorsed the FCC's proposed rule changes, but suggested they alone would not solve the problems created by subscriber rate regulation at the state and local level. Accordingly, ATC recommended that the FCC pre-empt all rate regulation. Otherwise ATC saw the "imminent encroachment" of local authorities into pay cable via rate regulation. Such indirect regulation is occurring, contended ATC, as franchise authorities require cable companies to report pay revenues for inclusion in over-all rate-making determinations. The FCC should issue a ruling for the "explicit" purpose of barring state and local authorities from requiring CATV operators to report pay cable revenues, urged ATC.

The National Cable Television Association also saw the FCC's proposal as only a "first step." The "blind thrusting of rate regulation on inexpert communities," said NCTA, "has resulted in confusion at best and disaster at worse." The cable industry is caught in the middle, NCTA said, by FCC construction requirements and technical standards on one hand and elected city officials who find it difficult to allow any rate increases. The only source of increased revenues for many systems has been the growth in subscribers, claimed NCTA.

Based on a survey with a 15% response rate, NCTA contended final action on subscriber rate increases generally occurs between six and 18 months after the initial request—with an average time lag of 12 months. During the past two years, NCTA calculated that 72% of requested rate increases were granted; 20% were denied and 8% are still pending. The cost of rate increase proceedings averaged $2,896 to CATV operators.

NCTA claimed that it was unlikely more than a "handful of local authorities" will exercise an option not to regulate rates, even if they don't have the desire. The necessary second step in the FCC's rulemaking, said NCTA, is the substitution of market pricing for regulatory pricing in all markets exclusive of classic-system communities where over-the-air reception is poor and the demand curve is inelastic.

The Community Antenna Television Association questioned the FCC's jurisdiction in adopting mandatory rate regulation in the first place. It is doubtful whether an administrative agency (like the FCC) can constitutionally impose administrative burdens on nonfederal governments without congressional authority to do so, CATA said. CATA urged the FCC to delete its rules requiring local rate regulation, claiming small communities simply do not want to get involved or do not have the time or expertise to resolve typically complex rate cases.

The Arizona Cable Television Association claimed both cable operators and local authorities should be free of "unwanted problems of delays" in obtaining approval for rate increases.

The California Community Television Association claimed there has been no evidence that the present rule served the public interest. Prior to enactment of the rule, CCTA said, over-all subscriber rates in the state increased 1% annually. (The cost of living increased 5% annually at that time, CCTA pointed out.) Since the rule was enacted, subscriber rates have increased 10% annually.

CCTA urged the FCC to make local rate regulation optional and offered rules the commission should adopt to guide those local authorities that chose to continue to regulate cable rates. Accordingly, CCTA recommended that local authorities allow cable systems a "just and reasonable rate" which would cover all expenses, interest on the system's debt, enable the payment of dividends sufficient to attract investors, and retain a surplus cash amount for expansion and upgrading of the cable system. Rates should be permitted that will allow CATV systems to comply with FCC technical, regulatory and construction requirements, concluded CCTA.

Other cable groups to file comments at the FCC included: Verto Corp., Universal Television Cable System Inc., Liberty Communications Inc. and Community Tele-Communications Inc.

Turner cranks up for satellite feed

RCA bird, Scientific Atlanta earth station are increments in Atlanta U's cable network

Preliminary arrangements are moving toward the day that Turner Communications' WTCG(TV) Atlanta will be distributed via satellite to cable television systems interested in importing the station's sports-oriented programing. (The Atlanta independent broadcasts professional baseball, basketball and hockey along with a sizable collegiate sports schedule.)

Toward that goal—first announced late last year (BROADCASTING, Dec. 1, 1975)—Turner has sold the assets of its common-carrier subsidiary to Edward L. Taylor, a former vice president of marketing at Western Union. FCC rules prohibit a common carrier from getting involved with program origination.

Mr. Taylor has announced that his new company, Southern Satellite Systems Inc., has an agreement in principle with RCA Global Communications Inc. for lease of one 24-hour transponder on RCA's Satcom satellite for the distribution of WTCG's signal.

An agreement has also been reached between Southern Satellite Systems and Satellite Equipment Leasing for the provision of a Scientific Atlanta receive and transmit earth station to be located in Atlanta. Newly formed, SEL will own and maintain the earth station which is ordered for April 1 delivery.

Cable systems interested in carrying the WTCG signal will pay Southern Satellite Systems, which is expected to file a tariff for about 10 cents per subscriber per month. A spokesman for Turner said "verbal commitments" so far account for a million subscribers. Four or five cable systems are "on-line" at this point ready to receive the Atlanta signal, he said. Cable systems, which already have an earth station to pick up Home Box Office's pay cable feed, can adjust their facilities to pick up an additional channel from the RCA satellite toward which they are already oriented.

Daniels into dollars

Daniels & Associates, a Denver-based cable television brokerage, management and consulting firm, has formed a new division, Daniels Investment Services, to raise debt and equity funds for CATV operators.

Steven C. Halstedt, who has been active in private-placement bond purchases for The Travelers Insurance Companies, will head the new division.

Mr. Halstedt outlined Daniels Investment Services' financial focus: to help in debt maturation, in acquiring funds and in raising equity for CATV growth.

Mr. Halstedt pointed out that the CATV industry traditionally has paid a premium for funds. That is changing, he said, with "the evolution of sensible regulation" and the "revolution of pay cable"

Fine arts for cablecast

Cable Arts Foundation Inc., a nonprofit New York organization that develops programing on the arts for cable television, has initiated its first nationwide effort. *A Time for Art*, a series of 10 one-hour color programs dealing with the visual, performing and literary arts, is being offered in 12 states on close to 20 different cable systems.

Cable Arts was established in spring 1973 with a $75,000 grant from the New