

square for federal regulation," Mr. Lind said. "We believe we should be regulated by one group rather than by a whole host of groups."

A related development is the role of the telephone companies concerning cable. In an agreement between Manitoba and the minister, that province's cable hardware, including drops, is owned by the provincially owned phone company. "We are, to put it mildly, at odds with the minister," said Mr. Lind, because of the preservation of federal jurisdiction and the imperative nature of plant ownership."

## Cox-Cox Cable merger back to drawing board

The merger proposed by Cox Broadcasting Corp. with Cox Cable Communications last month (BROADCASTING, Jan. 24) has hit a snag.

Cox Broadcasting announced last week that it was "re-evaluating" its offer of 0.61 share of its common stock for each share outstanding—approximately 1,560,000—of Cox Cable stock. Those shares represent 43.9% of the cable firm's shares that are commonly held. Cox Broadcasting already owns the remaining 56.1%.

According to Clifford M. Kirtland, president of Cox Broadcasting, "It became apparent that the terms offered were not feasible." Mr. Kirtland said that discussions are continuing with Cox Cable on a revision of the terms or, possibly, abandoning the merger.

Both companies postponed their shareholder meetings that had been scheduled for next month to consider the proposal and said they would be rescheduled when an agreement was worked out, hopefully in the next few weeks.

Cox Broadcasting stock, traded on the New York Exchange, closed last Thursday (Feb. 17) at 31½. On the American Exchange, Cox Cable closed at 19.

### Cable Briefs

**New owner.** Acton Corp., cable MSO and snack-food manufacturer based in Acton, Mass., has purchased Transcable Inc., cable system in Burlington, N.J., and Haverstraw and Peekskill, N.Y., for approximately \$4.4 million, 10,000 shares of Acton stock and assumption of \$4.2-million debt. Systems have about 13,300 basic subscribers and 3,500 pay cable customers. Acton also acquired assets of G.W.G. Co., lessor of CATV equipment to Transcable, for assumption of \$200,000 debt.

**Net gain for HBO.** FCC waived its rules and will allow Home Box Office to present March 27 finals of Women's Tennis Association Virginia Slims tournament on HBO pay cable system. Madison Square Garden Cablevision requested waiver allowing HBO cablecast after Madison had been unable to sell tournament to networks or to individual stations. Commis-

sion said it saw no danger of siphoning in case.

**Better than ever.** Time Inc. reported last week that three of its television operations showed financial gains in 1976: WOTV(TV) Grand Rapids, Mich., and Time-Life Films both reported higher earnings, and Manhattan Cable Television Inc., operator of CATV system in New York, had its first profitable year. Home Box Office Inc., Time's pay-cable programming subsidiary, continued to operate at loss. TV indicators were contained in Time Inc. report placing company's 1976 net income at record high \$67.1 million, up 49% from 1975, on revenues of \$1.04 billion, up 14%.

**Cable appeals.** Philadelphia Community Cable Coalition and number of other groups are appealing FCC decision to postpone for one year implementation of cable-television franchising rules that were to have gone into effect on March 31, 1977. Suspended rule would have required existing uncertified systems to obtain and file by March 31 franchises conforming to FCC standards. Appeal contends action, taken without rulemaking, was arbitrary and capricious. . . . In another action dealing with FCC cable policy, former commission general counsel, Henry Geller, is appealing commission denying his petition for rulemaking aimed at revising commission rules on cable's carriage of television signals.

**One year to sell.** FCC partially waived its cable-broadcast crossownership rules and afforded Television Wisconsin Inc. (wisc-TV Madison, Wis.) one year to divest itself of 1.8% of stock in Complete Cable TV. Majority owner of TWI is Evening Telegram Co. of Superior, Wis., which owns 1.8% of Tele-Communications Inc., 25% owner of Complete Channel. TWI and Evening Telegram contended no interrelationship between wisc-TV and Complete Channel existed "except that of arms-length competition," but commission responded that Evening Telegram "virtually owns and controls" TWI and its holdings in publicly traded TCI are "substantial." FCC allowed one year to eliminate crossownership situation because, it said, no method of computing indirect in-

terests had been articulated until 1973 and because TWI and Evening Telegram gave assurances they would not vote their TCI stock.

**Changing hands.** Central Communications Co. has sold its cable system in Mattoon, Ill., to Basil Cable System Inc. for undisclosed amount. Central is owned by Illinois Consolidated Telephone Co. and is divesting to comply with FCC rules. Basil operates cable systems in Kentucky, California, Washington, New Jersey and North Carolina. Mattoon system has approximately 4,000 subscribers. Broker: Daniels and Associates.

**New in Hawaii.** L.S. (Bob) Berger, owner/president of KHVH(AM) Honolulu, has formed Television Entertainment Inc. to provide pay TV to apartment buildings and condominiums and business and commercial communications services to metropolitan Honolulu. Company will lease MDS channel from Radiocal Corp. John Calvetti has been named president. *Television Entertainment, Suite 203, 23 South Vineyard Boulevard, Honolulu 96813.*

**Payday.** Warner Cable Corp. on Feb. 1 introduced its Star Channel pay cable service in the metropolitan Boston community of Somerville, plans to bring it to neighboring Massachusetts communities of Chelsea, Everett, Medford, Malden and Winthrop by March 1. Warner said service will then be available to 35,000 households in area, and plans to increase its potential range by another 9,000 when Warner system in Melrose, Mass., is completed later this year. Company said this "represents first application" of service by Warner in "major metropolitan area."

**More in Tennessee.** National Telecommunications Corp., California-based cable MSO with systems in Tennessee, has purchased systems in Cookeville, Columbia, Tullahoma and Paris, all Tennessee, from First Northwest Industries for price in excess of \$4 million. National is owned by Perry Leff and Harold Lipton. First Northwest is also owner of Seattle Super-sonics professional basketball franchise. Systems serve approximately 12,500 subscribers. Daniels Investment Services arranged financing.

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