

It looks like a fait accompli on House cameras

Although decision on who should control them is not supposed to be made until February, broadcasters detect little sympathy for their cause

Advocates of a network pool-controlled broadcast system for the House of Representatives said last week it appears they will not be able to overcome House leadership preference for congressional control of the feed that will ultimately permit public viewing of floor proceedings.

After a briefing of a House Rules subcommittee by the Capitol architect's office and a subsequent meeting between a group of broadcasters and subcommittee Chairman Gillis Long (D-La.), it became clear that the House is easing its way toward an automated in-house system that would provide the networks with no more than a tap on a closed-circuit feed.

In voting to permit broadcast coverage of its chamber proceedings (BROADCASTING, Oct. 31), the House postponed the decision on who would produce the TV and radio feed until Feb. 15, at which time the Rules Committee is to give its recommendation to House Speaker Thomas P. (Tip) O'Neill (D-Mass.). But the broadcast representatives left the meetings last week believing that the minds of key House members are already made up.

Len Allen, managing director of the Radio Television News Directors Association, which is heading a coalition of news groups (including the networks and public broadcasting), who want a pool-controlled system, said he feels there is "no question" that the House is "gearing up" to run its own system.

J. Raymond Carroll, director of engineering in the office of the Capitol architect, had described to the subcommittee a two-way cable system connecting the

subscribers producing \$624,000 in revenues per month and two over-the-air pay-TV outlets accounting for 5,400 subscribers and \$90,000 of revenues.

One test of cable's future, he said, is under way today, with Warner Cable's Columbus, Ohio, Qube system. It will be the marketplace, he said, that determines if two-way cable will succeed or fail. "As of now," he said, "no one outside of Warner Cable is willing to forecast the end result of this experiment."

He went on to predict that the development of optical fiber will bring cable some questions, the main ones being whether the telephone company would provide the service and what kind of regulation would be needed. "As fiber optics transforms the capabilities of the present U.S. communications systems, public policy makers will have to wrestle with the problems of control and the efficiencies of delivering multiple communication services under one system," he said.

He also saw cable running into some competition in the future. "That cable television and its ancillary services will continue to grow and prosper through 1980 is a reasonably safe assumption, but after that time period, the picture blurs. By then, new and vigorous competitors will appear full blown on the scene, in the form of video cassettes and disks. And, after that, the fiber optics technology will surface. No one knows precisely how any of this will fall out."

Movie makers complain of HBO 'monopoly'

MPPAA's Valenti and Nizer go to Justice Department and FTC; Warner and Columbia abstain

The motion picture industry's concern over what some of its members consider the monopoly power of Time Inc.'s Home Box Office in the pay cable field surfaced last week in word of visits that Jack Valenti, president of the Motion Picture Association of America, and the association's attorney, Louis Nizer, paid in the preceding week to the Justice Department and the Federal Trade Commission.

Mr. Valenti and Mr. Nizer talked to John H. Shenefield, chief of Justice's Antitrust Division, and later with Alfred F. Daugherty, director of the FTC's Competition Bureau.

None of the parties would discuss the content of the talks other than to say that they dealt with the motion picture industry's concern about dealing with what Mr. Valenti said was HBO's "growing monopoly." He said HBO has 80% of the pay cable programming market. And that, he added, "constitutes a monopoly of the business." The remainder is divided among six companies.

Mr. Valenti and Mr. Nizer had written Mr. Shenefield and FTC Chairman

Michael Pertschuk in advance of their visits, explaining their complaints. They also said they would provide additional material.

The seriousness with which Justice is taking the matter was indicated by a department spokesman, Mark Sheehan, who noted that Mr. Shenefield represented "the highest level they could talk to in the division."

He also said that the division was "looking at what they gave us" and that "we'll certainly review whatever they give us in the future." But he said the division's activity should not be characterized "as an investigation."

Mr. Valenti did not represent all MPPAA members in his visits to Justice and the FTC. He said Warner Bros., which owns cable systems, and Columbia Pictures "chose to stand aside" on the issue.

NCTA seeks second look on franchise standards

The National Cable Television Association has petitioned the FCC to reconsider its decision on cable system franchise standards (BROADCASTING, July 25).

NCTA urged the commission to prohibit local franchising authorities from including in the 3% to 5% fees revenues from ancillary services such as pay channels, per program services, leased channels and advertising.

NCTA President Robert Schmidt said, "The commission's decision represents a reversal of its previously well thought-out policy of permitting new services to grow in the marketplace unencumbered by regressive and restrictive local taxation."

The association also asked the commission to impose the 3% to 5% ceiling on pre-1972 cable systems as well since "excessive franchise fees hinder cable development."

NCTA went on to urge the FCC to establish "reasonable renewal standards insuring that a cable television operator who has provided adequate service to a community receives a presumptive right to renewal."

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