

Air Time's in trouble □ Alarm over AM stereo □ Times Mirror gets its big deal □ Eller's back with a vengeance □ Foreign cable owners OK'd

Air Time asks stations to be patient while it works out cash-flow/slow-pay problems

Air Time Inc., a leading media buying company, acknowledged last week it has a severe cash-flow problem and has asked TV and radio stations to help in resolving the financial crunch.

Air Time is regarded as one of the three biggest-billing media-buying services, along with Vitt Media International and SFM Media Service Corp. Air Time billings are believed to approximate \$150 million a year.

Bruce J. Fogel, president of Air Time, called a meeting last Wednesday in New York of advertiser, agency, rep and group station-owner executives. He asked the groups and reps to forward immediately to stations Air Time's plea for them to continue all current schedules, to run all orders already accepted but not yet on the air, and to accept and run new orders. Fogel asked stations to reply by last Friday (March 28).

Fogel outlined a plan he said would fulfill Air Time's commitments. Effective April 1, all of the funds from clients will be paid directly to a trust bank account and the bank will pay the stations. In addition, Air Time is in the process of liquidating nonmedia investments, and the accruing funds will be used to pay off liabilities.

Three's a crowd in AM stereo? FCC may opt for several systems

Broadcasters and equipment manufacturers have waited a long time for the FCC to approve one of five proposed AM stereo systems. Now word has leaked that the FCC staff may, instead, recommend that three systems be approved—a thought that panics many of the potential players. The National Association of Broadcasters and the National Radio Broadcasters Association both oppose the multiple system concept, as do four of the manufacturers that proposed systems—Harris, Belar, Motorola and Magnavox. Only one—Leonard Kahn—favors the notion.

Opponents of the idea fear that the introduction of three systems into the marketplace would create so much confusion that broadcasters and manufacturers might back off AM stereo, perhaps killing it altogether. "In the one area the FCC ought to exercise its mandate—in the technical area—it has chosen to abdicate its responsibility and create what I feel will be a chaotic situation," said Abe Voron, executive vice president of government relations for the NRBA.

Stephen Lukasik, chief scientist for the FCC, counsels patience. "Don't listen to all the rumors you hear," he told BROADCASTING Friday, adding that there "isn't complete agreement internally as to what's the best answer" and that a range of

possibilities will be presented to the commissioners for their considerations. According to Nina Cornell, chief of planning and policy, the staff is trying to get the AM stereo question on the agenda for the next commission meeting, scheduled April 9.

Times Mirror deal for Newhouse's five TV's gets FCC approval

The FCC last week approved Times Mirror Co.'s \$82-million acquisition of Newhouse Broadcasting's five television stations.

Times now owns the maximum number of television stations permitted by FCC rules—five VHF and two UHF. The stations acquired from Newhouse: WAPI-TV Birmingham, Ala. (ch. 13, NBC), whose license was also renewed; KTVI St. Louis (ch. 2, ABC); WSyr-TV Syracuse, N.Y. (ch. 3, NBC); its satellite, WSYE-TV Elmira, N.Y. (ch. 18), and WTPA Harrisburg, Pa. (ch. 27, ABC).

Times Mirror already owns KDFW-TV Dallas (ch. 4, CBS) and KTBC-TV Austin, Tex. (ch. 7, CBS), and cable systems in Arkansas, California, Connecticut, Illinois, Indiana, Kentucky, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, Texas and West Virginia. Times also publishes the *Los Angeles Times*, six other daily newspapers and a variety of books and magazines.

Newhouse will receive tax certificates for the sales, since they eliminate media crossownerships. Newhouse retains WAPI-AM-FM and a daily newspaper in Birmingham, WTPA-FM and two dailies in Harrisburg, WSyr-AM-FM and two dailies in Syracuse, a daily newspaper in St. Louis and a cable system in Elmira.

The FCC conditioned Times's operating WSYE-TV as a satellite of WSyr-TV on reassessment at next renewal time of the economic conditions of the Elmira market to determine whether it can support "a second full service station" in addition to WENY-TV; whether a single licensee could operate both WSyr-TV and WSYE-TV as full-service stations or whether divestiture would be required, and whether a divested station could obtain network affiliation.

Now Eller's marrying Charter: He'll own half of new firm

Karl Eller, who only months ago was out of broadcast management in a big way, is back in, in a big way. Eller and the Charter Co. have announced that they will form a new company, to be called Charter Media Co., of which each will hold 50% of the common stock. Eller will head it as both chairman and chief executive. Charter also gets preferred stock.

Eller had co-founded and built Combined Communications, the advertising and broadcasting company that Gannett

Co. bought last year for \$370 million in stock. Eller subsequently quit both the management and board positions he held at Gannett after the merger of the two companies, although retaining 457,678 shares of Gannett stock. He is currently chairman and 40% owner of Red River Resources, the company that holds the late actor John Wayne's Arizona ranches and other real estate ventures. On March 7, Eller bought KIOI(FM) San Francisco for \$12 million, prompting speculation that he was setting out to build his second communications empire ("Closed Circuit," March 19).

Charter will be placing elements of its Chartcom Inc. subsidiary into the new venture. They were identified as Charter Publishing (*Ladies Home Journal*, *Redbook*, *Sport*), Charter Data Services (a magazine subscription fulfillment operation) and, subject to FCC approval, its six-station radio group, Charter Broadcasting. Eller will bring KIOI(FM) into the new Charter Media fold, again subject to FCC approval.

Charter is leaving out of the package a financially troubled printing operation and its direct-marketing business.

Charter is a diversified company whose main holdings are in the oil industry. The Charter Broadcasting stations are WOKY(AM) Milwaukee-WMIL(FM) Waukesha, Wis., WMJX(FM) Miami, KCBQ(AM) San Diego, KSLQ(FM) St. Louis and WDRQ(FM) Detroit.

Still no need, says FCC, to put clamps on foreign cable owners

There has been an increase in Canadian ownership of U.S. cable systems, but there is not presently a need for rules limiting such foreign ownership, the FCC has concluded.

The commission ruled last week on a petition by Midwest Cable that sought to restrict foreign interests in U.S. cable. The commission concluded a previous rulemaking on the matter in 1976, saying it found little foreign interest in U.S. systems and no need for regulation. Midwest's petition pointed out that the situation has changed since then, with Canadian firms investing in and operating systems in major metropolitan areas.

The FCC said, however, that less than 1% of all U.S. cable subscribers are hooked into Canadian-owned systems. In addition, the FCC said, "the principal line of defense against any potential adverse consequences of foreign ownership should be at the local level where individual decisions as to cable television operating rights are made." It added that "issues of international trade and freedom of investment opportunities across national boundaries were somewhat beyond the FCC's authority."