

All but in

Nomination of FCC Commissioner Dennis Patrick for another go-round at commission should come from White House shortly. Source last week said President Reagan has signed off on renomination and that update of FBI background check is in progress. Patrick's term expires June 30.

Perhaps anticipating nomination, Patrick paid "courtesy" call on Senate Commerce Committee Chairman John Danforth (R-Mo.) last week. They had not met before.

Hutton's take

One of lesser known elements of financial arrangements involved in Ted Turner's effort to buy CBS Inc. (see page 31) is his compensation of financial adviser E.F. Hutton. He paid \$250,000 up front, another \$4.5 million as of Thursday, when filings were made at FCC and Securities and Exchange Commission. He will pay another \$2.5 million when proposal clears SEC. Final payment of \$20 million will be made if Turner achieves goal of two-thirds CBS stock.

That payoff scheme is different from original under which Turner would pay nothing after \$250,000 initial fee until he achieved his goal. At that point he was to pay \$50 million. Reportedly, change was made when Turner failed to come up with any cash for his tender offer.

Aiming high

Programers of Radio 85 Management and Programing Convention, scheduled Sept. 11-14 in Dallas by National Radio Broadcasters Association and National Association of Broadcasters, have set sights on one of two featured speakers: Lee Iacocca, president of Chrysler Corp., or Peter Ueberroth, commissioner of baseball.

Hold on junk

"Junk bonds," increasingly in business-page news and now factor in Ted Turner's attempted takeover of CBS Inc., are matter of considerable concern to some in Congress. And on Tuesday, Senator Pete Domenici (R-N.M.), chairman of Senate Budget Committee, plans to introduce legislation to impose moratorium on their use in hostile takeovers for remainder of year. Bill would also prohibit Federal Deposit Insurance institutions from

adding junk bonds to their portfolios.

Domenici's concern is with effect of junk bonds, which have proliferated enormously in last five years, on country's economic health. Moratorium would give Congress breathing room to consider permanent policy. Domenici aide on Friday said since bill was still being drafted, it was difficult to say what, if any, effect it would have on Turner proposal.

Dip coming?

Are national spot radio sales headed for downward spiral in latter half of 1985? Answer is yes if previous trends charted by Vince Bellino, vice president, financial services, interep, repeat themselves. According to national spot cycle projection chart, which dates back to 1972, every three to four years, spot expenditures experience low point in sales. Last time this occurred was during third quarter of 1982. For year, Bellino is projecting average increase in national spot sales of 6.2% over 1984.

Backyard scrambling

With test of M/A-Com Videocipher II scrambling system going well, Home Box Office is preparing to announce long-awaited plan to make HBO and Cinemax available to home satellite market within next few weeks. Once services are fully scrambled, according to one source, HBO and M/A-Com plan to make consumer descramblers widely available through dish dealers, cable operators and, possibly, nationwide retail chains. Boxes, which will not work until authorized by signal from HBO, will have list price of \$400, but sellers will be free to discount, source said. How HBO will handle marketing, billing and collection could not be determined last week.

Only real surprise is that HBO is going ahead by itself. HBO had tried to bring together number of programers to scramble feeds with common system and offer package of services to backyarders, but, despite nearly two years of efforts, was apparently unsuccessful.

Showbiz itch

Blair Entertainment, division of John Blair & Co., is expanding its production capacity for 1985-86 season. Formed only 18 months ago as distributor, Blair handled production this season of *Divorce Court*, among front-ranking syndicated series. For 1985-86, Blair will oversee production of

355 half-hours of new programing, including 160 segments of second season of *Divorce Court* and 195 episodes of new *Break The Bank*. Blair is partnered with Storer Communications on both series.

Added distraction

Now that must-carry rules appear to be in jeopardy in Court of Appeals in Washington (see page 36), FCC commissioners are said to be taking yet "another look" at wisdom of proposal to permit noncommercial broadcasters to swap their VHF's for commercial UHF's. Without must carry, or with watered-down version of it, inferiority of UHF's to VHF's could become more pronounced. Proposal is said to have had support of handful of large-market noncommercial VHF operators. But it also has been criticized by other public and commercial broadcasters. Senator Ernest Hollings (D-S.C.), ranking minority member on Senate Commerce Committee, has even hinted that action on proposal might lead to Congress, once again, overturning FCC. Comment deadline in proceeding has been extended to June 17.

Branching out

Hubbard Broadcasting subsidiary, United States Satellite Broadcasting, initially established to create DBS business, is also moving ahead with plans to develop host of services for commercial television stations including development and distribution of syndicated programing. Company is also exploring partnerships with rights holders in sports programing to create ad hoc networks. USSB recently secured rights to four Ku-band transponders (with first option on six others) aboard RCA Americom's K-2 satellite scheduled for launch in December. Company may sublease some of those transponders outright to third parties and will offer its new services on those it doesn't sublease.

Affiliated Conus Communications will develop and market occasional-use services to Ku-band customers, including satellite news gathering services, business it has been in for past year, as well as such services as private networking and teleconferencing. USSB president Robert Fountain said he views this activity not only as new business venture in its own right but also as way to develop proprietary program product for planned DBS service and ties to programing community.