

Moving on must carry

Petitions for rulemaking on must carry are receiving "immediate attention," according to Jim McKinney, FCC Mass Media Bureau chief, and combined notice of inquiry/notice of proposed rulemaking is likely to be ready "within weeks, not months." It's believed that document will seek comment on all three petitions submitted thus far—one by National Association of Broadcasters and others, another by Association of Independent Television Stations, and still another by public broadcasters.

One well-placed FCC source said INTV's proposal appeared to have "best future." INTV proposal, which would carve out new rule under FCC's supposed ability to determine what signals may be carried under cable's compulsory copyright license (BROADCASTING, Oct. 7), is only one that's "philosophically consistent" with where most of commissioners have publicly indicated they're heading, source said. This source also expressed disbelief that NAB thinks constitutionally acceptable rule can be resurrected. Another source said it had been Mass Media Bureau's opinion that it would be "almost impossible" to come up with new rule that would meet constitutional test, but that bureau will consider with open mind what commenters have to say.

Backstage

While official must-carry process goes on at FCC, pace of unofficial activity will pick up this week when officials of National Association of Broadcasters, Association of Independent Television Stations and Television Operators Caucus call on National Cable Television Association President James Mooney—presumably to discuss one or another of various proposals advanced by broadcasters since *Quincy* decision. Among participants in meeting—expected to be at NCTA headquarters in Washington—are: TOC's William Schwartz, INTV's Preston Padden, NAB's Eddie Fritts and John Summers.

Rainbow's pot

Rainbow Service Co., MGM/UA Entertainment Co. and Turner Broadcasting System announced last week that they had settled their dispute over cable television rights to MGM/UA film libraries, removing one

impediment to merger of Turner and MGM/UA. What parties didn't announce is that Rainbow will receive \$50 million in settlement.

MGM/UA agreed to provide titles for Rainbow's pay cable service, American Movie Classics, on July 30, just week before announcement of Turner-MGM/UA merger. But movie studio balked at fulfilling agreement after Rainbow announced that it would offer AMC as basic as well as pay service. Suit and countersuit followed (BROADCASTING, Oct. 7). Under settlement, Rainbow has put off indefinitely (if not permanently) plans to take AMC basic. In exchange, it will receive \$50 million cash. According to Turner prospectus, which specified who would pay what in event of settlement of dispute, new UA entity, which is being spun off by merger, will pay \$32.5 million and Turner-MGM, balance of \$17.5 million.

Spreading net

Lorimar Inc., Culver City, Calif., is reportedly considering purchase of DIR Broadcasting, New York-based radio program supplier. Aural medium would be new area for advertising and entertainment company, which just reached agreement to merge with Telepictures Corp. ("Top of the Week," Oct. 14). When asked about possibility that deal is in works, DIR Broadcasting President Bob Meyrowitz declined to comment, as did Lorimar spokeswoman. DIR currently produces several long-form programs including *The King Biscuit Flower Hour* and *The Silver Eagle Cross-Country Music Show*.

Also, DIR has replaced *David Brenner Live*, weekly 90-minute variety talk show, with *Almost Live Starring Richard Belzer*. No official reason was given for Brenner's departure.

Help wanted

Raising immediate cash may be primary motive of Turner's attempt to negotiate partial sale of Cable News Network to outsider. But other side of strategy is possibility of sharing bureau and other operating expenses with another news operation. Lower costs mean more money from CNN over long term to help Turner pay down debt of MGM acquisition. With this in mind, Turner, who is no longer considered active bidder for United Press International (see "In Brief"), is reportedly having discussions with some of those still in running to buy

beleaguered news service. None of those contacted would talk, but idea could possibly lead to joint CNN-UPI venture.

Diehards in D.C.

Lobbyists for cities of New York and Los Angeles were making rounds at FCC last week in effort to get commissioners to postpone action on proposal to delete its technical rules for cable and perhaps preempt local technical regulation of cable systems. Cities were contending that FCC lacks authority for preemption. They also were asking that commission give cities and cable industry six months to try to work out "voluntary" technical standards. FCC Mass Media Bureau has targeted proposal for action by end of this month. There's concern in some quarters that local franchise authorities may be trying to position themselves to renew grip they are losing on cable via Cable Communications Policy Act of 1984.

Meanwhile on Capitol Hill, cities have asked House Telecommunications Subcommittee to look at matter. Subcommittee says it will hold meeting soon with cities and cable industry representatives to discuss issue.

One after another

Morton S. Smith, career senior foreign service officer who has been with Voice of America since 1983 and is currently deputy associate director for modernization, has been named acting VOA director, succeeding Gene Pell, leaving to become president of Radio Free Europe/Radio Liberty (BROADCASTING Oct. 7). VOA professionals are said to be unhappy with choice. Smith is seen by some as more anxious to advance U.S. policy aims than to pursue facts of story. However, VOA staffers see Smith as stopgap. One rumor is that job may go to Pat Buchanan, currently director of communications for White House. Considering Buchanan's reputation as sharp-edged advocate of conservative cause, rumor does not warm hearts of VOA professionals.

USIA director, Charles Z. Wick, who has been through process four times in five years, is understood to have been thoroughly annoyed when his fourth selection, Pell, told him he was leaving. After all, Wick aide said, it takes major effort to make selection and see nominee through White House clearance and Senate confirmation process—and, aide added, "clock is ticking" on second Reagan administration.