In Brief

Cable industry has suffered ultimate setback in its battle with motion picture industry over amount of **copyright fees** cable systems must pay for their programing. **Supreme Court last week denied cable industry's petition for review** of decision of U.S. Court of Appeals in Washington that had held that Copyright Office had been correct—and U.S. District Court in error—in interpreting term "gross receipts" as used in 1976 Copyright Act. Copyright Office had interpreted term as including fees for all services, including nonbroadcast, if provided on tier with broadcast signals. Interpretation is critical because fees are based on percentage of "gross receipts from subscribers...for the basic service of providing secondary transmissions of primary broadcast transmitters." NCTA and Cablevision Systems Development Co. had appealed Copyright Office's decision, and district court agreed with NCTA's view that interpretation should be limited to revenue received from retransmission of local and distant broadcast signals, regardless of tier service involved. Cable's loss in Supreme Court guarantees substantial bill for cable operators. NCTA President James Mooney said that "Hollywood's gain comes at the consumer's expense." For increased fees, he said, will put upward pressure on subscriber rates. NCTA estimates that ruling will result in doubling of copyright fees. Actually, increase could be even greater, unless systems drop distant signals in large numbers. For $60 million was paid in 1986, and industry last year, basing payments on Copyright Office's calculations, paid estimated $160 million.

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As of Friday afternoon, July 1, some **CBS employes** still had few hours in which to opt for company's **early retirement** program. So far, divisions within broadcast group appear to be unevenly affected by plan, for which 780 employes are eligible. Among those in news division announcing acceptance were correspondent **Robert Schakne** and several employes of *60 Minutes*: Producers **Joe Wershba, Sanford Socolow** and **Drew Phillips;** supervisor of film and videotape editors, **Kenneth Dalglish,** and editors **Steve Price, Jim Woolley** and **Jim Trainor.** Senior executives previously announced included **David Fuchs, Robert Hoskings** and **Joseph Dembo.** CBS also confirmed on Friday that at least eight West Coast staffers in communications and information department had opted for early retirement: **Dan Bagott,** publicist; **Keenie Voight,** photo editor; **George Vescio,** publicist; **Hal Biard,** publicist; **Gladys Constantine,** administrative assistant; **Roy Guiver,** publicist; **John Howard,** publicity director, and **Skip Hawkesworth,** secretary. In a similar plan two years ago, 34% of eligible employes accepted early retirement.

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Buena Vista Television announced its **first group station deal** last week **for** off-network ***Golden Girls*** on five Hearst stations—WTAE(TV) Pittburgh, WBAL(TV) Baltimore, KMBC(TV) Kansas City, Mo., WISN(TV) Milwaukee and WDTV(TV) Dayton, Ohio. Program had previously cleared on WNYW(TV) New York, WCAU-TV Philadelphia and KPIX-TV San Francisco.

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ABC-TV captured rights to Rose Bowl from NBC last week, bidding $11.2 million annually in five-year deal. NBC, which most recently paid $10 million a year for rights (it has broadcast game for last 37 years), felt it could not justify price tag after recent disappointing performances. Game should fit better with ABC's regular season Big 10-Pac 10 package.

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Electronic Industries Association delivered letter last Thursday (June 30) to FCC Chairman Dennis Patrick, outlining group's argument **against "open architecture"** receivers capable of receiving more than one advanced TV transmission system. Signers of letter from EIA's Consumer Electronics Group, Gary J. Shapiro, VP for government and legal affairs, and Eb Tingley, VP for engineering, wrote that FCC should instead set single standard—"Open architecture is simply the failure to choose." Two possible approaches to open architecture are both unacceptable, EIA claimed. "All-inclusive" method, with circuitry to receive all proposed systems built into sets, would be too expensive for consumers, and "noninclusive" method, with decoding circuitry removed from sets and placed in separately obtained set-top converters, would be confusing and inconvenient for consumers. Alternative EIA suggested would be to adopt standard and build "multiport receivers," similar to currently offered sets with Y/C ports. "If the U.S. were to adopt an ATV standard that featured a compatible ATV system within a present 6 mhz channel, and was extendable to HDTV with additional spectrum, then U.S. TV's with an EIA multiport would be capable of displaying the ATV standard with a plug-in adaptor when broadcast, cable, or satellite transmissions begin."

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Act III Broadcasting said it had submitted bid to acquire two stations from beleaguered Media Central Inc., which, in addition to current bankruptcy proceedings is also contesting FCC's fine for broadcasting indecent programing (BROADCASTING, June 27). Act III president, Bert Ellis, said it offered to buy WDBD(TV) Jacksonville, Miss., and WZDX(TV) Huntsville, Ala., as part of reorganization plan submitted to court. In rambling press release last week, Media Central president, Morton Kent, suggested that indecency fine, station bids and groups shaky financial standing were related. "The program syndicators and producers," said Kent, "are in the midst of an attempt to take over our company." Kent suggested tie-ins between former station manager of KZKC(TV) Kansas City, Mo., who aired movie, "Private Lessons," and program syndicator and creditors and between unfavorable article that appeared in trade magazine *Channels* and magazine's owner, Act III principal Norman Lear, along with other allegations of collusion. "Is all this coincidence?" asked Kent. "Any part played by some of the aforementioned will unveil itself in the courts. We can pay the $2,000, but we will not. We can let the syndicators have our company, but we will not."

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FCC affirmed transfer of Spanish International Communications to Hallmark as well as Hallmark buy of KDTV(TV) San Franciso for $25 million. Grants were challenged by several Spanish-language broadcasters, but commission said challenges brought no new facts to light.

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Management of Outlet Communications last week proposed to buy shares held by partner's Wesray Capital Corp. and largest investor, Mutual Benefit Life, at $22.50 per share, minimum price called for under agreement signed last December ("Closed Circuit," June 27). Wesray and Mutual now have 20 days to respond to offer, with some observers predicting they will reject offer. Outlet announced last week it had received bid of $13 million for WATL(TV) Atlanta, owned by affiliate company, Atlin Communications, but that board had rejected bid as inadequate. Board said same about previous bid of $17.5 million for WXIN(TV) Indianapolis, made by Emmis Communications.

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House Telecommunications Subcommittee marked up last-minute amendment to public broadcasting reauthorization bill creating independent production service beginning in fiscal 1990. To be separate from CPB, which must provide it with "adequate funds" and report annually to Congress on its activities, service is required to use funds "exclusively. . . to expand diversity and innovativeness of programing." CPB and independent producers had worked out $6-million, three-year deal on their own, but CPB called deal unworkable if Senate bypasses CPB with national programing funds (see page 49).

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Conference committee of **Arizona** legislature **has thrown out 5% state sales tax on cable service** that had been part of tax bill. Cable operators had carried messages on their system asking subscribers to call legislators and express opposition. Tax would have been added directly to subscriber's bill.