

## INDIANAPOLIS PLANT SHUTDOWN

## RCA/Ariola To Quit Producing Vinyl

RCA/Ariola is getting out of vinyl record production. The company will close its Indianapolis pressing plant by the end of this year, with the loss of approximately 700 jobs. In future, the company will rely on third-party suppliers for records.

The move reflects the continuing decline in vinyl LP and single sales industrywide. RCA/Ariola stated that records now account for less than 25% of its business, "while compact discs and audio cassettes have grown to nearly 80% of sales." Company VP/Communications Robbin Ahrold said that the decision also affects Arista, which has been using the Indianapolis plant.

Unaffected is RCA/Ariola's cassette duplication facility in Weaverville, NC, which came on line two years ago. The company has no other US record or tape manufacturing facilities. It obtains compact discs from overseas and from

such independent domestic sources as LaserVideo. "There are no plans to get into the CD manufacturing business," said Ahrold. RCA/Ariola's parent, Bertelsmann, has CD production at its Sonopress subsidiary in West Germany.

The Indianapolis shutdown extends to RCA/Ariola's distribution warehouse there, which is closely aligned with the pressing plant. City and state officials have been contacted, says the company, which will be working with local and state agencies to assist employees in outplacement and retraining. The RCA Record Club operations, also located in Indianapolis, are not affected.

Capitol Industries/EMI switched to third-party suppliers for records last year, while maintaining its own cassette duplication. CBS also reduced vinyl production in 1986, with the loss of approximately 300 jobs at its Pitman, NJ factory.

## Anti-Home Taping Chip In DAT Bill

Electronics Group: 'Unacceptable' Proposal; RIAA Pleased

By Adam White

The music industry's campaign to influence the US introduction of digital audio tape (DAT) received a double boost last week. On February 5 a bill was introduced in the Senate to require DAT hardware manufacturers to equip their machines with a "copy-code scanner" which would prevent home taping.

The following day, Reagan Administration officials said that a similar proposal would be included in the President's trade legislation proposals, which will be submitted to Congress later this month.

Record companies and other copyright owners contend that DAT, the tape equivalent of compact disc in terms of sound quality, will further the home taping problem which, they say, already costs the industry more than \$1.5 billion in displaced sales.

Led by the RIAA, this lobby has been seeking ways to force Japanese electronics makers to include a copy-code scanner developed by CBS in DAT machines, which are likely to be marketed in the US by year's end. It's an extension of the

music industry's long-running — and, so far, unsuccessful — effort to receive compensation for analog home taping through a legislated blank tape or hardware royalty.

Last week's bill, S.506, was introduced by Sen. Albert Gore (D-TN), Pete Wilson (R-CA), and three other lawmakers, and referred to the Senate Commerce Committee. If enacted, the Digital Audio Recorder Copy-Code Act of 1987 would make it illegal to import, make, or sell DAT machines without the scanner, or to produce a device to "disarm" the chip. Remedies would be civil action in US District Court, with minimum damages set at \$1000.

Noting that this initiative has "the strong support of the Reagan Administration," RIAA President Jay Berman said, "It is time for the US government to take strong measures to ensure that the next generation of recording machines does not exacerbate the problem of home taping."

The proposed law would be effective for three years from the date of enactment. Said Sen. Gore, "I believe this sunset provision is necessary because the solution to the digital home taping problem, as well as for the home taping issue in general, must be ultimately developed under the copyright laws."

## Copying Prevention Already Possible

In response, Electronic Industries Association VP/Communications Allan Schlosser called the legislation "unacceptable," and said the recording industry's "real motive is to kill DAT in the

## Danitz

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TV. "I'm very impressed with the Pulitzer organization," he told R&R. "The managers of our properties are a fantastic array of talent."

Pulitzer President Ken Elkins noted, "We're very pleased when we can promote from within. In the past few months, we wanted to get to know Paul better, and we now feel we do."

While he doesn't plan on making changes, Danitz sees a need for "increased research and promotion" for the stations, adding, "This is such a competitive market; there are new players or new formats here every year."

## Dennis

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promotions. "There'll be some other things happening with this company in the future that I'll be part of."

No other personnel changes have taken place at KSFO & KYA, which began simulcasting fulltime around the holidays. The two stations are now running a somewhat hard-edged gold mix, averaging the AOR-slanted gold that KYA had been playing before the merger with KSFO's more mainstream gold. Hamilton added that the two sets of call letters will remain in place because both of them are too recognizable to give up.

cradle." He pointed to recent developments in Japan, where DAT manufacturers "are reconfiguring the machines to prevent digital-to-digital copying" by way of sampling rate adjustments.

Schlosser called this a "major concession" on the part of the Japanese — one which undercuts the central argument of the copy-

**"The act would make it illegal to import, make, or sell DAT machines without a scanner which would prevent home taping."**

right owners. He added, "But it becomes apparent that the record industry will settle for nothing less than a bill which cripples digital audio tape hardware."

The EIA official said that word of the Japanese move has been conveyed to the "appropriate" trade officials in Washington. "I'm not sure that people in the administration or on Capitol Hill are aware of the new development, but we'll be explaining the significance of the reconfiguration to them."

## SALES &amp; DISTRIBUTION

## Weiner New VP At Motown



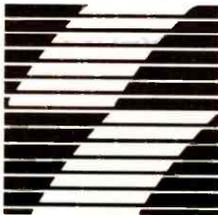
Mort Weiner

Music industry veteran Mort Weiner has been appointed to the newly created post of VP/Sales & Distribution for Motown. He will be responsible for overall sales and distribution of Motown product, in addition to directing the Motown regional sales staff.

The move marks Weiner's return to the label; he served there as Administrator of Promotion between 1973-75. Most recently VP/Sales & Distribution for Total Experience Records, Weiner earlier held various sales and promotion posts with several labels, including Metromedia, RCA, and 20th Century.

Based at Motown's Hollywood headquarters, Weiner reports to Exec. VP Skip Miller, who told R&R, "Mort is an old Motowner, and we're happy to be back together again. He brings a great deal of experience in the fields of distribution, sales, and a wealth of knowledge of sales to airplay in stores."

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