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THE WHITE HOUSE
WASHINGTON

August 12, 1975

MEMORANDUM FOR

THE HONORABLE STEPHEN GARDNER
DEPUTY SECRETARY OF THE TREASURY

In connection with Bill Simon's interest in the position taken by FCC in the Washington Star proceeding, I enclose a copy of a memorandum from the Department of Justice addressed to Jim Cannon, with copy to me.

P.W.B.

Philip W. Buchen
Counsel to the President

Enclosure

*"Equal Time"
FCC
(Reel folder)*



Department of Justice
Washington, D.C. 20530

AUG 5 1975

*Equal
Time*

MEMORANDUM FOR HONORABLE JAMES M. CANNON
Assistant to the President for Domestic Affairs

Re: Washington Star-WMAL FCC Proceeding

Rod Hills asked me to provide you with a statement of the options available to the Federal Communications Commission (FCC) for providing expedited action with respect to the Washington Star-WMAL proceeding now pending.

Unfortunately, the major remediable delay in this case has already occurred--that is, the delay from November, 1974 when the application was filed, to July, 1975, to set it for hearing. (A hearing, by the way, was in our view probably necessary, since it could only have been dispensed with if there were no "substantial and material questions of fact." 47 U.S.C. 309(d)(a).) From this point on, the procedure to be followed is largely not within the control of the Commission, but provided with relative specificity by statute.

The matter arises under statutory provisions which require FCC approval for transfer of ownership of broadcast properties, 47 U.S.C. 310(b). The proceeding is an "adjudication" within the meaning of the Administrative Procedure Act, since it involves licensing. See 5 U.S.C. 551(6), (7), & (9), 554(a); 47 U.S.C. 309(e). This requires



a trial-type hearing before the agency itself, an administrative law judge or a member of the agency, including the opportunity for parties to present oral*/ and documentary evidence and to conduct "such cross-examination as may be required for a full and true disclosure of the facts." 5 U.S.C. 556(d).

The principal formal step which could be taken to expedite the present proceeding is elimination of the initial decision by the hearing officer. Ordinarily, the administrative law judge presiding at the hearing will write an "initial decision," which is then reconsidered by the agency de novo. After "reasonable opportunity" for the parties to submit exceptions to the initial decision and their own proposed findings and conclusions (5 U.S.C. 557(c)), the agency issues its final determination. It is possible, however, for the agency to dispense with the initial decision, and to require that, at the completion of the hearing, the record be certified to it for immediate

*/ In "initial licensing" proceedings, the statute enables the agency to require that all or part of the evidence be presented in written form. 5 U.S.C. 556(e). It is not entirely clear whether the present proceeding constitutes "initial licensing" within the meaning of this provision. Compare Chotin Towing Corp. v. FPC, 250 F.2d 394 (D.C. Cir. 1957) with Bhd. of Locomotive Engineers v. United States, 217 F. Supp. 98 (D.C. Ohio 1963). Even if it is, the provision can only be applied "when a party will not be prejudiced thereby," and thus can probably not be used too extensively, especially since the FCC statute requires that "any hearing . . . shall be a full hearing." 47 U.S.C. 309(e). See United States v. Storer Broadcasting Co., 351 U.S. 192, 202 (1956).



determination. 5 U.S.C. 557(b); 47 U.S.C. 409(a). This procedure is used not infrequently in rulemaking cases of great importance or urgency, though rarely in adjudication. It saves substantial time in those cases in which the agency ultimately disagrees with the presiding officer and must thus prepare a substantially new set of "findings and conclusions, and the reasons or basis therefor, on all the material issues of fact, law, or discretion presented on the record." 5 U.S.C. 557(c). When the agency agrees with the presiding officer, the only saving effected by dispensing with the initial decision is the time that would have been consumed in providing the parties a "reasonable opportunity" to submit proposed findings to the initial hearing officer and exceptions to his initial decision.

Beyond omitting the initial decision, the only significant formal expediting device available to the Commission is the establishment of some specific deadlines within which the administrative law judge must commence and complete various stages of the proceeding. Even here, the Commission may not have an entirely free hand, since certain minimum time intervals are established by the statute--for example, a 30-day period after designation of an application for hearing within which individuals may seek to become parties. 47 U.S.C. 309(e). Moreover, establishment of rigid deadlines would have to be approached with extreme caution,



since it is difficult to estimate in advance the amount of time necessary for a fair and thorough hearing. Rule-making (which is generally subject to less stringent judicial oversight) has been set aside when conducted under Congressionally established time constraints which proved inadequate. See International Harvester Co. v. Ruckelshaus, 478 F.2d 615 (D.C. Cir. 1973).

In sum, it is our view that the best hope for expedition without incurring unacceptable risk of judicial reversal is elimination of the initial decision requirement, selection of an efficient and decisive administrative law judge to conduct the proceeding, application of constant prodding on the part of the Chief Administrative Law Judge, and occasional inquiry from the Commission.

Even with all this, there is in our view little prospect that under the applicable statutory requirements the hearing on the present question can be completed within a very brief period of time. As you know, the principal issue is application of the so-called "cross-ownership restrictions" which the Commission adopted on January 28, 1975, prohibiting ownership of both broadcast and newspaper properties in the same market with respect to acquisitions and transfers of ownership occurring after that date.*/

*/ Petitioners have also sought waiver of the FCC's March, 1970, rules which prohibit the transfer of radio-television broadcast combinations intact. 47 CFR 73.35, 73.240, and 73.636.



40 Fed. Reg. 6449, amending 47 CFR 73.35, 73.240, 73.636. The order adopting the rules explicitly envisioned the possibility of waiver when, for example, separation of broadcast and newspaper properties would render a sale of the station impossible, or would require sale at an artificially depressed price, or if it could be shown that separate ownership of the newspaper and the station could not be supported in the locality, or if "for whatever reason" the purposes of the rule would be better served by continuation of the current ownership pattern. Establishing any of these justifications will require a significant amount of factual investigation--into such questions as whether the Star can make a profit without the television station and whether Allbritton and McGoff are financially responsible. The proceedings will be additionally complicated by the participation of at least four so-called "public interest" groups opposing the application, in addition to the opposition of McGoff. While some procedural steps can be taken by the administrative law judge to require opponents to consolidate their presentations where their interests coincide, the number of parties normally bears a fairly direct relationship to the length of the proceeding.

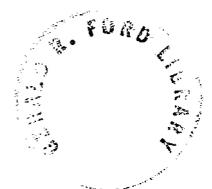
This is simply not the best case in which to expect application of streamlined new procedures. Most informed criticism of regulatory delay is directed at rulemaking or



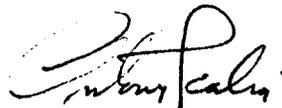
informal adjudication, where the procedural options available to the agency are quite broad. Criticism of formal adjudication, such as is involved here, ordinarily takes the form of disagreement with the Congressional imposition of the formal adjudication requirement. Once such a requirement has been imposed, however, it is no more useful to call for a "quick" hearing than for a "quick" court trial, for that is the model on which formal adjudication is based. Any attempt to cut back significantly upon the standard format runs a substantial risk of judicial reversal; and White House urging of particular means of expedition may simply involve the President in a subsequent judicial finding that the requirements of law have not been observed.

We have given some thought to the possibility of having the Antitrust Division intervene in order to prod constantly for expedition of the proceeding. The problem with this course is that it would hardly seem appropriate to appear for that purpose and no other; the Division is not particularly interested in getting involved in this substantive dispute, and if it did its contribution would more likely protract than abbreviate the proceeding.

We strongly advise against any concerted White House campaign--no matter how overt and public--to induce the FCC to conduct this proceeding in a particular fashion. Formal agency adjudication is based on the model of court proceedings,



and was meant to be accorded the same freedom from interference in a specific pending case. While probably not constituting an "ex parte" contact which would be unlawful, White House "jawboning" could provide grounds for seeking judicial reversal of the FCC's decision. Public Congressional pressure concerning the substantive issues in a pending proceeding have been held to invalidate its outcome, Pillsbury Co. v. FTC, 354 F.2d 952 (5th Cir. 1966); in principle the same disposition could be applied to Executive branch pressure with respect to procedural issues important to the outcome.



Antonin Scalia
Assistant Attorney General
Office of Legal Counsel



THE WHITE HOUSE
WASHINGTON

FCC

August 21, 1975

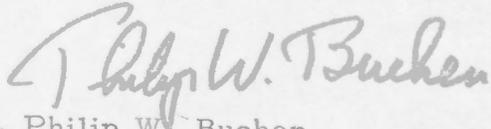
Dear Mr. Terry:

On behalf of the President, this is in response to your letter of July 31, 1975, concerning a petition you have filed with the Federal Communications Commission.

I can assure you that the protection of individual privacy continues to be a subject of particular concern to the President. I have taken the liberty of referring your correspondence to the Domestic Council Committee on the Right of Privacy for appropriate consideration with respect to the privacy issues that you raise.

Your inquiry is appreciated.

Sincerely,



Philip W. Buchen
Counsel to the President

Mr. Herbert A. Terry
2501 Lowry Avenue, N.E.
Minneapolis, Minnesota 55418



STAR NEWSPAPER COMPANY
POST OFFICE BOX 1740
EAST LANSING, MICHIGAN 48823
TELEPHONE 517/349-4156

*Mc Giff
John*

August 27, 1975

The Honorable Philip W. Buchen
Counsel to the President
The White House
Washington, D. C.

Dear Mr. Buchen:

I have your letter of August 7th responding to my telegram protesting Secretary Simon's comments on the Washington Star case before the Federal Communications Commission.

All citizens can agree that the regulatory agencies should act expeditiously. Had Secretary Simon limited himself solely to this general point, no objection could be taken. His comments, however, simplified the case by making it seem that an immediate and (it follows logically) favorable ruling by the FCC is essential to the continued publication of the Star newspaper. In actual fact the publication of the Star would not be assured even if the FCC were to grant a waiver of its policy. The new owners would be free, at any time, to jettison the Star to maintain the profits of the broadcast properties.

What the Star needs is experienced management dedicated to the revitalization of the newspaper. Its future should not be mortgaged to broadcast properties. As I hope you are aware, I have been (and remain) interested in buying the Star newspaper and operating it apart from any broadcast outlets in the Washington market. If I were successful in buying the newspaper, no action by the FCC would be needed. As owner of the newspaper alone, I would have to make a success of it; I would not have the option of disposing of it to maintain profits from broadcast affiliates.

I think it vital that Washington continue to have two newspapers and that there be alternative news philosophies available to the important Washington public. It disturbs me, therefore, when a high government official intrudes into an FCC case in such a manner as to indicate that the continuation of the Star depends on immediate FCC action, action at the expense of destroying sound FCC policy designed to promote a greater diversity of ownership of the nation's media.



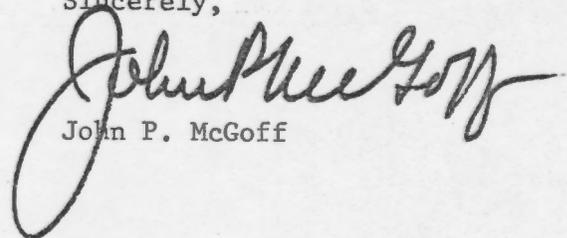
The Honorable Philip W. Buchen
Counsel to the President
The White House
Washington, D. C.

August 27, 1975
Page 2

I am further disturbed that the Secretary, like the press establishment, discusses this matter as though there is no alternative to the current publisher of the Star. I have tried every means, including advertisements in the local papers, to make my interest known. Yet in almost every newspaper account, and in the Secretary's comments, no reference is made to the fact that I represent a viable alternative, one that would eliminate the need for any action by the FCC.

I have tried to explain, Mr. Buchen, why I am disappointed by the Secretary's remarks and your response. It would seem sound Republican policy to promote the diversity of media ownership and active competition among newspapers in Washington, D. C. For this reason I hope it will be possible, for reasons of balance and fairness, for the Secretary to make known his awareness of my interest in buying the Star and his neutrality in the case.

Sincerely,



John P. McGoff

JPMc/als

cc: The Honorable William E. Simon
Secretary of the Treasury



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ZIP 20500

western union Mailgram UNITED STATES MAIL

McGoff
John P.

AUG 04 1975

THE PRESIDENT
THE WHITE HOUSE
WASHDC 20500

RN

MY DEAR MR. PRESIDENT:

AS YOU MUST KNOW, I HAVE BEEN AND CONTINUE TO BE INTERESTED IN PURCHASING THE WASHINGTON STAR INDEPENDENT OF ITS BROADCAST PROPERTIES. QUITE ASIDE FROM THE ISSUE OF WHO PUBLISHES THE STAR IN THE FUTURE, HOWEVER, I VEHEMENTLY PROTEST THE EFFORTS BY SECRETARY SIMON TO HAVE YOU EXERT PRESSURE ON THE FCC CONCERNING ITS DECISION IN THE CASE OF THE STAR'S BROADCAST STATIONS.

I AM SHOCKED, SO SOON AFTER THE POLITICAL TRAUMA THIS COUNTRY EXPERIENCED BECAUSE OF ABUSE OF EXECUTIVE POWER, THAT ANY RESPONSIBLE OFFICIAL WOULD SUGGEST THAT "HEAT" BE APPLIED BY THE WHITE HOUSE ON AN INDEPENDENT REGULATORY AGENCY. THE CASE WAS APPROPRIATELY HANDLED BY FCC IN FULL ACCORDANCE WITH ITS ESTABLISHED PROCESSES AND RULES. IT IS IN FACT STILL SUB JUDICIA BEFORE THE FCC, HAVING BEEN DESIGNATED FOR HEARINGS BY AN OVERWHELMING VOTE OF 6-1.

ALTHOUGH HE ADMITS HE KNOWS NOTHING ABOUT THE SUBSTANCES OF THE ISSUES ON WHICH THE FCC ACTED, MR. SIMON'S EMOTIONAL OUTBURST URGING YOU TO TAKE ILLEGAL ACTION CAN ONLY DISSERVE YOU AND THE COUNTRY'S BEST INTERESTS.

I AM CONFIDENT YOU WILL DISAVOW SECRETARY SIMON'S INTRUSION INTO THE JUDICIAL PROCESSES OF AN INDEPENDENT REGULATORY AGENCY.

SINCERELY,

JOHN P MCGOFF PRESIDENT STAR NEWSPAPER CO PO BOX 1740
EAST LANSING MI 48823

COPY: WILLIAM E SIMON SECRETARY OF THE TREASURY.

18:27 EST

MGMWSHT HSA



FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON

August 1, 1975

File

Honorable Philip W. Buchen
Counsel to the President
The White House
Washington, D.C. 20500

Dear Phil:

As you may already have surmised, the Washington Star case is considerably more complicated than one might gather from some of the comments that have been appearing in the press.

Through the evidentiary hearing, which will be expedited, we will secure the information which it is essential for us to have in order to render a considered decision.

Among the gaps, for example, is data that would help us in judging whether or not a good faith and reasonable effort was made to sell the newspaper separately, including the rejection of John McGoff's \$25 million offer.

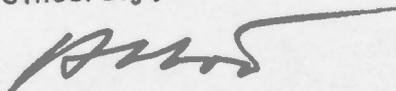
Dick Wiley has asked the Chief of the Administrative Law Judges to assign a Judge to the case immediately and to commence the proceeding next week. It will be expedited in every possible way.

A copy of our Memorandum Opinion and Order of July 28 is enclosed.

While it would not, of course, be proper for us to go into the merits, if you or your associates have any questions about the status or procedures in the case, I would be delighted to discuss this with you at your convenience.

All best regards,

Sincerely,



Abbott Washburn
Commissioner

Enclosure



Publisher's Letter

Television/Radio Age September 29, 1975

*Cable
T. V.
need
file*

**FCC deserves praise
for making efforts
toward reregulation**

Television/Radio Age has often been critical of the Federal Communications Commission over the years—particularly of its excursions into broadcast programming.

The moves by the Commission have resulted in a steady erosion of programming independence. The FCC has invaded many of the gray areas of the First Amendment, and it has trod down the primrose path of the raised-eyebrow technique. The Commission, in reality, is a microcosm of the bureaucracy. It is a day-by-day drama of the never-ending battle between the individual and his government.

But there is one area in which the Commission deserves special commendation and encouragement—and this is the area of reregulation. Before the term became popular (the White House has now adopted the semantic), FCC Chairman Richard E. Wiley announced in April, 1972, at the NAB Convention in Chicago, that the Commission was going to proceed with specific proposals to reduce or modify needless regulations on the books and cut down on unnecessary paperwork.

**300 Commission rules
modified or eliminated**

Writing on Reregulation: from theory to practice in the FCC Issue of TELEVISION/RADIO AGE in early 1974, Wiley said, "In its very essence, reregulation represents an attempt to reverse a basic—and unfortunate—tenet of the Federal bureaucracy: Once a rule gets on the books, it is almost never erased or even changed. It remains there to grow musty with age and with the encrustation of more and more rules to keep it company.

The FCC Broadcast Reregulation Task Force, as Wiley mentioned in his speech before the International Radio and Television Society two weeks ago, "has modified or eliminated 300 Commission rules." Most of these reregulations have been minor, technical or mechanical, but in total they are saving both the industry and the Commission substantial sums of money. For example, even a small modification in changing meter readings from every 30 minutes to every 3 hours is a time-saving move. The Commission is also working on a short renewal form for radio (303R). It is proposing exemption from ascertainment for radio and television stations in communities with less than 10,000 population. There are almost 2,000 commercial radio stations and 14 tv stations in that category, and Wiley is in favor of a higher minimal population figure.

The Commission is well along on a plan for approving automated transmitters. This would change the logging rules, and metering would be eliminated.

**FCC's past three years
set accomplishment high**

The Commission is also moving in more substantive areas such as the elimination of the Fairness Doctrine on an experimental basis in pilot areas.

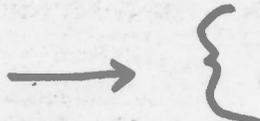
There has been a great deal of work done on examining and analyzing the complex and slow-moving hearing procedures.

The FCC Adjudicatory Task Force has just completed a 99-page report on the hearing processes with specific recommendations on streamlining and expediting Commission hearings.

The regional meetings program, whereby broadcasters can query FCC staff, has been constructive and informative.

The FCC phone directory, widely distributed at regional meetings, is another excellent service. Broadcasters can use the directory to call individual staff members on specific questions.

There has been more accomplished in the past three years in the way of both reregulation and better communication between the broadcaster and the Commission than there has been in the past quarter of a century.



Alex Paul



ply to all multimember regulatory agencies, not only the FCC. Representative Macdonald has drafted a bill providing for reorganization of the FCC which would require the commission to hold open meetings.

And the commission expresses the hope that a sunshine legislation would not shut out nonpublic meetings entirely—that it would provide for brainstorming or exploratory discussions prior to debate and decision.

The commission said that it has already taken steps to improve and encourage public input into its actions. It cited the regional meetings it has been holding around the country; the full, en banc meetings with groups in Washington and the "Action Alert" letters it is dispatching to citizen groups soliciting comment on issues.

The letter was not adopted unanimously. Commissioners Glen O. Robinson, who had urged the commission to adopt government-in-the-sunshine procedures, and Benjamin L. Hooks did not join their five colleagues in the matter.

Representative Macdonald's response was prompt. He issued a statement on Friday calling the commission's decision "a major setback to the growing trend toward open government," and adding: "If the commission feels that open meetings would inhibit the decision-making process, then it suggests that the commission is trying to hide something from members of the public."

White House moving ahead on de-regulation

OTP nearly has ready bill for experiment in dropping fairness doctrine and other rules in top radio markets; cable meets with executive department for input on its federal problems

Last week, communications matters were on the agenda as the White House sought to prepare proposals to implement President Ford's policy of de-regulation. On Wednesday, a representative of the Office of Telecommunications Policy met with the Domestic Council's group on regulatory reform to brief it on OTP's plan for experimental de-regulation of radio in the top-10 markets. And on Thursday, 14 cable industry representatives met with the group and with OTP officials to discuss alternative proposals to de-regulate their industry.

Of the two, it seemed that plans for experimental de-regulation of radio may be farther along. OTP's acting general counsel, Tom Keller, told the group OTP expects to complete this week or next work on a draft bill that would explicitly authorize the FCC to undertake the experiment, which would include the deletion of the fairness doctrine and program-

format, programming-percentage and commercial-percentage oversight (BROADCASTING, Oct. 6).

The draft would be subject to review by the council and probably executive agencies. But Mr. Keller felt the proposal met with a favorable response last week. And OTP is confident the bill will sail through Congress. OTP officials note that Representative Torbert Macdonald (D-Mass.), chairman of the House Communications Subcommittee, has supported the concept of an experimental de-regulation of radio.

The FCC, however, does not share that view. Officials there do not believe that Senator John O. Pastore (D-R.I.), a major fan of the fairness doctrine, would bless such legislation. And Chairman Richard E. Wiley, who had not been informed of OTP's plan until reporters talked to him about it on Oct. 3, is pressing ahead with plans to issue a notice of inquiry on his proposal for a test suspension of the fairness doctrine as it applies to radio in major markets.

The White House group, in its meeting on Thursday, wanted to hear the cable industry's views—as it will the broadcasting industry's this week, on Thursday, and the motion picture industry's, on Oct. 20—on whether the White House should seek regulatory relief in specific areas—signal-retransmission limitations and payable restrictions—or legislation providing a comprehensive framework for de-regulation.

The cable industry representatives seemed to say yes to both. If legislation were enacted affording relief only in specific areas, they said, a regulatory void would be left which state and local governments could fill with regulations of their own. And when the question was asked which areas should be regulated by government to protect the public interest and which should be left to regulation by the marketplace, they said pay cable operations and signal retransmission, as well as rates, should be left to the play of the markets. One candidate for government regulation they advanced was technical standards, to assure systems' "interoperability."

The cable industry representatives also indicated they would welcome legislation to limit or prohibit state and local regulation in some areas, to govern access to telephone and power-companies' poles and ducts, and to bar "discriminatory taxes" in the form of licensing or franchise fees.

Administration officials who attended the meeting thought it provided a "good change of views" between the cable industry group and the government officials—representatives of the Justice Department's antitrust division, the Council of Economic Advisers, the Office of Management and Budget, who constitute the regulatory reform group.

The industry members who attended were Robert Schmidt, president of the National Cable Television Association; Rex Bradley, NCTA chairman; Edward Allen, Western Communications; George Barco,

Meadville, (Pa.) Master Antenna; Ralph Baruch, Viacom International; Richard Brown, general counsel of the Community Antenna Television Association; Robert Cooper, executive director of CATA; John Gwinn, Cox Cable Communications; Gus Hauser, Warner Cable Corp.; Amos Hostetter Jr., Continental Cablevision Corp.; Gerald M. Levin, Home Box Office; Monroe M. Rifkin, American Television and Communications Corp.; Robert Weary, Communications Services Inc., and Barry Zorthian, Time Inc.

OTP officials will meet again with the regulatory reform group this week to discuss a number of other de-regulatory proposals involving communications matters. There was no indication of what the specifics of the discussion would be but it was understood they would go beyond OTP's proposals for de-regulating cable and radio and would include common-carrier matters.

Ringer says provision in copyright bill for TV-news archives is open to abuses

In wrap-up testimony in House, register of copyrights says cable should pay royalties, but she objects to tribunal; sees difficulties with FCC's exclusivity rules for programs

Barbara Ringer, register of copyrights, said last week the U.S. Copyright Office is opposed to the wording of a provision of the copyright bill giving libraries and archives the right to copy television news shows.

The section, added to the copyright bill by the Senate last year, was introduced by Senator Howard Baker (R-Tenn.) and is intended to exempt Vanderbilt University from copyright liability for the network evening news and documentary programs its Television News Archives has been taping and cataloguing since 1968.

Testifying before Representative Robert Kastenmeier's (D-Wis.) Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice last Thursday, Miss Ringer said the Copyright Office does not oppose the intent of the Baker amendment, only the language, which she said "could open the door to completely unjustified abuses." Miss Ringer said the bill should instead create a national repository of television films in the Library of Congress and the National Archives and grant the repository exclusive right to copy news programs. She said Vanderbilt should be permitted to continue its operation, however, and suggested the inclusion of a "grandfather clause" protecting Vanderbilt.

In prepared testimony yet to be completed before the subcommittee, Miss Ringer raised few objections to the provi-

PERSONAL ATTACK RULE TESTED: "It could be the vehicle for overturning much of the Supreme Court's Red Lion decision," Washington lawyer (not involved) said last week of WMCA(AM) N.Y.'s appeal of FCC ruling it violated personal attack rule. Attorneys say case may be of major significance, involves issue not previously before courts.

In 1973, WMCA talk host Bob Grant called Rep. Rosenthal (D-N.Y.) "a coward" on air. Following Rosenthal complaint, Commission ruled station had violated personal attack rule (although \$1,000 fine levied against station by Bcst. Bureau was rescinded). WMCA has asked D.C. Appeals Court to reverse ruling on grounds: (1) It's unconstitutional. (2) "The vagueness of the... decision and the resultant chilling effect upon the uninhibited broadcast of controversial speech." (3) "The Commission's processes were invoked to punish the station, not to gain a right of reply for public enlightenment." (4) "In light of the Supreme Court's recognition of the inhibiting effects of the personal attack rules... and because of the vagueness of their application by the FCC, the rules should be invalidated."

WMCA noted that, in Red Lion, Supreme Court Assoc. Justice White "expressly left open" possibility that personal attack rules should be abolished if "in actual administration they inhibited coverage." This is that case, station argued, particularly in light of "FCC's inability to administer the rule in a coherent & principled fashion."

FCC countered that it used case to "clarify a timing problem—the relation of an attack to the discussion of a controversial issue—for [WMCA] and all licensees... This clarified position was reasonable and within the Commission's statutory authority. Petitioner has seized upon the finding of a technical violation and... a prospective interpretation of the personal attack rule as an excuse once again to ask this Court to depart from the holding of Red Lion. We strongly urge this Court... to reaffirm the continuing validity of Red Lion."

Rosenthal told Court "this case appears to be the latest in a series of efforts by the broadcast industry to destroy the concept of the public trustee." Case will be argued later this fall.

WBTB-TV (Ch. 58) Newark resumed telecasting Sept. 28, having been dark since Dec. 27, 1974, is concentrating heavily on stock market, consumer & business news. Station holds authorization for pay-TV operation, has no plans to start it until adequate financing is obtained. Also started last week was **WBKB-TV (Ch. 11) Alpena, Mich.** Scheduled to begin Sept. 29 was **WGPR-TV (Ch. 62) Detroit.** Total operating: 963-706 commercial, 257 ETV.

Hearing has been set by FCC on request for exclusivity protection by **WIBC-TV Pittsburgh** against Southwest Pa. Cable TV. Commission had issued cease & desist order to Southwest, for failure to provide protection. Latter appealed, and D.C. Appeals Court ordered FCC to conduct hearing, saying station didn't seek exclusivity from all cable systems in area; it also ordered evidence taken on system's claim of economic injury.

There's "substantial question" whether current FCC regulation of cable "adequately serves" public interest, according to "work statement" of House Communications Subcommittee. Statement was filed with House Administration Committee as budget justification for Subcommittee's 8-month cable study designed to lead to proposed cable legislation. Statement says study "is not meant to be an analysis of the issues that presently concern the FCC," but "to deal more broadly... with alternative ways of approaching the opportunities offered by the new technologies. The study should reflect the consideration of how cable TV should fit into the national communications network." Subcommittee staff already has interviewed Justice Dept. (JD), OTP, FCC, AMST, NAB, networks, NARUC, NCTA, MPA, NATO, CATA, citizens groups, plans trips to N.Y., Cal., & Canada for more research. Meanwhile, OTP cable bill has undergone further changes in response to JD objections to earlier draft, is again in White House clearance process. Among options White House is considering is not sending bill to Congress at all for 1-2 years, in order to avoid irritating broadcasters just before 1976 presidential election.

Senate Judiciary Committee meets Oct. 7 in closed session to begin mark-up of general copyright revision bill. (Meeting had been set for Oct. 1, was delayed to allow Register of Copyrights Barbara Ringer to testify Oct. 2 on same bill before House Judiciary Subcommittee.) At press time, it was uncertain what amendments would be offered: (1) Sports blackout apparently is dead issue. (2) Sen. Scott (R-Pa.) may again offer performance royalty amendment. (3) NCTA board discussed copyright issue at meeting last week (see p. 2), reaffirmed earlier stand; NCTA will push for elimination of tribunal's authority to reassess congressionally-set rates. (4) Most important goal for NAB will be right of broadcasters to sue cable systems directly; NAB also will stress language dropped last year from Senate bill—barring change in number of distant signals system can carry without reopening fee schedule. Meanwhile, House Judiciary Committee hopes to complete action on bill by end of session. There's strong possibility that one or more members of Copyright Subcommittee will offer amendments to exempt local signals from copyright liability.

FCC has voted denial of renewal of Richard Eaton's **WFAB(FM) Miami**, it's understood, will announce it shortly. Vote is believed unanimous, affirming FCC judge's initial decision, which attacked station for fraudulent billing, Eaton for inadequate supervision. Recently, Commission denied renewal of Eaton's **WOOK-TV Washington (Vol. 15:37 p6)**.

Citizens for Better TV, "concerned about the moral education of our youth via TV," appoints directors, elects officers, plans national organization "powerful enough to combat this problem" at Oct. 4 meeting, Hyatt Regency, Knoxville, Tenn.

MDS will offer pay TV in Cincinnati, Columbus & Dayton, beginning this fall. **Plains TV Corp.** will operate systems; Microband arranged contracts, now has 23 in U.S.

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D. C. 20554

OFFICE OF
THE CHAIRMAN

October 9, 1975

Honorable Torbert H. Macdonald
Chairman, Subcommittee on Communications
Committee on Interstate and Foreign Commerce
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

This is to advise you that the Commission has decided, for the present, to continue a policy of opening its deliberative sessions only to agency personnel (Commissioners Hooks and Robinson do not join in these views). In reaching this decision, a majority of Commission members expressed concern that public meetings might have an inhibiting effect on the free and candid discussion which has traditionally characterized FCC agenda meetings. It is felt that uninhibited discussion between and among agency members and their staffs is an essential prerequisite to informed and intelligent decision-making.

The Commission is aware that various proposals for open meetings legislation are presently pending in the Congress. We intend to closely monitor the progress of these bills and, if one is enacted, I can assure you that the Commission will comply with both the letter and spirit of the legislation. In this connection, however, we believe that any law which is adopted should be applicable to all multi-member agencies and not just to the FCC. We also hope that the Congress will give serious consideration to the suggestion of an American Bar Association special committee that any open meetings requirement should exempt "chance encounters and informational or exploratory discussions" of agency members. In this regard, we believe that "brainstorming sessions" between the Commission and its staff, prior to final debate and decision, can make an important contribution to innovation and creativity in public policy. In the event that Congress does not adopt open meetings legislation, we will then review the information compiled by Congressional committees and give further consideration to the merits of various proposals which have been advanced.

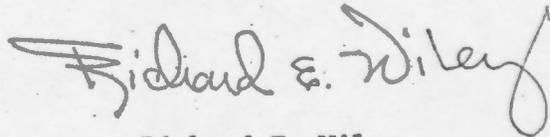


Honorable Torbert H. Macdonald
Page 2

While we have decided, at this time, not to open our deliberative meetings to the general public, we will continue to seek and encourage public participation in the decision-making process. In the past we have published the Procedural Manual, a guide to FCC policies and procedures for the average citizen (a copy of which is enclosed). More recently, we are continuing a series of regional meetings which provides an opportunity for an open exchange of views between Commissioners, senior staff personnel and the general public. Three Regional Commission Meetings are scheduled for this Fall: Boston, October 17; Denver, November 18; and San Francisco, November 20 and 21. In addition, on a regular basis, the Commission is now holding en banc meetings in Washington to provide citizens, public interest groups and others with an opportunity to present their views on matters of interest to them. Moreover, we recently instituted a policy of mailing to public interest groups a weekly summary of agency actions, an invitation to comment on pending matters and, in matters of particular interest to consumers a complete copy of the Commission's action itself. I enclose a copy of this new publication (FCC Actions Alert) for your information. Thus, we both permit and encourage public comment on proposed changes in our regulations prior to the adoption of a final order. Finally, we are currently exploring other means by which to facilitate public involvement in our processes and I will keep you informed of any new developments in this regard.

If I can be of any further assistance in this matter, please feel free to contact me at any time.

Sincerely yours,



Richard E. Wiley
Chairman

Enclosures



FCC

THE WHITE HOUSE
WASHINGTON
December 23, 1975

MEMORANDUM FOR

The Honorable Richard E. Wiley
Chairman
Federal Communications Commission

I am enclosing a copy of a request by two members of Congress for expedited action in a case which they state has been before the Congress for almost five years.

The President would not want to take a position on the merits of the petition because the FCC is an independent agency. The request that whatever action that is taken be expedited, however, is in accordance with the President's stated concern to speed up the regulatory process. For this purpose, I am enclosing a copy of the Congressional correspondence for such action as the Commission may deem appropriate.

P.W.B.
Philip W. Buchen
Counsel to the President



TOM HAGEDORN
2ND DISTRICT, MINNESOTA

COMMITTEES:
AGRICULTURE
PUBLIC WORKS AND
TRANSPORTATION

*Urgent File
Approval of Petition*

Congress of the United States
House of Representatives
Washington, D.C. 20515

OFFICES:
325 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-2472
210 POST OFFICE BUILDING
MANKATO, MINNESOTA 55001
(507) 338-4563
GEORGE L. BERG, JR.
ADMINISTRATIVE ASSISTANT

November 11, 1975

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

me
During the recent Columbus Day Congressional recess, we found a situation of industrial employment in our Districts that appears to reflect maladministration in the regulation of the Citizens Radio Service.

There is in Southern Minnesota over 2,000 employees successfully engaged in competition with Japanese imported radios to meet the needs of hundreds of thousands of farmers and small businessmen throughout the nation for two-way radio communication. The need for the service is demonstrated by the fact that more than 4 million transceivers will be sold in the United States this year. However, there are severe difficulties in the Service, and most of them are related to the fact that over 10 million users are crowded into less than one-quarter megahertz of the radio spectrum.

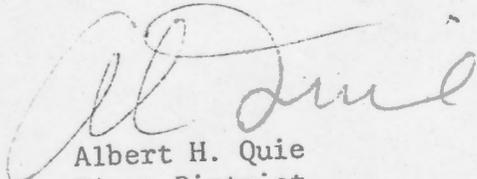
Our constituents have had a petition before the Federal Communications Commission for almost 5 years for the allocation of an additional 2 megahertz in a portion of the spectrum that is currently little used. The Office of Telecommunications Planning and the Department of Commerce have both warmly endorsed this petition, but year after year it has suffered from neglect and trivial debate within the staff of the Commission. Obviously, there are complex issues involved with any reallocation of the nation's limited supply of radio spectrum, but we are confident that it can be shown to be overwhelmingly in the public interest to make the recommended allocation. In fact, it represents an unusual opportunity to boost the manufacturing economy in providing a new family of transceivers while simultaneously enhancing the productivity of the large variety of users who are waiting to be served.

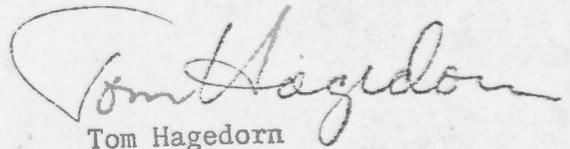


The President
November 11, 1975
Page 2

We would very much appreciate any consideration you might
extend in urging the FCC to expedite the approval of this petition,
if at all possible.

Sincerely yours,


Albert H. Quie
First District
Minnesota


Tom Hagedorn
Second District
Minnesota



THE WHITE HOUSE

WASHINGTON

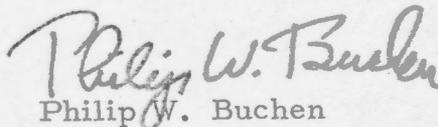
December 23, 1975

Dear Mr. Quie:

This is in further response to your letter of November 11, 1975, in which you requested expedited action on a petition which your constituents have before the Federal Communications Commission (FCC).

While the President would not want to take a position on the substance of that position because the FCC is an independent regulatory commission, the President's concern that regulatory machinery move more expeditiously is well known. I am pleased, therefore, to advise you that your request has been passed on to the FCC with a request for expedited treatment.

Sincerely,



Philip W. Buchen
Counsel to the President

The Honorable Albert H. Quie
House of Representatives
Washington, D.C. 20515

cc: The Honorable Richard E. Wiley



THE WHITE HOUSE

WASHINGTON

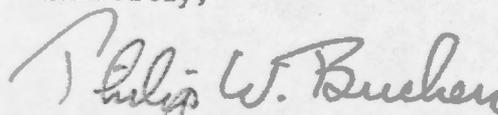
December 23, 1975

Dear Mr. Hagedorn:

This is in further response to your letter of November 11, 1975, in which you requested expedited action on a petition which your constituents have before the Federal Communications Commission (FCC).

While the President would not want to take a position on the substance of that petition because the FCC is an independent regulatory commission, the President's concern that regulatory machinery move more expeditiously is well known. I am pleased, therefore, to advise you that your request has been passed on to the FCC with a request for expedited treatment.

Sincerely,



Philip W. Buchen
Counsel to the President

The Honorable Tom Hagedorn
House of Representatives
Washington, D. C. 20515

cc: The Honorable Richard E. Wiley



Some items in this folder were not digitized because it contains copyrighted materials. Please contact the Gerald R. Ford Presidential Library for access to these materials.

OFFICE OF CHAIRMAN RICHARD E. WILEY

TO: Mr. Philip W. Buchen

FYI.

REW



FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

FILE
FCC

April 22, 1976

IN REPLY REFER TO:

File 1000-A

Ms. Bettye Athanasiou
3102 Suffolk Drive
Houston, Texas 77027

Dear Ms. Athanasiou:

I would like to express my personal appreciation to you for your comments concerning the Citizens Radio Station license which was recently issued to Mrs. Ford. I am certain you will not mind if I forward a copy of your letter to her.

At the risk of sounding defensive on the subject, I would like to point out that the Commission has always issued special temporary authorizations on short notice--for persons going on camping trips, to war protesters for self policing, to all sorts of applicants and for a wide range of uses. The fast action for Mrs. Ford was far from unique.

Thank you again for taking the time to express your opinion to me.

Sincerely yours,

James C. McKinney
Deputy Chief
Field Operations Bureau

JCMCKINNEY:bmo/FOB

cc: ✓ Mrs. Ford--The White House
Chairman Wiley
C. Phyll Horne
B. O'Brien
S. Earlewine



Bettye Athanasiou

3102 Suffolk Drive, Houston, Texas 77027 · 713/623 2891

Public Relations

April 15, 1976

Mr. James C. McKinney
Federal Communications Commission
Washington, D. C. 20013

Dear Sir:

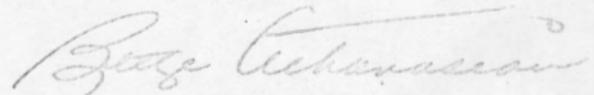
This is NOT one of your many complaint letters!

I read an article in last evening's THE HOUSTON CHRONICLE "Sparks Fly Over Approval of CB for Betty Ford" by AP in Washington. It stated Federal Communications Commission say they're being flooded with complaints because First Lady Betty Ford got an immediate response on her request for a temporary citizens band radio license while thousands of other Americans have to wait for weeks.

I am an American, and have been so for 52 years -- since birth. This is the ONLY country in the world where one can complain bitterly over what our First Family does and does not do. Being the head of our Government, our President and First Lady should not have to wait for a license--or for anything for that matter. They are our FIRST FAMILY and should be treated and respected as such. I am willing to bet if a survey was taken of the complainers, the majority would be those who live off the land and are not definitely good, law-abiding citizens. In all probability, they are the ones screaming for a CB license so they can and will break the law by excess speed and warning other speeders the location of Smoky Bear.

I care less if it is an emergency or not -- our First Lady should never have to wait -- and I am a Democrat!

Very truly yours,



Bettye Athanasiou

BA/b



NEWS

Federal Communications Commission
1919 M Street, NW.
Washington, D.C. 20554



For recorded listing of releases and texts call 632-0002

For general information
call 632-7260

63548

Report No. 1407 SAFETY AND SPECIAL ACTION April 13, 1976 - S

TEMPORARY PERMIT SYSTEM ADOPTED FOR CITIZENS RADIO SERVICE

The Commission has amended its rules to implement immediately a system of temporary licensing for the Citizens Radio Service in response to the "unprecedented explosion" of interest in the service.

Under the new system, applicants for a Class D station license will be permitted to operate under temporary permits for a limited period while their permanent station license applications are being processed.

Stations operating under temporary permits will be assigned distinctive call signs to facilitate their identification. The temporary call signs will consist of the letter "K" followed by the initials of the applicant's first and last names, and the applicant's Zip Code -- for example, John Doe, with Zip Code 20554, would be assigned the call sign KJD 20554.

The Commission pointed out that use of a temporary permit is entirely voluntary, and the temporary permit and call sign will be superseded by the regular station license, and a different call sign.

To qualify for a temporary permit, an applicant must obtain new FCC Form 555-B, and be able to certify that he or she is at least 18 years old, is not a representative of a foreign government, has applied for a regular Class D station license, has not been denied a license or had a license revoked by the FCC, and is not subject to any other legal action concerning the operation of a radio station.

The applicant then must execute FCC Form 505 -- Application for Class C or D Station License in the Citizens Radio Service -- and mail it together with \$4 to the Federal Communications Commission, Box 1010, Gettysburg, Pa. 17325.

(over)



Once these steps are taken, the applicant must then sign, date and enter his or her address on FCC Form 555-B. The applicant then may operate his or her station under the temporary permit, subject to Part 95 of the rules, using the temporary call sign, for a period of 60 days from the date of mailing Form 505.

An applicant that already has submitted Form 505 may obtain a Form 555-B and on its proper completion, operate his or her station for a period of 60 days from the date of mailing Form 505, the Commission said. It added that the temporary permit must be retained by the applicant as part of the station records.

The Commission said an applicant is not eligible for a temporary permit if he or she already has a Class D station license, is renewing a Class D station license, or has not properly completed FCC Form 555-B.

The Commission said it hoped the forms will be widely available through commercial retail Citizens Radio Service equipment dealers. If unavailable elsewhere, it said the forms could be obtained through its headquarters, Room B-10, 1919 M Street, N. W., Washington, D. C. 20554, and all FCC field offices.

The Commission said because of the massive influx of Citizens Radio Service applications, now exceeding 500,000 per month, swift implementation of the temporary licensing system is essential and it therefore was dispensing with the prior notice and public procedure requirements as impracticable.

The action, which amends Parts 1, 2, and 95 of the rules, becomes effective April 16.

Action by the Commission April 12, 1976, by Order. Commissioners Wiley (Chairman), Lee, Reid, Hooks, Quello, Washburn and Robinson.

This is an unofficial announcement of the Commission's action. Release of the full text of the Commission's Order constitutes official action. See MCI v. FCC, 515 Fed. 2d 385 (D. C. Circ. 1975)



PERMISSIBLE USES OF CITIZENS RADIO STATIONS (CB)

A. Mrs. Betty Ford can:

1. Communicate with any other licensed CB stations to discuss any business or personal activities.

2. Use CB in connection with the administrative matters of a campaign such as coordinating activities (parades, rallies, paging, etc.)

3. Permit her employees or members of her family residing in her household to operate units under her license.

B. Requirements:

1. All communications with units of other licensees must be limited to 5 minutes at a time, then wait 1 minute to give other licensees a chance to use the frequencies.

2. All communications must be identified with Mrs. Ford's call sign, KUY 9532, or her permanent call sign when it is issued, at the beginning and end of each series of transmission.

C. Mrs. Ford cannot:

1. Use CB like a broadcast station or a public address system.

2. Use CB for the explicit purpose of advertising a candidate.

3. Operate under someone else's call sign, who is not a member of her immediate family residing in her household.





NO 40

R
CB-MRS. FORD
BY JERRY T. BAULCH
WASHINGTON (AP) -- FEDERAL COMMUNICATIONS COMMISSION OFFICIALS SAY THEY'RE BEING FLOODED WITH COMPLAINTS BECAUSE FIRST LADY BETTY FORD GOT AN IMMEDIATE RESPONSE ON HER REQUEST FOR A TEMPORARY CITIZENS BAND RADIO LICENSE WHILE THOUSANDS OF OTHER AMERICANS HAVE TO WAIT FOR WEEKS TO GET ONE.

JAMES C. MCKINNEY, WHO DIRECTS THE FCC TEAMS THAT ENFORCE COMMISSION RULES, SAID HIS FIELD OFFICES ARE TELLING PEOPLE WHO COMPLAIN THAT IT'S NOT UNUSUAL FOR SOMEONE TO GET A TEMPORARY LICENSE IN A HURRY IF IT IS AN EMERGENCY.

"IT'S DONE QUITE OFTEN," HE SAID.

THE EMERGENCY IN MRS. FORD'S CASE WAS THAT SHE WANTED TO USE A CB RADIO TO TALK WITH MEMBERS OF A CARAVAN FROM PRESIDENT FORD'S HOME TOWN, GRAND RAPIDS, MICH., DURING THE WISCONSIN PRESIDENTIAL PRIMARY CAMPAIGN.

THE FCC SAYS IT HOPES TO TAKE SOME OF THE STING OUT OF THE COMPLAINTS BY ANNOUNCING PLANS TO MAKE INSTANT TEMPORARY LICENSES FOR CB OPERATORS AVAILABLE TO ANYONE STARTING FRIDAY.

FCC OFFICIALS SAID THAT UNDER THE PLAN A PERSON WILL BE ABLE TO GET A LICENSE FOR 60 DAYS WHEN HE BUYS HIS RADIO SET. HE WILL BE ABLE TO GO ON THE AIR AS SOON AS HE FILLS OUT HIS APPLICATION AND DROPS IT IN THE MAIL. IT IS EXPECTED HE'LL HAVE A PERMANENT LICENSE BY THE TIME THE 60 DAYS IS UP.

THE NEW PLAN FOR SUPPLYING TEMPORARY LICENSES HAS BEEN IN THE WORKS FOR MONTHS AND WAS NOT A RESULT OF THE COMPLAINTS ABOUT MRS. FORD, MCKINNEY SAID.

04-13-76 11:41EST

NO 40

R
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BY JERRY T. BAULCH

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THE NEW PLAN FOR SUPPLYING TEMPORARY LICENSES HAS BEEN IN THE WORKS FOR MONTHS AND WAS NOT A RESULT OF THE COMPLAINTS ABOUT MRS. FORD, MCKINNEY SAID.

EARL STEVENS OF INDEPENDENCE, KAN., EDITOR OF THE NATIONAL CB TRUCKERS NEWS, TOLD THE FCC ON MONDAY HE IS RECEIVING LETTERS FROM MANY CBERS WHO HEARD MRS. FORD'S BROADCASTS IN WISCONSIN. HE SAID THEY ARE COMPLAINING THAT SHE BROKE FCC RULES BY NOT GIVING HER CALL SIGN PROPERLY, TALKING MORE THAN FIVE MINUTES AND USING THE CB BAND TO SOLICIT VOTES FOR HER HUSBAND.

MRS. FORD'S PRESS SECRETARY, SHEILAH RABB WEIDENFELD, CALLED THE COMPLAINTS "ERRONEOUS." SHE SAID MRS. FORD PROBABLY TALKED NO MORE THAN TWO MINUTES AND DID USE HER CALL SIGN.

BUT STEVENS SAID, "WE'RE GOING TO FIGHT THIS THING. WE DON'T WANT THE POLITICIANS MOVING IN AND USING CB TO CAMPAIGN."

MCKINNEY SAID THERE IS A RULE PROHIBITING THE USE OF THE CB BAND FOR "SOLICITING FOR THE SALE OF GOODS AND SERVICES," BUT HE WOULD HAVE TO HEAR MRS. FORD'S BROADCAST TO DETERMINE IF THAT RULE WAS VIOLATED.

HE SAID IT MIGHT BE NECESSARY FOR THE FCC TO ISSUE SOME SORT OF GUIDELINE FOR POLITICAL USE OF CB. THE FCC HAS NORMALLY ISSUED CB LICENSES FOR POLITICAL CONVENTIONS AND CAMPAIGNING BUT NOT ON THE USUAL 23 CHANNELS ASSIGNED TO CBERS.

MCKINNEY SAID HIS FEW ENFORCERS HAVE TO CONCENTRATE ON SIX MAJOR RULE VIOLATIONS: GIVING THE CALL SIGN, NOT USING A SIGNAL AMPLIFIER, NOT STAYING WITHIN THE CB BAND, USING SUN SPOTS TO SKIP ACROSS COUNTRY, USING OBSCENITY AND USING THE CB RADIO TO COMMIT A MAJOR CRIME.

0213A ES 04-13



FCC FORM 555-B
April 1976

Temporary Permit

Class D Citizens Radio Station

1

Instructions

- Use this form only if you want a temporary permit while your regular application, FCC Form 505, is being processed by the FCC.
- Do not use this form if you already have a Class D license.
- Do not use this form when renewing your Class D license.

2

Certification

Read, Fill In
Blanks, and Sign

I Hereby Certify:

- I am at least 18 years of age.
- I am not a representative of a foreign government.
- I have applied for a Class D Citizens Radio Station License by mailing a completed Form 505 and \$4.00 filing fee to the Federal Communications Commission, Box 1010, Gettysburg, PA. 17325.
- I have not been denied a license or had my license revoked by the FCC.
- I am not the subject of any other legal action concerning the operation of a radio station.

Name _____

Address _____

Date Form 505 mailed to FCC _____

Signature _____

If you cannot certify to the above, you are not eligible for a temporary permit.

Willful false statements void this permit and are punishable by fine and/or imprisonment.

3

Temporary Call Sign

- Complete the blocks as indicated. Use this temporary call sign until given a call sign by the Federal Communications Commission.

K

↑ ↑ ↑

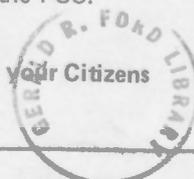
Initial of Applicant's First Name Initial of Applicant's Last Name Applicant's Zip Code

4

Limitations

Your authority under this permit is subject to all applicable laws, treaties and regulations and is subject to the right of use or control by the Government of the United States. This permit is valid for 60 days from the date the Form 505 is mailed to the FCC.

You must have a temporary permit or a license from the FCC to operate your Citizens Band radio transmitter.



Do Not Mail this form, it is your Temporary Permit.

See the reverse side of this form for a summary of operating instructions.



Using Your Citizens Radio Station

(See Part 95 of FCC Rules & Regulations for complete instructions on authorized station use.)

Welcome to the Citizens Radio Service

Citizens Band Radio is a shared communications service with many people using the same frequencies and channels.

The guidelines provided in this form are not intended as a substitute for FCC Rules, but as a general reference to those operating practices and procedures which will benefit you and other users of Citizens Radio.

Your compliance with these guidelines and your consideration for the rights of others in your radio service is necessary if the full potential and enjoyment of Citizens Radio is to be realized.

1

Who May Operate Your Citizens Radio Station?

You, members of your immediate family living with you, and your employees, while on the job.

2

How Many Transmitters Does this Permit Authorize?

A maximum of five (5).

3

Can the FCC Inspect My Station?

Your station and station records must be available for inspection by an authorized agent of the FCC.

4

Where Should I Keep This Permit?

Keep it in a safe place. Post photocopies at all fixed station locations. Indicate on photocopies the location of this permit. Attach a card with your name, address and temporary call sign to each transmitter.

5

How Shall I Identify My Station?

Identify transmissions in English with your temporary call sign.

6

How Can I Use My Station?

Use it for private short-distance radio-communications for your personal or business activities. Channel 9 is reserved solely for emergency communications and to assist motorists.

Prohibited Communications Include:

- Activities contrary to law
- Transmitting obscene, indecent or profane messages
- Communicating with non-Class D stations
- Intentional interference to other radio stations
- Transmitting for amusement, entertainment, or over a public address system
- Transmitting false distress messages
- Advertising, selling, or for hire

7

How High Can My Fixed Station Antenna Be?

See Section 95.37 if your antenna will be over 20 feet above ground. Additional information is available in SS Bulletin 1001-h.

8

May Amplifiers Be Used With My Transmitter?

'Linear' amplifiers are absolutely prohibited. 'Power' microphones may require adjustments to your transmitter.

9

Who Can Make Adjustments to My Transmitters?

Adjustments affecting proper operation may be made only by, or under the supervision of a licensed first or second-class radio operator.

Initial of Applicant's Last Name

Initial of Applicant's First Name

Applicant's ZIP Code



Page 18, Section 1

HOUSTON CHRONICLE

CBer Signs Off '10-Ford'

Washington (AP) — Betty Ford, Washington's newest Citizens Band radio freak, tried out her new license on Wisconsin voters over the weekend. She

FCC

THE WHITE HOUSE
WASHINGTON

June 15, 1976

Dear Senator Bellmon:

This is in further regard to your letter of April 6, 1976, to the President concerning the deregulation of Citizens Band radio. The President is, of course, deeply committed to the reform of federal regulation.

As you know, the regulation of radio use is of both national and international concern. A basic ingredient of radio regulation has been licensing the use of all radio transmitters to provide the thread of regulatory control. According to the FCC, the most compelling argument for continuation of some form of licensing is the fact that users feel a license can be taken away and consequently tend to appreciate the rights bestowed by that license.

This does not mean that licensing must continue in its existing or traditional form, and I understand that the FCC is investigating alternatives to their present system. One of the prerequisites for any licensing system is maintaining a current and accurate data base while, at the same time, minimizing the cost to the government and licensees.

The Commission is currently receiving complaints of interference to home entertainment equipment such as TV and hi-fi sets involving CB transmitters at a rate of over 70,000 per year. The Commission's action to resolve these interference complaints, without using costly and time consuming direction-finding techniques, is dependent on an accurate data base. Moreover, the efficiency of the minimal enforcement activity currently being engaged in by the Commission is greatly enhanced by this data base. If no data base is maintained, the FCC asserts that the assignment and use of a call sign for identification, as suggested by Mr. Eger, Acting Director, Office of Telecommunications Policy, would serve no useful purpose and be an added burden on the public.

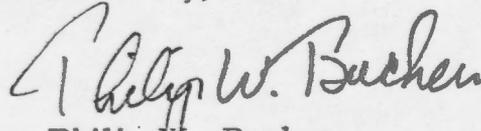


One of the primary purposes of the President's regulatory reform effort is to eliminate unnecessary delays and improve service to the public. I believe the Commission has taken significant steps in this area. They have simplified the application forms and processing procedures. These changes, along with the addition of some temporary personnel, have allowed them to reduce the application processing time for most applications from 10 to 12 weeks to 6 to 8 weeks -- and I understand that further reductions are in the immediate offing. The Commission is also contracting for a high speed licensing system design study which, hopefully, will further reduce this time. Moreover, the Commission instituted a temporary permit procedure for CB, effective April 16, 1976, which allows an applicant to operate his CB transmitter immediately upon mailing his application for a period of 60 days.

While the Commission appears to have reasonable grounds for CB licensing, it should continue to seek ways to improve its service to the public. In this regard, we recently had a meeting at the White House with representatives from manufacturers of CB radios and user associations to hear their views about licensing. We were surprised to learn that nearly everyone present supported FCC - licensing of CB radio use. However, concern was expressed about frequency allocation, regulatory lag and other problems. Thus I believe efforts should continue to reduce wherever appropriate the regulation of CB radio.

Your interest in this matter is greatly appreciated.

Sincerely,



Philip W. Buchen
Counsel to the President

Honorable Henry Bellmon
United States Senate
Washington, D. C. 20510



THE WHITE HOUSE OFFICE

OT 1-1

REFERRAL

To: Federal Communications Commission Date: April 19, 1976
1919 - M Street, N. W.
Washington, D. C. 20554

ACTION REQUESTED

- Draft reply for: (See remarks)
 - President's signature.
 - Undersigned's signature.
- Memorandum for use as enclosure to reply.
- Direct reply.
- Furnish information copy.
- Suitable acknowledgment or other appropriate handling.
- Furnish copy of reply, if any.
- For your information.
- For comment.

NOTE

Prompt action is essential.

If more than 72 hours' delay is encountered, please telephone the undersigned immediately, Code 1450.

Basic correspondence should be returned when draft reply, memorandum, or comment is requested. There is no question about its value and effective response, not only for the Nation as a whole.

REMARKS:

Please prepare a draft response for the signature of Philip W. Buchen, Counsel to the President

Description:

Letter: Telegram: Other:

To: The Honorable Gerald R. Ford
From: Senator Henry Bellmon
Date: April 6, 1976
Subject: Licensing problems re Citizen Band Radios

By direction of the President:

Barry N. Roth
Assistant Counsel



OFFICE OF TELECOMMUNICATIONS POLICY

EXECUTIVE OFFICE OF THE PRESIDENT

WASHINGTON, D.C. 20504

March 12, 1976

DEPUTY DIRECTOR

Honorable Richard E. Wiley
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Dick:

As we are both aware, Citizen Band (CB) radio service is becoming increasingly popular with large segments of the American public. There is no question about its emergence as a valuable and effective resource, not only for individual citizens but for the Nation as a whole.

One of the problems created by explosive growth of Citizens Band use is the administrative and regulatory burden imposed by the licensing process. I understand, for example, that the Commission is now receiving approximately 400,000 Citizens Band applications per month, and that the processing backlog is substantial. This situation suggests a new approach to the traditional license application process, and I know that you and your staff have been considering various alternatives for some time.

In this regard, I understand that the Commission is proceeding with implementation of a temporary permit procedure whereby CB purchasers would be authorized to use the equipment after completing an appropriate registration form at the time of purchase. This form would then be forwarded to the Commission for "processing," after which a final license would be mailed back to the purchaser.



In our view, this may answer the present question involving "illegal" use of CB equipment pending the grant of a license application, but it does not adequately address the entire problem. Recent press accounts indicate that the "processing" of a typical CB application takes about 20 - 30 seconds; obviously, this is a data processing exercise involving little, if any, substantive review. Under these circumstances, and in accordance with the President's continuing Program of Regulatory Reform, a preferable approach would appear to be a true "point-of-sale" licensing system whereby the form completed at the time of purchase would operate fully and immediately as a license.

Another approach, more fundamental, is to reconsider the need for licensing at all, in the traditional sense of the term. We have given this matter some thought, and it appears to us that the legitimate goals of ensuring compliance with relevant ITU regulations and CB operating standards, as well as enforcing proper use of the band to avoid interference problems, could continue to be met without the traditional individual license application system. In essence, CB users, under this approach, would be automatically subject by law to appropriate Commission jurisdiction, e.g., for enforcement of power limitations, etc., merely by virtue of operating a CB transmitter. Station identification call signs would not have to be assigned by the Commission, but could be permanently affixed to transmitters at the time of manufacture.

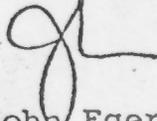
This concept would permit the advantages of the present licensing scheme to be retained, but would lighten considerably the heavy administrative and regulatory burden currently borne by the Commission as well as the public.

Obviously, there are questions as to the compatibility of such a blanket, automatic licensing approach with the present provisions of the Communications Act, and new legislation would more than likely be required. In this regard, we are currently in the process of developing



draft legislation that would implement this concept, and would be happy to consult with you and your staff on this matter in the near future.

Sincerely,



John Eger
Acting Director

cc: All Commissioners



EXECUTIVE

267-1

April 6, 1976

Dear Senator:

Thank you for your letter to the President of today's date regarding the licensing problems for Citizen Band radios and suggesting that the licensing requirement be abolished.

Please be assured I shall call your letter promptly to the attention of the President and the appropriate Presidential advisers. I know your suggestions will be appreciated and given full consideration.

With kindest regards,

Sincerely,


William T. Kendall
Deputy Assistant
to the President

X
The Honorable Henry Bellman
United States Senate
Washington, D. C. 20510

bcc: w/incoming to Philip Buchen for further handling
bcc: w/incoming to John Eger, Acting Director, Office of
Telecommunications Policy, for your information

WTK:JEB:VO:vo

RECEIVED

APR 8 1976

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United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, D.C. 20510

April 6, 1976

JAMES R. CALLOWAY
CHIEF COUNSEL AND STAFF DIRECTOR

The Honorable Gerald R. Ford
The White House
Washington, D. C. 20500

Dear Mr. President:

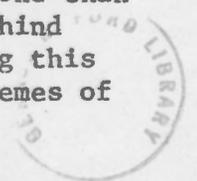
It has been brought to my attention that you will be meeting with several regulatory commissions this week to further discuss your proposals for Federal deregulation. In view of this, there is a matter of regulation within the Federal Communications Commission to which I would like to comment.

As you are aware, there has been an explosive growth in the production and use of Citizens Band radios. Electronic technology is apparently driving the price of CB radios down to where there will soon be more than 10 million CB radio owners in the United States. Given this proliferation and the short range of the CB transmitters, I seriously question the need for the Federal Government to continue the licensing of CB radios. With your current and proper emphasis on deregulation, discontinuance of CB licensing would seem to be an excellent move in the right direction.

On February 9, 1976, I wrote to Senator John Pastore, Chairman of both the Commerce Subcommittee on Communications and the Appropriations Subcommittee on State, Justice, Commerce and Judiciary, to enlist his support and efforts to assist in the elimination of licensing by the FCC of CB radios.

In my letter to Senator Pastore, I reserved the right to offer an amendment to the State, Justice, Commerce, Judiciary Appropriations Bill FY 1977, to delete all funds for the purpose of licensing CB radios. Senator Pastore has responded to my letter, but unfortunately, he has taken a pro-licensing stance and will probably recommend full funding for CB licensing.

Prior to writing Senator Pastore, I wrote to FCC Chairman Richard E. Wiley on October 19, 1975, requesting certain information on the procedures involved in licensing CB radios as well as the justification for doing so. To be candid, I was quite disappointed with Chairman Wiley's response, in that I do not feel he approached this subject in an objective or practical manner. There is no one who is more aware of the current problems within the FCC as a result of the enormous increase in CB license applications than Chairman Wiley. Yet, Chairman Wiley and the FCC continue to hide behind Section 301 of the Communications Act of 1934, instead of approaching this problem in a realistic fashion so as to reflect the attitudes and themes of 1976.



Honorable Gerald R. Ford
April 6, 1976
Page 2

In my opinion, the cost and the delay associated in processing these licenses has precluded the necessity for continued licensing of CB radios. These facts, coupled with the limited enforcement ability afforded the FCC through licensing, indicates to me that immediate steps should be taken to eliminate CB licensing.

I have recently received a copy of a letter addressed to Chairman Wiley from Mr. John Eger, Acting Director of the Office of Telecommunications Policy concerning the current problems associated with the licensing of Citizens Band Radios. Though you are probably familiar with this letter, I have enclosed a copy for your review.

Mr. Eger's assessment of the entire problem indicates a thoughtful approach to this subject. I would draw your attention to the section of the letter in which Mr. Eger questions the need for licensing, at least in the traditional sense of the term. His contention that enforcement, for proper use of CB radios, could be met without the traditional individual licensing system is most worthy of attention. The system of licensing suggested by Mr. Eger, in which an identification call sign would be permanently affixed to transmitters at the time of manufacture, is without question a novel and realistic approach to the licensing of CB radios. Such a system of licensing would alleviate the need for the FCC to continue the costly, delay-oriented, and over-regulated procedure of CB licensing.

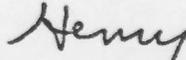
In closing, I would like to compliment the efforts of Mr. Eger, and the entire Office of Telecommunications Policy for their recommendations in this regard. I would suggest to you that the Office of Telecommunications Policy has grasped the intent of your theme for Federal deregulation in a manner which is most commendable. I would encourage you to give this matter careful consideration so that positive progress on this administrative problem can be achieved during this legislative year.

As I have indicated to the Office of Telecommunications Policy, and now do so to you, I would be pleased to sponsor in the U. S. Senate the legislation which is being prepared by the OTP to instigate a new system of CB registration which would, in effect, deregulate Federal licensing of Citizens Band Radios.

Your interest in this matter is greatly appreciated, and I would welcome any comments you may have in this regard.

With best wishes.

Sincerely,


Henry Bellmon

HB:dhs

Enclosure



THE WHITE HOUSE
WASHINGTON

FCC

September 21, 1976

MEMORANDUM FOR:

MIKE DUVAL

FROM:

PHIL BUCHEN *P.*

Attached is a copy of a letter I received which contains well-deserved plaudits for your efforts.

Attachment



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

September 20, 1976

Honorable Philip W. Buchen
Counsel to the President
The White House
Washington, D.C. 20500

Dear Phil:

It was good to have a word with you this morning. As mentioned, I think Michael Duval has done a superb and dignified job of "holding firm" against posturing of the networks. There is absolutely no chance in the world of their staying away from Walnut Street Theatre Thursday night!

Note comments by Dean Burch and myself in today's Television Digest, enclosed.

Page 2 of the Digest reports our decision of Friday to permit taping and broadcast of debates within a period limited to 24 hours. This takes care of the daytime stations, coverage in Alaska and Hawaii, and the time needed to insert captions for the deaf (which PBS plans). Jim Quello and I pushed for this; Hooks and Lee dissented.

We are turning down Lester Maddox's complaint today.

Yours,



Abbott Washburn

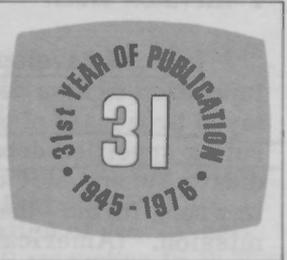
Enclosure



WEEKLY

Television Digest®

with
consumer
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

SEPTEMBER 20, 1976

VOL. 16, NO. 38

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NETWORKS PIQUED AT LEAGUE restrictions on Ford-Carter debates. Court denies minor candidates; FCC clears tape delays. (P. 1)

JAPAN'S WIRED CITIES—Two-way system serving 300 apartments in operation near Tokyo. Osaka-area project will provide 20 services through fiber-optic cable, seen as rehearsal for major Japanese CATV equipment export drive. (P. 2)

4th TV NETWORK NOT VIABLE, advertisers say at TvB workshop. Rice doesn't think talk is 'serious,' sees shortage of stations & programming as stumbling blocks. (P. 3)

ATLANTA PAY-CABLE NETWORK is unveiled by Hollywood Home Theater, Turner, Atlanta pro sports teams. Satellite-distributed system will offer sports & movies to 510 systems with 1.7 million subscribers in 8 southern states. (P. 3)

POLE ATTACHMENT BILL gets unanimous okay from House Commerce Committee following 2nd round of compromises. NCTA supports measure, but Teleprompter will fight it. (P. 4)

BRIEFING CBS RADIO AFFILIATES: Sessions cover Carter-Ford debates, attitudes toward broadcasting, Sec. 315, business outlook. (P. 5)

Consumer Electronics

1976 COLOR SALES to dealers seen totaling about 7.5-million, up 16.5% from last year. (P. 7)

GRIFFITHS HEADS RCA after Conrad's surprise resignation. Emphasis on financial controls seen. (P. 7)

BID FOR QUOTAS on color imports due for filing with ITC this week by COMPACT. (P. 8)

JVC's VIDEOCASSETTE recorder gives good pictures, resembles high-end stereo cassette deck, uses cobalt-doped tape. Price in U.S. seen about \$1,000. (P. 9)

IMPORT ADJUSTMENT assistance request by color yoke producers tied to Sanyo's acquisition of Warwick plant. (P. 9)

CB KEEPS FCC BUSY as it fights rumors channel expansion is dead, launches testing program. (P. 10)

SONY AIMS at 10% of U.S. color market, or million sets, by 1980. (P. 10)

MATSUSHITA TV OUTPUT in 27 factories totals about 5 million annually—more than 12% share of non-Communist world market. (P. 11)

MORSE WRITEOFFS for 1976 included \$15.6 million for inventory, \$2 million for plant closings. Capehart, Lloyd's, Soundesign report results. (P. 11)

NETWORKS PIQUED AT LEAGUE RULES: "Each network, to one degree or another," is very unhappy with restrictions League of Women Voters has placed on coverage of Sept. 23 Ford-Carter debate from Philadelphia, network official told us. Sept. 14 meeting between networks and League Project Dir. James Karayn was described as "not pleasant." Major restrictions networks don't like:

(1) Prohibition against showing audience. Opening & closing shots are restricted to showing backs of heads only; League has prohibited pool cameras from showing faces and/or reactions during debate. (2) League refusal to permit networks to use their own cameras in Philadelphia's Walnut St. Theater. Another session on arrangements was scheduled Sept. 18. Principal network negotiators with Karayn are Walter Pfister (ABC), Robert Chandler (CBS), Robert Mulholland (NBC).

"They're censoring us; they're telling us how to cover a news event," network official complained. FCC Comr. Abbott Washburn, for one, on other hand, thinks restrictions—particularly against showing audience reactions—are great. "Here, here," he said. "Let's make it a real debate and not an extravaganza for the media." Ford spokesman Dean Burch said both candidates were "very, very concerned about this... This is not Monday night football." However, he admitted, directors will have "a problem deciding what to show except talking heads."

In legal developments last week, D. C. Federal Dist. Court Judge Aubrey Robinson denied injunction to stop debates unless minor candidates were included, and FCC ruled that tape-delayed broadcast of up to 24 hours still would qualify for equal-time exemption (original FCC ruling specified debates had to be carried live). In dismissing actions filed by independent candidate Eugene McCarthy and American Party candidate Thomas Anderson, judge said they were in wrong forum—that complaints should have been made to FCC and/or Federal Elections Commission. (American Independent candidate Lester Maddox has complained to FCC, which is expected to turn him down Sept. 20.) McCarthy said he'd go to Court of Appeals, Anderson to Election Commission.

In extending exemption to tape—requested by WILM(AM) Wilmington, Del. for debate between congressional candidates (Vol. 16:37 p3)—Commission noted it would solve problems for daytime stations, permit coverage in Alaska & Hawaii and delayed captioning for deaf. Vote was 3-2—Hooks & Lee dissenting; Washburn wanted to permit 72-hour delay. Hooks & Lee also dissented when Commission exempted debates and news conferences from equal time, said any changes should be made by Congress. Lee: "I continue to fear that the...loophole may become an expanding pothole into which the true purpose of Sec. 315 may fall." Hooks: "Anyone who is under the delusion [that FCC will deny further exemptions] must doubt that October will come."

Other Ford-Carter debate developments: (1) San Francisco's War Memorial Auditorium will host 2nd debate Oct. 6; location for final debate Oct. 22 hasn't been picked. Debate between vice presidential candidates will be week of Oct. 11. (2) Networks say debates will cost each over \$2 million in expenses and lost revenues. (3) PBS coverage will include sign language in corner of TV screen for hearing-impaired. (4) More than 250 reporters already have requested credentials for Philadelphia debate. (5) Republican & Democratic Congressional Campaign Committees jointly asked networks for prime-time hour for debate on role of Congress. Network officials said it's "very unlikely" request will be granted.

JAPAN'S WIRED CITIES: Japan's first—probably world's first—wired city now is in operation in Tokyo apartment suburb as pilot govt.-private project. Second, and more advanced, project near Osaka is scheduled to go into operation in stages in 1978-1980, providing 20 different services (including TV programming) using 2-way optical fibers.

First system, in 12,000-apartment Tama New Town housing project, now links about 300 apartments with standard co-ax, but with return telephone-type link for 2-way service. Both projects are feasibility experiments, initially provided free to tenants, but planned for commercialization eventually.

Tama system, budgeted at \$3 million for 2 years, includes these services: (1) Local TV studio for residents. (2) Pay-TV channel (free during experiment). (3) Fax channel (only 5 apartments have fax receivers) for newspapers, sports, business & children's information. (4) Teletext for news bulletins, weather, shopping guide. (5) Still Picture Request Service, using keyboard permitting residents to dial recipes, lessons, child care information, etc. (6) Two-way educational channel for children, permitting them to view teacher live and ask or answer questions by audio line. (7) Multiple-choice tests, with answers punched into touch-button dial, automatically graded by computer.

Second wired-city project, in preparation since 1972, initially will connect 300 apartments, eventually 3,000-5,000 in Higashi Ikoma project near Osaka. Two-way fiber-optic cable will provide 29 channels downstream (70-300 MHz), 5 upstream (up to 50 MHz). Among services provided, in addition to those also supplied at Tama: (1) TV Request, permitting subscribers to dial up requested videotapes, on first-come-first-served basis. (2) Data Request, & Fact Service, providing on-screen information, with libraries, etc. as source. (3) Fax Request—hard-copy books, directories, hotel information, timetables, reference material. (4) Shopping Guide. (5) "Cashless" shopping, subscriber inserting credit card into slot in home for purchases of products shown on screen. (6) Ticket, hotel, beauty parlor & clinic reservations. (7) Two-way service for medical diagnosis. (8) Meter reading. (9) Burglar-fire alarm. (1) Automatic emergency channel. (11) Televote, permitting subscriber polling.

Ministry of International Trade & Information (MITI) is providing \$23-million for project.

In addition, funds, equipment & software are being supplied by 6 computer makers plus Matsushita Electric, Dentsu Adv., Fuji Telecasting, real-estate developer, postoffice. Prominence of MITI is sure sign that competition with U.S. manufacturers may be expected.

4th TV NETWORK 'NOT IN CARDS': "It's just not practical, it's just not in the cards for many years," exec. of major advertiser told us last week, commenting on reports that some major advertisers (notably Archa Knowlton of General Foods) are pushing for formation of 4th TV network. In fact, none of nearly dozen major companies that we talked to at TvB workshop in N. Y. last week took the movement seriously.

"I don't think it's serious," TvB Pres. Roger Rice said. Advertisers "look at it [possible 4th network] as a way to drive the price down," noting that current TV "sellers" market has driven spot prices up. Lack of independent stations (outside major markets) to become affiliates and shortage of programming are 2 major deterrents, Rice said.

* * * *

Meanwhile, advertisers & agencies gave TvB's first corporate advertising workshop high rating; "it was extremely successful," said Rice. He noted that 85 major advertisers, 75 agency people and about 40 from reps, networks & stations paid \$75 each for one-day workshop.

Very little was said by speakers—from major advertisers such as GM, ITT, Xerox, Union Carbide, U.S. Steel—about high cost of TV. "Our management doesn't say we can't afford TV...our management says we can't afford not to be in TV," according to TRW executive.

ATLANTA PAY-CABLE NETWORK: Hollywood Home Theater and owners of 3 Atlanta professional sports teams have agreed in principle to form joint pay-cable network serving 510 systems in 8 southern states (Ala. Fla., Ga., La., Miss., N.C., S.C. & Tenn.) with total of 1.7 million subscribers. Network may expand into Ark., Ky., Va. & W. Va.

Based in Atlanta, firm has no name, no pres., but backers are Hollywood Home Theater—joint venture of United Artists and 20th Century Fox (Vol. 16:30 p4) (50%), Ted Turner, of Turner Communications (25%), and Thomas Cousins, Atlanta auditorium, Hawks & Flames (25%). Network will program 6 p.m.-2 a.m. weekdays, from 4:30 p.m. weekends with children's programs. Basic package will include 5 new movies and 5 reruns monthly, 25 home games of Hawks & Flames, 50 home games of Braves. Signal will be distributed via RCA satellite, with Jan. 1 target for start. Plans were unveiled at Southern Cable TV Assn. convention in Atlanta.

At same meeting, cablecasters heard FCC Cable Bureau Chief James Hobson stress Commission's efforts to grant greater discretion in cable regulation to state & local govts. "I know that many of you would rather have the federal government more involved in cable regulation, but I think the signals the FCC has been giving are that it would like the states and localities taking a greater role." Among recent decisions he cited were: (1) Granting local entity option of not regulating subscriber rates. (2) Placing no federal restrictions on alien ownership. (3) Leaving enforcement of 3-5% limit on franchise fees to local authorities.

Closed-circuit telecasts of horse races will be featured at \$3-million offtrack betting parlor to be constructed in New Haven by Conn. gambling authority. Facility, to seat 2,000, will be first of its kind, according to state officials.

"I'm very proud...He is a protege of mine...I brought him here from Rhode Island." So said Senate Communications Subcommittee Chmn. Pastore (D. R.L.) immediately after swearing in of Joseph Fogarty as FCC member. Pastore said it was "a great tribute" to Democrat Fogarty that "initiative" for his appointment was undertaken by Republicans. "I think he knows where he's going...He's going to be an asset to that committee [sic]," Pastore added. Swearing in—by D. C. Appeals Court Chief Judge David Bazelon—took place in Senate Commerce Committee hearing room; Comr. Lee said he has witnessed swearing in of more than 30 commissioners, that this is first one held on Hill. Fogarty said he'll use FCC "lend-lease" staffers until he's hired his own, expects James Graf (ex-aide to Chmn. Wiley and currently Communications Subcommittee counsel) to join him at FCC after Congress adjourns. Pastore, who is retiring this year, asked Graf to stay until then. Ex-White House aide Margita White returns from Caribbean vacation Sept. 20, is expected to be sworn in this week.

NAB, FCC, National Weather Service and Defense Civil Preparedness Agency have signed joint agreement for promotion & use of EBS by stations. New plan is designed to involve broadcasters "in every community using the new EBS 2-tone equipment," according to NAB's Johnathan Hall. Emphasis will be on state & local emergency warning, rather than national. Govt. agencies will spend more than \$100,000 conducting workshops in all states over next 2 years. Prototype system is operating in W. Va.; Mass. will be set up Oct. 26-29.

It was "a mistake" to reveal that CIA employed 5 American staff reporters and 25 stringers for intelligence-gathering in 1973, ex-CIA Dir. William Colby told convention of Retired Intelligence Officers. "My credibility was on the line...I learned a lesson. It was bad judgment."

COMMERCE OKAYS POLE BILL: Combined FCC forfeiture-pole-attachment bill was approved unanimously by House Commerce Committee last week, and chances for passage this session remain alive. However, bill's approval was gained at expense of further compromise—this time with Rep. Broyhill (R-N.C.)—and though NCTA exec. committee voted via conference call to endorse bill, Teleprompter Pres. Russell Karp dissented, told us he'll work to have bill defeated on House floor. Measure is slated for House consideration Sept. 21, must be approved by 2/3 of those present & voting under suspension of rules. Meanwhile, companion bill has been introduced in Senate by Sen. Griffin (R-Mich.).

Further amendment followed impasse created when Broyhill announced he'd offer amendments gutting FCC's ability to exact promise of strong pole regulation by states wishing to "recapture" jurisdiction from federal govt. Last-minute compromise worked out by Rep. Wirth (D-Colo.) would allow FCC to dictate to states "ratemaking criteria," but not actual rates, conditions & terms. Rep. Frey (R-Fla.) also offered amendment clarifying FCC's authority to compel access—but only when contract already exists between utility and cable firm.

"It's still a damn good bill for the industry," commented NCTA Pres. Robert Schmidt. "If we don't get a bill now, other legislation will get a higher priority... and we wouldn't see a legislative product for a couple of years. We can't afford to sit around while the pole companies stick it to us." Countered Karp: "I think the bill does just the opposite of what the industry hoped to accomplish. Because of all the last-minute compromises to get the bill through this session, I believe that if we come back to fight this another year, Congress will come up with a better solution."

"You can say we don't have much confidence that we'll win this round," FCC official said Sept. 17 following argument before D.C. Appeals Court on Commission's refusal to break-up most existing TV-news-paper cross-ownerships in same market. Reason: Judges who heard argument—Bazelon, Robinson, Wright—all have stressed importance of diversity in ownership in past opinions. (Later same day, Bazelon went to Capitol Hill to swear in Joseph Fogarty as FCC comr. [see p. 3].) Justice Dept. and public interest groups had appealed FCC decision not to force divestiture.

NAB has asked FCC to issue further notice containing actual proposed rules on automatic transmission systems (for all classes of stations) before final action is taken. "The Association is greatly distressed by the number of conditions & requirements which the FCC considers imposing on the newly-emerging system," NAB said. "In many areas the Commission envisions requirements that would negate the system's intended purpose and hamstring the concept with unnecessary alarms and monitoring devices."

TV ad claims for 3 products were reviewed and found acceptable by NAD in Aug.: A. E. Stanley's Sno-Bol toilet bowl cleaner, Texaco's Havoline Super Premium Motor Oil, and Warner-Lambert's Listermint mouthwash.

"To betray a source would be for me to betray myself, my career and my life. To say I refuse to do it is not quite saying it right. I cannot do it." CBS newsman Daniel Schorr thus declined to reveal to House Ethics Committee the source of his copy of secret House CIA Committee report which was reprinted in Village Voice. In all, Schorr declined to answer Committee questions 11 times, despite warning by Chmn. Flynt (D-Ga.) that he could be held in contempt of Congress and in violation of federal statute forbidding withholding of information from Congress. Despite Schorr's refusal, Ethics Committee apparently will take no action against him. During hearing, majority of members stated either that they opposed citing Schorr for contempt or were leaning that way. In addition, House Administration Committee refused to vote Ethics Committee additional funds to continue its investigation. Numerous reporters and news organizations had protested Schorr's subpoena, asked Committee to drop matter. Following Schorr's testimony, CBS News Pres. Richard Salant wired him that appearance "was superb and an immense service to all your fellow journalists, to the Constitution and to the public's right to know. I am grateful."

Major boost for radio de-regulation will come from OTP Dir. Thomas Houser in San Francisco address before National Radio Bcstrs. Assn. this week. He's expected to urge OMB to clear immediately, for submission to Congress, legislation authorizing experiment of several years under which stations in top 10 markets could operate without threat of fairness doctrine sanctions. Measure also would prohibit FCC from considering program formats, commercial content & percentages. OTP reportedly believes that FCC doesn't have authority to act without legislation—as proposed by Chmn. Wiley (Vol. 15:38 p1)—so Houser is putting forth legislative route proposed year ago by his predecessor, John Eger (Vol. 15:40 p1). OTP also wants to get legislation before Congress during Ford Administration; "if it dies in this Administration, it dies within the OMB," we were told.

Cable & broadcasting relationships, as seen by Cox Bcstg. Pres. Clifford Kirtland, speaking at IBFM annual meeting: "I sometimes think we broadcasters have the concept that each communications entity must be all things to all people; that local TV & radio stations should be the exclusive outlets that service their communities; that the fractionalization of audiences due to cable systems and pay TV—and, therefore, the diminution of the revenue base of the local station—will lead to less local broadcasting service in certain communities. But it seems to me this has to be weighed against the increased variety of programming offered by other media."

House renewal hearing was on-again, off-again last week, as Communications Subcommittee attempted to reschedule panels and testimony of FCC Chmn. Wiley for Sept. 23, but again was preempted by meeting of full Commerce Committee. Chmn. Van Deerlin (D-Cal.) and Ranking Republican Frey (Fla.) said they'd make hearing "a first order of business" next Congress. Sept. 22 session with FCC on cable remains on Subcommittee calendar.

BRIEFING CBS RADIO AFFILIATES: "Broadcasting isn't priority No. 1" in Carter camp, so there won't be a great deal of activity in broadcasting by a Carter Administration for about a year. So stated CBS Washington Vp Bill Leonard, before convention of CBS Radio Affiliates in Williamsburg, Va. last week. What Carter forces might do after a year or so, Leonard said, may be something else.

But for first year, new Administration would "take 90 days just to find the john," then time to fill positions, "get the team going." Though "there are problems down the line—more for TV than radio—there is nothing in the planning stage in the Carter Administration to move on broadcasting right away," he said.

CBS News President Richard Salant praised correspondent Daniel Schorr for his testimony last week (see p. 4), said that network "will back Dan all the way... We have to win," go to U.S. Supreme Court if necessary. However, Salant said, one question is still hanging fire: "Did he have the right to give our property to the Village Voice?" Salant also reiterated his discontent with Sec. 315, fairness doctrine & personal attack rule: "It is humiliating and frustrating to find all the obstacles that stand in our way as we go through a Presidential campaign period."

Walter Cronkite said Carter-Ford TV-radio debates (see p. 1) will be "key" to election. He said Carter hasn't captured imagination of public. "Carter doesn't make a very good speech. He mumbles. His cadence is odd." Democratic liberals aren't hot about Carter, he said. "The auto strike," Cronkite added, "is a political time bomb of huge proportions." If it goes into Nov., unemployment will hurt Ford, he stated. Furthermore, according to Cronkite, both Henry Ford and union Pres. Leonard Woodcock back Carter, "have no incentive to settle" to help Ford.

CBS Radio Div. Pres. Sam Cook Digges urged affiliates not to "bad-mouth" radio competitors but to go after newspaper advertisers. He also stressed: "The cost of TV and printing advertising has escalated to a point where every advertiser has to look at viable alternatives." He also made point of fact that radio networks have lost money in 5 of last 6 years, receive only 5% of radio advertising dollars. He announced hiring of Lawrence Ostrow, ex-RAB, as new dir., retailing marketing, "to capture new retail advertising dollars for radio."

William Beers, chmn. of Kraftco and pres. of Grocery Mfrs. Assn., said food industry spokesmen would conduct 24 news briefings in major cities during next 2 years, "to help dispel public concern with factual information."

Thad Sandstrom, WIBW Topeka, outgoing Affiliates Assn. chmn., MC'd sessions. New officers: Gene Ellerman, WWAM Cadillac, Mich.; Albert Sanders Jr., WMAZ Macon, vice chmn.; Samuel Carey, WBOC Salisbury, Md., secy.-treas.

Technical papers for 1977 NCTA convention are solicited by Engineering Vp Delmer Ports, with abstracts due by Nov. 1.

Storer Bcstg. votes 5-for-4 stock split.

NCTA board meeting, Sept. 20-21, Hyatt Regency, Washington, includes customary major subjects—pole attachments, copyright, 1977 certification, exclusivity, EEO—plus more recent concerns of Bell legislation and translator activity. Rep. Frey (R-Fla.) speaks at Sept. 20 luncheon, FCC Cable Bureau Chief James Hobson Sept. 21. Reception for congressmen is scheduled at Rayburn Bldg. Sept. 20. On Sept. 24, NCTA will co-host reception for black elected officials and political leaders—with Brown & Williams Tobacco Co. other host. Assn. shows \$1,107,516 total assets, including \$850,000 in certificates of deposit. Of liabilities, members' equity is \$1,025,754, current liabilities \$81,762. Dallas convention produced \$467,300 revenues, \$250,562 expenses, \$216,738 net operating income. Year before, convention had \$394,304 revenues, \$218,891 expenses, \$175,415 net operating income. Subscribers represented by members totaled 6,283,923 Aug. 31 out of about 11.5 million served by whole industry. Group owners account for 5,522,607, independents 761,316. Assn. has 1,331 active members, 211 associates.

Under pressure from Sens. Baker (R-Tenn.) & Pearson (R-Kan.), Sen. Pastore (D-R.I.) agreed last week to hold confirmation hearing on 3 nominees to CPB board. However, 3 other CPB nominations will be ignored, left to die at end of current session of Congress. In exchange, Republicans agreed to enact switch enabling 3 present board members to continue to serve until next Congress. Subjects of Sept. 21 hearing will be Clyde Reed, Parsons (Kan.) Sun; Charles Roll, Gallup Institute; Louis Terrazas, Gold Bond Mfg. Ignored will be nominees Charles Crutchfield, Jefferson-Pilot Bcstg.; Leslie Shaw, Great Western Financial Corp.; Paul Stevens, Southern Baptist TV-Radio Commission. Present board members allowed to remain: Robert Benjamin, United Artists; Virginia Duncan, KQED San Francisco; Thomas Moore, Thomas Moore Entertainment. If nominees are confirmed, they would succeed Frank Schooley and Jack Wrather, Wrather Corp. Board meets Sept. 21 to elect new officers, is expected to re-elect Benjamin chmn., Moore vice-chmn.

Among participants in week-long closed-door briefing beginning Sept. 27 as "orientation" for 9-member commission directing National PTA's year-long anti-TV violence offensive (Vol. 16:34 p5): FCC Comr. Benjamin Hooks, CBS Vp-Program Practices Van Gordon Sauter, NBC Vp-Broadcast Standards Herminio Traviesas, ABC Vp-Program Practices Alfred Schneider, ACT Pres. Peggy Charren, UCLA Law Prof. Tracy Westen, NCCB Chmn. Nicholas Johnson.

Mich. State Senate passed resolution urging Congress to act to restrict violence on prime-time TV, charging that "the increase of violence on TV symbolizes an attitude of irresponsibility on the part of the TV broadcasting industry." Mich. legislature earlier approved joint resolution urging constitutional amendment to bar violence from TV. News and educational programs would be exempt.

FCC has granted 3rd extension of comments deadline in proposal for higher power for clear channel stations; latest is from Sept. 21 to Nov. 22, replies due Jan. 24.

Personals

I. Martin Pompadur, ABC vp, dir. & asst. to Pres. **Elton Rule**, resigned last week "for personal reasons"; during 16 years at network, he had been pres. of Leisure Group, vp of broadcast div. and vp-gen. mgr. of TV network; ABC-TV Spot Sales Pres. **Richard Savage** promoted to vp in charge of affiliate services, new post; **Joseph Giacinto** named vp-station planning, reports to Savage, as does **Robert Fountain**, vp in charge of affiliate relations.

Group W Pres. **Donald McGannon** speaks at Oct. 6 IRTS luncheon, Americana Hotel, N. Y.; TV network program chiefs **Fred Silverman** (ABC), **Donald Grant** (CBS) & **Irwin Segelstein** (NBC) appear Oct. 20... **Stan Wilson**, ex-KFJZ(AM) Ft. Worth pres.-gen. mgr., resigns from NAB Radio Board, is succeeded by **Wendell Mayes**, KNOW(AM) Austin, for term expiring June 1977.

National Bcstrs. Club hosts reception Oct. 20, 6 p.m., for OTP Dir. **Thomas Houser**... **Robert Brown**, ex-Counsel to House Investigations Subcommittee, joins Carter-Mondale campaign policy planning group, Atlanta hq; he was staffer responsible for FCC oversight.

Patrick Devlin promoted to vp-gen. sales mgr., Blair TV Chicago... **Douglas Price** advanced to promotion mgr., WITI-TV Milwaukee.

Joe Dine resigns as CPB public information dir. to become minority counsel to House Subcommittee on Veteran's Education & Training, serving ranking minority member Rep. Heckler (R-Mass.); **Nancy McMahon**, American Council for Better Broadcasts, elected chmn., CPB advisory council, succeeding Father **Patrick Sullivan**, U.S. Catholic Conference; **James Williams**, National Urban League, and **Harold Wigren**, National Education Assn., elected vice chmn.

Mauro Sardi, ex-United Artists TV vp-treas., appointed vp-administration & controller, LIN Bcstg... **Phyllis Seifer**, ex-Avco Radio-TV Sales, N. Y., appointed advertising, promotion & PR dir., WNEW-TV N. Y.

Robert Apter advanced to ABC Sports administration dir., new post; **Marlene Turner & Letty Tanchum** promoted to asst. general attorneys, ABC owned stations div... **Paul Shrage** promoted to advertising & sales promotion dir., Columbia Pictures TV worldwide distribution... **Terence Lynch** advanced to operations/research dir., Group W Productions.

Cable projects funded by govt. contracts and loans are covered in report by Comptroller General Elmer Staats to House Communications Subcommittee listing \$11.3 million in contracts & grants, \$9.7 million in loans. Staats said survey shows no one in govt. coordinating expenditures. Subcommittee Chmn. Van Deerlin (D-Cal.) said OTP was charged with coordination in 1970 Executive Order. OTP spokesman said it didn't have enough staff for job, is now "taking steps" to keep track of funds, will ask Congress for money to hire staff. Report includes list of 70-plus cable systems receiving SBA loans, highest \$420,000. Copy is available from General Accounting Office.

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Copyright bill is scheduled for House consideration Sept. 22. Under terms dictated by Rules Committee, only those amendments offered in time to be printed in Sept. 17 Congressional Record will be considered on floor. In communications areas, only amendments pushed by CATA were forthcoming—barring royalty commission from review of rates if syndicated exclusivity rules change; allowing penalty solely for "willful and repeated" violations, instead of "willful or repeated"; giving FCC primary jurisdiction for signal carriage disputes; defining "local service" as area where signal can be received off-the-air but no greater than 120 miles; defining minimum TV service as 3 networks, 3 independents & one ETV; liberalizing compulsory license for carriage of Canadian & Mexican signals.

"Although the Communications Act was drafted in broad terms, it is unable to embrace developments it never imagined," Rep. Wirth (D-Colo.) told N. American Telephone Assn. last week. "Accordingly, the courts and the FCC have found themselves resorting to legal fictions to justify regulation of these new technologies." To remedy this, "congressional neglect of telecommunications is about to come to an end," Wirth said, explaining why House Communications Subcommittee plans to review entire Communications Act next Congress (Vol. 16:37 p3). Other reasons for review: "New blood" on House & Senate Communications Subcommittees, pressure from cable and telephone industries.

NAB Pres. **Wastlewski**, accepting Distinguished Service Award from Ill. Bcstrs. Assn.: "It seems that the good that [stations] do often goes unnoticed. There was a time when excellence in broadcasting often received awards. Now it appears that it is just as likely to receive a subpoena... There is a great tendency to correlate every defect in society since the '50's with TV."

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Sept. 3 (35th week of 1976):

	Aug. 28- Sept. 3	1975 week	% change	Aug. 21-27	1976 to date	1975 to date	% change
Total TV	258,275	232,146	+11.3	328,542	7,522,426	7,044,265	+6.8
color	155,834	132,096	+18.0	210,019	4,449,106	3,919,857	+13.5
monochrome	102,441	100,050	+2.4	118,523	3,073,320	3,124,408	-1.6
Total radio	789,944	492,060	+60.5	1,932,316	25,036,424	21,670,827	+15.5
home, portable	481,745	305,114	+57.9	1,633,750	16,786,793	16,122,827	+4.1
AM-only	233,339	83,156	+180.6	632,395	4,293,180	4,541,573	-5.5
FM & FM-AM	248,406	221,958	+11.9	1,001,355	12,493,613	11,581,254	+7.9
auto	308,199	186,946	+64.9	298,566	8,249,636	5,548,000	+48.7
Port.-comp. phono.	53,750	54,171	-0.8	103,524	1,674,990	2,124,465	-21.2

Color TV 5-week moving average: 1976—145,521; 1975—127,961 (up 13.7%).

1976 COLOR SALES SEEN AROUND 7.5 MILLION: Barring dramatic & unforeseen upsurge or downturn, color TV sales to dealers this year will total about 7.5 million units, up about 16.5% from 6.5 million last year but falling short of 7.8 million in 1974.

That's how we look at rest of 1976, on basis of current trends. In the 17 weeks remaining, we see color sales running 17.5-20% ahead of last year's same period, as compared with 13.5% increase over 1975 for this year's first 35 weeks. This means sales will have to average 177,000-180,000 weekly for rest of year even to end at 7.5 million.

Hopes for 8-million-set year went out window some time ago. This figure could be reached now only if sales for remaining 17-week period averaged 38.4% better than last year, or nearly 209,000 per week. If business improves somewhat more than expected for rest of year—say, about 23% over last year—sales will total 7.6 million sets, which previously had been industry's rock-bottom forecast for 1976.

Color TV retail sales have been running ahead of year earlier for 11 consecutive months, according to Television Digest's monthly Early Warning Report—rapid index of TV & stereo retail sales & inventory trends. However, retail sales increases in last 3 months haven't matched rises at wholesale, indicating that dealers are stocking up for fall selling season. And retail inventories are up. (To subscribe to monthly Early Warning Report, please call or write our Washington or N. Y. offices.)

GRIFFITHS HEADS RCA AS CONRAD QUILTS: Most flabbergasting chapter of all in continuing RCA boardroom drama was sudden resignation of Chmn.-Pres. & Chief Exec. Anthony Conrad, who acknowledged that until recently he had failed to file personal income taxes for 5 years through 1975. Succeeding Conrad as pres. & chief exec. is Edgar Griffiths, formerly corporate exec. vp and pres. of RCA Electronics & Diversified Businesses.

Although there were attempts to find deeper and more sinister reasons for Conrad's ouster, most sources close to RCA were inclined to accept given explanations for resignation of immensely popular chief executive simply because story was too incredible for anybody to make up. Conrad said in statement to board that he had paid up \$19,674 and \$1,429 interest on federal tax (\$684,618 had already been collected in withholding) and took similar action on state & local taxes. Business of RCA was in no way involved, he said.

Announcement came 7 p.m. Sept. 16 after all-day special board meeting. It's understood Conrad had discussions with Internal Revenue Sept. 13. Board statement stressed that there was no dissatisfaction with Conrad's corporate stewardship. One RCA source called his predicament "a great personal tragedy."

Conrad became chief executive officer Nov. 5 after somewhat similar surprise board action at which resignation of Chmn. Robert Sarnoff was demanded & accepted (Vol. 15:45 p9). (Sarnoff told us at week's end he was completely surprised by Conrad's resignation.) Conrad, who assumed presidency in 1971, was elected chmn. last June. RCA notified SEC last week that it was withdrawing proposed public offering of 5 million common shares, presumably because changed situation there now makes prospectus incorrect.

New Pres. Griffiths, 55, has been responsible for Consumer Electronics, Solid State, Picture Tube, Distributor & Special Products, Govt. & Commercial Systems Divs., Service Co. and SelectaVision project, as well as some non-electronics subsidiaries. Griffiths is known as strong financial man—"it's the bottom line that counts with him," said one observer. RCA has lopped off several unprofitable electronics organizations under his tenure.

It's too early to determine what changes will occur in RCA policies, but it's expected that company will stress even more strongly fiscal management and profits. Some fears have been expressed for future of videodisc project, which was started under Sarnoff, continued by Conrad. "Griffiths isn't exactly a videodisc man," said a source close to RCA, noting that company hasn't yet officially announced whether it intends to commercialize project with its attendant expenditure of large start-up funds. Griffiths had been exec. vp, services and pres. of Service Co., served in many financial posts since joining RCA in 1948. No. 2 man at RCA now is Exec. Vp Howard Hawkins, pres. of RCA Communications.

Wall St. was as confused as everybody else by sudden RCA drama. RCA opened at 28, up 1/8, reached 28-1/8, but closed at 27, its low for day on rising market. With 737,000 shares traded by 5 p.m. EDT, it was by far most active stock.

ITC GETS TV IMPORT QUOTA BID THIS WEEK: Claim that U.S. color TV industry is being destroyed by import competition and demand that quotas or some other form of import restrictions be imposed will be filed with International Trade Commission this week by Committee for the Preservation of American Color Television (COMPACT), recently organized industry-labor protectionist group (Vol. 16:35 p7).

ITC, meanwhile, has accepted Japanese appeal from Administrative Judge Myron Renick's decision against throwing out Sylvania's unfair import competition complaint (Vol. 16:33 p7). In apparent effort to avoid accusation of anti-Japan bias and possible conflict with sister agencies, ITC overruled Renick's order limiting appeal to question of whether agency wants to exercise jurisdiction in case, said it will also consider whether it has legal right to proceed with look into dumping and export incentives.

ITC also bent procedural rules by allowing oral argument, with presentations limited to ITC staff, Sylvania & Japanese, slated for Oct. 6. ITC invited briefs from Treasury & FTC (which have asked ITC to drop case), as well as from HEW, Justice, State & President's Office of Special Representative for Trade Negotiations, set Sept. 24 deadline. Also expected from ITC is formal notice that case is complicated, and that deadline for resolution is being extended from Oct. 1 to April 1.

COMPACT's petition for import relief, to be filed under Sec. 201 or "Escape Clause" of Tariff Act, was due last week but was postponed, and press conference canceled at last minute for "organizational reasons." Sec. 201 allows President, acting on ITC recommendation, to order quotas or higher duty rates on imports found injuring a domestic industry. Questions of unfair import competition, dumping or export subsidies aren't at issue.

Hue & cry raised in U.S. & elsewhere—that Japan is deliberately undervaluing yen to keep exports up—has begun to worry Japanese officials. Foreign Affairs Ministry plans survey to learn what impact Japanese imports are having on U.S. business, while Finance Ministry is considering, over objections of Ministry of International Trade & Industry, "voluntary" re-

straint program on manufacturers of highly visible products, such as TV & autos.

None of actions is expected to have any effect on Japan's shipments to U.S. for some months, though slower-than-anticipated pickup in retail sales here may. Preliminary Aug. export figures from Finance Ministry show 66% increase in value of color TV shipped to U.S. over same month last year. That would indicate export of some 240,000, up about 60% from Aug. 1975, but down 30% from July, first such month-to-month decline this year.

DETAILS OF JVC'S VTR: JVC's 2-hour home video-cassette recorder, finally demonstrated to press in Japan (Vol. 16:27 p8) in both NTSC & PAL color versions, gave strikingly good pictures. In appearance it resembles high-end stereo cassette tape deck with all controls mounted on front panel. Compact unit measures 18x6x12-3/8" (vs. 20-1/2x8x16") for Sony Betamax, weighs under 30 lb. (vs. Betamax's approximately 45).

Cassette is 4-1/4x7-3/8x1", compared with 3-3/4x6-1/8x1" for Betamax cassette. Tape speed is about 1.31 ips, cassette containing 814 ft. of 1/2" tape. Writing speed is 228 ips. JVC Exec. Vp M. Tokumitsu said unit uses omega, not M-type wrap as previously reported. Tape formulation, presumably to keep cassette price down, is cobalt-doped gamma hematite (Sony uses chromium dioxide), currently available in Japan only from Sumitomo 3M.

"We're simply overwhelmed with orders for VHS" (Video Home System), we were told by Video Products Sales Mgr. Yasumasa Noda last week. "They number in the tens of thousands." He said Yokohama plant capacity is only 2,000-3,000 monthly, permitting production of about 5,000 by year's end. Plant is being expanded, he said, with additional assembly lines at 2 other facilities, for 10,000 monthly production some time in 1977.

Tokumitsu said JVC foresaw no patent problems. Major development in increasing playing time, he indicated, was direct-limiter FM circuitry. Deck will be priced on Japan market at about \$885, LED-readout timer \$35, 2-hour, 60-min. & 30-min. cassettes at about \$21, \$14 & \$10 respectively. Plans for U.S. sale are still undeveloped, said Export Managing Dir. M. Wakamatsu, but he hopes deck will come in at about \$1,000 some time in 1977.

Sony, meanwhile, expressed confidence in Betamax, which Deputy Pres. Worio Ogha said had already proved itself by results in consumer homes. When—or whether—Sony will introduce 2-hour version of Betamax still isn't known, but it's understood Sony America is looking into feasibility of offering conversion or remanufacture program to convert existing one-hour units to 2-hour playing time.

PBS UHF Guide, 16-page booklet on how to tune & receive UHF, is being offered to PBS stations for distribution to viewers. TV spots on both public & commercial stations will tell viewers how to obtain copies. Project is coordinated by Council for UHF Bestg. (CUB). First printing is 300,000.

Sony America has budgeted \$2.5 million for fall Betamax ad campaign (Vol. 16:32 p10)—its biggest expenditure to advertise single product. Network TV & magazines are being used, in addition to spot TV & newspapers in 28 major cities.

IMPORT IMPACT AID: Labor Dept. (LD) opened import adjustment assistance eligibility probes for Triad-Ultrad & Mepco-Electra workers, declared former employes of Burroughs Electronic Component Div. were entitled to help.

Jobs of Triad workers producing color yokes at Blytheville, Ark. plant are to be casualty of Sanyo's planned acquisition of Warwick's TV business (Vol. 15:50 p7, et seq.). LD spokesman told us Sanyo has informed Triad it intends to import all yoke requirements from Japan after it acquires Warwick's Forrest City, Ark. facility. Warwick is Triad plant's only customer. Mepco investigation is for import-threatened workers at Hicksville, Ohio capacitor plant.

Cleared for aid were former employes producing calculator displays at Burrough's Warren, N.J. plant. LD said employment at plant dropped 4.7% in 1974, 42.3% in 1975, additional 32.3% in first half this year. Over same span, value of sales dropped 30.5%, 48.1% & 7.5% respectively. LD found imports accounted for 39.4% of domestic display consumption last year, said interviews showed customers switched to imports because of lower prices.

IHF has recommended that its members ignore Snitow Organization's upcoming Audex audio show April 15-28 in Las Vegas because: (1) Timing is wrong for audiophile product presentations. (2) With Summer & Winter CES, there would be too many shows. (3) Participation of audiophile manufacturers would bestow "mantle of acceptability" on low-fi manufacturers exhibiting at Audex. IHF came out strongly in favor of new audio show to be held in conjunction with CES at McCormick Inn next summer, pointing out that CES has agreed to make "substantial contribution to IHF" for industry-wide hi-fi component promotion. Earlier, ERA gave similar endorsement to CES and attacked Audex as "too many shows." Nevertheless, Audex show manager Charles Snitow said that in 10 days more than 60 companies had tentatively reserved 75,000 sq. ft. of space. "We already have 50% of the people we want in the show," he said. "Based on the reservations so far, we see 200-250 exhibitors." As for IHF's statement, Snitow said it was from "organization that doesn't represent the industry." Meanwhile, CES announced it had received 259 applications for the 279 exhibit spaces available at Winter CES Jan. 13-16 in Chicago.

New sets: GE adds three 25" consoles with vertical interval reference color (VIR) control at \$730, \$40 less than current leader VIR models, which is \$10 lower than introductory price in May (Vol. 16:21 p13); also new leader standard 25" consoles at \$650, down \$20... Sharp adds 15" color with Sigma 500 chassis at \$370.

CB KEEPS FCC HOPPING: FCC had hands full with CB last week, combating rumors that channel expansion plan has already been killed, launching crash testing program on new 40-channel units and studying latest batch of petitions on expansion proposal. Rumors that expansion was dead issue came primarily from West Coast CB firms, but apparently originated among Far East suppliers. Chmn. Wiley's office said "there is no truth whatsoever" to rumors, stressed that petition filed by MST (Maximum Service Telecasters) asking for stay of expansion order would be studied carefully before final judgment is made.

Objection to MST petition filed by EIA-Citizens Radio Section argued that FCC is obliged to balance spectrum use and minimize interference by taking into account all spectrum users, not only broadcasters. National Assn. of Catalog/Showroom Merchandisers urged in petition that effective sales date for 40-channel CBs be moved to April 1 to allow retailers & suppliers to get rid of 23-channel inventories. Deadline for filing opposition to pleas for reconsideration of FCC expansion order is Sept. 30, replies due Oct. 10.

Meanwhile, FCC labs began preliminary testing of 46 40-channel CBs submitted for type acceptance, with focus on receiver portion. First tests on controversial chassis radiation standard (Vol. 16:36 p7) were done indoors due to bad weather, aren't considered accurate indicator of how many will meet 5-microvolt-per-meter radiation limit. Outdoor testing begins this week. CBs submitted are considered representative sample of industry, spokesman said, adding that labs probably will send initial report to chief engineer this week. "It won't give us a good statistical basis on which to make a decision on the receiver problem, but it should give us a trend," he said.

Trend of 23-channel retail sales also is being monitored by FCC—through license applications—and spokesman said that although applications have fallen off, situation "isn't nearly as drastic as everyone thought it would be." Weekly rate dropped slightly in weeks immediately after expansion announcement at beginning of Aug., falling from 95,000 week of Aug. 6 and 90,000 on Aug. 13 to 76,000 by Aug. 27. For week ended Sept. 10, total was 72,000. Critical period will be Nov. & Dec., FCC said, pointing out that seasonal factors also influenced Aug. & early Sept. figures.

About 5.5 million CBs will be sold during last 4 months of year, according to GE Audio Products Gen. Mgr. Paul Van Orden, bringing 1976 total to 15 million and leaving industry 1-million inventory by year end. Based on surveys conducted after expansion was announced, GE also concluded that: (1) Wholesale value of sales in 1976 will be \$1.2 billion. (2) 50-60% of consumers and 70% of CB owners & truckers are aware of announcement. (3) More than 20% of long-haul truckers will buy 23-channel units before Jan. 1. There is large potential left in 23-channel market, Van Orden said, and industry should have little trouble getting rid of 1 million.

Industry is clearly getting rid of as much as possible right now. Closeouts at \$70 & below are show-

ing up around country, and 4 models in Pathcom line are being discounted at half price in N. Y. area—complete with 40-channel update certificate (Vol. 16:32 p8). Major CB distributors told us new 23-channel pricing programs of major suppliers are helping move swollen inventories, and some feared cutbacks in 23-channel production would cause short-ages during Christmas season.

SONY'S U.S. GOALS: Sony is aiming at 10% of U.S. color TV market, thinks it will achieve goal by 1980, when U.S. sales will be 10 million sets, Sony's a million. So said Sony's top TV officials in recent conversations with Television Digest in Tokyo. In 10 worldwide color TV plants, Sony now is making 1.8 million sets per year, which probably makes it bigger than any U.S. manufacturer in terms of color output.

Sony will manufacture about 300,000 color sets in San Diego this year, representing some 50% of its U.S. sales (all below-17" sets are imported). Sony officials forecast U.S. plant will turn out 400,000 or more sets in 1977. Company is putting increasing emphasis on remote control & electronic tuning, says 20-25% of its San Diego production this year will be remote, 30-35% electronically tuned. Newest Sony size in U.S., 21", will be produced at 30,000-unit rate this year, 40,000 next.

Trinitron TV set, and possibly tube itself, appear to be candidates for redesign, using Sony-developed principle of velocity modulation, now employed in its 25" (sold only on Japanese market) and pre-production 30" set. System is designed to produce better contrast, color & resolution by varying scanning speed of electron beam according to content of picture. Sony officials said principle can make possible simpler, better set, eliminating convergence adjustments, minimizing size of deflection yoke and reducing high voltage.

Sony's 30" (32" over-all) set to be priced at \$5,000, or \$3,300 in monitor version (Vol. 16:14 p10), gives clear, sharp picture, has tube weighing 110 lb. Receiver version features 12-channel random-access pushbutton remote control, which could show up later in other Sony sets.

Production of 25" or 30" set in U.S. is unlikely in foreseeable future. Breakeven point for 25" production here was given as 200,000 sets. Sony now claims 15-20% of below-19" U.S. market, 20% of 12" market, says it will increase San Diego production steadily until 1980, when it sees U.S. color market leveling off.

Sony's consolidated net sales for year ending Oct. 31 will total about \$1.6 billion, according to Chmn. Akio Morita, up from \$1.34 billion in last fiscal year. He put net profit at \$100 million or more (vs. \$53.3 million), with VTR equipment representing 10% of sales, up from 7%. "Our efficiency is up, the cost of production is declining," he said. "The Betamax cassette is very profitable."

Sanyo hopes to raise \$30 million with European bond offering next month. Company says it plans capital investments of some \$51 million in current fiscal year, presumably including \$19.4 million it's agreed to pay for Warwick's TV operation.

MATSUSHITA'S TV WORLD: Matsushita Electric, with 27 TV factories around world—23 of them outside Japan—has higher than 12% share of non-Communist world's total TV market. Our estimate is derived from world TV sales figures as compiled by Matsushita.

Matsushita produced its 40 millionth TV set last April, is turning out sets at rate of about 5 million annually—about 50-50 color & monochrome. Company's global outlook forces it to keep track of world market much as U.S. manufacturers map N. American market. On visit to Matsushita's hq in Osaka, we were given these forecasts of non-Communist world TV sales by TV Export Dept. Mgr. Frank Ohgai: 1976—color 21.5 million units, monochrome 19 million, total 40.5 million; 1977—color 23.3 million, monochrome 18 million, total 41.3 million.

Ohgai broke down color by transmission system: NTSC, 11 countries, with only possible new convert being Venezuela. NTSC color market in 1977 should total about 15 million sets, U.S. representing 8.2 million, Japan 6 million. PAL, 29 countries, expanding to 40 by 1978, with total demand for 6.4 million sets this year, 7 million in 1977. SECAM, 14 countries, 24 by 1978, demand this year 1.1 million sets (mostly France), 1.3 million in 1977.

Monochrome has 6 basic systems, with many variations. Matsushita breaks down sales this way: U.S. & Canada, about 6 million this year & next. Europe, 5.7 million in 1976, 5.5 million next year; Mideast, Australia, Latin America, 6.3 million this year, 6 million next; Japan, one million.

Matsushita makes color sets for all 3 systems, plans combination PAL/SECAM & PAL/NTSC sets for areas where 2 standards can be received. Ohgai sees continuing strong demand for b&w sets in newly-developing countries and says big needs are high-sensitivity receivers for long-distance reception, AC-DC sets with battery life doubled to 6 hours.

Company will start color assembly in Sept. of 21" set in Wales, 2nd Japanese TV manufacturer (after Sony) to establish production facilities in U.K.

In Japan, Matsushita manufactures 90% of own TV components, and, with Philips, is one of 2 most integrated TV manufacturers in world. Its color TV production is increasingly automated, with 85% of component insertion now mechanized. By Nov., it expects 85% of total color TV manufacture to be automated. With increasing automation, ratio of female to male production workers has declined, now is about 50-50.

Stereo systems are in 53% of Japanese households, highest penetration level in world, according to estimates of Nikko Research Center. U.S. ranks 2nd with about 30%, followed by Holland & Sweden 25-30%, U.K. & W. Germany each under 20%, Austria & France about 8%.

Malaysian investment seminars, sponsored by Federal Industrial Development Authority, start in N.Y. Oct. 12-14, followed by Montreal, Toronto, Edmonton, Vancouver, San Francisco & Chicago.

MORSE REPORTS: Major cause of Morse's \$36.5-million fiscal 1976 loss was \$15.6-million inventory writedown, company said in SEC filing. Writedown, Morse says, includes revaluation of inventory plus shrinkage caused by pilferage. In addition, company wrote off \$2 million for closed plants (2) and branches (2).

Morse said competition prevented implementation of needed price increases and cost of goods sold exceeded sales by \$6.9 million (Morse raised prices March 1). As part of restructuring, Morse is phasing out clock & portable radio business, will buy 80% of electronics requirements from Hong Kong subsidiary and is negotiating for new financing with Japanese trading company Nitchimen.

Morse said unit sales of consoles rose 9%, though price erosion held value of 7.2% gain to \$46 million. Unit sales of other major audio products dropped 13%, with value off 22% to \$56.9 million. Sales of compacts fell 13.3% to \$50.8 million, while musical furniture (bars, fireplaces) sank 57.7% to \$6.05 million. Sales of other products dropped 49.2% to \$7.2 million.

Lloyd's reported sales of audio systems last year slipped 8.7% to \$40.5 million, radios rose 22.5% to \$22.7 million, tape recorders were off 38.8% to \$5.1 million, calculators jumped 145.8% to \$29.6 million, other products climbed 84.7% to \$2.8 million.

Capehart reported 1976 sales of consoles at \$17.8 million, down an indicated 9.3%, while compacts were up an indicated 3% to \$24.7 million, other products off 25.8% to \$3.2 million. Comparisons may not be exact because of change in company's fiscal year.

Soundesign, just starting in consoles, said sales jumped 164.8% to \$14.3 million, compacts rose 31.4% to \$59.4 million, clock & table radios edged up 3.3% to \$15.5 million, portable radios slipped 13.1% to \$10.6 million, other products dropped 63.6% to \$3.9 million.

RCA's net from consumer electronics & services in first half was \$13.5 million, up from \$1.8 million in same 1975 period, as sales rose to \$633 million from \$495 million, according to prospectus for planned 5-million share offering. Net from commercial products & services, including components, was \$2.8 million, against \$19.5 million loss, as sales climbed to \$346 million from \$280 million. Income from broadcasting was \$30.8 million, up from \$28.1 million, revenue rising to \$446 million from \$379 million.

Audience of machines instead of people is visualized for TV programming Sony has under "serious consideration" in Japan. Chmn. Akio Morita says Sony is investigating possibility of buying time on commercial stations during late-hour period between current sign-off & sign-on, offering special programs for automatic taping by unattended timer-equipped home VTRs.

Sanyo has resumed 2-year parts-&-labor warranty on selected color models, at higher end of line.

Trade Personals

Edward Wennerstrand advanced at BSR to vp-gen. mgr. of subsidiary Audio Dynamics, assuming duties of **John Bubbers**, who resigns as pres.; **Timothy McLoughlin** succeeds Wennerstrand as midwest region mgr.; **William Washburn** promoted from supervisor to mgr. of purchasing, replacing McLoughlin; **Richard Steininger** advanced from east region mgr. to field sales mgr.

Herb Horowitz advanced at Harman International to pres. of newly formed Harman America, U.S. distributor for European subsidiaries Ortofon & Tannoy... **Robert McCallie** appointed Hy-Gain product development mgr... **Robert Garbutt**, ex-Sound Systems, joins Sharp as Professional Products Dept. mgr., succeeding **Ed Cote**, resigned.

Clifford Matthews, Hallicrafters pres., advanced to pres. of parent Breaker Corp., succeeding **Thomas Melnor**, now gen. mgr. of Video Design Div. of First Dimension... **Robert Lynch**, Sylvania Commercial Electronics Div. gen. mgr., named vp... **Robert DePalma** advanced at Rockwell from financial analysis vp to finance vp & chief financial officer, succeeding **Robert Rice**, resigned.

William Boss, RCA Consumer Electronics vp, & **John Hollands**, BSR (U.S.) pres., are expected to be elected respective chmn. of EIA Video & Audio Divs. at Sept. 27-30 convention in L.A., succeeding **Walter Fisher** (Zenith) & **John Kearney** (ex-Sony); Boss will also succeed Fisher as CEG chmn... **Edward Khoury**, pres. of Capitol Records Music Den (retail stores), adds post as Capitol Magnetics pres., succeeding **Tony Cunha**, now vp of parent corp... **Eugene Tangney** promoted at RCA to Distributor & Special Products Div. industrial relations vp.

Yoichi Nakase named Kenwood senior vp, heads west coast operations; **William Kasauga** assumes same post in N.Y... **Virgil Stout** appointed electronics science & engineering R&D mgr. at GE's Schenectady, N.Y. R&D Center, succeeding **Robert Pry**, resigned... **Robert Knowles** named Fuji Photo Video Tape Div. Rocky Mountain mgr... **Cheryl Druck** appointed University Sound sales admin. supervisor.

CB Scene: Tenna Corp. will supply Lincoln-Mercury Div. of Ford with retractable electric CB antennas for use as optional equipment on 1977 Lincoln & Mark IV models. Ford recently signed deal with Motorola for underdash CBs (Vol. 16:30 p11)... **Kokusai Electric**, Hitachi affiliate, will produce 10,000 40-channel CBs monthly for Pathcom. beginning in Oct., increase production to 15-20,000 next spring... **Breaker Corp.**, which acquired Hallicrafters last year (Vol. 15:48 p9), will change name to Hallicrafters. Breaker brand will be used on many Hallicrafters products. Firm hopes to market 13-model line of 40-channel CBs next year.

Admiral will rebuild Mexico City TV-stereo plant destroyed by fire last Nov. New 131,000-sq.-ft. facility is scheduled for completion by Feb. Products currently are being assembled in 2 temporary buildings (Vol. 16:4 p14).

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
AT&T			
1976-year to Aug. 31	31,609,974,000	3,589,791,000	5.74
1975-year to Aug. 31	27,789,337,000	3,096,426,000	5.10
1976-qtr. to Aug. 31	8,309,203,000	1,012,416,000	1.60
1975-qtr. to Aug. 31	7,299,688,000	810,248,000	1.33
Communications Properties			
1976-9 mo. to July 31 ^a	16,662,327	1,224,328 ^a	.26
1975-9 mo. to July 31 ^b	12,845,552	(732,533)	--
1976-qtr. to July 31 ^b	5,823,762	1,414,055 ^a	.30
1975-qtr. to July 31 ^b	4,500,776	(198,554)	--
Harvey Group			
1976-26 wk. to July 31	15,794,000	11,000 ^a	--
1975-26 wk. to Aug. 21	15,146,000	(244,000)	--
International Rectifier			
1976-year to June 27 ^a	58,606,000	11,757,000 ^a	4.29
1975-year to June 29 ^b	68,022,000	772,000	.28
MPO Videotronics			
1976-9 mo. to July 31	13,856,334	477,240	.92
1975-9 mo. to July 31	9,066,595	(203,050)	--
Outlet			
1976-6 mo. to July 31	63,832,887	959,290	.55
1975-6 mo. to Aug. 2	48,277,594	1,213,684	.75
1976-qtr. to July 31	33,411,215	559,497	.33
1975-qtr. to Aug. 2	26,516,281	842,725	.54
Tektronix			
1976-12 wk. to Aug. 21	89,543,000	8,419,000	.96
1975-12 wk. to Aug. 23	74,858,000	5,760,000	.66
Wells, Rich, Greene			
1976-9 mo. to July 31	21,638,000	707,154	1.55
1975-9 mo. to July 31	20,880,000	887,652	1.91
1976-qtr. to July 31	7,172,000	295,218	.62
1975-qtr. to July 31	6,232,000	113,435	.25

Notes: ^aIncludes special credit. ^bRestated.

TV safety standard options, ranging from in-house development of complete standard by Consumer Product Safety Commission to adoption of UL testing as recognized voluntary standard, still are being weighed by commissioners, CPSC spokesman told us. He indicated there is strong staff support for voluntary approach, but said commissioners have given no indication of their views or when they'll reach decision. By regulation, CPSC was supposed to have completed analysis of UL's standard proposal, publish final version and schedule hearing by Sept. 7. Feeling in industry that CPSC already has decided on mandatory standard, which UL's report says could add up to \$92 to cost of color TV (Vol. 16:28 p11), is based on incorrect interpretation of CPSC's published budget, we were told.

Obituary

Philip Friedman, 78, co-founder & honorary chairman of APF Electronics, died Sept. 10 in Hawaii after surgery. Resident of Tokyo since 1926, where he established jewelry export business, he co-founded Filjay, which supplied U.S. consumer electronics firms, including Olympic. He joined Delmonico as Far Eastern procurement chief, was APF chmn. until last Dec. He lived in Hawaii during World War II. Survivors include brother Albert, APF chmn.