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More problems than paeans as NCTA heads for Chicago

Reality to be the keynote for association's 23d annual meeting

Last June, the National Cable Television Association played host to 6,000 delegates at Anaheim, Calif., in a convention that, at the time, seemed to indicate the emergence of a golden age for the cable industry. Now, a scant 10 months later, that prospect has been postponed, if not canceled. And cable operators, reeling from a year of dashed expectations, withered economic stability and attacks upon what many consider the main promise of the industry's future—pay cablecasting—concede privately that the elaborate visions seen at Anaheim can be attributed to the proximity of Disneyland.

Cablemen, nonetheless, remain a feisty breed, as evidenced by the theme of NCTA's 1974 convention, which begins at Chicago's Conrad Hilton hotel this Sunday (April 21). The setbacks of the past year notwithstanding, cable operators still envision themselves as "the choice medium," and have so dubbed their convention ("The Choice Medium '74"). The theme, itself, is a literal rerun of that of the 1973 gathering. Chances are it will be the only thing so repeated in Chicago. For while its implications are more ominous this year's convention is more appropriately illustrative of "the real world of cable," which NCTA briefly considered as a theme but dismissed for just that reason.

Some 5,000 persons, 20% under last

year's delegate roster, are expected to show up in Chicago. Primarily, they'll be there to talk about problems.

Number one on the list is the pay cable controversy—both in terms of industry priorities and the convention agenda. That is the topic of Sunday's initial management session, for which there will be no shortage of mentors.

The copyright issue, which reoccurred last week in congressional legislation far from the industry's liking (see page 17), will be ventilated early the following day. The panel addressing the subject at a Monday eye-opener session clearly represents a cross-session of ideologies. Moderated by Gary Christensen, partner in the Washington law firm of Hogan and Hartson and immediate past NCTA general counsel, it also includes National Association of Broadcasters General Counsel John Summers, Edward Cramer of Broadcast Music Inc., CBS's Harry Olson and Warner's Mr. Stern.

Much has been said of the downbeat financial status of cable during the past year, and more will be at the convention—enough to fill two separate sessions on financial matters staffed by representatives of several leading cable lending institutions.

The future relationship between cable and other telecommunications media is scheduled as the subject of Monday's main management session, at which no intra-industry official will speak. Instead, there will be such notables as the Rand Corp.'s (and former FCC general counsel) Henry Geller, the Office of Telecommunications Policy's Henry Goldberg and the Cable TV Information Center's W. Bowman Cutter.

Nonduplication and exclusivity, words that have been sore points with cable operators since first incorporated into the FCC's rules, will also be explored in two separate sessions, both on Tuesday. The commission's Cable Bureau will be amply represented on a Tuesday panel dealing

with the industry's relationship with the commission.

On Wednesday, the agenda will take a more philosophical turn, with panels scheduled to include such questions as how to stimulate interest in public access cablecasting, the necessity for consumer rate increases and the future course of cable franchising. The most provocative dissertation that day—and perhaps of the entire convention—will come during Wednesday's closing management session: how the industry's future is seen through the eyes of prominent communications specialists.

Whatever the outcome of the proceedings, there will be no shortage of influential Washingtonians on hand as witnesses. At least half of the currently abbreviated FCC—Chairman Richard Wiley and Commissioner Benjamin Hooks—will be there. Commissioner Robert E. Lee will be abroad. Mr. Wiley will be the Monday luncheon speaker.

Several emissaries from Capitol Hill also will be in attendance. Senator Adlai Stevenson (D-Ill.) will address the opening session Sunday. That day's agenda also includes Representative Torbert Macdonald (D-Mass.), who will assist in the presentation of NCTA's annual cablecasting awards (BROADCASTING, April 8). The association's political cablecasting award will be handed out on Wednesday by Representative Robert McClory (R-Ill.), who will be preceded on the podium by Senator Edward Brooke (R-Mass.), the Wednesday luncheon speaker. NCTA President David Foster will deliver the Tuesday luncheon address.

Despite economic downturns that have also caused some multiple system operators to trim the roster of their attending personnel, equipment manufacturers will be strongly represented. Their delegations, however, will not be extensive as last year and few hardware surprises are anticipated. Some 137 firms will be represented in the four exhibit areas; details of their displays begin on page 51.

The official NCTA agenda

All activities will take place in the Conrad Hilton.

Saturday, April 20

Registration. Lower lobby. 2:00-5:00 p.m.

President's Reception. Williford room. 7:30-8:30 p.m.

Sunday, April 21

Registration. Lower lobby. 7:30 a.m.-5:00 p.m.

Brunch. Grand ballroom. Noon-1:30 p.m.

Opening Session. Grand ballroom. 1:45-2:30 p.m. Welcome: James B. Goetz, NCTA convention chairman. Chairman's address: Amos B. Hostetter, NCTA chairman. Speaker: Senator Adlai E. Stevenson (D-Ill.).

Joint Management/Technical Session. Grand ballroom. 2:30-4:30 p.m. Subscription cablecasting: A major area of controversy. Opponents have used this potential cable service as a springboard to re-launch old attacks on CATV. What are we doing? What should

we be doing? Where does subscription cablecasting stand today? Moderator: Burt I. Harris, Harris Cable, Los Angeles. Panelists: Geoffrey Nathanson, Optical Systems, Los Angeles; Gerald M. Levin, Home Box Office, New York; Jack Valenti, Motion Picture Association, Washington; Ralph Baruch, Viacom International, New York; Alfred R. Stern, Warner Cable, New York.

Cablecasting Awards Presentation. Grand ballroom. 4:30-5:00 p.m. Moderator: Amos Hostetter, NCTA chairman. Speaker: Representative Torbert Macdonald (D-Mass.).

Meet Your Board of Directors. Grand ballroom. 5:00-7:00 p.m.

Exhibits Open. International ballroom, Normandie lounge, Continental ballroom west, East and North halls. 5:00-8:00 p.m.

Exhibitor's Cocktail Reception. Exhibit halls. 6:30-7:30 p.m.

Monday, April 22

Registration. Lower lobby. 7:30 a.m.-5:00 p.m.

Exhibits Open. 9:00 a.m.-6:00 p.m.

Eye-opener sessions

Financial. Waldorf room. 8:00 a.m.-9:30 a.m. This panel will deal with financing of cable television construction and operation—a how-to-do-it session with participants from Wall Street, institution-

New surge of cable growth on horizon, says Schmidt

NCTA president goes before his first convention bearing tidings of joy on both regulatory and business fronts

Robert L. Schmidt has been president of the National Cable Television Association for eight months and, at last count, 60,000 miles. Generally speaking, they've been good months for the industry and instructive miles for him. This week, he will travel a few more to tell NCTA's members that even better times are ahead.

Last Tuesday (March 30), in an interview with BROADCASTING before taking off for Dallas and his organization's silver anniversary convention, Mr. Schmidt held out expectations for "continual improvement in the regulatory environment" and pointed to a "turnaround" in cable construction that should lead to a "steady 10% growth in subscribers for the next several years." He describes cable as having been "dormant" for the past few years, but as an industry "now getting back into business."

Even more dramatic is Mr. Schmidt's forecast for pay-cable growth: He believes it will double by the end of this year, to about 1.2 million pay TV homes. That will be 11% of the present 10.8 million cable homes universe.

Cable's advantage in general, and pay cable's in particular, says Mr. Schmidt, is "a general dissatisfaction with what we're trying to compete with." By that he means that the public wants new television services, and is willing to pay for them. Broadcasting's great payers of the freight—all those commercials—he lists among the considerations that the viewer is anxious to avoid. Among pay's capital advantages at the moment is that its growth comes relatively inexpensively—far less, by comparison, than building new miles of plant. Now, he says, "we've got the makings of a [nationwide] grid" for pay TV.

The extent of cable growth, in Mr. Schmidt's view, hinges in large part on what evolves from the present three-tier (federal-state-local) cable regulatory framework and the outcome of current court battles over the FCC's revised pay-cable rules. Whatever happens, Mr. Schmidt believes pay cable penetration is never likely to pass the 50% mark in relation to over-all basic service subscribers—a factor he cites in challenging broadcasters' fears that pay will be able to out-



Mr. Schmidt's olive branch;

"I want to offer partnership to the broadcaster. We're not the plague that we're portrayed to be. To call us 'parasites' is to use a rhetoric that's as out of style as high-button shoes."

bid conventional TV for product.

Copyright legislation remains atop the list of NCTA's legislation priorities—an assertion that broadcasters (1) will find not surprising and (2) will greet with skepticism. Once NCTA can get the copyright issue "behind us," says Mr. Schmidt, other regulatory areas will open up—"the White House says so, the FCC says so, the Congress says so," Mr. Schmidt reports, emphasizing that NCTA has heard them all, loud and clear.

Accordingly, much of Bob Schmidt's time as NCTA president has been taken up with the copyright issue and lobbying efforts on Capitol Hill. "NCTA has gained more ground on the copyright issue," said Mr. Schmidt, "than many of its adversaries and friends thought was possible." As evidence he points to the Senate passage of a copyright bill that was amended to favor certain cable views (BROADCASTING, Feb. 26) despite a general feeling that the Senate bill would go through as originally written. Mr. Schmidt also claims there is serious attention given to a local-distant signal-pay-

ment based on a market type approach on the House side.

The time Bob Schmidt has spent on copyright has taken away from the time he might have spent in other areas. But that doesn't mean NCTA's interests have gone unrepresented. Rex Bradley, NCTA's present chairman, has been active on the FCC front; among other things, he's given major credit for cable's victory on leapfrogging. Such help from the hinterlands suits Bob Schmidt just fine: "It's important for the [NCTA] executive committee to be up there in the trenches," is how he puts it. The work of getting cable's story told, Mr. Schmidt believes, is a joint effort by the staff, the board and industry leaders.

Mr. Schmidt prefers to achieve goals "quietly" and does not feel he needs a public profile unless it is related to a particular issue. In his own words, he is "not a knocker, but a booster" and doesn't seek "contests."

For four months, Mr. Schmidt has been searching for a "number two"—an executive vice president and director of govern-

April 14, 1976

NOTE FOR CABLE TV FILE:

From Foster Chanuck - key development in the cable area - "fiber optics" which may replace the normal copper cable. This has the capability of up to 1,000 channels per cable. It is much smaller than normal copper cable. There are no critical materials which could result in shortages.

A key guy in this field is Steve Effros, former FCC General Counsel staff member who was responsible for cable. Phone: 387-3100. His partner is Rick Brown here in D.C. Dean Burch knows and respects them.



Mel
1/4/67

Cable TV Action

By John Carmody

The major motion picture studios yesterday renewed their support of the pay television industry's fight to show movies that haven't grown whiskers under current Federal Communications Commission rulings.

Under those regulations, cable TV systems that

sion charging the broadcast industry with "false advertising" in their nationwide "free" TV.

In advocating what the MPAA prefers to call "family choice cable," Valenti yesterday said the public has a "right" to "budget" movie products of their choice "free of common