

PABST, INGRIM WIN BAY AREA CH. 2; PITTSBURGH MERGER DISCUSSED

- Buffalo reopened, Shreveport reaffirmed, Seattle deferred
- New Orleans uhf gets chance for dual operation on vhf

ONE tv station was authorized, another seemed to be on the verge of being approved provided agreement can be reached in a merger agreement and a third transmitter was authorized to begin operating as the FCC met last week with FCC Chairman George C. McConnaughey presiding for the last time.

Mr. McConnaughey retired from public life yesterday (see page 52).

In San Francisco-Oakland, the grant of ch. 2 was made to San Francisco-Oakland Television Inc. A merger-option agreement was reached with principals of the three competing applicants to become effective probably this week.

In Pittsburgh, the grant of ch. 4 to WCAE awaited a firm merger agreement with KQV with the principals of both stations scheduled to meet Friday afternoon to work out details.

In New Orleans, the Commission approved the use of ch. 12 there by WJMR-TV, now operating on ch. 20, on an experimental basis—with dual operation.

The Commission also ordered the Buffalo, N. Y., ch. 7 case to be reopened to review the financial qualifications of WKBW Buffalo, and reaffirmed the grant of ch. 12 Shreveport, La., to KSLA there.

A further consideration of the Seattle ch. 7 case last week by the Commission resulted in another draw causing the FCC to defer action on this long-drawn out proceeding for another week.

The San Francisco-Oakland ch. 2 hearing involved three applicants: San Francisco-Oakland Tv Inc., Tv East Bay, and Channel Two Inc. San Francisco-Oakland included Don Lee Network executives Ward D. Ingram and William D. Pabst, each owning 47.5%; and Harry R. Lubcke, consulting engineer, 5%. Tv East Bay was controlled by oilman Edwin W. Pauley. Channel Two Inc. was 35% owned by Stoddard P. Johnston, 5% each by former broadcasters Howard L. Chernoff and John A. Kennedy, 5% by J. R. Knowland (*Oakland Tribune*), and others.

An initial decision in 1956 recommended that the FCC grant the vhf channel to Channel Two Inc. Last May the Commission announced that it had instructed its staff to prepare a grant to San Francisco-Oakland.

The merger agreement is understood to provide that Channel Two and East Bay withdraw and that San Francisco-Oakland thus eliminate prospects of litigation. Options were issued to Mr. Pauley to purchase 25%; Mr. Johnston, 5% (repurchaseable in two years by Messrs. Ingram and Pabst), and Mr. Lubcke, 1%. Messrs. Ingram and Pabst would retain 51% control. New to the company would be Willet D. Brown, Don Lee president, who would be permitted to buy 18% interest. Mr. Brown, who would resign as Don Lee president,

also would undertake to construct the physical facilities for the ch. 2 station and lease them to the grantee.

Originally, San Francisco-Oakland had an agreement with RKO Teleradio Pictures Inc. (owner of Don Lee Network and other radio and tv stations, plus MBS) to construct the ch. 2 facilities.

The merger agreement also provided that 65% of out-of-pocket expenses of Channel Two Inc., amounted to about \$150,000, would be met by San Francisco-Oakland.

The instructions to the staff to prepare a decision favoring San Francisco-Oakland [B•T, May 20] had repercussions on Capitol Hill when both Rep. Clair Engle (D-Calif.) and Rep. John F. Baldwin Jr. (R-Calif.) published in the *Congressional Record* last week complaints against the proposed grant. Both claimed that 250,000 residents of Contra Costa County and Solano County would be bereft of tv service if a grant was made to any applicant proposing to put his antenna in San Francisco or San Mateo County.

The grant of ch. 2 in San Francisco brings the number of vhf outlets in that city to four, plus one uhf operating and two authorized.

In the Pittsburgh ch. 4 case, there are five applicants: WCAE Inc. (Hearst), Television City Inc. (KQV), WLOA Braddock, Pa.; Irwin Community Television Co. (Edward J. Hirshberg-Clarence T. Schade-H. Clair Altman and others); Wespen Tv Inc. (controlled by the Fink family).

An initial decision last year favored the KQV application. However, when one of the principals, Irwin D. Wolf, died, the hearing was reopened to take this into account. A second initial decision issued last April recommended granting the WCAE Inc. application.

Negotiations between the KQV interests and the WCAE principals were scheduled to come to fruition Friday afternoon on the subject of a merger between the two applicants, permitting a quick grant. Both agreed to reimburse the other three applicants, up to a total of \$50,000 each, for expenses incurred in prosecuting their applications.

In the latest negotiations, WCAE Inc. offered to set up a new company to be jointly owned by Hearst and KQV principals. The questions of what would happen to the respective radio stations was one of the subjects to be decided at the Friday meeting.

The ch. 4 grant, when and if made, would bring to Pittsburgh its third commercial vhf outlet; there is one on the air, another scheduled to begin operating next month. There are also three uhf grantees.

In New Orleans, WJMR-TV, now operating on ch. 20 there with 1 megawatt, asked the FCC for permission to operate simultaneously on the newly dropped-in ch. 12

with 316 kw from the present Canal Street WJMR-TV site on an experimental basis. In order to protect ch. 12 WJTV (TV) Jackson, which is 30 miles less than the required 190 miles separation, WJMR-TV proposes to use a directional antenna. WJMR-TV proposed to spend \$150,000 to build the experimental operation. The application has been opposed by, among others, Assn. of Maximum Service Telecasters because of the mileage separation compromise. Comr. Mack abstained from voting.

Approval of this proposal would give New Orleans its fourth vhf signal; there are two stations (one educational) already on the air, another scheduled to begin operating next month, one uhf operating (WJMR-TV) and two uhf grantees.

The Buffalo ch. 7 case involves three applicants: Great Lakes Television Inc. (comprising the *Buffalo Courier-Express*-WEBR; Berkman-Laux interests [WSTV-TV Youngstown, Ohio, and others]; Cataract Theatre Corp., and WKTV [TV] Utica, N. Y., interests); Greater Erie Broadcasting Co. (WWOL Buffalo) and WKBW Buffalo.

Great Lakes Tv holds an initial decision, but it is understood that an FCC impasse gave impetus to the decision to reopen the hearing to take additional evidence on a bank loan arrangement which is part of the WKBW application.

Buffalo has two vhf stations operating and one uhf, owned by NBC.

In Shreveport, the Commission had granted ch. 12 there to KSLA but was forced to reconsider the decision when Don George, the principal owner, died and the appeals court returned the case. The FCC is understood to have rewritten its final decision to take into account Mr. George's death, finding this did not change its preference for the Shreveport Television Co. group. Opposing applicants are KCIJ and KRMD, both Shreveport.

In Seattle, there are three applications for ch. 7: KIRO Seattle, KXA Seattle and KVI Seattle. KIRO has been recommended for the grant by an examiner.

U. S. Judge Reserves Decision On FCC Film Subpoena Case

ARGUMENT was held last week in U. S. District Court in New York on a show-cause order obtained by the FCC to compel four independent tv film producers-directors to reply to a questionnaire from the Commission's network study committee [B•T, June 24]. Judge Frederick Van Pelt Bryan reserved decision and gave counsel for both sides until tomorrow (Tuesday) to submit supplementary briefs.

The companies—Screen Gems, Ziv Television Programs, MCA-TV and Revue Productions—have resisted responding to FCC subpoenas requiring them to file data the Commission requires. Counsel for the companies last week asked the court to quash the Commission's subpoena against the firms. They argued that detailed costs and prices asked for in the questionnaire were not relevant to the Commission's study of network operation and that disclosure of "business