

Reagan administration would not drop its antitrust suit against AT&T if Senate-passed **S. 898** became law in its present form, Assistant Attorney General for Antitrust William Baxter said last Thursday. Exchange-access amendment drafted by administration and adopted in full by Senate would permit AT&T "too much discretion in deciding how to provide access" to its network to other companies, he said, and provisions for license contract arrangements between AT&T and its fully separated affiliate did not emerge from Senate in form recommended by administration. Baxter said he has language that would satisfy his concerns in exchange-access area, but Cabinet Council on Telecommunications could not agree on all details before submitting amendment to Senate. He could not say with certainty that senators sponsoring bill had been informed that administration is not completely satisfied with amendment. Baxter said he spends "about one-third" of his time in discussions with AT&T these days and although possibility of out-of-court settlement of suit has been discussed, proposals for settlement have not been made lately.

International Radio Consultative Committee last week adopted **worldwide digital standard** eradicating many of incompatibilities of various analog standards in use around world. Application of standard, its framers hope, will foster economies in digital equipment development and production and facilitate international exchange of programming. Crux of standard is component coding. Analog signals emanating from camera are converted to three distinct digital signals. Standard also allows for "extensible family" of compatible digital standards of greater or lesser video quality. Sampling frequencies of three signals (luminance and two color difference signals or red, green and blue) are "related in ratio of 4:2:2." Compatible standard of higher quality would have sampling ratio of 4:4:4. CCIR settled on 13.5 mhz luminance sampling frequency, making sampling frequency of color difference signals 6.76 mhz. Coding is pulse code modulation with eight bits per second.

RCA last week reported losses of \$109.3 million on sales of \$1.99 billion for third quarter. Major factor contributing to losses was \$230-million "provision for restructure of operations and revaluation of assets." Discounting nonrecurring items, report shows earnings took tumble from \$80.4 million in third quarter of 1980 to \$22.6 million. Sales were flat compared to 1980. NBC logged "substantially lower earnings" as higher program costs offset sales increases.

California-Oregon Broadcasting Inc. has reached agreement to sell its **Medford, Ore.-based cable system** for consideration in neighborhood of **\$45 million**. Buyer is joint venture of **Boston-based Affiliated Publications** and **McCaw Communications** of

Bellevue, Wash. Affiliated is publicly traded publisher of *Boston Globe* and group owner of six AM's and six FM's. William O. Taylor is president. Last June it bought 45% of **McCaw Communications**, family owned cable operator with systems in seven Washington communities and Yakima county. Seller is owned by William B. Smulling and family, who are Medford-based group owners of four AM's, one FM and four TV's. Medford system serves 50,000 basic subscribers and includes 11,700 pay subscribers and passes 77,000 homes. McCaw will operate Medford system. McCaw also owns cable relay telephone and paging service. Broker: R. C. Crisler & Co., in consultation with Ward L. Quaal Co.

U.S. District Court for Northern Illinois has denied injunctive relief and **dismissed case by WGN Continental against United Video Inc.**, both Chicago. At issue is copyright ownership of vertical blanking interval in retransmitted signal of WGN-TV Chicago, which United Video resends by satellite to cable TV systems. Plaintiff objects to United Video's deletion of teletext material from vertical blanking interval and substitution of latter's Dow Jones business news service (**BROADCASTING**, May 4). Ruling was by Judge Susan Getzendanner.

ABC Video Enterprises' Alpha Repertory Television Service (ARTS) has acquired **two major sponsors** for its performing arts and visual arts programing: **Mobil Corp.** and **American Telephone & Telegraph**. Mobil's sponsorship begins in January and is committed to one program per week, with two spots appearing 9 p.m. to 10 p.m., Monday nights, plus opening and closing billboards. AT&T's sponsorship, which began earlier this month and continues through third quarter of 1982, presents messages that rotate throughout ARTS format as well as receiving billboards as participating sponsor each evening. AT&T spots include highlights of *Bell System American Orchestras On Tour* program funded by that corporation.

National Republican Congressional Committee last week opened **radio phase of advertising campaign** that it, National Republican Committee and National Republican Senatorial Committee have launched to urge voters to support Republican candidates in 1982 elections (**BROADCASTING**, Oct. 5). NRCC, acting on its own, is spending \$200,000 to air two spots on CBS, NBC and Mutual Broadcasting System radio networks through first week in November. Spots are audio versions of two television pieces now running.

Representative **Al Swift (D-Wash.)** has introduced "**Public Responsibility Bill**" requiring **FCC to establish point system** to quantify public trust responsibility of broadcasters and at same time prohibit FCC from requiring program logkeeping or any

Behind the scenes at the FCC

The FCC, responding to a congressional request, last week made public the videotape of its closed meeting (April 6) at which it approved raising AT&T's allowed rate of return from 10.5% to 12.75%. Congressional critics had argued the increase was excessive, estimating each 1/2% increase could cost consumers \$550 million per year. AT&T, arguing that it faced increased costs, asked for 13%. The tape reveals Commissioner Joseph Fogarty first moved to give AT&T 13%, but the vote on the motion bogged as the other commissioners worried aloud about "public relations." Commissioner Abbott Washburn pointed

out the "headlines" would say rates for consumers would rise 17% and AT&T would reap "billions of dollars." Then acting Chairman Robert E. Lee suggested setting the rate at 12.5%, but permitting AT&T's return to fluctuate over a "range" to solve the public relations problem. That way "it doesn't look like you rolled over for the company," he said. Although another proposal would have set the rate at 12.75%, with AT&T actually allowed a return ranging from 12.25% to 13.25%, Lee pointed out that the "headlines" would read: "first time in history" the agency has given more than requested. After a whispered conference

that excluded Commissioner Anne Jones, the commission proposed allowing the rate to vary from 12.5% to 13%, with Lee telling the staff to "think up some good reason" to explain it. The staff objected on the grounds AT&T would need one number for a target, so the commission finally adopted 12.75% but permitted AT&T's actual return to vary from 12.5% to 13%. Lee pointed out the decision was "kind of sneaky PR" ... but "we've cut their request." The commission denied reconsideration of that decision at its meeting last week, arguing that the 12.75% rate of return for the phone company was "well founded."