

Feedback. The FCC's decision to hold oral presentations March 14 on its proposal to repeal the network syndication and financial interest rules (BROADCASTING, Feb. 21) drew more criticism from those opposed to repeal last week. Critics restated earlier complaints about short notice and the scheduling of argument before reply comments are due, but they and others filed requests to participate. As of last Wednesday (Feb. 23), the deadline for notification, two dozen organizations had filed. To no one's surprise, the three major networks, the leading proponents of repeal, each requested representation. Also requesting time were the Committee for Prudent Deregulation and the Motion Picture Association of America, which have been arguing for the rules' retention. Others on the list: the Department of Justice; Taft Broadcasting; Metromedia; ABC TV Affiliates Association; NBC Television Affiliates; Group W; Shooshan & Jackson; Association of National Advertisers; National Association of Independent Producers and Distributors; Association of Independent Television Stations; Paramount Pictures; Springfield TV Corp., licensee of KSTU-TV Salt Lake City; Gateway Communications; Interstellar Media; Owen Greenhalgh & Myslinski, economic consultants; Robert Crandall, economist and senior fellow at Brookings Institution; National Black Media Coalition; Communications Commission of the National Council of the Churches of Christ in the USA and the Office of Communication of the United Church of Christ, and Buena Vista Cablevision. As of last week, the presentations were still scheduled for March 14.

efforts to rejuvenate the service. With a format that is less narrow than some services but not quite as broad as the USA Network, he said, TEC II "may well find a niche." At present its position on Satcom IV presents a limitation, he noted. That bird currently reaches only two million subscribers. □

The future is now

Cable operators get different advice from Kahn and Biondi on how to face new markets

Irving Kahn and Frank Biondi agree that the world is in the middle of a broadband telecommunications revolution. But they differ on how much that will mean to cable television.

Kahn, founder of Teleprompter and now chairman of Broadband Communications and General Electronics, told an MIT conference last week that emerging media may

capture as much as 25% of the cable marketplace.

Biondi, the new president of HBO, agrees that cable may be the Model T of today's technology, but says "an enormous amount is happening on the Model T end of the business." He said he has heard "a hell of a lot of talk" about pay-per-view and direct broadcast satellite technology while cable operators and broadcasters continue to increase their profits.

Kahn argued that SMATV, MDS and STV may each capture 5% of the cable market and DBS will get 10% more, which, he said, makes basic cable "a more shaky investment." He sees today's cable systems in danger if they "continue to pretend that this threat isn't real."

Rural and untapped urban markets are prime targets for what Kahn called the "new wave of signal entrepreneurs." He said that cable operators should recognize "nobody is any longer in the cable business. We are all in the signal transmission business." He praised HBO's deal to supply its package to

the Marriott hotel chain as an "opportunistic approach" which other systems might well emulate.

He said that if companies like HBO "miss a beat" in today's rapidly changing delivery environment they may find film studios bypassing pay cable middlemen to sell directly to the consumer via alternative methods. Kahn sees many in cable suffering from an "ostrich mentality." As an example, he criticized cable for having defended its lack of interest in fiber optics while "telcos raced merrily forward" and developed that technology.

Biondi, however, said: "We have very little idea of what the future marketplace will look like." He said that Wall Street has always been fascinated by technology, but warned against confusing technological development with marketplace demand. There may be a market for high-power DBS, Biondi said, but the big question to him is where it will sell and how it will sell. Biondi sees "a closing window" of homes not already served by cable.

Cable may be the Model T of the new technology, Biondi repeated, but he sees it having many advantages. It's in place, has enormous channel capacity, is good value for the money and operates with a very efficient local monopoly.

Biondi discounted many predictions about how much new delivery systems will hurt traditional operations. As an example, he cited a prediction of how deeply cable would cut into network share of the audience. "You hear about the great crisis in erosion, but it's only been 12% over five years." □

Eastern Microwave cleared by Supreme Court

In decision heading list of cases in Fifth Estate, high court agrees that resale carriers of TV are not liable to pay copyright fees

Eastern Microwave Inc. last week won a major victory for itself and other resale common carriers when the Supreme Court refused to review a lower court decision that EMI is a passive carrier and, therefore, exempt from being held liable for payment of copyright fees.

The appeal had been filed by Doubleday Sports Inc., owner of the New York Mets baseball team. Doubleday contended it is entitled to copyright payments from EMI for the retransmission—by satellite and microwave networks to more than 600 cable systems—of Mets games that are broadcast by WOR-TV New York.

A U.S. district court judge in March 1982 had held that EMI was liable—a decision that jarred resale carriers generally, since it would mean they would pay for programming they had been picking up at no cost. The concern was sufficient to cause the House



Kahn



Biondi