

**Turner Broadcasting System said talks with NBC over equity/programming participation in company have been suspended, with no further meetings scheduled.** Source said NBC's bid to take minority interest in TBS has foundered on price of its equity participation. NBC, however, is continuing discussions with number of other cable services, as well as with "leading" cable operators on participation in development of cable programming and cable programming services and "expressed interest in exploring all opportunities aimed at expanding its business base through entry into the cable programming business," according to NBC VP Tom Rogers. Rogers, point man in three-month Turner negotiations, said discussions with TBS "have not succeeded in finding a basic framework upon which an investment by NBC in Turner could be made. The price [TBS] sought has not made it possible to find an acceptable basis upon which a deal structure could be premised at this time."

**Turner Broadcasting System board, meeting in Atlanta last week, received updates on status of refinancing corporate debt, Turner Network Television and NBC talks, which company said have been suspended (see above).** Board also discussed issues relating to speculation in press about naming of president. TBS spokesman said board has no intention of making any management changes. More complete report on progress of TNT network is expected in 45 days, but no target date for launch has been set.

**NBC became first TV network to reach \$3 billion in annual sales last year, up 4% from 1986 in three-network economy** characterized last week as less than robust by NBC Executive Vice President Ray Timothy. NBC President Robert Wright, who was joined by Timothy and other NBC top management in live, satellite-delivered video report to NBC employees from New York last Tuesday, Jan. 12, said both NBC's TV network and its station division had record-setting revenues in 1987, despite three-network audience erosion and competition from other broadcasters and cable. NBC News division also came in on budget last year, according to News President Larry Grossman. Operation is expected to break even beginning this year, even with news budget up 10% for increased political coverage, he added.

**In his first appearance before nation's TV press as CBS Entertainment president, Kim LeMasters last week said network's chances**



**Getting there.** Those who continue to hope that the Supreme Court will one day admit live television cameras might have been encouraged by last Monday's broadcast from that chamber by C-SPAN. It came during a special report on America and the courts. Court had permitted earlier documentaries on taped basis; this was first live entry.

of finishing in second place this season will depend on how well winter Olympics and Super Bowl perform on ABC. LeMasters is apparently less optimistic than David Poltrack, CBS VP, marketing, who during separate appearance before reporters in Los Angeles said his projections show CBS would "definitely" finish second. However, LeMasters said CBS now has "plethora of problems on the schedule." But he noted improvement with move of *Cagney & Lacey* to 10 p.m. Tuesday, inclusion of *Simon & Simon* in 9 p.m. Thursday slot, and recent Saturday night moves that have boosted ratings. CBS will also face problem from summer Olympics on NBC. LeMasters said CBS may start season early or stunt with mini-series to attract audience. Addressing other issues, LeMasters said: CBS will probably put *Summer Playhouse* back on to get some return on investment in failed pilots and will consider changes for its prime time soaps. He also contended that NBC Productions deal with Stephen J. Cannell Productions to cover deficit financing for *Sonny Spoon* "is probably pushing the envelope on the financial interest rule." LeMasters said last original hour episode of *Magnum, P.I.* will air Feb. 17, with two-hour finale slated for May.

**Four members of House Telecommunications Subcommittee asked Subcommittee Chairman Edward Markey (D-Mass.) last week to attempt to build "record" at upcoming cable industry hearings that would support reimposition of some form of must-carry rules.** Congressmen—Dennis Eckert (D-Ohio), John Bryant (D-Tex.), Dan Coats (R-Ind.) and Michael Oxley (R-Ohio)—said that appeals court, in striking down FCC's must-carry rules last month, did not find rules unconstitutional per se, "but instead pointed to the failure to provide a record adequate to support the proposed regulations. The comprehensive cable hearings... have the potential to provide an appropriate record, a record on which the Congress, the courts and the FCC can rely." They said it is time for Congress to "directly examine the legal and market foundations which might justify a must-carry obligation."

Like members of House Telecommunications Subcommittee (see above), FCC Commissioner **Jim Quello suggested**, in speech prepared for delivery Jan. 16 at Alabama Broadcasters Association convention, **that Congress hold "comprehensive hearings" on must-carry rules** to demonstrate "substantial governmental interest" so that rules have chance of passing muster in courts. "Congress would have a convincing record for the court," he said. "The court has traditionally displayed more deference for a congressional record than a regulatory agency record." Quello also said FCC deserves "primary responsibility" for federal appeals court last month striking down latest version of must carry as unconstitutional. Calling FCC rationale for rules "flawed or miscalculated," Quello said FCC "never provided sufficient justification to support" rules. Commissioner said FCC "should have justified our rules on our established public interest and localism policies enunciated...in the Communications Act." Quello called court decision "disastrous for free television service to the public and for local broadcast service in the public interest."

**Supreme Court has held that high school journalists do not have same degree of First Amendment protection as do others who practice that profession.** Court, in 5-3 decision involving high school in Hazlewood, Mo., said public school officials have broad authority to censor school newspapers and other forms of student expression. Decision upheld right of principal of high school to remove from school newspaper articles dealing with pregnancy or three of school's students and effect of divorce on children. Justice Byron R. White, in writing majority opinion, said: "A school need not tolerate student speech that is inconsistent with its basic educational mission even though the government could not censor similar speech outside the school."

**NAB last week announced election of 14 members to board of directors, eight to radio board (adding to four elected in first balloting stage last November) and six to television board.** Eighteen directors beginning their two-year terms next June include