

giCipher digital compression system, which, it says, squeezes up to 10 digitally compressed signals into one 24 mhz satellite transponder. GI said it compressed, encoded and delivered via Hughes Communications' 41-watt Ku-band SBS-6 bird the signals that were downlinked, decoded, decompressed and displayed in real time at the show.

"The demonstration shows how much progress we have made in developing the multichannel NTSC version of DigiCipher," said Jerry Heller, VideoCipher Division executive vice president. We believe the received picture is very impressive and demonstrates an outstanding product."

Although many observers praised the picture quality demonstrated by GI and SkyPix, Hughes's Mead, in charge of developing the transmission system for his company's proposed 200-watt, high-power Sky Cable DBS service, said during Monday's compression panel that "blotches" and "streaks" in the demonstrations reflect a less than optimal bit error rate. Sky Cable, proposing a 1994 launch, also has "not seen anything we're particularly happy with at the present time" in terms of compression ratio, he said.

Doubts over SkyPix equity and other support also remained in the air last week. Lauding C-band satellite TV as "a good solid business," HBO's Bigelow called SkyPix's 80-channel Ku plan "attractive sounding;" however, he said, "their problem is they need another two hundred million dollars to push themselves along." Apparently doubting SkyPix's summer 1991 launch claim, Bigelow said HBO believes Ku-band will not reach significant numbers of consumers until "somewhere in the mid-1990's." And even then, because cable systems will use fiber optics to expand capacity and PPV services with improved quality, Ku will face strong "entrenched competition."

Additionally, one major consumer electronics chain denied SkyPix's claim that it had committed to carry SkyPix equipment. Michael Flynn, divisional merchandise manager, electronics, for Dayton Hudson, said that several issues, including SkyPix's 24- to 36-inch dish size claim, remain "open," and that Dayton Hudson is discussing a "potential agreement. We are interested to see a more final product and final marketing plan than I saw in CES [the Jan. 11-13 Consumer Electronics Show in Las Vegas] before we make a commitment." Comsat Video Enterprises expressed similar concerns when it ended negotiations last month toward a \$125 million

investment in SkyPix (BROADCASTING, Dec. 10, 1990).

SkyPix used a four-foot antenna at the CES and SBCA shows. But McCauley said SkyPix has for several months demonstrated its system using a three-foot dish in Connecticut and is currently testing a variety of 24- to 36-inch dishes newly designed for digital reception.

Flynn praised the picture quality demonstrated at CES by SkyPix, as did other major retailers. Michael Sharp, president of Circuit City, said his company would "support the rollout aggressively," and, like Tasso Koken, senior vice president for The Wiz, Sharp said his company is "in the final stages" of contracting with SkyPix.

TVN claimed that it had finally launched two of its originally proposed 17 C-band channels and that two top-10 movies could now be ordered. However, noting TVN's original claim that it would launch in the second quarter of 1989, and noting the lack of Hollywood studio confirmation of deals with TVN, observers took a wait-and-see view of the announcement.

New year's agenda

Hewitt pledged the SBCA would continue to pursue a "positive political, economic and regulatory climate which will

allow the satellite industry to flourish."

Specifically, he said, in 1991 the association was preparing to petition the FCC, as well as the courts, "to get higher enforcement" of the federal pre-emption against cities limiting or prohibiting home satellite television receive-only (TVRO) antenna installation or operation. Also, he said, the SBCA will continue to press home satellite interests in cable legislation considered by Congress and participate in FCC rulings on effective competition, program access, spectrum allocation, encryption standard setting and other "germane" issues.

Calling the SBCA's "fully funded" April 1989 through April 1990 public relations campaign "the most successful program the industry has ever had," Hewitt also promised to press for renewed public relations funding from equipment manufacturers, key elements of which pulled funding last spring. Behind the scenes over the past several months, a group of manufacturers has agreed to contribute to a \$150,000 to \$200,000 public relations fund but only if 80% of manufacturers are represented. Several key members of the manufacturer's and distributors group continue to hold out. Programers have committed \$700,000 to antipiracy efforts in 1991. —PDL

FCC SAYS NO TO HOME DISH SYNDX

Application of syndicated exclusivity rules to home satellite program distribution "would be technically and economically infeasible," FCC commissioners ruled on Dec. 31. In response to direction from the Satellite Home Viewer Act of 1988—which extended interim compulsory copyright license (until the end of 1994) to the home satellite television receive-only (TVRO) market, the FCC began requesting comments on satellite syndex, and alternatives to syndex, in April 1989.

Despite the "desirability of protecting the exhibition rights of local broadcast stations," the FCC said it concluded that equipment was not yet available to allow satellites to selectively black out programs market by market; and, said the Jan. 22 FCC report, the potential distribution of such equipment would not occur before the compulsory license expires. Additionally, it said, "the cost of preventing viewing by a relatively few authorized home satellite dish owners for a relatively short period was insignificant and more than incrementally greater than the cost of syndicated exclusivity for cable," to which the syndex rules currently apply.

Cry foul. The National Rural Telecommunications Cooperative has again filed complaints with the FCC against satellite carriers of distant signals charging anticompetitive practices, including price discrimination against home satellite wholesalers.

NRTC told the FCC it has paid wholesale rates 460%-800% higher than rates charged cable operators by Southern Satellite (distributor of WTBS(TV) Atlanta), Netlink (distributor of five Denver superstations) and United Video (distributor of WPXI(TV) and WWOR(TV) New York, WGN(TV) Chicago and two other major market superstations).

Finding evidence of disparities between cable and home-dish wholesale rates, the FCC issued a second inquiry into program distribution practices (BROADCASTING, Jan. 1, 1990).