

Rate 'Seal' Urged

(Continued from page 28)

at headquarters, cannot adopt any idea of the sort Mr. Storz proposes without careful study followed by action by the board and membership.

At many past district meetings and NARTB (NAB) conventions the members have adopted resolutions condemning rate-cutting practices. The NAB Broadcast Advertising Dept., abandoned in 1950 when Broadcast Advertising Bureau was set up in New York as a non-association activity, supported the association's oft-recorded opposition to rate-cutting.

"The rate-cutting problem is the greatest problem in broadcasting today," Mr. Storz told BROADCASTING • TELECASTING. "It is a much more serious threat to the future of the industry than television. Some stations probably should reduce their rates. Most stations should publish more rates on their cards. But all this will come automatically when and if the majority of stations decide to publish all

rates available and to stick by the rates as published."

In submitting the seal plan to NARTB President Fellows, Mr. Storz pointed out that while many stations have held the line by selling at card rates, "a greater number of stations are virtually forced into 'special deals' to meet the competition and keep in business.

"The problem has become particularly acute in the last few months, and many advertisers are beginning to feel that a radio station's rate card means very little," Mr. Storz continued. "I believe that the association is a natural source to take steps to curtail the vicious practices now prevalent.

"You will note that the proposals in this letter have nothing to do with 'rate fixing' or any monopolistic price agreements. I certainly believe that each station should have the right to have complete and full control over its rates."

Mr. Storz described his idea as

a plan by which stations voluntarily signify that they will sell time only at their published rates. Stations joining the group will still have the complete and full right to revise their rates in whatever manner, and whenever they desire.

NARTB itself would draw up the requirements for membership, Mr. Storz feels, adding that "there should be real teeth in it and the seal should have real meaning."

Looking at the effect on time-buyers, Mr. Storz said, "A station using the seal would be immediately recognized by timebuyers as selling only on their established rates, and if the plan was functioning properly, buyers would soon realize that it was fruitless to proposition stations using the seal for special deals."

In order to get the seal, Mr. Storz said, a station should do the following:

Furnish NARTB with a complete schedule of rates, and agree that all rates available will be published on a rate card and that all sales will be in accordance with the published rates. This includes both local and national, and a regional rate if one is used.

Each station asking for the seal would agree to mail to NARTB a copy of each and every contract made for sale of time.

If sales were made at less than published rates, or if a station neglected to send a copy of any contract to NARTB, permission to use the seal would be revoked, after

the station was given a fair hearing in the matter.

The plan is simple from an administrative standpoint, Mr. Storz explained. At the station level it would only be necessary to make an extra carbon copy of each contract. At NARTB it would be necessary to file rates, and an employee on a parttime basis would spot check incoming contracts against rate data on file.

NARTB should adopt the plan immediately, in Mr. Storz's opinion, but he emphasized the need for "teeth," recalling that "many stations subscribed to the NARTB Standards of Practice, dutifully published the commercial content for programs of various length and then proceeded to completely ignore their own standards. That certainly should not be the case in this rate matter. The seal should positively identify stations as selling time only on their published rates.

"A great service to the industry will be rendered if NARTB will take steps looking toward an elimination of the present wholesale rate-cutting practices. A plan similar to this would be effective and very economical in operation for stations and NARTB alike from an administrative viewpoint."

WOW-TV Omaha recently auditioned its new live camera facilities which enable the station to stage "live" announcements 20 seconds or greater in length at any time from sign-on to sign-off. Audience people attended the audition.

Paramount Hearing Length

(Continued from page 30)

remain an issue, even though the evidence is deleted under the three-year limitation decision. DuMont also asked that the FCC reconsider its denial of the petition seeking severance of the control issue from the remainder of the Paramount case.

If the Commission does not rule favorably on the above, DuMont asked that the entire Aug. 1 order be rescinded as "vague, indefinite and contradictory" and as "an unreasonable and late modification of the issues."

The Aug. 1 order, DuMont said, was an "undue and arbitrary interference" with the examiner.

The Aug. 12 hearing was mainly concerned with corrections to the record and the tying up of loose ends. However, it was marked by a spirited argument by FCC Counsel Max Paglin that the Commission's three-year cutoff date did not apply to UPT and the new merged company because they were not licensees. He also argued that contradictory testimony should be resolved even though it concerned evidence stricken from the record.

Mr. Resnick ruled against Commission counsel on both points. He said that agreement with Mr. Paglin's viewpoint would nullify the intent of the Commission's Aug. 1 order—which was to expedite the proceedings.

The Commission's opinion last week found Comr. Henneck dissenting, and Comrs. Jones and Sterling not participating.

Miss Henneck does not believe there should have been a limitation put on the anti-trust evidence in the case, she explained, but was absent when the Aug. 1 order was

voted on. That is why she dissented from last week's opinion, she said.

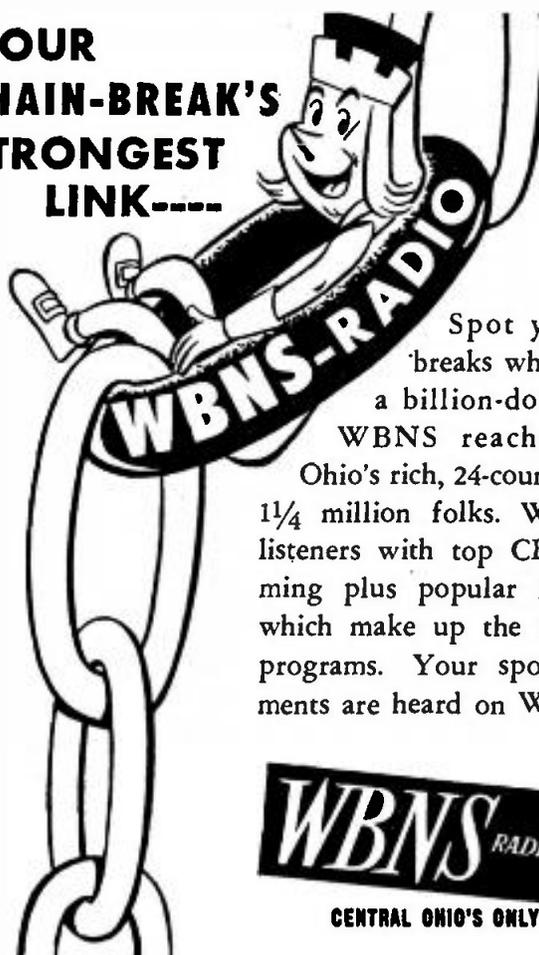
In clarifying the Scophony question, the Commission in last week's opinion said in part:

We intended by this ruling to include as directly involving radio communications only those activities which involved the conduct of radio communications services or directly restrained the conduct of such services. Thus, a conspiracy to restrain radio broadcasting, or any other radio service, by restraining the flow of advertising or programs to broadcast stations would be an activity directly involving radio communications; on the other hand, a conspiracy to restrain the manufacture of radio apparatus, while it might have some indirect effect upon radio communications services, would not, within the meaning of our opinion, be considered an activity directly involving radio communications.

As to continuing the hearing, the Commission said:

With respect to the question of continuance, we note at the outset that the questions of the granting of continuances or the holding of the record open to give parties time to adduce additional evidence primarily call for the exercise of informed discretion by hearing examiners in the light of all the circumstances presented. We do not wish to hamper that discretion, even at the request of the hearing examiner. At the same time, however, we believe it proper to make certain general observations. We noted in our Memorandum Opinion and Order that 'We are convinced that every possible effort should be made, consistent with a full and fair hearing to all parties concerned, that these proceedings should be expedited.' A further extensive investigation and the prolonged continuances which that investigation would entail, would scarcely be consistent with the objective of a speedy determination of the proceeding. Consistent with such speedy determination, however, we believe that if any participant desires to present any evidence which has thus far not been presented, but which is now believed to be of importance in light of our Memorandum Opinion and Order, such participant should have reasonable opportunity to present that evidence and other participants should have appropriate opportunity to rebut it.

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