Canadian jamming called unlikely

Visiting cablemen don't believe American TV's will cut off lucrative market over border

The threat by U.S. border TV stations to jam their signals from entering Canada—if the Canadian government insists that advertising on those signals be deleted by Canadian cable systems—is "hollow," Michael Hind-Smith, president of the Canadian Cable TV Association, has charged. With Buffalo, N.Y., television stations reaching most Toronto area homes, including the 55% wired to cable, Mr. Hind-Smith could not see now broadcasters are going to jam a signal in a community from which they derive advertising revenues.

Mr. Hind-Smith's remarks were made in Washington last week as he and John O. Graham, chairman of the CCTA, met with the National Cable Television Association and with David Kinley, FCC Cable Bureau chief, to talk about the U.S. regulatory process.

CCTA is trying to persuade the Canadian Radio and Television Commission to postpone its ad deletion policy until Parliament concludes discussion of an amendment to the Canadian income tax laws that would disallow the purchase of advertising on an American station as a deductible business expense. The tax-law change is viewed by the CCTA as a better method to accomplish the CRTC goal of protecting the weak Canadian TV production industry against U.S. imports.

While most of the Canada's 400 some cable systems (which serve 40% of the population and account for 2.6 million subscribers) are 12-channel operations, Mr. Hind-Smith said "converters are a lively business" with strong activity in rebuilding systems up to 30-channel capacity.

High on the list of common problems between cable operators in the two countries is regulation. The view of cable as a "handmaiden" to broadcasting is something Mr. Hind-Smith hopes to change. The threat of regulation in both countries is not greatly different, he said, as it focuses on possible damage to broadcasters.

Club helps honesty to be best policy for cable tappers

Knowledge of impending theft-of-service laws that would fine or jail individuals who illegally connect their TV sets to cable drops has brought a rash of new subscribers in some communities. Many are apparently anxious to avoid entanglements with authorities. In California, where a $200 fine or 30-day jail sentence penalty becomes effective the first of next year (BROADCASTING, Oct. 27), the impact is already being felt by cable companies.

T-M Cablevision, serving northern San Diego county, centered at Escondido, Calif., is an example. Larry Miles, T-M regional manager, instituted an advertising and publicity campaign that consisted of a $100 quarter-page advertisement in the *Escondido Times-Advocate,* news stories in that and other newspapers (including pickups in San Diego and Los Angeles newspapers), appearances on radio and TV locally. He also originated a reduced-rate campaign to run concurrently. And he ordered a complete audit of the system that serves almost 2,500 homes.

Within one week of this activity, more than 500 orders for service were received, Mr. Miles said last week. Over-all, he expects perhaps as many as 1,200 more subscribers to be added through these moves. Many, he agreed, are one-time subscribers who ordered disconnects in the past, but who surreptitiously reconnected their homes to the cable drops that remained in place. A substantial number, he agreed, are apartment-house dwellers who connected their TV sets to internal cable lines without notifying the cable company.

Mr. Miles noted that the publicity has also generated orders from households that had been planning to subscribe but had not yet made the move.

Broadcasters eye satellite feed to distant cables

Two independent operators see chance for new market selling their programs for CATV use

Ted Turner, owner of independent TV stations in Atlanta and Charlotte, N.C., is looking at satellites as a means to make his signal available to cable TV systems in outlying areas where terrestrial relay costs are prohibitive. Jack Matranga, president of KTXL(TV) Sacramento, Calif., unveiled similar plans at the Western Cable Show (BROADCASTING, Nov. 17) and says he has received letters of interest from cable systems as far away as Milwaukee and New Jersey.

Both plans are in their early stages. Neither Mr. Turner nor Mr. Matranga has received commitments from any cable operator, and neither has concluded agreements with any satellite carrier. Both are leaning to RCA, which will begin distributing Home Box Office pay programing next year (and earth stations of HBO's cable affiliates will be oriented to that bid). Once an earth station is installed, an extra channel can be added from the same satellite at minimal cost.

Mr. Matranga feels his plans may take substantive form by late 1976, when he expects the member of operating earth stations to reach between 30 and 40 and therefore generate enough cable customers to underwrite the $83,000-a-month cost of leasing a satellite transponder. Mr. Matranga expects to charge cable systems between $4,000 and $5,000 per month to receive his 24-hour signal.

Mr. Turner envisions cable systems paying a part of each subscriber's monthly payment, say 10 cents, to either his WTCG(TV) Atlanta or WRET-TV Charlotte, N.C. At that rate, it would take nearly a million cable subscribers to absorb entirely the cost of leasing a satellite channel. An incentive for cable systems to carry his stations, is their coverage of professional Atlanta hockey, baseball and basketball games, Mr. Turner said.

How feasible these broadcasters' plans are in view of FCC signal carriage rules is difficult to judge. The commission is still scheduled to reconsider its "leapfrogging" rules (BROADCASTING, Aug. 4). Mr. Matranga contends that because his station operates all night, many cable systems will be eligible for his signal. There are no 24-hour stations operating in closer proximity.

Warner dark in Foxboro. Warner Cable Corp. was to turn off its Foxboro, Mass., cable system today (Dec. 1). The 41-mile plant sewed fewer than 200 subscribers. It had been operational since early 1973.

The two biggest problems with the Foxboro operation, explained a Warner spokesman, were a lack of demand and low rates. Compounding the problem was good over-the-air reception provided by Boston and Providence, R.I., broadcast stations. Added another Warner employe: "The system should never have been built in the first place."

A slight reprieve for Californians

Property tax on cable-system income being worked out, but not in time for inclusion in upcoming assessors' manual

The threat of a property tax based on cable income, envisioned by some California system operators ("Closed Circuit," Aug. 25), isn't likely to materialize until March 1, 1977. The new assessor's manual, which includes an income approach, is not expected to be ready by this year's March 1, 1976, lien date.

Most county assessors in California are currently using a cost-replacement formula to figure taxes owed by CATV systems. Nearly a year and a half ago a number of assessors suggested that the State Board of Equalization write specific guidelines for figuring cable property taxes to point up alternative formulas. An initial draft was circulated to county assessors and state review committees this past summer, which must now be rewritten