After three years of business, MPC throws in towel

Katz billing-collection subsidiary ceases operation on Dec. 31, blames upward costs spiral!

Media Payment Corp., set up by the Katz Agency to perform billing and collection functions for television and radio stations, is going out of business at the end of the year.

MPC, which began operations Jan. 1, 1974, blamed rising costs for the decision to terminate its services. The company, a wholly owned subsidiary of Katz, said it would have had to impose an additional rate increase to meet operating costs and was reluctant to take that step.

An MPC spokesman said the firm served about 200 TV-radio stations, which pay fees based on annual billings. MPC reportedly has not been able to break into the black because of high start-up costs and the continued increases in costs for salaries and leasing of computer time.

Before MPC was formed, Katz customarily provided billing and collection services for its represented stations at no cost. With expertise gained over the years, Katz decided to offer its services for a fee, both to Katz-represented and outside stations. Katz will not revert to its earlier practice of supplying billing-collection services free to its represented outlets, however.

Media Payment sent letters to its clients last week apprising them of the move and stressing that the next three months will be a period of "smooth transition." MPC said all of its payment obligations to stations will be on time and the company will continue to maintain a staff beyond Dec. 31 to handle billing and collections that occur in December.

MPC has 60 employees. An official said that at least some staffers are expected to be absorbed into The Katz Agency. Kenneth Donnellon was president of MPC from its founding until early this year, when he was named a consultant. Geno Cloe, who had been manager of Katz Radio's Detroit office, was named president of MPC several months ago. It is anticipated that Mr. Cloe will be assigned to an executive post within Katz.

In Brief

- Leonard H. Goldenson (c), board chairman of ABC Inc., is presented with Humanitarian Award of National Conference of Christians and Jews in Los Angeles last week by John Wayne (l). Looking on is Barry Diller, chairman of Paramount Pictures and NCCJ dinner chairman who described Mr. Goldenson as "outstanding industry leader." In accepting award, Mr. Goldenson told 1,500 people attending 13th annual affair that broadcasting and motion picture industries have played important role in promoting brotherhood in the world.

- WRMF-AM-FM Titusville, Fla., sold by Fairbanks Broadcasting Co. to Advance Communications (Pat Nugent, et al) for $575,000.

- Black Hawk Broadcasting Co., licensee of Iowa and Minnesota radio and TV stations, will support Westinghouse Broadcasting Co. petition for rulemaking to break up TV network power over affiliates (BROADCASTING, Sept. 6). Robert Buckmaster, chairman, also has asked ABC and NBC affiliates associations to back hold-that-line effort.

- Senate Commerce Committee Chairman Warren Magnuson (D-Wash.) says his committee will be "public forum" for study of TV violence. President Ford told some 20 members of National Religious Broadcasters Association Thursday that he supports five-year licenses for broadcasters.

- FCC "has shown signs only recently of loosening its close relationship with broadcasting and telephone industries." That is over-all assessment of FCC by Representative John Moss's (D-Calif.) Oversight and Investigations Subcommittee following investigation of nine regulatory agencies that has been going on since April 1975.

- William G. Walters, president of Peters, Griffin, Woodward, New York, leading station representative firm, named board chairman. Lloyd Griffin, present chairman, becomes chairman of executive committee but continues as chief executive officer. James R. Sefert, senior VP for Midwest, succeeds Mr. Walters as president and chief operating officer. Herbert Granath, former ABC Sports sales official now senior VP of TransWorld International, to be proposed as VP of ABC Inc. and assistant to President Elton Rule at board meeting Oct. 11. It's same title but not same job as that resigned by I. Martin Pompadur (BROADCASTING, Sept. 20). Edward Montanus, senior VP of MGM-TV New York, named executive VP, responsible for worldwide sales, advertising and publicity, administration and program sales development. John F. Bayliss, former president of radio division of Combined Communications Corp. He has been president of WSIB-AM-FM Cincinnati, sold by CCC to Affiliated Publications Inc., will supervise four remaining AM's, three FM's in CCC portfolio, as well as announced expansion to full seven AM, seven FM complement. Wayne C. Cornils, president and general manager of KXPD-AM-FM Nampa, Idaho, named director of membership for National Association of Broadcasters, effective Oct. 25. He will report to James Hultberg, NAB senior VP for station services. Mr. Cornils will relinquish present seat on radio board and sell 20% interest in KXPD stations. He replaces Alvin King, dismissed as director of station relations in May (BROADCASTING, May 24), subsequently named executive VP for station services at National Radio Broadcasters Association. Herbert Manelove, director of marketing information for various divisions of Playboy Enterprises, New York, and formerly top media executive with BBDO and McCann-Erickson, New York, named senior VP for media services, programing and media research at Kenyon & Eckhardt, New York, overseeing staff that places about $80 million annually in broadcast billings.