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Top of the Week

Allbritton backs out of WJLA-TV deal

Swap with CCC for KOCO-TV and $55 million in preferred stock is off; Washington wheeler-dealer cites citizen groups' court fight

The station sale described as the largest in television history—that of WJLA-TV Washington—has collapsed. Joseph L. Allbritton, who had agreed to sell it to Combined Communications Corp. in a transaction observers said was worth $100 million to Mr. Allbritton, called the deal off on Friday (March 24).

Mr. Allbritton, who exercised a right given either party in an agreement extending the life of the contract beyond March 3, acted 11 days after the FCC approved for a second time the complicated transfer.

The apparent reason for Mr. Allbritton's action was the complication caused by the court appeal of four citizen groups who are opposing the sale.

Karl Eller, president of CCC, had objected to completing the sale while the appeal is pending. Mr. Allbritton noted that in his letter to CCC, and added: "Rather than prolong the present state of uncertainty concerning our proposed transaction, the most practical course of action under the circumstances is to terminate the agreement."

Mr. Eller did not try to hide his feelings. "Sure I'm disappointed," he said. "It wasn't our idea [to terminate]. We'd still like to do the deal. But we couldn't close with the appeal pending." He tried to strike an optimistic note, saying, "We've still got a fine station in Oklahoma City, of which we're proud." But then he said, "This was a tough one."

Under the agreement, CCC's KOCO-TV Oklahoma City was to have been transferred to Mr. Allbritton, along with $55 million in nonvoting, preferred CCC stock. The use of preferred stock was accepted by the commission as insulating Mr. Allbritton from the multiple-ownership and media-crossownership rules.

Mr. Allbritton proposed to sell the station in accordance with a condition the commission attached to its approval of Mr. Allbritton's acquisition of Washington Star Communications Inc. in 1976. He was to sell either the *Washington Star* or WJLA-TV in three years. However, after the commission's initial approval of the station sale, on Jan. 12, Mr. Allbritton announced his intention to sell the newspaper to Time Inc.—an announcement that triggered the commission's reconsideration of its original decision.


Allbritton

The sale of the *Star*—for $20 million plus at least $8 million in *Star* obligations—does not free Mr. Allbritton from problems with the crossownership rule. Under his agreement with Time, he is to remain as publisher of the *Star* for at least five years, and Mr. Allbritton has told friends he intends to serve in that capacity. And the commission, in its March 10 order reaffirming the earlier approval of the WJLA-TV sale, said the media crossownership rule refers to control as well as ownership and therefore would apply to him as publisher of the *Star*. If the WJLA-TV sale were not consummated, the commission said, Mr. Allbritton would require a waiver of the rule to retain the station and his post with the *Star*.

That option seems hardly realistic, given the circumstances of the case and the commission's increasingly strong preference for diversity of voices. So assuming Mr. Allbritton's intention to honor his agreement to remain as publisher of the *Star*, he must—under the present deadline—find another buyer for WJLA-TV by January 1979. The growing speculation in Washington, however, is that Mr. Allbritton will ultimately sever his ties with the *Star*, and hold on to the station that now bears his initials.

New initials stamped on communication regulation: NTIA starts up

President expected to have signed order creating new agency by today; all seem ready to accept order creating unit, which is to be put in Commerce, headed by Geller

The National Telecommunications and Information Administration, an agency that has had an unusually difficult gestation period, is due to emerge into the Washington spring this week, with the signing, expected by today, of an executive order by President Carter.

A signal that all was well, finally, with the President's plan to combine most of the responsibilities and functions of the White House Office of Telecommunications Policy and the Department of Commerce's Office of Telecommunications in a new unit in Commerce, came Wednesday when the White House announced plans to nominate Henry Geller as the assistant secretary to head NTIA. The Senate Commerce Committee is expected to hold a hearing on the nomination by mid-April.

Mr. Geller, 54, a former deputy general


Geller