

Top of the Week

Superstation breakthrough

FCC 'open entry' decision signals start of race to follow up WTCG in countrywide distribution via satellite; commission allows four firms right to feed signal of WGN-TV; others wait in line for approvals on other outlets

The FCC moved last week to enhance the competitive environment of satellite-distributed TV superstations by endorsing an "open entry" policy for the resale carriers that feed local stations to cable television systems. The commission's action is expected to open the way for other major independent television stations to join WTCG(TV) Atlanta, the pioneer satellite station, in the push for cable markets well beyond the traditional areas in which the stations are viewed.

The day after the commission's action, which granted four carriers permission to begin feeding WGN-TV Chicago, Turner Communications, owner of the Atlanta superstation, announced that it would revise its advertising rates so that, for the first time, they will reflect WTCG's national cable audience.

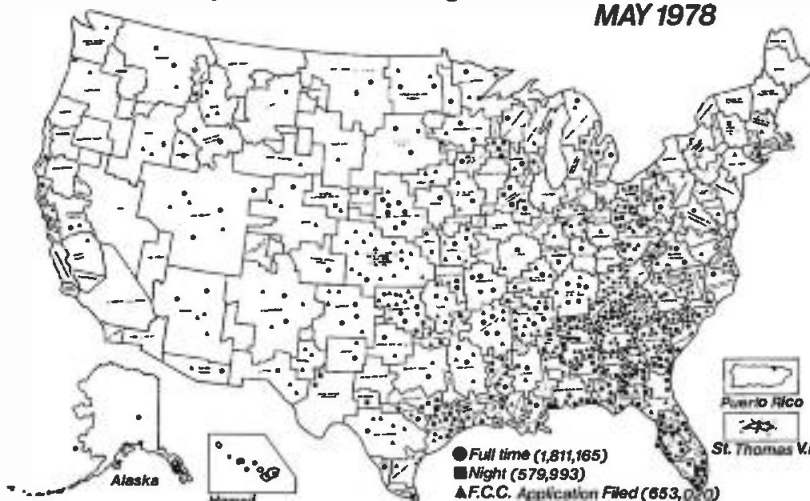
In light of last week's development, it is expected that the FCC will soon act on the applications now before it to begin relays of five other independent stations.

Four companies, United Video Inc., Southern Satellite Systems Inc., American Microwave & Communications and Midwestern Relay Company, were granted authority to operate domestic satellite channels carrying the signal of WGN-TV to various locations throughout the contiguous 48 states.

The FCC staff had recommended that the commission grant all four applications because, it said, such an action would lead to increased diversity of service to the public. According to Philip L. Verveer, chief of the Cable Television Bureau, the commission's action also will open up the competition among the carriers.

The staff had noted that the applications raised a number of policy questions—among them: Is a comparative hearing required to select which carrier should relay the station? Should only one applicant be approved? Should satellite service be authorized in areas already served by terrestrial microwave? (Commission policy

Cable Systems Receiving WTCG-TV Atlanta MAY 1978



One man's universe. As of May of this year, Ted Turner's WTCG(TV) Atlanta, the only broadcast television station now being distributed by satellite, was carried by cable systems across the country with over 2.3 million subscribers, according to Turner Communications' figures. The superstation's greatest concentrations of subscribers are in the South and Southwest with lesser penetrations in the Northeast and West.

has been to grant only one terrestrial service in the same geographical area.)

The FCC's action last Wednesday answered those questions directly, and left their ultimate resolution to the marketplace. The decision said, according to Mr. Verveer, that the FCC is "not going to have any kind of economic exclusivity hearing" on the issue of carrying WGN-TV. One problem the carriers must still work out, however, is how they can share transponder space on the RCA Satcom satellite (see also "In Sync," page 48).

Last week's decision means the staff may now act on five other applications for authority to use Satcom to relay television programs. Satellite Communication Systems Inc., a joint venture of Holiday Inns and of Southern Satellite, has applied for permission to carry the signal of KTVU(TV) Oakland-San Francisco, and Southern Satellite itself has applied to carry KTTV(TV) Los Angeles and WPIX(TV) New York. Eastern Microwave Inc. has applied for WOR-TV New York (with a switch-over to WCBS-TV's all-night local programming there during WOR-TV's off-hours) and WSBK-TV Boston. United Video also has asked to relay WOR-TV and WSBK-TV.

At last week's commission meeting, Chairman Charles D. Ferris expressed hope that the staff could act on the pending applications in a month.

The superstations themselves will receive no direct compensation from the ca-

ble systems carrying them. Southern Satellite charges systems 10 cents per subscriber per month to carry WTCG and is expected to have comparable rates for the other stations it hopes to relay.

The era of the superstation began in December 1976 when WTCG began going out to cable systems via Satcom and Southern Satellite. Almost two full years ahead of the pack, the station's owner, Ted Turner, who has acquired a reputation as an innovative and intensely competitive—if unorthodox—broadcaster, is not likely to let his considerable lead diminish or be whittled away by the newcomers to the satellite.

In New York last Thursday, appearing before a select group of major advertisers at the New York Yacht Club, Mr. Turner said of the WGN-TV development: "Hallelujah, I'm looking for them." He said he would no longer be "segregated" from the broadcasting community.

The purpose of last week's meeting, however, was to introduce the superstation concept to large national advertisers such as General Foods and Johnson & Johnson. "This is going to be a wired nation in the next 10 years," Mr. Turner said.

According to Don Andersson, who heads cable relations for Turner Communications in Atlanta, WTCG will introduce a new rate card on Jan. 1, 1979, reflecting the station's cable penetration of two million subscribers in September and the 2.5