NAB staff told to rework its rewrite position

Executive committee disagrees over general thrust and particulars

The National Association of Broadcasters executive committee last week ordered the redrafting of some parts and postponed deliberation of others of the NAB staff's proposed position on the Communications Act rewrite.

The committee reportedly gave the draft only an hour's consideration during a two-day meeting in Washington before ordering it back to the staff for more work. It thus avoided what several executive committee members said could have turned into a drawn-out negotiating session between members who are not yet in agreement on how the association should approach critical issues in the rewrite.

At least one said last week, for instance, that he can't understand the need to adopt a position before House Communications Subcommittee Chairman Lionel Van Deerlin (D-Calif.) and staff unveil their revised rewrite, or before Senate Communications Subcommittee Chairman Ernest Hollings (D-S.C.) introduces his "omnibus amendments" to the Communications Act. Others on the executive committee are said to feel strongly that NAB should have a "positive" position now on the details of the rewrite. The apparent compromise was to have the next position proposal cast as general suggestions for action, either by the House or Senate subcommittees or by the FCC.

Another instruction, sources said, was to give the NAB board more flexible position on the rewrite's license fee concept. The staff proposal is to oppose any fee based on the value of the spectrum and to oppose dedicating fee proceeds to programs such as public broadcasting. It would support a "fair and equitable" fee to pay only the costs of regulation.

Other areas in the NAB proposal to be reworked by the staff include license renewal and spectrum allocation sections, as well as those dealing with cable and pay cable. The original draft seeks to reinstate some forms of cable regulation that have been outlawed in recent years. It would:

(1)Grant the FCC statutory authority to regulate cable as ancillary to the regulation of broadcasting "and to secure a legislative finding that cable can and does affect broadcast service"; (2) be sure that broadcasters "will continue to have exclusivity where such rights have been bargained for and paid for"; (3) give the rewrite's proposed Communications Regulatory Commission continued authority to regulate distant signal importation; (4) give the CRC authority to regulate pay cable; (5) see that there are no restrictions on broadcast and telephone company ownership of cable systems, except in specific cases where it is found to be adverse to the public interest; (6) prohibit the owner of a cable system from controlling the programing on it.

The revised NAB proposal is to be ready for the next NAB executive committee meeting Jan. 4, after which it will be submitted for the consideration of the joint board at its annual winter meeting in Maui, Hawaii, Jan. 14-19. Following are some of the staff provisions in the original form of presentation last week:

- Change the bill's provision requiring full-time local broadcast service for every "community" in the United States to full-time local service for all the "people." thereby avoiding the suggestion that there should be hundreds of new broadcast stations. Also, seek whatever measures are available to increase full-time service for AM stations currently operating in daytime only.
- Provide for TV station license renewals where the stations' programs have met the "problems, needs and interests of the community." prohibit detailed ascertainment procedures, and prohibit consideration of ownership at renewal time for TV stations.
- Make sure the CRC can examine adverse EEO decision of other agencies against stations. Such decisions, in the bill, can be grounds for license revocation.
- Be sure the CRC doesn't have authority to adopt station ownership restrictions more stringent than exist now.
- Prohibit any federal agency from restricting the broadcast advertising of any legally sold product and prevent the CRC from setting time standards for commercials.
- Accept the first rewrite's approach toward equal time and the fairness doctrine.
- Insert in the rewrite some safeguard against citizen groups using petitions to revoke station licenses as means for "extortion and harrassment."
- Delete the authority for the CRC to establish quotas or percentages for programing or to interfere in any way with program scheduling.
- Delete the provision making it possible for Congress or the CRC to disclose financial details of broadcast operations.

High bidder for Oklahoma City U is John Blair Co.

The Oklahoma City school district is now, or soon will be, with FCC approval, $3.5 million richer as the result of its sale of ch. 25 KOKH(TV) there to the John Blair & Co. The rep firm turned out to be the successful bidder last Thursday, when broker Dan Hayslett of Hayslett & Associates, Dallas, reported the results of a closed bidding. It is understood six bids were submitted.

The acquisition, for which an application will be filed with the FCC, would give Blair its third television station—it bought KSBW-TV Salinas and KSBY-TV San Luis Obispo, both California, for $12 million earlier this year, but FCC approval in both cases is still pending. Blair also owns WHDH(AM)-WCOZ(FM) Boston.

The school board was in a position to sell the station, which it acquired in a bankruptcy proceeding 20 years ago, because it operates on a commercial channel. And the school board decided to sell because it felt the cost of operating the station was outrunning its benefits to the school system (BROADCASTING, Nov. 13).

Among the losing bidders were the competing applicants for the vacant channel 14 in Oklahoma City—The Outlet Co. and Trinity Broadcasting of Oklahoma City. As a result, not only will their rivalry for that frequency continue, but their plans for requesting commission approval for their joint interim operation on the frequency will proceed, and with a new urgency.

Outlet and Trinity announced on Dec. 8 their intention to seek commission approval of such an operation.

Petry TV spins off Memphis UHF as key employes buy firm

Martin F. Connelly, president, and Robert Muth, executive vice president, have swapped their controlling interest in Petry Television Inc., New York, a major station representative, for 100% ownership of Petry's subsidiary television station plus approximately $1.6 million and the retirement of personal debts to the Petry company of $156,470 and $70,000, respectively. Control of the representation firm passes to a group of five executives.

Mr. Connelly has held 17% (29,218 shares) of Petry stock and Mr. Muth 12% (20,236 shares). The rest of Petry stock is held by an employes' trust, but has no voting privileges. The Connelly-Muth voting block now passes to the new controlling group of executives.

The Petry station, WPTY-TV Memphis, a ch. 24 independent that went on the air last Sept. 10, has been owned 10% by Mr. Connelly, 10% by Mr. Muth and 80% by the parent company. Transfer of full ownership to the two executives has been approved by the FCC (see page 90).

The ownership and management changes become effective on Jan. 3, 1979. The new management and ownership team comprises Art Scott, who has been vice president for sales for one of two groups, who becomes president, chief executive officer and major stockholder; David Allen, administrative vice president, who becomes executive vice president; Ed Karlick, vice president for sales for the second group, who has been designated a senior vice president and remains in charge of his group; George Blinn, a vice president and group manager, who becomes vice president for sales of the group headed by Mr. Scott, and Bill Schellenger, vice president and chief financial officer, who has been named senior vice president, finance and administration.

The announcement said that Mr. Connelly has been named chairman and Mr. Muth vice chairman of Petry Television. Their roles will be primarily advisory.

The firm is an outgrowth of Edward Petry & Co., founded in 1932 as a radio representative. It passed to present control in 1970. It bills about $150 million a year and represents 31 TV stations.