

Bottom Line

Anixter annexation. Anixter Bros. Inc., major distributor of hardware to cable TV industry, said it had accepted \$510-million buyout bid from IteI Corp., company less than half its size. On Nov. 21, IteI began \$15-per-share tender offer, scheduled to expire Dec. 19, payment of which is conditioned upon receiving 51% of Anixter stock. IteI already has committed to it 19% of Anixter held by Alan Anixter, chairman of Chicago-based distributor, and other management and family members.

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Cementing relationship. Still scheduled to close in mid-December is sale by Chuck Barris of two million shares from personal holdings in Barris Industries to Giant Group Ltd. Harleyville, S.C.-based cement company "and/or its designees." Giant is 25%-owned by Burt Sugarman, Beverly Hills-based investor who produced TV series, *The Midnight Special*, and recent movies "Children of a Lesser God" and "Crimes of the Heart." Ted Mayer, analyst for C.J. Lawrence, said that Sugarman would be able to put to work Barris Industries' growing cash balance, which Mayer estimated should grow to \$50 million by May of 1987. Upon completion of sale, at \$13 per share, Barris, who would continue to own 763,546 shares, would give up title of chairman and chief executive officer to Sugarman, but would continue as director and have five-year contract to be "show creator and producer," company said.

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Florida hospitality. Harris Corp. said board approved distribution of stock purchase rights to shareholders as antitakeover measure. Melbourne, Fla.-based manufacturer said it was not currently aware of any outside effort to gain control of company.

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Back to the future. Time Inc. said it would invest \$44 million for half-interest in magazine venture. Other half-partner is Dale Lang, owner of *Working Woman*, which will be included in venture along with several magazines to be acquired from McCall Publishing Co. Time also said it would end its investment participation in Covidea, 15-month-old videotex venture also involving AT&T and Chemical bank. Each of last two partners reportedly owns about 45% of venture, which has budget, it is estimated, of roughly \$150 million. Time spokesman said company would continue providing "information and marketing expertise."

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New releases. Tri-Star said last week it would sell 2.5-million newly issued shares of stock, for \$30 million, to MacAndrews & Forbes Co., New York-based holding company, which also owns majority of syndicator, Four Star International. Financier Ronald Perelman, chairman of MacAndrew & Forbes, has reportedly agreed to vote 9% holding with Tri-Star board and to give film and television production company right of first refusal to purchase block. Company also last week filed for offering of 3.5-million units—each consisting of one common share and one stock purchase warrant.

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Poor reviews. Problems of Cannon Group continued last week (see "Bottom Line," Nov. 17) as planned investment in Los Angeles-based film producer by Australian investor, Alan Bond, was withdrawn. Company said it is trying to arrange new financing, of \$200 million or more, through Drexel Burnham Lambert. At same time company's credit rating was under review by Moody's Investors Service and Standard & Poor's Corp., both with negative implications.

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Murdoch in Boston. FCC has approved \$28-million sale of Christian Broadcasting Network's wxNE-TV Boston, ch. 25 independent, to Rupert Murdoch's Twentieth Holdings Corp. (BROADCASTING, Aug. 25). Approval was conditioned on Murdoch's sale of *The Boston Herald* within 18 months of transaction.

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Shaker Heights OK. FCC has approved Malrite Communications Group's \$1.5-million acquisition of 51% of stock of WOIQ-TV (ch. 19) Shaker Heights, Ohio (Cleveland), from Diamond Broadcasting Inc. and Metroplex Communications. Malrite also owns WHK(AM)-WMMs(FM) Cleveland, and creation of new TV-radio combinations is generally prohibited under commission's one-to-market rule. FCC, however, approved acquisition under exception for combinations involving UHF's. Malrite got option to buy 51% of station's stock for \$1.5 million when it previously loaned station \$2 million.

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New furniture. Temple University in Philadelphia has new professorial chair in telecommunications, courtesy of Bell of Pennsylvania. Bell's \$1-million endowment will allow Temple's School of Communications and Theater to begin offering graduate studies in September 1987. New professor will serve two-year term, and will be responsible for research and program development. Interest on endowment will fund research assistance and salaries.

the equal opportunities and reasonable access provisions of the Communications Act.

Essentially, the FCC argued that the Communications Act defines broadcasting as the dissemination of radio communications to an indeterminate public, not to specific reception points only. The FCC said that if a licensee limited access to its service, through encryption or some other technology, it wasn't intending to make the programming available to an indeterminate public, and the latter such services, according to the FCC, aren't broadcasting under the act's definition. "Thus, STV and other services which, through technology, limit access to only paying subscribers may be classified as nonbroadcast," the FCC said.

■ In still other action, the FCC opened up the 2 and 7 ghz bands, which have been reserved exclusively for broadcast use, to cable systems and cable networks for ENG and other portable uses. Also, common carriers, which already have been permitted to offer portable service to broadcasters in those bands, may now also provide such services to cable operators and cable networks.

At the same time, the FCC opened up the 6.4 ghz band, which has been used primarily for common carriers for providing local TV transmission services, to broadcasters, cable operators and cable networks for ENG and portable use. □

Democrats set on Senate Commerce

Bentsen, Kerry, Adams and Breaux on board; two Republicans still to be named to panel

There will be six new players on the Senate Commerce Committee when the 100th Congress convenes in January. Four new Democratic members and two Republicans are taking seats on the committee, which has jurisdiction over telecommunications issues. Democrats Lloyd Bentsen (Tex.) and John Kerry (Mass.) and newly elected Brock Adams (Wash.) and John Breaux (La.) are joining Commerce. The Republican lineup has not been finalized. One candidate being mentioned, however, was freshman John McCain of Arizona.

Last week, the Democratic Steering Committee approved committee assignments and established the ratio of Democrats to Republicans serving on each committee (BROADCASTING, Nov. 24). The ratios were altered to accommodate the new Democratic majority in the Senate. Appointments to subcommittees are usually completed in January.

With the Democrats in control, Commerce will be chaired by Ernest Hollings (D-S.C.) and the new ratio is 11 to 9 (Democrats gained three seats and Republicans stayed with nine). The retirement of Senator Russell Long (La.) created one vacancy for Democrats to fill. The Republicans had two openings due to the retirement of Barry Goldwater (Ariz.) and by the defeat of incumbent Slade Gorton (Wash.).

But what impact the new composition will have on the development of telecommunications policy is unclear. None of the senators