

the long-distance telephone business.

Despite the compromise, the RBOCs still have serious problems with S. 1822. In fact, US West urged committee members to vote against the measure.

Among the telcos' current concerns is language delaying their entry into the cable business. Cable companies will essentially be permitted into the local telephone business within one year of the legislation's enactment, the telcos argue. Unless the legislation is modified to allow telcos into cable within one year, said Mickey McGuire, speaking on behalf of all seven RBOCs, cable will have "a leg up."

Some cable and broadcast lobbyists believe the Baby Bells will continue to find problems with the measure until Congress runs out of time to pass it. McGuire denies the charge, saying the RBOCs are only trying to "get a good bill."

Time is running out, and long delays or increased opposition to S. 1822 could cause Senate leaders to punt and try again next year. Congress recesses on Aug. 26. It returns on Sept. 19, but expects to adjourn the second week of October.

Hollings is optimistic about the chances for passage. Senate Majority Leader George Mitchell (D-Me.) is "ready to go with it when we get back in September," Hollings told reporters. "I think it will go all the way."

As for the telcos' opposition, Hollings said: "Those letters mean absolutely nothing. Tell them to get off the golf course, buy a ticket and watch what's going on." ■

## CBS waives goodbye to retrans cash for now

By Rich Brown

Nearly a year after broadcasters won the right to demand compensation from cable system operators for carriage, CBS still has no deal.

And no deal appears imminent. On Tuesday, CBS said it would waive its right to collect retransmission consent fees from cable system operators for yet another year.

Ironically, CBS was among those broadcasters that lobbied most aggressively for the retransmission consent rules. CBS originally had hoped that it could use the rules to demand cash payments from cable system operators that carry its TV stations. But cable system operators refused to pay, and CBS was forced to grant one-year extensions in the seven markets where it owns stations (New York, Los Angeles, Chicago, Philadelphia, Miami, Minneapolis and Green Bay).

Competing broadcast networks ABC, Fox and NBC had greater success in getting something out of the retransmission consent negotiations by developing new cable networks (ESPN2, fX and America's Talking) that demanded carriage on cable systems in lieu of cash payments. CBS made some late attempts to develop a cable network of its own but eventual-

ly shelved the plans.

CBS could still develop its own cable network, but that does not appear likely, according to Mark Harrington, senior vice president of new media, who is overseeing the network's retransmission consent negotiations. "I wouldn't rule it out, but it's probably the most complicated and difficult to do," he says, referring to the various bargaining chips available to the network.

Teaming with an existing network that needs to build carriage appears a more likely possibility. Harrington says CBS has had talks with "a couple dozen" cable networks about the possibility, including start-up services and established networks that are willing to give CBS an equity position in return for improved distribution.

CBS apparently had been working toward retransmission deals earlier in the year but was set off track in recent months by the upheaval in network affiliations and the company's failed merger with QVC. By the time the QVC deal fell apart last month, CBS had little time left to strike retransmission deals in time for its original extension deadline of Oct. 6, 1994.

Harrington says it still is possible that CBS will strike retransmission deals with cable systems before the new deadline of Oct. 6, 1995. ■

### GE puts its money where NBC's signal is

NBC has one advantage in obtaining and keeping affiliates over ABC, CBS and Fox: a lending arm. BROADCASTING & CABLE has learned that GE Credit, a sister company to GE Credit or NBC, may be financing a bid for KUTV(TV) Salt Lake City, and GE Credit or NBC might end up with an ownership interest in the station.

The proposed buyer, Paul Hughes, previously ran the station for a venture fund. NBC TV Network President Neil Braun declined to discuss specifics: "Suffice it to say there is a deal in progress we are familiar with."

GE Credit's willingness to back potential partners of the network is not surprising, since GE Chairman Jack Welch is paying a lot of attention to the affiliate situation. Braun says Welch is "actively involved behind the scenes talking through issues with us. To my knowledge he is not directly involved in talks with affiliates."

Last week NBC continued to make the most news, pri-

marily by securing its distribution system. The TV network announced long-term deals with the NBC affiliates of Gannett and Multimedia, and with WTMJ(TV) Milwaukee.

The deal with Gannett is especially important, since it definitively locks in wxia(TV) Atlanta, where CBS is still on the prowl for a replacement affiliate. Besides wxia, Gannett's other NBC affiliates are WTLV(TV) Jacksonville, Fla.; KARE(TV) Minneapolis and KPNX(TV) Phoenix. Multimedia's four NBC affiliates are WLWT(TV) Cincinnati, WKYC(TV) Cleveland, KSDK-TV St. Louis and WBIR(TV) Knoxville.

Fox won a modest victory by signing WBAK-TV, an ABC affiliate in Terre Haute, Ind., the 143rd market. George Newi, ABC executive VP, affiliate relations, downplayed the switch, saying the station is a U in a two-VHF market and placed a distant third. "It delivered only a few thousand homes of *World News Tonight*. It will have absolutely no effect on the network." —GF