

FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554



OFFICE OF COMMISSIONER
JAMES H. QUELLO

November 26, 1990

PERSONAL

Jerry Feniger, President
Station Representatives Assn.
230 Park Avenue
New York, NY 10169

Dear Jerry,

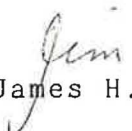
The enclosed item in Broadcasting magazine tells the story. Lord knows, the TV industry generally is down enough without the threat of national reps losing key stations to network representation.

Congratulations, too, to you for your stellar work on this contentious issue. I remember that it was you who initially tipped me off at the Waldorf in New York that allowing networks to rep their own affiliates was actively being proposed by the (then) Chairman and the FCC Mass Media Bureau. I was surprised - shocked is a more appropriate term. As you know, I immediately returned to Washington, raised hell with everyone concerned at the FCC. I also personally called the three networks and the chairman of the affiliates associations.

Overall, it turned out to be a much longer process than we anticipated. Prospects looked good, but at the FCC as well as in sports, "It ain't over 'til it's over." New Chairman Al Sikes was immediately supportive, but we had to explain the issue to the three bright new kids on the block (Marshall, Duggan and Barrett). I introduced you to them, Jerry, and then your longtime intuitive salesmanship manifested itself most effectively. Justice and reason eventually prevailed. It was fun and productive working with a fellow "old pro." I'm also glad we became better friends through this issue.

All the best to you, Jerry, for continued achievement in the new year and I hope the national reps surpass the dour economic predictions for 1991.

Cordially,


James H. Quello

Enclosure

CLOSED CIRCUIT

Washington **Out of orbit**

Comsat-Skypix joint venture that has been drawing closer for weeks began to draw farther apart last week. Deal anticipated Comsat's becoming major equity partner in \$200 million-\$250 million investment in planned satellite broadcasting service. Skypix founder Fred Greenberg also has been in discussion with Gannett Co. and others.

Unabusing process

Slated to share billing with cable "effective competition" rulemaking at FCC's Dec. 13 meeting is resolution of rulemaking to stem abuse of process FCC uses to choose among competing applicants for new broadcast stations. Commission is likely to modify rules along lines proposed last May. Among other things, it will take profit out of applying for stations by limiting settlement payoffs to out-of-pocket expenses. However, FCC may establish grace period of, say, 60 days to give pending applicants one last chance to reach settlements with no limit on payments. Hope is that grace period will encourage lots of settlements and reduce burden on FCC processing lines and administrative law judges.

Whither DBS

FCC commissioners were looking last week at first in series of direct broadcast satellite items that will determine which DBS applicants get what orbital slots and channels. Principal item now in circulation is application of Hubbard Broadcasting's United States Satellite Broadcasting for five channels at

Networks' rep entry dead and buried

At FCC Commissioner James Quello's initiative, FCC has voted on circulation to terminate orphan rulemaking aimed at repealing prohibition against networks' entering advertising rep business. Order killing proposal is due out soon. In April 1988, then FCC Chairman Dennis Patrick launched rulemaking as part of his deregulatory push. With half-hearted support of networks and opposition of reps, network affiliates and Quello, rulemaking quickly stalled. Neither FCC Chairman Alfred Sikes, who succeeded Patrick in August 1989, nor any of three new commissioners who came on board after Sikes chose to champion rulemaking. Indeed, they were more than willing to answer Quello's call to kill it. Lack of interest in repealing or modifying prohibition was "astounding," said one FCC official.

101 degrees west longitude. Grant of application, which FCC insiders said is likely, would allow USSB to piggy-back its service on that of Sky Cable (NBC, Murdoch, Cablevision and Hughes), which holds other 27 channels at 101. Still mired in Mass Media Bureau is DBS item of greatest interest: Application of Tempo Satellite for DBS permit. It is hung up on question of whether Tempo's parent (Tele-Communications Inc.) has requisite character to be FCC licensee in light of \$35 million antitrust judgment against it.

New York **Olympic effort**

CBS-owned station group continues to have success selling 1992 Olympics and now has sold 65% of available inventory. CBS has sold packages to major airline and is in process of wrapping up deal with long distance carrier. Cross-marketing packages

include spots, direct mail and point-of-purchase displays. Sales group is getting ready to go after business machine category.

Funny business

Staunch defense of Comedy Channel was offered last week by Time Warner Co-Chief Executive Officer Nick Nicholas Jr., who said launching services is not for faint of heart. "This is what innovation is all about. You've got to have staying power," he said. Of channel's current status, Nicholas said: "Every month the ratings are going up. It is doing very well. Not only that, we're programming it at half the cost that Viacom is spending on their channel."

As to MSO's intractability toward launching it, he said, if channel continues to perform well, "that will drive [penetration among MSO's]. The cable industry is interested in putting things on that work. You wouldn't shut the

door. You may drive a hard bargain, but you're going to want the service."

Creative financing

Sandy Frank and Brian Firestone, who are jointly selling *Name That Tune* for January start, are offering stations one of more creative deals this syndication season. Stations agreeing to take program have number of ways to pay for it. Cash is one option and cash plus barter is another. In addition, stations have option, instead of barter, of turning over half-hour of time in middle of night that Frank/Firestone would fill with paid programming (of the "make a fortune in real estate" variety). "When it comes to launching shows in syndication, Sandy Frank has always been known as a guy to come up with one more way to skin a cat," noted one Frank observer. "If anyone can make this work, even for a short time, it would be Sandy."

New look?

Television Bureau of Advertising may make major changes in format of its annual meeting. TVB president Jim Joyella told BROADCASTING that he does not see big appetite among members for sitting in grand ballroom listening to lots of speeches. Joyella said meeting is becoming more of networking situation for executives. TVB president is also thinking about changing time of year meeting is held. Association will probably send out questionnaires to its members for feedback.

Los Angeles **Branching out**

Senior King World Produc-