

May 25, 1993

FOR YOUR INFORMATION!

bcc: The Honorable Roy Neel
The Honorable John D. Dingell
The Honorable Edward J. Markey
The Honorable Ernest F. Hollings
The Honorable Daniel K. Inouye

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

May 25, 1993

The Honorable Janet Reno
Attorney General of the United States
Department of Justice
Tenth and Constitution Ave., NW
Rm. 4400
Washington, DC 20530

Dear Madam Attorney General,

The enclosed article appeared in the current issue of Electronic Media.

You should know that Finsyn has been the most contentious issue in my nineteen years at the FCC. My personal position has ranged from opposing network syndication and financial interest as a lone FCC dissenter in 1983 to a strong supporter in 1993.

If you like, I'll be happy to give you the current FCC perspective and also my personal opinion.

In the meantime, your forthright decision and strong stand in the Waco case has won you widespread respect and admiration. This is especially true of my wife and me.

Best wishes for continued achievement in the challenging years ahead.

Respectfully,

James H. Quello

Enclosure

AT PRESS TIME

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majority interest in Avalon's pay-per-view division Action Pay-Per-View.

● **WASHINGTON**—At press time Friday, the companies vying to control licensing of the nation's **HDTV standard** had yet to announce a merger. But sources close to the issue said talks were continuing, and a representative of one system proponent said he was optimistic that a deal would be cut.

● **LOS ANGELES**—As expected, financier Ronald Perelman's holding company, The Andrews Group, acting through its Four Star International subsidiary, yesterday acquired a 50 percent equity in producer and distributor **Genesis Entertainment**. In the deal, Genesis will acquire distribution rights to Four Star's library of more than 160 theatricals and the series "The Big Valley."

● **WASHINGTON**—The Senate Commerce Committee is slated to hold confirmation hearings today on the nomination of **Larry Irving** to head the Department of Commerce's National Telecommunications and Information Administration. Mr. Irving was formerly senior counsel for the House telecommunications subcommittee.

● **DENVER**—Liberty Media Corp. said its subsidiary Liberty Program Investments would purchase 15 million shares of **Home Shopping Network** in accordance with a tender offer that expired May 20.

● **ROME**—**Winston Burdett**, 79,

Quello eyes meeting with Reno on fin-syn

By **DOUG HALONEN**
Washington bureau chief

WASHINGTON—Adding a new twist to the continuing debate over the financial interest and syndication issue, Federal Communications Commission Chairman Jim Quello said last week that he is considering requesting a personal meeting with Attorney General Janet Reno to explain why he believes the fin-syn consent decrees should be scrapped.

In an interview, Mr. Quello noted that Ms. Reno has now received briefings on the decrees from Hollywood studio and network television representatives, the key competing industry interests at loggerheads over the provisions.

Hollywood wants Ms. Reno to reconsider the Bush administration Department of Justice's recommendation that the antitrust decrees, which bar the networks from the syndication business, be eliminated.

The networks want her to stay out of the issue.

So now Mr. Quello said he thinks it's time Ms. Reno heard from the FCC, which voted recently to eliminate most of its own fin-syn regulations.

"I know she's an independent and fair-minded person, and she should have the opinion of the agency that Congress has designated as the expert on communications matters," said Mr. Quello.

Meanwhile, the Justice Department

confirmed that Ms. Reno met on May 18 with attorneys representing the TV networks on the issue, and that she had been briefed by "movie studio representatives" previously.

Said Gina Talamona, a Justice Department spokeswoman, "Nothing was done on the case, no decisions were made, but the department will study the comments it has received."

Some sources close to the issue were speculating that the fact that the attorney general allegedly asked no questions during her half-hour session with the network attorneys was a bad omen for the networks.

Meanwhile, Mr. Quello, a strong opponent of the rules, also released the following statement:

"When proper authorities are allowed to consider the financial interest-syndication rules on merit and without politics, the fin-syn rules are discarded or drastically changed.

"The rules were initiated in 1970 under drastically different communications market conditions.

"There are two 3-0 votes from the circuit court and a well reasoned decision from the FCC opposing continuation of the rules.

"It is inconceivable that the Department of Justice would intercede against unanimous court and FCC decisions in an effort to salvage outdated consent decrees."#

PBS chief Christensen exiting

By **DOUG HALONEN**
Washington bureau chief

WASHINGTON—Bruce Christensen has

Mr. Christensen has served as PBS president since May 1984, and is credited, among other things, for emphasizing the importance of using public TV re-

Affiliates upbeat for CBS meet

By **JON LAFAYETTE**
Staff reporter

What a difference a year makes.

Last May, when CBS affiliates gathered in New York, war was brewing as the network launched its attempt to cut the compensation it pays to stations.

After a long hot summer of angry words, the cut was dropped.

At this week's meeting, the network and its affiliates are looking to a first-place ratings finish and the arrival of David Letterman and the 1994 Winter Olympics.

"For the most part, stations are going to be real happy," said Affiliate Board Chairman William Sullivan, general manager of KPAX-TV, Missoula, Mont. "There are no major concerns, but there are little things that we can talk about that can make it better for both the network and the stations."

One small item would be getting affiliates local news breaks during fully sponsored specials, Mr. Sullivan said.

The most pressing item on most affiliates' agenda is retransmission consent and "everyone is anxious to hear again where the network might be going and any advice they can give us regarding retransmission consent," Mr. Sullivan said.

CBS aggressively lobbied for retransmission fees and is expected to push for cash deals for its owned-and-operated stations.

Other affiliates were looking forward to a positive meeting.

"They can walk into the meeting