

U.S. pleased with WARC results

While shortwave conference remained deadlocked on major issue, chairman devises 'historic' approach to solve problems of spectrum allocation

With the World Administrative Radio Conference on shortwave radio facing a Feb. 11 deadline, and with work on the principal agenda item stuck on dead center, the conference chairman on Wednesday took matters into his own hands and began developing a compromise proposal. After meetings running into the early morning hours of Thursday and Friday the planning committee adopted "provisionally" a proposal that, if it does not finally resolve the issue, provides a revolutionary approach on how to proceed.

What's more, the committee, in the same session on Thursday night, adopted two resolutions on jamming that the U.S. found acceptable. In fact, U.S. delegates had trouble suppressing cheers. "It gives us everything we wanted," said one.

The action on the three documents was called "historic" by some delegates.

The conference sessions that were to end on Saturday—a day late—were to establish principles of planning use of high frequency bands for shortwave radio. The second session, in 1986, will develop the plan. And the issue on which the conference was stalled involved the manner of allocating frequencies. Developed countries, including the U.S. and Soviet Union, had lined up on one side on the issue, developing countries on the other, with neither showing signs of a willingness to compromise.

At that point, conference chairman, Krister Björnsjö, of Sweden, stepped in and prepared a draft proposal basing allocations on use of computers provided by the ITU. The proposal would be a new departure for ITU in spectrum allocation; it would, as one U.S. official put it, move the organization into the "realm of the unknown." As a result, the proposal was adopted only provisionally. It will be tested by a panel of experts unsupported by the ITU's International Frequency Registration Board over the next two years, with the results to be made available to conference members at the second session. With those results in hand, countries will decide whether they will accept the new method of spectrum management.

The proposal—which includes the principles to be employed in programming the computer and the technical standards to be met—was developed by a working group consisting of the U.S., France, United Kingdom, Soviet Union, West Germany and three countries that were leaders of the developing nations at the conference—Iran, Algeria and India.

The concept was acceptable to developing countries because it meets their concern that, because of a lack of sophisticated computers, they don't have the capability of developed countries to seek out the most desirable frequencies. The developing countries last week felt that, with the resources to be made available to them, they would be able to optimize their use of shortwave frequencies.

Developed countries, including the U.S., were less enthusiastic. The proposal would mean the allocation of fewer frequencies to them. However, the theory, which will be tested over the next two years, is that the efficiency of the new system will be a net plus: The developed countries would achieve better results in reaching target audiences at less cost than at present. If that theory does not prove out, the U.S. will presumably exercise its option not to accept the proposal.

The U.S. decision to support the proposal even provisionally was linked, in part, to the willingness of the conference or committee not to block adoption of the two resolutions on jamming. The Soviet Union was among those that did not object.

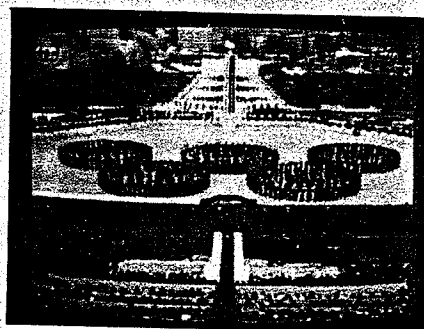
"By design, the pressure of time and a desire to cooperate," as one American put it, "the three documents had merged into one package."

Both resolutions on jamming were initially offered by the Netherlands and the United

Kingdom, but a number of Western countries participated in drafting the language. And like the provisional solution to the allocations problem, both marked new departures for the ITU, injecting it directly into the jamming issue.

The first directs the IFRB to develop a monitoring program to identify stations causing the interference, and calls on member countries to participate in the program. Thus, a method of confirming and assessing harmful interference will be established. The second document is at least as innovative. It provides for the first time for a form of compensation for a country that is the target of jamming. In the event of "harmful interference" to a station operating on a shortwave assignment in the plan, the resolution states that the country may obtain assistance from the IFRB in obtaining an alternative frequency to restore the service level to that provided for in the plan.

The results of the last few days of the conference left U.S. delegates feeling good about themselves. One who has served on a number of delegations to ITU over the years



Olympic news. ABC, in addition to its ratings dilemma (see "In Brief"), was beset by further difficulties during its coverage of the winter Olympics last week in Sarajevo. Viewers were exposed to an abbreviated version of the U.S. hockey team's loss to Czechoslovakia last Thursday, Feb. 9, an outcome that was known well before the game aired because of the time difference. And the glamorous men's downhill skiing competition was canceled due to exceptionally strong mountaintop winds. That prompted ABC to drop the final hour of its three-hour prime-time coverage for that evening, which drew a 14.6/21 in six metered overnight markets. *20/20* aired at 10 p.m. instead.

Most observers said it was too early to tell the effects the lowered ratings would have on ABC and its advertisers since most spots were sold in packages spread throughout the games. But if the ratings don't pick up, Mike Moore, senior vice president, director of media management, Benton & Bowles, said ABC will be hard pressed to ask for increases proportionate to the hike in rights it paid (from \$91 million to \$309 million) for the 1988 winter games in Calgary. The first three nights of Olympics coverage this year have averaged 14.3/21.6 for ABC, down from 1980's Lake Placid games of 23.7/37.

Even before the games began, there was controversy on the political/journalism front. The barring of Radio Free Europe/Radio Liberty reporters from the games by the International Olympic Committee brought a stern response from RFE/RL President James L. Buckley. He said the IOC's decision was discriminatory, in violation of its charter and an "abject submission to Soviet pressure."

praised the delegation to the conference now ended as "the finest I have ever served on." And he described Leonard Marks, the former United States Information Agency director who headed the delegation as "the best chairman I've served under." □

Hill reviews NPR condition

Present and former National Public Radio officials went before the House Oversight and Investigation Subcommittee last week to update members on the network's \$9-million financial crisis last year. Congressman John D. Dingell (D-Mich.), chairman of the subcommittee, James Broyhill (R-N.C.) and Michael Oxley (R-Ohio) heard statements from past and present representatives from NPR, the Corporation for Public Broadcasting and the General Accounting Office about their versions of what went wrong—and what was now right to prevent the financial problems from reoccurring.

Leading the testimony was Fredrick D. Wolf, director of accounting and financial management division. GAO. His report concluded that NPR's financial problems in 1983 resulted from "nonCPB grant revenue projections which were not realized; overspending by the organization on NPR Plus and other operations, and unreimbursed spending on venture operations." GAO added that these problems "were caused or compounded by NPR's informal management operations, lack of developed venture management and fundraising capabilities, confusion over the budget, its weak financial condition at the beginning of the year and lack of a functioning financial management information system." Representatives from the GAO also testified that CPB should have been more diligent in overseeing NPR.

The most direct questioning was reserved for former NPR President Frank Mankiewicz. Mankiewicz, who said NPR's audience "grew more than threefold" during his tenure from August 1977 to September 1982, said NPR's "fiscal calamity" was compounded by four elements: the unanticipated length and depth of the recession, which made an adverse impact at the state and local level; the "almost complete breakdown" of the financial reporting system on which NPR had relied; insufficient personnel to do the job, and "simply no margin for error." He admitted "the company should have been managed more carefully—particularly under such difficult political and

Under one tent. The National Radio Broadcasters Association's board of directors last week approved a proposal to combine its annual convention with the National Association of Broadcasters' annual Radio Programming Conference. The meeting, to be called "The Radio Convention," is scheduled for Sept. 16-19 at the Bonaventure hotel in Los Angeles. The board also voted to invite the music industry to participate as well. NAB and NRBA plan to split convention expenses and revenues.

CBS, IBM, Sears videotex connection? CBS was reported last week to be on the verge of announcing plans for a new, ultimately national, videotex service in partnership with IBM and Sears, Roebuck & Co.

The report seemed to gain credence from the refusal of all three companies to confirm or deny it.

The report, first published in *USA Today*, said that for about \$30 a month the service would offer video games, catalogue merchandising, electronic banking and advertising.

It was apparently triggered by a speech in which Howard Anderson of the Yankee Group, a Boston-based research firm, said IBM intends to get into the videotex business in partnership with two companies that he did not identify except to say that one was in the broadcasting/editorial business and the other was a major retailer.

Anderson told BROADCASTING that he knew the identities of IBM's partners but that he did not and would not disclose them, leaving them to "make their own announcements."

He had said the announcements might come as early as today (Feb. 13) or tomorrow, but he told BROADCASTING later that he had heard that at least one of the companies was so incensed by the leak that the announcement might be delayed for a week or more.

Representatives of CBS, IBM and Sears refused uniformly to comment on the report or to give any clues as to when an announcement, if any, might come—if ever.

"As you know," a CBS spokeswoman said, "we have been interested in videotex and conducted a joint test with AT&T [in 1982-83 among 200 homes in Ridgewood, N.J.]. We have been evaluating the results of that test and considering whether it is a business we should go into."

Spokesmen for IBM and Sears were equally noncommittal.

The report said the service would probably start in the Northeast and expand gradually over several years. Other sources suggested it might start as regional operations in key cities and expand from those, also over several years.

Another source speculated that AT&T might become a CBS partner, since the two companies had worked together on the Ridgewood test. An AT&T spokesman, however, said his company had no such plans.

financial circumstances."

Oxley said he was "flabbergasted" by Mankiewicz's remarks in the past about the financial problems, that showed what he called "a lack of concern and arrogance" for the problem. He questioned NPR's extensive use of credit cards, its apparently overoptimistic fund-raising predictions and top NPR management's failure to recognize its impending financial crisis sooner.

In other testimony, Douglas J. Bennet, NPR president since Oct. 28, 1983, said, "10 months ago, NPR was surprised by a deficit projected at almost a third of its annual budget... Ten months later, we are running a slight surplus... I am confident that there will be no more financial surprises." Bennet told the committee that a reduction in employees at NPR (from 442 last year to 303), "extensive" financial management procedures and "new procedures for American Express cards held by NPR employees" have been some of the internal changes made at NPR to prevent a similar recurrence.

In its statement to the committee, CPB held that "as late as the first quarter financial reports for fiscal 1983, which were received by CPB in February 1983, there was no indication that NPR was exceeding its fiscal 83 budget for either CPB or nonCPB activities..." CPB President Edward J. Pfister said in his testimony that in early March CPB was advised "that NPR faced a deficit of \$2.8 million... for fiscal 1983," but that by mid-March, "NPR had adopted a financial plan to resolve the deficit problem, as it was understood then." In mid-April, Pfister said, CPB was advised that the deficit estimate had risen to \$5.8 million. By June, he said, CPB "began to understand in part what we now understand fully—namely that poor financial systems, coupled with management misjudgments, had caused NPR, in a

three- to four-month period, to turn itself from a financially stable institution into... a financial mess."

CPB Board Chairman Sharon Percy Rockefeller called the situation "deplorable," and said that the loan agreement between CPB and NPR, which rescued NPR from insolvency last June, had "achieved financial stability for NPR." □

CBS posts 69% profit increase for 1983

Full-year results find Record Group leading charge; Broadcast Group profits were up over 10%

Boosted by a strong fourth quarter in its Broadcast Group and fueled by an exceptional year in its Record Group, CBS posted a 69% increase in profits for the full year 1983 on a 10% rise in revenues. For the year ending Dec. 31, 1983, CBS reported that net income rose to \$187.2 million, or \$6.31 per share, compared to \$110.8 million, or \$3.95 per share, for the full year 1982. Revenues increased from \$4.12 billion to \$4.54 billion, while income from continuing operations rose 26% to \$187.2 million from \$148.4 million in 1982.

Thomas H. Wyman, CBS chairman, noted that "CBS achieved a substantial turnaround in 1983," and credited much of that turnaround to "significant" product and program successes, plus an "emphasis on effective cost management." Wyman also observed that "although a higher comparative