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RIVAL NETWORKS' CUTS

Seen in Wake of CBS Radio Trim

By RUFUS CRATER

THE SHAPE of radio network time costs for the future was molded last week, with the other networks expected to devise new structures matching the approximately 25% nighttime cut—via additional discounts—approved by CBS Radio and its affiliates.

Evolved by a committee of affiliates after extensive sessions with network officials, and given an "overwhelming" vote of approval at the meeting of approximately 110 affiliates in Chicago on Tuesday, the plan is slated to become effective Aug. 25.

The adoption of the plan hinged on its formal acceptance by 85% of the CBS Radio affiliates in the continental U.S. that receive network compensation.

At mid-afternoon Friday Frank Stanton, CBS president, told BROADCASTING • TELECASTING that 85.2% had signed. The overwhelming acceptance, he said, was a "remarkable demonstration" of network-affiliate unity.

The alternative, station officials said after the meeting, would be a straight 35% cut in nighttime rates by the network.

Instead of that, leaders of the affiliates committee estimated that they had accomplished "80 or 90%" of the mandate handed them when the stations first convened to study the rate crisis in July [B•T, July 7].

'Deals' Out for Good

Apart from the increased discounts to nighttime advertisers, they yielded to a 15% cut in compensation from the network, but won (effective Feb. 25, assuming the plan is effectuated Aug. 25) a restoration of last year's 10% rate cut, so far as Monday-through-Friday daytime programs are concerned, accompanied by a 5.5% increase in what they themselves are paid for carrying programs in these periods; were assured that the network's card rates won't be cut for at least a year and that "deals" are out for good, and won network agreement to de-emphasize ratings as a principal selling tool and to underwrite a qualitative study of radio listening and radio's sales effectiveness.

There appeared no doubt that the other networks would follow suit with comparable plans of their own devising.

Others Watching

An NBC official, referring obviously to NBC's abortive prior attempts to reduce rates, noted that "we have been studying our own rates for a year and a half" and, in the face of the CBS Radio move, probably will have an announcement to make about them "soon."

An ABC spokesman described that network's position in words that seemed applicable to all:

"We regret that CBS has seen fit to lower rates. ABC will re-examine its rates in the light of that action. Advertisers on ABC will not be at a competitive disadvantage."

Mutual had no immediate comment, but it was recalled that like the other networks it, too, "met the competition" when CBS Radio led the way with its 1951 reduction of approximately 10%. Mutual and ABC did it that time by a procedure comparable to CBS Radio's approach to this one—by revising discount structures.

John Fetzer of WJEF Grand Rapids and WKZO Kalamazoo, who presided over the Chicago meeting in the absence of Chairman George Storer of Storer Broadcasting Co., who was struck with a deafness the day before the meeting, described the plan and its expected results as follows:

"These changes re-balance the night and day values of the radio medium. They also simplify the cost structure for network advertisers.

"Under the proposed plan, revised discounts will permit most nighttime advertisers to enjoy cost reductions averaging about 25%. Daytime charges for Monday-through-Friday advertisers will be increased in most cases by about 5%.

Mr. Fetzer's reference to an approximately 5% increase in advertisers' costs on daytime programs Monday through Friday, as against an 11.1% increase in the card rate for these hours, presumably means the network will absorb, via discounts, the difference between the 5.5% increase in station compensation and the 11.1% increase in rates.

"The majority of the commit-

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CBS EXECUTIVES and affiliates chatting here include (l to r) Kenyon Brown, president, KWFT Wichita Falls, Tex.; Frank Stanton, CBS president; John E. Fetzer, president-general manager, WJEF Grand Rapids, who presided, and Adrian Murphy, president, CBS Radio.

RATE 'SEAL' URGED

NARTB to Discuss

By J. FRANK BEATTY

ADOPTION of an "NARTB Guaranteed Rate Card Seal" was proposed last week by Todd Storz, general manager of KOWH Omaha, to curb the "widespread practice of rate cutting."

On the eve of the annual series of NARTB district meetings, starting today (Monday) in Cleveland [B•T, Aug. 11], the association was offered this chance to attack special deals and deviation from published rates.

If NARTB feels it isn't practicable to undertake the seal project, Mr. Storz said he would undertake to form an industry group outside the association to initiate and administer the plan.

The plan was submitted at the same time CBS was agreeing with its affiliates to cease rate-cutting for a year.

Though rate-cutting doesn't have a formal place on the agendas of the 17 NARTB district meetings, it was obvious that the subject will join television's impact in dominating the panel discussions.

No NARTB Comment

NARTB headquarters would not comment officially on the Storz plan for an NARTB seal other than to explain that President Harold E. Fellows was in touch with Mr. Storz.

President Fellows will find himself in the middle of a rate-cutting discussion at today's opening session in Cleveland. Robert T. Mason, WMRN Marion, Ohio, director for District 7 (Ohio, Ky.), will preside at the inaugural meeting and will introduce Mr. Fellows at 10 a.m.

That's where the rate-cutting problem is expected to draw broadcaster fire. Mr. Fellows will follow his 1951 district meeting policy by tackling industry problems and then inviting floor discussion. He has long been a staunch advocate of adherence to rate cards.

District 8 (Ind., Mich.) of NARTB meets Thursday-Friday at Mackinac Island, Mich., with Stanley R. Pratt, WSOO Sault Ste. Marie, Mich., presiding as district director.

NARTB itself, it was explained

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