(18) Charles Tower, Corinthian Broadcasting Corp., New York; (19) F. C. Sowell, WLAC Nashville; (20) Frank Gaither, WSB Atlanta; (21) Ralph Beaudin, ABC Radio, New York; (22) Lester Smith, KJR Seattle; (23) Roger Clipp, Triangle Stations, Philadelphia.

(24) Harold Essex, WSJS-TV Winston-Salem, N. C.; (25) Willard Walbridge, KTRK-TV Houston; (26) Joseph S. Sinclair, Outlet Co. Stations, Providence, R. I.; (27) Robert Ferguson, WTRF-TV Wheeling, W. Va., TV board chairman; (28) Grover Cobb, KVGB Great Bend, Kan., joint board chairman; (29) Donald Mercer, NBC Radio, New York; (30) Jack S. Younts, WEEB Southern Pines, N. C.; (31) A. F. Sorenson, WKRS Waukegan, Ill.; (32) John Gilbert, ABC-TV New York; (33) Harold Krelstein, WMPS-FM Memphis; (34) David Morris, KNUZ Houston; (35) N. L. Bentson, WLOL Minneapolis.

(36) George W. Armstrong, Storz Broadcasting Co., Omaha; (37) James Caldwell, WAVE Louisville, Ky.; (38) Charles Gates, WGN Chicago; (39) Richard W. Chapin, KFOR Lincoln, Neb.; (40) Vincent Wasilewski, NAB president; (41) Charles Smith, WDEC Americus, Ga.; (42) Raymond Plank, WKLA Ludington, Mich.; (43) Al Ross, KNAB Burlington, Colo.; (44) Clark George, CBS Radio, New York.

Peter Kenney, NBC-TV, Washington, was not present when picture was taken; Matthew J. Culligan, MBS, New York, was not at the board meetings.

rectly under FCC regulation, would severely limit the amount of prime-time programing they could offer and prevent network ownership interests in professional sports (BROADCASTING, June 5, 1967). Since its submission, Representative Ottinger has introduced another measure with only the sports sections of the omnibus bill, which includes a prohibition against arbitrary time-outs for commercials-placement purposes. The Dingell revision is expected to refine the network-regulatory aspects without the additional matters covered earlier.

Mr. Dingell has also been expressing strong interest in network production of feature films, a staff member on his Small Business Subcommittee reports.

Another wrinkle on AT&T rates

Initial decision in SNI case finds that charges for part-time users are discriminatory

Another potentially complicating knot has been tied into the string of events involving AT&T rates for television-program transmission: An FCC hearing examiner has decided that the company's present rates are discriminatory as they apply to part-time users.

Examiner Herbert Sharfman, in an initial decision on a complaint brought by Sports Network Inc., last week ordered AT&T to file new tariffs within 30 days that would eliminate the discrimination among full-time and part-time users of video-interexchange channels and associated audio channels. AT&T is certain to seek commission review of the decision.

The order, if implemented, would mark the first basic change in program transmission rates since AT&T originally filed its tariffs for such service in 1948. Examiner Sharfman noted that, although the rates haven't changed, the television industry has—with the spread of independent stations, the emergence of educational stations and the development of new networks (like SNI). The needs of such customers, he said, are for shorter periods of service than those required to qualify for the most attractive rates.

The decision was issued a day before AT&T filed tariffs providing for higher rates for video and audio service (see page 39). Since the proposed new rates are based on existing tariffs, the decision, which calls for a restructuring of the transmission charges, could require changes in them if the examiner's decision is upheld.

Change on Charge ▪ Thus, changes might become necessary since broadcasters will seek a hearing in order to oppose the new rates.

In the meantime, broadcasters and other user-parties are participating in the drawn-out commission inquiry into the Bell system's over-all rate structure, an inquiry that will produce a commission decision on rate-making principles that will figure importantly in the program-transmission rate case.

Examiner Sharfman's decision does not deal with the lawfulness of the rates or with the level of revenues they produce. It deals, instead, with the ratio of the charges for interexchange use of less than eight hours to the charges for eight-hour use, regardless of the level of the eight-hour charges.

SNI's complaint was that AT&T tariffs provide for monthly contract charges totalling $39.50 per airline mile, based on eight consecutive hours of use daily, seven days a week, each month. SNI, which puts together networks for telecasts of sports events, complained that it seldom needs AT&T lines for more than three hours, but that it pays the same rates as others pay for eight hours' use of the same facilities. It spends about $7 million a year on AT&T services.

AT&T also provides rates for occasional users totalling $1.15 an airline mile for each hour of use. But these rates are proportionately higher than those used for the full-time service, and the use of any part of the first hour requires payment for the full hour.

AT&T maintains that its costs are determined by over-all expenses and that they are allocated to all video-service customers regardless of the time that they use the facilities—whether eight hours or less. It adds that its ability to restructure rates as requested by SNI depends on its ability to find customers whose needs for service complement each other, so that the same system of interexchange channel facilities can be used to serve customers during different times of the day or week. A customer's need for less than eight hours of service, the company says, is met by the occasional service.

"But," the examiner said, "AT&T's claimed revenue requirements (which owe their present level, in any event, to the almost casual establishment of the present rate structure in 1948) are no justification for the unreasonable and unduly discriminatory rate relationship. A carrier's revenue requirements cannot override a customer's own right to fairness."

He added that less-than-eight-hour users bear a disproportionate and inequitable share of the fixed costs of the over-all service and contribute an unbalanced share of the revenues.

He noted that monthly interexchange rates on a per-airline-mile basis are considerably higher for part-time than for full-time users. For instance, a customer using AT&T facilities eight hours a day, every day, for a month, would pay interexchange costs at the rate of $0.16 per mile for each hour. A customer using the facilities only one hour each day for a month would pay $1.15.

In its original complaint in 1965, SNI asked the commission to direct AT&T to file tariffs providing for rates that would be three-eighths of the present charge of $39.50, or about $14.82 for each airline mile, based on three daily hours of service for each month