CABLE REREG BILL DOWN TO THE WIRE

As markup approaches for H.R. 4850, must-carry/retrans-consent issues are still not settled; also, rate regulation question is revived by FCC's Sikes

By Randy Sukow

The shape of the final Energy and Commerce Committee cable reregulation bill is still uncertain as preparations are made for an expected markup tomorrow (June 16). The most controversial issues of the subcommittee bill (H.R. 4850)—must carry/retransmission consent—were still unresolved last week and may yet be radically altered or dropped from the committee bill.

Meanwhile, the issue of federal rate regulation, which had been comparatively less controversial over the past two months, was revived by FCC Chairman Alfred Sikes, who claimed regulation as proposed in H.R. 4850 would cost the FCC between $22.5 million and $54.7 million, or 17%-44% of the current commission budget in the first year after enactment.

The new FCC estimates could have a significant effect on the markup debate. "It's sort of curious that all of this is coming up now, as opposed to January or some other time," said an industry observer asking not to be named. "It sounds very much like [NCTA President Jim] Mooney has added another lobbyist to his stable."

No official notice of an Energy and Commerce markup date had been released at deadline Friday, but Capitol Hill staff and broadcast and cable lobbyists were operating under the assumption that there would be action this week.

H.R. 4850, the bill introduced by Telecommunications Subcommittee Chairman Edward Markey (D-Mass.) and passed by the subcommittee (BROADCASTING, April 13), is similar to the cable bill passed in January by the Senate (S. 12), with tough rate-regulation and access-to-programing proposals as well as the broadcasters' highest priority, must carry/retransmission consent. Cable bill supporters are said to be planning a substitute measure to H.R. 4850, with compromise measures developed since the subcommittee markup.

Republican committee members are also planning to introduce a substitute similar to one proposed by ranking minority member Norman Lent (R-N.Y.) at the subcommittee level, which failed by a narrow 14-12 vote.

The authors of both substitute proposals were believed to be undecided about inclusion of retransmission consent. The House Judiciary Committee is expected to press for jurisdiction over the cable bill if retransmission consent is included and to attempt replacing the provision with the language in H.R. 4511, a plan to open a second revenue stream for broadcasters by gradually eliminating the cable compulsory license for local signals. (There were tentative plans last week to hold a Copyright Subcommittee markup to make adjustments to H.R. 4511 this Wednesday, June 17.)

Regardless of which substitute to H.R. 4850 is approved this week, retransmission consent may be dropped from the bill to avoid the possible referral to the Judiciary Committee. Supporters of the provision would then seek to retrieve it either on the House floor or in conference with the Senate.

Many had hoped House Speaker Tom Foley (D-Wash.) would make an informal ruling on the Judiciary Committee's claims to jurisdiction over both retransmission consent and program access before this week's Energy and Commerce markup. But Foley, after having met with Energy and Commerce Committee Chairman John Dingell (D-Mich.) and Judiciary Chairman Jack Brooks (D-Tex.), is said to have decided not to decide.

It seems likely, however, that program access will be included in the Dingell-Markey substitute. Talks between the National Cable Television Association and Satellite Broadcasting and Communications Association requested by Dingell to settle the program-access dispute (BROADCASTING, June 8) broke down early in the week. But Telecommunications Subcommittee member Billy Tauzin (D-La.) late in the week was said to have developed program-access language that the House Parliamentarian's office would allow to pass without referral.

Sikes released the new FCC rate-regulation cost estimates in a letter to Energy and Commerce Committee members as well as leaders in the Senate. S. 12/H.R. 4850's rate regulation "would have a negative impact on the ability of the FCC to do its job in all areas," he said. He suggested more cost-effective cable regulation could be handled by state public utility commissions rather than the federal government.

Sikes's new cost analysis differs greatly from the Congressional Budget Office's estimated $2.8 million during the first year and $12.9 million during the second, as published in the S. 12 committee report written a year ago. The new FCC estimate factored "a variety of alternative assumptions" regarding the numbers of local franchising authorities expected to request FCC rate regulation and the number of cable systems expected to request rate hikes annually, Sikes said. ■

CNN BUYS AND FOLDS GROUP W NEWSFEED

By Rich Brown

Turner Broadcasting System last week bought and closed down Group W Newsfeed, consolidating the newsfeed business into two major players and bringing an end to Group W's 30-year news presence in Washington.

While terms of the deal were not disclosed, it was believed that Turner paid Group W upwards of $2 million to acquire the 11-year-old newsfeed and a second feed, The Entertainment Report. A Group W spokesman would not comment on the specific financial condition of the Washington-based operation, which sources said had accumulated losses in the seven fig-