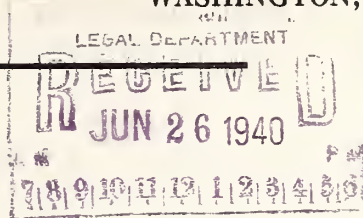


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No. 1245

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June 25, 1940

RULES ISSUED FOR FM OPENS WAY FOR WIDE SERVICE

Frequency modulation was given a new name and authority to go ahead on a complete commercial nationwide service Saturday when the Federal Communications Commission issued rules governing regular FM program service.

The new service was formally designated "high frequency broadcast" to distinguish it from standard broadcast, but it is expected that the original FM name will continue as a label to the new type of broadcasting.

Rapid development of FM stations throughout the nation is expedited by Commission action in apportioning frequencies and otherwise stipulating operation of FM so as to make such broadcast available to as many American homes as possible. Under the rules just approved, FM facilities are, in effect, available to every community in the land.

Important in these rules is the requirement that the program service shall embody presentation particularly adapted to the high fidelity quality of this new method of broadcast. This, with its staticless qualities, assures the listening public an improved type of service.

Unlike standard (amplitude modulation) broadcast stations, FM stations will be licensed to serve a specified area in square miles. In places where one or more FM stations are located, their radius of service will be made as comparable as possible. Such parity of service is feasible because FM is not subject to objectionable interference as in the case of the older long distance type of broadcasting.

The public is assured of a reasonable amount of FM program service initially by the Commission requiring a daily, except Sunday, minimum operating schedule of at least three hours during the day and three hours at night. FM stations are further obligated to devote at least one hour each day and one hour each night to programs not duplicated simultaneously in the same area, which means programs distinct from standard broadcast. The latter provision is intended to demonstrate the full fidelity of the FM system.

Since facsimile makes its commercial debut under FM auspices, the Commission may now grant authority to a high frequency broadcast station for the multiplex transmission of facsimile and aural broadcast programs, provided the facsimile transmission is incidental to the aural broadcast and does not reduce the quality of the aural program or the frequency swing required for the transmission of FM or bring about interference on adjacent channels.

In carrying out the principles set forth in the Commission's recent report following enthusiastic praise for FM at the frequency modulation hearing, the band of frequencies extending from 43,000 to 50,000 kilocycles is apportioned for service areas in the following manner:

For cities or towns with a total population of less than 25,000 exclusive of adjacent rural areas, these channels are assigned: 48,900; 49,100; 49,300; 49,500; 49,700 and 49,900. This class of station will have a service area not to exceed 500 square miles except where definite need for a greater area is shown and no objectionable interference will result.

To serve populations of 25,000 or more within areas of less than 3000 square miles, these channels are assigned: 44,500; 44,700; 44,900; 45,100; 45,300; 45,500; 45,700; 45,900; 46,100; 46,300; 46,500; 46,700; 46,900; 47,100; 47,300; 47,500; 47,700; 47,900; 48,100; 48,300; 48,500, and 48,700. In this class, the applicant must specify a service area which shall comprise either a metropolitan district, a city, or a particular district having common cultural, economic, geographical or other characteristics to justify service to the area as a unit.

For areas in excess of 3,000 square miles, the channel assignments are: 43,100; 43,300; 43,500; 43,700; 43,900; 44,100, and 44,300. Here the applicant can serve two or more large cities or metropolitan districts and a large adjacent rural area; or, in exceptional cases, one city or metropolitan district and a large adjacent rural area.

One channel only will be assigned to a station. To avoid possibility of objectionable interference, FM stations serving the same area will not be assigned adjacent channels.

To safeguard the public against monopoly, the FCC rules state that no person or group can, directly or indirectly, control more than one FM station in the same area. Likewise, no person or group may control more than one such station, except upon showing that such operation would foster competition or will provide a high-frequency broadcasting service distinct and separate from existing services, and that such operation would not concentrate control in a manner inconsistent with public interest, convenience, or necessity. In this connection, the Commission declares that control of more than six stations by the same person or persons under common control is inconsistent with the public interest.

The Commission will not authorize the installation of a transmitter having a maximum rated power more than twice the operating power of the station. In employing transcriptions, methods of making announcements and other routine, high frequency stations will be governed largely by the same rules which apply to standard broadcast stations.

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The rules cover the basic principles believed necessary by the Commission to give FM a proper start commercially. They will be supplemented by Standards of Good Engineering Practice for High Frequency Broadcast Stations, to be made available this week, together with a chart to be used for determining the signal range of this type of station. The new application forms for high frequency stations will likewise be available shortly.

Applications will not be considered until the engineering standards and the new forms are ready. Thereafter, as soon as applications are received, the Commission will act on them promptly.

Practical operation and progress of FM will undoubtedly result in changes to these rules and standards from time to time. Meanwhile, the Commission insures both public and industry an orderly development of high frequency broadcast stations by requiring proof of performance by FM stations within one year from the date of inauguration of this type of service.

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LISTENERS' INTERESTS PUT BEFORE PROFITS BY FCC

Holding that showing of need is related to the protection of listeners and not solely to the protection of private interests, the Federal Communications Commission proposes denial of the application of Station WREN, at Lawrence, Kans., to move its transmitter from a point near Tonganoxie to Kansas, that State, and to establish its main studio in Kansas City, Mo.

"The primary purpose of removal of WREN to Kansas City is to obtain a larger population coverage of Kansas City and its environs in order to increase its advertising revenues and serve as a more effective outlet of the Blue Network", the Commission comments in its proposed findings of fact and conclusions. "If the transmitter is moved as proposed in the application, Station WREN would deliver satisfactory service throughout the Kansas City metropolitan area, but its service to Lawrence and other small communities in Kansas would be less satisfactory, and some rural portions of the present service area would be entirely deprived of service."

The FCC points out that the Kansas City metropolitan area is already served by at least six stations. "The essence of the applicant's proposal, therefore, is to move its transmitter to a large metropolitan area, which already receives service from an ample number of stations, from a semi-rural area where the existing service is relatively inadequate", it adds.

"In view of the loss or diminution of broadcast service to the area theretofore served, it is incumbent upon a station proposing such a change to establish a greater need for additional broadcast service in the new area proposed to be served than may exist in the area previously served. The question of need is an important consideration under such circumstances in order that certain areas may not, by a too liberal assignment of frequencies, have the benefit of an unduly large proportion of the limited broadcast channels available to the prejudice of other districts. It is true that the Commission stated in the F. W. Meyer case that the showing of a public need for additional broadcast facilities is not an essential prerequisite to support the grant of an application for a new station. However, this principle is not applicable in a case such as the present where an existing station proposes to change its location, and the respective interests of different communities and areas are, therefore, involved.

"The showing made by the applicant in support of the proposed change was predicated upon two factors: First that the applicant operates on a regional frequency and should, therefore, be regarded as a station established to serve the metropolitan district of Kansas City primarily; and second, that the increase in coverage which would result from the removal of its station to the Kansas City area would make the station a more effective outlet for the Blue Network programs of the National Broadcasting Company. Insofar as the first factor is concerned, it does not follow from the fact that a station is assigned a regional frequency that it must serve a metropolitan district regardless of other considerations which may be involved. The classification of stations under the Commission's rules and standards of engineering practice is purely for the administrative convenience of the Commission in allocating frequencies and is not a source of any right in licensees or applicants. Indeed, the simple answer to WREN's claim is that the applicant, having once asked the Commission to assign a regional station to the City of Lawrence, now takes the curiously inconsistent position that, by reason of that very assignment, this station should now be assigned to Kansas City. Insofar as the second factor is concerned, this is related more to the private interests of the applicant and the National Broadcasting Company than it is to the interests of the communities involved. The mere fact that the applicant hopes to better itself financially by moving from a small city to a large city is not a controlling consideration in determining whether public interest, convenience, or necessity would be served by permitting such a move."

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The new non-advertising afternoon daily "PM" is devoting three pages daily to news about radio programs and personalities. In its initial issue, moreover, it carried a schedule of radio news broadcasts on the front page under the heading "The Day's News by Radio". Two inside pages are devoted to a complete listing of selected programs of all of the metropolitan New York radio stations. The third page carries news and notes on programs, stations, and persons.

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DEFENSE COMMUNICATIONS COMMITTEE TO BE SET UP

President Roosevelt is expected to issue an Executive Order soon, possibly this week, setting up a Defense Communications Committee, James L. Fly, Chairman of the Federal Communications Commission, disclosed this week at a press conference.

Chairman Fly declined to divulge any details as to plans or personalities who will make up the committee pending White House action. He insisted, however, that it will in no sense seek to take over or control private radio activities.

The Committee will work in cooperation with the National Defense Commission, Mr. Fly said, and will map out plans for coordinating the over-all use of radio facilities in time of national emergency or war. The industry, he intimated, will be represented on sub-committees, while the Committee itself will be composed of responsible representatives of interested Government Departments.

The Committee will derive its authority from the Executive Order, which, in turn, will be based on Section 606 of the Communications Act, which gives the President full power to act in times of national emergency or war.

While the FCC has been cooperating with the Army and Navy and other Government Departments in drawing up the plan for the Committee, Mr. Fly insisted that the group would not attempt any censorship of radio programs.

The Government now has an agency for the allocation of radio frequencies to Government agencies, known as the Interdepartment Radio Advisory Committee, which consists of representatives of 13 governmental agencies. Under the present circumstances, this group is believed too unwieldy, however, and it is the plan to have a board with full authority to act on national defense needs, including coordination of military and civilian facilities.

The new board is expected to lay a framework whereby methods will be provided for military use of all facilities whenever they are required. However, it was indicated that the board may also go into the problem of protecting communication lines and radio facilities as well as laying down a plan for reaching the public in any particular area whenever the exigencies of the situation demand. The coordination plan would merely provide for the most efficient use of facilities, with full power to act. The program is designed to protect the facilities, to guard them against interruption and to provide for alternate facilities upon failure of any particular circuit or circuits.

One of the primary purposes of the plan would be to maintain radio broadcasting, because, as Chairman Fly pointed out, it would seriously affect the morale of the people if this were cut off. In wartime nations often "blackout" areas to prevent the use of radio signals as beams on which plane invaders might ride to military objectives.

It is known here that one of the most important factors in the success of German Army movements is the effective functioning of its communications. It is said the parachute troops largely were used to cut enemy communications behind the lines, but the "cuts" were made in such a way that they were promptly restored as soon as the German troops captured the areas.

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BROWN FACES FIGHT IN CONFIRMATION AFTER HEARING

Serious doubt as to whether Commissioner Thad Brown will be confirmed on his renomination to a seven-year term as member of the Federal Communications Commission was expressed following one of the juiciest hearings heard on Capitol Hill this year.

Senator Tobey (R.), of New Hampshire, has indicated he will oppose Commissioner Brown's confirmation both in the Interstate Commerce Committee and on the Senate floor despite the fact that Mr. Brown is a Republican. Hearings were concluded after a second session last Friday.

Senator Tobey demanded that the renomination be rejected after conflicting testimony about a party held in a New York night club by Donald Flamm, owner of WMCA, for members of the FCC. The Senator's bitterest attack was made on Mr. Brown after he continued to deny any recollection of an incident at the party following testimony by Commissioner T.A.M. Craven.

Commander Craven said that Commissioner Brown brought a woman to his table at the Diamond Horseshoe in New York and that Mr. Brown's glasses had been broken when the woman slapped him.

"There is a man nominated for reappointment for seven years to the Commission controlling radio and he has been guilty of conduct unbecoming a gentleman and telling falsehoods about that", Senator Tobey shouted.

Mr. Brown, under questioning, said he "had a drink or two", but heatedly denied he was "under the influence of liquor." Commander Craven said he had taken a drink but could not testify as to drinking by Mr. Brown or others.

"We have testimony that you took a strange woman over to introduce her, she slapped you and broke your glasses, and you have no recollection?" Senator Tobey pressed Commissioner Brown.

"I have no recollection of the incident", Mr. Brown replied slowly.

"I've heard of cases of mental aberration but this is exhibit No. 1", Senator Tobey shouted.

Commander Craven disputed Senator Tobey's charges that the party was a "drunken brawl" or that the Diamond Horseshoe was a "hot spot".

"I'd be proud to take my wife, mother or sister there", the FCC member said.

Earlier Senator Tobey charged that William S. Paley, President of the Columbia Broadcasting Co. engaged in a 1932 "stock rigging" which netted him "a cool million dollars."

In making the accusation, Senator Tober questioned the wisdom of the FCC's licensing of CBS to continue broadcasting.

"We think Columbia is doing a good job and public service", Commissioner Brown replied.

Senator Tobey also asked Commissioner Brown about payment by the National Broadcasting Co. of "625,000 to Frank Knox and the Chicago Daily News for one-half interest in" a radio station. The New Hampshire Senator noted that the station was valued at \$44,726 for "physical properties" and the amount paid was "some 1,400 percent of this value". This transaction, Senator Tobey said, was typical of inflated values on "good will values" of radio station transfers approved by the FCC.

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MONITOR STATION IN MASSACHUSETTS AUTHORIZED

The Federal Communication Commission is authorized to purchase a site and erect a building in Massachusetts for use as a radio monitoring station under provisions of a Senate bill passed last week by the House. Provision is made in the bill for expenditure of \$30,000. The bill, which goes to the White House, is as follows:

"That the Federal Communications Commission be, and it is hereby, authorized to purchase for the United States a suitable site in the State of Massachusetts, provided a suitable site now owned by the Government is not available for the purpose, and cause to be erected thereon, according to plans and specifications to be approved by it, a suitable building or buildings, for use as a radio-monitoring station or to modify or reconstruct existing buildings or facilities on such site for such purpose,

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and to provide the necessary associated antenna systems, roadways, power, water, and sanitary facilities, including the construction and installation of goniometric apparatus and including necessary outfits, apparatus, and equipment at a total cost of said site, buildings, and equipment of not to exceed \$30,000."

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FCC WARNS OF INCREASING AIR TRAFFIC CONTROL PROBLEM

Necessity for the development, for both airports and aircraft, of equipment to make use of the ultra-high frequencies for air traffic control is stressed by the Federal Communications Commission in connection with an order issued this week affecting four airports in the Los Angeles area.

"The control of air traffic in the vicinity of all the large cities of the United States is certain to present a serious problem in the future", warns the Commission. "Apparently, frequencies will not be available on the lower band, that is, from 200 to 400 kilocycles for this purpose. This Commission, under its rules, has assigned, for airport control purposes, ultra-high frequencies 130,860 kc., 131,420 kc., 131,840 kc., and 140,100 kc. Applicants for airport control stations are required to apply for one of these high frequencies in addition to 278 kc., the only other frequency available to this Commission for assignment for aircraft control."

The Commission adds:

"Equipment is not now available on a commercial basis to make use of the high frequencies specified for controlling air traffic. It is apparent, however, that use of these frequencies offers the only satisfactory solution of difficulties certain to be encountered in connection with air traffic in the vicinity of every large city in the United States. Especially is this true in view of the almost certain continuation of the present increasing trend of air traffic. The Commission desires to stress at this time the necessity for development, for both airports and aircraft, of equipment designed to make use of these high frequencies. The frequency 272 kc. is released for purposes of aircraft control on a temporary basis for a period ending May 1, 1942. It is believed that upon the expiration of this temporary period, high frequency equipment will have been developed and made available upon reasonable terms for use in controlling the movements of aircraft in the vicinity of airports."

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 ::: TRADE NOTES :::
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A 10 percent increase in the radio excise tax is included in the national defense revenue legislation passed by the Senate last week. The super tax for national defense purposes will increase the radio excise tax from 5 to 5½ percent beginning July 1 and continue for five years. Some of the other so-called national defense tax increases are not limited in time, but the present legislation provides for definite limitation of five years on the radio tax at the 5½ percent rate.

WOR has just signed a three year lease for the forty-second floor and roof space of 444 Madison Avenue, New York City, and will transfer immediately its Frequency Modulation transmitting activities from Carteret, N.J., to the new location. Construction of an antenna tower will begin at once.

Communication was established with Holland Monday for the first time since May 14, according to a report from R.C.A. Communications, Inc. The announcement said the first connection was completed at 11 A.M., when the Berlin operator flashed back: "Yes, we will now accept traffic for Holland under the same conditions that apply to Germany."

Broadcast Music, Inc., formed by the National Association of Broadcasters, as opposition to the American Society of Composers and Publishers, has started a campaign to enlist assistance of the buyers of radio time and to show them the practicability of dispensing with ASCAP music, according to the business page of the New York Times. It is ready to offer the service of its arranging and composing departments without charge. BMI has communicated with the Association of National Advertisers, pointing out that it is a means of defense for advertisers who wish to protect themselves against "monopoly prices".

With acceptance by the Mutual Board of Directors of the North Central System's application for MBS membership, the Mutual Broadcasting System coast-to-coast network now totals 140 stations. The nine stations that make up the new affiliate are: KABR, Aberdeen, S.D.; KGCU, Bismark-Mandan, N.D.; KDLR, Devils Lake, N.D.; KLPM, Minot, N.D.; KVOX, Fargo-Moorehead, N.D.; KATE, Albert Lea, Minn.; KWNO, Winona, Minn.; KGDE, Fergus Falls, Minn.; and KRMC, Jamestown, N.D.

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RADIO ESSENTIAL TO NATIONAL DEFENSE, SAYS SARNOFF

American broadcasting services and national and international communication facilities "constitute the nerve system of our democracy", David Sarnoff, President of the Radio Corporation of America, declared in an address on "Communications in a Changing World" before the Institute of Public Affairs at Charlottesville, Va., last Friday.

"Our broadcasting services, and our national and international communication facilities, constitute the nerve system of our democracy", he said. "They speed the business of the nation. They keep our people informed on national and international affairs. They help to formulate public opinion and to express that opinion on vital matters affecting our democratic processes of government.

"These facilities and services are an efficient and essential arm of our national defense. They are invaluable assets of our nation in today's swiftly changing world. In these dark days we can only resolve that they shall ably serve and sustain our hope and courage, and increase our wisdom and understanding. With unity of purpose, they will help preserve the free institutions of America.

After outlining the progress of radio research since the first World War, Mr. Sarnoff commented:

"There will be those who may ask: What has become of the conception of communications drawing the world closer together, helping to forge the bonds of international understanding, and building a road to world peace? It is the bitter truth, that like many other instrumentalities devised by men of goodwill, communications also can be perverted for destructive purposes by makers of hate and war.

"But it is equally true that the universal means of communication which radio has brought into being remains the hope of mankind for that interchange of information, education, and culture by which alone the peoples of the world can understand the common problems of the world. It remains true that only through communications can there be that meeting of minds which must be obtained if world opinion is to establish and maintain peace.

"War has obscured but not destroyed this truth. Those who are trying to remake the world in the image of barbarism understand it clearly enough. They fear to expose their peoples to the interchange of intelligence, so they forbid them, under pain of imprisonment or death, to listen to anything other than the false propaganda of their own controlled broadcasting.

"Furthermore, when the history of our times is written, I am confident that the vastly broadened communications which science and research have given to the world, will get their due share of credit for quickening public opinion on the true meaning of the issues now to be decided by the free peoples of the world."

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MAJESTIC REORGANIZATION PLAN APPROVAL INDICATED

Federal Judge John P. Barnes indicated Saturday that he would confirm the plan of reorganization of the Majestic Radio and Television Corporation on Wednesday, according to an Associated Press dispatch from Chicago. He was informed at a hearing that the required two-thirds of the stockholders had approved the plan under Section 77b of the amended Bankruptcy Act.

James A. Sprowl, counsel for the company, named the six new Directors approved by the Creditors' Committee and purchasers under the plan. Those named were Parker McMahan, Chicago, Manager of the Service Department of the American Credit Indemnity Co.; Paul Baibourn, New York, Acting Treasurer of Paramount Pictures, Inc.; Allen B. Dumont, New York, President of the Allen B. Dumont Laboratories; Walter Glenn Scott, New York, industrial engineer; Elmer C. Upton, Wheaton, Ill., controller of the Balaban & Katz Corporation, and Curtis Franklin, New York, Director and Treasurer of the Allied International Investing Corporation.

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CBS ASKS PERMITS TO BUILD TWO 50 KW STATIONS

The Columbia Broadcasting System has filed an application with the Federal Communications Commission for permits to construct two new 50,000-watt international short-wave broadcast stations. One of these permits would grant an increase in power and provide for removal of CBS's present short-wave station, WCBX, from Wayne Township, N.J., to the location chosen for the new transmitters - a 1,200-acre tract on Long Island, New York.

CBS's plans call for transmitters custom-built for the particular tasks they are to perform. The equipment would operate with full power on each of the six bands between 6,000 and 22,000 kilocycles now allocated for this type of service.

Both also would be capable of delivering full power to several directional antennas with which they are to be employed. The antennas would have an effective gain of at least ten to one in the direction of maximum signal. Thus signals would have a strength equivalent to 500,000 watts.

Use of directional antennas is designed to concentrate energy for broadcasts to those countries for which programs are intended.

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