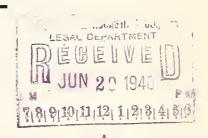
HEINL RADIO BUSINESS LETTER

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FCC FIELD FORCE EXPANDED FOR NATIONAL DEFENSE

Preparing to aid national defense by keeping a 24-hour watch on the ether waves, the Federal Communications Commission this week disclosed plans for augmenting its field force by several hundred inspectors and other radio experts.

The additional force is needed to maintain a comprehensive 24-hour surveilance of all communication channels, inclusive of broadcast and other radio transmission, the FCC said. Present radio monitoring facilities will be supplemented with ten primary long-range direction-finder stations. These stations determine the bearings of unauthorized or otherwise suspicious communications. The mobile equipment, which includes direction finding apparatus, traces the origin of such transmissions.

In addition to increased monitoring duties, the field division will be required to watch radiotelegraph and radiotelephone circuits for superfluous signals, record same, and translate foreign language broadcast material. It must also make certain of the citizenship of several hundred thousand persons now charged with the responsibility of communications, as well as of their immediate families. This figure covers about 100,000 licensed radio operators, including amateurs; a like number of cable and wire operators, and other employees such as those of broadcast and other radio stations. It is necessary to know more about the private communications employees who daily handle official dispatches and other Government messages.

Another emergency task will be to guard against the possible misuse of electrical apparatus, including diathermy devices (now employed in many thousand offices of physicians), as transmitters in a manner which might jeopardize the nation's security. Still another undertaking will be to keep tab on possible use of transmitters which have been manufactured but not sold or licensed for authorized communication purposes.

The Commission now operates seven monitoring stations, in various parts of the country, which are largely devoted to making routine measurements of frequencies and determining the quality of emissions, as well as spotting interference. In the course of such work, they observe unlicensed operation incidentally. However, these monitoring stations as now manned and equipped could not cope with the additional work contemplated.

Congress recently authorized a new monitoring station for Massachusetts, but this is to relocate and improve the existing one. The new bases for mobile operation are being established at strategic points throughout the United States and its possessions.

Routine functions of the field division, which now numbers less than 200 persons, embrace inspection of all classes of stations licensed by the Commission, and the issuance of licenses; investigation of complaints of interference and illegal operation; conducting field strength surveys and analyzing signal characteristics; inspecting ship and other marine radio stations, and general regulatory supervision.

During the last fiscal year the Commission investigated more than one thousand complaints of unlicensed operation, and the number of cases pressing for investigation is growing under the present situation. Experience gained in past investigation of unlicensed stations, particularly in the use of the ultra high frequencies, has demonstrated the advantage of an inter-radio communication system for the purpose of synchronizing operations and exchanging intelligence. The prospective new primary monitoring stations and mobile units will be equipped with transmitters and receivers so as to be able to more quickly run down unlawful operation.

Since the Commission is under Civil Service, the additional personnel will come from those rolls.

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PATRICK ASKS REFORMS IN FCC PROCEDURE

Reforms of the Federal Communications Commission in legal procedure were urged this week before the Attorney General's Committee on Administrative Procedure.

The Committee is holding hearings at the United States Court of Appeals Building, receiving information upon which to base recommendations for improvement of Federal agencies.

Duke Patrick, of the Federal Communications Bar Association, said the FCC was reluctant to grant hearings on applications for broadcasting licenses and was arbitrary in its ruling upon petitions to intervene in proceedings.

Mr. Patrick suggested that Trial Examiners for Federal commissions be organized under a separate agency, such as the Department of Justice, and assigned as needed.

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The Federal Communications Commission this week reaffirmed its recently-adopted policy that competition in the broadcasting field is to be encouraged rather than prevented. In one case it denied a request for a rehearing based on the grounds that a station grant would cut into the revenue of an existing radio outlet, while in another it denied a rehearing on a modification of license.

The intent of Congress would be nullified and the U.S. Supreme Court declaration concerning the desirable effects of competition would be meaningless if the Federal Communications Commission were required to deny a radio station entry into the field merely because it would have an adverse effect on an existing station, the Commission declared in denying petition for a rehearing filed by WLEU Broadcasting Company, Erie, Pa., on the Commission's grant of a construction permit to the Presque Isle Broadcasting Co. for a new station at that place. The Commission said:

"It is a direct contradiction of the proposition that free competition is the basic principle of the American system of broadcasting to contend that the Commission is under a duty to consider the effect which competition may have upon the ability of an existing licensee to continue to serve the public. It is implicit in the idea of free competition that public interest cannot possibly be adversely affected by the failure of an existing station to survive due to increased competition, because this result cannot follow unless the new station's competitive efforts enable it to render a superior public service.

"The Supreme Court has made it perfectly clear that 'Congress intended to leave competition in the field of broadcasting where it found it' and to permit 'a licensee to survive or succumb according to his ability to make his programs attractive to the public.' A licensee is not entitled to be protected from competition and the Commission is under no duty to make findings on the effect of such competition on the licensee."

The Commission noted a vital distinction between the situation where an applicant is not financially qualified and the case where the applicant is so qualified, but points out that the petitioner does not allege that this applicant is not financially qualified but bases its complaint on the possible effect of competetive effort. The statute does not require the Commission to consider the latter factor but makes success or failure in the broadcasting business depend solely on a licensee's "ability to make his programs attractive to the public", the FCC held

WLEU, the only broadcast station in Erie at the present time, operates on 1420 kilocycles with 250 watts, unlimited time. It devotes approximately 40 percent of its time to NBC Blue Network programs. The Presque Isle Broadcasting Co., which received

a construction permit March 13, proposes a local program service. There are 75 churches, 25 charitable organizations, 30 educational institutions, and more than 100 civic or social organizations in Erie. The Presque Isle Broadcasting Co. proposes to operate on 1500 kilocycles with 250 watts day and 100 watts night.

In another sense the FCC held that there is no statutory or other requirement that it withhold action on a broadcast application, which it deems in the public interest, in order to consider such application on a comparable basis with some pending application. The Commission denied petition filed by Station WCBD, Chicago, for rehearing of the grant, on May 8, of application by the Evangelical Luthern Synod for modification of license for its station KFUO, Clayton, Mo., to change frequency from 550 kilocycles to 830 kilocycles, with 1 kilowatt power to local sunset at Denver, and a petition for return of KFUO's subsequent application to increase power to 5 KW as a Class II station.

Station WCBD is scheduled for hearing on its application to change its frequency from 1080 kilocycles to 830 kilocycles with 5 kilowatts power daytime. In denying WCBD's first petition, the Commission commented:

"Before petitioner's application can be denied, it must be afforded an opportunity to be heard on any grounds which we have for denying the application, and if the only basis for denying petitioner's application is the superiority of the service rendered or possessed by Evangelical Luthern Synod (KFUC), petitioner will have ample opportunity to show that its operation as proposed will better serve the public interest than will the operation of KFUC as authorized by the instant grant. The grant herein to KFUC does not preclude the Commission at a later date from taking any action which it may find will serve the public interest."

FRENCH RADIO SHUTDOWN BY ARMISTICE TERMS

One of the terms of the French-German armistice terms as reported by the British Ministry of Information is that "all wireless transmitting stations in French territory are to stop". This is expected to put a temporary end to all broadcasts from France either by short-wave or long wave.

Radiotelephone service with France was cut off last week, but an emergency radiotelegraph circuit between New York and Bordeaux was put into operation by R. C. A. Communications, Inc., under special authority of the Federal Communications Commission.

FOUR STATIONS WORK OUT INTERFERENCE PROBLEM

Four unrelated radio stations in various parts of the country wanted to increase their respective power of transmission. To do this involved mutual interference. So, through the medium of the Federal Communications Commission, they worked out a directional antenna system that will enable them to cover more territory yet, at the same time, not "collide" with one another's transmissions.

The result of this get-together was climaxed when the Commission today (June 25) authorized construction permits as follows:

WAAT, Bremer Broadcasting Corp., Jersey City, N.J., to move transmitter to Kearney, N.J., increase power from 500 watts to 1 kilowatt, and increase hours of operation from daytime to unlimited time. WAAT operates on 940 kilocycles.

WAVE, Inc., Louisville, Ky., to move transmitter to near Jeffersonville, Ind., and increase power from 1 kilowatt to 5 kilowatts. WAVE operates on 940 kilocycles.

WCSH, Congress Square Hotel, Portland, Me., to increase power from 1 kilowatt night and 2 kilowatts day, to 5 kilowatts unlimited time. WCSH operates on 940 kilocycles.

WDAY, Inc., Fargo, N. Dakota, to increase night power from 1 kilowatt to 5 kilowatts. WDAY has operated with 5 kilowatts day on the frequency 940 kilocycles.

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G.O.P. WOMEN GET THRILL OUT OF TELEVISION

One of the chief forms of feminine entertainment at the Republican Convention was "appearing on television", according to a staff correspondent of the <u>Washington Post</u>.

"Two companies are busy rounding up women to be interviewed, and are offering free advice on television clothes on the side", the paper said.
"It may sound funny in 1980, but the thought of being

seen 200 miles is furnishing a big thrill.

"Off the face hats, black and white or dark blue and white dresses make the best television showing. Gay red hats fade away to gray and checked coats look terrible. "

NAB URGES CAUTION IN HANDLING FOREIGN LANGUAGE BROADCASTS

The Board of Directors of the National Association of Broadcasters is urging all broadcasting stations carrying foreign language programs "to exercise extreme precautions against the use of their facilities, wittingly, or unwittingly, to promote propaganda inimical to the interests of the United States".

The Board, at a meeting in New York, adopted the following resolution:

"RESOLVED, that the Board of Directors of the National Association of Broadcasters recognizes the importance of preserving freedom of speech and radio, and the necessity of serving the interests of that segment of the listening public which is most effectively reached by broadcasts in foreign languages. During the present period of emergency, stations carrying foreign language broadcasts are urged to exercise extreme precautions against the use of their facilities, wittingly or unwittingly, to promote propaganda inimical to the interests of the United States. Scripts should be carefully scrutinized in advance by station managers, and appropriate measures should be taken to guard against deviation from approved scripts."

In connection with the resolution, Neville Miller, NAB President, said:

"The Board, mindful of the traditions of free speech and free radio, and of the value of foreign language broadcasting to reach important groups of citizens, urgently recommends to all stations carrying foreign languages that in advance of their presentation,

- "(1) All scripts in foreign languages be carefully read and appraised in the light of American national defense;
- "(2) After the station's approval of such scripts, adequate and capable linguists in whom complete confidence may be reposed, shall be utilized to supervise active presentation on the air to prevent possible ad lib insertions or deviations from the scripts;
- "(3) A complete file of continuity and script of all foreign language broadcasts should be kept.

"The Board further is of the opinion that the licensees of broadcasting stations operating in the foreign language field are capable of handling this problem intelligently and voluntarily and their service to national defense, both potential and actual, in maintaining intimate contact and understanding with foreign language groups should be maintained."

LOS ANGELES GETS COASTAL TELEGRAPH LICENSE

The City of Los Angeles has been licensed by the Federal Communications Commission to operate a coastal telegraph station on frequencies 2274 and 4780 kilocycles with 50 watts power, unlimited time, for communication between that city's Department of Water and Power headquarters at Boulder City, Nevada, and its patrol launch on Lake Mead behind Boulder Dam. The applicant proposes to adjust his present special emergency radio Station KIKH, to the new service.

"Lake Mead is approximately 115 miles in length and is navigable for practically that entire distance", according to the applicant. "Vessels patroling away from the home port at Boulder City may easily be disabled by hidden rocks or rough water. Since there are no supplies, and practically no human habitation along the lake shores, transportation on the lake is hazardous to both life and property. Vessels in the upper reaches of the lake are often five to seven hours, at top speed, away from the home port. Therefore, the need for communication is obvious if proper safeguards for the safety of passengers and equipment are to be taken."

The license was granted upon the express condition that interference will not be caused to any Canadian station. The applicant will hold itself open as a common carrier for coastal service on Lake Mead and, if need be, make such service available to other craft there.

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N.Y.A. WORKERS SET UP OWN RADIO SYSTEM

A new system of radio communications similar to that of the amateurs' American Radio Relay League is growing up in the United States.

Aubrey Williams, National Youth Administrator, disclosed this week that N.Y.A. workers were building on their own time a series of short-wave radio stations which could be used as an auxiliary government communications means in an emergency.

He said the stations, linking both coasts and stretching from the Canadian border to Puerto Rico, would be operated by N.Y.A. clubs during spare hours. In times of emergency they could be taken over by the government, he added.

The program contemplates the creation of trunk lines down the Atlantic Coast, connecting Maine and Puerto Rico; another in the Middle West linking North Dakota and Texas, and a third down the Pacific Coast. The trunk lines will be connected by laterals running from the Atlantic to the Pacific.

FTC CHARGES MISREPRESENTATION IN TUBE DEVICE

Misrepresentation of an electrical and mechanical device for attachment to radio receiving sets is alleged in a Federal Trade Commission complaint issued against The Perfect Manufacturing Company, trading as R. E. Engineers, Madison Road, Cincinnati.

According to the complaint, the respondent represented that its device "Add-A-Tube" will give longer life to radio tubes, will improve radio reception, will make it possible to receive radio broadcasts from domestic and foreign stations which could not be received without use of this device, and will bring the user's radio up to date, when such are not the facts.

It is further alleged that the respondent advertised that use of its device will give any radio the tone, sharpness of selectivity and the static-free reception found in the most expensive radio sets on the market, will improve reception on every type of radio receiving set, will give the user's radio automatic volume control and guarantee clear local and long-distance reception, and will make an old radio receiving set as efficient as modern sets, when actually it will not accomplish all the results claimed.

Through the use of the name "Add-A-Tube", the complaint continues, the respondent implies that its device, when attached to a radio receiving set, gives the set an additional tube, when such is not a fact.

Alleging violation of the Federal Trade Commission Act, the complaint grants the respondent 20 days for filing answer.

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ONLY ONE "HAM" PROTESTS FCC RULING

As a result of its recent orders curtailing amateur radio activities in view of world conditions, the Federal Communications Commission has received but one letter of protest. It came from a California "ham". The Commission replied that it considers its action "not only entirely justified but necessary in the interests of neutrality and national defense". From responses received from amateur organizations and individual amateur operators throughout the country, the Commission "feels that the amateurs are fully appreciative of the reasons for the adoption of this temporary ban on amateur activities, and that the amateurs will full cooperate in its enforcement."

The Commission has received numerous letters from amateurs offering their services in the present situation. These offers run from a Kenmore, New York amateur's desire to "monitor"

radio transmissions in my spare time" to a Highland Park, Ill., amateur's proposal to form "a citizens' listening league" to combat Fifth Column activities.

"While the Commission desires not to assign duties in this respect", an FCC spokesman said, "it appreciates the desire to cooperate and advises such interested persons that if they are in a position to furnish information concerning unlicensed operation or other violation of the Communications Act and the Commission's rules and regulations they should communicate with the Inspector in Charge of the nearest FCC field office."

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TEXT OF FCC ORDER REQUIRING CITIZENSHIP PROOF

Following is the text of the order adopted by the Federal Communications Commission last week requiring that all commercial or amateur radio operators produce proof of American citizenship:

"Pursuant to authority contained in the Communications Act of 1934, as amended,

"IT IS ORDERED, That on or before the 15th day of August, 1940, each radio operator who holds an outstanding commercial or amateur radio operator license issued by this Commission, shall file with the Commission his response, under oath, to the attached questionnaire (Form No. 735) and shall furnish the additional data and documents required therein;

"IT IS FURTHER ORDERED, That on and after the date of this Order, each application for a new commercial or amateur radio operator license shall be accompanied by the applicant's response, under oath, to the attached questionnaire (Form Nl. 735) together with the additional data and documents required therein;

"IT IS FURTHER ORDERED, That on and after the date of this Order, each application for a renewal of a commercial or amateur radio operator license shall be accompanied by the applicant's response to the attached questionnaire (Form No. 735), together with the additional data and documents required therein; Provided, however, that such response need not be submitted with a renewal application if a response previously has been made pursuant to the first ordering paragraph herein.

"This Order shall become effective immediately."

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World Radio Market reports issued recently by the U.S. Bureau of Foreign and Domestic Commerce include Nicaragua, Guadeloupe, Palestine and British Honduras.

The Federal Communications Commission has amended Paragraph 4(d) of Administrative Order No. 2, by adding the following language after the phrase, "applications for relay broadcast stations":

"Applications for consent to assignment of licenses or for consent to transfer of control of licensees of relay broadcast stations, when the Commission has on a prior date consented to a like assignment or transfer of control of the licensee of the standard broadcast station with which the relay stations are affiliated."

RCA Victor this week placed on the market a miniature "Personal Radio", which can be carried around like a book and sells for \$20. It weighs only $4\frac{1}{4}$ pounds.

The Columbia Broadcasting System has released a new brochure, entitled "More for the Money", which reveals that CBS advertisers now reach their audiences at 43% less cost per listener than they did four years back. The determination of net circulation costs, a figure long desired by advertisers who want exact measurements on their advertising investment, was made by CBS after reviewing the gross circulation figures and the CAB program ratings. From these figures network statisticians show that the total audiences for median CBS half-hour evening programs (combining the increase in CAB ratings with the increase in radio families) have risen 154% in four years. CBS time and talent costs have increased very much slower than this. As a result, the net cost per 1,000 listeners, actually delivered the individual advertiser for a typical CBS half-hour evening program, dropped 43% during the same period.

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FCC FIXES THINGS SO THAT QUORUM ISN'T NECESSARY

With sultry Summer days ahead, the Federal Communications Commission has altered its own administrative rules so that the Commission can function without a quorum in most matters.

It adopted this week the following order:

"IT IS ORDERED, That, whenever the Chairman or Acting Chairman of the Commission shall determine a quorum of the Commission is not present, he is authorized to place the following provisions in effect for the period during which such absence or inability to act may continue:

- Board consisting of all members of the Commission present and able to act, all work, business, or functions of the Federal Communications Commission arising under the Communications Act of 1934, as amended, except that portion of the work, business, or functions of the Federal Communications Commission assigned and referred to the respective Boards and individual Commissioners as provided in Administrative Order No. 2, as amended; Provided, however, that this authority shall not extend to investigations instituted upon the Commission's own motion or, without consent of the parties thereto, to contested proceedings involving the taking of testimony at public hearings, or to investigations specifically required by the Communications Act of 1934, as amended.
- "(2) The Board created by sub-paragraph (1) acting by a majority thereof, shall have power and authority to hear and determine, order, certify, report, or otherwise act as to any of said work, business, or functions so assigned or referred to it, and in respect thereof shall have all the jurisdiction and powers conferred by law upon the Commission, and be subject to the same duties and obligations. Any order, decision, or report made or other action taken by said Board in respect of any matters so assigned or referred shall have the same force and effect, and may be made, evidenced and enforced in the same manner as if made, or taken by the Commission.
- "(3) Any party affected by any order, decision or report of said Board may file a petition for rehearing by the Commission, as provided by Section 1.271 of the Commission's Rules of Practice and Procedure, and every such petition shall be passed upon by the Commission.

"This Order shall become effective on the 1st day of July, 1940."