

Commercial TV for State College sought, delayed

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Collegian Staff Writer

State College is a town without television. There are television sets here and a cable that brings in television shows from New York and Altoona. WPSX, the University's educational TV station, has its studios in this area. But, in terms of commercial programming that originates locally and is locally-oriented, State College is and always has been a town without television.

But that's not because no one has wanted to operate a TV station here. It's because every attempt to start a station here so far has failed. Currently, Nittany Communications, Inc. (NCI) is continuing the challenge to bring a commercial station to State College and is making its case before the Federal Communications Commission (FCC).

NCI's public inspection files, kept to fulfill an FCC requirement, show that on March 20, 1975, NCI filed with the FCC for a construction permit to build a commercial UHF television station for Channel 29 in State College.

The application is extensive, including studies, surveys, graphs and maps required to provide the FCC with technical information. It covers, for example, the proposed antenna height, the range of its signal and evidence that NCI has studied the possible hazards to aviation that its antenna tower may cause and is prepared to provide whatever safety precautions are necessary.

Although it is impossible to go into all the particulars of NCI's application, it is possible to outline some of the FCC's requirements of all broadcast applicants.

The FCC requires broadcast applicants for a construction permit to demonstrate that they are legally, technically and financially qualified to operate a station, according to an attorney in the FCC's Broadcast Bureau whose name is being withheld at his request.

The attorney describes the following typical requirements of a broadcast applicant:

—A survey, personally conducted by the applicants, community leaders and members of the general public from the areas that the new station will serve. From the results of this survey, the applicant should determine what the areas' needs and problems are and should propose programming to the FCC that is in accordance with serving these needs.

— a financial statement, listing the applicant's assets, liabilities and available lines of credit. Each applicant is expected to show sufficient funds to construct and operate the station for at least one year.

— a statement disclosing all principals and directors of the corporation applying, including all stockholders with an interest of three per cent or more. This statement also must disclose any principals having other media holdings in the same community to guard against violations of FCC regulations which prohibit multiple ownership of media properties.

NCI provided the FCC with information to meet these requirements in its March, 1975 application. On May 15, 1975, State College Communications Corporation (SCCC), holder of the broadcast licenses for WRSC and WQWK (FM), two State College radio stations, filed with the FCC a petition to deny the application made by NCI.

SCCC raises several questions about the merits of the NCI application in its 57-page petition. Among them:

— SCCC charges that the survey NCI submitted to the FCC was improperly conducted and was not in accordance with FCC regulations.

— SCCC says that Reed Allison, a principal of NCI, did not personally conduct the required community leader surveys, but instructed his secretary to conduct the surveys for him, in violation of FCC regulations.

— SCCC also finds fault with NCI's disclosure of its principals. It charges that Charles T. Aikens, II, publisher and majority stockholder of the Centre Daily Times, State College's largest newspaper, is an undisclosed principal.

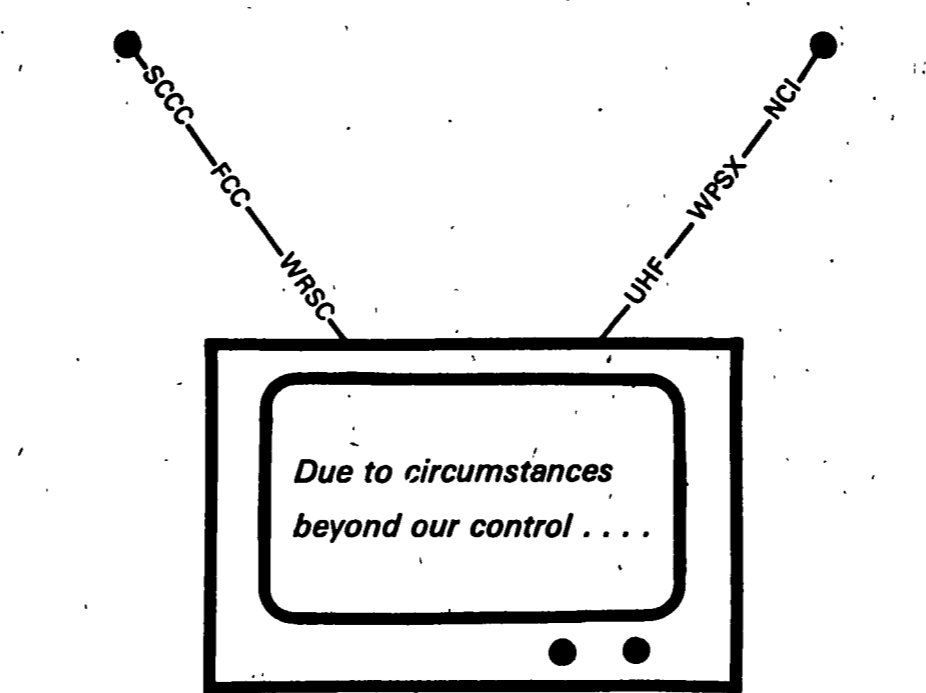
— SCCC alleges that the financial interest of Henry Forker, Aikens' son-in-law, in NCI is actually controlled by Aikens and is influenced by him.

— In addition, SCCC makes a number of charges regarding the financial qualifications of NCI.

In order to "correct, clarify or update information contained in the original application," NCI has amended its application three times since SCCC's petition to deny, according to NCI's public inspection files.

Fred Nicholas, president of NCI, says Allison simply failed to follow FCC instructions when conducting his community leader surveys.

"It was wholly a matter of ignorance when Allison had his secretary do the



surveys for him," Nicholas says. "He (Allison) obviously didn't read the instructions in the FCC primer that said he had to do the surveys himself."

NCI denies SCCC's charges that Aikens, a former stockholder in NCI, has any control over Forker's NCI holdings. It says Forker paid for his holdings with cash from a personal trust fund and is not influenced by Aikens in any way with regard to his dealings with NCI.

Nicholas says Aikens' association with NCI ended when the corporation's attorneys informed it that the FCC had a rule barring persons with media holdings from being involved with new media ventures in the same community.

"Aikens did not want to impede the FCC's processing of our application and it was mutually agreed that Aikens would terminate his relationship with NCI," Nicholas says.

In answer to the charge that NCI is not financially qualified to operate a television station, Nicholas says that NCI has provided supporting evidence for its projected first-year operating budget in the amendments to its application. These are financial justifications included in NCI's files and are available for public inspection.

NCI soon realized that the FCC would delay action on its application until it

studied both SCCC's charges and NCI's amendments. NCI then seems to have decided to show SCCC how it feels to wait.

NCI began to make some charges of its own. On June 26, 1975, it filed a petition with the FCC to deny SCCC's license renewals for WRSC and WQWK (FM). NCI contends in the petition to deny that the SCCC effort to halt the television station's construction permit was not in the public interest, but with the intent of delaying or obstructing the processing of NCI's application. In effect, NCI charged that the SCCC petition to deny was a "strike" petition.

Roderick Porter, FCC Counsel for the Chief of the Broadcast Bureau, says the term "strike" petition means that one party may not have filed charges against another party in good faith, but with the sole intent of blocking the other party's application.

Porter points out that the FCC not only could rule that the SCCC petition is a "strike" petition; but it could also find some merit in SCCC's charges against NCI.

Nicholas contends that there's no question that SCCC filed a "strike" petition against NCI. He says SCCC went through the NCI application "with a fine-tooth comb to find anything that might seem irregular" so that it could find

something on which to base its petition to deny against NCI.

Nicholas says SCCC is afraid of losing advertising revenue and filed the petition against NCI in hopes of preventing a television competitor from entering the advertising market in State College.

"They have succeeded in delaying the processing of our application," Nicholas says. "We probably would have had the construction permit by now if not for SCCC's petition to deny."

Robert K. Zimmerman, vice president and general manager of WRSC and WQWK (FM), flatly denies NCI's "strike" petition charges.

"We are not trying to restrain competition from NCI in order to monopolize advertising in State College. That is not the purpose of our petition to deny," Zimmerman says. "How can anybody hope to eliminate competition just by stopping the TV station from going through when there are already so many competitors in the ad market in State College—three daily newspapers, seven radio stations and 'Town and Gown'?"

In the wake of NCI's petition to deny the license renewals of WRSC and WQWK (FM), the FCC has been prompted to action. The Commission has scheduled a June 1 hearing in State College to determine whether the SCCC petition to deny is indeed a "strike" petition against NCI's application.

Nicholas says NCI plans to present at the hearing testimony from four individuals, two of whom are NCI principals, who have filed affidavits with the FCC charging that Zimmerman made statements to them indicating he would do all he could to delay NCI's application.

"Zimmerman made statements to these four people that he would see to it that we never get on the air," Nicholas says. "The FCC wouldn't have gone to the trouble of scheduling this hearing if the charges we made against SCCC weren't valid."

Zimmerman would not comment on the June 1 hearing except to say he feels the FCC will "do the fair thing for all parties involved."

Irwin Friedland, FCC Chief for the Law Review Board, says the Commission will take some action against SCCC if the hearing yields evidence that the SCCC petition to deny is a "strike" petition.

"The FCC could fine the stations and permit their licenses to be renewed, thus

allowing them to continue broadcast operations," Friedland says. "Or the Commission could decide to try to revoke SCCC's broadcast licenses. This would mean another hearing, like a trial, before an administrative law judge, to determine whether revoking the licenses of WRSC and WQWK (FM) would be in the public interest."

Porter says SCCC could appeal any FCC decisions that go against it to the Commission and later to the U.S. Court of Appeals and the U.S. Supreme Court.

While the FCC has taken initial steps on the SCCC license renewal case, it still is determining what impact, if any, SCCC's petition to deny will have on the NCI application, Porter says.

Nicholas, however, seems quite confident that NCI will get its construction permit and that State College will welcome a television station with open arms.

"All the contact we've had with the University and local government officials and businessmen so far has been favorable," Nicholas says.

But if representative community groups such as the University, the Municipal Council and the State College Area Chamber of Commerce are as in favor of a TV station as Nicholas says they are, they aren't making any public statements to that effect.

Stanley Ikenberry, the University's Vice President for Public Information, says he knows of no official position taken by the University either in favor of or in opposition to NCI's plans to build a television station in State College.

Carl Fairbanks, State College Municipal Manager, says individual council members may have voiced their approval of NCI's plans, but, as a whole, the Municipal Council has neither taken a position on the NCI application nor has it been requested to do so.

David Stetson, executive director of the State College Area Chamber of Commerce, says his group has made no policy statements on the issue of a TV station for State College. He adds that no area businessmen have even approached him with their comments about the proposed television station.

Nicholas, however, seems sure of the support of these groups. And when asked if he expects to get a construction permit, he doesn't hesitate to answer.

"We'll get it eventually," he replies.

Explosion rocks Soviet embassy

MOSCOW (UPI) — An explosion shattered the entrance to the Soviet Embassy in Peking yesterday, killing two Chinese guards, the official news agency Tass reported. The Kremlin immediately lodged a protest with Peking.

The two-paragraph item

did not detail what caused the blast, but said the explosion took place "at the gates of the USSR Embassy" in the Chinese capital.

Tass said Soviet diplomats lodged an immediate protest with Peking authorities, adding, "It was only by chance that there were no casualties among embassy staff."

The incident came a day

after the Soviet Union made it known to Peking that it was ready to resume talks which have been deadlocked for years on disputed border areas. Since the deadlock developed, each side has kept up a barrage of propaganda.

In a Pravda article, which Western observers described as "very authoritative," the Soviets said, "A package of constructive proposals from

the Soviet delegation lies on the table of the Soviet-Chinese negotiations on a frontier settlement."

The border talks have been at a standstill since October, 1969. The dispute started in March that year when troops of the two countries clashed at Damansky Island on Ussuri River. There since have been reports of other border clashes.

Observers said the Pravda article seemed to suggest that the Soviets were ready for another try at the thorny issue now that the question of a successor to the late Premier Chou En-Lai apparently had been resolved.

Despite acrimonious relations between the two countries, the Soviets are reported to have a staff of several hundreds.

England bank officials suspect

LONDON (UPI) — Bank of England senior officials, world-wide symbols of financial probity, are being investigated for suspected currency smuggling and fraud involving up to \$100 million, financial sources said yesterday.

The bank said "enforcement officers" of the Treasury department were aiding its own security personnel in trying to learn "whether any official of the bank has knowingly been involved in any breaches of the Exchange Control Act."

The 1947 law regulates the movement of sterling and foreign currency in and out of Britain and the government-run bank has primary responsibility for its enforcement.

The bank said criminal prosecution would follow if there was evidence of illicit

deals but gave no details of the area of the investigation.

However, sources in the City of London, the financial district where the bank is located, said yesterday the probe followed discovery of an apparent currency smuggling and fraud racket involving up to \$100 million.

The sources said the illicit millions were gleaned through manipulation of an investment currency premium of up to 50 per cent charged by the Treasury on sterling converted to foreign currency for investment abroad.

The premium, minus 25 per cent retained by the Treasury, is repaid to the Treasury investor when he sells his overseas holding and converts the proceeds back into pounds.

In recent trials of currency smugglers, the Treasury charged that large amounts of sterling were being taken out of the country — often by pretty girls carrying the bills in suitcases — without the premium being paid.

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