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Today:

TCI'S MAGNESS, CABLE OVERBUILDER, LINKED TO BCCI: Congressional probe likely in failed bank's links to cable. Magness and Romrell sold Capcom stock when indictment was returned. Top BCCI owner involved in Savannah overbuild. (P. 1)

COMMENTERS SEEK FCC POLITICAL ADJUSTMENTS BEFORE 1992 CAMPAIGNS: Major concerns include candidate ads in news, clarification of past rulings, need for updated primer, lowest-unit rate. (P. 2)

CAPPUCCINO? ESPRESSO? COMPUTER? New service puts electronic mail in San Francisco coffeehouses. Computer-based shopping planned in San Diego. (P. 3)

Congressional Probe Under Way

TCI OFFICIALS AND CABLE OVERBUILDER SAID TO HAVE LINKS TO BCCI

Scandal involving Bank of Credit & Commerce International (BCCI) has touched cable industry in at least 2 places, Capitol Hill investigators and cable officials confirmed. TCI Chmn. Robert Magness and Senior Vp Larry Romrell were founding shareholders and board members of Capcom Financial Services, which has been indicted on alleged money-laundering charges in connection with BCCI. And, Gaith Pharaon, who was 15% owner of BCCI and headed company's U.S. operations, is 50% owner of Stirling Cable, which applied for franchise to overbuild ATC cable system in Savannah, officials said.

Connections to BCCI are under investigation in Senate, key aide said. Aide also said BCCI links to "major international news media outlet" are being looked into, but refused to identify outlet. Spokesman for Senate Terrorism Subcommittee investigators, who have been looking into BCCI from gun- and drug-running angles, among others, for several years for Chmn. Kerry (D-Mass.), said they were "well aware" of 2 cable ties with BCCI and planned further probe.

TCI itself had no business dealings with anyone connected with BCCI "to our knowledge," spokeswoman said. Officials confirmed report by *New York* magazine that Magness and Romrell had personal investments in Capcom, but said they had no information as to extent of holdings. Magazine said in issue just reaching newsstands that Magness started with 10,000 shares of Capcom stock in 1984 (value unavailable), with holding eventually growing to 250,000 shares. Magazine said Romrell's ownership increased from 110,000 to 2.75 million shares, but Romrell said through spokesman that he never owned more than 250,000 shares, wasn't involved in day-to-day activities and wasn't aware of illegal activities.

Capcom handled about half of brokerage transactions for BCCI before executives were indicted on criminal charges of laundering drug money in Oct. 1988. British press has claimed that Capcom was used to hide losses from BCCI's bad loans. Other founding members of Capcom were Hattan Pharaon, brother of Gaith Pharaon, BCCI investors Kamal Adham and Sayed Jawhary, and Syed Ali Akbar, head of BCCI's treasury operations in London who suggested that setting up own brokerage operation would reduce BCCI's transaction costs.

Magness and Romrell sold their Capcom holdings at loss and resigned from its board within week after company was indicted in 1988, officials said. TCI spokeswoman said it would have no further comment on outside business activities that employees were involved in. Neither Magness nor Romrell returned telephone calls Mon.

In Savannah, Stirling Cable applied for city franchise for overbuild June 7. City Council has voted since to hire consultant to evaluate bid, with study to be completed in 4-6 weeks. Council also voted to accept Stirling proposals

ent situation exists for those who sign on from home. It's now free service, although that will change in Sept., when home users will pay \$5 per month for open service use 6 a.m.-noon, but after noon will be limited to one hour per day unless they purchase extra time at \$2 per hour.

Callers to SFNet have option to use live chat service or to use message center and bulletin boards. They aren't required to use their own names or locations, so electronic pen names, some printable, are used. One customer on recent evening was blind person who has speech synthesizer with Australian accent as well as Braille keyboard. Chat commands allow customers to talk with all participants on system, so that everyone can read discussion, find out who's on-line or use any of 40 private channels on CB simulator. Bulletin board has 14 categories, including general category, current events, politics, movies, books and poetry, cars, music, environment and "the love connection." Last is one reason that introductory message, which calls SFNet "the first true public message forum," also warns that system is only a conduit and that operators "accept no responsibility for the actions or statements" of users.

Another new Cal.-based service being developed at other end of state is PowerVision, shopping service similar to Prodigy that expects to begin operations in Oct. While SFNet is simple text, PowerVision uses high-powered color graphics and even photographs (such as in "picture perfect" personals section) to make product attractive. Kevin Hammond, one of developers, said his product is using new software to transmit photographs. Hammond expects service to begin operating in Oct., first in San Diego area and then nationwide through packet network.

Main point of PowerVision is to provide cheaper prices for shoppers for products as well as services from national and local vendors. Demonstration disc showed that planned basic services include news, weather, electronic mail and "picture perfect," with premium services including encyclopedia, stock quotes, directories. It would cost \$79 to sign up, plus \$18.95 monthly and 9¢ per min. after first 2 hours per month, according to demonstration. Hammond plans to sell PowerVision, part of Videotex of America, through multilevel marketing plan in which customers can sign up others for fee.

There's one connection between Gregori and Hammond and his partners. Hammond was master dealer for former Data-Tel Video Text operation, who later sued Data Tel founder Marlon Matson. Gregori was briefly information provider for Data Tel who became disillusioned with project.

COMMUNICATIONS PERSONALS

Marjorie Greene, FCC assoc. gen. counsel, will become member of Review Board, to be replaced by **Lauren (Pete) Belvin**, mass media adviser to FCC Chmn. **Sikes**... TCI Vp-Govt. Affairs **Robert Thomson** promoted to senior vp-communications and policy planning and will continue to oversee govt. affairs... **Richard Cundari**, former AT&T regional vp, appointed division vp, Northeast, NCR Corp... **Donald Mirrione**, ex-Venus Scientific, named vp-engineering, Quadri Electronics... **Joe Childs**, vp-sales, Chapparel Communications, leaves to become business prof., Oradea U., Romania... **Marshall Ellison**, ex-Federal Technology Corp., joins Microdyne as asst. treas. and SEC Compliance Officer... **DeDe Ferrell** named NAB mgr.-House govt. relations... **Rudy Wann**, ex-Tiger Media, joins IDB Communications as senior dir.-finance, **Mary Brennan**, ex-Mobile Technology, named dir.-financial reporting... **Stephen Tom**, vp, East Coast, Keystone Communications, adds duties of managing dir.-International Div., succeeding **Robert Wold**, resigned... **Peter Chislett** appointed dir., Snapware Group, Mktg. Resources Plus.

Gary Massaglia named chmn., Cable TV Assn. of Md.-Del.-D.C... **Elyse Kaplan**, ex-Young & Rubicam, named dir.-ads, Showtime Networks... **Joe O'Connor**, ex-PC Designs, appointed mgr.-business operations, United Video, new post... **Phillip Mueller**, ex-Ford Motor, joins Prevue Networks as affiliate mktg. rep... **Kathy Wilson** named mgr.-corporate communications, Microlog, succeeding **Margie Roman**... Nominated to Society of Satellite Professionals International board: **Betty Alewine**, Comsat; **Robert Kinzie**, Intelsat; **Irl Marshall**, consultant; **Polly Rash**, Space Systems/Loral; **Karl Savatiel**, AT&T Communications; **Mack Schwing**, Deloitte & Touche; **C.J. Waylan**, GTE Spacenet... **Colin Ungaro**, ex-*Communications Week*, appointed pres.-CEO, Network World Publishing and publisher, *Network World*, succeeding **Gary Beach**, named pres.-publisher *Computer World*... **Craig Evans**, ex-Young & Rubicam, appointed vp-Corporate Market Development Div., Home Shopping Network Entertainment.

TELEPHONY

NCR has set 11:30 a.m. Sept. 13 for shareholder meeting in Dayton to vote on AT&T's merger proposal. Company plans to file more merger documents with SEC today, NCR spokesman said.

is lowest-unit-rate requirement: "The Commission must enunciate clear principles supplemented by examples." It also urged Commission to retain policy permitting licensees to refuse to sell political time in news programming.

FCC rulemaking provides "an overdue opportunity" for agency to clarify its policies and to "establish a workable procedure for the determination and dissemination" of its rules, 6 broadcast groups said. Commission interpretations of Sec. 315 "should return to the fundamental touchstone of that statute -- the congressional intent that political candidates should be treated as favorably, but not more favorably, than commercial advertisers." Past FCC staff rulings requiring licensees to provide rates and privileges to candidates not offered to any advertiser "are not grounded in the language or spirit" of equal time law, groups said, and "should be abandoned... In the current environment, stations must steer between the shoals of suits by increasingly litigious political candidates... and potential liability under federal election laws." Comments were signed by Benedek Bcstg., LIN Bcstg., Midwest TV, Post-Newsweek Stations, Providence Journal Co., Spartan Radiocasting.

Another combination of 7 groups -- representing 21 TV and 21 radio stations -- urged FCC to clarify and codify its rules through updated primer by "issuing more explicit guidelines in several areas in which Commission policies are at present confusing." Particularly needed, groups said, is clarification as to political rate disclosure requirements. Prime difficulty for both licensees and candidates in understanding political broadcast law and policy is in applying those principles "to an extraordinarily complex array of selling and operating practices" that are in continuing change, they told FCC. Agency should make available flexible procedures "under which all parties may obtain prompt staff guidance," and Commission's enforcement policies should be "remedial and prospective in nature, not punitive." Licensees signing filing: Castle Bcstg., Great American TV & Radio, Kelly Bcstg., McGraw-Hill Bcstg., N.Y. Times Co., Renaissance Communications, WFRV-TV Inc., Green Bay.

'Cafe Society' On-Line

NEW ON-LINE SERVICE STARTS IN SAN FRANCISCO RESTAURANTS

Customers at 5 coffee houses around San Francisco have new way to pass time besides discussing music or philosophy -- using computers built into table to "talk" with friends who are in other coffee houses linked by new service, SFNet, which started operations at end of July.

SFNet's goal is to expand electronic bulletin boards into clientele that doesn't usually use them, said service's owner, Wayne Gregori, entrepreneur who also runs E-mail business for ordering Compact Discs. Majority of people who use computers are white collar, with similar attitudes, Gregori said. He's trying to broaden base while tapping into developing phenomenon of coffee bars, places with rapidly building clientele that patrons consider as 2nd home to stop by, talk or play chess. Gregori said his goal is to expand into dozens more of San Francisco coffee houses, then think about linking similar establishments in other cities.

Gregori said he got idea 8 months ago and started to design and build specially constructed tables that have computers built into them. Computer monitor is under glass at one side of table; keyboard, covered with neoprene to protect it from spills, can be pulled out from under. Gregori said he had difficulty persuading coffee bar owners to let him install tables, but one of saving graces was table itself. He describes it as "a stylish piece of furniture" to which people will gravitate "because it doesn't look like a geeky computer." According to Gregori's philosophy: "Every videotex company is hoping to move computers to a \$200 pricing point. We just put them [computers] where people can use them. We show what computers do best, they communicate."

First installations were completed 3 weeks ago in 5 San Francisco locations, and Gregori said he expects to put 2 more into similar establishments in Berkeley near U. of Cal. He hasn't done any advertising, but says service is receiving about 400 calls daily 6 a.m.-midnight. In 4 of first 5 establishments, system has become integral part of environment, with customers becoming very protective of electronics, he said. Even if keyboard needs to be replaced, that costs only \$22, Gregori said. Because all calls are local, communications costs are low.

Key factor in success of network is owner of coffee house. If owner is enthusiastic, Gregori said, that trickles down to employes and is communicated to customers. Frank Swais, owner of Horseshoe Coffee House on Haight St., said computer table is catching on with his customers: "People are using it all the time." Most business comes in evenings, as customers chat with friends in other cafes. Cafe owners are integral part of Gregori's business plan. Those wanting to sign onto network from coffee houses purchase tickets in cafe, with \$1 ticket good for 20 min. of use. Of that dollar, 40¢ goes to cafe owner. User signs on with ticket number, which is checked for validity. Differ-