

Telecommunication

July 3, 1969

MEMORANDUM FOR JOHN EHRlichMAN

Regarding the WFIX television station license renewal in New York City, I attach an outline of our understanding of the issue and the current status.

As you may know, this and the WHDH and WLEB cases have caused considerable controversy and considerable alarm among the broadcast groups. It is a question we may become involved in through legislation which has been introduced in the Congress regarding appropriate criteria and procedures for license renewal.

Peter Flanigan has asked me to point out in addition the highly sensitive nature of any expression of interest by the White House in this case since it falls under the quasi-judicial responsibilities of the Commission.

Clay T. Whitehead
Staff Assistant

Attachments

Mr. Eutterfield

cc: Mr. Flanigan

Mr. Whitehead ✓

Central Files

CTWhitehead:ed

June 18 - Citing substantial and material questions of fact, " as well as "substantial public interest." the Broadcast Bureau of FCC rescinded the license renewal for WPIX, announced the application would "remain pending." and placed it in the "deferred action status."

Claims and counter-claims:

- 1) Forum insists they had been assured by the Renewal Branch of FCC that the WPIX license would not be renewed before the last week of May.
- 2) FCC Commissioner Nicholas Johnson, who dissented in the May 21st denial of delay, is reported to have asserted:
 - a) The McCarthy allegations were publicized in Variety six months earlier, and
 - b) Smith was aware of the letter in the Complaints Branch.
- 3) Smith claims:
 - a) The Variety story was referred to FCC general counsel, who told him "to forget it." and
 - b) He did not learn of the McCarthy letter until after his decision to renew WPIX's license.
- 4) The New Republic, citing a "highly confidential inter-office memorandum," insists that Smith asked the Commission for permission to renew the WPIX license the next day (i. e., May 22nd); he was refused this and instructed to proceed with "normal processing." It is alleged he assured the Commission he would hold up renewal until May 26th, but then proceeded to grant it on May 22nd.
- 5) WPIX is quoted as saying, "We have been and will continue to cooperate fully with the FCC...."

Date: June 30, 1969

Time: 6:00 P.M.

FOR ACTION: J. Ehrlichman

cc (for information): P. Flanigan

FROM THE STAFF SECRETARY

DUE: Date: July 4, 1969

Time: 2:00 P.M.

SUBJECT: President's Request for a Report on Whether or Not
"Forum" Gets a Television License in New York City.

ACTION REQUESTED:

- | | |
|--|---|
| <input checked="" type="checkbox"/> For Necessary Action | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Please submit a follow-up report to the President as requested in the attached memorandum.

Please submit a report to this office of when it is expected that you will have the information for the President's report.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

CR
K. R. COLE, JR.
For the President

June 30, 1969

MEMORANDUM FOR: MR. EHRLICHMAN

Over the weekend the President reviewed your June 26th memorandum concerning television station WPIX in New York City. He appreciated your passing on the facts of the matter and asked that you follow up by keeping abreast of the issue and reporting to him. He is especially interested in knowing whether or not "Forum", the ultra-liberal outfit, gets the license.

A
ALEXANDER P. BUTTERFIELD

cc: Mr. Flanigan ✓

WPIX-TV (Channel 11), owned by the New York Daily News, has been in operation since 1948, and is valued at between \$40 and \$50 million. Its license was due for periodic renewal on June 1st.

In the indefinite past (apparently six or seven months ago) a former employee, Nancy McCarthy, wrote a TV colleague alleging that WPIX had broadcast two-and-three-day-old film clips, and represented them as being current. Apparently, this letter found its way to the Complaints and Compliance Division of the Broadcast Bureau of the FCC. It is now claimed the letter was ignored in granting the license renewal.

Sequence of events:

- May 14 - Forum Communications, Inc., (Lawrence C. Grossman, a former NBC vice president - director), reported to be a "community action group," petitioned the FCC to delay the renewal of the WPIX license until May 29th, in order to allow time for Forum to prepare properly and submit a competing application.
- May 21 - FCC denied the Forum petition for delay, but advised that it could submit a "timely application."
- May 22 - 1) Forum submitted a 300-page application; and
2) George S. Smith, Chief of the Broadcast Bureau of FCC, renewed the WPIX license along with 175 uncontested others, allegedly two hours before the Forum submission.
- June 3 - The story broke in the New York Times, and FCC investigators inquired into the McCarthy allegations. She insisted 1) crowd scenes shot in Budapest were broadcast as representing popular reaction to the Czech occupation by Soviet troops; 2) two-and-three-day-old footage of disturbances at San Francisco State College were reproduced as current; and 3) scenes of rioting German students were dubbed into Paris events for effectiveness. She also charged that after she protested personally to WPIX president, Fred Thrower, she was fired the next day.