ABOARD AIR FORCE ONE

Melanne -

(1) See pp. 2 + 16

17 Independent -
We need to get
"hatchet" article Ms. Toynbee
wrote (+ learn lessons
about British journalists.)

(2) Do you know
outcome of W'house
Church'n TV deal for
CBS w/ FCC? HRC

Ask KT
where to
file

PHOTOCOPY
HRC HANDWRITING

Melanne - What finally happened?

Gingrich Wants Backup From G.O.P. Governors

Preparation for Budget Talks With Clinton

By ERNEST TOLLERSON

NASHUA, N.H., Nov. 21 — Recruiting additional forces for the budget fight, Speaker Newt Gingrich today invited Republican governors to become his de facto negotiating partners during the talks with the White House that are to begin next week.

Mr. Gingrich said at a meeting of the Republican Governors Association that he hoped that Gov. John M. Engler of Michigan, the group's new chairman, would have a team in Washington every week for the duration of talks over the Republicans' budget plan, which would shift control over a myriad of domestic programs to the states from the Federal Government.

"I hope all the Republican governors will plan to come in the last day or two of negotiations and review where we are because we are partners," Mr. Gingrich said, noting that the 30 Republican governors and Louisiana's Republican governor-elect, State Senator Mike Foster, represent 72 percent of the American people. "That gives us a broad base of support in this country and a broad base of knowledge in this country that allows us to negotiate from a position of strength," he said.

The Speaker's invitation to the governors amplified what Senator Bob Dole, the Senate majority leader, said on Monday in a talk to the governors on video via satellite from Washington. Mr. Dole asked them to choose a team of advisers from among themselves who would be ready to work in Washington on the Monday after Thanksgiving.

In a news conference after his speech, Mr. Gingrich made two points about the balanced-budget talks with the Clinton Administration. First, he chided Leon E. Panetta, the White House chief of staff, for talking about taking more than seven years to achieve a balanced budget.

Mr. Gingrich said that he had talked with Mr. Clinton after Mr. Panetta's remarks and that the President "indicated his reaffirmation of a commitment to seven years." Referring to a letter by Representative Dick Armey of Texas, the House majority leader, Mr. Gingrich said the President "had read Mr. Armey's letter to Mr. Panetta complaining about Mr. Panetta's waffling on the issue and was conversant with it before he called me.

"I thought that was a good sign," the Speaker added.

White House officials have said that Mr. Clinton has agreed to a seven-year timetable for balancing the budget only if a compromise can be reached that would protect Medicare, Medicaid and other listed Democratic priorities.

Mr. Gingrich said today that the budget talks could be wrapped up as early as Dec. 10 if the negotiators were diligent. The budget extension the President and Congress agreed to on Sunday expires on Dec. 15.

The governors seemed eager to offer advice and become de facto negotiators even before Monday, when the talks are scheduled to begin. In letters to Mr. Dole and Mr. Gingrich today, 20 governors said on behalf of the group that they were opposed to an Administration Medicaid proposal to place a per-recipient cap on year-to-year growth of spending.

"Republican governors are unalterably opposed to this concept as an unfunded mandate that would limit the Federal Government's financial responsibility but not the states' responsibility," they said in the letter dated today. The President's approach would slow projected Medicaid growth by $54 billion over seven years, while the block grant approach the Republican governors support would slow that growth by $163 billion in that time.

Governor Engler said at a news conference at the end of the session today: "The bottom line, though, is power to the states. Responsibility, flexibility, freedom returned to the states — and that really is a moral imperative that can not be negotiated away."

Mr. Gingrich's speech also urged the governors to tell their constituents that balancing the Federal budget in seven years will have a silver lining.

"The balanced budget bonus is lower interest rates," said Mr. Gingrich in his address to the closing session of the Republican Governors Association here. "In fact one private sector agency this week estimated that long-term interest rates would be lower by 2.7 percent over your lifetime."

Mr. Gingrich said, "Two percent doesn't sound like much until you start adding it to a mortgage."

He estimated that lower rates would reduce payments on a 30-year mortgage for the average new home by $37,000, shave $960 off a car loan over four years and cut a student loan by $2,100.

"This is real money," the Speaker said.

Whitewater Counsel Objects to Law Firm

LITTLE ROCK, Ark., Nov. 21 (AP) — A law firm defending Gov. Jim Guy Tucker in the Whitewater case should be removed because of conflicts of interest, the Whitewater special prosecutor, Kenneth W. Starr, says.

One of the firm's partners was once indicted in the case and the firm has represented a man planning to testify against Mr. Tucker, said Mr. Starr, who filed a request on Monday asking the court to look into the matter.

The Little Rock firm of Arnold, Grobmyer & Haley is one of three firms defending Mr. Tucker against an Aug. 17 indictment that also names President Clinton's former business partners, James B. and Susan McDougal.

F.C.C. Approval Seen Today For Westinghouse-CBS Deal

Plans on Children's TV Were in Dispute

By EDMUND L. ANDREWS

WASHINGTON, Nov. 21 — After two weeks of feuding over children's television, the Federal Communications Commission is expected on Wednesday to approve the Westinghouse Electric Corporation's $5.4 billion purchase of CBS Inc.

The approval has never been in much doubt — all five commissioners have made it clear that they did not oppose the merger. But the decision did become embroiled in an internecine agency debate over how the approval should be couched.

Reed E. Hundt, chairman of the commission, wanted to link the agency's approval to a pledge that Westinghouse made in September to carry at least three hours of educational children's programming a week on its stations.

But three other commissioners — Andrew C. Barrett and Rachelle B. Chong, both Republicans, and James H. Quello, a Democrat — have repeatedly maintained that their approval has nothing to do with the Westinghouse pledge. They insisted that the agency make it clear that it was in no way demanding that CBS or Westinghouse meet any quantitative requirements for children's programming as a condition of approval.

The backdrop for this feuding stems from Mr. Hundt's highly public campaign for regulations that would require at least three hours of educational children's television a week as a condition for renewing broadcast licenses.

People within the agency say Mr. Hundt essentially lost the argument over how to frame the CBS decision.

The decision on Wednesday will note that there is no prima facie evidence that CBS or Westinghouse violated provisions of the Children's Television Act, which has a vaguely worded requirement that television stations address the educational needs of children, and that the approval is not contingent on the three-hour pledge. The decision will also note that the law contains no quantitative requirements for children's programming.

The two companies, which will have a total of 16 television stations nationwide and 21 FM and 18 AM radio stations, have asked the F.C.C. for a series of waivers from current restrictions on the number of radio and television stations that a single company can own. The commission is poised to approve those waivers.

Westinghouse and CBS are seeking a permanent waiver of what is known as the duopoly rule, which prohibits a company from owning two television stations in the same market or an overlapping market, in connection with their ownership of WCBS in New York and KYW, a Westinghouse station in Philadelphia. The companies are also seeking waivers from the rule that now restricts a company from owning more than 12 television stations nationwide and 20 AM or 20 FM stations nationwide.

The two companies are betting that Congress will pass telecommunications legislation either late this year or early next year that would lift those restrictions and free them from any need to sell properties. If that legislation does not pass and if the F.C.C. refuses to change its restrictions, Westinghouse will eventually have to sell four television stations and one FM radio station.

The main sticking point, however, was never the total number of stations that the combined company would own. It was the amount of educational children's television that Westinghouse and CBS had been carrying in the past.

In a petition in September opposing the merger, the Center for Media Education, an advocacy group in Washington, and the United Church

Commissioners agree on a decision, but argue about its terms.

of Christ contended that Westinghouse was carrying as little as quarter hour of educational television a week on some of its stations.

In an effort to allay the opposition of the Center for Media Education and others, Westinghouse voluntarily agreed to carry at least three hours of children's educat[illegible] programming a week. That decision provoked a dispute on the con[illegible]sion over whether the agency was twisting the company's arm to achieve a goal of more children's programming.

The agency is to announce its decision at an open meeting of the commission that was demanded by the three commissioners opposed to Mr. Hundt. Mr. Quello, in particular, wanted the vote in a public session so he could publicly distance himself from Mr. Hundt's policy support for mandatory requirements on children's programming.

Executives at CBS were reluctant to comment on the pending decision, but they expressed relief. "We are pleased and grateful that the commission has taken this up so expeditiously," a spokesman for CBS said.

Tribune in Station Swap

By Bloomberg Business News

CHICAGO, Nov. 21 — The Tribune Broadcasting Company agreed today to swap its two radio stations in Sacramento, Calif., for the Henry Broadcasting Company's station in Denver and an undisclosed amount of cash. The agreement gives Tribune Broadcasting KVOD-FM, a classical-music radio station in [illegible] and expands its presence in that city to three radio stations and one [illegible]sion station. Tribune Broadcasting is a unit of the Chicago-based Tribune Company, which publishes newspapers and books. The transaction gives Henry Broadcasting, which is based in San Francisco, the Sacramento stations KYMX-FM and KCTC-AM.