

AUG 30

Broadcasting & Cable

The Newsweekly of Television and Radio

TV NETWORKS



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or: Et tu, CBS **6**

TELCOS



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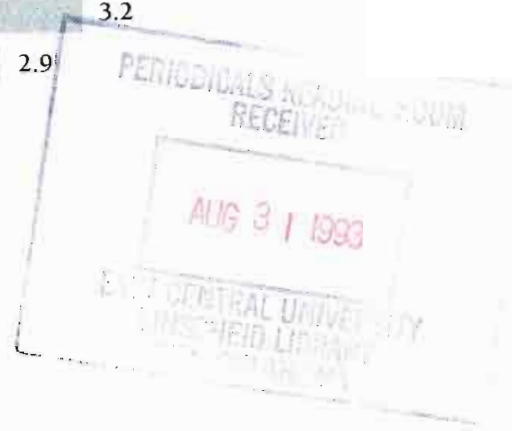


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Fast Track

MUST READING FROM BROADCASTING & CABLE

WARNER BROS. EYES NEW NETWORK

Time Warner met last week in New York with the heads of several station groups to pitch them on the idea of a fifth broadcast network, possibly in partnership with Paramount. Warner Bros. tapped former Fox chief Jamie Kellner to head the network, and has committed as much as \$2 billion to the project. / 6



Former Fox chief Jamie Kellner tapped to head Warner Bros.' proposed TV network. / 6

CBS BACKS OFF CASH-ONLY RETRANS STANCE

CBS, lone holdout among the networks, last week apparently offered cable operator Comcast free carriage of CBS O&O's in exchange for Comcast carriage of a new CBS public affairs channel. Although the deal applies only to its owned stations, CBS likely will cut its affiliates in on the cash the cable channel would generate. / 6

OPERATORS APPLAUD TELCO ENTRY

The NCTA came down hard against the decision, but some cable operators saw a silver lining in a judge's ruling last week to ease restrictions on telco entry into cable programming. Opening the market to new buyers could raise the value of systems, they argue, and ease the way for some proposed cable-telco joint ventures. / 11

If its purchase of KPLR-TV St. Louis and KRBK-TV Sacramento goes through, Tribune Broadcasting will become the third-largest U.S. station group, surpassing NBC. / 12

CABLE OBJECTS TO COST-OF-SERVICE RULE

Cable operators criticized the new FCC rules that limit how much they may charge customers to recover costs of service, i.e., capital and operating expenses. They want permission to make individual showings rather than having to adopt an industrywide standard for rates of return. / 13

The FCC weighed in with its opposition to the proposed Primestar Partners consent decree, which seeks to end an antitrust suit against the cable-owned satellite service. / 13



Chevy Chase: tight-lipped on new late-night show. / 18

TALKERS FIGHT FOR SPACE

With prime TV time slots nearly full, new syndicated talk shows are having to scramble for space in the morning and midday time periods. Leading the pack so far is Twentieth Television's "Bertice Berry," which has cleared the 10-11 a.m. slot on Fox stations in major markets. / 15

Paramount-owned WTXF(TV) Philadelphia stands to lose \$100 million once it is dropped as a Fox affiliate. Meanwhile, the affiliate-to-be, WGBS(TV), plans to launch a nighttime news show, the market's fifth. / 18



On the Cover:

Reed Hundt, the prospective head of the FCC, might best be described as "a buttoned-up kind of guy," in the words of one communications lawyer. / 26

Photo: Morris Semiatin

"It was not about ratings and revenue. It was about FCC compliance, period."—WLUP-AM General Manager Larry Wert on the Chicago station's decision to dump Howard Stern. / 24

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Chevy Chase is being a bit cagey about the details of his new Fox late-night show, slated to begin Sept. 7. His only promise: "I will be me." / 18

RIVERS BROADENS HER SALES PITCH

Shopping channel QVC, Tribune Entertainment and Regal Communications will bring comedian and talk star Joan Rivers to the home shopping market with a syndicated show called "Can We Shop?!", set to debut in January. Broadcast affiliates will get a cut of revenues generated in their markets, plus eight minutes of local ad time per hour. / 19



Buena Vista promises to avoid tabloid journalism with its TV news magazine 'The Crusaders.' / 22

Buena Vista Television says it wants its new syndicated news magazine "The Crusaders" to "take the highroad," breaking away from traditional tabloid TV. / 22

CHICAGO AXES STERN

Fearing the expensive wrath of the FCC, Chicago station WLUP(AM) dropped shock-jock Howard Stern, who has been the subject of some heavy-duty indecency fines from Washington. Station owner Evergreen Media says it's worried the commission might block its stations' license renewals or the purchase of new stations. Stern and his agent say it was ratings, pure and simple. / 24

An unauthorized biography of conservative radio host Rush Limbaugh details the private side of Limbaugh's life, including his failed marriages, his humble beginnings in radio and his Vietnam-era draft status. / 25

Cable companies complained to the FCC last week that new rules prohibiting a single cable operator from passing more than 25% would stifle investment in the industry. / 29

EMERGENCE OF SMALL-MARKET POWERHOUSE

ABRY's sudden sale of three of its five stations has allowed Baltimore-based Sinclair Broadcasting to become an influential station owner even though it owns no top-10-market properties. / 31

RATINGS SERVICES PREP FOR RETRANS

The channel disruptions that are likely to result from retransmission-consent negotiations have Arbitron and Nielsen preparing "worst-case scenarios" involving changed channel lineups and reinstallations of "peoplemeters." / 34

NBC has added a light mix of spots for "Late Night with Conan O'Brien" to the late-night promo wars. The network plans a heavier run once the show is established. / 35

The U.S. may run a trade deficit in many areas, but it reigns supreme in the entertainment programing trade, according to a European survey. / 36

FROM COURT TO TV

Court reporters are moving out of the legal system and into broadcasting as stations find an increasing need for real-time captioning for live events, news, sports and specials. The specialized skills of the court reporters are ideal for such hard-to-caption programing. / 37



ESPN's unusual 'Amazing Games' sports show (featuring the likes of camel wrestling, above) draws the Swiss army knife to its first TV sponsorship. / 34

Top of the Week

Warner unveils a fifth network

Studio teams with Kellner to challenge Fox and big three and solidify its TV production business; tells independent groups it's ready to spend \$2 billion

By Joe Flint

Warner Bros. hopes to take control of its own destiny by launching a fifth broadcast network next year with former Fox Broadcasting chief Jamie Kellner at the helm.

With rules preventing the big three networks from taking an ownership and syndication interest in much of its programming on the way out, Warner Bros. wants to protect its stable of producers and to guarantee it won't be strong-armed into making deals with the big three.

Preserving its TV production capability also insures in-house product for parent Time Warner's Home



Box Office and other cable programming services and puts Time Warner in position to fuel the so-called 500-channel world of the future.

Kellner, and executives from Warner Bros. and Time Warner, unveiled their plans last week in New York to a group of broadcasters they hope will form the nucleus of the network, telling them that they were prepared to spend \$2 billion on the venture.

The upstart network plans to program daytime as well as prime time and could venture into late

Continues on page 14

The eye blinks: CBS goes cable

Public affairs channel picked up by Comcast, sources say; affiliates likely to receive cut

By Joe Flint

After years of saying it would never enter the cable business, CBS made an about-face last week and decided to launch a news and public affairs cable network.

CBS apparently has already signed Comcast, the nation's fourth-largest cable operator with 2.9 million subscribers. In return for carriage of the new network and payment of a subscriber fee, Comcast can retransmit the CBS-owned stations on its systems for free.

CBS refused to confirm the Comcast deal, but a spokesperson said that the network has talked with operators about a new programming venture and that CBS still is seeking cash from operators as well. The unnamed cable service has no launch date yet, although early next year seems like a

safe bet considering the number of systems that have to be signed up and the amount of programming that needs to be developed.

Sources close to Comcast said that a deal was struck, although the operator is said to have no plans to publicize the arrangement. CBS is also in serious talks with Time Warner and Tele-Communications Inc., which could be next to follow suit.

The decision by CBS to start a cable network is not part of a strategic business plan but rather is a response to its inability to get major cable operators to pay a retransmission-consent fee for carriage of its

owned TV stations.

With the offer of a cable network, operators now have the incentive to carry the CBS-owned stations for free while paying for the new service. Without the cable network, CBS faced the prospect of having its owned stations dropped from cable systems, a move that would have meant a drop in audience reach and, subsequently, a decrease in advertising revenue.

That apparently proved too dangerous a prospect, especially when the other broadcast networks had used new cable networks to reach

agreements with operators. The network is being offered to ca-



CBS's Kriegel: 'We won't sell out our affiliates.'

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ble operators at between 10 cents and 20 cents per subscriber—nowhere near the dollar per subscriber that CBS wanted for its owned stations—according to sources familiar with CBS's plans. The rate, like the Capcities/ABC-Hearst fee for ESPN2, starts low and tops out at 20 cents during the life of the contract, sources say.

CBS's deal differs from ABC's in that CBS's affiliates will be able to participate—but how remains unclear. Tony Malara, CBS affiliate president, did not return calls last week, and William Sullivan, the CBS affiliate board chairman, said that the network did not spell out details.

Based on the recent experience of other networks, though, the scenario probably involves a revenue split between CBS and its affiliates. Fox has had some success with that approach, while NBC's offer of promotional time on its new America's Talking has failed to catch fire among affiliates.

Sullivan said he could neither confirm nor deny that CBS was offering such a revenue split.

Affiliate participation, though, is key to both CBS and cable operators. Several operators told BROADCASTING

& CABLE that they do not want to deal with disgruntled affiliates. CBS Senior Vice President Jay Kriegel has also stressed to operators that he does not want to leave the affiliates hanging, as ABC did. "We won't sell out our affiliates," Kriegel is said to have told cable operators.

Philip A. Jones, president of Meredith Broadcasting Group, which owns CBS affiliates WTVH(TV) Syracuse, N.Y., and KCTV(TV) Kansas City, Mo., does not fault CBS for making the reported deal with Comcast.

"They [CBS] were the odd man out at that point, and they should not have to commit hari-kari," says Jones.

Jones says the deal will not affect his stations' retransmission-consent position, which is to ask for cash for their programming.

"So what? It's just another deal," says Jones. "We have value in our individual markets. All we are trying to do is establish in the minds of the cable operators that we have that value."

ABC, cable sources say, is currently re-evaluating its retransmission-consent strategy to find a way for the

affiliates to participate.

CBS's decision to go cable marks a stunning victory for cable and a bitter loss for CBS. Cable has for the most part stood firm on its vow not to pay broadcasters for retransmission without getting something in return. CBS practically invented the concept of retransmission consent and had vowed to get money for its signals without offering any new services in return.

Although the turnabout may look like a defeat, it likely makes sense from a business perspective.

With its newsgathering resources and vast library of news archives, CBS already has considerable resources with which to program a channel. According to sources familiar with CBS's plans, the network will rely on what it does best—60 Minutes-style programming as well as up-to-the-minute news coverage of major events.

Also, any new revenue stream is a bonus, and CBS, with no cable interests since it folded its own cable network more than 10 years ago, likely realizes that in a multichannel world the more sources of revenue the better. ■

Retransmission-consent update

Scripps Howard Broadcasting Co. will launch a new cable network, Home & Garden Television, which it says will be the basis for retransmission-consent deals for its 10 television stations. The 24-hour channel is scheduled to debut in fall 1994. Scripps Howard announced that it has signed a six-year deal with Continental Cablevision to carry HGTV. Scripps Howard Cable Co. also will carry the new network, which will focus on home improvement, repairs, decorating and gardening.

In addition to HGTV, Scripps Howard Broadcasting's cable programming interests include a general partnership in the Television Food Network. Continental is the nation's third-largest multiple system operator, with more than 2.6 million subscribers. Scripps Howard Cable has 680,000 subscribers.

With Tribune signing on to the formation of the Television Food Network, CBS forming a news channel, and Scripps Howard launching the Home & Garden network—all as a means to speed up retransmission-consent negotiations—one broadcaster wonders if this was what the huge battle over getting the Cable Act passed was all about. "Three years for a home cooking channel, a gardening channel, is what it was all for?"

Fox will hold a press briefing tomorrow (Aug. 31) on its cable network and is expected to announce the

signing of more cable systems and perhaps an outline of programming. Meanwhile, some Fox affiliates, whose retransmission-consent fate is tied to the Fox channel, say cable operators are pressuring them to get on their system while the channel capacity is there.

Tele-Communications Inc. reached zero-retransmission-consent agreements with 25 TV stations and signed interim deals with 25 others while negotiations continue. Among the stations signed to a permanent deal was Chronicle Broadcasting's NBC affiliate KRON-TV San Francisco, which negotiated for a cable channel to launch a 24-hour news channel in summer 1994. The other 24 stations that signed deals were mostly smaller-market stations.

TCI's interim agreements were with A.H. Belo Group, Fisher Broadcasting Inc., Providence Journal Group, Stauffer Communications and several small-market stations.

Capcities/ABC and Hearst Broadcasting continued to push ahead with their retransmission-consent plan, signing contracts with Times Mirror Cable, Crown Media, Maclean Hunter Cable TV and Rifkin Associates to carry ESPN2 and ABC- and Hearst-owned stations. Like previous deals, ABC- and Hearst-owned stations are being carried free by systems, which also pay a subscriber fee that starts around 10 cents and tops out at 19 cents during the life of the contract for ESPN2.

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Cable sees positives in telco entry ruling

Some operators say court decision overturning telco-cable crossownership ban could accelerate joint ventures and boost cable system values

By Rich Brown

The National Cable Television Association decried last week's court ruling allowing Bell Atlantic into the cable business, but some of its members found reasons to join telephone companies in cheering it.

Those reasons:

- It could accelerate joint ventures already in the works between cable system operators and telcos.

- It could raise the value of cable systems as telcos possibly look to buy some of those systems.

- It could add weight to the argument that must-carry rules violate the First Amendment freedom of cable system operators.

- It could lead the way for cable's entry into the local telephone business.

U.S. District Court Judge T.S. Ellis III of Alexandria, Va., said the statutory ban against common ownership of telephone and cable systems in the same market violates the First Amendment rights of telephone companies. The ruling leaves the door open for regulation of telcos in the cable business, however.

The ruling applies only to Bell Atlantic, which challenged the ban.

Neither the Justice Department nor the NCTA has decided whether to appeal the decision.

"The crossownership restrictions have protected consumers from costly anticompetitive behavior, and should be retained," said NCTA Acting Pres-

ident Decker Anstrom.

"In the long run, it may appear to be a Pyrrhic victory for the telcos because it will open Pandora's box and provide some stimulus for knocking down the barriers that prevent others from competing in their local loop monopoly," says Richard Roberts, president and CEO of TeleCable Corp. and NCTA chairman.

Falcon Cable TV Chairman and CEO Marc Nathanson and others say

omon Brothers report.

The report says that cable operators most attractive to telcos are Adelphia, Cablevision Industries, Cablevision Systems, Comcast, Continental Cablevision, Tele-Communications Inc., Time Warner and Viacom.

"We wholeheartedly embrace the idea that telcos will not only be competitors but also joint venturers or allies," says Jeffrey Ward, assistant vice president of federal policy for



that the decision is likely to prompt Congress to pass legislation opening up the telephone business to cable.

"It's positive for the long range," Nathanson says, "but it is not positive if the telcos can overbuild the cable system and the cable system cannot participate in their business."

Falcon is among many cable operators that have been holding discussions with telcos about possible joint ventures. Nathanson says last week's decision has already accelerated some of the talks at his company.

It is expected that telcos will enter into co-ventures with attractive cable partners and overbuild less attractive cable systems, according to a new Sal-

Nynex. A model for the future is the upcoming test in New York in which wireless cable operator Liberty Cable will provide programming and Nynex the delivery to the home, he says.

"If you had a cable system last week, it's worth more this week," says Ward.

Steve Ford, of Ameritech, says that the telco anticipates an "explosion" of new alliances in the wake of last week's decision. "We're continuing to talk with major players, cable companies included, and this sends a lightning rod through the industries that times are changing."

Time Warner is a leader in the telco-cable convergence. It owns all or part of five competitive telephone access providers that provide linkups with long-distance services for high-volume business telecommunications users. The company also has five experimental personal communications system (PCS) licenses. And last May, the company signed a deal with US West in which the Baby Bell will pump \$2.5 billion into the company as it rolls out its digital superhighway.

Among other telco-cable deals already in the works, Southwestern Bell says it is moving forward on its \$650 million purchase of two cable systems in Bell Atlantic's service area from Hauser Communications. ■

What's next for Bell Atlantic?

With the telco entry ban off its shoulders, Bell Atlantic says it will submit an FCC application to build a video dialtone system in Alexandria, Va., as early as this week. It also will negotiate a cable franchise agreement with Alexandria, says Stu Johnson, chairman of Bell Atlantic Video Services. Once those are completed, construction could take 12 to 18 months. Bell Atlantic programming will use a quarter of the network, offering the equivalent of 100 cable channels. Because users can be connected to an unlimited number of sources through a switch, Johnson explains, VDT has the potential for an unlimited channel capacity in the future. At first, the programming package will look much like a standard cable package, perhaps with a greater emphasis on local programming, migrating eventually to fully interactive services.

—SS

Court may prompt Hill action on telco-cable

Congressmen say now is time for legislation to permit telcos into cable with safeguards against cross-subsidy and anti-competition behavior

By Sean Scully

Key federal lawmakers called for swift action on legislation regulating telephone companies' entry into the cable business in the wake of last week's court decision overturning the long-standing ban against it.

U.S. District Court Judge T.S. Ellis III ruled the ban violates the First Amendment rights of Bell Atlantic and its regional affiliate C&P Telephone. The case may pave the way for court challenges by other telcos and for an eventual constitutional showdown at the Supreme Court.

In light of Ellis's ruling, Hill watchers speculate that Congress may try to retake control of the issue by passing its own legislation.

But the timetable for such legislation may depend on the White House, which is studying the idea of lifting the ban as part of a study on national telecommunication policy and the development of a nationwide information superhighway.

With the President and much of

Congress on vacation, administration officials could not be reached for comment last week.

Only hours after the Aug. 24 ruling, Senator Conrad Burns (R-Mont.) and Representative Rick Boucher (D-Va.), both of whom have authored past legislation to lift the ban, supported the decision and called for new legislation to create protection for consumers against possible anticompetitive action by the Bell companies and to codify the court's ruling.

"Telephone companies need the certainty now that they are free to offer cable television service as a foundation for their making substantial investments in broadband technology," said Boucher. "Only the passage of legislation can provide that certainty in the near term."

Burns said the decision should spur the White House to move more quickly on its telecommunications initiatives. Ironically, Vice President Al Gore, as a senator from Tennessee, co-sponsored Burns's telco entry bill.

Burns's staff suggests the Burns-Gore bill, introduced in the last Congress, could be a good model for new legislation, answering many of the concerns raised about the court's decision.

Representative Ed Markey (D-Mass.), chairman of the House Telecommunications and Finance Subcommittee, took a harder line than Boucher and Burns, calling for new laws to prevent telcos from buying existing cable systems inside their own service areas and to install other protections. "The Christians had a better chance against the lions than competitors and consumers will have against the telephone companies unless we build in substantial safeguards," Markey said.

"New technology and new business alliances are eroding the monopoly [of the Bell companies]," he noted, "but until competition is sufficient to protect consumers, tough regulatory oversight will be needed, and new legislation is needed to strengthen the regulator's hand." ■

Tribune, Chris-Craft: big may be getting bigger

Tribune is apparently about to buy two more television stations. The purchase of KPLR-TV St. Louis and KRBK-TV Sacramento (first reported five months ago in BROADCASTING & CABLE) would move Tribune ahead of NBC as the third-largest group owner in the country. NBC could drop behind Fox and Chris-Craft into sixth place.

The sale of the Koplar Communications properties had been delayed for several reasons, including studio objections to the amount of programming obligations they were being asked to forgive. More than one industry executive was told last week that the last studio holdout, Columbia, had finally acquiesced to the sale.

Tribune may structure the acquisition similar to its purchase last year of WPHL-TV Philadelphia, letting Ted Koplar keep a minority interest in the stations. A purchase price of \$80 million to \$90 million had earlier been indicated.

With the purchase of KPLR-TV, Tribune would add to its stable of sports-franchise stations. The VHF independent carries the St. Louis Cardinals baseball team, which presumably would be added to the other baseball markets that Tribune sells as a network to advertisers seeking a sports audience.

Chris-Craft was still the lead candidate late last week to buy TV stations in Chicago and Miami. But it was not the only party having discussions with the seller, Combined Communications. Rumors swirled that other bidders, including Renaissance Communications and Univision, had placed bids.

Reports of bids being changed added to what one person involved in the process described as an unstable situation: "There are still lots of discussions going on with lots of different parties."

Among the unconfirmed rumors:

■ Chris-Craft had bid \$40 million for WGBO-TV Chicago, a substantially higher figure than Univision's; and

■ Renaissance Communications had lowered its bid for WGBS-TV Miami. Chris-Craft has now emerged as the favorite to win that station in combination with WGBO-TV.

Even the rumored Warner Bros. fifth-network proposal (see page 6) may have complicated the bidding process. Competing studios that are creditors and part-owners of Combined may be worried that if Chris-Craft joined the Warner network, there would be fewer future time slots in which they could place their syndicated product.

—GF

FCC affirms and modifies rate regulations

But leaves many questions that must be answered in future proceedings

By Harry A. Jessell

The FCC last Friday affirmed the guts of cable rate regulations scheduled to go into effect this Wednesday (Sept. 1), but made some changes in the rules and opened another proceeding to further debug them.

The FCC decided not to make a change to its formula for calculating the rate benchmarks—a move that would have forced cable systems to roll back per-subscriber revenue up to 30% rather than the 10% proscribed by the current scheme.

The rules require systems to stay close to the benchmark rates, which are based on those charged by systems in competitive markets.

Although the FCC affirmed the basic benchmark scheme, an FCC official said, the agency is still considering changes in how the benchmarks are implemented.

Among the changes: the FCC says cable systems may now pass through to their customers cost increases from programming services in which the systems hold an interest as long as the increases are no higher than those charged to all other systems. Turner Broadcasting pushed for the change.

In the new proceeding, the FCC tackles four major questions:

- How do cable systems comply with the so-called benchmarks when systems add or delete new programming services?

- May recently rebuilt systems with rates below the benchmarks raise their rates to the benchmarks?

- Should systems be required to use the same rate-setting approach for all regulated tiers of service? The rules permit systems to seek rates that exceed the benchmarks in cost-of-service proceedings. Systems would be entitled to recover certain costs plus a reasonable return (see story at right).

- How should systems that are bound by their local franchises to upgrade their facilities be regulated? ■

FCC opposes Primestar agreement

The proposed Primestar Partners consent decree could hurt the FCC's efforts to implement the 1992 Cable Act, the FCC told a federal judge last week.

The FCC said that certain provisions of the decree, which is intended to settle a major antitrust suit against the cable-owned satellite broadcasting service, appear to undermine the act's program-access provision designed to assure all multichannel video programmers of access to cable programming. At the very least, the FCC said, the agreement would make price negotiations more difficult. The commission joined a host of cable competitors in criticizing the decree, which is under review by a federal court in New York. Primestar and the attorneys general of 40 states agreed to the decree in June, but the judge withheld his approval in the face of complaints by Hughes Communications' DBS company, DirecTV, and several others. The judge is expected to rule in September.

Primestar now provides direct-to-home satellite programming over a medium-power satellite to subscribers with one-meter-wide receiving dishes. The company is rumored to be considering high-powered DBS service, which would broadcast to 18-inch dishes and would compete directly with DirecTV and Hubbard Broadcasting's United States Satellite Broadcasting, both of which plan to go on the air early next year. —SS

FCC cost-of-service plan flawed, says cable

By Kim McAvooy

The FCC's cost-of-service plan took a beating last week. Cable operators say that the FCC's proposal suffers from "many flaws," and are urging the commission not to treat cable like a utility.

Last April, the FCC mandated that systems in noncompetitive markets roll back rates 10% or establish benchmarks, whichever is less. The agency also gave systems the option of seeking higher rates in cost-of-service hearings. Under the FCC's proposal, cable operators could recover certain costs plus a "reasonable return" on capital investment, or so-called rate base, of 10%-14% (after taxes)—a range gleaned from an analysis of the returns of S&P's top 400 companies.

Recoverable expenses, the FCC proposed, would include operating costs, depreciation and taxes. The rate base on which operators would be entitled to a return would include "prudent" investments on plant in service, "plant held for future use within a reasonable period of time" and working capital. The commission also proposed excluding from the rate base "excess" acquisition costs—that is, money spent to acquire cable systems

in excess of what it cost to build them.

In comments filed last week, the cable industry suggests the FCC "streamline" its cost-of-service proceeding and allow cable operators to make individual cost-of-service showings rather than adopt an industry-wide rate of return.

The National Cable Television Association vehemently objected to cable operators' being able to recover a reasonable return only on the "original costs" of their plant. NCTA says fair market value and full acquisition costs should be included in the rate base.

It is essential that the FCC recognize that cable is not a traditional utility, argues Comcast Cable. Even the FCC has acknowledged in the past that rate-of-return regulation is "replete with shortcomings," writes Comcast.

Comments from municipal regulators, who will oversee the cost-of-service hearings on basic service rates, indicate they are afraid that they will be flooded with demands for hearings. "Cost-of-service showing should be allowed only under extraordinary circumstances," say joint comments filed by the National League of Cities, the United States Conference of Mayors and others. ■

Warner Bros.

Continued from page 6

night should space open up in that already crowded daypart, according to broadcast executives at the meeting.

Warner Bros. also told the broadcasters that Paramount may be asked in as a partner to provide programming. Paramount declined to comment.

Making the pitch to the TV stations along with Kellner were Time Warner Chairman/CEO Gerald Levin; Levin adviser Ed Aboodi; Warner Bros. Executive VP Barry Meyer, and General Counsel John Schulman.

Kellner conceived of the network and pitched the idea to Warner Bros., sources say. Although he is not officially signed on with the studio, he ran the meeting in New York. "No one there was left with any doubt that he would be the Barry Diller of this network," says one attendee.

Broadcast groups represented at the meeting or approached by Warner Bros. include Chris-Craft—whose eight major-market independents make it a must for the success of any new network—Paramount Stations

Group, Tribune Broadcasting, Act III Broadcasting, Gaylord Broadcasting, Renaissance Communications, River City Broadcasting, ABRY Communications and Pappas Telecasting.

Some broadcasters were enthusiastic, but others were skeptical. "When Fox came on, there were a lot of independents and a hole in prime time," says one. But now, "when you get out of the major markets, it will be tough for Warner. They will have to be much more reliant on cable. What do they do in Des Moines or Rochester?"

If Warner Bros. signed all the groups it has pitched, it would reach 80%-85% of the nation's TV households, according to sources at the meeting.

The remainder could be reached through cable system affiliates on the model of the Fox network. Fox struck a deal with the nation's largest cable operator, Tele-Communications Inc., to extend its programming into areas unserved by broadcast affiliates.

One question, though, is whether Warner Bros., whose parent Time Warner has cable systems reaching more than 7 million homes, could per-

sue other operators to carry its programming.

Kellner and company have not mentioned paying affiliates to carry network programming, the broadcast sources say. But they promised affiliation agreements of at least five years and favorable barter splits.

Some industry analysts question whether there is enough ad revenue to support a fifth network.

Advertising aside, most think it is a smart move for Warner Bros., already the number one provider of prime time programming through its Warner Bros. Television Production division.

"This guarantees them and their stable of producers ongoing clearance and profitability," says one potential affiliate. If financial interest and syndications rules go, he says, "the networks will get to do their own stuff, and this programming will also feed their cable interests."

"Before Fox, there were three key elements for a network: 95% clearance; massive delivery of adults 25-54, and seven nights of programming. Post-Fox shows you don't need 95% clearance, don't need seven nights—and there are new demos," he says.

Also, says an industry observer, the growth of cable networks has lowered advertiser standards when it comes to reach, making 80% or 85% more appealing than it was, say, 10 years ago.

How a fifth network will affect ABC, CBS, NBC and Fox remains to be seen. On the affiliation front, insiders say Fox faces no great danger of defections with the possible exception of Paramount, which owns three Fox affiliates including WKBD(TV) Detroit. Paramount is irked at Fox for pulling its affiliation from WFXT(TV) Philadelphia to buy WGBS(TV) there (BROADCASTING & CABLE, Aug. 23).

A Warner Bros. network would receive some Washington scrutiny. The Justice Department may want to take an antitrust look, especially if Paramount joins in.

FCC rules prohibit common ownership of cable systems and broadcast networks "such as ABC, CBS and NBC," which would seem to frustrate the network plans of Time Warner. But, according to one interpretation, the rules apply only to networks that control at least one broadcast station. If that is so, the rules would not apply to Time Warner, which has no broadcast properties and, by all accounts, no plans to acquire any. ■

Suppliers see market shifts

The debut of a fifth network would shake up the syndication business much as the advent of Fox did in the late 1980's, according to several major syndicators.

To the extent that "pure" independent TV stations join the ranks of Warner affiliates, the market for syndicated programming will dry up, the suppliers say. But a fifth network may create a new market if Warner cannot supply all the programming its network needs, they add.

"I definitely think the flow of product could be restricted by stations involved in such a [fifth] network," says Paul Siegel of All American Television, syndicator of *Baywatch* and *Acapulco H.E.A.T.* "Once these independent stations get locked into affiliation agreements, they will find it more difficult to pre-empt prime time network programming."

But Siegel and others are hopeful that a Warner Bros.-led network will need series from outside producers as do the other networks. Cannell Distribution President Pat Kenney, whose parent company also is a longtime supplier of network series, says a fifth network could lead to a "positive" restructuring of network license fees.

"Looking at the positive side, [a fifth network] will increase the competition for quality hours," says Kenney, whose division produces and distributes action hours *Renegade* and *Cobra* in first-run syndication. And the decline in first-run and off-network syndication revenues will likely force the networks to increase license fees, he says. "If they [Warner Bros.] want quality programming, they're going to have to pay for it."

Rysher TPE President Keith Samples, whose recently merged distribution company is launching two new action hours, *Robocop* and *Thunder in Paradise*, says that he is unconcerned about a fifth network.

"Even if a studio could put together a network, I don't think one company is going to be able to tie up all of the stations' time periods," he says. "At the end of the day, people are going to buy good programming, be it the stations or the networks."

—MF

Programming

Talk shows fighting for key time slots

By Mike Freeman

The term prime access has seemingly become an oxymoron, since there is little access to syndicated TV programming debuting in the top three markets next month. However, some key morning and early fringe time periods have opened up for new talk show strips (see charts).

If any of the talk shows has a slight advantage it is Twentieth Television's *Bertice Berry*, which, as expected, received across-the-board 10-11 a.m. positions on Fox-owned stations in New York, Los Angeles and Chicago. In New York, she will go head-on against WABC-TV's *The Les Brown Show*, from King World Productions.

King World's longtime association with the ABC O&O's, particularly WLS-TV Chicago (which originally launched *Oprah Winfrey*), has provided *Les Brown* with a protected post-Nightline 11 p.m.-midnight time period in Chicago. However, in Los Angeles, KW settled for the slightly lower HUT-level 2-3 p.m. time slot on Disney-owned independent KCAL(TV), where *Les Brown* leads out from Paramount's *Maury Povich* strip.

Among the other talk shows, Columbia Pictures Television Distribution's *Ricki Lake* hopes to capitalize on the so-called teen and young adult 5-6 p.m. time period in New York and Los Angeles; and Viacom Enterprises'

Montel Williams and Warner Bros.' *Jane Whitney* picked up key double-run commitments in New York and Los Angeles, respectively.

In the access daypart, Twentieth's *Cops* and Genesis Entertainment's *Real Stories of the Highway Patrol* evidently had strong enough freshman ratings to merit continued access slots in each of the top three markets; King World's incoming *American Journal* got a 7:30 p.m. berth on KCAL, which station officials think will provide an ideal flow into the station's three-hour prime time news block; and MTM Television Distribution's *Rescue 911* leads a 6:30-8 p.m. reality block on WNYW(TV) New York. ■

NEW YORK

	WABC-TV (ABC)	WCBS-TV (CBS)	WNBC-TV (NBC)	WNYW(TV)(Fox)	WPIX(TV)(Ind)	WWOR-TV(Ind)
9 a.m. 9:30	Regis & Kathie Lee	Jane Whitney	Classic Concert. Caesars Challenge	Montel Williams	Family Matters Designing Women	Out of This World Perfect Strangers
10 a.m. 10:30	Les Brown	Joan Rivers	John & Leeza	Bertice Berry	People's Court People's Court	Who's the Boss? Who's the Boss?
3 p.m. 3:30	Network	Network	Sally Jessy Raphael	Tom & Jerry Tiny Toons	Tole Spin Dorkwing Duck	Motlock
4 p.m. 4:30	Oproh	Geraldo	Donohue	Animonious Botman	Goof Troop Bonkers	Family Feud Family Feud
5 p.m. 5:30	News	News	News	Montel Williams	Saved by the Bell Wonder Years	Ricki Lake
6 p.m. 6:30	News Net. News	News Net. News	News Net. News	Roseanne Rescue 911	Full House Growing Pains	Cosby Show Empty Nest
7 p.m. 7:30	Jeopardy! Wheel of Fortune	Hard Copy Entertainment Tonight	Cops Love Connection	A Current Affair Inside Edition	Family Matters Different World	Married w/Children Married w/Children
11 p.m. 11:30	News Nightline	News Late Show w/Letterman	News Tonight Show w/Leno	The Chevy Chase Show	Cheers Murphy Brown	Real Stories of Hwy. Patrol Arsenio
12 a.m. 12:30	Movie	Letterman Crimetime after Primetime	Leno Late Night w/Conan O'Brien	M*A*S*H* All in the Family	Designing Women Honeymooners	Arsenio 227

PROGRAMING

LOS ANGELES

	KABC-TV(ABC)	KCBS-TV(CBS)	KNBC-TV(NBC)	KTTV(TV)(Fox)	KCAL(TV)(Ind)	KCOP(TV)(Ind)	KTTLA(TV)(Ind)
9 a.m.	Regis & Kathie Lee	Family Feud	Classic Concert. Caesars Challenge	I Love Lucy	Vicki Lawrence	Xuxa	TBA
9:30		Family Feud		I Love Lucy		Halla Spencer/ Mad Scientist	Local Talk Show
10 a.m.	Home Show	The Price Is Right	Sally Jessy Raphael	Bertice Berry	Live In L.A.	TBA	Joan Rivers
10:30							
3 p.m.	Oprah	Love Connection Rescue 911	Sally Jessy Raphael	Merrie Melodies Tom & Jerry	Tale Spin Darkwing Duck	Rush Limbaugh People's Court	In the Heat of the Night
3:30							
4 p.m.	News	Geraldo	News	Tiny Toons	Goof Troop	Montel Williams	Hunter
4:30				Animaniacs	Bonkers		
5 p.m.	News	News	News	Batman Wonder Years	Jane Whitney	Ricki Lake	Knight Rider
5:30							
6 p.m.	News	News	News	Married w/Children Cops	Empty Nest	Roseanne	21 Jump Street
6:30	Net. News	Net. News	Net. News		News	Cosby Show	
7 p.m.	Jeopardy!	Real Stories of Hwy. Patrol Love Connection	Entertainment Tonight Hard Copy	Married w/Children A Current Affair	Inside Edition American Journal	Star Trek: Next Generation	Saved by the Bell Full House
7:30	Wheel of Fortune						
11 p.m.	News	News	News	The Chevy Chase Show	Jane Whitney	Roseanne	Cheers
11:30	Nightline	Late Show w/Letterman	Tonight Show w/Leno			Arsenio	Designing Women
12 a.m.	Remington Steele	Letterman	Leno	M*A*S*H*	Shirley Salamon		Twilight Zone Honeymooners
12:30		Crimetime after Primetime	Late night w/Conan O'Brien	Various		Dear John	

CHICAGO

	WLS-TV (ABC)	WBBM-TV (CBS)	WMAQ-TV(NBC)	WFLD(TV)(Fox)	WGN(TV)(Ind)	WGBO-TV(Ind)	WPWR-TV(Ind)
9 a.m.	Oprah	Regis & Kathie Lee	Classic Concert. Caesars Challenge	Mo Gaffney	Joan Rivers	Read Story/ Child Room Sponsored	Yogi Bear
9:30					Programing		Different Strokes
10 a.m.	Home Show	The Price Is Right	John & Leeza	Bertice Berry	Jenny Jones	Sponsored Programing	Montel Williams
10:30							
3 p.m.	Inside Edition Jeopardy!	Rescue 911 American Journal	Donahue	Tom & Jerry	Darkwing Duck	Momo's Family	Pink Panther
3:30				Tiny Toons	Goof Troop	Mama's Family	Garfield
4 p.m.	News	People's Court	Hard Copy	Animaniacs	Bonkers	Gunsmoke	Sonic the Hedgehog Ricki Lake
4:30		News	News	Batman	Saved By the Bell		
5 p.m.	News	News	News	Family Matters	Full House	Matlock	Roseanne
5:30	Net. News	Net. News	Net. News	Cosby Show	Full House		
6:00	News	News	News	Cosby Show	Cheers	In the Heat of the Night	Star Trek: The Next Generation
6:30	Wheel of Fortune	Entertainment Tonight	Married w/ Children	Cops	Empty Nest		
10 p.m.	News	News	News	The Chevy Chase Show	Night Court	U.S. 99 Video	Family Feud
10:30	Nightline	Late Show w/Letterman	Tonight Show w/Leno		Cheers	Monster Wars	Roseanne
11 p.m.	Les Brown	Letterman	Leno	M*A*S*H*	Murphy Brown		All in the Family
11:30		Arsenio	Late night w/ Conan O'Brien	A Current Affair	Movie	Morton Downey	All in the Family
12 a.m.	Movie	Who's the Boss?	Later w/B. Castas	Rush Limbaugh	Movie	Benny Hill Brothers	Love Connection Amen
12:30				Various			

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Station up in the air in Philly market

Losing Fox affiliation could cost WTXF \$100 million; city likely to see fifth newscast

By Joe Flint

Fox Broadcasting's entry into the Philadelphia market with the \$57 million purchase of Combined Communications' WGBS(TV) is bound to produce dramatic changes in the fourth-ranked market.

On the economic front, the current Fox affiliate, Paramount-owned WTXF (TV), could see its value drop by \$100 million when it loses its affiliation.

On the programming side, the market, which already has four stations with newscasts—three network affiliates and WTXF—will have a fifth.

its application to acquire the station, Fox told the FCC that it intends to start a newscast for the station that will run either 30 or 60 minutes.

Fox said it would start the newscast, which will likely air at 10 p.m., during its first license term as owner. Although that term runs five years, it is expected that the newscast will be on the air within the next year or so, pending FCC approval of the acquisition.

Philadelphia might also prove to be an ideal market for Fox to launch a morning news show similar to its

shows in New York, Los Angeles, Chicago and Washington. To do that, Fox would have to either build a studio for local programming at the station or relocate the station.

With the loss of its Fox affiliation, and having given up its profitable Philadelphia Phillies baseball broadcasts to win the affiliation in the first place, WTXF will have to scramble to fill its prime time schedule. With the loss of Fox children's programming, Paramount will also have holes to fill in its afternoon schedule, which will mean acquiring a new cartoon block or entering the talk show bidding wars.

In terms of movies, station and rep sources say Paramount has not been active in buying movie packages for the station for the last several years because of its commitment to Fox. The station has sitcoms *Family Ties*, *Cheers* and *A Different World* on the shelf, plus Paramount hits *Star Trek: The Next Generation* and *The Arsenio Hall Show* and All American's *Baywatch*. It also may be able to tap into the Paramount library for movie product and look at new first-run product.

A Paramount spokesperson said the company would have to look at incoming programming to see what is available.

Programming and news won't be the only things changing at Fox's WGBS. The station is now repped by Katz, but Fox already has had talks with Petry Inc., which does not currently represent a station in the market. Petry reps several other Fox-owned stations.

Although FCC approval appears likely, Fox must receive a duopoly waiver because it owns WNYW-TV New York, with which there is a grade B contour overlap. However, CBS, Capital Cities/ABC and Tribune have waivers in the market.

An interesting situation could arise in January when WTXF is scheduled to replace *Arsenio* at 11 p.m. with *The Chevy Chase Show*. Assuming Paramount's station is still a Fox affiliate, it may have little incentive to move *Arsenio* to midnight only to have to bounce it back to 11 p.m. when the affiliation is gone.

Chevy gets ready for his late-night chase on Fox

By Joe Flint

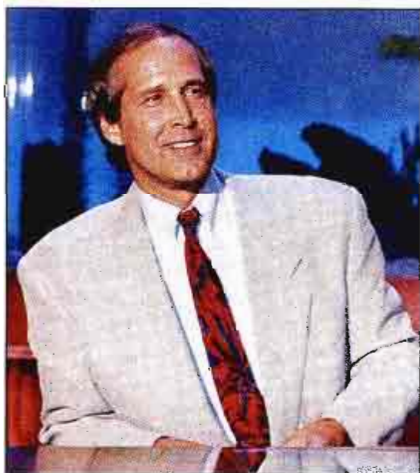
Chevy Chase and Fox have begun test runs for the comedian's Sept. 7 debut as host of *The Chevy Chase Show*, Fox's entry into the late-night daypart.

At a press briefing/theater dedication last week, Chase was vague about how the show will be structured and how he will differentiate himself from the late-night crowd.

"I will be me," Chase said, adding that the show will be different from other late-night entries because he has "proven in the past to be different." Chase plans to do a mock newscast every night similar to his *Saturday Night Live* routine. His show will also include skits and celebrity interviews—actress Goldie Hawn has been lined up for the premiere—and Chase will sit in with his house band from time to time.

Executive producers are Steve Binder, a veteran producer of made-for-TV specials including *The Elvis Presley Comeback Special*, and Bruce Bodner, executive producer of a number of Chase's theatrical releases.

The writing staff will be headed by Joe Toplyn, a former staff writer for



Late Night with David Letterman who won four Emmy awards for his work on that show, and Ron Richards, who has written for *Letterman* as well as *The Tonight Show with Jay Leno*.

Chase said he just "wants the show to be good" and did not mention whether Fox had committed a certain amount of time for the show to make its mark. He said the show is important to Fox but also that he did not want to be in a position of "how I go, so goes Fox. It's too much pressure."

HEAD ENDINGS

'Parker Lewis' to USA

USA Networks has signed a \$30 million deal with Columbia Pictures Television giving the cable network exclusive pre-syndication rights to all 73 half-hour episodes of *Parker Lewis*, formerly on Fox; exclusive rights to all 209 episodes of the off-network sitcom *The Facts of Life*, and 22 movie titles, including "Roxanne" and "Absence of Malice." *Parker Lewis* and *The Facts of Life* will join the USA schedule in the 5-6 p.m. ET/PT weekday block, beginning Sept. 14. The shows will be combined in early fringe with two other new USA acquisitions, *Major Dad* and *Wings*.

More subs for Court TV

Court TV has signed new affiliation agreements representing 3.5 million subscribers, bringing its total households to 14.1 million. Systems committed to launch the cable channel: San Diego (Cox); Los Angeles (Century); New Jersey (Maclean Hunter and TCI); Honolulu (Time Warner); western New England (Continental), and Knoxville (Scripps Howard).

Turner sets the date

Turner Broadcasting has set an April 14, 1994, launch date for its upcoming network, Turner Classic Movies, to coincide with the 100th anniversary of the first public presentation of a motion picture.

Graff looks to Europe

New York-based Graff Pay-Per-View has signed a letter of intent with Philips Electronics division Philips Media to jointly investigate launching a PPV venture in Europe. Graff currently has three U.S. PPV networks offering 10 satellite-delivered channels to more than 9 million cable subscribers.

Religious update

Religious cable network VISNACTS picked up more than a million homes in August, bringing the channel into a total 20 million households, according to the network.

Tribune casts Rivers in shopping show

Joint effort with QVC, Regal Communications set for January 1994; stations get cut

By Rich Brown

If Joan Rivers can sell \$5 million worth of jewelry on QVC in one weekend, imagine what she could sell five days a week on TV stations across the country.

Such is the thinking behind the planned launch of Rivers's *Can We Shop?!*, a syndicated home shopping show scheduled to debut in January 1994. Tribune Entertainment, home shopping network QVC and infomercial company Regal Communications are joining forces to launch the daily one-hour show.

The producers of *Can We Shop?!?* are hoping to lure TV stations by giving them a cut of revenues from merchandise sold. Depending on the time period in which the show is aired, a station can receive as much as 15% of the gross sales revenue in its market, according to Don Hacker, president and CEO, Tribune Entertainment. Sales will be tabulated by zip code at QVC's processing center. Hacker says the merchandise revenue will give the show an edge over other syndicated morning shows competing for an ever-shrinking spot-advertising pie.

"Our challenge was to make a 2 or a 3 rating more valuable to everybody," he says.



Joan Rivers and co-host Mike Boyd

Stations picking up *Can We Shop?!?* also will receive eight minutes of local advertising time per hour, while the producers will keep two minutes for national advertising. The combined total will be lower than the typical 12-14 minutes per hour usually set aside for syndicated product.

Rivers will continue to host Tribune's syndicated talk show, *The Joan Rivers Show*, and also will continue to appear on the QVC home shopping network, where she pitches products six or seven weekends each year. During one recent outing she sold \$5 million in jewelry from the "Joan Rivers Classics Collection," according to Arthur Toll of Regal Communications, a

company in which Rivers holds an interest.

Guests pitching on *Can We Shop?!?* will include well-known celebrities, performers and authors.

The decision to go forward with the syndicated show follows three test shows on QVC and one test show on the Tribune-owned stations earlier this year. During the test on the seven Tribune stations, roughly half of the people who bought products had never tried home shopping, says Hacker.

"That level of first-time buyer really increased our interest as well as QVC's interest in moving forward," he says.

Can We Shop?!? marks the latest attempt to syndicate a home shopping show. Previous tries include Warner Bros.' *Value Vision* and MCA-TV/Home Shopping Network's *The Home Shopping Game*. The planned show also marks QVC's latest attempt to break into the broadcast business. Earlier this year, the network co-produced an experimental five-minute daily shopping segment on Group W-owned KYW-TV Philadelphia.

"This is our first major undertaking to expand our store off our channel," says QVC's Doug Briggs, who adds that further expansion is expected. ■

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THE BEVERLY HILTON HOTEL

Every year, the network entertainment presidents are featured at the Hollywood Radio and Television Society (HRTS) Newsmakers Luncheon. This year, HRTS and *BROADCASTING & CABLE* have expanded the luncheon to an all day seminar featuring an all star cast of industry executives.

Television's brightest minds will gather to debate the future of our industry. What are tomorrow's most successful programming formats? What will drive syndication? How will legislation shape our future? How will state of the art technology change TV and the programs being developed for it? What will be the impact of this technology and how will we compete for ratings? All this and more will be presented, debated and open to your questions at the HRTS/*Broadcasting & Cable* one day seminar.

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8:30-9:00 a.m. **REGISTRATION**

9:00-9:15 a.m. **WELCOME / INTRODUCTIONS**

9:15-10:30 a.m. **SYNDICATION BUSINESS & PROGRAMMING TRENDS** — A look at successful program formats and trends. What are the latest syndication strategies?

Moderator: Don West, *Broadcasting & Cable*

Panelists: Dick Robertson
Warner Brothers Television
Barry Thurston
Columbia Pictures Television
Greg Meidel
Twentieth Television
Shelly Schwab
MCA Television
Keith Samples
Rysher TPE

10:15-10:30 a.m. **COFFEE BREAK**

10:30-12:00 noon **PROGRAMMING POLICIES** — A debate on the future impact of financial interest and syndication, prime time access rules, regulation of violence, etc.

Panelists: Jay Kreigel
CBS
Rick Cotton
NBC
Sherrie Marshall,
The Marshall Co.

12:00-2:00 p.m. **NETWORK ENTERTAINMENT PRESIDENTS LUNCHEON**
Sandy Grushow, *Fox* Jeff Sagansky, *CBS*
Ted Harbert, *ABC* Warren Littlefield, *NBC*

2:00 - 3:15 p.m. **MULTIMEDIA FOR PROGRAM PRODUCERS** — Demonstrations of the latest in interactive television. How the newest computer technology is being used in program production.

Moderator: Bob Abel, *Synapse Technologies*

Panelists: Brian Hammerstein
Microsoft Multimedia
Michelle DiLorenzo
Viacom New Media

3:15 - 3:30 p.m. **COFFEE BREAK**

3:30 - 4:45 p.m. **MARKETING IN A MULTI-CHANNEL UNIVERSE** — What are the consequences of the technology that delivers 500+ channels? How will program providers survive? What will be the major opportunities?

Moderator: Michael Jackson, *KABC*

Panelists: John Hendricks
Discovery
Eddy Hartenstein
DirectTV
Gary McBee
US Telephone Association
Bob Jacquemin
Buena Vista

4:45 - 5:00 p.m. **CLOSING REMARKS**

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'Crusaders' takes advocacy stance

New show wants to break out of syndicated tabloid mold

By Mike Freeman

If syndicated tabloid magazines reach critical ratings mass by employing "exploitation" journalism (as it's called by some TV critics), can a so-called social advocacy magazine designed to take the "high road" draw a significant number of viewers? That's the question facing Buena Vista Television's *The Crusaders* as it prepares for its weekly syndication debut next month.

While the syndicated news magazines have made a virtual cottage industry out of the Amy Fisher story and Heidi Fleiss's undisclosed carnal map to the Hollywood stars, Buena Vista Television and a host of syndicators with 1994-95 magazine projects have been trying to convince stations that advertisers and viewers are beginning to tire of journalism that seeks only to exploit society's ills.

In an interview with BROADCASTING & CABLE, Executive Producer John Butte talked at length about what editorial direction and philosophy *The Crusaders* will follow as it begins full-fledged production this week.

By unabashedly positioning *The Crusaders*' editorial thrust as a "facilitator for change," Butte exhibits little hesitancy about the show's taking a subjective, rather than objective, stance in its reporting of stories.

"Does [having a subjective stance] mean an editorial writer shouldn't consider himself or herself a journalist if they take a position on a certain issue?" Butte asks. "We are definitely going to be crossing the line, either by expressing our point of view or by pointing out an injustice. It is going to be our burden to be on as firm ground as possible in gathering the facts before taking a stand on a certain issue or incident."

Of the 30-35 feature stories in production, Butte mentions several that he claims have already achieved "tangible resolutions."

In one story, a former New York City fireman diagnosed with a terminal disease was informed by the city that his family would not be eligible to receive his full death benefits. *Crusaders* anchor/reporter Howard



'The Crusaders' Executive Producer John Butte (front) with anchor/reporters (l-r): Mark Hyman, Carla Wohl, William La Jeunesse and Howard Thompson

Thompson discovered that when the fireman transferred between departments earlier in his career, the city failed to tell him that he had to re-enroll for his pension and death benefits. As a result of the program's investigation, Butte says the New York City Council passed a "home rule exemption" last week, whereby fireman Joe Flanagan's family will receive all of his death benefits.

Butte, citing "competitive reasons," declined to divulge the broader issue-oriented stories *Crusaders* will be investigating this fall. He did suggest that the hour-long magazine will—in some ways—seek to emulate the "best examples of broadcast network journalism," such as CBS's *60 Minutes* and *Eye to Eye* and ABC's *Primetime Live* and *20/20* magazines.

Ironically, as Congress has been clamping down on broadcasters to clean up the content of perceived violent and sexually explicit programming, Butte relishes the thought of doing an investigative piece on "why our legislators don't want to go after the pro-handgun interests." However, Butte says he doesn't want to "politicize"

Crusaders on a regular basis.

The show is produced out of a renovated Burbank, Calif., warehouse (housing 90 full-time staffers) that reportedly cost \$30 million. It includes a 16,000-square-foot newsroom/set and production offices with state-of-the-art Avid Technologies non-linear digital editing equipment.

With 145 stations (including the NBC O&O stations) representing more than 90% U.S. coverage on board for the program's Sept. 10 launch, BVT hopes to build a strong enough weekend ratings story to possibly expand *The Crusaders* for striping in the 1994-95 season. ■

Errata

An Aug. 16 "In Brief" reported that Multimedia Entertainment's freshman show *Jerry Springer* has been renewed in 142 markets representing 85% U.S. coverage. The item failed to note that *Springer* originally debuted in 90 markets representing 70% of the country.

TV Ratings Week

The Broadcast World According to Nielsen, Aug 16-22

	ABC	CBS	NBC	FOX
MONDAY	11.2/20	10.0/18	10.4/18	6.2/11
8:00		39. Evening Shade 9.0/17	35. Fresh Prince 9.2/17	
8:30	14. NFL Pre-Season Football	27. Major Dad 9.7/17	32. Blossom 9.3/16	66. Fox Night at the Movies—The Tower 6.2/11
9:00	Special—San Fran. 49ers vs. Denver Broncos	17. Murphy Brown 11.0/19	17. NBC Monday Night Movies—A Mother's Justice 11.0/19	
9:30	11.2/20	21. Big Wave Dave 10.5/18		
10:00		26. Northern Exposure 9.8/18		
10:30				
TUESDAY	9.5/17	10.2/18	12.1/22	4.9/9
8:00	13. Full House 11.3/22	54. Rescue: 911 7.5/15	16. NBC Movie of the Week—P. Mason Case Skin Deep Scandal 11.1/20	78. Beverly Hills 90210 4.6/9
8:30	42. Where I Live 8.7/16			73. America's Most Wanted 5.1/9
9:00	8. Roseanne 11.8/20	22. CBS Tuesday Movie Batman 10.4/18	3. Dateline NBC 14.0/25	
9:30	19. Coach 10.8/18			
10:00	57. More Best Hollywood Palace 7.1/13			
10:30				
WEDNESDAY	8.6/16	10.5/19	11.3/21	4.5/8
8:00	60. Wonder Years 6.8/14	46. How'd They Do That? 8.2/16	8. Unsolved Mysteries 11.8/23	74. Beverly Hills 90210 5.0/10
8:30	71. Street Match 5.9/11		6. Now w/ Tom and Katie* 12.3/21	81. Melrose Place 4.0/7
9:00	2. Home Improvmt 14.1/24	10. Ned Blessing* 11.7/20	25. Fugitive Pt. 1 9.9/18	
9:30	32. Delta 9.3/16			
10:00	51. Sirens 7.8/14			
10:30				
THURSDAY	10.7/19	9.1/16	10.1/18	6.8/12
8:00		46. In the Heat of the Night 8.2/16	30. Cheers Special 9.4/17	45. The Simpsons 8.3/16
8:30	32. ABC Movie Special Anything to Survive 9.3/17	12. Eye to Eye with Connie Chung 11.4/19	7. Seinfeld 12.0/20	52. Martin 7.7/14
9:00		53. Picket Fences 7.6/13	23. Fugitive Part 2. 10.1/18	68. ILC: 1st Season 6.1/10
9:30				74. Herman's Head 5.0/8
10:00	4. Primetime Live 13.5/24			
10:30				
FRIDAY	10.7/21	7.7/15	7.3/15	4.4/9
8:00	29. Family Matters 9.5/20	38. How'd They Do That? 9.1/19		79. Fox Friday Movie—Hi Honey, I'm Dead. 4.4/9
8:30	35. Hangin w/ Mr. C 9.2/19	63. Boys* 6.6/13	56. NFL Pre-Season Football 7.3/15	
9:00	23. Step By Step 10.1/20	50. Bldg* 8.0/16		
9:30	44. Dinosaurs 8.6/17	61. Picket Fences 6.7/13		
10:00	5. 20/20 13.3/26			
10:30				
SATURDAY	5.8/12	6.6/14	7.3/15	5.6/12
8:00	76. ABC World of Discovery 4.7/10	64. Dr. Quinn, Medicine Woman 6.4/14	72. Super Bloopers 5.6/12	68. Cops 6.1/14
8:30			57. Empty Nest 7.1/15	59. Cops 6.9/15
9:00	64. ABC Saturday Night Movie—Tightrope 6.4/13	61. CBS Saturday Movie—My Stepmother is an Alien 6.7/14	54. Nurses 7.5/15	76. Front Page 4.7/10
9:30			39. Fugitive (part 3) 9.0/18	
10:00				
10:30				
SUNDAY	7.5/14	12.4/23	7.1/13	6.2/12
7:00	80. Life Goes On 4.2/9	1. 60 Minutes 15.0/32	66. Top Secret TV 6.2/13	83. Parker Lewis 3.2/7
7:30		14. Murder She Wrote 11.2/20	70. I Witness Video 6.0/11	82. Danger Theater 3.4/7
8:00	39. Am Fun Hm Vid 9.0/17			35. Martin* 9.2/17
8:30	20. Am Fun Vid SP 10.7/18	10. CBS Sunday Movie—Highway Heartbreaker 11.7/20	48. NBC Sunday Night Movie—Fatal Memories 8.1/14	30. Living Single* 9.4/16
9:00	48. ABC Sunday Night Movie—Everybody's All-American 8.1/15			27. Married w/ Childn 9.7/16
9:30				42. Marr w/ Childn SP 8.7/15
10:00				84. Tribeca 3.0/6
10:30				
WEEK'S AVGS	9.1/17	9.6/18	9.3/17	5.6/10
SSN. TO DATE	11.4/19	12.8/21	10.5/18	7.8/12

RANKING/SHOW [PROGRAM RATING/SHARE]

*PREMIERE

SOURCE: NIELSEN MEDIA RESEARCH

YELLOW TINT IS WINNER OF TIME SLOT

Radio

Stern dropped in Chicago; lawsuit likely

WLUP(AM) cites 'unacceptable risk' of indecency fines, not lagging ratings

By Peter Viles

The war over Howard Stern's words shifted last week from Washington to Chicago, where Evergreen Media's WLUP(AM) dropped the shock-jock's morning show, saying Stern's continued troubles with the FCC were too much to bear.

"We made a business decision not to be in a position to defend indecency complaints against Howard Stern," says WLUP General Manager Larry Wert.

Responding on the air, as is his style, Stern said he wasn't buying the station's explanation and vowed that a breach-of-contract lawsuit against WLUP was impending. Stern said the station was using the indecency issue as a smokescreen, that it never fully supported the show in the first place and probably ran out of patience waiting for him to build a local audience.

Wert sharply denies that contention. "It was not about ratings and revenue," he says. "It was about FCC compliance, period. Ratings were actually improving."

Evergreen's decision was puzzling to some: The company has gone to great lengths to defend its own Chicago morning team, Steve Dahl and Gary Meier, against a \$6,000 indecency fine. Furthermore, Evergreen has been at the forefront of those in the radio industry who contend that the indecency rules are too vague and are enforced arbitrarily. The station began carrying the Stern program on Oct. 15, 1992, and does not face FCC fines for the program.

Still, Wert says the Stern program posed "an unacceptable risk," given the large fines against stations carrying it and the fact that Evergreen has no control over the content of the show. He says Evergreen is particular-



Howard Stern

ly concerned about license renewals for its stations and about winning FCC approval to purchase additional ones. Evergreen has grown rapidly in recent years, and its \$28 million purchase of WWBZ-FM Chicago awaits FCC approval.

Says Stern's agent, Don Buchwald: "That's their justification, and it's theirs alone. Obviously, it will be challenged."

Details of the contract at issue are closely guarded, but the contract is believed to involve Evergreen, Stern and Infinity Broadcasting, which owns WXRK-FM New York, Stern's flagship station. Buchwald describes the contract as a "long-term" agreement.

"When we feel we've been wronged, we're going to try to make it right, and as quickly as possible," Buchwald says. "Simply, we did business with the wrong people. There were a number of companies interested [in carrying the show] in Chicago, and, obviously, we should have gone with another company and another radio station."

Back in Washington, meanwhile, a public pay phone company, QCI, was staging a telethon of sorts to give Stern's fans—and his critics—a chance to sound off to the FCC. The company was offering free, one-minute calls from any of its pay phones to the FCC's Consumer Assistance Office, beginning at noon Thursday (Aug. 26) and running through Saturday.

Stern in the top markets: trouble in Chicago

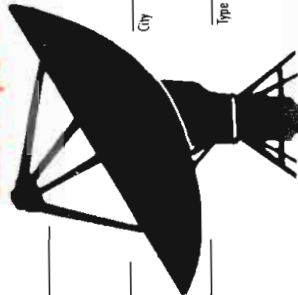
Market	Station	Owner	Amt. Fined	Arbitron 12-plus share			
				Sum 92	Fall 92	Wint 93	Spr 93
New York	WXRK-FM	Infinity	\$327,000	9.5	8.5	7.7	8.0
Los Angeles	KLSX-FM	Greater Media	\$105,000	6.4	6.0	6.3	6.1
Chicago	WLUP(AM)	Evergreen	\$0	n/a	1.9	2.0	1.9
Philadelphia	WYSP-FM	Infinity	\$327,000	11.0	11.9	10.5	9.8

Arbitron ratings: average quarter-hour share, 6-10 a.m., listeners 12-plus

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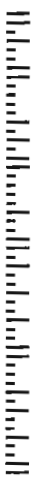
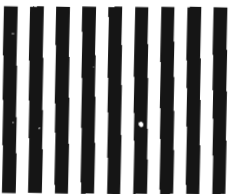
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The book on Rush: he didn't vote for Reagan

Unauthorized bio discusses conservative talk host's draft history, unhappy marriages

By Peter Viles

For those who haven't had their fill of multimedia star Rush Limbaugh, a new, unauthorized biography promises some revelations that will, its promoters promise, "make Rush blush."

"The Rush Limbaugh Story: Talent on Loan from God" (St. Martin's Press, \$19.95), written by *New York Newsday* radio columnist Paul Colford, details Limbaugh's failed marriages, his rocky beginnings in radio and his avoidance of the Vietnam draft.

Among the highlights:

- Limbaugh's first on-air name, as a rock 'n' roll disc jockey at KGMO (AM) Cape Girardeau, Mo., was "Rusty Sharpe." During his next gig, at WIXZ(AM) McKeesport, Pa., he was "Jeff Christie."

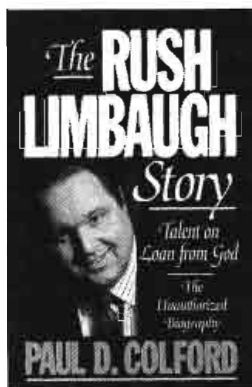
- One of Limbaugh's first big

breaks in radio came when Jim Carnegie—now publisher of *Radio Business Report*—hired him in 1975 to do an afternoon show on KUDL(AM) Kansas City, Kan.

- Because of an inoperable cyst on his knee, Limbaugh received a conditional deferment—a 1-Y—and avoided the Vietnam draft.

- Limbaugh didn't vote for Ronald Reagan for President in 1980 or 1984—he wasn't registered.

- ABC Radio legend Paul Harvey almost left ABC during the Capcities merger in the mid-1980's. Harvey flirted at the time with CBS Radio, which, according to then-CBS executive Dick Brescia, was prepared to offer Harvey \$6 million per year. Per-



haps the key to keeping Harvey at ABC was Ed McLaughlin, who helped in contract talks even though he had resigned from full-time duty as an ABC executive. Harvey's current contract, Colford reports, pays roughly \$10 million per year, but Harvey's broadcasts turn a profit estimated at \$5 million-\$6 million per year for ABC Radio.

- Limbaugh's current radio contract doesn't match Harvey's, but his earnings from radio are estimated at between \$3 million and \$5 million per year, with a chance to rise well above that as advertising on the show increases.

- Limbaugh's 1992 earnings are estimated at \$12 million.

AccuRatings versus Arbitron, cont.

Strategic AccuRatings trends tracking station performance are "slightly more stable" than Arbitron trends, according to a new Katz Radio Group study that compares the two radio research companies.

From fall 1992 to winter 1993, the average rise or fall in a station's share was 14.3% in AccuRatings surveys and 16.8% in Arbitron surveys, the Katz study found.

Among other findings:

- Certain formats continue to perform better in AccuRatings than in Arbitron.

The big winners in AccuRatings: black, urban and contemporary hit radio. Big winners in Arbitron: full service, oldies and easy listening.

- More than half of the time, AccuRatings and Arbitron surveys don't agree on even the most basic question—whether stations gained listeners, lost listeners or remained the same.

—PV



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Washington

In 1985 Metropolitan Cablevision had the capital and the frequencies it needed to launch a wireless cable service in Cleveland. What it did not have was the programming that consumers wanted to buy. That was on cable, and the programmers wouldn't share the wealth.

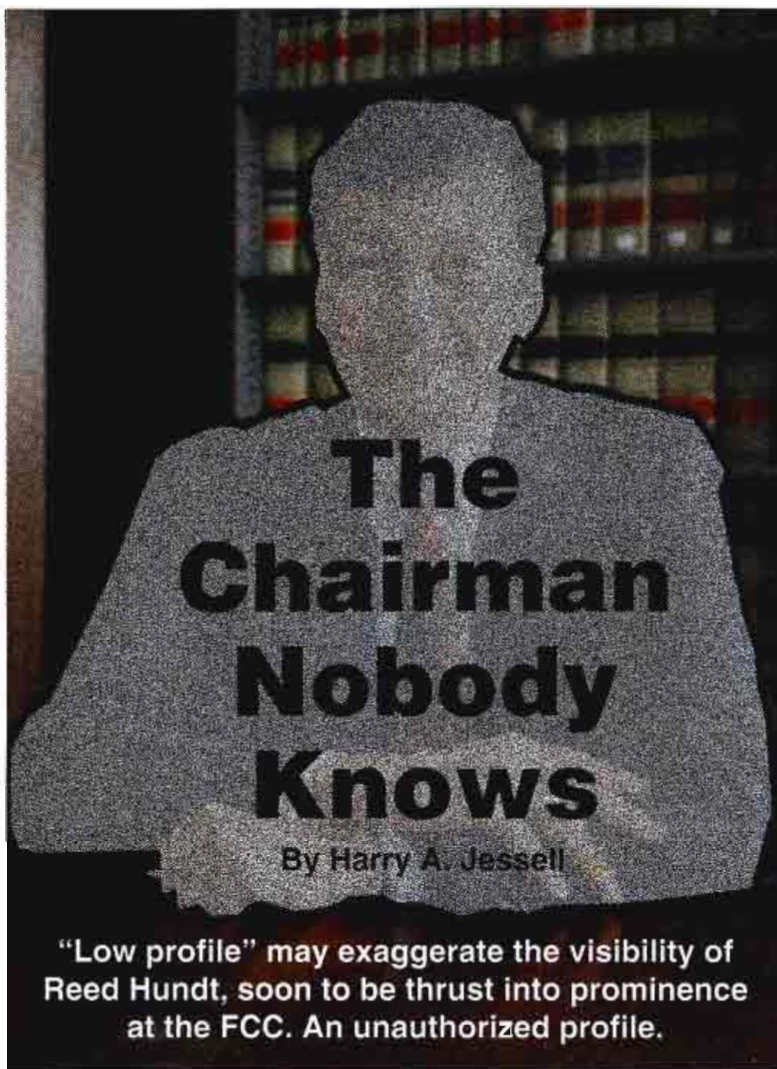
Metropolitan President Jim Theroux thought he knew why: Programmers didn't want to upset the cable operators who feared competition from Metropolitan's planned broadcasting of the same programming over scrambled microwave channels.

Frustrated, Theroux hired a high-power Washington litigator to wield the club of the antitrust law and wrest from the programmers what they wouldn't give willingly.

That lawyer was Reed Hundt, who through suits and negotiation won Metropolitan the programming it needed—long before the Cable Act of 1992 won it for all comers—and then essentially disappeared from the telecommunications arena until late last June, when Bill Clinton tapped him to become the next chairman of the FCC.

In communications circles Hundt is a mystery, and he seems intent on remaining so at least until after Senate confirmation, expected next month. Hundt refuses to come to the phone for reporters and avoids most industry lawyers and lobbyists.

Some fear his reserve is not so much a concession to his pre-confir-



mation status as it is a facet of his personality. "He's a buttoned-up kind of guy," says one communications lawyer.

Even the current and former commissioners with whom Hundt has recently met to seek advice have found him somewhat circumspect. "One gets the impression of a trained mind and a careful, precise kind of fellow," says FCC Commissioner Ervin Dug-

gan.

Not to worry, say his friends. What people perceive as guardedness is really a "formal civility," says Nick Allard, a neighbor and a Latham & Watkins colleague. "Once people get to know him, he'll be fine."

From interviews with friends and acquaintances, the 45-year-old partner in the Washington office of Latham & Watkins emerges as a bright and serious-minded lawyer whose intellectual interests extend well beyond business law.

An expert in anti-trust law, Hundt will bring to the commission a belief in competition and a keen eye for anti-competitive behavior, say friends. "He understands the value of private investment, private initiative and private competition," says Richard Tedlow, a Harvard business professor and fellow member of the Yale class of 1969.

And the word is that Hundt will tread lightly when free speech comes into play. "I would be astounded if he is not highly protective of First Amendment rights," says John O'Leary, a Portland, Me., lawyer and Yale Law School classmate. "That's his nature—to be a champion of First Amendment rights."

His supporters insist he has the people skills necessary to succeed at the agency. "He is less ideological than some chairmen we have had down there lately," says Chip Shooshan, a lobbyist who knows Hundt through

COVER STORY

their mutual friend, Vice President Al Gore. "He always impressed me as a real consensus builder," he says, recalling their days together on Gore's ill-fated 1988 presidential campaign. "He'd leave his mark on a decision, but when it was over we'd say, 'We all made that decision together.'"

Industry lobbyists, for the most part, don't know what to think. The cable industry is most anxious about a Hundt chairmanship because of his wireless cable work and his ties to Gore, a longtime critic of the industry. Gore championed the 1992 Cable Act, whose tough FCC-administered rate regulations are expected to cost operators \$1 billion or more in lost revenue. What's more, Gore as a senator advocated striking the prohibition against telephone companies competing fully with cable operators.

Clinton may have nominated Hundt, but Gore chose him. They've been friends since the early 1960's, when both attended the exclusive St. Albans School in Washington.

Gore and Hundt went their separate ways after high school—Hundt on to Yale, graduating in 1969 with honors in history. As an undergraduate, Hundt served as executive editor of the *Yale Daily News* and wrote a weekly column covering everything from national politics to pop culture. Alan Boles, then editor at the paper and now city attorney for Boulder, Colo., remembers Hundt as a fast and enthusiastic worker whose politics were left, but not too far left. On the day in 1968 that President Johnson announced he would not seek re-election, Boles recalls, Hundt insisted on an editorial praising his Great Society legislation and his decision to withdraw.

"Reed's greatest contribution to date to the world of communications was his discovery of cartoonist Garry Trudeau," says Boles. When Trudeau walked into the newsroom with his comic strip, Hundt argued for relaxing the paper's ban against material from non-staffers, Boles says. Equally impressed, Boles agreed—and Trudeau's *Bull Tales* proved as popular with students as his *Doonesbury* later would with the public.

After two years of teaching school in Philadelphia and Egypt, he returned to New Haven to study law. Hundt graduated from Yale in 1974, along with eventual Supreme Court Justice Clarence Thomas and Lani Guinier,

Clinton's derailed choice to head the Justice Department's civil rights division. After clerking a year for U.S. Circuit Court Judge Harrison Winter (who died in April 1990), Hundt signed on with Latham & Watkins and built his career.

But all that time, Hundt stayed in touch with Gore as the latter's political career soared, taking him from the House to the Senate and finally to the White House. Hundt contributed both ideas and money. According to James Gilliland, general counsel for the U.S. Department of Agriculture and another Gore loyalist, Hundt was a top adviser and fund-raiser for the 1988 campaign.

Hundt also has ties with the Clintons that stretch back to their days at Yale Law School. Bill and Hillary

"He always impressed me as a real consensus builder. He'd leave his mark on a decision, but when it was over we'd say: 'We all made that decision together.'"

Consultant Chip Shooshan

were in the class ahead of Hundt's. If not close friends, they are more than acquaintances.

A friend tells the story of an incident at an early Clinton for President fund-raiser. The Arkansas governor wrapped his arm around Hundt and announced that he would not have passed admiralty law without Hundt's assistance, the friend says. "It wasn't just admiralty law," Hundt shot back.

During the Clinton transition, Hundt served on Charles Reich's economic policy team, which did not focus on, but which factored in, plans to reinvigorate the nation's telecommunications infrastructure. Reich went on to become Secretary of Labor.

Hundt is said to have a vast network of friends within the Democratic party, the fruit of his generosity at fund-raisers and his work on behalf of candidates. According to his Senate Commerce Committee disclosures, every Democratic presidential nominee since Carter in 1980—and a collection of state and federal officials—

have been recipients of Hundt's largess.

It remains to be seen what kind of politician Hundt is. But it's clear his political ties to the administration give him an unusually strong hand to play. "Never before has a chairman been as well plugged in at the White House," says former FCC Chairman Richard E. Wiley.

Unlike Bush-appointed chairman Alfred Sikes, Hundt will likely have a hand in picking his fellow commissioners. If so, he will have a much easier time finding votes for his agenda. Most believe that Hundt is now involved in the search to fill the current non-Democratic vacancy. Next June, Democrat Duggan's term expires, and in June 1995, Republican Andrew Barrett's time is up. If either wants reappointment, he had best stay close to Hundt.

The big rap against Hundt is that he doesn't know much about broadcasting or telephone or cable. Just before the White House named him, the *National Journal* derided Hundt, saying his main qualification seemed to be his "personal ties" to Gore. And some of those who have recently met Hundt say he betrays a certain sensitivity about his limited experience.

Washington lawyer Bill Henry, another ex-chairman who has met Hundt for lunch, dismisses the talk of inexperience. "He was very much up on the issues and the scope and nature of the job," says the Kennedy appointee.

Great knowledge of electronic communications has never been a prerequisite for the chairman's job, says the Carter-appointed FCC chairman, Charles Ferris. At the time of his own appointment, he jokes, his experience comprised 40 years of using the telephone and 25 years of watching TV. "That provided a good perspective."

That Hundt has not been involved in telecommunications policymaking can be perceived as a disadvantage, says Ferris, but it could also be seen as a good thing. Coming in, he says, Hundt will not be hobbled by "stale ideas" and prejudices. "He'll be making judgments and evaluations based on a very clean slate."

Hundt has been doing his homework. Acting FCC Chairman James Quello says the FCC sent Hundt a book describing each branch of the agency and explaining the key issues with which they're grappling. What's more, Quello says, he makes a point

of copying Hundt on certain items, as he did two weeks ago on a letter countering press reports that cable rates are going up, not down, as a result of the FCC's cable rate regulations.

Much in telecommunications may be new to Hundt, but ex-client Theroux, who now teaches business at the University of Massachusetts, warns against underestimating his understanding of the cable business. In preparing his antitrust theory for wireless cable, Theroux says, Hundt "dived deeply" into cable and how it works. "He became a student of the industry at that time." The hundreds of hours he and his colleagues put into the research eventually yielded an inch-and-a-half-thick document describing the cable programming business and pinpointing its antitrust vulnerabilities, he says. "It was like a doctoral dissertation."

Many think his antitrust background makes him particularly well qualified, given the merging of companies and whole industries that is now reshaping the telecommunications landscape.

"The AT&T-McCaw deal is the perfect cue for someone like Reed to step up to the plate," says Allard. It will be up to the FCC to "assure there is going to be robust competition."

But more than anything else, he will bring a broad perspective to the job, says Tedlow, who has co-authored articles with Hundt. "They are getting more than just a lawyer," he says. Hundt will factor history and culture into his policymaking, he says.

Hundt was an important contributor to Tedlow's 1990 book, "New and Improved: The Story of Mass Marketing in America," reading each chapter and writing detailed critiques, Tedlow says. Most important, he says, Hundt helped him understand the "cultural resonance" that was the key to Coca-Cola's remarkable success.

Latham & Watkins' telecommunications practice is small but substantial. Former FCC Chairman Mark Fowler's clients include EON Corp. (formerly TV Answer), an interactive TV pioneer. Former Common Carrier Bureau Chief Gary Epstein represents Bell Atlantic's personal communications service interests and Hughes Communications, a major satellite operator. And Eric Bernthal has a host of broadcast clients, including Evergreen Media, whose WLUP(AM) Chicago is defending itself against a \$6,000 FCC fine for broadcast indecency. According to Hundt's requisite financial disclosure, he also billed hours for work

on behalf of Hughes and EON Corp.

Hundt will take a substantial pay cut when he moves into FCC headquarters at 1919 M Street. According to the financial disclosure, he earned \$650,000 at Latham & Watkins between January 1992 and June 1993, suggesting annual income of about \$430,000. An FCC chairman earns \$123,100 a year.

To comply with the prohibition against having financial interest in businesses the FCC regulates, Hundt is spinning off small investments in a cable system, a cellular telephone system and in several radio stations, including WGER-FM Saginaw, Mich.

Hundt has done his fair share of free legal work, whose nature may reveal something of the man. He went to bat for several death row inmates, tried to save a historic building in Washington from the developer's wrecking ball and stood up for government workers' civil rights.

Hundt shares Gore's concerns about the deteriorating state of the global environment. "He's pretty green," says Gilliland. Hundt helped Gore articulate his thoughts about global warming and ozone thinning in his best-selling "Earth in the Balance: Ecology and the Human Spirit."

When Gore went to the United Nations-sponsored Earth Summit in June 1992, Hundt tagged along and accompanied him on a side trip into the rain forest.

Like Quello, Hundt is a native Michigander. He was born in Ann Arbor in 1948 while his father, Neal, was attending law school at the University of Michigan. "Reed spent the first three months of his life sleeping in a bathtub," says Allard. Hundt grew up in Washington, where his father was a government contracts lawyer and judge for the Defense Department's Armed Services Board. Hundt's mother died when he was a teenager. His father died just last November.

Reed Hundt and his family now live in an exclusive Maryland suburb of Washington. His wife, Betsy Katz, is a clinical psychologist. They have three children: Adam, 11; Nathaniel, 7, and Sara, 4.

"He cares about his family, he cares about his friends and he cares a great deal about his country," Tedlow says of his friend. "He sees this job as an opportunity to serve." ■

Reeding between the lines

Those who fear incoming FCC Chairman Reed Hundt will be a regulatory zealot may find some comfort in an article he co-authored with Yale classmate and Harvard business professor Richard Tedlow for the *Journal of Policy History* last year.

The authors, in criticizing a book on the National Highway Traffic Safety Administration's struggle to save lives, reveal an understanding of the limits of and alternatives to federal regulations.

Hundt and Tedlow defend the NHTSA, saying the book fails to give it the credit it properly deserves for reducing highway deaths as the number of cars rises. But they conclude that fewer will die in automobiles in 2000 not because of anything the NHTSA does, but because of the growing insistence of the American people on safe cars.

They also speculate that foreign competition may have had a significant impact on auto safety. "Perhaps in taking away the big three's market share, imports have shattered the alleged tacit conspiracy in the domestic industry to suppress safety," they say.

Hundt and Tedlow also fault the book for seeing lawyers only as part of the problem, not as part of the solution. The book says the "legal culture" hamstrung the NHTSA with its incessant demands for court review of its actions. But Hundt and Tedlow suggest the proliferation of product liability suits against manufacturers during the 1980's contributed to safety.

If anything in the review should disturb broadcasters, it is its glorification of Ralph Nader, a frequent critic of the television industry. Nader's "Unsafe at Any Speed" led to the creation of the NHTSA. "Seemingly the one clean and honest man in a sullied world, Nader did more than fight the good fight," Hundt and Tedlow say. "In large degree, he won." —HAJ

One of the people grappling with the FCC's new cable rate regulations these days is Terry Haines, chief of staff to former FCC Chairman Al Sikes. Haines, who left the FCC in January, is now division counsel for Tele-Communications Inc.'s eastern division, based in Bethesda, Md. As division counsel for TCI East, Haines is helping cable operators in Maryland, Washington, D.C., New York, New Jersey, Delaware, New England and Pennsylvania sort through the FCC's new regulations. He's also involved in the system's retransmission-consent negotiations with broadcasters. Haines, who joined the division in June, was Republican counsel for the House Energy and Commerce Committee before he went to work for Sikes in 1991.

The National Association of Broadcasters executive committee wants the association to keep its Washington headquarters on the market despite a soft real estate market. The executive committee would prefer to sell the building rather than renovate it, since renovation would be expensive and complicated because of asbestos. There has been some interest in the structure, which is listed for about \$9 million, but no solid offers.

As expected, four major broadcast organizations will merge the exhibit portions of their annual fall conventions: The National Association of Broadcasters radio convention, the Radio-Television News Directors Association, the Society of Broadcast Engineers and the Society of Motion Picture and Television Engineers will meet in Los Angeles from Oct. 12-15, 1994. Officers of each organization promise that the basic conventions will remain independent; only the exhibit floors will be merged. NAB will manage the exhibit, drawing on experience gained from managing its massive annual spring convention. The associations refuse to discuss how exhibit hall revenues will be divided, but they set a common cost, \$17 per square foot, for exhibitors. That's a slight increase for all shows except SMPTE, which had charged \$19. RTNDA officers say that concerns among its membership, raised when rumors of the show merger surfaced earlier this year, have been settled by a lengthy written agreement designed to insure that each of the four associations will maintain a separate identity and conference. The joint exhibition may draw around 400 companies, says NAB Vice President John Abel.

companies, says NAB Vice President John Abel.

The Media Access Project wants the FCC to reconsider its decision granting home shopping stations must-carry status. In a petition filed last week, MAP says the decision "makes a complete mockery of the public interest standard." The group also says the FCC "arbitrarily and capriciously violated its own regulations, the Administrative Procedure Act and principles of fairness" when it relied on ex parte submissions to arrive at the conclusion that home shopping stations provide a public service. MAP says the FCC "buried its head in the sand when it concluded that full-time home shopping affiliation is necessary for the economic survival of small and marginal UHF stations."

Robert Litan, a senior fellow at the Brookings Institution, may be the next deputy assistant attorney general for antitrust at the Justice Department. Litan would work with Anne

Bingaman, chief of the antitrust division. Litan's appointment could be a plus for the broadcast networks, which are worried about Bingaman's review of its fin-syn consent decrees. Litan's strong economic background may work in the network's favor; he may, the networks hope, view the fin-syn decrees with an economist's perspective. Litan is a former partner at Powell, Goldstein, Frazer & Murphy, a former visiting lecturer in banking law at Yale Law School, and a former staff member of the Council for Economic Advisers under the Carter administration.

National Black Media Coalition head Pluria Marshall is upset by NAACP media lawyer David Honig's call for the FCC to go easy on WTGS-TV Hardeeville, S.C., charged with an EEO violation because its principal owner, Coy Ecklund, is a longtime civil rights activist and former chair of the National Urban League ("Washington Watch," Aug. 9). "If it's a violation, it needs to be dealt with," says the outspoken Marshall. "We don't need special rules for friends of Vernon Jordan." (Jordan, a Democratic power broker with close ties to the Clinton administration, was executive director at the time Ecklund was chairman.) "It's too dangerous to mess with the rules," he says. ■

Cable blasts planned ownership caps

In comments to FCC, industry says proposals to limit homes passed to 25% and restricting interests in programing service are too severe; MPAA disagrees

By Kim McAvoy

The FCC's proposed ownership caps were attacked by the cable industry last week, while Hollywood studios and local governments defended the need for strict ownership limits.

Cable operators and their affiliated programmers are troubled by the proposed horizontal and vertical ownership caps. The FCC wants to prohibit cable operators from passing more than 25% (23 million) of the 92 million TV households and would impose

a 40% limit on the number of channels occupied by programming services in which cable systems own at least a 5% attributable interest.

In comments filed with the FCC, the commission was asked to limit system ownership to 35% or more of

homes passed and to permit cable operators to hold an interest in at least 50% of the cable programming services they carry.

Local governments and the Motion Picture Association of America are urging the FCC to stick with the 25% ownership cap. "We strongly oppose a higher subscriber cap. Greater concentration is not a precondition for the creation of new programming services or deployment of advanced cable technologies," writes MPAA.

The studios also say cable operators should not be permitted to allocate more than 20% of their channels to programming services in which they have a 15% ownership interest. MPAA's comments are not endorsed by two of its members, Twentieth Century Fox Film Corp. and Time Warner Entertainment.

The National Conference of Mayors and the National League of Cities are taking a hard line on channel occupancy limits. The NLC thinks that the 40% limit "may be acceptable as long as it is not rendered meaningless by numerous exceptions," and supports the FCC's decision to include pay-per-view channels when calculating channel occupancy limits. "It is important to note that Congress did not provide for any exceptions to the channel occupancy limits," say the NCM and the NLC in a joint statement.

Nor do the two organizations think any cable systems should be exempt from the proposed 25% horizontal ownership cap even if they're subject to effective competition.

The National Cable Television Association, on the other hand, says the 25% cap is "unnecessarily restrictive and must be reconsidered" and thinks a 40% limit is more reasonable. The association warns that restricting own-

NCTA says the 25% cap is "unnecessarily restrictive and must be reconsidered."

ership at 25% would stifle investment in new cable programming services. NCTA also says the FCC should choose an attribution standard based on actual voting or management control. Under the broadcast attribution rule, which the FCC may use, 5% ownership of a company's voting stock constitutes an attributable interest.

Tele-Communications Inc., the largest cable MSO with investments in numerous cable programming networks, says the cap should be 35% or higher. The 25% cap could affect TCI, whose systems pass 17.7 million homes. "Not only is the need for such limits lacking, but the timing is extraordinarily poor," says TCI. "At the very point when the cable industry is poised to contribute substantially to this country's principal telecommunications goal, the commission is forced to place limitations on the industry's growth."

Both NCTA and TCI think the channel occupancy limit should be at least 40%.

NCTA criticizes the FCC's proposal to include channels used for non-video services in calculating channel occupancy limits. It would "severely impede ongoing developments in this arena," says NCTA.

TCI wants the FCC to use system bandwidth to calculate the channel occupancy limit. This would take into account technological developments,

says TCI. "Under this approach the agency would count each 6 mhz segment of bandwidth as a single unit for purposes of calculating channel occupancy limits, regardless of the number of program services transmitted over any given 6 mhz segment." And TCI wants the commission to grandfather existing carriage relationships from its channel occupancy limits.

Time Warner Entertainment, the second-largest MSO and parent of cable programmer HBO, says the TCI proposal is a "positive step" but does not address systems employing digital switching technology. TWE wants the FCC to limit channel occupancy to the first 75 channels of an operator's uncompressed channel capacity.

TWE thinks the FCC should exempt pay-per-view and non-video services from the channel occupancy limits and would like to see a national ownership limit of 30%-40%. It thinks the agency should increase the 5% attribution threshold to 25%.

Viacom, another leading cable operator with programming interests, wants the FCC to exempt both new and widely distributed program services from its channel occupancy rules. "Such exemptions will benefit consumers by allowing vertically integrated programmers to innovate and create new and different program services."

Vertically integrated cable programmers such as Turner Broadcasting also asked the FCC not to go below the 40% channel occupancy limit. Turner says that "overly restrictive" limits will "unfairly hurt our company; they also will deprive consumers of important sources of new programming."

Turner embraced the TCI bandwidth proposal. Discovery Communications suggests a 54-channel limit is more "consistent with the First Amendment."

Black Entertainment Television supports the proposal to exempt vertically integrated programming services that are minority controlled or are created for minority audiences.

Pay-per-view network Viewer's Choice says that including pay channels when calculating channel occupancy limits will "stunt the growth" of such pay services. And Encore Media asks the FCC to exempt multiplex channels from the channel occupancy limits. Encore Media, a mini-pay movie service, plans to offer eight thematic channels next year. ■

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Business

Sinclair, Edwards buy LMA's from ABRY

Syndicators worry that group owner is becoming only game in too many towns

By Geoffrey Foisie

It is not the biggest TV station deal of the year, but it probably will be the most talked about.

Within a period of days, several station acquisitions likely have given Sinclair Broadcast Group Inc. significant influence over the non-affiliate TV station business in three markets: Baltimore, Milwaukee and Birmingham, Ala. Since it already controls both independents in Pittsburgh and has a dominant position in Columbus, Ohio, Sinclair has, in one stroke, become an influential TV station owner without a property in the top 10 markets. Some syndicators confess unhappiness at the Baltimore-based group owner's strategy of market dominance, particularly its use of LMA's (local management agreements).

For the stations' seller, ABRY Communications LP, the more than \$100 million it will receive represents at least a doubling of the prices it paid only a few years ago for WNUV-TV Baltimore, WCGV-TV Milwaukee and WTTO-TV Birmingham.

Andrew Banks and Royce Yudkoff, managing directors, were within months of taking ABRY public when they received the offers for three of their five stations. The bid for ABRY's Baltimore station was from Eddie Edwards, owner of WPIT-TV Pittsburgh and a former employee of Sinclair, which happens to own the other Baltimore independent, WBFF(TV).

In Milwaukee, Sinclair and Edwards are planning to arrive at the same time. The former says it will buy ABRY's WCGV, while Edwards will acquire an assignable option (also from ABRY) to buy Gaylord's WVTM. Along with WCGV, Sinclair will pick up ABRY's Birmingham station for a combined \$80 million. Edwards's payment for WNUV and WVTM and the

Sinclair has become an influential owner without a property in the top 10 markets.

option to buy the latter will probably be \$100 million or a modest amount more.

Banks says he and Yudkoff took the offers to their board, which felt the time was right to accept 10.5-to-11 times the stations' cash flow.

The history of working relationships between Edwards and Sinclair encouraged speculation that the latter would soon be running Edwards's stations in Baltimore and Milwaukee under LMA's as it already does his Pittsburgh station. Such speculation quickly filled the void created by both buyers' silence.

That Sinclair could control the non-affiliate program buying in five markets—ranked between 17 and 51—caused consternation among syndicators last week.

Says the regional syndication director for one studio: "There is absolute-

ly no doubt that this will make business tougher for us. They now control five really good-sized markets." Agrees another: "This will be especially true for kids and teens programming."

The view on LMA's and Sinclair is not totally negative, as many of those commenting acknowledge that LMA's can strengthen the weaker station in a market. Sally Claster Bell, executive vice president of children's programmer Claster Television, adds that LMA's can give viewers better service by providing "a better balance of product through control of counterprogramming." In Milwaukee, there is already an LMA in which ABRY runs both independents.

The irony of buyers and seller coming together is not lost on knowledgeable industry executives. When Sinclair sold its Pittsburgh station to Edwards and bought co-located WPGH, ABRY secretly encouraged a petition to deny the transaction. Banks and Yudkoff's motivation was the fear that Sinclair would use dominance of the Pittsburgh market to force syndicators to sell to its WBFF in Baltimore. With last week's transaction, ABRY has given Sinclair even more clout. ■

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Changing Hands

This week's tabulation of station and system sales (\$250,000 and above)

Proposed station trades

By dollar volume and number of sales

This week:

AM's □ \$700,000 □ 3

FM's □ \$1,255,000 □ 4

AM-FM's □ \$66,650,000 □ 4

TV's □ \$39,209,510 □ 10

Total □ \$107,814,510 □ 21

So far in 1993:

AM's □ \$39,482,591 □ 146

FM's □ \$499,951,644 □ 245

AM-FM's □ \$523,706,915 □ 134

TV's □ \$1,384,565,376 □ 64

Total □ \$2,447,706,526 □ 589

For 1992 total see Feb. 1, 1993 BROADCASTING.

WMC-FM-TV Memphis, Tenn. ■ Sold by Scripps Howard Broadcasting Co. to Elcom of Memphis Inc. for \$65 million. **Seller** is headed by Daniel J. Castellini and has interests in WCPO-TV Cincinnati and WEWS(TV) Cleveland, both Ohio; WXYZ-TV Detroit; KSHB-TV Kansas City, Mo.; KNXV-TV Phoenix; WFTS(TV) Tampa and WPTV(TV) West Palm Beach, both Florida; KJRH(TV) Tulsa, Okla., and WMAR-TV Baltimore. **Buyer** is headed by U. Bertram Ellis Jr. and has interests in KING-TV Seattle and KREM-TV Spokane, both Washington; KGW-TV Portland, Ore.; KTVB(TV) Boise, Idaho; KHNL(TV) Honolulu, KOGG(TV) Wailuku and KHBC-TV Hilo, all Hawaii, and, pending FCC approval, KAME-TV Reno; WUPW(TV) Toledo, Ohio; WKCH-TV Knoxville, Tenn.; WACH-TV Colum-

bia, S.C., and WEVU(TV) Naples, Fla. WMC-FM has CHR format on 99.7 mhz with 300 w and antenna 970 ft. WMC-TV is NBC affiliate on ch. 5 with 100 kw and antenna 1,010 ft.

WCSC-TV Charleston, S.C. ■ Sold by General Electric Capital Corp. to Jefferson-Pilot Communications Co. for \$15.5 million. **Seller** is headed by Timothy C. Huban and has interests in WAPA-TV San Juan, P.R., and KSCH-TV Sacramento-Stockton, Calif. **Buyer** is headed by William E. Blackwell and has interests in WBT-AM-FM and WBT(TV), both Charlotte, N.C.; WQXI(AM) Atlanta and WSTR(FM) Smyrna, both Georgia; KYGO-AM-FM Denver and KMMX-AM-FM Lakewood, both Colorado; WLYF(FM) Miami and WMRZ(AM) South Miami, both Florida; KSON-AM-FM San Diego, and WWBT-TV Richmond, Va. WCSC is CBS affiliate on ch. 5 with 100 kw and antenna 1,958 ft.

WACH-TV Columbia, S.C., and WEVU (TV) Naples, Fla. ■ Sold by FCVS Communications to Elcom of South Carolina Inc. for \$15 million. **Seller** is headed by Walter Flynn and has no other broadcast interests. **Buyer** is headed by U. Bertram Ellis Jr. (see WMC-FM-TV above). WACH is Fox affiliate on ch. 57 with 5000 kw and antenna 633 ft. WEVU is ABC affiliate on ch. 26 with 5000 kw and antenna 1,206 ft.

KASP(AM) St. Louis and WKBQ-FM Granite City, Ill. ■ Sold by Evergreen Media Corp. to Zimmer Broadcasting for \$7 million. **Seller** is headed by Scott Ginsburg and has interests in WLUP-AM-FM Chicago; WVCB(AM) Miami and WFYV-FM and WAPE-FM both Jacksonville, all Florida; KKBTFM Los Angeles; WTOP(AM)-WASH-FM Washington; KTRH(AM)-KLOL-FM Houston; KMEL-FM San Francisco, and pending FCC approval, WWBZ-FM Chicago. **Buyer** is headed by Jerry Zimmer and has interests in KCMQ(AM)-KSIM(FM) Sikeston, Mo. KASP has oldies format on 1380 khz with 5 kw daytime and 1 kw night. WKBQ has CHR format on 106.5 mhz with 90 kw and antenna 1,027 ft. *Broker: Media Services Group Inc.*

WGTQ-TV Sault Ste. Marie and WGTU-TV Traverse City, both Michigan ■ Sold by Scanlan Communications to Scanlan Communications Inc. for assumption of liabilities and obligations valued at \$4,429,510. **Seller** is headed by Stephen Adams and has

Kelly Callan, Fred Kalil, Frank Higney Dick Beesemyer and Frank Kalil

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no other broadcast interests. **Buyer** is headed by Thomas Scanlan and has no other broadcast interests. WGTQ is ABC affiliate on ch. 8 with 316 kw-V and antenna 978 ft. WGTU is ABC affiliate on ch. 29 with 1000 kw and antenna 1,304 ft.

WAIR(FM) Atlanta and WTRV(FM) Leland, both Michigan ■ Sold by W-Air Inc. and Grand Traverse Broadcasting Co. to Northern Michigan Radio Inc. for \$1,165,000. **Seller** is headed by Rick Stone and has interests in WJML(AM) Petrosky, Mich. **Buyer** is headed by Richard A. Dills and has interests in WKLT(AM) Kalkaska and WKLZ(FM) Petrosky, both Michigan. WAIR has oldies format on 92.5 mhz with 100 kw and antenna 868 ft. WTRV has oldies format on 94.3 mhz with 3.6 kw and antenna 426 ft.

KBBK(AM)-KNAQ(FM) Rupert, Idaho ■ Sold by Inland Broadcast Co. to Tri-Market Radio Broadcasters for \$700,000. **Seller** is headed by John T. Hayes and has no other broadcast interests. **Buyer** is headed by Allen D. Lee and has interests in KART(AM)-KZRT(FM) Jerome, Idaho. KBBK has C&W format on 970 khz with 2.5 kw daytime. KNAQ has CHR format on 92.5 mhz with 53 kw and antenna

2,466 ft.

WCRJ(AM) Jacksonville, Fla. ■ Sold by Christian Voices to Country Radio Jacksonville Inc. for \$500,000. **Seller** is headed by Gerald R. Proctor and has no other broadcast interests. **Buyer** is headed by Nicholas D. Durbano and has no other broadcast interests. WCRJ has classical format on 1530 khz with 50 kw-D and DA. *Broker: The Proctor Group Inc.*

KWBI-TV Denver ■ Sold by Colorado Christian University to Faith Bible Chapel International for \$480,000. **Seller** is headed by L. David Beckman and has no other broadcast interests. **Buyer** is headed by George Morrison and has no other broadcast interests. KWBI is noncommercial on ch. 41 with 741 kw vertical and antenna 1,140 ft.

KVEZ(FM) Smithfield, Utah ■ Sold by Ronald Christner to Logan River Media Corp. for \$325,000. **Seller** has no other broadcast interests. **Buyer** is headed by Lavon Randall and has interests in KLGG-FM Delta and KFMD(FM) St. George, both Utah. KVEZ has rock format on 103.9 mhz with 3 kw and antenna 116 ft. below average terrain.

Robert Bass's days in court

Robert M. Bass is headed back to the courthouse. Bass and the company he controls claim they paid \$25 million too much for KQVR-TV Sacramento, Calif., because of misrepresentations and fraud by the station's owner, a partnership headed by Narragansett Capital Corp.

A jury had agreed with Bass, awarding the plaintiffs more than \$15 million. But two months ago Federal Court Judge Francis Boyle said that a portion of the award was based on errors by the jury and ordered a new trial to determine by how much the award should be reduced. The new trial is scheduled for the end of September in Providence, R.I.

Bass claimed that Narragansett and its representatives had inflated the station's stated cash flow, causing his company to make too high a bid. The \$162 million transaction closed in 1989.

Among the findings the judge let stand was that the buyers suffered damages because KQVR ran commercials over the ABC *Newsbrief*. The jury had agreed with Bass that the practice was a violation of the station's affiliation agreement, and therefore violated warranties and representations in the station acquisition contract.

However, the station's practice of running more than a typical number of commercials per minute was not a violation of the contract, the judge ruled. Overcommercialization, he said, was not "out of the ordinary course of business" and the issue never should have gone to the jury.

Although the judge let stand the jury's finding of fraud against the general manager, Edwin Pfeiffer, he said that Narragansett itself could not be held liable for that fraud. Neither Pfeiffer nor Narragansett, he also ruled, acted with malice toward the buyers and therefore the jury's award of \$1 million in punitive damages could not stand. —GF

CLOSED!

KFRC-AM/FM, San Francisco, California from Coast Broadcasting to Alliance Broadcasting for \$20,150,000.

Elliot B. Evers initiated this transaction and assisted in the negotiations.

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Advertising & Marketing

Ratings services gear up for retrans chaos

Nielsen, Arbitron preparing for major changes in cable system channel positions

By Christopher Stern

The two largest ratings services, Nielsen and Arbitron, are busy preparing for what some are calling "a worst-case scenario," which finds broadcast stations and cable networks dropped from cable systems or forced from their traditional channel positions.

Last week, Nielsen met with cable networks, advertisers, advertising agencies and broadcast stations to assure them that the company is doing everything possible to provide comprehensive numbers by the Oct. 6 deadline for stations to resolve their talks with cable operators over compensation for their signal or face being dropped from cable systems.

Stations that choose must carry have the right to be carried on their broadcast channel, potentially forcing a cable network to relocate if it occupies that spot. Cable operators also may relocate a broadcast station as part of retransmission-consent talks.

All of this could wreak havoc with viewing patterns, causing giant headaches for ratings services and their subscribers. Nielsen employs 78 people simply to keep track of which networks are carried on which cable systems on which channels, according to Robert (Rusty) Taragan, senior vice president, local services. Taragan says the staff includes a number of people recently hired to handle the added workload brought on by reregulation of the cable industry.

While Nielsen keeps a close watch on cable systems, the company also will be contacting each station weekly, Taragan says.

A concern of both Nielsen and Arbitron is the introduction of A/B switches in metered homes. The

switches allow viewers to select either broadcast or cable reception. Under the new regulations, cable systems must provide subscribers with the switches if a broadcast station is dropped.

Nielsen says technicians will have to visit many of the 17,000 homes equipped with peplemeters.

Arbitron also has pledged to stay on top of cable systems' channel lineups. According to a letter recently distributed by Arbitron, it will maintain two databases for its metered service: one to keep track of current activity and

another to track upcoming changes in channel lineups.

Like Nielsen, Arbitron has beefed up its staff to handle the increased workload brought on by the potential changes. Arbitron says household visits to metered homes will be necessary if an A/B switch is installed or if the household decides to add or eliminate cable service.

Arbitron has already seen significant changes on cable lineups around the nation. Between January and June of this year, the company made 1,718 changes in metered cable lineups. ■



Camel wrestling on 'Amazing Games'

New 'Amazing' sponsor

Swiss Army Brands Ltd., in the first television advertising campaign in its half-century history, will sponsor *Amazing Games* on ESPN.

The marketer of the original Swiss army knives, watches and sunglasses is placing the ads as part of a pre-holiday marketing push that includes a \$1 million retail promotion.

The campaign will be launched with *Amazing Games*'s third-season debut on Oct. 11. The initial sponsorship will include opening and closing billboards on the program and 30- and 40-second spots on ESPN. —JC

New late night brings flurry of ad flights

Networks blow their own horns in attempt to lure after-news viewers

By Jim Cooper

With the approach of the much-hyped late-night talk show showdown, NBC began promoting its *Late Night with Conan O'Brien* last week in anticipation of the show's Sept. 13 debut.

The O'Brien spots follow promotional campaigns by NBC to pitch *The Tonight Show with Jay Leno*, by Fox for *The Chevy Chase Show* and by CBS for *The Late Show with David Letterman*.

And with the increasing attention of the media and the public on those shows plus *Arsenio Hall*, advertiser interest is growing. Late-night advertising sales likely will approach \$425 million this year.

The dark horse of the late-night race, NBC's *Late Night with Conan O'Brien*, is being exposed to much of the nation for the first time with the TV ads. The in-house campaign of six ads will run with moderate frequency in all dayparts through the show's debut. NBC will run ads on radio also, but not on cable.

"We want [Conan] to get his feet wet and get people talking about him," says an NBC spokesman, adding that the network may launch a more aggressive campaign after the show is established.

The spokesman says that NBC also will be running ads more frequently for *The Tonight Show with Jay Leno*.

A variety of ads promoting Fox's *The Chevy Chase Show* have begun running—leading up to the show's Sept. 7 debut.

Tracy Dolgin, executive vice president of marketing for Fox Broadcasting, says that about 20 spots have been created for *Chevy Chase* and that at least one spot runs during each Fox program.

"We have a guy with greater likability than Leno or Letterman combined," says Dolgin.

The *Chase* spots, and at least one O'Brien ad, humorously show both hosts in various stages of preparing for their debuts.

CBS's *Letterman*, which premieres tonight (Aug. 30), is supported both nationally and locally with the tag line "Same Dave, better time, new sta-



In promo for new show, O'Brien (right) practices host duties with the delivery boy, et al.

tion." The spots, which George Schweitzer, ABC senior vice president, marketing and communications, said would "dominate the network" during the summer, have been running since Major League Baseball's All-Star game last month. The 10-20-second ads, showing Letterman quipping in front of a large black-and-white CBS logo, were recently joined by a new flight of interview-format spots.

The ads run in all dayparts.

The *Letterman* campaign was geared to build throughout the summer until tonight's debut, and CBS executives hope it will attract not only hardcore *Letterman* fans but also a wider audience of potential or occasional viewers more likely to watch at the show's earlier time.

Representatives of the *Arsenio Hall* show did not return phone calls. ■

Local, national spot stall in July

TV station revenue growth stalled in July, suffering by comparison to Olympic-aided revenue gains in July 1992. Affiliates, especially NBC's, were hit the hardest, dropping 6.8% in local spot and 1.8% in national compared to year-ago levels. The monthly group survey was released by the Television Bureau of Advertising.

Independents, including Fox affiliates, had a strong month, posting local sales gains of 9.1% and national gains of 9.2%.

TVB had earlier delayed the results for June due to what a spokesperson said were technical problems. The revised June numbers showed strong growth in local and national spot.

	Local spot	National spot	Total	Number of stations
June '93	+6.3	+12.8	+9.1	289
2nd quarter '93	+7.0	+4.7	+6.0	289
July '93	-3.0	+0.8	-1.3	304
Year-to-date	+4.4	+1.0	+2.9	304

Tracking ups and downs in European TV

By Meredith Amdur

A variety of studies released last week took the pulse of European media. Among the conclusions: The European Community countries had a trade deficit in entertainment products; the outlook for the television industry in the United Kingdom is upbeat, and the lack of a common standard for ratings systems across Europe is an ongoing problem.

U.S. keeps up balance of trade

As controversial GATT negotiations continue between the U.S. and Europe, French media research group IDATE has released trade figures for entertainment products showing that the EC countries carried a deficit balance of \$3.4 billion in 1992 for cinema, television and video programming, up from \$3.1 billion the previous year. U.S. companies earned approximately \$1.65 billion in the EC in 1992, but independent producers saw revenues drop in Europe for the year to June 1992, largely because of a drop in film receipts. Media sticking points in GATT talks include production subsidies for European producers, copyright laws and program quotas restricting importation of U.S. television shows.

UK ad forecasts up

UK television may be well on its way to economic recovery. According to UK media buyer Zenith Media's latest

Annual Interface and Hall of Fame set

On Nov. 9, BROADCASTING & CABLE magazine and the Federal Communications Bar Association will sponsor the seventh annual "Broadcasting/Cable Interface" seminar and the third annual BROADCASTING & CABLE "Hall of Fame" dinner and awards ceremony at Washington's Omni Shoreham Hotel. For more information contact: (in New York) Joan Miller, (212) 340-9866; (in Washington) Pat Vance, (202) 659-2340.

Delta reserves space at Garden

Madison Square Garden and Delta Air Lines last week announced a three-year, \$3 million-plus marketing effort that will include an extensive media buy on MSG networks.

Delta's advertising will run on MSG Network's cablecasts of New York Knicks basketball, New York Rangers hockey and New York Yankees baseball. The media buy also includes time on the *MSG SportsDesk* sports news show and MSG Network cablecasts of college basketball.

The agreement, one of the largest sponsorships in Madison Square Garden's history, will cost the Atlanta-based airline more than \$1 million for each year of the sponsorship.

"Given Delta's greatly expanded domestic and international presence in the New York area, a strong relationship with Madison Square Garden is an excellent way to expand our public awareness," says Bob Coggin, senior vice president of marketing for Delta.

Delta, which runs 130 departures daily from New York-area airports, will maintain exclusive signage rights in the airline category in key areas of the arena and will have a presence on the Garden's auxiliary scoreboards and the GardenVision center scoreboard. —JC

advertising forecasts and financial check-up, the industry received a cleaner bill of health than usual. The revised forecasts say that improvement in the overall economy and a 2% overall increase in ad spending should benefit television. Overall, TV advertising will grow by 3.4% in real terms this year, ahead of GDP growth of only 1.7%. Zenith's study also takes a bullish approach to the growth of satellite TV viewing. Cable and satellite TV penetration is forecast at 17% of all UK homes (3.7 million) by the end of the year and as high as 40% by 1996. This growth is expected to cut into viewing shares of both the BBC and ITV, currently at 31.3% and 28.6%, respectively, in satellite homes. The market is expected to further fragment during the decade, with ITV network revenues expected to reach £1.4 billion (\$2.1 billion) in 1993 and falling off in real terms each year between 1996 and 2000. Satellite TV ad spending is expected to total £75 million (\$112 million) with subscription income of £405 million (\$606 million).

European ratings systems out of tune

The European television market remains a researcher's nightmare, according to European media group Car-

at Research. Having studied ratings systems across the continent, Carat confirms what many programmers, buyers, sellers and advertisers have long known: There is no such thing as a European standard for TV audience measurement.

Currently, at least seven separate methods are employed across Europe to calculate audience levels, and a rating point can differ by as much as 30% from one country to the next. Media terminology also varies from country to country. There are 21 peoplemeter panels operating in 18 countries with roughly 95,000 viewers reporting their daily viewing habits.

The elusive common currency for TV-audience research has hampered valuing commercial rating points across European markets, with no common definitions of genre, demographics or viewing levels.

Carat has been part of a project to incorporate the diverse systems being used by research groups Nielsen, AGB, BARB, Mediametrie, GfK and Ecotel. Its study also reveals that the UK has the highest penetration of two-television homes (52%) and VCR's (69%), while the Czech Republic has the highest penetration of TV sets in Eastern Europe, at 86%. Italy has the highest level of remote control ownership (92%). ■

Technology

Closed captioning picks up speed

Stations turn to court reporters to narrate live-action events for hearing impaired

By Sean Scully

Court stenographers, those silent chroniclers of legal minutiae, may soon be bringing live news reports, sporting events and weather to selected viewers across the nation.

Stenograph Corporation of Mt. Prospect, Ill., is among a handful of companies that let broadcasters use the specialized skill of the court reporter—to record exactly what's said as it's being said—to provide closed captioning for live events.

The key is the recently introduced "CaptionIt" software, which translates the typed shorthand from the court reporter's specialized typewriter into English subtitles that can be broadcast over the air.

San Francisco station KPIX(TV) used the system when it broke away for live coverage of a shooting spree at a city law firm earlier this year. Kathy Barrera, a local court reporter, called in to the station and, using a computer modem, captioned the coverage for about 90 minutes, says David Maherg, KPIX manager of information services.

In the absence of such a system, a station is limited primarily to wire service copy to provide captioning for its hearing-impaired viewers. While that method can alert viewers to emergency situations, it does not allow them to follow live coverage on the screen. Because the Bay Area has a large and vocal hearing-impaired community, Maherg says, San Francisco TV stations have been under considerable pressure to improve their captioning.

The Stenograph system offers a useful feature, Maherg says, that allows a court reporter to switch back and forth between the station's newsroom computer, which provides captioning when scripts are available, and the translation software, which allows the reporter to do live captioning. Without



A stenographer and CaptionIt software generate live closed captioning.

the ability to switch, the court reporter has to caption an entire newscast. With the switch, most of the show can be captioned by the newsroom computer script, which guarantees the speed and spelling accuracy of the captions. The court reporter cuts in during weather and live shots.

Other stations in the Bay Area use court reporters for captioning, Maherg says, but they do not use a switch.

Because the captioning goes over the air almost instantly, a station can afford to use only the best court reporters, Stenograph Product Manager Claire Ryder says. Barrera, a 13-year veteran, agrees. "In news live captioning, you never know what they're going to talk about.... There isn't enough time to go back, clean it, edit it. You need to be thinking on the fly."

Because court reporters use a phonetic shorthand system, names pose a challenge, she says. An unexpected proper noun has to be carefully spelled out. "You sort of hold your breath for half a second until you look up at the screen and see how it came out."

Because court reporting is such a

specialized skill, developing software to allow court reporters to caption live was a bit tricky. Ryder explained that every court reporter's shorthand is different. The computer software, therefore, has to be able to adjust to the personal style of each reporter in order to translate his or her transcript into readable English. Fortunately, each reporter has what's known as a dictionary, a personal style manual that translates the keystrokes into words. If the court reporter provides that dictionary on a computer disk, the software will be able to adapt and translate.

So far, Ryder says, only a few dozen stations are using live captioning regularly, but as stations become more aware of their hearing-impaired viewers, interest will grow, she says. The total investment for a station to begin live closed captioning, she estimates, is less than \$5,000.

For court reporters, Barrera says, live captioning offers an opportunity: With all the live newscasts and special events, plus existing programs and films that still need to be captioned, broadcasting could become a court reporter's full-time career. ■

Cutting Edge

Edited by Sean Scully



Sony is looking to replace the traditional radio signal link for remotely operated cameras with a laser beam link. Sony tested the new system at the Pope's appearance in Denver Aug. 15. NBC successfully controlled a Sony BVP-90 camera, mounted atop a network truck, to collect footage for the news pool. Sony says the laser-beam link doesn't require FCC authorization because it uses an infrared beam rather than a radio signal. The laser link can transmit up to four video channels, each with a pair of audio channels. The company says such a system will be particularly useful in situations that traditionally required lots of cable, such as a golf tournament, that is spread over long distances, or a major outdoor event such as the Pope's appearance. The basic unit, known as the LBU-2000, includes a spotting camera to track the laser link, a display to monitor the tracking and laser connectors to transmit two video and audio channels. The LBU-2000 Control Unit expands the system to the full four video and eight audio channels. The system includes a stabilizing system to automatically maintain the

laser link. Sony says the laser link can also be used for non-broadcast communications, such as video teleconferencing and image transmission.

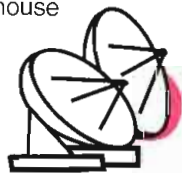


The Interactive Network plans to expand service from its current northern California base to Chicago in September. IN's system allows subscribers to play along with games based on television shows, including game shows and sports events. The company says it will expand to other major metro areas in 1994. Initial cost for a subscriber, IN says, is about \$299, with \$15 per month in programming charges for the basic package. The data for the interactive games is broadcast over the audio portion of local TV stations. Services are sold through an infomercial and distribution deals with consumer electronics retailers.

Indonesia's Palapa C1 satellite will be carried into orbit by an Ariane-space rocket in the summer of 1995, under a contract signed last week by the European space launch company and two Indonesian satellite firms. The Hughes satellite will of-

fer 30 C-band and 4 Ku-band transponders for telephone and video transmissions in Asia and the Pacific.

PESA Chyron will provide switching systems and graphics systems for the DirecTV direct broadcast satellite control center in Castle Rock, Colo. Sony's Systems Engineering Integration Division is building the center for DirecTV, a Hughes company, which plans to go on the air with a DBS service in March of next year. The first DirecTV satellite, in partnership with Hubbard's United States Satellite Broadcasting, will go up in December. PESA Switching Systems will provide three routing switchers and Chyron Corp. will provide three of its iN-FiNiT! graphics system for both in-house and on-air use.



National Empowerment Television, a 24-hour satellite network featuring programs that promote "traditional values," will go on the air on Hughes' Galaxy 7 starting in December. The satellite position will allow the network to cover the U.S. Canada, the Caribbean and much of Mexico.

Viacom's new MTV Latio, Flix and Showtime 2 networks will begin feeds late this year on G.E. Americon's Satcom C3 using General Instrument's DigiCipher encryption system. The company says it will convert to the MPEG2-

compatible DigiCipher II in mid-1994.

Canadian transmitter manufacturer Larcen is acquiring a controlling interest of U.S. manufacturer Television Technology Corp. of Louisville, Colo. Larcen manufactures largely TV transmitters, while TTC manufactures both TV and FM radio systems. The companies say the move will bolster their respective positions in the international market. Larcen exports virtually all of its transmitters and TTC exports about half. Larcen and TTC signed a memo of understanding to allow the takeover, but final acquisition is pending.

Senator Daniel Inouye (D-Hawaii) is urging the FCC to act quickly to roll out Individual Video and Data Services to the public. He says lengthy delays have delayed the introduction of important public service, including a proposed interactive television system. IVDS are radio frequencies which some companies, including Reston, Va.-based EON, propose to use as the return path for a variety of interactive applications, including business and financial services. Licenses for the nation's nine largest markets will be awarded under the old lottery rules Sept. 15. Remaining markets will be allocated under the new spectrum auction rules, which Inouye appears to fear may end up delaying the wide application of such services while auction rules are drawn up by the commission.

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National Data Broadcasting Committee

September 16, 1993, 10:00 a.m.
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The purpose of this Committee is to develop voluntary national technical standards for high-speed data broadcasting using the NTSC television service as a delivery medium. These standards are intended to lead to the development of a Data Broadcasting Service that will be used for over-the-air delivery of information services.

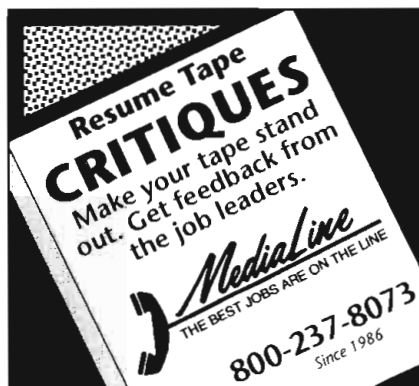
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Fifth Estater

James Henry Rowe

James Rowe may be a relative newcomer to the broadcasting business, but since joining NBC a year ago as its top Washington lobbyist he has emerged as a serious industry player on Capitol Hill and at the FCC.

Acting FCC Chairman James Quello says Rowe is "very knowledgeable and politically well tuned in." On the Hill, the NBC lobbyist has a reputation as a straight shooter who's easy to get along with.

From an industry viewpoint, National Association of Broadcasters President Eddie Fritts considers Rowe an asset. "His commendable political skills have and will be a significant benefit to NBC and the industry," says Fritts. He also says that Rowe has "gone above and beyond with his efforts to learn the business."

There's no doubt that Rowe is plugged in to the Washington scene. The 42-year-old Washington native has worked for a variety of House and Senate committees. A confirmed Democrat, he worked on the Carter campaign in 1976 and served as general counsel for the Fritz Hollings for President campaign in 1984. He and the senator, now chairman of the Commerce Committee, remain close; they play tennis together regularly.

But Rowe's first exposure to politics was at home. His father, James H. Rowe Jr., was an administrative assistant to President Franklin Roosevelt and a personal adviser to both President Johnson and Vice President Hubert Humphrey. His mother, a lifelong Washingtonian, was appointed by President Kennedy to run the National Capitol Planning Commission.

As a young boy his two favorite hobbies, Rowe says, were following the Washington Senators baseball team and reading Rowland Evans and Robert Novak's political newsletter. He vividly remembers reading Theodore White's *The Making of the President* when he was 10. "I just sort of ate up all the politics."



After graduating from Harvard (his father's alma mater) in 1973, Rowe returned to Washington and worked as an investigator/research assistant for the Senate Watergate Committee, followed by work for the Senate Select Committee on Intelligence Activities in 1975.

Law school followed, and in 1976, while attending Georgetown University Law Center, he was approached by the Carter campaign to do advance work. After the election, when Rowe was only 25, he was named chairman of the inaugural balls.

In 1979, Rowe finished law school and, rather than stick around for the remainder of Carter's term, headed to New York. "I was impressed with Jimmy Carter," says Rowe. "I was distinctly unimpressed with many of his campaigners. I just thought it was best to

get a law degree and practice law...thinking foolishly that there would be another Democratic administration around the corner."

He became an associate at Curtis, Mallet-Prevost, Colt & Mosle, where he defended clients accused of white-collar crimes.

In 1988, though, he was back on the Hill, this time as general counsel for the Senate Special Committee on Investigations.

Rowe later joined The Investigative Group Inc., which specialized in gathering domestic and international information for law firms engaged in corporate battles. In 1990, he became chief counsel for the House Budget Committee's Task Force on Urgent Fiscal Issues, which was chaired by New York Democrat Charles Schumer.

Schumer, who later became chairman of the Subcommittee on Crime and Criminal Justice, asked Rowe to be his chief counsel.

Then, in 1992, Rowe received a call from a headhunter about the NBC job. He came on board in the midst of the broadcast industry's heated battle with cable over cable re-regulation legislation. Rowe credits the NBC affiliates for playing a major role in helping the industry push the measure through.

Right now Rowe devotes much of his time to the hot topic of TV violence. And when he's not making the case against content regulation,

he's with his wife, Lisa, and children, Christopher and Lucia. If he can, he'll squeeze in a game of tennis. ■

Vice President, Washington, NBC; b. June 6, 1951, Washington, D.C.; BA, Harvard, Cambridge, Mass., 1973; JD, Georgetown University, Washington, 1979; investigator/research assistant, Senate Watergate Committee, 1973-74; investigator/research assistant, Senate Select Committee on Intelligence Activities, 1975; advance man/chairman of inaugural balls, Carter presidential campaign, 1976-77; associate, Curtis, Mallet-Prevost, Colt & Mosle, New York, 1980-85; partner, Corcoran, Youngman and Rowe, Washington, 1986-87; general counsel, Senate Special Committee on Investigations, 1988; general counsel, The Investigative Group Inc., Washington, 1989-90; chief counsel, House Budget Committee Task Force on Urgent Fiscal Issues, 1990; chief counsel, House Subcommittee on Crime and Criminal Justice, 1991-92; present position since September 1992; m. Lisa Adams, June 20, 1981; children: Christopher, 5; Lucia, 2.

Fates & Fortunes

TELEVISION

Garrett Hart, senior VP, current programs, Universal Television, Studio City, Calif., joins Paramount Television Group, Hollywood, as president, network television division.

Robert Baruc, president, Triboro



Garrett Hart
Paramount



Robert Baruc
Unapix



Carol Brokaw
ABC Distribution



Michael Russo
ITC



Larry Jacobson
Fox

Entertainment Group, New York, joins Unapix Entertainment there as president/CEO.

Carol Brokaw, senior general attorney, video enterprises and publishing, Capital Cities/ABC Inc., New York, named VP, sales operations, administration, ABC Distribution Company, there.

Michael Russo, domestic sales manager, ITC Entertainment Group, Los Angeles, named executive VP, domestic television.

Larry Jacobson, senior VP, finance, Fox Inc., Beverly Hills, Calif., joins Fox Broadcasting Company there in same capacity.

Gail Sullivan, senior account executive, prime time sales, ABC Television Network, New York, named VP/director, daytime sales.

Peter Scanlon, director, prime time sales proposals, ABC Television Networks, New York, named VP, prime time sales proposals.

David Sherman, VP, contracts, East Coast, ABC Entertainment, New York, named VP, music, business

affairs.

Douglas Stern, president, National Research Group, Los Angeles, joins United Media, New York, as president/CEO.

Appointments at Spectrum, New York: **Paul Singman**, account executive, named national sales manager; **Valerie De Santi**, New York sales manager, named manager, sales

named manager, production administration.

William Ackerley, president, Ackerley Communications of the Northwest, Seattle, named president, Ackerley Communications, there.

New board members elected to INTV, Washington: **Harvey Cohen**, president/GM, WDZL-TV Miami; **Stuart Swartz**, VP/GM, KMSP-TV

planning.

Gillian Rose, deputy director, The International Council of The National Academy of Television Arts and Sciences, New York, joins DLT Entertainment Ltd. there as director, international sales.

Quinn Taylor, manager, development, Hearst Entertainment, Los Angeles, named director.

Brian Williams, national correspondent, NBC News, New York, named anchor, Saturday edition, *NBC Nightly News*.

Stephen Schwartz, producer/writer/director, Lifetime Cable and RER Entertainment's *Portrait of a Teacher*, joins King World's Inside Edition, New York, as special project producer/weekend program producer.

Rod Riegel, senior publicist, Hanna-Barbera, Los Angeles, joins Fox Broadcasting Company, Beverly Hills, Calif., in same capacity.

Audrey Gelb, administrative coordinator, production, Columbia Pictures Television, Los Angeles,

Minneapolis-St. Paul. Members re-elected: **Michael Liff**, VP/GM, KABB-TV San Antonio, Tex.; **Roger Ottenbach**, GM, KCPQ-TV Tacoma, Wash.; **David Pulido**, VP/general counsel, ABRY Communications, Boston; **Daniel Sullivan**, president/COO, Clear Channel Television, Houston; **E.D. Trimble**, VP, TV stations Group, Gaylord Broadcasting, and VP/GM, KTVT-TV Dallas-Fort Worth; **Richard Williams**, GM, WDCA-TV Washington.

Appointments at WNYW-TV New York: **Greg Bendin**, GSM, KOVR-TV Sacramento, Calif., and **Yolanda Hernandez O'Hearn**, national sales manager, Los Angeles-based KCOP-TV, New York office, join as local sales managers; **Mary Ellen O'Brien**, account executive, John Blair Productions, New York, joins in same capacity; **Gail Yancosek**, senior producer, *Good Day New York*, named executive producer.

Appointments at WBBM-TV Chicago: **Dorothy Tucker**, general assignment reporter, named northwest Indiana bureau chief, Gary, Ind.; **Dr.**

Terri Hamilton, professor, health sciences, California State University, Fresno, Calif., and former health reporter, KFSN-TV Fresno, joins as health specialist.

Michael LaBonia, national sales manager, WGNO-TV New Orleans, named GSM.

Alan Foster, VP, television, WITF-TV Harrisburg, Pa., joins American Program Service, Boston, as director, national syndication.

John Miser, national sales manager, KSTP-TV Minneapolis, named GSM.

Carlos Harrison, general assign-

Joe Kruszewski, assistant controller, Cine Magnetics, New York, joins The Interep Radio Store there as subsidiary controller.

Richard Penn, VP/GM, WRKO(AM) Boston, joins WTPX-FM Fort Lauderdale, Fla., as president/GM.

Gary Kurtz, GSM, WEJL(AM)-WEZX-FM Scranton, Pa., joins WWKL-FM Harrisburg, Pa., in same capacity.

Philip Lamka, GM, WCXI(AM) Fenton, Mich., and WWWW-FM Detroit, elected president, Michigan Association of Broadcasters.

KRCU-FM Cape Girardeau, Mo., joins Peach State Public Radio, Atlanta, as station manager, WSVH-FM Savannah, Ga., and WWIO-FM Brunswick, Ga.

CABLE

Tom Hunter, VP, international programming, MTV: Music Television, New York, named senior VP.

Damaris Valero, director, international sales, Telemundo Network, Miami, joins MTV Latino there as VP, advertising sales.

Larry Goodman, senior VP, CNN



Harvey Cohen
INTV



Stuart Swartz
INTV



Greg Bendin
WYNW-TV



Dick Marsh
CRG



Tom Hunter
MTV: Music Television

ment reporter, WSVN-TV Miami, joins WTVJ-TV there in same capacity.

Appointments at WLWT-TV Cincinnati: **William Fee**, local sales manager, WMC-TV Memphis, joins in same capacity; **Sara (Sally) Macy**, part-time news writer, named assignment editor.

David McAttee, VP/GM, WGAL-TV Lancaster, Pa., joins WYFF-TV Greenville, S.C., in same capacity.

RADIO

Dick Marsh, president, Marsh Broadcasting, Minneapolis, joins Children's Radio Group there as executive VP/COO.

Barbara Burger, director, client accounting, financial services department, Interep Radio Store, New York, elected to the board of directors, Broadcast Cable Credit Association.

Larry Muller, senior account executive, Major Market Radio, Los Angeles, named director, sales/regional manager.

Bob Elliott, GSM, WROK(AM)-WZOK-FM Rockford, Ill., named station manager.

Ken Beck, news director, KGO(AM) San Francisco, named operations director.

Lisa Rosengard, promotion coordinator, WPNT-FM Chicago, named marketing director.

Jim Adams, sports director/sports-caster, WKAR-AM-FM-TV East Lansing, Mich., retires.

Regina Torre, sales associate, Major Market Radio Sales, New York, named account executive.

Jennifer Haynes, senior account executive, Christal Radio, New York, named co-manager.

Steve Kosbau, program director, KAZY-FM Denver, joins WXRK-FM New York as assistant program director.

John Moen, VP/GM, WMXN-FM Norfolk, Va., elected president, Hampton Roads Association of Radio Broadcasters.

Susan Westfall, station manager,

Sales, New York, named executive VP, operations, client sales, Turner Broadcasting Sales Inc., there.

Terry Dolan, VP/GSM, Carolco Television, Chicago, joins Turner Program Services, Atlanta, as southeast sales manager.

Appointments at ESPN, Bristol, Conn.: **Kristin Siegner**, coordinator, New York office, named senior coordinator; **Luke Fair**, associate producer, named account executive; **Shelley Hunter**, staff secretary, named special markets coordinator; **Mary Jo Matava**, senior account executive, named manager, SA-MATV Distribution; **Deborah York**, account executive, special markets, named manager, consumer distribution; **Jennifer Bouchard**, senior affiliate revenue analyst, named supervisor, affiliate revenue; **Al Di-Prato**, graphics producer, named manager, graphics; **Steven Brightman**, operations support technician, named senior computer operator; **Keith De Angelis**, program finance analyst, named senior program finance analyst; **Wendy Stock**, senior

WSVN names new news director

Fox affiliate WSVN-TV Miami has named Brian Grief news director, replacing Joel Cheatwood, who was named senior vice president of Sunbeam Television Corp. (BROADCASTING & CABLE, Aug. 2). Grief, who worked with Cheatwood at WXEX-TV Richmond, Va., comes from WHO-TV Des Moines, Iowa, where he was director of broadcast services. Cheatwood says the WSVN news will continue in the same flashy, younger-viewer-oriented vein that has given it a national profile. Cheatwood also says he is working on a new look for Sunbeam's newly acquired WHDH-TV Boston but that it will not duplicate that of WSVN. "To take our style of news in Miami and simply supplant it in Boston would be absolutely idiotic," Cheatwood says. WHDH's new look will reflect the younger demographic he hopes to lure to the channel.



-CS

financial analyst, named manager, program finance; **Andrew Butters**, production assistant, named associate producer; **Mark Gross**, highlights supervisor, named producer, ESPN2; **Robert Guijarro**, production assistant, named associate producer; **Norby Williamson**, producer, *SportsCenter*, named coordinating producer, ESPN2; **Mark Barlow**, studio technician I, named studio technician II; **David Bassick**, studio technician III; **Elizabeth Strohl**, assistant account executive, RLI Advertising, New York, joins as sales operations analyst, New York office; **Wayne Aaronson**, VP/western region sales manager, Turner Broadcasting, Los Angeles, joins as account executive there; **Tanya Curry**, product/field engineer, National Semiconductor Inc., Sunnyvale, Calif., joins ESPN Enterprises, New York, as manager; **Michael Huntoon**, graphic arts manager, WMFE-TV Orlando, Fla., joins as electronic graphic designer I; **Amy Rickless**, part-time network operations traffic coordinator, named network operations traffic coordinator; **Charles O'Neill**, senior director, World Monitor, Boston, joins as director; **Dana Belpe-dio**, station manager, Simsbury (Conn.) Community TV, joins as studio technician I; **Michael Coan-gelo**, master control operator, WTXN-TV Waterbury, Conn., joins as studio technician I.

Jim Skiba, manager, accounts receivable, Lifetime Television, Astoria, N.Y., named director, ac-

counting operations.

Donna Prummell, marketing coordinator, USA Networks, New York, named publicist, corporate, media relations.

Mark Ogden, director, programming, Turner Private Networks, Atlanta, named creative director, special programs, CNN and CNN International, there.

Paul Vercammen, early morning anchor/business news correspondent, CNN International, New York, joins CNN's *Showbiz Today*, Los Angeles, as correspondent.

Barbara Lynch, account executive, Andrews Entertainment, New York, joins Cable Advertising Bureau there as manager, national sales.

ADVERTISING

Bob Steel, former news director, KARK-TV Little Rock, Ark., joins Cranford Johnson Robinson Woods there as broadcast news consultant.

Appointments at Lawrence Butner Advertising, New York: **Henry Bartolf**, corporate media director, Burson Marsteller, New York, joins as VP/media director; **Linda Ng**, assistant account executive, named account executive.

Appointments at Temerlin McClain, Dallas-Fort Worth: **Jay Simmons** and **Tom Martin**, assistant account executives, named account executives; **Julie Mayes**, traffic coordinator, named art buyer.

TECHNOLOGY

William (Pete) Mountanos, VP, marketing, sales, Abekas, Redwood City, Calif., named president/CEO.

John Degan, VP/station manager, KSTP-TV St. Paul-Minneapolis, joins United States Satellite Broadcasting there as manager, operations.

Jeri Amstutz, VP, western region, Digital Music Express, Los Angeles, named VP, national sales, field marketing.

INTERNATIONAL

Harold Anderson, director, programming, productions, Sky Network Television, Auckland, New Zealand, joins ESPN Asia Ltd., Hong Kong, as VP, programming, production.

DEATHS

Dorothy (Dot) Stein, 69, president, Market and Audience Research Group (MAR Group), Tamarac, Fla., died July 18 of cancer at University Hospital, there. The MAR Group, which Stein founded in 1985, provided custom-designed buyer-perception studies, news studies and interpretation of Arbitron and Nielsen diaries. Stein was director of research, WDCA-TV Washington, from 1977-85 and was product manager of non-syndicated products, TV and radio, at Arbitron, Laurel, Md. She was a past chairman of the research advisory committee of the Association of Independent Television Stations and the National Association of Broadcasters COLTAM (local market research committee). Survivors include three children.

Tom Fucello, 56, the actor who played Paul Kendall on NBC's *One Live to Live* and Senator Dave Culver on CBS's *Dallas*, died Aug. 16 of AIDS in Los Angeles. His other television credits include *Highway to Heaven* and *Knots Landing*.

David Embry, 61, president/CEO, WIBV(AM) and C-Mac Inc., St. Louis, died Aug. 18 of complications from a cerebral aneurysm at Memorial Hospital, Belleville, Ill. Embry headed the group that purchased WIBV in 1988. Survivors include his wife, Freda, two daughters and one son.

Closed Circuit

WASHINGTON

Hundt on hold?

Word has it that Republicans on the Senate Commerce Committee are prepared to hold up Reed Hundt's confirmation as FCC chairman until the White House names a nominee acceptable to them to the agency's non-Democratic seat. Republicans fear the vacancy will be filled with a Republican-in-name-only or an independent beyond their political reach. Committee staffers could not confirm the report. The reclusive Reed Hundt was, of course, unavailable for comment.

NASHVILLE

More sales for Gaylord?

Gaylord Broadcasting's looming sale of its WVTM-TV Milwaukee (see page 31) may not be its last. One securities analyst, Lisbeth Barron of S.G. Warburg, is speculating that the parent company next year may put its KSTW-TV Seattle and cable systems on the block. Barron says the company has given no indication that a sale is in the works, but she calculates that such a move would be in keeping with the company's strategic direction and would generate \$525 million in proceeds.

NEW YORK

Arbitron sued

Pretesting Co. Inc., a New Jersey-based market research firm, announced late last week that it will sue Arbitron Co. for patent infringement. The 10-year-old company claims that the passive audience-measurement technology used and promoted by Arbitron infringes a patent owned by Pretesting. In a statement, Arbitron said it has "studied the patent and is confident that its Personal and Portable Meter, currently under development, will not infringe" Pretesting's patent.

WASHINGTON

Regulatory fine print

Although it's unclear how the FCC's rules prohibiting common ownership of cable systems and broadcast networks would affect Warner Bros.' plans for a fifth broadcasting network, the FCC has the power to flex muscle if it wants to. The commission's cable regulations say that it can proscribe rules to limit ownership or control of cable systems by persons who "own or control other media of mass communications which serve the same community served by a cable system."

NEW YORK

WPIX hits the spot

As *Shirley*, one of the top-rated Canadian talk shows, begins to roll out to U.S. markets, national ad support has yet to be developed by D.L. Taffner, the show's syndicator.

There is, however, a possible source of spots—WPIX-TV New York. The station has developed and is airing a series of network-quality ads that are generic enough to be tweaked to fit other markets.

A D.L. Taffner executive reached last week expressed interest in buying the rights to the WPIX ads.

The show's host, Shirley Solomon, is a former Canadian TV reporter who gained popularity in Canada for aggressive, well-researched programs with a strong journalistic flair.

The show now airs in New York and Dallas and will debut in Los Angeles on Sept. 13.

WASHINGTON

The ballad of the Convention Center?

Proving that no topic is too obscure to show up in folk music, singer Rob-

ert Hoyt has written a piece about the strange attack on former president Ronald Reagan at the NAB's 1992 convention in Las Vegas (BROADCASTING & CABLE, April 20, 1992). At a Washington club, Hoyt performed his song, which tells the story of Robert Springer of California, who eluded NAB convention security, jumped up to the podium, shoved the former president aside and grabbed the microphone. Springer, an anti-nuclear activist, was attempting to call attention to an impending nuclear test in the nearby Nevada desert. The song is harshly critical of both Reagan and the press for ignoring the event.

DALLAS

Destination Dallas

Minority Broadcasting Corporation, a planned pay TV service for African Americans and other minorities, currently is being fed unscrambled over Galaxy III, transponder 21. MBC is organizing an Oct. 16 symposium at its Dallas headquarters to acquaint advertising and marketing executives with the service. The service plans to include billboard advertising between movies.

MARTHA'S VINEYARD

Cable welcome

Residents of Martha's Vineyard celebrated President Clinton's family visit to the island by taking out ads on the local origination channel on Tele-Media's cable system. The ads welcome Clinton, his wife, and daughter Chelsea. One spot, apparently from a young girl, invited Chelsea to come to her house to play and included her phone number. Businesses invited the President to try their wares.

Unfortunately, the house where Clinton is staying, which belongs to former Secretary of Defense Robert McNamara, does not have cable.

In Brief

AT&T is talking with some of the nation's top cable system operators about developing a system that would link interactive technology from systems around the country. "We are exploring these ideas now, but not negotiating them," says an AT&T spokesman, who describes the talks as being in "a very preliminary stage."

The Southeastern Eye Center last week filed a \$6 million lawsuit against Dateline NBC, alleging that the news magazine falsely accused the clinic of scheduling needless cataract surgery. The suit names NBC and *Dateline* reporter Brian Ross as defendants. NBC defended the broadcast, which aired in May, as "fair and accurate." In an apparent reference to the GM fiasco, in which NBC apologized for a story involving a rigged truck crash, the network said, "*Dateline NBC* is an easy target and an easy headline."

Broadcasting & Cable

Aug 16-22

TOP 5 BASIC CABLE SERVICES

NETWORK—HOUSEHOLDS (THOUSANDS)—RATING/SHARE

TBS 1,731

2.9/5.1

USA 1,516

2.5/4.4

TNT 1,120

1.9/3.4

ESPN 989

1.6/2.9

NICK 826 1.4/2.4

All prime time 8-11 p.m. data supplied by outside sources based on Nielsen

Media Research. Ratings and shares based on coverage households of each network.

NSS POCKETPIECE

(Nielsen's top ranked syndicated shows for the week ending Aug. 15. Numbers represent aggregate rating average/stations/% coverage)

1. Wheel Of Fortune	12.3/222/97
2. Jeopardy!	10.7/214/97
3. Oprah Winfrey Show	9.2/235/99
4. Star Trek	8.7/245/99
5. Imagination!	7.4/186/97
6. Star Trek: DS9	7.3/235/99
7. Entertainment Tonight	7.0/187/96
7. Married...With Children	6.8/194/97
9. Wheel Of Fortune-wknd	6.6/185/83
10. Inside Edition	6.4/174/95
11. Current Affair	6.3/184/96
12. Designing Women	5.7/207/96
13. Baywatch	5.6/177/95
14. Hard Copy	5.5/166/94
15. Sally Jessy Raphael	5.4/141/84

The Television Bureau of Advertising is circulating a videotape to help media reps present the broadcast side of the retransmission-consent story. The videotape specifically takes issue with spot cable firm Cable Networks Inc. CNI has taken out trade ads urging advertisers

to buy spot cable to protect themselves should a broadcast station be dropped by a cable system. "Any idea that over-the-air spot television will be less potent and that cable will fix things is just plain wrong," states the TVB promotional material that accompanies the video.

News Corp. reported record profits for the year ended June 30 of \$978.9 million (Australian dollars), an increase of 84.5% over last year. Revenue rose by just under 5%. Riding the crest of News Corp.'s profitable wave, UK pay TV venture BSkyB helped boost pre-tax profits for parent News International (a 50% holder in the satellite network), contributing £26.7 million (\$40.05 million) for the year ended June 1993.

A spin-off of Rainbow Program holdings to Cablevision Systems shareholders would be a non-taxable transaction, the company said last week. The announcement resulted from an IRS response to an inquiry the MSO made four months ago. Cablevision has not said definitively that it will separate program interests, including a share of American Movie Classics, Court TV and Bravo.

The Associated Press announced its 1992 national award winners last week. KCAL-TV Los Angeles won AP's top honor, the Award of Excellence, for its hour-long documentary on crime, *Victim No More*. That program also won the Best Television Enterprise award. KOMO(AM) Seattle received the Best Radio Enterprise award for *When One for the Road Becomes One Too Many*, a report on drunk driving. KUSA-TV Denver and KGO(AM) San Francisco were honored for best spot news in television and radio. The awards will be presented Oct. 1 at the RTNDA convention in Miami Beach.

NBC has become managing partner of American Medical Television, a block of programming for medical professionals that airs Saturdays and Sundays 10 a.m.-3 p.m. ET on CNBC. AMT has become a major shareholder in Pyramed Networks, which owns medical programming that previously aired on Lifetime Television. NBC hopes to expand the programming into a 24-hour cable network or direct-broadcast satellite channel, according to a network spokesman. Other partners in AMT include the American Medical Association, ABC personality Art Ulene and the Orbis Broadcast Group.

International Family Entertainment veteran **Ron Harris** has left the company to become president/CEO and an equity partner in MOR Music TV, the one-year-old music video network that is looking to expand its reach into Europe and the Pacific Rim. Harris will direct the daily operation of the 24-hour channel and oversee its marketing, sales, promotion and expansion. Harris arranged The Family Channel's UK launch on BSkyB while at IFE, and, in an earlier position at Turner Broadcasting System, helped launch CNN-International in Great Britain.

The New Jersey Cable Television Association has unveiled a state-wide customer service program in which its 42 member systems will provide rebates for missed service and installation appointments.

Keith Halford, one of the founders of the QVC home shopping network, has quietly launched a new home shopping network called ViaTV. The Knoxville, Tenn.-based cable network, which launched earlier this month in 50,000 cable homes in central Ohio, currently airs in six-hour blocks Thursday through Sunday.



Emmy awards for community service programming and public service announcements were presented last Wednesday in New York by the National Academy of Television Arts and Sciences. Among the winners (l-r): Sheldon Childs, The Church of Jesus Christ of Latter-day Saints (national PSA); Ellen Bramson, WKBD(TV) Southfield, Mich. (community service programming), and Scott Evers, KSBW(TV) Salinas, Calif. (local PSA).

Top 15 cable shows, Aug. 16-22

The following are the top 15 basic cable programs, ranked by total number of households tuning in, for the week of Aug. 16-22. Cable ratings are based on each network's total coverage households at the time of the program; U.S. ratings are based on 93.1 million TV homes.

	HHs. (000)	Cable Rtg.	U.S. Rtg.	Program	Time (ET)	Network
1.	3,492	5.9	3.8	NFL (Washington-Pittsburgh)	Sun. 8p	TNT
2.	2,265	3.8	2.4	WCW Clash of the Champions	Wed. 8p	TBS
3.	2,107	3.5	2.3	Saved by the Bell	Mon. 5:30p	TBS
4.	2,090	3.5	2.2	National Geographic Explorer	Sun. 9p	TBS
5.	2,087	3.4	2.2	MLB (Atlanta-Chicago)	Sun. 8p	ESPN
6.	2,031	3.4	2.2	WCW Saturday Night	Sat. 6p	TBS
7.	2,027	3.4	2.2	MLB (Los Angeles-Atlanta)	Thu. 7:30p	TBS
8.	2,012	3.3	2.2	Outrageous Fortune (movie)	Thu. 9p	USA
9.	1,930	3.2	2.1	WWF Monday Night Raw	Mon. 9p	USA
10.	1,853	3.1	2.0	Saved by the Bell	Thu. 5:30p	TBS
11.	1,812	3.0	1.9	MLB (Los Angeles-Atlanta)	Tue. 7:30p	TBS
12.	1,777	2.9	1.9	Murder, She Wrote	Mon. 8p	USA
13.	1,765	2.9	1.9	Midway Pt. 2 (movie)	Mon. 10p	TBS
14.	1,754	2.9	1.9	WWF Summer Slam	Sun. 8p	USA
15.	1,749	2.9	1.9	Perry Mason: Case of All-Star Assassin	Sun. 7p	TBS

Source: Nielsen Media Research.

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Editorials

Every day in every way

We awake every day to a new reality of television. The map is being redrawn even as this issue goes to press, and by next week, who knows? Our enthusiasm remains unabated, even as our compass spins like a dervish.

The initial impetus for this chain of thought is the curious fate of retransmission consent. To the disappointment of many broadcasters, it won't bring easy access to a new revenue stream—at least not now. But to the amazement of all, it will see the broadcasting industry interwoven with cable in ways that will never be undone. The proliferation of second channels (now including CBS, the most reluctant bridegroom of them all) at the moment defies either description or count, and will end up transforming both media.

The hard part, of course, will be in programing all those extra hours into business opportunities. But just imagine an infusion of national and local programing on a level and of a kind never before experienced. It staggers the imagination and it blows the mind.

If there was an imbalance of power between broadcasting and cable, retransmission consent will have gone a long way toward righting it.

Those thoughts had barely settled into place when news came of a fifth network being formed by Warner Bros., presumably to soak up the remaining independent broadcast stations and to vie for still another position on the cable dial. Given the talent and resources residing in that organization and its parent, it should be a formidable challenger. Given, too, that a sixth broadcast network is beyond the pale, Warner has made a pre-emptive bid on a valuable part of the television spectrum.

So that old order, too, has changed.

There is just no predicting how all this is going to turn out, except that—for the foreseeable future—television entrepreneurs will be scrambling to secure a place in the sun. It's not quite clear what started this land rush, but it's on.

Relentless

If there remains a reader of this publication who believes that the telephone companies will not eventually be admitted to the television business, the editors haven't done their job. Clearly the writing is not merely on the wall, it is increasingly in the law as well.

Take last week, for example, when the U.S. District Court for the Eastern District of Virginia held unconstitutional the section of the Cable Act of 1984 (533) that prevented telephone companies from providing television

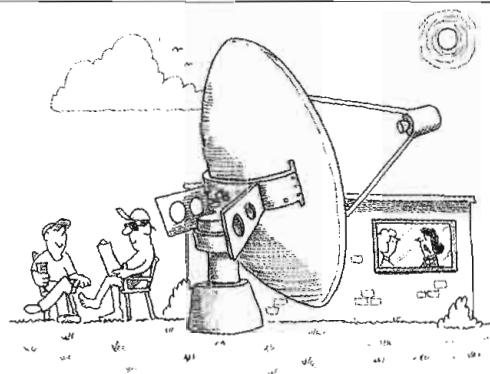
service within their own service areas. The plaintiff was Bell Atlantic's Chesapeake & Potomac Telephone Co. of Virginia, which had sought to apply for a cable franchise in Alexandria, Va., a Washington suburb. The defendants—the U.S. government and the National Cable Television Association—had argued (among other things) that telephone companies should be denied First Amendment protection that would otherwise open their entry to the market. The court would have none of it.

The case will go on and on, of course, and Jones Intercable need not fear an overbuild for some time to come. And even then, we'd guess, C&P or some other telephone company will likely offer instead to buy out Jones. If it does, the acquiring telco will be entering the cable market essentially as any other cable operator. It's hard to see what's wrong with that, although it won't do much to introduce competition to the marketplace.

(In another part of that same market, Southwestern Bell has already bid to purchase the Arlington, Va., and Montgomery County, Md., systems for \$675 million. That's enough to silence most cable qualms about the First Amendment.)

This page has never had a problem with telco entry on a video dialtone (that is, common carrier) basis, although we understand the reservations of those who fear cross-subsidization with the telephone rate base. Eventually, the intramural warfare in this area of commerce will be fought on the field of antitrust, not of exclusionary legislation. For free-enterprisers, that's a happier choice.

Picking 'em off. Those content-regulators at the FCC are getting the range on Howard Stern. As noted here two weeks ago, "one wonders how high a price [in fines] they're prepared to pay for the freedom of all broadcasters' speech." The price got too high in Chicago last week, when Evergreen Media's WLUP(AM) canceled Stern, citing FCC pressure. That leaves 14 markets to go before the First Amendment is extinguished in radio. We'll keep score.



Drawn for BROADCASTING & CABLE by Jack Schmidt

"Don't you feel sorry for those guys having to spend so much time adjusting the dish in this heat?"



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TEEN SEEN

hosted by

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McKellar**

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from "Married with Children"

CANDACE CAMERON
from "Full House"

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-  Be 30 minutes in length

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YOUNG HERO AWARD Each week we will honor an individual who has performed a heroic deed or done a great service to his or her community.

CRYSTAL'S CORNER Crystal McKellar, from "The Wonder Years" and Danica's real-life sister shows off the future in computer technology. Whether it's the latest in word-processing programs for school work or an exciting new computer game for home, if it's new and high tech you'll see it here.



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