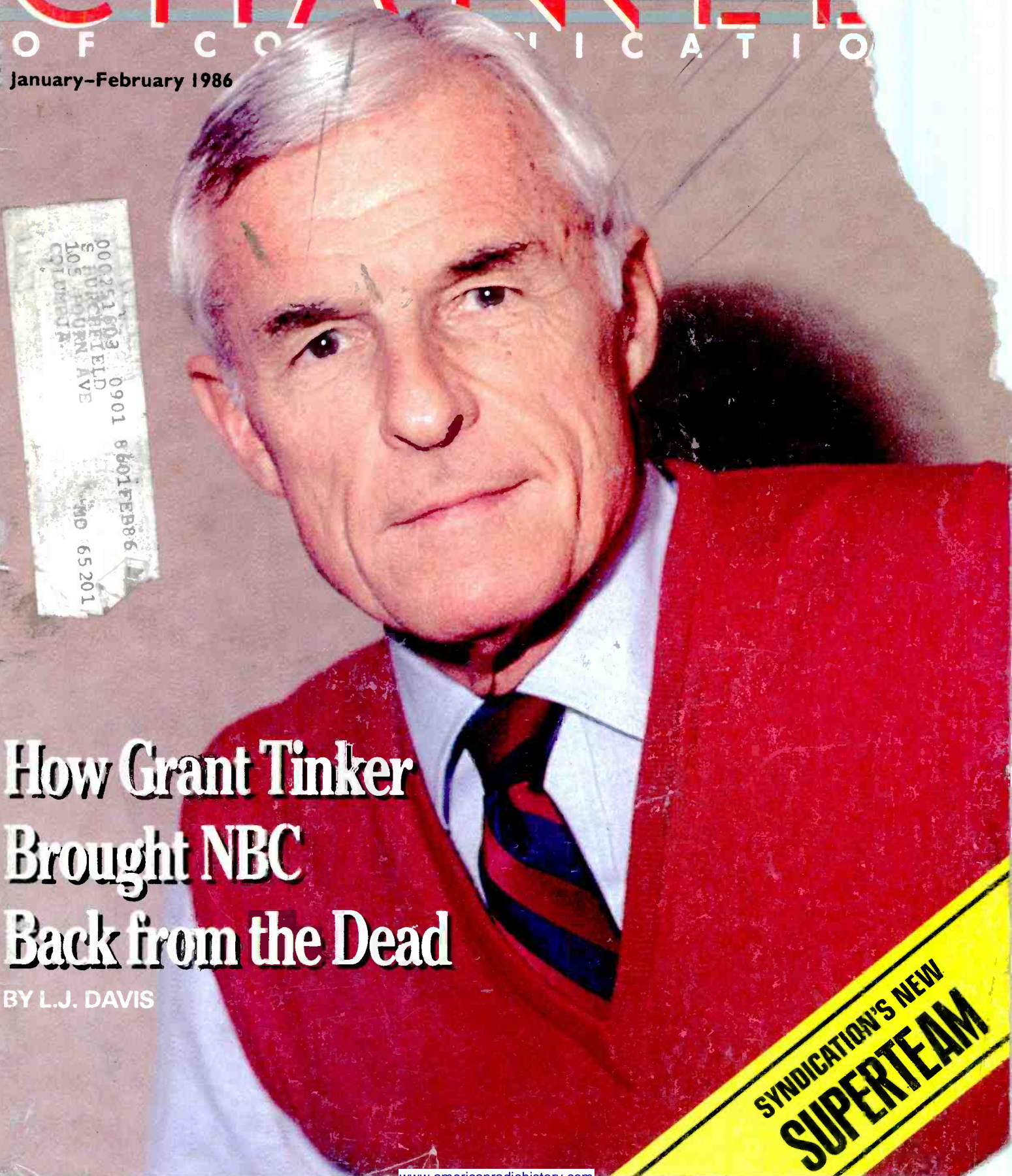


Hollywood Goes Manhattan, by Rick Du Bois

CHANNEL

O F C O M M U N I C A T I O N S

January-February 1986



How Grant Tinker Brought NBC Back from the Dead

BY L.J. DAVIS

SYNDICATION'S NEW
SUPERTEAM



Columbia

© 1988 Columbia Pictures Television, a division of CPT Holdings, Inc.



See you in New Orleans.



C H A N N E L S

ISSUES & REPORTS

EDITOR'S NOTE

"Coming Attractions" _____ PAGE 4

LETTERS _____ PAGE 6

IN THE AIR _____ PAGE 13

REPORTS _____ PAGE 19

THE BUSINESS SIDE

"The *Real* Action in TV—Station Trading"
BY MERRILL BROWN _____ PAGE 25

PUBLIC EYE

"How Captain Outrageous Missed the Boat"
BY LES BROWN _____ PAGE 27

COMMENT & CRITICISM

PRIVATE EYE

"Remembering Joan Wilson"
BY WILLIAM A. HENRY III _____ PAGE 72

PROGRAM NOTES

"Why 'Moonlighting' Shines"
BY MICHAEL POLLAN _____ PAGE 74

IDEAS & OBSERVATIONS _____ PAGE 79

COVER PHOTO BY JOHN BRYSON

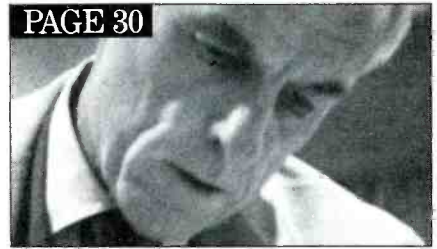
CARTOONS BY CHARLES BARSOTTI

How Tinker Turned It Around

NBC's chairman took a new approach—and the network is first, at last.

BY L. J. DAVIS

PAGE 30



Wall St. & Vine

The new Hollywood grows more like Manhattan every day.

BY RICK DU BROW

PAGE 42

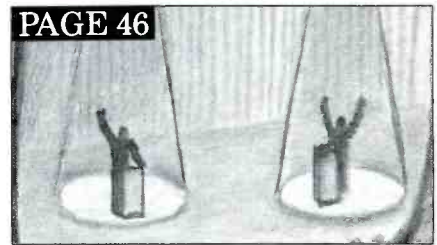


The Strange Politics of 'Fairness'

Odd alignments are forming on both sides of the battle over the Fairness Doctrine.

BY DAVID BOLLIER

PAGE 46



Sky King

Murdoch's European cable channel is trying to hook up the most fragmented market of all.

BY BRENDA MADDOX

PAGE 53

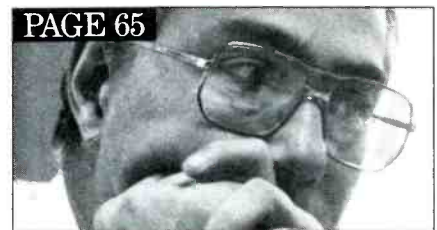


Neil Austrian vs. the VCR Blitz

Showtime's coach gropes for a pay-cable plan.

BY JAMES TRAUB

PAGE 65



Syndication's New Superteam

Everybody wants "synergy": Lorimar-Telepictures has it in spades.

BY D. D. GUTTENPLAN

The Year the Indies Stole Christmas

BY REESE SCHONFELD

'Billion Dollar Bill'

BY STEVE BEHRENS

PAGE 58



PAGE 62



PAGE 63



NBC-TV IS BREAKING THE SOUND BARRIER.

A new dimension in television has arrived. Stereo TV. The latest technological innovation in broadcasting. And NBC, the first network to broadcast entirely in color and entirely by satellite, is now the first network to spearhead this breakthrough, and broadcast in stereo.

What does this mean? It means that our TV programs can now be heard the way they were meant to be heard... with full, complete sound, currently offered in more than 20 hours of programming each week.

The music on *FRIDAY NIGHT VIDEOS*—can now be heard the way it was performed and recorded.

THE TONIGHT SHOW STARRING JOHNNY CARSON—can now be heard the way the live studio audience hears it.



The soundtrack on *MIAMI VICE*—can now be heard in a way that adds musical punctuation to the story with an intensity previously found only in stereo theatrical movies.

What color did for the television picture, stereo will do for television sound. The experience becomes enhanced. The moment becomes enriched. It'll make us wonder how we ever did without it.

More and more, people are finding they don't have to do without it. Currently, almost half of our viewers across the country are able to enjoy our stereo programming.

We are proud to be one of the pioneers in this technological revolution. We think it's going to set broadcasting on its ear. And change forever the way television is heard.

NBC-TV

National Broadcasting Company, Inc.

Coming Attractions

FAITHFUL READERS of *Channels* have already noticed something different about this issue: The cover is organized around a photograph. We've only used interpretive art for our covers before. And on this page another difference will be apparent: Our masthead has expanded, with some impressive names in key positions. If these suggest that our magazine is entering a new phase as it approaches its fifth anniversary, that's exactly what is happening.

This being the last issue of *Channels* as a bimonthly periodical, we've instituted a few changes to prepare our readers for what's to come in March. That's when we inaugurate our monthly cycle (initially 10 issues a year) and our expanded focus on the business of the electric media.

Not that we won't still be concerned with the art, the technology, and the social influence of the various forms of television and radio. But the pronounced accent on the business behind the box goes straight to the understanding of media today. Any technology exists only in theory unless it becomes a business—think of Qube, Tele-First, and Picturephone, three that didn't catch on—and usually it is business that determines what may be produced, whether for the airwaves, cable, or home video.

In broadening our approach, we've taken on board one of the country's best reporters on the media business, Merrill Brown, who covered that beat for *The Washington Post* before moving up to its parent corporation last year, where he helped engineer its cable acquisition. Merrill (who, though he shares my surname, is not a relative) becomes executive editor of *Channels*. Joining us as senior correspondent is veteran *Time* magazine reporter Peter Ainslie, one of the most knowledgeable writers in the field of video. In addition, we've gained the consultative services of Jack Nessel, former editor of *Psychology Today* and one of the founding editors of *New York* magazine.

Channels, under the new ownership of Norman Lear, will have a sparkling rebirth in March. That issue will unveil:

- The magazine's new design, by the

most distinguished practitioners of the art, Milton Glaser and Walter Bernard.

- New regular columnists, including Rick Du Brow, writing on Hollywood Inc., and Merrill Brown, on media business. These will be in addition, of course, to William Henry III's unfailingly rewarding "Private Eye," my own "The Public Eye," and regular contributions to "Program Notes" by one of the most perceptive commentators on programming, Michael Pollan.

- Several new departments, including a section of reports that will regularly update our best seller, the annual *Channels Field Guide to the Electronic Environment*.

- A special section every issue keyed to a vital aspect of the business.

The skilled resident staff that brought us this far remains intact: editors Audrey Berman, Steve Behrens, James Traub, and Richard Barbieri, and art director Marian Chin.

As a monthly, *Channels* will have a greater topicality, and it will continue to be the most worldly of the media publications, having recognized early on television's rapid evolution into a global industry. Brenda Maddox's article in this issue on Rupert Murdoch's Sky Channel—noting not just its implications for Europe but also what it may mean to the American production industry—exemplifies how *Channels* will be covering developments abroad.

More often than not, our stories will be pegged to the people who run the show or who are central to the concerns we're examining. In this issue, L.J. Davis provides a close look at the management style of Grant Tinker in detailing how NBC rose from the depths and into the arms of General Electric.

Our aim is to be indispensable to those who work in, or otherwise care about, the electric media. To this end, we've pulled together the best and the brightest. The new *Channels* will offer the brightest writing on the subject by the writers who know the subject best. And what we have for a subject is simply the most exciting business in the world. L.B.

EDITOR-IN-CHIEF

Les Brown

PUBLISHER

George M. Dillehay

EXECUTIVE EDITOR

Merrill Brown

MANAGING EDITOR

Audrey Berman

SENIOR EDITORS

Steve Behrens

James Traub

SENIOR CORRESPONDENT

Peter Ainslie

ASSOCIATE EDITOR

Richard Barbieri

ASSISTANT EDITOR

Jeffrey L. Wolf

CONTRIBUTING EDITORS

Rick Du Brow, William A. Henry III,

Walter Karp, Martin Koughan,

David Lachenbruch, Michael Pollan

INTERNS

Jane Lusaka, Catherine S. Minot

Rebecca Turner

EXECUTIVE SECRETARY

Deena Holliday

EDITORIAL CONSULTANT

Jack Nessel

DESIGN DIRECTION

Marian Chin

FINANCE AND ADMINISTRATION

DIRECTOR

Bronna A. Butler

CONTROLLER

Joseph E. Edelman

OFFICE MANAGER

Carlton Hill

SUBSCRIPTION MANAGER

Robin D. Andrews

SALES AND MARKETING

VICE PRESIDENT

Myles M. Fuchs

ACCOUNT MANAGER

Tracey Wilen

MARKETING ASSOCIATE

Linda J. Ross

ADVERTISING SALES OFFICES

New York: 19 West 44th St., New York, NY

10036. 212-302-2680.

West Coast: Gwen Campbell Winthrop,

15167-E Magnolia Blvd.,

Sherman Oaks, CA 91403, 818-784-3493.

England: Jack Durkin & Co.

130 Earlsfield Road, London SW18

Tel: 01-870-9082

Japan: Yukari Media Inc.

Hus Bldg., 4-2-28-602, Nakanoshima,

Kita-Ku, Osaka, Japan 530, 06-448-5011

CHANNELS of Communications (ISSN 0276-1572) is published ten times a year by C.C. Publishing, Inc., 19 West 44th Street, New York, NY 10036. Application to mail at second class postage rates is pending at New York, NY and additional mailing offices. Volume 5, Number 5, Jan./Feb. 1986. Copyright © 1986 by C.C. Publishing, Inc. All rights reserved. Subscriptions: \$39.95 per year; all foreign countries add \$6. Please address all subscription mail to **CHANNELS of Communications, Subscription Service Dept., Box 2001, Mahopac, NY 10541, or call 914-628-1154.**

Postmaster: Send address changes to **CHANNELS of Communications, Subscription Service Dept., Box 2001, Mahopac, NY 10541.**

Editorial and business offices: 19 West 44th Street, New York, NY 10036; 212-302-2680. Unsolicited manuscripts cannot be considered or returned unless accompanied by a stamped, self-addressed envelope.

No part of this magazine may be reproduced in any form without written consent.



WITNESS THE STRENGTH OF

DIVORCE COURT

"Divorce Court" is one of the most powerful shows on television.

Powerful, because its real-life portrayal of the human drama behind divorce is more than insightful. It's riveting.

Powerful, because "Divorce Court" openly explores the contemporary issues threatening modern marriage. Some of them provocative. Controversial. And always compelling.

Its real strength is in its performance. In over 140 markets from coast to coast, "Divorce Court" is winning custody of a large and growing audience, improving its 3 rating in November '84 to its current 6 NTI rating in November '85.

This impressive show may still be available for your market. So call your Blair Entertainment representative today. It's more than powerful. It's a proven success.

SOURCE: Nielsen 11/84 RoS 2/11/85 NTI NSS.

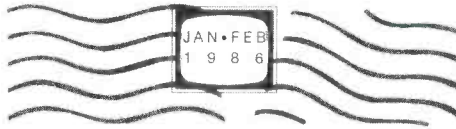
National Advertising Sales Representative:
Orbis Communications, (212) 685-6699.

A Blair Entertainment production in
association with Storer Communications.



BLAIR ENTERTAINMENT

1290 Avenue of the Americas • New York, NY 10104 • (212) 603-5990



On Public Broadcasting and 'Must Carry'

AS LES BROWN recognizes in his piece, "Broadcasting's Vanishing Species" [Sept/Oct], the drift is slow but seemingly sure toward advertising on public television. I am now doubtful of the wisdom of this move because I feel the only chance television has to pull itself out of the deep dark hole it is in is to have more independent public broadcasting. This, in my opinion, provides the public with consistently high-quality television.

Now, add to this my impression that the President is not completely in favor of public broadcasting: He vetoed several bills the Senate passed that would have brought more money to the different public stations. The Senate Communications Subcommittee, which I chair, has reported another large bill in the Senate. If they pass it, we will see, once again, whether the President is going to give us the money to work with.

As for Les Brown's other article in the same issue, "Unleashing the Cable Monopoly," I don't agree that cable should have a "must carry" rule. I look at cable the same way I look at radio, television, or any other medium. The operator has the privilege of operating by courtesy of the government, and he is, therefore, in the free enterprise business. To ask a cable operator to carry all local broadcast TV stations, is an injustice to cable.

BARRY GOLDWATER
U.S. Senate
Washington, D.C.

I READ "Broadcasting's Vanishing Species," an article defending public broadcasting, with great care, an objective heart and mind, and a magic marker—as I have all Les Brown-by-lined pieces over the years. There were a few points that merit my reply.

First, without undue self-flagellation for sounding a bit like a Milton Friedman of the airwaves, I do sincerely believe that commercial broadcasting serves the public well, because a threshold requirement for its success is immediate public appeal and satisfaction. If we fail to satisfy the audience, we're out of business.

That's certainly the U.S. experience.

Thus, as more channels are opened up around the world, I believe that it's in the national and international interests to use the same free-marketplace approach to separate one technology from another or one program service from another. The advertiser-supported broadcasting approach is simply the best alternative.

Most important, I do not and have not urged that public broadcasting become commercial, that is, accept advertising as a matter of survival. I have urged, precisely because many countries have no commercial broadcasting system at all but wish to be part of the new communications and information revolution, that they seriously consider the commercial approach, which has worked well in the United States, Japan, and Great Britain.

Private broadcasters want public broadcasters to survive and, in the best sense of the word, serve the greater public interest, however a nation defines such goals. Both systems can and should co-exist. Both must look to their ancillary markets, which I have suggested. Never, however, have I suggested that public broadcasters emulate commercial broadcasters by accepting advertising.

JOHN M. EGER
CBS/Worldwide Enterprises
New York City

I WAS PUZZLED by "Unleashing the Cable Monopoly." I agree that cable operators wanted the "must carry" rule repealed, but on the other hand a cable subscriber doesn't want to go through 12 channels and find three or four duplicated. I agree that the competition that would keep cable from having a monopoly isn't DBS or MMDS, but the competition will come in the near future. Today it is the videocassette recorder and backyard satellite dish.

J. DAVID KEEN
ScottCable Communications
Lebanon, Missouri

Dealing with the Disabled

SIMI HORWITZ'S article "A Sense of the Sideshow" [July/Aug] evinces a lack of understanding of the developmentally disabled, as well as the author's own discomfort in dealing with handicapped people.

I address a couple of the statements the

article makes. Referring to the "Winner" episode of *The Fall Guy*, she stated that, "contrary to what normalization advocates suggest, we never really forget that Jason has Down Syndrome." It was never intended that the audience should forget Jason has Down Syndrome. Rather, the audience knew that he had the disability and could also act.

Horwitz went on to state that the dramatized lecture in a scene from "The Winner" is "mind-bogglingly implausible—the wishful thinking of old-fashioned liberalism: If society doesn't acknowledge and teach differences among people, the differences won't be noticed." Again, Horwitz missed the point: We want differences about people with Down Syndrome taught, but taught properly. At the same time, we want it established that people with Down Syndrome, as well as other disabled people, can accomplish a great deal—if they are given the opportunity.

THOMAS J. O'NEILL
National Down Syndrome Congress
Chicago

Simi Horwitz replies: I understand perfectly well what normalization advocates want: to recognize the differences and at the same time establish the similarities between Down Syndrome youngsters and others. I question whether TV exposure has served that end. For example, on the *Fall Guy* episode in question, while the audience does see that a Down Syndrome youngster can read and spell, O'Neill also suggests that they see a Down Syndrome youngster who can act. However, despite the program's benign intentions, what the audience sees is a severely disabled child who has mastered some rudimentary skills. Jason is *not* an actor. An actor knows what he's doing, makes choices, and understands his impact on the audience. Jason does not. The program exploits the stereotype that a person with Down Syndrome is almost freakish. The fact is that Jason's differences override all the similarities that he may indeed share with the average person. And the realization that Jason is being used as a display object without his consent contributes to that sense of the bizarre. What finally emerges is a curiosity eliciting feelings of pathos or distaste or, worst of all, a patronizing kind of admiration. Is this what O'Neill would call "normalization"?



If ya want the real heroes,
the real villains, the real
music all based on the
real movie,
who ya gonna call?



© 1985 Columbia Pictures Television, a division of CPT Inc., All rights reserved.



THE REAL GHOSTBUSTERS

Network - Non-Traditional



The Real Ghostbusters could end up being the hottest kids show ever, and since it is based on the original hit movie, the characters are immediately recognizable and already loved.

So get ready to boost your ratings. 65 episodes are already in production. And there's only one place to call to get The Real Ghostbusters: Columbia Pictures Television.



STIBUSTERS

The National Federation of Local Cable Programmers Presents



9th ANNUAL

Hometown USA Video Festival 1986

Sponsored by Fuji Photo Film U.S.A., Inc. Magnetic Products Division

Deadline: All entries must be postmarked by March 15, 1986
Contact: NFLCP
906 Pennsylvania Ave., SE
Washington, DC 20003
(202) 544-7272

TELECOMMUNICATIONS—VIDEO PRODUCTION.

Assistant Professor, Full-time, Fall 1986. Production experience and commitment to teaching production at introductory and advanced level required. Emphasis on individual student expression and local cable TV program origination (location and studio work). Cable TV Access facilities located on campus. New Telecommunications Major has three components: Video Production, Media Studies and some Data Communications. Rotation of teaching responsibilities encouraged where applicable. Ph.D. or A.B.D. candidates given preference. \$24,000. Send resume to John Giancola, Director of Telecommunications, University of Tampa, Tampa, FL 33606. EEO/AA. Deadline: March 1, 1986.

THE UNIVERSITY OF CHICAGO ANNOUNCES THE

William Benton Fellowships in Broadcast Journalism 1986-87

The William Benton Fellowship Program at The University of Chicago, now entering its fourth year, provides a unique opportunity for professionals—television and radio reporters, news executives, producers, writers—to expand their expertise on essential issues, free from deadline pressure. The Program is sponsored by the William Benton Foundation.

Each Fellow works with a faculty adviser to develop an individualized academic program of course work in such fields as law, economics, religion, and public policy. The Fellows participate in a weekly seminar dealing with such fundamentals as First Amendment issues. They also meet and exchange ideas with national and international leaders in media, government, business, education, and other fields of public policy.

Stipends are normally equivalent to full-time salary for the six-month period of the Fellowship. The Foundation covers tuition and travel costs. University personnel assist with local arrangements for Fellows and their families.

The application deadline is March 3. Fellows will be notified by June 2. The 1986-87 Program begins September 22, 1986.

To receive a brochure and application form, mail this coupon to: Director, William Benton Fellowships, The University of Chicago, 5737 University Ave., Chicago, IL 60637.

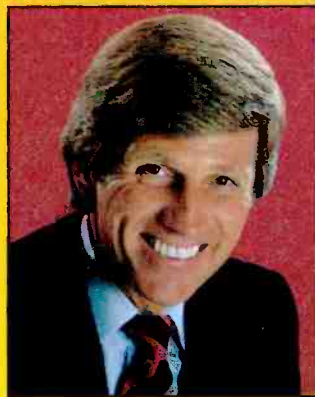
PLEASE PRINT

NAME TOTAL YEARS OF PROFESSIONAL EXPERIENCE
TITLE STATION/NETWORK
ADDRESS TELEPHONE

Imitators Come. Imitators Go.
The Original Continues.

HOUR MAGAZINE

Giving viewers information
they need.
Entertainingly.
Delivering to stations
and advertisers the numbers
they want.
Dependably.



Host Gary Collins

And doing it
so well that
**HOUR MAGAZINE
RATINGS ARE UP
25%**
over a year ago.

The Franchise. Year Seven.



Source: NTA for four weeks ending Nov. 24, 1985 and Nov. 25, 1984.

THE BEST OF DAVID SUSSKIND



David Susskind. America's most controversial but durable talk show host. In a career that has spanned almost 30 years he has entertained, enraged and enlightened America—on everything from organized crime to the world of the transsexual. Guests range from Harry Truman to Truman Capote, from Mel Brooks to porn star Samantha Fox. From over 1800 hours, 130 of the best shows edited into fast paced half hours in weekly thematic groups...

...TALK WORTH HEARING AGAIN.

Contact your Fox Lorber Representative at 212-686-6777



F O X / L O R B E R

432 Park Ave. S., New York, N.Y. 10016 Telex 425 730 Telephone 212 686 6777

In the air

The President Who Wasn't There

BEING PRESIDENT in the age of television is an out-of-body experience. That is the first thing to realize in interpreting the news media's extreme, almost fanatic interest in Ronald Reagan's cancers. The media, of course, believe they are simply being "responsible" in interrogating doctors about Reagan's treatment and describing in vivid detail the growths removed from his nose and colon. The White House, on the other hand, argues that the press is invading the President's privacy. The question of where the "public's right to know" ends and Reagan's right to privacy begins has defined the boundaries of the discussion so far. Let us see what can be gained by transgressing those boundaries.

Television makes the President the symbolic center of our national life. But in a curious way it also dislodges him, allowing an image of him to float out over the culture and seep into consciousness until it belongs as much to the audience as it does to the President himself. This is not an easy fact to appreciate. Our language for discussing imagery and politics continually refers back to the concept of possession. We speak of "Reagan's image" as if it were something that belonged to him, to use as he sees fit. This language of possession implies a rather simpleminded theory of mass communication, in which Presidents use the power of television to "get their message across" or project a favorable image to the public. Such a theory understates the power of television considerably, for TV not only distributes images, it produces them. And it produces them in a particularly tricky way. TV's most potent images are not

dreamed up by clever executives but drawn out from a semiconscious world where the audience's awareness of itself and the medium's awareness of the audience mingle and merge. What people already believe, what they already imagine, what they already desire—these are the materials of the image maker. As Tony Schwartz puts it in *The Responsive Chord*, the goal of the electronic media is not to "introduce new information" but to create something that "resonates with information already within the listener and available for recall."

Men such as Merv Griffin or Monty Hall succeed on television because they have no message. They simply approximate in their inoffensive looks and banal manner—even in their names—what a lot of people expect from a television host. The image each presents is as light and undefined as possible, for it exists mostly in the viewer's imagination. To give it too much content would take the image away from the viewer and return it to its nominal owner, whether he or she is a rock star, a newscaster, or the Chief Executive. This may have been Jimmy Carter's problem: With his Southern roots and oddball brother, Carter had too much that belonged to him specifically. The TV audience thus found it difficult to create an image of Jimmy Carter in the pattern of its own desires.

Ronald Reagan, by contrast, is undoubtedly the lightest and most insubstantial President we have ever had. In a very real sense he is our most popular President, not because most people agree with his programs, but because he has allowed himself to be dissolved into our idea of what a President should be. This turns out to be a composite of father, leader, and regular guy. But it is our image, not his. Look at it this way: Reagan is a popular President in the sense that blue is a popular color. A man wearing blue on television can be congratulated for presenting an attractive



UPI/BETTMANN NEWSPHOTOS

image, but he should not let it go to his head. The reason "nothing sticks to the President," as the press often complains, is that the President is not really there. He is here, with us and our urges.

Lacking a language for conveying the immateriality of the President, the press often heads off in the opposite direction. Lou Cannon of *The Washington Post*, widely regarded as an expert on Reagan, frequently warns against underestimating the man. Reagan has always been dismissed as a lightweight, Cannon says, but in truth he is a master politician who has a coherent vision and knows how to get his message across. This view reflects the begrudging respect of the news media for a man who has eluded their every attempt to reconcile image with action. But the media falter in coming to grips with the appeal of Ronald Reagan because they keep looking for something *in* him, when in effect Reagan, a wavy, dimly drawn vision, is in us.

In fact no notion of Reagan as a "lightweight" depicts him as light enough. We are asked to think of him as some kind of media genius because we are trapped by language and tradition into equating the President as a figure in our lives with the man who sleeps in the

In the air

White House. That equation no longer works; Reagan the television President is everywhere. *He has been dispersed.* Our inability to assimilate this fact prevents us from reckoning with the full dimensions of Reaganism, which is just as much a program for the dissolution of politics as it is a political program. What a terrifying predicament, as well, for the press: to have to "cover" a President who, through television, is continually dissolving away.

This evanescence explains the uncontrolled interest in the President's body. Reagan's battles with cancer offer a new way of insisting that the President (and the Presidency) can still be *located*, fixed precisely, in the person of Ronald Reagan. "At last," the press says, "here is Ronald Reagan in the flesh. Let's make the most of it." Inevitably, then, we were brought inside the President's colon as if it had been some sort of national tomb. The message: "Here he is, here is your leader, here is the threat to his body, he is human like you and me, he can get cancer and die."

But the press doth protest too much. In fact it has no idea what to make of Ronald Reagan, and so it reduced him to a body when it had the chance. Two days after the colon operation he was smiling and waving from his hospital window, a vision about to take flight. JAY ROSEN

The author is an instructor at New York University's School of Journalism.

My Favorite South Africa Jokes

GOOD MORNING, class, and welcome to the first session of Radio Newscaster Re-education. Let me say from the start that I know you are all experienced radio newspeople, that you've long ago mastered the technique of sounding like a cross between Hugh Downs and an automaton. All that experience—and let me put this mildly—is now utterly worthless. I want you to repeat the following fact as if it were a mantra: Rock-music radio stations don't need you anymore. They've been deregulated; they don't have to do news these days. What's more, traditional news makes ratings go down. So that's why you're all here: You

either learn to make the news entertaining, or you'll be selling shishkebab from a kiosk in midtown Manhattan.

Get this through your heads: You aren't newscasters anymore; you're informative comics. Most of the time you'll now banter with your disc jockeys. You are no longer forbidden to laugh—in fact, now you're *required* to. As for the stories you'll be doing, the rules are simple: They must be funny, or they must be about celebrities—or, preferably, both. News comic Robin Quivers, who works with the infamous Howard Stern on WXRK-FM in New York, has mastered the technique. Consider the following:

Quivers: Bhagwan Rajneesh has pleaded guilty to arranging marriages to get immigrants into the country illegally.

Stern: I dig that cat so much, really.

Quivers: Now he's gone back to India, I think, and he has accused his [American] jailers of torturing him.

Stern: Yeah, but that's a cool dude.

Quivers: You think?

Stern: Oh, yeah.

Quivers: You'd like to follow him?

Stern: Sure, you gotta admire a guy who comes over from India, and, like, gets a whole bunch of people to go to bed with him . . .

Quivers: Sure!

Stern: . . . and be naked and stuff.

Quivers: To wear gloves and have sex.

Stern: Well, most people come over from India and have magazine stands.

Quivers: [laughter]

Stern: But this cat came over and got a whole bunch of middle-class white kids to follow him around and have sex with him, and you gotta admire that 'cause that's America and that's what makes this country great.

Now, class, *that* is a rock radio newscast for the '80s! Of course, you'll still have to do a regular news spot, without interruption from the deejay, in order to maintain your credibility with the over-14 crowd; but even there you must select the kind of stories that your audience wants to hear. Pay attention to the careful mix on a recent newscast from WHTZ-FM in Newark, New Jersey, the nation's highest-rated station. After opening with a story on a basketball player who failed to sign a pro contract, it moved on to a piece on a Long Island man who broke into a duck farm and was charged with sexual misconduct after being found in the farm's office with a couple of ducks. The newscast wound up with a few syllables about that Soviet

KGB agent who recanted his defection to the United States. The whole thing took two minutes, tops, the bulk of it spent on the big story: the man and the ducks.

Now all of this may come as a shock to those of you who are used to reporting on budget deficits and nuclear-arms proposals. But that's the point of this class: to accustom you to the fact that your job is *not* to report the news. It is, in the inspired words of WHTZ news director Jeff Young, ". . . to retain the audience that is handed to you by the disc jockey." In 1986, in the trendy rock format known as contemporary hit radio, news is not to be reported, but sold. Edward R. Murrow wouldn't approve. But, as Howard Stern might say, look where Murrow is today. JEFFREY L. WOLF

What the GE/RCA Deal Says About TV Today

GENERAL ELECTRIC'S startling acquisition of RCA sent powerful signals to the nation about the health of the television business.

Grant Tinker's rejuvenation of NBC, as chronicled in this edition of *Channels*, clearly was one of the keys to the \$6.3 billion buyout.

NBC was expected to contribute close to half of RCA's pretax profit last year. (In the new combined company, that will come down to about 10 percent of GE/RCA's profits and only about 6 percent of its revenues.) NBC's owned stations—worth nearly half the price of the acquisition—give GE a relatively secure franchise in the broadcast sphere. This becomes important to a company faced with intense competition from foreign manufacturers of consumer-electronics products.

GE also offers NBC something. GE has, of late, been encouraging internal innovation and risk-taking—in today's lingo, "intrepreneurship." As NBC nears a decision on whether to launch a round-the-clock cable news network, the GE acquisition, although it brings an element of the unknown to the corporate planners, might bode well for that venture.

Even without the GE resources, however, Tinker, in the short four-plus years since taking over the company, has made NBC the most attractive place to work in

Katz American Television
representing major market affiliates

Katz Continental Television
representing medium and smaller market affiliates

Katz Independent Television
representing independent stations exclusively



Katz Television Group.
The best.

Adventures of Sherlock Holmes • All for Love • Brideshead Revisited • Bulman • Childhood
 Coronation Street • Country Matters • Cribb • Crown Court • A Family at War • Hard Times
 The Jewel in the Crown • A Kind of Loving • Lady Killers • The Mallens • The Member for Chelsea
 The Nearly Man • The Practice • Sam • Shades of Darkness • The Sinners • The Stars Look Down
 Strangers • Travelling Man • Victorian Scandals • Time for Murder • Ann & Debbie
 Another Sunday and Sweet FA • Benny Lynch • Blind Love • The Chaps • Closing Ranks • The Collection
 December Flower • The Ebony Tower • A Flame to the Phoenix • The Ferryman • The Good Soldier
 Gossip from the Forest • Heydays Hotel • I Know What I Meant • King Lear • Noddy
 Our Young Mr Wignall • The Pueblo Affair • The Sound of the Guns • Staying On • Waxwork
 The Death of the Heart • The Clarion Van • Collision Course • Enemies of the State • Full Circle
 Invasion • Life for Christine • L S Lowry – A Private View • The Man Who Wouldn't Keep Quiet
 Mirage • A Pattern of Life • Philby, Burgess and Maclean • Power Struggle • The Road to 1984
 Secret Orchards • Strike • A Subject of Struggle • Three Days in Szczecin • Tiny Revolutions
 Battle for the Falklands • The Cabinet in Conflict • Camera: Early Photography • Camera in Action
 Camera: Moving Pictures • Carnival • Casino – A Bitter Victory • The Children of Voronezh
 The Christians • Chrysler and the Cabinet (How the Deal was Done) • Cities at War
 Cyprus – Britain's Grim Legacy • D-Day – The Great Crusade • Decision • Disappearing World
 Edge of Britain • End of Empire • European Journey • Faces of Justice • A Good Do for Batters
 Gosling's Travels • The Grand British Experimental Railway • The Great Plant Collections
 The Group • The Hammer and the Thistle • Heroin • His Face is Familiar • Hope Street Glory
 Home – Journeys to Britain • A House for the Future • Human Jigsaw • Inside Amin's Terror Machine
 Inside British Politics • Inside China • Inside Europe • Lady Policeman • A Life Worth Living
 Living in Styal • Malta Farewell • Medical Ethics • Men of Our Time • The Mighty Wurlitzer
 Munich Remembered • The Mysteries • Olga • The 147 Break • Opinion • The Police and the Public
 Pool of Life • The Psychic Surgeons • Public Office • The Question of Faith • The Questors
 The Realistics in Belfast • Rich World, Poor World • The Rise and Fall of the CIA • Rod and Line
 Seven Men • The Spanish Civil War • The State of the Nation (The Bounds of Freedom) • Surrender
 Television • Ten Days that Shook the World • Terror and the State • This England • Tree of Liberty
 Seven Up • Seven Plus Seven • Twenty One • Twenty Eight Up • Union Power • Victory in Europe
 The Village that Would Not Die • The War of the Springing Tiger • A Woman's Place • World in Action
 World in Action: The First 21 Years • Ten Days in May • Daddy, What Did You Do in The Strike?
 Arrivederci Grimethorpe • Arrows • Barenboim on Beethoven • The Beatles in the Cavern
 Breakers • Captain Noah and his Floating Zoo • A Choreographer at Work • A Christmas Carol
 A Conductor at Work • The Dance Theatre of Harlem • David Essex • Duke Ellington – Love You Madly
 International Pop Proms • Isadora • Johnny Cash in San Quentin • Man and Music • Music for Guitar
 Parade • A Pianist at Work • Play Bach • Preludes • Ralph McTell • The Seven Deadly Sins
 Sounding Brass • The Stones in the Park • Affairs of the Heart • Bootsie and Snudge • Brass
 The Brothers McGregor • The Cuckoo Waltz • Leave it to Charlie • The Life of Riley • The Lovers
 The Comedians • Dance Crazy • The Wheeltappers • Alphabet Zoo • It's Fun to Read • Let's Go Maths
 The Magic Ball • Tickle on the Tum • The Flower of Gloster • The Ghosts of Motley Hall
 The Owl Service • The Return of the Antelope • Evolution • Geography Today • History Around You
 The Land • The Micro at Work • A Place to Live • Physics in Action • Your Living Body

NATPE Stand No. 1224



GRANADA TELEVISION INTERNATIONAL

London: 36 Golden Square, London W1R 4AH
 Telephone 01-734 8080. Telex 27937

Paris: 18 Rue Volney 75002 Paris France
 Telephone (33 1) 42 61 79 10. Telex 21 3008

New York: 1221 Avenue of the Americas, Suite 3468
 New York NY 10020 USA
 Telephone (212) 869-8480. Telex 62454 UW

In the air

network television. With CBS's balance sheet muddled by its scuffle with Ted Turner, and ABC's short-term prospects uncertain in light of its acquisition by Capital Cities, it is the GE/RCA giant that offers television professionals the most secure future.

It must also give television people a degree of comfort to know that GE made a recent pass at CBS, sensing that it could be CBS's "white knight." That move was the first sign that GE's vaunted planners had become enamored of the industry's prospects.

Nevertheless, the allure of a triumphant NBC and last year's takeover traumas at CBS, ABC, and Metromedia—combined with the free-market temper of our time—suggests that media powers may not soon rest secure from large-scale institutional change. The broadcasting community has lobbied long for a free market, and what the industry has won is a free, volatile, and high-pressured market that it will have to live with through the rest of the '80s. MERRILL BROWN

Are You Now, or Have You Ever . . . ?

THE AMERICAN Legal Foundation is a watchdog group dedicated to countering the now notorious "liberal bias" of the media. According to its brochure the foundation combines the attributes of think tanks and investigative journalism. Michael P. McDonald, its 29-year-old chief counsel, whose beetle-browed image appears four times in that brochure, says that the ALF's resources are spread pretty thin these days. There are so many things for conservatives to do. One is making documentaries. "There's a dearth of good conservative filmmakers and producers out there," says McDonald.

Short of actually making a documentary, though, the ALF has been trying to insert itself into the production of someone else's documentary, as a sort of symbiont, or parasite, depending on your point of view. The documentary the group wants in on is *Who Are the Russians?*, a projected PBS series of as many as 10 parts, which is not likely to air for another two or three years. (The producers have so far raised only \$350,000 for a \$7 million-plus production.) The

ALF has demanded that, to protect the Fairness Doctrine rights of its 40,000 contributors, the film's producers (1) inform the foundation of all steps they take "to correct [the film's] deficiencies," (2) provide the ALF with copies of "proposal revisions" and "progress reports, memos, etc . . . of a nonpersonal nature," and (3) allow an ALF observer to sit in on all planning sessions.

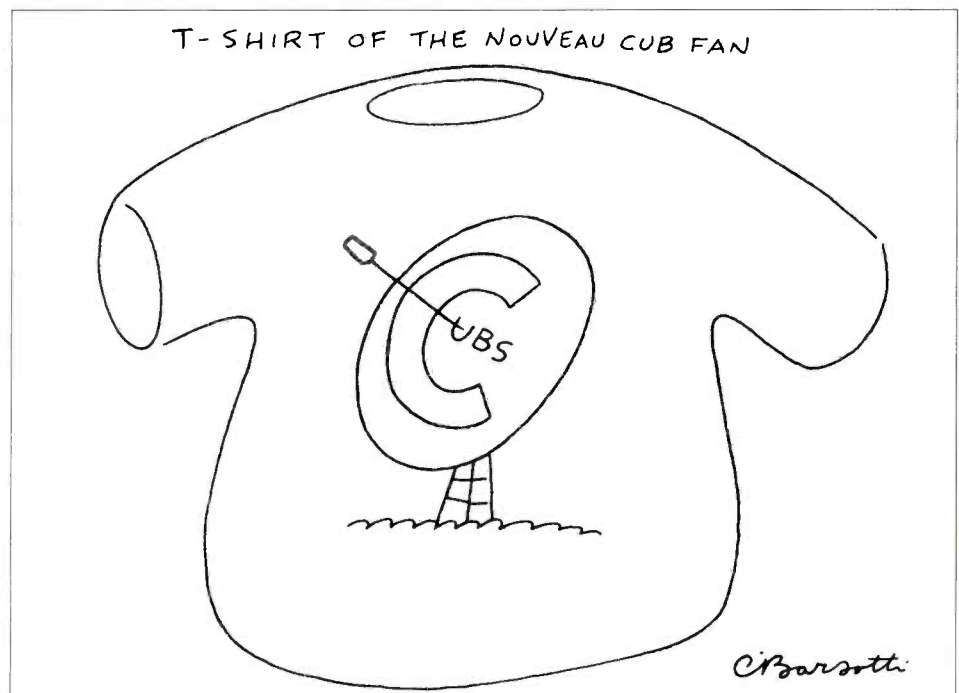
PBS executives have deflected the requests. Peter S. McGhee of WGBH, the Boston station that is producing the series, wrote to the ALF last summer that the show's development is not something the producers will discuss "with interest groups, whether it is yours . . . or the Socialist Workers Party."

It would be easier to dismiss the ALF as a band of busybodies if the Right had not already been so successful in getting its way in such matters. Last year, following criticism of the documentary *Vietnam: A Television History*, also produced by WGBH, PBS yielded an hour of air-time to the right-wing group Accuracy in Media so it could present a stinging criticism of *Vietnam's* veracity, and even its integrity. The real damage of the critique may well have been its equation of PBS's careful and extensive, if controversial, study with its own outright expression of dogma. The ALF has that same cynical view of the documentary genre. It seems to be arguing, "It's our obnoxious bias against theirs." Moreover, the foundation's unctuous use of

government regulation to gain entry into editorial processes imitates the very thought-police mentality it is so anxious to vilify in the Soviet Union.

The ALF has attacked the proposed documentary in a flurry of letters whose hectoring tone surely owes more to the ambush-interview technique than to a think-tank conference. The foundation argues that the series as projected amounts to "sophisticated pro-Soviet propaganda," a "Potemkin-village view of the Soviet Union as a place where . . . personal freedom flourishes."

Not that the WGBH outline for the series isn't unsettling, even if you don't share the ALF's ideological predispositions. The description of Joseph Stalin contained in a 500-word précis for the third installment doesn't get around to the purges—what one historian has called Stalin's "orgy of savagery"—till halfway down the page. The writer *balances* the fact that Stalin filled "a vast network of prison camps" with the thought that he opened the way for younger men to rise; in one grotesque sentence he equates the "desperation" of some of Stalin's subjects with the "aspiration and achievement" of others. Nowhere does the statement say that Stalin—who Nikita Khrushchev later said should be tried for his crimes, and who some historians have suggested was insane—killed millions of his people. The focus of the program is on Stalin's "epic and monumental" military and



In the air

industrial achievements.

WGBH's 21-page proposal is now and then tough on the Soviets, and yet the précis for the episode on Stalin is only the most striking of several acts of charity toward them. You won't find any reference here to Afghanistan, Poland, Hungary, Czechoslovakia, the gulag, Solzhenitsyn, or Sakharov. The Soviet inclination to invade neighbor countries is termed its tendency "to promote territorial expansion."

What the glossy, red-jacketed proposal doesn't tell you, though, is that it was written while the producers were courting Soviet authorities for the right to film in the country. Acknowledging this fact, Bert Patenaude, a fellow at Columbia University's W. Averell Harriman Institute of Soviet studies and a producer of the project, concedes that "there certainly was an attempt made to remove as much of the emotive language as possible." Patenaude adds that one has to be "very cautious" in bringing up such matters as Stalin's regime with the Soviets.

The joke, and it's a sad one from the producer's point of view, is that this billet-doux has failed to get WGBH's cameras into the country. Over the last two years Patenaude and producer Richard Ellison have twice flown to Moscow to talk to officials of Gosteleradio, the Soviet TV authority that controls foreign access. They have telexed the authority nearly two dozen times and have met at the Institute of History in Moscow with a group of Soviet historians. Their request to film in Russia has been met so far with a thunderous "Perhaps."

The producers say they can't wait any longer, and while they hold out some hope of the Soviets softening, they are meanwhile recasting the series as a strictly historical one, of perhaps eight parts, relying on extensive footage available in Western archives. Not filming in Russia could defuse one of the conservative critics' charges: that any deal the producers cut with the Soviets to film in Russia will ultimately distort the documentary.

Meanwhile, McDonald threatens that the ALF is preparing "different strategies" to counter PBS plans for the series. He refuses to be more specific. But, he adds, "I'm not blowing smoke."

PHIL WEISS

Phil Weiss's last piece in Channels was a profile of public-TV documentary producer David Fanning.

Kids Shows: Gimme a Break

THE ORDEAL starts early. As soon as they're old enough to be kidnapped, children must beware of ugly strangers luring them into vans. Then if they survive drug abuse and drunk driving, they still risk teenage suicide.

So, at any rate, one could conclude from programs screened at the first annual American Children's Television Festival, in Chicago last fall, where about a third of the semi-finalist programs warned of youth's grave dangers. Fortunately for morale, no one attending the festival was young enough to fall victim to child abuse or teenage suicide, and no actual juvenile would ever sit still for hours of such grim and often inept manipulation.

Nevertheless, the cumulative effect of all those solemn admonitions was enough to cause even Sam Newbury, the producer of *Mister Rogers' Neighborhood*, to cry out, "Can't we just do entertainment?" He knows well enough that children's programs are almost required to have a message; *Mister Rogers* delivers two or three every day, with the warm touch of a parent. Except for those cartoon shows whose sufficient purpose is to sell toys, children's programs must either teach or preach; they need an excuse to get on the air.

Even the mildest toddler show, such as the Disney Channel's *Welcome to Pooh Corner*, stood prepared for inspection. In the episode screened, it was Owl's duty to convey curricular content in a song about noses and their many uses. An episode of NBC's animated *Mr. T* pounded home its message more aggressively, warning kids that they must never trust strangers. Though some festival participants quarreled with Mr. T's frightening message and his sledgehammer style, they didn't question his effectiveness.

Even this much could not be said for the programs with messages for teenagers. "It's easier to do preschool; they'll listen to adults," says Newbury. "Television hasn't developed formats that work as well for elementary and older." Certainly there was no lack of trying. In *Use Your Smarts . . . About Drugs and Alcohol*, WCVB Boston dramatized a teenage party where two boys' utter fool-

ishness led to a girl's drug overdose. Between scenes the station's weatherman attempted to interview real-life teenagers, who were inarticulate. He finally turned to a balding drug counselor to ask whether the scenes had recreated an "authentic" teenage party. Teenage viewers, if any remained at this point, might well have wondered who the producers thought they were enlightening.

Other teen shows were equally disorienting. WCBS New York set out to chronicle the making of a rock video in *They're Watching Rock 'n' Roll*, but ended up striving to allay parental fears about sexy and violent rock lyrics with a variation on the reliable it's-only-a-phase argument.

Though the teen-problem programs had rock sound tracks, which may even have drawn some young viewers, their real audience seemed to be worried parents—an audience with special program needs, to be sure, and much easier to reach. In fact, said Keith Mielke, research vice president at Children's Television Workshop, "there is no such thing as a teenage audience" (with the exception of rock-video fans). "Some of our studies have shown that by the time a child reaches the age of 12, his viewing patterns are much like an adult's."

A couple of shows screened at the Chicago festival did, however, seem likely to communicate to teens. One was Nickelodeon's *You Can't Do That on Television*, a defiantly unstuffy teen version of *Laugh-In* that delivered the kind of gross-out jokes and slapstick that adolescents presumably still love. The other was *The New Image Teen Theatre*, from KPBS San Diego, a much subtler series of comic observations about growing up, improvised by an experienced troupe of teenage performers. Though *New Image* didn't picture adults as total buffoons, as *You Can't Do That* delighted in doing, both shows had the sound of teenagers speaking. Neither would hold the attention of many adult viewers. That's okay on a children's network such as Nickelodeon or a public television station such as KPBS, but not where a broader audience is expected.

For most stations, most times of day, when teenagers are watching, so are adults. Where intergenerational issues are the subject, it's hard enough to talk to kids without having to forgo the adult audience. And if it would require a new language and viewpoint to really talk with teenagers, well, sometimes it's easier to just pretend. STEVE BEHRENS

REPORTS

SYNDICATED PROGRAMMING

THE TALK SHOW

DIVA NAMED

OPRAH

THIS SHOULD give an idea what Oprah Winfrey was walking into in Chicago back in January 1984: The host she was replacing at WLS-Channel 7's *A.M. Chicago* was Robb Weller—white, handsome, toothy, frothy, inoffensive, and the sort of fellow most likely to become co-host of *Entertainment Tonight*. Which is where he is today.

Oprah Winfrey was 30 then, black, sassy, born in Mississippi, and by television standards—as least as defined by Christine Craft's attorneys—much too-o-o *everything*, but most probably too fat, by at least 40 pounds. And Oprah Winfrey (pronounced Oh'-pruh), who swears she had pet roaches as a kid, was going to host a talk show, in Chicago yet—a city where people were still tussling over the election of the first black mayor, Harold Washington.

Here she is today, self-proclaimed "Miss Negro on the Air." It took Oprah Winfrey just a single ratings period to topple Phil Donahue, whose top-dog morning talk show was originating less than two miles away at WBBM-TV (and beaming out to more than 214 stations nationwide). She uses the Donahue technique, moving through the audience microphone in hand. But Winfrey is decidedly less straight—more likely to hug audience members who ask good questions—and less serious. Her guests have included nudists (the cameras stayed trained on their faces), transvestites and their parents, and a baby alligator. Today, with her show retitled the *Oprah Winfrey Show*, and Phil Donahue far away in New York City but still airing opposite her, Winfrey draws double his audience most days, and never loses to him. In Chicago, it didn't take long for

WLS to give her a theme song. It starts, "Everybody loves Oprah."

By next September, the King World syndication company, which made *Wheel of Fortune* a staple in American living rooms, will give the nation Oprah Winfrey, too. Even before the National Association of Television Programming Executives meets in New Orleans this



month, the new *Oprah Winfrey Show* is a firm buy at 60 to 100 stations, and some of them will no doubt put her up against the guy she's proved can be beaten—Phil. If she beats him? "I'd say, 'Whoa girl! That's pretty good,'" Oprah says.

Things are pretty good for Winfrey. Last month, she made her acting debut as co-star in the film version of Alice Walker's *The Color Purple*, directed by Steven Spielberg. The movie was co-produced by Quincy Jones, who caught just a few minutes of Oprah's show on a visit to Chicago and immediately contacted the film's casting director. A week later she was screen-testing. "Nothing comes before its time," Winfrey says. Adds Dennis Swanson, an ABC vice president who plucked her away from a Baltimore station when he was general manager of WLS: "I'm not surprised by her success.

She's natural television."

Extraordinary television, to be sure. Winfrey is not a clown, but she's genuinely witty, and genuinely genuine. She is proud to recall one of her first Chicago fan letters. Effecting an imitation of Flip Wilson's Geraldine, Oprah says it read, "Girl, I like you because you're not all Bill Blasted and Hollywooded up."

True enough. Watch an hour of Oprah Winfrey and you are likely to hear about her great big hips and her failed romances. "On the show the other day, I said, 'We're going to post a 900 number now for you to vote if you think, yes, I should get my nose done.'" To rough-hewn Chicago, Oprah Winfrey makes as much sense as Cristina Ferrare does to Los Angeles.

Yet that isn't the total, real Oprah Winfrey. She's not Butterfly McQueen, for goodness' sake. Winfrey is attractive, intelligent, even something of a clothes horse.

The press she's gotten doesn't always convey that; in fact, after she was Joan Rivers's guest on *The Tonight Show*, Winfrey remarked that Rivers seemed startled to meet her. "I thought, 'Uh-oh, she read too much about this street-wise, Mississippi-bred, soulful, street-smart Negro woman.' I think she thought I was going to come out with a rag around my head."

If she makes fun of her race, she doesn't ignore it altogether. When she hosted Ku Klux Klan members who insisted they didn't hate her, she suggested, "Let's go out to lunch." (They declined.) But she's not a civil rights activist. "What am I gonna do, wear a sign that says, 'I'm black'? Just look at me. You can tell."

She's stretched the limits of taste in ways that are baffling, given that she has been guest speaker at Baptist churches since she was 11. She once did a show with porn stars and encouraged an actress to describe, in sexual slang, the one act she will no longer perform on the screen. She's done a show titled "Does Sexual Size Matter?", in which she opined, "If you had your choice, you'd like a big one if you could. Bring a big one home to mama!" (She now says that comment was misunderstood.) But criticism has been muted; the general consensus is that Oprah Winfrey sometimes just gets carried away.

King World thinks Winfrey will have no trouble in big urban markets, or in smaller cities with large black populations. Winfrey's not worried about the South. "They stab you in the front in the South, not in the back," she says. "Given the option, I like that better." But she does joke about some less urban

markets. "A King World salesman was talking to me about a station in Idaho and he said, 'They could put a potato in a chair and get better ratings.'" "

As for her contrast with Donahue, she found further evidence for it among the focus groups King World conducted to gauge her popularity. "The thing I remember is that all the women said if they met Donahue, they'd be in awe. But if they met me, they'd ask me out to dinner." That's probably true. And she'd probably accept. P.J. BEDNARSKI

P.J. Bednarski is the media business reporter for the Chicago Sun-Times.

SATELLITES

TURNER'S DIRECT LINK FROM MOSCOW

TED TURNER'S new satellite link with Soviet television—the first full-time hookup for a U.S. network—may come unplugged this spring as a result of the State Department's cold war fears.

Last November Turner's Cable News Network got the go-ahead from the Fed-

rather than a journalistic initiative by Turner; and it expects in return nothing short of an unlikely cold war thaw. "We would like to see some reciprocity from the Soviets," explains the State Department's Allen Greenberg.

Diana Lady Dougan, director of the Bureau of International Communications and Information Policy, told the FCC that the department would base its recommendation on "a general assessment of our bilateral relations with the Soviet Union, including progress in obtaining reduction of Soviet jamming [of Voice of America and Radio Free Europe/Radio Liberty] and granting of appropriate reciprocal media access."

Dougan and Greenberg were also careful to say that the department encourages the international flow of information, but Turner himself makes much more ado of this notion. An ardent internationalist, he spoke up last year for global cooperation in a speech at Duke University, announcing that he's "desperately trying to hook the world together as quickly as possible" by satellite. He's laying out millions to cosponsor and transport U.S. athletes to the Goodwill Games, and has funded a Better World Society, basing it in his Washington office. CNN has picked up the global entanglement, providing satellite feeds of its

off-stage and only heard in an echo, it's much easier to demonize him."

Nations seeking to spruce up their image abroad are turning from the short-wave radio medium to television. The Kremlin wants to get into the satellite television game, says Wilson Dizard of the Georgetown Center for Strategic Studies. "They particularly want to get favorable television images out," says Dizard. "They can't get them out through U.S. network correspondents, who are just interested in dissidents and bad things. It's not conspiratorial; they're just smart. I think the deal with Ted Turner is obviously part of that."

Dizard, Downing, and other media experts doubt there's danger that Moscow television will win any Yankee hearts and minds, given its present content and outdated video technique. It has improved somewhat in recent years, says Dizard, "but it's still an awful lot of talking heads and boy-meets-tractor."

STEVE BEHRENS

BACKYARD DISHES

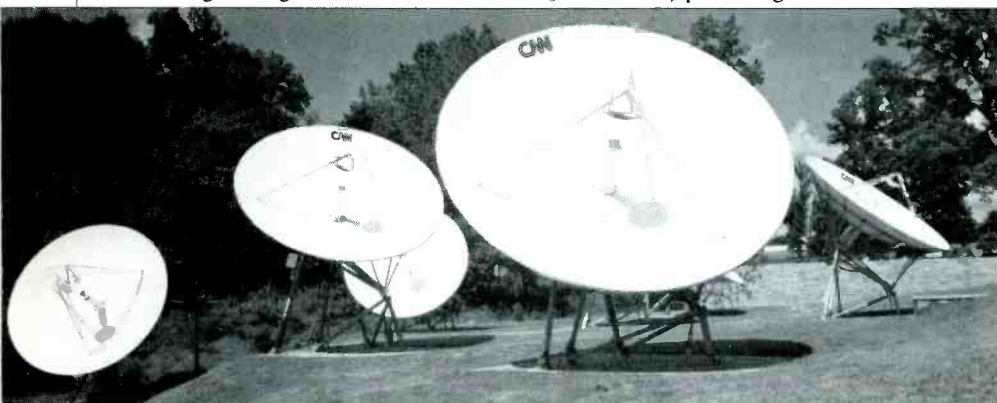
THE DISH LOBBY'S

PARTISAN PRESS

NINE MAGAZINES rejected an advertisement from Home Box Office last October; all were trade and consumer publications serving the backyard-dish industry. "We Said No!" boasted Chris Schultheiss, editor of *Retailer Magazine*, in an editorial explaining why he turned down the "open letter" announcing HBO's plan to scramble its satellite transmissions in January. Scrambling will end the free access to HBO that 1.5 million backyard dish owners—including these magazines' readers—have enjoyed for years. Now they will be forced to buy a \$395 decoder and pay \$12.95 every month for the service.

Schultheiss quickly assumed the role of spokesman for the editors who refused the ads. The affair—really just a minor skirmish in the war between the cable and backyard-dish industries [see *Channels' 1986 Field Guide*—had become a test of the editors' loyalty to the cause of free satellite television. Nobody wanted to be accused of sympathizing with the enemy.

"Accepting HBO's advertisements and money would have been easy to rationalize," Schultheiss explained in his November 1985 issue. "We could simply have accompanied the ads with our own editorial decrying the unfairness of the marketing plans. Other publishers chose



eral Communications Commission (with State Department concurrence) to take Eastern-bloc television feeds from Soviet satellites. (FCC approval is required before a company can receive transmissions from a nondomestic satellite.) CNN plans to use clips from Soviet newscasts, and Turner is syndicating coverage of next July's Goodwill Games, which he's cosponsoring with the Soviets. But the permission, granted on a trial basis, will expire in mid-May if the State Department decides it isn't in the national interest.

The department is already leery and plans to apply some "pretty strenuous" criteria, as CNN spokesman Alex Swan says. It seems to regard the satellite hookup as a concession to the Soviets

24-hour news service (sometimes free of charge) to broadcasters and cable systems in Europe, Canada, Japan, Australia, and elsewhere. And last summer Turner announced a two-year program exchange with the Soviet broadcast organization, Gosteleradio.

CNN spokesman Swan says excerpts from Soviet TV, with English translation, will let Americans see how the Soviets report world events to their own people. "It's half the world over there, pretty much, and people here haven't ever seen a Soviet newscast." Regular, direct exposure to the Russian view "would begin to crack the demonization of the USSR," says John Downing, a media authority at Hunter College. "When your adversary is perpetually

this method. We could not, in good conscience, do it!" He later compared the HBO ads to the money Judas Iscariot received for betraying Jesus, calling them "30 pieces of silver."

Most of the 30 or so magazines covering satellite TV were not as vehemently opposed to taking HBO's money. Jeff Miller, whose *Satellite Business* published the ad, told Schultheiss to "lighten up." Says Miller: "HBO has the right to present the facts of their case from their own perspective."

Many editors and publishers have been covering the satellite movement from the time of its genesis a decade ago and continue to champion its causes with religious zeal. At its annual meeting in Nashville last September, trade association officials courted trade magazine editors, some of whom were even invited to take part in "closed-door" planning sessions. (Reporters suspected of being "cable-friendly" were excluded.) At one meeting, an editor joked with officials about his "editorial independence."

For as long as there's been a backyard-dish business, HBO has had to face a certain animosity from backyard dish owners and retailers who contend that satellite signals are free for the taking. At the Nashville meeting, renegade satellite dealers threatened to demonstrate at the exhibit of M/A-Com, the manufacturer of HBO's descramblers. And as cable programmers and operators try to tap the dish market, the reigning powers in the cable industry and backyard-dish movement will undoubtedly clash again and again.

HBO, for its part, has called the rejection of the ad a "weak and distorted response." But it's unlikely that HBO will be allowed the last word.

RICHARD BARBIERI

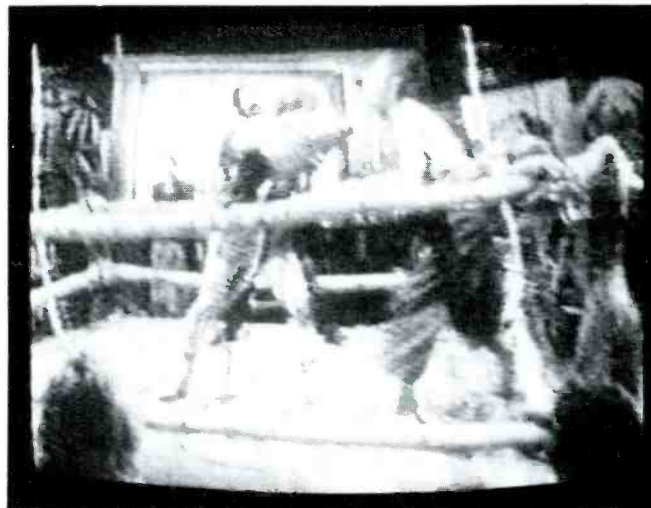
CABLE

AUSTIN'S KEY TO THE CITY

WHEN the public-access programs from Austin, Texas, swept the Hometown USA Video Festival, their success confirmed what Brian Owens had suspected. "I always saw Austin as probably the best place for access anywhere," says Owens, once a leader of Austin's access activists and now a vice president of United Cable Television in Los Angeles.

Austin Community Television (ACTV) took nine of the 62 producer awards, as well as awards for overall

excellence, promotion, and production at last summer's festival, held by the National Federation of Local Cable Programmers. The winning entries were classic public-access fare—Everyman as TV producer—and as diverse as Austin's residents: One had wrestlers jousting with video cameras; another celebrated the Tex-Mex tradition of pit-barbequing beef heads. In another, an amateur producer interviewed Guatemalan refugees af-



ter a bloody attack on their Mexican camp.

Why did public access blossom in Austin? With the University of Texas nearby, the city had the makings, according to Owens. "First, there's a young community that's active and creative in media," Owens says. "Second, the community was very proud of itself—if you like, narcissistic. 'Austintatious.' And third, the area has a lot of sports, a lot of ethnic activities, a lot of cultural life. The only missing ingredient was financial support, at first."

The project started up anyway. In 1973, Owens, a recent University of Texas graduate, was working for the Federal Communications Commission and sent back word from Washington about new rules mandating public-access channels in the top 100 cable markets. Meeting in a church basement, Owens's friends agreed to petition the Austin cable company for use of a largely vacant channel. Before long the group was feeding its black-and-white programs to the system from a videotape player in a member's car parked outside. Owens returned to Austin in 1977 and raised funds for color equipment and a few salaries. ACTV got a channel of its own, after years of being bounced among three.

ACTV's main chance came in 1979, when Austin's cable operator, Time Inc.'s giant ATC, asked the city for a 20-year franchise renewal. With Michael Levy, founder of *Texas Monthly* maga-

zine, Owens barraged the city council with accounts of other cities' successes in extracting access concessions from operators. In the resulting 1981 pact the operator pledged \$1 million for equipment, an operations fund of nearly \$500,000 a year, a new studio, and half-time use of the company studio and staff. ACTV now controls three of the system's 54 channels, and a fourth may be added this year. The money not only supports 18

full-time staffers—a large payroll for a cable system reaching more than 100,000 households—but also covers the volunteer producers' equipment costs.

More important, the producers bring their various enthusiasms: church services, boxing and soccer matches, music, comedy, and little bits of homemade TV, all of which fills 230 hours a week. After making a concerted effort to bring in minority pro-

ducers, ACTV carries regular talk shows for black and Mexican-American viewers. Austin producer Frank Morrow's seven-year-old show *Alternative Views* plays in 15 markets outside Austin. And despite controversy ACTV has successfully defended its carriage of a Ku Klux Klan talk show [see *Channels*, Sept/Oct 1985]. When Austinites rebel at what they see, they get inspired to get *their* views on the air, says Morrow. "That's what access is all about."

As many as one-third of cable subscribers watch ACTV regularly, according to a city survey, but some shows inevitably attract only the producers' most devoted friends, such as a recent murky lit half-hour of belly-dancing. "Lots of things will come up short," says ACTV general manager Martin Newell. "That's just the way it is. We're working with equipment that's just a step or two above what you can get at the furniture store, and the people who are doing the shows are the guys that are *selling* that furniture, or checking folks out at the supermarket for a living. Then they do this because there's something inside them, a story they've got to tell."

ELISE NAKHNIKIAN

Elise Nakhnikian, a magazine editor based in Austin, reviews films for several periodicals.

AFTER THE BREAK-UP,

SOME SURPRISES

BY THE TIME AT&T's divestiture was final, few surprises remained. All the parties involved knew what was going to happen months before the January 1, 1984 breakup. The future had been laid out in a court-sanctioned plan detailing how the world's biggest corporation would spin off its 22 local Bell Operating Companies (BOCs).

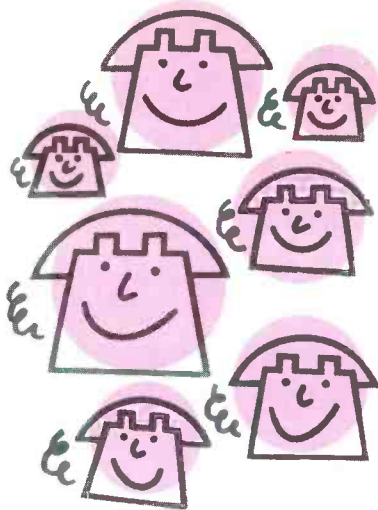
Today, however, the divestiture has spawned a bundle of surprises; even veteran industry followers have been amazed at some of its results.

Few observers expected the regional companies, for instance, to break with the parent company so willingly. Before the breakup, AT&T employees had exhibited a camaraderie not seen in many other large American companies. Many believed the local Bell employees would continue to favor AT&T in their dealings and that the companies themselves would still think like little AT&Ts. That wasn't the case, however. "It was surprising how quickly those old ties evaporated," says Phil Verveer, a Washington, D.C., lawyer who worked for the Justice Department when the antitrust suit was filed.

The formerly Bell-owned companies quickly embraced the idea of competitive procurement and began buying from companies such as Northern Telecom instead of Western Electric, AT&T's manufacturing division. "In terms of favoritism [for Western Electric], you just don't see it anymore," Verveer says.

Financially, the BOCs fooled most everyone. Instead of withering, they have performed remarkably well. Wall Street, which was at first unsure how to evaluate the new companies, now gives them high marks. The BOCs' stock-price increases since the divestiture range from 24 percent for Southwestern Bell to 43 percent for Ameritech.

Another surprise was how quickly the separated companies started moving into new businesses. Under the divestiture agreement, the BOCs could enter unregulated markets—such as phone and office-equipment sales—only after securing waivers from U.S. District Court Judge Harold Greene, who had orchestrated the divestiture. He wanted to make certain that BOCs didn't funnel earnings from their regulated phone services into their new, unregulated businesses, a practice that would give them



unfair advantage over competitors.

Greene said publicly that he hadn't expected the local companies to apply for waivers as quickly as they did. Shortly after the divestiture, Ameritech requested permission to offer telecommunications consulting services. Pacific Telesis wanted to buy computer stores, and US West asked to enter the real estate business by offering services through the new wave of "wired buildings." These are among the nearly 50 waivers Greene has granted in two years. Most observers believe that eventually the BOCs will be allowed to enter any business they want, including long-distance service.

The big surprise about so-called equal access is that it didn't really result in equal access to customers' phones. AT&T's long-distance competitors figured that once they got equal access, their troubles would be over: It would just be a matter of trying to amass customers. But since divestiture, tens of long distance companies—most of those using AT&T lines—have folded. The rest are struggling. Some people see no more than four large long-distance and a handful of smaller "niche" companies ultimately surviving.

"There was a perception on the part of Judge Greene and a lot of people at the time that the major piece of building long-distance competition would be equal access. Life just wasn't that simple," says David Aylward, former chief counsel of the House telecommunications subcommittee. Aylward, now a consultant, adds, "It was harder to get from monopoly to competition than people thought." Soon after they got equal access to local lines, the other common carriers realized that they still had to overcome market inertia, which favored the incumbent AT&T, and had to spend much more money than they had figured in order to stay in business.

Washington political observers were

most surprised that the breakup has failed to calm lawmakers in Congress. "Divestiture didn't bring a stable point to the political arena," Verveer says. "It's surprising we don't have more quiet." Last November, Oregon Representative Ronald Wyden introduced a bill that would let state regulators decide whether the BOCs should be permitted to manufacture equipment. Another bill gives that power to the Commerce Department.

Curiously, much of this debate is a result of the U.S. foreign trade deficit. If the BOCs could make their own equipment, supporters say, they could export some of their products. A bill similar to Wyden's is included in a proposed foreign trade bill in the House.

If not for the trade-deficit angle, in fact, the telephone industry might not be in the news at all. The media and the public in general are apathetic about telephone matters. It's still too early to judge fully whether divestiture was a good, healthy move, or whether those who shouted about AT&T, "If it ain't broke, don't fix it," were right. In the meantime, a kind of telephone fatigue has set in. The public has heard, seen, and read so much about divestiture—and the new world of communications choice that would follow—that it has lost what interest it had. And maybe that's the biggest surprise of all.

LARRY KAHANER

Larry Kahaner covered the divestiture for Business Week and is author of a forthcoming history of MCI.

STEREO TV

'JUMP-OUT' AUDIO COMES TO

TELEVISION

THE BALLYHOOSURROUNDING stereo television seems to have the recurrent theme that, at last, commercial TV is responding to the public's craving for high-quality audio. Tinny two-inch speakers are a thing of the past. Now television can deliver sound as good as the latest in consumer high-tech.

That very real promise, however, is often being broken by TV technicians, who may already be undermining the new era's audio potential by bringing to it a practice known as "jump-out."

Jump-out is "the dark secret of commercial FM radio broadcasting," according to one New York program director. Put simply, it is the technology that gives certain FM stations the ultra-

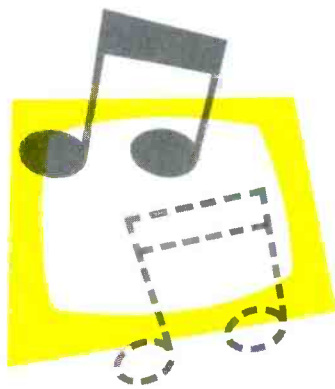
loud sound that seems to leap from the crowded radio band and grab the listener by the lapels.

This gain, however, is achieved at the expense of audio quality. In order to make their sound louder, radio engineers must strip it of its peaks and dips in volume (dynamic range) producing a flatter—albeit louder—average sound for broadcast.

In television, by contrast, there is no imperative to be loud. There is in fact a competitive *disadvantage* to loudness, since it is perceived by viewers as an annoyance. Yet television engineers, as they convert their stations to stereo, are usually opting to use the same audio processors that have brought jump-out to FM stereo.

The reason is simple ignorance, according to Eric Small, vice president of engineering at Modulation Sciences, a leading manufacturer of stereo-broadcasting equipment—including the processors used to create jump-out. “TV technicians are woefully ignorant of audio,” he says. “They are just shoving stereo on the air, with no regard for quality.” Small contends that a lack of dynamic range in TV audio will be especially apparent, due to the medium’s wide range of program sources—live news shows, network feeds, and noisy film soundtracks, among others.

Some audio experts claim that process-



ing television sound is necessary, since high-quality audio sounds awful on the mono sets that most people still own. Others, such as Stevan Vigneaux, engineering manager of WFSB, a stereo CBS affiliate in Hartford, believe a “judicious” amount of processing aids in the presentation of live programming, where limiting dynamic range facilitates the transmission of consistent sound. But Vigneaux readily concedes that “in an ideal world, I’d get rid of all processing gear.” Unfortunately, as he is quick to point out, the experienced audio people and resources needed for high-quality sound are too expensive for most stations.

Ironically, though it was the aural

competition from other media—VCRs, compact-disc players, cable’s MTV—that spurred broadcast TV toward stereo, the use of jump-out technology will render the medium incapable of competing on a sound-quality basis with these adversaries. Says Small, “Programmers and managers are leaving a major policy decision to technicians, and are throwing away a unique opportunity to finally bring audio quality to television.”

JEFFREY L. WOLF

SATELLITES

THE OTHER GENEVA

FOR MORE than a century the International Telecommunications Union (ITU) has regulated international broadcast traffic. Until recently, the ITU has operated primarily as a technical organization. But with the arrival of satellites the ITU finds itself becoming increasingly concerned with political issues. This was never more apparent than at the union’s World Administrative Radio Conference (WARC) held last fall in Geneva. The aim of this five-week meeting was to formulate space policy for the ITU’s 160 member nations, but the central issue was equitable access to the satellite band.

Ever since its advent, the age of communications satellites has been dominated by a few industrialized nations. But there is a finite number of “parking spaces” in the orbital arc where the world’s 240 communications satellites are berthed, and the poorer countries are becoming increasingly concerned that all the space will be grabbed up by the time they’re able to launch their own satellites.

In Geneva the developing nations, led by Kenya and Algeria, called for a policy that would allocate segments of the geostationary orbit to every country in the world for a period of 50 years.

A deal was struck near the end of the conference. To please the developed nations, the status quo was left intact: The regulations that were adopted merely facilitate the assignment of new satellites using the 4-6 and 12-14 gigahertz (GHz) bands. It was meanwhile decided that 800 MHz in 4-6 GHz band would be “allotted” to each developing country to be used when they launch a satellite.

ROBERT A. MAZER

The author, a Washington, D.C.-based attorney, attended the Geneva WARC.

BROADCAST TV

THE TOWN THAT SAVED

FOR CITIZENS of Abilene, Texas, September 16, 1985 was “Black Monday,” a day when a vast darkness fell on the town. On that terrible day, thousands of parents and youngsters turned their TV sets to KTXS-TV expecting to see their favorite cartoon series, *He-Man and the Masters of the Universe*. Instead, they found *Divorce*



Court. He-Man had been canceled!

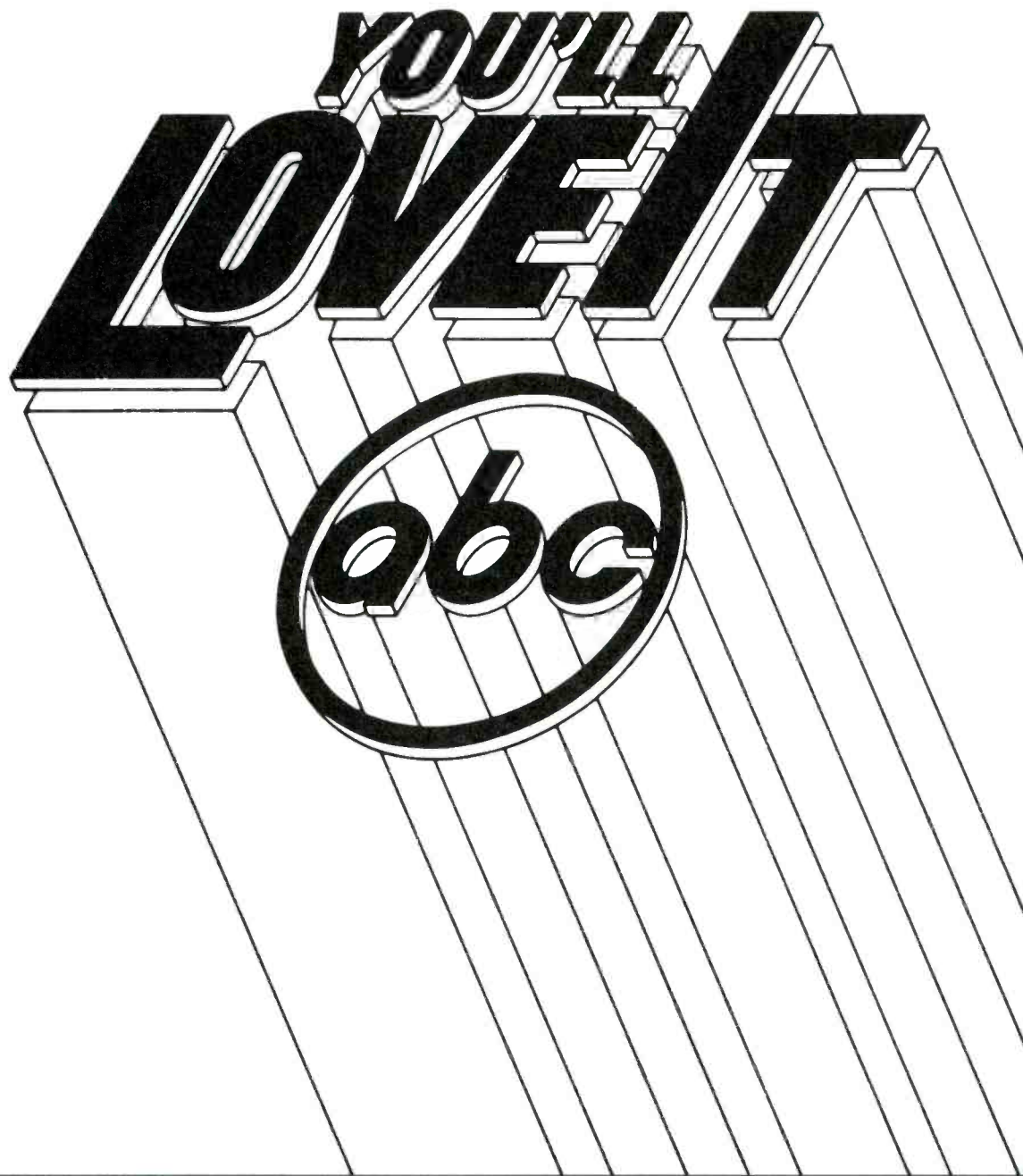
Letters from aggrieved elders began pouring in to KTXS’s offices. “Your dropping of [the] *He-Man* cartoon is a disaster for our household,” wrote a local pastor. An anguished mother wrote, “What have you done? Children are crying all over town.”

Two Abilene mothers, Rixie Hulst and Tammy Shipley, announced a full-scale viewer protest on the front page of the *Abilene Reporter-News*. They gathered more than 1,400 signatures in a petition drive, and met with KTXS’s program director to express their outrage. KTXS, an ABC affiliate, had decided to drop the show because its distributor, Group W Productions, was asking the station to sign an expensive six-year contract.

The cause célèbre proved irresistible. With local newspaper columnists calling for *He-Man*’s return, KTXS reopened negotiations with Group W and found a way to bring the show back.

At a celebration thrown by a contrite KTXS in November, He-Man “himself” thanked more than 10,000 local residents for their support. Hulst and Shipley were named “Honorary Citizens of Eternia” (He-Man’s universe). And the munificent superhero donated videotapes of all 130 *He-Man* episodes to the Abilene Public Library, which, if nothing else, will ensure that Black Monday never comes again.

JEFFREY L. WOLF



ABC ENTERTAINMENT

The *Real* Action in TV—Station Trading

by Merrill Brown

THE clearest conclusion to be drawn from the current media acquisition frenzy is that the new media owners are not in the game for the long haul. Media properties have become, to many, little more than currency, available for easy quick exchange or sale.

Consider these recent deals:

—Buyout artists Kohlberg, Kravis, Roberts & Co. last year sold Los Angeles independent KTLA for \$510 million to the Tribune Co., just two years after buying it with the station's management for \$245 million.

—Last June, less than a year after SFN Companies bought WFTV, the Orlando, Florida, ABC affiliate, for \$125 million, the Illinois company sold the station for \$185 million. The company's chairman, who was roundly criticized for paying too much for the station, obviously had the last laugh. "It's kind of pleasing," he told a reporter.

—Arbitrageur Ivan Boesky sold Minneapolis independent KITN for about \$25 million also last June, just 16 months after having purchased the station for \$12 million. For Boesky, who often earns millions by holding a security for days, the investment could almost have been considered long-term.

—A year after John Kluge bought out Metromedia's public shareholders and took the company off the market, he sold it and its huge debt to Rupert Murdoch, just as the market seemed to near a peak.

"The upside in media deals is now in the trades," said a leading investment banker, explaining that the way to profit from acquisitions is not necessarily to improve the performance of an entity, but instead to sell it. "The values in existing media properties exist apart from synergy, clustering, management efficiencies, and even the property's upside. That's how these things are being bought and sold these days. If you don't like the hand you're dealt, you can just lay it back on the table."

The irony is that in the first half of 1985, when \$10.5 billion in television-station sales were announced—eight times the 1984 figure—the advertising market softened, making the business of operating television stations much more difficult than before. As a result more traditional station owners, interested in committing to long-term operations, found themselves studying overpriced acquisition prospects that made far more sense for wheelerdealers than for broadcasters.

Another investment banker likens the media-dealing wave to the now cooled California real-estate fever. "For a while out there, there was practically no choice but to trade up," he said, pointing out that during the height of the boom homeowners could sell their houses, cover their transaction costs, put cash in their pockets, and at the same time move up to bigger, more expensive houses.

In media acquisitions, "people don't say what it's worth anymore, they talk about how much of it they can finance," the



banker said. Moreover, the very essence of the LBOs, the leveraged buyouts in which buyers borrow against the new acquisition's assets, suggests continuing buying and swapping of holdings.

Faced with the cost of financing the new debts, owners have no incentive to keep properties any longer than the next upswing in the market for their particular holdings. "These financial groups have to cash out in three to five years," said one banker. "You have no cash flow when you own the stations in these situations."

All this is extremely difficult for many traditional media professionals to come to grips with. But the fact remains that the nature of the game, as played by the nation's financiers and aided by the government, has changed the media's ways perhaps irrevocably. And in an environment in which regulators and trustbusters are unlikely to get in the way of any major media buy, scattered objections raised by FCC commissioner James H. Quello have the air of futility.

"The financial community should realize that broadcast properties should not be considered just another takeover game. The requirement for FCC approval is something that potential raiders should keep in mind," Quello noted last year. "Our broadcasting system requires a degree of stability that is not enhanced by excessive financial manipulation and speculation." Nevertheless, the FCC has okayed all the transactions.

Maybe the result of the pressures faced by media barons will simply be in more deals. And perhaps none of the backstage wheeling and dealing will be felt by the viewing public.

But maybe it will. In the highly competitive and concentrated South Florida television market, for instance, station owners are resorting to all sorts of new programming twists in order to get an audience: One Sunday afternoon last summer, a Fort Lauderdale independent station showed an uncut, R-rated horror film depicting naked women being tied to a rack and tortured. Other stations in the region are responding with similar daytime fare, all in the name of intense competition.

It may not be fair to suggest that that's where all local television is inexorably headed. But the fact is that the pressures of an unshackled market, amid the dealmaking, are likely to result in a wide open media environment.

Like such industries as telephone and transportation, which are also undergoing fundamental structural changes because of deregulation and new technology, the media marketplace can reasonably expect business casualties, dislocations, and chaos as it adjusts to a new transitory type of owner.

GREG COUCH

Merrill Brown's "The Business Side," a new regular column, will focus on financial trends and strategies.

THE SFM EXPLOSION

SFM Entertainment, long recognized as the leader in marketing through television innovation, explodes into 1986 with more diverse programming to fit your needs.

The SFM Holiday Network—A family viewing tradition since 1971. Eleven outstanding features from Hollywood's finest studios, endorsed by the National Education Association. A special package for the special times of the year.

SFM I—New this year from SFM. A quality package of movies and documentaries featuring "The Indomitable Teddy Roosevelt" and "Pinocchio in Outer Space."

Stamp of Greatness—A unique new half-hour weekly series. Each episode will illustrate true stories of the remarkable men and women immortalized on postage stamps from around the world.

Directions—A distinctive half-hour weekly series especially for women. Directions offers a fast-paced and informative look at the world of fashion with features on the latest styles and trends.

The George Steinbrenner Show—A lively half-hour weekly sports series. George Steinbrenner hosts two well-known sports figures as they debate a controversial sports issue before a live audience.

Zoobilee Zoo—An original live-action

program created especially for pre-school children. Charming animal characters will entertain and stimulate children's creativity in the arts.

Faces of Love—This first-run series features short stories by major writers, all focusing on the most powerful emotion of all—love. Eleven and a half hours of bittersweet romance.

The Hugga Bunch—This Emmy-award winning gang is back in a new five-part adventure as they spread the joy of hugging around the world.

The Texas 150th Birthday Celebration—The entertainment event of 1986. A three-hour live celebration featuring the country's best-loved stars saluting the 150th birthday of their Native State.

Jayce and the Wheeled Warriors—Jayce leads the Lightning League in a cosmic battle for the universe in 55 animated half-hours. Already a hit in 80% of the country.

The March of Time—The award-winning documentary series. A major event on British television, soon to come to the American television screen.

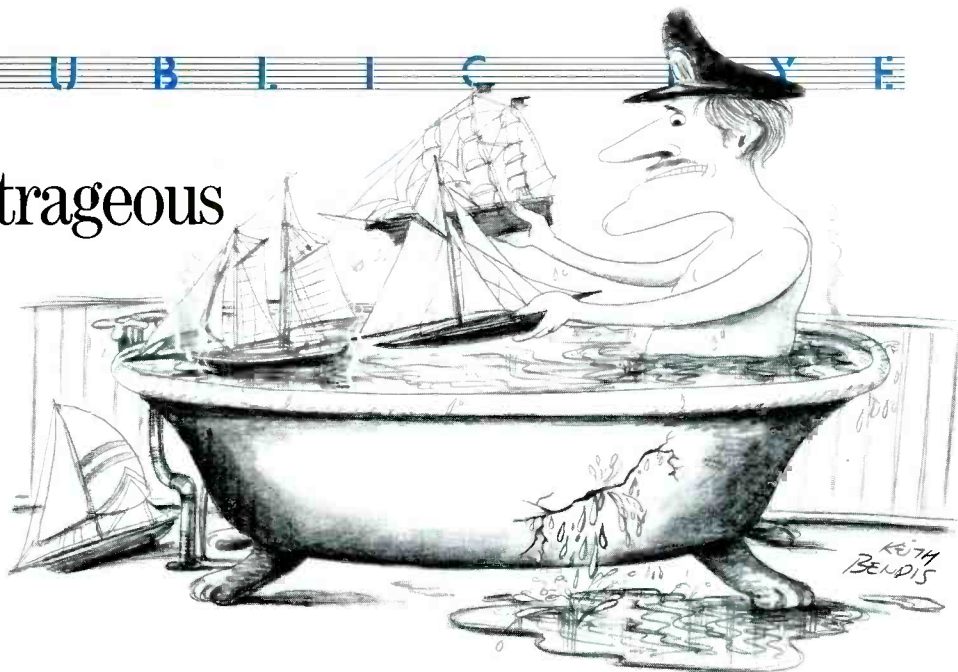
Come see what all the fireworks are about at NATPE,
New Orleans Convention Center, Booth #933.

SFM
entertainment

SFM Entertainment/Division of SFM Media Corporation
1180 Avenue of the Americas
New York, NY 10036 (212) 790-4800

How Captain Outrageous Missed the Boat

by Les Brown



WHEN, as yachtsman extraordinaire, Ted Turner was featured in those ads for Dewar's scotch two years ago, every billboard and magazine page carrying his seagoing visage was an implicit advertisement for cable television. Turner was cable's superstar, indeed its only star in the public eye, and all the personal publicity he garnered was shared by the industry he symbolized. The burgeoning industry was thought to be just like Turner himself—brash, flamboyant, boldly entrepreneurial, dauntless, unstoppable.

Turner was adored by cable people, who counted him one of their own even though he owned no cable systems. At the cable conventions, when the man himself was present in the Turner Broadcasting System hospitality suite, the crowds overflowed. When he spoke at a luncheon it was always standing room only. Turner was cable's knight-errant. Everywhere he went, he attacked broadcast television and let the whole world know that cable had arrived as a better alternative.

One speaks of this extraordinary industry-loves-man relationship in the past tense, because it no longer exists. Turner himself destroyed the relationship, through a series of actions that began as minor betrayals and grew to what many consider outright perfidy.

Knowing his mercurial temperament and aggressive sales approach, cable operators had found it possible to forgive Turner for doing them harm by syndicating his news programming to television and radio stations, and marketing his services to the new, competing media—SMATV, MDS, and DBS—while other satellite programmers were holding the line in cable's behalf. But many deemed it an unpardonable breach of faith when Turner, in his eagerness to get CNN on some of the limited-capacity cable systems, urged operators to dump C-SPAN in CNN's favor. C-SPAN, the noncommercial public-affairs channel, is the cable industry's own creation, funded by the largest operators and considered by them the medium's noblest offering. To sell against C-SPAN is to hold nothing sacred.

Then came Turner's bid for CBS, signifying that he was pre-

pared to abandon cable for the more glamorous industry he used to bash with such relish, and then his purchase of MGM and his subsequent effort to sell a major interest in his two cable news networks, in order to raise capital. Clearly, Ted Turner was no longer sworn to cable, no longer its synonym nor its champion.

These moves merely reflect the man's upward mobility, and the fact that the cable industry has grown too slowly for his powerful ambition. There's a bit of an affront in that, the affront of being forsaken, but that's not what rankles with the cable industry. The deep hurt—and the source of a growing antagonism toward Turner—is the sense among operators that he is taking

unfair advantage of his monopolistic position in cable news, and making them pay the bill for all his other ventures and misadventures. For example, soon after he spent \$25 million to acquire and bury his only competitor, the Satellite News Channel, a joint venture of ABC and Group W, he hiked the rates to cable operators for CNN. What made this especially irksome to the cable fraternity is that most of its members, in a demonstration of loyalty to Turner, had rejected SNC even though the ABC-Group W service was being offered to them free. As cable operators see it today, Turner rewarded them for their loyalty by making them pay for the buyout of his competitor.

Most recently, after blowing some \$20 million in his bid for CBS and then buying MGM for about \$1 billion (after MGM sold the United Artists division), Turner announced another round of rate increases for his cable services. Operators who had been paying 15¢ a month per subscriber were asked to pay up to 24¢ over the next two years. On top of that, those who didn't take the whole Turner Broadcasting package of CNN, CNN Headline News, and Superstation WTBS would be charged a substantial premium. It's not as though CNN's ratings are going through the roof; they've in fact been heading in the other direction.

Says John Sie, senior vice president of TCI, the largest of the cable companies: "If a reasonable argument could be made for such an increase, we'd understand. But when he's asking us to subsidize his other ventures, that's not a reasonable argument."

As some cable operators see it today, Turner has rewarded their loyalty to him by making them pay the bill for his recent outside ventures and misadventures.

KEITH BENDIS

Turner was never really a power in the cable industry; he was only its neon sign. The powers are the heads of the large cable companies that own hundreds of systems reaching millions of households. It is they who decide which program services gain access to their systems and which do not. In theory, they can throw Turner into an abyss tomorrow by refusing to meet his rate hikes and kicking CNN off their systems. But in fact they can't.

The Cable Communications Policy Act of 1984, which was celebrated as a victory for the cable industry, "grandfathers," or holds intact, all the original promises made by cable companies upon receiving their existing franchises. Virtually all the newer systems had said they'd provide at least one all-news channel, and they're obliged to deliver on that promise. Thus they must provide CNN, or "a like channel of similar quality." There being no other in the marketplace, the systems are forced to take CNN at any price or be in violation of their franchise agreements. Turner is able to make the powers of the cable industry dance to his tune, and they have lived to rue the day they spurned SNC out of loyalty to Turner, allowing him to become a monopolist.

Reading the mood of the industry, Reese Schonfeld, the founding president of CNN, who left after a clash with Turner two years ago, approached NBC News with a proposal for an all-news cable network to compete with CNN. He built in a safety valve: For NBC to proceed, there would have to be advance commitments from enough cable systems to guarantee 12.5 million households.

The significance of 12.5 million is that it's the minimum household penetration Nielsen requires for national audience ratings; without it there could be no successful sale of advertising. Also, it would mean that at the cable operator's rate of 15¢ a household, the new network would be assured of subscriber revenues of \$18.75 million the first year, to help offset estimated operating expenses of \$35 million. (NBC later upped the minimum start-up figure to 13.5 million to be assured of subscriber revenues of at least \$20 million.)

Coupled with its regular network broadcasts, a 24-hour cable service would make NBC News the largest news organization in the world. Naturally, the idea appealed to NBC News president Lawrence K. Grossman, especially since it comes at a time when the other networks are cutting costs and retreating from new ventures. Among other things, a full-time cable network would help amortize the cost of NBC's news operations, which are losing more than \$50 million a year mainly because the network provides relatively little time for regular news programming and lacks a successful prime-time series to compare with CBS's *60 Minutes* and ABC's *20/20*.

A number of the largest cable operators, including the biggest of all—TCI, with 3.9 million subscribers—indicated early on that they were ready to jump on board, but only if NBC News would offer them a long-term agreement at the 15¢ rate or less, with a guarantee that the rate would be reduced when advertising revenues for the channel became substantial.

Then Turner made another of his end runs, offering NBC News a short cut into cable as his partner in CNN. Grossman considered it, but negotiations collapsed when NBC News insisted on having full editorial control. NBC then exercised the option of competing head-on with Turner, extending its sign-up deadline for cable operators to January 31. Grossman said that if the numbers were right, he was prepared to start operations by the fall of 1986.

He declared that in any case he is determined now to expand into cable, even though that might put NBC News in competition with itself. "It's the same decision Coke had to make with diet soda, and Budweiser with light beer," Grossman said. "It becomes a question not of competing with yourself but of getting a foothold in all areas of the marketplace."

Turner's pitch to NBC, which would have eliminated it as a competitor and would have cemented CNN's monopoly on cable news, was seen by cable operators as yet another act in defiance of the medium's best interests, deepening their resentment of the swashbuckling entrepreneur.

Large cable systems have gotten behind the NBC News proposal out of a desire to break the CNN monopoly.

"There's nothing personal in this," remarked John Sie, "but with his strategies Ted has alienated the people who got him going. He was very good for cable, but cable was also good to him. You don't penalize those who helped you make it."

Turner knows a bit about monopoly-busting in cable from humiliating firsthand experience. Last year, when MTV threatened to raise its rates to operators, Turner was prodded by the large companies into starting a competing service, the Cable Music Network. But when he got it going, MTV rescinded its new rate structure, and the industry left Turner out on a limb. Widely rejected, his music service folded as quickly as it had started, and Turner took a \$2.5 million bath. He might rightfully claim to have been the one betrayed.

With his ownership of MGM, Turner qualifies as a genuine Hollywood mogul. But his future remains tied to the cable business. He says he bought MGM for its film library, to help supply his superstation; he's also thinking now of starting a classic-movie channel. Both can exist only on cable. Turner may be in the big time now, but he still has to feed at the same old trough if his deal with MGM is to pay off. No one knows that better than he, and he's already gone back to stroking those good old buddies in cable, telling the world he's nothing without his affiliates and even suggesting now that he might not raise his rates after all.

One could sympathize with the plight of the cable operators who, if NBC strikes out, will be at Turner's mercy—one could sympathize if they were not themselves natural monopolists at the local level. They have worked with all their might to do away with any control over the rates they may charge consumers. Seeing things through the cable operators' lens, their monopoly is sweet, Turner's is bitter.

For what it may prove to be worth, Turner, with his peccadilloes, has given the local operators an idea how it feels to have nowhere else to go for something they need—a notion of how monopoly feels from the victim's side. ■

FOR YOUR
STATION'S SAKE, SEE IT.
FOR YOUR COMMUNITY'S
SAKE, SHOW IT. FOR
YOUR ADVERTISERS'
SAKE, SELL IT.
BUT DO IT...

FOR KIDS' SAKE



Group W Television Stations recognize kids for what they really are: the future.

That's why we're syndicating "For Kids' Sake" — the first campaign of its scope that integrates station and advertiser image with the vital needs of the community.

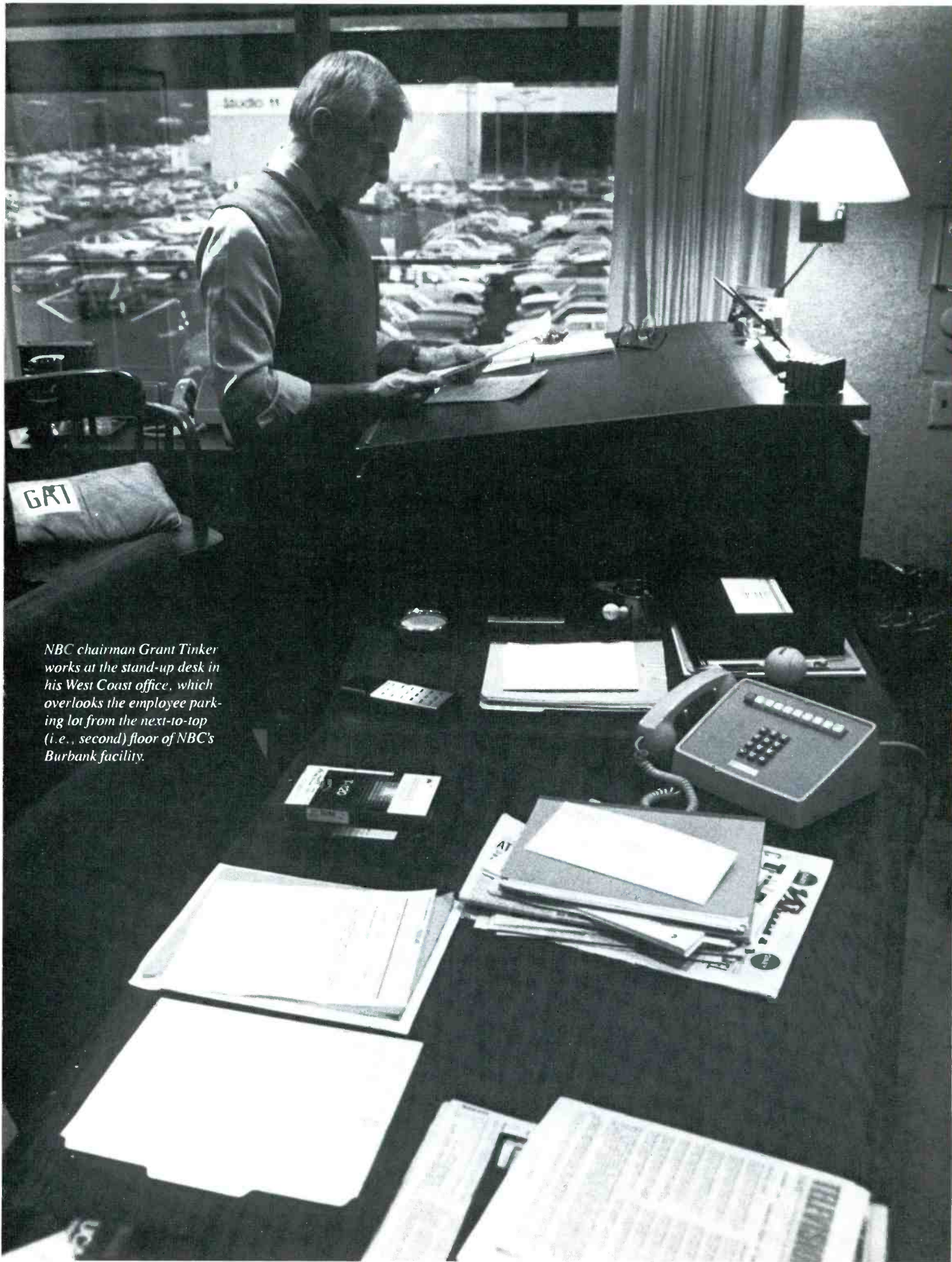
Select any four of the twelve prime time programs now available or in production — programs featuring major stars like Christopher Reeve, Jean Stapleton, *The Cosby Show* and *Family Ties* kids — and Group W will provide you with public service announcements/vignettes, logos, print ads, sales literature, publicity and collateral materials.

The result is a project that's an image campaign... a public service campaign... a community outreach campaign... and provides significant advertising revenue. All of that... for kids' sake!

**GROUP
W TELEVISION SALES**

90 Park Avenue, New York, New York 10016

For detailed information,
see us at NATPE Booth 1607
or call Jeff Osborne at (212) 883-6145.



NBC chairman Grant Tinker works at the stand-up desk in his West Coast office, which overlooks the employee parking lot from the next-to-top (i.e., second) floor of NBC's Burbank facility.

HOW TINKER TURNED IT AROUND

**NBC's chairman took a new approach—
and the network is first, at last.**

BY L.J. DAVIS

Photographs by John Bryson

THEAR Grant Tinker tell it, there is no Grant Tinker style of management at NBC. The network's astonishing turnabout, it seems, is due to a near-total lack of any management style whatever, combined with a monkeys-and-typewriters approach to the creative process that kicks out hit series like a well-oiled machine. Listening to Tinker describe the process (or, more accurately, the lack of one) in his spacious Rockefeller Center office, it is easy to forget the previous four years of his tenure as the network's chairman, years during which NBC seemed the permanent loser in a three-way race and Tinker, while confident of his own abilities, almost despaired of the nation's television audience.

"It sounds deceptively simple, but it isn't," Tinker says. At 59 he is still a remarkably handsome man, California slender, relaxed, curiously diffident, and somehow almost frail. "It's been my experience that if I can associate myself with good people, good producers, good executives to man the network barricades, then it really does work if I get out of the way and let them do their jobs. If you ask me what I do here all day, the answer is not very much.

"That's the beauty of delegating," he

L. J. Davis is a widely published business writer and author of the forthcoming Onassis: Christina and Her Father (St. Martin's Press, June 1986).

tink-er (tɪŋk'ər), *n.* 1. *Chiefly Brit.* a mender of pots, kettles, pans, etc., usually an itinerant. 2. an unskillful or clumsy worker; a bungler. 3. one skilled in various minor kinds of mechanical work; a jack of all trades. 4. an act or instance of tinkering. 5. a small species of mackerel, *Pseudomachurus gres.* of the Atlantic coast of the U.S. —*v.i.* 6. to do the work of a tinker. 7. to work unskillfully or clumsily at anything. 8. to busy oneself with a thing without useful results. —*v.t.* 9. to mend as a tinker. 10. to repair in an unskillful, clumsy, or makeshift way. [syncopated var. of earlier *tinkere* worker in tin] —**tink'er-er**, *n.*

A framed blowup in Tinker's offices downplays his skills at fixing things.

adds. "I encourage people, I praise them, and if I think someone has a terrible idea, I gently try to dissuade them, I guess. Once in a while I've actually been grown-up enough to let them go ahead and do it anyway, knowing that the project would fall to earth, or feeling that it would. You have to let people have their enthusiasms, most of which are good, and you also have to let them fail. When I leave here, no one will miss me 20 minutes after I've gone. Everyone here is capable of continuing to do what we're doing, and probably doing it better."

Like Dutch uncles, old friends and network executives have sat Tinker down and urged him to take *some* credit for the network's startling rejuvenation. Tinker has refused, although he has occasionally let fall a word. Once, when asked what Thornton Bradshaw, chairman of the network's parent, RCA Corporation, had done to help the company, Tinker replied, "He hired me."

It did help. Though Tinker himself will

seldom say so, NBC's comeback reflects his own formidable management skills, his continuing alliance with the accomplished producers who apprenticed under him at MTM Productions, and his winning taste for literate middle-brow entertainment. The turnaround also helped NBC's parent catch the eye of the General Electric Company, which plans to buy RCA for nearly \$6.3 billion. GE Chairman John Welch admits that NBC's stability under Tinker permits his executives

to focus their attention on RCA's other businesses. In and around NBC during these days of its great success, people would have you believe Tinker has difficulty sleeping because the light from his halo keeps him awake. Even hardened executives and battle-scarred producers who do not look to NBC for next week's paycheck become positively maudlin about the man. During his decade at MTM, the production company he founded in 1970 to create a starring vehicle for his then-wife, Mary Tyler Moore, Tinker was repeatedly described as the "best-liked man in Hollywood," which at first blush might seem roughly equivalent to being the most popular viper in the nest. But this does not reckon with the phenomenon that is Grant Tinker.

"For Grant to deny that he has a management style while saying that he hires good people and leaves them alone are two things that are absolutely contradictory," says Steven Bochco, the young producer Tinker brought to MTM, where Bochco

created the NBC hit *Hill Street Blues*. "And if you think about those two things, you'll understand something about the man. Grant Tinker is purely the best executive I have ever come across. His ego, wherever it resides, does not reside where mine does; he has no need to do what I do, which is produce. Most people in this business want to hire good people, yes, but they can't do the second part of the equation—they can't leave them alone—which is why the simplicity of Grant's style is so deceptive. He doesn't try to change you; he doesn't destroy the thing in you that attracted him in the first place."

After Tinker moved to NBC, Bochco met with his former boss. "I sat down with Grant at lunch and told him that I had no interest in doing a quirky, interesting failure; I wanted my next show to be a quirky, interesting success, and I asked him what he was interested in having me do. 'I can't help you,' he said. 'Whatever you want to do is what we want to see at NBC.'" As it happened, the show Bochco wanted to do was *Bay City Blues*, a well-written (and very expensive) series about a small-town baseball team. When its ratings headed south immediately after its premiere, and no bottom appeared to be in sight, Tinker's network canceled it. "It was a doomed show," Bochco now says.

"I saw Grant Tinker's temper once in the 10 years that I've known him," says Gary David Goldberg, executive producer of the NBC hit *Family Ties*, who also worked with Tinker at MTM. "I never want to see it again. I'd hired a guy without telling Grant, and it was a person Grant felt had been disloyal to MTM. I had the misfortune to run into him in the elevator before he'd had his morning coffee. I think I even remember what he was wearing." Other colleagues have similarly vivid memories. "Grant doesn't get mad very often," says one. "But when he does, he gets pissed in a very WASPY way. It has a way of staying with you."

More often Tinker cast himself as the diplomat—at MTM, the elder statesman interposing himself between his creative people and the networks. At NBC, of course, he *was* the network; he was not the hands-off manager that he repeatedly describes himself as being. "He writes on scripts," says Bruce Paltrow, the producer of *St. Elsewhere*, with a kind of stunned admiration. "He corrects the grammar, the spelling, the syntax. He'll say, 'Why is this character in the series? I hate this character.' That's unheard of in a network chairman." Tinker's method varied from one associate to another. "He wants to know why you became a writer," says Goldberg. "He wants to know what's special in your life, what you can do that no one else can do. At MTM we never had a discussion about what the networks were

looking for, or what kind of a rating or share you might get. He just wanted you to write." The goal as always was good television. It was a subject that sometimes made Tinker, stating what he believed to be the obvious, sound like a skilled linguist struggling to speak in babytalk. "The large crime of network television is that we've turned out too much witless, forgettable programming," the NBC chairman once said. "Against all the network product our shows are just a little more upscale. You have to pay more attention to get the jokes and follow the story."

There had been compromises. *The A-Team*, NBC's first genuine blockbuster of the Tinker years, was arguably one of the most witless and certainly one of the most violent shows on television. But Tinker had also tried to be true to his vision within the inevitable constraints imposed by serving a mass market. Using MTM, which he had created, and MTM alumni, whom he had trained, he had put on shows that he believed to be good television. And for three years, until 1984, the audience stayed

'We more or
less backed
into our
strategy because we had been
so unsuccessful for so long.'



away in legions.

Then, during the first half of the 1984-85 television season, from September 24 through April 21, NBC executives watched, at first cautiously, then with growing confidence, and finally with something approaching jubilation as they took and held a firm grip on second place, with an overall rating of 16.2. (First-place CBS garnered 16.9, and a slipping ABC, where panic was said to prevail, posted 15.4.) And when the figures were tallied for the season as a whole, the news was even better. During the second half, when many viewers migrate from the reruns of their usual series to unfamiliar reruns on the other networks, NBC had shown its heels to the competition, finishing a strong first, which made it, by a small margin, the number-one network for the full year. With an overall average of 15.1, an 11 percent improvement over the previous and typically dismal season, NBC had, it seemed, vindicated Grant Tinker at last.

CBS trailed by a tenth of a point, and ABC had slipped to 13.7, almost exactly where NBC had languished only a year before.

Moreover, the once forlorn NBC, the network that had been dubbed Nobody But Carson, had increased its audience at a time when network television overall seemed to be suffering inexorable audience erosion. As recently as 1978, the three major networks accounted for 95 percent of all prime-time viewers. By 1985, that figure had fallen to 78 percent, and it was expected to drop still lower, to 70 percent or less by 1990. Yet NBC was suddenly headed in the opposite direction.

The network continued to hold first place during most weeks early in the 1985-86 season. Its blockbuster, *The Cosby Show*, edged out CBS's *Dallas* as the nation's most popular program. *Miami Vice* was not only a hit but also held the record as the most expensive show on television, with episode budgets ranging from \$1.2 million to \$1.5 million. And on the

Explaining why Tinker kept Tartikoff (left) on the job, one producer says, "I think he wanted to find out what kind of Brandon Tartikoff Brandon Tartikoff was."



revenue side, the 30-second advertising spots on *Cosby* drew the highest average price for a series, \$235,000. ABC's *Dynasty* sometimes peaked that high, but its average was lower. In the \$200,000-and-up league, the two shows were joined only by *Family Ties*, another NBC hit. Overall, CBS still led in the ad sweepstakes, with an average prime-time spot going for \$120,700, but NBC was not far behind and had no reason for complaint. In 1984, the network reported pre-tax earnings of \$218.1 million, a 40 percent improvement over the previous year and a far cry indeed from the deplorable figures of the very recent past. Even greater earnings were expected for 1985 and, if no catastrophe intervened, for 1986.

What a different world that is for NBC. Back in 1976-77, the network had long been accustomed to and almost smugly satisfied with second place when Fred Silverman—then at ABC—knocked it down another notch in 1976-77. In his previous job as CBS's youthful chief programmer, Silverman refurbished the first-place network's "quality" image with the powerful early-'70s Saturday-night line-up of *All in the Family*, *M*A*S*H*, and MTM's *Mary Tyler Moore Show* and *Bob Newhart Show*. Then Silverman moved to

ABC, where he again caught the nation's fancy with such exercises in deathless dramaturgy as *Charlie's Angels*. ABC took first place. NBC was bumped to third.

Low ratings were not without consequence at RCA, for which NBC's revenues often made the difference between profit and loss. The network's profits were not what they could have been. In 1977, it contributed profits of \$152 million to RCA while the comparable figures at CBS and ABC verged on \$200 million. RCA had incurred enormous debts during the late 1960s and early '70s when it turned itself into a Rube Goldberg conglomerate by acquiring the Hertz car rental firm and other unrelated companies. Chairman Edgar Griffiths knew that his cash cow *had* to make more money. The man Griffiths chose for the task in 1977 was Fred Silverman.

For the better part of a decade, Silverman had dominated programming at the two other networks. He enjoyed the confidence of Griffiths, and he had ample funds. With his name and his legendary appetite for work—he routinely put in 70-hour weeks—success, swift success, seemed inevitable. Silverman announced a renewed commitment to high-quality pro-

gramming. "Based on his experience at ABC, Fred thought he could turn the network on a dime," says Irwin Segelstein, a Silverman associate and now NBC's vice chairman. "He didn't realize that the situation at ABC had been unique." In 1975 ABC suddenly found itself starting even with the other two as all three scrambled for G-rated fare to plug into the 8 P.M. slots they had designated as Family Viewing Hour. The situation could not be duplicated at NBC, which found it increasingly difficult to attract producers' most promising pilots. In Segelstein's view, there was no way the new chairman could turn NBC on a dime.

Silverman declined to be interviewed about the period, but others were willing. "The book on Fred, if you will, is that he can't delegate," says Bochco. Silverman did, however, prove remarkably adept at giving people the sack. The entertainment division alone lost a total of 73 vice presidents, a figure that found its way into the press. Silverman refused to believe it and demanded an accurate count. "You were right, Fred," said the executive dispatched to learn the truth. "In fact, the correct number of officers, vice president or above, who have quit or been fired since you got here is 82." The reporting officer became the eighty-third, and last, to leave.

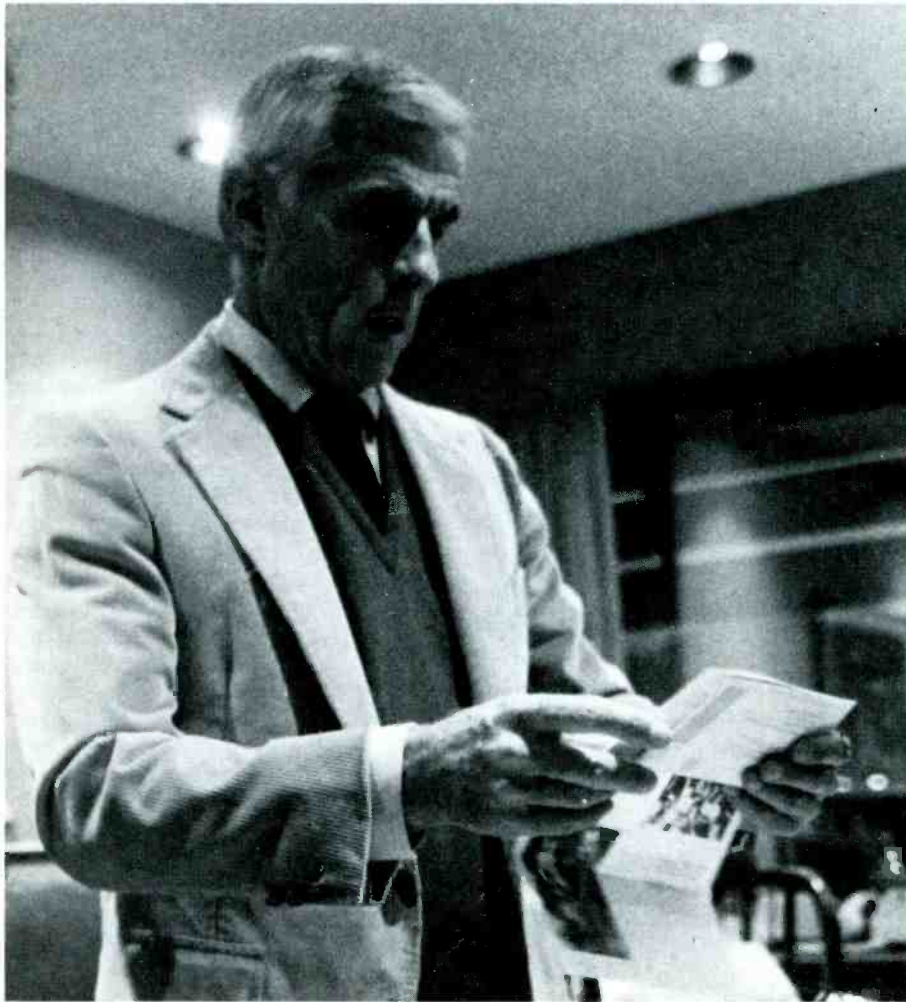
Silverman's magic touch, so infallible elsewhere, seemed to desert him entirely at NBC. He had been given a network in a fairly mild state of disrepair and proceeded to fix it until it almost collapsed. He aired such mindless exercises in wasted electricity as *B.J. and the Bear* and *Sheriff Lobo*. He drove up costs by paying actors a dual ransom to star in untried series, many of which enjoyed lifetimes only marginally longer than a May fly's. He practiced the dim sum method of programming, trying a little of this and a little of that, as though the shows were Chinese appetizers. "Freddy got so crazy that he'd buy a couple of acts of one show and then a couple of acts of another," says Bruce Paltrow. "In Freddy's heyday in 1979, he was ordering tons of shows, but only a handful from each supplier. You couldn't get crew. Casting was bedlam. You'd do the episodes and then you'd shut down, and if Freddy liked your stuff, he'd buy a couple more and you'd have to start all over again. The cost was tremendous."

Thanks to the metered ratings that Nielsen could now deliver overnight, programmers were tempted to fiddle constantly with their schedules, and Silverman in particular began to churn the line-up, moving shows around in search of an audience as though they were hunter-killer submarines. This technique only rarely increased viewership, and the resulting chaos in NBC's schedule between 1977 and 1981 drove away many of its once utterly

faithful viewers. The network had to give advertisers free air-time to make good on the guaranteed audiences it had failed to deliver. As costs shot up, revenues declined.

"I still think *Supertrain* would have worked," says Brandon Tartikoff, Silverman's young protégé and now NBC's chief of entertainment programming, referring to a glitzy, high-tech adventure series of a type that has since become one of his trademarks. "We needed time to work on the

olis, and San Diego left the network. NBC thought it had a sure winner in its coverage of the 1980 Olympics, but instead it lost millions when the U.S. boycotted the games. In 1981, with its schedule in chaos, its staff demoralized, and its reputation gone, NBC posted a profit of only \$48.1 million—"a sum," *Broadcasting* magazine reported dryly, "below the combined earnings of two or three major-market independents." The network seemed doomed.



Tinker was NBC's first chief exec in years to come out of TV production, but Bradshaw also valued the management skills of the man who built MTM into a \$300 million shop.

special effects. We needed time to work on the scripts." At NBC, there was no longer any time for anything. The show was a disaster.

Nothing seemed to go right. Johnny Carson threatened to quit—a possibility that could not even be contemplated. To hold him, Silverman agreed to allow Carson's production company to deliver a number of prime-time series. The production company was largely a figment of Carson's imagination, but Silverman made it instantly one of the largest independent producers in the country. Its first three shows bombed.

Affiliated stations in Atlanta, Minneap-

That NBC did not end up on television's ash heap is largely the doing of Thornton F. Bradshaw, the former chief executive officer of Atlantic Richfield, a longtime member of the RCA board, and the man chosen, at the age of 64, to replace Ed Griffiths. Bradshaw immediately announced that he would return RCA to its core businesses in electronics, communications, and entertainment. He also began a search for a new NBC chairman.

The man he chose was Grant Tinker. To the industry's great surprise, Tinker accepted.

Tinker had worked at the network twice before in its program department, most

recently in 1967, when he served as chief of West Coast programming, a job Brandon Tartikoff later held. On his return, Tinker was the first NBC chief officer in many years to come from the production side of broadcasting, but it was clear that Bradshaw also valued the management skills of a man who had built MTM into an operation worth \$300 million. In selling out to his partners, Mary Tyler Moore and her manager, Arthur Price, Tinker took a substantial cut in salary—a "considerable sacrifice," in Bradshaw's words, although NBC won't release a figure. Like the other major networks, NBC had its headquarters in New York, and in assuming the chairmanship Tinker also gave up the California lifestyle he had come to prize. He now travels cross-country twice during most weeks, working at Rockefeller Center from Tuesday to Thursday and living modestly at the Dorset Hotel.

Tinker had not counted on the appalling mess the network had become. "I think he thought it would be a good challenge when Bradshaw called him up in 1981," says Bruce Paltrow. "I don't think he had any idea of the catastrophe. It was a corporate nightmare. Eight or nine months into the job, he said to me, 'I can't believe the kind of shape this place is in.'"

Tinker would soon begin to inspire the NBC troops with the force of his diffidence, but first he had to restore morale. "The thing that Grant did was to create an atmosphere of stability, where people weren't going to be afraid for their jobs or their heads the next day," said Jerry Jaffe, NBC's vice president, research projects. "He kept the prior administration intact. That's what everybody says they'll do when they take over a company. Silverman said it when he came here. Grant actually did it." Tinker was visible, his door was open, he was ready to talk and make suggestions. Perhaps most important, he was ready to listen; it was reported with some amazement that Grant Tinker was known to take notes. He fired no one immediately, and most amazingly, on his first night as NBC chairman, he called Brandon Tartikoff and asked him to stay. Tartikoff had been Silverman's man, discovered and promoted by Silverman, and Tartikoff was at least formally responsible for the worst prime-time schedule in television. Some chief executives, perhaps most, would have regarded the dismissal of such a man as a clear signal to the industry, the investment community, and the public that a new broom had arrived, and that the stables would be swept. But Grant Tinker knew Tartikoff had been Silverman's programmer only in title; Fred Silverman had run the show. Tinker professed to believe that the untried Tartikoff was capable of great things.

"I never for a moment considered ask-



ALL IN THE FAMILY

Comedy at its best. Brilliant and outrageous.
Starring Carroll O'Connor and Jean Stapleton.
207 Half-Hours. In color.

An outstanding performer from Viacom.



ing him to leave," Tinker says. "On the contrary, I would have been very concerned had he chosen to move on. From then to now, Tinker's support for his programming chief has never wavered—except in jest. When the GE-RCA deal was announced before Christmas, a reporter asked if there would be any big changes at NBC. Yes, Tinker said, tongue firmly in cheek, "Brandon is out."

Tinker announced that the network would emphasize high-quality programming, and he immediately put a halt to the nightly schedule's frantic volatility, a change that by itself stopped the fiscal hemorrhage—1982 profits immediately rose to \$107.9 million, more than double those of the previous year, but still not approaching the near-\$300 million that CBS and ABC had each begun to generate.

Tinker needed the best that producers could give him, and he had, besides his reputation, a peculiar advantage in getting material. "In a way, I'd rather submit a show to a struggling network than to a successful one," says Steven Bochco. "A successful network might commission 30 pilots and run three of them. At the struggling one, you might get 30 commissioned and 10 run. You don't make pilots in the hope that the shows won't run." And in Brandon Tartikoff, as he had foreseen, Tinker had a skilled programmer, although Tartikoff's abilities would remain invisible to others, including station executives, until the miraculous 1985-86 season, when he was proclaimed a genius by *Esquire* magazine.

"We more or less backed into our strategy because we had been unsuccessful for so long," Tartikoff says. "The track record said that we were going to get a lot of 20 shares"—20 percent of the homes with lighted screens, not very much by the standards of the immediate past, when a 30 share was considered essential for a show's continued life. "We decided that those were going to be the most meaningful 20 shares we could get."

NBC found meaning in the premium rates it could charge for an urban audience of young adults with large disposable incomes. This dovetailed with Tinker's program preferences. "We primarily went out for the good programs, and the good programs attracted that kind of audience," says Jerry Jaffe. Still, no network could live off narrow demographics alone. "A lot of NBC's programming is popular, and aimed to be so," Tinker says. "If we aimed any higher, we would not have a business."

For 1982-83, NBC premiered the extremely popular *A-Team*, but it also brought out *St. Elsewhere* and *Cheers*, the former from MTM and the latter from an MTM graduate. When Silverman had renewed *Hill Street* the year before, it had

been the lowest-rated renewed network series in television history. Soon that dubious honor was to pass to *St. Elsewhere* and *Cheers*. Quality did not necessarily draw an audience, as Tartikoff discovered when he put Plácido Domingo on *Live from Studio 8-H* and reaped an appalling 6.5 share, the lowest network share in prime-time history. It was known as "the night nobody watched NBC," and the affiliates were in a state of revolt. They disliked the new programs and did something about it: For example, one in four of NBC's affiliates preempted *The Facts of Life* one week in 1982, for instance, causing the series to drop six ratings points. When Silverman left the network in 1981, it could muster only a 15.5 overall rating. Under Tinker the number had fallen lower still and continued to head south. If NBC had been a television show, it would have been cancelled.

Thorton Bradshaw made no move. Grant Tinker stuck by his best shows. And Brandon Tartikoff scrambled to find new series. The 1983-84 season fared only marginally better than the previous year's—better in part because the 1982-83 offerings had won 33 Emmys, nearly a sweep. The detective show *Remington Steele* had attracted a following, and *Cheers* and *St. Elsewhere* had begun to find an audience. Then Tartikoff introduced nine new series. All nine failed. With his curious mix of high-class and popular entertainment, Tartikoff seemed to be foundering. (Stories were told about someone named Random Tartikoff.) NBC's rating was down to 15.1, but its decline, network officials noted as they whistled past the graveyard, was proportionately less than the declines at CBS and ABC.

That winter Grant Tinker sometimes seemed close to despair. "Don't try to change the show," he told Gary Goldberg of *Family Ties*. "The show's fine; there's nothing the matter with it. NBC's not delivering the audience." He had compromised his principles and televised junk and mindless violence, just like everybody else, but he had kept the faith with his best producers; their shows were well promoted and placed in good time periods. Yet the ratings stayed down. "I think the audience is a continuing disappointment," he said at the time. He knew that people were complaining that there was nothing good to watch on TV. But they were wrong, he insisted. The good stuff was on NBC.

Again, Tinker neglected to fire his programmer—an almost unheard-of event under the circumstances. "When it comes to a new season," Tinker says, "there are a number of us who participate in the process, and we couldn't hang Brandon out to dry just because that season went sour. If that were the case, some of us should walk the plank with him." Instead, the man

Though fabled for a hands-off managerial style, Tinker sometimes puts his hands to the scripts.

whom Tinker invited to walk the plank, alone, was NBC president Robert Mulholland. Tinker replaced the president with a triumvirate of senior executives—Ray Timothy, Bob Walsh, and Bob Butler—and formed a larger chairman's council to handle business matters in the collegial style he preferred.

Then came 1984-85. NBC began to make hits of the Emmy-winning shows that Tinker had stubbornly kept on the air despite their Death Valley ratings. The network's blockbuster hit, *The Cosby Show*, not only kicked the stuffing out of CBS's hitherto invincible *Magnum, P.I.*, but also served as one of the strong 8 P.M. series that formed a "ridgepole" across the week, holding up the network's roof and inviting people in. They came.

NBC's ridgepole strategy was a variant of the one that had been partially responsible for ABC's climb to the top in the '70s. ABC had moved its strongest shows to 9 P.M., creating what programmer (now ABC president) Frederick Pierce called a "ridgepole." The audience, by and large, stayed with the ABC shows that followed. Similarly, NBC used *Cosby*, *The A-Team*, and other shows to build an 8 o'clock ridgepole attractive to children and adolescents, who might be joined for a little companionable viewing by their parents. The adults might stay tuned the entire evening.

There were those who claimed to detect that two networks coexisted at NBC—a Tiffany's and a Woolworth's—the former inspired by Tinker and the latter controlled by Tartikoff. "That may be true," says Jerry Jaffe, "but not because it's deliberately true. Under Grant's policy, we can go to the very best talent, like Steven Spielberg, and offer him two years, 44 half-hour episodes, to do whatever he feels like, and we end up with *Amazing Stories*."

This is the Tiffany network, although Jaffe prefers another adjective. "On the non-counterprogrammed part of the



THE HONEYMOONERS

An American comedy classic. Spontaneous and hilarious.
Now with an additional 67 episodes new to syndication.
Starring Jackie Gleason and Art Carney. 106 Half-Hours.

An outstanding performer from Viacom.



schedule, we've got the movie on Monday, which is definitely upscale; on Tuesday, *Remington Steele*; on Wednesday, *St. Elsewhere* and maybe *Highway to Heaven*, which isn't upscale but is the kind of thing we like to have; on Thursday, everything; on Friday, *Miami Vice*; on Saturday, nothing; on Sunday, Spielberg and the movie. That gives you 11½ hours out of 22, or more than half devoted to quality."

Then there's the Woolworth's network. "The rest of the schedule," says Jaffe, "is counterprogramming, designed to solve a particular problem or to go up against *Dallas* and die." One of the most remarkable of these warrior programs is *Knight Rider*, Tartikoff's cross between *Mr. Ed* and *My Mother the Car*, in which the talking automobile is the hero and the human driver is the sidekick.

Perhaps it was zeitgeist, perhaps it was the work of the network's presiding intellect, but NBC has also been called "the yuppie network," and there appears to be a measure of truth in that. Jaffe quite correctly points out that no network is going to get very rich by catering exclusively to the 5 million young urban professionals in the country, a minuscule audience by network standards. But because NBC has striven more energetically than the other networks to air intelligent comedy and drama—because until recently demographics seemed to be quite literally a matter of life and death at NBC—the mark of the yuppie can be more easily discerned on its schedule.

On television's traditional police or medical shows, for example, the leading officers and doctors are usually superheroes confronted with problems worthy of their steel, and the heroes always vanquish the bad guys. This may very well seem like pernicious nonsense to the yuppie, a child of the post-Vietnam era who has probably had some experience with the modern legal and medical professions. If yuppies know one big thing, it is that nothing much in society works the way it is supposed to. The motivating subtext in *Family Ties* is that not much is as simple as it seemed to be in the '60s, when the parents on the show came of age. *Hill Street* depicts police work in a precinct close to anarchy, where there are no tidy solutions. The vision of life in *St. Elsewhere*'s big-city hospital setting is a far cry from the comfortable pieties of earlier MTM series such as *The Mary Tyler Moore Show* and *Lou Grant*.

Yuppies are often said to be unstable in their sense of self, to feel fraudulent in their successes; the title character in *Remington Steele* is a detective of uncertain origin and completely fraudulent credentials, who is nevertheless very good at his job.

And in an increasingly fluid society, the

young strivers know that the traditional consolations of family life are elusive, even nonexistent, because family life itself is increasingly elusive or nonexistent. *Cheers* depicts life in the singles bar, that social center of a nomadic society, where staff and patrons sometimes try to act like a family—a favorite theme of Tinker's—and sometimes succeed.

Even *The Cosby Show* contains elements that appeal especially to the yuppie: its weekly celebration of domestic virtue, and its confirmation of the yuppie belief that the divisions between the black urban poor and urban professionals are based on class, not race.

But while NBC's prime-time entertainment programming thrived in the 1984-85 season, some of its other offerings lagged behind. The network remained in third place during the day, a time in which low production costs and great viewer loyalty translate into important revenues for the

Larry Grossman had some dark moments as the new head of NBC News, but Tinker stood behind him just as he had with Tartikoff.

winning networks and a long uphill battle for Number Three. Brian Frons, the chief of daytime programming, says his strategy is "to wear the enemy down."

The news division had regained second place and was threatening to take first, with *Today* in a dead heat with ABC's *Good Morning America*, and the *NBC Nightly News* posting a 21 share as opposed to a 23 share for the *CBS Evening News*. But NBC's was also the only network news division that lost money—\$50 million a year, in the estimate of outsiders, a figure NBC conceded was "high, but not out of the ballpark." And the 1984 debut

of the new NBC News president, Lawrence K. Grossman, had not been an entirely auspicious one. Grossman, a former advertising man and president of PBS, had never run a news operation or covered a story, although he had revitalized the public television network during his tenure there. He is, Grossman admits, "one of Grant Tinker's biggest gambles."

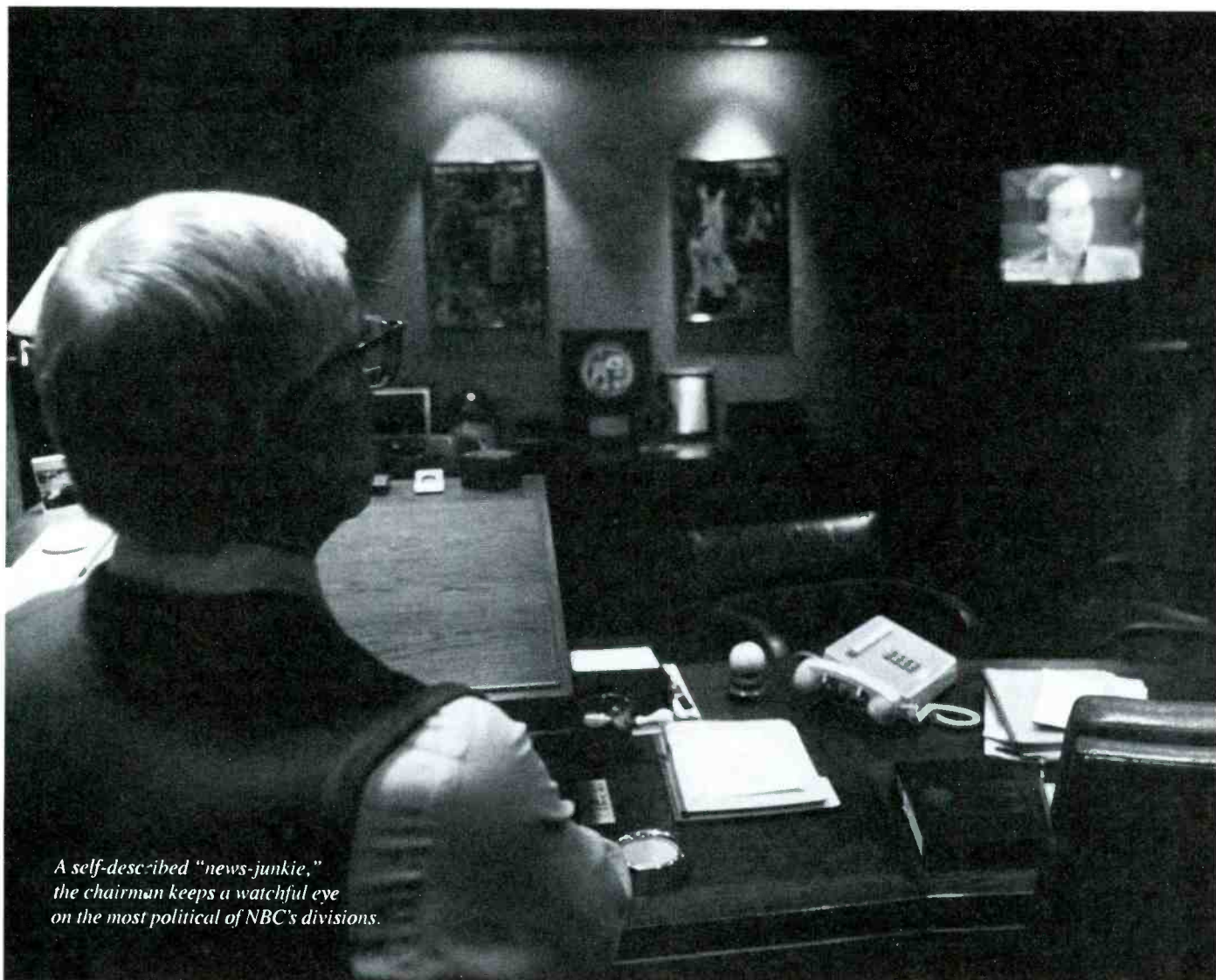
The news division had been treated by the network, and sometimes behaved, as an arrogant, aloof subsidiary subdivided into private fiefdoms that had very little to do with each other. Counting Grossman, it had had eight presidents in the last 20 years, four within the last five years. Like the rest of the network, it had been thoroughly demoralized; unlike the rest of the network, its morale problems had not been solved.

Grossman began by firing 86 staffers. His first major production, *Summer Sunday, USA*, was a disaster plagued by missed cues and technical glitches. NBC News, whose once respected *Meet the Press* was also an industry joke, could not afford to bear such humor lightly. Tinker, a self-described "news junkie," monitored the situation closely. As he had done during Tartikoff's darkest days, and as Thornton Bradshaw had done for him, Tinker stood by his division chief.

There were no more news layoffs, at least for the time being. Grossman hired John Lane, the experienced former producer of the *CBS Evening News*, giving him command of operations, and Thornton Bradshaw was instrumental in importing Timothy Russert, the young former counselor to the governor of New York and aide to Senator Daniel Patrick Moynihan. Russert was made a vice president with special responsibility for promoting the division's offerings, but his political skills would also come in handy if Grossman ran into opposition in this the most political of the network's divisions. (Over the years, "I've been Russerted" had become a common cry of various politicians he had effectively skewered to his bosses' advantage.)

Morale began to rise. So, too, did the quality of the programming, although old-line journalists were disturbed by another of Grossman's imports, Frank Magid, the consultant who had pioneered the controversial "happy talk" trend on local newscasts. Magid was assigned to *Today*; different people tell different stories about what happened then, but when his contract expired it was not renewed.

News programming would be all of a piece, Grossman decided; stories were handed down from newscast to newscast as they developed throughout the day—a simple idea like so many of NBC's remedies, but one that indicated how far the deterioration had gone. Grossman also



A self-described "news-junkie," the chairman keeps a watchful eye on the most political of NBC's divisions.

wanted to integrate the news division's output as often as possible with those of the entertainment and sports divisions; for example, a news report on AIDS followed the made-for-television movie about AIDS, *An Early Frost*.

Grossman planned a news program for children, *Main Street*, and began to introduce it slowly; following the Tinker formula, the producers would have time to work on it until they got it right. The approach was much the same with *American Almanac*. Between 1969 and 1985 NBC had tried a dozen times to launch a newsmagazine show, failing with depressing regularity. Grossman put Roger Mudd in the anchor chair and tried again, introducing *Almanac* slowly, delaying its premiere as a weekly feature until everyone felt the show was ready. It's expected to go weekly early this year.

The news division scored a major coup by obtaining stunning BBC footage of the Ethiopian famine, and entered into an exclusive arrangement with British-based Visnews for future cooperative ventures, aiming to reduce the astronomical costs of

live overseas coverage. For domestic coverage Grossman developed ambitious plans to use RCA's new Ku-band satellites. "Ku-bands are a resource that nobody else has," he says, just as color television, and television itself, were once resources that only NBC had, thanks to RCA. "By next August, we'll have 50 of our affiliates equipped with portable uplinks, and we'll be able to bring in news from just about anyplace in the country—live news, developed by the affiliates. It can become the basis for a 24-hour cable news network that will compete directly against Ted Turner's news monopoly on CNN." In exchange for breaking Turner's monopoly, Grossman wanted the cable operators collectively to make a \$20 million investment and guarantee access to a potential audience of at least 13.5 million households, the threshold beneath which Nielsen will not compute the ratings that are essential for attracting advertisers.

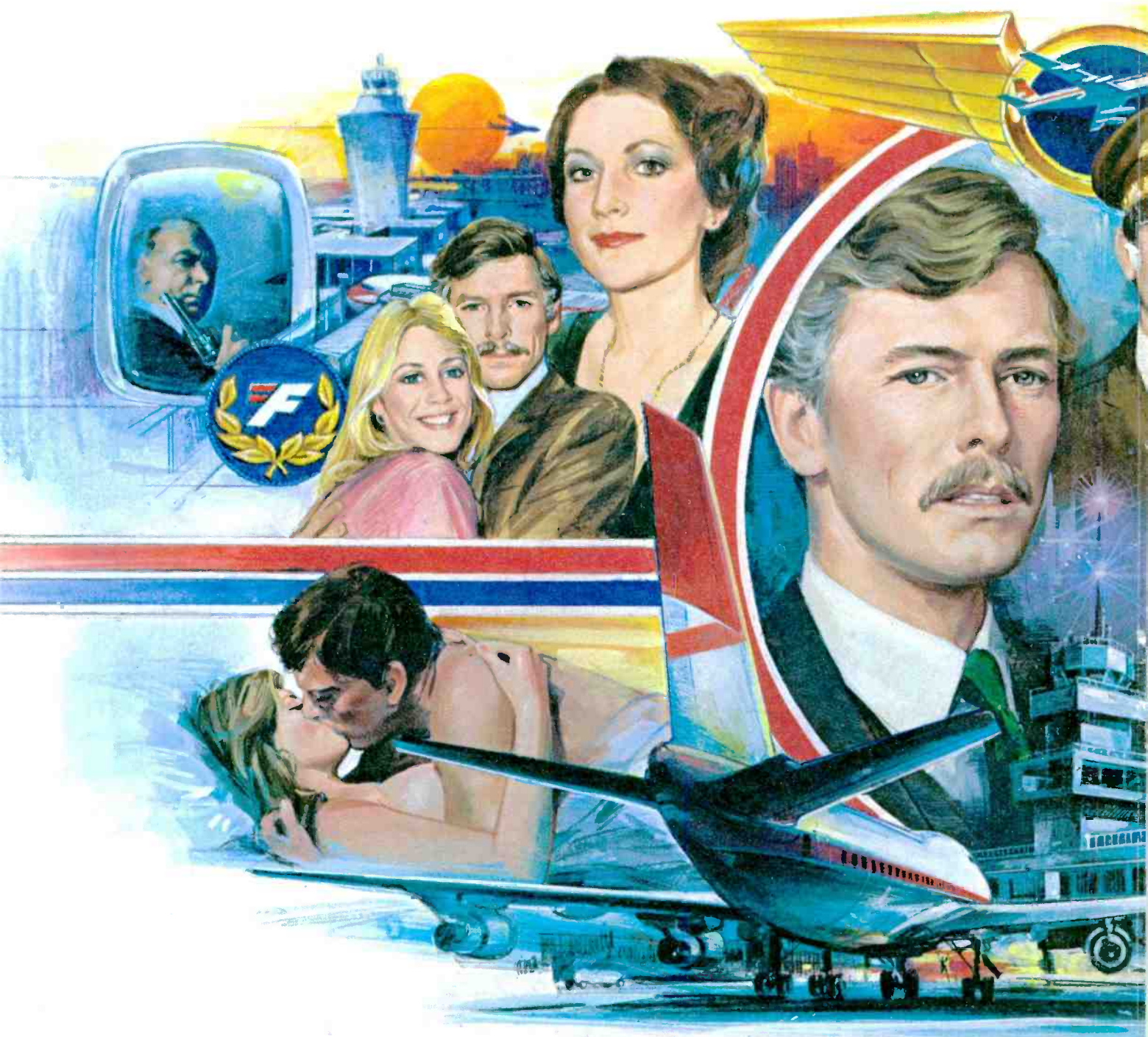
With its news division climbing out of its doldrums and its prime-time entertainment finally up to speed, NBC is in comparatively good shape, and its competition

is in disarray. CBS has been weakened financially by its costly defense against a takeover attempt by Ted Turner; budget cuts have brought turmoil to its news division, and its audience is once again older, poorer, and more rural than NBC's. ABC has ousted its programming chief; it relies on blockbuster mini-series in prime time, and seems inclined to churn its line-up.

By comparison, NBC's position seems ideal, although in television no strategy works forever. As usual in any unpredictable business run by human beings, there's a downside to success. "NBC hasn't identified its problems yet because it's on a roll, and you can see the first symptoms that they're starting to believe their own press, just like Silverman did," says Alan Gottesman, a securities analyst with L. F. Rothschild, Unterberg, Towbin. "They turned the company around by stopping the nonsense and letting everyone get back to work. Now the danger is they'll start to think they're as smart as everybody says they are."

But Grant Tinker has never claimed to be particularly smart at all. ■

CHECK IN FOR 130 FIRST RUN HOUR



SKYWAYS

A major international airport teems with adventure. Every day thousands pass through, each with his or her own story. Add the hopes, fears, loves and ambitions of those who operate the complex, and you have a unique arena for gripping human drama.

Skyways is 130 *FIRST RUN*, color hours of exceptional entertainment.

Produced in Australia by Crawford Productions for prime time network, Skyways features a galaxy of extraordinary stars, high production values and tight, fast moving scripts, Skyways offers you a not-to-be-missed opportunity.

Skyways, which features contemporary situations, contains multiple story lines that

S OF GRIPPING ADVENTURE DRAMA.



SEE US AT THE NATPE EXHIBIT HALL #26.

string these hour long segments together. This makes them ideal for weekday striping and for building audience involvement.

Revolving around the airport boss, his management team, his security people and his superior, the episodes beautifully weave their intimate lives, loves, their jealousies, and their family problems with the varied tales of people coming through Pacific International Airport. Skyways delivers a bit of everything; action, romance, suspense,

humor. Skyways is a series that has wide appeal and offers high rating potential in a variety of time periods.

Skyways is your opportunity to strip a first run, quality, action adventure series for 130 high rated hours. For more information, and a screening, call



205 East 42nd Street New York N.Y. 10017 212-661-3350
A DIVISION OF WORLD NORTHAL CORPORATION

Wall St. & Vine

Good-bye Raymond Chandler, hello Stephen Cannell.
In the new Hollywood everyone wants to grow up to be
a producer and make zillions.

BY RICK DU BROW

FROM the burgeoning towers of downtown Los Angeles to the pricey high-rise Wilshire Boulevard corridor that connects Beverly Hills and Westwood, the message is unmistakable: Manhattanization is slowly creeping up on L.A. and its dream factory, Hollywood, changing the look of the skyline and the nature of doing business among the palm trees. The glistening office buildings and condos of Century City, right behind Twentieth Century Fox studios, emphasize the point. Even

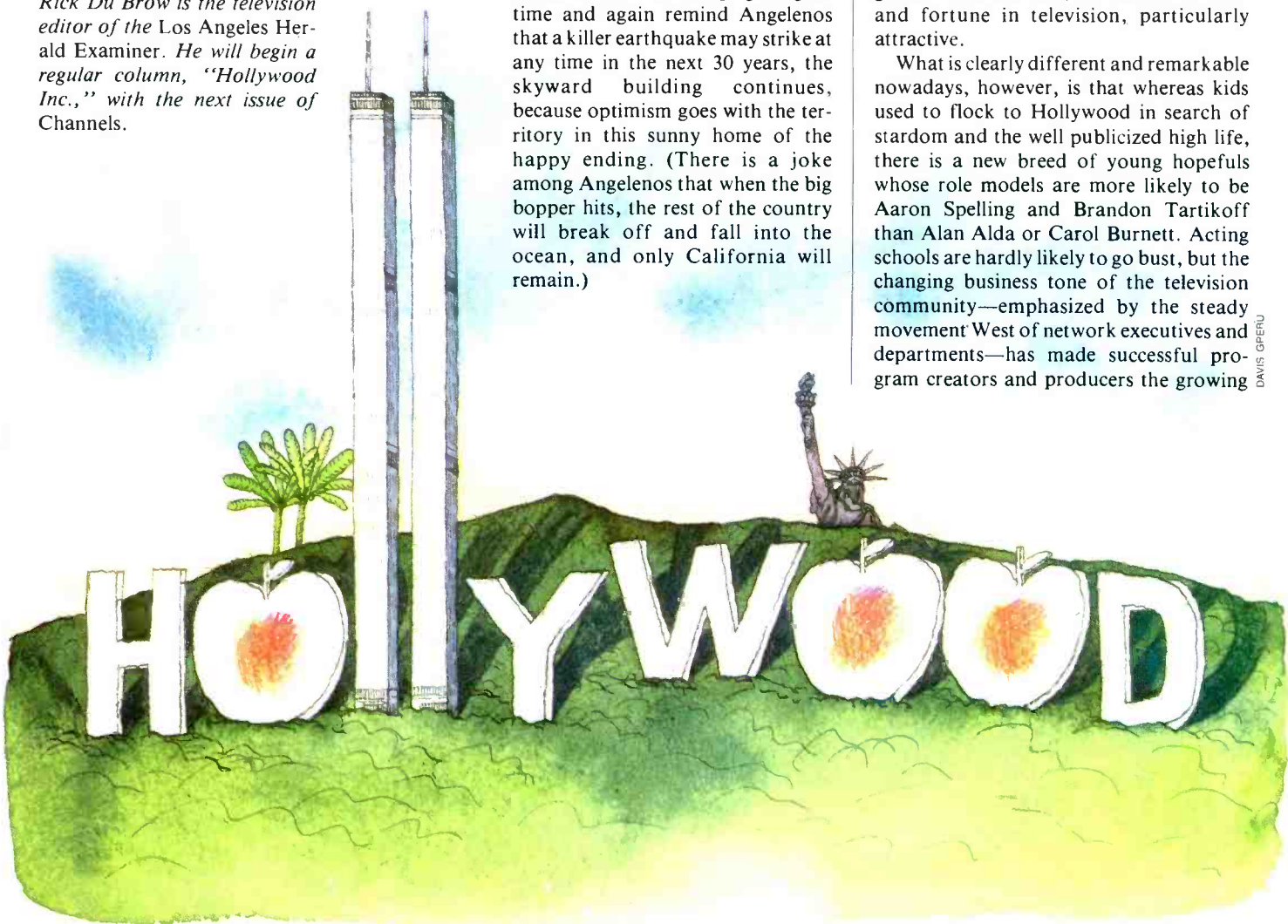
Rick Du Brow is the television editor of the Los Angeles Herald Examiner. He will begin a regular column, "Hollywood Inc.," with the next issue of Channels.

over the hills, in the pastoral San Fernando Valley, an architectural culture shock is taking place as urban facades shoot up along portions of the once tranquil main artery called Ventura Boulevard. But the change is more than cosmetic: Los Angeles, the nerve center of television programming, has suddenly become a Third World city increasingly populated by Asian, Hispanic, and black minorities. The demographic upheaval and new corporate style are redefining L.A. for the future just as surely as the urban penthouse motif. And though geologists time and again remind Angelenos that a killer earthquake may strike at any time in the next 30 years, the skyward building continues, because optimism goes with the territory in this sunny home of the happy ending. (There is a joke among Angelenos that when the big bopper hits, the rest of the country will break off and fall into the ocean, and only California will remain.)

Well, how else would you have it in this land of eternal hope and opportunity? Sure, the new conglomerate look of the landscape and the television industry may, sadly, be displacing the funky little cottages that Raymond Chandler wrote about when he created the private-eye image of Los Angeles. And sure, some new settlers from the East let it be known that their hearts are elsewhere by means of T-shirts proclaiming, "I Love New York." But they're here, aren't they? And why? Because the opportunities are probably greater than ever and, for seekers of fame and fortune in television, particularly attractive.

What is clearly different and remarkable nowadays, however, is that whereas kids used to flock to Hollywood in search of stardom and the well publicized high life, there is a new breed of young hopefuls whose role models are more likely to be Aaron Spelling and Brandon Tartikoff than Alan Alda or Carol Burnett. Acting schools are hardly likely to go bust, but the changing business tone of the television community—emphasized by the steady movement West of network executives and departments—has made successful program creators and producers the growing

DAVIS GFERU



center of glamour and power in Hollywood. Corporate television stuff used to be low-key in Hollywood—something viewers associated with those guys in the tall buildings back in Manhattan. But the tall buildings are now here, and along with the public's growing sophistication about the medium—partly because of more intense press coverage—the top creators are lionized as if they were fabulous Wall Street traders. Lee Rich, a former New York ad man, built a diversified conglomerate, Lorimar (*Dallas*, *Knots Landing*, *Falcon Crest*), on the bedrock of a single hit show, *The Waltons*, and he has become a celebrity in his own right. Stephen Cannell (*The A-Team*, *Riptide*, *Hardcastle & McCormick*) can sometimes be seen advertising himself at the end of his shows, ripping a page out of his typewriter and sending it sailing in the air, as if he had just created *Hamlet*, or maybe the Magna Carta.

Television is a producer's medium. Bill Cosby notwithstanding, most stars—particularly those from motion pictures—are poor bets to guarantee the success of a TV show. The biggest stars are usually created on the home screen—Alan Alda in *M*A*S*H*, for example, as well as Michael J. Fox in *Family Ties*, Larry Hagman in *Dallas*, and Linda Evans in *Dynasty*. “Producers are what get you to the promised land,” says Brandon Tartikoff, president of NBC Entertainment, who built the network's comeback around such creators as Steven Bochco (*Hill Street Blues*), Gary David Goldberg (*Family Ties*), Marcy Carsey and Tom Werner (*The Cosby Show*), and Cannell. Adds Tartikoff: “It's one thing to say I'd like to get music and film together and get a video look into an action show, and it's another thing to have a Michael Mann and a Tony Yerkovich turn it into *Miami Vice*.”

Thus, if you are a young man or woman looking east to Manhattan or west to Los Angeles for a lucrative career as a television executive, the difference between the two in terms of corporate opportunities is not nearly as big as it once was. And the chances of cashing in really big are probably vastly better out Los Angeles way, because not only is that where most of the shows are made, but the options for working one's way into the structure are more numerous—perhaps with one of the networks' expanded West Coast staffs, or a producing studio, or an independent company. Two of Hollywood's most influential executives, Barbara Corday, president of Columbia Pictures Television, and Esther Shapiro, creator and producer of *Dynasty*, agree that the filmtown scene has taken on a more corporate, Manhattanized tone as an increasing number of ambitious young people have sought out the financial and executive sides of the



COURTESY OF THE GREATER LOS ANGELES VISITORS BUREAU

Manhattan West: Hollywood was never like this—but it is today.

industry, setting themselves up for the big kill.

“I think that's true,” says Corday. “There are more people in our business who have MBAs than there ever were before. I didn't even go to college, but now the kids who work here have their degrees from Harvard and Columbia and Yale. I think truthfully that eventually they all want to be producers. That's where the payoff is. I think that's where the business is—in producing.” And no wonder. With a shortage of successful shows available for syndicated reruns—the pot of gold at the end of the producing rainbow—prices for series in the repeat market have skyrocketed in the last five years. Even a moderate hit such as the comedy series *Webster* sold recently at \$110,000 an episode for future reruns in the Los Angeles market.

Shapiro also thinks it's true that Manhattanization is having an impact on Los Angeles's biggest show-business industry, and that the reason Hollywood is bursting with young corporate hot-rods who want to be network honchos and producers is that “there's more opportunity because of television. It's all going toward television. I don't think they come to be major movie moguls because that's all done by business and credits and all of that. But there is so much opportunity in the developments at networks and studios that they can move into production themselves because there are so many shows. There's also more opportunity to get some kind of ownership than in films because television is bigger and younger—it's open. Everybody makes his own deal.”

While it's not necessary to be a writer to own your own product, it doesn't hurt. In a town that used to treat them as though they were a necessary evil, it is a sublime irony that producers who started out as writers are now the top dogs in television. Shapiro is one of them, and has the whole process down pat: “We start out as writers, and then we become producers in order to protect our work from being man-

With lotus-eating Los Angeles swiftly becoming a Third World city, TV's creators are getting a dose of urban reality. As a result, gritty shows like *Hill Street* may replace today's escapism.

gled by everybody else. Once you're a producer, you say, 'I won't write and produce unless I can become an owner.' Then once you become an owner, you say, 'Well, I also want some control over distribution,' and you bargain for that or have your own distribution. After you do that, you might start thinking about having a company of your own. That would be the natural progression.

“I'm thinking of somebody who did very well in the time that I've known him, and that's Len Hill [a producer whose company this season landed a series called *The Insiders* on ABC]. He was about 24 or 25 when I met him at Paramount, and he was just into the story department there. He went to work at NBC, then ABC, and he kept moving up the ladder. And now he's got his own production company, and he's all of 37 years old.” Hill, like NBC's Tartikoff and ABC's new entertainment president, Brandon Stoddard, is a Yale graduate who rose rapidly at ABC, joining the company as an executive producer in 1976 and becoming vice president of movies made for television in 1978. He left that post in 1980 to form his own company,

Leonard Hill Films, which in five years has turned out a dozen television movies, including *Mae West* and the miniseries *The Long Hot Summer*.

While the producer as corporation is changing L.A.'s television landscape, the city's significantly new demographics may well hasten the Manhattanization process and eventually affect the look and content of programs. The Third World explosion has transformed Los Angeles, once the suburban-style dreamland of settlers from grassroots America, into the new melting pot of the nation, with a huge and growing influx of Asian-Americans and Hispanics added to the city's considerable black population. Angelenos unable to insulate themselves in gated and guarded estates now see with increasing regularity some of the 35,000 street people who are altering the city's image. And they are just as visible in Beverly Hills and elsewhere on the wealthy West Side of Los Angeles, home of many influential figures in the television community. Coupled with the rejuvena-

pressed residents of this expensive city, there will be less escape from simple human contact. The best New York television series, from *The Honeymooners* to *East Side/West Side*, radiated a feel for urban humanity. And, in *Cagney & Lacey* and *Hill Street Blues*, an Angeleno sense of the streets seems to be taking hold.

Hollywood now faces statistical predictions that it had better study closely. According to the Population Reference Bureau, a private, nonprofit educational



Columbia TV president Barbara Corday

She starts out as a writer, becomes her own producer, insists on ownership, and gains distribution rights. Pretty soon she's got her own company, and she's a major power broker.

tion of downtown and a growing artists' community in lofts near Skid Row and other inner-city areas, the Third World influx has further pointed up the urbanization of a mecca of escapism that no longer exists in fact, but only on the television screen.

Will these changes eventually be reflected in prime-time programming, with a more honest representation of minorities and a truer picture of what America is becoming? All these things surely have to happen, because reality now hits television's creators right between the eyes in the city in which they live. Two decades ago, Los Angeles was shaken into awareness when the Watts riots erupted just half an hour down the freeway from the very TV studios that were painting a rosy picture of American life. It was an eruption that shocked the town: With people isolated in their cars in this freeway metropolis—out of touch with the human vibes of street contact and public transit systems—there was little inkling of the pent-up frustrations in the ghetto. Now, with Los Angeles's more bustling street life, with a city subway in the works, and with buses more widely used by financially

Dynasty producer Esther Shapiro



organization, non-Hispanic white residents of California will probably be in the minority within 25 years. They will probably make up 47 percent of the population, down from their current 64 percent. At that same time, Hispanics will make up 32.2 percent of the California population and Asian-Americans 12.5 percent, while blacks will increase their numbers slowly. Los Angeles television stations have already reacted to the fast-growing Hispanic audience, with the entrenched Spanish-language KMEX being challenged by a new Hispanic outlet as well as a multiethnic channel that is increasing the number of hours devoted to the Latino audience.

On one prime-time series, *Falcon Crest*, the number of Hispanic performers has increased to about a half-dozen leading cast members. And *Miami Vice*, which competes head-on with *Falcon Crest* each week, frequently draws a strong Hispanic flavor from the Cuban immigrant population of the city in which it is set.

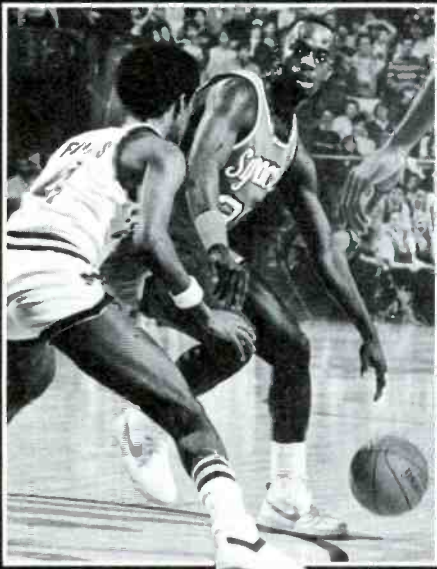
But Asian-Americans are virtually invisible on prime-time television. Feeling the strength of their growing numbers in the new Los Angeles, they are increasingly making demands on the television industry. Some have even formed community organizations regulating access to location-shooting in such places as Chinatown—denying that access unless they are properly represented.

To a journalist raised in dead-center Manhattan, at 57th Street and 6th Avenue—one whose California dreaming was summed up in the lyric, "I'm gonna settle down and never more roam and make the San Fernando Valley my home"—the Third World invasion of Los Angeles gives a great sense of hope. Covering television, one learns quickly that most Hollywood production companies change course only when compelled, and only if the networks concur that time has run out on dead ideas. The future has finally arrived in Los Angeles, and every aspect of urban life from downtown to Malibu will go through exciting times and reevaluation for years to come.

The more mundane signs of Manhattanization come to mind easily, starting with the increasingly difficult lunchtime traffic at restaurants—the maddening valet parking and the crowds waiting for tables. Nor is it rare, in the new Los Angeles, to pay \$10 for a few hours' parking in one of those tombs beneath depressing glass-and-steel buildings in which Raymond Chandler's Philip Marlowe would never, ever, have an office. And when a local television outlet, KTLA, was sold to the Tribune Co. not long ago for \$510 million—the highest price ever paid for a station—it was a statement about the new financial image of urban Los Angeles and a jolting reminder that the simpler, happy-go-lucky days of Tallulah Bankhead, Robert Benchley, and Scott Fitzgerald whooping it up at the Garden of Allah hotel were truly ancient history. Still, these are all small regrets amid the vibrant stirrings of the Third World revolution in Los Angeles and what it will eventually mean to television viewers. The young executives who are coming west to make their fortunes in television could not have chosen a more exciting time, particularly if they have a social conscience. And it would be nice if at least some of them picked up a few books by Raymond Chandler—you know, just to get the feel. ■

ALL THE BIG SHOTS ARE ON ESPN.[®]

ESPN'S COLLEGE BASKETBALL SUPERSEASON. THE BEST COVERAGE. THE BEST TEAMS. THE BEST MATCH-UPS. ALL SEASON LONG.



This year ESPN will cover more than 125 spectacular shoot-outs. We've got the most extensive college basketball coverage on television. Anywhere.

Veteran color commentator Dick Vitale will bring you action-packed play from 14 different conferences, including The Big East, ACC, Metro, SEC, and PAC-10.

Blazing match-ups like defending champion Villanova vs. Georgetown,



Syracuse vs. St. John's, and Louisville vs. Memphis State.

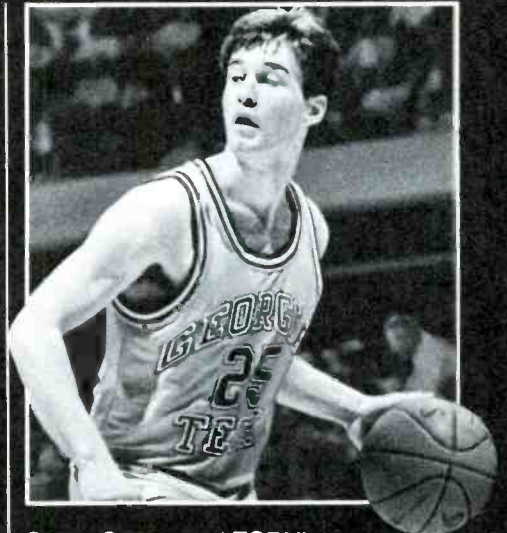
And star players like Syracuse's Dwayne "Pearl" Washington, Kentucky's Kenny Walker, and Auburn's Chuck Person.

An amazing 95% of these games will be shown live, 80% in



prime time. With doubleheaders on Mondays, Thursdays and Saturdays.

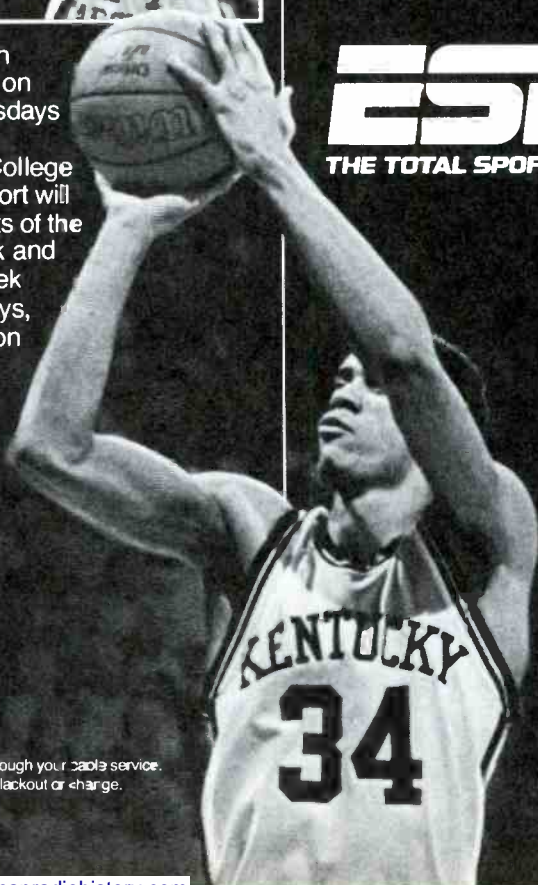
ESPN's College Basketball Report will recap the events of the preceding week and preview the week ahead. As always, you can count on



SportsCenter and ESPN's "28/58" updates every half hour for up-to-the-minute scores, plus ESPN's Dial Sports Hotline for instant access to scores and prime time program information (1-900-976-1313).

Be there when college basketball's big guns start shooting. Because no one covers the court like ESPN.

ESPN[™]
THE TOTAL SPORTS NETWORK[®]



ESPN is available only through your cable service. Programming subject to blackout or charge.

© 1986 ESPN, Inc.

The Strange Politics of 'Fairness'

D

Deep in the legal jungles of Washington, D.C., a guerrilla war of liberation is smoldering. The rebels, who invoke the spirit of the American Revolution and liken their oppressor to King George, are broadcasters and their lawyers. Previous skirmishes in Congress and the courts have left them frustrated and angry, but now they're readying themselves for what many believe will be their triumphant assault.

The citadel under siege is the Fairness Doctrine, the rules administered by the Federal Communications Commission that impose two basic obligations on broadcasters: (1) to devote a reasonable amount of their broadcast time to controversial issues of public importance and (2) to air contrasting views on those issues.

For years, most television and radio stations observed an uneasy truce with the Fairness Doctrine, providing air-time—often grudgingly—to the handful of critics, mostly citizens groups, who had legitimate complaints about broadcast fairness. But in recent months, emboldened by the deregulatory climate at the FCC, broadcasters have intensified their criticism of the doctrine. They now nourish hopes of defeating it in either of two legal challenges that may go to trial this fall.

Most of the rebels' complaints are famil-

David Bollier, a political writer based in New Haven, Connecticut, is co-author of the forthcoming book Freedom From Harm.

Sensing the time is right, broadcasters are

mounting a constitutional challenge

to the keystone of government regulation.

iar. Broadcasters claim that the Fairness Doctrine "chills" their First Amendment right of free speech by forcing them to air others' views. They say that the rules are a costly, time-consuming hassle. And now a powerful new argument has emerged: that the Fairness Doctrine is obsolete because cable television and other new media are providing a diversity of voices.

Ford Rowan, former NBC newsman and author of a 1984 book on the Fairness Doctrine, rhetorically wonders "what Madison, Jefferson, Franklin, or other co-conspirators against King George would have done. Would they have been willing to run the risk that a free electronic press might abuse its power?" (Rowan himself would take the risk.)

What makes the broadcasters' crusade so significant is that it would undercut the "public trustee" foundation of commercial broadcasting. In passing the Communications Act of 1934, Congress directed broadcasters to serve "the public interest, convenience, and necessity." The most meaningful embodiment of that

standard, apart from the license renewal process, is the Fairness Doctrine.

While critics of the doctrine would like to throw out the public interest standard entirely, such an open challenge would face a strategic disadvantage: Congress simply is not prepared to jettison this fundamental premise of our broadcasting system. So broadcasters are instead seeking a radical redefinition of the standard's meaning by eliminating the Fairness Doctrine.

This prospect has profound implications for a constellation of other important FCC "content regulations," which govern issue advertising and response time for personal attacks (see box). If the Fairness Doctrine is declared unconstitutional these regulations are also "doomed," according to Robert Gurss, attorney for the Media Access Project, a public interest law firm defending the doctrine. While these apocalyptic consequences are hardly imminent, many broadcasters are eager to take whatever steps possible toward transforming the publicly granted privilege of broad-



S V T E R

BY DAVID BOLLIER

casting into a corporate asset. Will the rebels succeed?

At first glance the struggle over the Fairness Doctrine seems to take place in a twilight zone in which traditional political alignments go topsy-turvy. Naderites join hands with Phyllis Schlafly because they both favor greater citizen access to the broadcast media. Staunch civil libertarians such as Floyd Abrams and Nat Hentoff make common cause with the broadcasting industry because they believe any FCC scrutiny of broadcast journalists' decision-making violates the First Amendment (while the American Civil Liberties Union dissents from this view). And a handful of corporations such as Mobil Oil and General Motors agree with public interest groups that the Fairness Doctrine should stay.

Now that the FCC itself has blasted the rule that it's supposed to enforce, Fairness politics have become even more bewildering. Such bizarre political alignments inspired federal appeals court judge J. Skelly Wright's famous observation that

when it comes to matters of broadcast fairness, it's difficult "to tell the good guys from the bad guys." Who are we to believe when both sides claim the high ground by giving such similar names to their advocacy groups: the Center for Free Speech and the Freedom of Expression Foundation? (The former defends the Fairness Doctrine, the latter attacks it.)

Despite such confusion and the unusual alliances, however, where you stand on the issue generally depends on where you sit—in the control room, or in the broadcast audience at home. Media professionals generally oppose the Fairness Doctrine; they say it infringes on their free speech. (Group W is the only major broadcast firm that actively supports the doctrine.) Citizens who have a specific message or political cause—consumers, labor unions, religious organizations—generally support it; they say it enhances their free speech. When this conflict arises locally, it's usually resolved through informal negotiations that result in free air-time for the aggrieved party. Now the conflict is flaring

into a full-scale constitutional challenge to the Fairness Doctrine.

In 1982, a Syracuse, New York, television station, WTVH, sold 182 minutes of its air-time to utilities promoting nuclear power. In the eyes of the Syracuse Peace Council, a citizens group, the station failed to provide a "reasonable" counterbalance, as required by the Fairness Doctrine. The group filed a complaint with the FCC. "Even the total amount of news programming [on nuclear-related issues, not necessarily nuclear power] didn't equal the amount of advertising time bought by the utilities group," says Liam Mahoney, a peace council activist.

The FCC agreed with the antinuclear group in 1984, ordering WTVH to correct its unbalanced coverage. [See *Channels*, January/February 1985.] But the station refuses to comply with the FCC order and is now mounting a direct constitutional challenge to the Fairness Doctrine—the first such test case since 1969. "When the government ends up controlling the press," warns John DeRoache, general manager of WTVH, "we could end up in the same situation as *Pravda* in Russia. The Fairness Doctrine is an absolute threat to every broadcaster."

Using more temperate language, network journalists such as Eric Sevareid, Bill Monroe, and Dan Rather agree. Rather told the FCC: "Once a newscaster has to stop and consider what the government agency will think of something he or she

DAVID BUTER

wants to put on the air, an invaluable element of freedom has been lost.”

Activists say that loss is greatly exaggerated; they say the free-speech rights of broadcasters and monied issue advertisers are already adequately protected by their easy access to the airwaves. Those who suffer are the majority of people, who have neither transmitters of their own nor money to buy air-time. “The Fairness Doctrine is the only reason that citizens can have First Amendment rights in the broadcast medium,” says media activist Joseph Waz.

Defenders of the Fairness Doctrine also point out that its “chilling effect” has been minimal. Since only one broadcast station has ever had its FCC license revoked for violation of the rule—the Rev. Carl McIntyre’s WXUR radio station in Media, Pennsylvania, in 1972—the industry’s protestations of creeping Big Brotherism sound overwrought. Of some 6,787 Fairness Doctrine complaints and inquiries to the FCC in 1984 (about 10 percent in letters, the rest in phone calls), only six resulted in official FCC inquiries to stations. Only one case in 1984 resulted in an FCC finding that a station—WTVH Syracuse—had acted “unreasonably.” It was the first such slap on a broadcaster’s wrist in five years. Is that so burdensome?

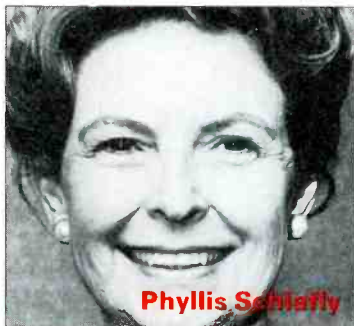
Yes, says chairman Mark Fowler’s FCC, quoting Judge David Bazelon of the U.S. Court of Appeals: “. . . even a governmental ‘raised eyebrow’ can send otherwise intrepid entrepreneurs running for the cover of conformity.” In thousands of instances, says the FCC, the mere threat that citizens groups might lodge an official complaint “creates a climate of timidity and fear” and runs up legal fees.

Some broadcasters say they’d rather avoid controversy altogether, by refusing to run advocacy advertisements, than risk contravening the Fairness Doctrine. In comments to the FCC, the National Association of Broadcasters cites 45 instances in which the doctrine has thus inhibited editorial freedom. The NAB claims the Fairness Doctrine has squelched a radio series on the B’nai B’rith in Pennsylvania, advertising for ballot propositions in Charlotte, North Carolina, and a radio show on religious cults in Southern California. Critics charge that many of the instances cited are years old and scantily documented. The real “chilling effect,” they reply, is broadcasters’ resistance to surrendering valuable air-time for controversies that don’t pay their way.

As an imperfect means of balancing the First Amendment rights of broadcasters against those of the public, the Fairness Doctrine seems to apply a double standard. Why should broadcasters be denied the same freedom of expression print enjoys? The Supreme Court gave its first

PRO

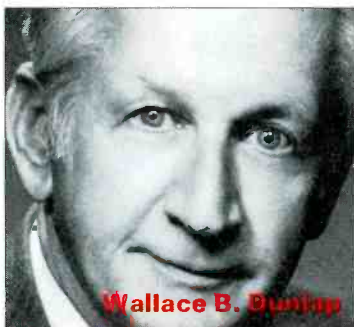
THE ODD



Phyllis Schlafly

“Our First Amendment right to speak on radio or television should not be limited only to those who have the money to buy the station.”

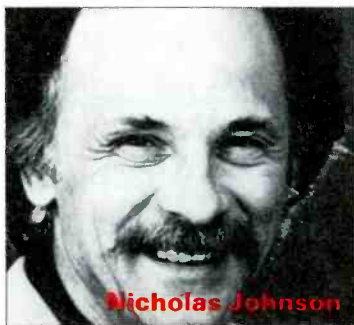
President of the right-wing Eagle Forum



Wallace B. Dunlap

“We simply have not found the Fairness Doctrine to be burdensome. When a company tells its managers that it should cover controversial issues of importance to their communities, all it’s doing is telling them to run a good company.”

Senior vice president, Group W



Nicholas Johnson

“There is no regulation that limits a broadcaster’s right to say whatever he or she wants over the air—including personal attacks on others. The Fairness Doctrine doesn’t censor them, it prevents them from censoring the rest of us.”

Former member, FCC

Companion Rules on Broadcast Fairness

Several regulatory companions to the Fairness Doctrine developed out of FCC and court decisions over the years. Each has complex exceptions, qualifications, and ambiguities. Two of the most important:

Personal Attack Rule. When a TV or radio station airs an attack on the honesty, integrity, character, or any similar trait of a person or group, the station must notify the subject within seven days, provide a tape or transcript of the attack, and offer a reasonable opportunity for rebuttal, even if there is no paid sponsor for it. This rule does not apply to attacks made on news shows or by political candidates.

The Cullman Doctrine. If a broadcaster airs a paid advertisement that deals with a controversial issue of public importance, it must also air opposing views, even if there is no paid sponsor for those views. This rule is frequently invoked during campaign seasons, when business lobbies buy air-time to promote certain ballot initiatives or referendums.

Several other FCC rules deal with broadcast fairness during election campaigns:

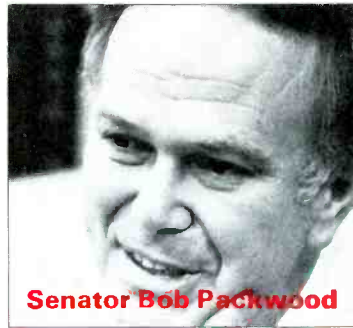
Equal Time Rule (more formally known as the Equal Opportunities Rule).

ALIGNMENTS

ANTI

“The public interest is not best served by the government telling broadcasters to whom they must give response time, or what they must cover.”

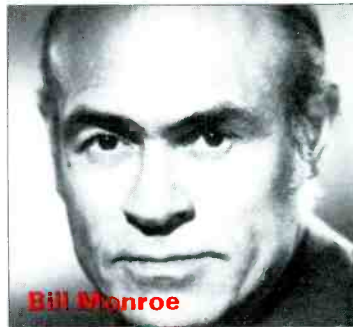
Chairman, Senator Commerce Committee



Senator Bob Packwood

“The Fairness Doctrine idea—that government can improve the American media—is in brutal confrontation with the First Amendment. It is unworkable in practice, and philosophically subversive of the amendment.”

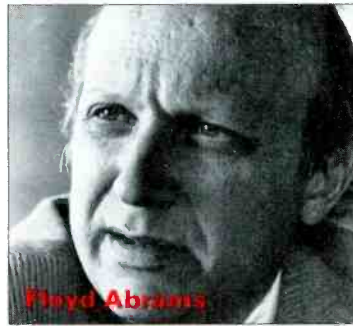
NBC News correspondent



Bill Monroe

“To say that the medium of communications with the most impact in communicating news to the public should be the most regulated by Congress and least protected in its free-expression rights is to invert First Amendment values.”

Prominent attorney



Floyd Abrams

definitive answer to that question in 1969, in effect, by posing another question: Whose First Amendment is it, anyway? The landmark *Red Lion Broadcasting v. FCC* decision concluded that “it is the rights of viewers and listeners, not the right of the broadcasters, which is paramount.” The court upheld the doctrine.

The FCC has the power to safeguard these rights, in the court’s view, because broadcast frequencies are inherently scarce and selectively granted to trustees acting in the public’s interest. “There is no sanctuary in the First Amendment to unlimited private censorship operating in a medium not open to all,” the court said. Thus, broadcasters are free to have their say, but as public trustees they must avoid “private censorship” of others.

This unequivocal language quelled critics of the Fairness Doctrine for most of the 1970s. But with Ronald Reagan’s election and his appointment of Fowler as FCC chairman in 1981, the political climate quickly changed. Fowler and many broadcasters began asserting that the proliferation of new media undermines the Fairness Doctrine’s “scarcity rationale.”

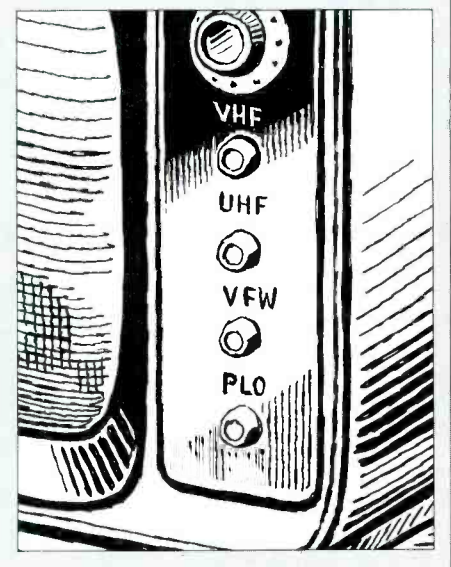
The first stop in the crusade to repeal the doctrine was the Senate, where Senator Bob Packwood (R-Oregon) held hearings in early 1984 on a “Freedom of Expression” bill. The legislation would have eliminated all content regulation of broadcast media, including the Fairness Doctrine and Equal Time Rule (which applies to political candidates). But the bill was defeated 11 to 6 in the Senate Commerce Committee even though it had been greatly weakened by amendment and even though Packwood then held sway as committee chairman. In the House, the repeal campaign ran up against Representative Tim Wirth (D-Colorado), chairman of the House telecommunications subcommit-

If a broadcaster sells or gives air-time to one candidate for public office, it must offer equal access to all candidates for the office. (“Equal” applies to both the amount of air-time and the audience size.) Again, the broadcaster cannot edit or censor the candidate’s presentation. News shows are exempt.

Reasonable Access Provision. The result of a 1972 election law, this rule guarantees that candidates for federal office have reasonable access to buy unedited air-time during campaigns. The rule prevents a station from freezing out candidates it may dislike.

The Zapple Doctrine. An offshoot of the Equal Opportunities Rule, the Zapple Doctrine says that stations giving or selling air-time to the supporters of one candidate must provide an equal opportunity to supporters of opposing candidates.

Political Editorializing Rule. If a station endorses a candidate for public office in an editorial, the station must notify other legally qualified candidates for that office within 24 hours and offer them an opportunity to reply. If the station airs its editorial within 72 hours before an election, it must give candidates advance notice so that they can respond. D.B.



FIRST-RUN PLUMS ARE ALWAYS IN SEASON.

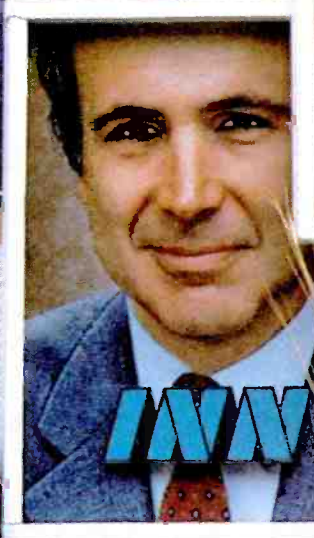
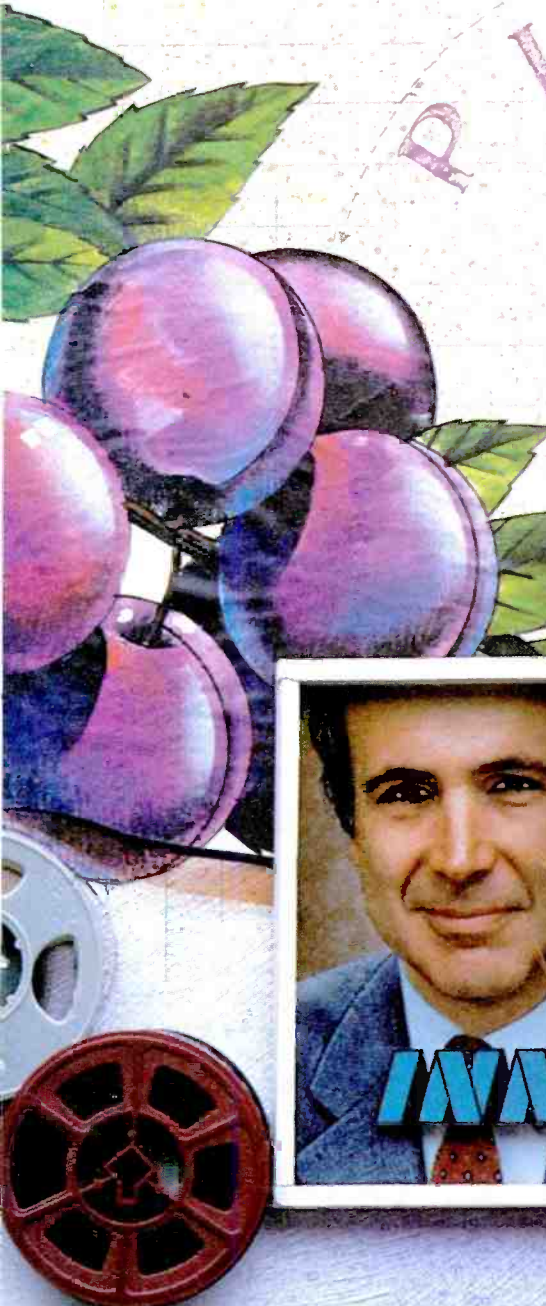


Now, more than ever, the key to success in Independent television is fresh, first-run programming. A lot of it!

That's why, today, Tribune Broadcasting stations originate one-third of their programming. That averages out to over 46 fresh, first-run hours every week.* From movie reviews to national news, world-class action to first-class premiere movies, we keep them fresh.

P L U M S

OUR PROPERTIES
OUR PROGRAMMING
OUR PEOPLE



DEMPSEY & MAKEPEACE

**TRIBUNE
BROADCASTING
Company**

That goes for sports, too. Because this season, Tribune Independents will originate over 300 professional baseball games, along with basketball and football coverage.

There's also first-run animation, daily local news, and some hot, new specials. All fresh. All new. All first-run programming Plums that are always in season.

*Based on published 7AM-2AM program schedules for TBC stations as of November 1, 1985.

tee, who adamantly opposes any repeal or modification of the Fairness Doctrine.

Broadcasters then tried to convince the FCC to rescind the doctrine. But this tactic ran aground on an unresolved legal question: Is the Fairness Doctrine a statutory creation that only Congress can repeal, or an administrative rule the FCC can erase?

It was first enunciated as an FCC rule in 1949, but 10 years later Congress mentioned the doctrine, in passing, as part of its 1959 amendments to the Communications Act. Now broadcasters are claiming that Congress did not *mandate* the Fairness Doctrine in 1959 but only *recognized* it as a rule. If so, the FCC would have the authority to rescind the doctrine, as it would doubtless like to do. Yet the com-

mission last year refrained from claiming that authority. Henry Geller, director of the Washington Center for Public Policy Research, explains with a chuckle: "The FCC was scared stiff that if it made a statutory determination, 20 minutes later Congress would pass legislation telling the FCC to drop dead." Instead, the commission merely issued a report last August urging Congress to repeal the doctrine.

Stymied in Congress and half-disappointed by the FCC, broadcasters are seeking relief in the federal courts. They glimpsed an encouraging sign in two footnotes buried in a July 1984 Supreme Court decision that struck down a law against editorializing by public broadcasting stations. In *FCC v. League of Women Voters of California*, the court said it might reconsider its *Red Lion* decision if there were "some signal from Congress or the FCC" that new communications technologies have invalidated the "scarcity rationale" for the Fairness Doctrine, or if the commission determined that the doctrine chills free speech. The FCC virtually sent up signal flares to make both points in its August report.

It may be impossible to read the Supreme Court's mind in two of its footnotes, as Henry Geller contends, but many broadcasters regard the footnotes as the court's invitation to bring a test case on the Fairness Doctrine, and are charging ahead with two separate constitutional challenges, filed in the U.S. Court of Appeals.

The first case, brought last October by WTVH's owner, the Iowa-based Meredith Corporation, could be argued as soon as next fall. The suit represents "the most serious challenge to the Fairness Doctrine since *Red Lion*," according to opposing attorney Gursr of the Media Access Project. But the case also has its weaknesses. For example, Gursr says, "WTVH may have a hard time showing that it suffered an injury" since, in response to a later request by the antinuclear group, it voluntarily gave the group air-time.

The second case against the Fairness Doctrine was filed in the same month by the 2,200-member Radio-Television News Directors Association (RTNDA). Rallying behind the suit are the National Association of Broadcasters, Gannett, Post-Newsweek Stations, and other major broadcasters. CBS is providing most of the legal resources.

"Broadcasters agreed that this is the way to go," says Ernie Schultz, executive vice president of RTNDA. "After examining the merits of the WTVH case, we decided that it was not as good a vehicle for challenging the Fairness Doctrine." Blaming the FCC for a failure of nerve, the RTNDA seeks to force the commission to decide whether it has authority to rescind

the doctrine. At the same time, the suit asks the court to find the Fairness Doctrine unconstitutional.

Defenders of the doctrine claim the RTNDA case doesn't belong in court and are seeking to have it dismissed. One reason it should be, in Geller's view, is that the court should not review the constitutionality of the Fairness Doctrine before the FCC explores alternative rules, less "chilling" to broadcasters' rights, that would achieve the Fairness Doctrine's goals.

But if the court gets past such questions and considers the merits of the RTNDA or WTVH cases, the pivotal issue may turn out to be whether the growth of new communications technologies renders the Fairness Doctrine obsolete by ending the scarcity of frequencies. Opponents say there's no need for a doctrine to assure a diversity of voices in broadcasting because there are now so many media outlets.

Defending the doctrine, Gursr looks at "scarcity" another way, arguing that there will be a scarcity of media outlets as long as there are more applicants for broadcast licenses than there are frequencies to be licensed. Those who get the licenses shouldn't be the only ones able to speak on the air.

The two definitions of scarcity are as far apart as the basic assumptions of the defenders and opponents of the Fairness Doctrine. Running a public franchise is different from running a private company. Serving the democratic process is not always as profitable as serving advertisers. The Fairness Doctrine forces the basic question: Which notion of broadcasting shall prevail?

It is not an all-or-nothing proposition, of course, because the Fairness Doctrine in practice exacts only marginal concessions from most broadcasters. They retain their First Amendment rights to have their own say on the air, while allowing others to stand on the same soapbox. They are not censored, and have great leeway in choosing how and when they will balance their coverage. Public obligations and private enterprises can coexist. Surely the Fairness Doctrine represents a small sacrifice in light of licensees' lucrative returns.

The two conceptions of broadcasting that may meet in court this fall bring to mind an old political metaphor: two teams locked in competition, one team thinking it's playing football, the other rugby. Which one is playing by the right rules? As long as a public resource, the airwaves, is devoted above all else to private profit-making, the clashes over broadcast fairness will persist. In the meantime, the Fairness Doctrine provides useful time-outs for getting the two teams together and reminding the visiting team who it is, after all, who owns the field. ■

Legal Landmarks in the History of the Fairness Doctrine

1929: Broadcasters are first required to air contrasting views on public issues in *Great Lakes Broadcasting Inc.*, a ruling by the Federal Radio Commission.

1934: Congress passes the Communications Act, which creates the FCC and mandates that broadcasters serve the public interest.

1941: The FCC rules in *Mayflower Broadcasting Inc.* that the public interest requires an outright ban on editorializing by broadcasters. "The broadcaster cannot be an advocate," the commission says.

1949: The FCC loosens its *Mayflower* decision, articulating the Fairness Doctrine as it is known today. While stations may editorialize freely, they are obligated to present "different attitudes and viewpoints concerning those vital and often controversial [community] issues."

1969: For the first time, in *Red Lion Broadcasting v. FCC*, the Supreme Court explicitly rules that the Fairness Doctrine is constitutional. Broadcasting's characteristics justify rules not applied to other media.

1973: In *CBS v. Democratic National Committee*, the court allows broadcasters to reject all opinion advertisements that individuals or groups may wish to air. There is no private right to purchase air-time. (In *CBS v. FCC*, eight years later, however, the court gives candidates for public office privileged access to the air during campaign season.)

1975: For the first and only time, the court forces a station (WHAR, Clarksburg, West Virginia) to cover a "controversial issue of public importance" (strip mining). D.B.

W

HY should Rupert Murdoch be delighted by a child singing a McDonald's jingle as she skips down a street in Eindhoven, Holland? Because she could have learned it only from Sky Channel, Murdoch's English-language cable television network wafted across Europe by satellite.

Sky Channel has tripled its audience in slightly more than a year. Five million watch it at least once a week. Where Sky is available in Britain it draws bigger audiences than either BBC-2 or Channel 4, two of the national broadcast networks. On the Continent, where between a quarter and a half of the viewers understand English, it's the most popular cable network in that language. More than five million cable households were wired into Sky last year, and its executives insist their reach will exceed nine million by the end of 1986.

Such indications of success will reinforce the American view of Murdoch as master of a colossal jigsaw puzzle, coolly fitting together newspapers, television stations, Twentieth Century Fox, and cable and satellite interests in a grand global design. From the European side of the Atlantic, however, the design looks distinctly straggly, and the task of assembling the oddly shaped pieces not very much fun. In truth, the pan-European



SKY KING

BY BRENDA MADDUX

Brenda Maddox, an American journalist who has covered broadcasting policy from her base in London, was co-editor of Connections, an international media newsletter.

television market looks less like a puzzle than a jungle.

Sky has been hacking through this jungle since it began as Satellite Television in 1982, occasionally leaping forward and often encountering setbacks and tangles. Last October, for instance, Sky joyfully announced that it would be allowed into Brussels, only to have to eat its words two days later. Sky had been admitted into French-speaking parts of Belgium, but Brussels is bilingual, and the Flemish authorities had not assented.

Even if Sky clears its way through Europe's underbrush of regulations restricting foreign broadcasters, powerful latecomers could push it aside. Most European cable systems have only a dozen or so channels and would want to carry only one general-audience channel in English. Next year the operators may prefer to carry the English-language service Robert Maxwell plans to put on the French satellite TDF-1 next autumn, or Sky's most threatening rival, the pan-European SuperChannel that is to be started in early fall by Britain's commercial television companies. (The companies first offered to purchase Sky Channel, but Murdoch turned them down in October, and they then announced plans for SuperChannel. The service may get access to programs from the BBC as well as those from the commercial broadcasters.)

At the moment, therefore, Murdoch is presiding over a money-losing European venture that has an uncertain future. In the last fiscal year, Sky's operating company, which kept

Murdoch's English-language cable network, Sky Channel, aims to conquer Europe, the most fragmented market of all.

SKY CHANNEL'S UNEVEN REACH

The cable network reaches nearly half of the Dutch but only a handful of the French and no Italians at all.

	Households receiving Sky Channel, November 1985	Total households with TV (in millions)	Percentage of population that speaks English
West Germany	782,000	24.5	30%
United Kingdom	139,000	20.5	100%
France	3,000	18.5	26%
Italy	0	18	13%
Netherlands	2,197,000	4.8	50%
Sweden	85,000	3.2	43%
Belgium	535,000	2.9	26%
Switzerland	749,000	2.4	46%
Austria	208,000	2.3	18%
Denmark	500	2.1	51%

Sources: Sky Channel (households reached), CIT Research (TV households), the Advertising Association, RSL, and News International (rough estimates of English-speaking)

the name Satellite Television, reported losses of 8.86 million pounds sterling, up from 6.21 million the previous year. Its advertising revenues, though growing, were between 2.6 million and 3.7 million pounds, puny compared to the approximately 20 million that Murdoch has poured into the company.

If Murdoch could make Europe into a single television market, it would be larger than America's, with 118 million television homes, compared to 86 million in the United States. But at peak hours Sky commands the gaze of no more than a million people, most of them outside the four biggest countries, where two-thirds of the audience lives: Britain, France, West Germany and Italy. (Sky's only viewers in France can be found in one Paris hotel, and in the experimentally fiber-optic-wired town of Biarritz.) Can such a disparate audience, spread thinly across 13 countries, attract sufficient international advertising to cover the costs of providing a tempting program schedule?

Murdoch believes it can. He plowed an additional 2.5 million pounds into the network last fall and moved two big guns from his parent company, News Corporation, onto Sky's board to tighten control and find out why advertising sales have trailed expectations. Sky's executives insist that they can see the network breaking even: the projected date of that event has merely slipped from the end of 1985 to some time this year; otherwise, all goes according to plan. They say the Benelux countries' audience alone is enough to move them into profitability. When they get access to greater French, German, and British audiences, they expect the real

rewards to begin rolling in.

Well, maybe. The fact is that all of the pan-European cable networks face formidable obstacles that do not exist in the United States: low cable penetration, high viewer license fees, and lack of a common language.

Sky has a foothold in the smaller European countries that are heavily wired for cable. It has grown in spurts as it has persuaded countries, one by one, to let it in. But there are only two more already-cabled countries left for Sky: Ireland, if it passes a new media law and overcomes the objections of its national network, and Denmark, if copyright and cable-transmission controversies can be resolved.

The company has a long shot at a bigger audience if direct satellite broadcasting takes hold, but its best chance to gain penetration relies on the spread of cable. So far only 10 million of Europe's 118 million television homes are wired. That's why it's bad news for Sky that the cabling of the Big Three—Britain, West Germany, and France—is proceeding far more sluggishly than foreseen three years ago, when their governments announced grandiose wired-network ambitions.

The smallness of Sky's home-country audience—fewer than 100,000 households—is especially embarrassing. New cable systems, capable of receiving Sky and other nonbroadcast networks, are now available to fewer than 1 million British households, and only 13 percent have hooked up. The private investors Margaret Thatcher counted on to cable Britain are losing their nerve. Applicants for cable franchises are getting hard to find, especially since one of the first franchisees went



Sky Channel carries its own Sky Trax music video show as well as imports such as *From Here to Eternity* and *Daniel Boone*. Though British broadcasters and union laws have kept the country's best programs off of the channel, Sky Channel has kept its schedule's American content down to 36 percent.

broke even before laying any cable.

West Germany ought to be more fertile ground. All but one of its 11 states has dropped its ban against satellite networks on cable. German advertisers are eager for Sky's air-time because the national networks permit far less advertising than French and British television do. And German audiences may welcome the diversion that Sky will bring; German broadcasters acknowledge that they've never mastered the production of light entertainment. However, Sky does have competition in the field: the popular German-language cable network, 3-Sat.

In Germany, as elsewhere, the number of households subscribing to cable has been disappointing. Cable's toughest competitor, the videocassette recorder, is much better established today in Europe than it was during cable's early days in America, of course, but there's another pertinent reason Europeans don't subscribe to cable: They already have to pay license fees averaging \$65 a year on their TV sets. Though ready to shell out for a VCR, which they regard as a consumer product, Europeans may be unhappy about receiving a new monthly bill for television.

Few observers have publicly recognized this resistance. It was not mentioned openly in London, for example, when Murdoch's *Times* attacked the BBC with a ferocity rarely directed even at conspicuously evil targets. In five long editorials the newspaper argued that the BBC should be denied its requested increase in the color-television license fee (from 46 to 65 pounds a year). When the BBC complained publicly that the paper was doing its proprietor's bidding, *The Times's* then editor,



Charles Douglas-Home (who died in October), loftily dismissed the charge.

The Times may not have seen the connection between Murdoch's fortunes and the BBC license fee, but Murdoch surely did. Research by CIT International, combined with cable's low penetration, bears it out. People who have paid a license fee feel they've paid for television already. Lower license fees mean more cable subscribers and more viewers for Sky Channel.

Yet the ethos of public-service broadcasting is also Sky's best friend. The national networks' restrictions on advertising have bottled up advertisers' hunger for broadcast time, which Sky and other ad-supported channels can ease. Public broadcasters have also kept their programs high-minded and, in many countries, dull, especially on Sundays. Sky gets some of its best audiences on Sundays. When Sky's managing director, Patrick Cox, says that his network has "a mission to entertain," he's delivering a pointed reminder of BBC's obligation to "inform, educate, and entertain."

Cox has made Sky a programming success. A devoted European and experienced broadcast executive—he worked on the Continent for many years and most recently ran the London operation of Radio-Tele Luxembourg—Cox understands that all European television has what he calls "an entertainment problem." Its audience is starved for vulgar programming, and Sky responds with a shameless mix of music video, live chat, reruns of *Charlie's Angels*, *The Brady Bunch*, and *Tales of Wells Fargo*, old movies, and wrestling. Where Sky is available in Britain, its *Wrestlemania* outdraws every other channel on Sunday afternoons.

Sky does virtually no newscasts. Cox knows from his Luxembourg experience that Europeans switch to their national channels for news. And Sky is emphatically not interested in the sort of heavy drama series on which the BBC spends 100,000 pounds an hour. It wants to reach its largely young and male audience with



Managing director Patrick Cox and staff toasting Sky Channel's third birthday last April.

programs costing no more than 1,000 pounds an hour.

Plenty of other programmers have spotted Europe's advertising and entertainment gap. Sixteen satellite networks are already trying to fill it—notably Music Box, the Children's Channel, and subscription services including Screen Sport and two English-language movie channels. Cox is aware of the competition, but believes Sky's program mix—general entertainment and nothing but—is right. "You need to get to every member of the family during the day," he says. Since,

even with the full family, the European cable audience is none too big, Cox feels it would be folly for Sky to narrow that audience any further by running special-interest programming.

Disagreements with the actors' and musicians' unions have kept many British programs off of Sky, but that doesn't leave the network dominated by American programs. Thirty-six percent of its schedule is American, but nearly half is produced by Sky itself—largely the four-hour daily music program, *Skyrax*. Canadian and Australian programs add to the mix. Sky aims to step up European production; one condition of its entry into Belgium was that it produce programs there, and it has set up an international television distributor, Media International, that could eventually be a key element in Murdoch's grand design. (Murdoch's partner in the new firm, Groupes Bruxelles Lambert, not only controls Radio-Tele Luxembourg, but is affiliated with the Wall Street firm Drexel Burnham Lambert, which assisted in Murdoch's Fox and Metromedia takeovers.) Sky also plans to draw pop music performers from Spain, Portugal, and France who are eager to break into the international English-language music market.

Most of Sky's audience so far has been in northern Europe, where many people enunciate English better than the English do. Sky has no plans to use separate soundtracks for other languages, but may someday send translations or plot synopses by teletext. Its long-term strategy—to teach viewers English—has been worked into *Fun Factory*, the children's program shown for four hours on Saturday and Sunday mornings.

Sky's commercials are entirely in English, and so far have been for British Airways, Wrigley, McDonald's, and Japanese manufacturers, among others. Some advertisers prepare special pan-European commercials, but most find that what works in the United States works in Europe. In countries that ban native-language advertising, such as Norway, advertisers have rushed to Sky. In fact, a disproportionate number of its commercials have a Scandinavian flavor.

Can a Murdoch blueprint for world media domination be detected in a struggling cable network carrying Belgian singing stars, Madison Square Garden wrestling, and ads for Maarud Crisps into the homes of Helsinki and Vienna? Brian Haynes, the London journalist who founded Sky Channel, gets the last word on Murdoch. Haynes showed Europe how to distribute television by satellite in 1982, but ran out of money and sold out to Murdoch the next year. "I don't believe he has a grand design," Haynes says. "He just has a nose for a deal." ■

RATING-

Showdown of the LBS STRIP SUPERHEROES!



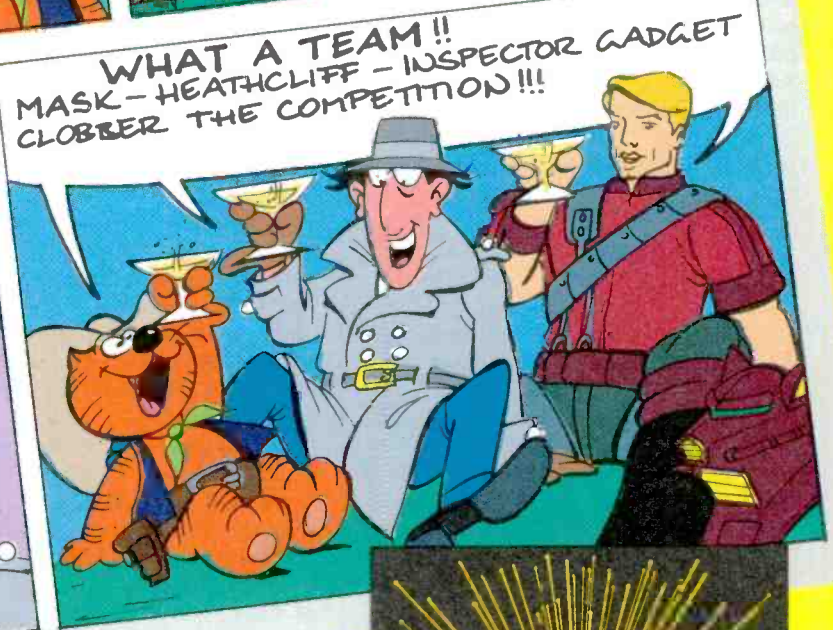
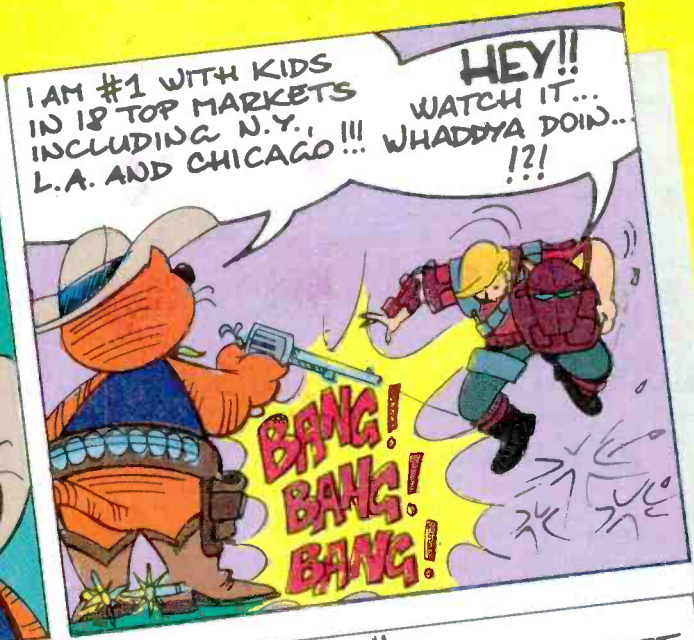
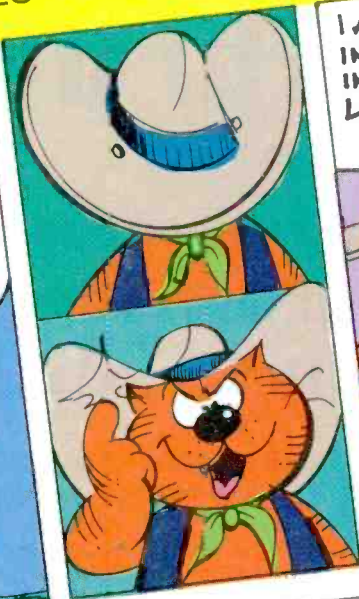
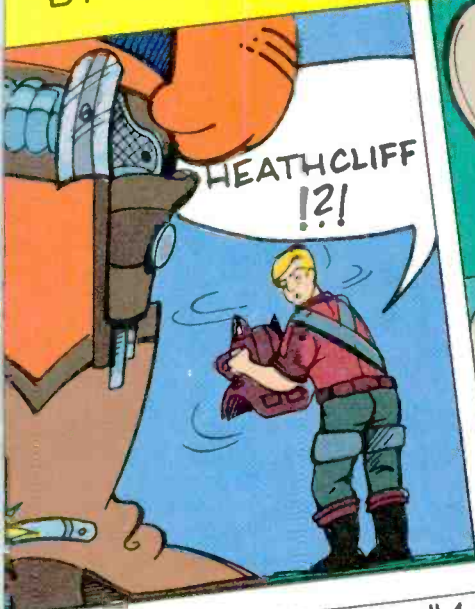
HEATHCLIFF, INSPECTOR GADGET and MASK are produced by DIC Enterprises, television's largest and most successful producer of animated programs for kids. Coming in April '86...KVIDEO TV weekend network for kids! Three all-new series...RAINBOW BRITE™, POPPLES™, and ULYSSES 31™.

VISIT US AT NATPE—Booth 433
VISIT US AT INTV—Suites 601 and 603

TIME PERIOD RANK
SOURCE: NSI OCTOBER '85
Heathcliff © 1985 McNaught Synd. Inc.
Inspector Gadget © 1985 DIC Enterprises
MASK © 1985 CPG Products Corp.

BUSTERS

BY DIC ENTERPRISES

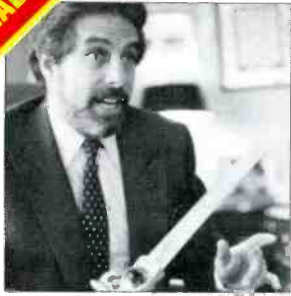


PLUS
SUPERFRIENDS



875 Third Ave., NY, NY 10022, (212) 418-3000
9220 Sunset Blvd., Suite 101-A,
Los Angeles, CA 90069 (213) 859-1055
625 N. Michigan Ave., Suite 1200,
Chicago, IL 60611 (312) 943-0707

© 1985 DC Comics, Inc.



The founder and . . .

SYNDICATION'S NEW SUPERTEAM



. . . his new profit center

BY D.D. GUTTENPLAN

A few years ago Telepictures was a small firm that sold game shows. Now, after furious growth and a stunning merger with Lorimar, it's a major force in Hollywood and New York.

EVEN HIS FRIENDS wouldn't describe Telepictures chairman Michael Jay Solomon as a modest man. Talking about the impending merger of Telepictures with Lorimar—and about Telepictures' phenomenal success—Solomon smiles with the deep, improbable contentment of the canary that's just swallowed the cat.

And why not? In a little under eight years, Solomon had gone from the video equivalent of a Fuller Brush man, traveling around Latin America peddling TV shows for MCA, to become the head of an enterprise deemed a suitable, even attractive, marriage partner for Lorimar, a Hollywood production company synonymous with glamour, even J.R.-style excess. The new firm, known as Lorimar-Telepictures, will produce more programming than any other in television, a list including Lorimar's network prime-time winners (*Dallas*, *Knots Landing*, *Falcon Crest*), Telepictures' syndicated daily shows (*People's Court*, *Love Connection*, *Let's Make a Deal*), and new ventures like Telepictures' \$1,000,000 *Chance of a Lifetime*. In addition, the two companies have a combined overseas library of some 7,500 hours of television, covering everything from *Alvin and the Chipmunks* and *Here's Lucy* to sports, the Grammy Award ceremonies and documentaries. And in their vaults they have dozens of specials, ranging from *Nestor the Long-Eared Donkey* to Jane Fonda's *The Dollmaker*.

D.D. Guttenplan writes primarily about business and other subjects for a variety of periodicals.

Together, the two make a formidable team: Lorimar has the ability to produce network-quality programming, which Telepictures lacks; Telepictures has the syndication wizardry that producers like Lorimar will increasingly need in a lucrative but highly competitive market.

For Telepictures, the road to Lorimar began at the low end of television, selling programs nobody else wanted in places no one wanted to go. For Michael Solomon, the first step was to quit his previous job. "I was about to turn 40 and decided it was now or never. One Saturday in December 1977 I just cleaned out my desk and started my own company, which was called Michael Jay Solomon Films International, Inc. I had \$2,500 in the bank and \$2,500 in Checking Plus."

A short while later, Solomon teamed up with former Time-Life executive Michael Garin to found Telepictures. Eventually, with the hiring of vice chairman David Salzman and executive vice president Richard Robertson, a Telepictures Gang of Four evolved. Soon Solomon was in Latin America, living out of a suitcase, "carrying a .38 pistol in one hand" and a briefcase in the other. Solomon had picked up the Latin American rights to 44 feature films for \$350,000. "I didn't really have the money to do it," he says, "but they didn't know that."

Solomon's \$35,000 gamble—that was the amount he actually had to put up—paid off when he sold the package for \$1 million. The two Michaels got their next big break in 1979, when Garin talked Lucille Ball's lawyer into letting them sell

144 episodes of *Here's Lucy* in return for a guaranteed minimum of \$3.5 million—even if the show never grossed a penny. An earlier *Lucy* syndication had done poorly, but backed by a Telepictures promotional campaign that featured the star promising station managers, "If you buy *Here's Lucy* I'll bake each and every one of you a cupcake with your call letters on top," the show grossed \$15 million. *Lucy* ended up with \$10 million.

In the ensuing years Telepictures branched out into domestic syndication, first with network reruns and then with its original programming. The company has grown very swiftly: Between 1981 and 1984 its sales increased from \$22 million to \$107 million, while its net earnings shot up from \$1.5 million to \$9.3 million. In the first nine months of 1985, Telepictures' earnings and sales each grew by half. The company currently has six first-run syndication programs on the air—more than any other. It also owns a majority share in five television stations in small and medium markets, and recently bought a half interest in *Us* magazine. But Telepictures was barely a third the size of Lorimar at the time of the merger.

Besides being a prime-time production power, the house that *Dallas* built also owns Karl-Lorimar Home Video (home of *Jane Fonda's Workout*) and the recently merged advertising agency of Kenyon, Eckhardt, Bozell & Jacobs, the nation's 12th largest. In the first nine months of fiscal '85 alone, Lorimar earned \$27.4 million, on revenues of \$302.2 million.

Yet in this transaction size may not nec-

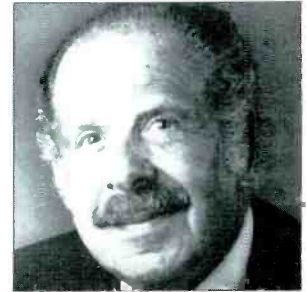
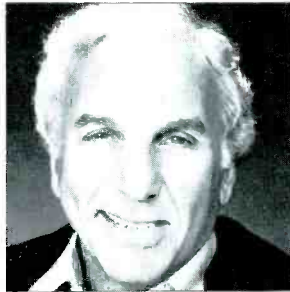
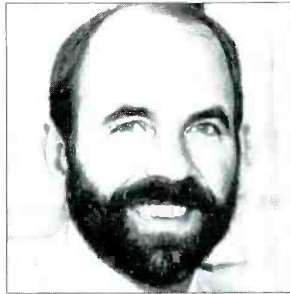
essarily equal power. Though one trade publication described the linkup as “the acquisition of Telepictures” by Lorimar, executives at both firms are adamant that neither company bought the other—that, in the words of Lorimar CEO Merv Adelson, “this is a definitive merger.” But as Morgan Stanley media analyst Steven Rattner points out, technically “this is a low-premium acquisition of Lorimar by Telepictures” (meaning that Lorimar stockholders got only slightly more than market value for their stock). Accordingly, when the merger was first announced, the price of Lorimar stock increased slightly, while that of Telepictures stock declined. By early December both stocks were trading at prices above their pre-merger levels.

In the new company Merv Adelson will remain as CEO, while Lorimar president Lee Rich will join Solomon, Garin, and the two other Telepictures principals, Salzman and Robertson, in a newly formed “Office of the President.” Each man will essentially continue doing his job: Rich will oversee prime-time production; Solomon will be in charge of international operations; Garin will handle publishing and general operations; broadcasting and non-prime-time production will be under Salzman; Robertson will run domestic distribution. But industry financial consultant Anthony Hoffman thinks a certain amount of conflict is inevitable.

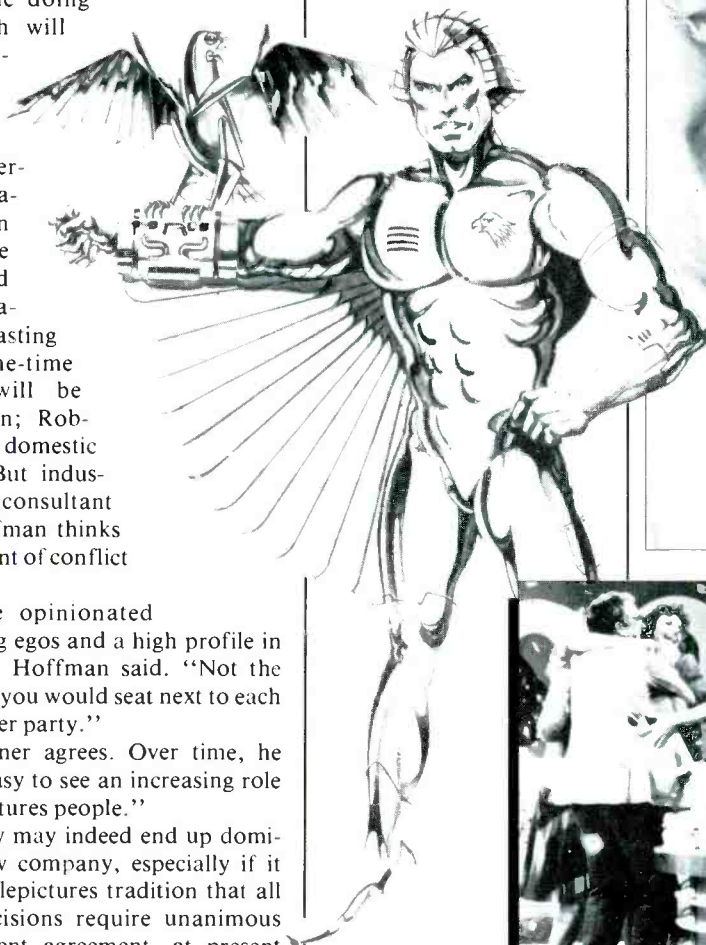
“These are opinionated people with big egos and a high profile in the industry,” Hoffman said. “Not the kind of people you would seat next to each other at a dinner party.”

Steven Rattner agrees. Over time, he added, “it’s easy to see an increasing role for the Telepictures people.”

Though they may indeed end up dominating the new company, especially if it follows the Telepictures tradition that all important decisions require unanimous top management agreement, at present Telepictures’ ruling foursome seems delighted to have arrived in the big leagues at last. Lee Rich was more circumspect. “A marriage takes time,” he said. “Right now, we’re living together.” And despite all the talk of “incredible fit,” it’s scarcely



The new regime: In the top row, the Telepictures team, David Salzman, Richard Robertson, and Michael Jay Solomon. Bottom, the Lorimar team: Merv Adelson and (to the right of J.R.) Lee Rich. Michael Jay Solomon (facing page) will be chairman of the combined company. At left: The franchise. Lorimar’s hit, *Dallas*, has brought in \$60 million in syndication.



Above and at right: Telepictures’ new syndicated shows, *Silverhawks* and *The \$1,000,000 Chance of a Lifetime*. Far right: Jane Wyman, star of Lorimar’s *Falcon Crest*.



clear who, if anyone, has the upper hand in this relationship. As Rich observed, "We're much bigger than they are. We could have swallowed them very easily if we wanted to." The question is, why didn't they?

Part of the answer lies in the extraordinary degree to which the two companies complement each other. Lorimar produces and distributes network series that were rated first, seventh, and tenth last season, and owns several new shows and mid-season replacements. It also has strengths in advertising and theatrical film distribution. But in the areas of Telepictures' greatest strength—the production and syndication of original programming, the syndication of off-network fare, and publishing—Lorimar has little presence. Telepictures has produced everything except daytime and network prime-time programming. And while Telepictures now owns television stations in such markets as Chico-Redding, California and Springfield, Missouri, Lorimar's cash clout will enable the new company to shop in bigger cities.

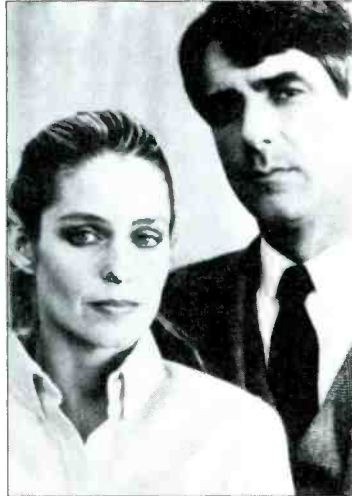
It is also true that with an average age of 41, Telepictures' top four are younger than Merv Adelson, age 56, or the sixtyish Lee Rich. They are enough younger, in fact, that some in the industry see the merger as Lorimar's answer to the question of succession. Pointing to the departure of Lorimar television distribution president Ken Page, whose job overlapped with Solomon's, one industry analyst noted, "Merv has the top job—for the time being. But when he goes on to his reward, the next generation will already be in place."

Finally, though, the story of the Lorimar-Telepictures merger is a story about changes in the way television programs are made and distributed—new possibilities that Telepictures helped create and Lorimar came to need.

When Merv Adelson first met with the Telepictures management last September, merger was not on the agenda. Adelson, who parlayed a real estate fortune (and the ownership of an ABC affiliate in Las Vegas) into a position of considerable influence in prime-time production, first sought out Telepictures to discuss a much more modest topic: barter syndication. Though Lorimar had itself syndicated *Dallas* for over \$60 million, sales of *Knots Landing* had brought in a mere \$22 million. For *Falcon Crest*, available for off-network syndication in September 1986, a

different approach was clearly needed. Taking commercial time in lieu of part of the money (known as a cash-barter transaction) or all of it (straight barter) would help lower the cost to stations, making *Falcon Crest* an easier sale.

"We had been doing some barter in our



Telepictures made-fors: *Ellis Island* and *Murder in Texas*.

[regional syndicated] sports business," says Adelson, "but we were really facing the decision of whether to start our own barter system, or use somebody else's. I met with all four Telepictures guys at once, and a meeting that was supposed to last an hour ended up taking five."

The changes in the economics of television that led to the rise of barter—and, indirectly, to the Lorimar-Telepictures merger—began in 1976. That year, as in all election/Olympic years, the networks anticipated a tremendous windfall, and set their rates accordingly. But, according to Anthony Hoffman, "The networks completely underestimated the significance of the bicentennial. They raised prices 15 to 17 percent—only to discover that they'd completely misread the demand, and were sold out very quickly. That left a lot of money still on the table, with only one place for it to go: the independents."

"Advertisers realized," added Hoffman, "that they could get extra reach by spot-buying on the indies. Indies were suddenly making a lot more money, and in turn began to spend a lot more money on product."

As independent stations made more money, their number increased—from 85 in 1976 to 142 five years later, all the way to 230 today.

Increased competition among the networks was an added factor. In 1976 ABC displaced CBS from its seemingly impregnable position at the top of the ratings. Anything seemed possible, given enough

new programming—and money.

The effect of all this competition on syndication prices was dramatic. In the New York market, two top shows being sold for the 1978-79 season—*The Mary Tyler Moore Show* and *Chico and the Man*—went for \$15,500 and \$20,000, respectively, per episode. *Happy Days*, which was sold for the 1979-80 season, brought \$35,000 per episode; in the same year, *All in the Family* episodes brought \$45,000 each. And when *Laverne and Shirley* came on the market for 1981-82, each segment brought \$55,000.

Not every station could afford to pay these high prices. Yet the amount of available fare was diminishing—as part of the fallout from increased network competition, shows were being canceled after four or five weeks on the air.

The immediate result of this drop in supply of network shows at a time of rising

demand was a tremendous clamor for non-network syndicated programming. The advantages were twofold: Unlike off-network programs, which, having already aired once, tend to be sold in multi-year blocks, buying a so-called "first-run" show usually meant committing the station only for a single year. Also, the development and production costs for a game show like Telepictures' *Catch Phrase* or an audience participation show like the company's *Love Connection* are much lower than the cost of producing drama or situation comedies, so the shows could be bought more cheaply.

At first, in the mid-'70s, barter enabled syndicators to sell low-rated programs to stations unwilling to lay out much cash for them. But as the syndication market grew more competitive, barter began to be used to make more valued programming affordable to stations—a great boon to barter's lowly reputation. One such program was *The Mike Douglas Show*, produced by Group W in Philadelphia. From 1975 to 1979, a year before he joined Telepictures, David Salzman was chairman and CEO of Group W Productions.

"Cash-barter kept Mike Douglas on the air," says Salzman. Instead of increasing the price of the show, Group W took some commercial time from the stations, and sold that time directly to advertisers. "With cash-barter," Salzman explained, "you have two sources of revenue. First of all, you have the fees. But if the show is a success, the barter component is even more

important.”

When Salzman joined Telepictures he met fellow barter enthusiast Richard Robertson. Over the course of the next few years, Telepictures developed first-run syndication and barter into a potent one-two punch. Beginning with *People's Court*, the company not only started deliberately creating shows for first-run syndication and cash-barter sale, it also assembled a media division to sell the barter time to national network buyers. Until the advent of barter, advertisers had generally had to buy spots on syndicated shows from the individual stations; now they could buy “national minutes” from the syndicator, just as they would from a network. It is this fact that makes barter a potent source of growth for non-network television. *Thundercats*, an animated strip that premiered this fall, was sold entirely on a barter basis.

From the moment the merger went into effect, Lorimar-Telepictures moved near the top of the heap of television production. But the mathematics of corporate mergers are rarely revealed by simple addition. “Here’s how I explain it,” says David Salzman, who in addition to his various production responsibilities oversees corporate presentations. “Imagine a stack of production activities on the left side of the screen: network shows, first runs, made-for-TV movies, theatrical films, sports, news, specials, and so on. Now on the other side of the screen, there’s a column with every distribution venue imaginable: Prime time, access, daytime, off-network sales, syndication, home video, etc. We’re in most of those areas already . . . Punch up anything on the left-hand side, and you see all these arrows going across and lighting up distribution boxes.”

The fancy word for Salzman’s arrows and boxes is “synergy”—a term that Lee Rich calls “ridiculous.” Perhaps, but Rich’s partner Merv Adelson furnished a pretty good example of synergy when he described how Lorimar-Telepictures is handling *Falcon Crest*, the show that brought the two companies together in the first place. Lorimar’s own syndication arm will sell the show to stations, he explained; but Telepictures will sell the barter time to national advertisers, thus making *Falcon Crest* possibly the first off-network rerun to be sold by barter.

Two other areas where the merged company adds up to much more than the sum of its parts are licensing and publicity. Telepictures has already entered licensing agreements with more than 50 U.S. manufacturers to produce games, toys, records and videocassettes based on the *Thundercats* characters. Beginning next fall, the *Silverhawks* animated strip, also produced

by *Thundercats* creators Arthur Rankin and Jim Bass, will launch a whole new line of eminently licensable characters onto the nation’s TV screens.

As the company gets more deeply involved in children’s programming, its publishing division may become increasingly important. Telepictures Publications produces *He-Man and the Masters of the Universe* magazine (in association with Mattel, manufacturers of He-Man toys) and *G.I. Joe* magazine (in association with Hasbro-Bradley, makers of G.I. Joe).

Telepictures also owns half of *Us* magazine, and though it is unlikely that editor-in-chief (and half-owner) Jann Wenner would consciously favor Lorimar-Telepictures, no celebrity features magazine could long ignore the casts of *Dallas*, *Falcon Crest*, or *Knots Landing*.

Given the size of the new company’s management—and its light debt burden—some expansion is to be expected. “I can’t tell you where we are looking,” said Adelson, “but we *are* looking.”

Curiously, the only possibility everyone at Lorimar-Telepictures seemed willing to rule out absolutely is in some ways the most obvious: direct competition with the networks. Michael Solomon points out that the company already has a network-like presence. “We can put in a Sears commercial today for a sale tomorrow, and syndicate it all over the country. But it has nothing to do with network.”

Lee Rich is even more adamant: “Stations talk about a fourth network [but] they are full of it, because they don’t want to pay for it, they’d rather do it themselves. Even if you hand them a terrific lineup, you’ll find stations that say, ‘I love this, but I’m sorry, I can’t guarantee for two years.’ Yet the network guarantees for two years.”

Rich’s vehemence makes sense for a man who has done very well selling shows to the networks. But even hedges a little. “If you have programming and the stations take it, you’ve got a network.”

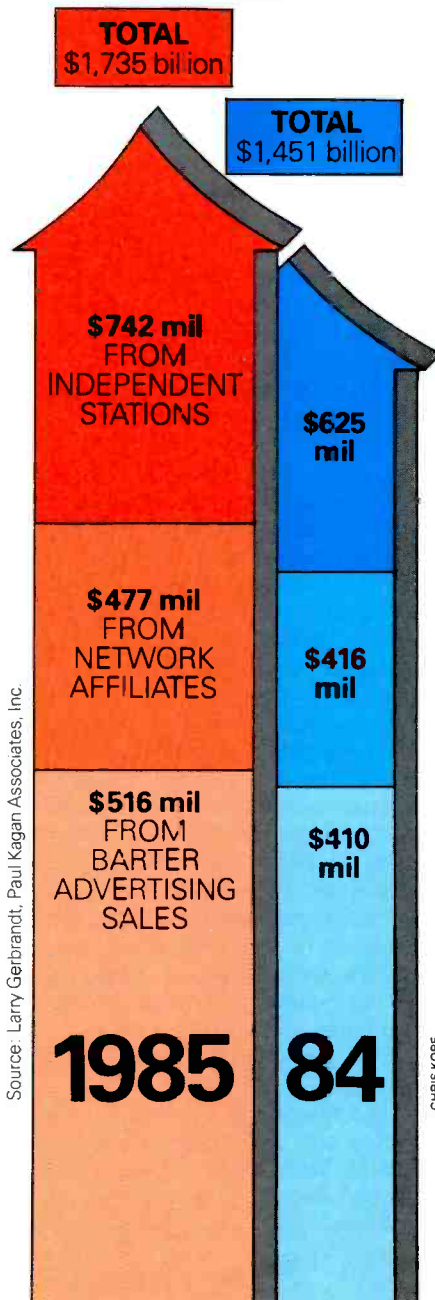
Typically, Michael Solomon is less cautious, though at first he, too, insists, “We don’t think in terms of the network at all.” But as a Telepictures study points out, “Network affiliate contracts represent the biggest barter deals ever made.” In other words, what Telepictures does on a relatively small scale—swapping programming for simultaneous commercial time on stations all over the country, then selling that time to national advertisers—is at the financial heart of network television.

So when Solomon adds, almost as an afterthought, “Now, if we owned stations in New York, Los Angeles, or Chicago, that would be different,” he, too, could be

hedging a little. The thought of doing anything on a small scale seems to bother Solomon. At the end of our interview, he got up from his desk and stretched, brandishing a *Thundercats* plastic sword at the Manhattan skyline. “We are going to conquer the fucking world—and you can quote me.” This time, he wasn’t smiling at all. ■

SYNDICATORS’ REVENUES UP 20%

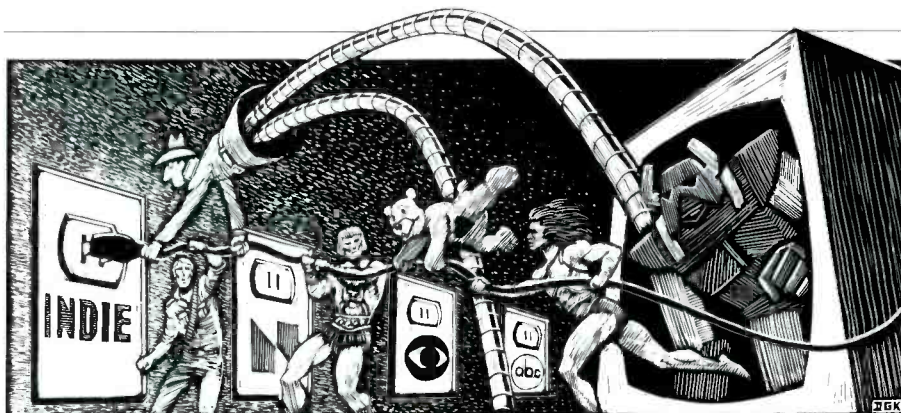
Television program syndicators had “one of the best growth rates in American business” last year, 19.6 percent, according to the *TV Program Investor* newsletter. Their revenues came from sales of programs to stations plus sale of the syndicators’ share of advertising spots on bartered programs.



Source: Larry Gerbrandt, Paul Kagan Associates, Inc.

CHRIS KOPE

THE YEAR THE INDIES STOLE CHRISTMAS



BY REESE SCHONFELD

SINCE 1980 the percentage of American homes with sets tuned to a network station during prime time has dropped from 50 percent to only 44 percent—a loss of some 5 million homes. Five years ago NBC was rated last; today it's Number One. But its audience is smaller, by 5 percent, than it was in 1980. Something is happening out there.

In the main, the networks' lost viewers have gone to independent stations, which have doubled in number over the last five years and now total 230. These unaffiliated stations collectively reach 85 percent of all television homes. Programmers can now syndicate shows directly to networks of independents, either regionally or nationally, in the manner of the Big Three. Most significant, certain advertisers have discovered that a national lineup of independent stations can deliver the mass audience they need, but do it more cheaply than ABC, CBS, or NBC.

The networks are likely to remember 1985 as the year they could no longer control the price of all national advertising. In a manner of speaking, children led the way. Toy manufacturers, who have always felt the greatest need to create new children's programming—usually in tandem with the introduction of a new product—

Reese Schonfeld was founding president of the Cable News Network and is currently development president for Cablevision Systems.

last year discovered they could reach their desired audience more efficiently through the weekday schedules of independents than through the Saturday children's ghettos of the networks.

While the networks have remained sworn to a daytime culture of game shows and soaps, the independents have been making hay with kids' shows. Many of the programs are "bartered" to stations—that is, given to them free, with several minutes of national advertising built in—or offered on a cash-and-barter basis. In the latter instance, the stations pay cash for the program but give the producer one minute to sell nationally. Barter thus becomes another form of networking and makes life easier for the new independents, because it relieves them of having to lay out money for programming.

The effect of the independents' weekday barrage of children's programming has been all but devastating to a chief network profit center, Saturday mornings. When they had the game largely to themselves, ABC, CBS, and NBC used to sell the child audience at the rate of \$6 per thousand viewers for a 30-second spot. This price was based on the controlled shortage of national cartoon minutes, concentrated on Saturday and Sunday; the advertisers had no choice but to pay the going rate.

But last April the networks ran into stiff resistance from toy advertisers who had taken to dealing with independents. The deal in national syndication worked out at

\$3.50 to \$4 per thousand juvenile viewers. What's more, it gave the advertiser access to a more flexible, daily schedule.

So when the networks posted their \$6-a-thousand Saturday-morning rate last spring, they found themselves forced to negotiate downwards, to around \$4 a thousand. Four dollars instead of six meant you could buy three networks for the price of two. It was like a fire sale.

Network executives say they can't make a profit selling spots at \$4 a thousand while meeting the ever-rising costs for original animated programming. This pressure caused CBS to cut an hour from its Saturday morning cartoon schedule.

At the same time, Superstation WTBS was uncovering proof that children aren't the only viewers available on weekend mornings. WTBS counterprograms the networks with movies, and scores its highest ratings against their triple serving of kiddie fare. The WTBS *Sunday Award Theatre* at 10:30 A.M. often captures 20 percent of the viewing audience in the homes it reaches. A 20 share against the networks is big-time.

The networks were completely blindsided by the independents' rise. Still living in the past, they continue to program in lockstep: News at 7 A.M. and 7 P.M.; game shows in the morning and soap operas in the afternoon; prime time beginning at 8. Network executives study the ratings as intensely as ever, but always they measure success or failure in relation to each other, as though no other significant force exists. That could prove the networks' undoing, because they are handing the independents a counterprogramming set-up.

The networks proceed as if it were written in the cosmos that the three of them should compete for the same audiences, using the same kinds of programming, every hour of the day. One wonders if it is arrogance or ignorance that causes each to limit its frame of reference to the two rival networks, while independent stations busy themselves at taking audience away from all three. As the network audiences grow smaller and the independents continue to make mischief, it is becoming clearer by the day that wherever two networks are succeeding with the same program type, the third network had better find something different to offer. The viewership, with its new options, no longer supports the old three-network tradition.

In cutting back on Saturday children's programming, CBS appears to have recognized that adults are also prospective viewers; at least for one hour, it is letting NBC and ABC divide the juvenile audience while it begins cultivating another kind of viewer. Adults have always been available on Saturday mornings, but it was the net-

works that decided—purely for business reasons—that the time period be given over to children's cartoons.

Should CBS, which keeps failing at it anyway, stop trying to do exactly what the other two networks are successfully doing weekday mornings from 7 to 9 A.M. with *Today* and *Good Morning America*? Should NBC, which isn't doing too well in daytime, follow the lead of the independents and leave the game shows and soaps to CBS and ABC?

Old habits don't die easily at the networks. In an obviously changing world, they cling to their own tradition, their old conventions of correctness.

The weekday 3 P.M. slot is, according to network tradition, one of the correct times for a soap. ABC has *General Hospital* in that time period and gets a 29 share. CBS has *Guiding Light* and gets a 22. NBC's *Santa Barbara*, a relatively new entry, staggers behind with a 12 share.

In the New York City market, which in addition to three network stations has three strong independents, *Santa Barbara* does even worse. Consistently it finishes sixth among the six offerings, with around an 8 share. Independent WOR-TV, with reruns of *Hawaii Five-O* at 3 P.M., gets a 14 share. Cartoons on the other two independents score a 12 share on each station (meaning that one-quarter of the audience is watching children's programming).

But NBC sticks with *Santa Barbara*, and goes down the tubes at 3:00, because it is after all a network, and networks correctly do soaps at 3:00.

Logically, of course, NBC should compete with the independents for the second most popular program form in the time period, children's shows. This would allow the network's affiliates to program the 4 P.M. hour as a transition from the juvenile audience to the mostly female audience at 5:00. WNBC-TV, the NBC flagship in New York City, does something like that already, rising from sixth place with *Santa Barbara* to first place in the next hour with two half-hour syndicated shows, *Love Connection* and *People's Court*. These prove a neat lead-in to the station's early news program *Live at Five*.

Of course, there are other possibilities for the network besides soaps, game shows, and children's programs. Maybe the way to counterprogram *General Hospital*, *Guiding Light*, *Hawaii Five-O*, and two blocks of children's cartoons is with a news-and-talk program, perhaps a spinoff of *Today* called *Later Today*. Maybe it won't blow away *General Hospital*, but *Later Today* is bound to do at least as well as *Santa Barbara*—and probably a good deal better in New York—and overall it would reflect more credit on the network.

'BILLION DOLLAR BILL'

COSBY is going to be the most important piece of syndication ever available for sale to television stations," says Joseph Zaleski, president of Viacom domestic syndication. Few broadcasters would doubt the truth of the claim, even though it comes from the man in charge of syndicating the show.

Based on *The Cosby Show*'s phenomenal popularity, Rick Du Brow of the *Los Angeles Herald Examiner* dubbed Cosby "Billion-Dollar Bill," referring not to NBC's record earnings from the show, but to the staggering effect of *Cosby*'s success on the value of NBC's four Thursday-night sitcoms in their syndication afterlife. Du Brow estimated that *Cosby* and the three following programs, which pick up some of its audience, will eventually earn a billion for their producers and syndicators.

Independents are paying record prices for programs much less potent than *Cosby*. The little king of off-network syndication today is *Webster*, which is earning \$1.1 million or more per episode in syndication. According to Larry Gerbrandt of Paul Kagan Associates, *Cosby* will earn more than twice as much: \$2.4 million per episode during its first cycle in syndication. (A cycle typically involves about six plays of each episode over a five-year period.) "*Cosby* will probably set an industry benchmark that will stand for a long time," he says.

Gerbrandt figures that independents' desire for *Cosby* will be so fevered that they'll pay an average of 70 percent of their expected revenues from the show just to get it—and to keep it out of the hands of their competitors. (Some may even be happy to take a loss on it, just to have it boost their schedules.) Last year independents spent about 40 percent of revenues from their syndicated shows on the shows themselves, Gerbrandt estimates. When *Cosby* goes on sale, network affiliates will probably join in the

bidding, says WTTG's Pastoor.

But Zaleski, the man with *Cosby* in his pocket, says he's "not eager to put the project up for sale" too long before it becomes available for syndication in September 1989. He expects station income to double by 1990. Presumably, broadcasters' program budgets will fatten apace, for the kill.

One billion dollars was a "quite conservative" estimate of the syndicators' take from the four sitcoms now running Thursdays on NBC, says Du Brow. That was even before *Cosby* had pulled half of the viewing audience in its time slot. Du Brow cited estimates by Robert Jacquemin, senior vice president at Walt Disney Productions, who had based them on 110 episodes of each show—five years' worth from the network run. Each show would be sold for two cycles in syndication. The billion-dollar breakdown:

\$300 million from *The Cosby Show*. Each episode would bring in \$2 million for its first cycle, for a total of \$220 million. The second cycle would complete the \$300 million. "That's light," says Zaleski. Gerbrandt's figures are also higher. Gary Meidel, of Paramount domestic syndication, guesses that *Cosby*'s first cycle alone could bring in up to \$300 million.

\$250 million from the high-rated *Family Ties*, which follows *Cosby* on NBC. Paramount may earn nearly that much with just the first cycle, says Meidel.

\$250 million from Paramount's *Cheers*, which jumped into the top 10 when *Cosby* began anchoring the Thursday-night lineup.

\$100 million from Warner's *Night Court*.

To reach the billion-dollar mark, Du Brow padded out this bounty with another \$100 million from miscellaneous *Cosby*-related earnings, including possible spinoff shows. But if the sitcom mania persists, the padding probably won't be necessary. STEVE BEHRENS

IN GOOD HANDS AT NATPE

CBC's finest programs are now available for U.S. syndication.
Meet our new distributors at NATPE.

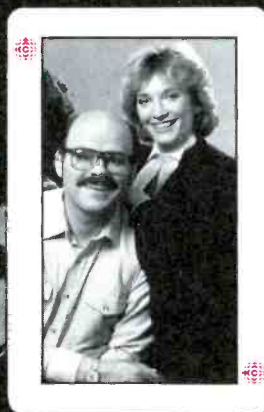
Comedy
Movies

Family

Children

Mystery

Comedy



**Acama
Films**

**Blair
Entertainment**

**CBC
Enterprises**

**Hagen - Menk
Entertainment**

**Orbis
Communications**

King of Kensington

Beachcombers

Vid Kids

Seeing Things

Hangin' In

65 half-hours
Movies too!

130 half-hours
Booth no. 757

13 half-hours
CBC Fairmont suite

32 half-hours
CBC Fairmont suite

94 half-hours
Booth no. 943

CBC Fairmont suite



**CBC Enterprises
Les Entreprises Radio-Canada**



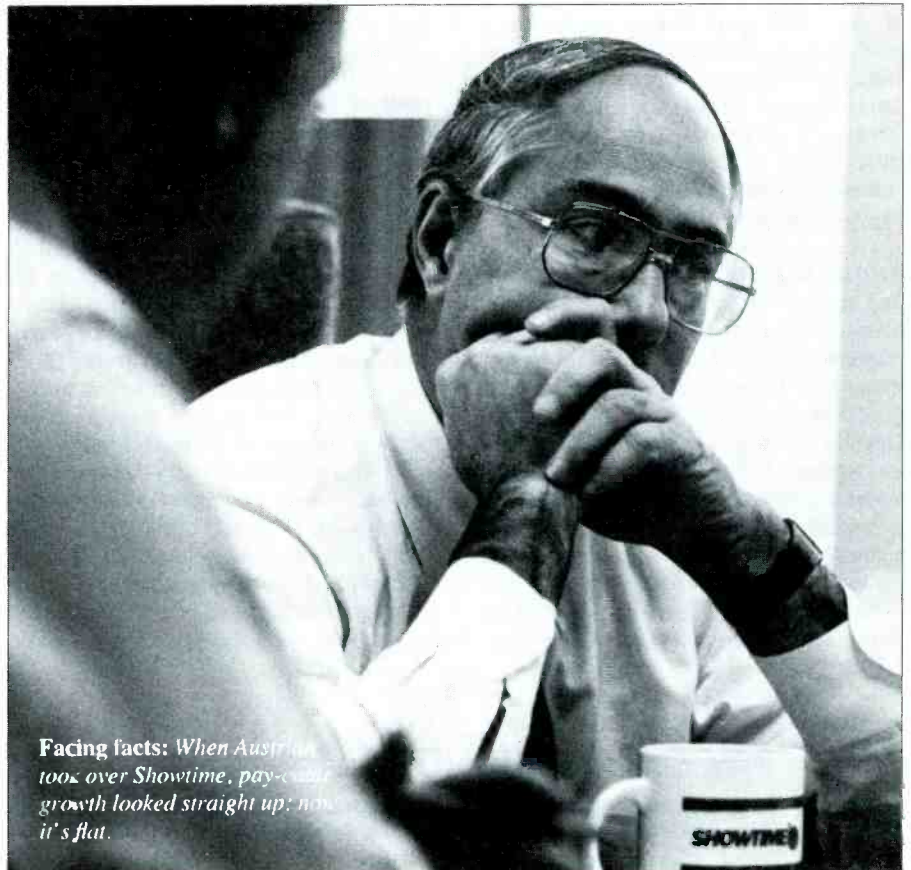
Visit CBC's hospitality suite
at the Fairmont Hotel
4 to 8 p.m. daily.

Neil Austrian vs. the VCR Blitz

BY JAMES TRAUB

NEIL AUSTRIAN, chairman and chief executive of Showtime/The Movie Channel, is what you might call a corporate jock. Sports are not only his passion but, as with so many men, his ruling metaphor, his guide to life. At Swarthmore College, while he was catching passes so well that the New York Titans of the old American Football League drafted him in 1961, he was majoring in engineering, "for the mental discipline." One of the few adjectives others apply to him besides "smart," "sincere," and "nice" is "competitive." After college he deployed his discipline, competitiveness, sense of organization and strategy, not to mention his geniality and candor, at IBM, the U.S. Navy, Harvard Business School, several investment banking firms, and the advertising giant Doyle Dane Bernbach, where in 1974, at age 34, he became chief financial officer. By 1982 he was president and CEO. Austrian went from success to success, always on the winning team.

When in early 1984 Viacom offered him the chairmanship of Showtime/The Movie Channel, the perennial second banana to Home Box Office in the pay cable world, he thought he would be coaching a championship squad. The growth curve "looked straight up," he recalls, with a rueful nod at his own naïveté. But it didn't go straight up; it went parallel to the horizon. When Austrian stepped in, the two channels had 8.5 million subscribers; they still do. The industry, likewise, has been stalled at 21 million households. A recent authoritative study bluntly announced "an entire rejection of the pay-TV product" by the consumer. "I thought," says the bespectacled coach, who now runs a few inches over his playing waist, "we were looking at 35 [million households]



Facing facts: When Austrian took over Showtime, pay-cable growth looked straight up; now it's flat.

going to 40 going to 50. But that's kind of like if you get a ball club, and your pitching fails, and your hitting fails. What are you going to do? You rebuild. And I think that's what we're trying to do: rebuild an industry."

Austrian was hired to perform impressive feats of long-range planning and corporate development; now he's got to worry about getting the company off the dime. Austrian is a visual-aids kind of guy, and he has a chart to explain his predicament. The vertical columns of Austrian's chart were headed 1975 and 1986; the rows were numbered 1 through 9. The clarity and candor of the document seemed to offer encouragement despite the gloominess of its contents. He had listed the nine fundamental changes—mostly for the worse—in pay cable's prospects from its inception to

the present. There was the VCR, and improved broadcast programming, and the depletion of the potential subscriber base, and much else besides. And at the bottom line of his chart, number 9, Austrian had written, under 1975, "simple," and under 1986, "difficult." Neil Austrian, a positive guy, is facing facts.

Let us look at those facts as Austrian, his colleagues, competitors, and industry analysts do. First of all, cable television has not attained the indispensability of television itself. In the average cable system's territory, fewer than 60 percent of homes with television receive cable service. The pay services have this "penetration" problem in spades. Only about 55 percent of homes with cable receive one of the pay services; and the gap between basic and pay has increased slightly in the past year,

as basic has grown slightly and pay not at all. Many of the best potential pay-cable customers live in those major markets that have yet to receive cable. As these and other areas receive cable, of course, the pay services will grow once again—but at what rate?

Worse still, the average pay subscriber is buying fewer and fewer services. In the past year the figure dropped from 1.9 to almost 1.5—“one six five,” corrects Austrian, as if he were barking out signals for the center snap. This phenomenon of “multipay,” first prophesied in palmier days at Showtime, matters a great deal to Austrian and his crew. If the figure drops to one, Showtime and The Movie Channel can fold their tents, since even the most rabid company patriots concede that most subscribers will continue to choose HBO first. Austrian grows a bit testy when multipay’s prospects are challenged. “Multipay,” he says, chopping the air with swift motions, “is not dead.” Maybe it’s just playing possum.

Austrian and practically every other man, woman, and child in pay cable have a three-letter explanation for the industry’s doldrums: VCR. The number of households with videocassette recorders has more than doubled in the 18 months since Austrian arrived at Showtime. Sometime last November VCR penetration passed pay-cable penetration (see chart). The VCR is all over the Austrian Chart, taking as many forms as the Plagues of Egypt. Pay cable first caught the public imagination as the uncut-movie service; that VCRs do the same is point two on the Chart.

Almost any movie you can see on pay television you can rent about three months earlier from your video shop, and you can do so for a minuscule price: points one and six. Home video is eating pay cable’s lunch.

But VCR owners happen to be good pay customers, and in any case pay was already having trouble selling itself prior to the VCR rage; so something deeper must be ailing the industry. This something is fuzzily known as “the price-value relationship.” The pay services, in other words, aren’t worth what subscribers have to pay. In recent years they have declined in value not only because of the cursed VCR, but also owing to the increase in the quantity and variety of basic cable channels, as well as the growing boldness and youth orientation of the networks and independent stations. “The networks,” to quote the grid-iron imagery of former HBO chairman Frank Biondi, “are taking away inch by inch some of the yardage that the pay services had.”

Finally, as many as 40 percent of Showtime’s viewers aren’t paying for the service. The company has distributed to every cable operator, amid tremendous self-congratulatory fanfare, a khaki-green “Theft of Service Combat Kit” designed to root out thieving miscreants. A sizable fraction of those freeloaders are the 1.5 million satellite-dish owners. The pay-cable industry has been conducting a sort of three-legged race to begin scrambling signals and thereby force dish owners to subscribe. The pay services’ unprecedented effort in 1984 to work together on scrambling failed, and HBO decided to go it alone.



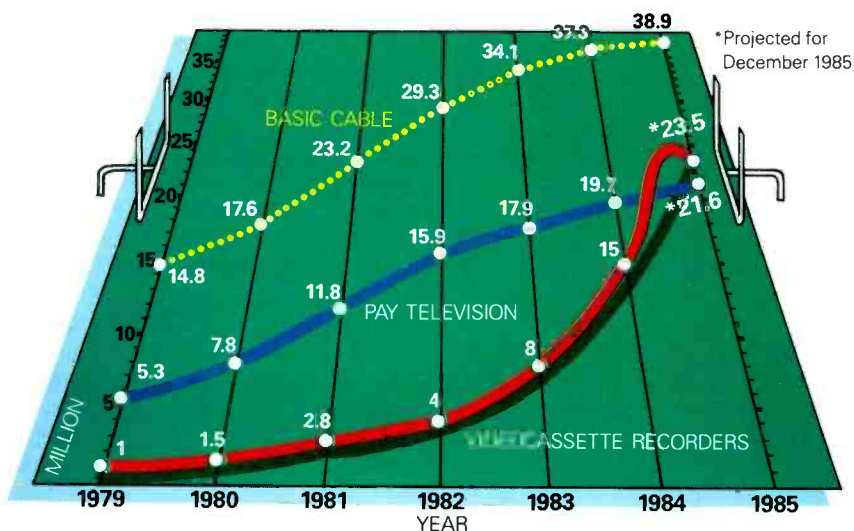
Showtime waited several months for the industry trade association to devise standards, which led HBO chairman Michael Fuchs to accuse Showtime of “dragging its feet” on scrambling, and worse still of not being “cable-friendly.” Austrian, who is widely considered not only cable-friendly but people-friendly, has not been amused by Fuchs’s gamesmanship. He has accused “the competition” of spreading “propaganda” as well as being pretty cable-unfriendly themselves. The normally tactful Steven Schulte, Showtime’s man on scrambling, calls Fuchs’s comments “straight mudslinging.” At the moment the pay-cable well is pretty thoroughly poisoned, though between vilifications HBO has promised to be fully scrambled by January 15, and Showtime by May.

Surveying the territory, one can’t avoid the impression that the pay-cable industry is surrounded by hostile forces. Only a few years ago, HBO was terrorizing Hollywood, and pay cable was being factored into Hollywood’s every calculation. Now the industry, though still profitable, seems acted upon rather than acting, hemmed in by forces largely beyond its control—a reminder that in the entertainment industry all success, and a good deal of failure, is completely transitory.

What to do, what to do? Braggadocio will definitely not be the prescription for 1986. Shortly after taking office Austrian publicly accused the cable industry of “overpromising and underdelivering,” and then vowed to lavish millions of dollars on marketing and original programming to create a “dynamic” Showtime and Movie Channel in 1985. He delivered, all right; but the two channels went nowhere. Perhaps that’s overpromising. Perhaps it’s getting carried away with competitiveness. Nowadays Austrian is lowering expectations; pay cable, he says, may not grow at all for the next two or three years, or until the number of basic cable subscribers grows substantially. At present he and his management team are batting around various unsatisfactory solutions. “They feel a pressing need to do *something*,” con-
CHRIS KOPE

PAY CABLE GRINDS TO A HALT

Can nothing stop the dreaded cassette recorder?
More homes now have a VCR than a pay cable service.



Sources: For basic cable, July 1985, A.C. Nielsen; for pay television, August 1985, from Cablevision Magazine; for videocassette recorders, November 1985, from Television Digest.



From left to right, two Showtime staples and a critical hit: *The charming Faerie Tale Theatre, the revived Paper Chase, and the elegant mini-series Tender Is the Night*. Below: *The Austrian chart, detailing pay cable's declining prospects from 1975 to the present. Austrian later added a third, optimistic column for 1995.*

① 1st available in Home exclusive vs other Media	① Home Video Pre-Empts Plus Duplication	① PPV 1st Win
② Unedited Movies	② VCR also delivers	② Exclusive M Pays
③ No Commercials	③ VCR	③ A Total Entertainment pac
④ Very limited # Channels	④ Far More Channels	④ More Channels
⑤ Large opportunity for Growth due to distribution	⑤ Pretty well Saturated	⑤ DBS from "Ultimate" C
⑥ Lower Cost	⑥ Higher Cost relative to other Entertainment	⑥ Tape Rental 13.00 (price)

tures analyst Anthony Hoffman. "But there's nothing obvious to do."

Of course, you can always cut costs—that's obvious. Austrian has instituted an award for the best money-saving idea, perhaps to endow the painful inevitability of thrift with a certain competitive appeal. But reducing the cost of Showtime to the consumer is much more important in the long run; it is the chairman's great *idée fixe*. Austrian insists that no sensible mortal would pass up Showtime if it sold for \$6.50 instead of \$10. The service is overpriced, the argument goes, because cable operators have been more concerned with big markups than with increasing volume. When basic-cable rates are fully deregulated, by 1987, goes the Austrian Doctrine, operators should raise basic rates—they will need no encouragement—and lower the price of pay. Is Showtime willing to share the pain by lowering the service's wholesale price? The answer is no, according to Jack Heim, a cable veteran who heads the company's affiliate-relations department. Presumably he and Austrian know human nature well enough to realize

that operators are not about to impose unilateral price cuts on themselves; even cable executives sympathetic to his general argument insists that everyone's profit margin must suffer. Paul Bortz, of consultants Browne, Bortz & Coddington, predicts that negotiations over price will lead to "a test of strength" among operators, pay services, and the studios that create and sell most of the programming. But it seems no more likely that the retail price of pay services will drop 40 percent than that Showtime will escape the cutting process with its profits intact.

Pricing is a subset of marketing, and it is in the realm of marketing that the cable industry engages in its most feverish speculations, its most radical propositions. Austrian makes a lot of highly persuasive grocery store talk about "packaged goods," which apparently is what marketing is all about. In translation, his metaphor means that cable operators should stop trying to maximize their revenue per channel, but instead should try to sell as many packages of cable as possible, given a reasonable profit margin. His deeper

point—and this counts as long-range planning, not strategy—is that the distinction between pay and basic is artificial, at least to the viewer. Why not abolish it, and the confusing tier system that goes with it, and sell customers a single market basket of cable?

Austrian seems very much at home with the marketing and planning vocabulary he learned in his years at Doyle Dane; but he likes to remind the industry piously that pay cable, after all, is about *programming*. Austrian does not have any particularly striking opinions on the subject, nor has he had a very discernible effect to date on Showtime's schedule. He does, however, get noticeably excited when he describes a possible joint venture in which Showtime would help fund a seven-part series on the U.S. withdrawal from Vietnam, to be produced by David Puttnam, director of *The Killing Fields*. He was thrilled, he says, by Showtime's beautifully adapted mini-series *Tender Is the Night*. On the other hand he is no less enthusiastic about *Brothers*, a rather ordinary sitcom in which several of the main characters happen to be homosexual. "Neil has very broad, popular tastes," says Showtime's chief of programming, Peter Chernin. "He watches television, and he's not a snob about it." Austrian seemed taken aback to learn that he had "popular" tastes, but he happily conceded that he could watch *Raiders of the Lost Ark* 25 times.

Austrian comes by this populism naturally, as a young man with young children. His character and tastes have been shaped by the generations he straddles: He's old enough to have followed the '50s Yellow Brick Road of IBM, the Navy, and Harvard Business School, and young enough to have thought of Arlo Guthrie when he showed up at the Navy induction center. This balding suburbanite—he lives in Greenwich, Connecticut—is proud that he can rattle off the sainted names of the entire New York Giants starting defense from the late '50s; but he loves the hip young comedian Martin Short. He's an old-fashioned corporate jock with video literacy. Austrian's 18-year-old son has taught him that cable has become a household necessity to the young and that Cable News Network is the news junkie's heaven. Austrian claims to have seen every episode of Showtime's *Faerie Tale Theatre* several dozen times while keeping his four-year-old daughter company.

It's fortunate that he also likes movies, since otherwise he would be in the position of a vegetarian working in a delicatessen. The pay channels' principal function is to feed the apparently insatiable American appetite for movies. But the dreaded VCR has changed this calculation, too; the pay services have begun to expand into "events" such as rock concerts and com-



Showtime has plunged into pay-per-view, but will it be cable's promised land? Austrian, perhaps wary of great hopes, remains doubtful.

edy specials, as well as regular series. The question is: How far, and in what direction, can the pay services deviate from a steady diet of films without blurring their identity? "People still buy pay for movies," Austrian points out. "But I think they retain it for other reasons. I think original programming is a major help in retention."

In its selection of movies Showtime differs not a great deal from HBO, though the latter might not show such "after hours" classics as *Tigers in Lipstick*, which air on Showtime two nights a week. (Cinemax, on the other hand, would and does.) More thought probably goes into how to schedule and promote movies than which ones to buy. The pay services express their differing philosophies through the programming they create. HBO has shown the classic behavior pattern of the unrivaled champ, sticking largely with popular movies and such boffo numbers as the mini-series *All the Rivers Run*, widely consid-

ered a piece of mega-schlock. Showtime, like Avis, has been forced to try harder, reviving such apparently spent forces as the John Houseman series *Paper Chase*, creating such wholly new series as Shelley Duvall's charming *Faerie Tale Theatre*, *Brothers*, and *Washington* (a parody of politics that bites, unfortunately, with its gums). The regular series question is one of the great running debates of pay cable. Austrian insists, not very convincingly, that HBO is "terrified that we'll come up with a smash like *Cosby*." Colleague Peter Chernin says, with more than a hint of paradox, that he has detected "a strong appetite for a limited number of series on pay television."

Roughly 35 percent of Showtime's weekly schedule is now given over to original programming, the quality of which has come a long way since the company's first original movie, *Falcon's Gold*, a ludicrous contrivance of tight pants and low-cut shirts. Showtime's first mini-series, *Tender is the Night*, a joint venture with the BBC, had a subtlety and aesthetic integrity quite unfamiliar in American television. But Showtime has no ambitions to be the "quality" pay channel. "I'd be more nervous if we were running too many Broadway plays than too many 'hard R' movies," Chernin says decisively. This kind of talk is taken as a reassuring sign of seriousness on Wall Street.

Showtime's schedule seems to have settled down. Chernin and Austrian agree that the current programming mix is pretty close to optimal. The only new series to be introduced this year will be *Shelley Duvall's Tall Tales & Legends*. And while Austrian idly dreams about locking up all the movie rights in Hollywood, he concedes that another transaction like the five-year deal Showtime struck with Paramount two years ago is probably not imminent. For all his talk, one has to wonder how much there is for Austrian to do about programming. He strikes the right strategic planning note by saying that Showtime must further differentiate its programming if it hopes to be thriving in the year 2000. A chief executive, says this model of the class, has to be thinking about the year 2000; but in 1986 he may still be taken up with packaged goods.

Still, Neil Austrian has committed

Showtime/The Movie Channel to the long-term future by finally, after several false starts, cranking up a national, satellite-delivered pay-per-view service. PPV, as it's also known, will enable subscribers in "addressable" cable systems to order a single showing of a specific film. For more than five years pay-per-view has been a graveyard of dashed ambition; yet in certain quarters of the cable industry one sees it brandished like Excalibur in the grim battle against the corner cassette store. Terrence Elkes, CEO of Viacom International, Showtime's parent company, considers cassette rental "an antiquated form of distribution in the electronic age." He and Scott Kurnit, a veteran of Warner Amex's Qube experiment who heads up Showtime's pay-per-view team with pop-eyed enthusiasm, both have about five genuinely compelling reasons why this long-awaited, much-hyped technology will revolutionize their business. Austrian himself, oddly enough, seems not to glimpse the millennium in pay-per-view. "It's a mixed bag," he says; and says no more.

Be that as it may, Showtime started up its Viewer's Choice pay-per-view channel November 27, exactly one day prior to the roll-out of the competing Request Television. Viewer's Choice began beaming *Police Academy 2* to four Viacom cable systems, where the film, like each succeeding one, ran 24 hours a day for a week. It was a little acorn, to be sure, but a mighty oak is expected to spring forth from it over the years. Showtime plans to add another channel in 1986, and to throw special events and other unspecified goodies into the mix along with feature films. Kurnit explained that movie studios, frustrated that they cannot profit from cassette rentals, will be offering films for PPV earlier than for cassette release. Of course, problems with the ordering and billing technology remain; but once these are solved, says Kurnit, "it takes off."

Neil Austrian knows very well about taking off and going straight up and so on. He knows about World Series teams that turn out to have sore arms and gimpy legs. Perhaps that painful recollection explains his restraint on the pay-per-view miracle cure. Frank Biondi, a chum from business school days, was offered the Showtime job a few months before Austrian but turned it down in part because, he says, he foresaw the slow growth that Austrian did not. These days Biondi likes to tease his friend about his dismal timing. Austrian has enough irony that he can laugh at his own ill fortune. Nobody, after all, blames him for the squad's injuries. But Showtime can't wait until the year 2000; soon it will come time to put some points on the board. Neil Austrian has a tough couple of seasons in front of him. ■

CHANGING PARTNERS— AGAIN AND AGAIN

SHOWTIME/THE MOVIE CHANNEL has the kind of checkered past one normally associates with Hollywood marriages. In 1976 Viacom created Showtime, the nation's second satellite-delivered pay service (after Home Box Office). After three years of operation Viacom, eager for quick access to new subscribers, sold a 50 percent interest in Showtime—for all of \$3 million—to Teleprompter, one of the largest cable system operators, which was bought in 1981 by Group W. A year later Group W sold back to Viacom its half interest in Showtime.

Meanwhile, back in 1978, The Movie Channel had been born, under the wing of Warner Amex. In September 1983, Viacom and Warner, seeking economies of scale, merged the two services and operated them as a joint venture. The Warner/Viacom joint venture came to an end in September 1985, when Warner agreed to sell its interest. Viacom thus wholly owned Showtime for the third time in nine years.

JOYCE KULHAWIK

For The Record

"People say to me, 'You have the best job...' I agree. I love what I do. The people I've met are extraordinary. Like Isaac Stern, Baryshnikov, Shirley MacLaine and Meryl Streep. They are so full of life and so committed to their art. They want to communicate something beautiful and bring people together. I've also been to some wonderful events ... Going



to the Academy Awards is something many people dream about, and it was a dream come true for me this year. Seeing Gregory Peck, meeting Jimmy Stewart, talking with Cary Grant ... that was exciting."



"I'm a real New Englander. Always have been. I wouldn't want to live anyplace else. I like the vitality of New England. And, there's a big tradition of the arts and culture here. New Englanders know what's what. They know quality and they respect tradition ... New Englanders recognize the real value of things - and that's what the arts are all about, expressing the intrinsic value of things."



"I love the environment at Channel 4. And, I love working with the team. The team is real, not something contrived for television. That's what people pick up on. They can tell. They sense the true chemistry among all the people on the set. People here judge you on the quality of your work. If you're honest and committed to what you do, they'll give you a fair shake. There's a real sense of camaraderie here because everybody wants to do the very best they can."

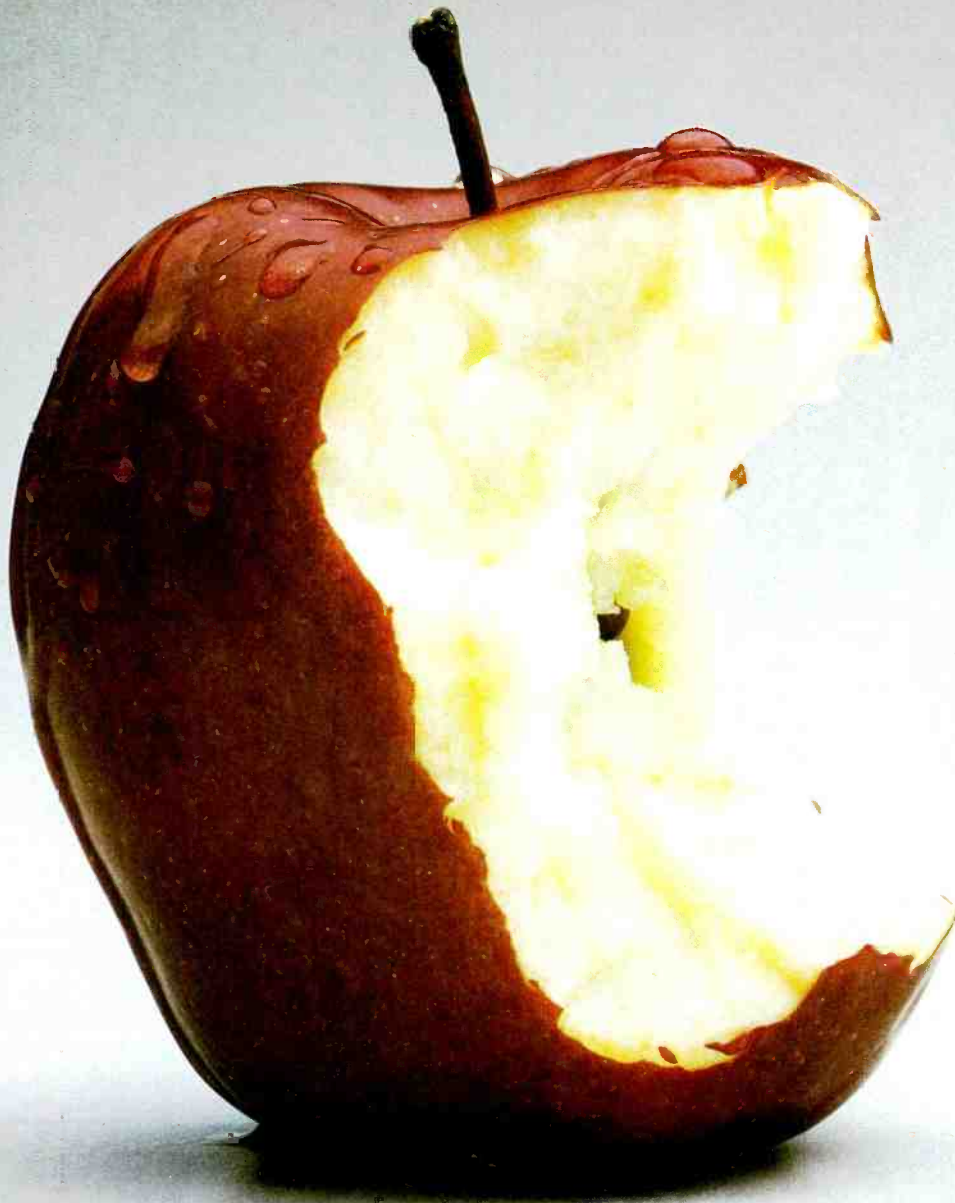


EYEWITNESS NEWS

**WBZ-TV
BOSTON**

4

The Station New England Turns To.



The \$100,000 Pyramid is taking more of New

In a dramatic turnaround,
Pyramid boosted WOR-TV
New York time period (10/85
vs. 10/84 NSI):

Rating up 75% Share up 50%
Total Women up 66%

New York Pyramid still rising
(11/18-22 NSI Overnights):

Rating 8.3 Share 14

Source: NSI/ARB Oct. '84, Oct. '85.
Copyright © 1985 Twentieth Century Fox Film Corporation. All rights reserved.

Pittsburgh Pyramid beats competing game show head-to-head by 60% in rating, 56% in Total Women, 77% in Women 18-49 (WTAE, Oct. '85 NSI). **Philadelphia** Pyramid boosts previous Oct. '85 time period rating by 67%, share by 60%, Total Adults by 41%, Adults 18-49 by 22% (WCAU, Oct. '85 NSI). **Kansas City** Pyramid raises time period rating by 25%, share by 13%, Total Women by 127%, Women 18-49 by 75% (KCTV, Oct. '85 vs. Oct. '84 NSI). **Milwaukee** Pyramid ups time period rating by 50%, share by 54%, Total Women by 64%,

York every week.

Women 18-49 by 100% (WISN, Oct. '85 NSI vs. Oct. '84 NSI). **Portland** Pyramid improves time period Total Women by 25%, Women 18-49 by 47% (Oct. '85 ARB). Pyramid betters game show lead-in rating by 17%, share by 18%, Total Women by 38%, Women 18-49 by 23% (KATU, Oct. '85 ARB).

Nationwide, more and more stations are putting the power of the Pyramid—and Dick Clark—to work for them. Why, it's as American as apple pie!



INTV'86/NATPE'86

Remembering Joan Wilson

by William A. Henry III



PAUL FORTIN

WHEN JOAN WILSON died last summer, she received respectful obituaries in *Time*, *The New York Times*, and other publications, but her name probably meant little to most American television viewers. She was a sometime actress who never starred in a major show. She was a sometime producer who never wrote or directed or otherwise created any enduring narrative. Her chief function was to spend other people's money, mostly on acquiring television programs that had already been made in another country. She worked from a cozy, cluttered little office in Boston, not New York or Los Angeles, and she was subordinate to multiple layers of bosses in each of the several institutions that made her efforts possible. Yet from that unprepossessing position, she devised and perpetuated what became the signature program of public television, *Masterpiece Theatre*, and followed it with packages that spanned the cultural spectrum from the scholarly elegance of *Classic Theater—The Humanities in Drama* to the shivery pleasures of *Mystery!* Her work at public TV station WGBH won more than a dozen Emmies and profoundly altered the shape of American television.

Joan Wilson described herself to me as “a witch” on the day we met. She did not mean that she was difficult, or temperamental, or just stubborn, all of which she could be on occasion. She meant that she was a practicing sorceress. I never took that claim seriously, and over the years I never quite settled in my mind whether she did. She loved to romanticize herself, to indulge the childhood sense of play that led her to stage her first performances at age five for an audience consisting not of people but of barnyard animals. She started her television career in the '60s as a gracious and deferential producer for a gentleman of the old school, Elliot Norton, putting together what must have been the only weekly show about the theater on a VHF station outside New York.

Joan married three times, the last in semisecret to the actor

William A. Henry III, a contributing editor of Channels and author of the recently published Visions of America, won the 1980 Pulitzer Prize in criticism for his television coverage.

Her concept for
Masterpiece Theatre
was itself a
masterpiece
of shrewdness.

Jeremy Brett, about whom she gushed but whom she would not publicly name as her spouse for months after the wedding. She loved to flirt, gloried in marriage and motherhood, yet liked to claim that she placed her career first. She prided herself on candor and plain speaking, yet always asserted a woman's prerogative never to admit her age. She was 56 when she died.

Underneath her veneer of coyness was a television executive of an admirable and all too rare variety: a genuine impresario of art rather than a money-mad mogul or a gutless imitator of whatever was in vogue. Like Brandon Stoddard at ABC, the most high-minded (and sardonically self-critical) of current commercial network programmers, Joan was a tastemaker, shrewd and charming and sophisticated and self-aware, and almost unerring in her intuition about what the public would enjoy. She delighted in breaking conventions, in expanding the boundaries of people's experience, yet she felt a deep sense of duty to viewers and labored hard to avoid offending them with unaccustomed amounts of sex and violence. The real taboos she sought to break had to do with the limitations of television as a storytelling form. Perhaps the most significant of her achievements was to recognize, long before Hollywood, the potential of the mini-series.

The “long form” narrative has been the greatest innovation of the past couple of decades in television. At its best it has allowed the medium to take on epic proportions, normally unattainable in the theater or in theatrical film. Instead of merely conveying the flavor and highlights of a novel or biography, the mini-series can translate it more or less intact. In depicting an historical epoch, the mini-series need not focus tightly on a few emblematic events but can have sweep and scope. In the best mini-series, such as *Roots* and *The Jewel in the Crown*, the cumulative force and depth of the “long form” make viewers feel that a television show is actually heightening their understanding of reality, perhaps even changing their lives. *Roots* was widely credited with helping white Americans comprehend the horrors of slavery and its pernicious legacy of black rage. *The Jewel in the Crown* led Britons and Americans alike to sense the inevitable doom of imperialist ventures and the harrowing consequences, evident in many Third World intellectu-

als today, of feeling neither indigenous nor Western, of feeling neither at home nor abroad when in one's native land.

Up through the 1960s, the prevailing presumption in American television was that audiences preferred the contained, reassuring quality of a conventional series, in which calamity might beset subsidiary characters but order would be restored and happiness assured for the central figures at least a couple of minutes before the closing theme music. The networks aired feature films and in the 1960s began to develop made-for-TV "movies of the week," but considered it madness to bargain on the public's willingness to stick with a continuing narrative one night a week. The success of *Peyton Place*, the progenitor of the current spate of nighttime soap operas, demonstrated viewers' capacity to cope with a story line that did not resolve itself neatly at the end of each episode. But *Peyton Place* was written to allow newcomers to grasp the plot quickly. Commercial-network executives shied from the notion of a series constructed so that audiences would need to join it from the first installment. The British were more innovative, and their *Forsyte Saga* reached the U.S. via public television during the 1969-70 season.

Masterpiece Theatre demonstrated that large American audiences would give rapt attention, week after week, to such ambitious tales. In place of television so accessible, undemanding, and repetitive that viewers could miss whole chunks within an episode, or whole episodes within a season, yet lose no understanding, the mini-series Joan chose had to be watched alertly every moment. She did not, of course, create these programs. The British Broadcasting Corporation and its rivals did that, although eventually Joan became so important a customer that she was consulted on projects while they were still in the planning stage. Jonathan Powell, the BBC producer whose works, from *Mayor of Casterbridge* to *Testament of Youth*, have frequently made up a sizable portion of *Masterpiece Theatre* seasons, told me on the set of *Testament*: "Joan's decision might not cause a program to happen, or keep it from happening. But her interest can certainly speed considerably the process of getting a project approved."

The concept for *Masterpiece Theatre* was itself a masterpiece of shrewdness. Public television, a political target of the Nixon Administration, needed to build a base of support in Congress and to expand its corporate funding. To do so, the PBS system had to sustain its "educational" image while simultaneously enhancing its appeal as mass entertainment. British programming automatically carried an aura of respectability because of the BBC's reputation—and the traditional American deference to the English accent. The cunning response from *Masterpiece's* first producer, Christopher Sarson, was to select programs that adapted classic books or works with an historical setting, and then say they constituted learning as well as amusement. Joan, who took over soon after, offered what American middlebrows have been seeking since the advent of the medium: television without guilt. People who felt uneasy about watching commercial tv could view exquisitely executed soap opera, low comedy, and tawdry melodrama on *Masterpiece Theatre* and believe they were improving their minds. It began with *The First Churchills*, the story of the Duke of Marlborough, victorious general, ancestor of Winston, and builder of Blenheim Palace—hallmark show for *Masterpiece*, which could well have been labeled "lifestyles of the rich and

famous." Joan aired some series that dealt with the downtrodden. But the quintessential *Masterpiece* series was *Upstairs, Downstairs*, in which even the scullery maids thought that preserving the grandeur of aristocratic households was the moral equivalent of national defense.

When she was inundating viewers with sex and violence that could never have passed the censors at, say, CBS, she could always reply that *I, Claudius* was an instructive depiction of the ancient civilization from which our modern politics derives, the Caesar-era Roman Empire. To be sure, she toned down scenes that she felt might alienate her reliable audience of little old ladies of both sexes and all ages. She edited out: a coarse comment by a Roman soldier on the purported virgin birth of Jesus Christ; a line in which one soldier ordered another to rape a child; some shots of nude love-

making, and parts of two scenes involving the slaughter of infants, once by the mad emperor Caligula, who was to be shown eating an unborn child plucked from his sister's womb. This was to some extent a bowdlerization of history, for *I, Claudius* had already understated the rapacity and perversion of the Claudian Caesars and their world. But the essential fact was that Joan bought and aired this material, and so

thoroughly enjoyed the trust of her sponsor, Mobil Oil, that it did not object to having its name and money associated with the equivalent of an X-rated film.

Like any television executive, Joan sometimes compromised her own taste and values to buy programs she thought viewers would like. She loathed the *Poldark* series, and said she had to watch episodes standing up to keep from falling asleep, yet just as she predicted, audiences adored these video versions of romance novels set against the wild Cornwall landscape. Faced with the iron rigidities of the PBS schedule, she cut 12 minutes from the BBC adaptation of Sartre's play *Kean*.

This year, *Masterpiece* once again has a finely calibrated blend: one serious yet melodramatic historical record, *The Last Place on Earth*, about the fatal race to be first to the South Pole; one glamorized historical drama, focused on gilded people, *Mountbatten: The Last Viceroy*; one lavish costume drama, *By the Sword Divided*, about the Cromwellian era in England, and one magnificent literary adaptation, *Bleak House*. Only the last can be said to be a masterpiece, or even to derive from one. But all of them preserve the show's traditional illusion of self-improvement.

I last saw Joan at the opening night of *Aren't We All*, the Broadway revival of a Freddie Lonsdale farce, starring Rex Harrison, Claudette Colbert, and Joan's husband, Jeremy Brett. She looked herself but told me, casually yet cheerfully, that she had had cancer. "I'm fine now," she said, proclaiming herself cured. Weeks later she was dead. At a memorial service, a friend recalled that a day or two before she died she had insisted, politely but inspiringly, that she was going to conquer the disease and go on. Hers is the kind of story of which television often makes a cheap melodrama. Joan had too much dignity to have put that kind of maudlin moment on *Masterpiece Theatre*. But she lived with the determination and commitment to constructive contribution that the networks heroize in their disease-of-the-week movies, and it made me glad to know that to the end she retained her stubbornness and grace. Her life proved that taste matters, and that television executives who want to can indeed make a difference. ■

She offered what American middlebrows have been seeking since the advent of the medium: TV without guilt.

Why *Moonlighting* Shines

by Michael Pollan

ABC's sole class act these days is *Moonlighting*, a sophisticated, quirky romantic comedy starring Cybill Shepherd and Bruce Willis as a mismatched pair of private eyes. Slipped in as a midseason replacement last March, the program built a loyal following during summer reruns. Today, *Moonlighting* is giving the struggling network what *Hill Street Blues* gave NBC during its dark days: a purchase on the audience of affluent baby-boomers prized by advertisers, an audience whose tastes often anticipate those of the larger public. ABC has good reason to think *Moonlighting* is a show it can build on.

What sort of program is catching the fancy of these trendsetters on Tuesday nights? A brisk, eclectic mix of tongue-in-cheek detective stories, clever movie and television pastiches, gusts of snappy dialogue, and a comic romance right out of the '30s. Richly allusive, playfully self-conscious, and more than a little mixed-up, *Moonlighting* is a kind of post-modern screwball comedy. It is also one of the first prime-time programs to approach its subject in the same way many viewers approach television: with a generous measure of irony.

Like the classics of screwball comedy, *Moonlighting* revolves around a reluctant pair of stubborn individualists thrown together by circumstance. Maddie Hayes is a successful model whose accountant made off to Buenos Aires with her fortune, leaving only one chronically unprofitable investment, the Blue Moon Detective Agency, run by David Addison. On the day Maddie shows up to close the place down, David persuades her to leave the agency open and help him make a go of it.

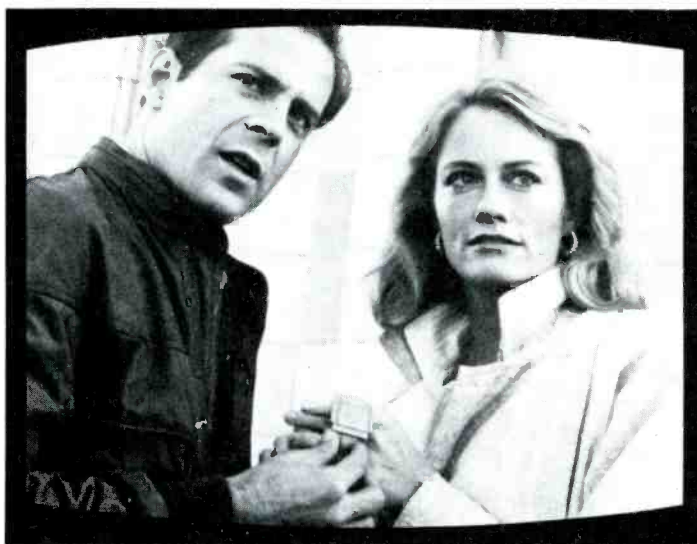
Maddie and David, like all the great partners of '30s comedy, have nothing in common except unacknowledged sexual attraction. She's frosty, well mannered, and rich (at least until recently); he's pure New Jersey, talks a mile a minute, blows

Michael Pollan, a contributing editor of Channels, is the executive editor of Harper's Magazine.

cases with ill-timed cracks, and generally drives her up the wall. They can barely stand each other, yet they're kind of in love.

Moonlighting is not the first '80s com-

audiences are less interested in seeing wealth satirized. "Were you ever really all that happy being rich?" David once asked Maddie. "Yes," she said. "Deliriously so."



Winning pairs: Willis and Shepherd (left) add a new ironic byplay to a genre that dates back to Hawks's screwball classics of the '30s.

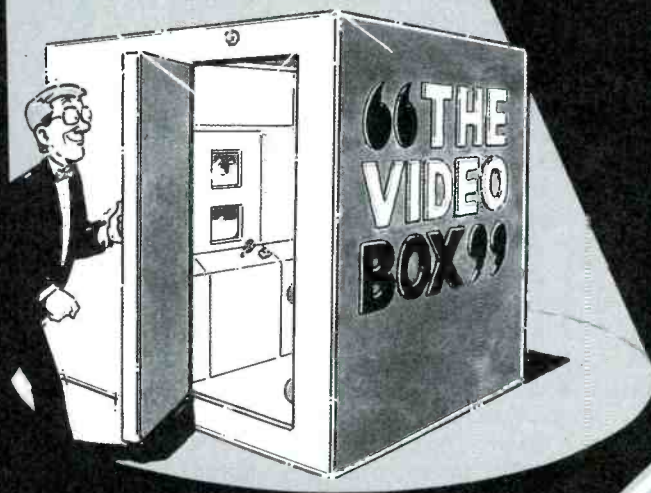
edy series to take its inspiration from the '30s. With *Remington Steele*, *Cheers*, *Scarecrow and Mrs. King*, and *Who's the Boss?*, the show is one of a new genre built around an unlikely and usually unconsummated workplace romance. At their best, these shows are animated by the sexual (and sometimes also class) tensions between the characters, as they alternate between courtship and verbal combat in a spirited dance. Anticipation, foreplay, words are all—as *Cheers'* producers must have realized the moment they let Sam and Diane get together after years of flirtatious sparring. The show immediately lost its charge, and the pair had to be quickly split up so the courtship could resume.

What's the appeal of these sexy asexual relationships? In the '30s, it was class warfare that gave screwball comedy its edge. The movies usually pitted a madcap heiress against a stable, dignified working fellow. In the end, the heiress forsook Society, which had been made to look ridiculous, for marriage and middle class. But money and class don't seem nearly as important now: *Moonlighting's* rich girl is the dignified straight man, and the working man is the madcap. Evidently contemporary



In '80s comedy, questions of gender loom larger than questions of class. These shows toy with our uncertainties about sex roles, women in the work place, balances of power between men and women. Often there's a central ambiguity about who's in charge. Laura Holt, reasoning that no one would hire a female private eye, sets up Remington Steele as her fictitious boss. Maddie Hayes owns the Blue Moon Detective Agency, yet she's forced to defer to David Addison on most sleuthing matters. In these programs, the two partners face off uneasily across a seesaw, power flowing first this way, then that. Sex would instantly discharge most of this tension,

With The Video Box, your viewers can become your star performers.



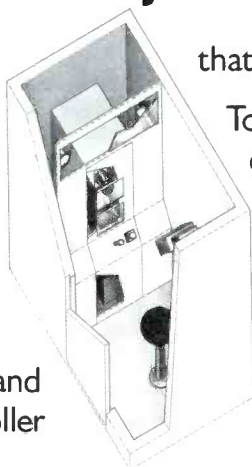
AT NATPE
900 CONVENTION CENTER BOULEVARD
New Orleans Convention Center.

We'd like to introduce you to a major new attraction in broadcasting.

The Video Box is a portable, self operating TV studio that can be used to get viewer reaction, comment and opinion quickly and inexpensively on a wide variety of issues.

It can even be used to produce editorials, commercials and so on.

The Video Box is simple to operate and is supplied with a computerised controller



that makes sure all functions operate perfectly.

To turn your viewers into star performers, contact Larry Coyne at:

TV Four International
60 Charlotte Street, London W1P 2AX
Telephone 01-631 4444 Telex 892355



A SALES DIVISION OF CHANNEL FOUR TELEVISION

Now in operation with

WNET/13 New York and in the U.K. with the Channel 4 Television Network, Central Television and Scottish Television.

which is why Glenn Caron, *Moonlighting*'s producer, vows that Maddie and David will never kiss.

No. In screwball comedy, lips are strictly for talking. All the '80s versions share their forerunners' delight in snappy repartee, but none has quite the wit or velocity of David and Maddie's. Their talk is so charged and fast and smart it gives *Moonlighting* the crackle of a quick-cut action show without anyone even leaving the office. Often the talk is so fast it calls attention to itself, particularly when the camera desperately tries to follow the ping-ponging byplay. Fast talk becomes an ironic comment on fast talk—specifically, on the lightning verbal pace of such Howard Hawks movies as *His Girl Friday*.

A critic once clocked the dialogue in a Hawks film and found that there were about 240 words per minute, compared with 100 to 150 in normal conversation. *Moonlighting* probably hits Hawks's pace in spots (its scripts are said to be twice as thick as most), but the fact that there's so little talk in prime time makes the show feel even zippier and more exaggerated than it is. This stress on dialogue might seem old-fashioned at a time when television is preoccupied with visual effect. But *Moonlighting*'s distinctive verbal texture actually serves much the same function as the striking visual style of a program such as *Miami Vice*, which is perhaps the least chatty ever. Both shows recognize that, on a crowded dial, a strong and instantly recognizable style is necessary to seize the increasingly fitful attention of viewers. As different as these two programs feel, they are both early products of a new, somewhat calculated auteurism in prime time.

In addition to a pronounced style, the current video environment seems to foster an emphasis on the local effect. *Moonlighting*, again like *Miami Vice*, subordinates plot to the scene or sequence. The show is pioneering the comic equivalent of the music video: sequences that are swift, arresting, and self-contained.

If *Moonlighting* seems indifferent to plot, it's positively cavalier about tone and genre. The program constantly shifts gears, jumping from subtle pastiche to broad farce, and from comedy to suspense to romance. The livelier question in the viewer's mind is not how the story will turn out, but what stance the writers and actors will take to the situation at hand. This season's first show opened with a taut, dramatic scene, announced by a slow, artistic pan of a highway overpass late at night. The camera lingered, framing a striking

shot; the soundtrack struck up a nervous synthesizer beat. After a drawn-out moment of arch scene setting, a coke deal (what else?) got underway. The deal turned out to be useful to the plot, but this quick *Miami Vice* sendup was a total throwaway. Since the joke was never acknowledged, the scene could still work as suspense. Which way were we supposed to take it?

Such a question is never up for grabs in prime time. Each program signals its genre and tone at every moment: Now we're being funny; this is poignant; now you should get nervous. Much of *Moonlighting*'s considerable energy comes from mixing up these signals, and from playing with our expectations. Bruce Willis is so unpredictable—he can make so many choices at any moment—that he rivets our attention like few series regulars do. One minute he's playing a high-stakes poker game for all the suspense he can squeeze out of it; the next he's tossing off a joke that kills all the tension and makes us feel a little silly for having taken the scene seriously in the first place.

Moonlighting is constantly pulling the rug out from under itself in this way, though it never lapses into complete spoof. Something more interesting is going on. With its abrupt reversals of tone and genre, and its stream of reflexive TV jokes ("David, you're in my seat." "Please, Maddie. There are children watching."), the show provides an ironic running commentary on itself. It takes itself just as seriously as most viewers take most television: not very.

Does anyone take *Dynasty* as seriously as *Dynasty* takes itself? Perhaps there are viewers who do, but most of the *Dynasty* fans I know watch it with a sort of split consciousness: a willing suspension of disbelief on one side, and a running commentary about how stupid it is on the other. It is this essentially camp sensibility that allows many baby-boomers to enjoy watching something their parents considered embarrassingly low-brow. *Moonlighting* is the first show in prime time to plug into this sensibility deliberately. It can easily switch from credible romance to suspense to television parody because its audience doesn't feel that sentiment and irony necessarily cancel each other out. Balancing the two is what watching television is all about. Just ever so slightly, the actors in *Moonlighting* seem to be aware that they're in a television show; like us, they're inside and outside at the same time. For once, we're all in on the joke. ■

VideoTime

STANDARDS
CONVERSION

ACE - QUANTEL
AVS

Full broadcast standard
services from one of the UK's
biggest facilities companies.

VIDEOTIME LIMITED

22/23/24 GREEK STREET

LONDON ENGLAND W1V 5LG

TELEPHONE 01 439 1211

TELEX 27256

Statement of Ownership, Management and Circulation (Required by U.S.C. 3685). 1A) Title of Publication: Channels of Communications. 1B) Publication No.: 02761572. 2) Date of Filing: September 26, 1985. 3) Frequency of Issue: Bi-monthly. 3A) No. of issues published annually: 6. 3B) Annual subscription price: \$18.00. 4) Complete mailing address of known office of publication: 19 West 44th Street, New York, NY 10036. 5) Complete mailing address of the headquarters of general business offices of the publisher: 19 West 44th Street, New York, NY 10036. 6) Publisher: George Dillehay, 19 West 44th Street, New York, NY 10036; Editor: Les Brown, 19 West 44th Street, New York, NY 10036; Managing Editor: Audrey Berman, 19 West 44th Street, New York, NY 10036. 7) Owner: C.C. Publishing Inc., 19 West 44th Street, New York, NY 10036; Norman Lear, 19 West 44th Street, New York, NY 10036. 8) Known Bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities: None. 9) For completion by nonprofit organizations authorized to mail at special rates: Not applicable. 10) Extent and nature of circulation: Average no. copies each issue during preceding 12 months: A) Total no. copies: 33,705. B) Paid and/or requested circulation; 1. Sales through dealers and carriers, street vendors and counter sales: 0. 2. Mail Subscription: 14,443. C) Total paid and/or requested circulation: 14,443. D) Free distribution by mail, carrier or other means; samples, complimentary and other free copies: 17,762. E) Total distribution: 32,205. F) Copies not distributed: 1. Office use, left over, unaccounted, spoiled after printing: 1,500. 2. Return from News Agents: 0. G) TOTAL: 33,705. Extent and nature of circulation; Actual no. copies of single issue published nearest to filing date: A) Total no. copies: 33,060. B) Paid and/or requested circulation; 1. Sales through dealers and carriers, street vendors and counter sales: 0. 2. Mail Subscription: 12,060. C) Total paid and/or requested circulation: 12,060. d) Free distribution by mail, carrier or other means; samples, complimentary and other free copies: 19,500. E) Total distribution: 31,560. F) Copies not distributed: 1. Office use, left over, unaccounted, spoiled after printing: 1,500. 2. Return from News Agents: 0. G) TOTAL: 33,060. I certify that the statements made by me above are correct and complete: George Dillehay, Publisher.

JACK & LIZ

For The Record



"New Englanders are the toughest news audience in the country. They expect you to know not only what is happening now, but what they know... the sense of history, the background. That's why I spend so much time out in the community listening to what people have to say."

"If I have a credo, it is preparedness, hard work and

caring. As a journalist that means doing a thorough job. It means a sense of trust, honesty, and commitment. And I think that comes through in my reporting."

"I chose New England. I'm not here because I was born here. I chose New England because of its reverence for things past - for family, education and charity. **Wednesday's Child** is something I wanted to do. Being actively involved in trying to improve things - helping children with special needs, foster parents, children born with birth defects... it's my way of saying 'thank you' to New England. It's my way of saying this is where I want my roots."



Jack Williams

"I want viewers to know how events impact on them. It's a very intimate thing that I share with my viewers on every kind of story that I bring them. We are humans and we're talking about humans. I work harder every day than the day before. If I can leave feeling that I gave our viewers a little more information and a little more of a choice on how they deal, or think, or how their lives are influenced... then I feel like I've accomplished something."



"I do **Positively New England** because I want to continue to learn more about the area... the tradition, the values, the good hard work. Boston is an electric city. It's always alive. It fights, it pulls, it yanks. But, it's loyal. New England is loyal."

"In a lot of ways, Channel 4 is like New England. It's all these people with incredible skills, incredible energy. I think viewers turn to us because over and over we've proven ourselves on the big stories. We go that extra step - and we do it every night."

Liz Walker



EYEWITNESS NEWS

WBZ-TV

BOSTON

4

The Station New England Turns To.

**The One
Place
To Be**

MCA TV

NATPE
The Westin Canal Place
28th Floor

© 1995 Universal City Studios Inc. All rights reserved.

TV DEFENDER SQUISHES BOOKWORMS

From Christopher Dunkley's first book, *Television Today and Tomorrow*, published by Penguin Books U.K. He has been television critic for the *Financial Times* for the last 13 years.

Many people raised in the book culture from the very nursery and educated for decades almost entirely by print become deeply offended when told that Johnny-Come-Lately television, barely 50 years old, is already outdoing books in some areas (wildlife, current affairs, education via satellite in illiterate Indian villages, for instance) and deeply anxious if told that, thanks to all sorts of audiovisual wonders, children today can often acquire knowledge with less effort than hitherto. The very idea of less effort seems to offend both the puritan conscience and the belief that "They should go through the mill as we did."

It is disturbing to listen to a room-

ful of historians all agreeing more or less strongly that television is innately misleading when it comes to history and that books are inherently superior. To the disinterested nonspecialist it seems obvious that being misleading or not depends upon the historian, not the medium, and that, while there are some things for which books are better, there are others for which television is better. . . .

Worst of all for the future of the medium is the antagonism of . . . that band of people known as "opinion formers": authors, journalists, playwrights, publishers, theater and cinema producers, and so on. It is depressing to find that the very people who should be leading the way in bringing discrimination to

the use of this new mass medium are still dismissing it lock, stock, and barrel, largely—so far as one can tell—out of petulance at their own lack of willpower. . . .

In the end this debate is hardly worth the breath that is regularly expended upon it since it is obvious that nobody in television wants to hunt down and burn every last copy of Shakespeare's plays or Tolstoy's novels. At most television wants to exploit Shakespeare for its own ends just as Shakespeare exploited Holinshed, and just as generations of writers and dramatists have parasitized one another, each leaving the original works on the shelf in their pristine state for later generations to turn to. □

THE MORBID SEDUCERS

From the keynote paper by Jack B. Haskins, professor of journalism at the University of Tennessee, in *Morbid Curiosity and the Mass Media*, proceedings of a Gannett Foundation-sponsored conference held last year.

Normal curiosity includes a certain amount of fearful curiosity, an innate, genetically acquired tendency to investigate potentially dangerous or frightening objects in the environment which in the past had positive survival value. The biological need to search for dangerous or negative stimuli still exists even in a relatively safe civilized world of few real physical dangers. But in the absence of *real* danger signals, the

human may turn automatically to the substitute stimulation provided by symbolic or vicarious or fictitious media accounts. In some persons, normal curiosity may become diverted or sublimated into artistic or scientific creativity. Others, however, possibly due to some combination of a safe or boring environment, lower intelligence, neurotic or psychotic tendencies, and repression, may become preoccupied with the

unlimited supply of negative messages provided by the mass media and thus change from normal to morbid curiosity.

The mass media have discovered, through intuition and research, that negative messages are highly interesting to large audiences, and they are providing increasing amounts.

The most damaging effects from an oversupply of negative media messages are, first, the requirement of increasingly more and stronger negative stimuli among the morbidly curious; second, the gradual seduction of normal persons through passive exposure into a greater reliance on the easy brain stimulation provided by negative mass media messages such as bad news, horror movies, violent television programs, songs of woe or disaster, novels about catastrophes and other unrealistic dangers; third, the emotional damage to morbid-averse persons exposed to unavoidable negative messages against their will. . . .

Natural curiosity, morbid curiosity, and morbid-aversiveness are combining with the mass media's marketing philosophy and audience research to form an ever-increasing upward vicious spiral of morbid media content. This is resulting in more and more people requiring stronger negative stimuli to achieve the same state of stimulation. This can cause an increase in anxieties, pessimism, distrust of other people and institutions, and non-caring, which will have negative survival value for our species. □

STARRING THE PRESIDENT

From *The Press and the Presidency: From George Washington to Ronald Reagan*, by John Tebbel and Sarah Miles Watts, recently published by Oxford University Press in New York.

Entering the White House, Reagan and his staff of intimates . . . began to bring the great Presidential propaganda machine up-to-date, oiling its gears to better manipulate the media.

When it was announced early in 1981 that the briefing room was to be remodeled once more, the reporters assumed it was being done for their greater comfort and efficiency. In fact it was Hollywood set-building carried into politics. Permanent seats were installed in rows, and for the first time correspondents were assigned to these seats for press conferences. It was not a permanent arrangement, it was explained, except for the fact that the wire-service people and the television correspondents would always occupy the front row, where the cameras could be trained on the latter, and with the President also in view, so that Reagan could, in effect, carry on a direct dialogue with the television audience, for whom the conferences were primarily designed. . . .

The renovation cost taxpayers \$166,000, but the Reagan people believed it was worth it, particularly when another Hollywood touch was added in 1984.

While the television cameras zeroed in from the back of the auditorium, the doors behind the podium, guarded by a marine in full-dress uniform, swung open at the end of each conference to reveal a long, broad corridor leading to the executive offices. With the last question answered, or evaded, the President moved to the door as it swung open, and the camera watched his broad back receding slowly down the long corridor until it disappeared. Fade-out. □

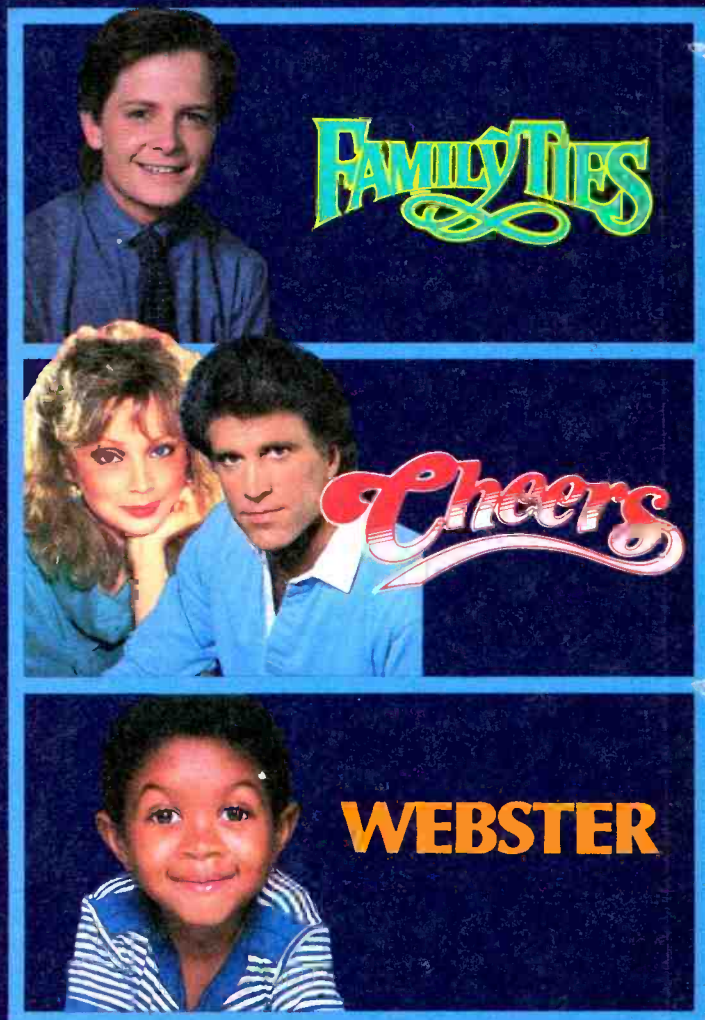
*This season's
most successful
television
is signed—*

Par

The most sought-after

**OFF-NET
HITS**

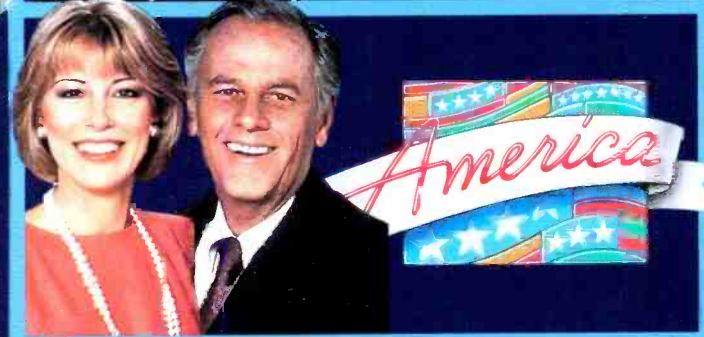
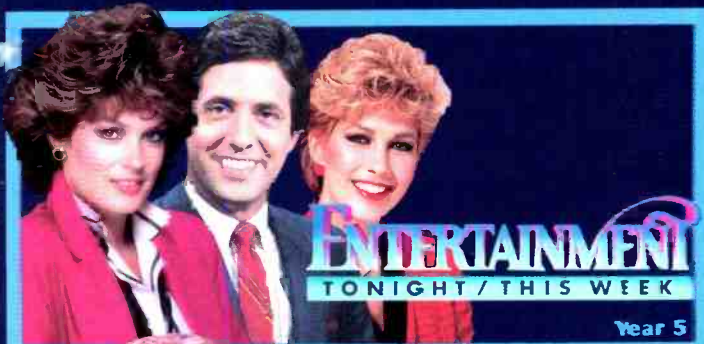
More than ever, Paramount has what every station—and every *viewer*—wants most: the hit half-hour comedies... the first-class first-run programs... and to top it off, the most powerful package of features released in years!



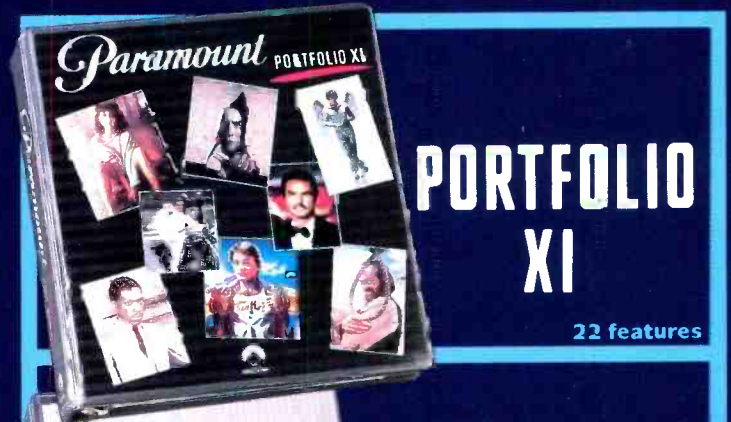
DOMESTIC TELEVISION
AND VIDEO PROGRAMMING

Paramount

The most valued
**FIRST-RUN
FRANCHISES**



The most exciting
**FEATURE
PACKAGES**



“Relax... it's from the BBC.”



Excellence is programmed into everything we make.
Relax in the knowledge that our wealth of excellent television
can and will be tailored to your scheduling requirements.
And that we never compromise our standards. Or, most
importantly, viewers' enjoyment.
It's called making the most of the medium. And nobody does
it better than the BBC.

BBC

ENTERPRISES

MAKING THE MOST OF THE MEDIUM

Arts and Entertainment Cable Network — BBC Showcase.
Television Sales — Lionheart Television International, New York. Non-Theatric Sales — Films Incorporated, Chicago.

www.americanradiohistory.com