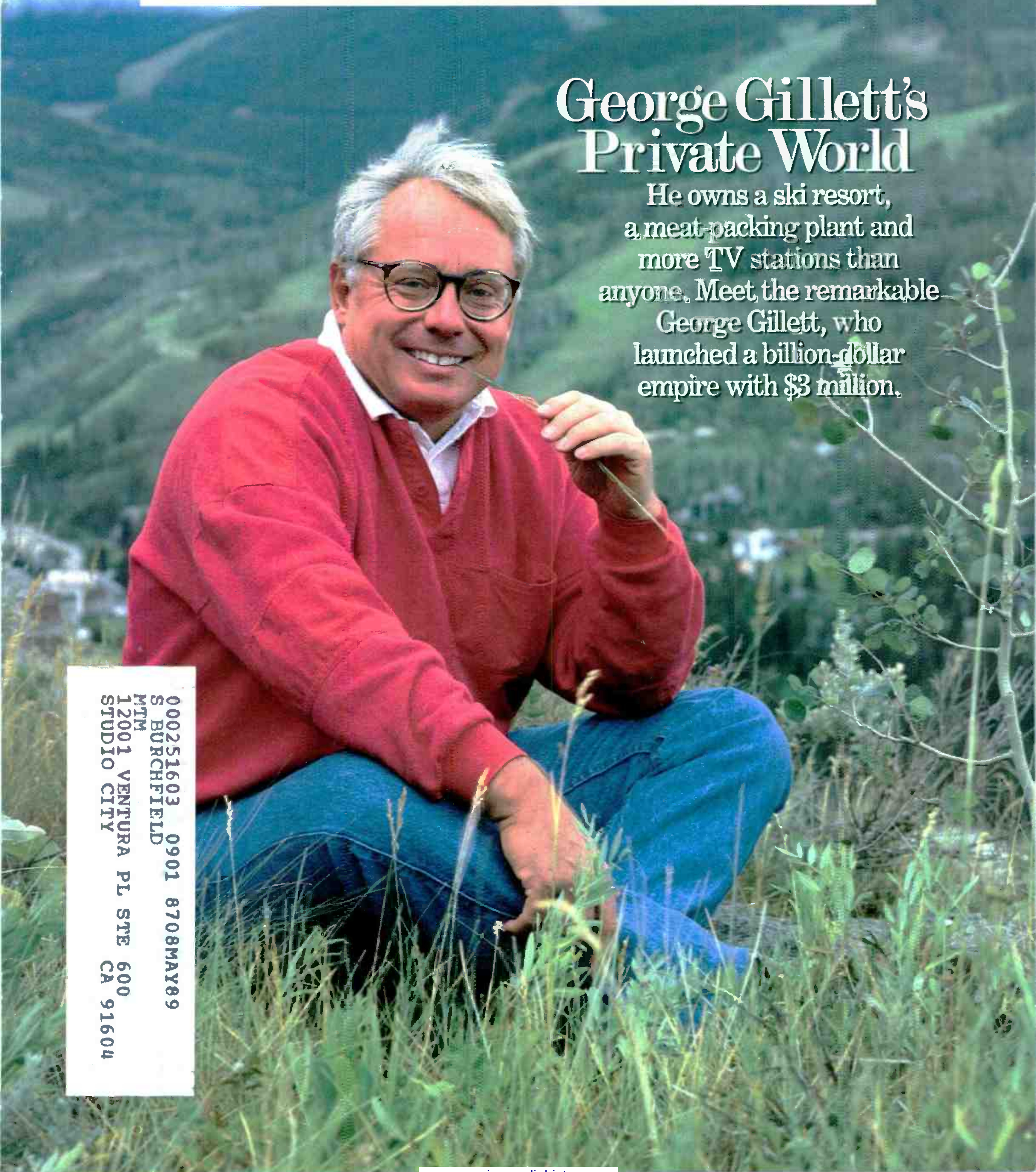
NEWS DIRECTOR BURNOUT

TV's Fall Season: The New Owners Fight Back

CHANNELS

SEPTEMBER THE BUSINESS OF COMMUNICATIONS 1987



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The Road

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To Success!

Highway to HEAVEN

Starring
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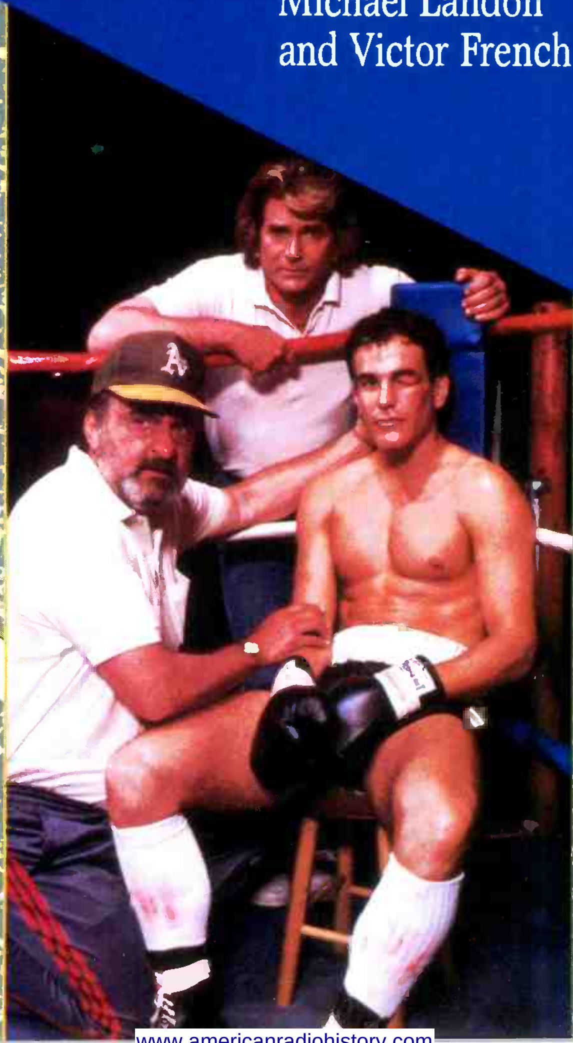


CHANNELS

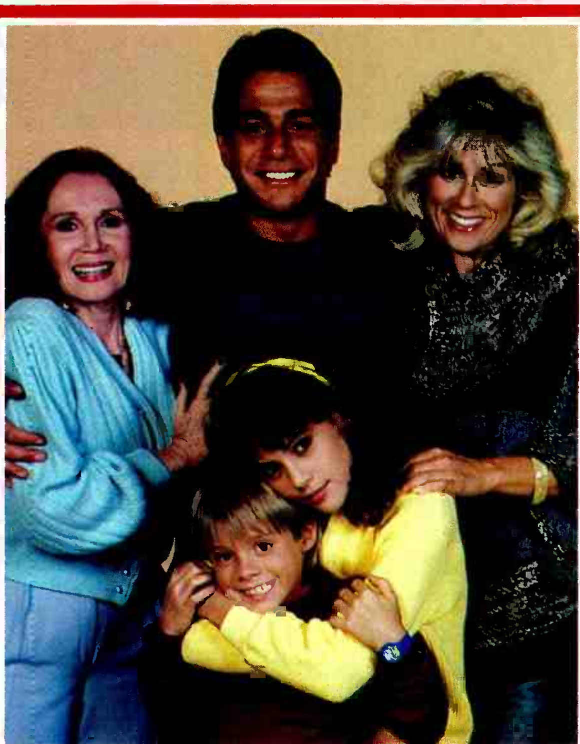
THE BUSINESS OF COMMUNICATIONS

VOL. 7, NO. 8 SEPTEMBER 1987

Was this news director victimized by the Quick-Fix-Messiah Syndrome?..........46

Cover photograph: Barry Staver

The smart money is on "Who's The Boss?"



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PRESIDENT'S NOTE

New Seasons

The fall—really the day after Labor Day—has always seemed like the beginning of a new year. It's a time when everyone is back in the office, new car models are introduced, children are heading off to new grades in school and families that moved during the quiet summer months are settling into homes and neighborhoods. This feeling is even more true for those who work in the television business.

The fall marks the launch of the new season on television. This major event—the culmination of months of hard work and vast expenditures of dollars—means success or failure for talent, producers, directors and network executives. For those who are successful—as well as for those who are not—the fall represents a new beginning.

Those of us at *Channels* have been busy as well over the past few months, and with this, our September issue, we are introducing an expanded line-up, changes that include a staff restructuring, new design elements and revised departments. These changes are more evolutionary than revolutionary and are the result of our continuing efforts to make *Channels* the best publication for television professionals. The changes will not only help us achieve that goal, but will also enable us to launch a number of new publishing initiatives. Our goal, with the other publication in our group, *Marketing & Media Decisions*, is to continue to build an enterprise to serve the needs of media professionals.

For over six years, *Channels* founder Les Brown has served as the magazine's editor in chief. The magazine was his brainchild, and as anyone in publishing will acknowledge, starting a magazine is a significant accomplishment, but operating one for six years is a major feat. With this issue of *Channels*, Les relinquishes the title of editor in chief to take on the new role of senior vice president for editorial development. By getting out from under the day-to-day grind of putting out the magazine, Les will have time to work on our new publishing opportunities, both in the United States and abroad. It is hard to measure Les's vast knowledge, and we are lucky to have at *Channels* the world's most knowledgeable and respected writer on television. If we didn't have Les we would have tried to hire or invent him. Luckily, he's here, helping us grow into new opportunities. Les will continue to be involved in the magazine and will continue his monthly column, *The Public Eye*.

Taking over as editor with the September issue is Merrill Brown. No relation to Les, Merrill has been executive editor of the magazine for nearly two years, having joined us from the Washington Post organization. Merrill has been responsible for managing and conceiving the many changes that have taken place in the pages of *Channels* since our relaunch as a monthly in March 1986. Merrill's expertise as a business reporter, Wall Street correspondent and corporate planner for the Washington Post Company has helped *Channels* develop its unique and detailed coverage of the business and of strategic aspects of the media industry and, with the talented staff assembled here, helped the magazine launch its annual *Channels* Achievers section, which analyzes the financial condition of the television industry.

Moving up from managing editor to executive editor is Peter Ainslie, who joined *Channels* in late 1985 from *Time* magazine. Peter's knowledge of the industry and editorial experience have shaped the texture, look and readability of the magazine, and he will now be in a position to more broadly develop its editorial direction.

George Dillehay has been the publisher almost from *Channels'* beginning. George held the magazine together through a tough period, but after five years, he wants to look at other ideas, both within the *Channels* family and outside. He will become a publishing consultant to the magazine and will help us explore some new initiatives.

Our new publisher is Joel Berger. Joel joined the *Channels*' family in January as associate publisher for advertising and sales, and has helped build *Channels*' business operation. Joel's efforts this year have helped us achieve our goal of 60 percent advertising growth, and he is focusing on making *Channels* not only an effective advertising vehicle but also a marketing and promotion tool for advertisers.

In addition to these changes, readers will notice next month that our Talk Show department, a section of commentaries and viewpoints, has a bright new look and a sharper editorial focus. Several other departments in the back of the magazine are being retooled to make them brighter and more accessible to readers—and more flexible and useful for advertisers.

Meanwhile, this issue continues *Channels*' tradition of focusing on provocative profiles of the most interesting players in the media industry. The story on our cover subject, entrepreneur George Gillett, who's built a television-station empire from scratch over the last few years, offers real insight into a financier with more than enough imagination and ambition to merit our industry's attention. Other highlights of the issue include a major study of the intense world of the television news director and, of course, our *In Focus* package, a unique look at the business implications of that cultural phenomenon called the "new season."

We believe that *Channels*' new line-up will help us meet the needs of our readers and advertisers in what is sure to be a vitally important year for the television industry. In doing that, we need and welcome your help, ideas and feedback. We want to be not only the best magazine in the field, but also the most effective vehicle for our advertisers to reach their target audiences. With a new season, we renew that commitment. ●

Paul David Schaeffer


Editor Merrill Brown


Publisher Joel Berger


Executive Editor Peter Ainslie

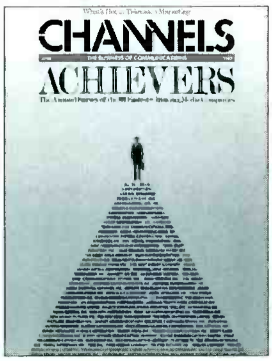
LETTERS

Over Achievers

I enjoyed the June issue, and took special pleasure in your documentation of the progress of the Entertainment Business Sector of the Coca-Cola Company. Without in any way demeaning the success of the edition, I suggest that revenue growth in the entertainment industry should not, in my view, be a measure of achievement.

Your list of the top 90 companies uses revenue growth as the principal measurement. The result is that your two top achievers are the Home Shopping Network and DeLaurentiis Entertainment. DeLaurentiis Entertainment lost money in 1986, and it seems inappropriate to list as a major achiever any company not making a profit. I have never felt that revenues were an important measure of anything in the entertainment industry. If you spend enough money you may generate revenues, but you may also go broke.

Francis T. Vincent Jr.
Executive Vice President
The Coca Cola Company
New York, N.Y.



I found the June issue of *Channels*, featuring your annual financial review of the nation's media companies, interesting as well as helpful. A copy has been placed in our company library for future use.

Tim McDonald
President
TVX Broadcast Group Inc.
Virginia Beach, Va.

Qualitative Analysis

Just a note to congratulate Les Brown on his marvelous article on quality television ["A Quantity of Quality," June *Public Eye*]. As he points out, quality is difficult to define but you sure know it when you see it. (And know it when you don't see it.)

He rightly says that the quest for quality begins at the top, by those in charge, and can only be accomplished through respect and attention to details. No doubt *Channels* understands that: Your publication continues to pay attention to quality and to be admired as a respected observer of the trends affecting our business.

Donald Mitzner
President
Group W Satellite Communications
Stamford, Conn.

Judge Not

At the risk of having my BPME card revoked, I've got to take exception to "The Copycat Factor" by Rinker Buck [June]. I'm tired of hearing promotion people pat each other on the back for the awards they've won. I happen to think that it doesn't matter one bit what a stuffy control room full of judges thinks; it's what the people in my market care about that matters.

As such, there are two predictions I can safely make for the coming year: First, you probably will see my news anchor in a red sweater again this Christmas; and second, you probably won't read my name among a list of award-winners.

Neither of those dire outlooks bothers me, though. Our ratings continue to rise despite my apparent lack of originality. And that remains the ultimate judgment of my efforts.

Timothy P. Kenny
Director of Promotion
WPDE-TV
Florence, S.C.

Channels *welcomes readers' comments. Address letters to the editor to* Channels, *19 West 44th Street, Suite 812, New York, N.Y. 10036. Letters may be edited for purposes of clarity or space.*

CORRECTION

Due to a typographical error, the Financial Highlights chart with last month's *MTV's Great Leap Backward* reversed the pre-tax and revenue results. *Channels* regrets the error.


YES SIR, LAST YEAR YOU GOT BIG TITLES, BIG, BIG, RATINGS, AND...
MAGIC I
I WANT SOMETHING BIGGER!
Mc Duck
PROGRAM DIRECTOR
Keep it Short
Mr. BIG
OH, SPARE ME!


OK! OK! OK! WE'LL GIVE YOU
BIGGEST TOUCHSTONE AND DISNEY
AND THAT'S ON TOP OF
14 DISNEY ALL-
Tough Guys
Color of Money
STAKEOUT
SHAGGY DOG
Son of
OOO! THAT'S BIG. REALLY BIG. I'M IMPRESSED. NOW YOU'RE TALKING PRIME TIME!
The Devil and Max Devlin
COUNTRY
TEX
FLIGHT OF THE NAVIGATOR
Mc Duck
PROGRAM DIRECTOR
Keep it Short
Mr. BIG
SPEAK UP

THE NITTY GRITTY.

Buena Vista Television's dual movie libraries are our strongest ever. So if you thought MAGIC I's performance against the competition was impressive, MAGIC II will really knock your socks off! Add our new DISNEY TREASURE I, and you've got an unbeatable movie position in any top-dollar day-part.

MAGIC II is the Really Big Show package of 1987. You get this summer's smash release STAKE OUT, plus more Touchstone box office explosions: THE COLOR OF MONEY, RUTHLESS PEOPLE, DOWN AND OUT IN BEVERLY HILLS, and TOUGH GUYS. Add the power of ALICE IN WONDERLAND and other Disney classics, and the prime time muscle of this package is plain to see.

DISNEY TREASURE I is a brand-new collection of 14 all-family classics. It's a must-buy for stations trying to build cross-demo all-family and adult audiences. Available in WONDERFUL WORLD OF DISNEY format, DISNEY TREASURE I is a great way to extend WONDERFUL WORLD's rating-period success.

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News 12 Talent: (l.to r.) Zimmerman, Bob Wolff (sports), Tolliver, Roberto Tirado (weather).

Cable Grows Its First Regional All-News Channel On Long Island

Plucky *News 12* gains viewers and credibility in under a year.

Over the July 4th weekend this summer, trendy Southampton, N.Y., was the scene of a small victory for the First Amendment. When reporters showed up in the Long Island resort community to cover a story about the restoration of electrical power to oceanfront homes damaged by a hurricane last year, the town supervisor denied the media access to the site. Only one of the news organizations covering the event, however, took the matter further. That was *News 12 Long Island*—the nation's first 24-hour regional cable news service—which immediately sought and won a court injunction against the town and then thoroughly reported the story.

The incident only confirmed *News 12*'s growing reputation on suburban Long Island, home to 2.6 million residents. Since its launch last December, *News 12* has achieved a remarkable level of visibility and credibility. *News 12* was created by Charles F. Dolan, chairman of Cablevision Systems Corp. of Woodbury, N.Y., who convinced Long Island's seven cable operators to carry the basic service on channel 12, where it reaches about 500,000 homes.

The genesis for *News 12* was a short-lived cable news show that Cablevision began co-producing in 1983 with Long Island's dominant daily, *Newsday*. Cablevision kept its tiny news operation alive, producing local news windows for CNN, and Dolan, aware of the scant attention New York stations give the island, was convinced such a service could thrive.

Al Ittleson

"*Newsday* was my analogy," says Dolan. "It has grown spectacularly in recent years, even inching into New York City. I just knew that cable could mount a counterpart, but it had to be made vital to viewers."

This time around, Dolan was determined to create a quality news operation, and he began by hiring Al Ittleson, former executive producer of ABC's *20/20*, as *News 12*'s president, ABC correspondent Bill Zimmerman as anchor and WABC-TV's Melba Tolliver as co-anchor. Cablevision committed to a $6 million annual news budget and spent $2.5 million equipping studios and buying an SNG truck. Hubbard Broadcasting's CONUS system and Worldwide Television News provide national and international news.

"We're programming this like a high-quality, over-the-air broadcast channel," says Ittelson. "Positioning ourselves has proved less difficult than we thought. The New York stations have lately become sort of 'boutique' journalism—show business—and we're very different from that."

News 12's no-nonsense approach gives it an on-air feel similar to CNN's, while its strong local service component has the intensity of drive-time radio. Ittelson eventually hopes to go live for a full 24 hours.

News 12's primary focus is Long Island, but big national stories are covered at the top of each show. Through CONUS and the use of its own SNG truck, *News 12* covered the Iran-contra hearings and the New York trial of subway gunman Bernhard Goetz.

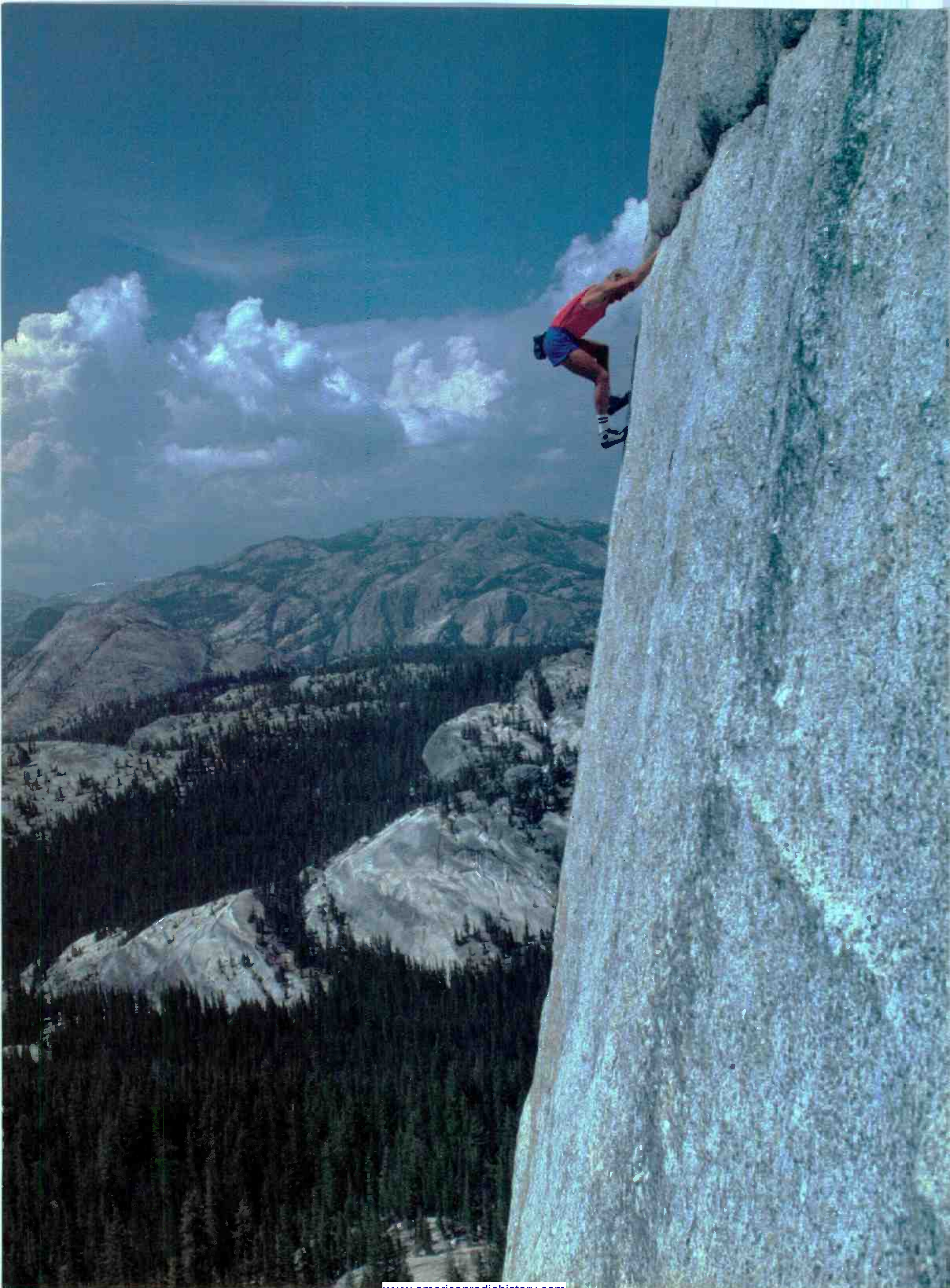
Ad sales, says Dolan, are "well above projections"—one reason he is already considering a similar operation for his Westchester County, Connecticut and New Jersey systems.

"All forms of media have been experiencing an explosion of localism in the past decade, because the public prefers the news that originates closest to them," says TV consultant Kas Kalba, president of Kalba Bowen Associates in Boston. "There's no reason cable can't capitalize on this trend."

Dolan, meanwhile, is one step ahead. Cablevision is now negotiating with landlords to mount remote-controlled cameras on rooftops along the Long Island Expressway (LIE) in order to provide viewers live, "real-time" images of traffic conditions along the island's principal artery.

"We're developing a great franchise out here and the LIE is our beat," says Dolan. "No one else can say that."

RINKER BUCK



In Praise Of Hanging Tough

There are some good things to be said about those who play it down the middle. Who take the safe, cautious path in life.

There is much more to be said about those who brush off the risks, stand up to the hardships, and reach the summits of mountains. Those who keep tenaciously pursuing bigger challenges.

In the broadcasting industry, as in every line of work, there are those few bold enough, confident enough, to climb to the top. They evaluate the potential rewards, the downside risks, and believing in themselves, they move purposefully ahead.

Already, at this writing, the executives of some 120 television stations across the nation have kept faith with their instincts, their considered judgment, and their ambitions. They've done it for the promise of the Mondays, the Tuesdays, the Wednesdays, the Thursdays, and the Fridays to come. For their audiences. For their advertisers. For themselves.

The Cosby Show.

The most successful television series in history.

Viacom®

The Windy City's 'Little Indy That Could' Reaches For the Stars

Can WPWR's Fred Eychaner turn a sow's ear into a silk purse?

When Chicago's little independent WPWR signed on the air in 1982, program manager Neal Sabin made the first purchase of syndicated programming of his life: a bunch of cartoons, for which he payed $75 per half hour, with unlimited runs over six years.

This fall, WPWR thinks it's hit the big time. It's paying $60,000 to $70,000 an episode for *Webster*, and the comedy is just part of a station lineup that includes *The A-Team*, *Silver Spoons* and *Star Trek: The Next Generation*. In the four years that Chicago has had WPWR (not that a city whose viewers watched Tribune Co.'s WGN, Fox's WFLD and three network O&Os was always aware of it), the station has accumulated a program library worth $40 million. Heretofore, a hit on WPWR was *GLOW*, a female wrestling show.

Maybe this is the Little Station That Could. At the very least, it's highly unusual at a time when other me-too independents are having a tough go of it. Milt Grant's WGBO-TV blew into town in 1986, and into bankruptcy court about a year later, a victim of wild program spending and low viewership. Sabin says, not so cryptically, "We tell syndicators, 'You may not get top dollar from us, but you are going to get dollars.' They learned to trust us."

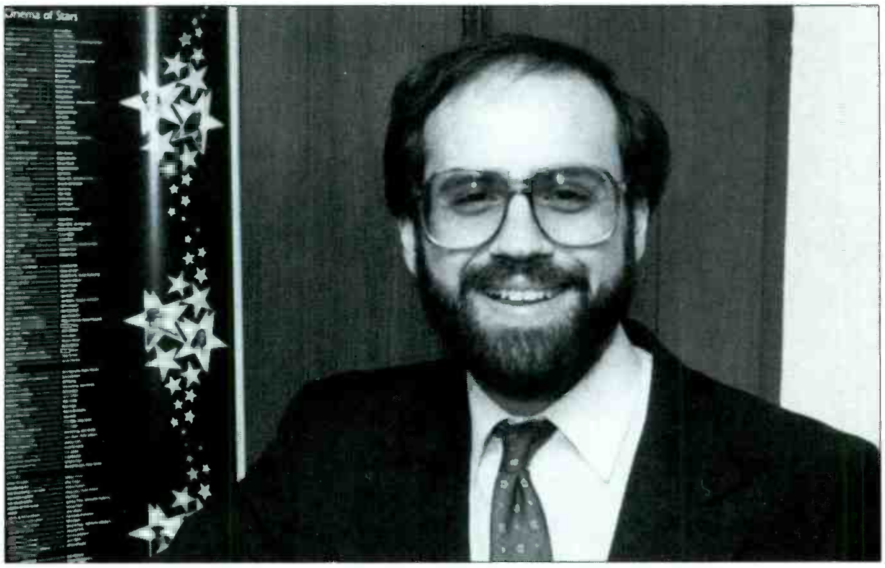
WPWR survives, but reading where it's been and how it got to where it is is the sort of story that would make Evelyn Wood slow down. Now on Channel 50, WPWR three years ago was a part-time station, sharing Channel 60 with another, wholly separate station, WBBS, which broadcast in prime time in Spanish, and with Sportsvision, the pay-TV service operated in part by the Chicago White Sox. Eventually, the White Sox service collapsed and WPWR owner Fred Eychaner bought out WBBS for $11 million.

But at the same time, Eychaner, who became rich with Newsweb, a printer of ethnic dailies, and *The Chicago Reader*, a weekly alternative paper, arranged a complicated swap with a group that held the license to operate a public station in nearby Gary, Indiana. Eychaner got the license to vacant Channel 56 and traded it for the public station's Channel 50 for less than $700,000; he spun off Channel 60 to Home Shopping Network for $25 million. And WPWR, the so-called power station, was born. Obviously, a large chunk of WPWR's promotional budget has been spent telling viewers exactly where to find it on any given day.

And telling advertisers, too. WPWR raised eyebrows this summer by hyping its fall lineup not in trade magazines but in full-page ads in *The New York Times* and *The Wall Street Journal*. "We thought we should do something different," says Eychaner, whose station will take in some $14 million of Chicago's TV ad dollars this year. And matters should improve this fall. So far, the highest rating WPWR ever got for a regularly scheduled program was 7. But 30-second spots in the new *Star Trek* are selling with guarantees of 15.

Hard to believe. But while Milt Grant's WGBO faltered, changes at powerhouse WFLD and WGN have solidified WPWR's existence as a traditional independent. WFLD is adjusting itself to life as a Fox affiliate. Tribune Co.'s WGN is struggling along with all of Tribune's owned stations, and is scheduling its best time slots for first-run Tribune sitcoms such as *Charles in Charge*. WGBO is, for all intents and purposes, broke, and Sabin estimates won't be truly competitive again until 1991.

That leaves WPWR. "It's not like there's no place [for syndicators] to go," Sabin insists. "It's like we are the place to go." Boastful words for a station that, in its history, has never averaged more than a 4 rating sign-on to sign-off, roughly a third lower than WGN, with its Cubs, and WFLD, with hardy programs like *Family Ties*, *M*A*S*H* and soon *The Cosby Show*.


AL PODGORSKY/CHICAGO SUN-TIMES

WPWR's Neil Sabin: 'Syndicators may not get top dollar from us, but they'll get dollars.'

"We're not this little indy anymore," Sabin pleads. Chicago will decide that this year, but it's clear WPWR is making a run for it. And there's one final irony that can't go unmentioned: In an ad market that will ring up over $400 million in sales this year, it's worth noting that Sabin, who's only 30, got his early training in programming by asking his parents to bring him *TV Guides* from other cities they visited. He scanned them for scheduling ploys and began plotting his own imaginary station in the basement. Not unlike the history of WPWR.

P.J. BEDNARSKI

Learning to Say 'Buy' in Spanish

Reaching U.S. Hispanics requires special marketing skills.

Actor Erik Estrada is Puerto Rican, but he could pass for Mexican or Cuban. He speaks "universal Spanish," close to Castilian, a dialect accepted by all Hispanics. If an advertiser signs up Estrada to pitch its products on TV and composes a jingle with a Caribbean melody, the company stands a good chance of appealing to a majority of the nation's 17 million Hispanics.

Those are the kind of issues that keep Lionel Sosa in business. The 48-year-old San Antonio marketing expert knows that when it comes to the Spanish-speaking market, it's the little things that count.

"The guys on Madison Avenue look out the window, see Puerto Ricans and think, 'That's Hispanic,' " he says. "They grab somebody from one of their Latin American offices to do ads in Spanish and figure they've got the problem solved. They soon discover that Hispanics in Latin America are totally different from Hispanics in the U.S."

ZIGY KALUZNY

Lionel Sosa: It's the little things that count.

Sosa's firm, Sosa & Associates, is not only the leading Hispanic ad agency but the fourth-largest and fastest-growing Hispanic-owned business in the U.S.: Current billings, $13.6 million. TV accounts for 24 percent of them.

Hispanics make up 7 percent of total U.S. population, and by the next century will be the largest ethnic group in the country. Spanish-speaking TV is the fastest-growing segment of the industry, with Hispanic buying power projected to exceed $150 billion in three years.

But reaching that market by TV can be complicated. "If you're going to buy a commercial on SIN," says Sosa, "it's a network buy so you can't regionalize. We look for some common denominator. We use actors with what we call a pan-Hispanic look. But when we can—in local TV—we give our spots a regional twist. In the Southwest, we use Mexican music and announcers, and actors with a very Mexican look."

Sosa now has offices in Chicago, Washington and New York. But home, he says, will always be across the street from the Alamo.

DON GRAFF

Final Say on Fairness Yet to Come

Legislation or the courts could bring the Doctrine back.

President Reagan may have vetoed the Fairness Doctrine and the FCC may have abolished it, but the smart money in the Capital is betting that, like the Washington senators, the doctrine will return, perhaps as soon as this fall.

Under attack for years by Mark Fowler's FCC, Fairness received the biggest blow a year ago when a federal appeals court held in the *TRAC* teletext decision that Section 315 of the Communications Act ("equal time") did not make the doctrine law. That left the FCC free to repeal the policy, so Congress stepped in to codify it. Bills sailed through both houses with the backing of such Reagan loyalists as Jesse Helms Strom Thurmond and Larry Pressler. But ideology—not politics—eventually clinched Reagan's veto.

Foes of the doctrine in the Commerce and Justice departments lobbied against it, as did by then former chairman Fowler, who reportedly wrote the presidential message returning the bill to Congress. In August, the Commission formally scrapped the 38-year-old doctrine. Proponents, though, have regrouped and now vow to graft the measure onto some "veto-proof" legislation. Informed observers think they may ultimately succeed.

One way or the other, the issue is likely to come before the U.S. Supreme Court, perhaps as soon as this session. So how do friends and foes on the bench line up?

> One way or the other, the issue is likely to come before the Supreme Court, perhaps in this session. So how do friends and foes on the bench line up?

Byron White, author of *Red Lion*, the 1969 ruling that declared Fairness constitutional, can of course be counted on to uphold it, as can Thurgood Marshall, once blipped from the air by a Jackson, Miss., TV station that discriminated against blacks. Also likely to vote for Fairness are John Paul Stevens, who endorsed content regulation in the "seven dirty words" case; William Brennan, a moderate sensitive to minority issues; and Harry Blackmun, increasingly a liberal voice. That adds up to five firm or "leaning" votes—a majority.

Of the remainder, only Antonin Scalia, part of the *TRAC* majority on the U.S. Court of Appeals, can be listed as a definite "no." Robert Bork, another likely "no," may not be confirmed in time to have a say.

"Given the present lineup," says Andrew Jay Schwartzman of the Media Access Project, a public-interest communications law firm, "if we had to go up there today, I think we'd win."

MEL FRIEDMAN

What's On

S · E · P · T · E · M · B · E · R

60 Minutes Turns 20

by Cecilia Capuzzi

SEPTEMBER 20: *60 Minutes* begins its 20th season on **CBS**. When the network and executive producer **Don Hewitt** launched the show, it was an odd hybrid of TV news, documentary and muckraking, and took seven years to catch on. Since 1977 it has remained on the list of top-ten shows and its anchors over the years—**Harry Reasoner, Morley Safer, Dan Rather, Mike Wallace, Ed Bradley** and **Diane Sawyer**—have become superstars. The show also spurred a number of imitators, including **ABC's 20/20**. But critics say *60 Minutes'* penchant for the dramatic story in which the guilty get pilloried in the end is partly to blame for the public's hostile perception of the press and TV news' taste for the sensational. Says media critic **Ben Bagdikian**: "It introduced good investigative reporting to TV, but it made so much money that news directors around the country are under pressure to turn a profit." Thirty-second ads go for $400,000 each.

. . . .

OCTOBER 1: Johnny Carson completes 25 years as **NBC's *Tonight Show*** host with a new multiyear contract, a new wife and a renewed endorsement as king of late-night TV following the demise of **Joan Rivers** on **Fox Broadcasting's *Late Show***. Carson, who earns a reported $10 million a year, will host the show three nights a week; comedians **Jay Leno** and **Garry Shandling** fill in on Mondays, and "Best of Carson" features appear Tuesdays. In the meantime, Fox is touting 2.2 ratings for *The Late Show* since Rivers' departure (Rivers rated between 2.1 and 2.5), hoping to reach a 3 this fall. Some funny and not-so-funny guest hosts have filled in—including **Carole Bayer Sager** and **Burt Bacharach, Suzanne Somers** and **Mel Brooks**. A spokesman says Fox is "100 percent committed to the show" and Rivers could return as guest host.

. . . .

OCTOBER 5-6: Corporation for Public Broadcasting holds its annual meeting at CPB headquarters in Washington amidst criticism that the group, which celebrates its **20th anniversary** this year, has played an uninspired and sometimes politically meddlesome role during most of its existence. CPB's board has not operated at full capacity since March '86. Though former acting president **Donald Ledwig** was recently appointed president/CEO, a chairman and two board members have not yet been named. Board nominees **Harry O'Connor**, a radio-program syndicator who handles **President Reagan's** weekly address, and **Charles Lichenstein**, a Heritage Foundation fellow, await Senate approval. Ledwig says the biggest issues facing public TV are funding, must-carry and replacement of PBS's satellite by 1991, which could cost between $100 million and $200 million. CPB's coffer had been slimmer than usual in recent years after Reagan slashed federal funding from $172 million to $130 million after taking office. It has slowly climbed back to levels before the cuts: This year's $200 million allocation reflects a 25 percent increase over '86, while a meager 6.5 percent increase is expected for '88.

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OCTOBER 7-11: Pay equity, the First Amendment and declining membership top the list of issues facing members of **Women in Communications** at the group's national conference at the Hyatt Regency in Minneapolis. WIC president **Juliann Kaiser** says that as more women enter jobs in the communications business (60 percent of journalism graduates are women), salaries across the board are declining and the public-relations field is hardest hit. WIC membership—down to 8,000 from 9,000 last year—has been considering a name change to avoid the perception that it is concerned with only issues that affect women. Kaiser believes membership dropoff reflects the massive industry layoffs of the last two years. Journalist **Liz Carpenter** and Gannett New Media president **Nancy Woodhull** are featured speakers. ●

CALENDAR

Sept. 20-24: Southern Educational Communications Assn. conference. Hyatt Regency Hotel, Baltimore. Contact: Jeanette Cauthen, (803) 799-5517.

Sept. 20-24: National Assn. of Telecommunications Officers and Advisors annual conference. Pfister Hotel, Milwaukee, Wisc. Contact: Catherine Rice, (202) 626-3250.

Sept. 21-23: Great Lakes Cable Expo. Indiana Convention Center, Indianapolis. Contact: Charles Hiltunen, (317) 634-9393.

Sept. 28-Oct. 2: Video Expo New York, sponsored by Knowledge Industry Publications. Jacob Javits Convention Center. Contact: Barbara Dales, (914) 328-9157.

Sept. 30: International Radio and Television Society newsmaker luncheon with FCC chairman Dennis Patrick. Waldorf-Astoria Hotel, NYC. Contact: Marilyn Ellis, (212) 867-6650.

Oct. 4-8: HDTV '87 Colloquium, international conference on advanced television systems. Ottawa Congress Center, Ontario. Contact: Marg Coll, (613) 224-1741.

Oct. 5-8: Nebraska Videodisk Symposium, sponsored by Nebraska ETV Network/Univ. of Nebraska-Lincoln. UN campus, Lincoln. Contact: Tausha Schupbach, (402) 472-3611.

Oct. 6-8: Atlantic Cable Show. Atlantic City Convention Hall. Contact: Jan Sharkey, (609) 848-1000.

Oct. 9-11: Radio Sales Univ., radio sales training sponsored by Radio Advertising Bureau. Hyatt O'Hare Hotel, Chicago. Contact: Joann Nimetz, (212) 254-4800.

Oct. 13-16: Intelevent '87 international conference for telecommunications professionals. Hotel Intercontinental, Geneva, Switzerland. Contact: Marianne Berrigan, (202) 857-4612.

Oct. 13-17: National Broadcast Assn. for Community Affairs annual convention. Omni Union Station, St. Louis. Contact: Charlotte Ottley, (314) 444-3336

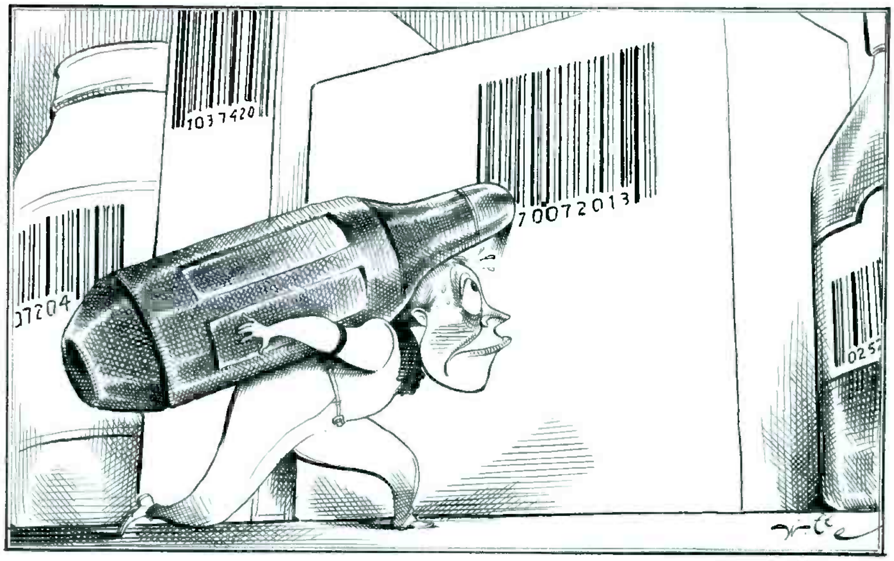
Oct. 14-16: "International Celebration of Satellites in Space" conference sponsored by Society of Satellite Professionals. Mayflower Hotel, Washington, D.C. Contact: Brian Bigalke, (301) 340-2100.

Oct. 16-20: MIPCOM international film and program market for TV, video, cable and satellite. Palais des Festivals, Cannes, France. Contact: Barney Bernhard, (212) 967-7600.

And Now, BuyerGraphics

By Steve Behrens

Arbitron—and now Nielsen too—want to count the Drano-buying viewers.



MICHAEL WITTE

Arbitron isn't saying when it'll try to sell technology's next wave of national TV ratings. Its national ScanAmerica service, now being "reevaluated," had been scheduled to roll out a year from now. But during this crazed season of the people meters, 1988 doesn't seem ideal for further innovation in audience numbers. ScanAmerica's new kind of ratings would take some getting used to. While people meters promise to sharpen the figures on viewer demographics, ScanAmerica threatens to make demos practically obsolete.

After all, viewers' and purchasers' age and sex data, as well as their psychographics, are just indirect ways of connecting viewers with products they might buy. But this new breed of ratings—Arbitron calls them BuyerGraphics—gets right to the point.

Coffee advertisers will be perked up to know that *Who's the Boss?* outrated *Moonlighting* 15.7 to 11.3 last fall among Denver's adult female coffee drinkers, according to ScanAmerica, which is now operational in the mile-high city. Among women who had bought Folgers coffee in particular, *Who's the Boss?* did even better (a 25.3 rating). And at a lower cost per thousand than *Moonlighting*, besides.

But ScanAmerica's national service may not start till long after fall 1988, if ever. Amid the furor over Nielsen's and AGB's people meters, few yearn to subscribe to a third, unfamiliar national ratings service. And Arbitron faces a lonely struggle to establish ScanAmerica, ever since Time Inc. pulled its SAMI/Burke subsidiary out of partnership in the service this June.

Still, there's great appeal in "single-source" services such as ScanAmerica, which collect buyer and viewer data from a single sampling of humanity. Theoretically, that's more respectable than getting buyer data from one survey and viewer data from another. And for busy ad people, finding all that data in one book could be heaven-sent.

None other than the Nielsen research conglomerate testifies to the appeal of single source. It's developing a single-source co-venture with the market research firm NPD, with plans for TV meters (though not *people* meters, like ScanAmerica's) in a national sample of 15,000 homes by mid-1988. Like ScanAmerica, it will collect buyer data from viewer homes—electronically scanned from price codes on packaged goods. Unlike ScanAmerica, however, NPD/Nielsen won't be churning out TV ratings, says Paul Schmitt, v.p. of Nielsen Marketing Research. Nielsen doesn't want to run two national ratings services. But if the single-source data proves valid over the long run, Schmitt says, Nielsen may someday meld the buying data with its TV ratings.

For now, Schmitt says, isolating the single-source sample will allay fears that it might contaminate Nielsen's national TV ratings. Critics say families in a single-source sample are asked to do too much—fill out diaries, push people-meter buttons and drag the scanner over price codes on all their groceries. "The more things you ask a person to do, the less likely they are to do a good job," says NBC v.p. Gerald Jaffe. And participants who *don't* wear out might be accused of skewing the sample toward some radically dutiful segment of society.

Not everyone is dazzled by the high-tech scanners. "Just because technology can do it, we don't necessarily need it," says Alice Sylvester of J. Walter Thompson. Single-source research could bury researchers with tons of questionable data. Though the samples are fairly large, they aren't always big enough to give a meaningful projection of brand purchasers who watch a program, Sylvester says.

And even if the numbers prove meaningful, they may be less than useful. "We could have the Dog Food Pod," Sylvester speculates. "The networks decide this certain inventory does well with people who have dogs. But there's so much competition to get into the pod, it would drive the price up and blow the cost-efficiency!"

Anyhow, the networks aren't likely to start inventing shows for Drano users, or selling time on that basis. One reason, says NBC's George Hooper, is that single-source product data will be available only as monthly or quarterly averages. It couldn't be used in figuring audience guarantees. And if a project as ambitious as ScanAmerica is to become a merely supplementary service, Arbitron is sure to wonder whether starting up is worth the trouble. ●

KYW's Consultant Coup

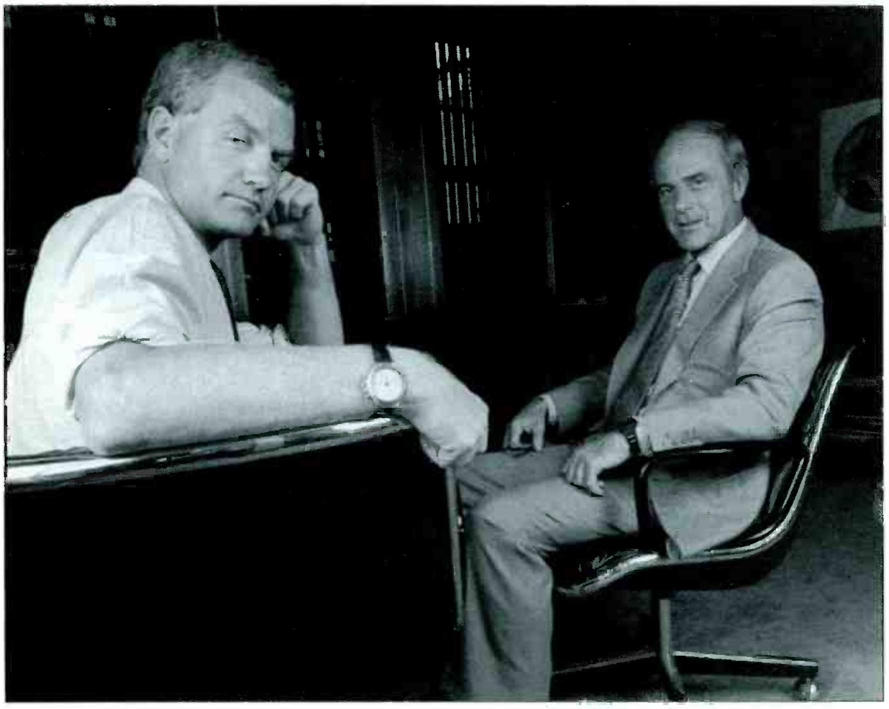
by Jamie Malanowski

Group W got help from a surprising source—the packagers of Kennedy and Glenn.

Around Philadelphia, it was known as "The Killing Field," a station that hired and fired with such abandon that anchors rarely lasted longer than a couple of Nielsen books. For most of the past decade KYW-TV was the classic market loser, so faint in the ratings that its evening news broadcasts sometimes failed to meet the minimum audience requirements for national ad buyers. Aside from its general stigma of failure, the only remarkable thing about the NBC affiliate was that it was owned by Westinghouse's Group W, an otherwise distinguished broadcast group whose top-rated outlets in Boston (WBZ-TV) and Baltimore (WJZ-TV) were as outstanding as KYW was abysmal.

Group W's embarrassment over KYW began to recede about two years ago, however, when the station revived after stabilizing its news operation, ending a chain reaction of firings and defections that followed the departures of popular anchors Jessica Savitch, Vince

Leonard and Mort Crim in the late 1970s. Under general manager Jim Thompson and news director Randy Covington, who came from Boston's WBZ in 1984, the station has climbed to number two in both news and sign-on-to-sign-off ratings. It still trails market powerhouse, Capital Cities/ ABC's WPVI-TV, by a wide margin. To some extent KYW's recent success is due to the decline of WCAU-TV, the CBS owned-and-operated station that was hurt last fall after a promotional campaign pitting it against WPVI backfired.



Adman Scott Miller (left) and political guru David Sawyer helped KYW-TV bounce back.

ROBIN HOLLAND

Still, KYW's return is widely regarded as one of the most dramatic station turnarounds in years, lending new credibility to an old broadcasting maxim: In television, failure never has to be permanent. Low ratings and a mediocre station image are really just long-range opportunities posing as temporary defeat. Indeed, having reached rock bottom and exhausted all conventional remedies, KYW was forced to innovate and overhaul its image from within, opening up an entirely new way of viewing itself and its market.

Certainly the most unusual element in KYW's recovery was Group W's decision to hire a team of consultants who had never worked a day in television news. They are the Sawyer-Miller Group, a New York political consulting firm formed in 1984 by David Sawyer, a prominent media adviser and personal guru to national Democrats, and by Scott Miller, a former creative director at the McCann-Erickson advertising agency. Sawyer-Miller's client roster included such household names as Senators Edward Kennedy and John Glenn, Phillipine President Corazon Aquino and such corporate accounts as Coca-Cola and Chase Manhattan Bank. The firm was introduced to KYW in 1985 by Larry Fraiberg, then president of the Group W stations. Its political approach and experience with polling seemed to be exactly what the station needed.

From the start, Sawyer-Miller was not asked to advise about news content per se. Covington had already decided to steer the news broadcasts toward more consumer reporting and service features, rededicating the station to Group W's strong tradition of community involvement. To Sawyer-Miller, this was analogous to a political candidate's views on the issues, and their job was to sell this identity to an audience long accustomed to regarding KYW as the laughingstock of Philadelphia.

"We approached this exactly like an election," says Mandy Grunwald, the executive producer of Sawyer-Miller's commercials, who worked on the KYW account. "There were three candidates in Philadelphia: WPVI, the popular incumbent; WCAU, a candidate with a strong image; and then the candidate with the negative image—us. We began looking for available voters, ones who watched KYW once a week. If we could find out why they watched occasionally, we could get them all the time."

Early research indicated that the only opportunity for growth was the upscale baby-boomer audience delivered by NBC's strong schedule. Initially, Sawyer-Miller thought younger viewers could be won over by the obvious techniques—promos with a rock score and so on. But use of focus groups tipped them toward an important finding.

While the station's natural constituency was young audiences, these viewers placed almost as much importance on family and community values as did older viewers. Yet these viewers also tended to be busy during the news hours, preparing dinner or helping their kids with homework, and their interest was aroused only when a story seemed to have direct impact on their lives.

"We learned that viewers don't separate hard and soft news the way journalists do," says Miller. "For viewers, hard news is what's relevant to them. Arms control is relevant if something is happening. Talks that are dragging are not. The car wrecks and murders that are the staples of local news aren't that relevant either. Viewers will watch, but they're ashamed, and they resent the people who put it on the air. But a fire is hard news if you can say 'A man died because he didn't have a smoke alarm, and here's where you can get them.' "

A strong service element had been Covington's plan all along, but now there was a context for it. KYW adopted the slogan "We're There For You," and Covington's reporters were encouraged always to go the extra mile to make stories relevant—even cultural pieces, which give curtain times and ticket prices. Covington added new features called "Your Health" and "Your Money," and bought satellite vans and a helicopter to improve coverage.

Sawyer-Miller's on-air promotionals began with the anchors. "Anchors are just like politicians," says Miller. "If there are no divisive issues in a campaign, voters choose the candidate who makes them feel comfortable."

KYW's research showed, however, that viewers either disliked or didn't know the station's anchors. Diane Allen, KYW's co-anchor at 6 and 11 P.M., was perceived as an aloof Main Line resident who always wore pearls. In fact, Allen lives in the southern New Jersey suburbs with her family, so Grunwald produced a spot showing her playing in the backyard with her children. Later Allen is shown on a city stoop, talking with a mother and fussing over her baby. "This is the Diane Allen you don't see," the sound track began.

Additional ads by Sawyer-Miller and KYW creative services director Brian O'Neill drove home the same theme. A number of KYW's reporters are Delaware Valley natives, and their local roots were played up in a spot titled "We're Your Hometown Team."

'We learned that viewers don't separate hard and soft news the way journalists do. Hard news is what's relevant to them.'

"It was remarkable to go to focus groups once the commercials started," says Joan Kiessling, KYW's research director. "You would hear people say 'Diane Allen cares about people.' They'd quote the commercials as though the ideas had just come to them that day."

KYW got a boost when Steve Bell left ABC's *Good Morning America* late last year to join KYW as Allen's co-anchor, and his arrival was carefully orchestrated by O'Neill and Sawyer-Miller. "If this wasn't handled properly," recalls Grunwald, "some viewers might think he was fired from GMA, or that this was a network guy coming to tell Philadelphia what's what." In the promos Sawyer- Miller created for Bell, the anchor earnestly told viewers, "I wouldn't trade my 20 years as a network correspondent for anything." Then he explained that he moved to Philadelphia to spend more time with his family.

The ratings sweeps this year showed the fruits of KYW's efforts. In February, two years after Covington took over, and 14 months after Sawyer-Miller was hired, KYW was second in news for the first time in eight years. The margin between second and third place is slender: in the February Nielsens, KYW led WCAU by just 1 point at 6 P.M., 8/13 to 7/12. In May, the stations were tied in a dead heat at 6/12. KYW's rehabilitated image is reflected in more than just the ratings. The station won the RTNDA award for best local coverage in the region, and ad rates for the news broadcasts are up.

Sawyer-Miller, for its part, has just picked up a new station contract—WWOR-TV in New York, which was recently acquired by MCA Broadcasting Inc., where Larry Fraiberg is now president. And the KYW experience provided other interesting lessons. Everyone involved, it seems, had his original biases confirmed. Group W ended up doing what it had always intended in the first place—restoring its vaunted community service model to Philadelphia.

And Sawyer-Miller learned that, while applications may vary from market to market, promoting local news is really not that different from packaging Kennedy or Coke.

"The American people are extremely sophisticated viewers of TV," says Miller. "Whether they're watching a cop show or the news, they can tell very quickly if it works for them. Underestimating that sophistication will get you into trouble in this business." ●

General Manager Jim Thompson (left) and news director Randy Covington stabilized KYW-TV.

The Public Eye

by Les Brown

In Fairness...And Out of It

Few broadcast regulatory issues have gotten the spotlight the Fairness Doctrine received this year, but few had ever become congressional bills and none was subject to a presidential veto before. The President's action gave the Federal Communications Commission the gumption, a few weeks later, to repeal the regulation that Congress had sought to codify.

Most editorials I've read on the subject opposed codifying the doctrine, largely, it seemed, from self-interest. Always protective of their own free-press rights, the print media still worry that the Fairness Doctrine might prove somehow contagious. Besides, many publishers have broadcast-ownership interests to protect. So the public read a lot about the controversial bill with little guidance to what it meant in practical terms.

Given the trials of his administration, President Reagan surely enjoyed the accolades of the press—and the appearance of having taken the high road—for vetoing the bill that would have elevated the doctrine from regulation to law. It also allowed him to publicly give freedom another bear hug.

> Someone might fashion a White Supremacist station, and in a certain kind of community it might do very well, commercially.

"This kind of content-based regulation by the federal government is, in my judgment, antagonistic to the freedom of expression guaranteed by the First Amendment," Reagan said in his veto message. Echoing the familiar rhetoric of Mark Fowler, former FCC chairman, who reportedly helped write it, the text said: "History has shown that the dangers of an overly timid or biased press cannot be averted through bureaucratic regulation, but only through the freedom and competition that the First Amendment sought to guarantee."

Here were two professed champions of freedom speaking in one voice, deploring government interference with content. Why then, if they so revere the First Amendment, were both silent when the Reagan-appointed Corporation for Public Broadcasting wanted to probe PBS documentaries for their political colorations? And how credible a champion is Fowler when, after years of vowing to make broadcasting as free as all other media, he ended his FCC stint by toughening the restrictions on vile language?

As WBAI-FM, the New York Pacifica station, proved in challenging that action with its annual reading from James Joyce's *Ulysses*, the new rules on language go right to the matters of content and prior restraint. They are, if anything, anti-First Amendment. One learns from experience not to trust the sincerity of those who publicly give the First Amendment a bear hug.

In his valedictory address at the broadcasters convention last spring, Fowler said he answered not only to his firm convictions but to certain other voices. "What I was hearing," he said, "was the American public out there in the bleachers—that's what guided me." Presumably the voice of the people prompted him to come down hard on obscene talk, as if young people weren't exposed to bad language everywhere else, in movies and magazines, on cable and public walls.

With the obscenity ruling, Fowler tacitly conceded that TV and radio are different from other media in that they are intrusive and carry a public trust. (If they did not carry a public trust, why would he be heeding those people in the bleachers?) But this crucial difference about broadcasting is what he and the President refused to recognize in denouncing the Fairness Doctrine.

Imagine how American TV and radio may develop now without the doctrine. Someone might fashion a White Supremacist station, and in a certain community it might do well commercially. That would surely cause someone else to counter with a Militant Black station. In time the marketplace might support also a neo-Nazi station, a pro-Soviet station, a pro-nuke station, an anti-nuke station and everything else in the political and hate-mongering spectrums. No contrasting views on any of them.

Some First Amendment absolutists might applaud such a development—a real marketplace of ideas, such as exists in print. But would this really serve the First Amendment ideals of robust, wide-open debate and the public's right to know? Anyone who understands broadcasting knows it would not. Ideological stations would serve only to separate people and polarize society.

When radio stations were allowed to specialize, in the late '60s, each freed from a previous obligation to serve all elements of the public, the effect was to segregate listeners. Older people, young people, blacks and rednecks all are served by different stations. While this has worked very well from a marketing standpoint, it hasn't helped to broaden one group's understanding of another. Change music to ideology, and it becomes clear that, in broadcasting, First Amendment values are far better served with the Fairness Doctrine than without it. ●

The Business Side

by Merrill Brown

Syndication's Brave New World

The new season brings with it a new batch of television programming looking for that elusive aftermarket and the riches of syndication. But like all facets of programming, syndication—with its hype and hoopla, and the almost overnight fortunes it can yield—is going through a period of retrenching and rethinking.

On the one hand, the success of the King brothers and their remarkable dominance of the first-run marketplace, tying up key time spots on stations across the country for years to come, suggests the arrival of a new order. Their success with *Oprah Winfrey*, *Wheel of Fortune* and *Jeopardy*, and their aggressiveness in locking up long-term contracts with major-market broadcasters, is revolutionary in a business that had operated on a year-to-year basis.

On the other hand, it has reinforced the positions of companies like Coca-Cola's Columbia/Embassy Television, with its stock of proven off-network hits. According to Barry Thurston, president of Columbia/Embassy's syndication arm, the pricey appeal of *Who's the Boss?* and a host of other sitcoms coming from his company is evidence of the strength of half-hour comedies.

> 'Prices get out of hand only when the judgment is made that any half hour should command the same price as *Cosby* and *Boss*.'

And at a time when demographics, and not simply high ratings, are everything, comedies—which skew toward audiences younger and more attractive to advertisers—are becoming a staple not just of traditional, comedy-buying independents, but also of network affiliates, desperate to challenge the talk and game show boomlet.

While there are vastly divergent views about whether *Boss* and Viacom's *Cosby* will succeed at the sky-high prices stations paid for them, Thurston says that the value of syndicated fare can't be surmised just by the ratings individual shows yield, but must also be judged by what they can do for a station's overall positioning in a market. "Prices get out of hand only when the judgment is made that any half hour should command the same price as *Cosby* and *Boss*," Thurston says.

Caught between the success of King World, whose revenues will rise by more than ten times in four years, to an estimated $340 million in fiscal 1988, and the steadier performance of Coke's syndication arm, there are a lot of syndicators facing problems. For many of these companies, a business that had relatively stable selling patterns, marketing plans and financing and acquisition strategies has been revolutionized by such small, aggressive companies as King World, and such larger, cash-rich players as Coca-Cola. "Stations and syndicators are working harder than they had to in a long, long time," says Thurston. Year-to-year selling has been replaced by risky, longer deals, and stations are being cornered by a new-boy network of sellers, breaking down what had been a comfortable syndicator-station buddy system.

And it's a rough-and-tumble game, with nobody really making any rules and players essentially allowed to bully buyers through aggressive and sometimes somewhat misleading advertising, often running roughshod over more placid, traditional organizations. Increasingly, leading syndication executives worry about operating in a world that seems devoid of trade practices, with no one regulating, monitoring the game or even adequately keeping score. Many syndication executives openly lament the problems they face when others tout clearance deals that haven't been signed, a means of pressuring smaller stations to follow supposedly wiser major-market stations.

This summer has seen, moreover, the onslaught of a whole new ratings game brought on by people meters. The meters, which will ultimately provide better numbers than ever, have for now only given buyers and sellers a new battery of statistics, which they ram down each other's throats, further muddling a confused marketplace.

Some station executives, like Roger Ogden at Denver's KCNC, aren't paying much attention. Ogden and others are sticking close to home, programming as much news as possible. In fact, virtually the only programming Ogden has in hand is old, inexpensively purchased episodes of Worldvision's *Love Boat*. KCNC's response to syndication cacophony is basically to ignore it all.

For local stations, that's an oppportunity posed by high prices and the hard sell. But in between the success of the new—King World—and the old—Columbia/Embassy—there should be some niches left over. The barter field has consolidated like mad to counter its tough times of recent years, and barter's fortunes have brightened markedly. Meanwhile, program producers and syndicators are facing their own dangers, ones that joint ventures won't necessarily solve. Looking ahead to a diffused network television future that's going to make it harder than ever to build the long-term success that yields syndication value, it's probably time for companies and trade groups to reexamine the ways the syndication game is played. ●

Gillett taking a call at his mountain retreat in Vail.

George Gillett's Private World

Until a few months ago, the Gillett Group was virtually unknown in television, but now it's practically unavoidable. Founder Gillett has snapped up twelve stations in the last year alone. *by Rinker Buck*

Don't ever make the mistake of calling George Gillett Jr. at seven in the morning, hoping to catch him for a few moments before he begins one of his 18-hour days.

Wherever you happen to find him across the country—Gillett maintains homes in Vail, Colo.; Pebble Beach, Ca.; and Nashville, Tenn.—chances are that he's already been up for an hour, reading, fixing a breakfast of bran flakes and herb tea, poring through yesterday's massive delivery from Federal Express before he mounts the exercise bicycle in his basement office and switches on the speaker-phone, and then he's in the mood to *talk*. His conversation is punctuated by frequent personal asides—quaint Dale Carnegie-style homilies freely ranging across his favorite themes: the importance of family and community, personal initiative and drive, but mostly the fine art of building a fortune while appearing to be doing nothing serious at all.

One recent summer morning in Vail, for instance, Gillett was in the middle of explaining the intricate finances of his biggest broadcasting deal yet, the $1.3 billion purchase of the six-station Storer group, which Gillett will jointly own with the Wall Street leveraged buyout firm of Kohlberg Kravis Roberts & Co. When it is completed this fall, the acquisition will

HARRY STAVER


BARRY STAVER

Open for business: Gillett (far right) in the kitchen of his Vail home one recent Sunday morning discussing media investments with three Denver executives.

make the Gillett Group the largest operator of affiliate stations after the networks, with coverage of about 13 percent of the national television audience. But then, typically, Gillett paused and interrupted himself.

"Hey, are you having fun? I mean, what are you going to do with your life? Me? I've solved that problem. I can't always tell you what I'm doing next week, but tomorrow afternoon, 12:30, I'll be out on the links with Gerry Ford."

A tireless, inventive deal-maker, Gillett is open for business literally 24 hours a day. But perhaps his greatest gift is talk. Over the past decade he has parlayed an inspirational management style and a vast network of contacts in banking and business circles into one of the country's most successful private companies, which, among other holdings, now owns a large meat-packing plant, the Vail and Beaver Creek ski resorts in Colorado and 17 local television stations held by Gillett and his children. The Gillett Group generated $90 million in operating profits last year on net revenues of $670 million. This year, with the Storer acquisition thrown in, Gillett's various properties will generate revenues of $1 billion. That's an astounding record of growth for a private company leveraged almost entirely on borrowed money, and one that began life just 12 years ago with the relatively humble stake of $3 million from the sale of Gillett's share in the Harlem Globetrotters.

Now, at 47, Gillett is settling down, establishing a new direction for his burgeoning broadcast group. Except for the possibility of trading up to larger markets, he is shifting his focus away from acquisitions to concentrate more heavily on operating the empire he has amassed. Over the past several months he's been busy scouring the country for talent to man his stations and corporate staff, bidding for programming and encouraging his far-flung news operations to pool their resources to improve coverage of regional and national stories (there's even talk of forging the Gillett stations into a national news service). Gillett insists that he's in television to stay, and he intends to become a major force in the industry.

Although he had briefly owned radio outlets and small-market UHF television stations before, Gillett was practically unknown when he began to invest seriously in broadcasting six years ago. Like many other investors drawn to the industry during the freewheeling, deregulatory environment fostered by the Reagan-era FCC, Gillett found the field too attractive to resist.

"The characteristics of television are so attractive to an entrepreneur that it's a business you've just *got* to be in," says Gillett. "It's non-capital and non-labor intensive, and it has an inherent consumer franchise. Television responds well to promotion, and it's highly liquid. If you're someone who enters the game with virtually no money and you want to build something of value, there's no better business in America."

To broadcasters and other investors who have come up against him—both NBC and Group W were interested in the Storer stations last fall—Gillett's dealmaking prowess is particularly enviable. Because he's private, Gillett can act quickly and bid sky-high, avoiding the inconvenience of justifying decisions to shareholders and directors. And Gillett often gains an edge by sweetening his deals with generous tax-deferral and accounting provisions that sellers find irresistible.

"Too many mergers-and-acquisition types arrive at a deal wondering whether it's a good 'fit' for the buyer," he says. "I've spent a lifetime accommodating the needs of the seller."

On the finance side, Gillett's deals have become increasingly sophisticated and complex, creating new models for station acquisition. Gillett started in 1981 by snapping up Nashville's NBC affiliate, WSMV-TV, in exchange for $42 million in notes. Over the next three years he used traditional bank loans and cash flow from his other properties to buy solid but hardly spectacular affiliates in smaller markets, including ones in Rochester, N.Y.; Grand Rapids, Mich.; and Eau Claire, Wisc.

Then, in 1986, Gillett teamed up with junk-bond king Michael Milken of Drexel Burnham Lambert, raising over $650 million with two series of notes placed through Drexel's vaunted distribution network. Flush with capital from Drexel and other financing, Gillett went on an acquisition binge, picking up 12 stations in as many months as he mopped up in the wake of several liquidations and mergers sweeping through the industry. His recent acquisitions include Baltimore's NBC affiliate, WMAR-TV, and Richmond, Va., independent WRLH-TV, which were sold after the Times Mirror Co. bought out the Sun newspaper group last spring; two California NBC affiliates and an independent in Oklahoma City spun off from John Blair & Co. last fall by corporate raider Saul Steinberg; and Gaylord Broadcasting's former CBS affiliate in Tampa, WTVT. The Storer stations—which Gillett had been pursuing for five years, and finally secured after Lorimar-Telepictures backed out of an earlier purchase agreement last November—will give him a presence in such other major markets as Atlanta, Detroit and San Diego.

To many observers, however, Gillett's acquisitive march has left behind uncomfortable overtones. In particular, one transaction that Gillett announced this spring touched off brief criticism in Congress. Gillett purchased his Tampa station from Gaylord in partnership with his former communications attorney, Clarence McKee, who is black. As a result, Gaylord will receive valuable tax-deferral certificates under FCC rules encouraging the sale of stations to minorities, even though McKee put no equity into the deal, and can cash out for $1 million and turn the station completely back to Gillett after two years. Nevertheless, the FCC approved the station transfer in June. By Gillett's own estimate, the arrangement shaved about $135 million off the station's purchase price, roughly the value of the tax benefits to Gaylord.

> 'The characteristics of television are so attractive to an entrepreneur,' says Gillett, 'that it's a business you've just *got* to be in.'

This fall, in order to comply with FCC rules limiting a single owner to 12 stations, Gillett plans to spin off five of his smaller stations into a separate group that will be held in trust for his four children. The trust will be operated independently of the other Gillett stations by Lawrence Busse, the former president of the Gillett Group's broadcasting division—an arrangement that Gillett calls "prudent estate planning" despite its appearance of skirting the FCC's 12-station rule. Gillett will receive no earnings or other monies from the stations spun off to his children. He worked closely with FCC attorneys before filing transfer applications, and the deal was expected to win approval in August.

These transactions only seem to have added to the Gillett mystique. Part of that mystique stems from Gillett's evident abilities as a station operator. By investing heavily in news operations and quickly improving advertising sales, Gillett stations usually climb to one or two in their markets. A great deal of Gillett's appeal also derives from his bold vision of where he's going, and his immense appetite for risk. That is certainly ironic, considering his origins in a small Midwestern city where, by all accounts, everything possible was done to ensure that young George would avoid the kind of dice roll that his life has become.

Gillett was raised in Racine, Wisc., the son of a prominent surgeon. His later ambition seems to have been the product of a classic contradiction between his own and his parents' expectations. His father (George Gillett Sr., 77) rose before dawn and worked hard all day, drilling into his son the Calvinist values of discipline and community service, and Gillett deeply reveres him today. Gillett's mother, Alyce Herbert, was the daughter of a spectacularly successful Milwaukee investor who was ruined in

THE GILLETT GROUP (S)

Over the past decade George Gillett has bought some 20 television stations—12 in the last year alone.. His present holdings include the five stations directly owned by Gillett Holdings, Inc.; the six former Storer stations now jointly owned with Kohlberg Kravis Roberts & Co.; and the five stations of Busse Broadcast Communications, a separate trust for his children. Gillett's Tampa station is jointly owned with former Washington attorney Clarence McKee.

STATION	CITY	HOUSEHOLD REACH*	RANK**
GILLETT HOLDINGS, INC.			
WSMV (NBC)	Nashville	685,200	1
WOKR (ABC)	Rochester, N.Y.	351,040	2
WMAR (NBC)	Baltimore	887,400	1
KSBW (NBC)	Salinas-Monterey	198,300	1
KSBY (NBC)	San Luis Obispo-Santa Barbara, Ca.	192,100	1
SCI TELEVISION INC. (STORER)			
WJBK (CBS)	Detroit	1,684,300	3
WJW (CBS)	Cleveland	1,413,400	2
WAGA (CBS)	Atlanta	1,224,400	2
KCST (NBC)	San Diego	787,000	3
WITI (CBS)	Milwaukee	699,500	2
WSBK (Ind.)	Boston	2,037,700	4
BUSSE BROADCAST COMMUNICATIONS			
WEAU (NBC)	Eau Claire, Wisc.	155,140	1
WWMT (CBS)	Kalamazoo-Grand Rapids,Mi.	586,300	2
KOLN-KGIN (CBS)	Lincoln-Hastings, Neb.	256,600	1
WRLH (Ind.)	Richmond, Va.	613,500	4
KOKH (Ind.)	Oklahoma City	451,900	4
Outside			
WTVT (CBS)	Tampa	1,090,400	1

*May, 1987 figures ** sign-on to sign-off ratings the stock market crash of 1929.

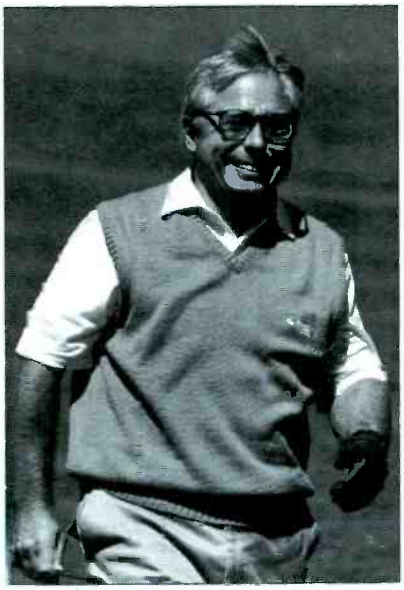
She was forced to leave college and work to support the family, and her memories of that experience caused her to worry constantly about her own children's security. By the time she died in 1980, Gillett was a millionaire many times over. Yet she still had difficulty appreciating her son's evident success, probably because he'd chosen a career path perilously similar to that of her father. Gillett's eyes still well up with tears when he talks about her.

"Until Mom died, she would send me clippings from the Racine *Journal Times*. A classmate of mine had just been named vice president of a bank in town. And she'd put a little note in saying, 'Now, here's someone who's really successful.' It's sad. A very large part of my drive today is to say, 'Mom, I'm trying.' "

After high school, Gillett was sent off to Amherst College in Massachusetts, where he distinguished himself in every respect except academically. Scrupulously avoiding his courses, he mastered tournament bridge and chased the Smith and Mount Holyoke women until, in the middle of his senior year, a disgusted George Gillett Sr. called him home. Gillett finished up at Dominican College in Racine, supporting himself with a night job as a quality inspector on the American Motors line in Kenosha. He spent the next six years working in sales for Crown Zellerbach and as a management consultant with McKinsey & Co., formulating the basic principles that would guide the next phase of his career.

In 1966, anxious for a business of his own, Gillett invested in the Miami Dolphins and became the team's business manager. In 1968, with two partners, he bought the Harlem Globetrotters from founder Abe Saperstein.

The Globetrotters were a unique institution—part sports team, part entertainment troupe—and promoting them gave Gillett his first important lesson in television. By the late 1960s, attendance at the Globetrotters' road shows had begun to fall off, and Gillett decided that he had to create a new market for the team among younger audiences. One day he was driving through the Hollywood canyons with a young CBS programming executive named Fred Silverman, who was interested in developing a show around the Globetrotters. They decided to create a cartoon show, using the Globetrotters' players as the basis for animated characters. Hanna-Barbera produced the show, and when *The Harlem Globetrotters* appeared on CBS's Saturday morning schedule in 1970, it was an immediate hit—ranked number one for all children's programming that season. The Globetrotters' audiences began pouring back into the arenas.



QUOTATIONS FROM CHAIRMAN GILLETT

His associates at the Gillett Group sometimes call him the "Oracle of Vail." Others refer to him simply as "Chairman George." Wherever he goes, George Gillett Jr. is a font of witticisms and reflections on business and life, many of which he learned from his father.

"Don't own the most. Own the best."

•

"What you are is God's gift to you; what you do with it is your gift to God."

•

"The most important thing in business is people, not running the numbers."

•

"Positioning is key. Every market has an unexploited niche."

•

"If you run a business solely for profit, you will ultimately fail. If you run a business dedicated to quality, you can almost always find a way to succeed."

Television, Gillett realized, was an immensely persuasive medium, but it played in several directions at once. The Globetrotters had used CBS to promote themselves, CBS had used them to enhance its Saturday children's schedule and advertisers had used the show to sell a lot of sneakers and pop.

"The Globetrotters and other experiences taught me that there's no business where you serve only one constituency," says Gillett. "You have to understand all your constituents."

In 1975, Gillett sold out his stake in the Globetrotters for $3 million, and began looking at other businesses, scavenging the economic landscape for troubled companies that could be quickly turned around, and gradually earning a reputation as a promising entrepreneur. Two years later, at a cocktail party in Wausau, Wisc., Gillett met an earnest, disciplined young executive named Ed Karrels. At 30, Karrels was already the chief financial officer of the Wausau Paper Mills Co., but he had grown tired of the quarter-to-quarter mentality of a public company and often dreamed of teaming up with a private, opportunistic investor like Gillett. Although opposites in many respects, the two immediately hit it off. Karrels—now president of the Gillett Group—became the first of several bright, intensely loyal executives drawn into the Gillett fold.

BARRY STAVER

Gillett and Karrels set up shop in a nondescript suite above a bank in Wausau, their offices separated by an antique sliding door. Karrels was astounded by Gillett's work habits. In an office cluttered with fishing paraphernalia and baseball mitts, Gillett never seemed to do anything but talk on the phone.

"George is the most unstructured person I have ever met," say Karrels. "He can't tell you whether we're going to be eating in Miami or Nashville tonight, because the plane hasn't landed yet. I'm quite different, very detail oriented and structured. That's the balance, and it works."

Their first deal was a string of three UHF television stations in small markets (Sioux Falls, S.D.; Erie, Pa.; and Bakersfield, Ca.), which Gillett bought in 1978 for $6 million. "Neither of us really knew much about broadcasting then, and we made a lot of mistakes," says Karrels. "But the experience taught us that we had to be prepared to spend a great deal of money to get into this business seriously. And those little U's established the core values of this company—the importance of quality, strong local managers and a disciplined, coordinated approach to sales and promotion." In 1984, as Gillett prepared for his run on larger markets, the three stations were sold for $16 million.

Gillett's most dramatic company turnaround began in 1978, when he took over a failing beef plant in Green Bay, Wisc., the Packerland Packing Co. At the time, the beef industry was mired in recession, the victim of overproduction and the changing American diet. But after intensively researching the industry, Gillett shifted the focus of the company toward production of lean, low-cholesterol beef, eventually becoming the first company to win Food and Drug Administration approval for "light" beef classification. Packerland's sales soared, impressing both the competition and the bankers, and providing Gillett with a steady source of cash for acquisitions elsewhere.

Says Gillett, "I made a $240,000 cash investment in Packerland when we went in there 1978, and we must have taken well over $100 million cash out since then."

One spring morning in 1981, Karrels was sitting is his office in Wausau when Gillett ripped a small article out of the *Wall Street Journal* and sent it sailing through the sliding door. "Hey, Ed, take a look at this." The article described the bidding then under way for Nashville's top-rated affiliate, WSMV-TV, which was being sold by its original owner, the National Life Insurance Co. They immediately contacted National Life's investment bankers in New York and flew down to Nashville two days later.

Gillett and Karrels arrived late in the game, after more than 30 other investors were circling the deal. But Gillett was one of the few bidders willing to meet a firm

'George is the most unstructured person I have ever met. He can't tell you where we're eating tonight because the plane hasn't landed yet.'

condition laid down by National Life: It wanted the buyer to move to Nashville and operate the station locally. Gillett's personal magnetism and "seller's approach" quickly clinched the deal. "Everybody else down there was talking a cash deal, never realizing that the last thing an insurance company needs is cash," recalls Gillett. He convinced National Life that it would actually realize a higher rate of return and save on taxes by simply giving him the station, in exchange for $42 million in notes, backed by letters of credit, that would not pay principal for five years.

It was an outstanding deal for Gillett. But to many Wall Street analysts, unaware of the huge run-up in station values that was about to transform the industry, the purchase price seemed wildly excessive. (Gillett paid a multiple of 21 times earnings.) Today, with the station valued at well over $180 million, Gillett has enjoyed the last laugh.

"These Wall Street analysts, who can't even figure out how to run their *own* businesses, aren't going to tell me how much to pay for a station," says Gillett. "Karl Eller [of Combined Communications] told me once, 'George, every station I ever bought, people told me the price was crazy. Two years later they call me back and tell me I'd stolen it.' "

Gillett and Karrels moved their families down to Nashville four months later and WSMV became a kind of working laboratory for their nascent strategy in broadcasting. Gillett's decision to retain two key executives—general manager Mike Kettenring and news director Bob Selwyn—was instrumental in the station's success. Kettenring, a taciturn, research-driven former news director, was initially skeptical about Gillett, but agreed to stay on after exacting promises that Gillett would not milk the station dry. Selwyn had an unusual background, a combative career record that included stints as a Colorado ski bum and a social worker in North Carolina before he entered broadcasting at the age of 32.

"I'll never forget that first week George showed up at SMV," says Selwyn, now the president of Gillett Broadcasting Services, the corporate arm that runs the stations. "He marched in there in his hiking boots and khaki pants, the antithesis of the white-haired gentlemen who ran the station before. Within a month, however, he knew more about the station than we did. But his real genius is people. You don't see a lot of Harvard M.B.A.'s and journalism majors around here. Probably because George's own background is unusual, he has this amazing tolerance for people who arrived at their jobs by unpredictable routes. Then he confronts them with his energy and values and literally compels them to overachieve."

WSMV's most pressing problem was that it was not being sold very well. Kettenring and Gillett quickly remedied this by the saturation research and "close-to-customer" sales approach for which the group is becoming known. A new sales manager was hired, the rate cards revised and salesmen dispatched across their regions to make detailed presentations to advertisers, later following up with buying programs tailored to each company's needs. The station's promotions were overhauled to improve audience demographics (See "WSMV's Damage Control," May 1987), and the results were soon apparent. Between 1980 and 1986, WSMV's operating cash flow increased from $2 million to $11.2 million—compound growth of 33 percent.

WSMV, however, was soon embroiled

MICHAEL BORUM

The Gillett Group team (from left): Ed Karrels, president; Dave Ramon, CFO; Bob Selwyn, broadcasting services president; and Lawrence Busse, who will direct the station trust set aside for Gillett's children.

in two controversies that have become legendary in Nashville political circles. The troubles began in 1981, when Gillett allowed himself to be drawn into a bitter personal dispute with Irby Simpkins, the publisher of the Nashville *Banner*, after the newspaper dismissed a reporter for refusing to reveal her sources for a story on a local politician charged with corruption. After WSMV broadcast a lengthy story on the reporter's dismissal, the *Banner* retaliated with a bristling editorial attacking WSMV.

Both sides then assigned investigative stories on the rival owners, dispatching their reporters on expensive, cross-country trips to delve into the backgrounds of Simpkins and Gillett. Months of digging turned up virtually nothing, but the battle exposed both men to the charge that they were using their news operations to conduct a personal feud. Say Simpkins, "We were just a couple of tough, aggressive good old boys doing what we thought we had to do."

Gillett next came to grief over a WSMV investigative series on government meat inspection. When he informed Gillett about the series, Kettenring says, "George became more emotional than normal, but I couldn't figure out why." Part of the reason was that three large supermarket chains briefly mentioned in the series did some $100 million annually in business with Packerland. Gillett was also concerned that FDA inspectors would retaliate by stepping up inspections at Packerland—which, Gillett says, in fact did occur after the series was aired. Gillett never ordered the investigation stopped, but he meddled constantly with the story. "I simply wanted to make sure that if we going to skewer an industry I was involved in, that it was a balanced piece," says Gillett.


A morning workout at Vail.

BARRY STAVER

The tension finally boiled over in the WSMV newsroom. One day, news director Selwyn noticed Gillett talking with the investigative reporter preparing the series.

"I called Gillett into my office and told him, 'George, you must never come into this newsroom again, and you must never talk to my reporters about an ongoing story.' "

The two of them glowered at each other for 30 seconds, and then Gillett politely thanked Selwyn and walked out.

These days, Gillett restricts his newsroom visits to guided tours for friends and advertisers. He's had much less time for hands-on management at the stations since 1985, when, encouraged by his wife and children, he suddenly decided to buy the huge Vail and Beaver Creek ski resorts in Colorado. Gillett now spends his summers and most of the winter in Vail, skiing the slopes all day and handing out business cards that identify him as Vail Associates' "quality control inspector." Gillett's wife, Rose, and their four sons live in Nashville during the school year, and the family frequently commutes by private jet between the various homes.

All of the managers at Gillett stations and companies will someday be independently wealthy. George is a very generous man.

The Gillett Group's operating style is casual but intense, reflecting the personal contradictions of its founder. Whether he's in Vail or traveling, Gillett remains in touch by phone, and station managers can report directly either to him or Karrels if a problem crops up. General managers are given great latitude in running their stations and decide for themselves whether or not to use the corporate staff in Nashville for help in recruitment, promotions and research. Gillett executives are paid competitive salaries and have deferred-compensation plans based on the improving value of the assets they manage. "All of the managers at Gillett stations and companies will someday be independently wealthy," says Karrels. "George is a very generous man."

"George has never once told me what to do," says Arnie Kleiner, the general manager at WMAR in Baltimore, who stayed on after Gillett bought the station last year. "He prods, he advises and we reach a consensus."

Nevertheless, the nascent Gillett Group has developed a distinct style. Gillett wants to be first in news and community service in his markets, and reporters are encouraged to compile long, investigative stories and documentaries. And Gillett has paid heavily for syndicated programming to boost his stations' ratings. In January, through Arnie Kleiner, he was introduced to Roger King of King World, and has since bought *The Oprah Winfrey Show*, *Wheel of Fortune* and *Jeopardy* for many of his stations.

Gillett began maneuvering for his biggest prize—the Storer stations—several years ago. He had known Peter Storer, the chairman of Storer Communications and one of three sons who had inherited the diversified media company from their father, since the late 1970s. In 1984, Gillett heard rumors that investors were accumulating Storer stock, and told Storer that he'd be interested in stepping in as a white knight. Then, in March of 1985, the Conniston Partners of New York bought a huge block of stock in Storer and put the company into play, eventually driving it into the hands of rival bidder Kohlberg Kravis Roberts. KKR's deal to sell the Storer TV stations to Lorimar-Telepictures, but the deal fell apart last fall as Lorimar began experiencing financial difficulties following a string of box-office failures and troubles in its syndicated television business.

Gillett was also a friend of KKR partner Henry Kravis, whom he'd met while skiing at Vail. When Kravis first began negotiating for Storer in 1985, he and Gillett had discussed the possibility of Gillett's buying 50 percent of the stations, but Gillett subsequently dropped out as the price climbed. He was in and out of the negotiations over the next year. Last winter, after the Lorimar deal collapsed, Gillett and Kravis met again at Vail and finally reached a firm deal.

The structure of the final Storer deal is unique in broadcasting, and basically gives Gillett operating authority over the stations while protecting him from much of the financial risk. A new entity, SCI Television Inc., will own the six stations. Gillett will own 51 percent, run the stations and collect a management fee, while KKR will own 49 percent. Both parties have put in $100 million in equity. The remaining $1.1 billion will be financed by $600 million in bank loans and $550 million in junk bonds and notes, most of which will pay no interest for seven years. Gillett paid about $200 million less for the six Storer stations than Lorimar originally negotiated, and will realize even further savings by sharing ownership and financing costs with KKR.

Gillett's obvious strategy is to improve the troubled Storer stations as soon as he begins operating them this fall, then refinance his debt based on their improved value. That has always worked in the past, but largely because the stations he's bought—Nashville, Rochester and Baltimore—were either relatively easy turnarounds or were already on the way back up. But he may not be that lucky in such Storer markets as Atlanta and Detroit, where he'll be competing against strong stations owned by Gannett, Post-Newsweek and Scripps Howard.

Gillett himself is nonplussed. "If I listened to the worrywarts, I never would have done Packerland or SMV or Vail. I bet you we'll catch a real wave with those Storer stations. Besides, nothing important in life comes without risks." ●

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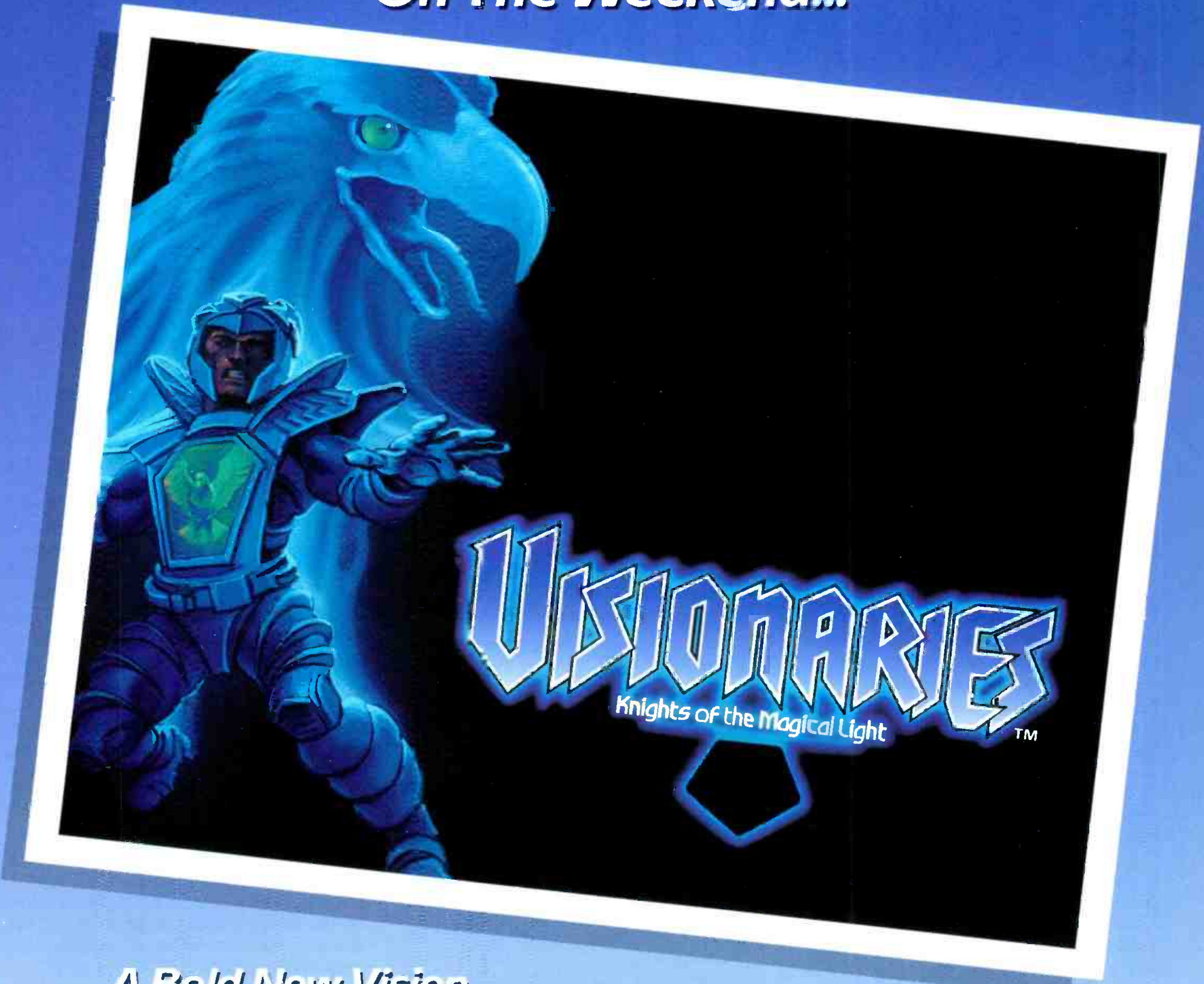

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SUNBOW PRODUCTIONS

Motown's Other Mogul

Berry Gordy started a record company but Suzanne de Passe, as head of his television and film production unit, is making more than black music.

by Joan Hopewell

She's president of a busy Hollywood production company, with works in progress for most of the major distribution outlets; her past programs have won two network Emmys; she's a member of the National Urban League board of trustees; she's been nominated for an Academy Award; and *Ms.* magazine last year named her one of their "women of the year." But when the Harvard Business School called to say it wanted to do a case study on how she runs her company, Suzanne de Passe knew she'd arrived.

Not that de Passe seriously needs that sort of affirmation at this point in her career. As president of Motown Productions, she oversees a $65 million production budget and answers only to Motown Industries chairman Berry Gordy. Still, it's nice to know that the nation's top business students will be studying your *modus operandi* for the next thirty years. As de Passe puts it, stifling a laugh, "Fascinating stuff for a college dropout."

But then Suzanne de Passe is not your average college dropout. She is, for one thing, that rarest of all entities in the show business community: a successful woman heading up a large Hollywood production company; rarer still, she is black. But in a business dominated by middle-aged white men in suits, winsome, auburn-haired, 41-year-old Suzanne de Passe has made people sit up and take notice.

In the process, she has rescued Motown Productions from Sudden Infant Death syndrome and turned it into one of the busiest independent studios around. She has also succeeded in broadening the company's horizons: "We were perceived as a black music company," de Passe says. "But we are involved in a diverse group of projects."

When Berry Gordy asked de Passe to head up his stalled start-up production venture in 1981, there was not a lot to build on. The company had surprised everyone in 1972 with its first feature film, *Lady Sings the Blues*, which earned Motown millions of dollars and five Oscar nominations—one of them for de Passe, co-author of the screenplay. There followed a couple of films with lackluster box office as well as seven TV specials, one of which, featuring the Supremes and the Temptations, pulled extremely high ratings. In 1975, Motown had a second hit, of more modest proportions—*Mahogony*. And then, nothing. Five features in a row bombed, one of them the ultra-expensive disaster *The Wiz*, which Motown developed for Universal and which lost more than $20 million. Gordy, meanwhile, had developed a reputation as hell on wheels with distributors and directors, fighting for creative control of his films. Before long, financial and artistic commitments were difficult to land.

Then, in 1981, Gordy turned to de Passe, his 34-year-old executive vice president, to head up the production arm. She had been hired in 1968, balmy days for the music industry in general and for Motown, the Detroit-based record company Gordy founded in 1959, in particular. In 1968 the Motown Sound was sweeping the nation, everywhere that is but in the theaters at which the 21-year-old de Passe was then booking talent. So when she encountered Gordy at a party one evening, she told him how difficult his executives were making it to book Motown acts. Gordy responded by hiring her as his creative assistant.

At Motown, de Passe thrived. She developed a reputation as a keen judge of talent and for knowing how to work with artists. She traveled with the Supremes and the Jackson Five; she served as executive producer on records; she discovered Lionel Richie and the Commodores and signed them to a Motown contract. And she developed a corporate style all her own.

When Gordy moved her to the presi-

ON MOTOWN'S MENU

IN PRODUCTION

- *Lonesome Dove*—8 hr. mini for CBS—$16 M.*
- *Motown on Showtime*—Six 1-hr. shows—750,000-$1 M. each
- *A Merry Motown Christmas*—1-hr. NBC special—$900,000
- *Heatwave*—Lorimar-Telepictures feature—$12 M.

IN DEVELOPMENT

- *Crime & Variations*—S. Sondheim/A. Perkins feature film
- *Beauty and the Beast*—CBS TV Movie—$2.5 M.
- *Come and Get These Memories*—CBS TV movie—$2.5 M.
- *Morganna and Me*—CBS TV movie—$2.5 M.
- *The Life of Marvin Gaye*—feature film
- *The Last Dragon* sequel—Tri-Star feature
- *Cheetah*—Lorimar-Telepictures feature
- *Nun of the Above*—network series starring Jean Stapleton
- *Fit for Life*—syndicated TV show
- *Baby Love*—half-hr. series for CBS
- *Crashpad*—half-hr. sitcom for CBS
- *Twist*—black musical version of Oliver Twist for Broadway
- *Motown Exersteps*—exercise home video
- *The Merri Dee Story*—TV movie starring Felicia Rashad
- *Small Sacrifices*—4 hr. mini for ABC
- Unnamed joint venture with Radio City Music Hall Productions for NBC
- Unnamed network series, with Disney
- Unnamed Broadway theater project, with Stevie Wonder

*All budget figures approximate

Joan Hopewell is a free-lance writer who resides in New York City.

BENNO FRIEDMAN

Learning from mistakes: Motown Productions president Suzanne de Passe in New York on the set of the ill-fated late-night talk show, *Nightlife*, which goes off the air this month.

dency of Motown Productions in 1981, he gave her a development budget of $10 million and turned her loose to gather a staff. De Passe assembled three women as her senior-management team and, referring to themselves laughingly as "The Moettes," they set out, amidst much skepticism, to build some Hollywood credibility.

Her decisiveness and her tact served her well in that quest. According to the Harvard case study, one Motown executive, witnessing de Passe debate an issue with other executives, observed: "As fast as they gave their objections, Suzanne tore their arguments apart. I was amazed by it. It was done without hostility, just naturally and painlessly. She's very clever, very quick and can make instant decisions."

After a number of false starts, the Moettes struck pay dirt, first with *Motown 25: Yesterday, Today and Forever*, a birthday salute to Gordy's creation that de Passe produced for NBC. It was among the highest-rated entertainment programs of 1983, and it brought de Passe her first Emmy as well as a Peabody Award. Two years later came *Motown Returns to the Apollo*, a three-hour NBC special in which de Passe, as the Emmy Award-winning executive producer, pulled together over a hundred recording artists to celebrate the reopening of Harlem's famed Apollo theater.

For de Passe, it was also an emotional return to her home turf. She had grown up among Harlem's elite, the only child of successful parents (her grandfather was the first black intern at Harlem Hospital; her father, a Seagram's salesman) who had summered on Martha's Vineyard and attended Manhattan's prestigious New Lincoln School. She had stood on line as a child to catch Motown acts at the Apollo, and so it was a powerful moment for her, 20 years later, driving back to Harlem in a long, black limo to orchestrate a production involving hundreds of people. "I got very choked up," she says. "It was all those years, all that sweat and sacrifice, figuring it out and working and slaving and begging and cajoling. All that stuff was worth it."

The success of the Apollo special opened new horizons to the company. "The second one said, 'It's not an accident, folks; maybe these guys really know what they're doing and they've got something going here,' " says de Passe. And so the projects began to roll in (see box). Among them was a co-venture with Disney called *Sidekicks*, which ran for 22 episodes last season on ABC but was not picked up (although a new series with Disney is in the works) and an HBO miniseries de Passe developed with Tony Perkins and Stephen Sondheim, now being reworked as a feature film. There are also home video projects, among them the now-completed adaptation of the best-selling book, *Fit For Life*.

And then there's, well, *Nightlife*, the ill-fated syndicated late-night talk show that goes off the air this month. Canceled after 195 episodes, the co-venture with King World Productions turned de Passe into, as she puts it "a bi-coastal schizophrenic." She moved to New York to oversee *Nightlife*, commuting to L.A. to run her company. But all of DePasse's careful attention couldn't alleviate the friction on the set, or the sense that "every change was like trying to turn a battleship."

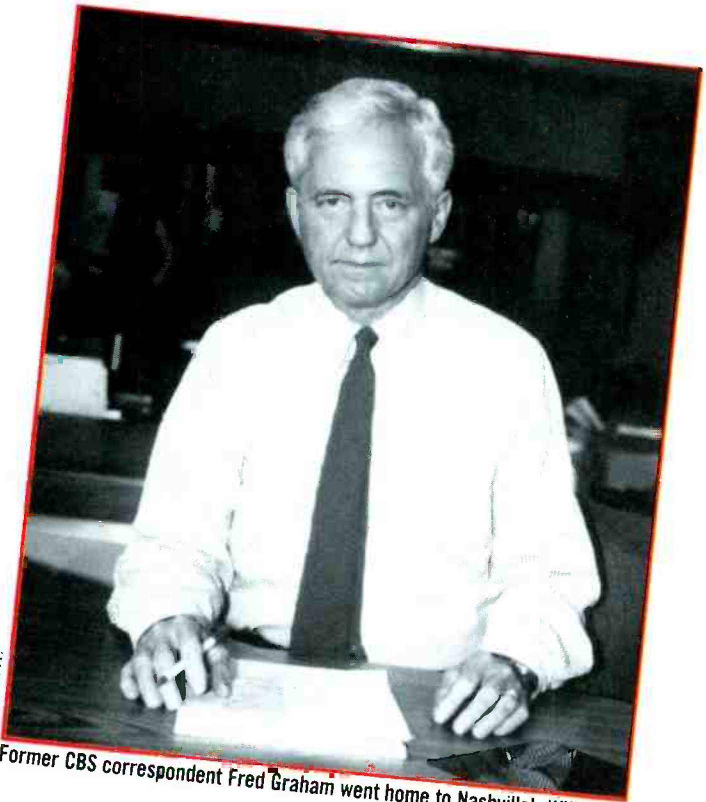
De Passe looks at the failure as a learning experience. "I learned more than on any program I've done. That happens when things don't go right." *Nightlife*'s failure cost King World $9 million (less than it might have had de Passe not brought it in more than a million under budget), and, says de Passe, "it was a bitter disappointment, in the sense that when you work that hard on anything, you want it to work."

Right now, though, de Passe is immersed in turning the Pulitzer Prize-winning Larry McMurtry novel, *Lonesome Dove*, into a miniseries for CBS. "She was the only one who read the book, appreciated it and bought it, when all the studios had passed on it," says agent Irving Lazar. "She was the only one who knew she had a fine and important work long before it had won the Pulitzer."

How long Gordy holds on to this special talent is an open question. Not that de Passe is thinking of quitting, but she is 41 and longs for a child. (She is married to actor Paul (*Melvyn and Howard*) Le Mat.) "I think I'm ready for that," de Passe says. "I wasn't before now."

But even having a baby wouldn't slow her down for long. "I know that I'm innately industrious," says de Passe. "There's always a creative idea flying through my mind. I wish I had the time to work on all of them. Every time I need a good idea, God gives me one. And that's a nice resource." ●

You *Can* Go Home Again



COUQUETTE

Former CBS correspondent Fred Graham went home to Nashville's WKRN.

A trickle of refugees from the network correspondents corps have brought their bigtime skills to the local anchor desk. The impact on the ratings? So far, ho-hum.

When a manager whose local news is mired in third place ponders what he might do to jolt his ratings or at least buy instant credibility, he probably doesn't even daydream about luring a network star to become the station's main anchor. More likely, the anchor currently working for him is musing about being hired by a network.

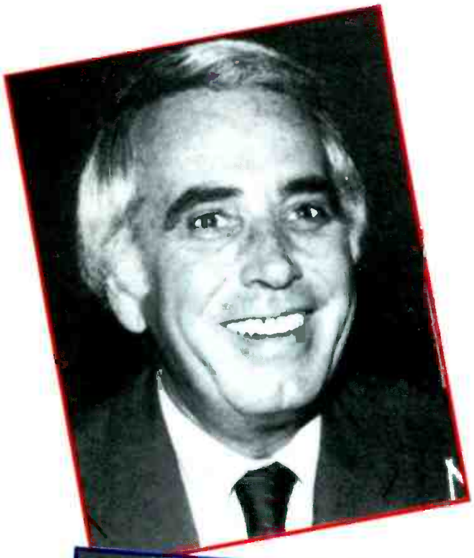
Once an ambitious TV journalist makes the leap to the big leagues, only drunkenness or disgrace or dismal failure is supposed to drive him back to the provinces. But as the ax keeps swinging at the networks, newspeople have begun to discover that there is plenty of money and fame—and power—in local TV news. The once-vilified "eyewitless news" desk looks more and more like a safe haven in a storm.

Within the past couple of years three high-profile network correspondents, Sylvia Chase and Steve Bell of ABC and Fred Graham of CBS, have turned their backs on the big time to anchor at the respective likes of Chronicle Broadcasting's KRON in San Francisco, Group W's KYW in Philadelphia and even Knight-Ridder's WKRN, in the 31st market, Nashville. It's too soon to proclaim a trend, and ratings results are only so-so. Yet in each case management says it has no regrets and considers hiring its network star an unqualified journalistic success.

Graham, 55, had practiced law, then covered it for *The*

Contributing editor William A. Henry III is a Pulitzer Prize-winning critic and associate editor of Time.

by William A. Henry III



Tom Snyder (top) didn't work out on local news after leaving NBC. Steve Bell left ABC for Philadelphia's KYW, with better results.

The ex-correspondents yearned for more control, for stories affecting viewers' daily lives, and for a shot at hardening up local news.

New York Times before joining CBS in 1972. The dean among Supreme Court reporters, he was also a frequent guest anchor on *CBS Morning News, Face the Nation* and *Nightwatch*. Chase, 49, a weekend anchor and star investigative reporter on *20/20*, had been at networks since 1971, including six years at CBS. Bell, 51, had been with ABC since 1967, including a stint reporting in Vietnam, and for 11 years anchored the news segments on *Good Morning America*. Thus, unlike many network correspondents, Chase and Bell and Graham had enjoyed plenty of that most precious commodity, airtime. Yet it somehow wasn't enough. In separate interviews they talked with almost uncanny interchangeability about the same yearnings: for "more control over the total editorial product" (Graham's wording of a shared thought); "more involvement in stories that have impact on people's daily lives" (Bell); and "a chance to demonstrate that local news can harden up, change its goofy image and still succeed" (Chase).

Nor are they unique in being willing to consider local TV in pursuit of these goals. In fact, Bell isn't even unique in Philadelphia, where a 10-year NBC correspondent, Lee McCarthy, now anchors newscasts for the independent WTAF. In recent years, Robin Young left a feature-reporter job on NBC's *Today* to anchor at WNEV in Boston, where she had once co-hosted *Evening Magazine* on another station; Tom Snyder followed a range of NBC activities and an inactive period by anchoring at the ABC-owned station in New York, and Nelson Benton left CBS to anchor at WMAR in Baltimore, to name just a few.

Of course, these latter three instances are cautionary tales: Each began with a ballyhooed bang and ended prematurely, expensively and badly all around. Snyder proved too special, too abrasive, too associated with opinion for the presumed neutrality of a newscast. Robin Young, attractive and effective, was a victim of bad on-camera chemistry with her co-anchor, exacerbated by publicity about her purported $500,000 salary. Benton suffered from promos that presented him as an oracle descended from on high to tell Baltimoreans how to think—a marketing error compounded by his own decision to commute from Washington.

Nonetheless, Chase, Bell and Graham and the people who hired them believe they could be the start of something big. Hiring a credentialed network star shows that a station is serious about repositioning itself and thus attracts a free publicity bonanza. That in turn guarantees at least a brief jump in audience.

Occasionally a network star's contacts lead to stories that could not otherwise be gotten: Graham's reputation in Washington enabled him to win the first one-on-one interview given by Howard Baker after he signed on as White House chief of staff, and all three network exiles are expected to play key roles in their stations' 1988 campaign coverage. Internally, the arrival of a seasoned, serious journalist can boost morale and spur professionalism among younger staffers.

To some extent, network exiles teach by example. Graham has taken on such hot potatoes as lax regulation of legal malpractice, and he shone in live interviews with Nashville's mayoral candidates. In Philadelphia, the talk of the town was Bell's highly personalized first-hand report on Vietnam veterans' walk from the war memorial in Washington to a Philadelphia site where they seek to erect a similar tribute. Chase has won awards for tough, often politically charged pieces on illegal government surveillance of liberal political and church groups, dubious handling of citizen complaints against police and organ transplant donations from the newly dead.

At what price comes this glory? Less than one might think. None of the three most conspicuous jumpers is the highest paid anchor in the history of his or her market, and only Graham likely qualifies as the highest paid now in his market. His four-year contract roughly duplicates his CBS salary of $255,000 a year and improves on the 40 percent pay cut CBS offered him in a new contract before dumping him outright—after learning he was dickering for the job in Nashville—during a round of budget-cutting. Chase gets about $400,000 a year, according to station sources; she says only that she's paid better than she was at ABC, and that "the lifestyle—having a home instead of living out of a suitcase—is also a part of the pay." Bell commands more than $500,000 a year—conceivably as much as $700,000 a year, according to management sources at Group W—and those close to him say that his pay is "favorably comparable" to what he made at ABC. Graham's deal includes one relative novelty: incentive bonuses based on ratings. WKRN general manager Art Elliot proposed the incentives and contends that they "will be seen more and more frequently"; and Graham found it "reasonable" for him to share in the rewards—and risks—of his tenure. Bell and Chase describe the provision as unsuitable. "For some people it would be a temptation to make ratings the absolute priority," says Bell, adding that Graham would be an exception.

Chase, who has been in place the longest—since January 1986—has yet to make much impact in sweeps months. Nielsen's May sweeps had KRON finishing third at both 6 and 11 P.M. on weekdays, with respective ratings and shares of 6/13 and 7/19—down one rating point from its numbers for May 1985, before Chase arrived.

Bay Area *20/20* alumni chapter: Stanhope Gould produced and Chase reported for ABC; now they work together on special reports for KRON, San Francisco.

(In June, when other stations' were done with sweeps hype, KRON's late newscast had moved into a "virtual three-way tie," says general manager Jim Smith.)

Part of the problem, Smith concedes, is that Chase's strongest selling point is journalistic excellence, and the station already had a reputation for that. Her weaknesses, Smith says, "had to do with the simple mechanics of anchoring—timing, pacing, getting the inflections right, getting through the words without mistakes. She was used to the network style of editing and re-editing for hours, writing and re-writing, doing take after take if necessary. In local news, you have to get it right the first time, and she has come a long way."

Graham has endured similar adjustment problems. Although he had more network anchoring experience than Chase, plus almost a month of nightly practice sessions on arrival in Nashville and two training visits to the media research firm Frank N. Magid Associates, he sometimes didn't seem to know which camera to turn to, whom to throw the next segment to, even how to read the prompter. Says Graham, "Anchoring is much trickier than I realized. I am just now getting to the point of being able to think mostly about the content rather than the logistics of delivery."

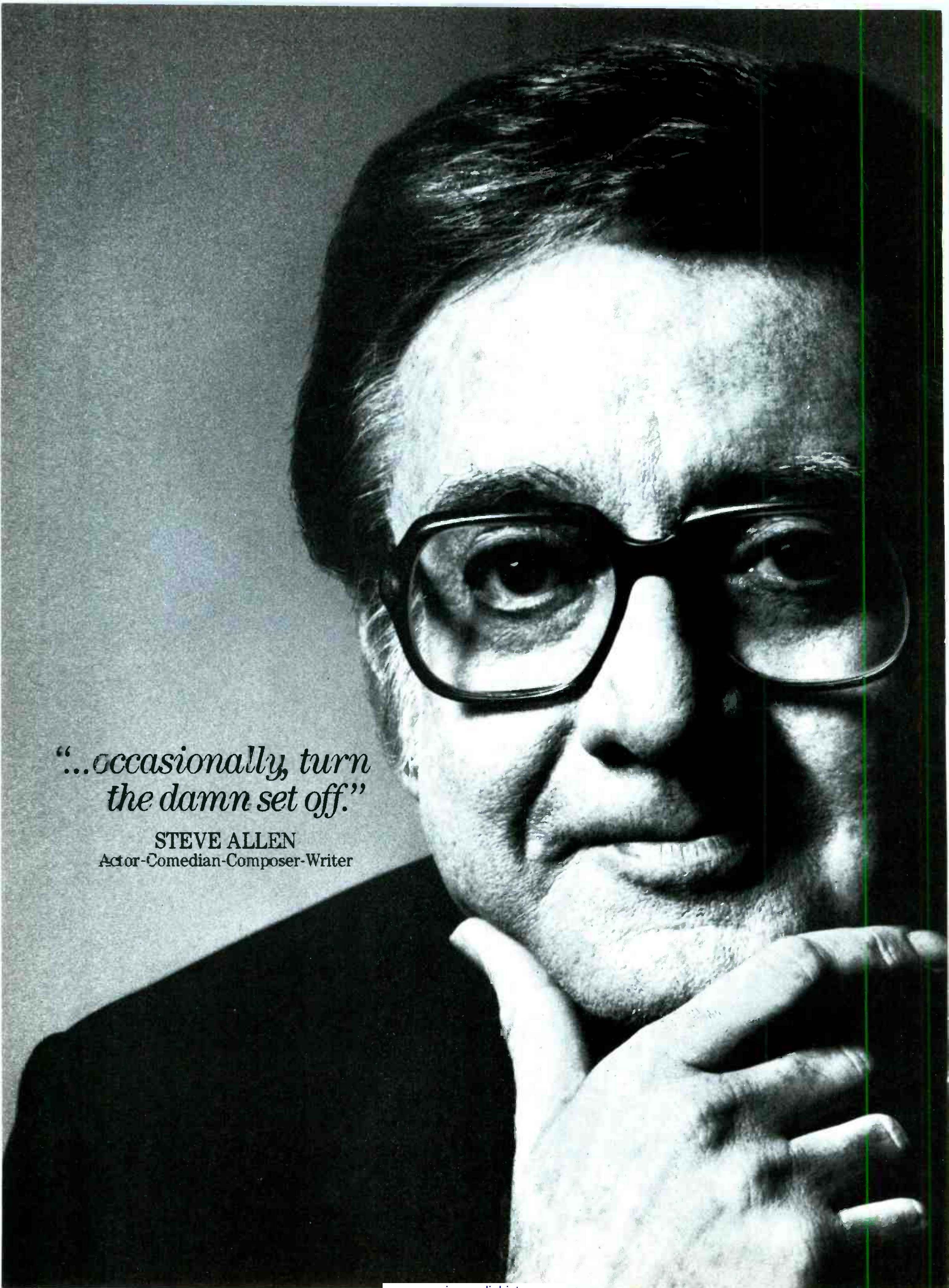
Nashville has taken a forgiving attitude toward Graham, a native son: His welcoming party was attended by the governor, the mayor and other dignitaries, and the station has presented him as a man who came back to enjoy the region's good life. Still, he has had no measurable effect on ratings and presumably won't for a while. Says Elliot: "The advice I got in advance from everyone was that it would take years for Fred to become the anchor I was buying for that kind of money."

KYW's promotional campaign for Bell emphasized his desire to get away from the big-leagues rat race and lead a more normal life. He came, however, to a station so long beset by managerial upheavals that a Philadelphia columnist dubbed it "the Bermuda Triangle of broadcasting." Since arriving at the turn of the year, he has had relatively few mechanical difficulties, although his style, overtly chucklesome by network standards, seemed a little austere to some viewers accustomed to local happy talk, and he bristled at having to read scripts peppered with bouncy adjectives.

Bell and news director Randy Covington emphasize that their disagreements have been controlled, and Covington acknowledges that part of the difficulty stemmed from the institutional difference between networks, where news executives are frequently subordinate to the talent they nominally supervise, and local stations, where news directors are much more commonly the real bosses.

The station has lately consolidated its position as an arguable number two in the market, although the respected *Philadelphia Inquirer* TV reporter, Gail Shister, says, "Steve Bell has not exactly taken this market by storm."

Of course, hardly any anchor takes a market by storm, and those who do generally plummet as swiftly as they soared. For station managements eager to stop the merry-go-round of revolving anchor teams and establish some stability, luring a discontented network correspondent may become ever more possible. The first step is just to ask. Chase, Bell and Graham all say they weighed several other station offers over a period of years before leaving the networks, and hint that former colleagues are ready to do the same. Chronicle Broadcasting's Jim Smith, who hired Chase and considered Bell, offers this advice: "If you have to woo someone away from a network, that may be very hard. But if you're talking to someone who has decided to go, it's very straightforward. They usually know exactly what they are looking for and you can figure out pretty quickly whether you can make it work." ●


"...occasionally, turn the damn set off."
STEVE ALLEN
Actor-Comedian-Composer-Writer

Steve Allen.
No Script.

Like many intelligent, articulate people, Steve Allen has a lot to say about television. That's why we asked him to participate in the "NBC Tuned In To America" campaign.

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"Tuned In To America" is a corporate public forum for ideas. Its messages have been broadcast on NBC for a year and will continue throughout 1987.

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During the campaign we've heard from Ralph Nader, and the President of the National PTA. We've heard from former astronaut James Irwin, and two New Jersey school teachers, among many others. Because we want to maintain this open line on ideas about television, the list goes on and on.

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The Newsroom's Revolving Door

A volatile station market and rising work demands have news directors changing jobs like never before.

by Joseph Vitale

It's a teeth-grinding, pencil-snapping job, fueled by tobacco and caffeine. The hours are long and stressful, management's expectations can rise far beyond mortal reach and the lure of a larger market is usually irresistible. Job turnover has always been high among the nation's TV and radio news directors, but this season they're quitting or being fired faster than ever.

More than a third of all news directors in the top 100 markets left their jobs last year, by estimate of several agents for newsroom talent. This year, NDs are sure to set an all-time turnover record. By the end of June, 50 in the top 100 markets had left their jobs.

When television NDs were surveyed by the Radio-Television News Directors Association in 1972, they had been on the job an average of about 40 months. Last year, their average tenure had been chopped in half—down to just 24 months. In radio, the longevity of news directors has also dropped, by a full year since the early 1970s. Don Fitzpatrick, a San Francisco broadcast headhunter, believes television news directors are coming and going even faster than the surveys indicate: "The life expectancy of a news director at a station is more like 18 months. Three years in the job is a career."

Inevitably, the on-air product is affected. "The biggest loss is the loss of the institutional memory, which a good news director should be," says Marty Haag, whose 14-year tenure at Belo Broadcasting's Dallas station, WFAA-TV, makes him an exception in the transient profession. "When Braniff went out of business a couple of years ago, our reporter was able to do three minutes of stand-up outside their corporate headquarters off the top of his head because of the continuity in our news department."

"Rootlessness—it's one of the great scourges of our business," laments Frank Gardner, a former ND who now manages KBAK-TV in Bakersfield, Calif. Itinerant news directors have made themselves into interchangeable parts, and their newscasts show it. "Often," says Marty Haag, "you can't tell if you're watching news in Denver, Duluth or Dubuque."

The job's transience is linked to recent industrywide volatility: Since the suspension of anti-trafficking rules in 1983, there have been 402 transfers of TV stations and 2,519 of radio stations. And when new owners take charge, they often bring in their own NDs.

But behind each departure there's a different mix of push and pull factors, all intensified by the growing importance of news to local stations: Rising new directors succumb to the greener pastures and paychecks of bigger markets. Managements want a ratings boost from news, and oust their NDs as soon as they lose faith in them. Other NDs leave voluntarily to escape heightened tensions that come with the job today.

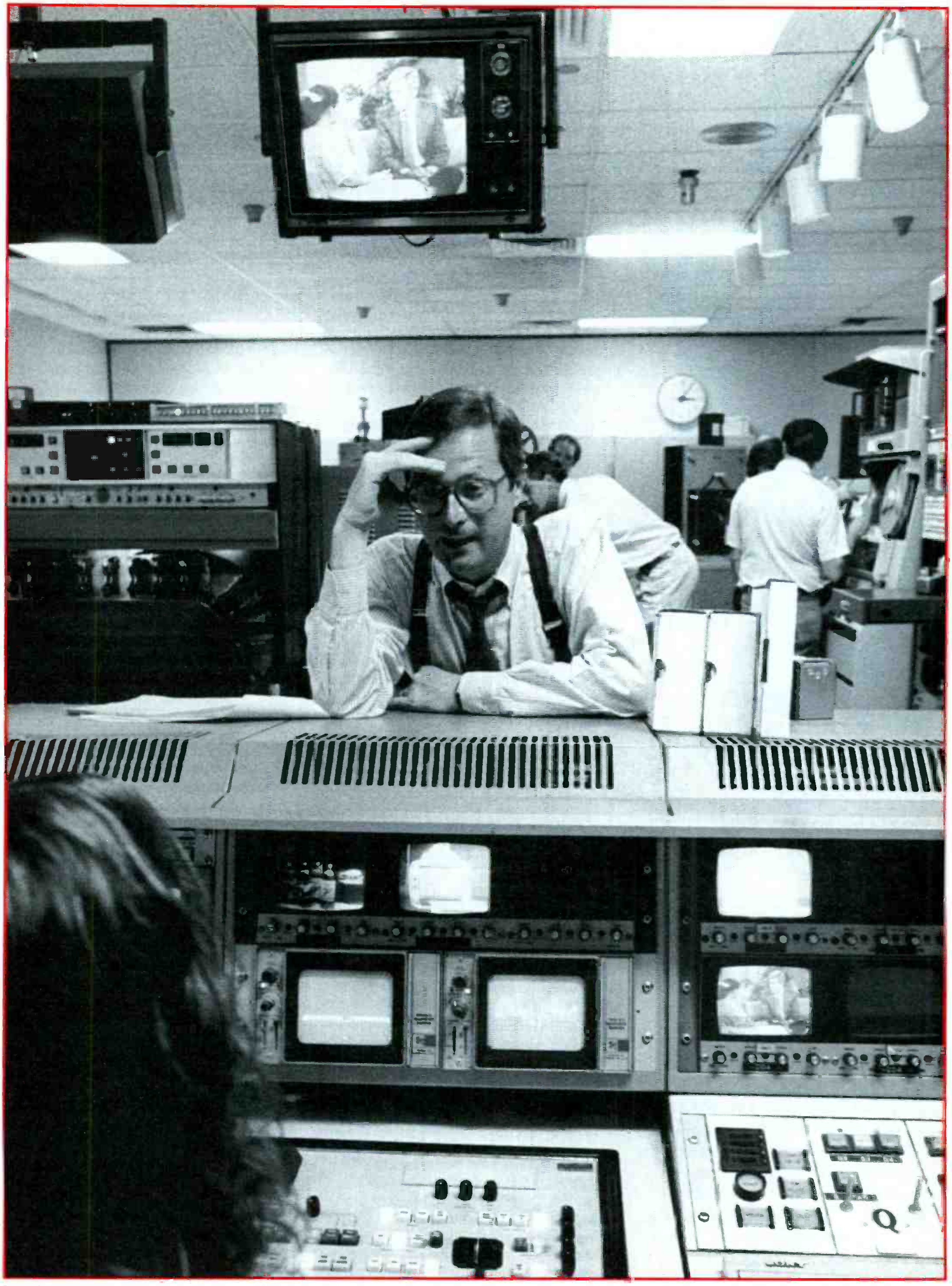
"You basically never have a private life," says Bob Brunner, executive news editor of WSAZ-TV, the Lee Enterprises station in Huntington, W. Va. "Even at a convention, someone's beeper goes off and 40 guys trample one another trying to get to the phone." More than half of television NDs confessed to "job-related personal problems" in a 1985 survey of more than 800 news directors by University of Missouri professor Vernon Stone. NDs walk a high-tension line for a living.

"But today's burnout is a symptom of something deeper," says Peter Jacobus, a former TV news director who left the field two years ago. "I basically never got management support anywhere I worked. As news director I was responsible for negotiating contracts with on-air talent, then was undercut for the deals I made." Jacobus says the last straw was the lack of support he got from management during a showdown with a temperamental anchor at the ABC-owned station in San Francisco, KGO-TV. "I was operating under the illusion that even though an anchor makes more money than a news director, the news director is still boss," he says.

"Over the years, I watched as duty after duty was piled on the back of the news director without management support," recalls Jacobus. "This job is complicated enough journalistically; fiscally there are all sorts of responsibilities news directors are never trained to handle. It's a shame—I love the news business. That's why I got into it in the first place. But it's changing, and that's sad."

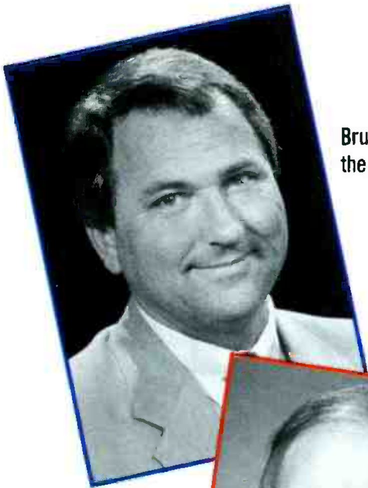
Many news directors become turnover statistics long before they have a chance to quit, because of another industry phenomenon: the Quick-Fix-Messiah Syndrome. Consider the case of Frank Gardner. It was Gardner, generally regarded as one of the finest news directors in the country, who led the foundering news operation at WCBS in New York from number three to number one in local ratings between 1983 and 1985.

"Frank was an innovator," says Jim Zarchin, who served as Gardner's assistant news director during the period. "He came up with some terrific ideas like 'Our

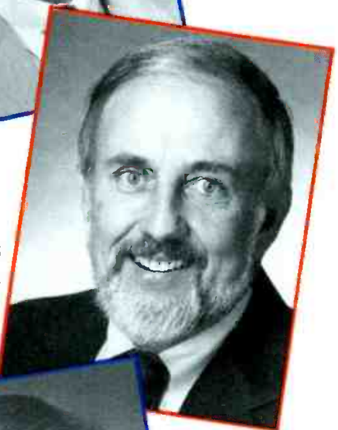


MARISSA ROSS

Behind the turnover: Some news directors quit the field while others such as Gardner (above, at his new job in Bakersfield) are cast aside when quick fixes fail.



Brunner: split the work.



Haag: stations without memory.

Jacobus: duties without authority.

Block,' in which a crew literally lived on a different New York City block every week and reported on the lives of the neighborhood's residents."

As a reward, CBS gave Gardner the general manager's spot at KCBS in Los Angeles, instructing him to work his magic again on its third-rated early-evening newscast. Management told him to do what needed to be done, he says, to "try something new." He helped devise a format called the "news wheel," which divided the 4-to-6-P.M. newscast into six 20-minute segments, each with a different theme. When the innovation didn't catch on after just a month, CBS canned Gardner and his news director, Erik Sorenson. (Months later, KCBS rehired Sorenson.) Once a prince of the CBS news organization, Gardner wasn't even offered another news director's job in the company.

"The track record in the television business," says Gardner, "has always been 'What have you done for me lately?' But it's gotten ridiculous. Now, 'lately' means *last week*."

The Gardner story has become a cautionary tale among news directors: As they migrate from market to market—whether they're transferred within a station group or lured by management seeking a quick fix, the pressure to perform miracles is relentless.

"When I first got into TV, it was fashionable to view news directors as bad guys," says a former writer-producer. "But now staffers recognize that NDs are under tremendous pressure, that they are just as disposable as those flavor-of-the-month anchors we joke about."

What's making the job more and more untenable—and increasing the turnover rate—is the trend in broadcasting across the board. "Local TV news began as a service to the community," says Nick Lawler, a TV news director for seven years before becoming a news consultant. "Now it's become what Cap Cities would call 'a profit center.'" While a strong local newscast can bring in more than a third of a station's revenues, the financial boost reaches far beyond its time period. "In market after market," says Lawler, "the station with the number-one-rated newscast is usually the leader overall."

That was the case with more than half of the number one stations in the top 30 markets. Eighteen of those with number-one-rated 6 and 11 P.M. newscasts were also on top sign-on to sign-off, according to an analysis of the May Arbitron sweeps by the Dallas consulting firm Audience Research & Development. And 10 of the remaining 12 top-rated stations were number one with at least one of their newscasts.

The reason is that early news has enormous impact as a lead-in to prime time; late news does the same for late-night, and late news or late-night determines what channel a TV set will be tuned to the next morning. This leaves news directors with increasingly heavy responsibility for their stations' overall performance. Consultant Lawler sums up the state-of-the-job this way: "When you're a news director you've got the worst of both worlds: presidential responsibilities with middle-management clout."

Though a news director usually watches over a network affiliate's largest departmental budget and staff, many NDs say their career path into upper management is narrowing. As more and more general managers are drawn from the business side, the news directors' upward mobility can be stymied.

With the growing importance of news and the expanded hours of newscasts, NDs are being asked to spend more of their time as managers and budget-watchers and less as journalists. In 1973, according to Vernon Stone's research, only 22 percent of TV news directors said they spent more time on administration than news. By 1985, that figure had more than doubled, to 53 percent.

"Fred Allen once said that television was the triumph of technology over talent," says Tony deHaro, a veteran radio and TV news director who now owns WROD-AM in Daytona Beach, Fla. "The news director nowadays has to know so much technical stuff, so much managerial stuff, so much business stuff that there's very little room for journalism anymore."

Just about the only remedy seen by the NDs interviewed by *Channels* would be for station management to concede that the job has grown too burdensome and to split it in half, separating the news and managerial functions. That's what Lee Enterprises has done at its Huntington, W. Va., television station, WSAZ. There, Bob Brunner serves as executive news editor while Bill Cummings functions as news manager, with responsibility for budget and operations.

"I'd been working 70 hours a week for 15 years," says Brunner. "Then at 36 I had a triple internal hemorrhoidectomy. I had wanted to be the youngest everything. My doctor said, 'You're going to be the youngest myocardial infarction victim yet.' That's when I knew something had to be done."

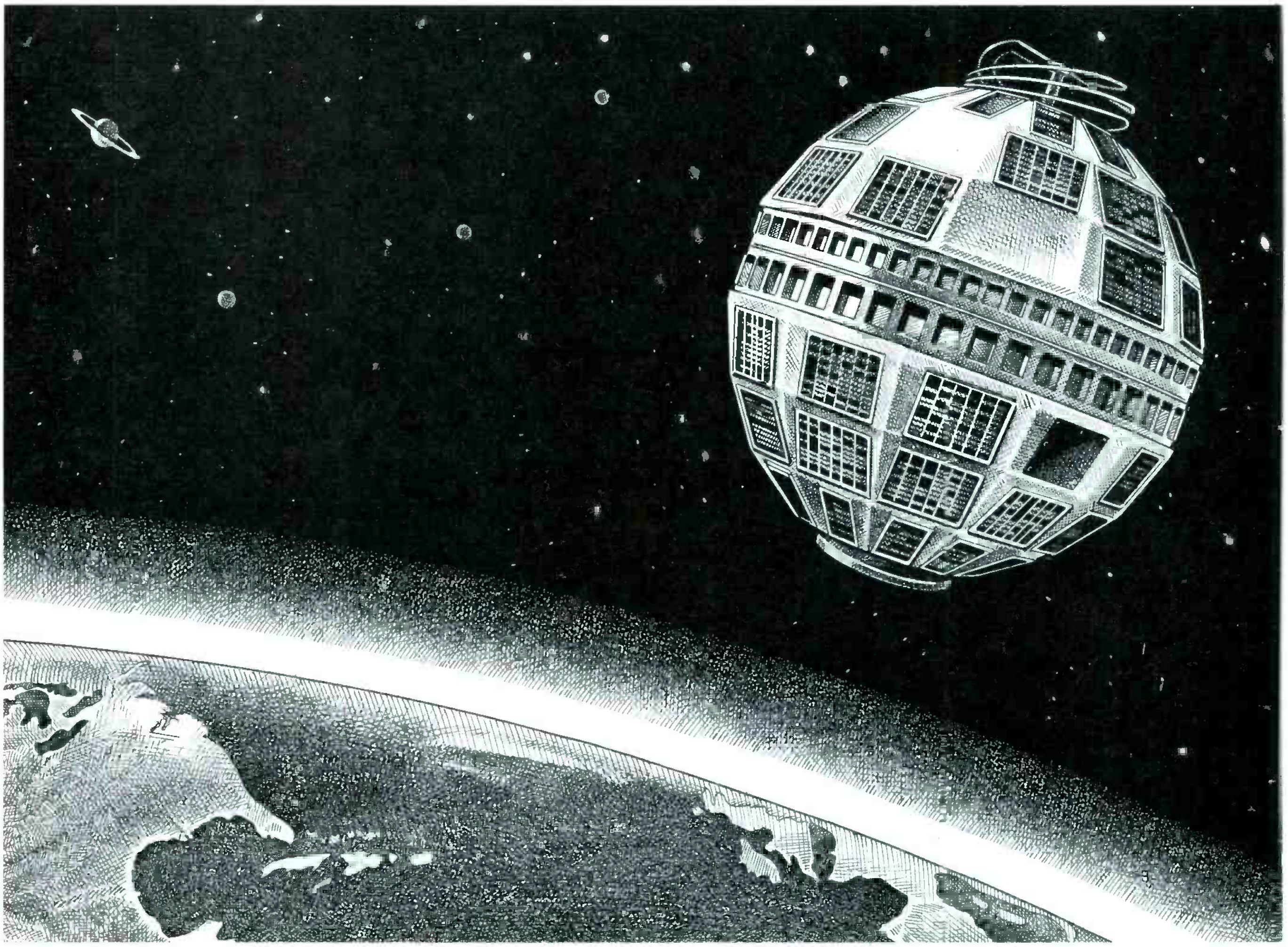
Dividing up a news director's job description could save the health and lengthen the careers of many talented NDs. But with cost-conscious managements demanding that extra expenditures be visible on the air, newspeople don't expect many stations to follow WSAZ's example. Instead, industry observers, talent headhunters and news directors themselves think that NDs will continue to leave in record numbers. ●

NDs TALK BACK

Average age of TV news directors surveyed: **39.1 years** . . . Of radio news directors surveyed: **36.7 years** . . . TV news directors who say recent upper-management jobs at their stations have been filled by non-news personnel: **32 percent** . . . By news personnel: **5 percent** . . . NDs who say the career path to upper management is closed to news personnel at their stations: **32 percent** . . . NDs who say their station management is not doing enough to encourage growth and career advancement for news directors: **33 percent** . . . TV news directors who do not see themselves in the profession five years from now: **31 percent** . . . Radio news directors who do not: **42 percent**

Source: A survey of 86 TV and radio news directors, May and June 1987, by Channels researcher Tim Bock.

In 1962, AT&T brought television into the space age.



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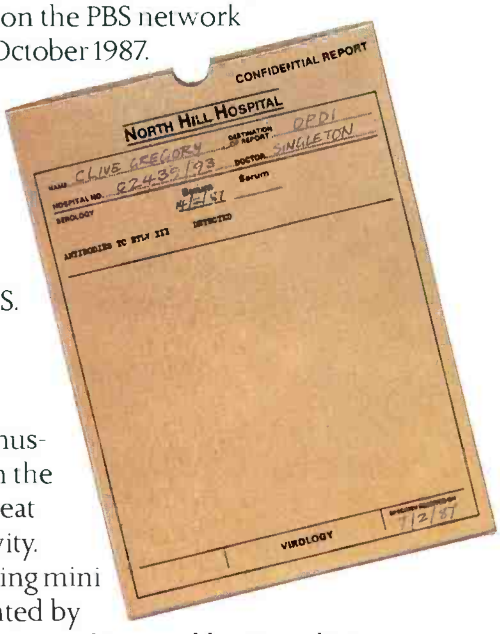
WHO'S NOT AFRAID TO MAKE A DRAMA OUT OF A CRISIS?

THE BRETTS

The Bretts, a thirteen-part series set in Edwardian Britain, has more than its fair share of both drama and crises. An affectionate look at the fame and fortunes

sought by an extraordinary theatrical family of the time. The Bretts beautifully captures the atmosphere of the twenties. The Bretts, sponsored by the Mobil Corporation, will be shown on Masterpiece Theatre by WGBH Boston on the PBS network commencing 4th October 1987.

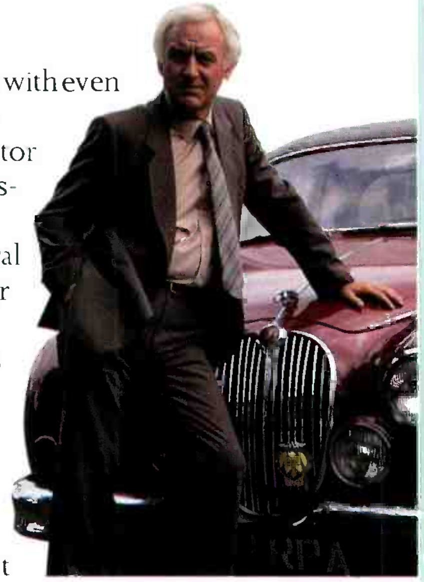
INTIMATE CONTACT



There can be no greater crisis facing mankind at this moment than AIDS. So to make the first drama series about a well to do 'happily married' husband infected with the killer virus took great daring and sensitivity.

The compelling mini series to be presented by Home Box Office is superbly acted by Daniel Massey and Claire Bloom and has already had a profound effect on British viewers.

INSPECTOR MORSE



There's no getting away with even the most complex and well-planned crimes when Inspector Morse is on your trail. A crossword aficionado, real-ale expert, and devotee of classical music, John Thaw's Inspector Morse is a most unusual, melancholic character who's intuitive approach to detective work inevitably lands him in trouble and nearly always spots the illogical flaws in a case. Now's your chance to pit your wits against him in six one hour specials to be shown on Mystery Theatre by WGBH Boston on the PBS network from 4th February 1988 through to March 1988.

ESCAPE FROM SOBIBOR

For some, there will never be an escape from the memories of this horrific Nazi death camp. They were the lucky ones who escaped in a bloody, awe-inspiring uprising that sent shock waves through the Third Reich. The true story is now a major television drama starring Alan Arkin, Joanna Pacula and Rutger Hauer. Told for the first time Escape from Sobibor achieved spectacular ratings when it played in April on CBS as a Movie of the Week and has been nominated for an EMMY. In the UK more than 13 million viewers tuned in to watch this remarkable drama.

CENTRAL

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IN FOCUS

TV's New Owners Fight Back

Season's Greetings

There's *Dallas*, there's *Knots Landing*—and, Lord knows, there's Network Row. Beset in recent times by such acts of God as full-scale management conversions and a short-lived but potentially paralyzing DGA strike, ABC, CBS and NBC were recovering from shock even as programmers tried valiantly to put together a new season. That they did it is nothing less than a real-life version of one of those nighttime soaps in which everyone jumps up unscathed from last season's death blow.

In addition, this was perhaps the longest fall in memory. Fox Broadcasting has been introducing new prime time programs since last April. Upfront buying began on schedule, despite fears that people meters would so jostle ratings positions that they would scare time buyers into postponing commitments. Media promotion has created its characteristic clangor, marching well ahead of the phalanx of new shows.

But for all the extended hoopla, the 1987-88 season seems genuinely to merit claims of daring in program development. And however deeply program chiefs sigh with relief as things get under way, they can hardly be overdoing it in a year as volatile as this one.

A *Channels* team found its pre-season analysis pointing to real innovation on the part of the networks—not so surprising as they try to keep their heels from the jaws of VCRs and cable. It also suggests a concern that Fox may actually live up to its own press releases creating shows that weld a powerful new competitor.

This month's *In Focus* section studies what appears to be a remarkable season debut in ways we hope you'll find illuminating.

JERI BAKER

A Season to Cheer

'Quality' is the byword as the networks take aim at upscale audiences. BY MICHAEL POLLAN

Although network television has churned with change for several seasons, most viewers were oblivious to it. This season promises to reflect on the screen some of the changes going on behind it.

Among them is A.C. Nielsen's switch from diaries to people meters for measuring the TV audience. Network strategists acknowledge they drew up their schedules with an eye to the new system, which seems to favor programs with an upscale, urban, young-adult appeal. Researchers attribute this bias to the fact that young, urban adults tend to be most comfortable with the new technology.

Thus marginal shows expected to be people-meter friendly *(Cagney & Lacey, Crime Story* and *St. Elsewhere)* won reprieves and have been joined on the network schedules by a raft of comparable programs aimed at upscale viewers. "Quality show" has become the industry term for such fare (only in American TV could "quality" specify a genre), and in fact the label accurately describes a remarkable number of the new offerings. Whereas each of the last few fall network lineups has contained maybe three new programs of unusual quality or adventurousness, this season offers more than half a dozen, including *Private Eye, Frank's Place, Tour of Duty,* and *Thirtysomething.*

Contributing editor Michael Pollan is executive editor of Harper's *magazine.*

People meters don't deserve all the credit. Other, more gradual changes in the network business have combined to improve the life expectancy of quality shows. With competitors leaving a smaller audience share for the networks, and austerity the watchword at all three, a new breed of television hit has emerged: the show that draws only a 15 or 16 rating, but has demographics strong enough to guarantee a profit. And if such a show does hit, its advertising value makes it worth more than a mass-audience smash. NBC's *St. Elsewhere,* whose revenue has always belied its poor ratings, is one paradigm. This season ABC and CBS evidently seek to follow NBC's example.

Although quality shows may make economic sense, they are expensive to produce. After the cuts of last year, one of this season's ironies is its lavishness. *Tour of Duty, Private Eye, Wise Guy,* and *Hooperman,* among others, do not look like the products of an industry in retrenchment.

Nor do stars' salaries. Prompted by the successful return last year of such stars as Andy Griffith and Sherman Hemsley, the networks have created vehicles for a number of well-known performers, including Dolly Parton (to whom ABC has guaranteed $40 million over two years to do a show that, at press time, had no pilot and barely a concept). Other returning evergreens include Dale Robertson, Robert Conrad, Paul Sorvino and Dennis Weaver.

Meanwhile, the life finally seems to be going out of the family sitcom. Shows about bachelors and single dads will be big. Looking for the male equivalent of *Kate & Allie,* NBC has scheduled *My Two Dads,* and ABC *Full House,* a sitcom about a weatherman, a rock musician and a comedian raising three daughters together. It also seems possible the reign of the cute kid, begun with Gary Coleman, has run its course. The focus of *My Two Dads* is not on the daughter, but on the dads. The networks are taking aim at young parents—more dependable people-meter allies than children. Indeed, kids are getting less to watch in prime time than usual, even at 8 P.M., where a number of adult shows—*Tour of Duty, Frank's Place* and *Matlock*—have landed.

Faced with 22 new shows this season, *Channels* has chosen nine to discuss. Settling on criteria was nearly as difficult as selecting programs. What guidelines should apply? Prospects for success? Not when eight out of ten can be expected to fail. Quality? Even this season doesn't offer *that* many good selections. With no single yardstick at hand, then, we adopted several: Each of these shows is "one to watch" because it promises to be especially well-made, groundbreaking or important to a network's strategy.

Not every show that fits those categories is represented. In a few cases, pilots were unavailable. Among them, as noted, was *Dolly* , which, as the first variety program on a network schedule since 1982, would almost certainly have qualified as both different and critical to ABC's Sundays.

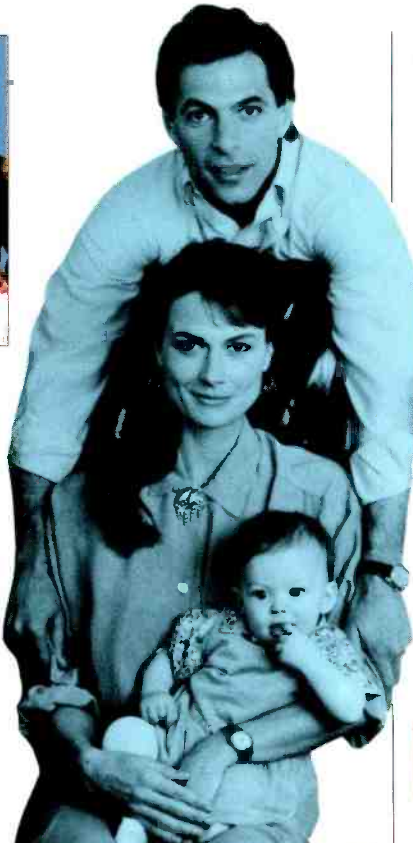
It's also essential to keep in mind that networks can alter shows between pilot and premiere. We've avoided likely candidates for overhaul, although *Tour of Duty* may nonetheless be, as rumored, "lightened" by debut time.

With such caveats made, we present nine shows from what promises to be a very interesting season. ●

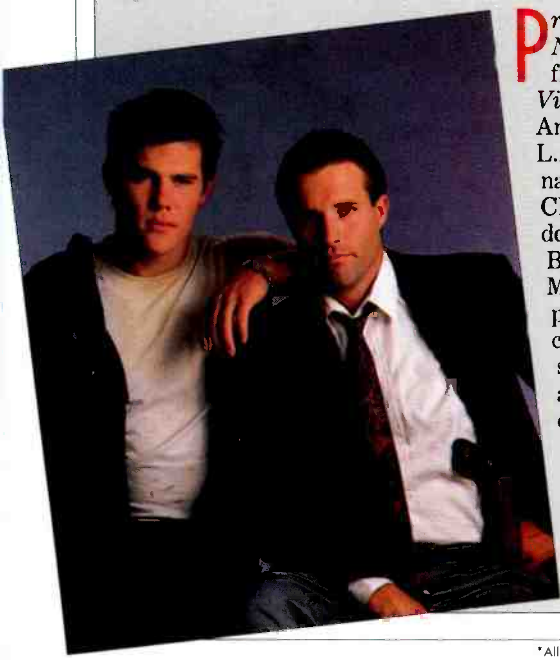
The Ones to Watch

With 22 new shows on deck, reviewer Michael Pollan finds these unique.

Hooperman, Wednesday 9-9:30 P.M., ABC:* Producers Steven Bochco and Terry Louise Fisher have shoehorned the sprawling *Hill Street Blues*/*L.A. Law* formula into a half-hour. John Ritter is *Hooperman*, an unorthodox San Francisco plainclothes detective who inherits a ramshackle brownstone with its ornery tenants and balky plumbing. But so much is crammed in that the show may come off sketchy rather than rich. Odds: A toss-up. *Hooperman* has a strong though not terribly compatible lead-in in *Head of the Class*, but it must battle NBC's *A Year in the Life* for the upscale viewers it aims at.



Thirtysomething, Tuesday 10-11 P.M., ABC: Genuine narrowcasting: a show devoted to the trials of Yuppies growing up. Mel Harris plays an attractive Princeton grad who's put her career on hold to have a baby; Ken Olin is a hyper ad exec struggling to keep his family in Aprica strollers. The drama revolves around the strains of reproducing, which strike Yuppies as matters of keen national interest. It does manage compelling drama and sharp humor despite its narrow milieu, and depicts a generation's manners with precision. Odds: Tough call. The demographics should be exceptional, and the lead-in, *Moonlighting*, is right. But it could prove too downbeat for mass audiences.

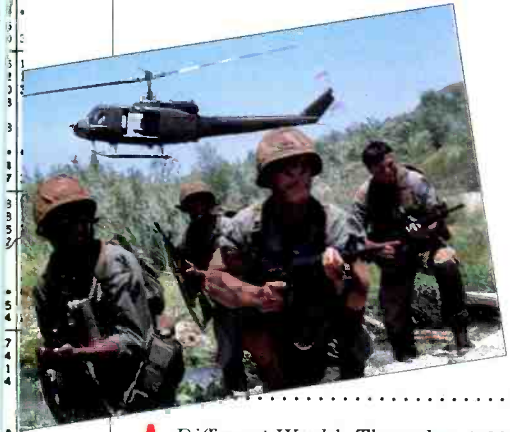


Private Eye, Fridays 10-11 P.M., NBC: **Here is a lavish detective show from the TV noir school of *Miami Vice*, with whom it shares producer Anthony Yerkovich. It's fifties L.A.—lingo, threads, wheels and 45s nail it. Unlikely partners are Jack Cleary (Michael Woods), a down-on-his-luck ex-cop, and Johnny Betts (Josh Brolin), a j.d. rocker from Memphis. Each gives a taut performance, Woods barely containing his rage, and Brolin his sexual heat. Phillip Marlowe clichés abound: dames and bourbon, crushing heat, non-filters artfully smoked. It's as stylized as *Miami Vice* yet declines to take itself so seriously. Odds: Very good. *Vice* is the perfect lead-in and, with *20/20* on ABC, competition is diluted. Woods and Brolin could be stars.**

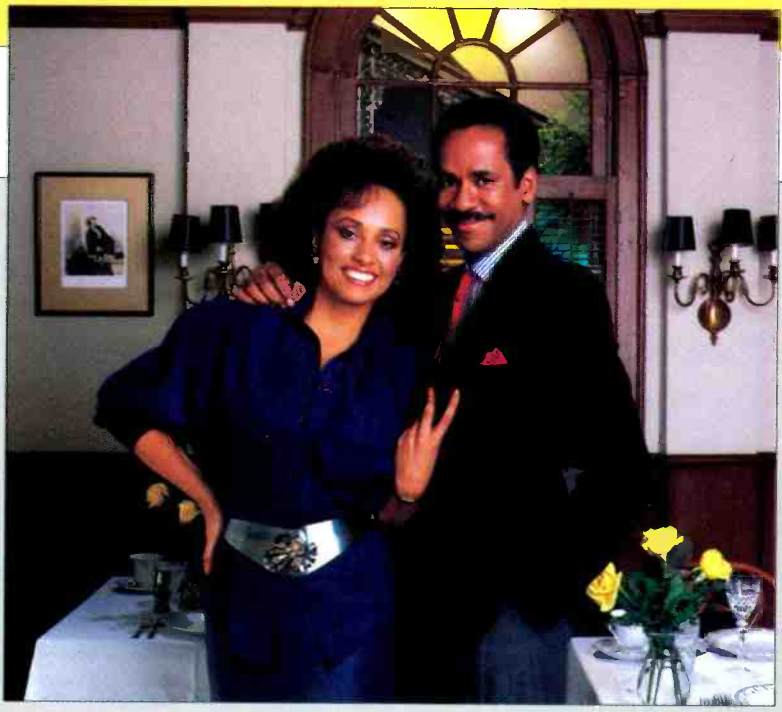
My Two Dads, Sunday 8:30-9 P.M. NBC: The premise of the series has already raised eyebrows: During college, 13 years ago, investment adviser Paul Reiser and conceptual artist Greg Evignon had summer flings with the same woman. Now she's died and left her daughter in their joint custody, because she is unsure who the father was. The two adopt the child and set up house—an odd couple for the '80s. The comedy turns on the clash of values and styles: uptown vs. downtown; Yuppie vs. bohemian. Both incarnate the anti-Cosby: Neither knows a thing about dadhood. Odds: Good. The show follows *Family Ties* and may get young adults not claimed by *Murder, She Wrote* and *Spenser: For Hire*.

*All times Eastern Standard

T*our of Duty, Thursdays 8-9:00 P.M., CBS:* Hoping men will desert *Cosby* for action/adventure, CBS has done to Bravo Company just what General William Westmoreland did: Sent it into enemy territory lightly armed. Bravo's recruits were hand-picked by Zeke Anderson (Terrence Knox), a combat-hardened sergeant who plays by his own rules. Thanks to a big budget for explosives, the action is nonstop and intense. Odds: Not great. How many will give up the comfort of comfort of the Huxtable home for this weekly ordeal?



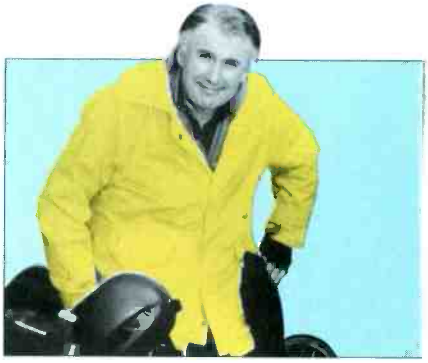
A *Different World, Thursday 8:30-9 P.M., NBC:* In this, the first Cosby spin-off, Lisa Bonet gets to go to college in the best time slot in TV. The casting of roommates should carry Bonet, who's a tad bland: Jalessa (Dawnn Lewis) is 26 and a freshman with her feet on the ground, while spacey Maggie (Marisa Tomei) hasn't a clue where that might be. With one roomie so much ditsier than Bonet and the other maturity itself, Bonet can switch from straight man to clown. Well-written, warmhearted, color-blind (what is Maggie, who is white, doing at this Howard U. clone?), *A Different World* is hardly that: It's the continuation of Cosby by other means. Odds: Clearly excellent.



F*rank's Place, Saturday 8-8:30 P.M., CBS:* Tim Reid is Frank, a professor who inherits Chez Louisiane, his long-lost papa's Creole restaurant in New Orleans. Shot on film without a laugh track, *Frank's Place* is a charming, offbeat adult sitcom. A half-dozen superb character actors play the staff, a crew of sharply drawn Southern eccentrics that could prove to be the best ensemble since *Taxi. Frank's Place* observes few of the prevailing sitcom conventions. It has little use for gags, the plotting is desultory and it has a quirky, hot-weather pace you have to slow down for. Odds: Good, with a big "if." CBS must give the audience time to acquire a taste for this one.

B*eauty and the Beast, Friday 8-9 P.M., CBS:* A fable in prime time? About a pretty lawyer teaming up with a monster who inhabits Manhattan's subway tunnels? This has to be the weirdest premise since Fred Silverman at his most desperate. After the lawyer is saved from a mugging by Mister Monster (who looks like the Cowardly Lion), the two join forces to fight crime. *B and B* contrasts the nobility of Vincent's lowly realm with the corruption of the glittering one above. And all this played straight! Odds: Slender. It'll take real brilliance in direction and acting to bring this off.

A *Year in the Life, Wednesday 9-10 P.M., NBC: Year,* based on last year's miniseries, chronicles three generations of the Gardner family. Produced by *St. Elsewhere*'s creators, it has that show's sparkling writing without the rough edges. Richard Kiley is the widowed patriarch, host to his four children and their families. The narrative shuttles between sentimentality and nicely observed episodes of family angst. It's well done, but this white-bread clan may not grip everyone. A few rough edges might help. Odds: Good. The miniseries had a 27 share and critics will surely effuse.



IN FOCUS

FALL SEASON 87

Cable's Other Calendar

New shows will hit this fall, but most are on hold until competition eases—and cable can take a bigger bow. **BY CECILIA CAPUZZI**

Though a number of cable networks premiere new programs in September, few choose to participate heavily in the fall-season frenzy of their broadcast counterparts at ABC, CBS and NBC. The fall season remains, so far, a franchise of the Big Three, while cable networks concentrate on other months for reasons of their own.

Economics is the main factor in cable's low fall profile. With the Big Three spending $2 billion on 1987 prime time programming alone, cable can't compete: This year its total programming spending will hit $687 million.

USA Network, which used to go head-to-head with broadcasters in the fall, backed off this year and will bring out its big guns in January. Says senior v.p. of programming Dave Kenmin: "The broadcast networks would shout with a million voices; we'd shout with one."

Yet some cable executives feel that audience habits and television business practices require that they, to some degree, enter the fall fray. "We're victims of circumstance," says Lifetime's programming v.p. Chuck Gingold, explaining that availability of syndicated product in the fall, along with high television viewing levels and increased studio activity, forces him to unveil new product now.

Advertiser buying habits also influence cable programming decisions. Traditions such as upfront buying have locked networks into showcasing new programs in the fall, says Mike DuMonceau of The Discovery Channel, though February launches an equally important second season. Networks such as MTV, Nickelodeon and The Nashville Network schedule some new shows in the fall, but otherwise ignore September. TNN introduces the bulk of its new shows in March and April. "It's difficult to get attention in the fall with the barrage of the three networks and independents," says TNN director of programming Paul Corbin.

Pay services generally work on what HBO senior vice president Seth Abraham calls a "12-month season." Says Showtime's senior v.p. Jim Miller: "We can't ask subscribers to renew subscriptions every month if there are months when no new programming is on."

Still, cable can't afford to ignore a TV audience groomed for the fall extravaganza, and cable shows that launch now can ride the coattails of broadcasters'. •

A&E special *The Double Helix*

Super Dave, Showtime's new comedy series

New Animal World on Discovery Channel

CABLE CLIPS

Fall highlights

ARTS & ENTERTAINMENT NETWORK
THE DOUBLE HELIX, two-hour special
THE DIVIDED UNION, five-part series

BET
GOING PLACES, magazine series
GOSPEL MAGAZINE, series

CBN
SECOND HONEYMOON, game show
CROSSBOW, action-adventure series

THE DISCOVERY CHANNEL
NEW ANIMAL WORLD, re-edit of original series
ON THE BRINK: AN AIDS CHRONICLE, special

THE DISNEY CHANNEL
COLLEGE BOWL, new episodes of original series
NEW VAUDEVILLIANS TOO, special
RICK NELSON, A BROTHER REMEMBERS, special

HBO
MANDELA, feature
THE MAN WHO BROKE 1,000 CHAINS, feature

LIFETIME
WAY OFF BROADWAY STARRING JOY BEHAR, daily variety show
WORKING WOMEN'S SURVIVAL HOUR, special
DYING FOR LOVE, AIDS special

MTV
THE COMIC STRIP, series

THE NASHVILLE NETWORK
MOUTH OF THE SOUTH, comedy special
AN EVENING WITH LEWIS GRIZZARD, comedy special

NICKELODEON
KID'S COURT, series

THE PLAYBOY CHANNEL
WINDY CITY COMEDY BLOWOUT WITH MARSHA WARFIELD, special

SHOWTIME
SUPER DAVE, comedy series
CHILDREN'S STORYBOOK CLASSICS, series

Crossbow, action and adventure on CBN

HBO feature *Mandela*

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FALL SEASON 87

Going Back To Basics

New syndie formats looked promising last season. But now it's back to business at the same old stand: talk and games. **BY JOSEPH VITALE**

Times have been tough for first-run syndication, and it seems the market hasn't bottomed yet. Soft ad revenues, indie bankruptcies and a disappearing market for one-hour product are still at work, and now new problems have arisen. One is the shrinking of national clearances due to the introduction of original programming by Fox Broadcasting and the switchover by several stations to an all-shopping format. In addition, more careful buying by local stations has meant fewer out-and-out flops—and less demand for replacement shows.

If there is a constant in this year's new offerings, it is the cool reception accorded the much-vaunted advice shows and the realization that talk (though not cheap) is profitable. At the last NATPE convention, syndicators' hopes rode the new help/advice shows hosted by real-life therapists: *Strictly Confidential* from Blair, *Getting in Touch* from Dick Clark/Malrite and several others. But the genre that caught fire is good old talk, with newcomers Geraldo Rivera (Tribune) and Wil Shriner (Group W) joining veterans Oprah and Donahue.

With the economic stakes higher in syndication—and with local TV budgets tighter—a two-tiered buying pattern has emerged. Stations now wait to see if they have the winning bids on the megashows—*Cosby*, *Who's the Boss?*, *Wheel of Fortune*—before deciding how much they'll spend on the others.

In addition, checkerboarding (running a different first-run show each night in prime access—a programming strategy counted on by syndicators to perk up sales) has lost many believers.

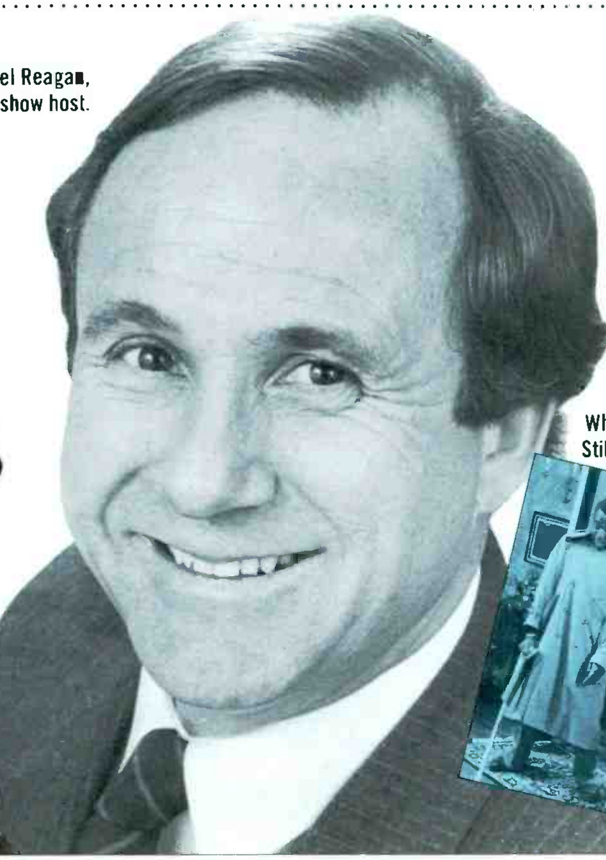
"With the exception of the NBC O&Os and a few individual stations around the country, such as WCAU in Philadelphia, checkerboarding hasn't caught on," says Jonathan Murray, assistant director of program services for the ad-rep firm HRP. "The quality of the shows just isn't there to ensure an audience-grabber every night. And it's difficult to promote. Viewers are accustomed to strips in prime access."

Game shows—another staple—continue to be unstoppable strips, with minor new outfitting to greet the new season. Heading the list are *High Rollers* (Orion), the new *Truth or Consequences* (Lorimar-Telepictures) and *Lingo* (ABR Entertainment), boasting First Son Michael Reagan as host. ●

TOP NEW SHOWS

DISTRIBUTOR	SHOW	MARKETS*	COVERAGE*
BLAIR	*FAN CLUB*	110	85%
LBS	*YOU CAN'T TAKE IT WITH YOU*	91	72%
LORIMAR-TELEPICTURES	*SHE'S THE SHERIFF*	147	91%
PARAMOUNT	*FRIDAY THE 13TH*	130	97%
KING WORLD	*GEORGE SCHLATTER'S COMEDY CLUB*	117	85%

*FIGURES CURRENT AS OF 8/4/87

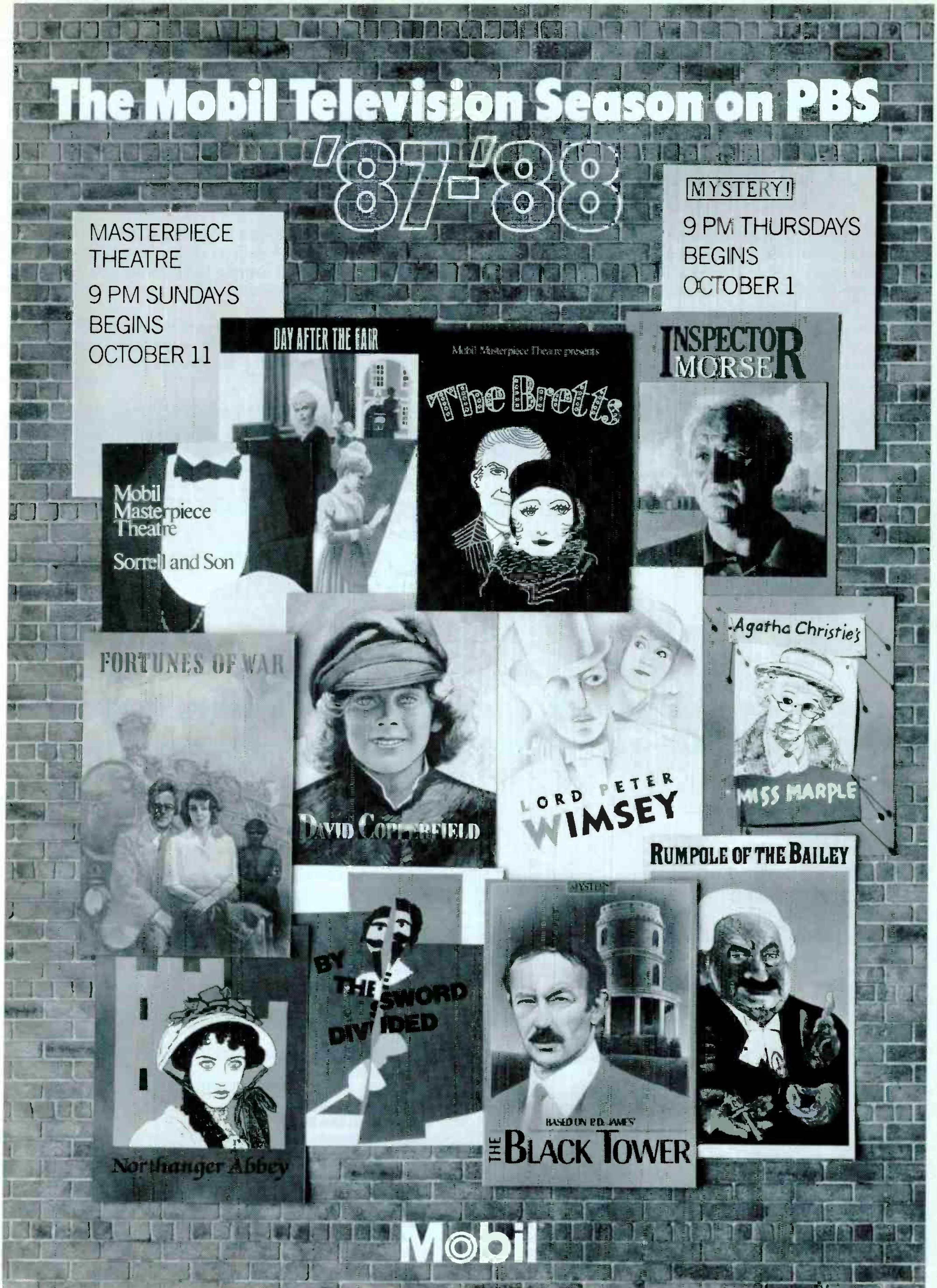


Michael Reagan, game show host.

Talk's hot; so's Wil Shriner.

First-run's *Marblehead Manor.*

Who's boss? Still the Cos.



The Mobil Television Season on PBS
'87-'88
MASTERPIECE THEATRE
9 PM SUNDAYS
BEGINS
OCTOBER 11
MYSTERY!
9 PM THURSDAYS
BEGINS
OCTOBER 1
DAY AFTER THE FAIR
Mobil Masterpiece Theatre presents
The Bretts
INSPECTOR MORSE
Mobil Masterpiece Theatre
Sorrell and Son
FORTUNES OF WAR
DAVID COPPERFIELD
LORD PETER WIMSEY
Agatha Christie's
MISS MARPLE
RUMPOLE OF THE BAILEY
BY THE SWORD DIVIDED
BASED ON P.D. JAMES'
THE BLACK TOWER
Northanger Abbey
Mobil

FALL SEASON 87

Charting The New Season

The networks will be spending more than $50 million per episode on license fees for all the season's 80 new and returning prime time shows, and producers will be racking up total deficits of over $2 million per episode, according to *Channels'* sources. That sum does not include NBC's "designated hitters," the just-in-case shows that will remain in production to replace a series that may fail.

As the top network, all of whose seven new shows from last season made it through to this year, NBC needed only four hours of new material, though it developed 29 hours. Bottom-rung ABC replaced six hours, its highest ratio of new to old since the network's 1971 season. And CBS changed nearly 40 percent of its prime time fare in a lunge to beat ABC to the number two slot.

In the following chart, drawn from production, distribution and exhibition sources, *Channels* graphically presents the new and returning shows for the upcoming season.

JERI BAKER

	DISTRIBUTOR (PRODUCER)	NUMBER SEASONS ON AIR	NUMBER EPISODES END '86–'87 SEASON	FIRST SEASON IN SYND.	EXECUTIVE PRODUCER	LIC. FEE PER EPISODE (THOUSANDS)	DEFICIT PER EPISODE (THOUSANDS)
	ALIEN PRODUCTIONS (Alien Productions)						
NBC	ALF	1	25	'91*	Bernie Brillstein, Tom Patchett	375	25
	CARSON PRODUCTIONS (Carson Productions)						
FBC	Mr. President	½	13	'92*	Ed Weinberger	325	50
NBC	Amen	1	22	'91*	Artie Julian, Peter Noah	370	0
	COLUMBIA/EMBASSY (Columbia/Embassy)						
ABC	The Charmings	½	6	'92*	Robert Sternin, Prudence Fraser	300	0
ABC	Who's The Boss?	3	68	'89	Martin Cohan, Blake Hunter	475	50
CBS	Designing Women	1	22	'91*	Harry & Linda Thomason	400	25
CBS	Everything's Relative	1st	0	'92*	Maurice Duke	325	0
CBS	Houston Knights	½	9	'92*	Jay Bernstein	650	25
FBC	Married...With Children	½	13	'92*	Michael G. Moye, Ron Leavitt	355	25
NBC	The Facts of Life	8	157	'86	Irma Kalish	650	0
NBC	227	2	44	'90*	Dick Bernsfield (1-4)- Jack Elinson (1-4)- Ron Bloomberg (1-24)- George Burditt (5-24)-	375	0
	COLUMBIA/EMBASSY (Reeves Entertainment)						
ABC	I Married Dora	1st	0	'92*	Michael Leeson	325	0
	LORIMAR-TELEPICTURES (Lorimar-Telepictures)						
ABC	Full House	1st	0	'92*	Thomas Miller, Robert Boyett, Jeff Franklin	320	0
ABC	Max Headroom	½	6	'92*	Peter Wagg	775	75
ABC	Perfect Strangers	2	28	'90*	Thomas Miller, Robert Boyett	390	15
ABC	The "Slap" Maxwell Story	1st	0	'92*	Bernie Brillstein	340	0
CBS	Dallas	10	251	'84	Leonard Katzman	1,600	0
CBS	Falcon Crest	7	133	'86	Michael Filerman, Joanne Brough, Jeff Freilich	1,200	0
CBS	Knots Landing	9	190	'85	David Jacobs, Michael Filerman	1,200	0
NBC	Our House	1	22	'91*	William Blinn, Jerry Thorpe	700	10
NBC	Valerie	2	33	'90*	Thomas Miller, Robert Boyett, Tony Cacciotti	375	25
	MCA TV (Universal TV)						
CBS	The Equalizer	2	44	'90*	James McAdams	850	50
CBS	The Law and Harry McGraw	1st	0	'92*	Peter S. Fischer	750	0
CBS	Magnum, P.I.	7	129	'86	Donald Bellisario, Charles F. Johnson	1,200	0
CBS	Murder, She Wrote	3	66	'89*	Peter S. Fischer	800	75
NBC	A Year in the Life	1st	0	'92*	John Falsey, Joshua Brand	725	30
NBC	Miami Vice	3	66	'89	Michael Mann	1,100	150
NBC	Private Eye	1st	0	'92*	Anthony Yerkovich	950	150
	MCA TV (New World TV)						
NBC	Crime Story	1	21	'91*	Michael Mann	900	50
	MCA TV (Reeves Entertainment)						
CBS	Kate & Allie	4	80	'88	Mort Lachman, Merrill Grant	475	25
	MGM/UA (MGM/UA)						
ABC	Thirtysomething	1st	0	'92*	Edward Zwick, Marshall Herskovitz	700	0
FBC	Karen's Song	1st	0	'92*	Margie Peters, Linda Marsh	315	0
	MTM (MTM)						
CBS	Newhart	5	115	'88	Doug Wyman, David Mirkin	450	0
NBC	Beverly Hills Buntz #	1st	0	'92*	Jeffrey Lewis, David Milch	375	0
NBC	St. Elsewhere	5	110	'88	Bruce Paltrow	1,100	0
	NEW WORLD TV (New World TV)						
ABC	Once a Hero	1st	0	'92*	Dusty Kay	650	50
ABC	Sledge Hammer!	1	22	'91*	Alan Spencer	340	0
CBS	Tour of Duty	1st	0	'92*	Zev Braun	1,100	75

+ Channels financial estimates, based on industry sources. * Estimated syndication date. # NBC "designated hitter." – Episodes worked on.

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	NEW WORLD TV (Michael Landon Productions)						
NBC	Highway to Heaven	3	73	'89*	Michael Landon	950	100
	ORION TV (Orion TV)						
CBS	Cagney & Lacey	5	103	'88	Barney Rosenzweig	975	75
	PARAMOUNT (Paramount)						
ABC	MacGyver	2	44	'90*	Henry Winkler, John Rich, Steve Dowling	750	50
FBC	Duet	½	13	'92*	Ruth Bennett, Susan Seeger	300	0
NBC	The Bronx Zoo	½	8	'92*	Donald Reiker, Patricia Jones	800	0
NBC	Cheers	5	121	'87	Glen Charles, Les Charles, James Burrows	625	25
NBC	Family Ties	5	128	'87	Gary David Goldberg	575	50
	REPUBLIC (Witt/Thomas)						
CBS	Beauty and the Beast	1st	0	'92*	Paul Junger Witt, Tony Thomas	750	0
	TELEVENTURES (Stephen J. Cannell Productions)						
CBS	Wiseguy	1st	0	'92*	Stephen Cannell, Frank Lupo	330	10–15
FBC	21 Jump Street	½	13	'92*	Patrick Hasburgh	550	0
NBC	Hunter	3	67	'88*	Stephen Cannell, Roy Huggins	830	90
NBC	J.J. Starbuck	1st	0	'92*	Stephen Cannell, Larry Hertzog	330	10–15
	TELEVENTURES (Tri-Star TV)						
ABC	Buck James	1st	0	'92*	Bob Fuisz, William Storke	725	0
FBC	Werewolf	1st	0	'92*	Frank Lupo, John Ashley	700	0
NBC	My Two Dads	1st	0	'92*	Michael Jacobs	325	0
	20TH CENTURY FOX (20th Century Fox)						
ABC	Hooperman	1st	0	'92*	Robert Myman	350	0
CBS	Leg Work	1st	0	'92*	Frank Abatamarco	700	10
NBC	L.A. Law	1	22	'91*	Steven Bochco, Gregory Hoblit	900	20
	20TH CENTURY FOX (New World TV)						
NBC	Rags to Riches	½	8	'92*	Leonard Hill, Andy Schneider	700	0
	20TH CENTURY FOX (Aaron Spelling Productions)						
ABC	Dynasty	7	173	'92*	Aaron Spelling, w/ Richard & Esther Shapiro, Douglas Cramer	1,200	100
	20TH CENTURY FOX (Gracie Films w/ 20th Century Fox)						
FBC	The Tracey Ullman Show	½	13	'92*	James L. Brooks, Jerry Belson, Ken Estin, Heide Perlman	325	0
	VIACOM (Viacom)						
CBS	Frank's Place	1st	0	'92*	Hugh Wilson	350	0
CBS	Jake and the Fatman	1st	0	'92*	Fred Silverman, Dean Hargrove	750	0
NBC	Matlock	1	23	'91*	Fred Silverman Dean Hargrove	800	20
	VIACOM (Carsey-Werner)						
NBC	A Different World	1st	0	'92*	Marcy Carsey, Tom Werner, Bill Cosby	320	10–15
NBC	The Cosby Show	3	75	'88	Marcy Carsey, Tom Werner, w/ Bill Cosby	600	100
	WALT DISNEY TELEVISION (various)						
ABC	The Disney Sunday Movie	2	36	'86	Gary Barton (senior vice president)	750 avg.	0
	TOUCHSTONE TV (Touchstone Television						
CBS	The Oldest Rookie	1st	0	'92*	Richard Chapman, Gil Grant	800	0
FBC	Down and Out in Beverly Hills	1st	0	'92*	Howard Gewirtz, Richard Rosenstock	300	0
	BUENA VISTA TV (Witt/Thomas/Harris)						
NBC	The Golden Girls	2	51	'90*	Paul Junger Witt, Tony Thomas, Susan Harris	525	0
	WARNER BROTHERS (Warner Brothers)						
ABC	Growing Pains	2	44	'89	Michael Sullivan, Dan Guntzelman, Steve Marshall	400	0
ABC	Head of the Class	1	22	'91*	Rich Eustis, Michael Elias	400	0
ABC	Ohara	½	10	'92*	Brian Glazer, Tony Warmby, Ronald Cohen	1,100	20
ABC	Spenser: For Hire	2	47	'90*	William Yates, Steven Hattman	700	25
CBS	My Sister Sam	1	22	'91*	Diane English	350	0
NBC	Night Court	3	57	'88	Reinhold Weege	475	25
	WARNER BROTHERS (Aaron Spelling Productions)						
ABC	Hotel	4	97	'88	Aaron Spelling, Douglas Cramer	850	100
	TBA (Picturemaker w/ ABC Circle Films)						
ABC	Moonlighting	2	42	'89*	Glenn Caron, Jay Daniel	1,400	100
	TBA (Sandollar Co.)						
ABC	Dolly	1st	0	'92*	Sandy Gallin	1,000	0
	TBA (Witt/Thomas)						
NBC	Mama's Boy #	1st	0	'92*	Paul Junger Witt, Tony Thomas	325	0
	TBA (Fox Square Productions)						
FBC	The New Adventures of Beans Baxter	1st	10	'92*	Savage Steve Holland	650	15

+ Channels financial estimates, based on industry sources. * Estimated syndication date. # NBC "designated hitter." – Episodes worked on.

FALL SEASON 87

Swinging for the Fences

Can the networks hit the home runs they need to bring viewers back? Hopes are high at the bottom of the standings. **BY PATRICIA E. BAUER**

A mere ten years ago, the network programmming game was a win-win proposition. All one needed was a third of the nation's television households and the bosses were happy. With luck, skill and some savvy counterprogramming, there were profits enough for all.

No longer. Over the past decade, spurred by new competition and, more recently, by ownership changes at all three networks, the industry's basic structure has radically changed. Because VCRs and cable equip even the lightest viewer to be a counterprogrammer, there are now more people playing the game, fewer winners and a generally smaller take all around.

"Everything's gotten so much more complicated," says George Keramidis, v.p. of program planning and scheduling for ABC. "It's all much trickier than it used to be."

The new conditions affect what's on the screen this fall, as programmers pay much closer attention to their shows' demographics, marketability and production costs than ever before. Many of the new shows feature gimmicks, such as ABC's *I Married Dora* (widower weds alien nanny who cares for his two kids), CBS's *The Oldest Rookie* (aging public-relations executive turns cop) and ABC's *Once a Hero* (comic-book hero comes alive to fight crime). Network marketers say gimmicks are easy to promote to viewers, and will help lure the curious away from established hits. But all run the risk of failing to retain audiences once the curiosity has been sated.

Network programmers have always occupied television's hot seat, but now, with the industry's new invaders stoking the flames, the heat has been turned up even more. The networks' audience share has dropped from 95 percent to 75 percent over the past ten years. And now that more than half of U.S. sets have remote controls, defection is easier all the time.

Fledgling Fox Broadcasting, which bowed last April 5 with one night of first-run programming, continued its unique method of introducing its shows, one night at a time, until all of the current weekend crop was in place, well before the beginning of the other networks' season debuts.

Leaders of the cable industry continue to cook up plans for first-run programming of their own. And, in one of those odd twists that come of television mergers, ABC and its cable sports network, ESPN, will both carry NFL football, on differing nights.

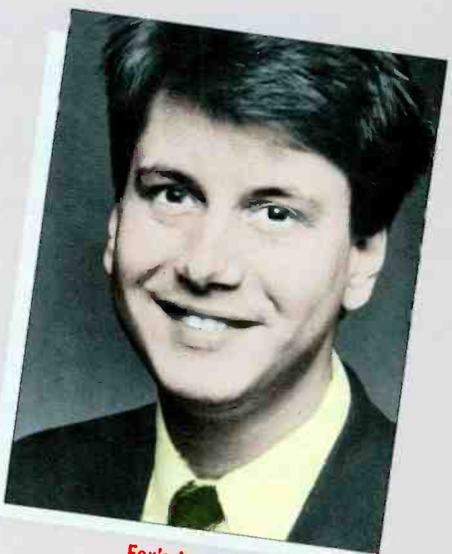
Eroding audience shares have brought stagnant network ad revenues, and prospects are threatening for fall, when people meters supplant the time-honored diary system as a way of measuring TV viewership. Advertisers, who spend some $9 billion annually to hawk their wares on network television, won't be sanguine if the new meters continue to report audiences as much as 15 percent smaller than the networks promised.

CBS and ABC, bogged down in the number two and three slots, are taking enormous risks to pull out of their slump. For them, network television has become largely a home run business. Programmers used to be content with singles, doubles and triples that built into solid scoring. Now CBS and ABC are swinging wildly in an effort to swat home runs—the massive hits or "breakout shows" that will bring back the audiences they've lost or re-blend them into richer demographic mixtures.

But home runs have been relatively rare in baseball, and they're likely to remain elusive in television, where, in the past, only one in five new network shows has survived to air another year. Still, there's a compelling reason for playing that way. If CBS and ABC don't have mass- or quality-audience hits to draw viewers away from top-rated NBC and the other options, they may have lost those viewers for good.

For CBS v.p. of programming Kim LeMasters, "settling" for small, quality audiences is an error. "Somewhere along the line, we made a mistake in network television," he says. "We began to accept low shares if we could sell them at high premiums, and they looked very

NBC's Tartikoff



Fox's Ancier

profitable. But in doing that we tended to hand away our franchise. If the networks want to get it back, we need more *Cosbys*, more *Murder, She Wrote*'s."

For LeMasters, that means counterprogramming the other networks' half-hour shows with seven new hour-length dramas and only two half-hour comedies—not an easy strategy, given that most Hollywood producers had declared the hour genre dead because it wasn't selling in syndication. LeMasters ended up turning to the new breed of entrepreneurial studios for expensive hour shows such as *Tour of Duty* (New World) and *Beauty and the Beast* (Witt/Thomas in association with Republic Pictures) because they were willing to take bigger deficits than the older, more established studios.

CBS' LeMasters

ABC's Stoddard

CBS is straining to catch the younger, urban viewers that have eluded it in the past, while hanging on to the network's prime constituency of older, rural viewers. That won't be easy to pull off, since promotions placed on old-style CBS shows such as *Knots Landing* probably won't reach the target for such new-style shows as *Frank's Place* and *Beauty and the Beast*.

This will be LeMasters' make-or-break season, following a year that saw the renewal of only one of the ten mid-season replacements he launched. (Two lasted only a couple of weeks before they got yanked.) CBS affiliates groused loudly about that, and also about LeMasters' treatment of *Designing Women*, which was shuffled among three different time slots in its first season. "Kim's new, and he learned some inexpensive lessons," says Philip A. Jones, chairman of the CBS affiliates. "I don't think it will devastate him."

By far the biggest risk is at bottom-ranked ABC, where entertainment president Brandon Stoddard is betting the farm on Dolly Parton. *Dolly*, on Sunday night, will be the first musical-variety hour since the genre died half a dozen years ago (somewhere between *Donny and Marie* and *The Sonny and Cher Comedy Hour*). Stoddard is hoping that the resulting program shuffle will end up boosting the ratings on five or six of his other shows.

There's a sense that ABC hopes Dolly will turn out to be its Cosby—the network's nucleus. (Unfortunately, memories seem short about the fiasco of ABC's 1986 vehicle for Lucille Ball, whose invincible audience popularity was to do the same thing.) Stoddard's choice of Sunday for *Dolly* sent shock waves through ABC's entire line-up, leading to the ouster of *20/20* from its comfortable Thursday slot to the vast wasteland of Friday.

That decision, with the endorsement of Capital Cities/ABC chairman Thomas Murphy, brought howls of protest from Roone Arledge, president of ABC News. "It had to go to the very top of the organization," says ABC scheduler Keramidis. "I don't think it was a decision Brandon Stoddard and Roone Arledge could have made on their own."

The betting is against Stoddard, in part at least because the *Dolly* move goes against one of programming's most basic concepts: audience flow. ABC's Sunday night lineup switches from kid appeal at 7 P.M. (*Disney Sunday Movie*), to young men at 8 (*Spenser: For Hire*) to women and older people at 9 with *Dolly*. "It's one of those moves that's risky, but we've got high hopes," says John Behnke, chairman of ABC's affiliate board. "We've got to support this network because there's nowhere to go but up."

For ratings leader NBC, the new pressures have prompted a conservative game plan uncharacteristic of Tartikoff. In the shorthand of Hollywood producers, a "Tartikoff show" had come to mean something imaginative and offbeat, that might just capture the public's attention, such as *L.A. Law*, or bomb miserably, such as *Manimal*. But this year, Tartikoff is introducing only a handful of shows, most aimed at Yuppies and most fairly predictable.

Of NBC's five new offerings, the two that are generating the most excitement are careful derivatives of existing shows: *Private Eye*, by *Miami Vice* creator Anthony Yerkovich, and *Cosby* spinoff *A Different World*, starring Lisa Bonet. *World* in particular, is tremendously popular with advertisers. "Everybody wants to be on that one because of the lead-in and the walk-on appearances of the Cosby clan," says Marc Feidelson, media director of Dailey and Associates.

Over at Fox Broadcasting, head programmer Garth Ancier is presiding over an eclectic schedule that bounces on Saturday night from the kid appeal of *The New Adventures of Beans Baxter* to the teen-oriented *Werewolf* to *Karen's Song*, which is expected to draw older women. Still, says Ancier, that's not bad for FBC's second season: "The flow is okay, but not as good as anyone would like it. We don't have the luxury of plugging shows into a seven-night-a-week board the way the other guys do."

With all of today's turmoil, one might expect programmers to take their kingdoms too seriously. But not if LeMasters speaks for all his colleagues. "After all," he says, "when you shut off the lights, it was just TV." ●

Moving in on the Big Boys

New studios have swept past the old guard to stock the network shelves. The risk is high but the payoff may be higher. **BY PATRICIA E. BAUER**

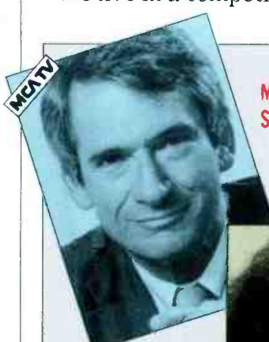
Hollywood's old guard, the star-studded major studios that dominated motion picture and television production for decades, has lost its hold on network prime time. As in the motion picture business, a new group of aggressive young television-production companies has arisen, eager to claim their share of network budgets.

This season, only 29 of the 80 shows scheduled for network prime time are the work of such old-guard studios as Universal, Columbia, and Warner Brothers. Another four are produced by the networks themselves, but the bulk of them—37 shows—come from the ranks of television's young challengers, studios with names that may be more familiar to investors than writers of fan mail. Among them: Lorimar-Telepictures, Witt/Thomas and Republic Pictures. New World Pictures, which didn't even have a TV division three years ago, is now among the top five producers of network programming, with five shows spread among the three major networks for the upcoming fall season.

New World's experience is characteristic of what's happened to the industry as a whole. Well known as a maker of grade-B motion pictures, New World was waiting for the right moment to get into the network business last year when Universal Television, for years the undisputed leader in the production of network series, chose not to make *Crime Story* for NBC. Reason: the show's production deficits far outweighed its revenues. New World stepped in, willing to gamble deficits of $300,000 per episode against the hope that the show will make a profit in syndication and foreign distribution.

"It was like the Red Sea parted and left a nice opening for us," says Jon Feltheimer, New World Television Productions president. "A lot of firms are feeling that now isn't the best time to be in the network TV business, so it left a chance for a new company to come in."

The arrival of these high-stakes gamblers comes just in time for the networks, which have seen their profits shrink dramatically as viewership has dropped. To lure the audience back, networks need big, splashy shows—yet they can't afford to raise their license fees to pay for them. "If I can find a New World that's willing to take our license fee and deficit it to a huge degree, as they did on *Tour of Duty*, then I will seek that [kind of company]," says Kim LeMasters, CBS v.p. of programming. "We live in a competitive universe that requires the networks to clamor for more and more to maintain our audiences."



MCA's Sheinberg

Columbia/ Embassy's Corday

Lorimar-Telepictures' Salzman

New World's Feltheimer

Deficits are a big gamble for studios, certainly, considered against the backdrop of the current marketplace. The wave of independent-station bankruptcies earlier this year clamped the lid down tight on extravagant syndication purchases, with many stations taking a wait-and-see attitude about future buys. And hour-length fare in general has not sold well in syndication (though that didn't deter CBS from ordering seven new hour shows for the fall). After *Miami Vice* proved a huge disappointment to MCA in syndication earlier this year, it was no surprise when company president Sidney Sheinberg vowed not to accept any more deficits on network series.

Still, the deficit gamble could pay off handsomely. Thanks to foreign sales, long-running Lorimar soaps *Dallas*, *Falcon Crest* and *Knots Landing* turn a profit before reruns. *Max Headroom* significantly offsets its deficits with foreign sales, and plans are in the works for a big merchandising push. And the *ALF* character, already a licensing bonanza, will soon create more revenue through a toy line featuring the alien's friends from the planet Melmac. "The obvious creativity is in making shows," says Lorimar Television president David Salzman, "but there's also a lot of creativity involved in operating your business, and in producing, financing and exploiting properties."

And, according to Barbara Corday, president and chief operating officer of Columbia/Embassy Television, there's also lots of opportunity for those who can create long-running series based not on expensive stunts, but on relatively inexpensive character development. Her company is striving to cut deficits by half. "I hope this will cause a tremendous explosion of good writing" as the way is cleared for new contributors, says Corday. "Writers may be expensive, but I don't think they will ever be as expensive as blowing up four cars on Hollywood Boulevard." ●

The Private Eye

by William A. Henry III

What's Up This Fall on PBS

One of the commonplaces of TV criticism is to bemoan the disappearance of the old-fashioned documentary, for which the weekly newsmagazines, with their all but exclusive emphasis on profiles, human-interest stories and skulduggery, provide only a partial replacement. Yet in fact the documentary in all its forms—exploratory, celebratory, explanatory and, dare one say it, outright educational—is alive and prospering on the autumn prime time schedule of PBS.

Nonfiction may be cheaper to produce than glossy dramas but remains so low-rated that even in times of penny-pinching it has not taken its prophesied greater share of airtime at the three commercial networks. At PBS, however, where ratings don't often surge anyway and the cost of production is an almost obsessive concern, nonfiction will account for half or more of the prime time hours in the new season, including all but two of the noteworthy debut shows.

> The documentary in all its forms is alive and prospering on public television's autumn prime time schedule.

Much of that time is devoted to such standbys as *The MacNeil/Lehrer NewsHour, Washington Week in Review, Wall Street Week, Nova, Nature, Wild America,* and *The Constitution: That Delicate Balance.* Of the new material, a shamefully large amount, even when dealing with American subjects, comes not from American sources but from the BBC and other British companies. The most impressive entry is the British-Norwegian coproduction *Oil*, an urbane, absorbing look at the businesses built and landscapes despoiled by black gold—the jobs created and lost, the political uses it can serve.

The show demonstrates how lively a montage of film clips and vintage photos can be when the writing that binds them together is first-rate, and there are irresistible moments of folly, including David Rockefeller's attempt to explain away Ida Tarbell's muckraking journalism against his grandfather as a grudge prompted by a soured investment. The second episode, which traces the impact of oil on the waging of war throughout this century, is one of the most steadily instructive hours of television in memory and, typically, fearlessly rakes up the erstwhile Nazi associations of a former buccaneer chairman of Shell.

Britain's clambering, crawling and cave-invading naturalist David Attenborough put together the other real joy of the new season, *The First Eden*. It is a quirky blend of geology, archeology, anthropology and zoology that traces the creation, flowering, conquest and current environmental peril of the Mediterranean and its surrounding lands. The first episode conveys the astonishing information that the Med was once a dead salt sea, then a vast waterfall as the Atlantic broke through a shallow land ridge with cascades 50 times as high as Niagara's. The last installment poignantly follows surviving species from their wild, rampant early days to the diminished niches they cling to today. In between, Attenborough sketches the civilizations that built the world's greatest art—Egyptian tombs, Roman ruins at Ephesus in Turkey—as they simultaneously deified animals and drove them away from habitable lands.

The most eagerly awaited American entry, *The Ring of Truth*, a six-part science series overseen by Michael Ambrosino, the godfather of *Nova*, is a disappointment. The host, MIT professor Philip Morrison, is something less than a Jacob Bronowski (*Ascent of Man*) or Kenneth Clark (*Civilization*) as an egghead entertainer, and the episodes explain basic laws of physics in a didactic and simplistic way far below the comprehension of those likely to tune in, although Morrison occasionally makes provocative remarks, such as his contention that the most profound insight of 19th-century science was not the theory of evolution but the concept of energy as a measureable, ineradicable entity. From the samples available there is a similarly unsatisfying, gee-whiz quality to *The Health Century*, a medical series.

Apart from the customary enticements of *Great Performances*, which this year include three dance specials with Mikhail Baryshnikov and an homage to tap starring Gregory Hines, the PBS schedule has two significant new entertainment entries. *Degrassi Junior High* is a surprisingly well made series of shows meant to teach (at times, preach) moral and ethical lessons to kids. *Trying Times* is a collection of six half-hour original comedies involving major stars, writers and directors in what looks, from the sample reel and one complete show, to be an unrelieved series of mistakes. Although the PBS guesstimate of its demographic appeal (often a trove of unconscious humor) says "adults 18+, all but blue collar," such scenes as Rosanna Arquette accidentally mangling her prospective father-in-law's hand in the disposal as he tries to recover a ring she dropped feel down-market and barely post-pubescent. It may be just as well that PBS relies so relentlessly on documentaries. ●

Hot Number

by Ellen Berland Gibbs

Cellular telephone's call to McCaw Communications proved impossible to resist

Did you know that each one of us living in an area where cellular telephone service is available is worth $65-$75 per "pop"? So one deduces from reading the recent prospectus for the initial public stock offering of McCaw Cellular Communications, which traded its rank among the top 25 multiple-cable-system operators to become the country's largest independent cellular telephone company. A few definitions now: Cellular telephone technology provides high-quality, high-capacity mobile and portable telephone service. Cellular systems divide a region into many "cells," each covered by its own "base station," which in turn is connected to other stations. As a vehicle equipped with a cellular telephone passes from one cell to another, the signal strength of its call in progress is monitored and "handed off" to the nearest base station with the greatest signal strength. Because of its facility to handle thousands of cells simultaneously cellular telephone service is a significant improvement over older technologies that limited the number of calls per frequency to one.

The FCC awards only two cellular licenses in each market. One is reserved for affiliates of local phone companies and one is for companies not affiliated with carriers. McCaw is the largest, measured by the industry criterion of the number of "pops" in each designated market. Pops refer to the population of a market multiplied by the percentage ownership of the cellular licensee. According to its prospectus, McCaw owns or has the right to acquire interests in cellular systems representing 37.1 million pops in 94 markets. The next-largest operator has about 18 million pops.

Ellen Berland Gibbs is president of Communications Recources, Inc. and principal of CRI Media Partners, L.P.

McCaw entered the cellular business in 1982, filing applications with the FCC to serve the Kansas City, Denver, San Francisco, San Jose, Seattle and Portland markets. Since then, it has built, acquired or soon will acquire systems in Minneapolis, Denver, Seattle, Tampa, Memphis, Louisville, Salt Lake City, Birmingham, Jacksonville, Orlando, Fresno, Austin, Las Vegas and, most recently, Miami/Ft. Lauderdale. Because of its size and national presence, McCaw has been able to cluster its markets into nine regions, which, it believes, gives it competitive advantages over smaller operators in marketing, engineering and equipment purchasing. Most importantly, with so many regions covered, McCaw can provide its customers with more service areas within each one.

McCaw has financed its growth largely through vendor financing and bank borrowings as well as the sale of extensive cable operations to Jack Kent Cooke late last year and the sale of 45 percent of the parent company in 1981 to Affiliated Publications, publishers of the *Boston Globe*. Because so many of its cellular systems are still under construction, the company continues to operate at a loss. As more become operational, however, the company's profit margins should be substantial, based on its own and industry experience so far. An established cellular system can have profit margins comparable to those of a well-run television station—45-50 percent pretax, or more. Herein lies the appeal of these investments and the basis for their valuation: the opportunity to invest in a fast-growing, new communications technology with limited competition and a high profit potential.

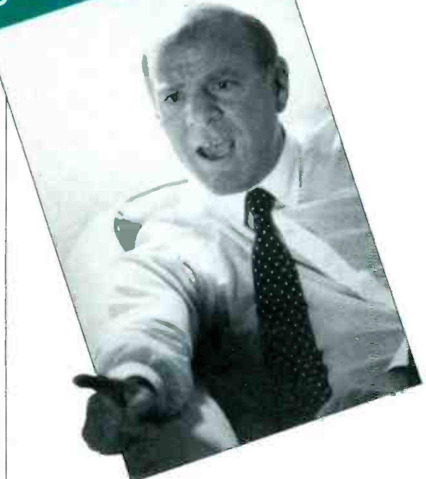
Currently, cellular phones are used mostly in automobiles. In the next few years, the development of more compact, less expensive phone equipment, plus a reduction in the price of the monthly service, may well push penetration rates above the 3 percent currently estimated for all cellular phones. For now, the $65-75 per-"pop" valuation assumes only the 3 percent penetration rate. As long as those lines remain busy, no one should be disappointed. ●

OVERVIEW OF CELLULAR CLUSTERS

MARKET	1986 POPULATION	NET COMPANY "POPS"*	PERCENT OPERATIONAL
Florida	8,677,783	8,202,634	53.7
California	22,167,678	5,304,107	37.6
Pacific Northwest	4,774,023	4,277,990	82.7
Southeast	6,959,847	6,081,539	71.0
Northeast	5,422,929	2,794,902	84.2
Rocky Mountain	3,626,521	2,927,162	82.0
Midwest	6,695,004	2,310,136	73.5
Upper Midwest	3,507,695	2,209,351	63.5
Texas	3,638,094	2,059,037	44.4
Other Interests:			
Various Markets	1,622,773	935,668	–
TOTAL	67,092,347	37,102,526	

*Population of a market multiplied by the percentage ownership of the cellular licensee.

SOUND BITES



Storming Television's Toll Bridge

Barry Diller talks about his shows, his new network and his concerns about cable's unprecedented power.

When the ratings come in for the fall season, there's no one with more to win—or lose—than Barry Diller, chairman and CEO of Fox Inc. Diller's infant Fox network, with just two nights of programming in place, needs to show advertisers it can survive the intense competition of the three majors' fall lineups. Yet Diller's not openly worried. When he spoke recently with Channels *editors Merrill Brown and Patricia E. Bauer, he was more concerned about the threat posed by unregulated cable.*

The Cable Monopoly

I think everybody in the product end of this business is worried about the idea of a toll bridge into the home—and that's what cable is becoming. Cable is really a historical accident, helped along by an over-willing Congress and FCC on the theory that cable should not be shackled by free broadcasting. But, as a result, we now have a situation where cable is emerging as a single communications channel into the home, and it has already become comfortable with charging a toll for passage. I don't think the people who are involved in cable are the "bad guys." They're just playing in a field that needs redefinition.

You simply can't have a situation where people can't enter a market. Cloaked in the First Amendment, they're standing at the gate of somebody's house and saying "pay me." And the other side, which I fear even more, is this: "I won't let you in no matter what you pay me. It's not for sale unless it does what I want it to do." And then they become the storm trooper at the gate.

How Monopolies Work

If you have an absolute unregulated monopoly, you're going to act in a predatory manner. It's inevitable. If you have absolute monopoly status, and you have First Amendment rights and nobody is protecting anything, wouldn't you say "Look, I own this wire. You want to get on it, pay me. If it's really valuable to be on Channel 5 rather than Channel 67, then I'll just squeeze you dry because you can't operate otherwise." Why shouldn't the person who owns this absolute toll bridge squeeze every last dime out of you? There's no disincentive. The only other attitude for them to have is a kind of benign charitableness. The actions of cable relative to Turner Broadcasting several years ago are a great example. They said, "Yes, Mr. Turner, you can keep CNN; however, you can't get a rate increase." And Mr. Turner said, "But I really deserve a fair rate increase. I've invested all this money in my TBS cable and my CNN news service. I've created an original new thing that's of great service to your viewers." And they said to him, "Well, I think we'll talk to NBC and go into business with them." And so Mr. Turner made a new arrangement with cable and got virtually no increase. That's them really being charitable.

Where It All Leads

This country is not going to tolerate an unregulated monopoly. Period. I'm very concerned about it, although I'm absolutely sure that it'll work out well in the end. The question is how much damage will be done before that end. We're carrying the message every way we can—through trade associations, our station group, the Motion Picture Association of America, other affiliated groups. Cities are increasingly angered by broken promises, by shoddy dealings, by some of these emerging practices. Public television stations are being removed from their historical single- or low double-digit channel positioning, or even taken off. The list goes on and on. That isn't to say that the people who have made great investments in cable should not achieve a good return on their investments. But just like the telephone company, cable certainly did well for its stockholders over a very long period. And the telephone industry is a federally regulated industry. Cable must too be federally regulated. The telephone system in the United States was declared a common carrier, and you can never be denied access to it.

The Fox Network

One of my favorite analogies for Fox Broadcasting is the beach analogy. We're on Omaha Beach in World War II. They're picking us off and mowing us down, but we have a lot of little soldiers and some of our troops are getting through. For instance, I was gratified to see that a new show on Fox, *The Tracey Ullman Show*, got the support of the industry through the Emmy nominations. Anyway, we're heading for the hedges of Normandy and we're not going to get on the road to Berlin for some time, but I think we've landed on our feet. Look at the *Hollywood Reporter*, where they do a three-network rating grid, and you'll see a little fourth network down there for the weekend. Look at the Nielsens, and you'll see that we have added nine shows to the ranking. Now, our shows are all at the bottom. I'd like them to be interspersed throughout, but we're realists. Frankly, from our point of view, that's okay. That's perfectly reasonable to us, and eminently predictable. We are beating, consistently, at least one of the networks on Saturday and Sunday in the 15 markets. In Washington, D.C., where we have a mature signal, we are fully competitive—fully, no excuses.

The Cash Register

People said to us, six months or a year ago, "Why are you starting a network at the worst possible time? Advertising is down." We said, "It's the best time." It's better to go in and discipline yourself financially in terms of your economic forecasting when business is not good than to start when business is great and then have it disappear. The truth of the matter is that we thought at best we'd do $75 million in the upfront and we've done over $100 million. We could keep writing it, too, but we want to be more conservative.

Fox Programming

As far as the fall goes, we're going to counterprogram the best we can. We're going to be as competitive as possible, and we intend to do it with some flair. It is our plan certainly to add more programming in '88. We'd probably like to add more than is practical. We think that the quicker you do it, the better it will be. We're pretty sure you've got to thicken this and deepen it for the viewer so they know there's weight and body to it, and that it is an alternative. I think we have a nice range. We are proud of the programs we've offered. We admit clearly that some of the programs probably aren't going to work out, but that's the process.

Fox's Emmy Coverage

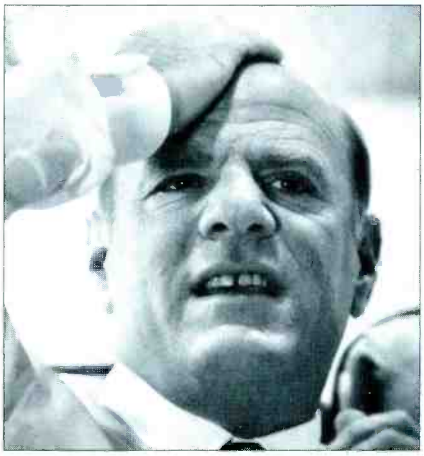
We're going to cover the Emmys. In addition to being a show, it is a news event. I love the part of the Oscars that lasts for a minute when you see people coming in. I watch people and they're dressed interestingly and they talk a bit. It's great. I'd like to find out how somebody felt after they won an award. We'll be backstage, in the press room. I want to show things other than the stage. Our goal is to present the best Emmy Awards show that's ever been done. People are going to enjoy it.

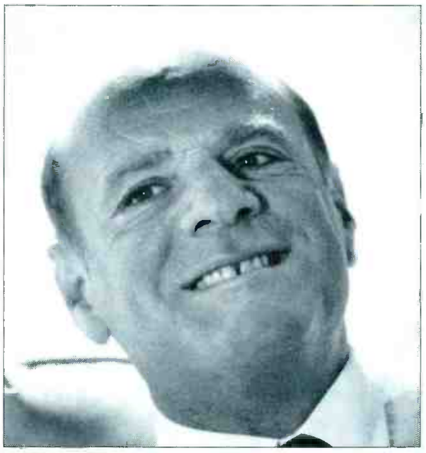
Media Negativism

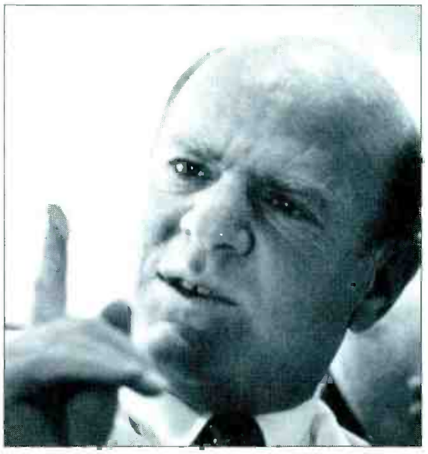
This is the sad part of the evolution of communications. Everyone is so quick to judge on every level. What's the point of printing television ratings? It's bad enough that all the networks have lost their personality, which was a result of this arguing over a tenth of a point. Now it's telegraphed to the public: "Don't watch that show; it's a failure. Watch this show; it's a success." To fight through the thicket of all this is very, very difficult. Still, that's the way the world is today. What am I going to do—complain about it? That's stupid.

We are full of hype. We will hype anything. That's what we do for a living. And we're out there with shows, and the shows should be judged. I say all that and I mean all that. But I don't understand why there would not be more support—a horrible word—more thoughtfulness, more leadership in saying that some of the shows we've put on point in a decent and interesting direction. You would think they would be saying to us, "Do better. Be different. Be an alternative."

'If you have a monopoly, you're going to act in a predatory manner. It's inevitable. Why shouldn't the person who owns the toll bridge squeeze every last dime out of you?'







DOUGLAS KIRKLAND (4)

Fox's Personality

I hope that a year from today people will have an image in their mind of the personality of the Fox network. I think it's not true yet, and I think that if anything disappoints me, it's that I don't think we are enough of an alternative yet. I don't mean that we should put on programs that break the fourth wall, or invent a new story-telling form, but I really do think we have to be more original. What we need is programming that is edged, spunkier, fresher, more exploitative in a good sense of the word. *Tracey* is a good example of it, and *Married . . . with Children*. If all our shows had that sensibility, then I think out of that will emerge the personality we seek.

Localism

We're making an investment in local news because we believe the future of free broadcasting is in being a local station and serving the community. Our television stations are in the business of localism, and the better they thrive at localism, the stronger they will be. If we provide a real service to the community, we'll be great. We'll be number one in our market. We'll make a great deal of money, and we will also feel just fine about what we're supposed to do as "broadcasters." If you're not programming for your community as a station operator, I don't know what the hell you're doing.

What Really Matters

I keep saying it over and over: this is a business of good ideas. People lose sight of it because of the organization and the bureaucracy and all that. Everybody tries to come up with research and other aids, but the key is the idea: What is the program? Short and simple. ●

RUNNING THE NUMBERS

PEOPLE METERS VS. THE GOLD STANDARD

Only once have researchers compared prime time people-meter ratings with the "gold standard" usually used in judging ratings systems—the coincidental telephone survey. Last fall the networks (with help from Nielsen Media Research) hired Statistical Research Inc. to poll viewers during prime time. The "real bottom line," says SRI's Gale Metzger, is that the survey found more viewers younger than 34—and fewer older—than did either Nielsen's old system or its new people meters. CBS, hardest hit by this month's changeover to people meters, says it's hurt by a high-tech lifestyle bias in the sample of viewers willing to push buttons on the newfangled meters. Last season (through April), the people meter gave CBS prime time household ratings a full point lower than the old system. It knocked the network from first to second place in daytime, and from second to third on Saturday morning. STEVE BEHRENS

Phone survey points up people meters' infamous failure to register many young viewers.

However, in prime time (when older people are usually present), people meters register more kids than does Nielsen's old system.

	Nielsen people meters' gain and loss in prime time audience, compared with: The old Nielsen system	The "gold standard" SRI/CONTAM phone survey
Percentage difference in audience size, by age and sex		
All persons age 2+	+1%	−2%
Children 2-5	+13%	−4%
Children 6-11	−6%	−14%
Teens 12-17	+6%	−14%
Males 18-34	+3%	−14%
Males 35-49	−1%	+12%
Males 50+	+7%	+14%
Females 18-34	−9%	−10%
Females 35-49	−5%	+6%
Females 50+	−1%	+9%
Percentage difference in average households tuned in		
ABC	*	+9%
CBS	−10%	*
NBC	*	+15%
Three networks	*	+9%

*Difference not statistically significant.

CBS suffers the most from the changeover in metering. During the past season (below), its people-meter ratings dropped further than the other networks' in every daypart.

People meters, like the old system, generally report larger audiences than the "gold standard" phone survey.

Prime time household ratings, September 1986 through April 1987

		The old Nielsen system	Nielsen people meters	People meter as percent of old system
ABC	daytime	5.6	6.0	107
	evening news	10.6	10.7	101
	prime time	14.1	14.3	101
	late night	3.9	3.4	87
	Saturday morning	3.9	4.1	105
CBS	daytime	6.4	5.3	83
	evening news	12.0	11.3	94
	prime time	15.8	14.7	93
	late night	4.0	3.4	85
	Saturday morning	4.1	3.5	85
NBC	daytime	4.8	4.8	100
	evening news	12.0	11.4	95
	prime time	17.7	17.3	98
	late night	5.5	5.0	91
	Saturday morning	5.4	4.8	89

999.5 FINE

Sources: SRI Coincidental Research Prime Time Study, sponsored by the networks' Committee on Nationwide Television Audience Measurement (CONTAM); CBS evaluation of Nielsen ratings for September 1986 through April 1987.

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